

# First Half Business Summary for Fiscal Year 2017 (27th period)

January 1 to June 30, 2017



Aoyama Zaisan Networks

## Aoyama Zaisan Networks Provides the Most Comprehensive Asset Management Solutions



In the current economic climate, management remains challenging due to the impact of negative interest rates, and trends of increased inheritance taxes for wealthy people and increased income taxes continue. Moreover, many companies are struggling with business succession due to factors such as a lack of successors. Against the backdrop of significant changes in the social environment, interests in inheritance strategies and property management have increased more than ever.

Everyone at our company will put our effort to contribute to the happiness of our customers while also ensuring sustainable growth in profits and reinforcing shareholder returns. We believe this will further enhance our corporate value.

We ask for our shareholders' continuing support and cooperation.

President Masazumi Hasumi

### About Aoyama Zaisan Networks

**We are a one-of-a-kind comprehensive property consulting firm providing services for property and business successions.**

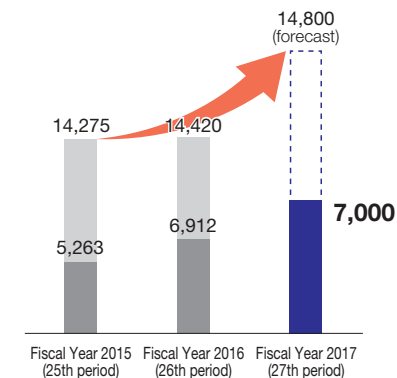
Based on our belief that "financial assets are the foundation for leading a happy life," we provide comprehensive property consulting, including services to support succession, management and administration of personal properties, business succession consulting for company owners, and solutions for effective use of real estate, which represents a large share of personal properties. Our team of expert, independent professionals works to resolve property-related issues for the benefit of customers.



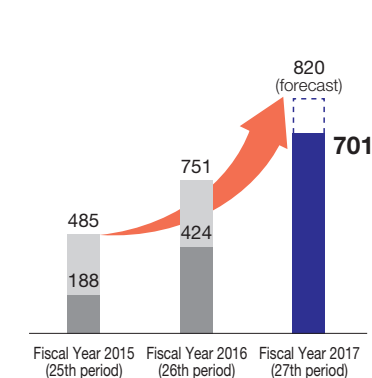
## Highlights of Consolidated Business Results

- Property management needs of asset owners are increasing, and consultations based on referrals from financial institutions are rising sharply
- Corporate consulting for business owners and capital policy-related cases and funds are growing considerably
- Revenue from new approaches such as investment business and shipping operating leases is increasing

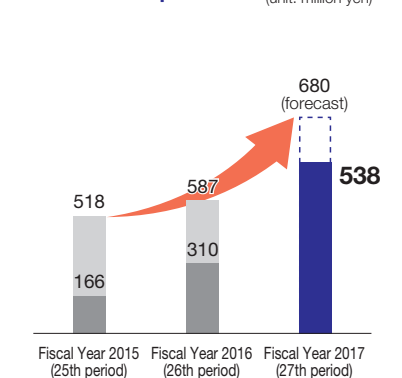
Operating revenue (unit: million yen)



Operating income (unit: million yen)



Profit attributable to owners of parent (unit: million yen)



\* The above forecasts are based on the information available as of the preparation of this document, involving some uncertainty. Actual business results might prove different from these forecasts, depending on the changes in business conditions.

### Aoyama Zaisan Networks in Numbers

Dividend payout ratio ROE (return on equity)

47.4%

18.9%

Number of qualified personnel

80

Year-end forecast for fiscal year 2017

As of end of December 2016

\* This refers to the number of working personnel who hold national qualifications such as certified tax accountants and certified public accountants.

● First local revitalization project moving forward

The Company's first local revitalization project utilizing a special venture defined in the Real Estate Specified Joint Enterprise Act is on track for completion by the end of October 2017. This is a project to build a mixed-use facility that will help drive urban development centered on JR Komatsu Station in Ishikawa Prefecture. The name of the building has now been finalized as "Komatsu A x Z Square."

The building will house an accommodation facility (Hotel Granbinario) aimed at business travelers staying for extended periods and the increased number of people visiting nearby facilities, a play area for families (Kabukky Land), Komatsu University which is scheduled to open in spring 2018, a book cafe, and a language school. The need for redevelopment projects targeting the area near train stations and urban redevelopment projects is rising, particularly in regional cities. Going forward, we will pursue local revitalization projects that utilize special ventures in various locations across Japan in order to contribute to regional economic development as part of the provision of management products to customers.



<As of June 28>



● Formation of ADVANTAGE CLUB Kanda Yasukuni-dori Voluntary Partnership

In March 2017, the Company formed the ADVANTAGE CLUB Kanda Yasukuni-dori Voluntary Partnership as a new product in ADVANTAGE CLUB, a real estate joint ownership scheme based on the Real Estate Specified Joint Enterprise Act.

During the 15 years since it was launched in 2002, a total of 40 locations of the scheme were opened (of which 17 have been liquidated), with 32.25 billion yen in assets under management and a total of 1,584 participants in the scheme (as of June 30, 2017). This program is steadily expanding.



Name	ADVANTAGE CLUB Kanda Yasukuni-dori
Partnership type	Voluntary partnership contract based on the Real Estate Specified Joint Enterprise Act
Chairperson	Aoyama Zaisan Networks Company, Limited
Partnership name	Kanda Yasukuni-dori Voluntary Partnership
Property overview	Arcadia Building Address: 1-12-3, Kanda-Sudacho, Chiyoda-ku, Tokyo Size: Steel structure with flat roof, 9 floors, total floor area of 1,848.78 m <sup>2</sup> Usage: Office/retail
Gross rate of return for first fiscal year	Approx. 6.07% (assuming full occupancy)

● Establishment of shipping operating leases

In April 2017, the Company established operating lease products for which the target asset is ships (product tankers) and the application process has been completed. In order to further expand our product mix, we concluded a current account overdraft agreement with the Chugoku Bank in July. Through the funding framework provided by this agreement, our aim is to expand our new product line-up based on this scheme and increase revenue in the future.



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● Decision to invest in a largest-scale urban redevelopment project in Indonesia

We have decided to invest in Indonesia's largest-scale urban redevelopment project, which is being undertaken by Lippo Group, a major local industrial conglomerate, in the eastern part of the nation's capital, Jakarta. Indonesia is experiencing rapid growth, and as a first step we are investing in part of the Orange County joint development being pursued by Lippo Group and Mitsubishi Corporation. The project, occupying a total area of over 5,000 ha (equivalent to a thousand Tokyo Domes), will include housing, offices, cultural and educational facilities, and more.

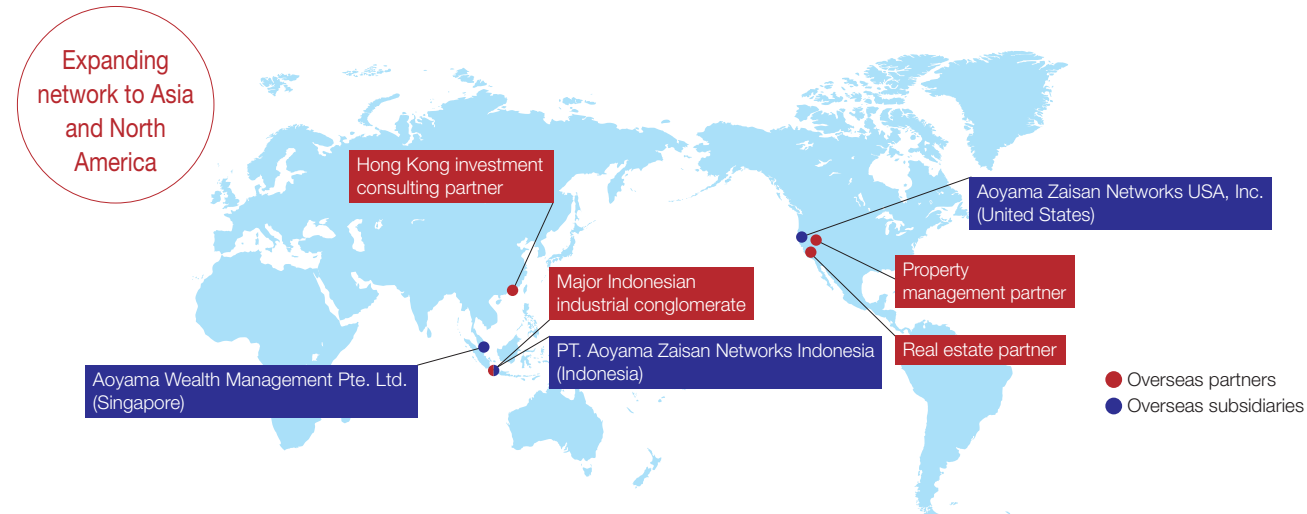
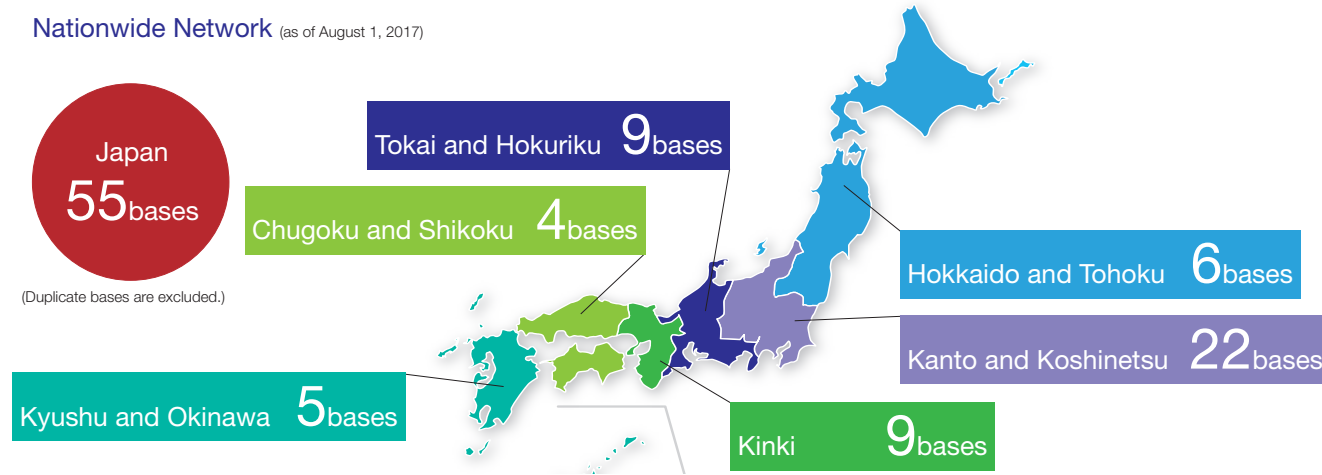


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## 55 bases within Japan plus a growing global network

We have established a nationwide network in Japan that includes leading tax accounting firms and accounting offices. Through this network, we provide consulting services to customers across Japan. As part of our efforts to expand internationally, we have established overseas subsidiaries in the United States and Singapore. Going forward, we will continue working with top overseas partners and enhance our network both at home and abroad.

### Nationwide Network (as of August 1, 2017)



### List of Nationwide Network (as of August 1, 2017)

#### Hokkaido, Tohoku

- Aoyama Zaisan Networks Sendai Support (MISAWA BUSINESS MANAGEMENT INC.)
- Zaisan Networks Fukushima Co., Ltd. (Aoki Accounting Corporation)
- Aoyama Zaisan Networks Hokkaido Support (IKEWAKI TAX, ACCOUNTING & CONSULTANTS GROUP)
- Aoyama Zaisan Networks Aomori Support (Konda Accounting Office)
- Aoyama Zaisan Networks Yamagata Support (Yutaka Licensed Tax Accountant's Corp)
- ▷ Mitsunari Accountant Office
- ▷ MISAWA BUSINESS MANAGEMENT INC
- ▷ Aoki Accounting Corporation Inc.

#### Kanto, Koshinetsu

- Nihon Shisan Souken Co., Ltd. (tax accountant office)
- Zaisan Networks Tochigi Co., Ltd. (Tajima Accounting Office)
- Zaisan Networks Motegi Co., Ltd. (MOTEGI tax consultant office)
- Aoyama Zaisan Networks Saitama Co., Ltd. (CWM Research Institute)
- Zaisan Networks Kawasaki Co., Ltd. (Tokyo Japan Certified Tax Accountants' Corporation)
- Zaisan Networks Nagano Co., Ltd. (Mochizuki Tax Corporation)
- Aoyama Zaisan Networks Ibaraki Support (Masuyama Accounting Office)
- Aoyama Zaisan Networks Kanto Chuo Support (MMG Tax Corporation)
- Aoyama Zaisan Networks Denenchofu Support (Saito Tax Corporation)
- Aoyama Zaisan Networks Yokohama Support (YAMADA SYNTHETIC OFFICE)
- ▷ Kujirai Tax Corporation

- ▷ Kei Yo Research Institute
- ▷ Zeimu Sogo Tax Corporation
- ▷ Nihon Mirai Accounting & Tax Co.
- ▷ Nakamura Certified Public Tax Accountants Office
- ▷ CREAS Corporate Advisers Co., Ltd.
- ▷ eclat Consulting
- ▷ Top Accounting Firm & co
- ▷ Ai Partners Tax Corporation
- ▷ Oyama accounting Co., Ltd
- ▷ Masatoshi Yoshikawa Certified Tax Accountant Office
- ▷ Koyama Sadao tax accounting office

#### Tokai, Hokuriku

- Zaisan Consultants Kanazawa Co., Ltd. (Hatake & Starship Tax Corporation)
- Zaisan Networks Shizuoka Co., Ltd. (Iwasaki Tax Corporation)
- Zaisan Networks Nagoya Support (Meinan Consulting Network)
- Aoyama Zaisan Networks Fukui Support (Uesaka Consulting Firm)
- ▷ ARIASU ZEIRISIHOUJIN.
- ▷ Midori Management System, Co., Ltd.
- ▷ Meito Asset Consulting, Co., Ltd.
- ▷ MMPC Consultants Corporation
- ▷ KIMURA KEIEI BRAIN CO., LTD.

#### Kinki

- Zaisan Networks Kyoto Co., Ltd. (SHINKEIEI SERVICE SHIMIZU Tax Co.)
- Zaisan Networks Osaka Co., Ltd. (Nihon Keiei Tax Corporation)
- Zaisan Networks Hyogo Co., Ltd. (Nihon Keiei Tax Corporation)
- Seki Soken Zaisan Partners Co., Ltd (AZ TAX Tax Corporation)
- Aoyama Zaisan Networks Wakayama Support (Nishioka Accounting Office)
- Aoyama Zaisan Networks Kyoto Nijo Support (HIROSE LICENSED TAX ACCOUNTANT)
- Aoyama Zaisan Networks Mie Support (Midland Management Group Mie)
- ▷ Shibata Business Consulting Co., Ltd.
- ▷ Ueda Certified Public Accountant Licensed Tax Accountant Office.
- ▷ CREAS Corporate Advisers Co., Ltd.

#### Chugoku, Shikoku

- Zaisan Consultants Tokushima Co., Ltd. (M.A.S. AGENT GROUP)
- Midori Zaisan Consultants Co., Ltd. (Midori Tax Corporation)
- Aoyama Zaisan Networks Shimane Support (Chikashige Tax Office)
- ▷ Nonaka Keiei Corporation

#### Kyushu, Okinawa

- Zaisan Networks Fukuoka Co., Ltd. (SHINOHARA CPA OFFICE)
- Zaisan Networks Okinawa Co., Ltd. (PS Accounting Office)
- Aoyama Zaisan Networks Nagasaki Support (Chuo Sogo Accounting Office)
- Aoyama Zaisan Networks Saga Support (MOROI Accounting Firm)
- ▷ IDEA Research Institute Consulting Co., Ltd.

■ Aoyama Zaisan Networks' Nationwide Network ▷ NSSTPS Business Model Association \* NSSTPS is the abbreviation for Nippon Shisan Soken Total Planning System.

### Corporate Data (as of June 30, 2017)

Name of Company	Aoyama Zaisan Networks Company, Limited
Head Office	3F Aoyama Tower Place, 8-4-14 Akasaka, Minato-ku, Tokyo 107-0052 Tel. +81-6439-5800
Incorporated	September 17, 1991
Capital stock	1,088.93 million yen
Business line	Individual property consulting, business succession consulting and real estate solutions consulting
Number of employees (Group)	182 (as of June 30, 2017)
Consolidated subsidiaries	6 companies including Aoyama Estate Co., Ltd., Nihon Shisan Soken Co., Ltd. and Proggest Co., Ltd.

### Executives (from August 1, 2017)

President	Masazumi Hasumi
Director, Managing Executive Officer	Masayuki Yagi
Director, Managing Executive Officer	Takeshi Matsuura
Director, Managing Executive Officer	Yasuo Takano
Director, Executive Officer	Seido Nakatani
Director, Executive Officer	Shinji Shimane
Director, Executive Officer	Takaomi Ogawa
Outside Director	Haruo Shimada
Outside Director	Keiji Watanabe
Outside Director	Michihiro Nagasaka
Standing Outside Auditor	Yoichiro Shimada
Auditor	Hisao Nakatsuka
Outside Auditor	Hiroaki Rokugawa



## Stock Overview (as of June 30, 2017)

Number of shares in issue ..... 11,963,500

Number of shareholders..... 5,099

### Major Shareholders (Top 10)

Name	Shares held	Shareholding ratio
Masazumi Hasumi	1,207,100	10.09
Yasuo Takano	658,600	5.51
Treasury shares of Aoyama Zaisan Networks Company, Limited	550,000	4.60
MSIP CLIENT SECURITIES	289,400	2.42
Eiichiro Iwase	260,800	2.18
Mutsumi Shimada	200,000	1.67
Nihon M&A Center Inc.	150,000	1.25
MID Investment Co., Ltd.	120,000	1.00
CHASE MANHATTAN BANK GTS CLIENTS ACCOUNT ESCROW	109,800	0.92
Taisei Co., Ltd.	104,000	0.87

## Notes for Shareholder

Fiscal year	January 1 to December 31
Base date for the determination of shareholders with year-end dividend entitlements	December 31
Base date for the determination of shareholders with interim dividend entitlements	June 30
General meeting of shareholders	in March
Administrator of the shareholder registry/Account management institution for special account	Mitsubishi UFJ Trust and Banking Corporation
Contact	Mitsubishi UFJ Trust and Banking Corporation, Stock Transfer Agency Department 1-1, Nikko-cho, Fuchu-shi, Tokyo Tel. 0120-232-711(toll-free, Japan only) Mailing address: P.O. Box 29, Shin-Tokyo Post Office 137-8081 Mitsubishi UFJ Trust and Banking Corporation, Stock Transfer Agency Department
Account management institution for special accounts	Sumitomo Mitsui Trust Bank, Limited
Contact	Sumitomo Mitsui Trust Bank, Limited, Stock Transfer Agency Department 2-8-4, Izumi, Suginami-ku, Tokyo 168-8507 Tel. 0120-782-031(toll free, Japan only)
Stock exchange listings	TSE Second Section
Public announcements	To be announced on the Company's website

(For reference)

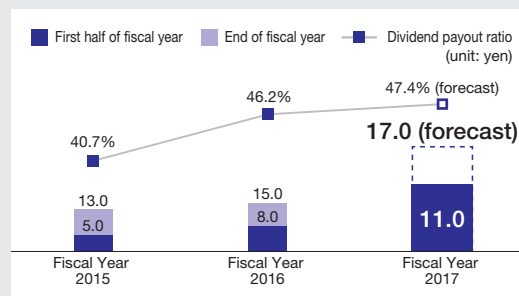
- Shareholders' address changes, repurchase requests, and such other procedures, as a rule, are filed with the account-administrating institutions where shareholders have their accounts (securities companies, etc.). Shareholders are requested to contact their account holding securities companies, etc., for information. Shareholders are reminded that application filings cannot be made with the administrator of shareholder registry (Mitsubishi UFJ Trust and Banking Corporation).
- For information on procedures concerning shares recorded in special accounts, shareholders are requested to contact The Sumitomo Mitsui Trust Bank, Limited, the account administration institution for special accounts. Shareholders are reminded that procedures cannot be processed by Mitsubishi UFJ Trust and Banking Corporation, which serves as the administrator of the shareholder registry.
- Dividends hitherto uncollected by shareholders are paid by Mitsubishi UFJ Trust and Banking Corporation, Head Office Branch.

## Dividend forecast

Our goal is to achieve a stable, ongoing dividend payout ratio of 50%.

Fiscal year ending in December 2017: **28** yen

## Transition of dividend



## Shareholder Incentives

The Company provides benefits under the following conditions to shareholders recorded in the shareholder register as of June 30.

### Shareholders who hold 1,000 shares or more

Select 1 from 10 products worth 3,000 yen



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### Shareholders who hold 10,000 shares or more continuously for over 1 year

A meal certificate from UKAI CO., LTD. (20,000 yen)  
or Ukai special select beef (worth 20,000 yen)



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