

Corporate Data (as of December 31, 2023)

Corporate Profile	
Name of Company	Aoyama Zaisan Networks Company, Limited
	3F Aoyama Tower Place, 8-4-14 Akasaka, Minato-ku, Tokyo 107-0052
Head Office	Phone: +81-3-6439-5800
Incorporated	September 17, 1991
Capital stock	1,210.99 million yen
Business line	Property consulting Business succession consulting Real estate solutions consulting
Number of employees (Group)	298 (across group companies)
Consolidated subsidiaries	Nihon Shisan Souken Co., Ltd. Aoyama Estate Co., Ltd. Aoyama Financial Service Co., Ltd. Aoyama Family Office Service Co., Ltd. Aoyama Zaisan Networks Kyushu Co., Ltd. Aoyama Zaisan Investments Co., Ltd., and 4 other companies

Executives <small>(as of March 31, 2024)</small>	
President	Masazumi Hasumi
Director, Managing Executive Officer	Masayuki Yagi
Director, Managing Executive Officer	Takeshi Matsuura
Director, Managing Executive Officer	Takaomi Ogawa
Director, Managing Executive Officer	Shintaro Hashiba
Director, Executive Officer	Shinji Shimane
Director	Michihiro Nagasaka
Outside Director	Haruo Shimada
Outside Director	Keiji Watanabe
Outside Director	Madoka Mori
Outside Audit & Supervisory Board Member (standing)	Hiroyuki Fujita
Audit & Supervisory Board Member	Hisao Nakatsuka
Outside Audit & Supervisory Board Member	Hiroaki Rokugawa

Stock Overview	
Number of shares in issue	24,520,859 shares
Number of shareholders	11,223

Major Shareholders <small>(Top 10)</small>			
Name	No. of shares held	Ratio (%) *	
Masazumi Hasumi	2,508,976	10.32	
Nihon M&A Center Inc.	1,000,000	4.11	
Custody Bank of Japan, Ltd. (trust account)	901,100	3.7	
Custody Bank of Japan, Ltd. (pension trust account)	554,700	2.28	
Capital Asset Planning, Inc.	400,000	1.64	
NORTHERN TRUST CO. (A/F/C) RE UK/ AI/ CLIENTS NON LENDING 10PCT TREATY ACCOUNT	340,000	1.39	
GOLDMAN SACHS INTERNATIONAL	331,800	1.36	
Aoyama Zaisan Networks Employee Shareholding Association	322,900	1.32	
BNYM SA/NV FOR BNYM FOR BNYM GCM CLIENT ACCTS M ILM FE	303,180	1.24	
NOMURA PB NOMINEES LIMITED OMNIBUS—MARGIN (CASHPB)	277,800	1.14	

*Ratio of shares held to total number of shares issued (excluding treasury stock) (%)

Aoyama Zaisan Networks Company, Limited Integrated Report 2024

For more information or inquiries about this report, please contact:
Aoyama Zaisan Networks Company, Limited
Corporate Planning Division
Phone: +81-3-6439-5824
URL: <https://www.azn.co.jp/contactus/>

2404083

We will remain your best partner in 100 years.

We are a comprehensive property consulting firm
that safeguards both assets and the future.

Management objectives

- 1 We seek to contribute to the happiness of our clients through the succession, operation and management of property.
- 2 We seek to ensure both the physical and mental well-being of the members whom we work with.

Core values

- 1 We are committed to helping our clients resolve their asset-related problems, and we will continue to grow into a company that takes true pleasure in helping our clients.
- 2 As we work for AZN, we accumulate virtues and undergo growth into people with strong interpersonal skills.
- 3 We seek to maintain the balance among financial, physical, and mental resources and to enrich and expand each of these aspects, enabling our clients to lead happy lives, and us too.
- 4 Each of us understands his or her role, and to fulfill that role, each of us seeks to develop his or her wisdom, capacity for action, and interpersonal skills, always displaying tenacity and passion.

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Editorial Policy of this Report

This report primarily covers performance for FY2023 (January 1, 2023 to December 31, 2023). But some parts deal with data or events from prior years or from most recent years. Essentially, the subject of this Report is Aoyama Zaisan Networks and its group companies (10 consolidated subsidiaries) as of December 31, 2023.

Notes on future prospects

The contents of this Integrated Report that are not historical facts are future forecasts made by Aoyama Zaisan Networks Company, Limited based on its outlook and plans. These future forecasts contain factors including risks and variables; actual outcomes and performance may vary from them.

Published in May 2024

Growth trajectory

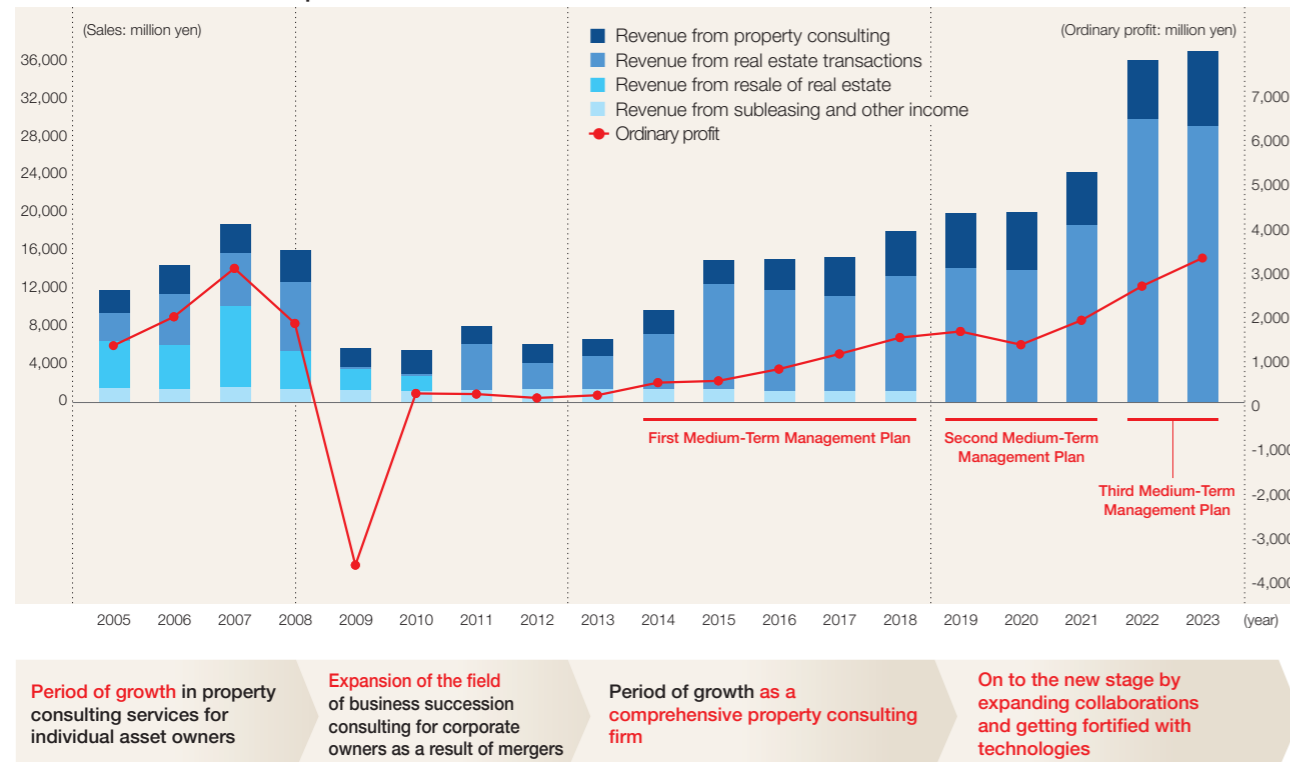
Aoyama Zaisan Networks (AZN) is a property consulting group serving both individual asset owners and business owners. After commencing business in 1991 as a group company of Funai Consulting Incorporated, the firm focused initially on the real estate business. With the global financial crisis of 2008 as a turning point, we expanded our business from a short-term profit taking structure centered on resale of real estate to a long-term, total optimization standpoint on property consulting for our clients as our main focus. Our revenue classifies broadly

from property consulting to real estate transactions, with property consulting revenue being our main source of profits.

Through comprehensive property consulting for the perpetuation of families and businesses, Aoyama Zaisan Networks contributes to the happiness of its clients. We will continue to grow sustainably to become Japan's No. 1 comprehensive property consulting firm, supported by clients who know, "When it comes to property, it's Aoyama Zaisan Networks."

Transitions in business portfolio and net sales

*From 2019 onward, revenue from subleases is included in revenue from real estate transactions and other revenue is included in revenue from property consulting.



Business line

Comprehensive property consulting, which lies at the core of our business, is a consulting service designed to achieve the optimal property structure to perpetuate our clients' families and businesses. We offer a one-stop consulting service for the succession, operation, and management of property and business succession for individual asset holders (landowners and financial asset holders) and corporate owners.

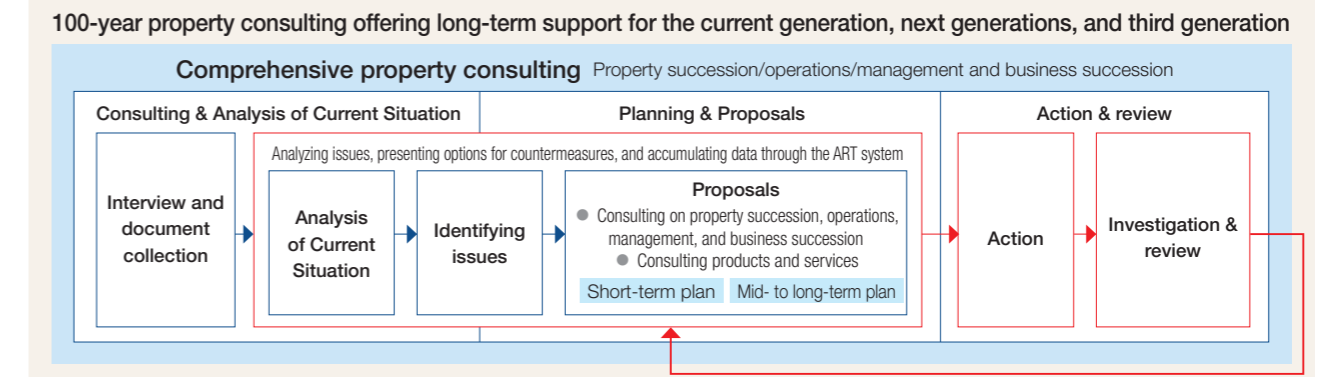
Our group supports total optimization planning and implementation for our clients through expert perspectives, with more than 150 national certificates holders employed by AZN, and through our unique analytical methods built up over many years.

Business and service overview



Our business model and 100-year property consulting

Business model



The Aoyama Zaisan Networks business model involves building relationships of trust by contributing to the happiness of its clients and earning ongoing property consulting revenue from these long-term relationships.

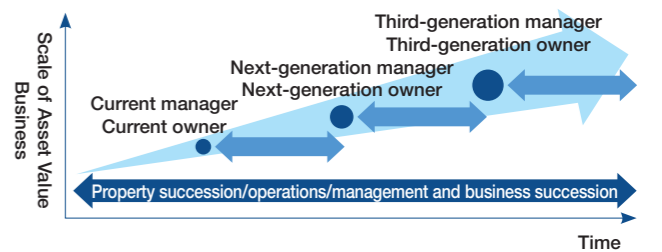
Our consulting process is firmly based on interviews with our clients and collection of documentation. We provide long-term support to our clients by repeating this cycle: analysis of the current situation, identification of issues, planning and proposals, implementation, verification, and review by our own analysis tools and experts. By utilizing AZN Group's proprietary ART system, we provide high-quality consulting services ranging from analysis of current situations to planning and proposals.

In the fields of property and business consulting, AZN is committed to 100-year property consulting to look after property not only for the current generation, but also for the next generation and the following generations. Working from a total optimization standpoint, we are always striving to solve issues related to the succession, operations, and management of property as well as business succession

by building long-term relationships with our clients and proposing methods to smoothly facilitate succession and operations. By doing this, we maintain and expand the size of our clients' assets and perpetuate their families and their businesses, providing the foundation for AZN Group to earn stable revenue.

100-year property consulting

A business model in which long-term relationships are built with clients, which generates long-term revenues through consulting from the current generation to the next generation and beyond.



The market environment & our strengths

In January 2015, Japan's Inheritance Tax Act was amended, reducing the basic inheritance tax exemption and raising the maximum tax rate to 55%. This has resulted in a sharp increase in the number of persons now subject to taxation, as well as a significant increase in the percentage subject to taxation. As a result, we have received an increasing number of inquiries from individual asset owners, and some of them have become our clients.

In terms of business succession, Japan's declining birthrate and aging population have caused a chronic shortage of suitable successors for businesses. By 2020, the average age of company presidents in Japan was in excess of 60 years, and the percentage of companies without designated successors hovered around 55%.

We anticipate that our clients' needs for the succession,

operation and management of their property as well as succession of business will continue to expand. By leveraging AZN's strengths as a group and consistently working to resolve these issues, we will continue to accompany our clients into the future.

Strengths of Aoyama Zaisan Networks

- Expert insights and application of technology
- Ability to propose and implement total optimization based on 5 standpoints
- Comprehensive property consulting services for assets and business
- Reliability that comes from being listed on the stock exchange, and neutrality that comes from being independent

Our Value Creation Story

AZN Group's Management Objectives are "To contribute to the happiness of our clients through the succession, operation and management of property" and our mission is "To achieve the optimal property structure through consulting on the succession, operation, and management of property so that our clients' families and businesses can develop and prosper."

In order to realize this mission, AZN Group exists to "deliver optimal proposals from a bird's-eye, big-picture perspective in order to solve our clients' problems." We contribute to our clients' happiness through the enrichment of their property,

bodies, and minds by solving property-related problems that exists in society, in the belief that the enrichment of social property will lead to sustainable growth for society. We have outlined the process of value creation as shown in the diagram below.

Firstly, as an AZN comprehensive property consulting firm, we provide total optimal solutions to the property concerns of asset owners and business owners that have some bearing upon social issues.

We contribute to our clients' happiness by helping to resolve issues and eliminate concerns, and by helping to

build relationships of mutual support between property and business/family for our clients. Our clients' families will continue to grow and prosper, passing on better assets and better businesses to the next generation and onwards to the following generations.

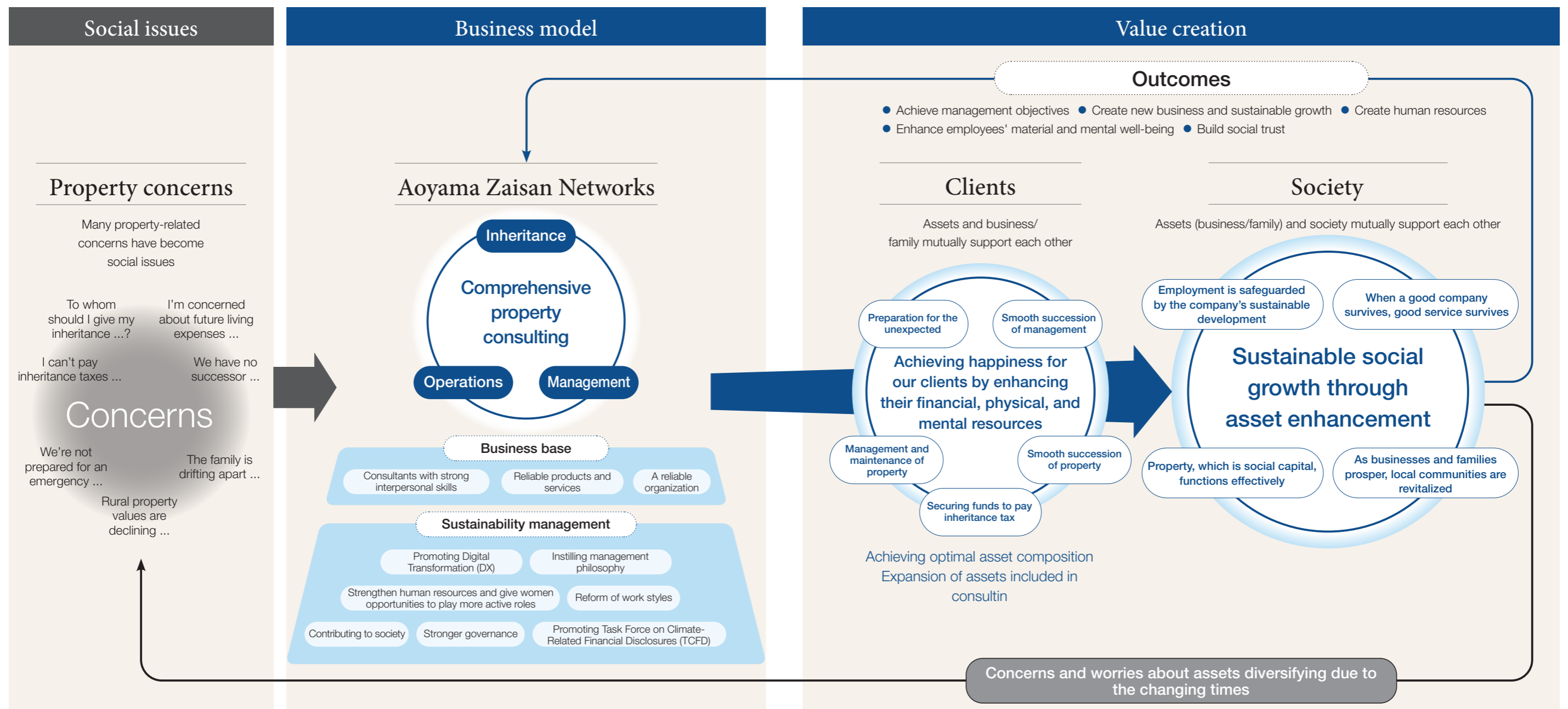
Our society will see the benefits of these businesses and assets growths, aiding in the achievement of a sustainable society in which communities and society prosper, employment grows, and quality services continue, which in turn will support the sustainable growth of AZN Group. This enables us to realize our management objectives and our

philosophy, which in turn will lead to creation of value for our clients and for society.

As times change, so do social issues and our clients' property concerns. For new concerns and new social issues, we envision a cycle of processes in which we, as a group of experts, provide new solutions to help our clients develop further. This is the value creation story of our AZN Group.

In the future, we will focus not only on succession and value creation around property and business, but also on helping to create value to pass on the family's philosophy and aspirations.

Value creation process at Aoyama Zaisan Networks



Our Vision

Japan's top comprehensive property consulting firm supported and chosen by many clients as
 "When it comes to property, it's Aoyama Zaisan Networks"



Aoyama Zaisan Networks started business in 1991 as a group company of Funai Consulting Incorporated. We have operated as a property consulting company offering real estate solutions. We have expanded our business in Japan and overseas as a consulting company providing comprehensive property-related solutions to "individual asset owners" and "corporate owners," marking our 30th anniversary in 2021. Having declared our management objectives as, "We seek to contribute to the happiness of our clients through the succession, operation and management of property," we will continue to make further strides to realize our long-term vision to look after the assets of our clients and, by extension, of society, and to lead them into the future.

Our Strategy Medium-Term Management Plan

Third Medium-Term Management Plan

Our vision is to become Japan's No. 1 comprehensive property consulting firm, supported by clients' who know, "When it comes to property, it's Aoyama Zaisan Networks." Our Medium-Term Management Plans are formulated to realize this long-term vision.

Following the First Medium-Term Management Plan in our venture phase and the Second Medium-Term Management Plan in our growth phase, the Third Medium-Term Management Plan for the three-year period beginning in FY2022 is positioned as a period of expansion and growth as a comprehensive property consulting firm.

AZN Group's profits and sales grew steadily during the venture period, but from FY2019 to FY2021, which had been positioned as a growth period, our profits, sales, and productivity per consultant remained flat, and AZN Group is currently experiencing something of a growth plateau. Therefore, for our Third Medium-Term Management Plan, we have formulated a plan with clear quantitative targets, keeping in mind the paramount issues of increasing

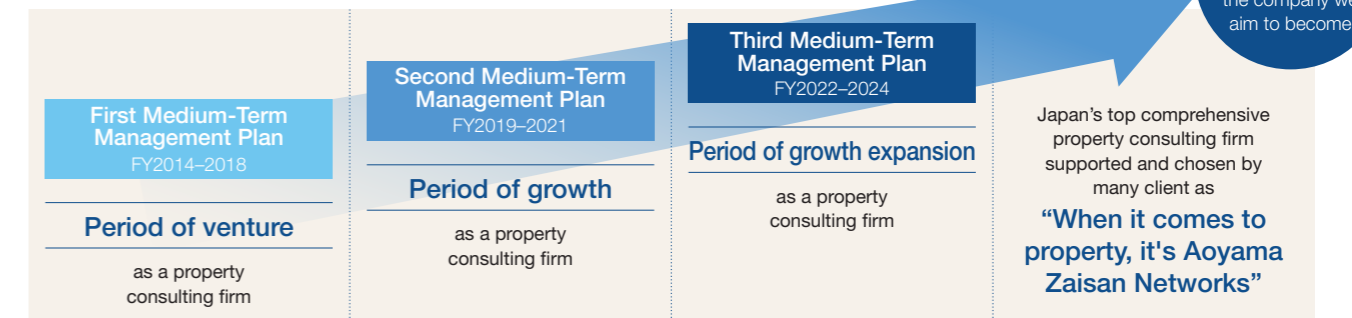
profitability and productivity.

With regard to operating profit, in order to be able to provide services that exceed client expectations, we aim for continuous growth each year. In the final fiscal year of this plan, FY2024, we expect gross profit of 7 billion yen, operating income of 3.5 billion yen, and an operating profit ratio of 9.2%.

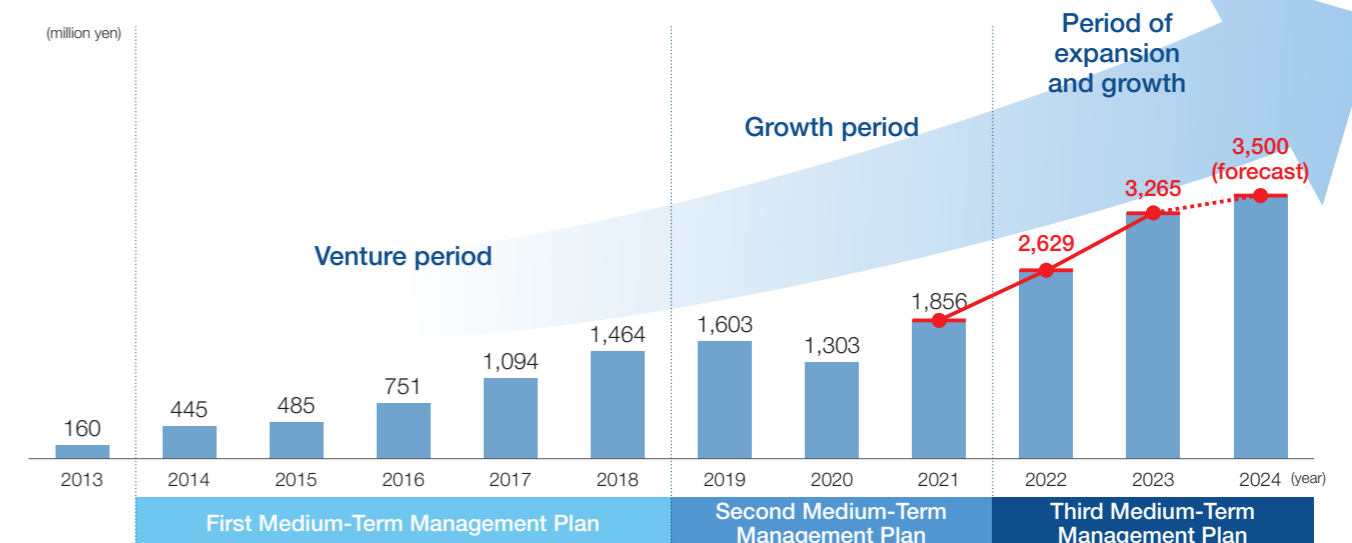
With respect to the 211 consultants currently on staff, AZN aims to increase the proportion of property consulting revenue in its gross profit and improve sales by substantially increasing the number of consultants through aggressive investment in human resources. At the same time, we will be promoting DX to increase productivity and improve our operating profit ratio.

To accomplish these goals, various measures have been formulated for the Third Medium-Term Management Plan, based on the 4 standpoints outlined on the following page.

Third Medium-Term Management Plan (Overview)



Shifts in operating profit in the Third Medium-Term Management Plan



Our Strategy Medium-Term Management Plan

4 standpoints of the Third Medium-Term Management Plan

Standpoint 1 Achieving higher quality and quantitative expansion of our client services, based on the twin cornerstones of strategic individualized services and comprehensive property consulting services	Standpoint 2 We offer property consulting services via smartphone and online communication tools as standard services	Standpoint 3 Growing into a consulting group with strong interpersonal skills	Standpoint 4 Proactive approach to social contribution activities
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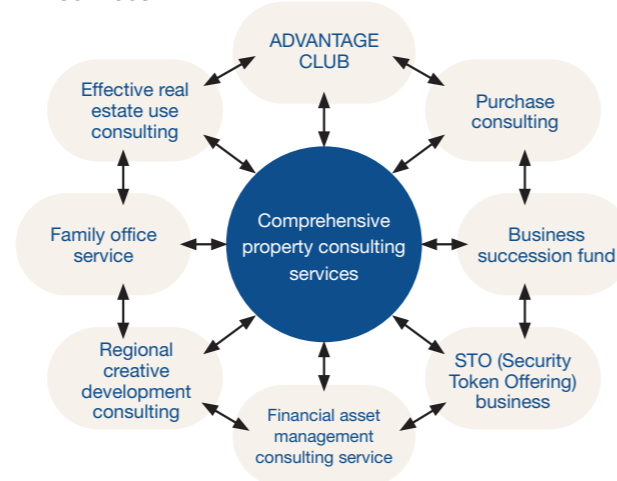
Standpoint 1 Achieving higher quality and quantitative expansion of our client services, based on the twin cornerstones of comprehensive property consulting services and strategic individualized services

AZN Group offers eight strategic individualized services, including Advantage Club®, a small-lot real estate product, and aims to improve quality and expand quantity in conjunction with its other cornerstone of comprehensive property consulting services.

Some new clients may feel that suddenly dealing with a comprehensive suite of property consulting services is too much. For this reason, we believe that by first making contact with our clients through strategic individualized services that meet their needs, and then using that as a starting point, we can smoothly connect them to our comprehensive property consulting services.

We look forward to increasing revenues by meeting client needs through the synergistic effect of these services and by building long-term relationships.

The relationship between strategic individualized services and comprehensive property consulting services



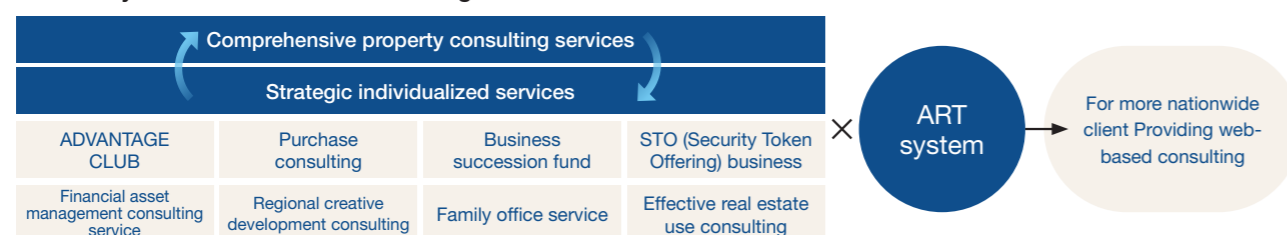
Standpoint 2 We offer property consulting services via smartphone and online communication tools as standard services

We will aggressively promote DX to increase profitability and productivity. The core of this approach is the ART system, which was developed and introduced by the

Group in February 2021.

The ART system integrates and incorporates the knowledge of top consultants in various fields, including

ART system & web-based consulting



inheritance strategies, business succession, and utilization of real estate. With the simple input of client data, the system can speedily analyze issues and present options for strategies and measures. By utilizing the ART system and online services, we are able to provide consulting services to numerous clients throughout Japan.

Also, by introducing the ART system, we have established a system for division of labor in consulting work. Our inside sales team handles the initial stage of each project, and is able to provide standardized consulting using the ART system. This allows our highly specialized consultants to demonstrate their expertise, to focus on comprehensive property consulting work, and to

provide more extensive care to clients than ever before.

The system is currently undergoing improvement to provide standard services using smartphones and online communication tools. For example, from 2022 we introduced the ability for users to check the status of their investments and dividends using Advantage Club, our flagship product for strategic individualized services, via a smartphone app, and we plan to introduce a function enabling purchases in the future. We are also strengthening our direct marketing and considering new developments, including the use of platforms to provide a digital window into the market.

Improving productivity and customer service with DX

	Contact point with new client	Receiving inquiry	Meeting & consulting	Application	Ongoing follow-up
Before	Consultant responds to referral from financial institutions, etc.	Consultant handles everything from the initial stage	Mainly face-to-face for clients in the Tokyo area (online meetings also used)	Written application	Personalized follow-up by consultant
After (From 2022 onward)	Utilize digital platforms 	Division of labor x ART system 	For clients nationwide Online meetings x ART system 	Application via smartphone (ADVANTAGE CLUB, etc.) 	Utilize digital platforms

Standpoint 3 Growing into a consulting group with strong interpersonal skills

For our consultants, it is of paramount importance to earn the trust of our clients in order to successfully consult with them about their valuable assets and businesses.

To achieve this, it is essential that we grow into a consulting group that possesses strong interpersonal skills combining integrity, kindness, and compassion. Among the interpersonal skills required, AZN considers a sense

of wanting to help others—the desire to contribute to the happiness of our clients—to be particularly essential.

In order to build up such interpersonal skills, in addition to ideals training conducted in-house, we promote initiatives such as supporting participation of Group employees in activities that contribute to society outside the company too.

Standpoint 4 Proactive approach to social contribution activities

In conducting sustainable operations, it is also important that companies actively engage in social contribution activities as part of their corporate social responsibility. AZN has been continuously making donations to the Tokyo Medical Association and providing supplies to medical institutions, using a portion of the profits generated through its business.

From 2022, in addition to donating to organizations tackling

social issues such as eliminating pet euthanasia completely and promoting subsidized meals for children, we have also promoted our employees' own social contribution activities and have established a new social contribution plan as a shareholder benefit, among other efforts. We will continue to make company-wide contributions through cross-functional organizations such as our Sustainability Committee to help realize a society that sustains many people in happiness.

We aim to be a partner to our clients, providing advice from a bird's eye view of the overall situation of property.

As needs for property succession, operation, and business succession continue to expand, the demands placed on us as consultants are growing increasingly diverse and complex.

To support these needs, we have adopted a vision of "becoming a leader in the wealth management business," and are working to train our consultants and improve their productivity, strengthen our relationships with clients, and diversify our marketing strategies, among other measures.

A robust domestic economy and increasingly uncertain global situation

— How do you envision changes in social trends and the business environment?

I think there's a sense that society is finally moving back to normal. Although the COVID-19 pandemic swept the world for several years, more and more people seem to be feeling brighter about the future of the Japanese economy, as symbolized by the record-high Nikkei Stock Average. Wage levels are trending upward and the real estate market is strong.

Against the backdrop of rising asset prices, the needs of high-net-worth individuals in regard to property succession, business succession, and asset management are increasing. By 2024, all baby boomers will reach the age of 75. Over the next 10 to 15 years, demand will peak.

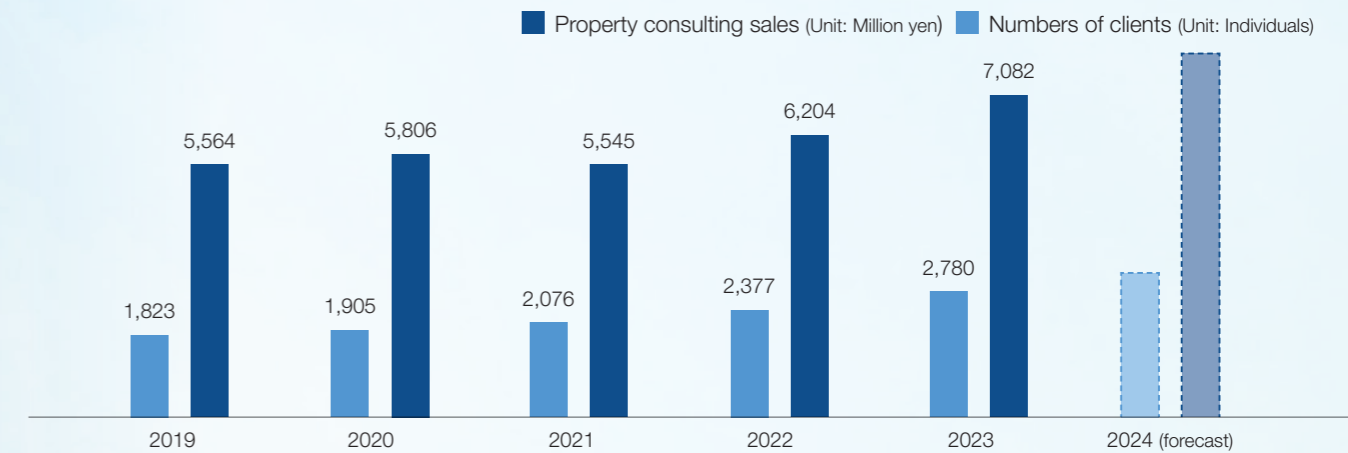
With regard to business succession, we are seeing remarkable diversification of needs as well as an increasing number of cases. Many of our clients are family business owners. These are people who started their businesses during Japan's era of strong economic growth, and who have protected and grown these businesses over many years. However, industrial structures and the business environment have changed dramatically in recent years, and some companies have been severely damaged by the lingering effects of the pandemic over the last few years. Given these circumstances, an increasing number of owners are unable to find a successor and are instead opting for third-party M&A.

Turning from Japan to the world, several factors are driving instability, including wars and conflicts, intensifying competition between the US and China, and the slowdown of the Chinese economy. Compared to a few years ago,

President

Masazumi Hasumi

Transitions in numbers of clients and property consulting sales



uncertainty is definitely on the rise. We need to continue to monitor the potential negative impact on Japan of this global situation. More and more high-net-worth individuals believe that they need to be ready and prepare themselves for any eventuality.

Third Medium-Term Management Plan and medium- to long-term vision

— 2024 is the final year of the Third Medium-Term Management Plan. Could you give an overview of recent business performance?

In our Third Medium-Term Management Plan, these three years were positioned as a period of expansion and growth. As mentioned earlier in reference to expanding needs, our recent performance has been good, due in part to a favorable business environment. For example, the number of client referrals from financial institutions increased significantly from approximately 1,000 in 2022 to approximately 1,300 in 2023. The number of clients who have entered into contracts also increased from about 300 to about 400.

Property consulting revenues are also growing. One major factor is an increase in unit contract price. This is due in part to the rise of the real estate market, as well as the improved capabilities of individual consultants. In 2023, productivity per consultant saw a year-on-year increase of approximately 10%. However, this does not match the rate of increase in unit contract price over the same period.

This demonstrates a challenge in regard to the quality of consultants, who are being hired in increasing numbers as our business expands—or in other words, the need to improve their consulting skills. To respond to diversifying needs as the number of consultations increases, we need to further improve the productivity of our consultants. We will discuss this point in greater detail later.

Our Third Medium-Term Management Plan calls for the strengthening of strategic individualized services. These comprise eight services, including Advantage Club, a real

estate joint ownership system, as well as purchase consulting and consulting on effective utilization of land, in which we provide comprehensive support from real estate selection to post-purchase management, operations, and sale. These services are gradually growing and contributing to earnings. We believe that further growth can be expected in the future.

Moreover, changes in society and in the business environment are accelerating. In order for our business to grow, we need to keep abreast of changes in the environment and continue to develop services that meet the needs of the times. In addition to expanding these eight services, we are also carefully considering our next move.

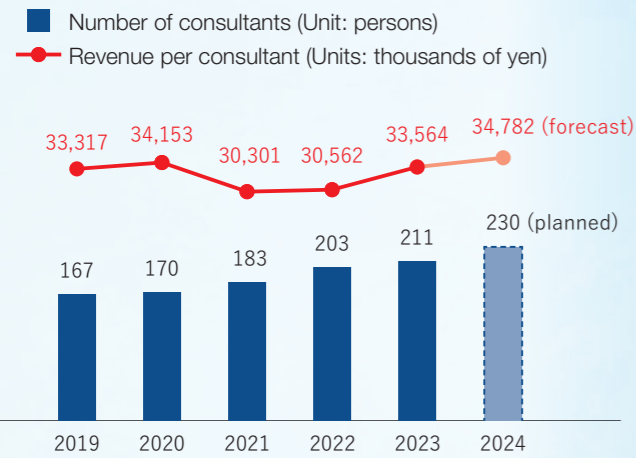
— Could you tell us about your vision and the kind of company Aoyama Zaisan aspires to be?

Our mid- to long-term goal is to "becoming a leader in the wealth management business." We aim to build long-term relationships of trust with high-net-worth individuals, such as owners of real estate and financial assets, as well as corporate owners, and provide optimal advice based on a bird's-eye view of our clients' overall wealth. We seek to consult with the most people and help solve the most problems in Japan. As your partner, this is the kind of wealth advisor we aspire to be.

To realize this vision, it is essential that we increase productivity. As we proceeded with our Third Medium-Term Management Plan, three issues emerged: "We do not have enough consultants to handle increasingly diverse client needs and complex projects," "There is still scope to improve relationships with our clients," and "We need to enhance our marketing methods."

First is the need for consultants who can handle increasingly diverse and complex projects. When passing on property and business, a wide range of knowledge is required, including tax law, corporate law, civil law, and other laws, as well as business and other areas of knowledge. Client needs are becoming more diverse and complex. We need to increase the number of consultants who can reliably be entrusted with any project.

Property consulting revenue per consultant



We need to increase the number of consultants who can reliably be entrusted with any project.

The next thing is improving our relationships with clients. If we build a relationship where we're able to offer clients solid advice on any kind of property matter, they will feel able to contact us immediately with any problem. We need to address the issue of how to establish, maintain, and strengthen these relationships.

Finally, marketing. Referrals from financial institutions are extremely important as a gateway to accessing high-net-worth individuals. We are currently looking at ways to further strengthen cooperation with financial institutions, but other means of access could also be considered. As one way, we have been actively engaged in direct marketing to individual clients since 2023, and we are starting to utilize the data to this end. In 2024, we are expanding those efforts to include corporate owners and are working on initiatives to achieve greater contact with more clients.

Themes that need to be addressed to realize the vision

— What do you think it will take to realize this vision?

Our three goals are to "improve interpersonal skills," "create a supportive environment for consultants," and "realize a pleasant and rewarding workplace."

The single most important thing for a consultant is having interpersonal skills. We tend to think we can solve problems with our own knowledge and skills, but is that really true? Clients will not entrust important work to someone without a sense of trust and reliability—and not only in matters of property.

They need to know that consultant will not lie, will not

cheat, and will be sincere. This is absolutely necessary for a client to select a consultant as a partner. On the other hand, even if the consultant is intelligent and handles his or her job with ease, if any doubt exists as to whether he or she will be there for the client when some problem arises, the client will not bring important matters to the consultant.

That is why over and over again, I emphasize the importance of "interpersonal skills" within our company. Another way to look at "interpersonal skills" is about contributing to others and having a sense of care for them. We need to have an altruistic mindset, and work on building virtue. Such a state of mind is evident in our demeanor, even in our smallest actions. I am certain that this is conveyed to our clients too.

It is not easy to incorporate the development of interpersonal skills into our educational program, but as we work on devising new approaches, we seek to strengthen our efforts in interpersonal skills.

Of course, interpersonal skills alone are not enough. Consultants need to develop interpersonal skills in tandem with their capacity for action. To enhance training and environment in order to improve the capacity for action of our consultants, we have established a DX Promotion Unit and are promoting DX, including the use of AI, to create an environment that supports our consultants in their work.

As is often the case with consulting firms, expertise and knowledge gained through work tends to be accumulated by consultants individually. I think that even in our company, there has been a lot of reliance on individual abilities. This hasn't been a huge problem for us, because we know who to ask if we have any problems with work.

However, as the number of consultants increases and remote working becomes more commonplace, old-fashioned "analog" exchange of information becomes more difficult. The ways in which we communicate internally also need to change. We are working to establish an environment conducive to such change.

In other words, we're designing an environment that ensures the expertise of individual consultants is stored in the system, enabling the necessary information to be retrieved at any time. If we can organize expertise across different fields systematically, this will enhance the capabilities of all our consultants. For example, a consultant may be asked to advise a client who wants to create a will. At that time, the consultant must be able to properly explain the types of wills and all the procedures involved. Previously, junior employees learned by asking senior employees, but if the relevant information is organized and stored in the system, it can be accessed even from outside the office, enabling consultants to make recommendations to customers more rapidly.

Various measures such as creating a digital environment and a pleasant workplace helps us improve the capabilities

and productivity of our consultants and other employees.

— What exactly is your approach to creating a pleasant workplace?

Well, specifically, it is about creating a workplace that is both easy and rewarding to work in. Ease of work means that each individual can work according to his or her circumstances. Everyone works as permitted by their own circumstances, including raising children, caring for their parents, or managing their own health. Ten different people are sure to have ten different sets of circumstances. We need to create an organizational culture that fully understands and accepts every aspect of individual circumstances. For example, let's say someone wants to take a day off to care for a child. We need to create a workplace atmosphere in which he or she can just say, "I want to take a leave day on this date," and also create a system in which work colleagues can cover for each other. I believe we need to focus on these initiatives as well.

It is also important to create a rewarding workplace. When consultants feel they have made a client happy, or feel that they have contributed meaningfully, they feel rewarded and motivated to work. Also important are factors such as a sense of growth through daily work, education and training opportunities, and promotion and compensation commensurate with ability.

It is not easy to make a workplace both highly pleasant and rewarding, respectively. We are sure to face many difficulties along the way, but we hope to make steady progress toward creating a better workplace.

Provide unwavering leadership without departure from core policies

— Will creating a workplace that is both pleasant and rewarding to work in have a positive impact on recruitment? It's also linked to growth of our employees.

Many industries are suffering from a shortage of human

resources, and the situation can be expected to remain challenging. Given this environment, how to recruit talented employees is a major challenge. While we do hope that a better work environment will have a positive impact, we should be wary of expecting too much.

As I mentioned earlier, the number of consultants with adequate ability has increased only slightly, and improving their quality remains an issue, but we must assume that increasing the number of consultants significantly will be difficult. However, I believe that increasing the skills and productivity of each individual is essential for our sustainable growth as a company. This is in line with the concept of human capital management, which has been gaining more attention recently.

One major factor in this regard is active roles for women. We have a growing number of female consultants, and in 2024 we welcome our first female executive director. Her particular work ethic, which sees her take good care not only of her clients but also her partners, makes her a role model for female employees. We also welcomed a female outside director with a wealth of expertise in health management and other areas. As we benefit from their perspectives, we hope to create a pleasant workplace in which everyone can work with ease. Creating a workplace that takes advantage of women's perspectives is also crucial for empowering governance.

— How would you describe your own role as company president?

The policies I have outlined above were determined through consensus after gathering opinions across the company. My role is to provide unwavering leadership so that the entire organization can move forward without departing from those policies. Of course, another important role is checking the progress of each department in terms of planning, and devise countermeasures in case of any delay. However, I believe the core aspect is honing and enhancing my own interpersonal skills.



Our efforts to become a leader in the wealth management business from 2024 onward

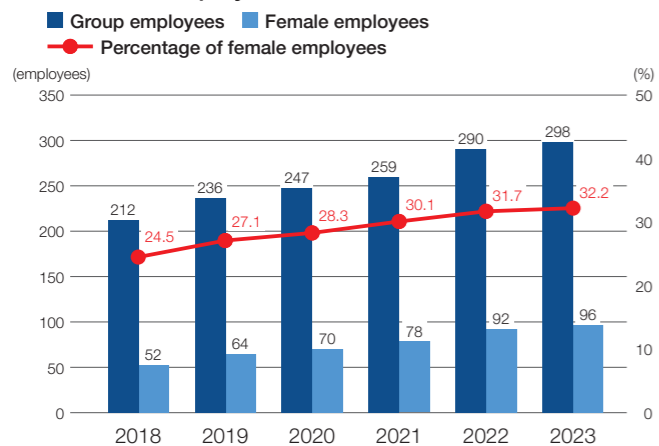
- 1 Thoroughly train consultants to build personal virtue, centered on altruism, in order to enhance their interpersonal skills
- 2 Creating a supportive environment for consultants through application of DX, AI, etc.
- 3 Creating a pleasant and rewarding workplace
- 4 Beyond our eight individual services, providing new services capable of meeting diversifying customer needs

Working to increase the diversity of our human resources and further enhance our corporate value

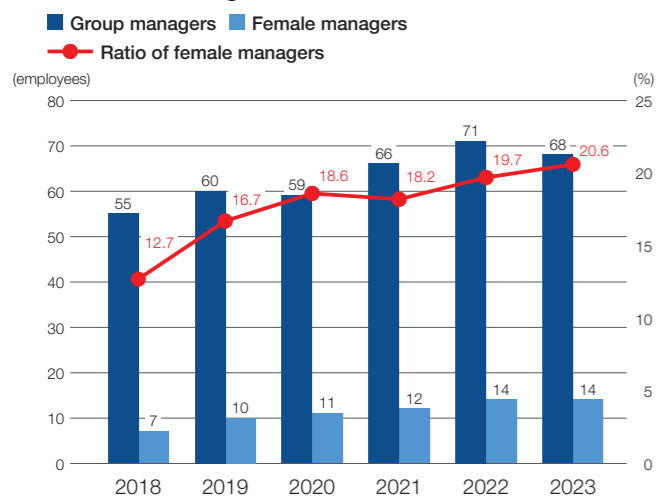
To achieve continuous improvement of corporate value, the AZN Group conducts analysis* on the correlation between human resource strategies and management indicators. The results show a statistically significant correlation between the ratio of female employees and corporate value (Price-to-Book Ratio). We consider this an important fact, and we aim to increase the ratio of female employees to 40% and the ratio of female managers to 30% in the future.

To achieve this goal, we will implement measures to improve awareness within the company, support career development, and improve the working environment (e.g., curtailing overtime hours, establishing a backup system to cover for unexpected leave, etc.). In 2023, with the commitment of our Board of Directors, we also established a subcommittee to promote active roles for women. We are developing further measures to maintain and improve the diversity of our human capital, the true source of our consulting services.

● Number of Group Employees and Percentage of Female Employees



● Number of Group Managers and Percentage of Female Managers



Leveraging knowledge and experience for sound and healthy management

Outside Director

Madoka Mori



As a medical journalist and newscaster, I believe that the well-being of the individuals who make up our society is founded upon physical and mental health, and I have dedicated myself to improving health literacy, which is essential for well-being. I was appointed as an outside director because of my affinity with the company's vision, which aims to drive growth by enhancing financial, physical, and mental resources.

I believe that individual health issues in the workplace have a significant impact on everyone around, and that resolving these issues leads to a better overall work environment. Women's health issues, in particular, often impact their performance and careers, and measures to address them are urgently needed.

To contribute to a virtuous cycle of mental and physical health and growth, I will work earnestly to address these issues, drawing on my knowledge as a medical journalist and my own experience of overcoming life events and health challenges to continue my career.

Changes in society, changes in the way we work, and the importance of diversity

Executive Officer, Real Estate Division
General Manager, Regional Development Project Division

Masako Miyagami



The best part of the real estate business is that no two properties are ever the same—you discover something new each time. I joined the company in 2003 because I was sure I could learn more deeply through handling real estate for clients.

Since joining the company, the way I work has changed following broader changes in society. For example, the spread of remote work has made it easier to balance work with raising children. People can work according to their own circumstances, regardless of gender or age. Japan's society has been making steady progress in this respect, assisted by technology.

AZN has also kept pace with these social changes, and our diversity is steadily increasing. It's great to have employees from different backgrounds pool their wisdom to think about solving client issues, among other things.

In the future, I hope to contribute to the company's growth from a broader perspective as an executive officer who plays an active part in management.

ROIC management encourages autonomous efforts to improve in each department

In recent years, we have focused on building relationships with local clients in conjunction with regional financial institutions, and steady results are evident. Return on Invested Capital (ROIC) management, which we introduced several years ago, is taking root in all departments. We are focusing on human resource development, aiming for sustainable growth.



Director, Managing Executive Officer

Shintaro Hashiba

Greater investment in consultants and other human resources

— Could you give an overview of how your business has evolved in recent years?

For about two years, we have been strengthening our partnerships with regional financial institutions and enhancing our eight strategic individualized services. The need for these services is growing and our client numbers are increasing every year. We expect to see even more regional financial institutions cooperating with us in the future.

Succession of local companies is a major theme for regional financial institutions. Many of these are leading companies that play a role in driving the local economy. Smooth business succession of crucial business partners is a major challenge for regional financial institutions. In many cases, it is necessary to prepare for the succession of not only the business but also the family's property and other assets at the same time.

Many companies are facing difficult circumstances due to changes in industrial structure and the COVID-19 pandemic. On a case-by-case basis, some companies may be able to re-energize themselves through M&A. Our wide range of know-how and solutions tailored to the characteristics of each company can help resolve regional issues, which is highly valued by the regional financial institutions with which we work.

— Could you tell us about areas of focus for the future?

Above all, it is important to develop consultants and other human resources. We have made major changes from the OJT-centered policies of several years ago. Starting last year, we have clearly formulated a stance of investing in human

resources, including the use of external training services.

In FY2024, we are increasing human resource-related expenses by approximately ¥500 million, mainly by improving salary levels and investing in education. Human resource development takes time, but I get the sense that it leads to individual growth.

Robust balance sheet and expanded cash flow

— What do you emphasize for sustainable growth, from a financial perspective?

Above all, our focus is on maintaining a robust balance sheet and expanding our cash flow. As for the balance sheet, we hold two years of SG&A expenses as cash and deposits to ensure that we can continue operations no matter what unforeseen circumstances may arise. At the same time, we maintain a certain level of interest-bearing debt in order to lower our weighted average cost of capital (WACC). However, net debt is kept negative.

Although we deal in real estate, we have a policy of not holding any real estate inventory. Thus, our balance sheet is extremely healthy.

In FY2023, our operating cash flow was 2.488 billion yen and free cash flow was 2.7 billion yen. Expanding cash flow is important in order to respond quickly to investment opportunities such as M&As.

Shareholder understanding of these policies is also essential. Our policy is to control return on equity (ROE) at a level of 20% with an assumed cost of capital of 8% and a payout ratio of 50%, aiming for a dividend on equity (DOE) ratio of 10%. With these goals in mind, we strive for balanced financial management.

— Could you tell us about the ROIC management that commenced in 2021?

The main objective of introducing ROIC management is to establish autonomous efforts toward improvement, devised by each department. Which value drivers need to be improved? How should they be improved in order to increase the ROIC of the department? For example, shorter lead times and greater productivity in consulting engagements are clearly reflected in ROIC figures. Such discussions and initiatives are becoming more active within departments, and we feel that ROIC management is showing how effective it is.

Shareholder Return Policy

- (1) Dividend payout ratio at 50% level
- (2) Continuous dividend increases
- (3) Maintain DOE level above cost of shareholders' equity

*Assuming a cost of equity of approximately 8%

	FY2021	FY2022	FY2023	3-year average	Target
Payout ratio	45.7%	50.1%	48.3%	48.0%	50% level
DOE	10.1%	11.0%	11.2%	10.8%	10% level

Our Value Drivers

Reliable products and services

The role of comprehensive property consulting is to smoothly facilitate inheritance and business succession and to achieve the optimal property structure to perpetuate families and businesses.

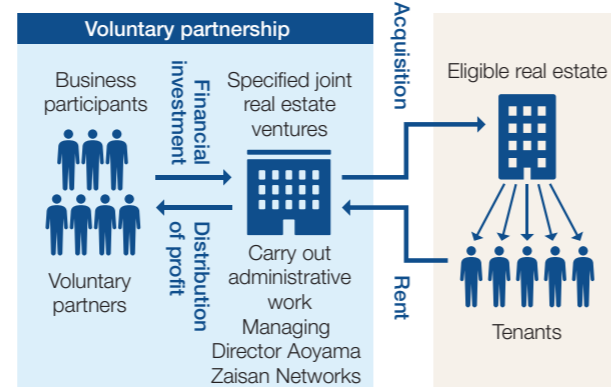
Until now, AZN has focused on providing comprehensive property consulting services, but in order to expand our points of contact with new clients, we have established a

system of eight strategic individualized services that will see wider use in our Third Medium-Term Management Plan.

In collaboration with leading partners, we intend to increase the added value of each strategic individualized service, and by undertaking DX, we are making improvements to make our services both easier to use and more extensive.

ADVANTAGE CLUB®

Based on the Act on Specified Joint Real Estate Ventures, this is a real estate leasing system that jointly purchases high-value real estate in central Tokyo and receives income from real estate leasing. Clients can invest from units of 10 million yen, stable income can be expected, and the real estate management system is unparalleled. As of December 31, 2023, AZN had 71 partnerships with cumulative total assets of more than 140 billion yen and No. 1 market share.^{*1} Our target for 2024 will be 28.8 billion yen worth of new investment. In order to make our services available to new clients, we have been working with financial institutions since 2021, and have formed partnerships with 43 institutions^{*2} to date. As the market leader, we will continue to play a role in driving the market.



Depending on the voluntary partnership, the type of real estate lease may vary. *ADVANTAGE CLUB® is a trademark of Aoyama Zaisan Networks

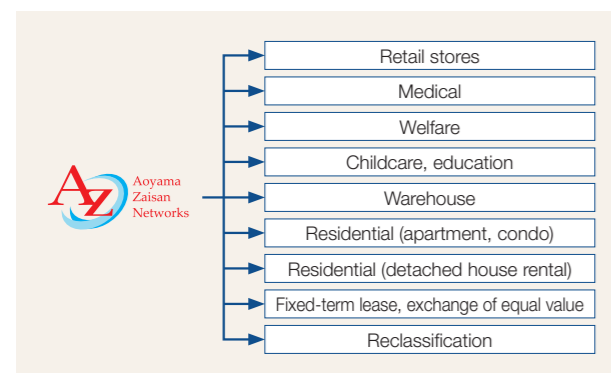
Effective real estate use consulting

We assist our clients in planning and implementing effective utilization of land in the Tokyo metropolitan area. AZN's team of experts in effective land utilization works to gather information and consider problems related to your land or buildings, such as underutilized land, unprofitable land, vacancy issues, or deteriorating buildings, and proposes the best utilization of real estate to solve your problems.

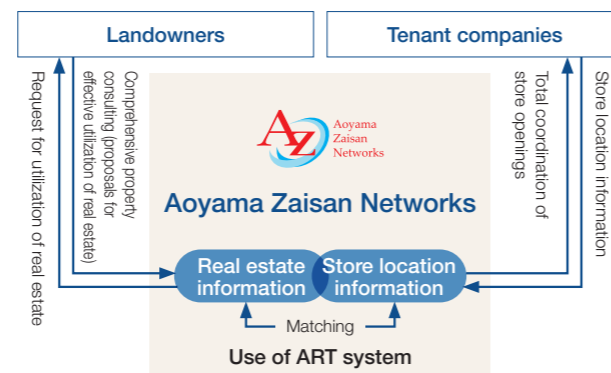
In general, proposals from companies involved in the effective use of land tend to be partially optimized, skewed by

a bias toward their respective areas of expertise. On the other hand, since AZN assigns each job to property consulting teams with specialized skills, we are able to provide one-stop proposals featuring total optimization methods of utilization best suited to the land, after first confirming the overall situation of the property, taking into consideration various conditions such as verification of cash flow and selection of construction providers, design companies, construction companies, and operating companies.

Examples of land utilization methods



Features of AZN Group's



*1 Share of cumulative total assets of voluntary partnerships under the Act on Specified Joint Real Estate Ventures (as of December 31, 2021) *2 As of December 31, 2023

Purchase consulting

In our purchase consulting services, we not only support purchases of real estate—we also understand each client's unique purchasing objectives and provide consistent support from property selection, purchase, management of holding period, consideration of sales timing, selection of buyers, to post-sale follow-up.

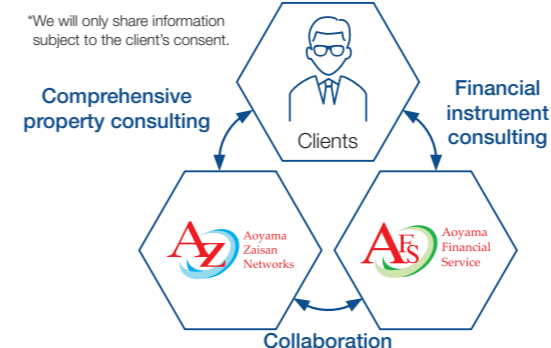


Regional creative development consulting

We develop and operate public real estate through public-private partnerships, utilizing AZN's expertise in specified joint real estate ventures and financing. Specifically, we commercialize underutilized land owned by local governments and other entities through more effective utilization, with the aim of revitalizing regional communities. AZN and its clients also contribute to the healthy development of local economies through these investments. The first project of AZN Group's regional development, Komatsu AxZ Square, a complex facility next to JR Komatsu Station in Ishikawa Prefecture, opened in 2017. The second is a land use project in the TSURUGA POLT SQUARE otta complex to the west of Tsuruga Station in Fukui Prefecture, which opened in 2022. This project received an award from the Minister of Land, Infrastructure, Transport and Tourism in the 2023 Land Utilization Model Awards.

Financial asset management consulting service

Aoyama Financial Service, our consolidated subsidiary, plays a central role in this, and through group collaboration with Aoyama Zaisan Networks as an IFA^{*3}, assists clients with optimal asset management to meet their objectives from a comprehensive, long-term standpoint based on solid analysis of the current situation.

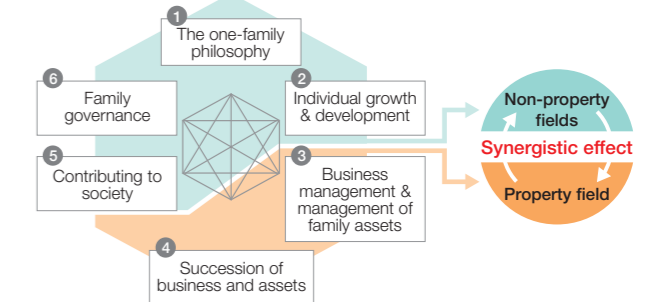


*We will only share information subject to the client's consent.

*3 IFA: Independent Financial Advisors *4 In our STO (Security Token Offering) business, we plan to supply and manage real estate.

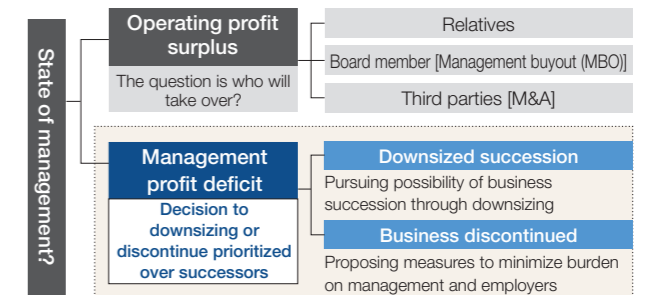
Family office service

For a family business to endure, maintaining and strengthening the supportive relationship between the company and the founding family is crucial. We provide long-term support for creating and operating mechanisms to maintain and strengthen the family unity that forms the basis of this supportive relationship, through workshops, preparation of family charters, and support for the operation of family councils.



Business succession fund

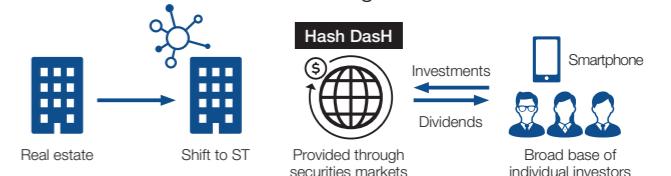
We offer optimum plans for companies that are considering closure due to difficulties with business succession. Always pursuing the possibility of business succession through downsizing, we offer measures to preserve management assets by systematically providing employment even in the event of business closure.



Aoyama Zaisan Networks has acquired trademark rights to the term "downsized succession."

STO business^{*4}

The revision of the Financial Instruments and Exchange Act in 2020 made it possible to issue digital securities, and we plan to partner with Hash DasH Holdings, which possesses blockchain technology, to keep developing our real estate expertise with the aim of creating a world where investment is possible 24 hours a day, 365 days a year. In 2023, real estate provided through our first fund, "Real Estate Digital Securities, Shibuya Jingumae Innovation Office" was made available as digital securities.



Our Value Drivers A reliable organization

One-stop solutions utilizing the power of the Group and its network

Aoyama Zaisan Networks is a property consulting company that not only provides consulting services, but is also capable of delivering proposals for solutions.

This is enabled by specialized divisions within the company. These are the Consulting Division, which provides consulting services, and the Real Estate Division, which is responsible for the creation, operation, and management of real estate products that meet the needs of our clients, with more than 150 national certification holders on staff.

Through close collaboration with our consolidated subsidiaries, affiliated corporations, and joint ventures, the Group is able to provide one-stop solutions to a broad range of client issues. Our consolidated subsidiaries provide region-specific property consulting, real estate management,

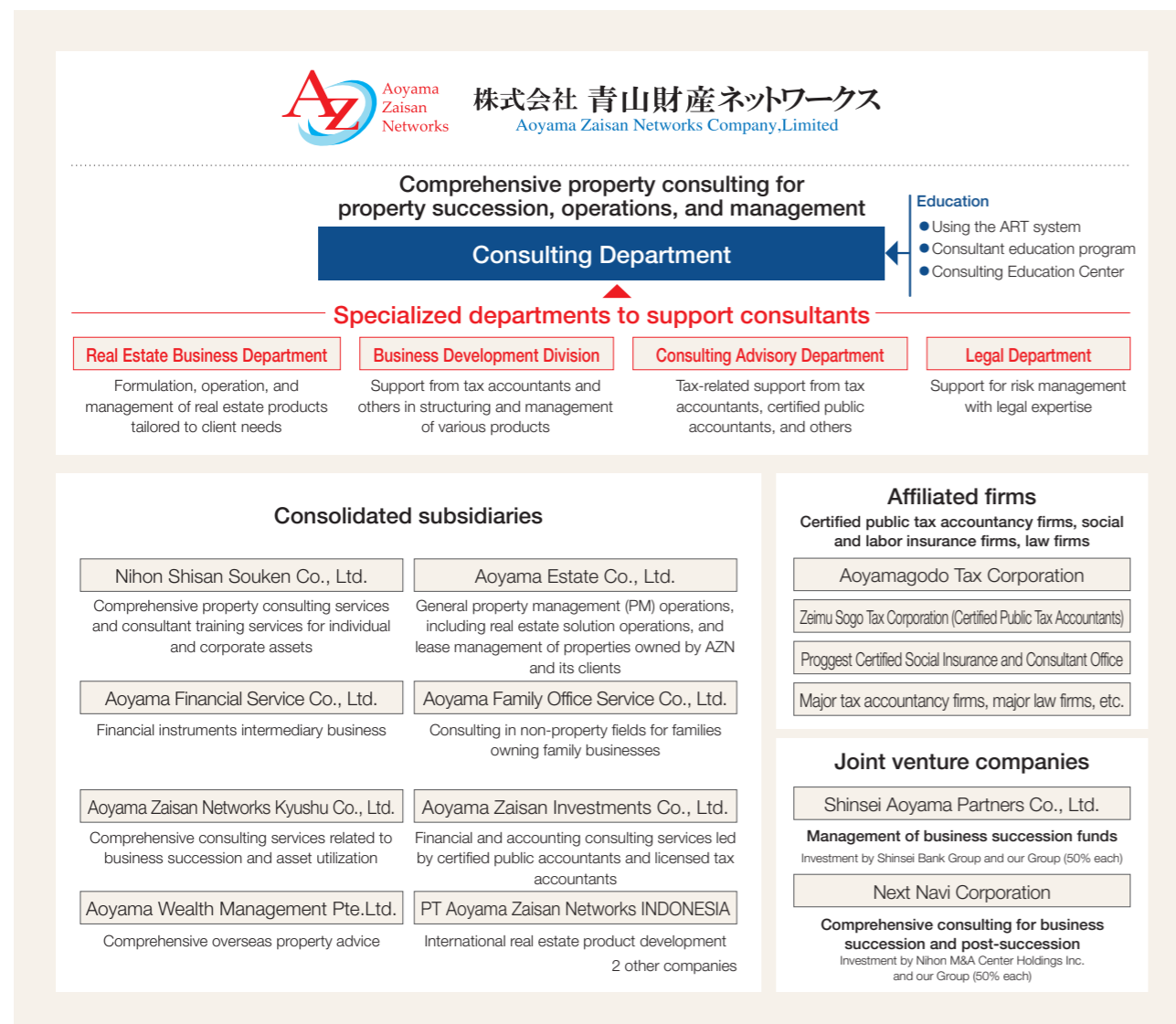
global comprehensive property advice, international real estate product development, financial product brokering, and assistance with non-property succession.

Affiliated corporations include law firms, tax accountant firms, and social and labor insurance firms, as well as joint ventures with partners who have strengths in property succession and business succession. This affords our clients a broad choice of the best options.

We have also established the AZN National Network, which connects accounting and tax accountant firms located throughout Japan. As of December 2023, the number of member firms had reached 93, making AZN's high-quality services available nationwide in Japan.

We intend to continue strengthening our organization to improve the quality of our services.

● Aoyama Zaisan Networks Group Structure



As of December 31, 2023

Consultants

Our strengths lie in expert insights and interpersonal skills

Our consultants, who are professionals in tax, finance, real estate, and other fields, serve as the face of Aoyama Zaisan Networks and provide consulting services directly to our clients. We employ 211 consultants, which is approximately 2.2 times the number at the end of 2014.

The comprehensive property consulting services that our consultants provide have two distinguishing characteristics.

The first is achieving total optimization by combining expert insights. Succession, operation, and management of property and business span very diverse fields, including tax, legal, insurance, real estate, and management. If each specialist provides advice only in his or her own respective field, inconsistencies can arise. However, AZN is able to propose and support the total optimization of succession, operation, and management planning and implementation that takes into consideration all of these fields.

At AZN, we believe it is crucial to help our clients look forward to a better future. Our goal is to set our clients upon a path that will ensure their families' wellbeing for the next 100 years. We firmly believe that our responsibility as consultants is fulfilled only when our clients are satisfied with our solutions.

Our consultants' outstanding expertise, coordination skills, and wealth of experience enable us to provide such consulting services. Moreover, our Consulting Advisory, Legal, and Business Development Divisions, which

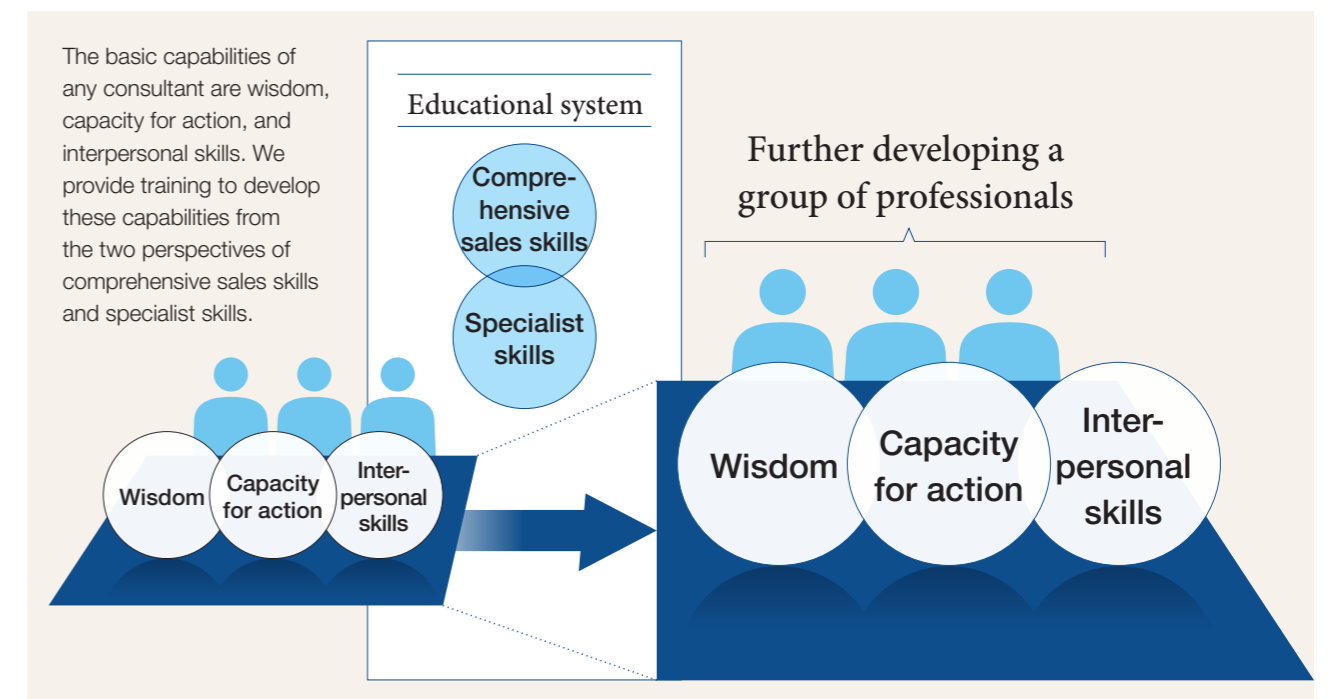
include certified public accountants and tax accountants, provide strong backup with advanced expertise.

The second distinguishing characteristic is our interpersonal skills. There is no single "right" way to pass on your property or business. Perhaps you want your children to take over your business, or you want to liquidate it in your own time. Some people want to focus their wealth-giving on those who will succeed them, while others want to distribute their wealth equally among their children. What's important is seeking the best for each client, rather than any single logical "correct" solution.

For this reason, Aoyama Zaisan Networks consultants are required to possess a broader range of knowledge, balance, presentation skills, and the ability to think from the client's standpoint than ever before. It is essential to have the mindset of wanting to resolve clients' problems, and to have the interpersonal skills (compassion) to put ourselves in each client's position and to work together with the client.

AZN focuses on instilling interpersonal skills, and our consultants possess not only specialized expertise but also strong interpersonal skills. We also have mechanisms for sharing and deepening the knowledge of our consultant members. This system is what enables us to provide 100-year property consulting to deliver satisfaction not only to our clients personally, but also to the next generation and on to the third generation.

● Developing a group of professionals



Our Sustainability

Introducing the Board of Directors

Director



Masazumi Hasumi

President

August 1983 Joined Aoyama Audit Corporation (currently PricewaterhouseCoopers Japan LLC)

November 1991 Joined Yamada & Partners Accounting Office

December 1996 President of Proggest Co., Ltd. (company name changed to Proggest Holdings, Ltd. in July 2005)

July 2005 President of Proggest Co., Ltd. (current: Aoyama Zaisan Investments Co., Ltd.)

September 2008 Director of the Company

October 2008 President

August 2016 Business Succession Navigator Corporation (currently Next Navi), President

June 2017 PT Aoyama Zaisan Networks Indonesia, Director (current position)

March 2018 Chairman of Nihon Shisan Soken Co., Ltd. (current position)

October 2020 Aoyama Financial Service Co., Ltd. Representative Director

January 2021 Aoyama Family Office Service Co., Ltd. President (current position)



Masayuki Yagi

Director, Managing Executive Officer

April 1990 Joined Murakami Corporation

September 1991 Joined the Company

March 2006 Director, Executive Officer, and Manager of First Business Department

January 2011 Executive Officer of the Company Manager of Individual Asset Consulting Department

March 2013 Director, Executive Officer, and General Manager of Business Division

March 2014 Director, Managing Executive Officer of the Company

January 2021 Director, Managing Executive Officer of the Company General Manager of Real Estate Division II

June 2021 Business Succession Navigator Corporation (currently Next Navi), Director

January 2022 Director, Managing Executive Officer, and General Manager of Administration Division of the Company

March 2022 Director of Aoyama Estate Co., Ltd. (current position)

March 2022 Director of Aoyama Zaisan Investments Co., Ltd. (current position)

January 2024 Director, Managing Executive Officer of the Company General Manager, Consulting Division (current position)



Takeshi Matsuura

Director, Managing Executive Officer

April 1991 Joined Daiwa House Industry Co., Ltd.

May 1995 Joined Nissho Iwai Real Estate Corp. (current: Sojitz Corporation)

October 2000 Joined the Company

January 2005 Executive Officer, Manager of Real-estate Department

January 2006 Funai Estate Co., Ltd. (currently Aoyama Estate Co., Ltd.) President

March 2007 Director, Executive Officer, and Manager of Business Division 6

January 2011 Executive Officer, Manager of Real-estate Department

March 2014 Director, Executive Officer, and General Manager of Real Estate Division of the Company

March 2016 Director, Managing Executive Officer of the Company General Manager of Real Estate Division

June 2017 Director of Shinsei Aoyama Partners Co., Ltd. (current position)

January 2021 Director, Managing Executive Officer of the Company General Manager of Real Estate Division I

January 2022 Director, Managing Executive Officer of the Company General Manager of Real Estate Division (current position)

March 2023 March 2022 Director of Aoyama Financial Service (current position)



Michihiro Nagasaka

Director

April 1985 Joined Wakabayashi Law Office

March 1992 Joined Nihon M&A Center Inc.

December 2010 Manager of Business Promotion Department

March 2014 Outside Director of the Company

April 2015 Manager of Sales Support Department, General Planning Division of Nihon M&A Center Inc.

July 2021 Business Succession Navigator Corporation (currently Next Navi), Director (current position)

March 2022 Director of the Company (current position)



Haruo Shimada

Director Outside Independent

April 1975 Associate professor of Faculty of Economics, Keio University

April 1982 Professor of Faculty of Economics, Keio University

March 1986 Visiting professor of Massachusetts Institute of Technology

June 2000 Research Center for Advanced Science and Technology, the University of Tokyo Visiting Professor

March 2007 Outside Director of the Company (current position)

April 2007 President of Chiba University of Commerce

May 2015 Outside Director of Okaya & Co., Ltd. (current position)

January 2016 President of Shimada Sogo Kenkyujo (current position)

April 2017 Chairperson of the Board of Trustees of Tokyo Metropolitan Public University Corporation

February 2021 Outside Director of Tech I.S. Co., Ltd. (current position)



Keiji Watanabe

Director Outside Independent

July 1987 Aoyama Audit Corporation (currently PricewaterhouseCoopers Japan LLC)

April 1996 Joined Tohmatsu & Co. (current: Deloitte Touche Tohmatsu LLC) Representative Partner

June 2000 Outside Director of Ichiyoshi Securities Co., Ltd.

July 2003 Deloitte Touche Tohmatsu Global Middle Markets Leader

June 2008 Outside Director of ASAHI KOGYOSHA Co., Ltd.

June 2010 Outside Director of SBI Holdings, Inc.

March 2011 Outside Director of the Company (current position)

June 2017 Outside Director of SBI Insurance Group Co., Ltd. (current position)

June 2017 Outside Audit & Supervisory Board Member of Hokuetsu Kishu Paper Co., Ltd. (current: Hokuetsu Corporation) (current position)

June 2018 Outside Director of UKAI Co., Ltd.



Takaomi Ogawa

Director, Managing Executive Officer

September 1992 Joined Takano Yasuo Zeirishi Jimusho (current: Zeimu Sogo Tax Corporation)

August 2003 Director of Funai Zaisan Consultants Keiyo Co., Ltd. (currently Nihon Shisan Soken Co., Ltd.)

December 2009 President of Funai Zaisan Consultants Keiyo Co., Ltd. (currently Nihon Shisan Soken Co., Ltd.)

October 2013 Executive Officer, General Manager of NSS Division of the Company

March 2016 Director, Executive Officer, General Manager of NSS Division

June 2017 President of Nihon Shisan Soken Co., Ltd. (former: Nihon Shisan Soken Consultant Inc.) (current position)

April 2020 Representative Director of Nitto Fudosan Co., Ltd. (current position)

January 2022 Director, Managing Executive Officer of the Company Consulting Business Supervisor and General Manager of NSS Division (current position)

March 2022 Director of Aoyama Financial Service Co., Ltd. (current position)



Shintaro Hashiba

Director, Managing Executive Officer

April 1987 Joined The Kyowa Bank, Ltd. (current: Resona Bank, Limited)

October 2003 General Manager of Shin-Yurigaoka Branch

October 2004 General Manager of Tokyo Central Marketing Division 1

July 2008 General Manager of Shin-Toshin Marketing Division 3

May 2014 Director of J-COM Co., Ltd. (current: LIKE, Inc.) Deputy General Manager of Sales Division and General Manager of Business Development Division

August 2014 Director of J-COM Holdings Co., Ltd. (current: LIKE, Inc.)

November 2015 Joined the Company, General Manager of Management Planning Office

August 2017 Executive Officer, General Manager of Administration Division

March 2020 Director, Executive Officer, General Manager of Administration Division

July 2020 Director, Executive Officer, General Manager of Management Planning Division

January 2022 Director, Managing Executive Officer of the Company General Manager of Corporate Planning Division

March 2022 Aoyama Financial Service Co., Ltd. President (current position)

March 2022 Director of Aoyama Zaisan Networks Kyushu Co., Ltd. (current position)

May 2023 Director, Managing Executive Officer of the Company General Manager, Corporate Finance Division (current position)



Shinji Shimane

Director, Executive Officer

October 1995 Joined Ota Showa Audit Corporation (current: Ernst & Young ShinNihon LLC)

October 2000 Joined Avaya Japan Ltd.

September 2001 Joined Proggest Co., Ltd. (currently Aoyama Zaisan Investments Co., Ltd.)

August 2006 Director (concurrent)

January 2016 Representative Director of Shinsei Aoyama Partners Co., Ltd. (current position)

March 2016 Director, Executive Officer Business succession consulting General Manager of Business Division

January 2021 Director, Executive Officer General Manager of Consulting Business Division 4

January 2022 Director, Executive Officer, and General Manager of Business Succession Fund Services

March 2022 Aoyama Zaisan Investments Co., Ltd. Representative Director (current position)

January 2024 Director, Managing Executive Officer of the Company Business succession General Manager, Advisory Fund Division (current position)



Madoka Mori

Director Outside Independent

April 1994 Joined Commercial Broadcasting Television Corporation Relay Line Operations Center (current: The Japan Commercial Broadcasters Association)

April 1996 Became independent as a freelance announcer

July 2000 Joined Medical Welfare Research Institute, Inc. (current: IHW Media Service, Inc.)

July 2003 General Manager, Business Management Division, Medical Welfare Research Institute, Inc. and Sky Perfect TV Head of Announcement, Medical Welfare Channel 774

July 2007 Became independent as a medical journalist

April 2013 Director, NPO Sienjyuku 21 (current position)

January 2022 Specified Nonprofit Corporation Regional Team Medicine Promotion Council (TeamNET) Director (current position)

March 2022 Auditor of Shosagi-kai Medical Corporation (current position)

April 2023 Hedgehog MedTech, Inc. Member of Ethics Review Committee (current position)

March 2024 Outside Director of the Company (current position)

Audit & Supervisory Board Members

Hiroyuki Fujita

Audit & Supervisory Board Members

Outside Independent

April 1989 Joined Mitsui Bank Limited (current: Sumitomo Mitsui Banking Corporation)

August 1995 Joined Yamazaki Certified Tax Accountant Office

October 2000 Joined Tohmatsu & Co. (current: Deloitte Touche Tohmatsu LLC)

April 2004 Registered as a CPA

March 2018 Outside Audit & Supervisory Board Member of the Company (current position)

March 2018 Business Succession Navigator Corporation (currently Next Navi) Audit & Supervisory Board Member (current position)

December 2019 Audit & Supervisory Board Member of Aoyama Zaisan Networks Kyushu Co., Ltd. (current position)

October 2020 Audit & Supervisory Board Member of Aoyama Financial Service Co., Ltd. (current position)

January 2021 Audit & Supervisory Board Member of Aoyama Family Office Service Co., Ltd. (current position)

June 2022 Audit & Supervisory Board Member of Nihon Digital Investment Co., Ltd. (current position)

Hisao Nakatsuka

Audit & Supervisory Board Members

April 1970 Joined The Tokai Bank, Limited (current: MUFG Bank, Ltd.)

April 1994 General Manager of Fujisawa Branch

January 1996 General Manager of Chofu Branch

January 1999 General Manager of Takenotsuka Branch

November 2001 Joined the Company

March 2002 Director, General Manager of Consulting Department

August 2002 Director, General Manager of Administrative Department

April 2006 Managing Director of the Company

September 2008 Joined Proggest Co., Ltd. Audit & Supervisory Board Member (currently Aoyama Zaisan Investments Co., Ltd.)

October 2010 Director of Aoyama Estate Co., Ltd.

October 2013 Audit & Supervisory Board Member of Nihon Shisan Soken Co., Ltd.

March 2014 Director of Nihon Shisan Soken Co., Ltd.

March 2015 Advisor of the Company

March 2016 Audit & Supervisory Board Member (current position)

Hiroaki Rokugawa

Audit & Supervisory Board Members

Outside Independent

April 1997 Registered as Attorney (Dai-Ichi Tokyo Bar Association)

April 1997 Joined Hori & Partners

June 2002 Joined Barack Ferrazzano Kirschbaum & Nagelberg LLP (Chicago)

March 2007 Joined Tokyo Aoyama, Aoki, Komae Baker & McKenzie Law Office

June 2008 Representative Attorney of Ogasawara Konno & Rokugawa

March 2009 Outside Audit & Supervisory Board Member of the Company (current position)

December 2016 Tsunagu Group Holdings, Inc. Outside Director (current position)

September 2020 Outside Director of Abalance Corporation (current position)

April 2022 Representative Attorney of Tokyo Uchisaiwaicho Law Firm (current position)

June 2022 Outside Director of Meiji Machine Co., Ltd. (current position)

September 2023 Outside Director of Open Up Group Inc.

Basic concept of corporate governance

Based on our corporate policy of always making proposals from the client's standpoint with a fair and neutral attitude, AZN firmly believes it is essential to establish corporate governance to ensure compliance-oriented management and to practice this policy. The Company's Board of Directors and Audit & Supervisory Board acknowledge that the corporate governance framework should primarily perform the following functions.

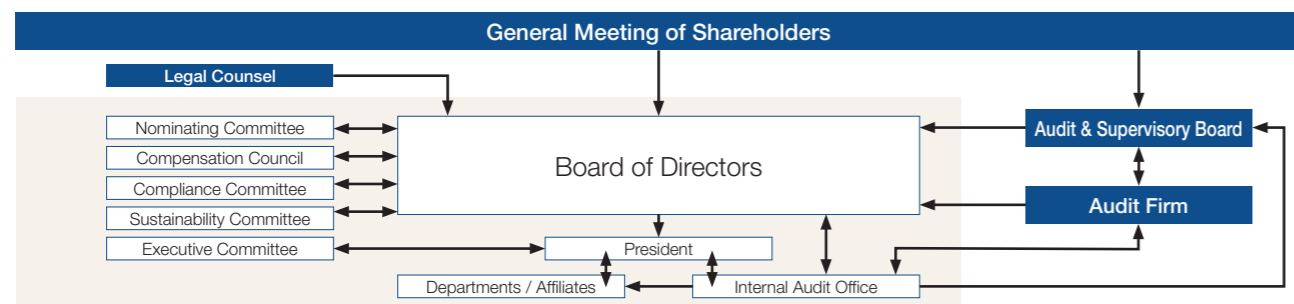
- To protect and encourage the exercise of shareholders' rights.
- To ensure equal treatment of all shareholders.
- To make timely and accurate disclosure regarding all the important matters related to the company, including its financial conditions, operating results, shareholder composition, and governance.
- To ensure the strategic orientation of the company, effective supervision of management executives, and clear accountability

Corporate Governance System

The Company ensures the effectiveness of audits of Directors' performance of their duties by maintaining the independence of its Auditors and Audit & Supervisory Board Members from the Board of Directors, and by collaborating with auditing firms and its in-house auditing

department. Moreover, to strengthen the supervisory function of the Board of Directors, the Company has established the Compensation Council and the Nominating Committee, at least two of whose members must be Outside Directors.

(1) Board of Directors	The Board of Directors deliberates and makes decisions on important matters concerning the Company's management, and oversees the Company's business and general management. Each of the two Outside Auditors has an advanced level of expertise, and they provide reliable management oversight from their professional perspectives.
(2) Executive Officers	In light of the segregation of management and implementation, AZN has instituted an Executive Officer system. Executive Officers execute the operations of the divisions or departments under their control, in accordance with organizational regulations and rules on the segregation of duties set forth by the Board of Directors.
(3) Executive Committee	The Executive Committee, consisting of the President, full-time Directors, and Executive Officers, meets on a weekly basis to verify management policies and discuss management strategies and business execution for the purpose of sharing problem awareness and having smooth communication among all members.
(4) Compensation Council	Remuneration for directors, within the total scope of remuneration approved by the General Meeting of Shareholders, is determined by the Compensation Council, which is composed of Directors selected by resolution of the Board of Directors. The Compensation Council is composed of three or more Directors, at least two of whom must be outside Directors as a rule for the purpose of raising the transparency and objectivity of the review process.
(5) Nominating Committee	The Nominating Committee, a voluntary advisory body to the Board of Directors, deliberates on the selection and dismissal of senior management and Directors and recommends candidates to the Board of Directors, which are decided by the Board of Directors. Also, the Nominating Committee is composed of three or more Directors, at least two of whom must be outside Directors as a rule for the purpose of raising the transparency and objectivity of the review process.
(6) Compliance Committee	The Compliance Committee, consisting of the President, full-time Directors, Executive Officers/General Managers of the divisions, and external legal counsels (attorneys), has been established in conjunction with the Board of Directors as a forum for deliberation on risk management and legal compliance by the Company.
(7) Sustainability Committee	The Sustainability Committee, consisting of the President and full-time Directors, was established to build a foundation for sustainable growth, to oversee and monitor sustainability policies, strategies, and measures, and to manage and evaluate the progress of objectives resolved by the Board of Directors.



Compensation for officers

AZN's Board of Directors has adopted a policy for determining the details of compensation for individual Directors.

Compensation for individual Directors for the fiscal year in question is determined by the Compensation Council, which is composed of 3 or more Directors (at least 2 of

whom must be Outside Directors) selected by the resolution of the Board of Directors to increase the transparency and objectivity of the review process. Its methods of determining the details of compensation and the compensation so determined shall be consistent with the decision-making policy resolved by the Board of Directors.

• Compensation for officers

Category of officer	Total amount of compensation (thousand yen)	Total amount per type of compensation (thousand yen)					Number of eligible officers (persons)
		Basic compensation	Performance-linked		Other	Of the following, non-monetary compensation, etc.	
			Bonus	Restricted stock compensation			
Director (except outside Director)	206	97	73	24	11	35	7
Audit & Supervisory Board Member (excluding Outside Audit & Supervisory Board Members)	5	4	0	—	—	—	1
Outside Officer	43	36	7	—	—	—	4

Evaluation of the effectiveness of Board of Directors

AZN strives constantly to improve the effectiveness of its Board of Directors. AZN undertakes an annual questionnaire survey of all Directors and Audit & Supervisory Board Members regarding the effectiveness of the Board of Directors, using the evaluation points listed at right. The results are then discussed and reported to the Board of Directors. See right for a summary of last fiscal year's survey results.

Questionnaire evaluation items	Summary of questionnaire results
<ul style="list-style-type: none"> • Composition of the Board of Directors and Executive Officers • Operation of the Board of Directors • Agendas of meetings of the Board of Directors • Supervisory framework by the Board of Directors • Supervisory framework by shareholder 	About the Board of Directors of the Company, there were no important matters raised in each evaluation item, whereas some findings about the Board of Directors operations were noted. We intend to make some improvements, aiming to realize a more effective Board of Directors.



Risk management

Based on its Crisis Management Regulations, AZN defines external crises, internal crises, disasters, and other crises as described at the right, and defines how to respond to crises when they occur. In the event of a crisis that seriously threatens corporate operations, a task force is immediately formed and company-wide action is taken to resolve the problem.

1 External risks	<ul style="list-style-type: none"> 1 Information leak 2 Problems involved in business operations (including customer consulting services) 3 Civil violent incidents, contact/problems with anti-social forces 4 Criminal acts by employees (fraud etc.) 5 Other risks/incidents associated with AZN's credit
2 Internal risks	<ul style="list-style-type: none"> 1 Traffic accidents by employees (property/personal damage) 2 Internal troubles (sexual harassment etc.) 3 Mishaps of employees and their families, other work accidents 4 Other cases constituting a crime by employees
3 Disasters etc.	<ul style="list-style-type: none"> 1 Extraordinary disasters including natural disasters

Information security management

For the purpose of continually maintaining and strengthening our information security management structure including personal information management, we have obtained the International Organization for Standardization (ISO) 27001 international accreditation

and information security management system certification. We have developed and maintain systems based on this standard, and continue to further strengthen our systems for managing confidential information.

Compliance initiatives

For the purpose of practicing fair and bona fide management in compliance with laws, a Compliance Committee consisting of the President, full-time Directors, Executive Officers/General Managers of the divisions, and outside legal counsels (attorneys) has been established. The Compliance Committee performs the following operations:

- 1 To recognize potential risk of losing trust from the securities market and clients in business operations, and prepare countermeasures (draft)
- 2 To review if there is any compliance issue with specified joint real estate venture operations, and give approval of their execution
- 3 To review and report preventive measures against serious compliance violations
- 4 To examine/check suspicious compliance activities (potential compliance violations)

Combining interpersonal skills, digital, and teamwork

As a firm that operates in the high-net-worth segment of the market, training consultants to be at the forefront of this business is a major task.

It is also important to create a digital environment that supports consultants and to have a diverse team. Creating an environment where each individual can learn and grow will further enhance the quality of the proposals we make to our clients.

Recently, the Nikkei Stock Average hit an all-time high. Meanwhile, real estate prices continue to rise, especially in urban areas. Given this, it is clear that the high-net-worth class in Japan will keep increasing. But who are these high-net-worth individuals? Although there are definitions such as "those owning more than several hundred million JPY in assets," the specifics are not easy to define clearly. Some corporate owners possess real estate and financial assets, while others have management assets, including human assets and intangible assets. For corporate owners in particular, the management assets gained through good management can be significant.

These diverse high-net-worth individuals are our clients. Our consultants stand at the forefront of this organization. The most important task for us is developing human

resources capable of responding to the diverse issues, interests, and needs of high-net-worth individuals, and maintaining and strengthening relationships of trust with them on an ongoing basis.

In the past, consultants were often viewed as "lone players," but in today's era of rapid change, this style has its limits. In recent years, both teamwork and use of digital technology have become increasingly important.

Data accounts for a large portion of intangible assets in our society, and is increasing each year. Mindful of these trends, we are accelerating our DX efforts. Creating a database detailing each client's unique situation enables our consultants to make better proposals based on this information. Also, if the database details how we have assisted our clients, junior employees can learn a lot from the actions of their senior colleagues.

These DX initiatives are progressing steadily. However, we cannot gain meaningful information without building relationships of trust with our clients. The interpersonal skills of individual consultants has been and still is a crucial element.

At the same time, in team building, it is important to ensure diversity. Adding different perspectives elevates the level of discussion within the company and improves the quality of the team. This will be reflected in the proposals we make to our clients. To this end, we need to ensure women, who make up half of our human resources, can play an active role. This year, we welcomed two women who will serve as Outside Director and Executive Officer. We look forward to their success, and are confident that the presence of role models close at hand will encourage their younger colleagues.

In recent years, pressure on Japanese companies from surrounding society has been increasing. Corporate governance reforms have got underway, and management conditions have become considerably more transparent. The fact that listed companies are now required to disclose information on human capital can also be positioned within this trend.

It goes without saying that human resources are important to us. Individuals must have the desire to learn and grow, while as a company, we must provide the necessary environment and support. We intend to further strengthen these efforts in future.

Outside Director

Haruo Shimada



Focus on laying the foundation for sustainable growth

In February 2024, we revised downward our forecast for FY2024 as previously announced in the Medium-Term Management Plan.

The reasons for this revision include the intensifying competition surrounding Advantage Club and the fact that our consultant training is only partway complete.

From FY2024, we intend to step up our investment in human resource development, aiming for medium- to long-term growth.

Over the past decade, we have experienced rapid growth. Looking back over the past few years, our operating income has continued to increase by 30% to 40% each year. However, the rate of growth is expected to slow somewhat, with operating profit projected to be 3.5 billion yen (+7.2%) in FY2024, compared to 3.265 billion yen in FY2023.

The Third Medium-Term Management Plan announced in February 2022 initially set an operating income target of 4.5 to 5 billion yen for FY2024, so 3.5 billion yen is a considerable downward revision. There are two main reasons for this.

The first reason stems from a review of our business expansion policy. ADVANTAGE CLUB, a real estate joint ownership scheme in which customers jointly own

real estate in urban areas and receive income through real estate leasing, is a pioneer in this field and has gained a strong market share. However, in order to contribute to the succession and management of our clients' assets, we made the decision not to embark on unreasonable expansion of our business, because we believe it is important to select properties that meet our rigorous standards. Therefore, we can presume that the contribution to earnings of ADVANTAGE CLUB will be slightly lower than initially forecast.

The second reason is our expanded human capital investment. The needs of high-net-worth individuals are becoming more diverse and complex, and the skills required of our consultants are reaching higher standards every year. Unfortunately, as an organization, we have not been able to respond to these environmental changes at a sufficient level. We have an urgent need to train excellent consultants who can provide a wide range of consultation services based on strong relationships of trust with our clients. For this reason, we are expanding investment in human resources to drive sustainable growth.

As an outside director, I initially expressed concerns over the major revision to the operating profit target. However, I was moved by President Hasumi's strong determination and commitment to consultant development, and ultimately did not oppose the revision. As a result, the impact on our stock price was limited, partly because of the careful explanation offered to the market. For management, such decisions are never easy. I do believe that it was an excellent decision.

So what about DX? This is an important theme for our company, along with human resource development. The key to success is to digitize all operations, break down organizational barriers, and construct a single integrated business process. First of all, we will work on developing a database to support the work of our consultants and promote fully digital utilization of the database to improve the productivity of all employees, not just consultants.

We have updated our Purpose and Vision, and included the sentence "becoming a leader in the wealth management business." We believe this will more clearly identify the direction in which we are headed, both for our stakeholders and for society. Naturally, we expect to see a positive impact on the day-to-day activities of individual employees.

Outside Director

Keiji Watanabe



Message from the Sustainability Committee

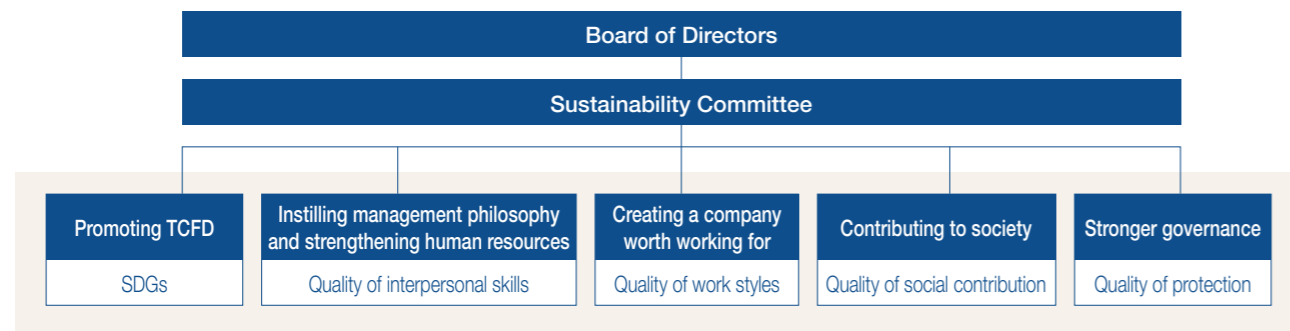
AZN aims to address ESG issues by realizing the strategies outlined in its Third Medium-Term Management Plan, which commenced in 2022. As a comprehensive property consulting company that supports the enduring development of our clients' valuable assets and businesses, we are committed to realizing our management objective of "Contributing to the happiness of our clients through the succession, operation, and management of property" by providing environmentally friendly products and services to resolve property-related concerns, as well as our efforts to reduce environmental impact in response to climate change.

As an advocate of **100-year property consulting**, AZN needs to build on the foundation of human resource development, the source of our consulting services, to ensure its own sustainable growth. Led by the Sustainability Committee, we are committed to company-wide efforts to realize a more sustainable society. The Sustainability

Committee manages and evaluates the progress of targets set by the Board of Directors, while at the same time overseeing and monitoring sustainability policies, strategies, and actions. Its members are made up of the President and Managing Executive Officers of the Company.

The Sustainability Committee has five subcommittees including Promotion of TCFD, Instilling Management Philosophy and Strengthening Human Resources, Creating A Rewarding Workplace, Social Contribution, and Strengthening Governance. It is responsible for proposing and promoting specific activities for improvement, based on various themes and perspectives. The members of each subcommittee are selected by the Executive Director from among personnel at related departments. Each subcommittee sets goals and plans for achieving these goals, and undertakes activities through a process of repeated discussion and verification.

● System for promoting sustainability



A process of identifying materiality

In 2020, the Group identified as high-priority issues both project-related materialities such as reducing the environmental impact of buildings, and business infrastructure-related materialities such as human

resource development and corporate governance. In identifying materialities, we identify social issues likely to exert significant impact on our company and on society, based on the steps shown in the diagram below.

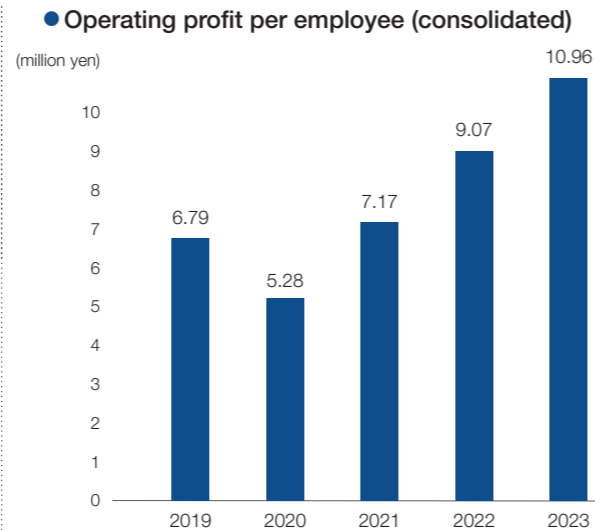


Three areas of materiality and initiatives of the Group

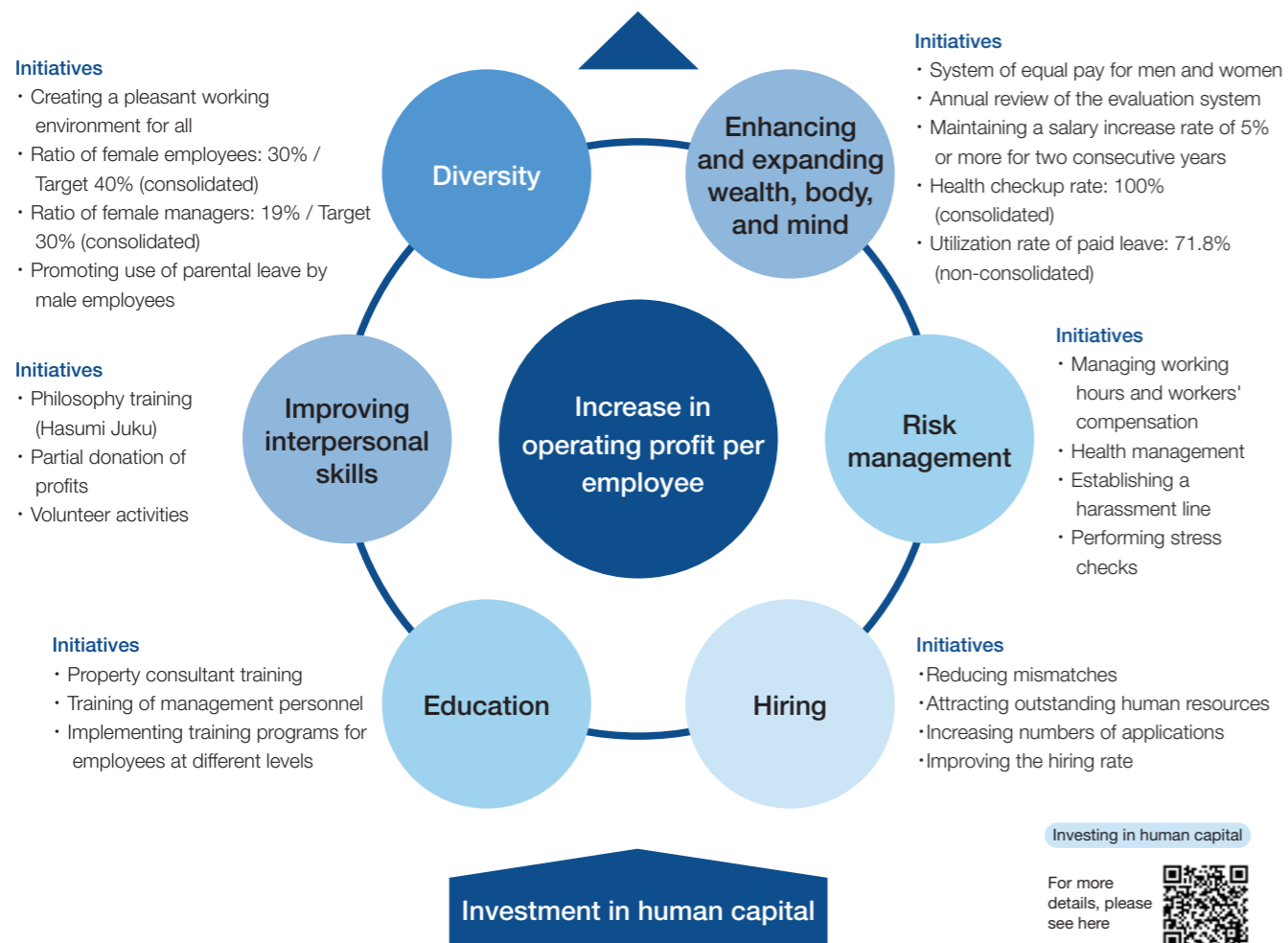
2023-2024 Initiatives		Relevance to the SDGs
 E Environment Realizing a decarbonized, recycling-based society	<p>We recognize that addressing climate change is an important management issue that affects business continuity. In particular, we view CO₂ emissions from real estate-related business activities as a major risk impacting climate change. To this end, we prioritize environmentally friendly initiatives for their ability to contribute to enhancing asset value and resolving social issues.</p> <p>Current initiatives</p> <ul style="list-style-type: none"> Switching to environmentally friendly facilities and clean energy-based electricity for Advantage Club Endorsement and disclosure of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) <p>Future initiatives</p> <ul style="list-style-type: none"> Promoting water conservation and waste reduction in conjunction with Advantage Club tenants Promoting the use of environmentally friendly materials, paints, equipment, etc. by incorporating ESG perspectives into our analysis of current situations and recommendations for land use and construction support Promoting buildings and urban development that are considerate of water environment conservation Reducing waste and greenhouse gas emissions 	
 S Social Realizing a society that supports (the success of) diverse talents	<p>In addition to reinforcing employees' own efforts to improve their interpersonal skills through social contribution, the Group is committed to promoting diversity and establishing a pleasant work environment for women and other diverse human resources, which is crucial to accepting the diverse values of customers and resolving property issues.</p> <p>Current initiatives</p> <ul style="list-style-type: none"> Instilling our management philosophy through morning meetings and corporate philosophy training conducted by President Hasumi himself Enhancing and expanding consultant training programs such as ART system training and the Consulting Education Center Promoting the use of parental leave Expanding the contract employee system (eliminating restrictions) to allow employees to continue working after the mandatory retirement age of 65 Donating a portion of profits to organizations dedicated to eliminating pet euthanasia completely, promoting subsidized meals for children, etc., and offering support through volunteer activities by employees Strengthening management training through the use of external educational institutions Implementing a health management declaration and 100% health checkup rate Implementing volunteer activities for clean-ups in the Minato City area Cultivating managerial personnel Sharing examples of employees adopting diverse work styles (promoting understanding) <p>Future initiatives</p> <ul style="list-style-type: none"> Expanding support for organizations dedicated to eliminating pet euthanasia completely, promoting subsidized meals for children, etc. Promoting advancement of women (increasing the percentage of female employees from approximately 30% to 40%, and the percentage of female managers from approximately 19% to 30%) Workplace culture reform focusing on employees' opinions through organization-wide surveys, etc. Enhance consultant training by using external educational institutions Further health management, including promoting opportunities to exercise and offering dietary guidance Training to promote active roles for women Setting up holiday pay in hourly units 	
Business activities with emphasis on partnerships	<p>We regard local communities as a foundation for the life of all people including our clients, their families, and the companies and employees they value, as well as a foundation for social and economic activities and for leading happy lives. To ensure that our customers can live happily and that the value of their assets in local communities continues to increase, we are committed to engaging with local communities.</p> <p>Current initiatives</p> <ul style="list-style-type: none"> Contributing to social welfare through use of real estate for nursing care facilities such as hospices and group homes, facilities for the disabled, clinics, and other facilities of high public interest, as well as helping revitalize local communities through use of real estate by attracting commercial facilities, etc. Creating mechanisms to give back to society by supporting the establishment of foundations Contributing to urban development and regional job creation by collaborating with partners such as public organizations, financial institutions, and companies on regional development projects 	
 G Governance Continuing improvement in governance	<p>The Group recognizes corporate governance as an important management mechanism to make transparent, fair, rapid, and decisive decisions. Director candidates are determined by the Nominating Committee, executive compensation is deliberated upon by the Compensation Council, and the effectiveness of the Board of Directors is evaluated. We have also established the Compliance Committee consisting of the President, full-time Directors, Executive Officers/General Managers of the divisions, and external legal counsels (attorneys) as a structure to further compliance with laws and corporate ethics.</p> <p>Current initiatives</p> <ul style="list-style-type: none"> Establishing appropriate managerial structures for the Group by instituting a Nominating Committee and Compensation Council to determine director candidates, as well as succession planning, etc. Operating the Compliance Committee and a fair and transparent Compensation Council to advance legal compliance 	

Approach to human resources strategy and investment in human capital

In our Group, **human assets (capital)**, from which our consulting services stem, is an extremely important form of management capital. By improving the interpersonal skills of our employees and their capabilities to provide high-quality services, as well as increasing the diversity of our employees, we can respond to the diverse values and requests of our clients and offer further value-added property consulting services. Investing in human capital means investing in our business base and its foundation of sustainable management, which is essential for the Group's ongoing sustainable growth. We monitor operating profit per employee as an overall measure of return on investment in human capital. We seek to improve operating profit per employee by making progress in various measures related to human capital.



Achieving sustainable growth for the Aoyama Zaisan Networks Group



Investing in human capital

For more details, please see here



Endorsement of TCFD

The Group has declared its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The Group is engaged in business activities utilizing energies from land and other natural resources, and we recognize that addressing climate change is an important management challenge with a considerable impact on our business continuity. We prioritize environmentally friendly initiatives for their ability to contribute to enhancing asset value and resolving social issues, and we aim to meet the needs of both clients and tenants.



Governance

The Group's Board of Directors deliberates and decides on policies and important issues related to the overall issue of addressing climate change.

Strategy

We conduct analysis of risks and opportunities in the value chain in the real estate industry (small-lot real estate products), taking into account business characteristics and the surrounding environment, including political, economic, and social conditions, and we conduct scenario analysis of the impact of each risk on business.

Risk management

The Sustainability Committee oversees climate change risks and opportunities from a medium- to long-term perspective for the entire Group, and performs supervision and monitoring in cooperation with the Board of Directors, with the results reflected in management strategy.

Endorsement of TCFD

For more details, please see here

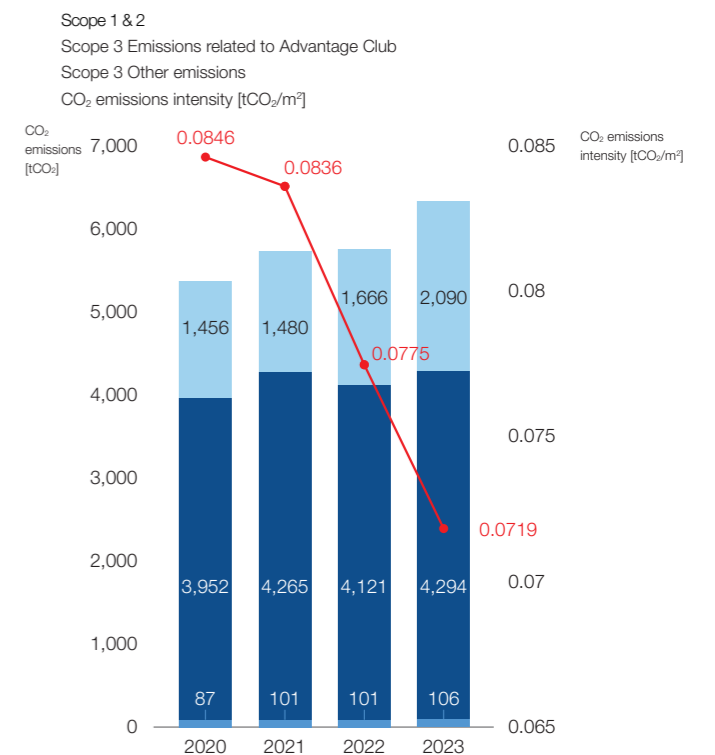


Indicators and targets

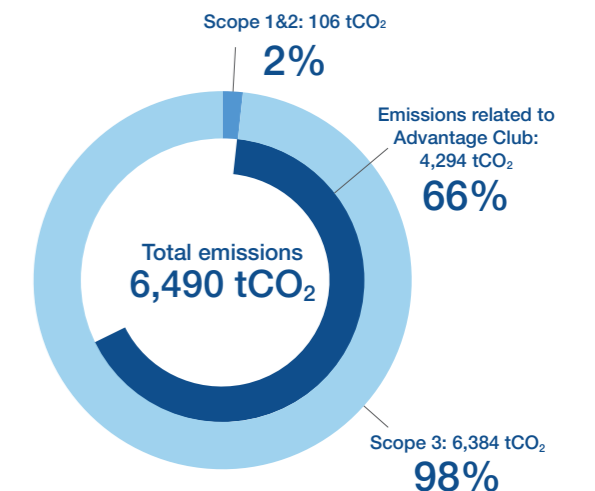
The total CO₂ emissions of our Group have been increasing due to the expansion of our business and increases in the number of employees. However, by introducing energy-saving equipment and changing power contracts to a carbon-free plan, we have been reducing CO₂ emissions per square meter (CO₂ emission intensity).

Our CO₂ emission reduction targets for 2030 and 2050 are currently under consideration. We will continue to address climate change risks by extending and expanding measures to curb emissions through ongoing TCFD disclosures.

● Changes in CO₂ emissions [tCO₂]



● Total CO₂ emissions ratio (2023)

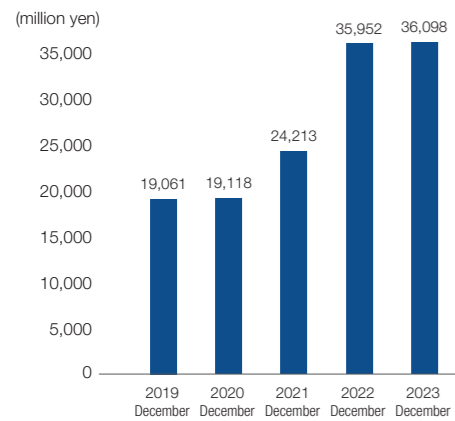


Our Data

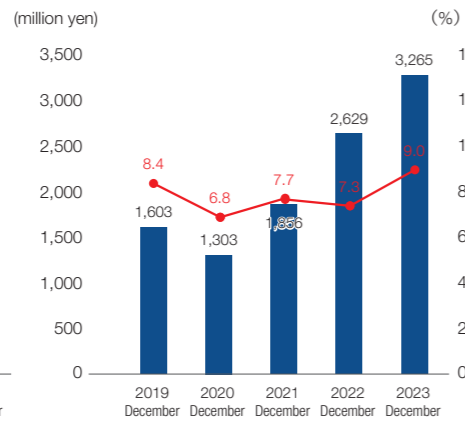
Financial & Non-financial Data (Summary)

Financial highlights

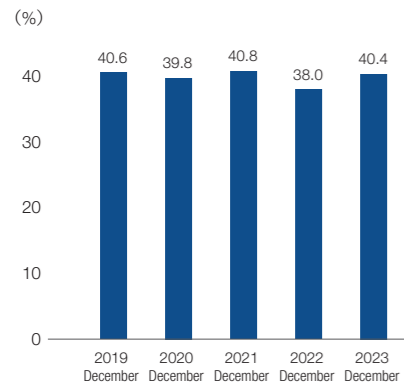
Net sales



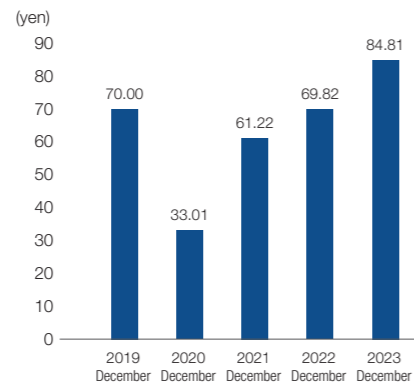
Operating profit / Ratio of operating profit



Equity ratio



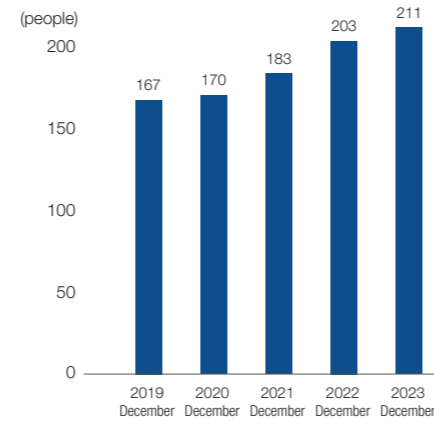
Earnings per share (EPS)



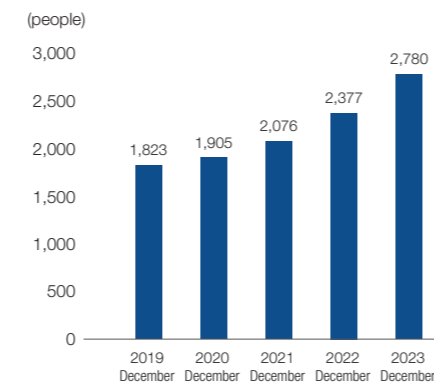
On September 1, 2021, the Company conducted a 2-for-1 stock split of its common stock. Pre-2020 amounts and percentages have been replaced by amounts and percentages that take into account this split.

Non-financial highlights

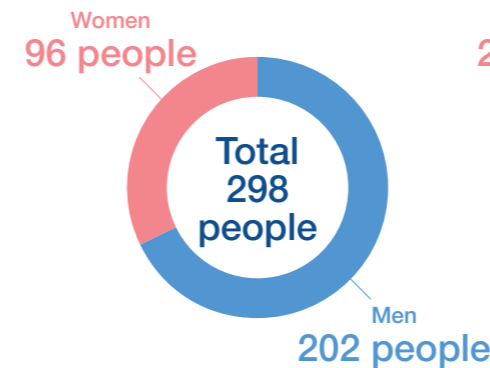
Shifts in number of consultants



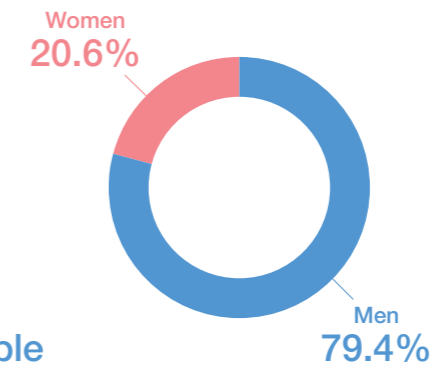
Number of clients



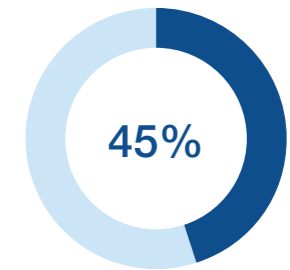
Number of employees (by gender)



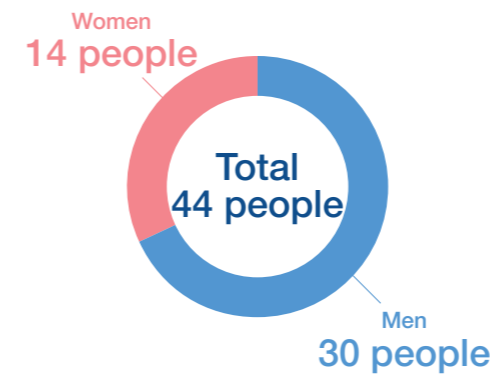
Percentage of managers (by gender)



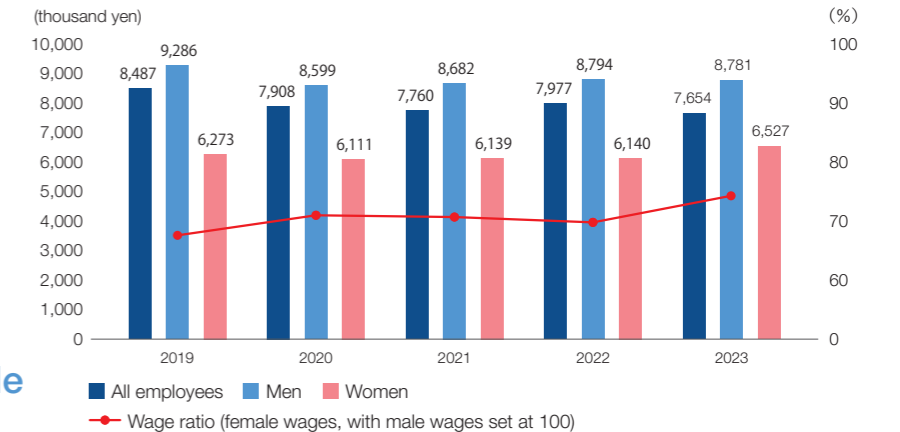
Proportion of male employees taking childcare leave



Number of new recruits (new graduates and mid-career) in FY2022



Average salary (full-time employees only, excluding directors, contract employees, and employees on leave)



Financial indicators

	Units	December 2011	December 2012	December 2013	December 2014	December 2015	December 2016	December 2017	December 2018	December 2019	December 2020	December 2021	December 2022	December 2023
Financial data														
Net sales	Million yen	7,627	5,839	6,369	9,305	14,275	14,420	14,562	17,227	19,061	19,118	24,213	35,952	36,098
Operating profit	Million yen	186	98	160	445	485	751	1,094	1,464	1,603	1,303	1,856	2,629	3,265
Ordinary profit	Million yen	166	91	142	467	471	628	943	1,358	1,503	1,195	1,796	2,499	3,359
Net income attributable to parent company shareholders	Million yen	218	92	201	362	518	587	768	1,162	1,676	800	1,481	1,694	2,062
Total assets	Million yen	3,698	4,769	4,698	5,930	7,220	9,258	12,587	12,353	15,492	16,001	17,426	21,757	23,491
Net assets	Million yen	1,224	1,941	2,151	2,447	2,909	3,329	3,624	4,518	6,390	6,566	7,128	8,320	9,584
Cash flow from operating activities	Million yen	579	227	368	197	801	1,177	-1,277	272	2,300	1,942	2,389	2,219	2,488
Cash flow from investment activities	Million yen	122	-1,203	1,886	43	-162	-1,061	-840	332	723	-753	-631	-1,256	212
Cash flow from financial activities	Million yen	-602	247	-425	253	370	1,116	2,174	-1,787	1,215	-215	-374	882	-858
EPS (earnings per share)	yen	10.32	4.36	9.26	15.49	22.11	24.88	33.37	50.94	70.00	33.01	61.22	69.82	84.81
BPS (book value per share)	yen	57.92	59.74	91.59	103.63	122.72	139.86	158.41	197.59	259.48	262.39	294.61	340.13	390.42
Dividend per share	yen	3.25	3.75	5.00	7.50	9.00	11.50	15.00	19.50	25.00	26.50	28.00	35.00	41.00
ROA (return on assets)	%	4.1	2.2	3.0	8.8	7.2	7.6	8.6	10.9	10.8	7.6	10.7	12.8	14.8
ROE (return on equity)	%	17.8	7.4	11.8	15.9	19.5	18.9	22.2	28.6	31.1	12.7	22.0	22.0	23.2
ROIC (return on invested capital)	%	6.9	3.4	4.4	10.1	11.4	11.9	11.5	13.4	13.0	8.0	10.0	12.2	12.9
Equity ratio	%	33.1	26.5	45.7	40.9	40.0	35.8	28.7	36.5	40.6	39.8	40.8	38.0	40.4

*The Company conducted a 100-for-1 stock split of its common stock on January 1, 2014, and a 2-for-1 stock split of its common stock on September 1, 2021. Pre-2020 amounts and percentages have been replaced by amounts and percentages that take into account this split.