

## 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.

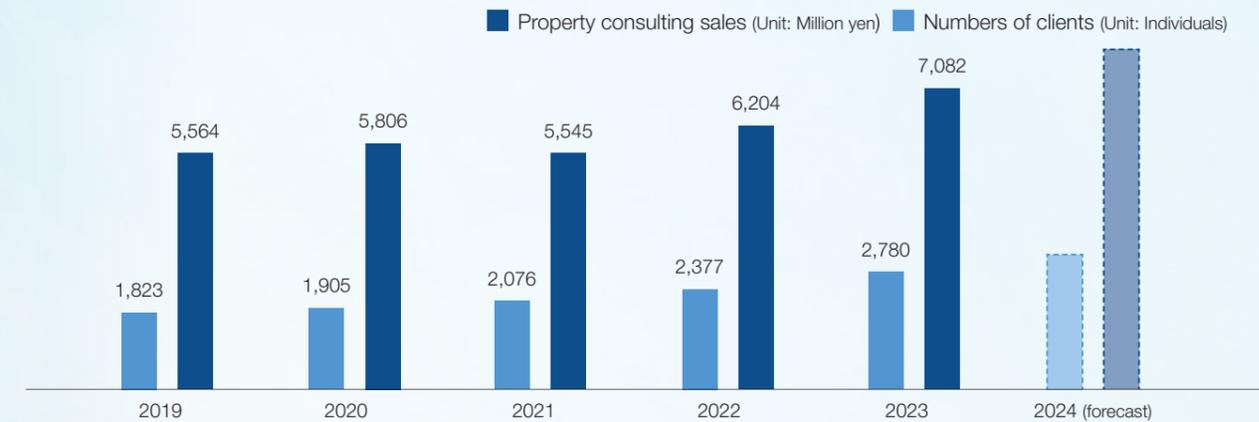
With regard to business succession, we are seeing remarkable diversification of needs as well as an increasing number of cases. Many of our clients are family business owners. These are people who started their businesses during Japan's era of strong economic growth, and who have protected and grown 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



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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