

1st Quarter of Fiscal Year Ending December 2025
Summary of Financial Results

Funai Soken Holdings Incorporated
(TSE Prime, stock code 9757)

May 9, 2025



1	Executive Summary
2	Financial Results as of FY2025 1Q
3	Forecasts & Growth Strategy
4	Shareholder Returns
Plus	Our Business Model & Competitive Edge

Statement Regarding Use of These Materials

Executive Summary

Highlights

FY2025 1Q Financial Results

- **New 1st-quarter records** were set for sales and operating income
- **Double-digit growth** in sales and income in the consulting and logistics segments
- Decrease in net income for the quarter is due to extraordinary losses incurred due to the sale of the Gotanda Office

KPIs

- Consultant headcount increased **3.5%** and sales per employee increased **12.3%** over the same period last year
- Management workshop membership numbers and per-month revenue both **reached record figures**, up **23.0%** over the same period last year
- Avg. spend per contract on monthly support consulting services was up **9.1%** over the same period last year

Outlook for 2025

- Target: **Record** net sales (¥33 bil.) and operating income (¥8.9 bil.)
- **Record** ROE (**25+%**), dividends up for the **15th straight year** (by ¥10)

News

- As part of our DX strategy, we acquired e-commerce and online marketing specialists Apparel-Web, Inc. as a group company in April 2025

1. Executive Summary

(1) Consolidated Income

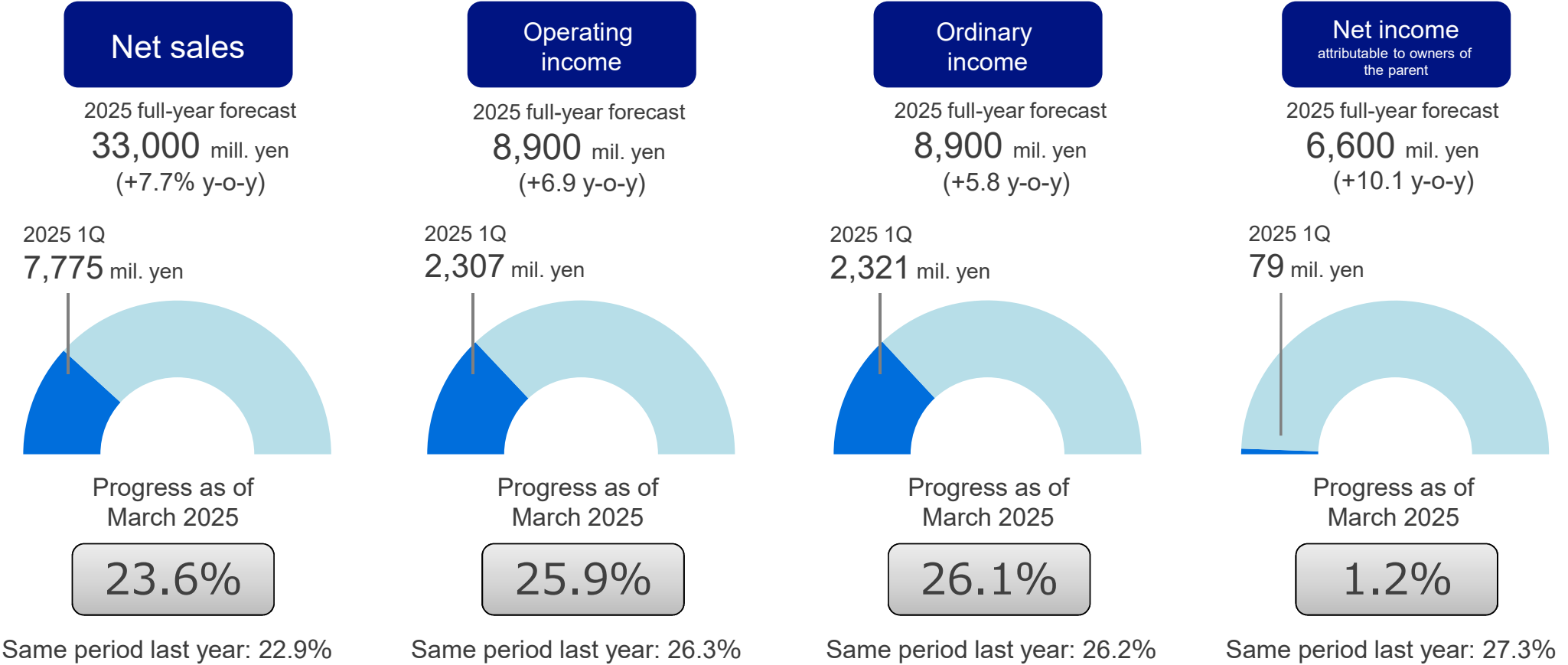
Sales and operating income were up by double digits, buoyed by robust performance in the core consulting segment as well as logistics. The decrease in net income for the quarter is mainly due to extraordinary losses of ¥2,155 mil. incurred due to the sale of the Gotanda Office.

	FY2024 1Q		FY2025 1Q		
	Amount (million yen)	% of total	Amount (million yen)	% of total	Change (%)
Net sales	6,970	100.0	7,775	100.0	+11.6
Operating income	2,076	29.8	2,307	29.7	+11.1
Ordinary income	2,069	29.7	2,321	29.9	+12.2
Net income attributable to owners of the parent	1,501	21.5	79	1.0	-94.7

*The decrease in net income for the quarter is mainly due to extraordinary losses incurred on the sale of the Gotanda Office. We are also forecasting extraordinary income of ¥3,155 mil. on sale of our Yodoyabashi Office in the 4th quarter.

1. Executive Summary

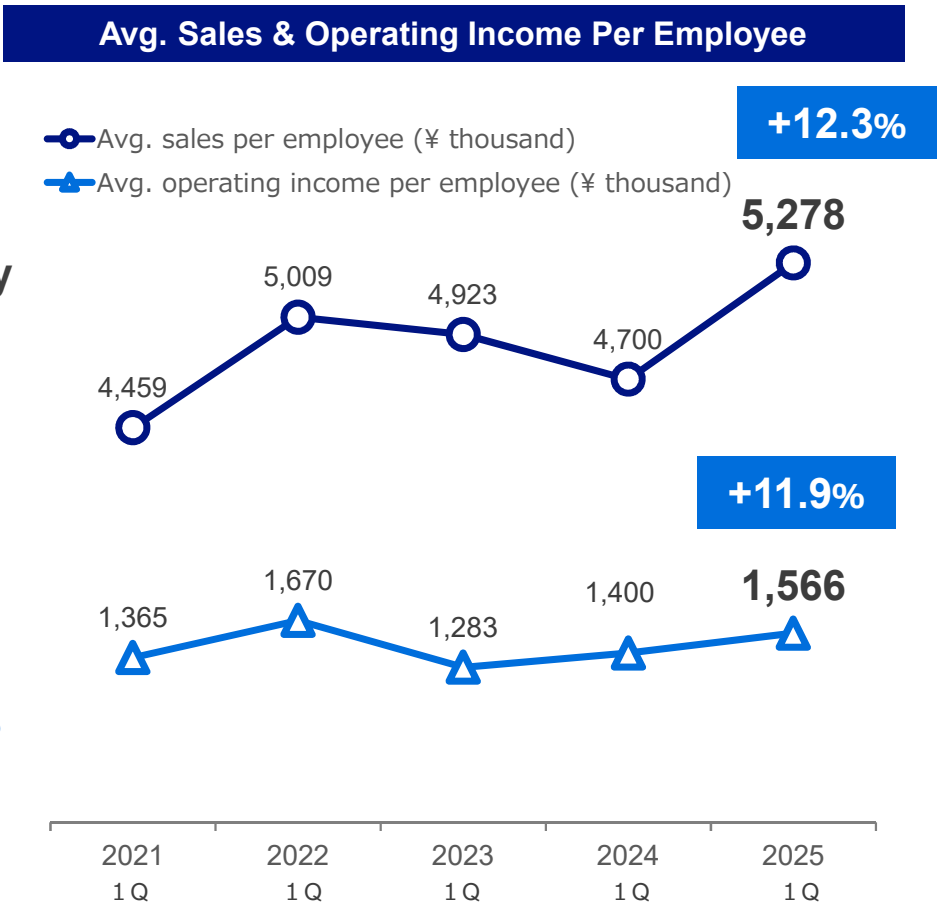
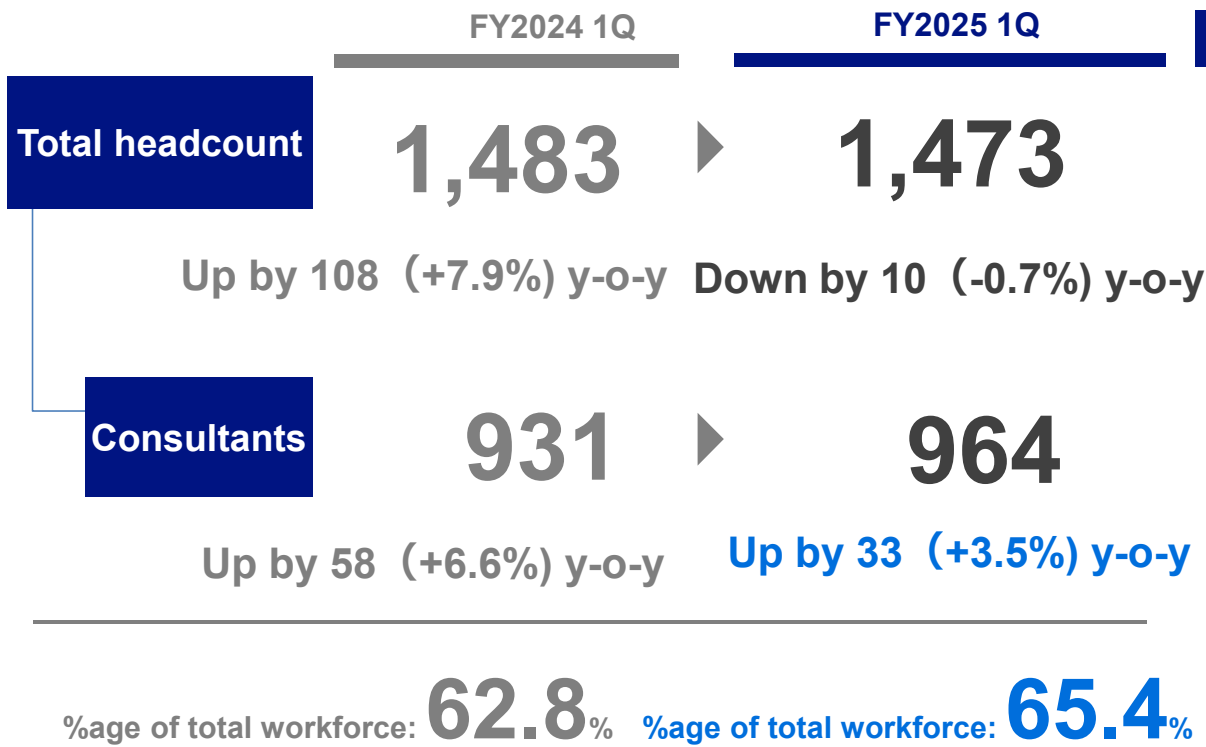
(2) Progress in Comparison with This Year's Forecasts



*The decrease in net income for the quarter is mainly due to extraordinary losses incurred on the sale of the Gotanda Office. We are also forecasting extraordinary income of ¥3,155 mil. on sale of our Yodoyabashi Office in the 4th quarter.

1. Executive Summary

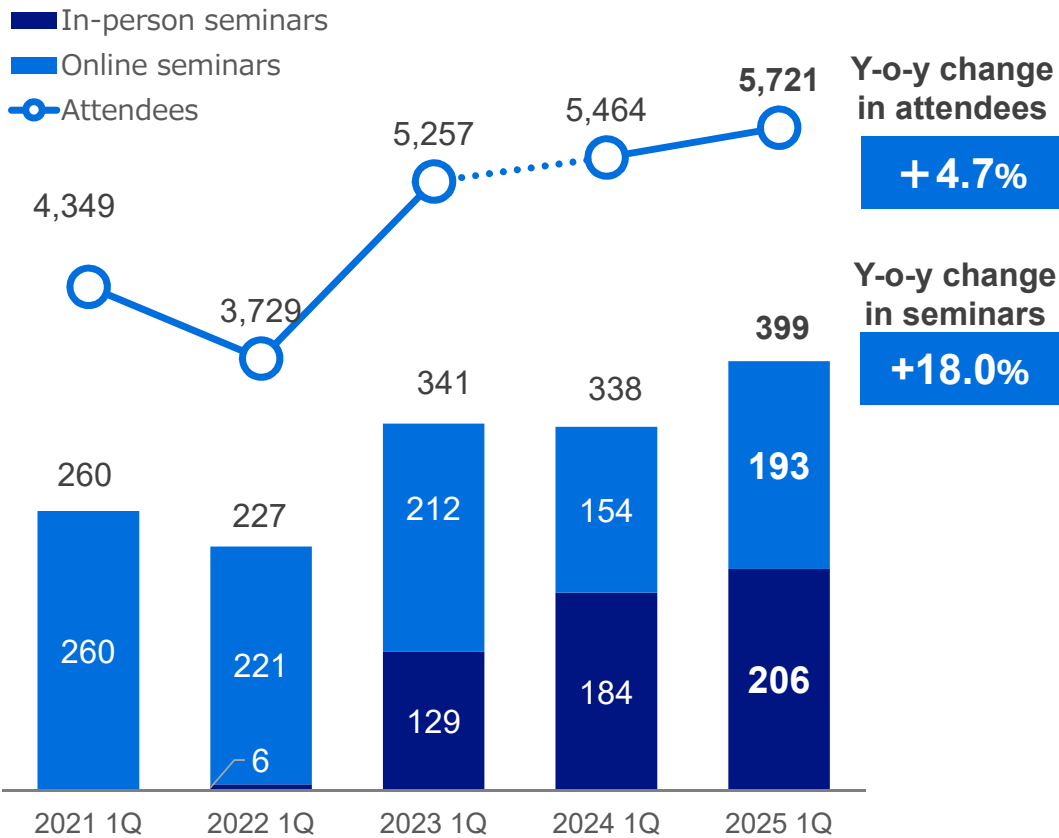
(3) KPIs: Occupation-specific Headcount & Productivity Per Employee



1. Executive Summary

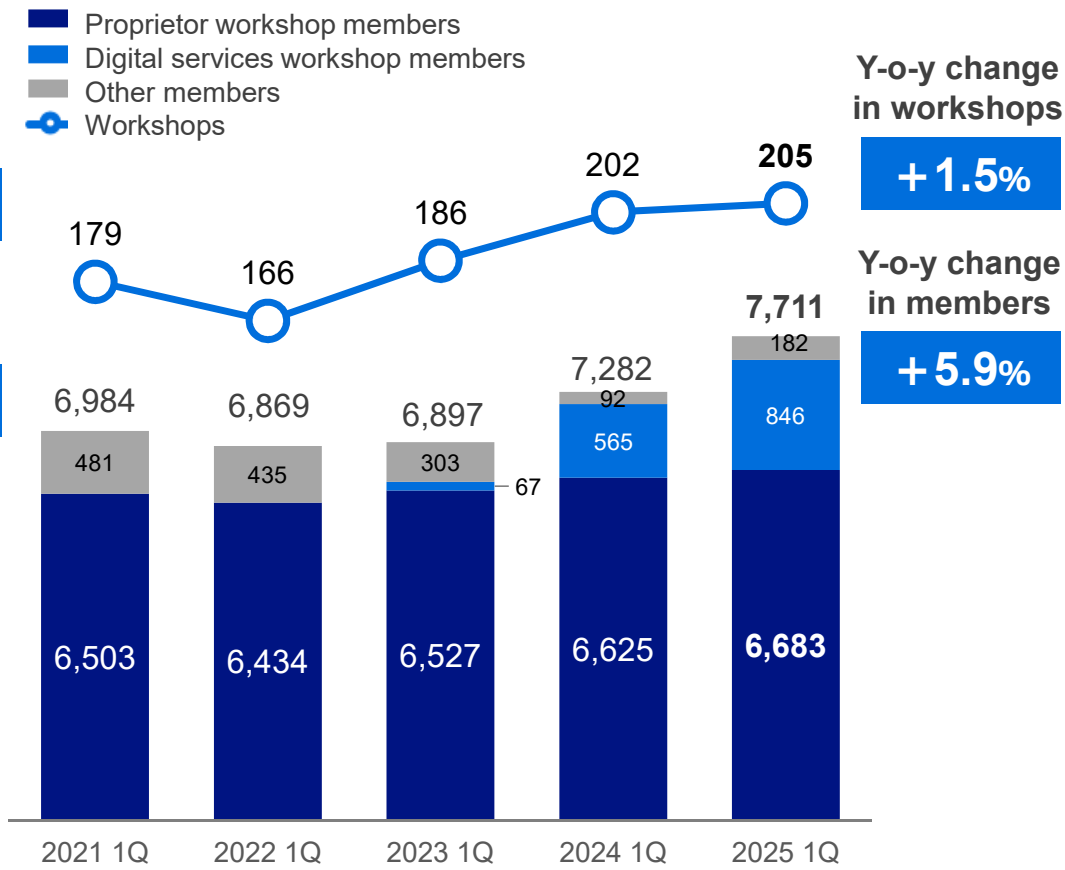
(3) KPIs: Seminars & Workshops

Management Seminars and Attendance Figures



*Figures show paid management seminars held and attendance for all group companies (except for 2021–2023, which are for Funai Consulting only)

Management Workshops and Membership

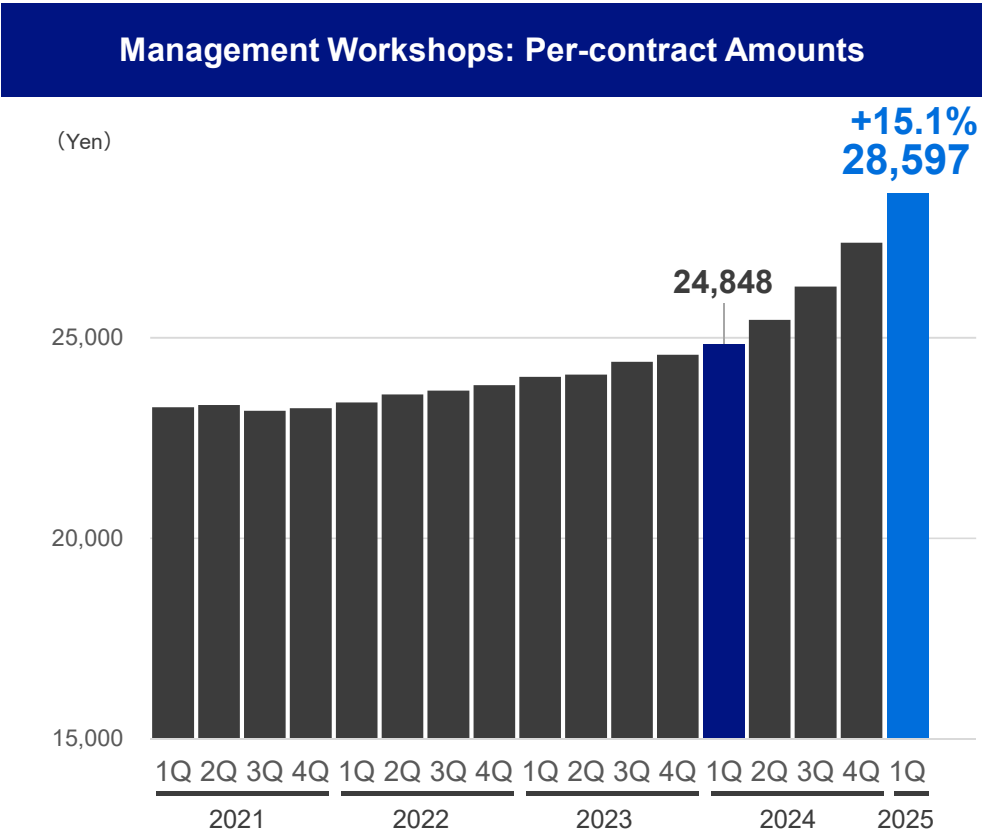


*Figures show management workshops held and membership for all group companies

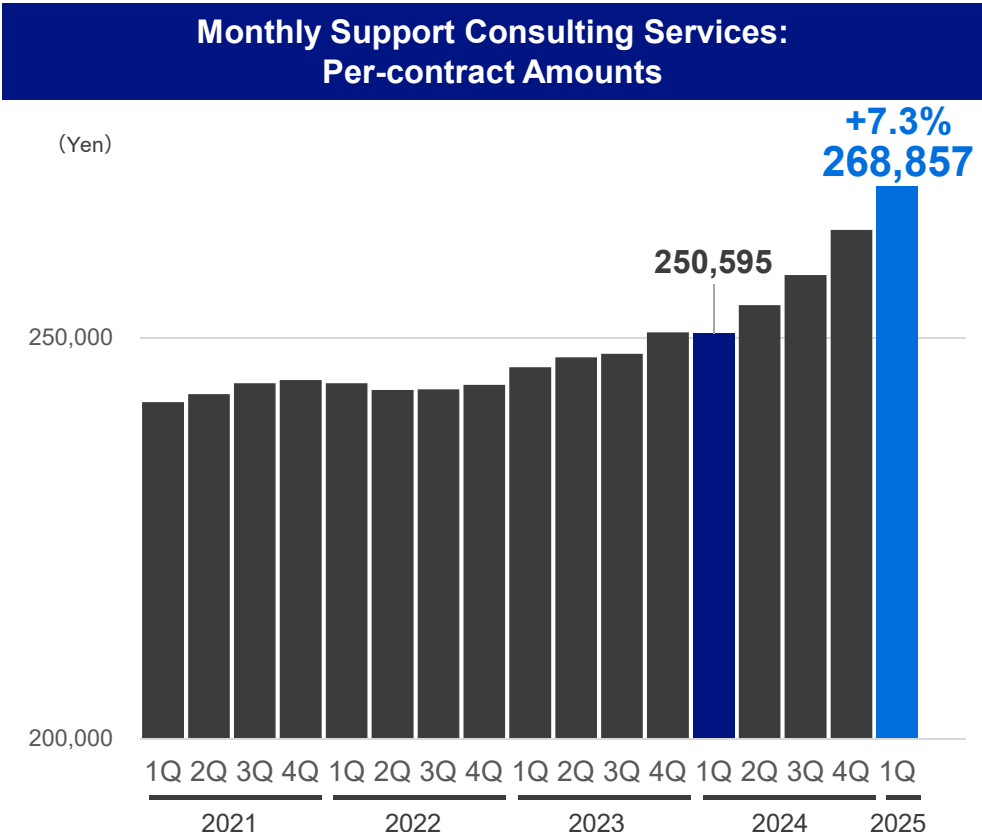
1. Executive Summary

(3) KPIs: Management Workshop & Monthly Support Services: Per-contract Amounts

Management workshop subscriptions are trending upward due to organization-wide membership fee increases starting in April 2024. Avg. spend per contract on monthly support consulting services was up 7.3% over the same period last year



*12-month (4-quarter) moving average of monthly membership subscription revenue from Funai Consulting's management workshops



*12-month (4-quarter) moving average of monthly per-contract amounts for Funai Consulting's monthly support consulting services

Financial Results as of FY2025 1Q

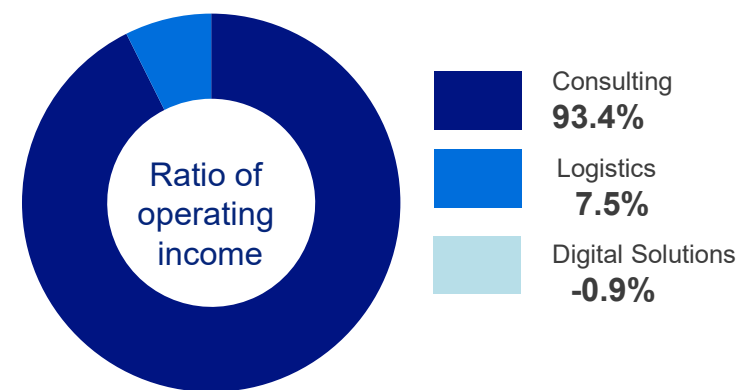
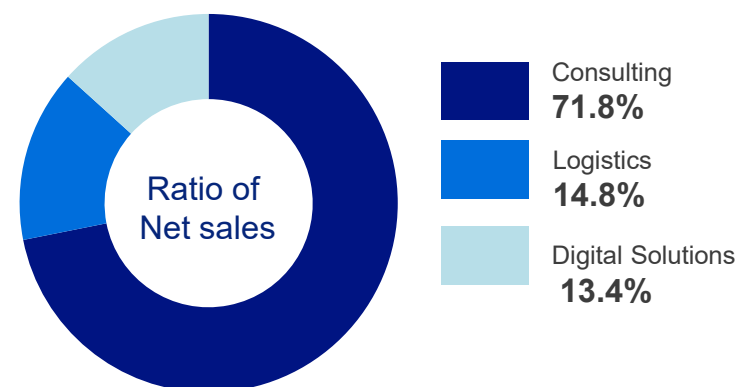
2. Financial Results as of FY2025 1Q

(1) Results of Operations by Segment

Sales and income in the consulting segment were up, buoyed by robust sales of monthly support services and management workshops. The logistics segment was also solid, with double-digit growth in sales and operating income.

Net sales	FY2024 1Q	FY2025 1Q	
	Amount (million yen)	Amount (million yen)	Change (%)
Consulting	4,912	5,589	+ 13.8
Logistics	995	1,147	+ 15.3
Digital Solutions	1,062	1,038	-2.3
(Intra-group & whole-group transactions)	0	—	—
Total	6,970	7,775	+ 11.6

Operating income	FY2024 1Q	FY2025 1Q	
	Amount (million yen)	Amount (million yen)	Change (%)
Consulting	1,705	2,157	+ 26.5
Logistics	142	172	+ 20.9
Digital Solutions	180	-19	—
(Intra-group & whole-group transactions)	47	-2	—
Total	2,076	2,307	+ 11.1

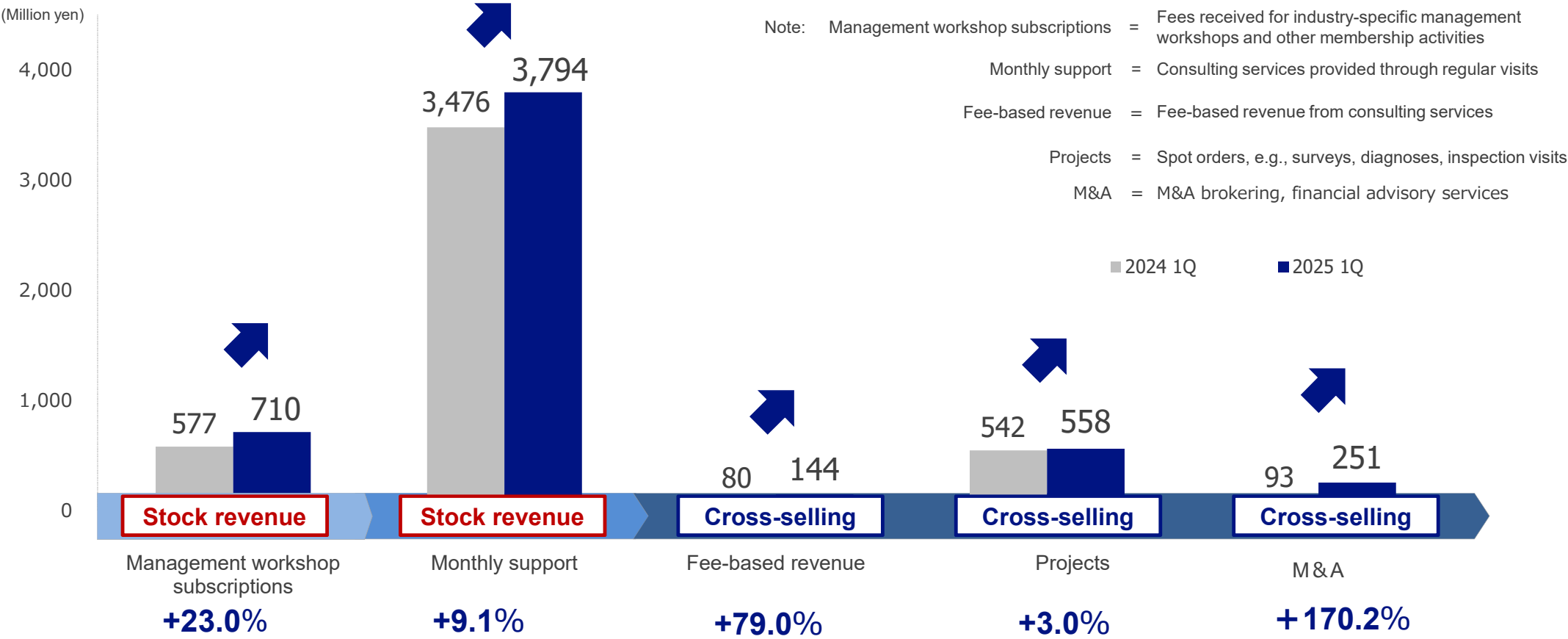


*Percentages exclude intra-group & whole-group transactions

2. Financial Results as of FY2025 1Q

(2) Results of Operations by Segment: Consulting—Sales by Service Category

There has been a steady expansion in monthly support services, and management workshop subscriptions per member were up by double figures y-o-y due to an increase in subscription prices.



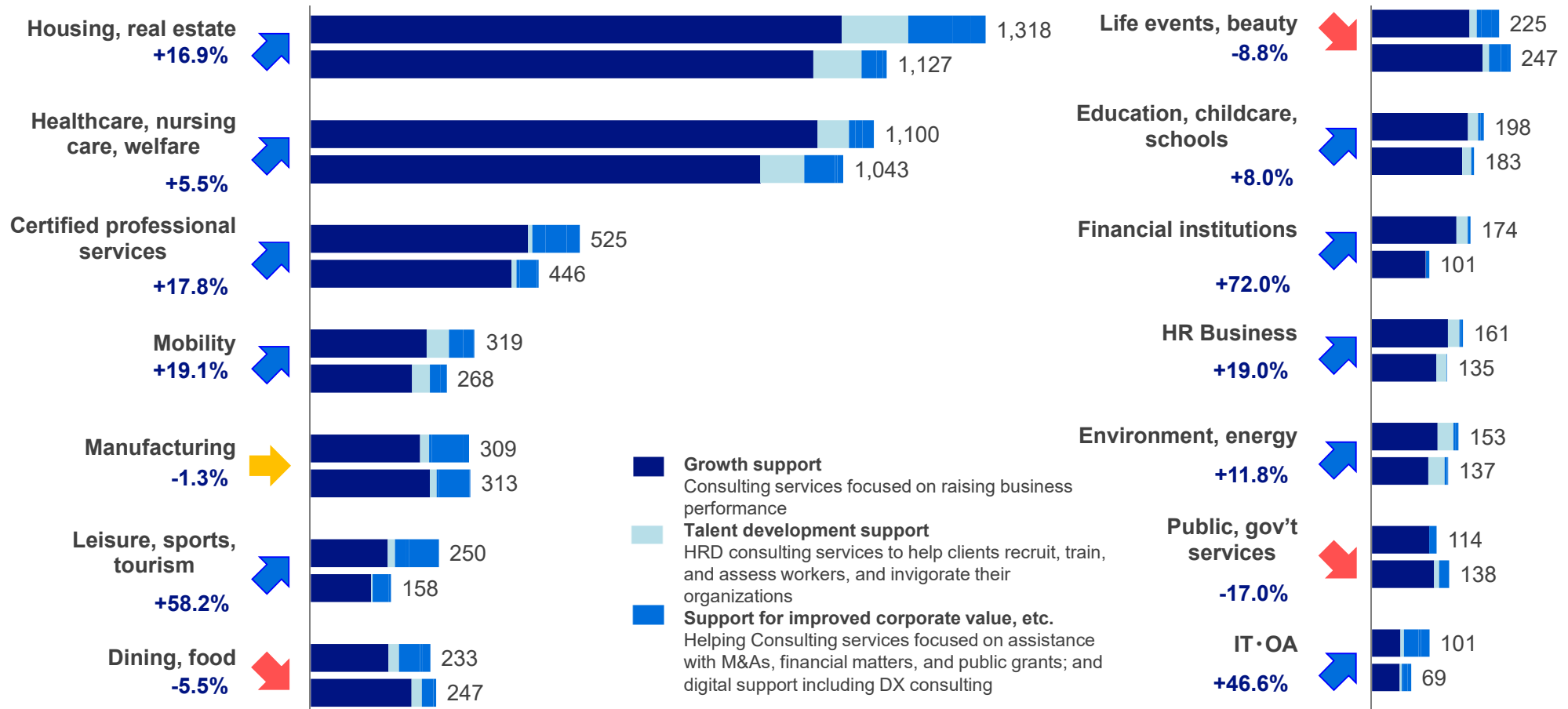
Same period last year: +11.1% Same period last year: +4.2%

*Starting this year, sales deriving from M&A projects, which were previously included in projects, and Fee-based revenue, which were previously included in other sales, are now listed separately.

2. Financial Results as of FY2025 1Q

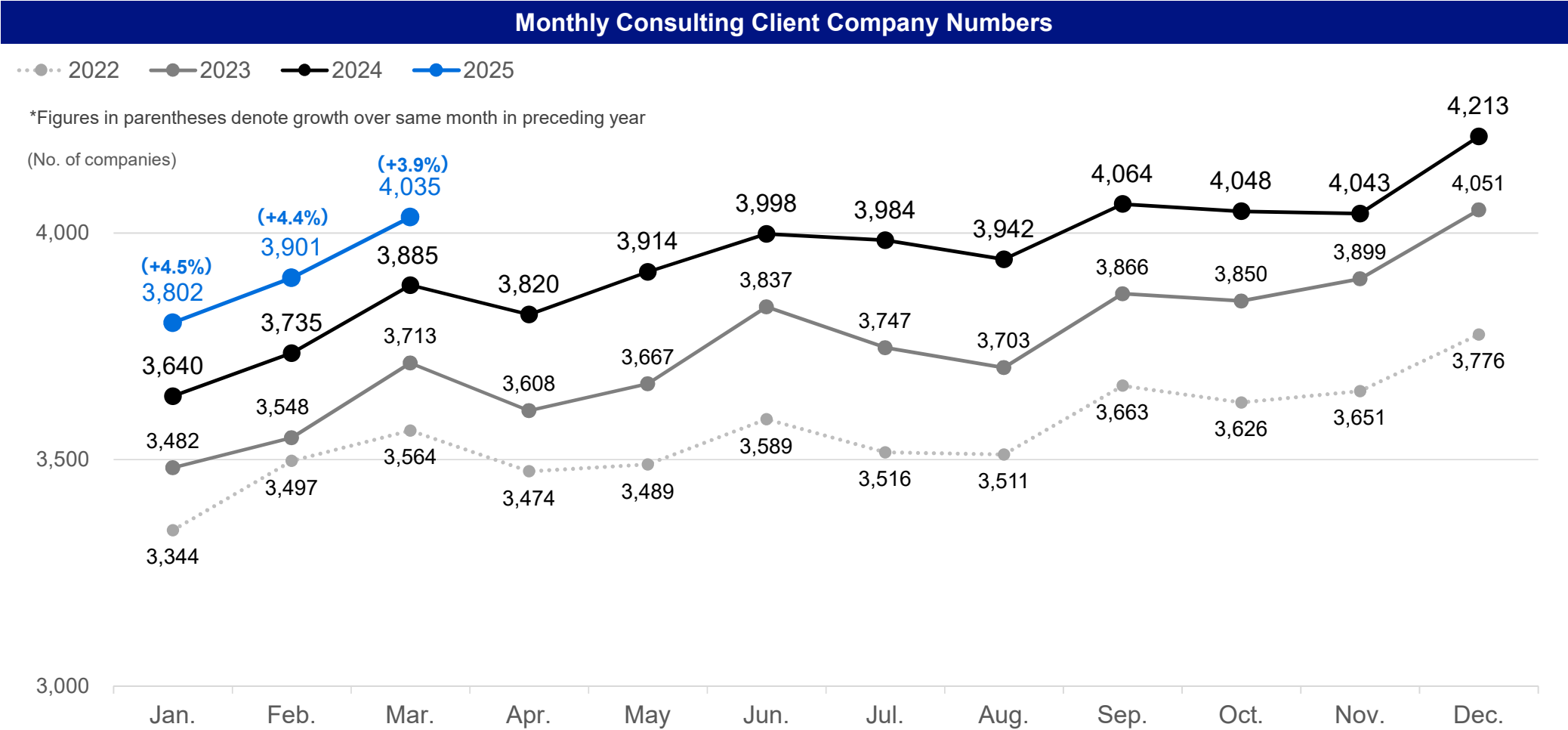
(2) Results of Operations by Segment: Consulting—Sales by Sector

Upper bar: FY2025 1Q
Lower bar: FY2024 1Q
(Million yen)



2. Financial Results as of FY2025 1Q

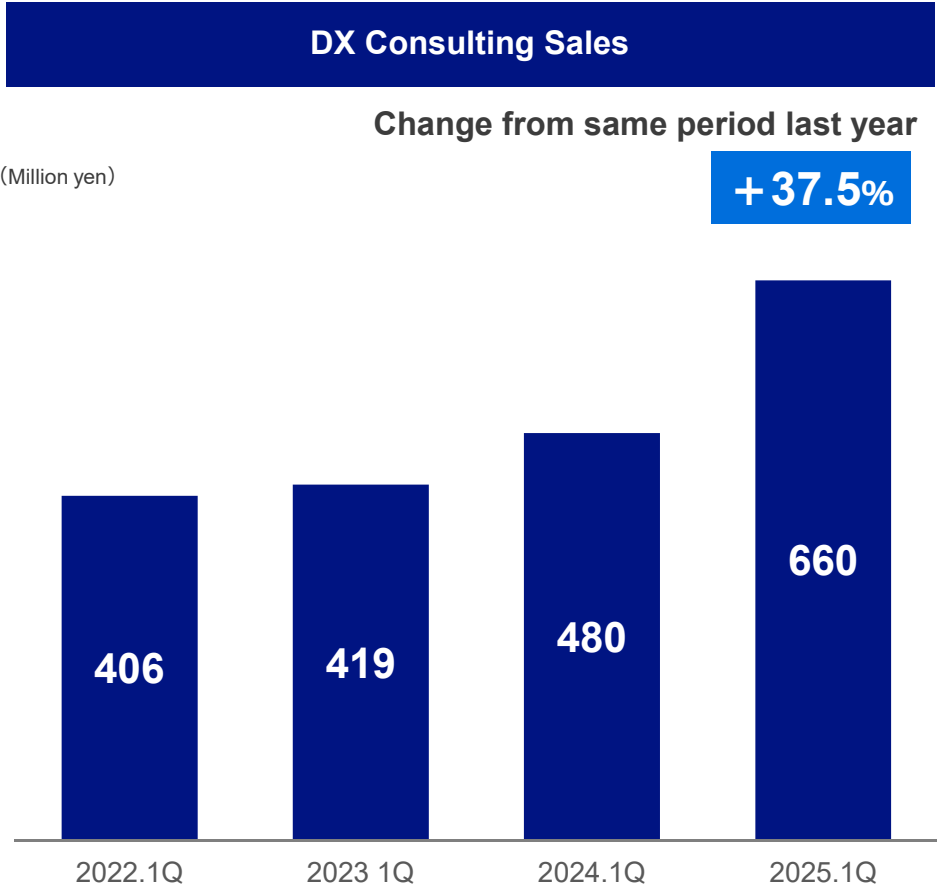
(2) Results of Operations by Segment: Consulting—Consulting Client Numbers



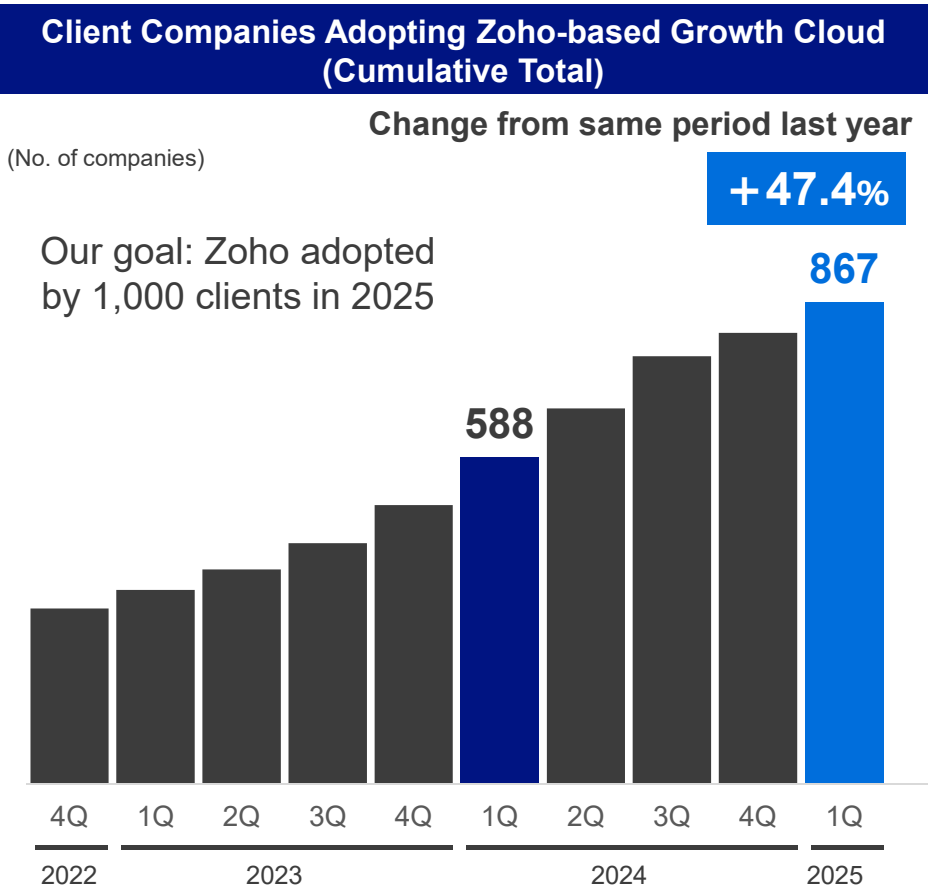
*Figures denote the total number of consulting contracts per month in the consulting segment (i.e., Funai Consulting, Proseed, Funai Consulting Shanghai, Seicho Senryaku, Funai Soken Agata FAS and Almacreation; excl. intra-group transactions).

2. Financial Results as of FY2025 1Q

(2) Results of Operations by Segment: Consulting—Trends in DX Consulting Services



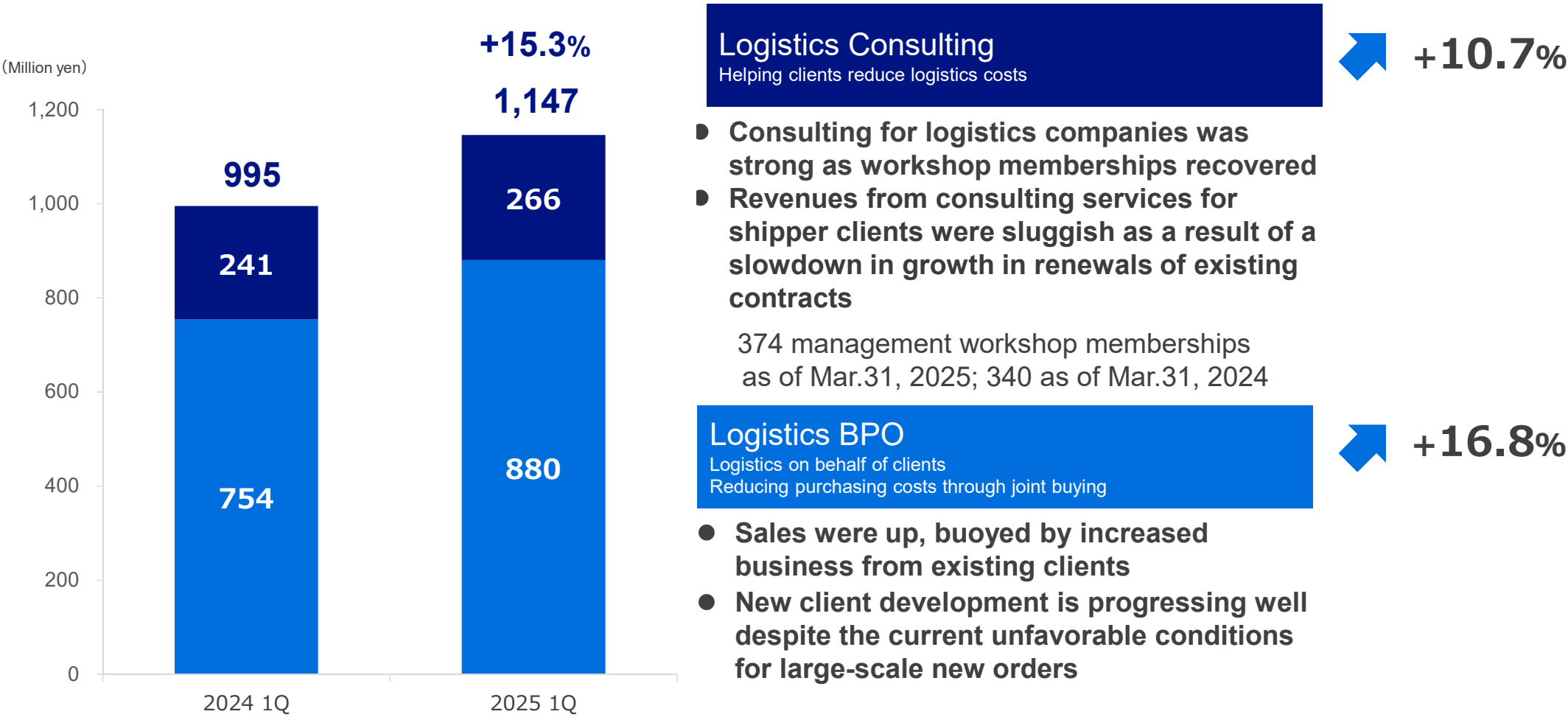
*Figures show DX consulting sales at Funai Consulting



*Figures show the groupwide cumulative total number of client companies that have adopted Growth Cloud, a Zoho product

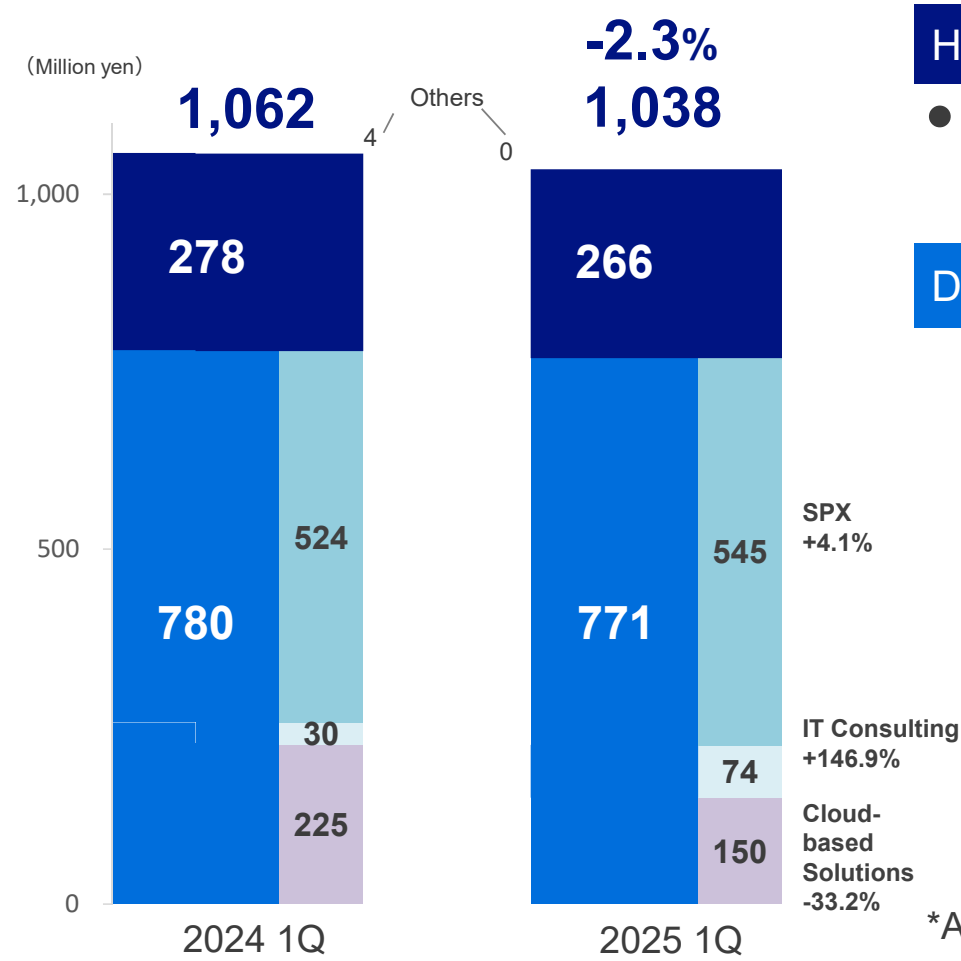
2. Financial Results as of FY2025 1Q

(3) Results of Operations by Segment: Logistics—Sales by Service Category



2. Financial Results as of FY2025 1Q

(4) Results of Operations by Segment: Digital Solutions—Sales by Service Category



HR Solutions
● Recruiting Cloud (AI-powered recruiting service): Revenues down due to tightening of some major clients' advertising budgets

Digital Solutions
Sales Process Transformation (SPX)
Online ad agency services remained roughly the same, but net sales were up due to robust sales of call center BPO services
IT Consulting
Sales were up, with new projects offsetting the conclusion of major projects from last year
Cloud-based Solutions
Revenue is expected to decline due to a decrease in outsourced orders received, direct-client projects are expected to increase

*Apparel-Web, which was acquired April 2025, will be included in accounts in the digital solutions segment starting in the second quarter

2. Financial Results as of FY2025 1Q

(5) Consolidated Financial Position: Balance Sheet

Decrease in property, plant, and equipment due to sale of Gotanda Office

(Million yen)

		As of Dec. 31, 2024	As of Mar. 31, 2025	Change	Major factors behind changes
Current assets		17,756	17,731	▲25	Decrease in cash and deposits due to dividend payments
Noncurrent assets	Property, plant, and equipment	6,507	4,438	▲2,068	Decrease in land, buildings, and structures due to sale of Gotanda Office
	Intangible assets	661	727	+66	Increase in goodwill of subsidiary acquired
	Investments and other assets	6,513	7,067	+553	Increase in deferred tax assets due to listing in accounts of extraordinary losses on sale of Gotanda Office
Total assets		31,438	29,964	▲1,474	
Current liabilities		6,274	6,395	+120	Increase in provision for employees' bonuses
Noncurrent liabilities		174	222	+47	Increase in lease obligations due to renewal of building leases
Total liabilities		6,449	6,617	+167	
Total net assets		24,989	23,347	▲1,641	Decrease due to dividend payments
Total liabilities & net assets		31,438	29,964	▲1,474	

2. Financial Results as of FY2025 1Q

(6) News

Funai Soken Consulting Group Acquires Apparel-Web

We acquired e-commerce and online marketing specialists Apparel-Web, Inc. as a group company as part of our effort to realize the Group Vision of becoming the foremost provider of digital and comprehensive consulting solutions for mid-scale and SME clients as stated in the Mid-Range Business Plan.

By adding Apparel-Web's deep expertise in the apparel industry and extensive knowhow in e-commerce and online marketing to the Funai Soken Consulting Group's expertise in consulting for a broad range of industries, we continue to build a comprehensive support system covering everything from management strategy to advanced digital marketing.



Apparel-Web, Inc.
Incorporated: Jan. 2000
Business: Digital marketing, etc.



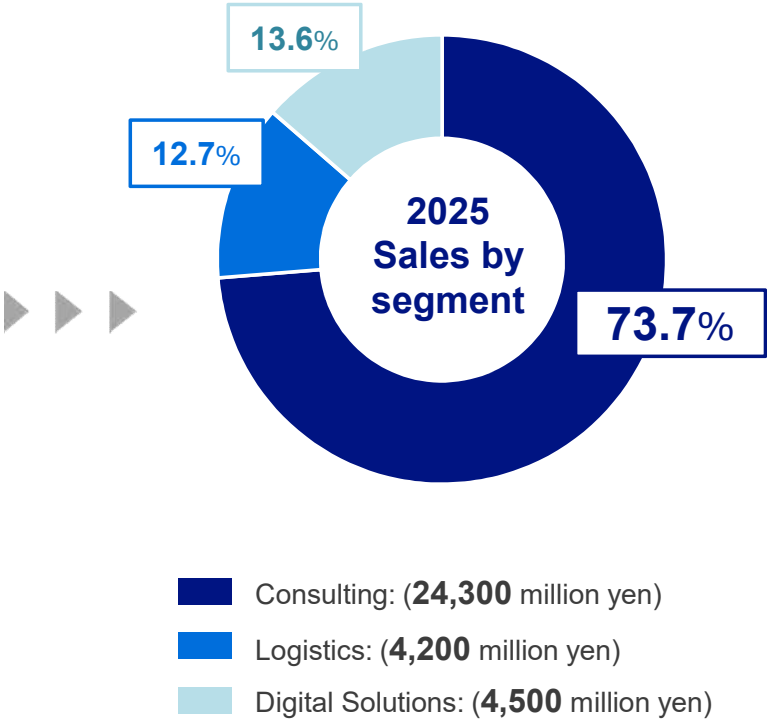
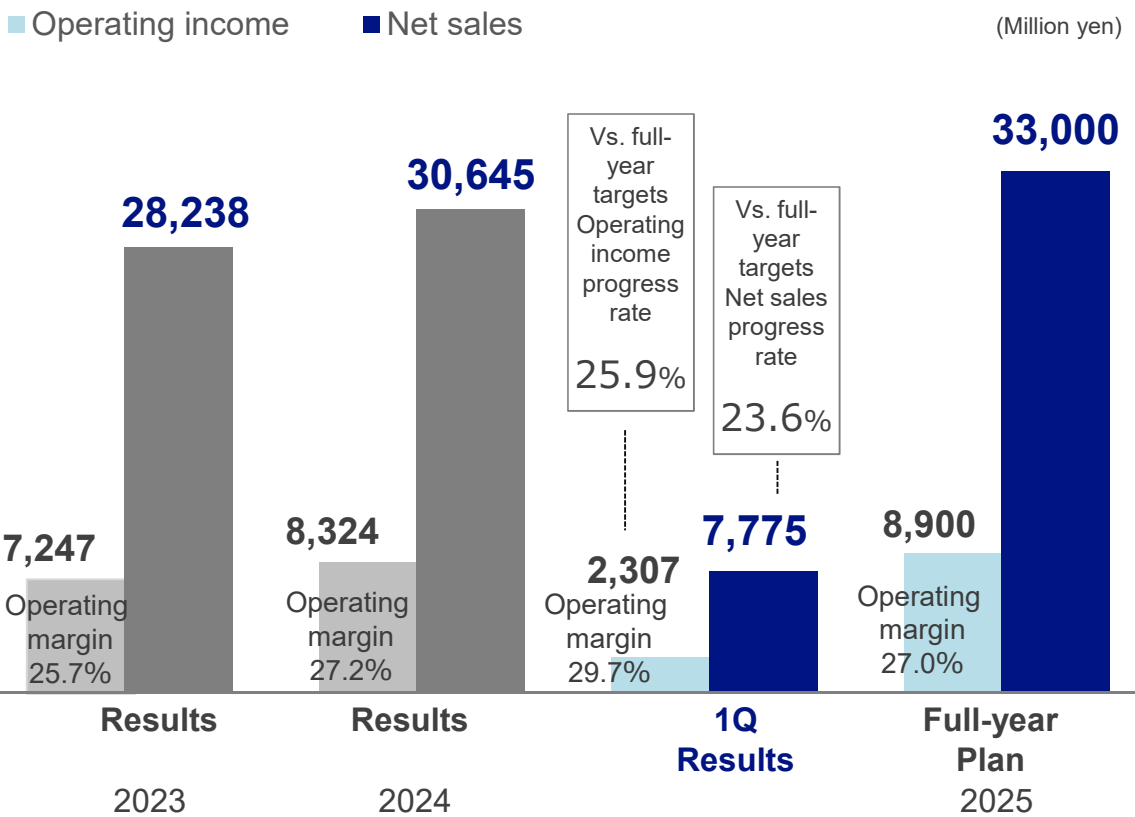
Forecasts & Growth Strategy

3. Forecasts & Growth Strategy

(1) Progress toward Achieving the Mid-Range Business Plan

For FY2025, we plan to achieve net sales of 33.0 billion yen and operating income of 8.9 billion yen, maintaining high profitability.

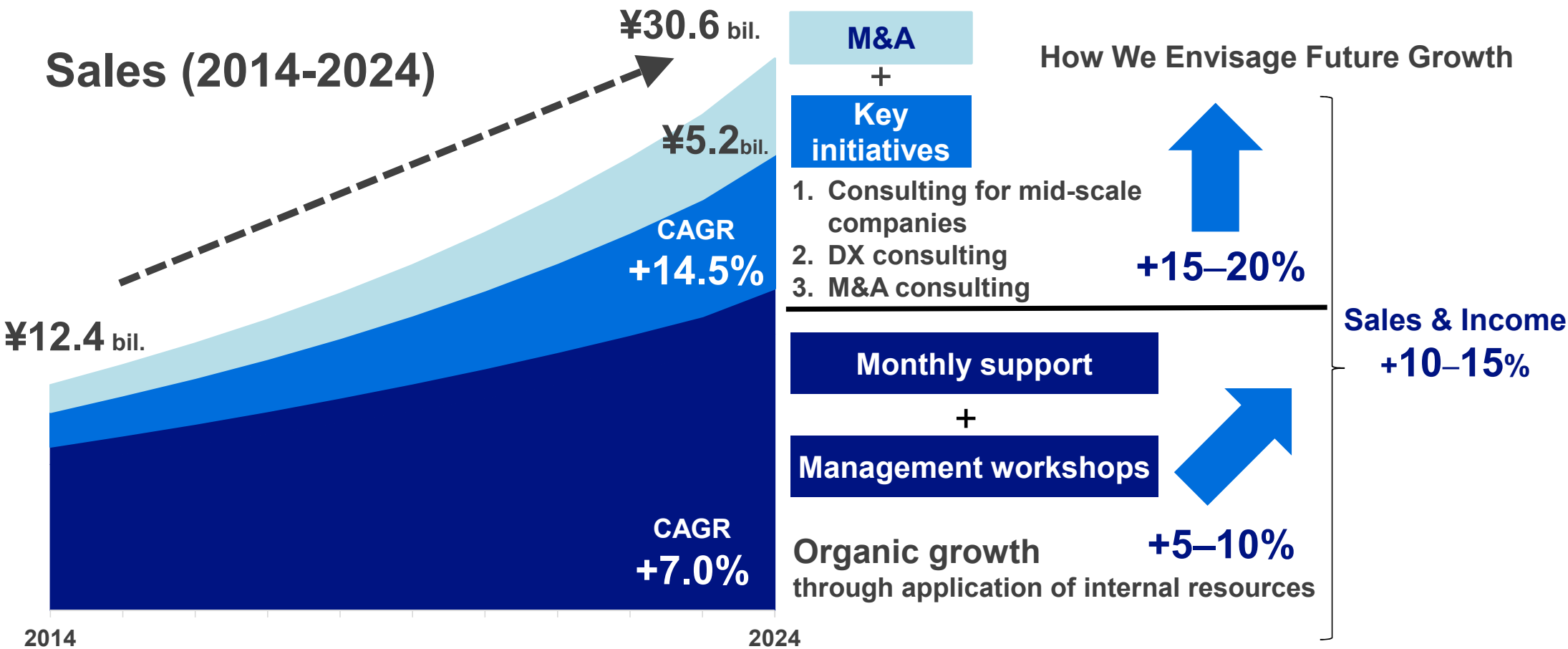
■ FY2023-FY2025: Results and targets of net sales and operating income



3. Forecasts & Growth Strategy

(3) How We Have Grown

We aim to leverage organic growth, key initiatives, and M&As to maintain double-digit growth.

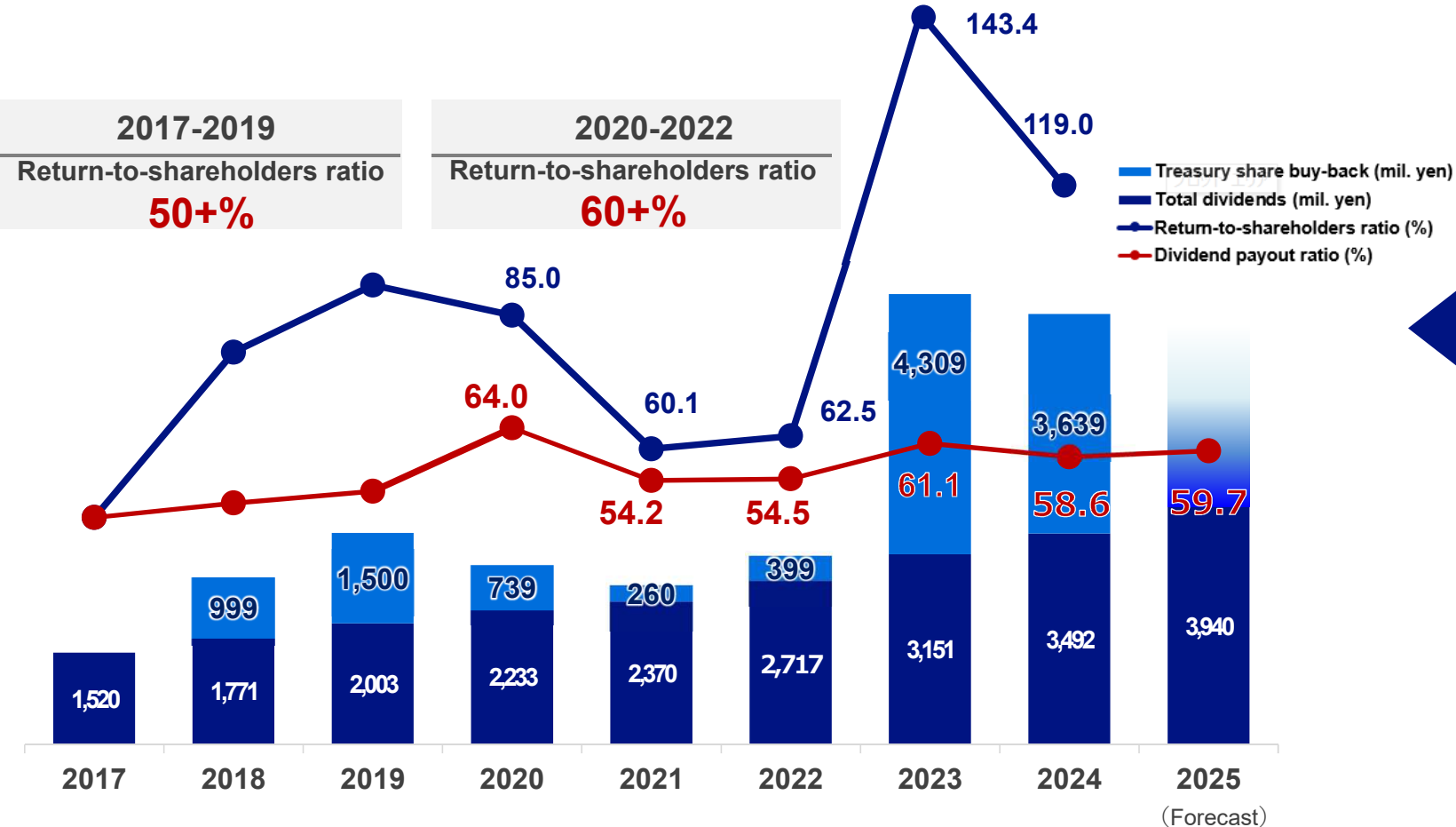


Shareholder Returns

4. Shareholder Returns

(1) Shareholder Returns Policy

We will continue to strive for a high rate of shareholder returns, such as through ongoing dividend increases and share buybacks.



**2023-2025
Shareholder
Returns Policy**

**Return-to-
shareholders ratio**
60+%

Dividend payout ratio
55+%
+

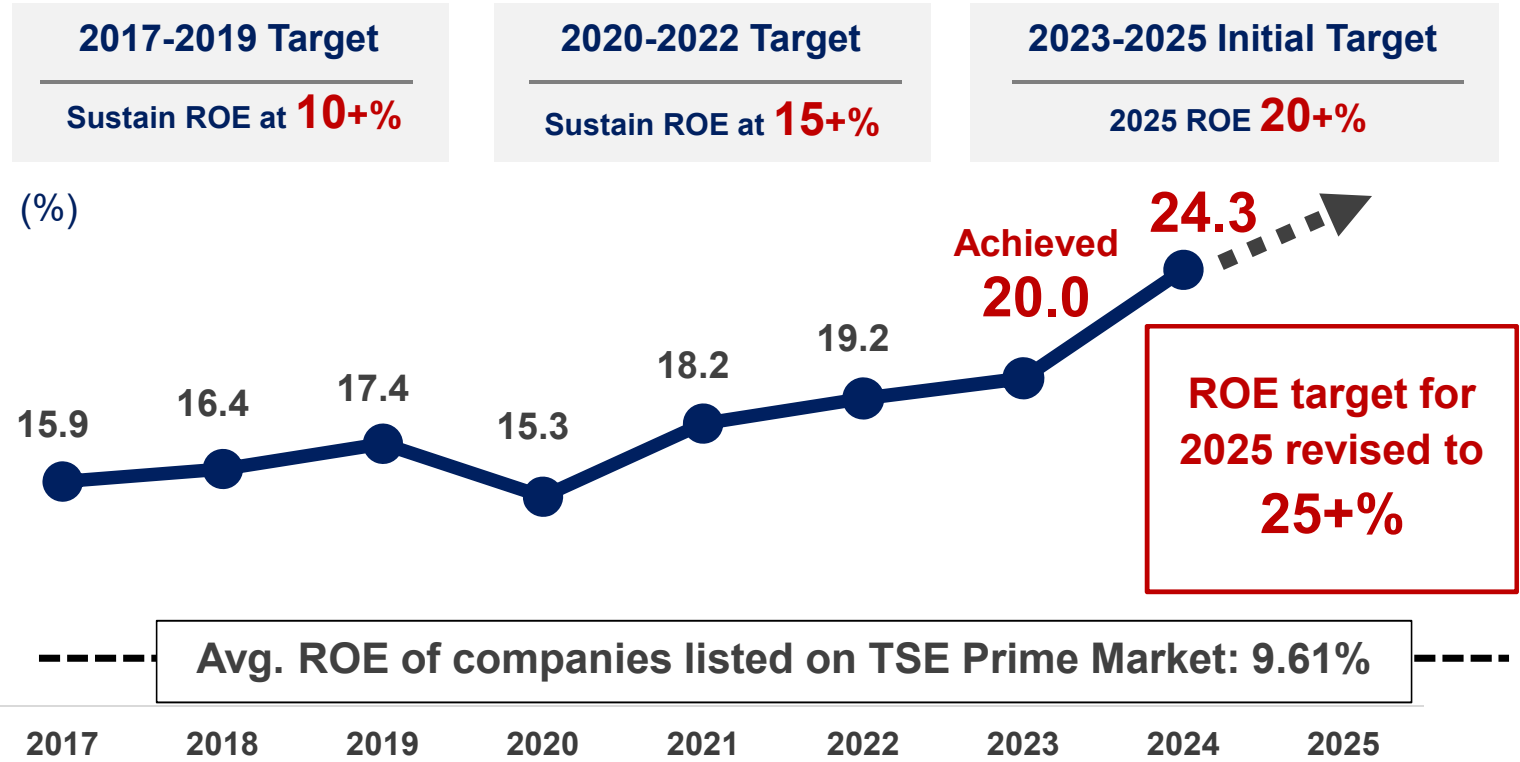
Dynamic share buybacks
+

**Ongoing dividend
increases**
(Current dividend increase
streak unbroken since FY2011)

4. Shareholder Returns

(2) Capital Efficiency Targets

ROE target for 2025 raised from 20+% to 25+% in pursuit of sustained growth in corporate value.



Capital efficiency targets

ROE target for 2025 revised to 25+%

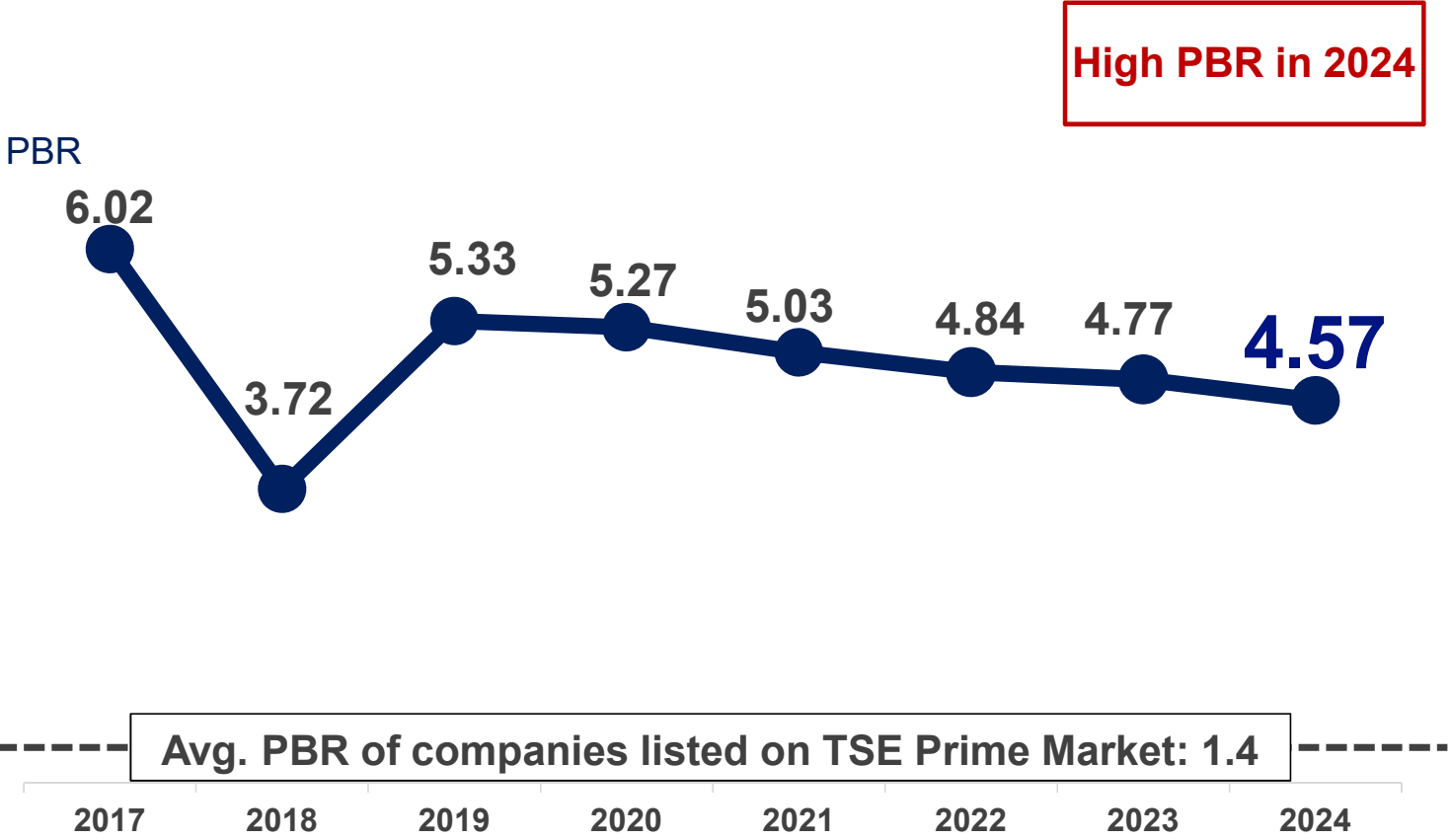
Avg. ROE of companies listed on TSE Prime Market: 9.61%

Source: Tokyo Stock Exchange, Summary of Earnings Digests by Listed Companies (fiscal year ended Mar. 2024)

4. Shareholder Returns

(3) Share Price Target

We will continue to strive to sustain a high PBR.



Share Price Target

Maintain high PBR in 2025

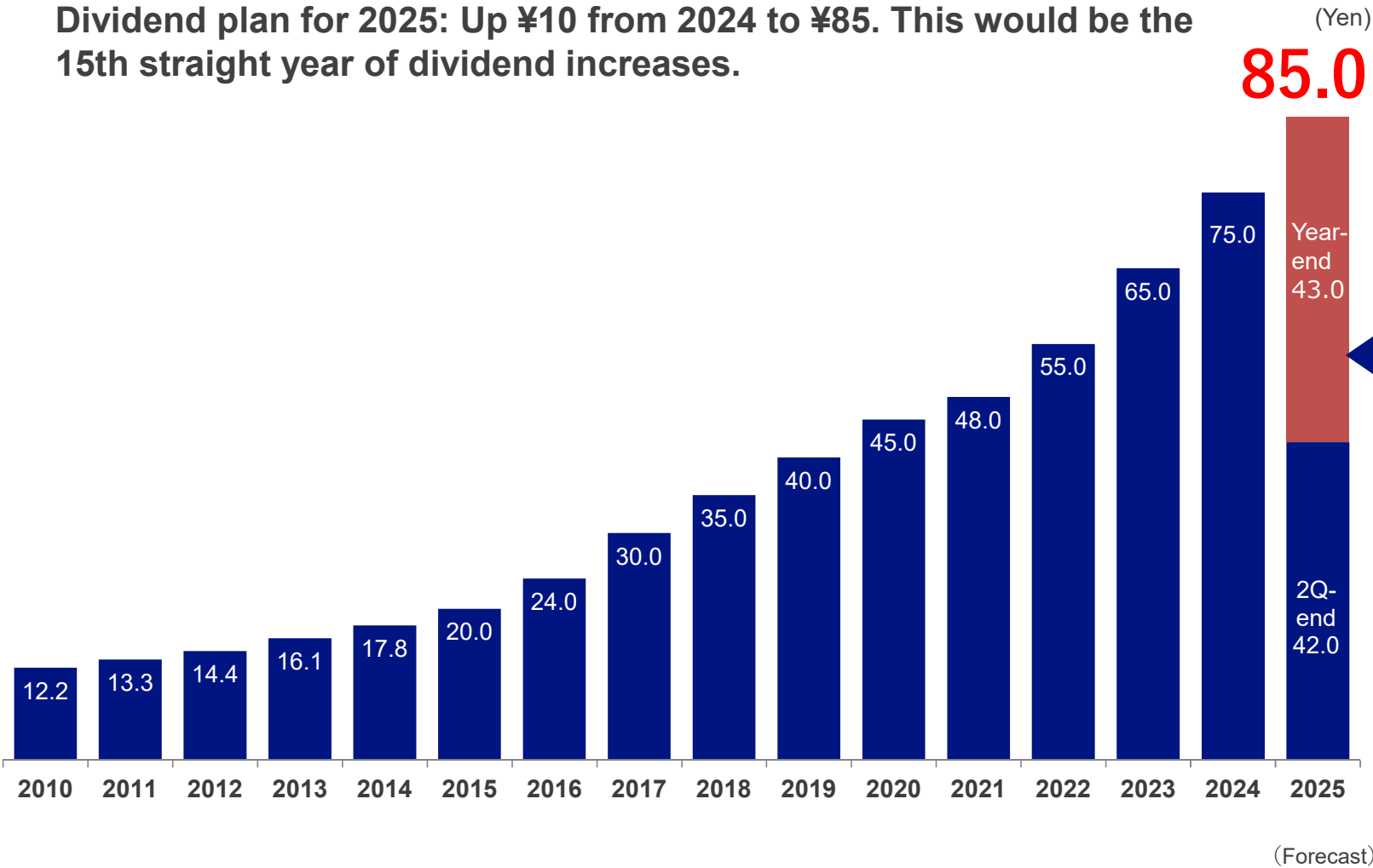
Avg. PBR of companies listed on TSE Prime Market:
1.4

Source: Tokyo Stock Exchange, Average PER and PBR by Size and Types of Industry (Mar. 2024)

4. Shareholder Returns

(4) Annual Dividends

Dividend plan for 2025: Up ¥10 from 2024 to ¥85. This would be the 15th straight year of dividend increases.



Annual Dividends Payouts & Forecast

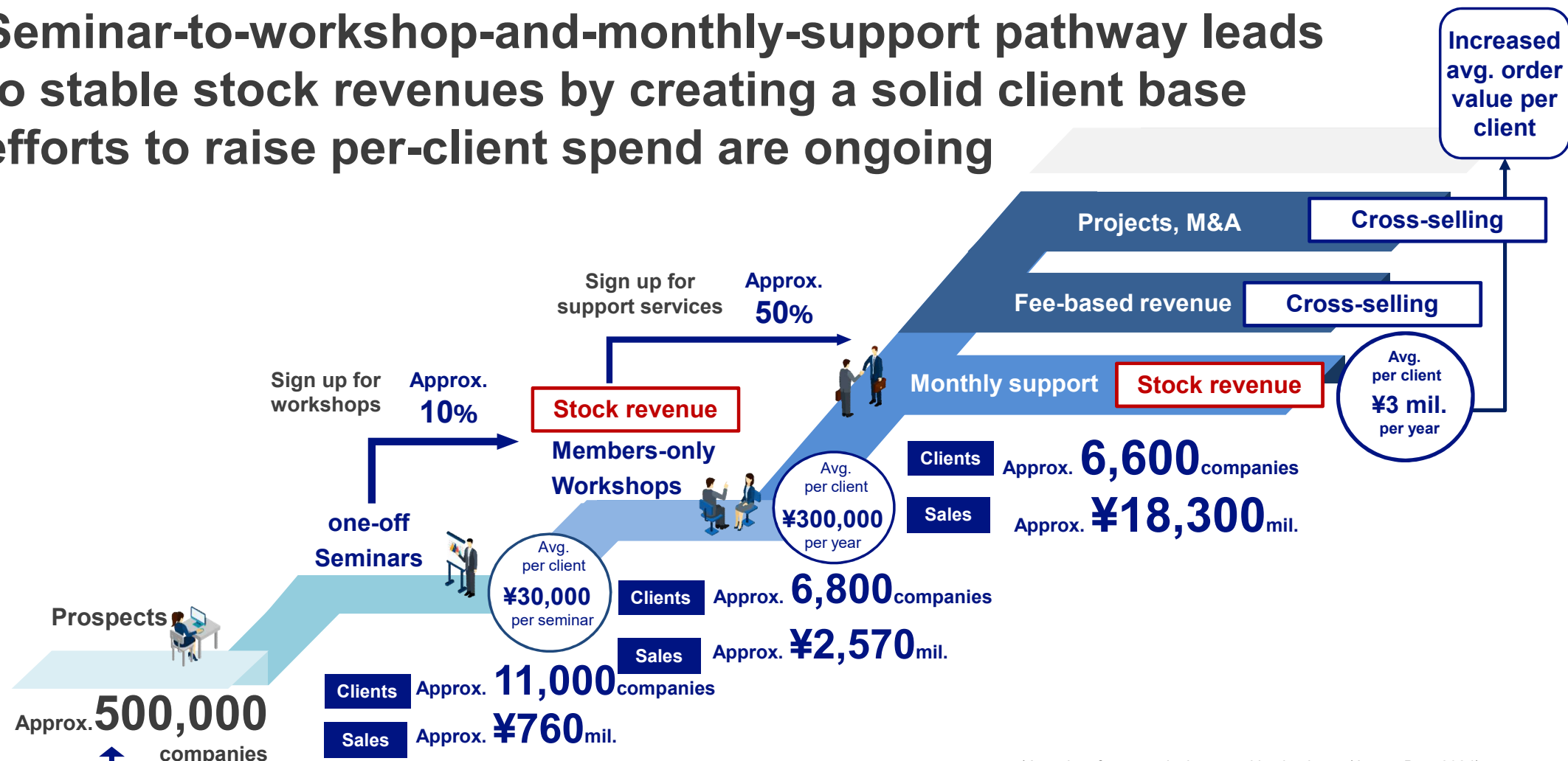
Current dividend increase streak unbroken since 2011

A constant fixture of the Nikkei Consecutive Dividend Growth Stock Index since June 2023

The background of the slide is a stylized, layered landscape. It features multiple ranges of mountains in various shades of blue and light blue, creating a sense of depth. In the foreground, there is a dense line of dark green, conical evergreen trees. Above the trees, numerous small, colorful birds in shades of pink, yellow, and blue are depicted in flight. The overall aesthetic is clean and modern, with a focus on natural elements.

Our Business Model & Competitive Edge

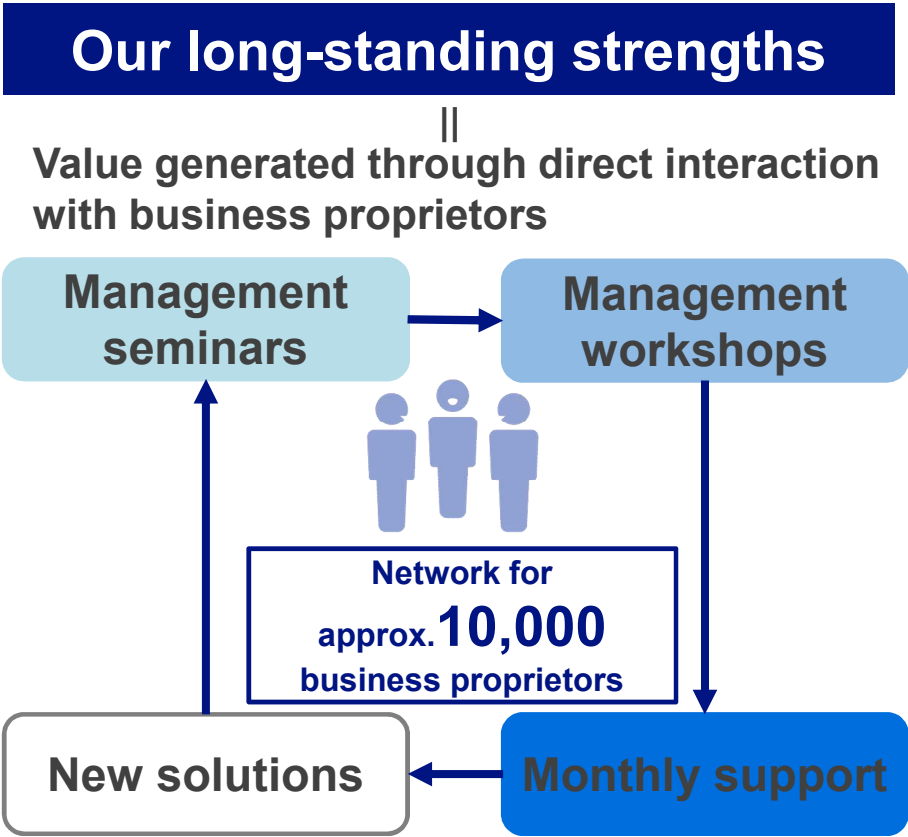
Seminar-to-workshop-and-monthly-support pathway leads to stable stock revenues by creating a solid client base efforts to raise per-client spend are ongoing



A diverse array of sales channels enables steady expansion

*Actual performance in the consulting business (Jan. to Dec. 2024)

A Business Model that Cycles from Client Acquisition to a Stable Supply of Orders and Back Again



Seminars: A gateway for new prospects

➔ Seminars held: 1,516
Participants: 27,521



Most seminars & participants ever

Workshops: A platform for client conversion

➔ Workshops held: 213
Members: 7,512



New record set for membership numbers

(as of Dec. 31, 2024)

Management Workshops

A forum for interaction among industry peers and a great way to find mentors



Industry-specific, solution-specific workshops for mid-scale and SME proprietors

- Up-to-the-minute information from consultants
- Useful case studies from around the nation
- Interaction with fellow proprietors

Monthly Support

Industry-specific, expert consulting teams offer detailed solutions and help with implementation

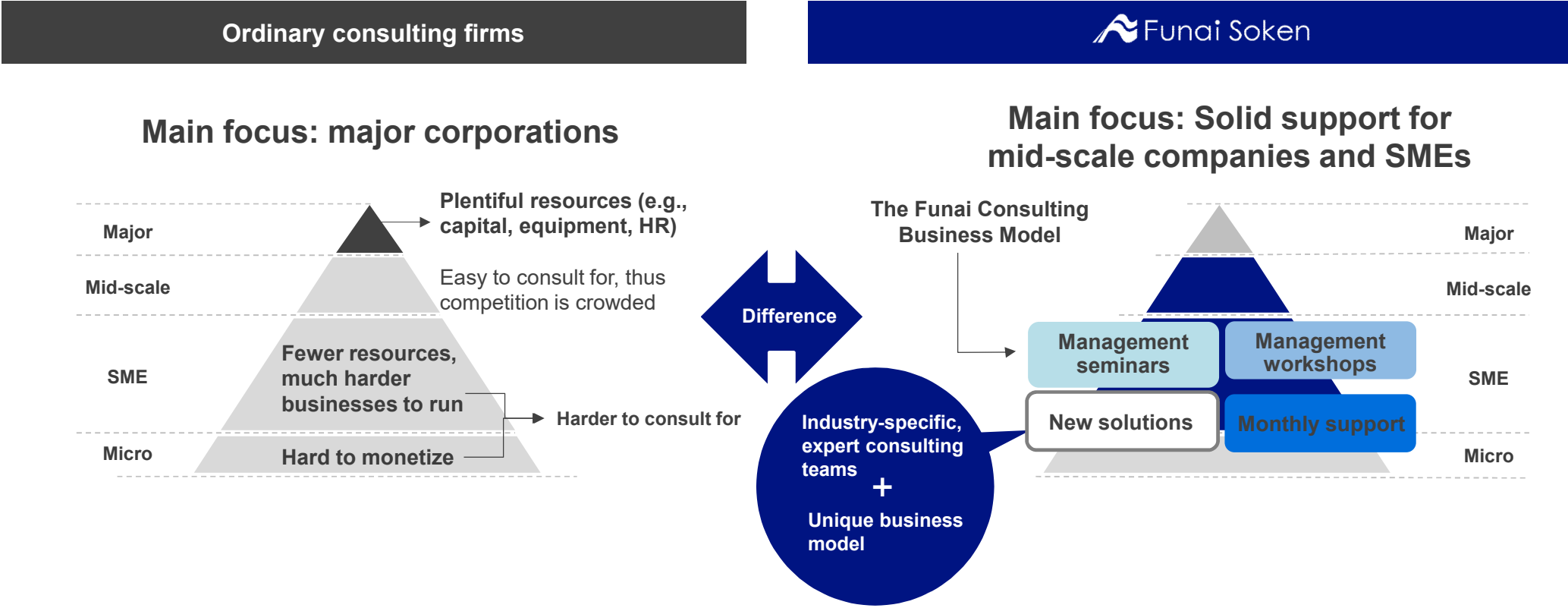


Industry-specific, solution-specific on-site “tutoring” for mid-scale and SME proprietors

- Contract-based consulting services
- Practicable growth support based on real case studies from around the nation

What Makes Us Different from Other Consulting Firms?

1. Business Model Focusing on mid-scale companies and SMEs



What Makes Us Different from Other Consulting Firms?

2. Sales presence focused on Tokyo and Osaka for better efficiency and profitability

Ordinary consulting firms

Big sales network for more customer contact points

Results in higher network costs and sales activity costs; harder to share insights and know-how among consultants, harder to sustain quality.

Each office conducts sales by approaching prospects within its own catchment area (i.e., push-style)



Difference

Funai Soken

Sales presence focused on Tokyo and Osaka; clients attracted by high expertise

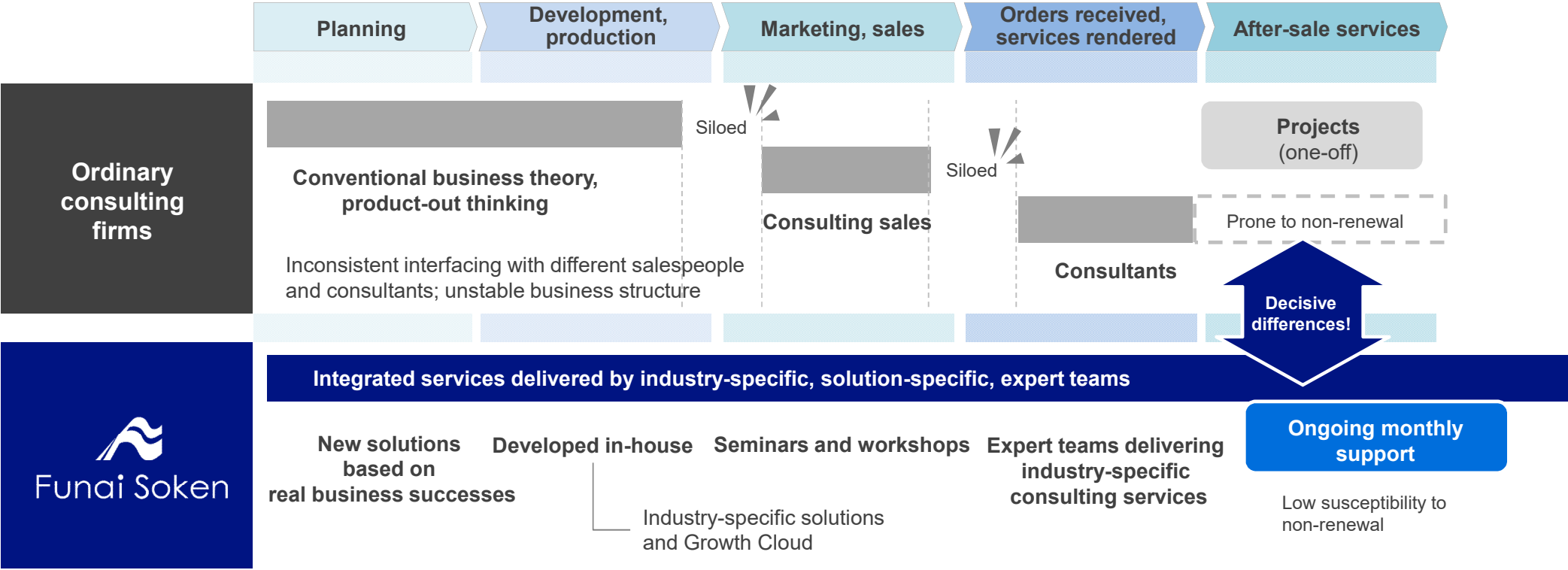
Keeps network costs and sales activity costs low; facilitates sharing of insights and know-how among consultants, easier to sustain quality.

Business proprietors come to our industry-specific, expert consulting teams for help (e.g., pull-style)



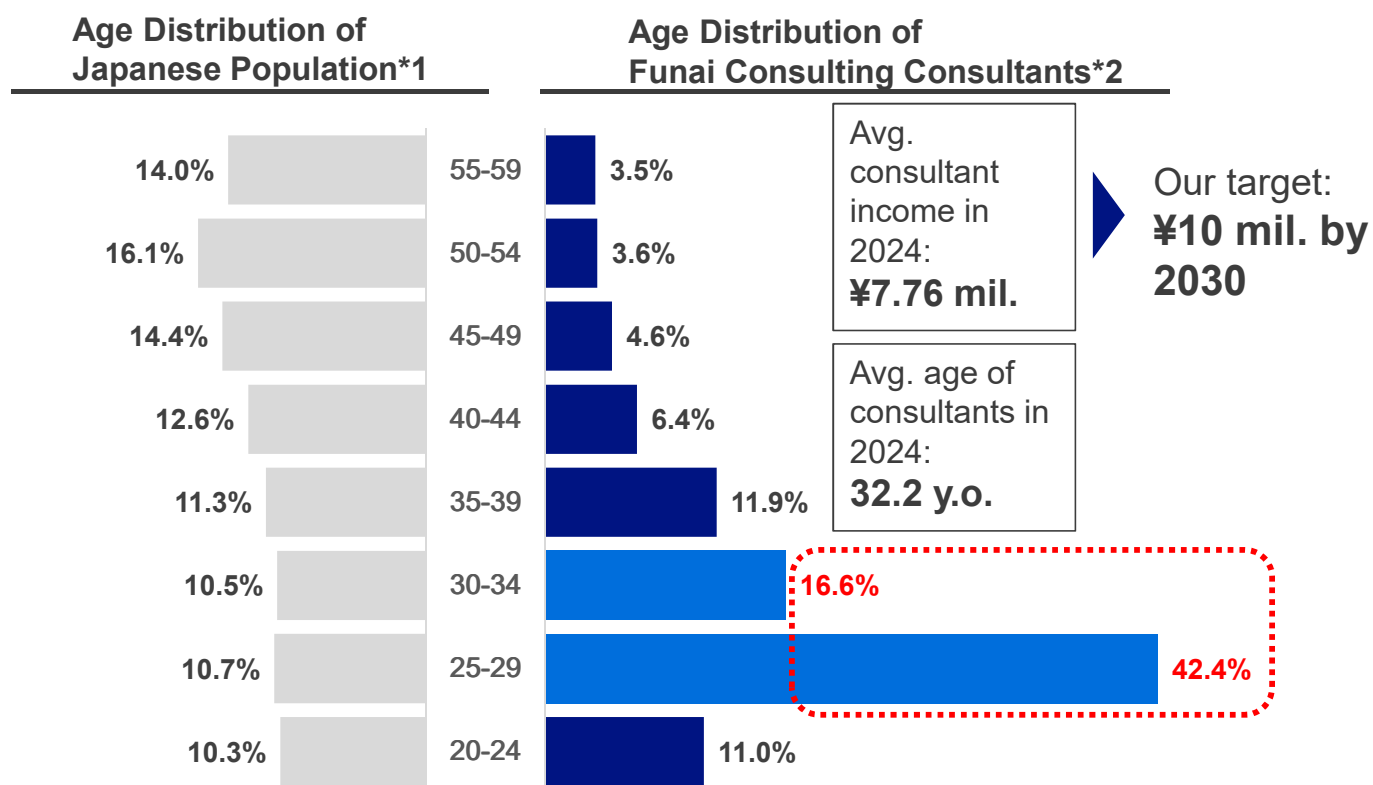
What Makes Us Different from Other Consulting Firms?

3. Establishing ourselves as an “SPA” of the consulting industry, we can maintain high profitability



What Makes Us Different from Other Consulting Firms?

4. Focus on Hiring and Development of Recent Graduates and Those Whose Families Run Businesses



*1. Source: Age-specific demographic statistics published by the Statistics Bureau of Japan on Oct. 1, 2024

*2. Age distribution of Funai Consulting consultants (as of Dec. 31, 2024) Percentages calculated by establishing the total number of consultants aged 20-59 y.o. as 100%.

Consultants Hired Groupwide			
	Recent graduates	Mid-career	Total
2021	144 (82.8%) *3	30	174
2022	140 (76.5%)	43	183
2023	152 (67.6%)	73	225
2024	170 (83.3%)	34	204

*3. Parentheses denote recent graduates as a %age of total hires

%age of Recent-Graduate Consultant Hires Who Come from Families that Run Businesses*4

Focus on hiring **people from families who run businesses**, as these tend to have a better feel for SME management

2023 intake	2024 intake	2025 intake
40.0%	35.6%	37.5%

*4. People from families who run businesses (e.g., children of business proprietors) as a %age of Funai Consulting's total consultant hires

The background of the slide is a stylized illustration. At the top, there are layers of light blue mountains. Below them, a dark blue horizontal bar contains the text 'The Funai Soken Consulting Group Purpose'. Underneath this bar, the main title 'Sustainable growth for more companies' is written in a large, bold, dark font. Below the title, a smaller line of text reads: 'We lead the way to a better future and a more productive society in which more companies can achieve growth in any conditions and people can reach their full potential'. At the bottom of the slide, there is a colorful illustration of a landscape. It features a large, bright orange sun with triangular rays rising behind a row of dark green, pointed trees. Numerous small, colorful birds are flying in the sky above the trees.

The Funai Soken Consulting Group Purpose

Sustainable growth for more companies

We lead the way to a better future and a more productive society
in which more companies can achieve growth in any conditions
and people can reach their full potential

Statement Regarding Use of These Materials

Plans, outlooks, strategies and other information contained herein are based on reasonable judgments made in accordance with information currently available.

Actual results may differ greatly from these forecasts for a number of factors.

All possible care has been exercised in preparing these materials, but the Funai Consulting Group assumes no responsibility for losses or other damages resulting from errors concerning any information.

These materials are not intended to encourage any kind of investment. Investment decisions are the sole responsibility of the individual investor.

Please direct enquiries regarding IR to:

Funai Soken Holdings, Inc. IR Team

TEL: +81-(0)6-6232-2010

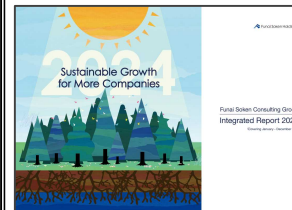
Mail: ir@funaisoken.co.jp URL: <https://hd.funaisoken.co.jp/en/>



Analyst Report by Shared Research Inc.

<https://sharedresearch.jp/en/companies/9757>

NB: This report may be removed without notice.



Integrated Report 2024

<https://hd.funaisoken.co.jp/en/file/Integrated-Report-2024.pdf>