



February 6, 2026

**Consolidated Financial Results
for the Fiscal Year Ended December 31, 2025
(January 1, 2025 – December 31, 2025) [Under Japanese GAAP]**

Company name:	Funai Soken Holdings, Inc.	Stock Exchange listing: Tokyo Stock Exchange
Stock code:	9757	URL: https://hd.funaisoken.co.jp
President & Group CEO:	Takayuki Nakatani	
Contact:	Motoki Haruta, Director and Executive Officer, Head of Management Division Telephone: +81-(0)6-6232-0130	
General meeting of shareholders:		March 28, 2026
Scheduled date of payment of dividend:		March 30, 2026
Scheduled date of filing Annual Securities Report:		March 27, 2026
Supplementary materials compiled to explain financial statements:	Yes	
Briefing to be held to explain financial results:		Yes (For institutional investors and analysts)

(Figures are rounded to the nearest million yen; fractions of one million discarded rather than rounded up or down)

1. Consolidated Financial Results for FY2025 (January 1, 2025 - December 31, 2025)**(1) Consolidated Results of Operations**

(Percentages represent year-on-year change)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended Dec. 31, 2025	33,330	8.8	8,813	5.9	8,841	5.1	6,526	8.9
Year ended Dec. 31, 2024	30,645	8.5	8,324	14.9	8,411	14.5	5,993	15.2

Note: Comprehensive income: 6,757 million yen (up 10.9%) in the year ended Dec. 31, 2025
6,095 million yen (up 15.0%) in the year ended Dec. 31, 2024

	Earnings per Share (basic)	Earnings per Share (diluted)	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Year ended Dec. 31, 2025	70.67	69.78	26.5	26.8	26.4
Year ended Dec. 31, 2024	64.00	63.27	24.3	26.7	27.2

Reference: Equity method investment income (Million yen) Dec. 31, 2025: –
Dec. 31, 2024: –

Note: The Company implemented a 2-for-1 stock split of its common stock effective January 1, 2026. Earnings per Share (basic) and Earnings per Share (diluted) have been calculated assuming the stock split was implemented at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Year ended Dec. 31, 2025	34,493	25,788	72.4	274.73
Year ended Dec. 31, 2024	31,438	24,989	77.2	261.75

Reference: Shareholders' equity: 24,968 million yen in the year ended Dec. 31, 2025
24,269 million yen in the year ended Dec. 31, 2024

Note: The Company implemented a 2-for-1 stock split of its common stock effective January 1, 2026. Net assets per share have been calculated assuming this stock split was implemented at the beginning of the previous fiscal year.

(3) Consolidated Cash Flow Position

	Net cash provided by (used in) operations	Net cash provided by (used in) investments	Net cash provided by (used in) financing	Cash and cash equivalents at end of fiscal year
	Million yen	Million yen	Million yen	Million yen
Year ended Dec. 31, 2025	7,903	1,964	(6,849)	13,359
Year ended Dec. 31, 2024	7,010	(2,595)	(6,971)	10,346

2. Dividends

	Dividend per share					Total dividends	Dividend payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year end	Total			
Year ended Dec. 31, 2024	Yen —	Yen 37.00	Yen —	Yen 38.00	Yen 75.00	Million yen 3,492	% 58.6	% 14.3
Year ended Dec. 31, 2025	—	42.00	—	43.00	85.00	3,903	60.1	15.8
Forecast for year ending Dec. 31, 2026	—	24.00	—	24.00	48.00		66.6	

Note: The Company implemented a 2-for-1 stock split of its common stock effective January 1, 2026. The annual dividends for the years ended December 31, 2024, and December 31, 2025, are the amounts prior to the stock split. Taking the stock split into account, the annual dividends per share for the years ended December 31, 2024, and December 31, 2025, are 37.50 yen and 42.50 yen, respectively.

3. Forecast of Consolidated Financial Results for FY 2026 (January 1, 2026 - December 31, 2026)

(Percentages represent year-on-year change, full-year figures represent change compared with previous year; first-half figures represent change compared with same period in previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	
First half	17,500	9.1	4,700	0.3	4,700	0.2	3,150	90.7	34.66
Full year	37,000	11.0	9,100	3.3	9,100	2.9	6,550	0.4	72.07

Note: The Company implemented a 2-for-1 stock split of its common stock effective January 1, 2026. Earnings per share in the Forecast of Consolidated Financial Results is calculated based on the number of shares issued (excluding treasury stock) after the stock split.

Remarks

(1) Significant changes in the scope of consolidation during the fiscal year: None

No. of new companies added:	None
Names of new companies added:	None
No. of companies removed:	None
Names of companies removed:	None

(2) Changes in accounting policies; changes in estimates; re-statement of amendments

1) Changes in accounting policies caused by revision of accounting standards:	None
2) Other changes in accounting policies:	None
3) Changes in accounting estimates:	None
4) Re-statement of amendments:	None

(3) Number of issued shares (common stock)

1) Number of shares issued at end of the period (including treasury stock)	As of Dec. 31, 2025	100,000,000	As of Dec. 31, 2024	100,000,000
2) Number of treasury shares at end of the period	As of Dec. 31, 2025	9,115,180	As of Dec. 31, 2024	7,279,686
3) Average number of shares during the period	Fiscal year ended Dec. 31, 2025	92,352,218	Fiscal year ended Dec. 31, 2024	93,643,318

Note: The Company implemented a 2-for-1 stock split of its common stock effective January 1, 2026. The number of shares issued (common stock) is calculated assuming the stock split was implemented at the beginning of the previous fiscal year.

Note: This financial summary is excluded from audit by a CPA or auditing company.

Statement Regarding the Use of Forward-Looking Statements

Forecasts in these materials regarding future performance 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. Please refer to "1. Results of Operations (4) Outlook" on page 7 of the appendix for further information concerning the conditions on which these forecasts are based and further cautions with respect to the use of forward-looking statements.

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1. Results of Operations

(1) This Fiscal Year's Results

During the current fiscal year, the economic environment was characterized by uncertainty in financial markets and corporate management due to concerns over the tariff policies of the new U.S. administration inaugurated in January. The prolonged war in Ukraine remains with no end in sight, and in the Middle East, intermittent fighting continues, leaving the situation highly unstable. In the Japanese economy, signs of a gradual business recovery are emerging, against the backdrop of recovering personal consumption driven by improved employment and income conditions. However, the outlook remains cautious. Larger enterprises are making capital investments in automation and labor-saving equipment to address labor shortages, maintaining solid performance against the backdrop of the trend of a weakening yen. Meanwhile, small and medium-sized enterprises (SMEs) are unable to fully pass on increased costs resulting from soaring raw material prices to their sales prices, and they continue to struggle with the ongoing labor shortages. Furthermore, with the conclusion of government financial support related to the COVID-19 pandemic, the number of bankruptcies has remained high, and the outlook remains uncertain.

Under these conditions, in January 2025, Funai Soken Agata FAS Inc. began joint operations with Agata Global Consulting Co., Ltd. In the same month, Almacreation Inc., led by Masanori Kanda, one of Japan's leading marketers and a mentor to many business leaders, joined our Group. In April, Apparel-Web, Inc., a company with deep expertise in the apparel industry and extensive knowledge of web marketing, joined our group. Additionally, in July, MI Consulting Co., Ltd., a company with strengths in M&A consulting and due diligence, joined our group. Furthermore, in November, our first local subsidiary in India, Funai Consulting India Private Limited, was established to accelerate Digital Transformation (DX) promotion across the entire group as a Global Capability Center.

In these circumstances, looking at the Group's business performance for FY2025, the Group posted 33,330 million yen in net sales (up 8.8% year on year), 8,813 million yen in operating income (up 5.9% year on year), 8,841 million yen in ordinary income (up 5.1% year on year), and 6,526 million yen in net income attributable to owners of the parent (up 8.9% year on year), achieving a record-high performance.

In the consulting business, net sales increased driven by higher contract prices in the monthly consulting support services, which are a mainstay. Logistics consulting services in the logistics business saw steady progress in the number of management study group members, resulting in an increase in net sales.

Consequently, net sales rose 8.8% year on year to 33,330 million yen.

As for operating income, cost of sales was 20,282 million yen (18,783 million yen in the previous fiscal year). SG&A expenses were 4,234 million yen (3,537 million yen in the previous fiscal year).

Consequently, operating income rose 5.9% over the previous fiscal year to 8,813 million yen.

As for ordinary income, non-operating income was 138 million yen, compared with 138 million yen in the previous fiscal year, while non-operating expenses were 109 million yen, compared with 51 million yen in the previous fiscal year.

Consequently, ordinary income rose 5.1% over the previous fiscal year to 8,841 million yen.

Net income attributable to owners of the parent increased 8.9% from that in the previous fiscal year to 6,526 million yen due to an extraordinary loss of 2,764 million yen mainly resulting from the sale of the Gotanda office, which was owned by the Company's consolidated subsidiary, Funai Consulting Inc., and an extraordinary gain of 3,159 million yen mainly resulting from the sale of the Yodoyabashi office, which was owned by the Company.

Consolidated performance for each business segment is outlined below.

I. Consulting

In the consulting business, net sales increased compared with the previous fiscal year, due in part to higher contract unit prices for the mainstay monthly consulting support service and increased membership fees for management study groups. The number of management study group members, which forms the core of our stock business, has continued to grow, reaching a new all-time high. Examined by industry, the consulting business for residential real estate, which is a mainstay, and the medical, nursing care, and welfare industries achieved steady growth in net sales. The Company saw an increase in profits while aggressively investing in human resources to strengthen human capital and controlling costs.

Consequently, net sales increased 9.4% year on year to 24,471 million yen, and operating income rose 11.5% year on year to 8,369 million yen.

II. Logistics

In the logistics business, logistics consulting operations progressed steadily with new projects and continued orders from existing customers. In addition, net sales increased due to a continued increase in the number of members of management study groups for logistics companies. On the other hand, in the logistics BPO services, net sales decreased due to the impact of terminating transactions with existing major customers. Nevertheless, the logistics business as a whole saw an increase in net sales. In terms of profits, a significant increase was achieved due to the steady performance of high-margin logistics consulting services.

Consequently, net sales increased 1.1% year on year to 4,354 million yen, and operating income rose 22.8% year on year to 609 million yen.

III. Digital Solutions

As for the Digital Solutions business, in the recruitment ad placement services of HR solutions, there were reductions in advertising budgets by certain major clients, and reductions in the subcontracted-type projects in cloud solutions. However, in IT consulting, projects for implementation support, ranging from formulating DX plans to implementing Zoho CRM, increased, and web advertising agency services also remained steady, resulting in an increase in net sales. Profits were down due to higher operating expenses, particularly personnel costs.

Consequently, net sales increased 13.7% year on year to 4,504 million yen and an operating loss of 96 million yen was posted, compared with an operating income of 159 million yen in the previous fiscal year.

(2) This Fiscal Year's Financial Position

(Assets)

Total assets increased 3,054 million yen year-on-year to 34,493 million yen at the end of FY2025.

Current assets increased by 2,954 million yen from the end of the previous fiscal year to 20,711 million yen. This was mainly due to increases in cash and deposits, trade notes, accounts receivable, contract assets, and short-term investment securities, as well as a decrease in accounts receivable - other included in other current assets.

Noncurrent assets increased 100 million yen from the end of the previous fiscal year to 13,782 million yen. This was mainly due to increases in construction in progress, goodwill, investment securities, assets related to retirement benefits, long-term deposits, and guarantee deposits, as well as decreases in buildings and structures and land.

(Liabilities)

Total liabilities increased 2,255 million yen year-on-year to 8,705 million yen at the end of FY2025.

Current liabilities rose by 2,240 million yen from the end of the previous fiscal year to 8,514 million yen. This was mainly due to increases in accounts payable – other, income taxes payable, and unpaid consumption taxes and deposits received in other current liabilities, as well as a decrease in trade notes and accounts payable.

Noncurrent liabilities increased by 15 million yen from the end of the previous fiscal year to 190 million yen. This was mainly due to increases in long-term loans payable and lease obligations included in other noncurrent liabilities, as well as a decrease in deferred tax liabilities.

(Net Assets)

Total net assets increased 798 million yen year-on-year to 25,788 million yen at the end of FY2025. This was mainly due to an increase in net income attributable to owners of the parent, a decrease in retained earnings due to appropriation of surplus, and an increase in treasury stock due to treasury stock acquisition.

(Equity ratio)

The shareholders' equity ratio decreased by 4.8 percentage points to 72.4% compared to the end of the previous fiscal year.

(3) This Fiscal Year's Cashflow Position

Cash and cash equivalents increased 3,012 million yen year-on-year to 13,359 million yen at the end of FY2025.

Trends in cash flow by activity are described below.

(Cash Flows from Operating Activities)

Cash flows from operating activities ended on a net gain of 7,903 million yen this year compared to a net gain of 7,010 million yen in the preceding year. This was mainly due to net income before income taxes and other adjustments of 9,236 million yen; impairment losses of 2,433 million yen; gain on sales of property, plant, and equipment of 3,159 million yen; income taxes paid of 1,922 million yen; and income tax refunds of 823 million yen.

(Cash Flows from Investing Activities)

Cash flows from investing activities ended on a net gain of 1,964 million yen this year compared to a net loss of 2,595 million yen in the preceding year. This was mainly due to expenditures of 994 million yen for the purchase of property, plant, equipment, and intangible assets; proceeds of 5,827 million yen from the sale of tangible and intangible fixed assets; and expenditures of 2,100 million yen for payments into time deposits.

(Cash Flows from Financing Activities)

Cash flows from financing activities ended on a net loss of 6,849 million yen this year compared to a net loss of 6,971 million yen in the preceding year. This was mainly due to a net expenditure of 2,501 million yen on the sale and purchase of treasury stock, and 3,703 million yen distributed as dividends.

The following table presents the historical movements of certain cash flow indices.

	FY12/21	FY12/22	FY12/23	FY12/24	FY12/25
Shareholders' equity ratio (%)	80.7	81.7	79.2	77.2	72.4
Shareholders' equity ratio based on market price (%)	417.7	406.2	387.6	352.4	302.0
Interest-bearing debt to cash flow ratio (years)	0.1	0.1	0.1	0.0	0.0
Interest coverage ratio (x)	1,056.1	671.8	823.3	1,486.6	670.5

Notes:

1 Indices are calculated on a consolidated basis as follows:

Shareholders' equity ratio: Shareholders' equity divided by total assets

Shareholders' equity ratio based on market price: Market capitalization divided by total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt divided by operating cash flow

Interest coverage ratio: Operating cash flow divided by interest payments

2 Market capitalization: Closing stock price at FY-end multiplied by the number of outstanding shares at period-end (after deducting treasury stock).

3 Interest-bearing debt: All interest-bearing liabilities listed under liabilities on the consolidated balance sheet (excluding lease obligations).

4 Operating cash flow and interest payments are taken from cash flows from operating activities and interest paid, respectively, as listed in consolidated cash flow statements.

(4) Outlook

The Group has formulated the Mid-range Business Plan for FY2026 to FY2028, which covers the three-year period starting in FY2026, and we announced this plan today. During this period, in addition to consulting services for SMEs, we aim to advance as a leading company in mid-sized company consulting, a market that is expanding with the support of national policies, as well as in consulting for companies transitioning into mid-sized companies. Furthermore, we will actively promote AI Transformation (AX) and DX consulting in collaboration with global platform providers. Through these initiatives, we will strengthen alliances within the group, accurately grasp the needs of client company executives, and continue to provide management consulting services that reflect current trends. The performance plan for the three-year period is as follows.

Performance plan for the fiscal years ending December 31, 2026 through December 31, 2028 (Million yen)

Category	FY12/26		FY12/27		FY12/28	
	Plan	YoY	Plan	YoY	Plan	YoY
Net sales	37,000	Up 11.0%	41,000	Up 10.8%	46,000	Up 12.2%
Operating income	9,100	Up 3.3%	10,200	Up 12.1%	11,500	Up 12.7%

(5) Basic Policy Regarding Distribution of Earnings, Dividends for the Current and Next Fiscal Years

Returning adequate earnings to shareholders is as important to us as strengthening our financial condition and management fundamentals. As such, we are determined to give back to shareholders through distribution of earnings and by buying treasury stock to an appropriate level in light of business performance. Our basic policy is to distribute surpluses in accordance with business performance, and as such, we will, with due consideration of factors such as market climate and capital efficiency, endeavor to maintain a return-to-shareholders ratio of at least 65% by using tools such as dynamic buy-backs of treasury shares.

Retained earnings will be used to enhance capital through a balance of investments for the long-term growth of corporate value, and in strengthening the company's financial condition to facilitate flexible capital policies.

In FY2026, we plan to pay an interim dividend of 24 yen per share and a year-end dividend of 24 yen per share, making a total annual dividend of 48 yen per share.

Please note that the Company implemented a 2-for-1 stock split effective January 1, 2026. Taking into account the impact of the stock split, the per-share dividends for the fiscal year ended December 2025 are as follows: an interim dividend of 21 yen, a year-end dividend of 21.50 yen, and an annual dividend of 42.50 yen.

Dividends per Share

	Interim	Year end	Annual total
FY2025	42 yen	43 yen	85 yen
FY2026 (forecast)	24 yen	24 yen	48 yen

2. The Funai Soken Consulting Group

The group is comprised of Funai Soken Holdings and 11 subsidiaries and second-tier subsidiaries. Our core business is management consulting, and we also offer logistics and digital solutions services relating to those operations.

The roles of the various Group companies in each segment are outlined below.

(Consulting)

The group is fully equipped to offer a comprehensive range of consulting services, and we focus mainly on management consulting. In addition to core management consulting solutions, we also provide industry-specific and solution-specific management workshops and seminars.

Group companies involved in this segment: Funai Consulting Inc., Funai Consulting Shanghai Inc., Proseed Corporation, Funai Soken Agata FAS Inc., Almacreation Inc., MI Consulting Co., Ltd., and Funai Consulting India Pvt. Ltd.

(Logistics)

Our logistics services cover two main areas: consulting, designed to help clients improve results and reduce their logistics costs; and BPO services, in which we design, build, and operate clients' logistics frameworks.

Group companies involved in this segment: Funai Soken Logistics Inc.

(Digital Solutions)

We provide Sales Process Transformation (SPX) services such as online advertising management services, cloud solution services such as cloud development and operation, and HR solution services centered on the provision of recruiting cloud services (AI recruiting cloud services).

Group companies involved in this segment: Funai Consulting Inc. (Digital Solutions Business), HR Force Inc., Apparel-Web, Inc., and AWSG Pte. Ltd.

3. Basic Approach to Selection of Financial Accounting Standards

The Funai Soken Consulting Group's consolidated financial statements are prepared in accordance with Japanese financial reporting standards to provide for easier comparison of performance from year to year and company to company.

Regarding whether to apply international financial reporting standards, we will continue to monitor the situation and act in accordance with Japanese trends regarding such accounting standards.

4. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheet

	(Thousand yen)	
	FY12/24 (As of Dec. 31, 2024)	FY12/25 (As of Dec. 31, 2025)
Assets		
Current assets		
Cash and deposits	10,846,416	12,463,488
Trade notes, accounts receivable, and contract assets	4,348,404	4,732,917
Short-term investment securities	1,203,261	2,895,868
Work in process	199,518	205,876
Raw materials and supplies	6,437	10,691
Other current assets	1,372,282	618,971
Allowance for doubtful accounts	(219,478)	(216,699)
Total current assets	<u>17,756,843</u>	<u>20,711,113</u>
Noncurrent assets		
Property, plant, and equipment		
Buildings and structures, net	1,639,515	825,618
Land	4,556,233	252,840
Construction in progress	1,177	1,301,982
Other property, plant, and equipment, net	310,372	288,199
Total property, plant, and equipment	<u>6,507,298</u>	<u>2,668,642</u>
Intangible asset		
Software	360,002	451,163
Goodwill	266,353	1,125,370
Other intangible assets	34,700	111,811
Total intangible assets	<u>661,056</u>	<u>1,688,345</u>
Investments and other assets		
Investment securities	2,264,909	3,180,860
Assets related to retirement benefits	450,794	706,284
Long-term deposits	2,100,000	2,600,000
Guarantee deposits	1,279,021	2,482,012
Other investments and other assets	426,809	460,826
Allowance for doubtful accounts	(7,787)	(4,828)
Total investments and other assets	<u>6,513,748</u>	<u>9,425,154</u>
Total noncurrent assets	<u>13,682,104</u>	<u>13,782,141</u>
Total assets	<u>31,438,947</u>	<u>34,493,255</u>

(Thousand yen)

	FY12/24 (As of Dec. 31, 2024)	FY12/25 (As of Dec. 31, 2025)
Liabilities		
Current liabilities		
Trade notes and accounts payable	601,882	472,567
Short-term loans payable	200,000	250,000
Current portion of long-term loans payable	100,000	9,996
Accounts payable - other	2,208,591	3,104,729
Income taxes payable	1,170,901	2,145,771
Other current liabilities	1,993,587	2,531,906
Total current liabilities	6,274,962	8,514,970
Noncurrent liabilities		
Long-term loans payable	-	25,010
Retirement benefit liabilities	50,148	47,623
Deferred tax liabilities	94,105	50,495
Other noncurrent liabilities	30,219	66,939
Total noncurrent liabilities	174,473	190,069
Total liabilities	6,449,436	8,705,040
Net asset		
Shareholders' equity		
Capital stock	3,125,231	3,125,231
Capital surplus	2,946,634	2,946,634
Retained earnings	25,409,643	28,220,914
Treasury stock	(7,276,480)	(9,613,558)
Total shareholders' equity	24,205,029	24,679,221
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	193,482	230,519
Foreign currency translation adjustments	32,868	28,681
Accumulated adjustments for retirement benefits	(162,135)	30,541
Total accumulated other comprehensive income	64,215	289,742
Subscription rights for shares	720,265	800,668
Non-controlling interests	-	18,582
Total net assets	24,989,511	25,788,215
Total liabilities and net assets	31,438,947	34,493,255

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousand yen)

	FY12/24 (Jan. 1 – Dec. 31, 2024)	FY12/25 (Jan. 1 – Dec. 31, 2025)
Net sales	30,645,058	33,330,043
Cost of sales	18,783,846	20,282,225
Gross profit	11,861,211	13,047,817
SG&A expenses	3,537,035	4,234,520
Operating income	8,324,175	8,813,297
Non-operating income		
Interest income	9,888	24,616
Dividend income	10,642	14,074
Gain on sales of investment securities	4,918	20,559
Gain on valuation of investment securities	2,796	3,930
Surrender value of insurance policies	18,284	7,641
Insurance bonus income	53,894	4,505
Other non-operating income	38,500	62,690
Total non-operating income	138,925	138,016
Non-operating expenses		
Interest expenses	4,854	11,956
Loss on valuation of investment securities	2,209	2,046
Investment partnership management expenses	24,484	13,031
Commission expenses	-	12,096
Donations	14,050	17,250
Expenses for information security measures	-	34,007
Other non-operating expenses	5,939	19,229
Total non-operating expenses	51,538	109,618
Ordinary income	8,411,562	8,841,695
Extraordinary income		
Gain on sales of noncurrent assets	195,102	3,159,542
Total extraordinary income	195,102	3,159,542
Extraordinary losses		
Loss on sales of noncurrent assets	945	-
Impairment losses	39,744	2,433,529
Loss on retirement of noncurrent assets	18,211	21,680
Office relocation expenses	272,338	309,060
Total extraordinary losses	331,240	2,764,270
Net income before income taxes and other adjustments	8,275,424	9,236,967
Current income taxes	2,182,610	2,878,388
Deferred income taxes	99,324	(173,774)
Total income taxes	2,281,934	2,704,614
Net income	5,993,489	6,532,353
Net income attributable to non-controlling interests	-	6,082
Net income attributable to owners of the parent	5,993,489	6,526,270

Consolidated Statement of Comprehensive Income

(Thousand yen)

	FY12/24 (Jan. 1 – Dec. 31, 2024)	FY12/25 (Jan. 1 – Dec. 31, 2025)
Net income	5,993,489	6,532,353
Other comprehensive income		
Valuation difference on available-for-sale securities	103,169	37,037
Foreign currency translation adjustments	5,097	(4,187)
Adjustments for retirement benefits	(6,321)	192,676
Total other comprehensive income	101,944	225,526
Comprehensive income	6,095,434	6,757,879
Details		
Comprehensive income attributable to owners of the parent	6,095,434	6,751,797
Comprehensive income attributable to non-controlling interests	-	6,082

(3) Consolidated Statement of Changes in Net Assets

FY12/24 (Jan. 1 – Dec. 31, 2024)

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at start of fiscal year	3,125,231	2,946,634	26,579,111	(7,558,359)	25,092,618
Change					
Dividends from surplus			(3,309,098)		(3,309,098)
Net income attributable to owners of the parent			5,993,489		5,993,489
Purchase of treasury stock				(3,640,082)	(3,640,082)
Disposal of treasury stock			(25,558)	93,662	68,103
Cancellation of treasury stock			(3,828,300)	3,828,300	-
Net changes of items other than shareholders' equity					
Total changes of items during the fiscal year	-	-	(1,169,468)	281,879	(887,588)
Balance at end of current fiscal year	3,125,231	2,946,634	25,409,643	(7,276,480)	24,205,029

	Accumulated other comprehensive income				Subscription rights for shares	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustments	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income		
Balance at start of fiscal year	90,312	27,771	(155,813)	(37,729)	671,585	25,726,474
Change						
Dividends from surplus						(3,309,098)
Net income attributable to owners of the parent						5,993,489
Purchase of treasury stock						(3,640,082)
Disposal of treasury stock						68,103
Cancellation of treasury stock						-
Net changes of items other than shareholders' equity	103,169	5,097	(6,321)	101,944	48,680	150,625
Total changes of items during the fiscal year	103,169	5,097	(6,321)	101,944	48,680	(736,963)
Balance at end of current fiscal year	193,482	32,868	(162,135)	64,215	720,265	24,989,511

FY12/25 (Jan. 1 – Dec. 31, 2025)

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at start of fiscal year	3,125,231	2,946,634	25,409,643	(7,276,480)	24,205,029
Change					
Dividends from surplus			(3,710,913)		(3,710,913)
Net income attributable to owners of the parent			6,526,270		6,526,270
Purchase of treasury stock				(2,500,567)	(2,500,567)
Disposal of treasury stock			(4,086)	163,489	159,402
Net changes of items other than shareholders' equity					
Total changes of items during the fiscal year	-	-	2,811,270	(2,337,078)	474,192
Balance at end of current fiscal year	3,125,231	2,946,634	28,220,914	(9,613,558)	24,679,221

	Accumulated other comprehensive income				Subscription rights for shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustments	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income			
Balance at start of fiscal year	193,482	32,868	(162,135)	64,215	720,265	-	24,989,511
Change							
Dividends from surplus							(3,710,913)
Net income attributable to owners of the parent							6,526,270
Purchase of treasury stock							(2,500,567)
Disposal of treasury stock							159,402
Net changes of items other than shareholders' equity	37,037	(4,187)	192,676	225,526	80,402	18,582	324,512
Total changes of items during the fiscal year	37,037	(4,187)	192,676	225,526	80,402	18,582	798,704
Balance at end of current fiscal year	230,519	28,681	30,541	289,742	800,668	18,582	25,788,215

(4) Consolidated Cash Flow Statement

(Thousand yen)

	FY12/24 (Jan. 1 – Dec. 31, 2024)	FY12/25 (Jan. 1 – Dec. 31, 2025)
Net cash provided by (used in) operations		
Net income before income taxes and other adjustments	8,275,424	9,236,967
Depreciation	378,310	391,251
Impairment losses	39,744	2,433,529
Amortization of goodwill	88,784	230,994
Share-based compensation expenses	116,595	157,866
Increase (decrease) in allowance for doubtful accounts	167,903	(6,143)
Decrease (increase) in assets related to retirement benefits	(11,869)	(62,813)
Increase (decrease) in liabilities related to retirement benefits	(17,744)	(2,524)
Loss (gain) on valuation of investment securities	587	(1,883)
Loss (gain) on sales of investment securities	(4,918)	(8,134)
Interest and dividends received	(20,531)	(38,690)
Interest expenses	4,854	11,956
Loss (gain) on exchange	2,123	21
Contributions	14,050	17,250
Loss (gain) on sales of property, plant, and equipment	(49,502)	(3,159,542)
Loss on retirement of property, plant, and equipment	42,926	9,947
Loss (gain) on sales of intangible assets	(144,654)	-
Loss on retirement of intangible assets	6,943	12,345
Decrease (increase) in notes and accounts receivable—trade and contract assets	(215,963)	(211,772)
Decrease (increase) in guarantee deposits	-	(500,000)
Decrease (increase) in other assets	(745,275)	(24,706)
Increase (decrease) in other liabilities	495,302	464,065
Other cash provided by (used in) operations	46,095	37,358
Subtotal	8,469,186	8,987,344
Interest and dividends received	27,822	44,038
Interest paid	(4,715)	(11,787)
Income taxes paid	(2,185,152)	(1,922,662)
Income tax refunds	717,592	823,905
Contributions paid	(14,150)	(17,250)
Net cash provided by (used in) operations	7,010,584	7,903,588

(Thousand yen)

	FY12/24 (Jan. 1 – Dec. 31, 2024)	FY12/25 (Jan. 1 – Dec. 31, 2025)
Net cash provided by (used in) investments		
Proceeds from sale and redemption of securities	300,000	1,200,520
Purchase of investment securities	(142,500)	(1,302,034)
Proceeds from sale and redemption of investment Securities	2,872	39,851
Purchase of property, plant, and equipment	(864,025)	(741,014)
Proceeds from sale of property, plant, and equipment	139,096	5,827,493
Purchase of intangible assets	(101,289)	(253,211)
Proceeds from sale of intangible assets	467,709	-
Payments for fulfillment of asset retirement obligations	(150,325)	-
Payments into time deposits	(2,000,000)	(2,100,000)
Proceeds from withdrawal of time deposits	-	510,000
Proceeds from distributions from investment partnerships	16,080	10,680
Payments for investments in capital	-	(10)
Proceeds from cancellation of insurance funds	-	92
Payments of guarantee deposits	(486,546)	(723,623)
Proceeds from refund of guarantee deposits	223,305	-
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(507,156)
Other cash provided by (used in) investments	-	2,469
Net cash provided by (used in) investments	(2,595,622)	1,964,057
Net cash provided by (used in) financing		
Proceeds from short-term borrowings	-	50,000
Payments of short-term borrowings	-	(100,000)
Payments of long-term borrowings	-	(576,613)
Repayment of lease obligations	(27,466)	(29,223)
Purchase of treasury shares	(3,642,084)	(2,501,840)
Proceeds from sale of treasury shares	187	46
Dividends paid	(3,302,081)	(3,703,953)
Proceeds from share issuance to non-controlling shareholders	-	12,500
Net cash provided by (used in) financing	(6,971,444)	(6,849,084)
Effect of exchange rate changes on cash and cash equivalents	8,625	(5,809)
Net increase (decrease) in cash and cash equivalents	(2,547,856)	3,012,751
Cash and cash equivalents at start of fiscal year	12,894,272	10,346,416
Cash and cash equivalents at end of fiscal year	10,346,416	13,359,167

(5) Notes on Consolidated Financial Statements

(Notes on Going Concern Assumptions)

None to report.

(Notes on Segment Information, etc.)

1. Overview of Segments Included in Reports

(1) Determination of Segments Included in Reports

The segments for which reports are compiled are those components of the group for which financial information can be obtained separately from other component units. Segments are reviewed periodically by the Board of Directors in order to make more informed decisions on how management resources can best be allocated, and in order to evaluate performance.

We employ three main segments in these reports. They are, in keeping with the categories of work performed by the companies within the group: consulting, logistics and digital solutions. Their activities can be defined as follows.

(2) Types of Products and Services of Each Segment Included in Reports

The Consulting Business includes consulting services such as guidance, research, and diagnosis related to corporate management, as well as management study groups and seminars conducted by a membership organization. The Logistics Business includes logistics consulting services aimed at improving clients' business performance and reducing logistics costs, and logistics BPO services for designing, building, and operating clients' logistics frameworks. The Digital Solutions Business includes SPX (Sales Process Transformation) services such as online advertising management services, cloud solutions that include the development and operation of cloud services, and HR solutions centered on the provision of recruiting cloud (AI recruiting cloud) services.

2. Calculation of Net Sales, Income/Losses, Assets, and Other Accounts for Each Segment

Accounting methods for the reported segments are largely the same as those used in the consolidated financial statements.

Segment-specific income or losses are calculated based on operating income figures. Inter-segment sales and transfers are calculated based on current market prices.

3. Other Information About Net Sales, Income/Losses, Assets, and Other Accounts for Each Segment
 FY12/24 (Jan. 1 – Dec. 31, 2024)

(Thousand yen)

	Consulting	Logistics	Digital Solutions	Total	Adjustment ⁽¹⁾	Amount listed in consolidated financial statements ⁽²⁾
Net sales						
Sales to external customers	22,375,953	4,306,391	3,962,266	30,644,611	446	30,645,058
Inter-segment sales and transfers	444,447	550,008	439,935	1,434,391	(1,434,391)	-
Total	22,820,401	4,856,399	4,402,201	32,079,002	(1,433,944)	30,645,058
Segment income	7,508,286	496,808	159,843	8,164,938	159,236	8,324,175
Segment assets	22,398,523	2,496,032	1,682,131	26,576,686	4,862,260	31,438,947
Others						
Depreciation	104,754	2,920	16,887	124,562	253,748	378,310
Amortization of goodwill	88,784	-	-	88,784	-	88,784
Impairment loss	39,744	-	-	39,744	-	39,744
Change in property, plant, equipment, and intangible assets	38,967	-	45,332	84,300	899,155	983,455

Notes:

1 Details of adjustments are as follows.

(1) Adjustments of segment income include elimination of inter-segment transactions and whole-group revenues and expenses that are not attributable to any segment. Whole-group revenues are comprised of outsourcing and consulting fees from group companies and real estate rental income, and whole-group expenses are mainly comprised of those incurred in group operations.

(2) Adjustments of segment assets include elimination of inter-segment transactions and assets held throughout the group that are not attributable to any segment. Whole-group assets are comprised of assets relating to the operation of the group.

(3) Adjustments of depreciation include elimination of inter-segment transactions and depreciation of assets held throughout the group that are not attributable to any segment.

(4) Change in property, plant, equipment, and intangible assets includes elimination of inter-segment transactions and assets held throughout the group that are not attributable to any segment.

2 Segment income is adjusted against operating income in the consolidated financial statements.

	Consulting	Logistics	Digital Solutions	Total	Adjustment ⁽¹⁾	Amount listed in consolidated financial statements ⁽²⁾
Net sales						
Sales to external customers	24,471,655	4,354,097	4,504,290	33,330,043	-	33,330,043
Inter-segment sales and transfers	163,398	608,035	70,510	841,944	(841,944)	-
Total	24,635,053	4,962,133	4,574,800	34,171,987	(841,944)	33,330,043
Segment income or loss	8,369,326	609,931	(96,105)	8,883,152	(69,855)	8,813,297
Segment assets	24,263,798	2,576,321	2,605,109	29,445,230	5,048,025	34,493,255
Others						
Depreciation	97,341	2,833	38,943	139,118	252,132	391,251
Amortization of goodwill	161,278	-	69,716	230,994	-	230,994
Impairment loss	2,433,529	-	-	2,433,529	-	2,433,529
Change in property, plant, equipment, and intangible assets	705,467	452	515,392	1,221,311	1,561,771	2,783,083

Notes:

1 Details of adjustments are as follows.

- (1) Adjustments of segment income or loss include elimination of inter-segment transactions and whole-group revenues and expenses that are not attributable to any segment. Whole-group revenues are comprised of outsourcing and consulting fees from group companies and real estate rental income, and whole-group expenses are mainly comprised of those incurred in group operations.
- (2) Adjustments of segment assets include elimination of inter-segment transactions and assets held throughout the group that are not attributable to any segment. Whole-group assets are comprised of assets relating to the operation of the group.
- (3) Adjustments of depreciation include elimination of inter-segment transactions and depreciation of assets held throughout the group that are not attributable to any segment.
- (4) Change in property, plant, equipment, and intangible assets includes elimination of inter-segment transactions and assets held throughout the group that are not attributable to any segment.

2 Segment income or loss is adjusted against operating income in the consolidated financial statements.

(Per-share Information)

	FY12/24 (Jan. 1 – Dec. 31, 2024)	FY12/25 (Jan. 1 – Dec. 31, 2025)
Net assets per share	261.75 yen	274.73 yen
Earnings per share (basic)	64.00 yen	70.67 yen
Earnings per share (diluted)	63.27 yen	69.78 yen

Note: 1. The Company implemented a 2-for-1 stock split of its common stock effective January 1, 2026. Net assets per share, earnings per share (basic), and earnings per share (diluted) have been calculated assuming the stock split was implemented at the beginning of the previous fiscal year.

The basis for calculation of basic and diluted net income per share is as follows.

	FY12/24 (Jan. 1 – Dec. 31, 2024)	FY12/25 (Jan. 1 – Dec. 31, 2025)
Earnings per share (basic)		
Net income attributable to owners of the parent (Thousand yen)	5,993,489	6,526,270
Amount not attributable to common shareholders (Thousand yen)	-	-
Net income attributable to common-stock owners of the parent (Thousand yen)	5,993,489	6,526,270
Average number of common shares outstanding during the fiscal year	93,643,318	92,352,218
Earnings per share (diluted)		
Adjusted net income attributable to owners of the parent (Thousand yen)	-	-
Increase in common shares	1,083,303	1,177,500
(Portion of increase made up of subscription rights)	(1,083,303)	(1,177,500)
Summary of non-dilutive stock equivalents not used in calculation of earnings per share (diluted)		-

Note: 2. Basis for calculation of net assets per share is as follows.

	FY12/24 (Jan. 1 – Dec. 31, 2024)	FY12/25 (Jan. 1 – Dec. 31, 2025)
Total net assets on consolidated balance sheets (Thousand yen)	24,989,511	25,788,215
Deductions from total net assets (Thousand yen)	720,265	819,251
(Portion of deductions made up of subscription rights) (Thousand yen)	(720,265)	(800,668)
Net assets attributable to common shareholders (Thousand yen)	24,269,245	24,968,963
Number of common shares used in calculation of net assets per share at end of year	92,720,314	90,884,820

(Subsequent Events)

(Stock Split)

Based on a resolution at the Board of Directors meeting held on November 10, 2025, the Company has implemented a 2-for-1 stock split of its common stock, effective from January 1, 2026.

1. Purpose of the Stock Split

By reducing the amount per investment unit, we aim to create an environment that makes it easier for investors to participate, while also enhancing the liquidity of the shares and broadening the investor base.

2. Overview of the Stock Split

(1) Method of Split

On December 31, 2025 (actually on December 30, 2025, as the shareholder registry administrator is closed on the date), we split each share of common stock held by shareholders listed in the final shareholder registry at a two-for-one ratio.

(2) Number of Shares Increased by the Stock Split

Total number of shares issued prior to the stock split:	50,000,000 shares
Increase in the number of shares due to the stock split:	50,000,000 shares
Total number of shares issued after the stock split:	100,000,000 shares
Number of shares authorized for issuance after the stock split:	130,000,000 shares

(Note) The number of authorized shares of the Company's common stock has not increased as a result of the stock split.

(3) Schedule for the Stock Split

Date of public notice of the record date: December 16, 2025

Record date: December 31, 2025

Effective date: January 1, 2026

(4) Change in Capital Stock

There is no change in the capital stock in relation to the stock split.

(Changes in segments included in reports)

Our Group previously reported segments under three categories: consulting business, logistics business, and digital solutions business. However, at the Board of Directors meeting held on January 29, 2026, the Company resolved to integrate them into a single segment, Consulting Business, effective from the first quarter of the fiscal year ending December 31, 2026.

In recent corporate reorganizations and the Mid-range Business Plan for FY2026 to FY2028, we plan to promote the logistics business and digital solutions business primarily by focusing on consulting services. We expect both businesses, including management consulting, to exhibit similar performance trends over the long term, and have therefore concluded that consolidating these businesses would more accurately reflect the Group's actual management situation.

5. Other Information

(1) Orders and Sales

I. Orders

Orders won by each operating segment in this consolidated fiscal year are as follows.

Segment	FY12/24 (Jan. 1 – Dec. 31, 2024)		FY12/25 (Jan. 1 – Dec. 31, 2025)	
	Orders received	Orders outstanding	Orders received	Orders outstanding
Consulting	19,303,285	8,221,558	20,800,742	8,153,197
Logistics	831,750	308,935	912,056	314,910
Digital Solutions	963,450	143,492	1,934,986	1,136,704

Note:

- 1 Consulting orders above include only monthly support service and project consulting revenues.
- 2 Logistics revenues include only that earned from logistics consulting activities.
- 3 Digital Solutions includes only that earned from IT consulting and cloud-based solutions.
- 4 The above amounts are based on sale prices.

II. Sales

Sales made by each operating segment in the current fiscal year are as follows.

Segment	FY12/24 (Jan. 1 – Dec. 31, 2024)		FY12/25 (Jan. 1 – Dec. 31, 2025)	
	Amount	% of total	Amount	% of total
Consulting	22,375,953	73.0%	24,471,655	73.4%
Logistics	4,306,391	14.1%	4,354,097	13.1%
Digital Solutions	3,962,266	12.9%	4,504,290	13.5%
Total	30,644,611	100.0%	33,330,043	100.0%

Note:

- 1 Sales amounts indicate sales to external customers.
- 2 No single customer accounted for 10% or more of aggregate net sales.

(2) Changes in Directors and Officers

(Scheduled to take effect on March 28, 2026)

1) Legal representatives

None to report.

2) Other directors and officers

• Scheduled resignations

Name	New Title	Previous Title
Tatsuro Ono	-	Director and executive vice president
Akihiro Kobayashi	—	Outside director and member of the Audit and Supervisory Committee

• Scheduled appointments

Name	New Title	Previous Title
Kyohei Deguchi	Director and executive officer Head of Corporate Development Division	Director and executive vice president, Funai Consulting Inc. Representative Director and President, Funai Soken Agata FAS Inc.
Yasumasa Sakamoto	Outside director and member of the Audit and Supervisory Committee	Attorney, Kitahama Partners

3) Executive officers

None to report.

List of Directors, Auditors, and Executive Officers

Funai Soken Holdings Inc. (scheduled to take effect on March 28, 2026)

Name	Title	Position
Takayuki Nakatani	President	Group CEO
Kyohei Deguchi	Director and executive officer (new)	Head of Corporate Development Division
Motoki Haruta	Director and executive officer	Head of Management Division
Nobuyuki Isagawa	Outside director	
Taeko Yamamoto	Outside director	
Tomomi Murakami	Outside director	
Nobuko Nakajima	Outside director and standing member of the Audit and Supervisory Committee	
Atsushi Nakao	Outside director and member of the Audit and Supervisory Committee	
Yasumasa Sakamoto	Outside director and member of the Audit and Supervisory Committee (new)	
Masaru Sumitomo	Executive officer	Deputy head of Wellbeing Division
Eiji Saito	Executive officer	Head of Human Capital Division
Akiyo Koike	Executive officer	Head of Wellbeing Division
Keiichiro Kizawa	Executive officer	Head of Digital Design Division

Funai Consulting Inc. (scheduled to take effect on March 27, 2026)

Name	Title	Position
Daisuke Shingai	President	
Kyohei Deguchi	Director and executive vice president	
Yoshihito Sugahara	Director and senior vice president	Head of Administration Division
Noboru Sugiura	Director and executive officer (promotion)	Head of Offerings Headquarters
Hiroshige Sunakawa	Director and executive officer (promotion)	Head of Industry-specific Consulting Headquarters
Tomoharu Kusaka	Outside director (new)	
Nobuko Nakajima	Auditor	
Isao Kikuchi	Senior executive officer	Head of Mid-market Consulting Division
Katsuya Kohira	Senior executive officer	Deputy head of Offerings Headquarters
Yoshihiko Ito	Senior executive officer (promotion)	Deputy head of Administration Division
Katsura Matsui	Senior executive officer (promotion)	Head of Mid-market Consulting Division
Naoyuki Hashimoto	Senior executive officer (new)	
Osamu Seo	Executive officer	Head of Digital Transformation Consulting Division
Noriyasu Shoji	Executive officer	Head of Data-driven Digital Transformation Department
Kazuya Katayama	Executive officer	Deputy head of Digital Transformation Consulting Division
Hiroyuki Shimoda	Executive officer (new)	Head of Enterprise Consulting Division
Asako Miyai	Executive officer (new)	Head of Employment Success Division