



July 1, 2026

For Immediate Release

Funai Soken Holdings Inc. (TSE Prime, stock code 9757)

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Notice of Disposal of Treasury Shares through Third-party Allotment, and Capital and Business Alliance

Funai Soken Holdings has announced that its Board of Directors voted today to approve the disposal of treasury shares by third-party allotment, and the execution of a capital and business alliance agreement as described below.

I. Disposal of Treasury Shares through Third-party Allotment

1. Overview of Offer or Disposal

(1) Date	July 17, 2026
(2) No. of shares to be disposed of	2,196,000 common shares
(3) Disposal price	¥1,067 per share
(4) Funds to be raised	¥2,343,132,000
(5) Method of offer or disposal	Third-party allotment
(6) Recipients of disposed shares	All treasury shares disposed of by third-party allotment will be allocated to Tokio Marine & Nichido Fire Insurance Co., Ltd.
(7) Other information	The above items are contingent upon the securities registration statement becoming effective pursuant to the Financial Instruments and Exchange Act.

2. Purpose of and Reason for Offer or Disposal

As a provider of comprehensive management consulting solutions for mid-market companies and SMEs, the Funai Soken Consulting Group delivers multifaceted support to help client companies achieve sustainable growth. In recent years, mid-market companies and SMEs are facing increasingly complex business challenges, including labor shortages, business ownership succession, DX, and heightened risk management relating to climate change.

We entered into a strategic comprehensive alliance with Tokio Marine & Nichido Fire Insurance in December 2025 to strengthen our ability to deliver the support our clients need. Teaming up with Tokio Marine & Nichido Fire Insurance has enabled us to offer services that integrate their advanced risk management expertise with our unique brand of growth support. The alliance is already proving effective; to date, we have referred more than a hundred clients to them.

In light of this, we have determined that establishing solid capital ties is essential to further strengthen the strategic alliance and pursue long-lasting cooperation. Rather than raise capital by issuing new shares, we believe it will be more efficient to leverage existing treasury shares. Moreover, this approach will be more conducive to the group's financial stability than debt-based options like bank loans or straight bonds. The funds raised by disposal of treasury shares will be put toward structural improvements and expansion of our business foundations so as to add further momentum to our alliance with Tokio Marine & Nichido Fire Insurance (including use of funds as working capital for joint development of training programs and organizational structuring). In this way, we strive to further enhance the group's corporate value.

3. Funds to Be Raised, Intended Uses, and Disbursement Schedule

(1) Funds to Be Raised

1)	Total paid-in amount	¥2,343,132,000
2)	Estimated issuance costs	¥950,000
3)	Estimated net funds to be raised	¥2,342,182,000

(2) Intended Uses of Funds

	Intended use	Amount (¥ million)	Disbursement schedule
1)	Working capital	2,343	Jul.–Dec. 2026

We believe in financial discipline. Knowing that the consulting business inevitably has a time lag between incoming revenues and outgoing expenses, we have established a benchmark for cash and deposits, which we strive to maintain to ensure financial stability through on-hand liquidity. That benchmark is ¥10 billion, the equivalent of around three months' sales.

Our targets for 2026 are net sales of ¥37.0 billion and operating income of ¥9.1 billion. However, we anticipate an impact on cash flows from operating activities due to factors such as increased fixed costs (approx. ¥600 million for the year) from the relocation of our Osaka Headquarters. Consequently, we foresee that cash and deposits will end 2026 at around ¥8.1 billion (excluding temporary factors from the sale of real estate properties), which would be roughly ¥2.0 billion short of the aforementioned benchmark for financial discipline. In light of this, we intend to allocate the funds raised from the disposal of treasury shares to working capital to underpin financial stability, as well as to add momentum to our collaboration with Tokio Marine & Nichido Fire Insurance under our capital and business alliance (e.g., joint training programs and organizational structuring). The funds will be kept in the bank until actual disbursement is required.

4. Our View on the Rationality of Intended Uses of Funds Raised

The purpose of this disposal of treasury shares is to strengthen and expand our business foundation by establishing capital ties. We believe this is valid because it is conducive to the enhancement of corporate value.

5. Rationality of Conditions of Disposal

(1) Basis for, and specifics of, paid-in amount

After consulting with the planned recipient of the shares, the price for this disposal was set at 1,067 yen (rounded to the nearest whole yen), which is the average closing price of regular trading of the common shares in Funai Soken Holdings on the Tokyo Stock Exchange for the month leading up to the business day immediately preceding the Board of Directors' resolution (i.e., up to Jun. 30, 2026). Our view is that using the average closing price for the past month rather than a specific point in time (e.g., the date on which the transaction is carried out) and using an averaged stock price enables us to eliminate the potential effects of extraordinary factors such as temporary share price fluctuations, thus making it a more objective and reasonable basis for calculation.

The disposal price represents a premium of 0.09% against the closing price on the business day immediately preceding the Board of Directors' resolution, ¥1,066. It represents a discount of 3.18% against the average closing price for the preceding three months, ¥1,102, and a discount of 4.65% against the average closing price for the preceding six months, ¥1,119.

In conclusion, we believe that the price for this transaction is reasonable, based on immediately recent market prices; and that it is fair and appropriate, and is not favorable to one party or another. Moreover, the price has been reviewed by Funai Soken Holdings's three Audit and Supervisory Committee Members, all of whom are outside directors. They stated their opinions at the Board of Directors meeting that our determination of the price on the basis stated above was fair and appropriate, complies with the Japan Securities Dealers Association's Guidelines Concerning Handling of Capital Increase by Third-Party Allotment, is not favorable to one party or another, and is lawful.

(2) Basis for judgment of rationality of number of shares to be disposed, and scale of dilution

This disposal of treasury shares entails the disposal of 2,196,000 shares (21,960 voting rights), which is 2.20% of the Company's total shares issued (100,000,000) as of Jun. 30, 2026, and 2.42% of the total number of voting rights (905,931)

as of Dec. 31, 2025. The Company previously disposed of 13,262 treasury shares through a third-party allotment in March 2026. Thus, the combined total number of shares disposed of will be 2,209,262 shares (22,092 voting rights), which is 2.21% of the Company's total shares issued (100,000,000) as of Jun. 30, 2026, and 2.44% of the total number of voting rights (905,931) as of Dec. 31, 2025. The result is a certain degree of dilution. However, as described in subsections 1 (Purpose of and Reason for Capital and Business Alliance) and 2 (Details of Capital and Business Alliance) of section II below (Capital and Business Alliance), we believe that this will help enhance corporate value through the expansion of the group's businesses over the mid-to-long term, which in turn will drive shareholder value. As such, we have determined that the number of shares to be disposed of and the scale of dilution resulting from this disposal of treasury stock are reasonable.

6. Grounds for Selection of Recipients of Disposed Shares

(1) Recipients of disposed shares

(1)	Name	Tokio Marine & Nichido Fire Insurance Co., Ltd.		
(2)	Address	2-6-4 Ote-machi, Chiyoda-ku, Tokyo		
(3)	Representative	Hiroaki Shirota, president		
(4)	Business	Non-life insurance, agency and administrative proxy services, operation and management of defined contribution pension plans, outsourced operations for the automobile liability insurance		
(5)	Capital	¥101,994 mil.		
(6)	Incorporated	March 20, 1944		
(7)	Shares issued	1,549,692,000		
(8)	Fiscal year	Apr. 1 to March 31		
(9)	Employees	37,041 (consolidated)		
(10)	Major trading partners	N/A		
(11)	Main bank	MUFG Bank		
(12)	Major shareholders and stakes	Tokio Marine Holdings, Inc. 100%		
(13)	Relationship with Funai Soken Holdings			
	Capital	Tokio Marine & Nichido Fire Insurance holds 104,000 shares in Funai Soken Holdings		
	Personnel	N/A		
	Business	Funai Soken Holdings has some non-life insurance dealings with Tokio Marine & Nichido Fire Insurance		
	Related party status	N/A		
(14)	Operating results and financial position over the past three years			
	Fiscal year ended	Mar. 2024	Mar. 2025	Mar. 2026
	Consolidated net assets	5,094,058	4,794,351	5,179,046
	Consolidated total assets	21,536,779	22,820,558	24,217,972
	Consolidated net assets per share (¥)	3,178.44	2,985.75	3,228.89
	Consolidated ordinary revenue	6,555,274	7,917,258	8,137,650
	Consolidated ordinary income	782,822	1,402,833	1,332,631
	Net income attributable to owners of the parent	652,865	1,013,520	964,330
	Consolidated earnings per share	421.28	654.01	622.27

(¥)			
Dividend Per Share (¥)	209.56	433.95	1,006.66

(¥ million unless otherwise specified)

(2) Grounds for selection of recipients of disposed shares

Tokio Marine & Nichido Fire Insurance, the planned allottee, is a leading company in Japan's non-life insurance industry. Not only does it have a huge wealth of advanced risk management expertise accumulated over some 150 years, but it also has broad know-how in helping clients with business continuity planning, and an extensive nationwide customer network.

Since we and Tokio Marine & Nichido Fire Insurance entered into a strategic alliance in December 2025, the two companies have begun forging strong, trust-based ties by each offering helpful services for the others' clients. For instance, we offer specialized consulting services (e.g., growth support, recruiting and human capital management support, and support for improved corporate value), and they offer risk management services.

We selected Tokio Marine & Nichido Fire Insurance as allottee for treasury shares because we believe them to be a highly compatible and complementary partner for our efforts to further expand our consulting business targeting mid-market companies and SMEs, given their strong business and customer base. Moreover, in conjunction with the capital alliance, we plan to engage in human resource exchanges, including hosting their employees on secondment as trainees, and to jointly develop unique, integrated services. We are convinced that the allotment of shares to Tokio Marine & Nichido Fire Insurance by disposal of treasury shares will result in a significant contribution to our own sustainable growth.

(3) Policy regarding shares held by the recipient

We have confirmed that the planned recipient intends to hold the shares as an investment tied to our business alliance, with a view to pursuing mid-to-long-term collaboration and boosting corporate value.

We also plan to obtain a written commitment from the planned recipient stating that if they assign or transfer any or all of the common shares in Funai Soken Holdings issued to them via this third-party allotment within two years from the payment date, they must report the details to us in writing, and agree that we will report the details to the Tokyo Stock Exchange and that those details will be made available for public scrutiny.

(4) Details confirmed regarding assets necessary for the recipient to pay for the shares

We have confirmed via Tokio Marine & Nichido Fire Insurance's 83rd Annual Securities Report (for the business year ended March 31, 2026) that they have sufficient cash and deposits to pay for the shares to be issued by third-party allotment.

7. Major Shareholders and Stakes After the Disposal of Treasury Shares

Before disposal (as of December 31, 2025)		After disposal	
Funai Honsha Inc.	9.87%	Funai Honsha Inc.	9.87%
The Master Trust Bank of Japan, Ltd. (Trust Account)	9.54%	The Master Trust Bank of Japan, Ltd. (Trust Account)	9.54%
Custody Bank of Japan, Ltd. (Trust account)	4.69%	Custody Bank of Japan, Ltd. (Trust account)	4.69%
NORTHERN TRUST CO. (AVFC) RE FIDELITY FUNDS (standing agent: Hongkong and Shanghai Banking Corporation, Tokyo Branch)	4.62%	NORTHERN TRUST CO. (AVFC) RE FIDELITY FUNDS (standing agent: Hongkong and Shanghai Banking Corporation, Tokyo Branch)	4.62%
Kazuko Funai	2.62%	Kazuko Funai	2.62%
State Street Bank and Trust Company 505001 (standing agent: Mizuho Bank, Ltd., Settlement & Clearing Services Dept.)	2.33%	State Street Bank and Trust Company 505001 (standing agent: Mizuho Bank, Ltd., Settlement & Clearing Services Dept.)	2.33%
Nippon Life Insurance Company (standing agent: The Master Trust Bank of Japan,	2.12%	Tokio Marine & Nichido Fire Insurance Co., Ltd.	2.30%

Ltd.)			
Katsuhito Funai	2.11%	Nippon Life Insurance Company (standing agent: The Master Trust Bank of Japan, Ltd.)	2.12%
Sumitomo Mitsui Banking Corporation	1.90%	Katsuhito Funai	2.11%
Takahiro Funai	1.78%	Sumitomo Mitsui Banking Corporation	1.90%

- Stakes shown above are percentages of total shares issued (incl. treasury shares).
- The above list of major shareholders excludes treasury shares held by the company (4,557,000 prior to split).
- Common shares in Funai Soken Holdings were split at a ratio of 2-for-1 on January 1, 2026. For the purposes hereof, figures are based on the assumption that the split was undertaken on December 31, 2025.

8. Outlook

We believe that this capital and business alliance and third-party allotment of shares will help enhance corporate value and shareholder value. However, the effects of these on financial results for the year ending December 2026 are still to be determined.

Funai Soken Holdings will promptly announce any information requiring public notice.

9. Matters Relating to Procedures Based on Corporate Code of Conduct

Since this third-party allotment of shares (1) entails dilution of less than 25% and (2) does not involve a change in controlling shareholders (i.e., no change in controlling shareholders is expected due to such allotment, and conversion of offered shares, etc. or exercise related to such allotment), there is no need to obtain an opinion from an independent third party and confirm the intent of shareholders as stipulated in Rule 432 of the Tokyo Stock Exchange's Securities Listing Regulations.

10. Operating Results and Equity Financing Status Over the Past Three Years

(1) Consolidated Operating Results

	Year ended Dec. 2023	Year ended Dec. 2024	Year ended Dec. 2025
Consolidated net sales	¥28,238 mil.	¥30,645 mil.	¥33,330 mil.
Consolidated operating income	¥7,247 mil.	¥8,324 mil.	¥8,813 mil.
Consolidated ordinary income	¥7,343 mil.	¥8,411 mil.	¥8,841 mil.
Net income attributable to owners of the parent	¥5,201 mil.	¥5,993 mil.	¥6,526 mil.
Consolidated earnings per share	¥53.15	¥64.00	¥70.67
Dividend per share	¥65	¥75	¥85
Consolidated net assets per share	¥262.00	¥261.75	¥274.73

(2) Shares Issued and Dilutive Shares (as of Jun. 30, 2026)

	No. of shares	Percentage of shares issued
Shares issued	100,000,000	100%
Dilutive shares at current conversion (exercise) price	1,142,189	1.1%
Dilutive shares at minimum conversion (exercise) price	—	—
Dilutive shares at maximum conversion (exercise) price	—	—

(3) Share Price Over the Past Three Years

1) Prices Over the Past Three Years

	Year ended Dec. 2023	Year ended Dec. 2024	Year ended Dec. 2025
Opening price	¥2,710	¥2,534	¥2,418
High	¥2,939	¥2,741	¥2,650
Low	¥2,292	¥1,708	¥2,008
Closing price	¥2,564	¥2,390	¥2,292

2) Prices Over the Past Six Months

	Jan.	Feb.	Mar.	Apr.	May	Jun.
Opening price	¥1,146	¥1,128	¥1,140	¥1,155	¥1,119	¥1,075
High	¥1,196	¥1,157	¥1,155	¥1,190	¥1,131	¥1,090
Low	¥1,099	¥1,096	¥1,089	¥1,106	¥1,041	¥1,041
Closing price	¥1,120	¥1,156	¥1,141	¥1,120	¥1,075	¥1,066

3) Price on Business Day Immediately Preceding the Board's Vote to Issue Shares

	Jun. 30, 2026
Opening price	¥1,067
High	¥1,074
Low	¥1,061
Closing price	¥1,066

(4) Equity Financing Status Over the Past Three Years

Disposal of Treasury Shares through Third-party Allotment

Pay-in date	Mar. 11, 2026
Funds raised	¥14,999,322 (estimated net)
Disposal value	¥1,131 per share
Shares issued at time of disposal	100,000,000
No. of shares disposed of	13,262
Shares issued after disposal	100,000,000
Recipient	Specific third party (proprietor of acquisition target)
Initially intended use of funds at time of issue	Working capital
Planned disbursement schedule at time of issue	Mar. 2026
Current status of funds appropriation	Appropriated

Pay-in date	Sep. 11, 2025
Funds raised	¥74,999,568 (estimated net)
Disposal price	¥2,494 per share
Shares issued at time of disposal	50,000,000
No. of shares disposed of	30,072
Shares issued after disposal	50,000,000
Recipient	Specific third party (proprietor of acquisition target)
Initially intended use of funds at time of issue	Working capital
Planned disbursement schedule at time of issue	Sep. 2025
Current status of funds appropriation	Appropriated

Pay-in date	May 26, 2025
Funds raised	¥9,994,671 (estimated net)

Disposal price	¥2,271 per share
Shares issued at time of disposal	50,000,000
No. of shares disposed of	4,401
Total no. of shares issued after disposal	50,000,000
Recipient	Specific third party (proprietor of acquisition target)
Initially intended use of funds at time of issue	Working capital
Planned disbursement schedule at time of issue	May 2025
Current status of funds appropriation	Appropriated

11. Details of disposal

(1) Number and class of shares	2,196,000 common shares
(2) Pay-in amount	¥1,067 per share
(3) Total pay-in amount	¥2,343,132,000
(4) Method of disposal	All treasury shares disposed of by third-party allotment will be allocated to Tokio Marine & Nichido Fire Insurance Co., Ltd.
(5) Pay-in date	Jul. 17, 2026
(6) Other information	The above items are contingent upon the securities registration statement becoming effective pursuant to the Financial Instruments and Exchange Act.

II. Capital and Business Alliance

1. Purpose of and Reason for Capital and Business Alliance

Funai Soken Holdings and Tokio Marine & Nichido Fire Insurance have endeavored to create synergies through our business alliance, working toward a goal of helping mid-market companies and SMEs achieve sustainable growth and manage risks. Progress has been smooth indeed from the very beginning, with business matching efforts, for instance, leading to requests for consulting services in many cases. In light of this success, we decided to pursue a capital and business alliance with a view to taking these initial successes to the next level and formalizing the integration of both companies' resources.

The alliance is about much more than just mutual referring potential clients to each other; it is intended as a vehicle for developing new solutions that harness both companies' expertise. Through this, we aim to cement our position as a provider of the broad range of solutions that mid-market companies and SMEs require, including aggressive strategies for growth and prudent safeguarding strategies for risk management. In doing so, we intend not only to expand our business and our ally's, but on a broader scale, to revitalize regional economies.

2. Details of Capital and Business Alliance

1) Hosting Employees as Trainees Strengthens Collaboration Among Partners

We at the Funai Soken Consulting Group will host employees from Tokio Marine & Nichido Fire Insurance and its group companies as trainees. We will offer practical training programs that instill advanced, specialized knowledge in the core tenets of mid-market and SME business management: PMVV (philosophy, mission, vision, and values), as well as business, human resource, and financial strategy. At the same time, trainees will gain a deep understanding of one of our foremost strengths: roadmapping to help SMEs progress to mid-market scale. Through this, we aim to combine the advantages of both companies into a cohesive, high-quality customer support framework.

2) Joint Development of Training Program for Tokio Marine & Nichido Fire Insurance

Hosting Tokio Marine & Nichido Fire Insurance employees on secondment as trainees enabled us to identify their strengths and areas for improvement. After careful consideration by both companies, the decision has been made to develop a dedicated training program aimed at further enhancing organizational strength and ability to come up with solutions for clients. We hope that this training program will eventually raise the base level of consulting skills across Tokio Marine & Nichido Fire Insurance's whole nationwide network, and enable the company to build a foundation for higher-value-added solutions to

meet the broad array of challenges faced by mid-market companies and SMEs.

3. Our Ally in the Capital and Business Alliance

Details are provided in subsection 6 (Grounds for Selection of Recipients of Disposed Shares) of section I (Disposal of Treasury Shares through Third-party Allotment).

4. Capital and Business Alliance Schedule

(1) Board resolution	Jul. 1, 2026
(2) Signing capital and business alliance agreement	Jul. 1, 2026
(3) Date of disposal of treasury shares and pay-in	Jul. 17, 2026 (scheduled)

5. Outlook

Details are provided in subsection 8 (Outlook) of section I (Disposal of Treasury Shares through Third-party Allotment).

- End -