

# 2025

## Sustainable Growth for More Companies



Funai Soken Consulting Group  
Integrated Report 2025

(Covering January - December 2024)



## Our 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



## Our Vision for the Future

**The foremost provider of digital and comprehensive consulting solutions for mid-scale and SME clients**

For more than 50 years, we have pushed back the boundaries of what's possible in the consulting industry. In the 2020s, we aim to build on that history and establish the Funai Soken Consulting Group as the foremost provider of digital and comprehensive consulting solutions for mid-scale and SME clients.

## Funai Way

### Our Core Values: The Funai Way

**Adventureship**  
**Converting change into momentum**  
以变促势

- Our work is not work unless it's fun.
- We relish the challenges of our ongoing quest for growth.
- We are leaders of change.

**Empathy**  
**A reliable partner for business owners**  
与“领袖”同心同行

- Our focus on outcomes is unwavering.
- We share the mindset of the entrepreneurs we serve.
- We dream farther and act quicker.

**Integrity**  
**A force for good**  
遵循良心

- Our work is a vehicle for the betterment of society.
- We design environments where everyone can be themselves.
- We are good corporate citizens, and we behave like it.

## The Spirit Espoused by the Group's Founder, Yukio Funai

**We make the world a better place, one good company at a time.**



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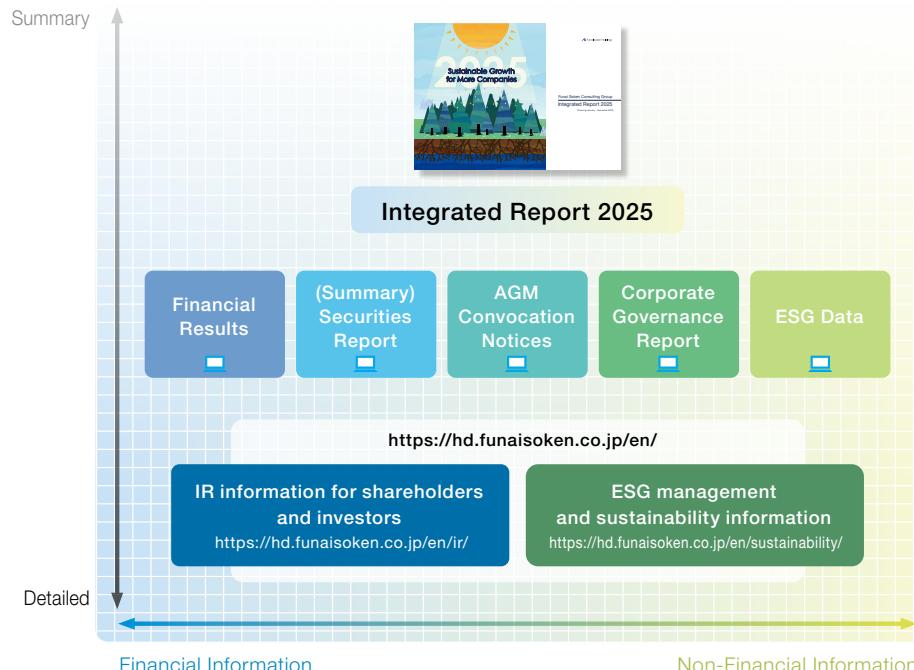
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### Disclaimer

This report is not intended to induce investment. Opinions and outlooks contained herein represent the views of Funai Soken Holdings and the Funai Soken Consulting Group at the time of writing, and we make no guarantee or promise regarding the accuracy or completeness of such information. Actual results may differ greatly for a number of factors, and we make no promise regarding achievement of plans in future.

# Integrated Report 2025 Within Our Information Disclosure

## Integration of Financial & Non-financial Information



### Editorial Policy

This report is intended as a tool to inform stakeholders and help them understand the business strategy, financial performance, and non-financial information of the Funai Soken Consulting Group (i.e., Funai Soken Holdings and consolidated subsidiaries).

### Scope

FY2024 (Jan. 1–Dec. 31, 2024)

\*Reference is made to prior and subsequent business years where necessary.

All data shown herein pertain to the group's consolidated accounts for the aforementioned period unless otherwise stated.

### Reference to Guidelines

This report is edited and configured with reference to relevant Japanese and international guidelines.

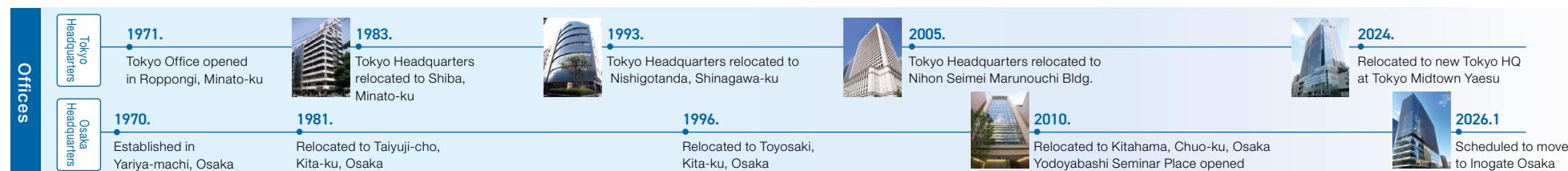
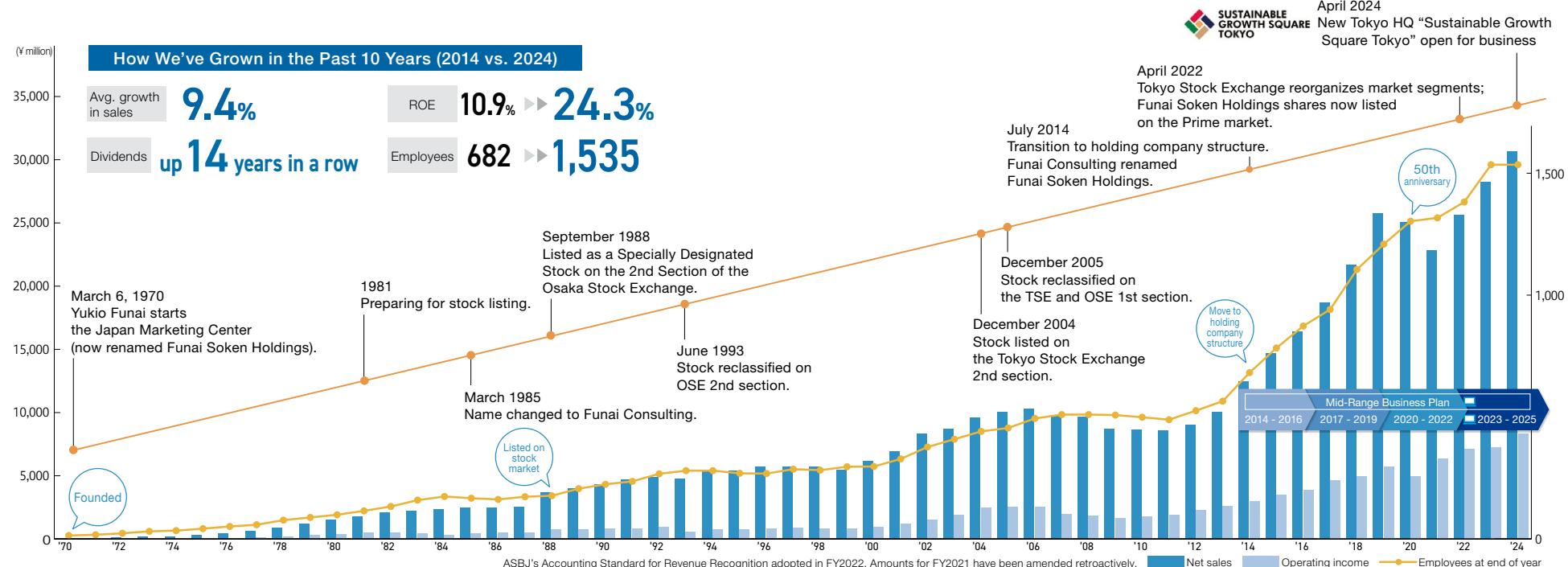
- IFRS - Integrated Reporting Framework
- METI - Guidance for Collaborative Value Creation

# Our Purpose & Commitment

## Creating Sustainable Growth for More Companies in Our Own Quest for Sustainable Growth

Since its founding in 1970, the Funai Soken Consulting Group has shaped the very contours of the industry with its unique evolution as a consulting firm for business proprietors. By helping more and more companies develop the strength needed to sustain robust growth and the compassion to put stakeholders first in an age of tumultuous change and uncertainty, we strive to achieve our own sustainable growth.

### By the Numbers: Lifetime Business Performance



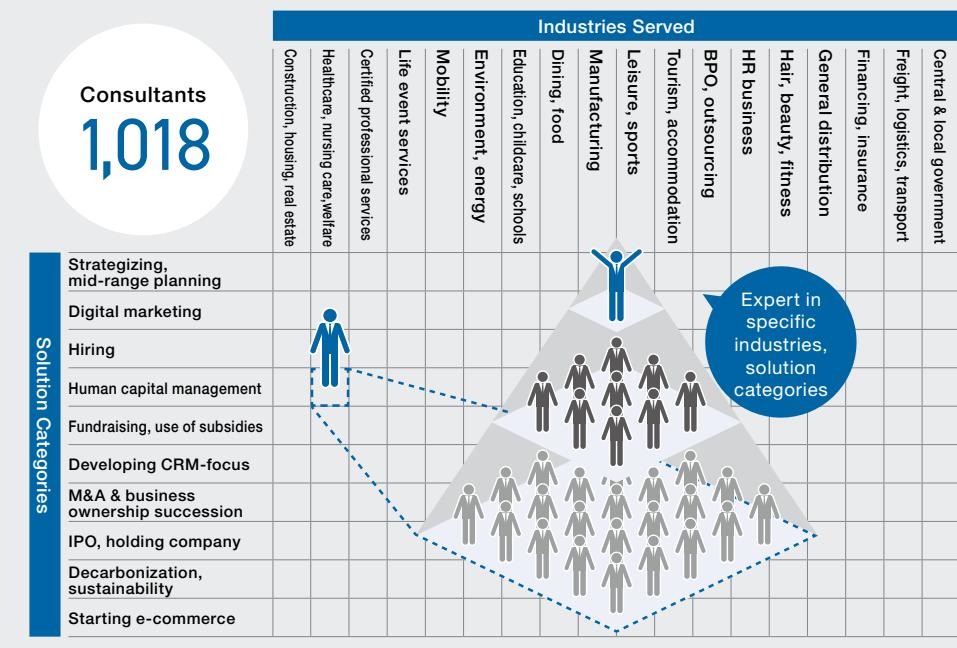
# The Funai Soken Consulting Group at a Glance

## One of Japan's Foremost Comprehensive Consulting Groups for Mid-scale Companies and SMEs

The Funai Soken Consulting Group is a provider of comprehensive management consulting solutions for mid-scale companies and SMEs.

Funai Consulting, the core entity of the group's business strategy, offers unique support for clients, combining industry-specific, solution-category-specific monthly support services and management workshops. By delivering growth support, hiring and human capital management support, support for improved corporate value, and DX support, the company aims to propel more clients to sustainable growth and high social value. Its practical, on-site, close-proximity consulting is highly popular with business proprietors in a broad range of industries.

### Industry-specific, Category-specific Consulting



Direct contact with business proprietors

Monthly support  
(Contract-based consulting services)



Management workshop  
(Study groups for proprietors)



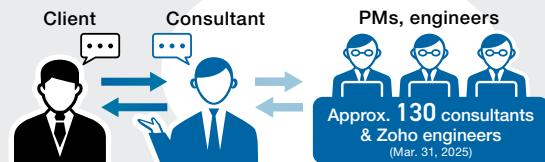
Provider of comprehensive digital and consulting solutions

### DX support

- DX consulting based on industry-specific management expertise
- Full spectrum of seamless support for systems development and DX



Funai Soken



- Online marketing and web consulting

- Consulting for AI development and operation



### Comprehensive Consulting Solutions

**2024** The Funai Soken Consulting Group comprised a range of companies that enabled us to deliver various kinds of support to meet our clients' needs, including management consulting by the core group company, Funai Consulting; logistics consulting by Funai Soken Logistics; HR solutions by HR Force; contact center consulting by Proseed; and overseas business expansion by Funai Consulting Shanghai.

### 2025 Stronger Services for M&A and Marketing

Jan.: Funai Soken Agata FAS, provider of financial advisory services, established  
Jul.: Acquired MI Consulting, further strengthening the group's M&A support structure  
Digital marketing experts Apparel-Web acquired in April, Almacreation acquired in January, expanding our range of marketing support services

\*Seicho Senryaku, which we acquired in January 2023, merged with Funai Consulting in April 2025 to reinforce consulting relating to the use of subsidies.



## Expertise in a Broad Range of Fields

A broad range of services to support clients in all facets of business

### The Seven Sectors Where Funai Consulting's Industry-specific Solutions Sell Best

#### 1. Construction, housing, real estate

Painting, renovation, care equipment and renovation, "fast" home renovation, 1 day renovation, roofing, existing building plus home renovation, real estate sales, vacant home renewal & rebuilding (incl. brokerage and mini-home specialists), IT building material, new-build apartment sales, monthly apartments for corporates, rental property management (incl. zero-start rentals, rental property renovation, efficiency solutions), rental brokerage (incl. rentals for seniors over 65), commercial property rentals, asset management (incl. inheritance), rentals for foreigners (incl. monthly rentals), super low-cost housing, smart houses, fixed-price designer homes, DIY homes, exhibition venues, high-end custom-build housing, one-story housing, communal home construction, warehouse and factory construction, property rental business DX, custom-build housing business performance boost support, new-build homes for two, construction business performance boost support, nursing home design and construction, private-sector business performance boost support, medical clinic construction, livestock barn construction, construction equipment rentals and used equipment sales, office and store construction, small warehouses and garages, construction engineer recruiting and development, land use systemization, inbound tourism real estate sales, demolition

#### 3. Certified professional services

Start-up support, accounting consulting, immigration, 401K, traffic accidents, work accidents, corporate legal & labor affairs, sole-operation surveying & team-based surveying using drones, inheritance & estate administration, quick-settlement division of estate, early resolution estate division, "compact" inheritance tax returns, inheritance tax returns, civil trusts (incl. accounting, legal), "compact" business ownership succession, real estate registration business marketing, disability pensions, divorce, corporate revitalization EAP, rehabilitation & bankruptcies

#### 4. Manufacturing

Online sales for mercantile trading companies, online sales for manufacturers, support for adoption of production robots, support for factory production line building, VA & VE for contract manufacturers, expanding into the medical industry, opening up new channels in non-automotive industries, strategies for pivoting to contract manufacturing, strategies for targeting design and development departments, opening up new channels among blue-chip companies, helping mercantile trading companies strengthen construction business, helping set manufacturers enter the parts processing business

#### 2. Healthcare, nursing care, and welfare

Healthcare: Out-of-pocket care, traffic accident injury care, semi-private personal training; home visit nursing care for those living in institutions; nursing home referral; home visit acupuncture & moxibustion treatment; out-of-pocket physio-rehabilitation; child developmental support & after-school day care; stay-in-work support; personal fidelity guarantee; orthopedics: machine-based physical rehabilitation; internal medicine: home-based treatment, lifestyle disease treatment, endoscopy; veterinary clinics; dental care: preventive orthodontics, boosting mouthpiece orthodontic services, mid-price ceramics, preventive care, boosting periodontal care services, home visit dental care; dermatology: beauty and healthcare; pharmacy: home-based care; beauty salons: dieting and slimming; psychosomatic medicine; ophthalmology; ENT; orthopedics; facial beauty treatments; support for orthopedic clinics to start offering osteopathic treatments; add-on beauty services for osteopathic & dental clinics

#### 5. Life event services

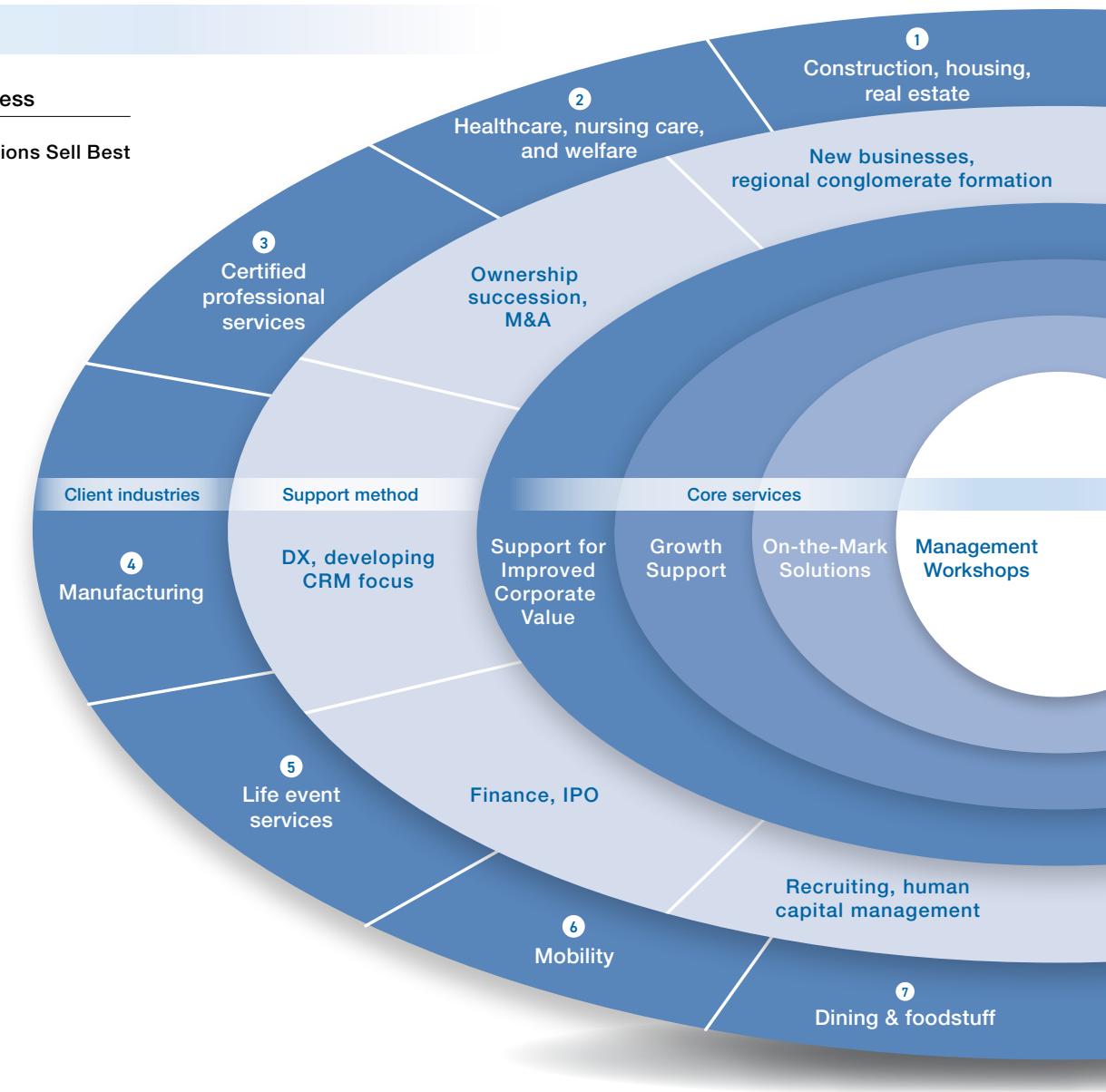
Bridal, beauty salons, "premium compact" funerals, contact centers, costume rental & photo studios, wedding photos

#### 6. Mobility

Unused non-new kei car dealerships, discount vehicle inspections, standard-size car dealerships, low-interest-rate new car dealerships, ¥398,000 kei car dealerships, new kei car leasing, used kei car leasing, corporate car leasing and rentals, gas stations, car washing & coating

#### 7. Dining and food

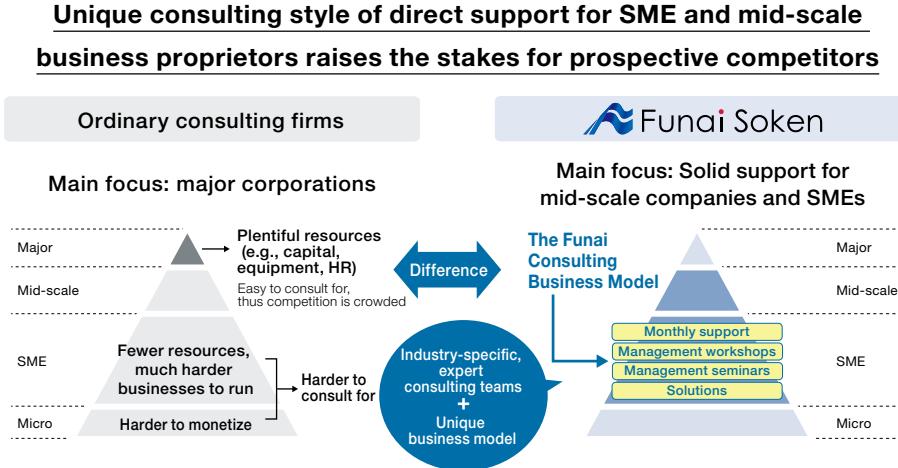
Baumkuchen specialty store development, BBQ restaurants, premium bento delivery stores, take-out-only restaurants, pre-prepared food business support, dining business support, specialty coffee



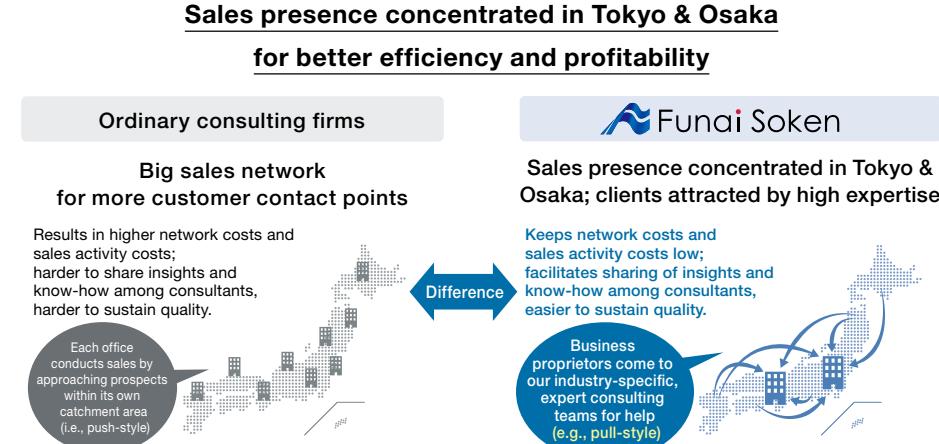


## Our Competitive Edge

### What Makes Us Different from Other Consulting Firms? 1



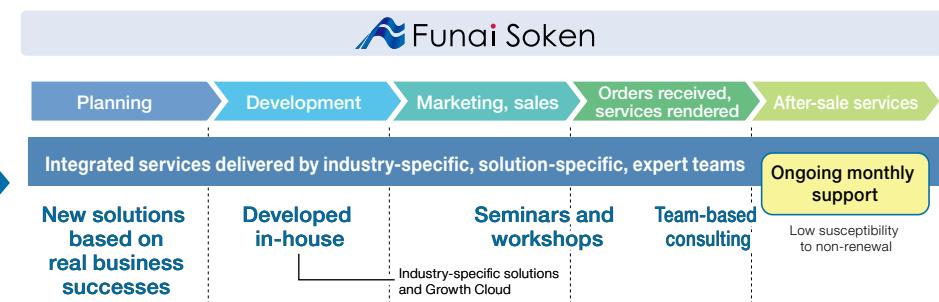
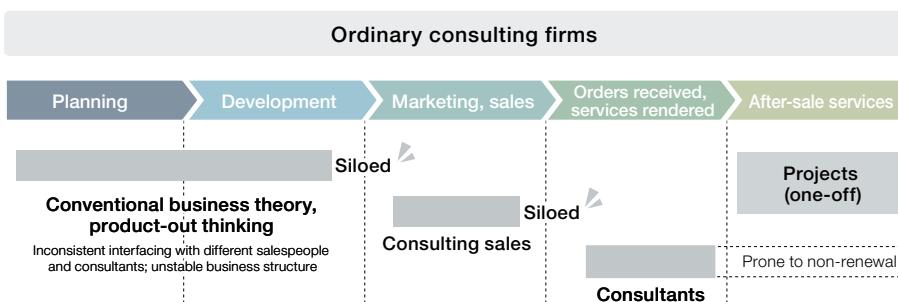
### What Makes Us Different from Other Consulting Firms? 2



### What Makes Us Different from Other Consulting Firms? 3

**Establishing ourselves as an “SPA”\* of the consulting industry, we can maintain high profitability by providing the full spectrum of consulting, from solution development to packaging and service delivery.**

\*Adapted from the “specialty store retailer of private label apparel.”

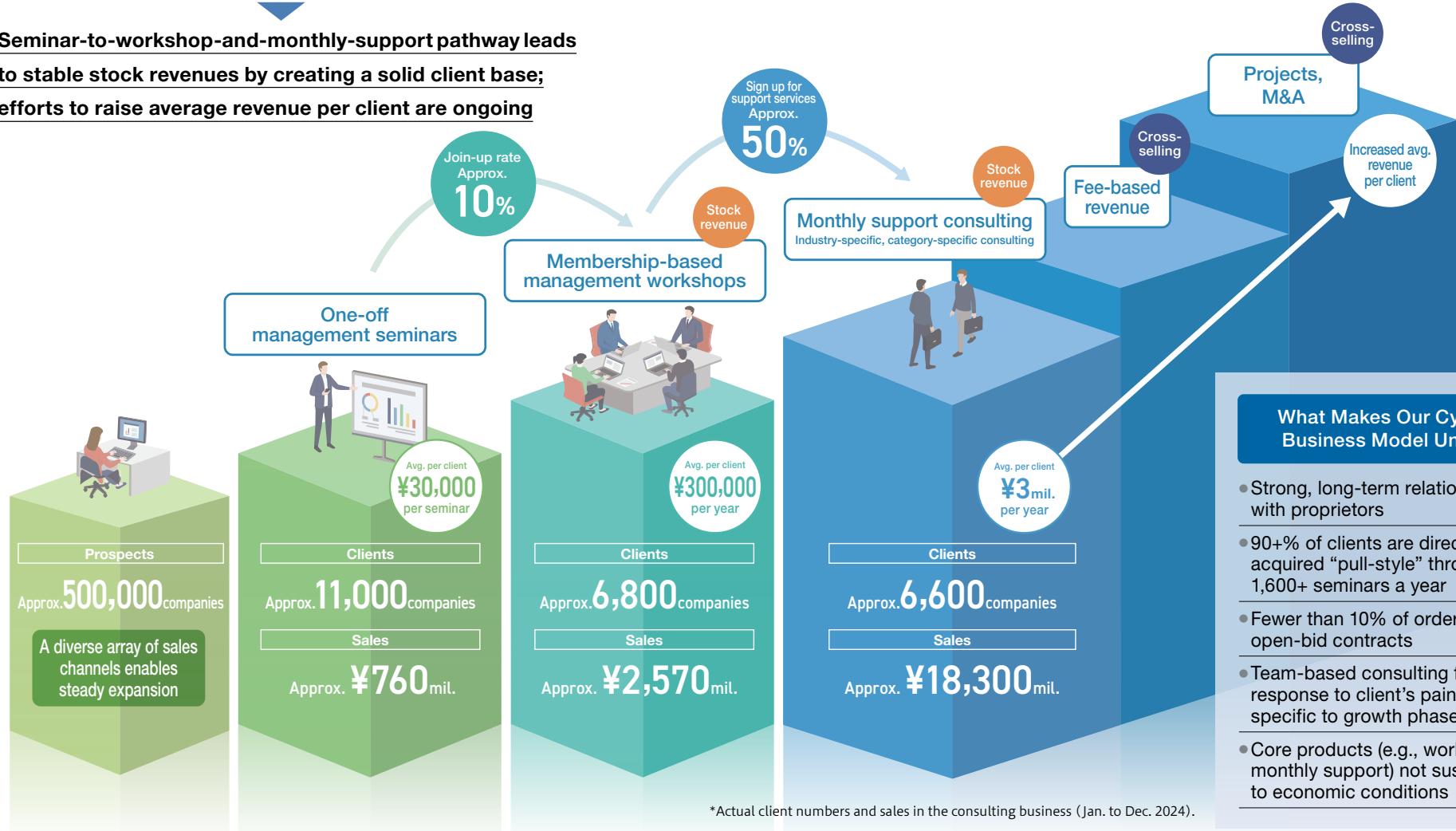




## Our Competitive Edge

### What Makes Us Different from Other Consulting Firms? 4

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



# The Value Creation Process

Japan's major social, economic, and industrial challenges	<ul style="list-style-type: none"> <li>Population decline</li> <li>Aging population, fewer children</li> <li>Labor shortages</li> <li>Low labor productivity</li> <li>Climate change</li> </ul>
Major challenges faced by mid-scale companies and SMEs	<ul style="list-style-type: none"> <li>Strengthening existing businesses, developing new businesses</li> <li>Lack of ownership successors, resorting to M&amp;A</li> <li>Strengthening human capital</li> <li>Improving productivity through DX</li> </ul>



## How our business addresses challenges and realizes the Group Purpose



The Funai Soken Consulting Group Purpose

## Sustainable Growth for More Companies

Companies that can achieve sustainable growth are those that can thrive and grow amid tumultuous change and uncertainty. We strive to deliver strong, sustainable growth for our clients and ourselves.



What We Aspire to Be

## Unleashing Regional and Industrial Leaders

We aim to help revitalize the national economy by propelling as many of our clients as possible to sustainable growth, thereby driving regional economies and creating quality jobs.

Increasing Corporate Value (Output)

## Aiming for organic growth and growth through M&A

(Mid-Range Business Plan Targets for 2025)



Operating income

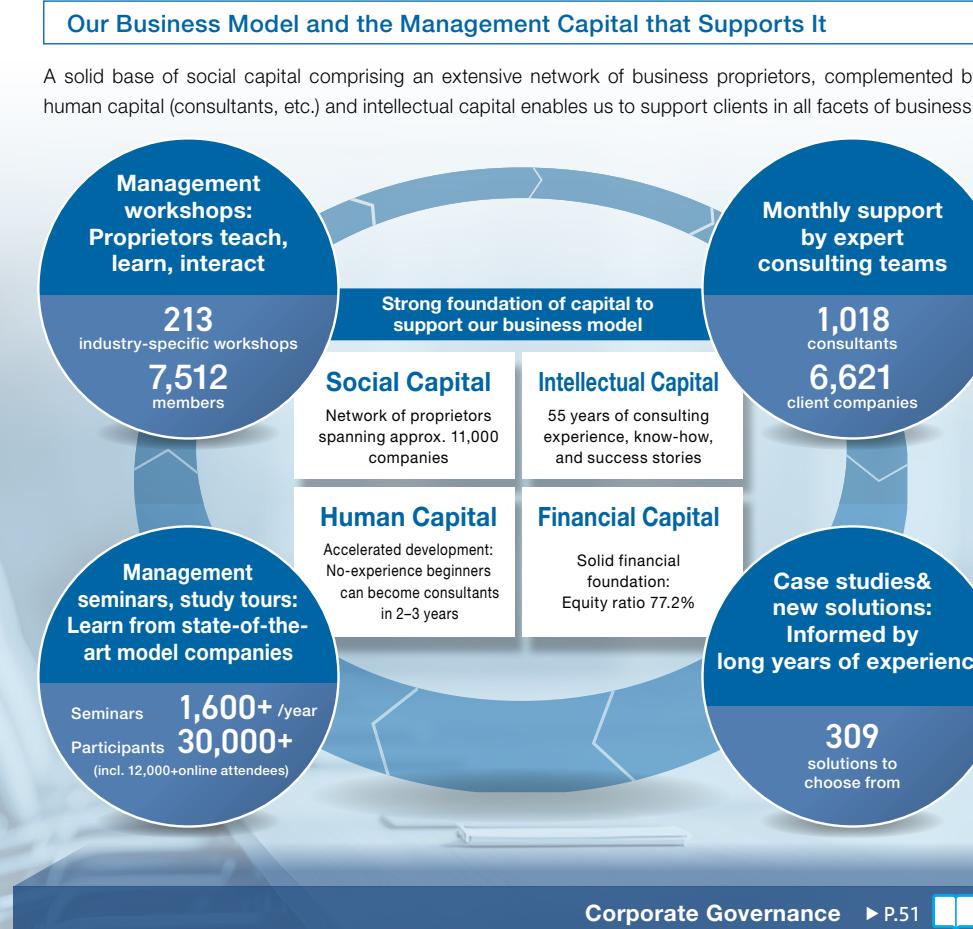


ROE



Return-to-shareholders ratio

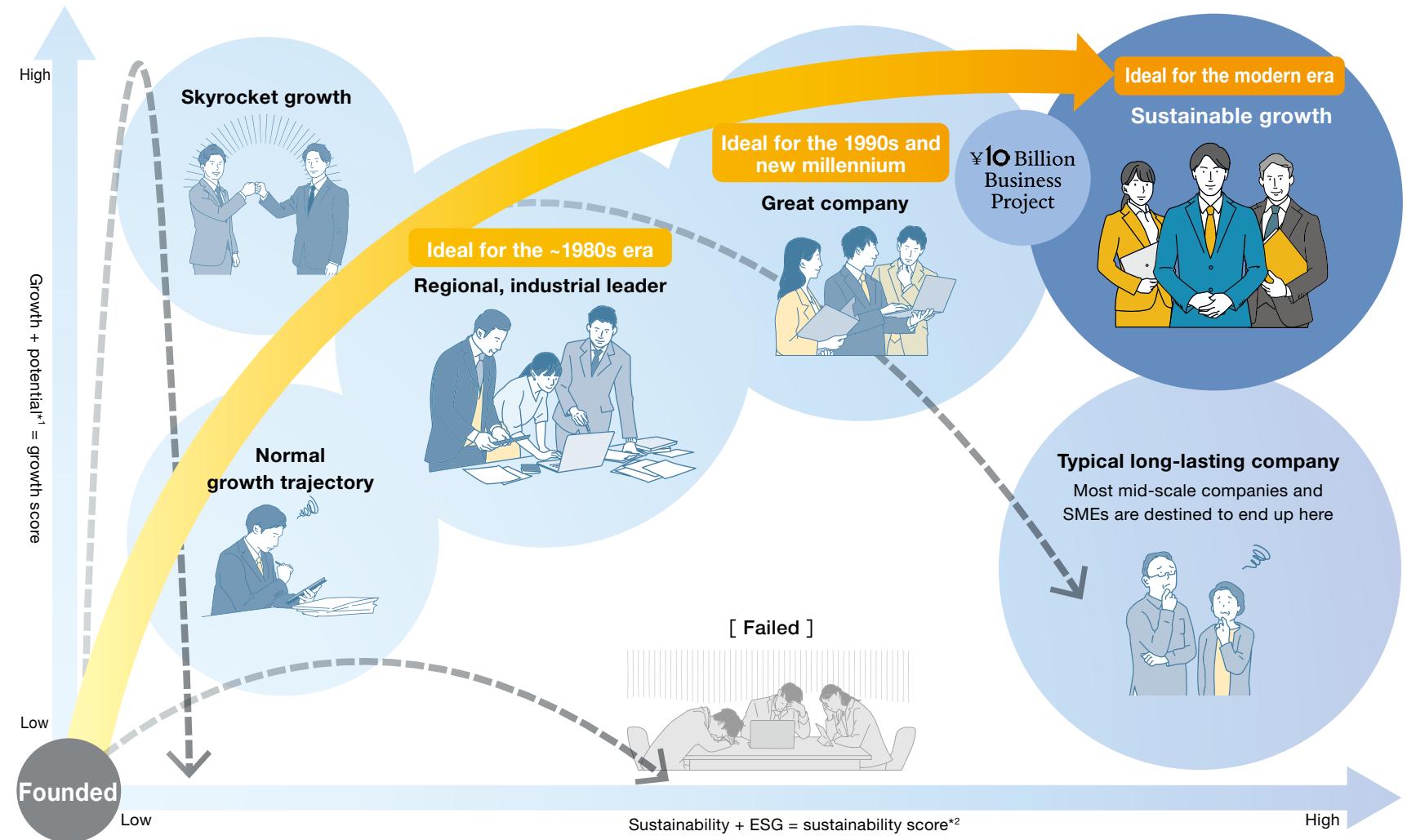
**¥8.9 bil.** **25+%** **60+%**



## What Do We Mean by “Sustainable Growth for More Companies”?

A Company That Can Thrive and Grow amid Tumultuous Change and Uncertainty

As we see it, sustainable growth is the combination of the strength to sustain profitability and growth in all circumstances and the gentleness to consider their wider stakeholder community.



\*1. Growth potential = Sales YoY (%) + Operating income margin (%). \*2. Sustainability = Sustainability + ESG (corporate management that is conscious of the environment, society, and corporate governance—not just selfish, short-term gain)

# Real Strengths Forged in Experience

## Various Kinds of Capital: A Unique Strength Forged Over 55 Years of Management Consulting

Throughout the Funai Soken Consulting Group's steady growth over the past 55 years, we have amassed a wealth of strengths, and these have enabled us to thrive in good times and bad through prudent application of sensible strategies. We will continue to add to those strengths as a vehicle for creating new group value.

### Our Core Strengths

#### Japan's Leading Consultant for Mid-scale Companies and SMEs

As Japan's foremost specialists in management solutions for mid-scale businesses and SMEs, we have developed a unique capacity for offering proprietors across-the-board support from early strategy planning to final implementation and embedding.

A long-standing, trusted brand

55 years

Recent growth in sales

ROE

Record performance

Best ever: 24.3%

### A Strong Capital Base to Underpin Our Strengths

#### Human & Intellectual Capital

##### A Diverse Workforce

A diverse workforce of talented people is vital for sustaining the group's development. We are committed to enhancing our talent management capabilities and maintaining an environment that enables our people—the true drivers of our growth—to make the most of their strengths.

##### Group Workforce by the Numbers

Employees	1,535	DX staff	295
Consultants	1,018	Non-Japanese	3.9%
Female employees	38.0%	Childcare leave uptake	
Women in management	24.1%	Men	67.9%

#### Social Capital

##### Wide-Ranging Client Base

Our pool of management workshop clients is one of the largest among all consulting firms in Japan. In recent years, we have begun holding workshops in Shanghai, where they are regarded as being unlike those found anywhere else in the world.

##### Our Clientele by the Numbers

Client companies:	Approx. 11,500	Consulting clients	6,621
Contract renewal rate	73.8%		
<b>Management Workshops</b>		<b>Seminars</b>	
Workshops held	213	Seminars held	1,666
Workshop members	7,512	Seminar participants	Approx. 18,000 companies

#### Financial Capital

##### A Solid Financial Foundation

Our high ROE and equity ratio provide a solid financial foundation to underpin our ongoing quest for sustained improvements in corporate value through growth investments, as well as shareholder value through steady shareholder returns.

##### Our Finances by the Numbers

Net sales	¥30,645 mil.	Operating income	¥8,324 mil.
Total assets	¥31,438 mil.	Equity ratio	77.2%
Operating margin	27.2%	ROE	24.3%
Return-to-shareholders ratio	119.0%	Dividends up 14 years in a row	

# Progress on the 2023-2025 Mid-Range Business Plan: Sustainable Growth 2025

Our Mid-Range Business Plan  
<https://hd.funaisoken.co.jp/en/ir/strategy.html>

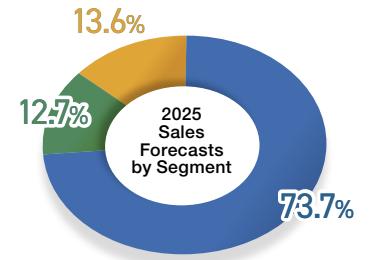
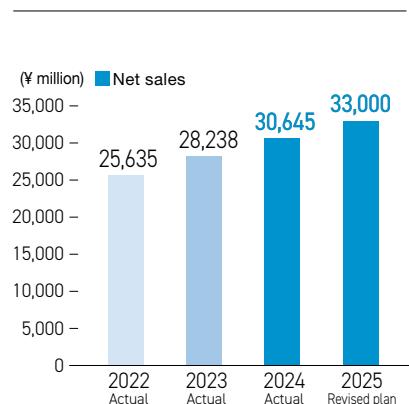


## 2023-2025 Earnings Targets

The target for 2025 is ¥33 billion in sales and ¥8.9 billion in operating income.

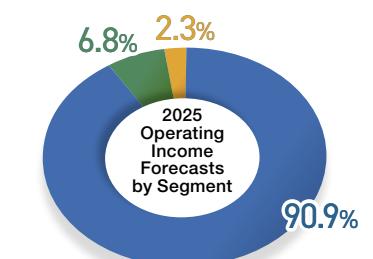
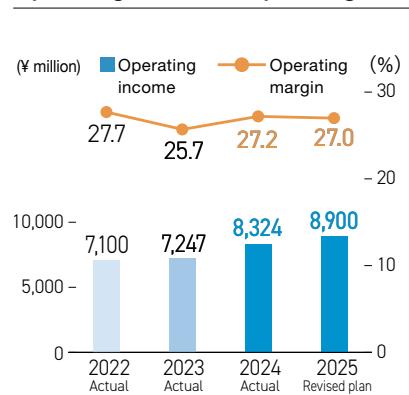
We will endeavor to sustain high profitability.

### Net Sales



\*Percentages exclude intra-group & whole-group transactions

### Operating Income & Operating Margin

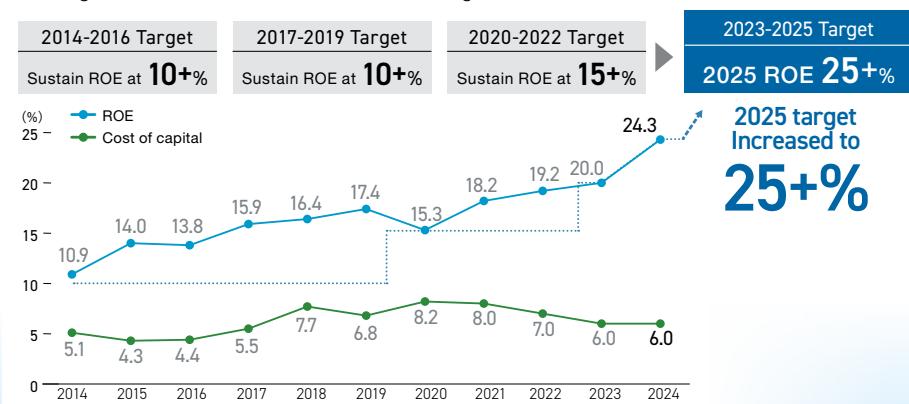


\*Percentages exclude intra-group & whole-group transactions

## 2023-2025 Financial Targets

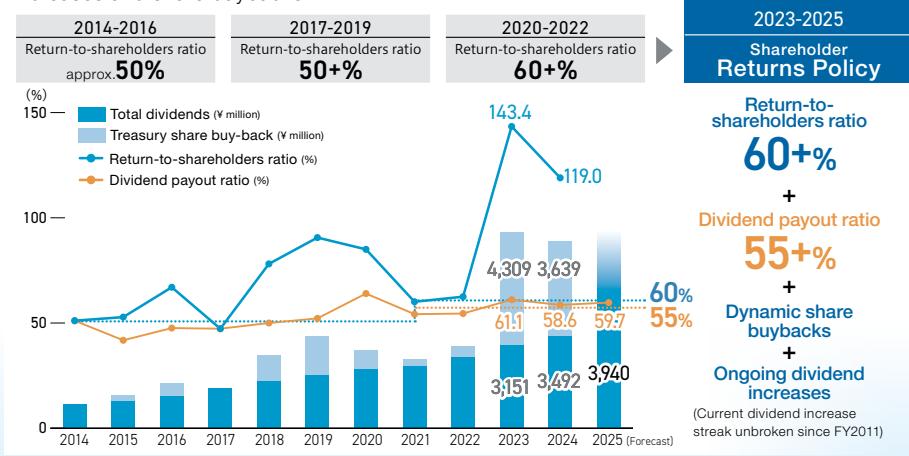
### Return on Equity

ROE was 20.0% in 2023, and thus the Mid-Range Business Plan target was met in the first year. The target has been revised to 25% for remaining duration.



### Shareholder Returns Policy

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



# Progress on the 2023-2025 Mid-Range Business Plan: Sustainable Growth 2025

Our Mid-Range Business Plan  
<https://hd.funaisoken.co.jp/en/ir/strategy.html>



## Mid-Range Business Plan 2023-2025: Policies

Under the new plan, our basic policy is to establish our group as the foremost provider of digital and comprehensive consulting solutions for mid-scale and SME clients, with aggressive investment in HR and ingraining the Group Purpose identified as priorities.

2023-2025 Mid-Range Business Plan	Basic Policy + Priorities	Digital and comprehensive consulting solutions for mid-scale and SME clients	Industry-specific management consulting	DX consulting
			Solution-category-specific management consulting	Digital solution services
		Comprehensive management consulting services for mid-scale companies		
		Aggressive investment in HR	Hiring, training DX staff	Improved productivity, sustained improvements in compensation
		Ingraining the Group Purpose	Better engagement	Group synergies

2020-2022 Mid-Range Business Plan	Basic Policy	Comprehensive management consulting services for SMEs and mid-scale companies	Comprehensive management consulting services for SMEs
			DX consulting for SMEs
			Comprehensive management consulting services for mid-scale companies

## The Group's Growth Strategy

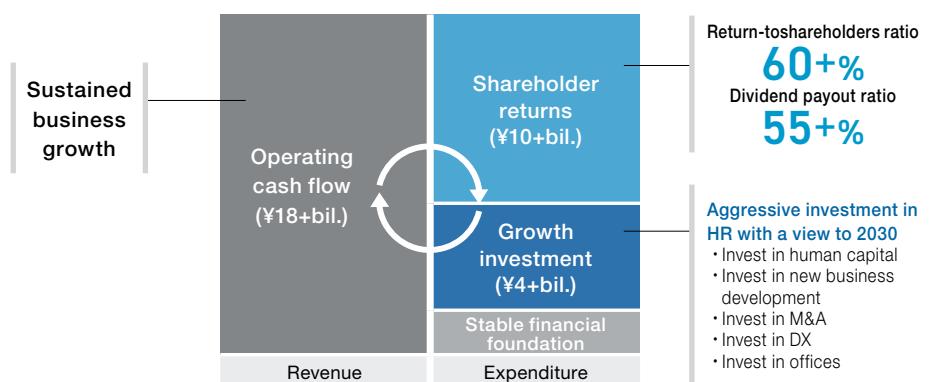
We aim to leverage organic growth, key initiatives, and M&As to maintain double-digit growth.

### Sales (2014-2024)



## Investment Strategy & Cash Allocation

We will allocate cash earned in operations between activities aimed at generating future growth and appropriate shareholder returns, thus improving shareholder value. We will also use the 2023-2025 plan period for aggressive investment in HR with a view to 2030.



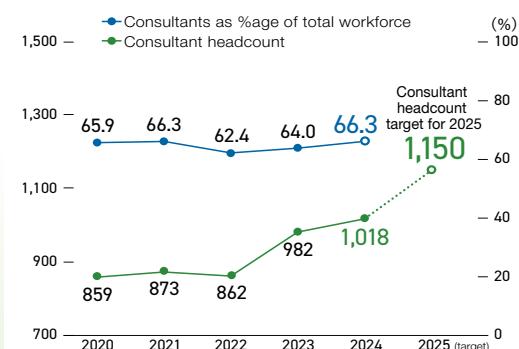


## Human Resource Strategy

### A Fine Balance of Corporate Growth and Employee Growth

Aggressive investment in human resources is a priority under our Mid-Range Business Plan. We aim for sustainable growth through investment in hiring, development, retention, and working environments.

- Increase consultants—i.e., those with direct bearing on sales—by avg. of 10% per year.
- Aim to further improve profitability by making more of our consultants more productive.



DX staff numbers expanded to strengthen DX consulting



\*DX staff are counted in accordance with Funai Soken Holdings definition of "digital transformation staff."

### Growth Targets by HR Category

#### Consultants

- Increase upstream service consultants, expand profitability
- Bolster mid-career recruiting in high-growth domains like DX and M&A consulting
- Boost productivity by strengthening recruiting and training of project management staff able to work with mid-scale clients

### Key Initiatives in HR Strategy

#### Hiring

##### Ramp up hiring: 1,800 headcount by end of 2025

- Restrengthen hiring of recent graduates for consulting positions
- Strengthen mid-career hiring in new and specialist fields
- Hire people from more diverse backgrounds for management roles

#### Training & career development

##### Training & career development for consultants and business staff

- Expand training programs to accelerate development of new and younger employees
- Improve productivity through acquisition of digital skills by consultants
- Expand investment in professional development to boost staff skills and develop the pool of management candidates

#### Retention

##### Improve employee value proposition to boost retention of talent

- Boost retention through sustained improvements in compensation
- Boost communication by relocating Tokyo office and consolidating into a single floor
- Increase employee engagement by sharing the Group Purpose

## Digital Transformation Services

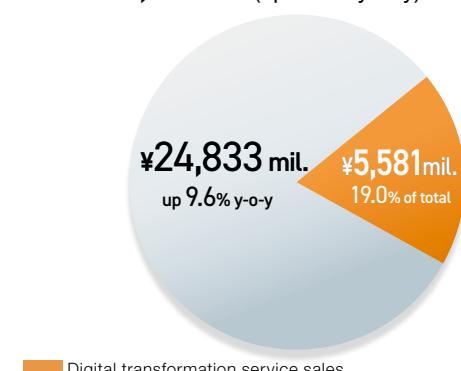
### DX-related Services Command an Increasing Share of Our Portfolio

#### DX-related Services as a Percentage of Net Sales

Strategic decision made to scale back systems development and concentrate on DX consulting, online ad listing, and Recruiting Cloud

#### FY2024

Total: ¥30,645 mil. (up 8.5% y-o-y)



■ Digital transformation service sales

■ Sales of other services

DX-solution-based consulting sales	¥2,511 mil.	+24.3 y-o-y
Online ad listing sales	¥1,482 mil.	+6.2 y-o-y
Recruiting Cloud (AI-powered recruiting service) sales	¥1,105 mil.	+2.0 y-o-y
Systems development sales	¥711 mil.	-34.2 y-o-y

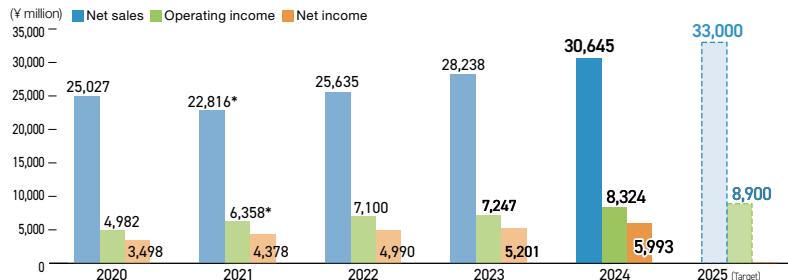
Total ¥5,811 mil. +4.1 y-o-y

# Financial Highlights



## Fundamentals

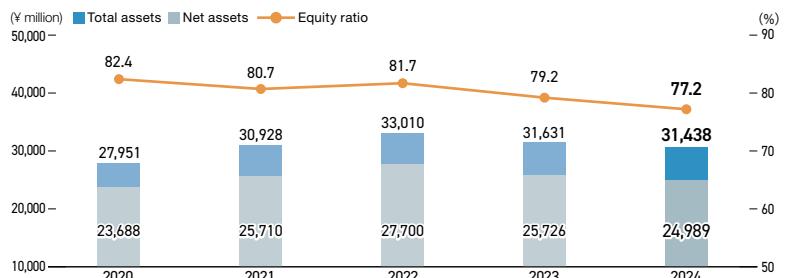
### Net Sales, Operating Income, Net Income



\*ASBJ's Accounting Standard for Revenue Recognition adopted in FY2022.

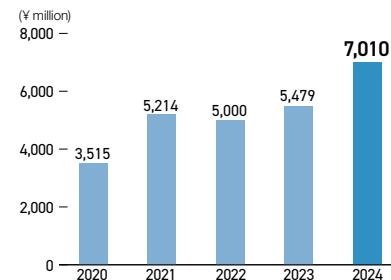
Amounts for FY2021 have been amended retroactively: net sales down by ¥5,997 million, operating income up by ¥9 million.

### Total Assets, Net Assets, Equity Ratio



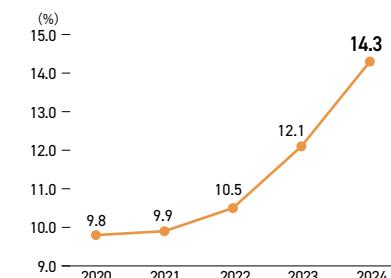
Sales and income are up in our consulting business for the fourth consecutive year, and we ended with our best ever figures in 2024. Consultant headcount (one of our core KPIs) broke the 1,000 barrier for the first time. We also achieved record management workshop membership, even while increasing subscriptions.

### Operating Cash Flow



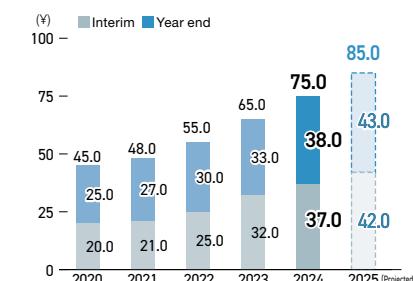
We will divide cash earned in operations between investing in future growth (e.g., aggressive investment in HR with a view to 2030) and appropriate shareholder returns.

### Dividend on Equity



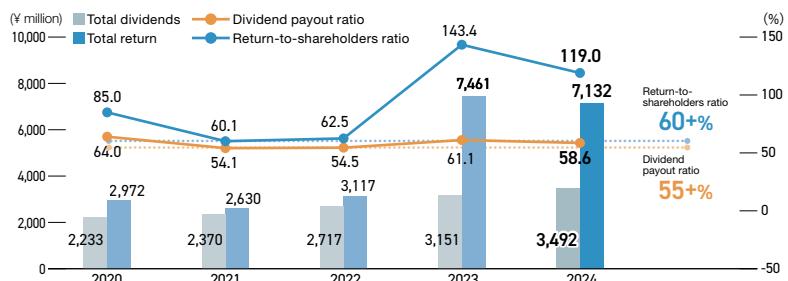
DOE is on an upward trend in keeping with the increase in total dividends. DOE remains one of the key indicators of our effort to sustaining high dividends.

### Dividend per Share



For 2025, we plan to increase the annual dividend by ¥10 to ¥85 per share (interim ¥42, year-end ¥43). If achieved, this will be the 15th consecutive year of dividend increases.

### Total Dividends, Total Return, Dividend Payout Ratio, Return-to-shareholders Ratio



We will continue with policies including dividend increases and share buybacks in order to sustain a dividend payout ratio of at least 55% and a return-to-shareholders ratio of at least 60%.

\*Total return = Total dividends + price paid to buy back shares

\*We adopted the ASBJ's Accounting Standard for Revenue Recognition (ASBJ Statement No. 29; Mar. 31, 2020) from the start of FY2022, and have applied the standard retroactively to FY2021's KPIs herein.

# Non-Financial Highlights

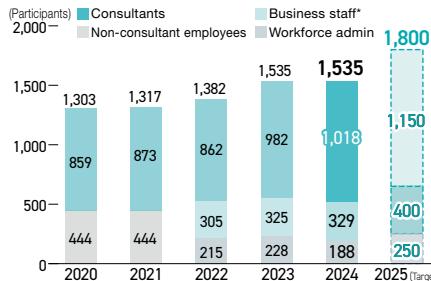
ESG Data

<https://hd.funaisoken.co.jp/en/sustainability/#ESGData>



HR & Organization

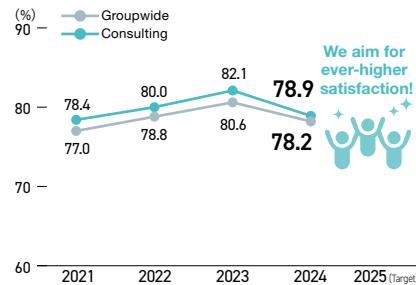
## Employee & Consultant Numbers for the Entire Funai Soken Consulting Group



Our workforce has grown steadily along with our bottom line, reaching 1,535 employees in 2024. In addition to efforts surrounding new-graduate and mid-career recruiting, the retention rate has also improved, resulting in a net increase of more than 100 consultants. When recruiting, we focus on acquiring talent with a close match to our corporate culture. To this end, we are offering long-term internships for prospective new-graduate hires advertising for mid-career hires on our own media and direct recruiting channels.

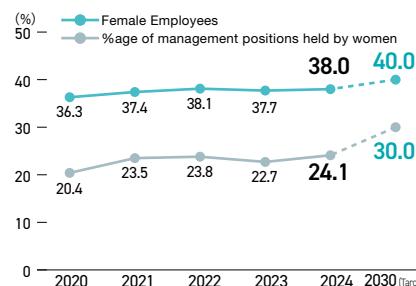
\*\*Business staff\* are those that work in consulting departments with a direct bearing on sales but who are not consultants; roles include development engineering, product sales, new business, management workshop operations staff, etc.

## Employee Satisfaction



Despite temporary fluctuations in 2024 due to reassessments arising from reorganization, we aim to achieve sustained improvement in employee satisfaction. Initiatives include: ongoing increases in compensation; revitalizing communication by integrating the group's Tokyo Headquarters into a single office, holding "town hall meetings" on the Group Purpose, and creating informal "hometown groups" of people from the same prefecture; and maintaining personnel and performance assessment systems that help employees pursue diverse career paths.

## Women in Our Workforce & Management Groupwide

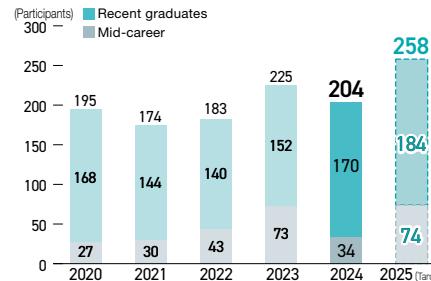


We are a proactive hirer of women, and strive to empower people to build careers and create value based on their own diverse range of values. Significantly, there is a tendency toward higher employee satisfaction and productivity scores in consulting departments with more female managers. We know that this is essential for sustainable growth, and will continue to focus on recruiting better talent and empowering them to apply their skills. In this way, we hope to contribute to our consulting clients and their industries as a whole.



HR & Organization

## Consultants Hired



In 2024, we hired 204 consultants (down 21 YoY), 170 of which were recent graduates (up 18; equal record) and 34 were mid-career hires. When hiring recent graduates, we look for those with a high enthusiasm for consulting, particularly for mid-scale companies and SMEs; when hiring people mid-career, we look for professional talent to thrive in new fields such as DX and M&A.



Brand

## Consulting Services: Quality and Quantity

Long track record:  
**55 years**



High contract renewal rate for  
6 years and counting

For 55 years now, the Funai Soken Consulting Group has led the market as a provider of comprehensive management consulting solutions specializing in Japanese mid-scale companies and SMEs. In our core management consulting business, our success is reflected in the sustained growth of our client companies and a high contract renewal rate: 63% in 2010 (when these figures were first collected), 67% in 2018, and constantly over 70% between 2019 and 2024. More recently, we have established a Group Purpose—"Sustainable growth for more companies"—as a statement of our intent to maintain a structure that enables us to support more companies across all phases of corporate development.



PDCA Cycle

## Information Security and Compliance Initiatives

Funai Soken Holdings, Funai Soken Logistics, and HR Force have acquired independent certification for information security management systems: the international standard ISO/IEC 27001 and the Japanese equivalent JISQ 27001. Funai Consulting's certification (for its DX Consulting Div. HQ and Business Development Div. HQ) was the continuation of previously obtained certification, as was that of Proseed. Meanwhile, in addition to seeking certification for more companies and divisions groupwide (first Japan, then overseas), we will continue to strengthen the whole group's infosec platform and develop infosec-capable employees.

### Annual Infosec & Compliance Training Opportunities for Employees (non-comprehensive list)

December 2024 What to know about compliance

June 2024 Cyber attack response (1)

November 2024 Harassment in the workplace

May 2024 Information security measures

October 2024 What to know about compliance

April 2024 Privacy protection

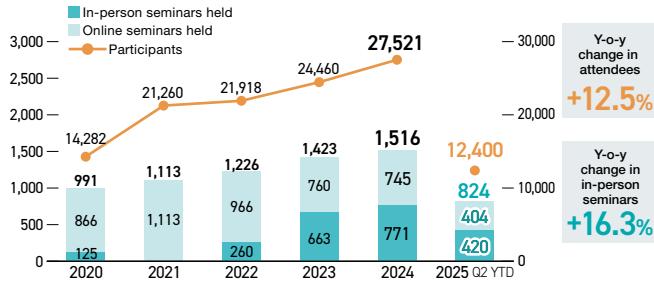
July 2024 Cyber attack response (2)

## Non-Financial Highlights

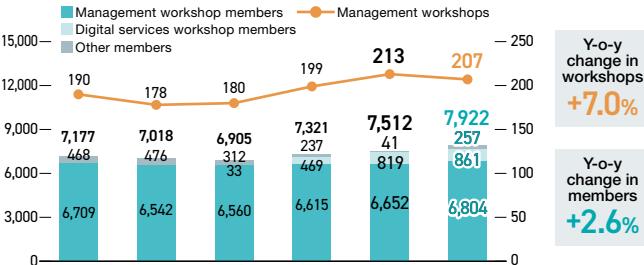


### Social Capital (Client Base)

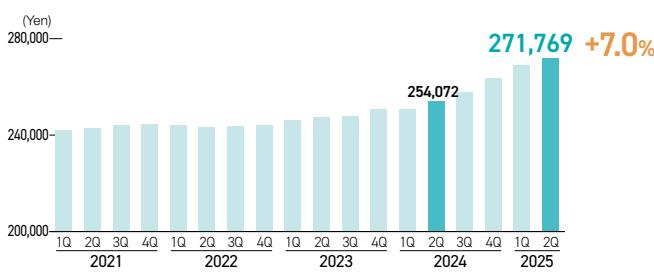
#### Management Seminars and Attendance Figures



#### Management Workshops and Membership



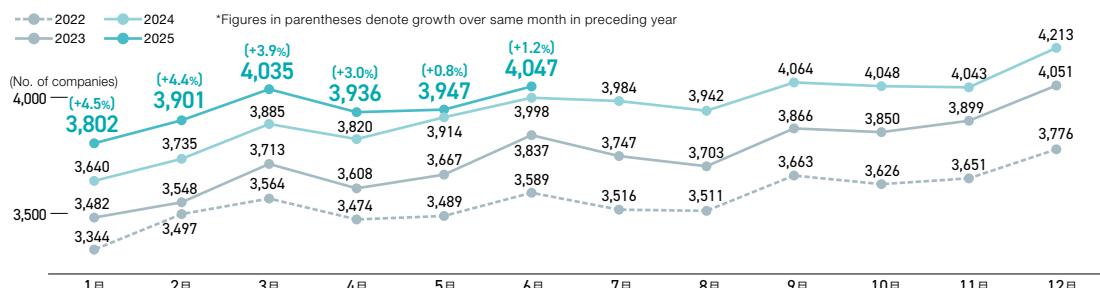
#### Monthly Support Consulting Services: Per-contract Monthly Revenue



#### Management Workshops: Per-contract Monthly Revenue



#### Monthly Consulting Client Company Numbers



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

This graph tracks the number of consulting client companies we have from month to month. This number was up in each month of 2024 over the same month in 2023.

Growth has slowed somewhat in the first half of 2025 in reaction to the jump in orders in 2024 Q2 following special seminars to mark the opening of our new Tokyo Headquarters.

Moving forward, we hope to see 6–7% increases over the same month in the previous year, for instance as seen in Oct.–Dec. 2023.

Summary of financial results (incl. seminar, workshop, monthly consulting client company numbers)  
<https://hd.funaisoken.co.jp/en/ir/kessangaiyou.html>



# Group CEO's Message



## Strong, Targeted Investment to Drive Business Growth and Boost Corporate Value

### Our Group Purpose: Who We Are and What We Stand For

“Sustainable growth for more companies.” The Funai Soken Consulting Group Purpose, established in 2023, is an expression of our commitment to strong, sustainable growth for ourselves and our clients in an age of tumultuous change and uncertainty. Although our consulting clients are mostly mid-scale companies and SMEs, it is the proprietors themselves who have the greatest bearing on whether a company can achieve sustainable growth. We preach a gospel of people-oriented business management, and as such, we strive to guide proprietors to “presidential success” in their professional and personal capacities. Our unique value proposition lies in our ability to draw from a broad range of solutions from our various group companies, and tailor these to offer the comprehensive, advanced, and constant support needed to achieve that dual success.

I am the eldest son of a small business owner, so this subject is close to my heart. Since joining Funai straight out of university, I have constantly thought about what makes a proprietor’s journey a long and happy one, and have worked to fine-tune our business model to reflect this. Whereas consulting used to be available only to a handful of major corporations, we opened this up to mid-scale companies and SMEs—a full spectrum of consulting services for the price

### Takayuki Nakatani

President and Group CEO  
Funai Soken Holdings Inc.

Joined Funai Consulting as a graduate in 1991. Served a consultant, then promoted to head of consulting; developed industry-specific business models designed to spark immediate performance improvement, implemented industry-specific management workshops groupwide, boosted new-graduate hiring to 100 per year, led formulation of the group’s current sustainable growth business model. Served as president of Funai Consulting Shanghai and president of Funai Consulting, appointed president & CEO of Funai Soken Holdings in 2021, appointed president & group CEO of the Funai Soken Holdings in 2023.

## Group CEO's Message

of around one employee's salary! Moreover, we know that the biggest hurdles to improving business performance are proprietor awareness and motivation and sustaining action over the long term, and that's why we offer two avenues of assistance: not just our unique brand of close-quarters support solutions, but also a robust community of fellow small-scale proprietors.

We have made a number of changes to ensure the Group Purpose is properly understood and practiced by all group employees. For instance, our office is now called Sustainable Growth Square, our long-running annual awards has been renamed the Sustainable Growth Company Awards, and we hold over a dozen purpose-focused "town hall" meetings a year. I look forward to consistent pursuit of initiatives like these in the med-to-long term.

We at the Funai Soken Consulting Group are devoted to boosting Japan's industrial competitiveness and productivity and building a better future by helping as many companies as possible achieve sustainable growth.

### A Business Model for Sustainability and Profitability

As many business data books will tell you, the Funai Soken Consulting Group is already among Japan's top consulting firms for mid-scale companies and SMEs. Significantly, though, our business model is very different from that of a typical consulting firm. Most of our sales come from consulting for mid-scale and SME proprietors, and we endeavor to attract and convert them through a three-step process. First, the main point of initial contact: our one-off, industry-specific, management seminars for proprietors and executives. In 2024, we held 1,516 of these, which attracted

more than 27,000 attendees. Next are membership-based industry-specific, solution-category-specific management workshops, and finally, monthly support consulting services. Of these, the members-only management workshops are the core—they are like industry-specific, solution-specific school for mid-scale and SME proprietors. As of the end of 2024, we had 213 management workshops with 7,512 signed-up members from all over Japan, who form a tight-knit community where fellow proprietors can find mentors and friends, share best practices, and exchanging information. If management workshops are like school, then monthly support services are like one-on-one home tutoring. Teams of consultants with solid expertise in the relevant industry deliver practical, effective growth support based on a huge database of case studies from all around the country. With our ability to deliver the help that each client actually needs at specific phases of their business's growth (e.g., hiring and developing talent, DX, AI, accessing and leveraging subsidies, M&A, and corporate value enhancement), we offer a complete range of services tailored to individual companies' growth requirements. From initial growth to maturity and eventual exit, we work alongside proprietors to help them achieve their own unique "presidential success."

### Another Record Year in 2024

In 2024, we made a major investment in new office space, and consolidated our various Tokyo operations into a unified Tokyo Headquarters in Yaesu. In terms of the bottom line, the year ended with record figures that propelled us toward the targets of our Mid-Range Business Plan and helped pave the way for our next leap forward. Consolidated net

sales increased 8.5% year-on-year to ¥30.6 billion, and operating income increased 14.9% to ¥8.3 billion. As of the end of the second quarter of 2025, we were already making solid progress toward the Mid-Range Business Plan targets, with consolidated net sales for the year to date up 11.4% over the same period in 2024 to ¥16.0 billion, and operating income up 11.0% to ¥4.6 billion. Notably, sales grew by double digits and operating income was over 20% in our core consulting business, as well as in logistics. Our consultant headcount passed 1,000 for the first time, reaching 1,111, while an increase in unit prices saw sales per employee up 7.2% over the same period in 2024 to ¥9.6 million and operating income per employee up 6.8% to ¥2.8 million.

### DX Consulting, Evolving in the AI Age

2025 was the final year of Mid-Range Business Plan 2023-2025. In keeping with that plan, we focused on ramping up DX consulting services in an effort to establish the Funai Soken Consulting Group as the foremost provider of digital and comprehensive consulting solutions for mid-scale and SME clients.

Recognizing that AI is not a threat to our business but a useful tool to augment our consultants' capabilities, we adopted Gemini for Google Workspace generative AI for some 1,500 employees groupwide in November 2024. In doing so, we intend not only to boost work efficiency, but also to swiftly improve our own AI literacy so that we can harness AI to develop and deliver new products and services to our clients, thus evolving into the leading consulting form of the AI age. If we are to credibly help our clients implementing DX and use AI, we must first become

## Group CEO's Message

thoroughly competent users of generative AI ourselves.

In January 2025, Funai Soken Holdings was named Japan Partner of the Year 2024 by Zoho, the global CRM company with whom we have Premium Partner status. Following this, Apparel-Web, one of our group companies, was made a Premier Partner by global e-commerce giant Shopify in October 2025. By serving as the link between these global platform providers and Japanese mid-scale companies and SMEs, and helping them get the most out of those tools, we aim to boost DX and the uptake of AI among the Japanese corporate community.

Meanwhile, in July 2025, Funai Soken Logistics entered into a strategic alliance with Oki Electric Industry to promote DX in the logistics industry . The alliance is aimed at developing a platform that benefits shippers and logistics SMEs located away from Japan's main urban centers, who are particularly hard-hit by recent labor shortages.

On November 4, 2025, we set up a new overseas subsidiary, Funai Consulting India. Located in Bengaluru, the new company will serve as the group's Global Capability Center, take on development projects, localize English-language products into Japanese, and deepen cooperation with partner companies such as Zoho .

### Building ¥10-billion-turnover Companies to Lead Japan to a Better Future

In 2024, the Japanese government adopted business policies focused on nurturing the mid-scale businesses that form the backbone of the economy. With raising productivity now a national priority, we expanded our focus from simply offering growth support for individual SMEs to incorporate a new key initiative: Developing more mid-scale

enterprises with the vigor and momentum needed to lead their industries and communities, and to boost Japanese productivity. Companies with turnover in the range of ¥10 billion tend to be major local employers and targets for investment. The more companies of this scale there are, the more we can hope for strong regional development, and that's why we launched the ¥10 Billion Business Project with the slogan, "¥10 billion in turnover makes for happier communities." Since the project's inception in 2020, we have propelled more than 300 client companies to ¥10 billion turnover level (as of December 31, 2024).

What's more, since July 2024, we have been involved in a joint research project with the Kobe University Graduate School of Business Administration. As part of that project, we held the Kobe University & Funai Consulting Joint Symposium 2025: Our Research into ¥10 Billion Turnover Companies to share our research outcomes with the community. We hope to add further impetus to ¥10 Billion Business Project by scouring case studies to identify the theoretical and practical factors needed to propel a business to the ¥10 billion mark .

### M&As & Restructuring Yield Strong Growth Potential and New Capabilities

In 2025, we undertook strategic M&As and restructuring to expand our line-up of client services and optimize delivery. One example of this is the establishment in January 2025 of Funai Soken Agata FAS, a joint venture with Agata Global Consulting aimed at strengthening our business ownership succession consulting capacity. Another is our acquisition of bank-partnered M&A consulting and due diligence experts MI Consulting in July 2025. Bringing MI

Consulting into our group enables us to offer a one-stop source of high-quality solutions for everything related to M&A and business ownership succession.

Looking to reinforce our strengths in cutting-edge marketing, we acquired Almacreation in January 2025. The company is led by Masanori Kanda, one of Japan's foremost marketing practitioners and a mentor to many business proprietors. The addition of Almacreation to our group will bring numerous benefits, including clients benefiting from the latest marketing know-how, expanded membership base, and increased diversity in leadership positions via a development support program for female executives in conjunction with an overseas MBA program. In April 2025, we acquired Apparel-Web, which has extensive knowhow in e-commerce and online marketing for the apparel industry. Having Apparel-Web on our team will not only enable us to achieve the expansion of our digital solution services set forth in the Mid-Range Business Plan, but it will also help us leverage Shopify to boost our e-commerce and web marketing consulting services.

Meanwhile, we will merge Funai Consulting and Proseed in order to reinforce our business structure in 2026. This restructuring will help us expand our contact center consulting services and improve our ability to consult for major corporations. Similarly, Funai Consulting's Human Capital Management Support Divisional Headquarters will be split off and integrated into HR Force, which will be renamed Funai Soken Human Capital Consulting. Doing so will enhance our human capital consulting credentials by establishing a one-stop source of solutions relating to hiring, development, retention, RPO, and more.

# Group CEO's Message

## Investing in People and Organization for Ongoing Growth

A company's sustainable growth is driven by its people. At the Funai Soken Consulting Group, we believe people are the "human capital" that drives our quest to create value, and that's why we made human capital investment a priority in our Mid-Range Business Plan. Following our investment in Sustainable Growth Square Tokyo, the group's new Tokyo Headquarters, in April 2024, we are now poised to relocate our Osaka Headquarters to Inogate Osaka in January 2026. With state-of-the-art facilities and direct access from JR Osaka Stn., the new premises will be the ideal place for our people to do their best work with the best colleagues for the best clients. As we see it, investments like these spark a virtuous cycle that enhances corporate value.

Meanwhile, on April 1, 2025, we welcomed 180 new employees, around 70% of whom were recent graduates. Significantly, around a third of these come from families who run businesses. People from households involved in some kind of family-run business tend to seek us out because they know they can learn the ins and outs of business management. For our part, focusing on hiring people from families who run businesses—i.e., people with an innate feel for mid-scale business management—doesn't just give us an advantage over industry rivals; having such credible, relatable consultants also sets us apart from the pack in the eyes of clients.

To develop our workforce, we provide a solid combination of cutting-edge digital education, basic training to hone social skills and manners, on-the-job training where newcomers accompany their experienced colleagues to client companies, as well as accelerated development through systematic, rank-specific and skill-specific programs. Those

in upper management are involved in the group's corporate management as executives, and we proactively nurture the group's future leaders through a range of initiatives.

To ensure we can retain talent, we poll our employees each year through surveys and one-on-one interviews to learn how we can continue to be a rewarding place to work. We are also keen to boost compensation, and to that end we have a project in place to raise the average annual salary of consultants to ¥10 million by 2030.

We are serious about helping women forge meaningful careers. Recent efforts in this area include signing up to the UN's Women's Empowerment Principles, in February 2025. Our target is for at least 30% of management positions groupwide to be held by women by 2030, and our interim target is 25% in 2025. In 2024, we were at 24.1% and making progress. Our efforts to empower women have been recognized by the government under its Eruboshi Certification program, with Funai Soken Holdings and Funai Consulting receiving a 3-star rating (the highest), and HR Force has receiving a 2-star rating. (Current as of October 2025.)

## Prioritizing Capital Efficiency & Shareholder Returns

We strive for mid-to-long-term enhancement of shareholder value through a basic policy of maintaining an appropriate level of shareholders' equity, growing profits through proactive business investments, and improving capital efficiency.

In accordance with policy, we have revised our ROE target for 2025 from 20+% (as stated in the Mid-Range Business Plan) to 25+%. This revision comes amid strong progress toward that goal, having achieved 24.3% in 2024.

Our shareholder returns policy dictates a dividend payout ratio of at least 55% and a return-to-shareholders ratio of at least 60%. So far, we have exceeded both of these in each year of the current Mid-Range Business Plan. For 2025, we plan to increase the annual dividend by ¥10 to ¥85 per share. If achieved, this will be the 15th consecutive year of dividend increases. Meanwhile, in an effort toward more dynamic implementation of capital policies, improved capital efficiency, and increased shareholder returns, the board voted in August 2025 to undertake a share buyback (up to ¥2.5 billion), and we are increasing the distribution of shareholder rewards to twice a year.

We also recognize that investor dialog and other investor relations activities are vital to enhancing corporate value. As such, we have begun holding briefings for non-institutional investors , and office tours for visiting institutional investors. Constructive dialog is a constant source of valuable opinions and suggestions, and these are fed back to the board. These, together with input from outside directors, pave the way for necessary improvements.

## Encouraged by Your Unwavering Confidence in Us

We are well aware of the fact that sustained growth in profits has not translated into share price performance.

In 2025, the final year of the current Mid-Range Business Plan, we have striven not only to achieve numerical targets (¥33 billion in net sales, ¥8.9 billion in operating income, and ROE of 25+%), but also to achieve strong, sustainable business growth, and to enhance corporate value. On behalf of the whole Funai Soken Consulting Group, I thank you for your ongoing support.

# Executive Vice President's Message



**Tatsuro Ono**  
Director and Executive Vice President  
Funai Soken Holdings Inc.

## Zero Trust: Strengthening All Facets of Our Information Security Framework

Part of our quest to cement our position as a provider of comprehensive management consulting solutions has been to adopt Zoho and AI, and help clients get the most out of these potent business tools. We are also pursuing M&A as a means of achieving further business growth. My role is to facilitate this by strengthening risk management across the board, including our IT platforms.

Information security is an area of immediate concern because it has such a large bearing on the group's businesses. These days, the risk to information assets—ours and our clients'—increases as more organizations become involved and as more data gets used across more systems.

As cyber attacks become more sophisticated, so must our defenses become stronger. We are shifting to a zero-trust security footing to reinforce existing

## Infosec and AI Governance Safeguarding Against the Risks of the Digital and AI Era

measures such as identity as a service (IDaaS) for employee ID authentication, secure access service edge (SASE) cloud security, and endpoint detection and response (EDR) to ensure our infosec and AI governance are protected against the risks of the digital and AI era. The importance of ongoing improvements like these was made clear when our website was targeted in—and withstood—a cyber attack in 2025.

In addition, we are working to expand the scope of our ISMS (ISO/IEC 27001) certification for information security to eventually cover the whole. The latest addition to the group, Apparel-Web, comes with a world-class security set-up, and lessons learned from their practices have not only boosted security across all group companies, but also generated group synergies.

Elsewhere, to ensure our information security practices are as effective and securely embedded as possible, all employees and officers undergo annual training in dealing with a targeted email attack. The participation rate is 100%, while follow-up training has a participation rate of 96.3%. Moreover, as part of our ISMS activities, our various departments hold regular security meetings to ensure full ingraining of security measures. As a result, we are building up a solid base of practical front-line initiatives.

## Clear AI Use Policy & Governance Introduced with Groupwide Adoption of Generative AI

As the use of generative AI becomes more widespread in business, I believe we will soon need to adapt nimbly to stricter legislation and changing rules. At the Funai Soken Consulting Group, we adopted Gemini for all employees in November 2024. At the same time, we also established a groupwide AI Policy and governance framework to ensure safety . Our AI governance processes are

designed to make our AI Policy effective while enabling fair, sound use of AI.

For instance, a new department has been established within Funai Consulting to "audit" the security of Zoho cloud products so that clients can use our DX products with full confidence in their quality and security. This new department will be key to coordination of systems and our organization for maximum confidentiality, reliability, availability, integrity, and security.

We remain committed to ongoing strengthening of our infosec systems, including maintaining a pool of skilled infosec workers, not only to earn and keep clients' trust, but also to seek growth in corporate value.

## Growth-oriented Governance

As I see it, the group's corporate governance structure is a work in progress. My ideal is growth-oriented governance, in which all board members can contribute to in-depth discussion about management strategy and how to achieve the Group Purpose, so that the board can lead future growth.

At Funai Soken Holdings, outside directors make up 66.7% all directors, and 33.3% of directorships are held by women. Those outside directors offer frank advice at board meetings, ensuring that board discussions are robust and thorough. I feel it is also significant that, as of April 2025, all three members of Funai Soken Holdings's Audit and Supervisory Committee are outside directors. Their objective input keeps us on our toes as we strive to maintain and improve compliance and risk management across the whole group.

I am committed to working hard to meet the expectations of our shareholders and investors, and look forward to your ongoing support.

# Director in Charge of Finance's Message



**Motoki Haruta**

Director and Executive Officer,  
Head of Management Divisional Headquarters and  
head of Human Capital Divisional Headquarters  
Funai Soken Holdings Inc.

As the director responsible for the implementation of financial strategy and capital policy, my mission is to drive sustained growth in corporate value. In my view, achieving the Group Purpose—sustainable growth for more companies—requires a fine balance of steadfast financial discipline and strategic deployment of resources in non-financial areas to promote growth.

## Robust Financial Performance and Efficient Growth

Under Mid-Range Business Plan 2023–2025, we have endeavored to ramp up growth as part of our efforts to establish the Funai Soken Consulting Group as the foremost provider of digital and comprehensive consulting solutions for mid-scale and SME clients. As a result, we achieved record sales and income in the year ended December 2024. Net sales increased 8.5% year-on-year to ¥30,645 million, operating income increased 14.9% to ¥8,324 million, and the operating margin was a very high 27.2%. Net income attributable to owners of the parent was ¥5,993 million.

## Balancing Financial Discipline and Maximum Capital Efficiency

That momentum carried over into the first half of 2025, with year-to-date net sales of ¥16,043 million and operating income of ¥4,684 million—both half-year records—and operating margin a very high 29.2%. In this way, we made solid progress toward our full-year targets (net sales ¥33,000 million, operating income ¥8,900 million). Significantly, operating income in our consulting business, the chief driver of the group's growth, was more than 20% at the year's halfway mark. Net income was down at this stage, impacted by extraordinary losses of ¥2,155 million on the sale of our Gotanda Office premises, a move undertaken to make way for more effective use of resources. Conversely, however, we are forecasting extraordinary income of ¥3,155 million in the fourth quarter of 2025 on the sale of our current Osaka Headquarters premises (this has been factored in to our earnings forecast for 2025). Our capital efficiency target is ROE of 25% in 2025, and we are committed to maintaining our already high PBR—4.57 in 2024—through efficient business management.

## Stronger Foundations and Agile Execution of Capital Policy

The group's operations are well funded by consistently strong cash flows from operating activities: ¥7,010 million in 2024 and ¥3,717 million as of the end of the second quarter of 2025. This cash-generating capability enables us to invest in growth strategy and make generous returns to shareholders.

Part of that growth strategy has been boosting our M&A capabilities to cement our position as Japan's foremost provider of digital and comprehensive consulting solutions. For instance, we established Funai Soken Agata FAS, a joint venture that helps mid-scale companies and SMEs with M&A and business ownership succession, and acquired MI Consulting, experts in financial and tax due diligence. With these additions, we can now offer a one-stop source of FAS

solutions. In addition, our acquisition of e-commerce and online marketing specialists Apparel-Web and marketing experts Almacreation have given us stronger foundations to underpin future growth.

In keeping with our shareholder returns policy, which stipulates a dividend payout ratio of at least 55% and a return-to-shareholders ratio of at least 60%, the board voted on August 8, 2025, to undertake a share buyback of up to ¥2.5 billion. And we have introduced a mid-year distribution of shareholder rewards, thus expanding the shareholder rewards program from once to twice a year. For 2025, we plan to increase the annual dividend by ¥10 to ¥85 per share, the 15th consecutive year of dividend increases.

## Strategic Investment in Non-Financial Capital

The group's sustainable growth stands on a bedrock of strong human capital and the pursuit of sustainability in management. At the core of our quest for stronger human capital is aggressive hiring; in 2025 we welcomed 180 new employees (consultants and non-consultants). It is significant that fully 23% of the group's workforce come from families who run businesses, i.e., they are people with an innate feel for small business management.

Diversity is a vital facet of human capital, and we are on track to achieve the Mid-Range Business Plan target of at least 25% of management positions groupwide will be held by women in 2025 (30% by 2030). Moreover, we have signed up to the UN's Women's Empowerment Principles, and are committed to helping a truly diverse range of people meaningful careers.

Through unwavering financial discipline and the pursuit of growth investment and non-financial capital, we are determined not only to achieve the Mid-Range Business Plan targets, but to maintain double-digit growth into the future as well.

On behalf of the whole group, I look forward to your ongoing support.

# Core Group Company President's Message



**Daisuke Shingai**  
President and CEO  
Funai Consulting Inc.

## Delivering Better Value for Clients through an Expanding Array of Support Services

Low productivity and lack of growth are more than just constant concerns for mid-scale companies and SMEs; they are problems for society as a whole. At Funai Consulting, we help enterprises achieve sustainable growth by delivering the support they need to harness high growth potential (i.e., year-on-year sales growth) and sustain profitability (operating margin).

These days, digitalization is a high priority, and we help clients undertake DX in a way that yields swift results through effective customer relation management using Zoho. Zoho is a cloud-based suite of applications used by more than 100 million people worldwide. In our capacity as a certified Zoho partner, we at Funai Consulting have already helped more than 800 clients adopt Zoho. Our DX consulting solutions are backed by hard-won strengths, including a deep understanding of operations and conventions in different

## Powering Clients' Growth with Digital and Comprehensive Consulting Solutions

industries. With Zoho, we have developed an original product called Growth Cloud, which offers industry-specific marketing and sales force automation solutions. This means we are ideally positioned to deliver ready-to-use systems optimized to help mid-scale companies and SMEs surmount the challenges faced by those with modest resources and achieve swift results. In addition, we have begun offering consulting services that harness the benefits of AI agent technology to offer even greater support for clients seeking growth and operational improvements.

Elsewhere, we are working to strengthen overseas business, as per the group's growth strategy. To that end, and to speed up DX within the group, we have established a new subsidiary, Funai Consulting India. Located in Bengaluru, the new company raises our presence in one of the world's fastest growing economies. Not only will Funai Consulting India take on development projects, but it will also serve as a global capability center, a strategic function that is increasingly common among companies operating internationally and a linchpin in our efforts to expand our consulting business overseas, for instance by helping Japanese companies entering the Indian market.

Another core focus is consulting for mid-scale clients to help propel them to the ¥10-billion turnover mark. We begin by creating a 10-year vision and backcasting from there. But we do not simply revamp clients' existing operations; we help them build new revenue-generating businesses, design financial foundations and organizations, access growth-related subsidies, and draw up roadmaps that incorporate all the facets needed to give our clients' moonshots more chance of success.

Meanwhile, we are also striving to bolster our support services for human capital management—an essential factor in mid-to-long-term corporate value enhancement.

We are committed to delivering robust hiring, development, and retention solutions to help proprietors overcome HR challenges and achieve sustainable growth.

Another area where we offer much-needed help is M&A and business ownership succession—a vital means of adding velocity to corporate growth. Indeed, our ability to form teams including industry-expert consultants and M&A specialists and assist clients with everything from pre-deal preparation to post-deal growth support sets us apart from other consulting firms. Now, with the recent establishment of Funai Soken Agata FAS and the acquisition of MI Consulting, we are able to offer a one-stop source of high-quality solutions for everything related to M&A and business ownership succession.

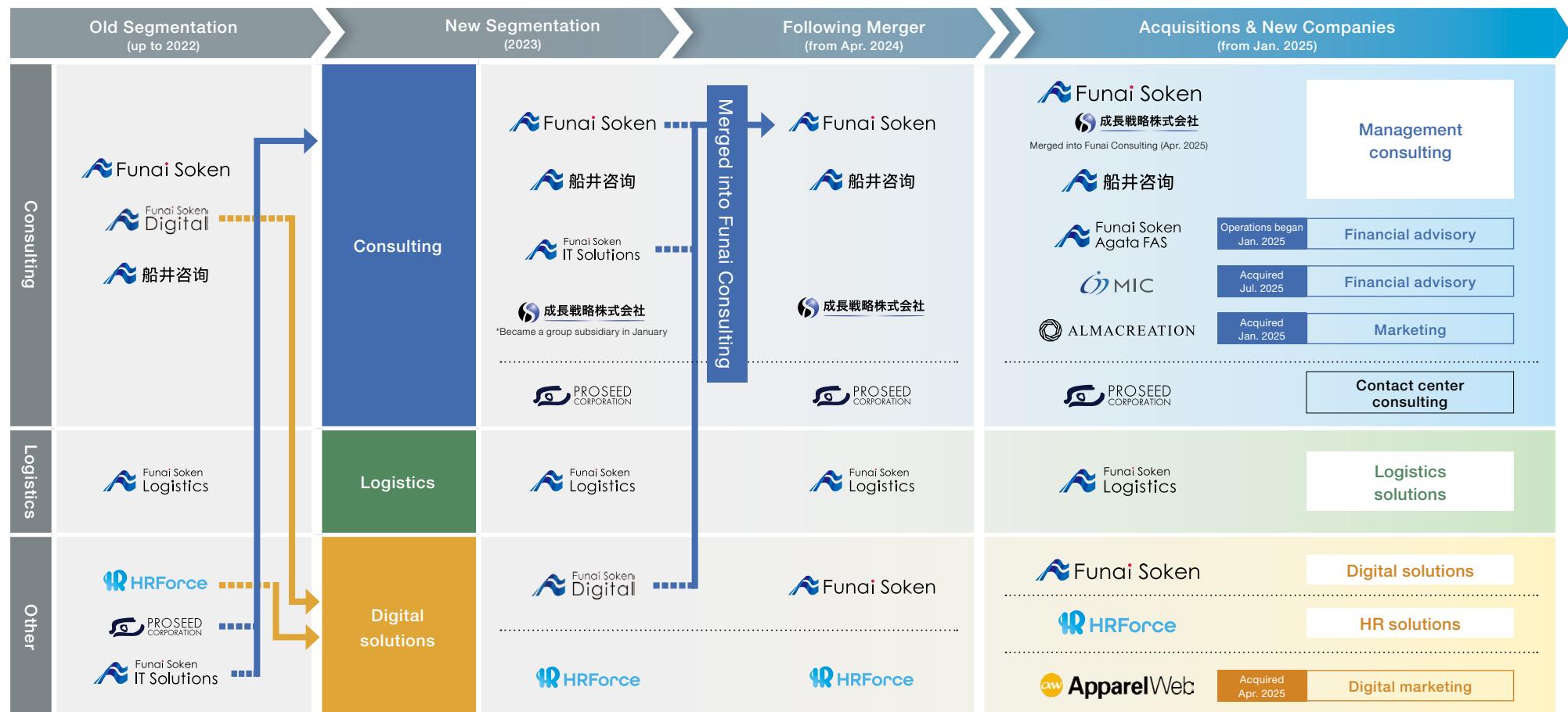
## Management Workshops: Nurturing Social Capital and a "Cycle of Knowledge"

One of the ways we help clients achieve growth is through the power of networks. In 2024, not only did we hold 1,516 seminars, but we also held 205 management workshops with a membership of 6,944 members (as at end of year). Our management workshops serve as a forum for friendly competition among motivated business proprietors, and as a venue for cross-industry and cross-regional networking. In this way, they foster social capital conducive to corporate growth. We at Funai Consulting are dedicated to helping mid-scale companies and SMEs increase corporate value by creating a "cycle of knowledge" that enables proprietors to learn from the many examples of clients achieving success and the many solutions we have developed as a result.

# Business Strategy & Portfolio Policy

## 2023-2025 Mid-Range Business Plan: Acquisitions and Establishment of New Companies

We established a new segment, digital solutions, in 2023 for more effective pursuit of our business strategy. In addition, Funai Soken Digital and Funai Soken IT Solutions were merged into Funai Consulting on April 1, 2024, to create a stronger, seamlessly integrated structure for delivery of digital solutions. With the inauguration of Funai Soken Agata FAS and the acquisition of Apparel-Web and Almacreation in 2025, we are better equipped to help business proprietors strive for “presidential success.”



**Portfolio Policy** To better concentrate our resources on businesses that can generate sustained returns in excess of cost of capital over the mid-to-long term, our portfolio is configured around businesses with earning potential and growth potential. We keep a careful watch on cost of capital as part of our process for establishing and publishing the group's management strategies and plans, and list target figures for sales, operating income, and ROE in the Mid-Range Business Plan.

# Expanding Expertise and Creating New Synergies: New Additions to the Group in 2025

We welcomed to the Funai Soken Consulting Group four new companies in 2025 through acquisitions and in-house establishment. With their deep consulting expertise in niche areas and digital solutions, the newcomers strengthen our business portfolio in a way that enables us to better achieve the objectives of the Mid-Range Business Plan and strive for sustainable growth. The new subsidiaries boost our ability to deliver more in-depth, multifaceted solutions to our clients to help them surmount business challenges, and contribute significantly to the group as growth drivers.

## Acquired in Jan. 2025



## ALMACREATION

Almacreation

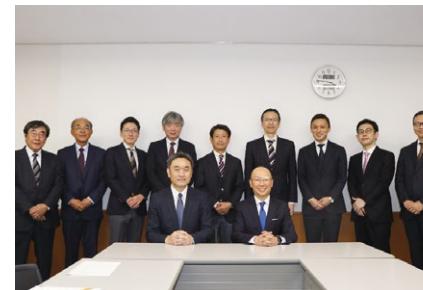
### Marketing Consulting

Solutions to help clients establish a clear purpose and vision, and identify key words conducive to strategy and execution. A potent combination of human capital management solutions backed by a partnership with the Wharton School and marketing DX through AI agency.

### What This Means for the Group

Almacreation brings a distinctive brand via founder Masanori Kanda's prominent books. This can be leveraged to create new points of customer contact based on marketing techniques fusing AI and DX. The company's deep insight into the future of marketing not only makes it possible to help clients plot a clear direction, but also expands our group's expertise and generates new synergies.

## Established in Jan. 2025



## Funai Soken Agata FAS

Funai Soken Agata FAS  
(joint venture with Agata Global Consulting)

### M&A, Business Ownership Succession

Specialists in M&A and business ownership succession. Combines the group's wealth of know-how and Agata Global Consulting's expertise in finance and accounting to offer a one-stop source of solutions for everything from M&A strategy to PMI.

### What This Means for the Group

Stronger M&A and business ownership succession consulting services, financial and tax due diligence capabilities, enabling us to present M&A as an option that benefits all parties.

## Acquired in Apr. 2025



## ApparelWeb

Apparel-Web

### DX Marketing Focused on E-commerce

Leveraging up-to-date apparel industry expertise to offer direct-to-consumer e-commerce solutions including website production, social media, and advertising. Steadfast support for DX and business growth.

### What This Means for the Group

The addition of DX expertise specific to the apparel industry is a significant boost to the group's digital marketing consulting capabilities, particularly as relates to e-commerce, enabling us to better help clients chase growth potential.

## Acquired in Jul. 2025



## MIC

MI Consulting

### M&A Consulting

Experts in financial due diligence offering quality M&A services, including corporate tie-up brokerage, financial advisory services, and share valuation.

### What This Means for the Group

Significantly stronger due diligence and financial advisory capabilities as part of our M&A solutions; expansion of high-level expertise to help mid-scale and SME clients tackle complex management issues.

# More Than Just a New Sales Hub: Investment in Offices Yields a Variety of Benefits

In April 2024, we relocated our Tokyo Headquarters to Tokyo Midtown Yaesu, consolidating our various Tokyo operations into a single, one-floor premises. Bringing all our functions into a single space conducive to cross-departmental planning, collaboration, and dynamic action is more than just convenient or efficient—it helps make our non-financial capital more competitive. Now, we are poised to undertake another major investment, this time to relocate and consolidate our Osaka Headquarters in January 2026. Not only do these new premises offer enhanced functionality as sales bases, but they will also yield human capital advantages, particularly relating to our ability to attract talent.



**Tokyo HQ:** 35th floor of Tokyo Midtown Yaesu



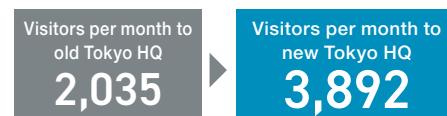
**Osaka HQ:** 21st and 22nd floors of Inogate Osaka (relocation in scheduled for Jan. 2026)

## Overview: Our Investment in New Offices

- We have consolidated various Tokyo operations into premises in Tokyo Midtown Yaesu.
- Aims: Boost brand strength (enabling price rises) x Boost productivity increase (leading to more orders) x Boost group synergies (to expand customer base).
- We forecast that the sale of the Gotanda Office building and current Osaka HQ building in Yodoyabashi will yield extraordinary income for FY2025.

## How Investments in Office Space Will Help Attract Customers

- Relocating to new Tokyo HQ has resulted in a sharp increase in monthly customer visits.
- Events held to unveil the new office have quickly yielded results, e.g., increase in orders.



## How Investments in Office Space Will Benefit Human Capital (e.g., Attract Talent)

### Addressing Challenges and Expanding Opportunities in Osaka

#### Old Osaka Office: Constrained ability to hold recruitment activities

- Student numbers coming to recruitment events were less than half of those in Tokyo
- Insufficient capacity
- Event numbers limited by lack of personnel

#### New Osaka Office: Much greater capacity

- Holds up to 300 attendees
- Able to hold more events; significant increase in contact with students
- Environment conducive to locking in potential employees (i.e., students)

### Increased Acceptance of Preliminary Job Offers in Osaka

Acceptance by 2025 grads (old office)

approx. 70%

Acceptance by 2026 grads (new office)

approx. 80%

Why?

Students were visibly excited to learn about the relocation to new premises (and our investment in the future), indicating a dramatic increase in engagement.

So?

Investment in offices is more than just about the physical environment; it also shows that we invest in our employees, and thus has a direct bearing on our competitiveness in the employment market.

## Consolidation Leads to Improved Productivity and New Synergies, Diverse Working Styles Result in Better Engagement

### Better Employee Unity and Engagement

- Our whole workforce heard from group company executives about their excitement and aspirations relating to the office relocation.
- Hearing from the heads of other group companies has planted in employees the seeds of new synergies with corporate brethren, with potential to boost brands and productivity.
- The relocation of Tokyo Headquarters to new premises is enabling us to finally unlock the potential for truly synergistic groupwide management.

### Group Synergies and Innovation

#### Apparel-Web Executive Says...

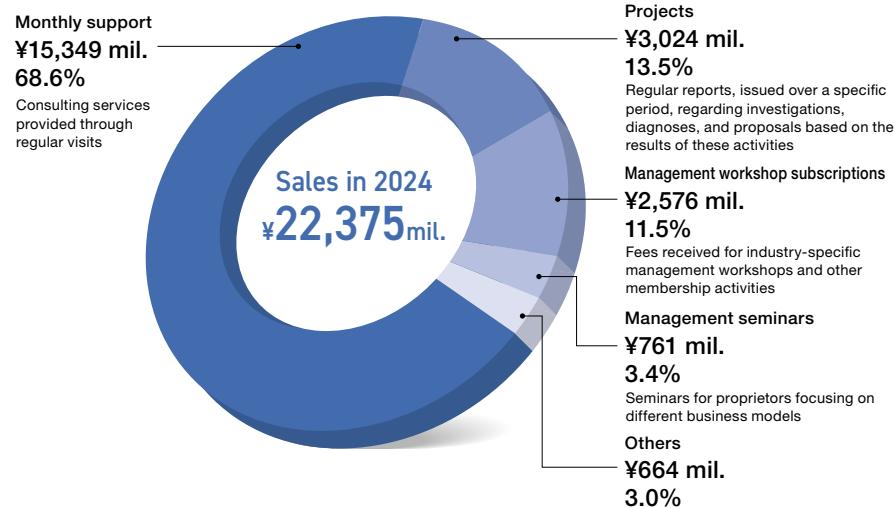
Bringing together the various knowledge and experience of the group's different operations to interact within a single premises is already sparking innovation on a daily basis. The fusion of varied creative perspectives, copious amounts of data, and logistics knowledge will enable us to deliver new value that customers would scarcely have imagined.

#### Funai Consulting Shanghai's Representative Director Says...

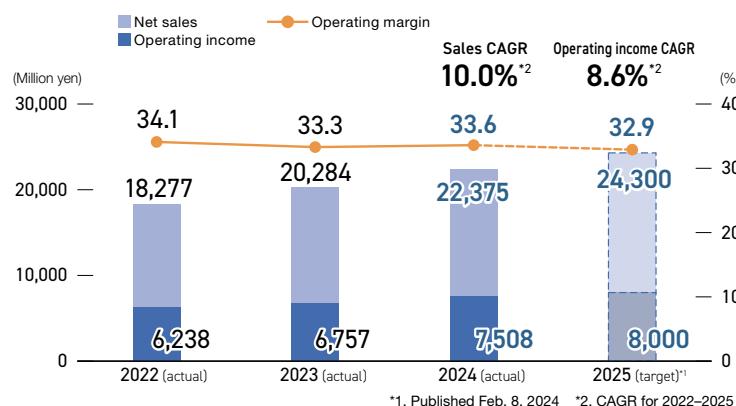
The new offices in Tokyo and Osaka make the Japan tours we organize for Chinese corporate clients much more convenient and effective, which will boost customer loyalty and leverage.

# Consulting

## Main Service Categories (Amts. and Share of External Sales)



## Sales & Operating Income



## Main Services

In our core consulting business, we offer a wide range of services to address the deep-seated causes of the business challenges faced by mid-scale companies and SMEs. Our consulting services are backed by industry-specific expertise, and are tailored to add value that's relevant to each client's specific growth phase, such as digital transformation or M&A support.



## Risks and Opportunities Relating to Mid-to-long-term Performance in Core Businesses

Risks	Opportunities
<ul style="list-style-type: none"> <li>Increased competition (e.g., IT vendors, newcomers from other industries)</li> <li>Difficulty in securing workers (esp. DX staff) due to increased workforce mobility</li> <li>Economy ups and downs affecting clients' willingness to invest</li> <li>Challenges arising from business expansion, workforce growth</li> </ul>	<ul style="list-style-type: none"> <li>Growing demand for DX among SMEs (esp. manufacturing)</li> <li>Growing M&amp;A market (business ownership succession, industry restructuring)</li> <li>Chance to help revitalize rural communities</li> <li>Direct contact with proprietors enables involvement from upstream processes</li> <li>Existing client base in stable markets, e.g., housing, real estate; healthcare, nursing care, welfare</li> </ul>

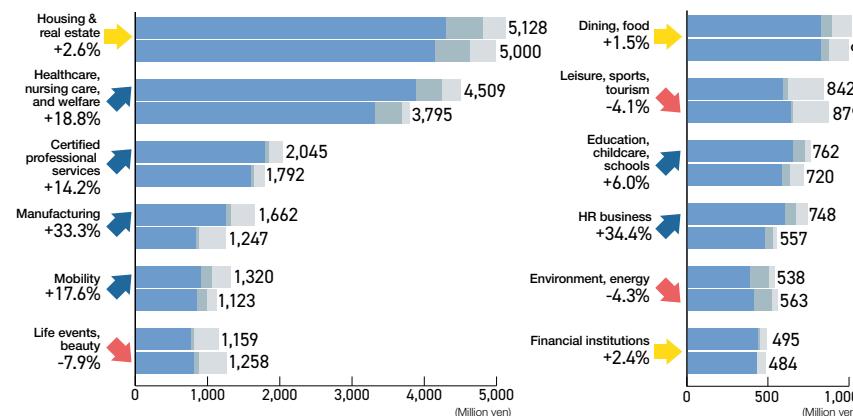
## Our Strategy

- Maintain high profitability, seek more sustainable growth.
- Further expand upstream consulting services.
- One-stop source for a full spectrum of solutions for SMEs and mid-scale companies.
- Boost productivity through better recruiting and training of project management personnel.

## Core Business Solid, Digital Support Services Growing

Of the 12 top client industries served by our consulting business, we achieved double-digit growth again in healthcare, nursing care, welfare, and certified professional services. Initial struggles in the housing and real estate industries were overcome and we ended the year with 2.6% growth. But the industry where we saw the biggest growth in consulting sales was manufacturing, which grew 33.3% on the back of demand for digitalization support. Meanwhile, in the life events and beauty industry, we are feeling the aftereffects of 2023's M&A brokering boom. Moving forward, we foresee growing demand for AI, digitalization, and business management support through portfolio review from clients in all industries currently struggling with inflation, labor shortages, and other issues.

- Growth support: Consulting services to improve business performance
- Talent development support: HRD consulting services to help clients recruit, train, and assess workers, and invigorate their organizations
- Support for improved corporate value, digitalization etc.: Assistance with M&As, finance, and subsidies; and DX consulting and other assistance for digitalization



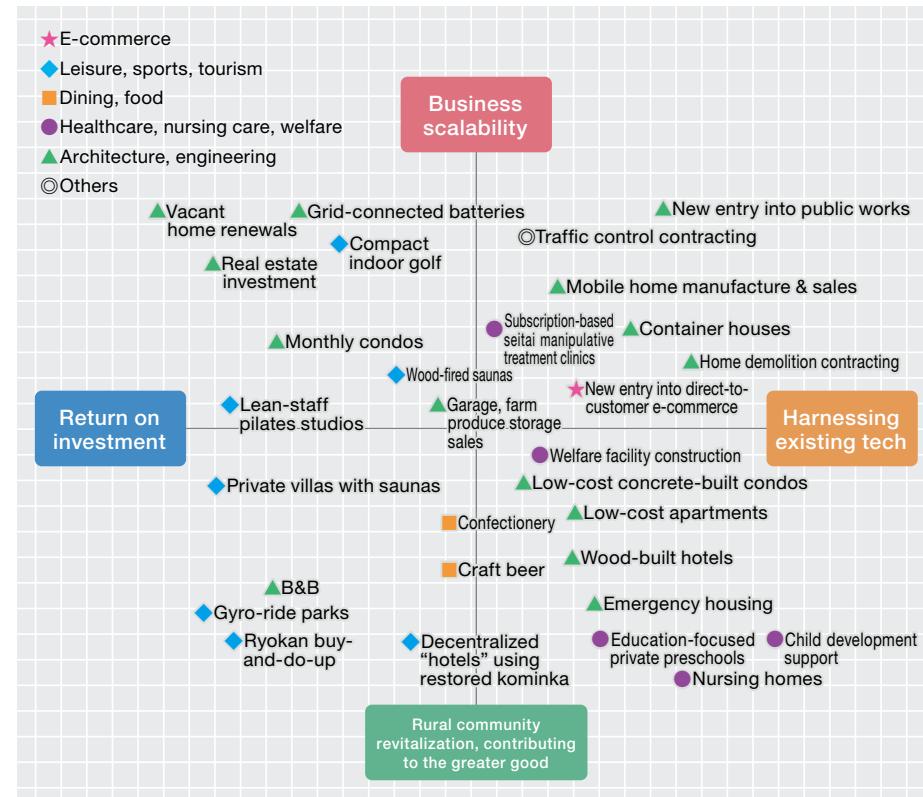
\*Upper bar: Jan. – Dec. 2024; lower bar: Jan. – Dec. 2023

Figures show total sales of consulting contracts, management workshop subscriptions, and open seminars, grouped in accordance with the company's industry classifications, for Jan. through Dec. 2023 and 2024.

DX Solutions Consulting Market

We are working hard to claw back our slow start in this segment and capture the high demand for DX solutions among mid-scale companies and SMEs by leveraging our strengths in client management and sales and business process reform to create packages tailored for specific industries. To date, our solutions have been taken up by more than 800 companies. In addition to DX, new consulting solution categories are emerging, such as IPO, M&A, and CX improvement, and will become areas of focus in the future.

## New Business Exploration: How Recent High-Buzz Businesses Relate to Each Other

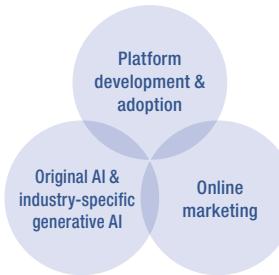


New business models offered in the housing, real estate, and construction industries include low-cost concrete-built condos and apartments, wood-built hotels, and emergency housing. In the healthcare, nursing care, and welfare industries, business models for child development support and nursing homes are attracting attention. In the rural and regional community revitalization industry, business models for ryokan and B&B buy-and-do-up, gyroride amusement parks are becoming popular.

## Our Unique Consulting Style

### DX Consulting Based on Industry-specific Revenue-boosting Expertise

Funai Consulting's large pool of consultants with expertise in specific industries and solution categories gives the company a deep understanding not just of how things work in different businesses, but of each sector's unwritten customs and conventions, too. For companies (small, mid-scale, or otherwise) that undertake DX, it is vital to do so swiftly and by the methods most effective in helping them improving business performance. Funai Consulting's DX support services are informed by industry-specific expertise earned over long years of consulting experience, and deliver plans tailored for each client company to help them realize results quickly.

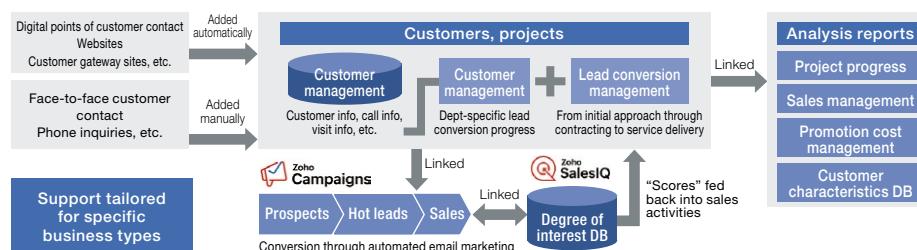


### Tailor-made DX Using Zoho

**About Zoho** Zoho is a cloud-based suite of applications used by more than 100 million people worldwide. It offers a broad array of functions covering business processes in all industries and business categories. Zoho is well-known these days and commands a large share of the global market, having been installed at more than 250,000 companies worldwide. (Source: Zoho website) It has become increasingly popular in Japan in recent years, with notable uptake among mid-scale companies and SMEs. Funai Consulting is a certified Zoho partner, and its industry-expert consultants have helped more than 800 client companies adopt Zoho.



At Funai Consulting, we know that mid-scale companies and SMEs face different challenges than larger corporations, such as limited management resources and expertise. Long experience has given us a deep understanding of those realities and a wealth of knowledge about what actually works at such a scale, including ready-to-use systems that enable cross-departmental data sharing, customer conversion processes like automated email marketing, and more. Expert consultants deliver steadfast support at each stage, from initial problem identification to solution planning and running the PDCA cycle to help ensure effective, efficient operations.



### Growth Cloud: Vertical SaaS That's Customizable for Specific Industries

One of Funai Consulting's popular offerings is Growth Cloud, a unique service that uses the Zoho platform to deliver swift, industry-specific DX solutions. Growth Cloud is fully equipped for marketing automation and sales force automation; it's the ideal all-in-one package for smoothing the work of selling, including everything from initial prospect acquisition to sales management. Customer management formats, KPIs, scoring, and marketing tools like email newsletters are all customizable to suit specific industry characteristics, and we offer close support to ensure each client gets the most appropriate version.



#### Vertical SaaS Options Tailored for Different Industries (as of Apr. 2024.)



#### 800 Satisfied Clients and Counting! Examples of Our Zoho Support Services

##### Retail Industry Client (Large Corporation)

**Pain points** The client wanted to boost sales and marketing efficiency and productivity; the existing system was cumbersome, which hindered data management, cross-sectional analysis, and swift decision-making.

**Solution** Zoho's cost-effective, customizable system enabled integrated management of customer data, and could be connected to existing customer data bases thus allowing for centralized data handling. Agile development resulted in an intuitive UI that was deployed companywide.

##### Real Estate Industry Client

**Pain points** Scattered management of customer data meant the customers processes were causing lost opportunities; the existing system was limited in operational efficiency and data leverage capabilities.

**Solution** We built a Zoho-based integrated CRM environment that allowed for integrated management of customer data. Expert engineers built the basic system quickly, while Zoho's low-code features meant that the rest could be built out without the need for complex coding.

##### Energy Industry Client

**Pain points** Fragmented business processes, scattered data management, and inability to take full advantage of data were causing inefficiencies and lost opportunities; the client had only partially managed to digitalize operations, and needed to better leverage data to improve business performance and productivity.

**Solution** Zoho helped integrate customer contract management and analysis, and we customized the system to incorporate maps and a reporting function for better operational efficiency. Automating sales activity records and progress helped prevent omissions. The basic structures was completed quickly, so the system could be installed and fine-tuned to ensure a good fit.

##### Healthcare & Medical Industry Client

**Pain points** Inconsistent CRM across different outlets created operational efficiency issues, esp. with clinic appointments and staff training. The clients needed to optimize marketing for specific customer segments.

**Solution** Unifying the CRM system led to smoother appointment management, more efficient staff training, and better marketing through segment-specific analysis. The project began with one outlet as a model, which was then rolled out to other locations.

## Services Designed Propel Clients to ¥10 Billion Turnover

### Steadfast Support for Client Growth: The ¥10 Billion Business Project

Under our ¥10 Billion Business Project, we begin by creating a 10-year vision for clients, backcasting from there, and delivering the growth strategy assistance needed to give them the best chance of reaching their goal. To achieve ¥10 billion in turnover, clients need a different approach to business strategy than that which may have worked to reach their current size; in addition to revamping existing operations, they may need a second and third "pillar" business, a financial base capable of underpinning swift growth and an organization capable of achieving it, as well as the talent to lead such an organization. Funai Consulting works closely with current and next-generation business proprietors, nurturing their goals and aspirations, and drawing up plans for their companies that can motivate management and employees alike. But it doesn't end there; expert consultants work on-site to help with everything from roadmap formulation to implementation.



#### ■ ¥10 Billion Business Working Group

The ¥10 Billion Business Working Group is a regular workshop where like-minded business proprietors can gain valuable insights through up-to-the-minute information, networking with other clients, and visits to model companies. By bringing together a network of motivated business proprietors, we aim to create the right conditions to spark further growth.



### Funai Consulting & Kobe University Joint Research Project

Value Creation by SMEs: The Relationship Between Growth Factors and Proprietors of ¥10 Billion Businesses



Funai Consulting teamed up with Kobe University on a joint research initiative to examine data relating to companies that have achieved ¥10 billion in turnover and those that are stagnating to identify the key driving factors that propel companies to that level. By combining the wealth of data, interview, and questionnaire responses amassed by Funai Consulting through consulting for some 40,000 companies with Kobe University Graduate School of Business Administration's various management theory systems, this study was designed to identify factors that promote and hinder growth. In addition to examining companies, the study also focused on proprietors because they have a significant impact on corporate growth. In doing so, we sought to clarify the mindset and behavior required of proprietors at each stage of corporate growth.

## IPO Consulting

### J-Adviser Support for IPOs

Funai Consulting was granted "J-Adviser" status by Tokyo Stock Exchange, Inc., for its Tokyo Pro Market for professional investors on April 11, 2022. Becoming an approved J-Adviser enables Funai Consulting to assist companies wanting to list on the Tokyo Pro Market and strengthens its position as a provider of specialized support.

#### Tokyo Pro Market

Tokyo Pro Market is one of the markets on the Tokyo Stock Exchange, but it is different from TSE's Prime, Standard, and Growth markets. The Tokyo Pro Market is restricted to professional investors, and has less stringent listing criteria (e.g., number of shareholders, amount of profits) than the other markets demand. The audit period is shorter, too—one year compared to two on the other markets—indicating a trend toward shorter time from kick-off to listing. Even so, companies can achieve some of the recognition and credibility of market listing, and that has led to increased interest in market listing.



#### ■ How We, as a J-Adviser, Helped One Client List on the Tokyo Pro Market

BABY JOB CO., LTD., a provider of services for preschools, came to us for help going public. We guided them through the processes and screenings, and they were listed on December 19, 2024. The company aims to parlay its listing on the Tokyo Pro Market into improved social standing and brand recognition so as to attract better talent, motivate its workforce, expand its business, and enhance corporate value.

### Helping Clients Build Human Capital to Fit Their Needs

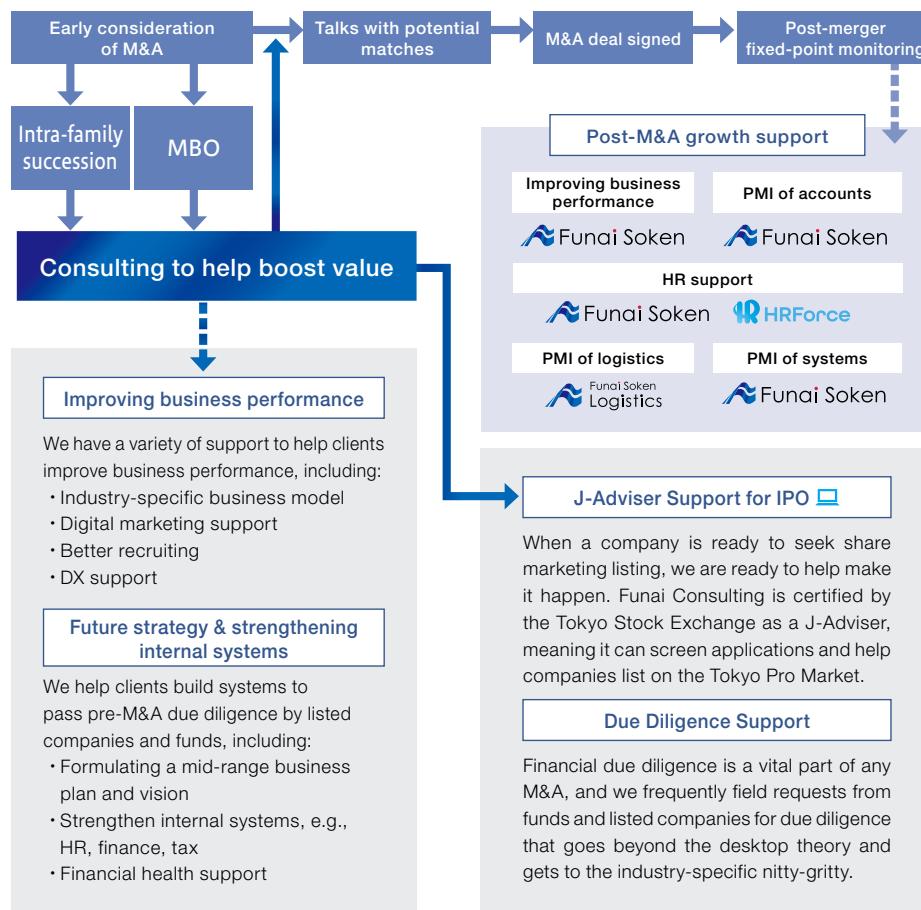
Human capital management is a philosophy that views employees as capital, and seeks to harness their value to enhance corporate value over the mid-to-long term. Many companies, through, don't know where to start—perhaps they struggle to hire recent graduates and want to learn from those who have succeeded; or perhaps they have contorted themselves into various organizational configurations in an attempt to boost employee engagement and retention. That's where we can help. Good consulting services are not "one size fits all," and Funai Consulting is able to deliver human capital solutions that fit each phase of a client's journey. By assisting proprietors with hiring, strategy-driven development, training, and retention, we are committed to helping clients achieve growth.





## It's Not About the Sale; We're Committed to Clients' Growth

One of the most common concerns facing proprietors is keeping the business going when they retire. Business owners want to know the “when” and “who with” to ensure the succession benefits their company, but the average brokerage just seeks to find a match and rack up the sale. In contrast, we work alongside proprietors to determine the most beneficial course of action. For instance, if the client would benefit by increasing corporate value before any M&A, we offer support for that first. And unlike many others, we have an extensive network of experts in specific industries to call on.



## Our Strength: Post-merger Integration of Processes and Systems

Unlike typical M&A brokerage firms, which do nothing beyond the signing of the brokerage contract, our consultants (all experts in the relevant industry) work alongside clients and provide ongoing support up to and beyond the M&A. In some cases, our support has resulted in sales and profits doubling in the first year and a half after the handover.

Ownership succession is meaningless unless it enables both parties to grow. M&A deals brokered by the Funai Soken Consulting Group are committed to corporate growth, which is why we place such importance on industry expertise.

Post-merger integration (PMI) is designed to realize the goals of the M&A and maximize the effects of integrating the participating businesses. The process generally has three stages: integration of management, integration of operations, and integration of philosophy.

### Funai Consulting's Industry-specific M&A

(Find out more at our M&A website: <https://ma.funaisoken.co.jp/industry/>)(in Japanese)

We have brokered M&As in multiple industries (listed below), matching companies based on compatibility and synergistic potential.

• Logistics & warehousing	• Construction & engineering	• Healthcare & nursing care
• Rental property management & real estate brokerage	• Automobile sales & maintenance	• Pachinko
• Builders, renovation, and construction	• Manufacturing	• Funeral services

## What Makes Funai Consulting's M&A Brokerage So Good?

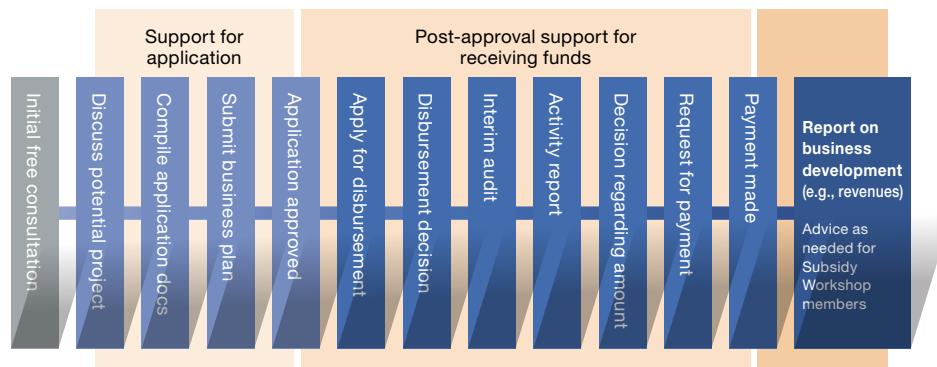
<b>1</b> Minimizing Risk Through Prudent Pricing and Ownership Succession	<b>2</b> Industry-specific expert consultants	<b>3</b> Database and network of 100,000+ companies	<b>4</b> Dedicated business and financial due diligence team
• No up-front or interim fees; fees apply only for successful M&A	+Take advantage of our industry-specific M&A website		
• Wide-ranging business ownership succession support covers more than just M&A, including intra-family succession and MBO.			

## M&A and Ownership Succession Consulting: A New Pillar to Underpin the Group's Business Growth

In January 2025, the Funai Soken Holdings and Agata Global Consulting jointly established a new company, Funai Soken Agata FAS, combining the two parties' financial and accounting expertise. Then in July 2025, the group acquired M&A consulting and due diligence experts MI Consulting. These new additions add fresh momentum to the group's quest for growth through expanded channels in the financial sector and greater synergies with our existing M&A support operations.

## Subsidy Consulting

Subsidies can provide companies a shortcut to excellence. In Japan, there are numerous subsidies aimed at capital investment and starting new businesses. These allow for aggressive investment in growth while keeping risk low. We have a wealth of know-how regarding application strategies for even the most rarely-granted subsidies, and consequently, more than 80% of our clients' applications are approved (the national average is 40–60%), with an average amount of ¥49.43 million. Our subsidy consulting services are not just about getting the money; we help clients get the most bang for their buck through comprehensive support, working alongside them from the initial planning stages through application to post-approval work. In this way, we offer a one-stop source of help for everything from subsidy application to new business planning.



Major Subsidies	
<ul style="list-style-type: none"> <li>Large-scale growth investment subsidy</li> <li>Accelerated growth subsidy for SMEs</li> <li>Subsidy for labor-saving investments by SMEs</li> <li>Manufacturing subsidy</li> <li>Subsidy for expanding into new business</li> </ul>	

Avg. amt. approved	Applications approved so far
¥49.43 mil.	538

### April 2025 Internal Restructuring Bolsters Our Use of Subsidies Consulting Services

Seicho Senryaku, one of our group companies, was integrated into Funai Consulting. Seicho Senryaku boasted an 80% approval rate for new business subsidy applications, and had a proven track record of successful applications for larger or rarely-granted subsidies. Funai Consulting has more than 1,000 consultants specializing in specific industries and solution categories, and serves over 6,000 client companies each year nationwide. Integrating Seicho Senryaku into Funai Consulting will better enable us to help clients strive for further growth.

## Funai Consulting Shanghai: Focusing on the Chinese Dining Industry & Dental Clinic Market



Funai Consulting Shanghai Inc. (consulting)  
Adapting the Funai Soken Consulting Group's expertise to provide industry-specific consulting services in the Chinese market



Consultant Correspondence  
Dental Clinic Management Workshops in Shanghai

Spun out from Funai Consulting in 2012, Funai Consulting Shanghai has heretofore focused on growth support for the local dining industry through management workshops and support for opening new locations.

Today, the Chinese dining industry is settling into a mature phase, and we are helping clients seek sustainable growth through business model reform and development of new business categories. Meanwhile, we have expanded the scope of our Chinese operations to include the growing dental clinic market, offering industry-specific consulting services such as management workshops tailored to the dental business.

### Delivering Value through Services Tailored for Specific Industries

	Workshops, expert orgs.	Targets	Solutions delivered
Core business: Dining industry	Top-brand workshops	Major corporations	Opening up new business categories, organization development
	Chain store workshops	Management employees	Customer experience, store operation, DX
New venture: Dental clinic market	Dental Clinic Management Workshop	SMEs	Online customer acquisition, On-the-Mark Solutions
		Dental clinics	Online patient acquisition, On-the-Mark Solutions

### What Makes Funai Consulting Shanghai Stand Out from the Crowd?

Funai Consulting Shanghai helps dining businesses and dental clinics achieve success through specialized growth support, management and worker talent development, and unique industry-specific management workshops.

## The Customer Experience Consulting Experts



Proseed Corporation, a group company acquired in 2015, will be integrated into Funai Consulting in January 2026, thereby expanding the scope of our consulting services for major corporations.

### Three COPC-based Services

#### 1. COPC Certification Support

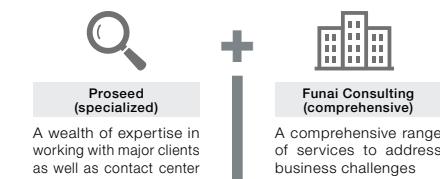
Proseed helps companies obtain COPC, a management standard certification operated by COPC Inc. in the US, which is increasingly popular among large corporations and financial institutions seeking an objective evaluation of contact center quality.

#### 2. Management Training for Contact Centers

#### 3. Consulting for Customer Experience Improvements

**Finance Contact Center Summit**  
(a workshop dedicated to financial institutions; launched in 2024)

### We're Integrating for More Comprehensive, Specialized Coverage



Post-merger employee headcount: 1,210  
(Approx. 30 from Proseed, 1,180 from Funai Consulting)

## Additional Consulting Services

### Shacho Online

Shacho Online is a platform that allows member companies to find and coordinate the information they need to improve business performance. It contains articles written by our consultants, as well as useful articles and essays from around the internet, and members can share their thoughts and comments on topics that interest them. This is also an effective way for us to gauge the subjects that proprietors are interested in, and thus ensures we can fine-tune our services as appropriate.

\*Shacho Online is operated by Funai Consulting based on the NewsPicks news aggregator.



<https://media.funaisoken.co.jp/>

### CPA Selection

CPA Selection is a database of reputable tax accounting firms carefully selected by Funai Consulting. More than 500 companies use CPA Selection each year. The tax accounting services a company requires differs as it moves from phase to phase in its growth trajectory. Ideally, a tax accounting firm would have its experts offer clients specialized services, from tax saving and accounting measures to fundraising, M&A and business ownership succession. Many, however, fail to do so. Using CPA Selection, clients get a free 60-minute online consultation, in which we discuss the solutions they might expect a tax accounting firm to offer to tackle the client's business challenges and help them achieve their vision, and then refer them to firms who can deliver those services.



<https://zeirisi-selection.funaisoken.co.jp/>

### Inspection Tours of Sustainable Growth Companies

Funai Consulting famously holds dozens of corporate study tours each year, and the pinnacle of these are those focusing on companies that have achieved sustainable growth. Our corporate inspection experts carefully select companies and organizations around the world from whom business proprietors can glean insights about the future and build their own vision. Participants include winners of our own Sustainable Growth Company Awards. Overseas inspection tours are quite different from those in Japan. Our overseas tours are configured to enable participants to not only see and take in the various aspects, but to give them the chance to internalize and understand that they felt in these places with their different languages and cultures, and distill these into hints for their businesses over the next three to ten years.

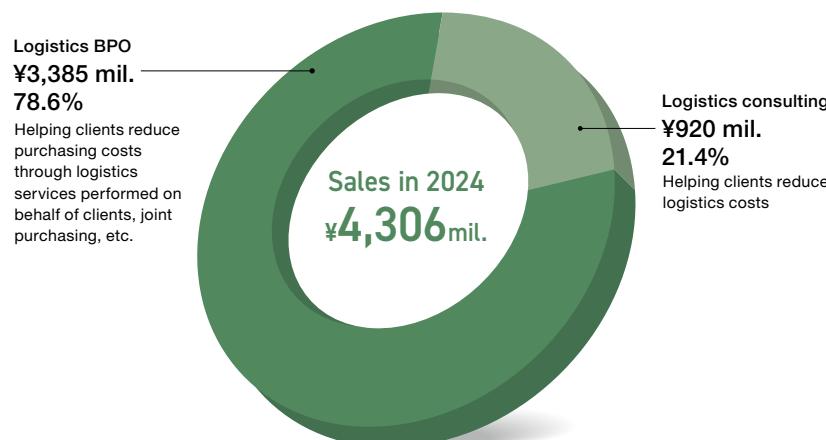


### A Small Selection of the Many Books Published by Funai Consulting

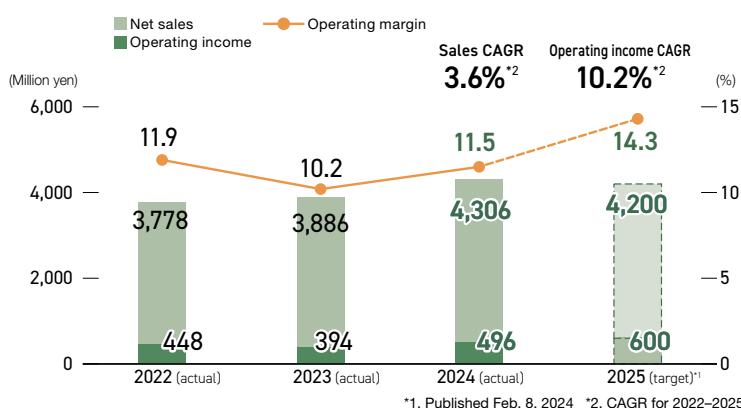


# Logistics

## Main Service Categories (Amts. and Share of External Sales)

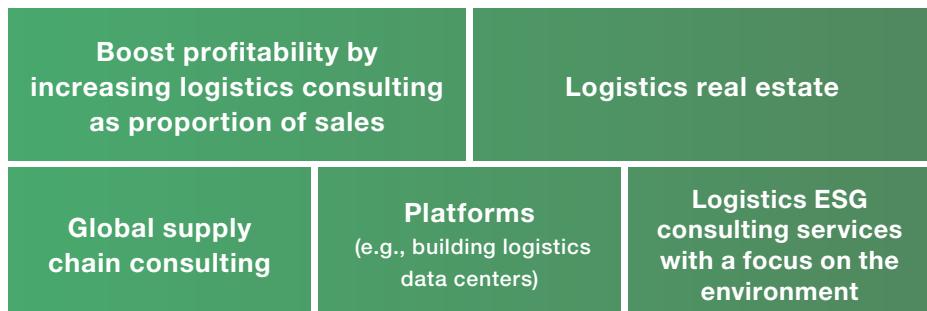


## Sales & Operating Income



## Main Services

Our logistics business is not just about making clients' logistics more efficient; we strive to add real value through tailored consulting services and expansion our range of business domains. We offer strategic solutions for everything from finding real estate for logistics operations to global supply chain and ESG consulting.



## Risks and Opportunities Relating to Mid-to-long-term Performance in Core Businesses

Risks	Opportunities
<ul style="list-style-type: none"> <li>Law and policy changes (e.g., environmental regulations, labor laws)</li> <li>Natural disasters, geopolitical risks (e.g., supply chain disruptions)</li> <li>Failure to keep up with tech innovation (e.g., automation, AI, IoT)</li> <li>Rising fuel and labor costs</li> </ul>	<ul style="list-style-type: none"> <li>New market opportunities (increased demand for ESG consulting) due to environmental awareness</li> <li>Growing needs relating to supply chain resilience</li> <li>Increased demand for, and sophistication of, logistics due to growing e-commerce market</li> </ul>

## Our Strategy

- Sustained growth, high earnings ratio.
- Secure new revenue sources by expanding business domains (e.g., logistics real estate, platforms).
- Increase consulting as a proportion of total services delivered; shift to high-value-added services.

## Logistics Leadership Salon

The Logistics Leadership Salon is a forum run by Funai Soken Logistics for shipper companies' logistics managers to gather and exchange information.

Aimed at building a sustainable logistics system, the salon includes case study workshops and lectures by expert consultants to equip participants with knowledge to help them overcome challenges. Participants also benefit from access to extensive databases, including freight rates and contract templates.

By offering up-to-date information and detailed insights to those at the forefront of logistics innovation, we intend that the Logistics Leadership Salon will contribute to the development of the whole industry.



## Logistics Provider Management Workshop

The Logistics Provider Management Workshop is an innovative platform run by Funai Soken Logistics to help logistics providers improving their management capabilities. The workshop is a source of up-to-date know-how, best practices, and information needed for good business management, thereby helping participants surmount day-to-day challenges.

Regular meetings include guest lectures and members' case studies, and there are themed study sessions to delve deeper into specialized areas such as recruiting and labor relations. By empowering participants to spark new business opportunities and achieve sustainable growth, the Logistics Provider Management Workshop is designed to contribute to the development of the logistics industry as a whole.



**350**  
members

## Funai Soken Logistics and Oki Electric Industry Form Strategic Business Alliance to Promote DX in Logistics

Combining System Development and Logistics Expertise to Address Evolving Industry Demands

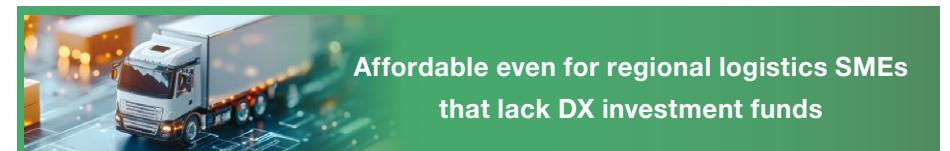
Funai Soken Logistics and Oki Electric Industry entered into a business alliance in July 2025 relating to systems development in the logistics industry.

As part of the companies' pursuit of growth strategies, they have agreed to work together to seek solutions for a logistics industry suffering severe driver shortages and capacity constraints following the labor law reforms enacted in April 2024. In particular, they are focused on supporting SMEs, which typically struggle to afford the cost of large-scale investments in DX.

The two companies aim to realize solutions for logistics SMEs by combining Funai Soken Logistics' extensive knowledge of logistics and Oki Electric Industry's advanced system development capabilities.

### Overview

The alliance between Funai Soken Logistics and Oki Electric Industry is aimed at developing a platform that underpins regional logistics with the flexibility to support a diverse range of operations that differ from company to company. The platform will target shippers and logistics SMEs located away from Japan's main urban centers, who are particularly hard-hit by recent labor shortages, as well as markets worldwide facing similar challenges.



**Affordable even for regional logistics SMEs  
that lack DX investment funds**



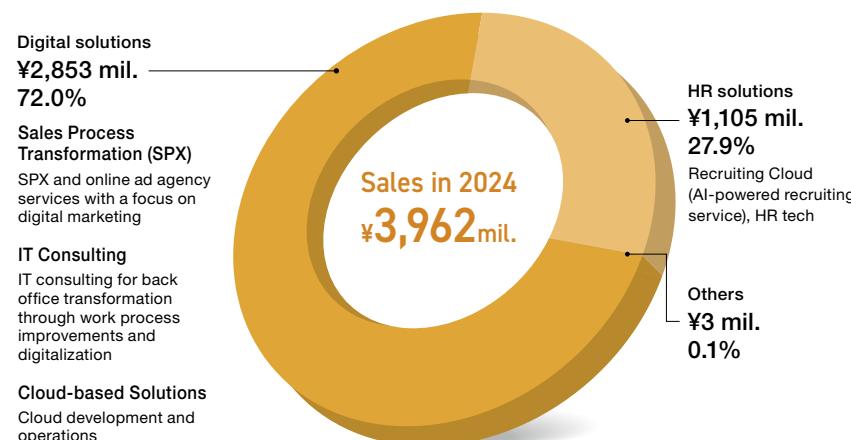
**Help for shippers struggling to book  
transport due to labor shortages**



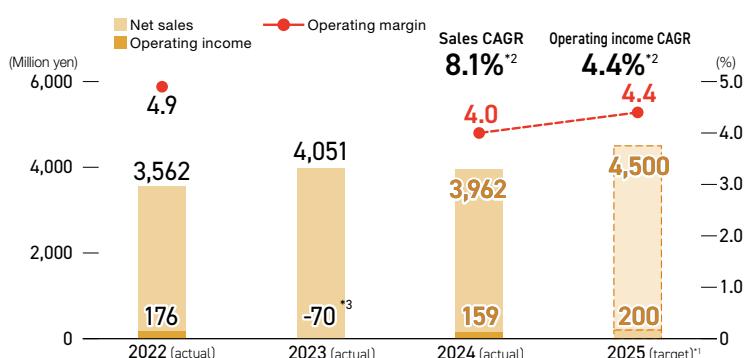
**Ideal for countries struggling  
with challenges similar to Japan**

# Digital Solutions

## Main Service Categories (Amts. and Share of External Sales)



## Sales & Operating Income



<sup>1</sup>1. Published Feb. 8, 2024

<sup>2</sup>2. CAGR for 2022–2025

<sup>3</sup>3. Revenue was up in 2023 based on solid sales of cloud-based solutions and online ad agency services. However, upfront investments in hiring to secure engineers and other staff led to a net operating loss.

<sup>4</sup>4. Re. 2023–2025 segmentation: Funai Soken Digital, which was included in the digital solutions segment, merged with Funai Consulting and Funai Soken IT Solutions on April 1, 2024, becoming Funai Consulting Inc.

## Main Services

Our digital solutions business, in which we deliver comprehensive DX support to client companies, is one of the group's growth drivers. Solutions include digital marketing (e.g., SPX), cloud-based solutions development, IT consulting, HR tech, and much more.

**Sales process transformation with a focus on digital marketing**

**Cloud-based solutions development**

**Growing range of IT consulting (e.g., back-office consulting, BPO)**

**Growing range of HR tech (e.g., hiring service outsourcing, SaaS education, optimization of help-wanted ads using our proprietary Recruiting Cloud system)**

## Risks and Opportunities Relating to Mid-to-long-term Performance in Core Businesses

### Risks

- Ever-faster obsolescence of technologies
- Security risks (e.g., data leaks, cyber attacks)
- More competition for human resources (esp. engineers, DX staff)
- Difficulties involved with executing major projects

### Opportunities

- Large growth in the market for DX consulting for SMEs
- More demand for DX solution consulting
- More opportunities to help clients adopt SaaS (e.g., with Zoho)
- Chances to invest aggressively in the growth digital consulting market

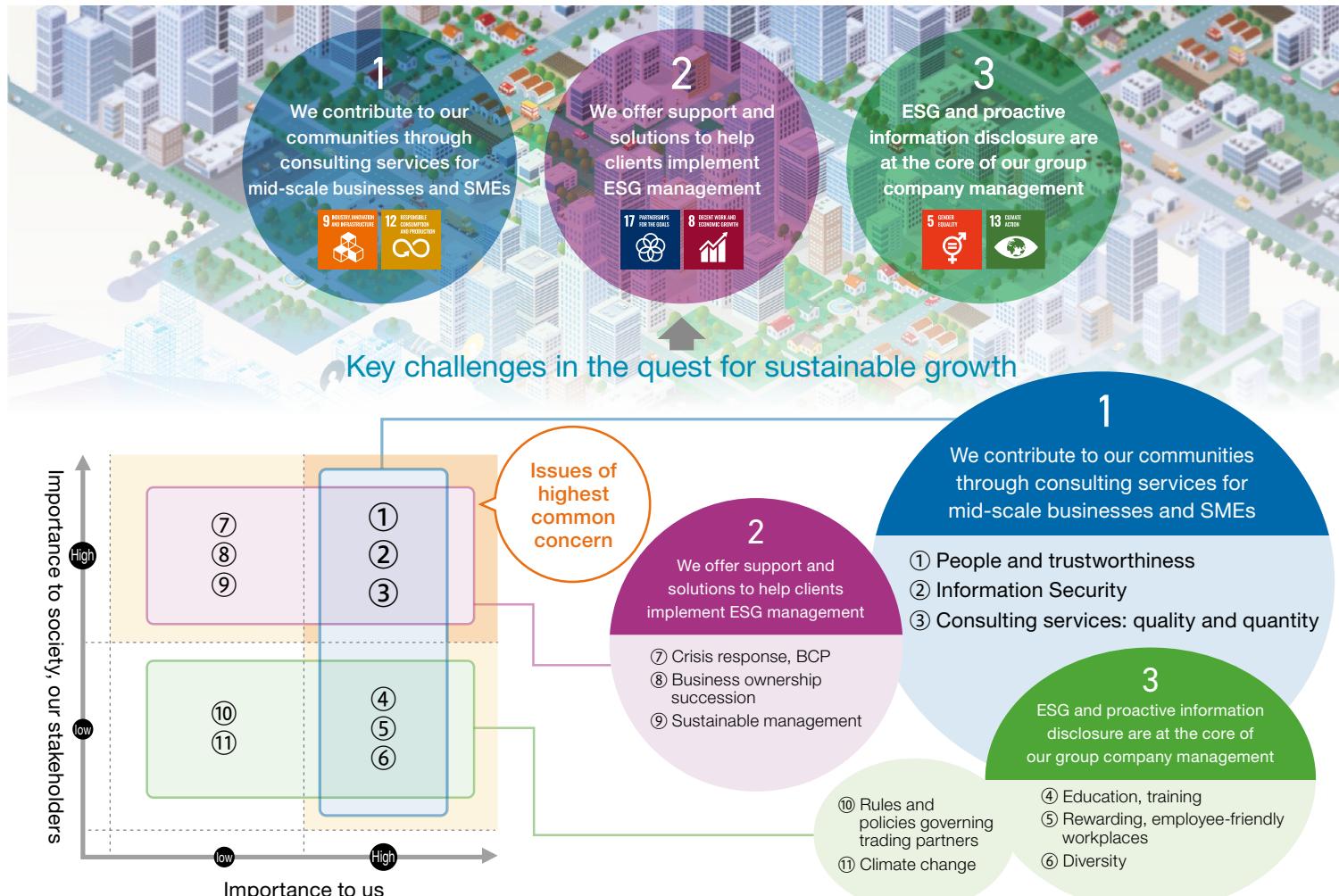
## Our Strategy

- Invest aggressively; seek high growth.
- Expand systems development and BPO; accelerate growth.
- Boost collaboration between engineering and sales to promote DX solutions.
- Leverage capabilities gained through acquisition of Apparel-Web to strengthen digital marketing.



We use sustainability index scores and external assessments of our ESG and investor relations initiatives to gauge what society expects of us and to measure the success of our initiatives, and make whatever improvements are needed. Through an ongoing PDCA cycle, we aim to provide ever better information in formats that enable comparison with others to promote greater understanding of the group's business.

## Creating Value Together to Help Address Today's Challenges: High-materiality Issues



## The Contribution of Non-financial Capital to Sustainable Growth

### Human & Intellectual Capital

KPIs and investment to boost capital

See non-financial highlights on P.15

### Sustainability and ESG

Expansion of multi-stakeholder disclosure

See ESG data at our website  
<https://hd.funaisoken.co.jp/en/sustainability/index.html>

### ESG Information Disclosure

**MSCI rating: BBB**  
**CSA score: 44**

(Assessment date: Sep. 5, 2025)  
 (Up 11 points over the past two years, top 25%)

### Ongoing Initiatives

The Sustainability Committee, which is chaired by an outside director, will continue to share information on non-financial capital and discuss ways to strengthen human capital and other resources.



## Sustainable Growth Company Awards 2025

### Contributing to Society by Rewarding Outstanding Businesses

The Sustainable Growth Company Awards are just one of the ways we at the Funai Soken Consulting Group endeavor to contribute to the greater good. The awards began in 2010 as the Great Company Awards, and have been renamed the Sustainable Growth Company Awards in 2024 to mark our fifteenth year of rewarding outstanding businesses.

#### What Are the Sustainable Growth Company Awards?

Client companies that achieve sustainable growth and strive to benefit communities, industries, societies, and nations are selected to compete in the Sustainable Growth Company Awards. The awards are intended as a means of support for the sound development of those deemed likely to make notable contributions to the community make a positive contribution to the advancement of society.

For the 2025 awards, 50 companies deemed to best embody the award criteria were nominated from a pool of around 12,000 companies, including our clients and some other entries. Following rigorous screening, 33 companies progressed to the final stage, and 14 particularly outstanding companies were selected as winners.



The 2025 Sustainable Growth Company Awards winners

### 2025 Sustainable Growth Company Awards

Sustainable Growth Company Awards Grand Prize	Shabondama Soap Co., Ltd.	The one company among the finalists that best embodies our Sustainable Growth philosophy
¥10 Billion Company Award	Yokoyama Kogyo Co., Ltd.	For companies that not only reach ¥10 billion in turnover in the current or immediately preceding business year, but that can be expected to maintain sustainable growth going forward
Digital Impact Award	Tel-mic Co., Ltd.	For the company whose DX has had the greatest impact on improving business performance, including sales, cost reductions, and productivity
Employee Engagement Award	Net Protections Holdings, Inc.	For the company with the highest employee engagement (with both company and work), and which is deemed likely to achieve sustainable growth through human capital management
Customer Delight Award	Unite and Grow Inc.	For the company whose solutions to customers' challenges lead to high customer satisfaction (delight!) and consequently sustainable growth
Small Business Award	Agatha Inc.	For the SME that, though modest in size, has unique, irrepressible characteristics that enable it to achieve sustainable growth
Global Business Award	Nihon Agri, Inc.	For the company that expanded their business overseas, and whose overseas business has had a significant impact on sustainable growth
Public Service Award	Sakata, Yamagata	For the non-profit organization that best contributes to the greater good of society
Business Growth Award	FDS Co., Ltd.	For the company with high growth, profitability, and productivity, and which is deemed likely to achieve sustainable growth
Centurion Award	Umenoyado Brewery Co., Ltd.	For companies that reach their 100th anniversary in the current or immediately preceding business year, and that have the business performance and growth potential worthy Sustainable Growth Company status
M&A and Ownership Succession Award	Sakura Kai	For companies and organizations that achieve sustainable growth through strategic M&A or ownership succession, and can be expected to maintain growth going forward
Unique Business Model Award	Hagihara Industries Inc.	For the company whose unique business model provides a clear competitive advantage and sustainable growth potential
Social Contribution Award	BABY JOB CO., LTD.	For the company that achieves sustainable growth by using its business as a vehicle to help its community, or society as a whole, overcome challenges
Judges' Award	Kakuichi Co., Ltd.	For the company that achieves sustainable growth and makes a positive contribution to society, but does not fit into other award categories

# Basic Approach to Human Capital

## Our Basic Policy on Human Capital

### The Thinking Behind the Policy

We at the Funai Soken Consulting Group recognize the importance of people as the very means by which we create value as part of the global effort toward sustainability. To that end, attracting and retaining talented people is a top priority in our quest to deliver real value to the world.

### Our Basic Policy on Human Resources: Six Themes & Actions

#### 1 Diversity & Inclusion

Helping women forge meaningful careers, hiring non-Japanese, and encouraging men to take childcare leave, etc.

#### 2 Creating Opportunities for Growth

Systematized, accelerated development for recent graduates and inexperienced employees, e.g., rank-specific training, on-site training, OJT

#### 3 Better Employee Engagement

One-on-one meetings with dedicated HR dept., engagement surveys, direct dialogue with management at town hall meetings, etc.

#### 4 Healthy Management

Aiming for quality working practices through work monitoring, workload leveling, Health and Safety Committee meetings, wellbeing initiatives, etc.

#### 5 Transparency Regarding Human Resource Initiatives

Expand disclosure of human capital initiatives and data through integrated reports and sustainability website

#### 6 Compliance

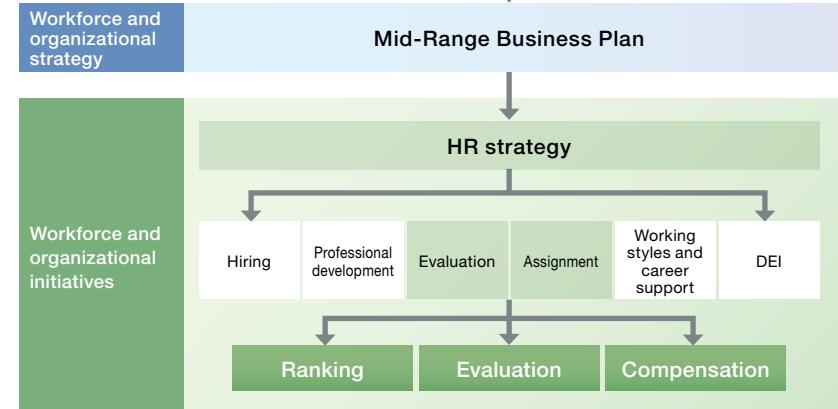
Compliance with relevant laws and regulations; timely, appropriate action

## Group HR Strategy

To give ourselves the best chance of achieving the Funai Soken Consulting Group Purpose, we have established workforce and organizational strategies covering everything from fundamental concepts to front-line practices.

A major part of those strategies is the HR strategy. This sets out a range of workforce and organization initiatives, covering areas such as hiring, professional development, evaluation, assignment, working styles, career support, and DEI. By pursuing these within the framework of our Mid-Range Business Plan, we strive to turn the Group Purpose into reality.

Our Group Purpose: Sustainable Growth for More Companies



## Our Human Capital Management Framework

### Relevance to Mid-Range Business Plan Priorities

At the Funai Soken Consulting Group, we believe that a diverse workforce is key to sustained growth. To this end, aggressive investment in HR and ingraining the Group Purpose have been established as priorities under the Mid-Range Business Plan, and we will endeavor to further enhance our human capital.

#### Mid-Range Business Plan Priorities

Enhance human capital, one of the group's key growth drivers, through aggressive human capital investment and ingraining of the Group Purpose

The relevant in-house departments pursue hiring, development, and retention policies in accordance with the Funai Soken Consulting Group Basic Policy on Human Resources and the Mid-Range Business Plan (2023-2025). The progress of the various group companies' initiatives is shared at group HR reviews and Executive Committee meetings, and reported to the Board of Directors as necessary.

We are currently establishing clear standards for "employee ideals," and discussing ways our organization can best secure, develop, and retain talent, and leverage their skills to maximum effect.

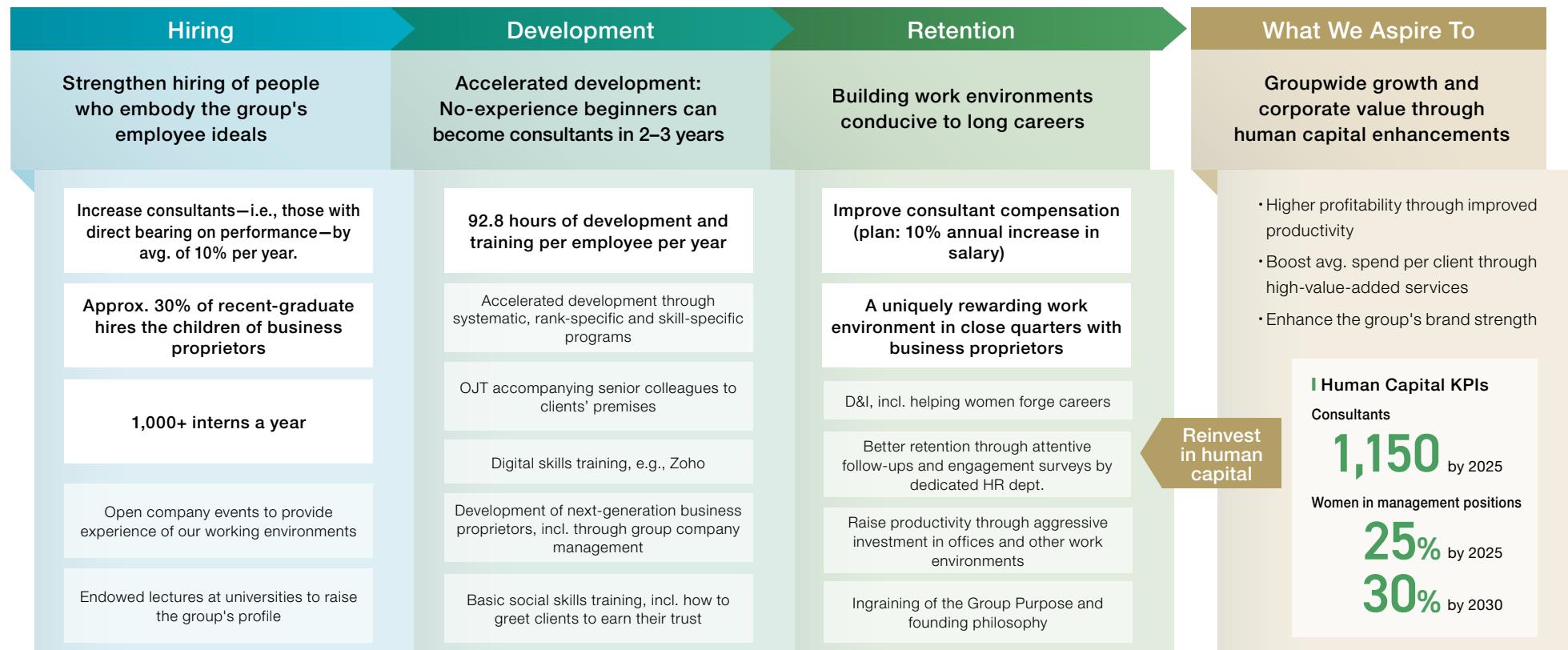
# Basic Approach to Human Capital

## Our Approach to Human Capital Management

### A fine balance of corporate growth and employee growth

- Our Basic Policy on Human Resources states that we see all our people, consultants and otherwise, as human capital and the very means by which we create value.
- Aggressive investment in human resources is a priority under our Mid-Range Business Plan. We aim for sustainable growth through investment in hiring, development, retention, and working environments.

## Major Human Capital Initiatives



# Human Capital: Hiring

## Our Approach to Hiring

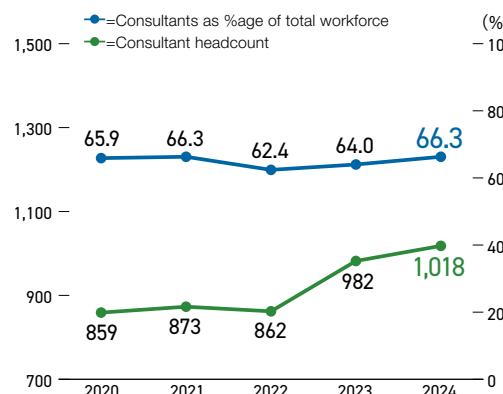
We will strive to increase the number of consultants and business staff—i.e., employees with a direct bearing on sales—by an average of 10% per year.

### Hiring

Now that groupwide consultant numbers (one of our KPIs) have reached the target figure of 1,000, we aim to further improve profitability by making more of our consultants more productive.

Working toward—and beyond—our target of 1,800 employees by 2025, we are strengthening our hiring of new graduates, recruiting aggressively in the DX and M&A fields, and proactively seeking mid-career management staff.

### Consultant Numbers and %age of Total Workforce



## Major Initiatives

### Recent Graduates

In addition to industry-specific recruiting, we also hold whole-group hiring events and offer internships (featuring workshops and forums) to approach students early on. In doing so, we endeavor to recruit a broader range of talent.

170

consultants hired as recent graduates

### Mid-Career Hires

We seek to secure more diverse talent through broader recruitment channels and streamlined screening processes. Hiring professionals with skills in areas like DX or M&A is a particular focus given that our ability to attract such staff has a direct bearing on the bottom line, and we have launched a dedicated recruitment webpage for this purpose.

Mid-career hires  
make up

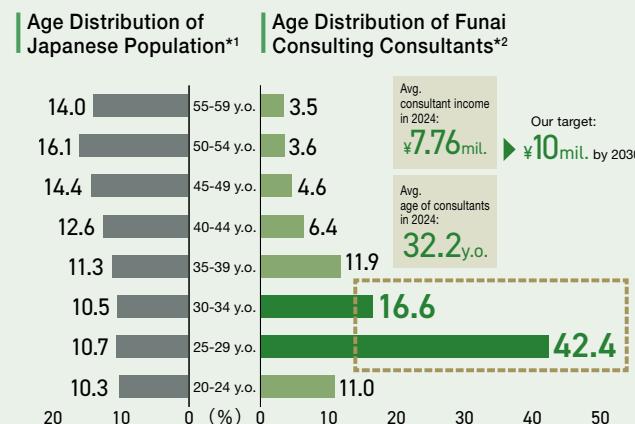
24.8%

of total hires groupwide

\*Our target for 2030 is 50%

## What Makes Us Unique?

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



### %age of Recent-Graduate Consultant Hires Who Come from Families that Run Businesses\*3

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%

\*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%.

\*3. People from families who run businesses (e.g., children of business proprietors) as a %age of Funai Consulting's total consultant hires

# Human Capital: Development

## Development

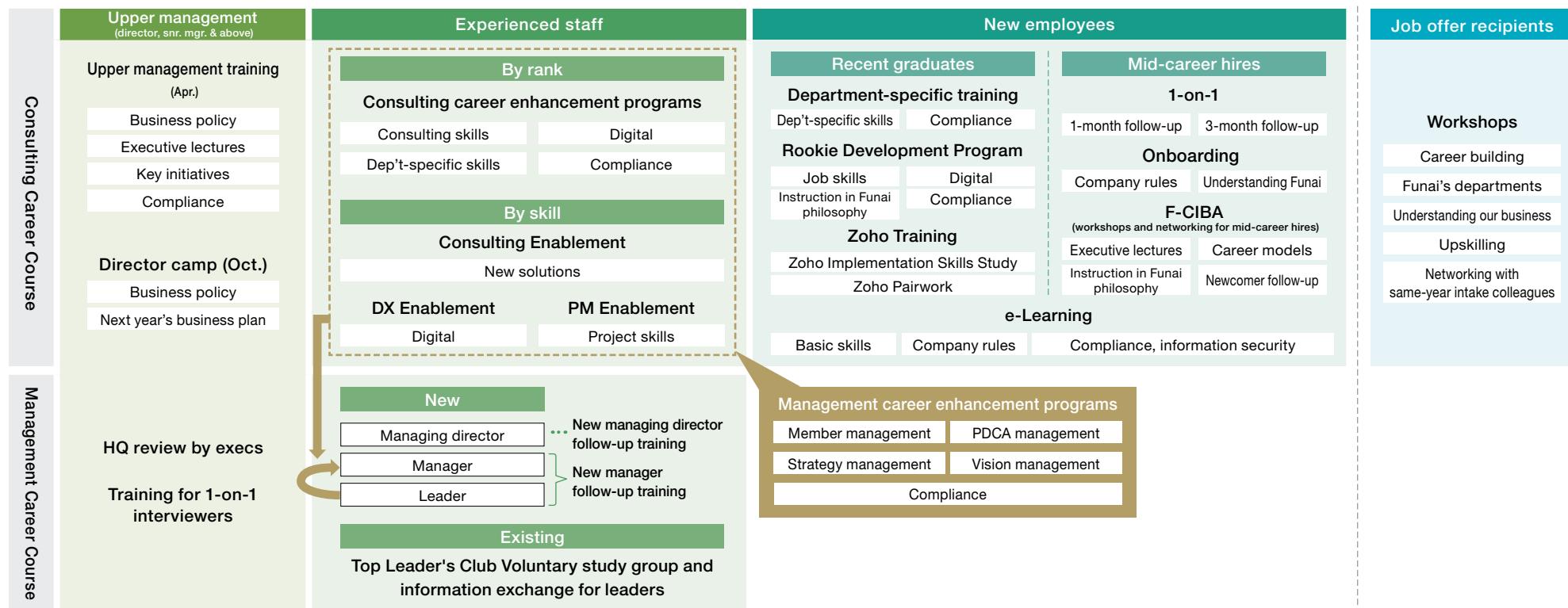
Our Basic Policy on Human Resources stipulates creation of opportunities for growth, and we are committed to maintaining an extensive, robust training regime to arm our workforce with the skills to drive the innovation the times demand. We will expand training programs and further invest in education, including accelerated development of young employees and the acquisition of digital skills for better productivity.

## Development Programs

We offer a variety of training programs. Some are tailored to different levels of employees (e.g., new hires, midcareer hires, experienced staff, and upper management); others are designed to develop specific skills or address specific themes. Our focus is on having the right skills at the right time, instilled through practical work based on real examples rather than theory alone.

In the consulting segment, we list up the digital transformation skills needed to get results, and devise training content for each skill. Linking these with career enhancement programs is a positive way for us to develop every employee's skills and steadily develop a pool of staff with digital transformation skills. Some employees undergo training that incorporates external content in order to acquire more specialized skills.

### Our Professional Development Structure



# Human Capital: Development

## Professional Development

### OJT Accompanying Consultants

In addition to extensive training programs, we place a particular focus on on-the-job training—especially accompanying senior colleagues on consulting visits. Having first-year employees experience consulting visits instills practical knowledge of the key points and skills.



### On-site Training

We know that for consultants to deliver real support to clients, they must have a genuine feel for the clients' work. That's why on-site training is a vital part of our workforce development.

Working alongside clients as if one of their employees enables consultants to acquire necessary knowledge and skills first hand, thereby improving the quality of our consulting services, such as identifying and sorting management problems and coming up with solutions.



### Consulting Training

We offer a total of 1,014 training courses that instill applicable skills that enable consultants to assist clients on their way to improved business performance. The training emphasizes on-the-job practice, translating educational “input” into practical “output” in the workplace, with KPIs based on bottom-line results. Linking skill acquisition progress with actual performance outcomes improves and evolves training content through the PDCA cycle.

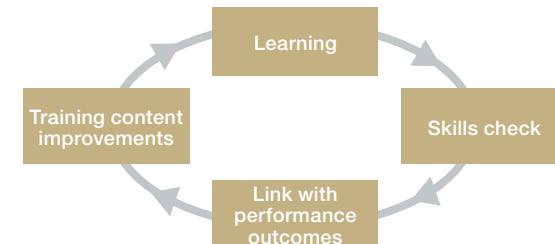
**92.8**

hours of training per employee

\*The sum of time spent on activities we categorize as training divided by the group's consolidated employee headcount.

### DX Training

We have training, workshops, e-learning, and other programs in place at group companies to develop work-ready digital solutions staff. Funai Consulting offers a total of 22 DX improvement training courses.



## What Makes Us Unique?

### Harnessing the Potential of Generative AI

We at the Funai Soken Consulting Group actively use generative AI to come up with better quality solutions for clients.

In November, we adopted Gemini for Google Workspace for all employees groupwide. We have put out an in-house call for examples of how to harness Gemini, which we will share groupwide for better productivity—for us and for our clients.

**97.0%**  
of employees have used Gemini

**Gemini for Google Workspace generative AI adopted groupwide, used by 1,500 employees**

Use cases presentations, contests, etc., involving all employees—even the president!

Sharing examples of Gemini use helps us deliver better quality solutions to clients

# Human Capital: Retention

## Diversity & Inclusion

### Helping Women Forge Meaningful Careers

We recognize the importance of a diverse workforce to our quest for value creation. To that end, we have a variety of initiatives in place to help women forge meaningful careers.

In 2024, women made up 38.0% of the consolidated group's workforce

**38.0%**

Female employees (groupwide)

\*Our target for 2030 is 40%

## Major Initiatives

### Better Workplace Environment and Systems

- HR framework and career enhancement program designed to increase women in management
- Encourage flexible working arrangements to suit different lifestyles, e.g., remote work, flex-time, career track changes
- Projects to help women forge meaningful careers
- Workshops and forums for female consultants
- Training for managers to encourage better empowerment of female staff

### Promoting and Embedding Diversity

- Eruboshi certified as a proactive provider of career opportunities for women (as of Oct. 2025)
- 3 Stars: Funai Consulting, Funai Soken Holdings
- 2 Stars: HR Force
- Female Talent Empowerment Committee (strategies and initiatives led by department heads)
- Post-childcare-leave Reboarding Programs (ensuring staff on childcare leave are get back up to speed by the time they return)

### Harnessing the Business's Unique Characteristics

- Assignments and development that take advantage of the business's characteristics

## Major Initiatives

### Career Navigator Café

Funai Consulting's Career Navigator Café is a triannual inhouse training program in which role model female employees share their experiences in career development with their first-year and second-year colleagues, and participants can workshop career and life planning strategies.



### Encouraging Uptake of Childcare Leave by Male Employees

We are endeavoring to build an environment that encourages male employees to take childcare leave. Male uptake of childcare leave in 2024 was 67.9%.

**67.9%**

Uptake of childcare leave by male employees (groupwide)

\*Uptake of childcare leave and post-leave return to work were both 100% among female employees.

## Targets and KPIs

In keeping with our belief that our people are the true drivers of our growth, our Mid-Range Business Plan (2023-2025) stipulates three targets: a total workforce of 1,800 (including 1,150 consultants); at least 25% of management positions groupwide held by women; and sustaining a majority of outside directors on the board.

**24.1%**

Management positions held by women (groupwide)

\*Our target for 2025 is 25%, and for 2030 is 30%

## What Makes Us Unique?

### Eruboshi Certified: 3 Stars Out of 3 as a Proactive Provider of Career Opportunities for Women

Funai Consulting (Sep. 2025) and Funai Soken Holdings (Oct. 2025) were awarded three stars—the highest rating—under the government's Eruboshi Certification system for companies that promote the advancement of women.

Eruboshi certification is a happy milestone in our quest to promote work-life balance and career diversification in order to create a rewarding work environments.



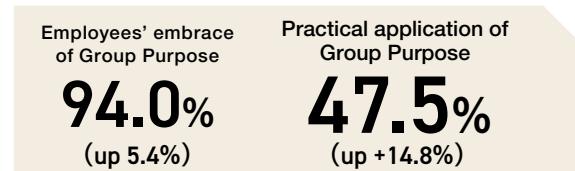
# Human Capital: Retention

## Putting Our Purpose into Daily Practice

### Nine Initiatives to Help Employees Embody the Group Purpose

Now that the Group Purpose has been broadly embraced, our focus is on making it the core of our day-to-day behavior. To that end, we have various measures in place.

1. Town hall meetings
2. All-in meetings to define and illustrate appropriate behavior
3. Morning meeting addresses outlining the Group Purpose's philosophies
4. Check progress toward goal of improvement plans submitted by all departments
5. In-house awards named after the Group Purpose's philosophies
6. Group Purpose philosophy to feature more in new employee training
7. Using AI to improve 1-on-1 management skills
8. Creating novelty items as a fun way to ingrain the Group Purpose
9. Sustainable Growth Company Awards



## Improving Our Employee Value Proposition

### Better Communication Through Regular 1-on-1 Meetings

Funai Consulting, via its Employment Success Divisional Headquarters, holds regular one-on-one interviews with consultants. Having an objective third-party listen to their views and concerns is more conducive to improving motivation and support for individuals' career planning.

600+  
1-on-1 meetings (Funai Consulting)

## Promoting a Distinct Group Culture

### An Often Overlooked but Potent Force for Good

We have always believed that properly voiced greetings have the power to encourage, invigorate, and console. This is reflected in our office culture, where it is common practice for employees to gather and greet arriving colleagues—a bright and cheery start to the working day.



### Ingraining the Founder's Spirit

We have a number of initiatives in place to ensure that our people don't just "know" the spirit espoused by the group's founder, Yukio Funai, but truly understand it and can embody it in word and deed. Consequently, corporate culture surveys have revealed increases in understanding and implementation of that spirit for three years in a row, suggesting that it has become deeply rooted in our workforce.

### Family Day

We held a Family Day to let the group's employees and their families get to know our new premises. The event was a tremendous success, with some 590 visitors.



## Hometown Groups

Because our workforce comprises people from all around Japan, informal "hometown groups" of people from the same prefecture are an effective way of promoting communication and team spirit outside of hierarchical and departmental demarcations. The hometown groups have already proved successful, with some 600 employees taking part.



## In-house IR Meetings

We recently held our inaugural IR meeting for group employees and it quickly proved to be a forum for constructive communication. An audience of around 170 heard from management on the group's strategies and current state of business, and asked questions candidly.





## Human Rights Initiatives

### Establish and Enforce a Consistent Policy

At the Funai Soken Consulting Group, respect for human rights is not just an obligation but a fundamental precept of our business operations. To that end, we have established the Funai Soken Consulting Group Basic Policy on Human Rights.

We respect human rights in line with international norms such as the International Bill of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, Children's Rights and Business Principles, and the UN's Guiding Principles on Business and Human Rights.

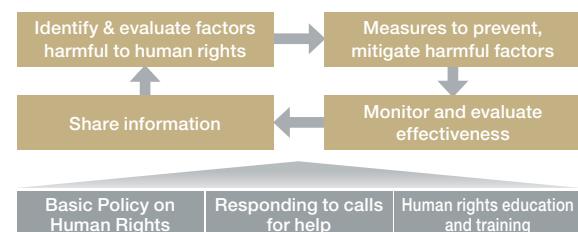
This policy applies to all officers and employees of the Funai Soken Consulting Group, and we also encourage our business partners to abide with it.

The full text of the Basic Policy on Human Rights is available on our website [here](#).

### Due Diligence

Our employees are not just our most valuable form of capital, they are true stakeholders in the group's business and we are serious about protecting their human rights. Due diligence includes identifying and assessing areas with potential for adverse impact, and we conduct regular, thorough studies to seek out potential risks to the human rights of our stakeholders. Moving forward, we will expand the scope of these studies.

#### Our Due Diligence Process



### Human Rights Education and Training

We implement education and training to raise employee awareness of human rights. The main theme for 2024 was human rights and labor standards, and total attendance was 1,408 – 87.2% of the group's total workforce.

We aim not only to raise employee awareness, but also to inform people of the various tools at their disposal, including labor unions, working hour management, mental health initiatives, and an expanded range of insurance options.

Moreover, to ensure employees at our Shanghai subsidiary are as well informed as their Japanese counterparts, the Japanese training materials are translated into Chinese.

Starting in 2024, we adopted Gemini for Google Workspace generative AI groupwide in an effort to boost employee productivity and enable communication beyond language and cultural barriers.

### Help Desk for Harassment in Hiring

Funai Soken Holdings, in its capacity as administrator of employment for the whole group, fields claims regarding harassment in the hiring process. Information required to be disclosed by law (e.g., scope of job categories handled) is available on our website at the link below.

#### Scope of Job Categories Handled

<https://hd.funaisoken.co.jp/file/OccupationsHandled.pdf>

#### Help Desk for Harassment in Hiring

Seek help at [group-recruit@funaisoken.co.jp](mailto:group-recruit@funaisoken.co.jp)





## Human Rights Initiatives

### Close Communication with the Labor Union

Employees of Funai Soken Holdings, Funai Consulting, Proseed, Funai Soken Logistics, and HR Force have formed a labor union. Membership was 1,407 in 2024. The union is not part of any larger organization. No other Funai Soken Consulting Group companies have formed labor unions. Union members from each of those companies are elected to an executive board.

Group management and union representatives meet monthly to maintain communication between company and union. Meeting minutes are shared with union members to keep them informed of what was discussed.

This open communication has clear benefits: for instance, a request for a revision of the saved leave policy resulted in a revision of our Employment Regulations to allow employees to take leave in one-day increments for purposes such as doctor's appointments. With the relocation to new Tokyo Headquarters in 2024, we held a Family Day to let the group's employees and their families get to know our new premises. The event attracted some 590 visitors.

### Union-organized Study Workshops

As part of our efforts to improve our companies and boost employee satisfaction, we work together with the labor union to hold regular workshops to ensure union-member employees' views are heard. These are more than just discussions at union-company meetings on improving work environments and employee compensation; they provide useful information and opportunities to delve deeper into the diverse needs of employees and inform participants on a wide range of topics, including asset building, healthy management, career development, and work-life balance.

Total themes covered in workshops in 2024

14

### Video Archive of Union Activities

One of the union's activities is to provide an archive of video footage, including past lectures and study workshops, to enable employees' efforts toward self-development and knowledge acquisition. Below is a list of just some of the resources available.

<b>Career building &amp; asset formation</b>	[NEW!] Finance workshop: How to become a top-class consultant Workshop: Steps to career progress 1 & 2 Asset management: DC pension plans and their advantages
<b>Health &amp; lifestyle</b>	How to get the most out of your health check-up (options and illness prevention) Employees' Stockholding Association
<b>Childcare and nursing care</b>	Choosing the right preschool From hospital admission to long-term nursing care: What to know and what to do when your parent falls suddenly ill
<b>Other themes</b>	All about Yukio Funai, founder of the Funai Soken Consulting Group From an apple crate to Sustainable Growth Square Tokyo: A history of our offices





## Governance Framework

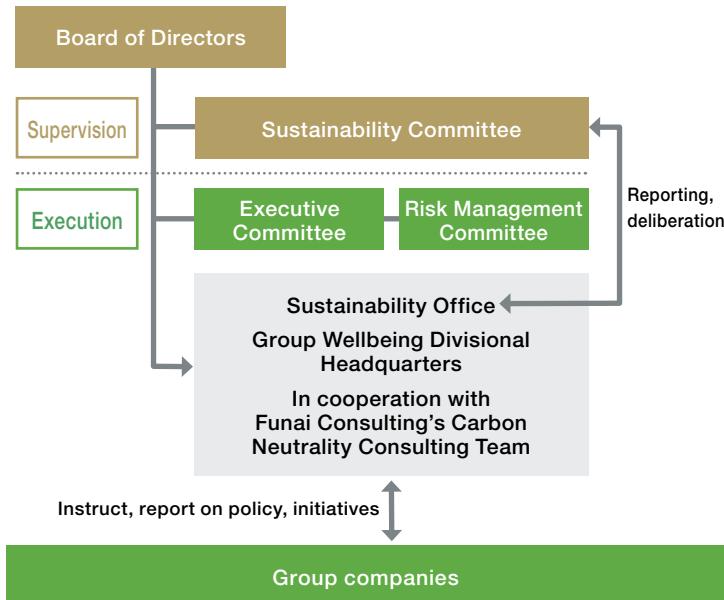
### Basic Views

Environmental issues like climate change are serious challenges to society's sustainability. Tackling climate change is a prerequisite for any company's efforts toward sustainable growth, and forms a core tenet of the group's purpose.

### Governance

Led by the CEO and a dedicated sustainability director and office, and in conjunction with Funai Consulting's Carbon Neutrality Consulting Team, we assess and manage risks and opportunities relating to climate change, monitor the group's basic environmental policy and targets, implement measures and manage their progress, and disclose information. The Sustainability Office reports those studies and progress information to the Sustainability Committee, an advisory committee of the Board of Directors, for further discussion. The outcomes of these discussions are reported to the board as appropriate for monitoring. Meanwhile, our Sustainability Office has established four groups to oversee action across the whole Funai Soken Consulting Group in four specific areas: the environment (climate change), human capital (our people), information security, and business. The Sustainability Office meets monthly to monitor action progress across the whole Funai Soken Consulting Group and discuss future initiatives.

#### Governance Framework



Organ	Roles
Board of Directors	<ul style="list-style-type: none"> <li>Establishes and oversees policies relevant to sustainability management, e.g., climate change</li> </ul>
Sustainability Committee	<ul style="list-style-type: none"> <li>Advisory committee of the Board of Directors</li> <li>Deliberates on group sustainability policies and initiatives, reports to the board</li> <li>Monitors action on key sustainability issues, gauges progress toward targets</li> </ul>
Executive Committee	<ul style="list-style-type: none"> <li>Sets basic policy</li> <li>Decides on key issues for action</li> <li>Sets mid-to-long-range goals</li> </ul>
Risk Management Committee	<ul style="list-style-type: none"> <li>Identifies, evaluates, and manages risks with significant impact on corporate management and business continuity</li> <li>Identifies risks requiring priority response, implements specific measures</li> <li>Risk management and prevention</li> </ul>
Sustainability Office	<ul style="list-style-type: none"> <li>Implements action on key issues</li> <li>Proactive dialogue with group companies</li> <li>Periodic collection of environmental impact indices (e.g., GHG emissions)</li> </ul>



## Strategy

Based on our Basic Policy on the Environment, which stipulates that we use our business as a vehicle for good, we strive to make a real reduction in environmental impact, not only within our business activities, but also by using our consulting and other services as a means for working together with clients to address climate change, prevent environmental pollution, and promote recycling. To that end, we endeavor to be aware of the impact of risks and opportunities pertaining to climate change, and will carry out the strategies necessary to making sustainability the norm throughout society.



A management workshop focused on becoming carbon free.

## Risk

Classification	Assessment	Major action
Transition risks	<b>Increased awareness of climate change and decarbonization throughout society and among clients</b>	As concern about climate change becomes widespread, mid-scale companies and SMEs are increasingly shifting toward decarbonization and environmentally conscious management, and we seek to support them on that journey with consulting services relating to decarbonization and other climate action.
	<b>Loss of business due to drop in reputation among stakeholders and lack of accountability</b>	Stakeholders are increasingly demanding action on climate change, and reluctance to engage brings the risk of damage to the group's brand and public reputation. Also, the particular urgency of climate concern among younger demographics may cause underperforming companies to struggle to attract workers.
Physical risks	<ul style="list-style-type: none"> <li><b>Increased risk of economic stagnation due to more severe natural disasters</b></li> <li><b>Risk of data loss due to damage to offices</b></li> </ul>	Physical damage to group premises or transport networks would likely impact our ability to provide in-person consulting services and raise the need to secure the safety of the group's employees. A check-in system is in place to ascertain employee safety. Damage to premises also brings the risk of loss of data (e.g., client data and personal information), so we are working with the Information Security Section and the Risk Management Committee to strengthen systems and infrastructures  .

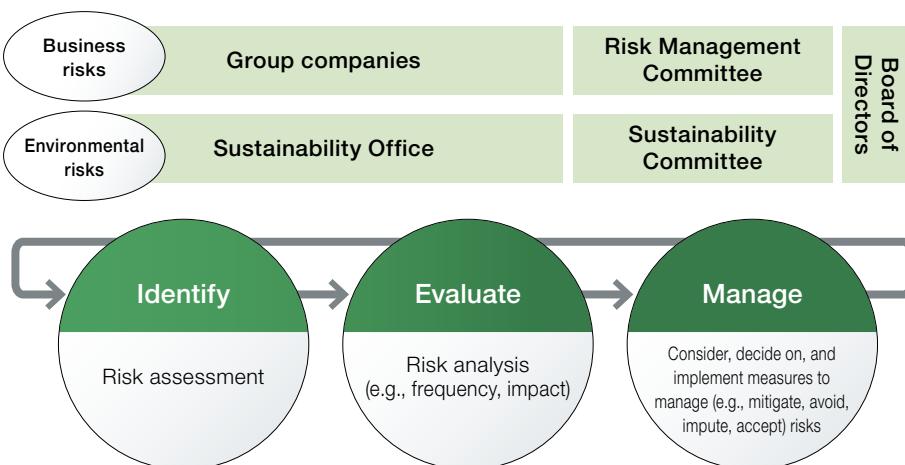
## Opportunities

Classification	Assessment	Major action
Opportunities	<p><b>Offer environmentally conscious services</b></p> <p>Growing interest in sustainability among society, markets, and the group's clients is expected to boost demand for consulting services. We will offer more climate change conscious, environmentally friendly options among our industry-specific consulting services.</p> <p><b>Initiatives Undertaken by Group Companies</b></p> <p><b>Funai Consulting</b></p> <ul style="list-style-type: none"> <li>Net-zero energy building and housing construction</li> <li>TCFD disclosures, CDP disclosures, science-based targets certification, decarbonization roadmap, carbon neutrality support solutions</li> <li>Management workshops focused on becoming carbon free (membership-based workshops for proprietors and sustainability officers aiming for carbon neutrality in business)</li> </ul> <p><b>Funai Soken Logistics</b></p>  <ul style="list-style-type: none"> <li>Distribute handbook for logistics industry clients on implementing ESG</li> <li>Support for those wanting to adopt ESG into logistics</li> </ul>	



### Risk Management

The Sustainability Office is responsible for analyzing climate change risks and reporting these to the Sustainability Committee for deliberation. If the Sustainability Committee determines that an environmental risk requires action, it alerts the Risk Management Committee and reports to the Board of Directors. The board, having considered the connection with other risks, then decides on action to be taken.



### Groupwide Environmental Targets

KPI	Target	2024 Achievements	
		Reduction	Amount
Greenhouse gas emissions	Reduction in GHG emissions (compared with 2019)	Target for 2025 Scope 1+2*: 50% *Scope 2 is market-based	29% 538 tons of CO <sub>2</sub>
	Sourcing renewable energy	Target for 2030 100%	— 22%
Waste	%age of total waste recycled	50+%	— 62%

### Tackling Climate Change

**Target** The group's Mid-Range Business Plan (2023-2025) stipulates a sustainability goal of reducing greenhouse gas emissions by 50% compared with 2019 levels. We are aiming for a 100% renewable energy procurement rate at all the group's Japanese sites by 2030, thereby reducing greenhouse gas emissions to virtually zero and achieving Scope 2 under the GHG Protocol. Our goals are to maintain monitoring and recycle at least 60% of waste.

**Progress** We cut greenhouse gas emissions by 29% in 2024. As a result of switching the power supply contracts for our Osaka and Gotanda offices to renewable energy, renewable energy made up 21.9% of total energy consumed in 2024, compared with 13.4% in 2021. With a view to future membership of the RE100 (under the RE Action initiative for smaller-scale users), we will use only those plans with non-fossil certification with additionality and tracking (limited to renewable energy power plants within 15 years of construction). Meanwhile, 62% of waste was recycled in 2024.

Data Pertaining to ESG at the Funai Soken Consulting Group is available at:  
<https://hd.funaisoken.co.jp/en/sustainability/#ESGData>



## Information Security Risks

### 1 Information Asset Leaks

These days, the risk to the group's information assets—including information received from clients—is increasing as more organizations become involved and as more data gets used in more ways across more systems.

### 2 Insufficient Access Procedures

As laws become more stringent and ever-changing customer support means the data we hold is more confidential, any failure of rules or system access permissions to keep up with evolving security demands increases the risk of unauthorized access.

### 3 Damage to Vital Data, System Outages

Disruption to the upkeep and succession of skills acquired by IT staff, and failure to stay ahead of potential for increasingly sophisticated external attacks, poses a risk to our systems and organizations dedicated to maintaining the confidentiality, reliability, usability, integrity, and security of information, and increase the risk of compromising business continuity.

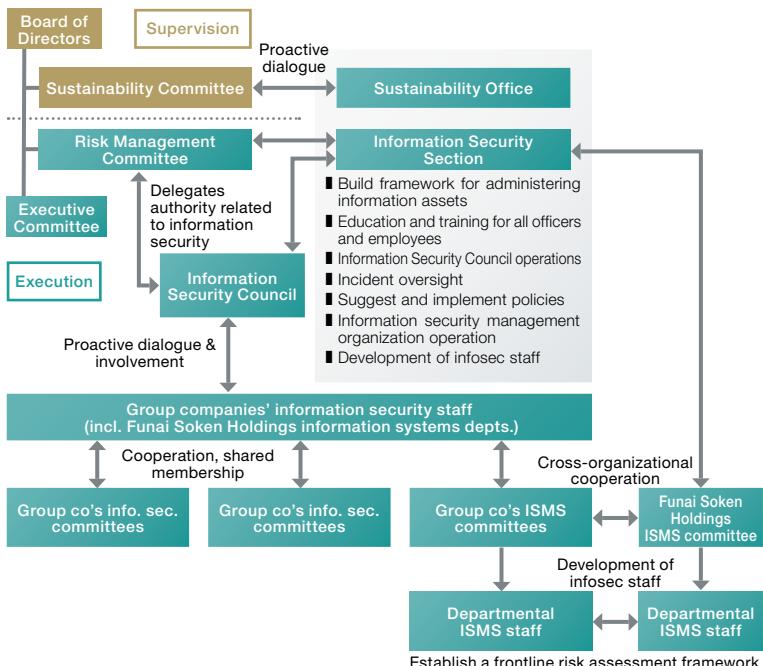
## Information Security Framework

### Information Security Section and Information Security Council

The group's information security is safeguarded by the Information Security Section in close communication with the Risk Management Committee and Sustainability Committee. We also have an Information Security Council made up of key infosec staff from group companies, which strives to raise the standard of information management.

### Stronger Security Through IDaaS, SASE, and EDR

As cyber attacks become more sophisticated, so must our defenses become stronger. We are shifting to a zero-trust security footing through safeguards such as identity as a service (IDaaS) for employee ID authentication, secure access service edge (SASE) cloud security, and endpoint detection and response (EDR).

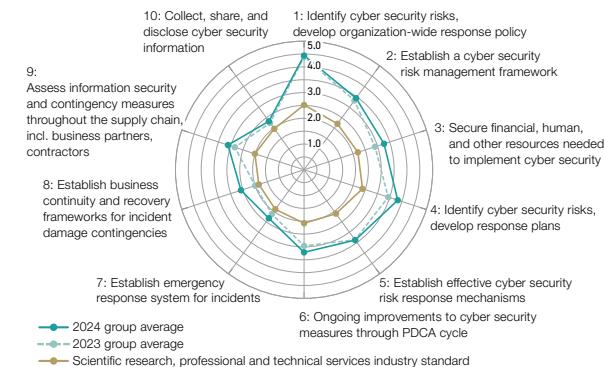


## Constant Strengthening of the Information Security Framework

We constantly survey the level of information security of all group companies, analyze the results, engage in proactive dialogue and run the PDCA cycle to find solutions to problems uncovered.

Below is an example of the radar chart used to compare the group's infosec performance with the Japanese scientific research, professional and technical services (per the Japan Standard Industrial Classification) and strive for further reinforcements to our security framework.

### I Cyber Security: Funai Soken Consulting Group vs. Industry Standard



## Group Companies' Infosec Initiatives in 2024

- Expanded ISO/IEC 27001 certification (int'l ISMS standard)  
(Certified group companies: Funai Soken Holdings, Funai Consulting, Funai Soken Logistics, HR Force, Proseed)
- Training on targeted e-mail attack response  
(Held annually for all executives and employees; participation rate: 100% for training, 96.3% follow-up)
- ISMS: Regular departmental security meetings to ingrain security measures  
Examples of Departmental Meetings  
Finance: Near-miss response (held as needed; all relevant personnel participate)  
Personnel: Secure handling of sensitive personal information (held as needed; all relevant personnel participate)  
Recruiting: Handling personal information when using online tools (held as needed; info shared among all relevant personnel)  
General affairs: Response to loss of security card
- Groupwide AI policy instituted in anticipation of full adoption of generative AI, e.g., Gemini
- New department established (in Funai Consulting) to conduct security audits of DX products

# Compliance

## Basic Approach to Compliance

The Funai Way demands integrity—that all of our employees and officers behave as good citizens as serve as a force for good. Naturally, robust corporate compliance is a vital element of the group's integrity. Our fundamental mission is to meet the expectations and earn the trust of our stakeholders, including clients, communities, shareholders, investors, business partners, and our workforce.

### Compliance Regulations and Policies

Our Corporate Ethics Code of Conduct and Regulations on Group Compliance establish clear, high standards for ethics and sensible behavior expected of our people. In practice, that means policies like these.

#### Compliance with Laws, Regulations, and In-house Rules

We are dedicated to transparency in business, and comply strictly with all laws and regulations, as well as in-house rules, including Personal Information Protection Regulations, Regulations on the Prevention of Insider Trading, and Intellectual Property Management Regulations. All employees are expected to stay up-to-date and comply with the latest laws and regulations.

#### Eliminating Anti-Social Forces

We will have no relationship whatsoever with antisocial forces, and firmly reject any and all contact and interaction with these.

#### Anti-bribery & Anti-corruption

We have clear guidelines to prevent bribery of public officials and business partners, and uphold fair business practices.

#### Protection of Confidential and Personal Information

We manage and protect confidential and personal information to prevent unauthorized use or leaks.

### Whistleblower System

To enable swift detection and correction of violations of laws and regulations, we have established Whistleblower Hotlines for people to report compliance violations. The system consists of the following elements.

#### Internal & External Whistleblower Hotlines

Internal whistleblower reports are directed to the director in charge of compliance; external whistleblower reports are directed to an outside director who serves on the Audit and Supervisory Committee or a consulting attorney.

#### Various Methods to Guarantee Anonymity

Whistleblowers can report violations by phone, email, in person, or other appropriate means. Reports can be made anonymously, and confidentiality is guaranteed.

#### Handling of Information

Whistleblower reports and investigation outcomes are handled with the utmost care. Access to information is restricted on a strict need-to-know basis, and subject to leak-prevention safeguards.

#### Whistleblower Protection

Whistleblowers are kept anonymous, and prejudicial treatment of whistleblowers and those who cooperate with investigations is prohibited. To keep whistleblowers safe, retaliation is strictly prohibited, and violations are subject to disciplinary action.

### Compliance Education

All group employees (even part-timers) attend compliance and information security training. In addition to various individual training programs, there is a mandatory yearly e-learning course delivered on a monthly basis. The compliance-related content for 2025 included the following.

- April: Key elements of the Act on the Protection of Personal Information
- July: Training on labor standards and human rights
- August: Training for managers on dealing with harassment in the workplace
- Training for managers on labor management
- October: Compliance risks and responses
- November: Actions relating to harassment in the workplace
- December: Alcohol-related compliance

Funai Consulting holds training on ethics in advertising in March.

Some training focuses on ensuring compliance using in-house training materials that reflect our own challenges and key initiatives based on insights from past monitoring. In this way, we strive to raise employees' awareness of the importance of compliance, and earn the public's trust.

### How We Deal with Compliance Violations or Incidents

Each group company has a clear, systematized method for dealing with compliance violations.

Here, for instance, is how our core subsidiary, Funai Consulting, deals with violations and incidents.

#### 1. Compliance Violation or Incident Report

- Funai Consulting's compliance staff or customer service hotline reports an incident when it occurs.
- The head of divisional headquarters (or department) checks the details and, if necessary, reports to the Administration Divisional Headquarters, which is responsible for compliance.

#### 2. Consideration of Response

• The Administration Divisional Headquarters considers the response, working together with the Risk Management Division and consulting attorneys as necessary. Expert opinion may be sought if the nature of the incident requires it.

#### 3. Report on Outcomes

- In the case of a serious incident, the outcomes of the response is reported to the Funai Soken Holdings Board of Directors and discussed by the Risk Management Committee. The final response is subject to board approval and reflected in subsequent reviews of the group's compliance framework.

Systematic responses like these allow for prompt, effective action, and help prevent recurrence. A system that enables all employees to follow the same, consistent procedures ensures transparency and consistency, and improves overall corporate integrity.

# Corporate Officers (as of March 29, 2025)



9	7	5	3	1	2	4	6	8
<b>Akihiro Kobayashi</b> Independent outside director and member of the Audit and Supervisory Committee	<b>Nobuko Nakajima</b> Independent outside director and standing member of the Audit and Supervisory Committee	<b>Taeko Yamamoto</b> Independent outside director	<b>Motoki Haruta</b> Director and executive officer	<b>Takayuki Nakatani</b> President and Group CEO	<b>Tatsuro Ono</b> Director and executive vice president	<b>Nobuyuki Isagawa</b> Independent outside director	<b>Tomomi Murakami</b> Independent outside director	<b>Atsushi Nakao</b> Independent outside director and member of the Audit and Supervisory Committee
								



## Directors

### 1 Takayuki Nakatani

President and Group CEO ● 5 ○ 14 out of 14 ○ 189,320

Apr. 1991 Joined the company  
 Mar. 2010 Executive officer, deputy head of Consulting Divisional Headquarters II  
 Mar. 2013 Director, executive officer, deputy head of Tokyo Consulting Divisional Headquarters, head of Consulting Department I  
 Jul. 2014 Director, executive officer, and head of Tokyo Consulting Divisional Headquarters of Funai Consulting  
 Mar. 2015 Director, senior vice president, head of Consulting Operations Divisional Headquarters of Funai Consulting, president of Funai Consulting Shanghai  
 Mar. 2016 President & CEO of Funai Consulting  
 Mar. 2020 Director, executive vice president of Funai Soken Holdings, head of Business Management Divisional Headquarters  
 Mar. 2021 President & CEO  
 Mar. 2023 President and Group CEO (current)

#### Reasons for Appointment

To further the group's pursuit of sustainable growth and mid-to-long-term growth in in corporate value, e.g., harnessing the group's strengths to expand business domains.

### 4 Nobuyuki Isagawa

Outside director ● 9 ○ 14 out of 14 ○ 0

Apr. 1989 Joined New Japan Securities (now Mizuho Securities)  
 Apr. 1998 Assistant professor, Kobe University School of Business Administration  
 Apr. 2007 Professor, Kobe University Graduate School of Business Administration  
 Jan. 2011 Outside director, Tasaki & Co.  
 Mar. 2016 Director, Funai Soken Holdings (current)  
 Apr. 2016 Professor, Graduate School of Management, Kyoto University (current)  
 Mar. 2020 Outside director, Inbound Tech (current)

#### Reasons for Appointment

To apply his high degree of expertise and knowledge as a university professor in carrying out his role as an outside director.

### 2 Tatsuro Ono

Director and executive vice president

● 18 ○ 14 out of 14 ○ 148,940

Apr. 1987 Joined the company  
 Mar. 2007 Director, executive officer, head of Consulting Department I  
 Mar. 2010 Director, senior vice president, deputy head of Business Operations Division, head of Consulting Department II  
 Jan. 2014 Director, senior vice president, head of Human Resources Development Divisional Headquarters  
 Apr. 2018 Director, senior vice president, head of Business Management Divisional Headquarters  
 Mar. 2019 Director, executive vice president, head of Business Management Divisional Headquarters  
 Jan. 2020 Director, executive vice president, head of HR Divisional Headquarters  
 Jan. 2022 Director, executive vice president, head of Workforce Administration Divisional Headquarters  
 Jan. 2023 Director, executive vice president, head of Corporate Management Divisional Headquarters (current)  
 Jan. 2025 Appointed director and executive vice president of Funai Soken Holdings (current)

#### Reasons for Appointment

To promote aggressive investment in HR, a key initiative of the Mid-Range Business Plan, and help the group's quest for growth.

### 5 Taeko Yamamoto

Outside director ● 2 ○ 14 out of 14 ○ 0

Apr. 1987 Joined Mitsubishi  
 Dec. 1994 Joined Gold Coast Technical Documentation  
 Sep. 1998 Joined Microsoft Japan  
 Jun. 2001 Joined IBM Japan  
 Apr. 2013 Rejoined Microsoft Japan  
 as Senior Director of Enterprise Marketing  
 Jul. 2017 Senior Director, Partner Business and Marketing, Microsoft Japan  
 Apr. 2020 Joined Fujitsu as Corporate Executive Officer & CMO  
 Apr. 2021 Corporate Executive Officer & CMO, Fujitsu  
 Apr. 2022 Corporate Executive Officer, EVP & CMO, Fujitsu  
 Mar. 2023 Director, Funai Soken Holdings (current)  
 Jan. 2025 EVP & CMO, Fujitsu  
 Jun. 2025 Director, member of the board & CMO, Yanmar Holdings Co., Ltd. (current)

#### Reasons for Appointment

To advise on the group's digital transformation initiatives and corporate management with her deep insight into marketing in the technology field.

### 3 Motoki Haruta

Director and executive officer, Head of Management Divisional HQ and Human Capital Divisional HQ

● 1 ○ 10 out of 10 (since appt. on Mar. 23, 2024) ○ 12,320

Jun. 2008 Joined the company  
 Mar. 2015 Auditor, Funai Consulting Shanghai  
 Jan. 2018 Head of Accounting Department of Funai Soken Holdings  
 Feb. 2018 Director, HR Force  
 Mar. 2020 Executive officer, head of Finance Department of Funai Soken Holdings  
 Mar. 2022 Director, Funai Soken Corporate Relations (now Funai Soken Digital) (current)  
 Mar. 2023 Director, Funai Soken Logistics (current)  
 Mar. 2024 Director, executive officer, Head of Corporate Business Divisional Headquarters of Funai Soken Holdings (current)  
 Jan. 2025 Appointed director and executive officer of Funai Soken Holdings, head of Management Divisional Headquarters and head of Human Capital Divisional Headquarters (current)  
 Director and executive officer of Funai Soken Agata FAS (current)

#### Reasons for Appointment

To further the group's pursuit of sustainable growth and mid-to-long-term growth in in corporate value.

### 6 Tomomi Murakami

Outside director ● 2 ○ 14 out of 14 ○ 0

Apr. 1990 Joined Fujitsu Research Institute  
 (now Mizuho Research & Technologies)  
 Jul. 2017 Promoted to senior manager  
 Jul. 2019 Promoted to lead consultant  
 Jun. 2021 Senior manager at Board Advisors Japan, Inc. (current)  
 Mar. 2023 Director, Funai Soken Holdings (current)

#### Reasons for Appointment

To help the group pursue ESG management with her long experience in supporting companies in the process of developing environmental, CSR and ESG management credentials—from both corporate and policy perspectives.



## Audit and Supervisory Committee Members

7

### Nobuko Nakajima

Outside Director and Standing Member of the Audit and Supervisory Committee

● New appointment ○ 0

Oct. 2003 Joined Matsushita Electric Industrial Co.,Ltd. (now Panasonic Holdings Corp.)  
 Jun. 2007 Established Asada & Nakajima Law Office  
 Apr. 2010 Director, Wellstone Corporation  
 Apr. 2013 Part-time lecturer, Kanagawa University Faculty of Business Administration  
 Dec.2019 Established Tamayama Law Office (current)  
 Mar. 2025 Director and A&S Committee member, Funai Soken Holdings (current)

#### Reasons for Appointment

To advise on strengthening the group's corporate governance and on increasing corporate value over the mid-to-long term, and to supervise the legality and validity of the Board of Directors, capitalizing on her extensive experience and knowledge as an attorney.

8

### Atsushi Nakao

Outside director and Audit and Supervisory Committee member

● 9 ○ 14 out of 14 ● 13 out of 13 ○ 0

Oct. 1991 Joined Ota Showa (now Ernst & Young ShinNihon)  
 Jul. 1995 Joined Hongo Accounting (now Hongo Tsuji Tax & Consulting)  
 Nov. 2000 Director, Chuo CS Accounting (now CS Accounting)  
 Dec.2005 Executive Vice President, CS Accounting  
 Mar.2013 Auditor, Funai Soken Holdings  
 Mar. 2016 Director and A&S Committee member, Funai Soken Holdings (current)  
 Dec.2019 President, CS Accounting (current)

#### Reasons for Appointment

To propose ideas for company management and supervise the legality and validity of the Board of Directors in his capacity as a certified public accountant and tax accountant.

9

### Akihiro Kobayashi

Outside director and Audit and Supervisory Committee member

● 9 ○ 14 out of 14 ● 13 out of 13 ○ 0

Apr. 1999 Called to the bar (Osaka Bar Association), joined Chuo Sogo Law Office  
 Nov.2009 Partner, Kyoto Office, Chuo Sogo Law Office (current)  
 Apr. 2010 Part-time lecturer at Kyoto University Law School  
 Mar.2013 Auditor, Funai Soken Holdings  
 Mar. 2016 Director and A&S Committee member, Funai Soken Holdings (current)  
 Apr. 2017 Distinguished professor, Kyoto University Law School  
 Oct. 2022Part-time Lecturer at Kyoto University Law School (current)

#### Reasons for Appointment

To propose ideas for company management and supervise the legality and validity of the Board of Directors, capitalizing on his extensive experience and knowledge as an attorney.

Re. 4 thru 9: There is no concern that a conflict of interest will arise with general shareholders.



## Basic Approach to Corporate Governance

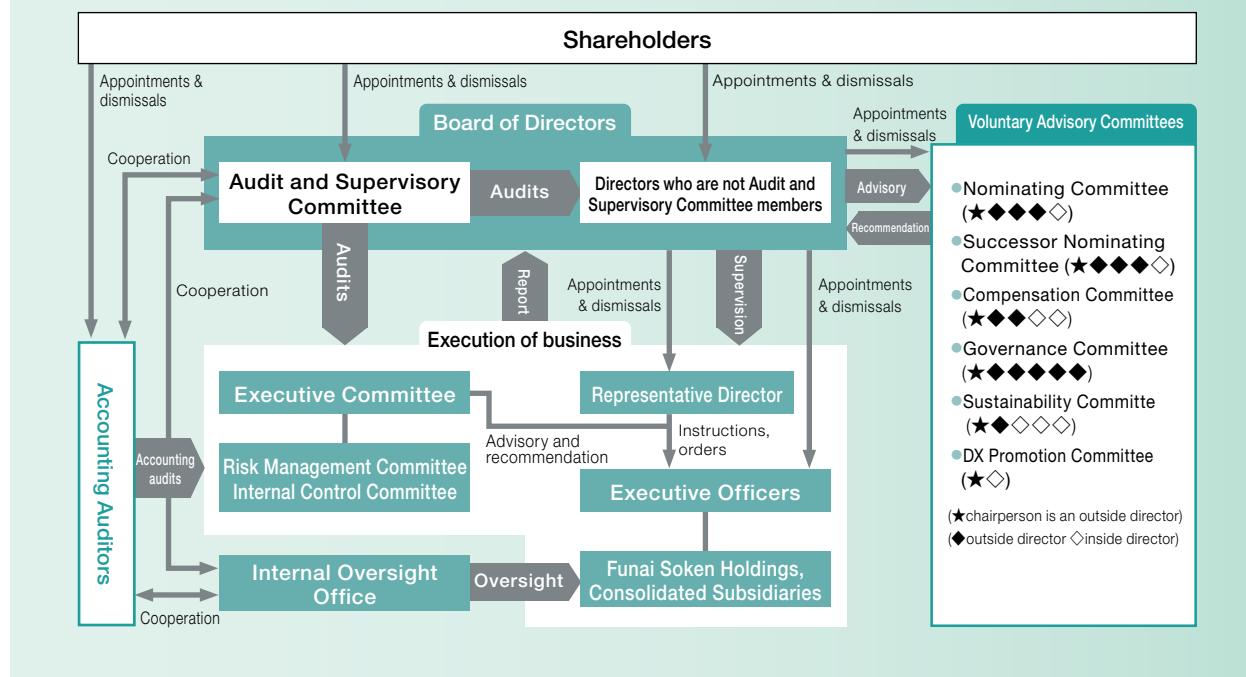
We strive to strengthen our corporate governance with a focus on ensuring effective legal compliance and maximizing shareholder returns.

We believe that a proactive approach to disclosure is an important pillar of corporate governance, and we are committed to prompt and accurate disclosure of current business activities and future business strategies through statutory announcements and through initiatives such as company briefings and individual meetings with institutional investors and analysts.

## Quick Facts: Our Corporate Governance Structure (as of Mar. 29, 2025)

Classed as	Company with Audit and Supervisory Committee
Board of Directors	9 directors (incl. 6 outside directors; 3 women)
Audit and Supervisory Committee	3 members (all outside directors)
Executive Officers	Company has an executive officer system
Voluntary Advisory Committees	Company has advisory committees to the board
Accounting Auditors	PricewaterhouseCoopers Japan LLC

### Corporate Governance Structure (as of Mar. 29, 2025)



# Board of Directors and Committees

Board composition and skills matrix  
<https://hd.funaisoken.co.jp/en/ir/governance.html>



## Board of Directors

Deliberation and decision-making on important matters relating to management

Size	9 (6 independent outside directors, 3 inside directors)
Selection Policy	Directors are entrusted by shareholders to manage the company and its business on their behalf, and our selection policy focuses on candidates' ability to carry out those duties and responsibilities rather than on age, gender, nationality, race, or ethnicity.
Gender diversity	Female directors: 3 (33.3% of board seats held by women; our target: 30% by 2030)
Meetings held	14, attendance 100%

## Audit and Supervisory Committee

Effective monitoring and auditing of management decision-making and business execution

Size	3 (all independent outside directors; incl. 1 standing member; incl. 1 CPA, 2 attorneys)
Meetings held	13, attendance 100%

## Advisory Committees & Main Items of Discussion

### Nominating Committee

Deliberates on criteria for director and executive officer appointments

- Deliberations regarding the direction of the Audit and Supervisory Committee
- Deliberations regarding the skill matrix and Board of Directors composition
- Deliberations regarding executive officer structure & succession
- Report on deliberations regarding the group's future
- Deliberations regarding candidates for Funai Soken Holdings & group company director positions

8 meetings held, attendance 100%

### Governance Committee

Reviews various issues related to corporate governance

- Free discussion among committee members regarding board operation

2 meetings held, attendance 100%

### Sustainability Committee

Coordinates cross-sectional pursuit of sustainability throughout the group; monitors, and assesses progress toward targets

- Keeps the board up to date regarding Human Capital
- Discusses Integrated Report content and the value creation process

3 meetings held, attendance 100%

### Successor Nominating Committee

Appointment, dismissal, and development of the next group CEO and representative directors

- Confirmation of the continued appointment of the president

1 meeting held, attendance 100%

### Compensation Committee

Deliberates on director and executive officer compensation

- Performance evaluation and deliberation on compensation amount of group companies' officers
- Deliberations regarding executive remuneration policy

4 meetings held, attendance 94%

### DX Promotion Committee

Cross-sectional implementation and oversight of DX management

- Monitoring of DX initiatives and identification of issues to be addressed

6 meetings held, attendance 100%

# Maintaining an Effective Board of Directors

## Assessing Board Effectiveness

Funai Soken Holdings established its Audit and Supervisory Committee in April 2016. To better ensure the company's corporate governance functions as intended, the Governance Committee was established in November of the same year, thereby launching a system of self-assessment of board effectiveness. Since then, to check that the company's corporate governance system

### Review of Board Effectiveness in 2024

January 2025	Update content of self-evaluation questionnaire
February 2025	Governance Committee collates opinions from questionnaire responses and considers action plan
March 2025	Board of Directors votes on motion relating to governance issues and action plan for FY2025

### Review of Board Effectiveness in 2024: Findings

#### Action Taken Board operation

Upkeep of supervisory functionality with a majority of outside directors, effective use of outside expertise, and more opportunities for discussion of mid-to-long-range business strategies.

#### Action Taken Enhanced risk management

Established a system for sharing information and building common awareness groupwide; successfully processed problems, instituted policies, and enhanced training.

#### Action Taken Group growth, M&A

Successfully transitioned from embedding awareness and understanding of the Group Purpose to execution; discussed ways to achieve growth, e.g., mid-to-long-range strategies, M&As, new companies; more M&As.

#### Action Taken Communication among outside directors

Increased opportunities for communication at governance committee meetings, etc.

remains conducive to its objectives—legal compliance and maximization of shareholder profits—all directors, including Audit and Supervisory Committee members, take an annual self-assessment questionnaire to gauge board effectiveness and identify issues to be addressed in the next year's action plan to make the board more effective.

### 2024 Self-evaluation Questionnaire Question Structure

1. Respondents are asked to write their views on advisory committee composition, operational performance, meeting frequency, scheduling, content of discussions, materials, etc.
2. Respondents rate (out of 5) director effectiveness, strategy debate, quality of management procedures and discussions, risk management, and support systems provided for outside directors; and provide specific ideas for improvement.

### Issues and Actions for 2025

Issue | Quality of discussions, operational improvements, sharing of information among board members

Issue | Safeguarding information security, e.g., advance identification of risks

Issue | Speed and scale of M&As, and mid-to-long-range strategy and consistency in selecting suitable companies; need for ongoing discussions on strengthening new business creation capabilities

Issue | Room for deepening of dialog and collaboration among outside directors

#### Action plan Discussion re. increasing corporate value

Hold discussions to formulate a narrative aimed at increasing corporate value, incl., strategies informed by our Group Purpose and pertaining to business (new businesses, M&As, etc.), HR, finance, and investment.

#### Action plan Enhance risk management

Strengthen measures against risks, incl., information security, workplace harassment, and compliance; continue to improve the structure for preventing the emergence of underlying risks

#### Action plan Harness outside expertise, improve dialog

Continue to appoint outside directors as advisory committee chairpersons; increase opportunities for dialog between directors—including and separate to board meetings

#### Action plan Gradual separation of execution and oversight

Gradually separate execution and oversight functions, e.g., through limiting board meeting agenda topics and delegating authority to executive officers.

# Director Training, Support System for Outside Directors and Audit and Supervisory Committee Members

## Director Training

The training programs described below are provided at the company's expense.

### For Inside Directors and Executive Officers

The company invites outside lecturers to conduct training based on real examples, such as violations of laws and regulations that we may be susceptible to, illegal conduct that may arise at the company, selection of M&A targets, as well as points to consider for management decision-making and management approaches for subsidiary companies, including overseas transactions.

### For Outside Directors

To help outside directors deepen their understanding of our business environment, we provide training on a variety of topics, including: our group and the consulting industry in general; our consulting, logistics, and digital solutions businesses, and risk management pertaining to these. We also provide access to executive departments as an ongoing, active means of deepening their understanding of our business.

Specifically, the company improves the effectiveness of outside directors' supervisory capabilities, based on deepening their knowledge of the group, its business, and risk management status. This includes annual group company presentations on management policy and Group Presidents' Council meetings.

### For Newly Appointed Inside Directors and Executive Officers

The company offers opportunities for training at external organizations to gain the minimum knowledge required for directors on matters such as laws, compliance and corporate governance.

## Support System for Outside Directors and Audit and Supervisory Committee Members

Prior to the date of each month's board meeting, the board has the Finance Department brief outside directors on the upcoming agenda.

In principle, Audit and Supervisory Committee meetings are held on the same day as board meetings, and the standing member of the Audit and Supervisory Committee, who attends Executive Committee and other important meetings, briefs outside members of the Audit and Supervisory Committee on board meeting deliberations for discussion by the committee.

The Audit and Supervisory Committee meets regularly with the accounting auditors and the Internal Oversight Office (which has two dedicated accounting auditors and one concurrent) to strengthen the auditing system for more effective auditing. (Funai Soken Holdings's assistants for accounting auditing duties include four CPAs and 25 others.)

When the Audit and Supervisory Committee deems it necessary, it may use external experts for the execution of its duties at the company's expense.

# Executive Compensation System

## Basic Policy and Methods of Determining Executive Compensation

We have an established policy for determining the executive compensation amounts and calculation methods. This stipulates a fixed compensation comprising basic remuneration and performance-linked compensation. Officers' compensation amounts are determined within the total pool amount approved by a shareholder vote and taking into consideration factors such as rank, duties, and contribution to the company's business performance.

When determining the ratio of compensation components and individuals' compensation packages, the amount of compensation paid to directors who are not Audit and Supervisory Committee members shall be discussed by the Compensation Committee, whose recommendation the representative director shall table before the Board of Directors for deliberation and final decision. The amount of compensation paid to directors who are members of the Audit and Supervisory Committee is determined through discussions by the Audit and Supervisory Committee.

### Maximum Amount of Basic Remuneration

Compensation for directors who are not members of the Audit and Supervisory Committee was set at a maximum of ¥450 million per year (of which, ¥40 million was for outside directors) at the 53rd general meeting of shareholders on March 25, 2023.

Compensation for directors who are members of the Audit and Supervisory Committee was set at a maximum of ¥50 million per year at the 46th general meeting of shareholders on March 26, 2016.

### Maximum Amount of Performance-Based Stock-as-Compensation

The maximum amount of stock options that can be awarded to directors (excluding outside directors and Audit and Supervisory Committee members) was set at ¥100 million per year by a vote at the 53rd general meeting of shareholders on March 25, 2023. Moreover, with the increased clarity surrounding resolutions pertaining to stock options as remuneration achieved with the enactment of the Act Partially Amending the Companies Act (act no. 70 of 2019), a motion was approved at the 51st AGM on March 27, 2021, to cap subscription rights issuable as stock options at 350 (each stock option convertible to 180 shares) and cap the number of shares issuable at 63,000. This does not, however, include the executive officer compensation paid to those directors who serve concurrently as executive officers.

## Executive Compensation: Total, Component Breakdown, Number of Eligible Officers

Category	Total amount of compensation (¥ million)	Total amount of compensation by component (¥ million)			Number of officers eligible
		Fixed compensation (basic remuneration + performance-based compensation)	Stock options	Retirement allowance	
Directors who are not Audit and Supervisory Committee members (figure in parentheses: outside directors' portion)	134 (27)	110 (27)	23 (—)	— (—)	6 (3)
Directors who are Audit and Supervisory Committee members (figure in parentheses: outside directors' portion)	38 (18)	38 (18)	(—) (—)	(—) (—)	3 (2)
<b>Total</b> (figure in parentheses: outside directors' portion)	<b>173 (45)</b>	<b>149 (45)</b>	<b>23 (—)</b>	<b>— (—)</b>	<b>9 (5)</b>

\*Amounts are rounded down to the nearest million yen. \*Non-monetary compensation amounts are those amounts recorded this fiscal year for stock options awarded to Funai Soken Holdings directors (excluding outside directors and Audit and Supervisory Committee members).

\*The total amount of compensation on a consolidated basis is not stated because there are no persons whose total amount of compensation is ¥100 million or more. \*Total amount of executive officer remuneration for the two directors serving concurrently as executive officer: ¥42 million

# Skill Matrix: Experience & Expertise of Directors and Audit and Supervisory Committee Members

## The Benefits of Diversity in the Board of Directors

The group is led by officers with diverse backgrounds, including directors with in-depth knowledge of the group's business and outside directors whose role is to audit the group from an independent and objective standpoint. The board currently consists of nine directors, six of whom are outside directors, including those with corporate management experience at other companies, business administration expertise, and knowledge of DX and sustainability. Meanwhile, the Audit and Supervisory Committee comprises one certified public accountant and two lawyers, who are experts in finance, accounting, and law respectively. We are also working

to improve the board's gender balance and diversity: our target was for women to make up 30% of the board by 2030, and we have already achieved this with at 33.3%. Regarding internationality, since most of the group's sales are derived within Japan, we do not believe it is necessary to appoint any overseas directors at present. As part of our quest for stronger compliance and shareholder returns, we will maintain a majority of outside directors and appoint those deemed suitable for their intended role, not just in terms of expertise, experience, and career trajectory, but also in terms of diversity, management policies, and stakeholder sentiment.

Name Date of birth	Positions	Committee Memberships									Experience / Skills						
		Nominating	Successor Nominating	Compensation	Governance	Sustainability	DX Promotion	Risk Management	Internal Control	Corporate management	Sales, marketing	Finance	Compliance, risk management	Governance, auditing	Sustainability	IT, DX	HR
Takayuki Nakatani Aug. 16, 1968	President and Group CEO					●	●		● (Chairperson)	●	●						Bus. administration
Tatsuro Ono May 8, 1963	Director and executive vice president			●		●		● (Chairperson)	●	●	●		●			●	Management
Motoki Haruta Jun. 9, 1980	Director and executive officer	●	●	●		●			●	●		●		●	●		Group finance
Nobuyuki Isagawa Dec. 8, 1966	Director, Outside, independent	● (Chairperson)	● (Chairperson)	●	●	●						●		●	●		Univ. professor
Taeko Yamamoto Oct. 1, 1964	Director, Outside, independent			●	●		● (Chairperson)			●	●					●	DX
Tomomi Murakami Jan. 23, 1968	Director, Outside, independent	●	●		●	● (Chairperson)								●	●		ESG management
Nobuko Nakajima Apr. 5, 1975	Director, A&S Comm. member, Outside, independent	●	●		●			●	●				●	●			Lawyer
Atsushi Nakao Dec. 21, 1969	Director, A&S Comm. member, Outside, independent			(Chairperson)	●					●		●		●		●	CPA
Akihiro Kobayashi Dec. 19, 1970	Director, A&S Comm. member, Outside, independent	●	●		● (Chairperson)					●			●	●			Lawyer

# Outside Directors' Messages

Notice of AGM Convocation (March2025)  
<https://ssl4.eir-parts.net/doc/9757/announcement12/107600/00.pdf>



Our outside directors provide their views on the group's Mid-Range Business Plan: Sustainable Growth 2025.



## Keeping an Eye on Cost of Capital and Maximizing Corporate Value

**Nobuyuki Isagawa**  
Outside Director

An outside director's job is to bring a shareholders' and stakeholders' perspective to corporate management oversight, and to prevent damage to corporate value. We must also apply our expertise, such as in finance, governance, human capital investment, and sustainability, to help increase corporate value. In 2024, the Funai Soken Consulting Group did well financially, with solid increases in sales and income. Funai Soken Holdings's share price, however, did not perform as well as indexes like the Nikkei 225 and TOPIX, and we recognize that there is room for improvement here.

My duties include sitting in on discussions regarding equity valuation and financial due diligence and facilitate appropriate decision making as part of our strategy of proactive M&A. As the group adds more companies and grows in scale, I feel that we need to focus on bringing the newcomers up to speed with our Group Purpose and corporate culture, thereby laying the foundation for post-acquisition business growth and good governance.

In terms of governance, the Funai Soken Holdings Board of Directors has a majority of outside directors for impartial monitoring, and board meetings are characterized by lively, objective debate. In an age when a focus on cost of capital and share prices is a basic shareholder requirement for corporate management teams, my role is to ask questions and make decisions with a view to maximizing corporate value.

Today, the Funai Soken Consulting Group is expanding its consulting client base to incorporate mid-scale businesses as well as SMEs, and offering a broader range of support services, such as DX, AI, human capital, M&A, and IPOs. As such, the group's growth potential is increasing.

I intend to add to the group's governance through steadfast monitoring of our companies' efforts toward greater corporate value through execution of business strategy, human capital strategy, and financial strategy. I am convinced that we must focus not only on financial targets, but also on long-term corporate value through sustainability as measured by things like human capital management and action on climate change. I look forward to helping the group achieve further growth by bringing an investor's perspective to management.



## Helping Smaller Businesses Harness DX to Flourish

**Taeko Yamamoto**  
Outside Director

Since my appointment as outside director, I have served as chairperson of the DX Promotion Committee, where discussion has centered on achieving a brand of DX that is demonstrable and reproducible. Thanks to swift decision-making by the group's executives, digital transformation has been rapid. This commitment to practicing what we preach and using what we discover—successes and failures alike—for the benefit of clients is consistent with group's policy of acting as a "living showroom."

From my outside director's perspective, it is clear that the group is serious about DX not only as a way to boost efficiency or keep up with the latest technology, but also as a means of shaping corporate culture and developing the workforce. This is a vital quality in light of the group's mission to support mid-scale companies and SMEs, and I believe this dedication helps keep the Funai Soken Consulting Group ahead of the competition.

In particular, I have seen good outcomes from three initiatives.

First is the way in which the group positions itself as an example to clients as a "living showroom." For instance, integrating client data through CRM has led to groupwide sharing, thus alleviating the concentration of sales abilities in a few people. But that's not all: this has proven to be an excellent demonstration model for clients of how our CRM support services work. Elsewhere, when the group adopted generative AI, thorough in-house training meant that fully 97% of employees were able to use that technology in their work a mere four months later.

The second initiative where I found positive results was global expansion. The group recently opened a new location in Bengaluru, India. The new subsidiary will perform development work, test cutting-edge technologies, and build systems designed to enable our Japanese client companies to expand overseas.

The third initiative was establishing a zero-trust security infrastructure that provided robust security without compromising on convenience. Through multi-factor authentication, stringent screening, and cloud-based security gateways, the group has created a robust security architecture. This is yet another fine example that can be shown to clients as part of our "living showroom" for DX services.

In this way, the group's pursuit of DX is about more than its own growth; it is also part of its support for innovation by mid-scale companies and SMEs. By taking on the risk of experimentation so that clients don't have to, the group is able to glean insights that can be applied to help clients grow, and to contribute to economic revitalization. For my part, I am committed to bringing objective oversight to the group's journey so as to ensure that DX results in sustainable growth in corporate value.

## Outside Directors' Messages

Our outside directors provide their views on the group's Mid-Range Business Plan: Sustainable Growth 2025.



### Good Governance, Management Strategy, and Enhancing Corporate Value

#### Tomomi Murakami

Outside Director

For the past year or so, I have striven to help clarify the group's value creation narrative and deepen its thinking relating to mid-to-long-range strategy. I have sought to do this by bringing an outsider's viewpoint to the Board of Directors and the Sustainability Committee, which I chair. This year has seen much clearer definition of the group's companies' business models, their management foundations, and the strengths of their services. I have also noticed a refinement of the group's management direction and greater enthusiasm among those who put it into practice. For instance, the ¥10 Billion Business Project, which we have undertaken ahead of a similar initiative by the government, illustrates a further clarification of the group's policy of expanding the range of services we offer to help SMEs grow to mid-scale status. Board meetings are increasingly focused on ways to further growth, including reinforcing the group's structure such as through M&As and establishing new companies. I am given to understand that the Integrated Report now includes the outcomes of these discussions.

Moving forward, I hope the board will focus more on human resource strategy alongside business strategy. It should define an ideal human resource portfolio for the group as its business model evolves; know what kind of workforce is needed for the group's expanding range of business domains, and not just pursue accelerated development and deployment of younger employees but also present clear, long-term career pathways conducive to building that workforce; and grow its pool of management-ready talent as it acquires more companies through M&A.

At a more granular level, I feel that initiatives to improve work efficiency—such as the shift from conventional face-to-face consulting to a hybrid style that incorporates online support, and the groupwide adoption and proactive use of AI—will provide women with more opportunities to put their skills to good use. In today's complex and uncertain business climate, helping clients achieve growth over the mid-to-long term requires the variety of knowledge, ideas, and perspectives that only a diverse range of consultants can deliver. For that reason, I want to see more discussion to identify and overcome the challenges to harnessing female talent, and I look forward to tackling these issues with the Sustainability Committee and Nominating Committee.

Effective debate at board and committee meetings involves executive officers' and directors' varying perspectives, and the Governance Committee and other forums offer plentiful opportunities to exchange ideas. In addition to helping make the board more effective, I am committed to honing discussion surrounding management strategy not only to achieve ongoing improvements in corporate value for ourselves, but also to realize the Group Purpose: Sustainable growth for more companies.

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### Bringing an Outsider's Perspective to a Unique Position in Oversight to Boost Governance and Manage Risk

#### Nobuko Nakajima

Outside Director and Standing Member of the Audit and Supervisory Committee

Indeed, I bring a unique perspective to the group's oversight mix; as an attorney, I specialize in preventive legal advice and dispute resolution for corporate clients, and I have experience as an employee in the corporate workforce. In particular, my experience in having major incident response has given me a deep awareness of the importance of crisis management and risk reduction. I hope that my experience and skills will be of use to the group's management.

I have an unusual role at Funai Soken Holdings: Outside director, but also standing member of the Audit and Supervisory Committee. I approach my work with a good mix of hope and tension, and fully aware that I am expected to provide advice from an outsider's standpoint.

As a member of the Audit and Supervisory Committee, know that sound management decision-making and risk identification requires information of the right scope, content, and degree. As such, since taking up my position, I have endeavored to do more than just the work of the Audit and Supervisory Committee. For example, I visit points of client contact (e.g., management workshops and inspection tours) to build the kind of understanding of the group's business environments and operations needed for early identification of potential risks.

An effective Board of Directors is vital for ensuring the appropriateness of management decision-making. Funai Soken Holdings achieves this by giving its board a majority of outside directors (six in total) and taking the time at board meetings for lively, substantial discussion between directors and executives about the issues.

As the group seeks growth—both organic and through capital tie-ups—over the mid-to-long term, so is there a growing need for a system equipped for risk prevention and swift incident response. I am committed to helping with this by applying my outsider's impartiality for stronger governance so that the board and the Audit and Supervisory Committee can function more effectively than ever.

## Outside Directors' Messages

Our outside directors provide their views on the group's Mid-Range Business Plan: Sustainable Growth 2025.



### Recognizing Those Who Contribute to Corporate Value & Mitigating M&A Risks

**Atsushi Nakao**

Outside Director and Member of the Audit and Supervisory Committee

The Compensation Committee, which I chair, has been discussing not just how to improve the pay ratio, but to do so that the rising tide lifts the boats of consultants and other employees as well as executives. As such, when we at the Compensation Committee decide on executive compensation, we endeavor to keep a balance with increases in employee salaries. Indeed, the issue of raising consultants' salaries was frequently discussed at board meetings in 2024—a sure indication that the board is working hard to keep up with the realities of business management.

Meanwhile, the Funai Soken Consulting Group is pursuing a growth strategy centered on acquiring existing businesses. M&As are an increasingly common topic of discussion at board meetings, and the group is becoming more and more experienced in such acquisitions. One consequence of acquiring companies is the increased need for vigilance as M&A targets tend to come with a variety of potential risks. Just as due diligence is important prior to an acquisition, so is post-merge integration (PMI) vital in the wake of such a deal, and we must keep working to find synergies between newly acquired businesses and our existing group companies.

To this end, the Audit and Supervisory Committee will work with the Internal Oversight Office to strengthen the group's governance structure. As a member of the Audit and Supervisory Committee, my role is to provide input from a risk management perspective when an M&A deal is under consideration. By pointing out possible financial risks and potential issues with laws applicable to the target company, for instance, I aim to give the board the best possible chance of making the right decision.

Moreover, if the group is to carry its sustainable growth into the future, it is imperative that we nurture tomorrow's leaders today. Indeed, from a human capital management standpoint, there is an urgent need to develop the group's emerging executive talent. For my part, I am committed to helping the group achieve sustained growth in corporate value through a solid corporate culture and a prudent balance of daring and caution.



### An Effective Governance Framework and A Revitalized Audit & Supervisory Committee

**Akihiro Kobayashi**

Outside Director and Member of the Audit and Supervisory Committee

As a member of the Audit and Supervisory Committee, my role is to implement safeguards to help support the group's sustainable growth. The Funai Soken Consulting Group is currently ramping up its growth through acquisitions, and I am pleased to have a growing number of businesses join us. At the same time, more companies creates a need for stronger internal oversight over the whole group, including our new colleagues, and I am keeping a close eye on this as part of my work on the Audit and Supervisory Committee.

M&A deals must be scrutinized through in-depth discussions by the Board of Directors, starting with pre-deal due diligence. In particular, if the group is to seek further growth, it needs to pay attention to the human quality—to consider human capital as well as the numbers and contractual details. In other words, the rank-and-file employees of the companies acquired are just as important as the executives, and it is vital that we enable them to make a contribution after they join the group. To this end, we need a framework and system that enables new colleagues to quickly acclimatize to our Group Purpose and culture.

Recently, there has been a palpable improvement in the effectiveness of the group's governance. The appointment of Nobuko Nakajima to the unusual position of outside director and standing member of the Audit and Supervisory Committee has injected new energy to debate, and we have learned a lot from outsider's perspective. Her presence has raised our auditing game, for instance by bringing up issues we had struggled to raise in the past, thereby creating awareness of the situation and enabling informed discussion about solutions. What's more, outside directors are communicating and cooperating with each other more than ever before.

To the group's shareholders and investors, I reiterate my commitment to implementing strategies in line with investors' expectations, to monitoring risks, to boosting the effectiveness of the Audit and Supervisory Committee as part of our quest for transparent governance, and to helping the group achieve sustained growth in corporate value.

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<https://ssl4.eir-parts.net/doc/9757/announcement12/107600/00.pdf>

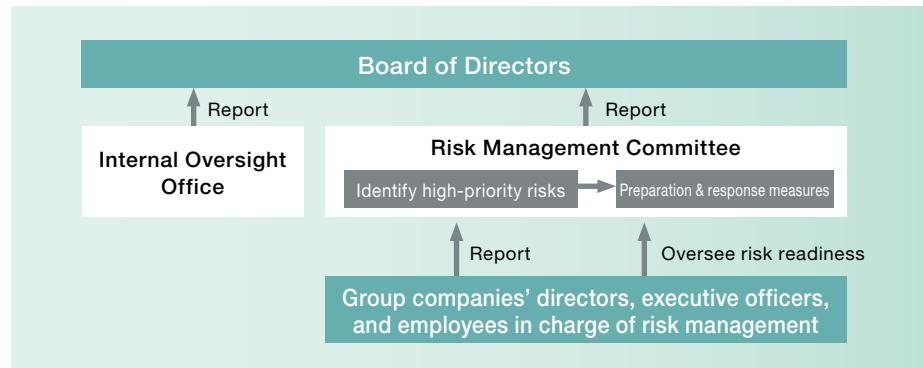




## Our Risk Management Framework

We have established a Risk Management Committee as a groupwide organization to manage crises including risk of losses. The committee identifies and assesses significant risks, and takes concrete action to properly manage risks and prevent their occurrence.

Consisting mainly of group companies' directors and executive officers in charge of risk management, the committee collects information from both inside and outside the company, conducts risk analysis from various perspectives and deliberates on and implements measures in response to risks. Moreover, the group's adoption of advisory committees helps reinforce governance through access to experience-based expert advice from outside directors.



## Major Risks and Preventive Measures

Risks we face in the consulting business	
<b>Risks</b>	In an industry already predicted to become even more intensely competitive, the increasing gap between firms that can and cannot keep up with clients' needs, including new demands such as help with DX, raises the possibility of an industry shake-up, including new alliances and splits.
<b>Preventive measures</b>	We strive to ensure a high degree of client satisfaction by collating insights gained during day-to-day operations and using these to formulate new methodologies for analyzing clients' businesses and finding innovations.
Over-reliance on consultants	
<b>Risks</b>	<ul style="list-style-type: none"> <li>Failure to secure and develop the human resources we need may have an impact on our operations and business performance.</li> <li>The most talented consultants often have a desire to set up their own businesses. Losing some of our most important talent may have a temporary impact on business performance.</li> </ul>
<b>Preventive measures</b>	<ul style="list-style-type: none"> <li>We seek to secure high-potential talent by hiring aggressively, not just recent graduates but also among those with career experience in other fields.</li> <li>We are revising our assessment systems so that compensation reflects individuals' achievements more accurately.</li> <li>We strive to help women forge meaningful careers, e.g., by introducing frameworks that make it easier to balance work with needs such as childcare.</li> </ul>

Risks we face in other businesses	
<b>Risks</b>	<ul style="list-style-type: none"> <li>The logistics business faces risks such as loss of customers to competitors, lift and warehouse accidents, vehicle accidents, warehouse fires, and other operational accidents, as well as quality defects in joint purchasing, and delays in ESG compliance.</li> <li>Rapid technological advance and fierce competition in the digital solutions business create the risk that we may fail to accurately meet ever-changing and increasingly complex client needs.</li> <li>Our HR solutions business operates in a crowded industry susceptible to sudden declines in competitive strength on price and service quality, and to national economic trends.</li> </ul>
<b>Preventive measures</b>	<ul style="list-style-type: none"> <li>We will strengthen client relationships through logistics consulting and BPO services, and develop new business by delivering ESG solutions.</li> <li>We will establish a seamless, comprehensive range of digital solutions for clients, bolster strengthen employee training, and recruit more engineers.</li> <li>We will expand our share of the HR solutions market through marketing and pursue client acquisition in a way that is not susceptible to the whims of the economy.</li> </ul>
Information security risks	
<b>Risks</b>	Unforeseen circumstances may lead to incidents such as confidential information leaks, violations of law relating to incorrect procedures for acquiring or handling personal information, destruction or falsification of important data, and system disruptions.
<b>Preventive measures</b>	<ul style="list-style-type: none"> <li>We have a framework that ensures in-house rules are followed through thorough oversight of information security regulations and their implementation.</li> <li>The importance of information management is ingrained in employees and officers through instilling our Five Principles of Information Security, adherence to the Information Security Manual, and e-training.</li> <li>Robust security measures, including migration of work systems to the cloud, email encryption, and incorrect transmission prevention measures.</li> </ul>
Brand risks	
<b>Risks</b>	Group companies bearing Funai Consulting or Funai Soken trademarks may encounter legal, compliance, and corporate governance issues.
<b>Preventive measures</b>	<ul style="list-style-type: none"> <li>See compliance initiatives on p. 52 and human rights initiatives on p. 46 and at our website.</li> </ul>
Risks relating to large-scale disasters, pandemics, etc.	
<b>Risks</b>	Damage to the global economy resulting from major disaster events that knock out infrastructure or pandemics like Covid may impact the group's business performance.
<b>Preventive measures</b>	<ul style="list-style-type: none"> <li>Maintain a solid BCP platform, including appointing disaster response managers for each group company.</li> <li>Employee training to include how to ascertain safety in disaster situations, emergency evacuation, and disaster BCP (e-learning).</li> <li>Tokyo HQ relocated to Tokyo Midtown Yaesu, which has state-of-the-art BCP functionality.</li> </ul>

# Consolidated Financial KPIs 2014–2024

Financial Results  
[https://hd.funaisoken.co.jp/en/ir/ir\\_info.html](https://hd.funaisoken.co.jp/en/ir/ir_info.html)



## Key Performance Indicators

\*We adopted the ASBJ's Accounting Standard for Revenue Recognition (ASBJ Statement No. 29; Mar. 31, 2020) from the start of FY2022, and have applied the standard retroactively to FY2021's KPIs herein.

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
¥ million											
Statement of Income	Net sales	12,485	14,717	16,433	18,685	21,697	25,752	25,027	22,816	25,635	28,238
	Gross profit	4,340	5,092	5,743	6,888	7,654	8,780	8,000	9,310	10,150	10,721
	SG&A expenses	1,348	1,595	1,883	2,256	2,708	3,075	3,018	2,951	3,049	3,473
	Operating income	2,992	3,497	3,859	4,631	4,946	5,705	4,982	6,358	7,100	7,247
	Net income attributable to owners of the parent*	1,766	2,426	2,558	3,206	3,549	3,868	3,498	4,378	4,990	5,201
*Net income figures are used for 2015 and before.											
Balance Sheet	Total assets	20,437	22,260	22,862	25,650	26,732	28,419	27,951	30,928	33,010	31,631
	Net assets	16,653	18,217	19,272	21,624	22,370	23,165	23,688	25,710	27,700	25,726
Cash Flow	Net cash provided by (used in) operations	2,889	2,008	2,813	3,950	3,554	4,522	3,515	5,214	5,000	5,479
	Net cash provided by (used in) investments	(142)	671	412	(982)	(222)	(500)	263	(219)	348	(2,233)
	Net cash provided by (used in) financing	(1,058)	(1,181)	(1,689)	(1,176)	(2,762)	(3,411)	(3,194)	(2,547)	(2,996)	(7,385)
	Cash and cash equivalents at end of fiscal year	5,626	7,125	8,663	10,455	11,022	11,630	12,216	14,675	17,031	12,894
											10,346
Per-Share Indices	Earnings per share	34.77	47.83	50.41	63.37	69.95	76.67	70.32	88.67	100.92	106.30
	Dividend per share	17.8	20.0	24.0	30.0	35.0	40.0	45.0	48.0	55.0	65.0
	Net assets per share	325.25	356.05	378.44	421.29	435.56	453.48	465.60	505.52	546.31	524.01
*Common shares in Funai Soken Holdings were split twice in recent years: at a ratio of 1.2-for-one on January 1, 2016, and at a ratio of 1.5-for-one on January 1, 2018. For the purposes of this section, per-share indices are calculated as if the stock splits had been conducted at the beginning of FY2014.											
Financial KPIs	Operating margin	24.0	23.8	23.5	24.8	22.8	22.2	19.9	27.9	27.7	25.7
	Return on equity (ROE)	10.9	14.0	13.8	15.9	16.4	17.4	15.3	18.2	19.2	20.0
	Ratio of ordinary income to total assets (ROA)	15.5	17.3	17.1	19.3	19.1	20.9	18.1	21.9	22.5	22.7
	Equity ratio	81.1	81.3	83.5	83.3	82.2	79.4	82.4	80.7	81.7	79.2
	Dividend payout ratio	51.1	41.8	47.6	47.3	50.0	52.2	64.0	54.2	54.5	61.1
Stock Information	Closing share price at end of fiscal year* (¥)	549	1,152	1,224	2,524	1,642	2,481	2,521	2,616	2,718	2,564
	Price earnings ratio (PER)	15.8	24.1	24.3	39.8	23.5	32.4	35.9	29.5	26.9	24.1
*Common shares in Funai Soken Holdings were split twice in recent years: at a ratio of 1.2-for-one on January 1, 2016, and at a ratio of 1.5-for-one on January 1, 2018. For the purposes of this section, closing share price at end of fiscal year is calculated as if the stock splits had been conducted at the beginning of FY2014.											
Workforce	Employees	682	783	873	941	1,105	1,209	1,303	1,317	1,382	1,535
	Avg. no. of temporary employees	56	41	31	37	41	37	68	52	63	90

# The Funai Soken Consulting Group Network (as of Sep. 1, 2025)

## Consulting

### Funai Consulting Inc.

President and CEO: Daisuke Shingai  
Management consulting  
Incorporated: Nov. 28, 2013  
(founded Mar. 6, 1970)  
Capital: ¥3,000 mil.

### Proseed Corporation

President: Hitoshi Nagira  
Contact center consulting  
Incorporated: Jun. 24, 1991  
Capital: ¥100 mil.

### Funai Consulting Shanghai Inc.

President: Hiroshige Sunakawa  
Representative director: Akihiro Nisugi  
China-based consulting  
Incorporated: Jan. 13, 2012  
Investment: ¥130 mil.

## Logistics

### Funai Soken Logistics Inc.

President: Naoyuki Hashimoto  
Logistics solutions  
Incorporated: May 10, 2000  
Capital: ¥98 mil.

### Funai Soken Agata FAS Inc.

President: Kyohei Deguchi  
Financial advisory  
Launch: Operations scheduled to start on Jan. 6, 2025  
(joint venture with Agata Global Consulting)  
Capital: ¥100 mil.

### Almacreation Inc.

President: Masanori Kanda  
Marketing  
Incorporated: Aug. 31, 2007  
Capital: ¥93 mil.

### MI Consulting Co., Ltd.

President: Itaru Kagami  
Financial advisory  
Incorporated: Aug. 1, 2022  
Investment: ¥10 mil.  
\*Acquired Jul. 2025

## Digital Solutions

### Funai Consulting Inc.

### HR Force Inc.

President: Yasuko Murata  
HR solutions  
Incorporated: Feb. 1, 2018  
Capital: ¥64 mil.

### Apparel-Web, Inc.

President: Katsuya Kohira  
Digital marketing  
Incorporated: Jan. 27, 2000  
Investment: ¥100 mil.  
\*Acquired Apr. 2025  
\*Consolidated subsidiary: AWSG Pte. Ltd.

## ESG: Inclusion in Indexes etc.

### FTSE Blossom Japan Sector Relative Index

### S&P/JPX Carbon Efficient Index

### MSCI Japan Empowering Women Index (WIN)\*

### Morningstar® Japan ex-REIT Gender Diversity Tilt Index

### JPX-Nikkei Mid and Small Cap Index



FTSE Blossom  
Japan Sector  
Relative Index

(As of Jul. 2025)



2025 CONSTITUENT MSCI JAPAN  
EMPOWERING WOMEN INDEX (WIN)



\*The inclusion of Funai Soken Holdings in any MSCI index, and the use of MSCI logos, trademarks, service marks of index names herein, do not constitute a sponsorship, endorsement or promotion of Funai Soken Holdings by MSCI or any of its affiliates.

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## Initiatives We Support

### UN Global Compact Network Japan

### Human Capital Management Consortium



## Third-party Certifications

### ISO/IEC 27001 for information security management systems



Funai Soken Holdings  
certified Feb. 24, 2023  
Funai Soken Digital  
Aug. 16, 2024



Funai Consulting  
(DX Consulting Divisional HQ and  
Business Development Divisional HQ)  
certified Jun. 3, 2022



Proseed certified  
Dec. 18, 2008



HR Force certified  
Dec. 22, 2023

# Corporate Information

## Corporate Overview

Name	Funai Soken Holdings Inc.
Representative	Takayuki Nakatani President & Group CEO
Major roles	To serve as the group holding company, compile group strategies, and handle group management
Incorporated	March 6, 1970
Capital	¥3,125 mil.
Address	Tokyo Headquarters: 35th floor, Yaesu Central Tower, Tokyo Midtown Yaesu, 2-2-1 Yaesu, Chuo-ku, Tokyo  Osaka Headquarters: 4-4-10 Kitahama, Chuo-ku, Osaka
Consolidated subsidiaries	9 (as of Sep. 1, 2025)
Group employees	1,535

## Stock Information

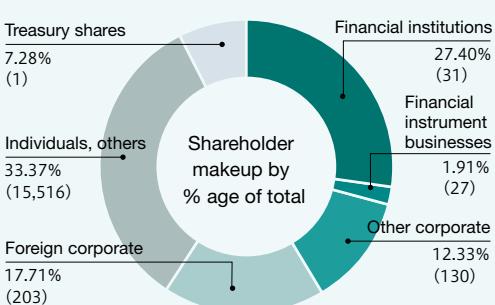
Stock exchange listing	Tokyo Stock Exchange Prime Market
Stock code	9757
Business year	Jan. 1 to Dec. 31
AGM	Mar.
Share unit	100 shares
No. of shares authorized for issue	130,000,000
Total no. of shares outstanding	46,360,157 (excl. 3,639,843 treasury shares)
Shareholders	15,908
Record date for dividends	Jun. 30, Dec. 31

## Top 10 Shareholders

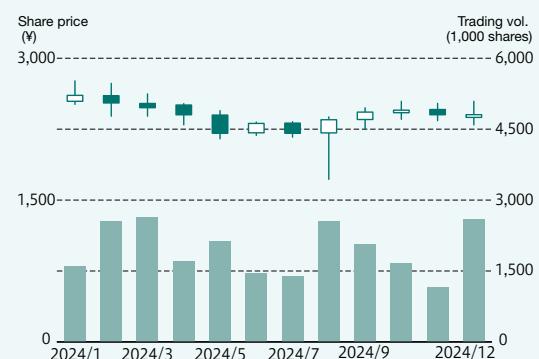
Name	Shares owned(x1,000)	Stake(%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	6,065	13.08
Funai Honsha Inc.	4,933	10.64
NORTHERN TRUST CO. (AVFC) RE FIDELITY FUNDS	2,309	4.98
Custody Bank of Japan, Ltd. (Trust account)	2,184	4.71
STATE STREET BANK AND TRUST COMPANY 505001	1,732	3.74
Sumitomo Mitsui Banking Corporation	1,494	3.22
Kazuko Funai	1,307	2.82
Nippon Life Insurance Company	1,062	2.29
Katsuhito Funai	1,056	2.28
Takahiro Funai	889	1.92

\*Treasury shares (3,639,843) are excluded when calculating holding percentages.

## Shareholder Categories (Shareholder numbers in parentheses)



## Share Price & Trading Volume





Please direct inquiries to:

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Sustainability Office

E-mail: [sustainability@funaisoken.co.jp](mailto:sustainability@funaisoken.co.jp)