

## Consolidated Financial Results for the First Half of the Fiscal Year Ending December 31, 2017

August 3, 2017

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Scheduled date of payment of dividend: August 28, 2017

Scheduled date of filing quarterly report: August 10, 2017

Supplementary materials compiled to explain 1st-half financial statements?  Yes / No

Meeting to be held for institutional investors and analysts to explain 1st-half financial results?  Yes / No

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

### 1. 1st Half Consolidated Financial Results (January 1, 2017 – June 30, 2017)

#### (1) Consolidated Results of Operations

(Percentages represent change from the same period last year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent company	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ending Jun. 30, 2017	9,068	18.3	2,729	43.1	2,766	43.9	1,888	42.3
Jun. 30, 2016	7,664	11.2	1,907	0.9	1,922	(3.6)	1,326	3.3

NB: Comprehensive income: 1,997 million yen (up 53.9%) in the six months ending Jun. 30, 2017

	Net income per share (basic)	Net income per share (diluted)
1,298 million yen (down 4.5%) in the six months ending Jun. 30, 2016		
Six months ending Jun. 30, 2017	Yen 56.06	Yen 55.45
Jun. 30, 2016	39.11	38.63

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Jun. 30, 2017	24,260	20,650	84.3
As of Dec. 31, 2016	22,862	19,272	83.5

NB: Shareholders' equity: 20,450 million yen as of June 30, 2017  
 19,091 million yen as of December 31, 2016

### 2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year end	Total
	Yen	Yen	Yen	Yen	Yen
Year ending Dec. 31, 2016	-	15.00	-	21.00	36.00
Year ending Dec. 31, 2017	-	15.00			
FY2017 forecast			-	24.00	39.00

NB: Amendments to dividend numbers compared to most recently announced figures? None

### 3. Forecast Consolidated Financial Results for the Year (January 1, 2017 – December 31, 2017)

(Percentages represent year-on-year change)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent company		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	18,000	9.5	3,900	1.0	3,900	0.9	2,600	1.6	77.31

NB: Amendments to performance numbers compared to most recently announced forecasts? None

#### Remarks

- (1) Changes in consolidated subsidiaries in 1Q and 2Q: None
- (2) Application of specific accounting procedures when compiling 2Q consolidated financial statements: None
- (3) Changes in accounting policies; changes in estimates; re-statement of amendments
- 1) Changes in accounting policies caused by revision of accounting standards: None
- 2) Other changes in accounting policies: None
- 3) Changes in accounting estimates: None
- 4) Re-statement of amendments: None
- (4) Number of outstanding shares (common stock)
- |   |               |            |               |            |
|---|---------------|------------|---------------|------------|
| 1) Number of shares outstanding at end of six-month period (including treasury stock) | Jun. 30, 2017 | 35,500,000 | Dec. 31, 2016 | 36,000,572 |
| 2) Number of treasury shares at end of six-month period                               | Jun. 30, 2017 | 1,730,695  | Dec. 31, 2016 | 2,369,101  |
| 3) Average number of shares during six-month period (cumulative total)                | Jun. 30, 2017 | 33,690,960 | Jun. 30, 2016 | 33,924,293 |

NB: This financial summary is excluded from quarterly review.

#### Statement Regarding the Use of Forward-Looking Statements

Forecasts in these materials regarding future performance are based on reasonable judgments made in accordance with information currently available. Actual results may differ greatly from these forecasts for a number of factors. Please refer to “Results of Operations” on page 2 of the appendix for further information concerning the conditions on which these forecasts are based and further cautions with respect to the use of forward-looking statements.

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## 1. Qualitative Information regarding the Six Months Ending Jun. 30, 2017

### (1) Results of Operations

	Six months ending Jun. 30, 2016	Six months ending Jun. 30, 2017	Change	Rate of change (%)
Net sales	7,664	9,068	1,403	18.3
Operating income	1,907	2,729	821	43.1
Ordinary income	1,922	2,766	844	43.9
Net income attributable to owners of the parent company	1,326	1,888	561	42.3
Net income per share (basic)	39.11 yen	56.06 yen	16.95 yen	43.3 yen

While the Japanese economy has improved over the first half of 2017, buoyed by gradual increases in corporate revenues and improvements in the unemployment rate, terrorist attacks in various locations and political trends in the United States and Europe, and instability in the situation concerning North Korea have conspired to keep the economic outlook unclear.

For our part, we at the Funai Soken Consulting Group have sought to implement three main policies: Help SMEs raise corporate value, propel clients to best-in-sector status, and develop IT and cloud-based solutions. Through those policies, we aim to cement our place as a comprehensive provider of management consulting solutions in accordance with the mid-range business plan (for 2017 through 2019) launched on November 4, 2016. As a result, consolidated revenues and profits for the first half of the year were the best ever.

#### I. Net sales: 9,068 million yen (up 18.3% over the six months ending Jun. 30, 2016)

In our core consulting business, sales far exceeded the planned target thanks to a solid flow of consulting orders. This success is the result of an increase in the participating membership of our industry-specific and solution-specific management workshops, our ongoing development and launch of up-to-date solutions to help respond to today's business climate and boost performance, and our ability to train young consultants quickly.

Consequently, sales rose 18.3% over the same period in the previous year to 9,068 million yen.

#### II. Operating income: 2,729 million yen (up 43.1% over the six months ending Jun. 30, 2016)

Operating income, too, far outpaced the planned target. This was due not only to the aforementioned factors behind the increase in revenues, but also to lucrative large-scale contracts for logistics consulting, a reduction in travel expenses by introducing videoconferencing facilities, and streamlining customer attraction costs by leveraging the efficiencies of seminars.

Consequently, operating income rose 43.1% over the same period in the previous year to 2,729 million yen.

#### III. Ordinary income: 2,766 million yen (up 43.9% over the six months ending Jun. 30, 2016)

Non-operating income rose 80.8% over the same period in the previous year to 48 million yen, buoyed by gains earned by investing surplus funds, namely 13 million yen in gain on sales of investment securities and 6 million yen in gain on valuation of investment securities. Non-operating expenses decreased 7.3% to 11 million yen.

Consequently, ordinary income rose 43.9% over the same period in the previous year to 2,766 million yen.

#### IV. Net income attributable to owners of the parent company: 1,888 million yen (up 42.3% over the six months ending Jun. 30, 2016)

Total income taxes rose 26.5% over the same period in the previous year to 878 million yen as a result of a large increase in net income before income taxes and other adjustments.

Consequently, net income attributable to owners of the parent company rose 42.3% over the same period in the previous year to 1,888 million yen.

The performance of each business segment is outlined below.

### **I. Consulting**

Consulting sales rose more than 20% over the same period in the previous year. Major factors include the establishment of solutions in the housing and real estate segment—an area of particular strength for us—to help SME clients boost performance and an increase in projects with mid-size and larger corporate clients. Elsewhere, in the healthcare, nursing care, and welfare segment, as well as the certified professional services segment, an increase in the participating membership of management workshops led to steady growth in consulting contracts.

In terms of specific solution categories, we made major gains in recruiting solutions for clients in industries like distribution and food service, where staff shortages are chronic, as well as in set-up support for clients wanting to enter the nursery school business, where shortening long waiting lists has become a government policy, and the nursing care business, which is indeed timely given Japan's rapidly aging population. There were also increases in M&A consulting contracts and substantial orders from larger corporate clients.

Profit margins also rose sharply, boosted not only by the aforementioned factors behind increased revenue, but also by efforts to enhance productivity and efficiency and by successfully keeping recruiting, training, and other personnel costs under budget.

Consequently, sales rose 20.1% over the same quarter in the preceding year to 7,876 million yen, and operating income rose 35.3% over the same period of the preceding year to 2,502 million yen.

### **II. Logistics**

Although sales of logistics operations fell slightly from the same period in the previous year, the revision of work plans for existing clients led to an increase in contract renewals. Moreover, deeper mining of clients and growth in the number of new clients in the courier agency segment ensured that sales were at least steady.

Logistics consulting sales increased as a result of an increase in orders from new clients attracted by seminars on new topics. Given the higher level of profitability of consulting activities in the logistics segment than logistics operations and logistics trading, we were able to increase operating income despite an increase in staff numbers.

Consequently, sales rose 5.1% over the same quarter in the preceding year to 884 million yen, and operating income rose 80.3% over the same quarter in the preceding year to 109 million yen.

### **III. Other Businesses**

Here, contact center consulting sales exceeded planned figures thanks to large-scale orders from new clients mainly for COPC certification support and diagnostic consulting. However, although sales exceeded the planned target, it should be noted that other facets such as IT-related operations continued to struggle.

Consequently, sales rose 17.5% over the same period in the previous year to 296 million yen, and operating income rose to 34 million yen (compared to a net loss of 6 million yen in the six months ending Jun. 30, 2016).

## **(2) Financial Position**

### **Assets**

Total assets increased 1,397 million yen from the end of FY2016 to 24,260 million yen at the end of the second quarter.

Current assets increased 1,247 million yen from the end of FY2016 to 13,497 million yen. This was mainly due to increases in cash, deposits, short-term investment securities, and work in process, and decreases in trade notes and accounts receivable.

Noncurrent assets increased 149 million yen from the end of FY2016 to 10,763 million yen. This was mainly due to decreases in property, plant, and equipment, and intangible assets as a result of depreciation, and an increase in investment of surpluses in investment securities.

### **Liabilities**

Total liabilities increased 19 million yen from the end of FY2016 to 3,609 million yen at the end of the second quarter.

Current liabilities decreased 21 million yen from the end of FY2016 to 2,641 million yen. This was mainly due to decreases in trade notes and accounts payable, a decrease in accrued consumption taxes (listed under “other current liabilities”), and an increase in income taxes payable.

Noncurrent liabilities increased 40 million yen from the end of FY2016 to 968 million yen.

### **Net Assets**

Total net assets increased 1,378 million yen from the end of FY2016 to 20,650 million yen at the end of the second quarter. This was mainly due to an increase in net income attributable to owners of the parent company and a decrease in retained earnings as these were appropriated.

### **Equity Ratio**

Equity ratio increased 0.8 points from the end of FY2016 to 84.3% at the end of the second quarter.

### **Cash Flow**

Cash and cash equivalents (hereinafter “net cash”) increased 1,204 million over the end of FY2016 to 9,867 million yen at the end of the six months ending June 30, 2016.

Trends in cash flow during the first half of the year are described below.

#### **Net Cash Provided by Operations**

Net cash provided by operations totaled 2,104 million yen compared to 1,011 million yen in the same quarter of the previous year.

This was mainly due to net income before income taxes and other adjustments of 2,767 million yen, income tax payments and refunds resulting in a net expenditure of 381 million yen, and depreciation of 115 million yen.

#### **Net Cash Provided by Investments**

Net cash used in investments totaled 229 million yen compared to 116 million yen in the same quarter of the previous year.

This was mainly due to purchase and sale of short-term investment securities and investment securities resulting in a net expenditure of 227 million yen.

#### **Net Cash Provided by Financing**

Net cash used in financing totaled 670 million yen compared to 587 million yen in the same quarter of the previous year. This was mainly due to 704 million yen distributed as dividends.

### **(3) Consolidated Forecast and other Forward-looking Information**

This year, 2017, marks the beginning of the three-year period covered by the mid-range business plan we unveiled on November 4, 2016. It has also seen the launch of a new line of consulting services, namely those for the financial services industry, an area in which we seek to enhance our range of consulting solutions. The establishment of a Financial Services Consulting Department in July has laid the groundwork for robust consulting services offered to clients such as “shinkin” banks (a kind of regional cooperative financial institution), including feasibility appraisals, growth support, and many other services that leverage our unique strengths for the client’s benefit.

Elsewhere, in an age when Japan’s aging society and low birth rates make it increasingly difficult for companies to recruit staff, we continue to pour our efforts into talent development consulting to help alleviate clients’ staff shortages by enabling them to find, train, and retain their ideal workers. In addition to talent development and business growth support, we endeavor to help improve value through a range of consulting services for specific solution categories. For instance, for the financial services industry, we offer the Financial Services Staff Training Academy and an extensive line-up of focused workshops, and have unleashed new study groups aimed at enhancing profitability as well as new products for management diagnosis. Similarly, we have developed a variety of talent development new services that harness the advantages of IT and launched information security diagnosis services. In this way, we have made steady progress toward achieving our business strategy plans for the year.

Our logistics business is focused on solidifying relations with existing clients and broadening opportunities to attract new orders, for instance by holding regular workshops and seminars, through which we can communicate with potential clients more regularly and increase the chance of converting them.

Elsewhere, we continue to seek improved performance from our contact center consulting operations by hiring extra staff and accelerating the expansion of sales channels to incorporate users outside the main centers.

For now, this year’s consolidated forecast, which we unveiled on February 6, 2017, is unchanged. We are, however, constantly reviewing that forecast together with projections related to the targets of the mid-range business plan and, if a revision is deemed necessary, we will make the pertinent information public promptly.

## 2. Consolidated Financial Statements and Notes

### (1) Consolidated Balance Sheet

(Unit: Thousand yen)

	FY12/16 (As of Dec. 31, 2016)	1st Half of FY2017 (As of Jun. 30, 2017)
<b>Assets</b>		
Current assets		
Cash and deposits	8,663,050	9,867,080
Trade notes and accounts receivable	1,878,748	1,783,439
Short-term investment securities	901,349	1,000,990
Work in process	70,155	115,343
Raw materials and supplies	8,279	7,561
Other current assets	758,936	754,908
Allowance for doubtful accounts	(31,140)	(32,148)
Total current assets	12,249,380	13,497,175
Noncurrent assets		
Property, plant, and equipment		
Buildings and structures, net	1,366,162	1,331,616
Land	4,610,713	4,606,678
Lease assets, net	55,609	48,986
Other property, plant, and equipment, net	67,866	78,324
Total property, plant, and equipment	6,100,352	6,065,605
Intangible assets		
Leasehold rights	322,400	322,400
Software	261,899	251,081
Other intangible assets	170,142	153,231
Total intangible assets	754,442	726,712
Investments and other assets		
Investment securities	2,919,921	3,148,034
Assets related to retirement benefits	523,931	538,442
Other investments and other assets	323,465	294,484
Allowance for doubtful accounts	(8,814)	(10,106)
Total investments and other assets	3,758,502	3,970,854
Total noncurrent assets	10,613,298	10,763,173
Total assets	22,862,678	24,260,349

(Unit: Thousand yen)

	FY12/16 (As of Dec. 31, 2016)	1st Half of FY2017 (As of Jun. 30, 2017)
<b>Liabilities</b>		
Current liabilities		
Trade notes and accounts payable	256,350	230,641
Lease obligations	14,225	14,225
Income taxes payable	758,828	928,656
Provision for bonuses	-	66,601
Other current liabilities	1,633,782	1,401,312
Total current liabilities	2,663,188	2,641,437
Noncurrent liabilities		
Bonds payable	500,000	500,000
Long-term loans payable	100,000	100,000
Lease obligations	45,638	38,525
Deferred tax liabilities	228,488	276,398
Other noncurrent liabilities	52,885	53,085
Total noncurrent liabilities	927,012	968,009
Total liabilities	3,590,201	3,609,446
<b>Net assets</b>		
Shareholders' equity		
Capital stock	3,125,231	3,125,231
Capital surplus	2,946,634	2,946,634
Retained earnings	14,478,158	15,320,253
Treasury stock	(1,527,811)	(1,119,610)
Total shareholders' equity	19,022,212	20,272,509
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	152,982	246,625
Foreign currency translation adjustments	16,256	15,947
Accumulated adjustments for retirement benefits	(100,141)	(84,425)
Total accumulated other comprehensive income	69,097	178,147
Subscription rights for shares	181,166	200,245
Total net assets	19,272,477	20,650,902
<b>Total liabilities and net assets</b>	<b>22,862,678</b>	<b>24,260,349</b>

## (2) Consolidated Statements of Income and Comprehensive Income

### Consolidated Statement of Income

First Half

(Unit: Thousand yen)

	1st Half of 2016 (Jan. 1 – Jun. 30, 2016)	1st Half of 2017 (Jan. 1 – Jun. 30, 2017)
Net sales	7,664,962	9,068,902
Cost of sales	4,836,992	5,246,100
Gross profit	2,827,969	3,822,801
SG&A expenses	920,683	1,093,634
Operating income	1,907,285	2,729,166
Non-operating income		
Interest income	4,331	3,526
Dividend income	7,286	5,821
Gain on sales of investment securities	3,323	13,772
Gain on valuation of investment securities	-	6,628
Surrender value of insurance	-	11,140
Other non-operating income	11,828	7,524
Total non-operating income	26,770	48,412
Non-operating expenses		
Interest expenses	3,121	2,830
Investment partnership management expenses	3,844	3,405
Other non-operating expenses	4,951	4,814
Total non-operating expenses	11,917	11,050
Ordinary income	1,922,139	2,766,529
Extraordinary income		
Gain on reversal of subscription rights for shares	175	1,022
Gain on sales of noncurrent assets	-	229
Gain on sales of investment securities	101,157	9
Total extraordinary income	101,332	1,261
Extraordinary losses		
Loss on sales of noncurrent assets	130	-
Loss on retirement of noncurrent assets	1,650	250
Loss on sales of investment securities	139	-
Loss on cancellation of lease contracts	-	112
Total extraordinary losses	1,919	362
Net income before income taxes and other adjustments	2,021,551	2,767,427
Current income taxes	653,334	859,884
Deferred income taxes	41,363	18,806
Total income taxes	694,698	878,691
Quarterly net income	1,326,853	1,888,736
Net income attributable to owners of the parent company	1,326,853	1,888,736

## Consolidated Statement of Comprehensive Income

First Half

(Unit: Thousand yen)

	1st Half of 2016 (Jan. 1 – Jun. 30, 2016)	1st Half of 2017 (Jan. 1 – Jun. 30, 2017)
Net income	1,326,853	1,888,736
Other comprehensive income		
Valuation difference on available-for-sale securities	(37,067)	93,643
Foreign currency translation adjustments	(1,603)	(309)
Adjustments for retirement benefits	10,239	15,715
Total other comprehensive income	(28,432)	109,049
Comprehensive income	1,298,421	1,997,786
Details		
Comprehensive income attributable to owners of the parent company	1,298,421	1,997,786

**(3) Consolidated Cash Flow Statement**

(Unit: Thousand yen)

	1st Half of 2016 (Jan. 1 – Jun. 30, 2016)	1st Half of 2017 (Jan. 1 – Jun. 30, 2017)
Net cash provided by (used in) operations		
Net income before income taxes and other adjustments	2,021,551	2,767,427
Depreciation	116,710	115,365
Goodwill	31,059	26,694
Share-based compensation expenses	30,643	47,558
Increase (decrease) in allowance for doubtful accounts	2,368	2,300
Decrease (increase) in assets related to retirement benefits	1,956	1,204
Increase (decrease) in provision for bonuses	54,274	66,568
Loss (gain) on valuation of investment securities	-	(5,741)
Loss (gain) on sales of investment securities	(104,341)	(13,377)
Interest and dividend income	(11,618)	(9,347)
Surrender value of insurance	-	(11,140)
Interest expenses	3,121	2,830
Loss (gain) on exchange	1,092	(70)
Loss (gain) on sales of property, plant, and equipment	130	(229)
Loss on retirement of property, plant, and equipment	1,650	250
Decrease (increase) in trade notes and accounts receivable	173,800	95,261
Decrease (increase) in other assets	(189,678)	(360,598)
Increase (decrease) in other liabilities	(486,483)	(256,818)
Other cash provided by (used in) operations	5,036	5,036
Subtotal	1,651,274	2,473,173
Interest and dividends received	18,620	15,628
Interest paid	(4,877)	(2,842)
Income taxes paid	(1,048,076)	(719,975)
Income tax refunds	394,819	338,518
Net cash provided by (used in) operations	1,011,760	2,104,502

(Unit: Thousand yen)

	1st Half of 2016 (Jan. 1 – Jun. 30, 2016)	1st Half of 2017 (Jan. 1 – Jun. 30, 2017)
Net cash provided by (used in) investments		
Purchase of short-term investment securities	(400,000)	(1,399,979)
Proceeds from sale of short-term investment securities	600,000	1,399,980
Purchase of investment securities	(251,856)	(227,236)
Proceeds from sale of investment securities	118,153	226
Purchase of property, plant, and equipment	(173,721)	(47,063)
Proceeds from sale of property, plant, and equipment	11	5,625
Purchase of intangible assets	(8,711)	(6,336)
Proceeds from cancellation of insurance funds	-	45,543
Other cash provided by (used in) investments	100	-
Net cash provided by (used in) investments	(116,023)	(229,241)
Net cash provided by (used in) financing		
Proceeds from long-term loans payable	100,000	-
Repayment of lease obligations	(8,409)	(7,112)
Redemption of bonds	(100,000)	-
Purchase of treasury stock	(7,422)	(5,553)
Proceeds from sale of treasury stock	19,867	45,916
Dividends paid	(591,780)	(704,113)
Net cash provided by (used in) financing	(587,744)	(670,863)
Effect of exchange rate changes on cash and cash equivalents	(1,520)	(367)
Increase (decrease) in cash and cash equivalents	306,472	1,204,029
Cash and cash equivalents at start of fiscal year	7,125,584	8,663,050
Cash and cash equivalents at end of quarter	7,432,056	9,867,080

#### (4) Notes on Consolidated Financial Statements

##### Notes on Going Concern Assumptions

None to report.

##### Notes on Significant Changes to Shareholders' Equity

None to report.

##### Additional Information

The group has adopted the ASBJ Guidance on Recoverability of Deferred Tax Assets (ASBJ Guidance No. 26; March 28, 2016) starting in the first quarter.

##### Segment Information

###### I. 1st Half of 2016 (Jan. 1 – Jun. 30, 2016)

###### Information about Net Sales, Income and Losses for Each Segment

(Unit: Thousand yen)

	Consulting	Logistics	Others <sup>(1)</sup>	Total	Adjustment <sup>(2)</sup>	Amount listed in consolidated statement of income <sup>(3)</sup>
Net sales						
Sales to external customers	6,558,974	841,484	252,071	7,652,530	12,431	7,664,962
Inter-segment sales and transfers	39,861	120,157	3,969	163,988	(163,988)	-
Total	6,598,836	961,642	256,041	7,816,519	(151,557)	7,664,962
Segment income (loss)	1,849,093	60,693	(6,460)	1,903,326	3,959	1,907,285

##### Notes

1. The “others” category includes income from IT and contact center consulting businesses.
2. Adjustments of segment income (losses) include 1,766,031,000 yen in elimination of inter-segment transactions, as well as 2,638,498,000 yen in whole-group income and 868,507,000 yen in whole-group expenses that are not attributable to any segment. Whole-group income comprises of outsourcing fees, consulting fees, and rental income from group companies, and whole-group expenses are comprised of those incurred in the operations of the group’s holding company not attributable to any segment.
3. Income/losses are adjusted against operating income in the consolidated statement of income.

###### II. 1st Half of 2017 (Jan. 1 – Jun. 30, 2017)

###### Information about Net Sales, Income and Losses for Each Segment

(Unit: Thousand yen)

	Consulting	Logistics	Others <sup>(1)</sup>	Total	Adjustment <sup>(2)</sup>	Amount listed in consolidated statement of income <sup>(3)</sup>
Net sales						
Sales to external customers	7,876,301	884,392	296,231	9,056,925	11,976	9,068,902
Inter-segment sales and transfers	29,821	94,757	4,218	128,797	(128,797)	-
Total	7,906,123	979,150	300,450	9,185,723	(116,821)	9,068,902
Segment income (loss)	2,502,295	109,414	34,846	2,646,555	82,610	2,729,166

##### Notes

1. The “others” category includes income from IT and contact center consulting businesses.
2. Adjustments of segment income include 1,897,318,000 yen in elimination of inter-segment transactions, as well as 3,067,602,000 yen in whole-group income and 1,087,672,000 yen in whole-group expenses that are not attributable to any segment. Whole-group income is comprised of outsourcing fees, consulting fees, and rental income from group companies, and whole-group expenses are comprised of those incurred in the operations of the group’s holding company not attributable to any segment.
3. Income/losses are adjusted against operating income in the consolidated statement of income.

### 3. Other Information

#### (1) Orders and Sales

##### I. Orders

Orders won by each operating segment in the first half of the year are as follows.

Segment	Orders received (unit: 1,000 yen)	Change from same period last year (%)	Orders outstanding (unit: 1,000 yen)	Change from same period last year (%)
Consulting	7,211,690	+18.8	6,182,369	+2.8
Logistics	189,932	+396.1	118,808	+390.0
Other businesses	378,724	+39.4	177,951	+36.5

##### Notes

1. Consulting orders above include only consulting income; membership fees and seminar fees are excluded as they are ongoing income.
2. Logistics income includes only that earned from logistics consulting activities.
3. Other income includes only that earned from IT and contact center consulting.
4. The above amounts are based on sale prices.
5. The above amounts do not include consumption tax.

##### II. Sales

Sales made by each operating segment in the first half of the year are as follows.

Segment	Sales (unit: 1,000 yen)	Change from same period last year (%)
Consulting	7,876,301	+20.1
Logistics	884,392	+5.1
Other businesses	296,231	+17.5
Total	9,056,925	+18.4

##### Notes

1. Sales amounts indicate sales to external customers.
2. The above amounts do not include consumption tax.
3. No single customer accounted for 10% or more of aggregate net sales.