



Funai Soken Holdings Incorporated

2026 First-Half Financial Results Briefing

August 7, 2026

[Speakers]

Takayuki Nakatani

President and Group CEO

Motoki Haruta

Director and Executive Officer, Head of Management Division

Presentation

Nakatani: I am Nakatani, President of Funai Soken Holdings. Thank you very much for your continued support of our group. I'd like to walk you through the financial results for the second quarter of the fiscal year ending December 2026, which we have announced today at 12:00 PM Japan Standard Time. Since our time is limited, I will explain the financial results by referring to selected slides from the materials.

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Statement Regarding Use of These Materials

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I will start with a summary of our results and business overview. Following that, Director Haruta will report on our financial position and key topics from the second quarter. Finally, I will discuss our earnings forecasts and growth strategy.

Highlights

FY2026 Q2 Financial Results	■ New 2nd-quarter records were set for sales and operating income. ■ We have absorbed costs disbursed as growth investments (e.g., investments in offices relating to relocation of Osaka HQ, human resources, and M&A), and operating income is progressing steadily at 52% as of the end of Q2.
KPIs	■ Our core services are performing robustly, with sales of monthly support up 9.9% and management workshops up 8.2%. ■ Consulting services for mid-market aspirants—¥10 Billion Business consulting, M&A consulting, and grants and subsidies consulting—rose sharply, up 112.0%. ■ Consultant headcount increased by 7.6% to approx. 1,200 over the same period last year. ■ Management workshop membership increased 4.8%, per-contract monthly revenue increased 4.9%—both reaching record figures. ■ Monthly support client company numbers at the end of Q2 were up 1.6% over the same period last year; per-contract monthly revenue was up 6.2%.
Outlook for 2026	■ Target: Record net sales (¥37.0 bil.) and operating income (¥9.1 bil.). ■ Target: Dividend payout ratio of at least 60%, total return ratio of at least 65%, dividends up for the 16th straight year.
News	■ Capital & business alliance with Tokio Marine & Nichido Fire Insurance designed to add further momentum to initiatives aimed at helping mid-market companies and SMEs achieve sustainable growth. (July 2026)

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First, I would like to explain the key points of our financial results for the second quarter of the fiscal year ending December 2026.

In the second quarter, we achieved record-high results for a second quarter in both net sales and operating income. We were able to successfully absorb costs related to investments in future growth, including office investments associated with the relocation of our Osaka headquarters, as well as investments in human resources and M&A. On that basis, operating income has reached 52% of the full-year target, demonstrating steady progress for the interim period. On the business front, our core monthly support consulting services grew by 9.9%, and our management workshops saw an 8.2% increase, both showing steady performance. Furthermore, our consulting services for mid-market aspirants, centered on helping clients become JPY10 billion companies, as well as on M&A and subsidy consulting, recorded significant growth of 112%.

In terms of key KPIs, our consultant headcount increased by 7.6%, bringing the total to approximately 1,200. The management workshop membership and its monthly revenue per contract have both reached record highs.

Our full-year earnings outlook remains unchanged, and we plan to set new record highs with net sales of JPY37 billion and operating income of JPY9.1 billion. For shareholder returns, we plan to increase dividends for the 16th straight year, aiming for a dividend payout ratio of at least 60% and a total return ratio of at least 65%.

For topics, in July, we entered into a capital and business alliance with Tokio Marine & Nichido Fire Insurance Co., Ltd.

1. Executive Summary

(1) Consolidated Income

- Sales and income were both up; progress toward income target is ahead of schedule
- In Q2 (Apr.–Jun.), net sales were up 7.4%, and operating income was up by double digits: 10.9%

	FY2025 Q2 YTD		FY2026 Q2 YTD			Comparison with financial result forecast (Issued February 6, 2026)	
	Amount (million yen)	% of total	Amount (million yen)	% of total	Change (%)	Amount (million yen)	Difference (%)
Net sales	16,043	100.0	16,825	100.0	+4.9	17,500	-3.9
Operating income	4,684	29.2	4,736	28.1	+1.1	4,700	+0.8
Ordinary income	4,688	29.2	4,902	29.1	+4.6	4,700	+4.3
Net income attributable to owners of the parent	1,651*	10.3	3,218	19.1	+94.9	3,150	+2.2

*Net income for Q1 2025 reflects the effects of extraordinary losses of ¥2,155 mil. incurred on the sale of the Gotanda Office.

Next, I will explain our consolidated income for the second quarter on a YTD basis.

Net sales were JPY16,825 million, up 4.9% YoY; operating income was JPY4,736 million, up 1.1%; and ordinary income was JPY4,902 million, up 4.6%. Net income attributable to owners of the parent was JPY3,218 million, up 94.9%, and we achieved both higher sales and higher profits.

Although the first quarter got off to a somewhat slow start, looking at the second quarter alone, net sales increased by 7.4% YoY, and operating income rose by 10.9%, marking double-digit growth in operating income.

When compared to the previously announced earnings forecasts, while net sales were down 3.9% from the forecast, operating income was up 0.8% and ordinary income was up 4.3%, indicating that profits exceeded the plan.

1. Executive Summary

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



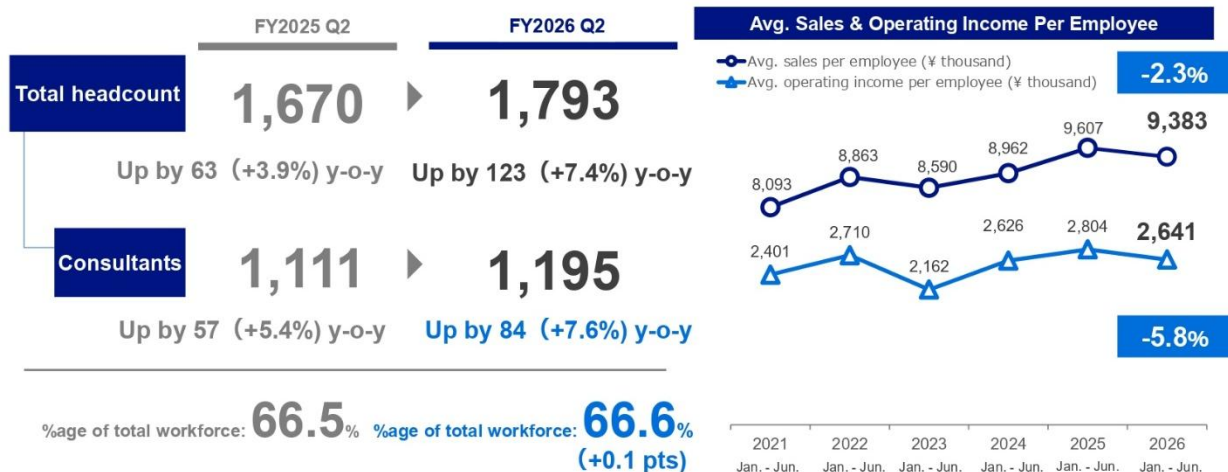
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The progress rate against full-year forecasts is 45.5% for net sales, 52% for operating income, 53.9% for ordinary income, and 49.1% for net income. Although sales are slightly behind, income figures are maintaining the same level of progress as last year, and we are making steady progress toward achieving our full-year targets.

1. Executive Summary

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



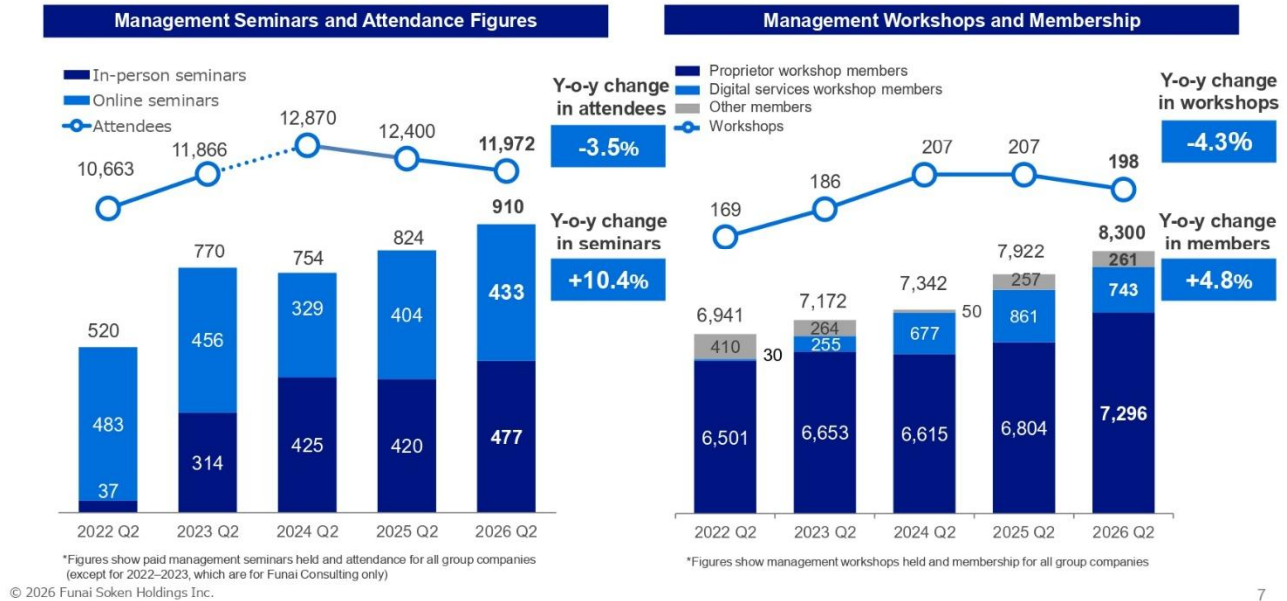
Next, I will explain the trends in key KPIs related to human capital, which forms the foundation of our business.

The total headcount across our group increased by 7.4% YoY to 1,793. Of this total, the number of consultants increased by 7.6% to 1,195.

Average sales and operating income per employee for the second quarter cumulative decreased by 2.3% and 5.8%, respectively. This is due to investment costs incurred in connection with the aggressive hiring of consultants to support future sustainable growth and the relocation of our Osaka headquarters. Going forward, as we continue to develop and integrate our new hires into the workforce, we will strive to further improve productivity and increase profitability.

1. Executive Summary

(3) KPIs: Seminars & Workshops



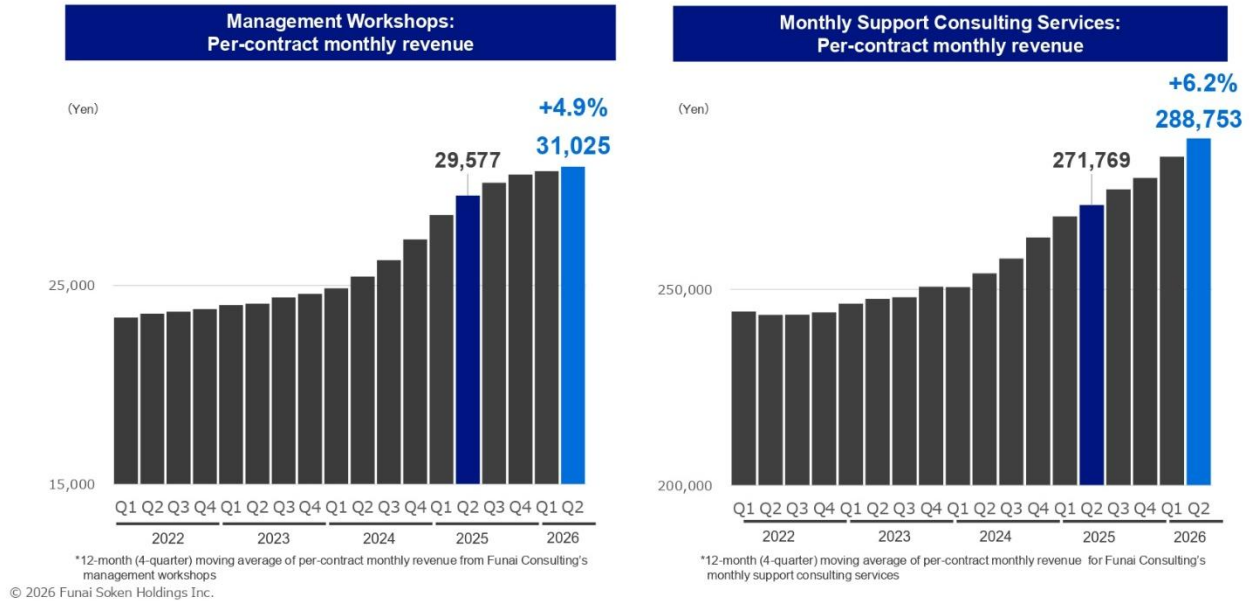
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Next, I will explain the trends in the performance of our management seminars and management workshops.

First, regarding the management seminars, the number of seminars held increased by 10.4% YoY to 910, but the number of attendees decreased slightly by 3.5%. Regarding the management workshops, which serve as our group's stable customer base, membership increased by 4.8% to 8,300, setting a new record high and continuing to grow.

1. Executive Summary

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



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Next, I will explain the trends in per-contract revenue for the management workshops and monthly support consulting services.

As shown on the left slide, per-contract monthly revenue for the management workshop increased by 4.9% YoY. On the right side, per-contract monthly revenue for the monthly support consulting services increased by 6.2%, indicating that revenue per contract is steadily increasing for both services.

1. Executive Summary

(3) KPIs: Consulting Client Numbers



*With the consolidation of multiple segments into a single consulting segment, we have begun aggregating monthly consulting client company numbers on a groupwide basis starting this year. (Figures for previous periods have been retroactively adjusted) (excl. intra-group transactions)

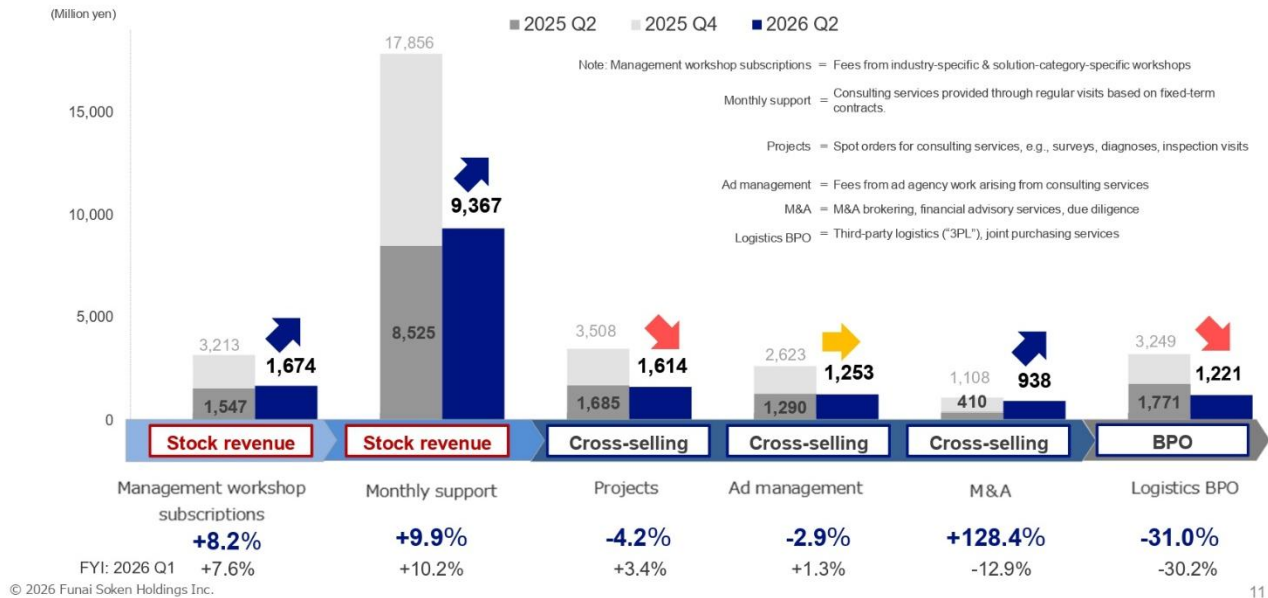
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This shows the trends in the number of clients. Due to the impact of ongoing price increases, while there was one month in which results fell short of the previous year's levels, results for all other months have remained above the previous year's levels.

2. Financial Results as of FY2026 Q2

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



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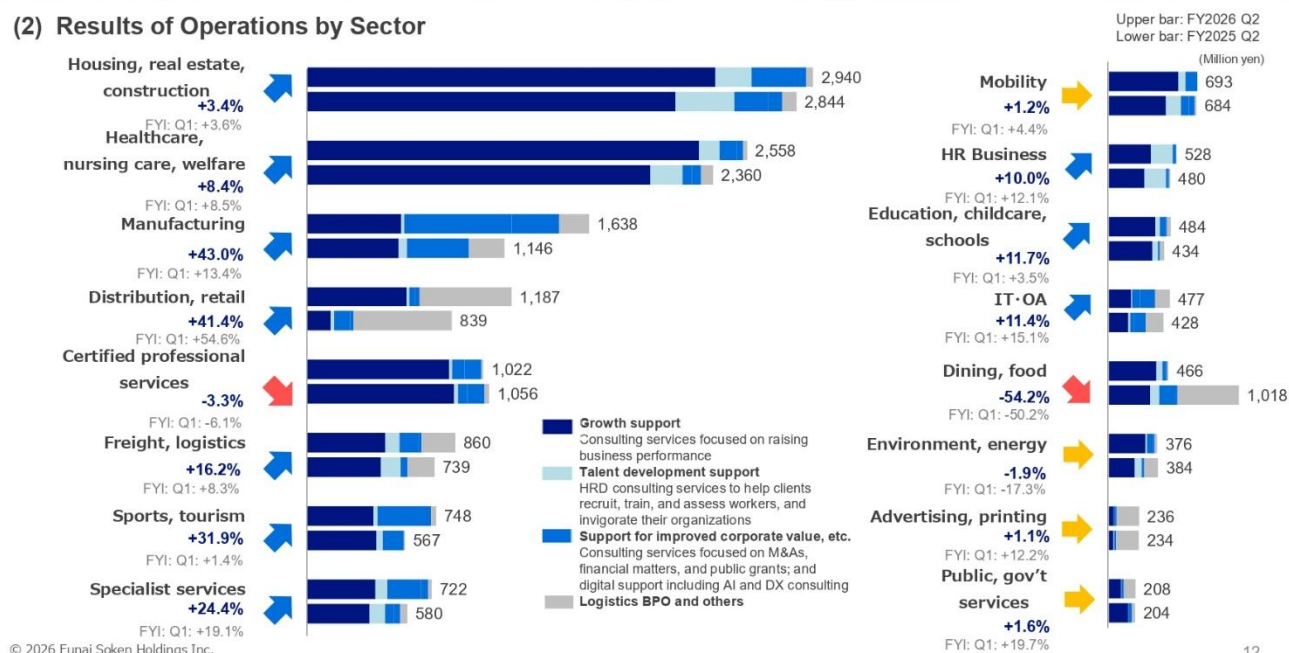
From here on, I will discuss the financial results for the second quarter of fiscal 2026 in detail.

First, results of sales by service category. Since we have consolidated our business segments into a single segment of consulting starting this fiscal year, we are including last year's full-year figures for reference. For comparison with the same period last year, please take a look at the dark gray and dark blue sections.

Regarding stock revenue, as our group's stable revenue base, subscription fees for the management workshop increased by 8.2% YoY, and monthly support rose by 9.9%, with both showing strong performance. In the cross-selling areas, while projects fell by 4.2% and advertising management fell by 2.9%, both slightly below the previous year's levels, M&A grew significantly, rising 128.4%. Logistics BPO saw a 31% decrease, partly due to policy-driven contraction, but the steady accumulation of our core recurring revenue contributed to strong financial results as a whole.

2. Financial Results as of FY2026 Q2

(2) Results of Operations by Sector



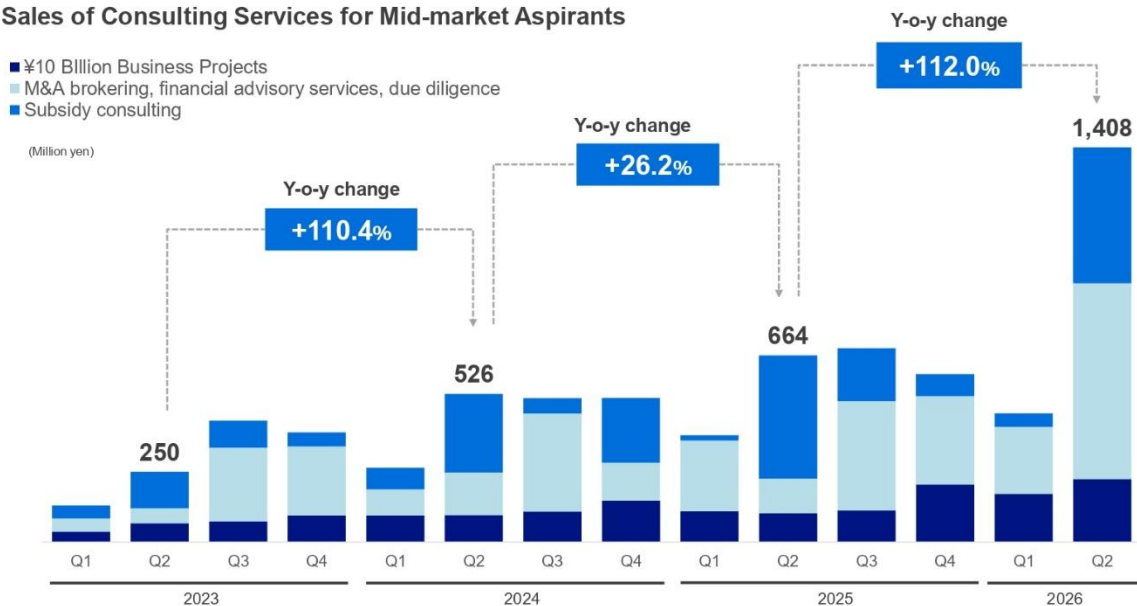
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Next, results of operations by sector.

The housing, real estate, and construction sector, which accounts for a large share of the total, increased by 3.4%, followed by the healthcare, nursing care, and welfare sector, which increased by 8.4%, demonstrating steady growth. In addition, during this second quarter, the manufacturing sector saw significant growth of 43% driven by growth in M&A and subsidy consulting. Distribution and retail also grew significantly. This is attributable to the large customer bases of Apparel-Web, which joined our group in Q2 last year and Logi-Create, which joined our group in January of this year.

2. Financial Results as of FY2026 Q2

(3) Sales of Consulting Services for Mid-market Aspirants



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This is a new disclosure document starting this year. As a key focus area of our new medium-term business plan, it shows the sales trends over the past three years for our consulting services for mid-market aspirants, including JPY10 billion projects, M&A-related, and subsidy consulting.

As shown in this graph, sales in these fields have continued to grow year after year. In the second quarter as well, we recorded significant growth of 112% YoY, more than doubling the previous year's figure. Demand for this initiative, which supports the further growth of mid-sized and SME businesses, is extremely high, and we see solid signs that it will serve as a new growth driver for our company.

Now, Haruta will take over and continue the explanation.

2. Financial Results as of FY2026 Q2

(4) Consolidated Financial Position: Balance Sheet

(Million yen)

		As of Dec. 31, 2025	As of Jun. 30, 2026	Change	Major factors behind changes
Current assets		20,711	19,428	(1,282)	Decrease due to the acquisition of investment securities as part of surplus fund management
Noncurrent assets	Property, plant, and equipment	2,668	2,191	(477)	Decrease due to a decrease in land resulting from the sale of company housing, as well as depreciation.
	Intangible assets	1,688	1,778	+89	Increase due to addition of goodwill upon acquisition of new subsidiaries.
	Investments and other assets	9,425	10,582	+1,156	Increase due to the addition of investment securities and long-term deposits as part of surplus fund management.
Total assets		34,493	33,980	(512)	
Current liabilities		8,514	6,445	(2,069)	Decrease in accounts payable following the payment of income taxes and expenses related to the Osaka HQ relocation.
Noncurrent liabilities		190	277	+87	
Total liabilities		8,705	6,722	(1,982)	
Total net assets		25,788	27,258	1,469	Equity ratio steady at 78.0%.
Total liabilities & net assets		34,493	33,980	(512)	

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Haruta: Hello, everyone. I am Haruta of Funai Soken Holdings. I would like to begin by explaining our consolidated financial position.

In terms of major changes, current assets decreased and investments and other assets increased, due to the acquisition of investment securities and an increase in long-term deposits as part of surplus fund management.

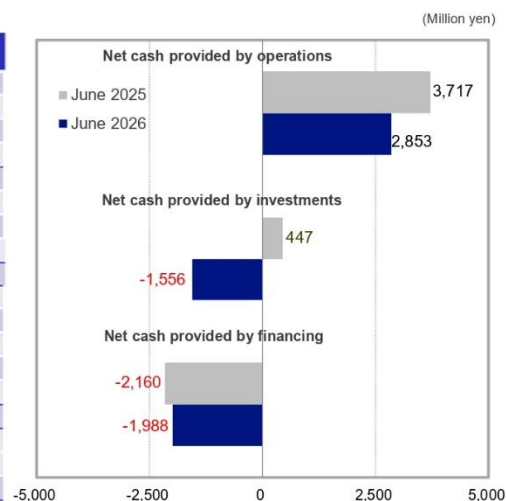
Current liabilities have decreased mainly due to the payment of income taxes and office relocation expenses, resulting in a reduction in accounts payable. As a result, total net assets amounted to JPY27,258 million, and the equity ratio stood at 78%, maintaining a sound financial foundation.

2. Financial Results as of FY2026 Q2

(4) Consolidated Financial Position: Cash Flow Statement

	(Million yen)		
	June 2025	June 2026	Change
Net cash provided by (used in) operations			
Net income before income taxes and other adjustments	2,491	4,731	2,239
Impairment losses	2,155	—	(2,155)
Other	(749)	49	799
Subtotal	3,896	4,781	882
Income taxes paid	(1,012)	(1,988)	(975)
Income tax refunds	823	—	(823)
Other	8	61	52
Net cash provided by (used in) operations	3,717	2,853	(864)
Net cash provided by (used in) investments			
Purchase of investment securities	(50)	(1,095)	(1,045)
Purchase of property, plant and equipment and intangible assets	(161)	(918)	(756)
Proceeds from sale of property, plant, and equipment, and intangible assets	1,453	281	(1,172)
Other	(744)	176	920
Net cash provided by (used in) investments	447	(1,556)	(2,003)
Net cash provided by (used in) financing			
Dividends paid	(1,759)	(1,954)	(194)
Other	(401)	(34)	367
Net cash provided by (used in) financing	(2,160)	(1,988)	172
Change in cash and cash equivalents	1,996	(685)	(2,681)
Cash and cash equivalents at start of fiscal year	10,346	13,359	3,012
Cash and cash equivalents at end of first half	12,342	12,674	331

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Next, status of our cash flow.

Net cash provided by operations has remained consistently positive. Net cash used in investments reflects expenditures related to the acquisition of investment securities and fixed assets, as explained earlier.

(5) News

1) Funai Soken Holdings Enters into Capital & Business Alliance with Tokio Marine & Nichido Fire Insurance



The alliance will enable us to access Tokio Marine & Nichido Fire Insurance's extensive client base, and to expand our consulting footprint with diverse solutions that combine the best of both companies.

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2) Funai Soken Holdings Chosen for FTSE JPX Blossom Japan Index



FTSE JPX Blossom Japan Index

Funai Soken Holdings is proud to announce that it has been selected for the first time as a constituent of the FTSE JPX Blossom Japan Index, an ESG index adopted by Japan's Government Pension Investment Fund (GPIF). With this, we are now included in five of the six Japanese equity ESG indices adopted by the GPIF.

FTSE Russell confirms that Funai Soken Holdings has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE JPX Blossom Japan Index. Created by the global index and data provider FTSE Russell, the FTSE JPX Blossom Japan Index is designed to measure the performance of companies demonstrating specific Environmental, Social and Governance (ESG) practices. The FTSE JPX Blossom Japan Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

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Next, I would like to highlight several key topics from the first half.

First, the capital and business alliance with Tokio Marine & Nichido Fire Insurance Co., Ltd. We will leverage their extensive customer base and offer a diverse range of solutions that combine the strengths of both companies, and we aim to further expand our consulting business.

Second, our first inclusion in the FTSE JPX Blossom Japan Index. This is one of the Japanese stock market indices for ESG adopted by the GPIF, and we view this as a result of the high regard in which our outstanding efforts in environmental, social, and governance matters are held. With this inclusion, we have now been selected for five of the six Japanese equity ESG indices adopted by the GPIF.

(5) News

3) Funai Soken Holdings Acquires MTUS to Strengthen Workplace Consulting Capabilities



The addition of MTUS's superior spatial design capabilities will better equip the group to help clients achieve sustained growth through a dual focus on business management and creative design that address a diverse range of challenges from workplace optimization to branding.

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4) Funai Soken Holdings & JAIC Agree to Establish New Joint Venture: Funai Soken JAIC Capital



The Funai Soken Consulting Group is about to make its first foray into the business succession support fund sector. Funai Soken Holdings and JAIC are planning an inaugural fund of ¥2–3 billion that harnesses both partners' strengths to help companies in the mobility industry.

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Third, the Group inclusion of MTUS, Inc., which aims at strengthening our workplace consulting services. With this company's expertise in office and retail store design, we will drive the sustainable growth of our client companies through a dual approach of management and design, from workplace optimization to branding.

Fourth, the agreement to establish Funai Soken JAIC Capital, a joint venture with JAIC, Japan Asia Investment Col, Ltd. Through this, we will make a full-scale entry into the business succession support fund sector and, by leveraging the strengths of both companies, plan to form our first fund for the mobility industry, sized at around JPY2 billion to JPY3 billion.

(5) News

5) Funai Consulting Acquires Certification as a Sapporo Pro Frontier Market “S-Adviser”



Following its certification as an advisor for the Tokyo and Fukuoka stock exchanges, Funai Consulting has become an approved “S-Adviser” for the Sapporo Pro Frontier Market. S-Adviser status better positions the company to offer comprehensive solutions to the challenges faced by companies looking to list on the stock exchange.

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6) Partnering with Regional Banks on Enhanced Growth Support for Mid-market Companies and SMEs



Funai Soken Holdings is teaming up with regional financial institutions like CCI Group, Fukui Bank, and 77 Bank to offer management workshops and seminars on how to reach and break the ¥10 bil. turnover barrier so as to help local mid-market companies and SMEs achieve sustainable growth.

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Fifth, our initiative to expand our IPO support services nationwide. Following Tokyo and Fukuoka, we have now obtained the S-Adviser certification from Sapporo PRO Frontier Market. As a result, we are further strengthening our comprehensive support system to meet the diverse needs of local companies seeking to go public.

Sixth, enhanced partnership with regional banks. In collaboration with regional financial institutions such as CCI Group, Fukui Bank, and The 77 Bank, we will support the sustainable growth of mid-sized and small and medium-sized businesses nationwide by hosting joint seminars and management workshops on how to become a JPY10 billion company.

(5) News

AI Business Forum: The Spearhead of Our Initiatives to Make AI a Natural Part of Consulting

Community of Business Proprietors | AI Business Forum



Learn from industry-specific examples of AI adoption

Recent case studies, tools, productivity improvements

Working groups to discuss real challenges

Dive deep into implementation themes by industry and function

Generates qualified leads for AI consulting services

Enables us to identify needs and offer solutions

Case Study: How We Helped Marunouchi Soleil Law Office

10,000+

database of past ad data

1,000+ pages

of legal expertise, screening know-how

Soleil View

New AI ad screening tool launched

For instance...

AI does the grunt work, freeing attorneys to concentrate on advanced decision-making

Ad data (PDF, Image)

AI-enabled OCR software extracts text

Harnessing multiple AIs

Simultaneous search of laws, past judgments, internet

Attorneys make final decision

Correction suggestions, high-level advice

- Quicker initial screening
- Much easier to analyze large volumes
- Standardize screening quality, professional development for younger employees
- Dramatic improvements in ad screening speed and capacity.
- Capable of handling high-volume projects, such as product checks for 24-hour broadcast home shopping channels.

Strive to grow sales of industry-specific AI consulting services by sharing insights between the AI Business Community and client projects
Identify client pain points and develop a cyclical model: adopt→run→improve.

Source: AI Business Forum reports, Marunouchi Soleil Law Office case study, joint press release

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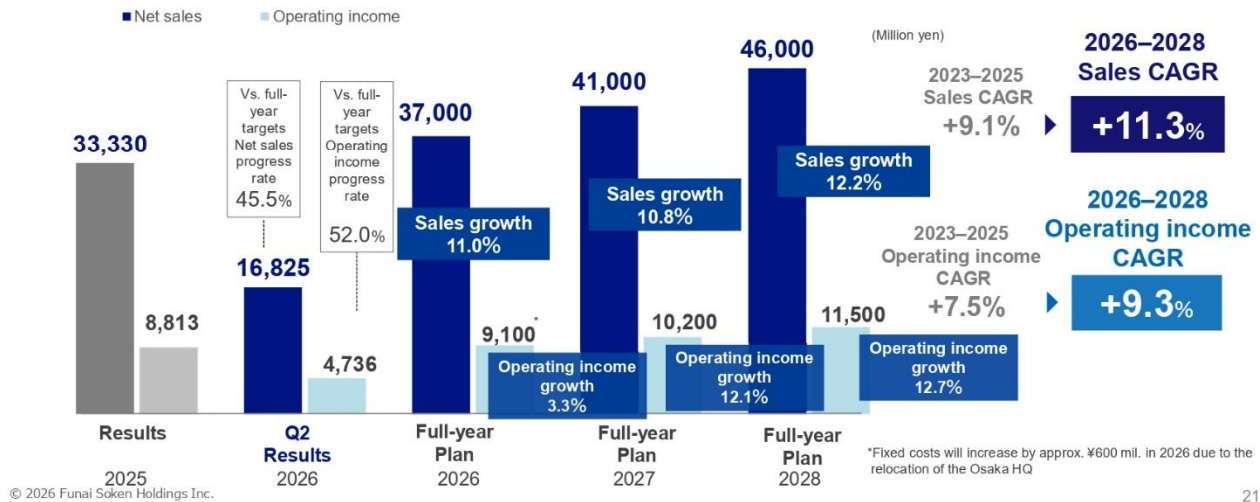
As the last news, the growing adoption of AI in consulting practice. Starting with communities of business executives and owners that we organize, such as the AI business forum, we are moving forward with the implementation of customized AI consulting services for individual companies. While Marunouchi Soleil Law Office, featured here, is just one specific example, this demonstrates how concrete results are being achieved in solving on-the-ground challenges. Moving forward, we will continue to expand our industry-specific AI consulting services, using challenges on the front lines as our starting point. That concludes my report.

3. Forecasts & Growth Strategy

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

For FY2028, we plan to achieve net sales of 46.0 billion yen and operating income of 11.5 billion yen, maintaining high profitability.

■ FY2026-FY2028: Results and targets of net sales and operating income



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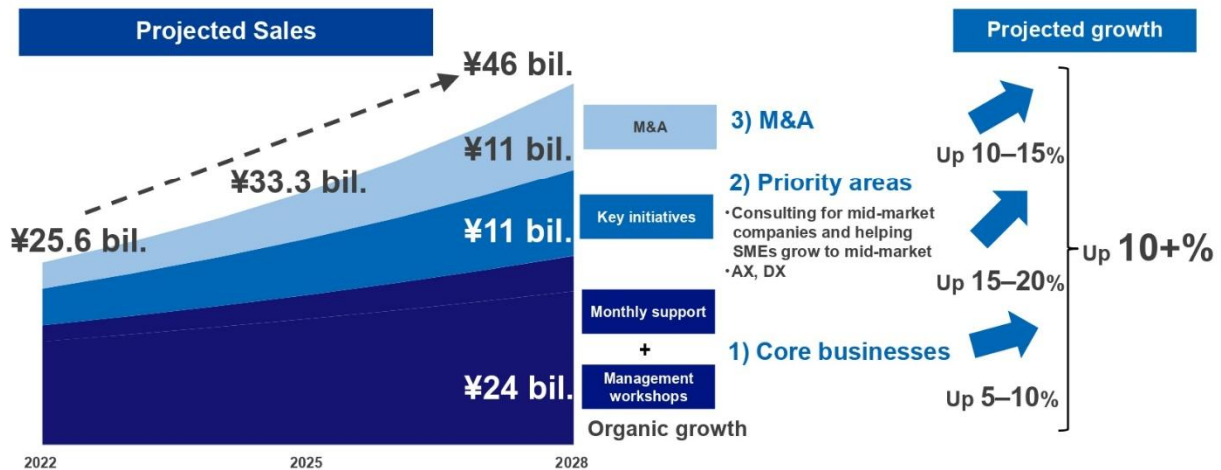
Nakatani: I will now take the floor to explain our future earnings forecasts and growth strategy.

First, the progress toward the medium-term business plan. As the first year of our new medium-term plan, we have set targets of JPY37 billion in net sales and JPY9.1 billion in operating income this year. As mentioned earlier, at the end of the second quarter, net sales reached 45.5% and operating income reached 52% of the annual targets.

3. Forecasts & Growth Strategy

(2) Our Growth Strategy

We aim to leverage organic growth and investment in key initiatives and M&A to achieve **sustainable growth of 10+% per year**.



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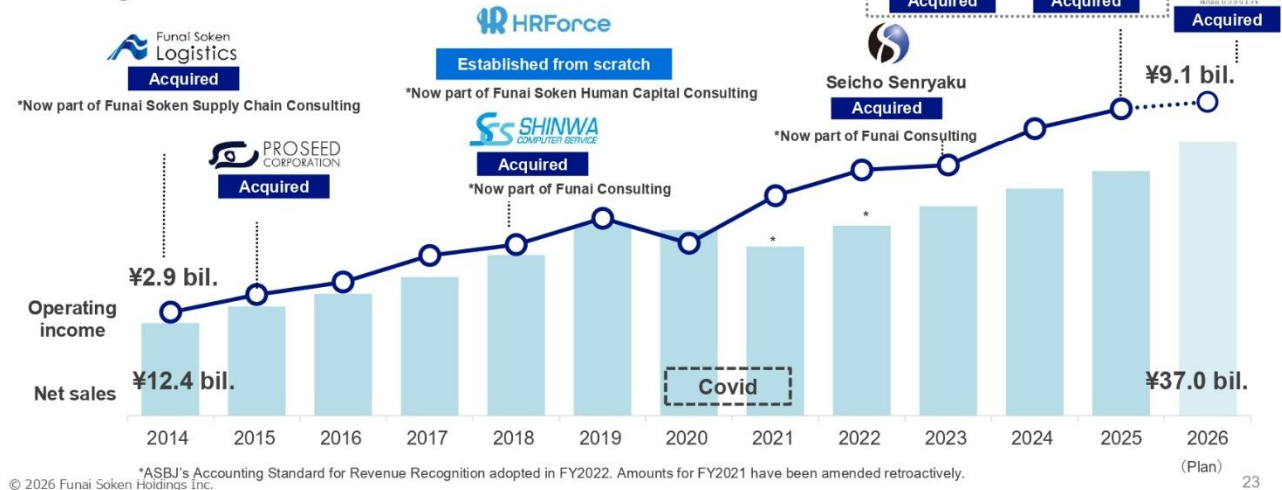
Looking ahead, we project organic growth of 5% to 10% driven by our existing core businesses, such as monthly support consulting services and management workshops. On top of that, by combining key initiatives such as mid-market consulting and AI transformation and digital transformation services, with proactive investments including M&A, we aim to add a further 15% to 20% growth, targeting sustained overall growth of more than 10% per year.

We plan to achieve group-wide net sales of JPY46 billion and operating income of JPY11.5 billion in 2028, the final year of our medium-term business plan.

3. Forecasts & Growth Strategy

(3) How We Have Grown

Since switching to a holding-company-and-operating-companies structure in 2014, we have expanded the scope of our business and grown steadily by establishing new companies and acquiring others through M&A.



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To conclude my presentation, I would like to discuss our group's growth trajectory to date and our strategy.

Since becoming a holding company in 2014, we have expanded our business scope through proactive M&A and the establishment of new companies, and have continued to grow steadily.

Specifically, the business in 2014 had net sales of JPY12.4 billion and operating income of JPY2.9 billion. Having overcome the challenges of the COVID-19 pandemic, under the 2026 plan, it is set to expand significantly, with net sales of JPY37 billion and operating income of JPY9.1 billion. To date, we have welcomed new members from companies with a wide range of expertise, including those in IT, digital transformation, logistics, HR, M&A and finance, as well as Logi-Create and MTUS, which joined our group this year.

Going forward, we will continue to vigorously combine organic growth with M&A to further enhance our corporate value and achieve sustainable growth.

That concludes our presentation on the financial request for the first half of fiscal 2026. Thank you.

Question & Answer

Moderator [M]: Thank you for the presentation. We will now move on to the Q&A session. I will now read out the questions we have received.

Participant [Q]: Could you explain the reasons why sales are slightly behind the Company's plan?

Nakatani [A]: Yes, I will answer that.

One factor is that, among our operating companies, some sectors within Funai Consulting are facing growth challenges because the market is not expanding significantly and many companies in these sectors are relatively small in scale, such as professional services sector.

Looking at the other areas, Funai Soken Logistics, which was renamed Funai Soken Supply Chain Consulting this year, is strategically scaling back its 3PL and BPO businesses, as it has been difficult to achieve synergies with its consulting operations and profitability in these areas has been challenging.

In addition, we have a company called Funai Soken Human Capital Consulting, formerly known as HR Force until last year, and its advertising agency business is also facing some challenges. These factors are the main reasons for the current situation.

Our core consulting business has been performing relatively well. Within that segment, the proportion of clients we support, including small and medium-sized enterprises, mid-market aspirants, and mid-sized enterprises themselves, has been increasing, which has offset the decline. That said, I believe that one of the reasons is that sales growth in business areas with such challenges has been somewhat sluggish. That concludes my response.

Moderator [M]: Thank you. Next question.

Participant [Q]: Have there been any changes in the hiring situation or staff turnover rates?

Nakatani [A]: Yes, I would like to take this question, too.

First, regarding the turnover rate. In terms of the current situation, the turnover rate for consultants fell from 9.9% in the same period last year to 7.5%, representing a significant improvement. As a result, the number of employees and consultants has increased compared to last year.

As for new graduates, we recruited approximately 162 new graduates as consultants last year; and as of this past April, we have recruited 163 this year, almost the same number. Our retention rate has improved, and we have been able to hire a number of new graduates comparable to last year. Consequently, we are being slightly more conservative in our mid-career hiring compared to last year. While we took on 90 mid-career recruits over the course of last year, we expect that number to be somewhere between 70 and 80 this year.

In any case, I hope you will understand that both the turnover rate and our hiring situation remain on track compared to last year.

Moderator [M]: Thank you. Next question.

Participant [Q]: What kind of synergies can be expected from the capital and business alliance with Tokio Marine & Nichido Fire Insurance Co., Ltd.?

Nakatani [A]: Thank you for the question. First of all, we began our business partnership last year, and so far, we have received referrals for approximately 100 consulting projects. Given that Tokio Marine & Nichido has such a strong customer base and a large number of high-quality customers, we believe this introduction will have a significant impact.

In addition, while we plan to expand our consulting services for mid-market aspirants or mid-market companies themselves, they have a large number of such clients. So, in this respect, I believe that we can also expect significant direct synergies, as well as short-term synergies.

Moderator [M]: Thank you. Next question.

Participant [Q]: Sales and operating income per employee are declining. Could you please share your outlook for the future?

Nakatani [A]: Yes, thank you for the question. I will answer this question, too.

Although income for this year is slightly lower than last year, partly due to temporary investments such as those in our Osaka office, it is still higher than the year before last. Therefore, we expect to see improvements in both sales and income in the very near future.

Moderator [M]: Thank you Next question.

Participant [Q]: Is the current acceleration in AI adoption among your client companies a positive development for your company, or is it having a negative impact in certain areas?

Nakatani [A]: Thank you for the question. I would also like to speak about this matter.

After all, for most small and medium-sized enterprises, AI is still a new venture. Consequently, we receive a significant number of inquiries from companies seeking further information and case studies.

In that sense, the outlook is basically positive. There is also talk, often referred to as the AI effect, that certain aspects of the consulting industry may become obsolete. However, our client base consists primarily of small and medium-sized businesses, many of which are owner-operated. When it comes to providing advice to these business owners, they are not simply looking for the statistically correct answer. Instead, they want us to work alongside them, putting in the hard work to help them turn the direction they have already set into the right path, and to walk alongside them. Therefore, we have not actually encountered many negative factors.

I believe that positive developments will likely continue to outweigh the negative ones going forward. That concludes my response.

Moderator [M]: Thank you. Next question.

Participant [Q]: Sales in the M&A sector are growing significantly. Could you please explain the sustainability of this growth and the factors behind it in a bit more detail? How many deals are actually being closed? Also, what is the typical scale of these projects?

Haruta [A]: Thank you for the question. I will be answering this.

Regarding M&A for this fiscal year, we were able to achieve significant growth, with a 128% increase compared to last year.

There are two main factors behind this. First, we have successfully established and organized a robust M&A framework in terms of both personnel and structure. When we had a small team, we inevitably had to adopt a style where one person would handle everything from identifying a project to closing the deal from start to finish, but our team has grown since then.

We have finally been able to establish a structured organization and a division of labor, which has allowed us to improve the quality of our consulting services. In addition to this organizational foundation, our efforts this year to strengthen our organizational capabilities enabled us to take on large-scale projects. While our focus was originally on M&A involving third-party sales, we have expanded our capabilities to provide comprehensive business succession services, resulting in an increase in business succession projects. In this sense, by handling larger-scale projects and strengthening our organizational structure, we have been able to achieve solid growth, including in our financial performance.

While I cannot provide an exact number, we handle approximately 20 cases per half-year.

Moderator [M]: Next question.

Participant [Q]: Regarding the M&A organization, approximately how many people are on the team?

Haruta [A]: Thank you for the question. I will answer this, too.

Since some members hold multiple roles, it is difficult to give an exact number, but we typically operate with a team of about 70 to 80 people.

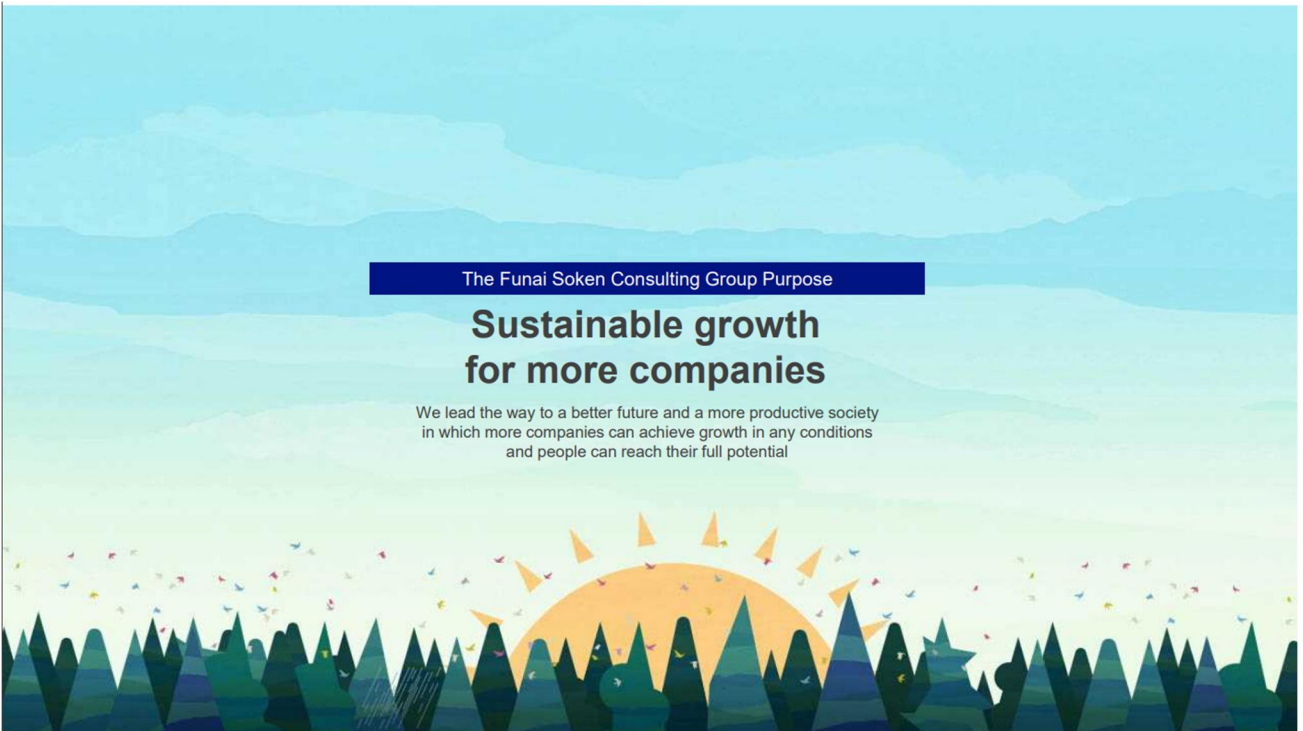
Moderator [M]: Thank you.

That covers all the questions we have received, so we will now close the Q&A session.

With that, we conclude the 2026 half-year financial results briefing.

Thank you very much for joining us.

[END]



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