Non-Audited

Consolidated Financial Results for the First Quarter of the Fiscal Year Ending Dec. 31, 2019 (January 1, 2019 – March 31, 2019)

May 8, 2019

Company name:	Funai Soken Holdings, Inc.	Stock Exchange listing: Tokyo Stock Exchange
Stock code:	9757	URL: https://hd.funaisoken.co.jp
President & Group CEO:	Sakae Takashima	
Contact:	Takahisa Okumura, director and senior vice president, Head of Management Administration Divisional Headquarters Telephone: +81-(0) 6-6232-0130	

Scheduled date of payment of dividend: -
Scheduled date of filing quarterly report: May 14, 2019
Supplementary materials compiled to explain 1st-quarter financial statements? $\boxed{\text{Yes}}$ / No
Briefing to be held to explain 1st-quarter financial results? Yes / $\boxed{\text{No}}$

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

1. 2019 1st Quarter Consolidated Financial Results (January 1, 2019 – March 31, 2019)

(1) Consolidated Results of Operations

(Percentages represent change from the same quarter last year)

	Net sales		Operating income		Ordinary Income		Net income attributable to owners of the parent company	
Three months ending	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2019	5,926	25.0	1,426	21.2	1,451	20.7	949	18.9
March 31, 2018	4,742	6.6	1,176	(14.9)	1,202	(14.2)	798	(16.5)

NB: Comprehensive income: 988 million yen (up 15.6%) in the three months ending Mar. 31, 2019
854 million yen (down 16.4%) in the three months ending Mar. 31, 2018

	Earnings per share (basic)	Earnings per share (diluted)
Three months ending	Yen	Yen
March 31, 2019	18.82	18.65
March 31, 2018	15.76	15.58

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Mar. 31, 2019	26,639	22,402	82.5
As of Dec. 31, 2018	26,732	22,370	82.2

NB: 1. Shareholders' equity: 21,976 million yen as of Mar. 31, 2019
21,968 million yen as of Dec. 31, 2018

NB: 2. Starting from the first quarter of FY2019, the Funai Soken Consulting Group has adopted the Accounting Standards Board of Japan's Partial Amendments to Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28; February 16, 2018). Those amendments have been applied retroactively to the consolidated financial position as of Dec. 31, 2018 as shown above.

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year end	Total
	Yen	Yen	Yen	Yen	Yen
Year ending Dec. 31, 2018	-	15.00	-	20.00	35.00
Year ending Dec. 31, 2019	-				
FY2019 forecast		17.00	-	23.00	40.00

NB: 1. Amendments to dividend numbers compared to most recently announced figures? None
2. FY2018 dividend per share comprised an ordinary dividend of 18.00 yen and a bonus dividend of 2.00 yen.
The bonus dividend was paid to distribute extraordinary income earned in FY2018.
FY2019 dividend forecast: ordinary dividend of 20.00 yen per share and commemorative bonus dividend of 3.00 yen.
The bonus dividend is to commemorate the group's 50th anniversary.

3. Forecast Consolidated Financial Results for the Year (January 1, 2019 – December 31, 2019)

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

	Net sales		Operating income		Ordinary Income		Net income attributable to owners of the parent company		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	11,200	12.2	2,800	11.9	2,800	10.3	1,900	11.2	37.67
Full year	23,500	8.3	5,400	9.2	5,400	7.8	3,700	4.2	73.36

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

Remarks

(1) Changes in consolidated subsidiaries in this quarter: None

Changes in scope of consolidation:

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

(2) Application of specific accounting procedures when compiling 1Q 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 issued shares (common stock)

1) Number of shares issued at end of three-month period (incl. treasury stock)	Mar. 31, 2019	53,000,000	Dec. 31, 2018	53,000,000
2) Number of treasury shares at end of three-month period	Mar. 31, 2019	2,521,771	Dec. 31, 2018	2,562,581
3) Average number of shares during three-month period (cumulative total)	Mar. 31, 2019	50,438,802	Mar. 31, 2018	50,698,664

NB: This financial summary is excluded from quarterly review by a CPA or auditing company.

Statement Regarding the Use of Forward-Looking Statements

Forecasts in these materials regarding future performance are based on reasonable judgments made in accordance with information currently available. Actual results may differ greatly from these forecasts for a number of factors. Please refer to “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.

Appendix Contents

1. Qualitative Information regarding the Three Months Ending Mar. 31, 2019

(1) Results of Operations

During the first quarter, the Japanese economy showed signs of a slow but steady recovery amidst continuing improvements in employment and incomes. However, the outlook remains unclear due to trepidation about trade friction between the USA and China, and fluctuating financial and capital markets.

Under these circumstances in the final year of our Mid-Range Business Plan (2017-2019), we at the Funai Soken Consulting Group remain committed to achieving the targets we set for ourselves in our quest for ever higher corporate value as a provider of comprehensive management consulting solutions.

As a result, first quarter sales and income rose sharply over the same quarter in the preceding year: net sales were 5,926 million yen (up 25.0%), operating income was 1,426 million yen (up 21.2%), ordinary income was 1,451 million yen (up 20.7%), and net income attributable to owners of the parent company was 949 million yen (up 18.9%).

I. Net sales: 5,926 million yen (up 25.0% over the same period of the preceding year)

Net sales in our core consulting business increased steadily, and we successfully added new clients for our direct recruiting services.

Consequently, net sales rose 25.0% over the same period of the previous year to 5,926 million yen.

II. Operating income: 1,426 million yen (up 21.2% over the same period of the preceding year)

Cost of sales increased to 3,761 million yen from 2,936 million yen in the same period of the preceding year, and SG&A expenses rose to 738 million yen from 628 million yen. This inflated operating expenses, but the aforementioned increase in net sales pushed operating income up over the preceding year.

Consequently, operating income rose 21.2% over the same period of the previous year to 1,426 million yen.

III. Ordinary income: 1,451 million yen (up 20.7% over the same period of the preceding year)

Non-operating income was 29 million yen, compared with 34 million yen in same period of the preceding year, while non-operating expenses were 5 million yen, compared with 8 million yen in same period of the preceding year.

Consequently, ordinary income rose 20.7% over the same period of the previous year to 1,451 million yen.

IV. Net income attributable to owners of the parent company: 949 million yen (up 18.9% over the same period of the preceding year)

Income taxes totaled 501 million yen, compared with 401 million yen in the same period of the preceding year, and net income attributable to owners of the parent company was 949 million yen, up 18.9% over the same period in the preceding year.

Segment-Specific Performance

The performance of each business segment is outlined below.

I. Consulting

Performance in our principal sectors—housing and real estate; healthcare, nursing care and welfare; and certified professional services—was robust, and net sales tracked at a solid pace. In particular, in the healthcare, nursing care, and welfare segment showed a steady increase in the participating membership of management workshops, which led to steady growth in performance along with consulting work for the housing and real estate segment. Consulting for the HR services industry has also grown substantially amidst increased demand for solutions to labor shortages in recent years. Profits rose, too, as we successfully boosted operating income by increasing net sales while streamlining sales activities to reduce the cost of business trips and other expenses.

Consequently, sales rose 20.3% over the same period of the preceding year to 4,489 million yen, and operating income rose 40.5% over the same period of the preceding year to 1,390 million yen.

II. Logistics

Deeper mining of existing clients and higher retail prices resulted in increased sales for our logistics operations compared to the same period in the preceding year. In addition to increased orders for logistics consulting, substantial orders from new clients also contributed to a large increase in sales. Moreover, given the relatively profitable nature of logistics consulting, the increase in sales of those services naturally led to growth in operating income.

Consequently, sales rose 4.3% over the same period of the preceding year to 592 million yen, and operating income rose 33.4% over the same period of the preceding year to 103 million yen.

Lastly, in response to the dizzying pace of the digitalization of logistics, we invested in QT Japan Co., Ltd. during the first quarter of this year to acquire the ability to assist our clients with their adoption of AI logistics robotics.

III. Other Businesses

Net sales for our direct recruiting business increased thanks to our successful addition of new clients on the strength of an active market for career changes buoyed by increased job postings by Japanese companies. Our IT consulting and systems development businesses also performed as planned and contributed to the rise in net sales, but we failed to meet our target for contact center consulting contracts focused on COPC certification.

In terms of profit, we posted an operating loss in our direct recruiting business during the first quarter due to our continued upfront investment mainly in sales promotion and systems development intended to expand sales sooner rather than later.

Consequently, sales rose 91.9% over the same period of the preceding year to 837 million yen, and operating losses were 59 million yen, compared with 56 million yen in the same period of the preceding year.

(2) Financial Position

Starting from the first quarter of FY2019, we have adopted the Accounting Standards Board of Japan's Partial Amendments to Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28; February 16, 2018). Those amendments have been applied retroactively to consolidated financial position for FY2018 to allow for easier comparison with current information.

Assets

Total assets decreased 93 million yen from the end of FY2018 to 26,639 million yen at the end of the first quarter.

Current assets decreased 55 million yen from the end of FY2018 to 14,534 million yen. This was mainly due to an increase in short-term investment securities and a decrease in cash and deposits.

Noncurrent assets decreased 37 million yen from the end of FY2018 to 12,104 million yen. This was mainly due to a decrease in investment securities, and increases in buildings and structures; property, plant, and equipment; furniture and fixtures included in other property, plant, and equipment; and deferred tax assets included in investments and other assets.

Liabilities

Total liabilities decreased 124 million yen from the end of FY2018 to 4,237 million yen at the end of the first quarter.

Current liabilities increased 272 million yen from the end of FY2018 to 3,948 million yen. This was mainly due to an increase in current portion of bonds and provision for bonuses, and a decrease in income taxes payable.

Noncurrent liabilities decreased 397 million yen from the end of FY2018 to 289 million yen. This was mainly due to a decrease in bonds payable and an increase in long-term loans payable.

Net Assets

Total net assets increased 31 million yen from the end of FY2018 to 22,402 million yen at the end of the first quarter.

Equity Ratio

Equity ratio increased 0.3 points from the end of FY2018 to 82.5% at the end of the first quarter.

(3) Consolidated Forecast and other Forward-Looking Information

In 2019, the final year of our three-year Mid-Range Business Plan, enhancements to our organizational framework reflecting our focus on providing industry-specific and category-specific solutions will give us a solid base from which to strive to attain our numerical targets and seek ever higher corporate value as Japan's premier provider of comprehensive business consulting services.

"Promoting IT-based solutions, digital solutions, cloud-based solutions" is one of our consulting business's key initiatives, and to that end we are continuing to establish digitalization support as a mainstay of our service line-up.

We intend to contribute to the expansion of our business by continuing to acquire new clients for our logistics business. Toward that end, we will reinforce our logistics consulting, launch fresh initiatives such as new products and online consulting, and offer consulting services to support clients' adoption of AI logistics robotics, an initiative that is currently in the works.

Elsewhere, given that the direct recruiting business in Japan is expanding and is an area with a high propensity for recurring contract renewals, we must now focus on increasing net sales by acquiring new clients as soon as possible. Thus, we seek to expand our business by continuing upfront investments, mainly in sales promotion and systems development.

In sum, we forecast consolidated net sales of 23,500 million yen, operating income of 5,400 million yen, ordinary income of 5,400 million yen, and net income attributable to owners of the parent company of 3,700 million yen for FY2019.

2. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

(Unit: Thousand yen)

	FY12/18 (As of Dec. 31, 2018)	First quarter of FY12/19 (As of Mar. 31, 2019)
Assets		
Current assets		
Cash and deposits	11,022,585	10,651,493
Trade notes and accounts receivable	2,393,699	2,440,416
Short-term investment securities	301,784	604,730
Work in process	113,784	151,291
Raw materials and supplies	7,053	5,976
Other current assets	786,604	717,691
Allowance for doubtful accounts	(35,443)	(36,728)
Total current assets	14,590,069	14,534,870
Noncurrent assets		
Property, plant, and equipment		
Buildings and structures, net	1,270,842	1,309,098
Land	4,602,643	4,602,643
Lease assets, net	30,944	27,302
Other property, plant, and equipment, net	119,570	157,702
Total property, plant, and equipment	6,024,001	6,096,747
Intangible assets		
Leasehold rights	322,400	322,400
Software	280,596	281,208
Other intangible assets	191,732	163,382
Total intangible assets	794,730	766,991
Investments and other assets		
Investment securities	4,451,647	4,304,750
Assets related to retirement benefits	480,131	484,293
Other investments and other assets	400,624	460,950
Allowance for doubtful accounts	(8,408)	(8,965)
Total investments and other assets	5,323,993	5,241,028
Total noncurrent assets	12,142,725	12,104,767
Total assets	26,732,794	26,639,638

(Unit: Thousand yen)

	FY12/18 (As of Dec. 31, 2018)	First quarter of FY12/19 (As of Mar. 31, 2019)
Liabilities		
Current liabilities		
Trade notes and accounts payable	331,448	385,756
Current portion of bonds	-	500,000
Current portion of long-term loans payable	100,000	-
Lease obligations	13,691	12,424
Income taxes payable	1,033,185	601,450
Provision for bonuses	-	385,062
Other current liabilities	2,196,932	2,063,333
Total current liabilities	3,675,257	3,948,027
Noncurrent liabilities		
Bonds payable	500,000	-
Long-term loans payable	-	100,000
Retirement benefit liabilities	54,660	56,641
Lease obligations	19,695	17,044
Deferred tax liabilities	70,716	74,256
Other noncurrent liabilities	41,635	41,635
Total noncurrent liabilities	686,707	289,577
Total liabilities	4,361,964	4,237,605
Net assets		
Shareholders' equity		
Capital stock	3,125,231	3,125,231
Capital surplus	2,946,634	2,947,521
Retained earnings	17,729,542	17,670,515
Treasury stock	(1,861,703)	(1,834,532)
Total shareholders’ equity	21,939,705	21,908,735
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	121,786	153,103
Foreign currency translation adjustments	16,284	16,121
Accumulated adjustments for retirement benefits	(109,225)	(101,767)
Total accumulated other comprehensive income	28,845	67,458
Subscription rights for shares	402,278	425,839
Total net assets	22,370,829	22,402,033
Total liabilities and net assets	26,732,794	26,639,638

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statement of Income
First Quarter

(Unit: Thousand yen)

	First Quarter of FY12/18 (Jan. 1 – Mar. 31, 2018)	First Quarter of FY12/19 (Jan. 1 – Mar. 31, 2019)
Net sales	4,742,320	5,926,314
Cost of sales	2,936,724	3,761,703
Gross profit	1,805,595	2,164,610
SG&A expenses	628,693	738,197
Operating income	1,176,901	1,426,413
Non-operating income		
Interest income	2,438	2,236
Dividend income	2,843	1,049
Gain on sales of investment securities	17,046	18,891
Gain on valuation of investment securities	554	1,464
Other non-operating income	11,196	6,245
Total non-operating income	34,080	29,887
Non-operating expenses		
Interest expenses	1,348	1,282
Loss on valuation of investment securities	2,661	1,914
Investment partnership management expenses	2,596	2,047
Other non-operating expenses	2,088	7
Total non-operating expenses	8,694	5,252
Ordinary Income	1,202,287	1,451,048
Extraordinary income		
Gain on sales of investment securities	5	10
Total extraordinary income	5	10
Extraordinary losses		
Loss on retirement of noncurrent assets	1,997	190
Total extraordinary losses	1,997	190
Net income before income taxes and other adjustments	1,200,296	1,450,868
Current income taxes	458,705	568,077
Deferred income taxes	(57,271)	(66,675)
Total income taxes	401,433	501,402
Net income	798,862	949,466
Net income attributable to owners of the parent company	798,862	949,466

Consolidated Statement of Comprehensive Income

First Quarter

(Unit: Thousand yen)

	First Quarter of FY12/18 (Jan. 1 – Mar. 31, 2018)	First Quarter of FY12/19 (Jan. 1 – Mar. 31, 2019)
Net income	798,862	949,466
Other comprehensive income		
Valuation difference on available-for-sale securities	49,081	31,317
Foreign currency translation adjustments	(978)	(163)
Adjustments for retirement benefits	7,446	7,458
Total other comprehensive income	55,549	38,612
Comprehensive income	854,411	988,078
Details		
Comprehensive income attributable to owners of the parent company	854,411	988,078

(3) 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

Adoption of Partial Amendments to Accounting Standard for Tax Effect Accounting

NB: Starting from the first quarter of FY2019, the Funai Soken Consulting Group has adopted the Accounting Standards Board of Japan’s Partial Amendments to Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28; February 16, 2018). Accordingly, deferred tax assets are listed under other investments and other assets, and deferred tax liabilities are listed under noncurrent liabilities.

Segment Information

I. First Quarter of FY12/18 (Jan. 1 – Mar. 31, 2018)

Information About Net Sales, Income, and Losses for Each Segment

(Unit: Thousand yen)

	Consulting	Logistics	Others(1)	Total	Adjustment(2)	Amount listed in consolidated statement of income(3)
Net sales						
Sales to external customers	3,731,199	568,503	436,701	4,736,404	5,915	4,742,320
Inter-segment sales and transfers	45,420	53,842	6,482	105,745	(105,745)	-
Total	3,776,619	622,346	443,184	4,842,150	(99,829)	4,742,320
Segment income	989,717	77,510	56,228	1,123,455	53,446	1,176,901

Notes

1. The "others" category includes income from IT consulting, contact center consulting, and direct recruiting. Beginning with the first half of FY2018, the "IT business" has been renamed the "IT consulting business." This change in segment has no impact on segment information.
2. Adjustments of segment income include elimination of inter-segment transactions and whole-group revenues and expenses that are not attributable to any segment. Whole-group 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.

II. First Quarter of FY12/19 (Jan. 1 – Mar. 31, 2019)

1. Information About Net Sales, Income, and Losses for Each Segment

(Unit: Thousand yen)

	Consulting	Logistics	Others(1)	Total	Adjustment(2)	Amount listed in consolidated statement of income(3)
Net sales						
Sales to external customers	4,489,959	592,846	837,847	5,920,653	5,660	5,926,314
Inter-segment sales and transfers	49,650	163,639	5,940	219,230	(219,230)	-
Total	4,539,609	756,485	843,788	6,139,883	(213,569)	5,926,314
Segment income	1,390,725	103,402	(59,776)	1,434,351	(7,938)	1,426,413

Notes

1. The "others" category includes income from IT consulting, contact center consulting, direct recruiting, and systems development.
2. Adjustments of segment income/losses include elimination of inter-segment transactions and whole-group revenues and 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.

2. Changes in Report Segments

Changes in Segmenting Method

In the third quarter of last year, we used an absorption-type company split to transfer logistics consulting from one subsidiary, Funai Consulting Inc., to another, Funai Soken Logistics, Inc.; now, logistics consulting, which was formerly part of our management consulting, is included in the logistics business segment.

Segment information for FY2018 1Q is provided herein for comparison with this year's first-quarter information. However, because the aforementioned change in segmentation has been applied retroactively to the FY2018 1Q information, there are slight discrepancies between the FY2018 1Q figures in this document and the same figures published last year.

Subsequent Events

Allotment of Stock Options as Compensation to Directors and Executive Officers

A motion was passed at a meeting of the Board of Directors on April 18, 2019, approving the requirements for offering subscription rights for shares to be issued as stock options to our directors (excluding members of the audit and supervisory committee, and independent directors) and executive officers, and the directors and executive officers of our subsidiaries, and determining to call for subscriptions. Accordingly, the subscription rights were issued on May 7, 2019.

Number of subscription rights for shares	528(1)
Class of shares	Common shares
Number of shares	950,40(2)
Payment amount upon exercise of subscription rights for shares	1 yen per share
Exercise period	May 8, 2019 – May 7, 2049
Matters regarding the increase in capital stock and capital reserves when shares are issued as a result of the exercise of subscription rights for shares	(1) The increase in capital stock resulting from the issue of shares through the exercise of subscription rights shall be one-half the maximum increase for capital stock and the like calculated according to Rules of Corporate Accounting, Article 17, Paragraph 1; any fractions of one yen shall be rounded up. (2) The increase in capital reserves resulting from the issue of shares through the exercise of subscription rights for shares, shall be the amount of the maximum increase for capital stock and the like stated in (1) above minus the increase in capital stock calculated in (1) above.
Conditions for exercising subscription rights for shares	(3)
Matters regarding the transfer of subscription rights for shares	Acquisition of subscription rights for shares via transfer must be approved through resolution of our Board of Directors.

Notes

1. The number of shares granted for each subscription right for shares ("the Number of Shares Granted") shall be 180.
2. After May 7, 2019 ("the Allocation Date"), when we split (including allotment of shares without contribution, hereinafter when referring to share split) or merge our common shares, we will use the following formula to adjust the Number of Shares Granted, and discard any fractions of yen thereof.

   Adjusted Number of Shares Granted = Number of Shares Granted x Ratio of share split/merge

   Also, when mergers or company splits or other circumstances after the Allocation Date necessitate the adjustment of the Number of Shares Granted, we may adjust the Number of Shares Granted as appropriate and to a reasonable extent.
3. (1) Within the exercise period, holders of subscription rights for shares may exercise those rights on or after the day following the date on which they forfeit their position as director, auditor, or executive officer at our company or our subsidiaries that they held on the Allocation Date (hereinafter, the date following the date of forfeiture is referred to as "the First Date of Exercise").

   (2) Notwithstanding the provisions of (1), within the exercise period, holders of subscription rights for shares may exercise those rights under the conditions and within the respective periods set out in (i) and (ii) below (however, (ii) excludes cases of organizational restructuring where merger agreements, share swap agreements, or share transfer plans stipulate the granting of subscription rights for shares in companies subject to reorganization to holders of such subscription rights in accordance with a policy regarding the issuance of such subscription rights).

   (i) When a holder of subscription rights for shares has not reached their First Date of Exercise by May 7, 2048.
   May 8, 2048 – May 7, 2049

   (ii) When a motion is passed at a shareholders meeting (or, if shareholder resolution is not required, by Board of Directors resolution) approving:
   - A merger agreement in which Funai Soken Holdings is to be extinguished, or
   - A share swap agreement or share transfer plan in which Funai Soken Holdings becomes a wholly owned subsidiary.

   A 15-day period starting on the date following the approval date

   (3) (1) and (2) (i) do not apply to people who inherit subscription rights for shares.

   (4) Holders of subscription rights for shares who waive those rights may not exercise them.

3. Other Information

(1) Orders and Sales

I. Orders

Orders won by each operating segment in the first quarter 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	3,702,322	+1.8	6,884,832	+12.9
Logistics	130,129	(39.8)	159,213	(38.5)
Other businesses	170,672	(12.0)	71,904	(3.4)

Notes

1. Consulting orders above include only consulting revenues; membership fees and seminar fees are excluded as they are recurring revenues.
2. Logistics revenues include only that earned from logistics consulting activities.
3. Logistics consulting, which was formerly part of our management consulting, was transferred to the logistics business segment in the third quarter of the preceding year; therefore, we retroactively adjusted the above figures for this comparison.
4. Other income includes only that earned from IT and contact center consulting.
5. The above amounts are based on sale prices.
6. The above amounts do not include consumption tax.

II. Sales

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

Segment	Sales (unit: 1,000 yen)	Change from same period last year (%)
Consulting	4,489,959	+20.3
Logistics	592,846	+4.3
Other businesses	837,847	+91.9
Total	5,920,653	+25.0

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.