Funai Soken Holdings Incorporated

Financial Results Briefing for the Fiscal Year Ended December 2024

February 7, 2025

[Speaker]	Takayuki Nakatani	President and Group CEO
	Motoki Haruta	Director and Executive Officer, Head of Management Divisional Headquarters
	Eijiro Saito	Executive officer, Head of Corporate Strategy Department

Presentation

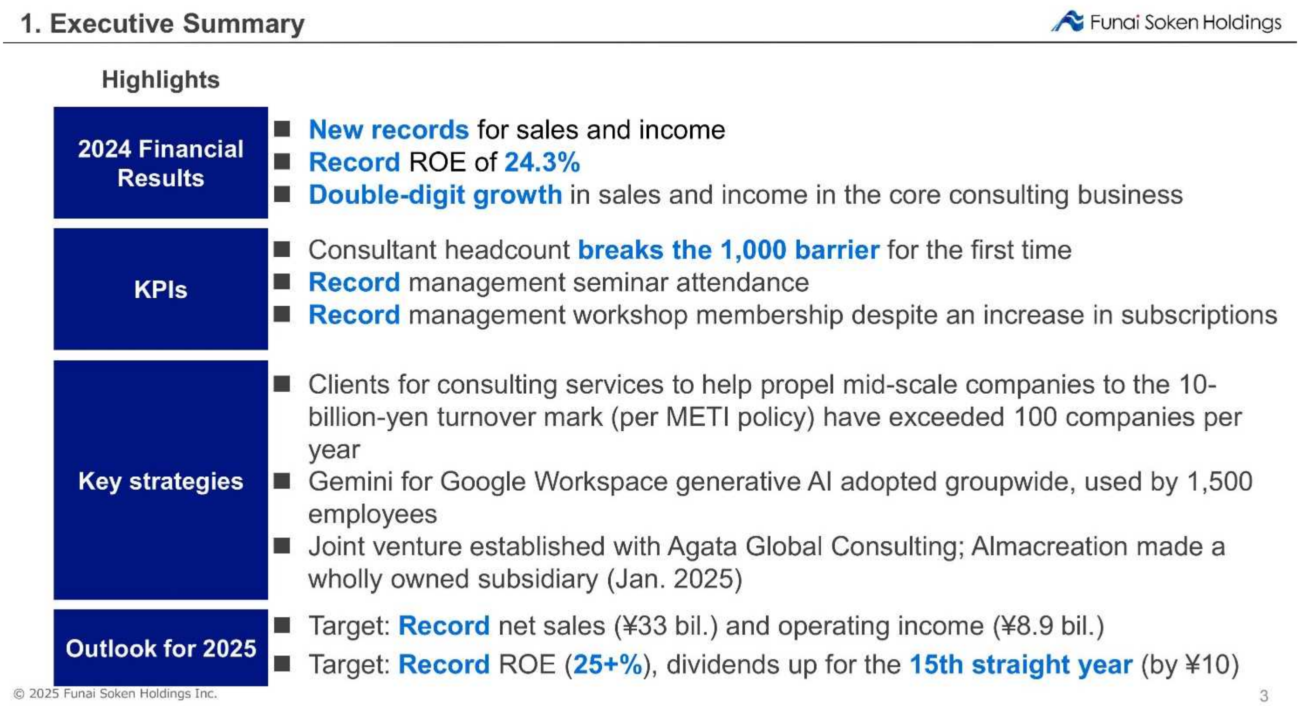
Moderator: We will now begin the presentation of the financial results of Funai Soken Holdings Inc. for the fiscal year ended December 31, 2024. Thank you.

Today's financial results presentation will be given by Takayuki Nakatani, President and Group CEO, and Motoki Haruta, Director and Executive Officer, Head of Management Divisional Headquarters. Afterwards, these two presenters, together with Eijiro Saito, Executive Officer and Head of Corporate Strategy Department, will answer questions from the audience during the Q&A session.

Now then, President Nakatani, please begin.

Nakatani: I am Nakatani, President of Funai Soken Holdings. Thank you for your continued support of our group. We would like to explain the details of our financial results for the fiscal year ended December 31, 2024, which we announced today at 12:00 PM, using the materials in the financial summary report.

I will begin with a summary of the financial results. Mr. Haruta, Director of the Board, will explain the detailed results by segment. After that, I would like to reiterate my explanation of this fiscal year's earnings forecast, growth strategy, and shareholder returns.



First, I would like to briefly report the key points of the FY2024’s closing.

In 2024, we achieved record performance in terms of both sales and profits. ROE hit a record high of 24.3%, and the mainstay management consulting business achieved double-digit growth in both sales and profits.

In terms of KPIs, which are the leading indicators of our performance, the number of consultants exceeded 1,000 for the first time, the number of participants in management seminars reached a record high, and the number of members of the management workshop also reached a record high despite the increase in membership fees.

The main focus of the Company's strategic initiatives has been consulting services designed to propel client companies to 10-billion-yen turnover which is also the Ministry of Economy, Trade and Industry's policy for medium-sized enterprises, with the number of clients for the year surpassing 100 companies.

In addition, as part of the promotion of the DX strategy, the Company simultaneously introduced generative AI Gemini for Google Workspace to all 1,500 employees in the group. We have also established a joint venture with Agata Global Consulting and grouped Almacreation.

As to the outlook for FY2025, we plan to achieve record-high performance again this fiscal year, with net sales of JPY33 billion and operating income of JPY8.9 billion, and ROE of more than 25%, the highest ever. In terms of shareholder returns, we plan to increase dividends by JPY10 for the 15th consecutive fiscal year.

1. Executive Summary

(1) Consolidated Income

New records were set for sales and income. Sales were solid, with sales of monthly support services up in the consulting segment. Operating income was up sharply, buoyed by higher operating margins as a result of increasing workshop and monthly support subscriptions, as well as reduced costs.

	FY2023		FY2024			Compared with forecast issued on Feb. 8, 2024	
	Amount (million yen)	% of total	Amount (million yen)	% of total	Change (%)	Amount (million yen)	Change (%)
Net sales	28,238	100.0	30,645	100.0	+8.5	30,500	+0.5
Operating income	7,247	25.7	8,324	27.2	+14.9	7,900	+5.4
Ordinary income	7,343	26.0	8,411	27.4	+14.5	7,900	+6.5
Net income attributable to owners of the parent	5,201	18.4	5,993	19.6	+15.2	5,500	+9.0

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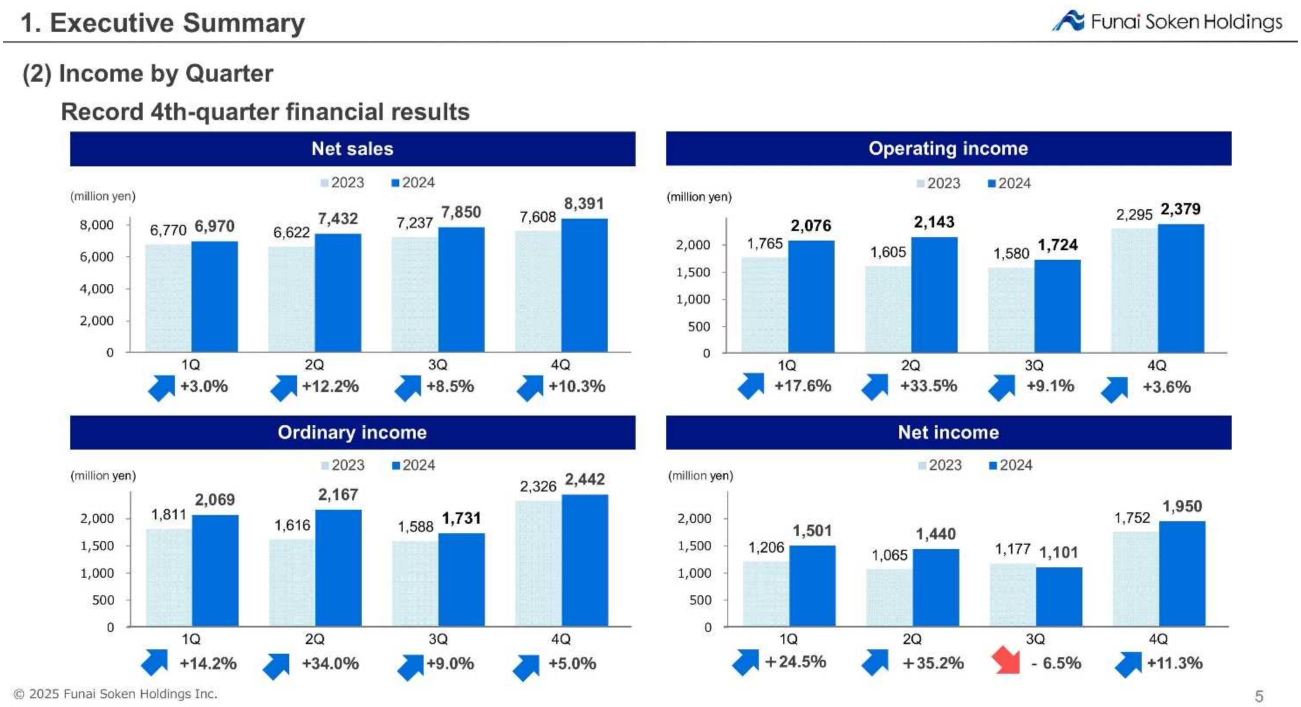
We will now report on the specifics.

First, let me explain the revenue situation.

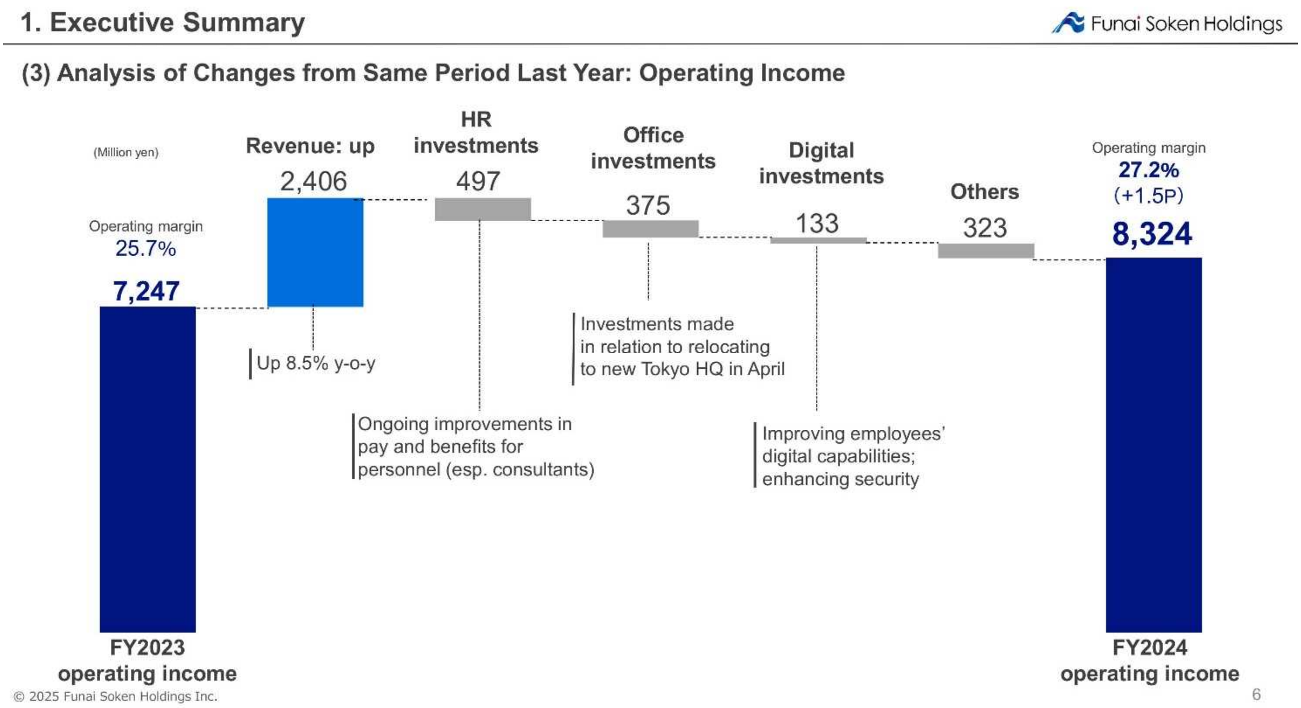
Net sales were JPY30.645 billion, up 8.5% from the previous year, operating income was JPY8.324 billion, up 14.9%, ordinary income was JPY8.411 billion, up 14.5%, and net income was JPY5.993 billion, up 15.2% from the previous fiscal year. We were able to achieve record-breaking results.

Sales were generally in line with the plan. Operating income exceeded the plan by 5.4% due to an increase in the profit margin resulting from higher unit prices for management workshops and monthly support as well as cost reductions..



Next is a quarterly breakdown of the 2024 results.

As you can see here every quarter has shown steady growth, and this Q4 was the best quarterly performance in our history.

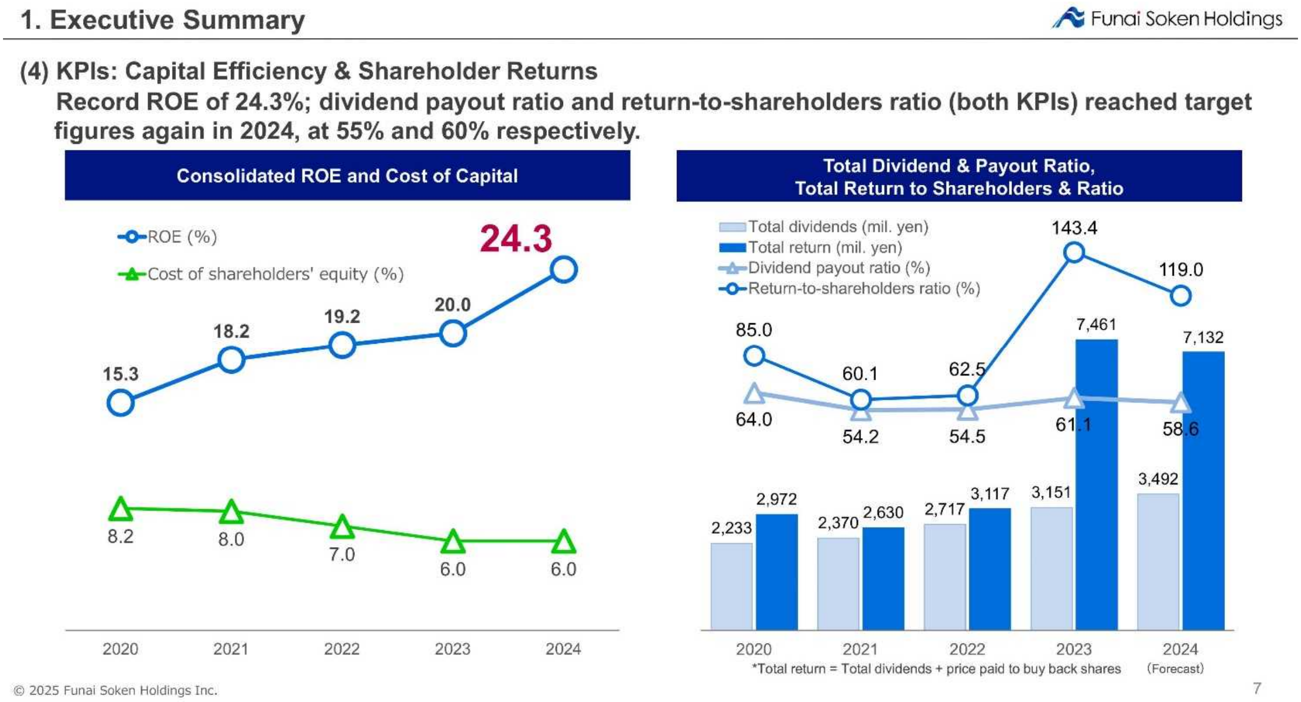


Next, I will explain the factors behind the increase or decrease in operating income.

First, revenues increased by 8.5%, or approximately JPY2.4 billion, compared to last year. Revenue increased in many areas, but the main areas of growth were monthly support in the mainstay medical, nursing care, and welfare fields, membership fee sales from management workshops, consulting on the use of subsidies, and consulting services designed to propel client companies to 10-billion-yen turnover.

The cost increase is mostly a strategic investment. First, we have been investing in human resources by continuously improving the treatment of our consultants and other staff and in offices following the relocation of our Tokyo headquarters last year.

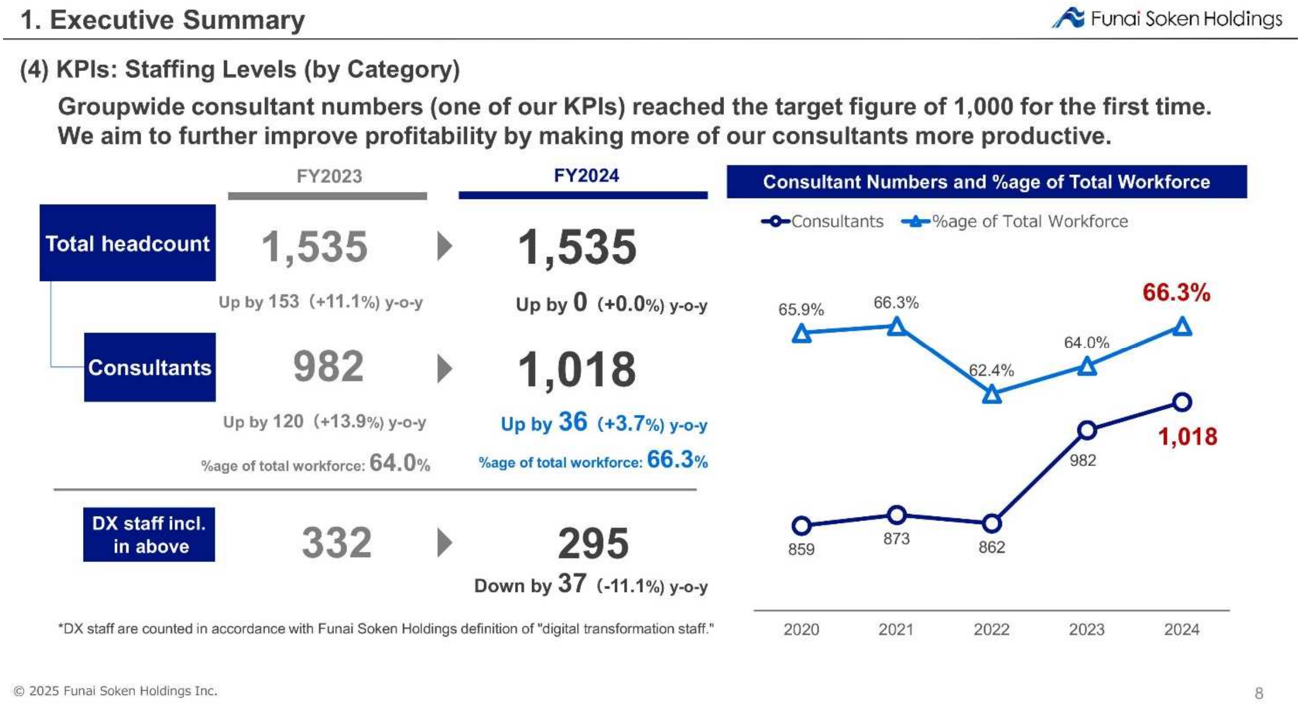
With regard to digital investments, we are aggressively strengthening security and enhancing digital equipment. We feel that these investments have already led to an increase in revenue, and as a result, the operating margin improved by 1.5 percentage points from 25.7% last year to 27.2%. We were also able to increase profitability by one level.



Next, we will report on trends in key KPIs.

In terms of capital efficiency and shareholder returns, consolidated ROE reached a record high of 24.3% in FY2024, thanks to the implementation of proactive measures such as a flexible share buyback program.

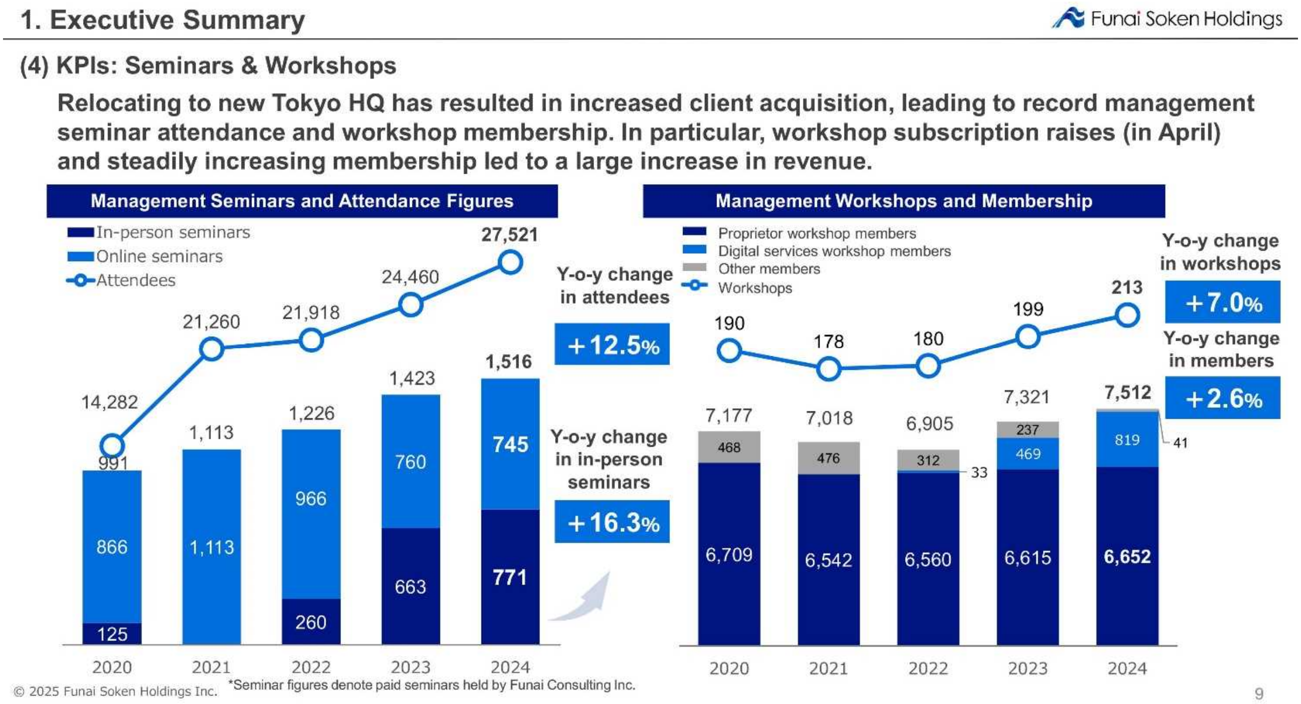
We also achieved our medium-term management plan targets of a dividend payout ratio of 55% and a total return ratio of 60%.



Next, here is a summary of the number of employees and consultants related to human capital.

During the period of the 2023-2025 mid-term management plan, we are focusing on recruitment and retention in order to realize our human capital strategy. As a result, the number of consultant personnel in FY2024 exceeded 1,000 in the Group for the first time.

We intend to sustainably increase the consultant ratio in order to further improve profitability.



The next slide shows the number of management seminars held and the number of participants, as well as the growth of management workshop membership, which are leading indicators in terms of orders received.

The figures for the past five years show that the number of seminar participants and the number of workshop members have both reached record highs, with a plus of 12.5% and a plus of 2.6%, respectively. In particular, the management workshop saw a large increase in revenue as a result of an increase in membership, despite the implementation of a membership fee increase in April.

Now, Mr. Haruta will give an explanation by segment.

2. FY2024 Financial Report

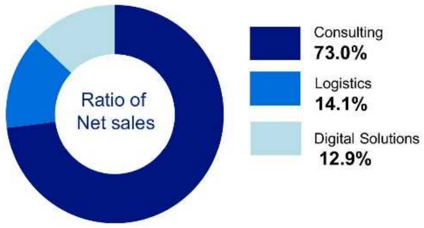
Funai Soken Holdings

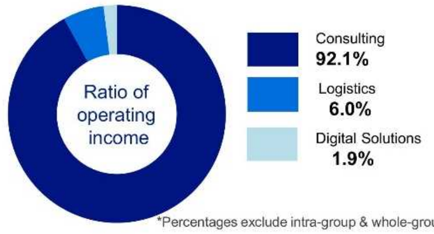
(1) Results of Operations by Segment

The consulting business saw growth across the board in monthly support, projects, management workshops, and management seminars. Profitability was up in the logistics business, and income increased sharply as all segments (incl. digital solutions) ended in a net profit.

Net sales	FY2023 Amount (million yen)	FY2024 Amount (million yen)	FY2024 Change (%)
Consulting	20,284	22,375	+10.3
Logistics	3,886	4,306	+10.8
Digital Solutions	4,051	3,962	- 2.2
(Intra-group & whole-group transactions)	15	0	–
Total	28,238	30,645	+8.5

Operating income	FY2023 Amount (million yen)	FY2024 Amount (million yen)	FY2024 Change (%)
Consulting	6,757	7,508	+11.1
Logistics	394	496	+25.8
Digital Solutions	-70	159	–
(Intra-group & whole-group transactions)	166	159	–
Total	7,247	8,324	+14.9





*Percentages exclude intra-group & whole-group transactions

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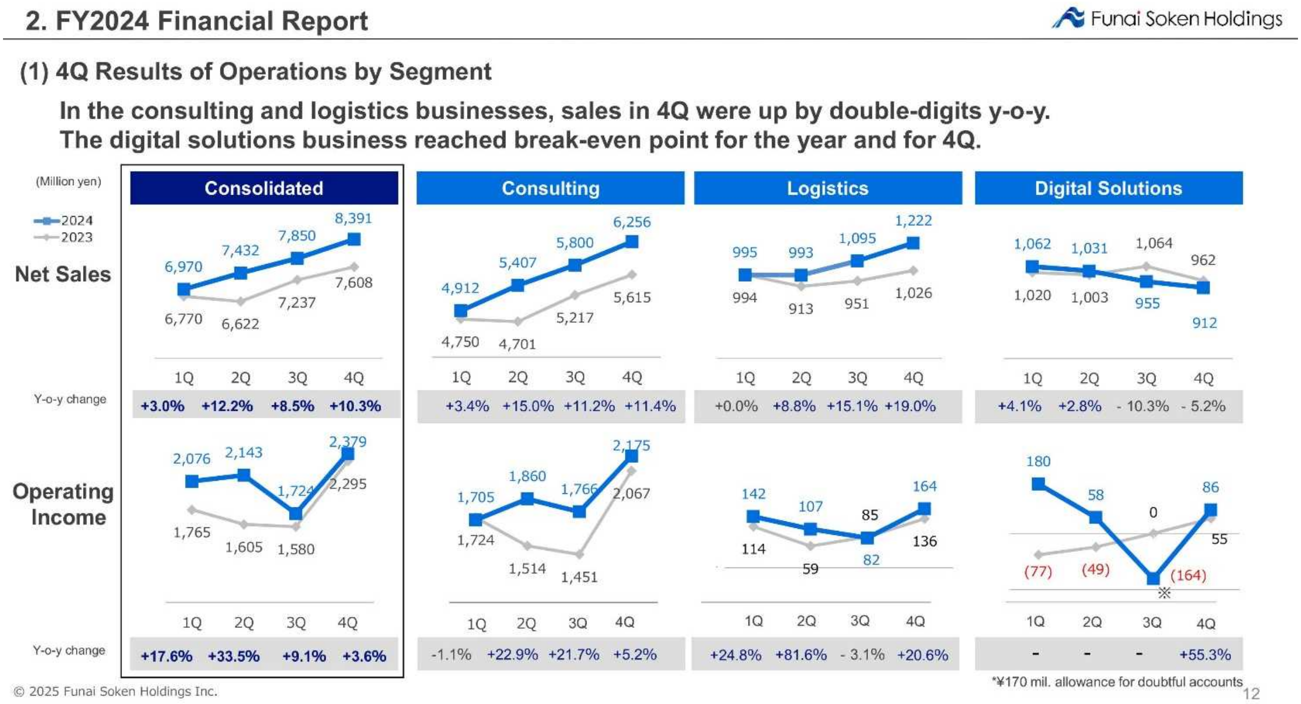
Haruta: Thank you very much for all your help. I am Haruta, Director and Executive Officer at Funai Soken Holdings. I will now report on the details by segment.

Here are the results of the three projects. Please see slide 11.

The management consulting business posted double-digit growth in both net sales and operating income, up 10.3% and 11.1%, respectively, from the previous fiscal year.

The logistics business also achieved significant increases in both sales and operating income, with net sales up 10.8% and operating income up 25.8%, and profitability in particular improved.

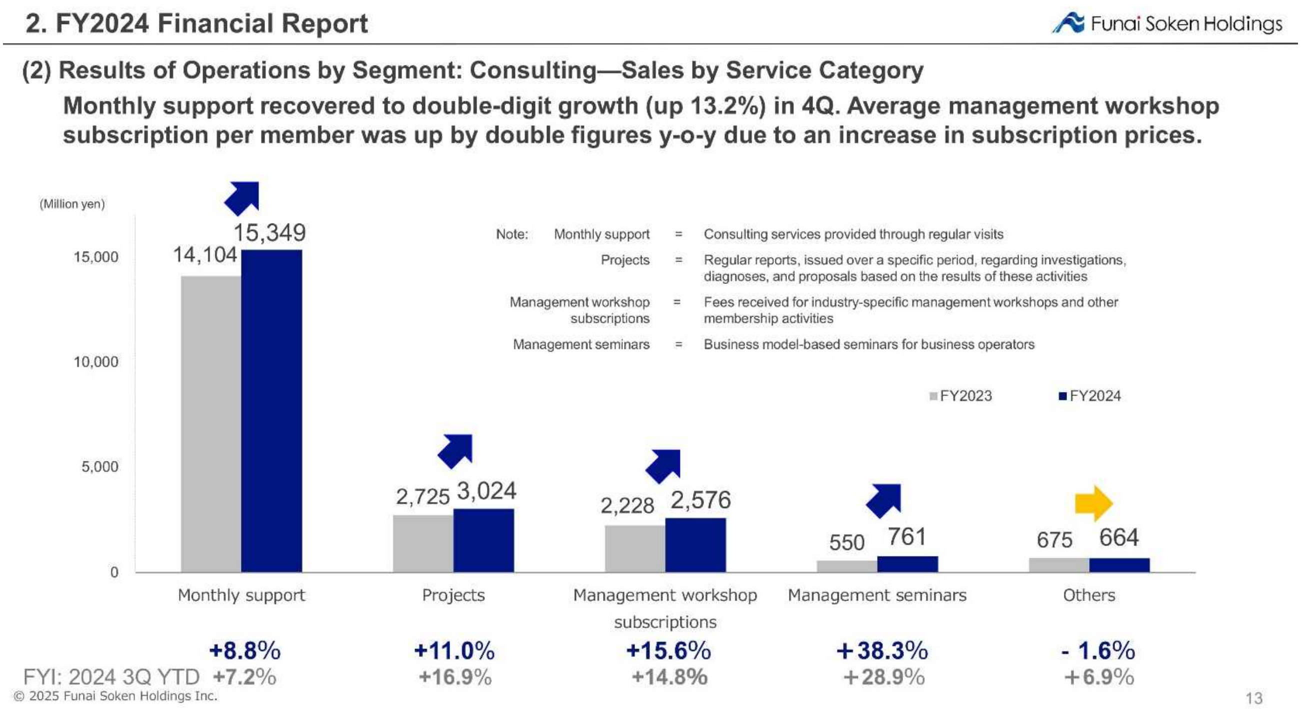
The digital solutions business, which was in the red in the previous year, landed in the black in 2024.



Now, here is a breakdown of each segment by quarter. The blue line shows results for 2024 and the gray line for 2023.

In the management consulting and logistics businesses, we achieved steady growth in business performance each quarter.

The digital solutions business also returned to profitability in Q4 and for the full year.

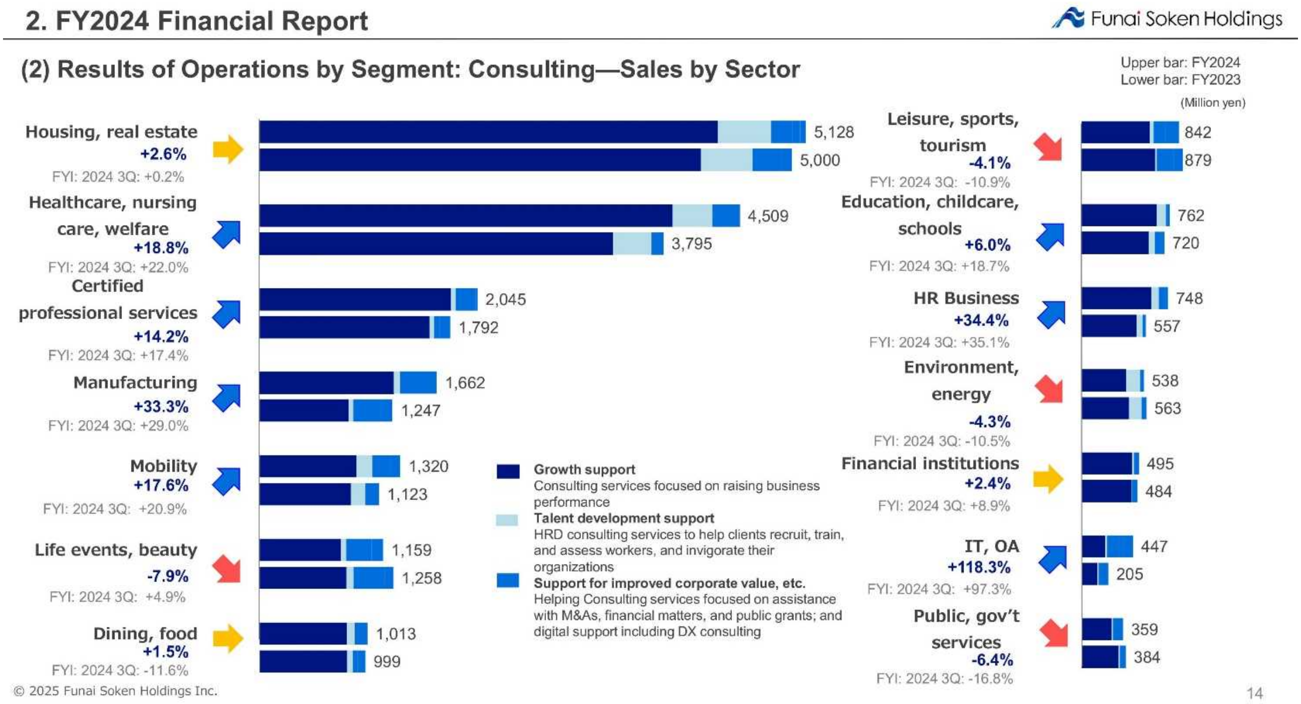


From here, I will look at each segment individually.

I will begin with our management consulting business. Here are sales by business category.

Monthly support was plus 8.8% and projects were plus 11%. Monthly support exceeded the Q3 figure on a cumulative basis, and Q4 alone saw a 13.2% growth rate, with double-digit growth in this area, which accounts for the largest proportion of sales.

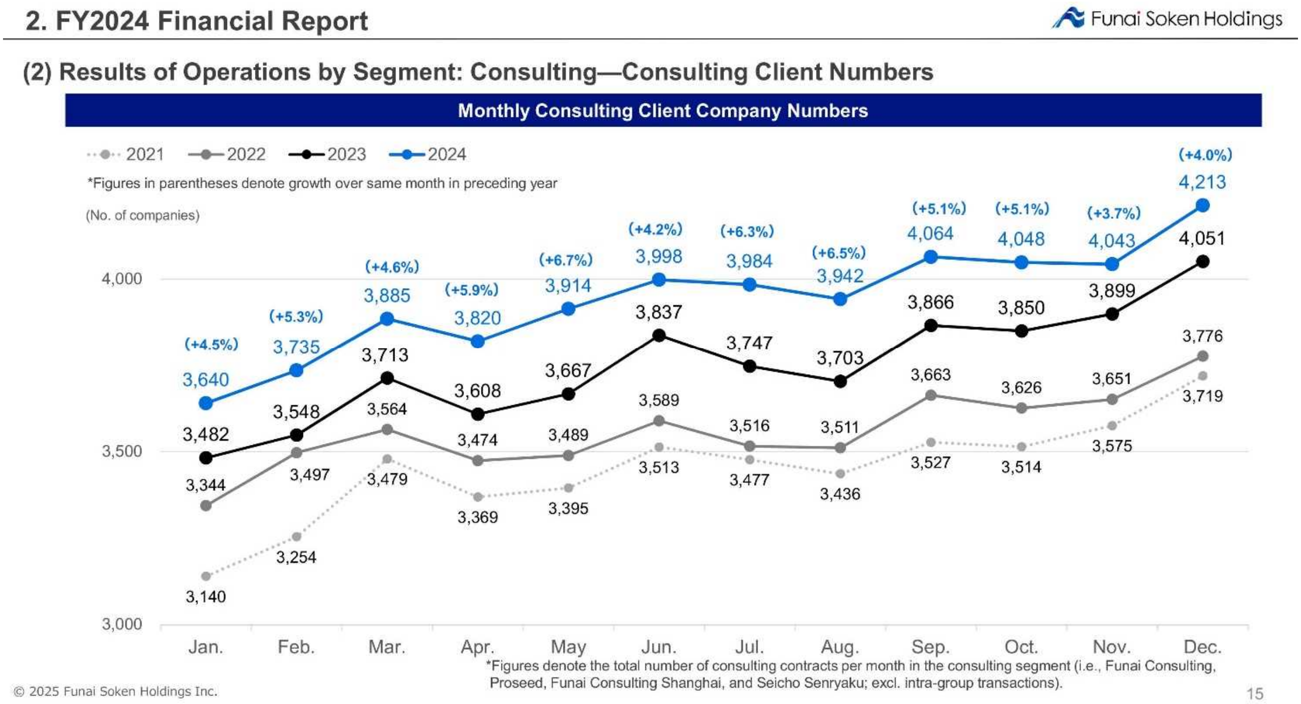
In addition, with regard to membership fee income from management workshops, which I explained earlier, sales have increased more than the growth in the number of members, indicating that the increase in unit price has boosted sales. In fact, a comparison of dues per member shows an increase of more than 10%.



Next, the performance trends by industry category.

Many of the industries here also showed a significant increase over the previous year. In particular, the sectors with large percentages of the total performed well: medical/nursing care/welfare, plus 18.8%; professional services, plus 14.2%; manufacturing, plus 33.3%; and mobility, plus 17.6%.

In addition, housing and real estate, which had struggled in H1 of the year, eventually finished on a positive note with a final gain of 2.6%.



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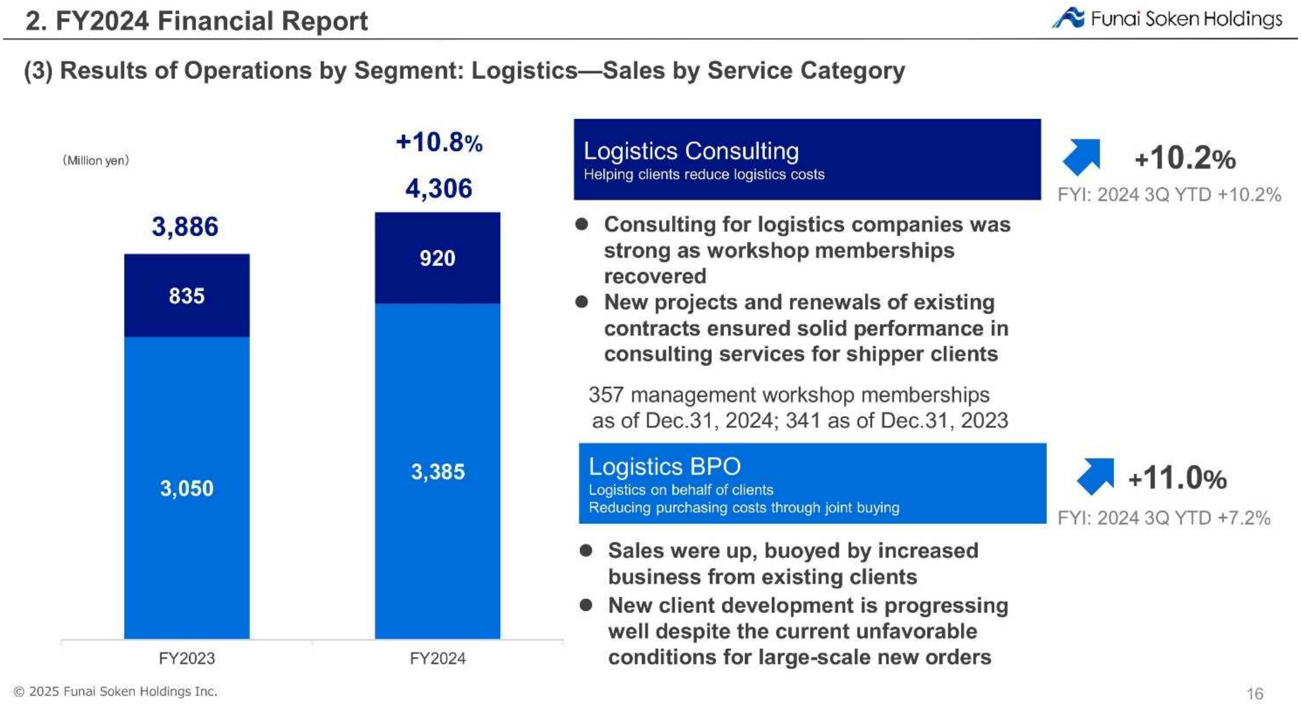
Here is the number of consulting companies by month.

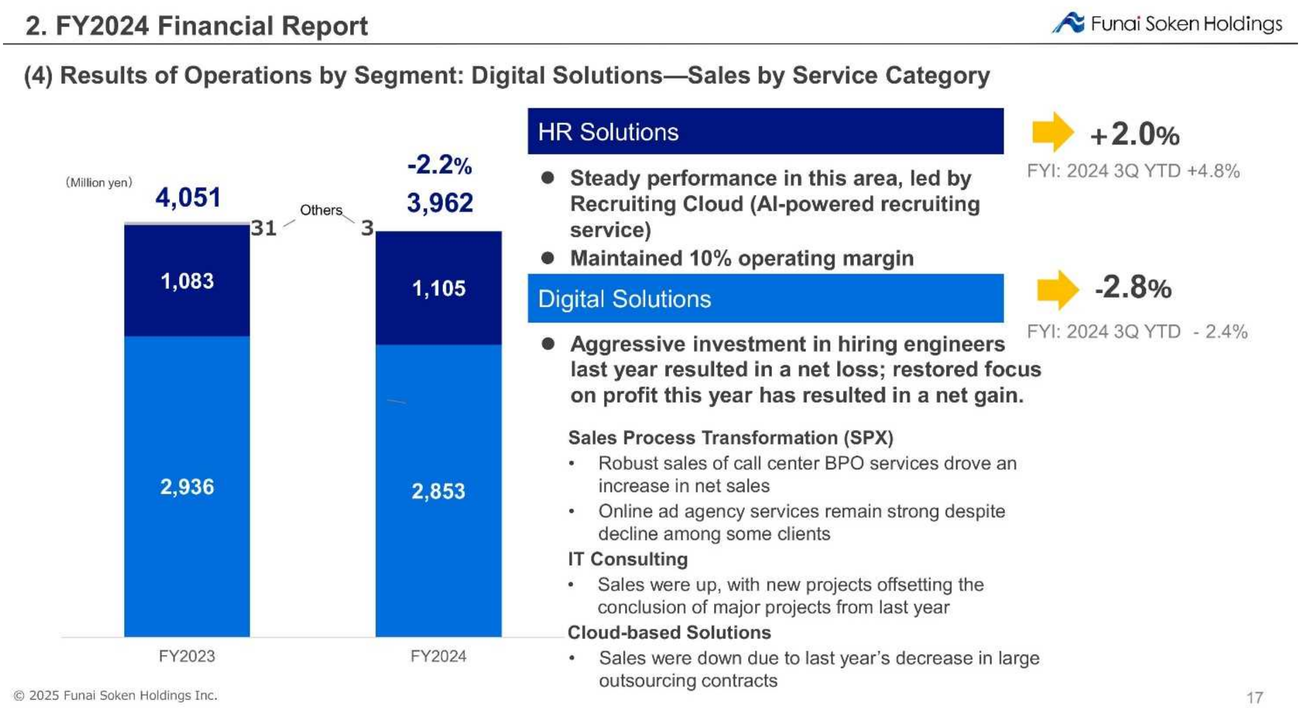
The trend has remained the same, with a constant increase of several percent each month. These are the results reported for the management consulting business.



Next is the logistics business.

With regard to the logistics business, both logistics consulting and logistics BPO recorded double-digit growth. Logistics BPO also saw an increase in sales during the quarter.

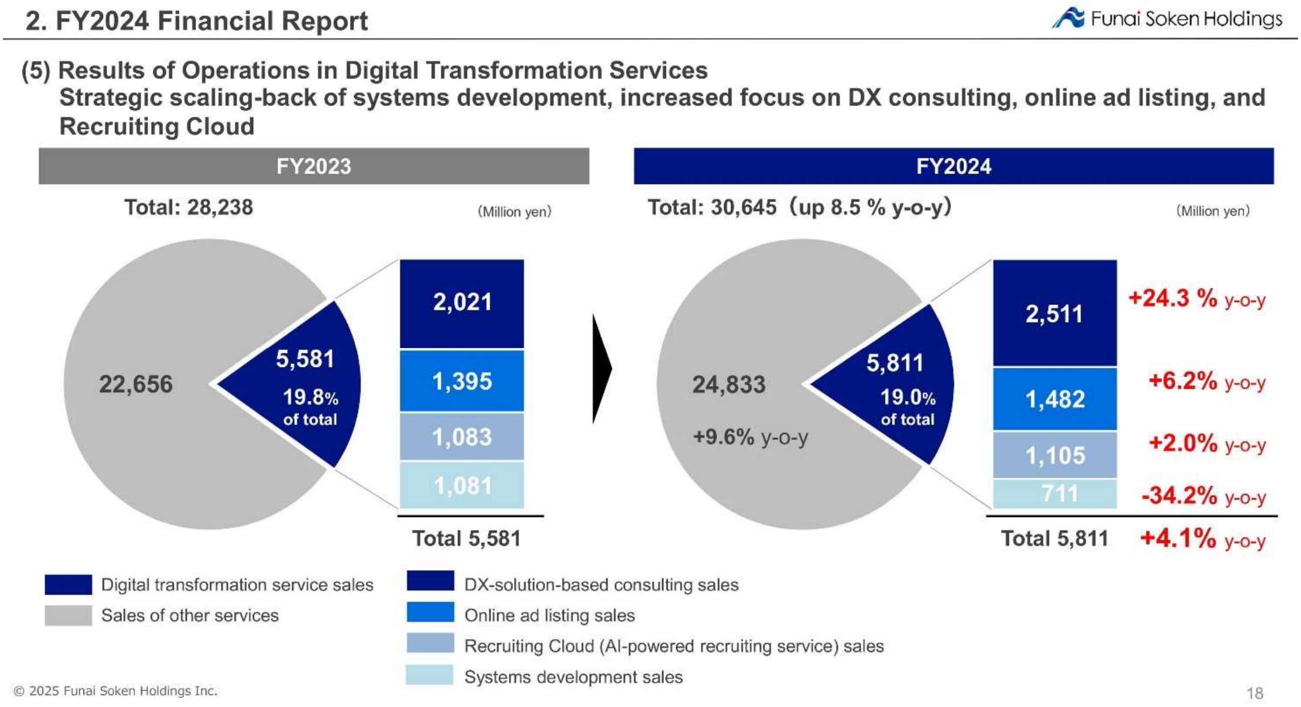
In addition, the number of management workshop members has recovered and membership is growing.



Next is the digital solutions business.

As for the digital solutions business, we focused on profitability and curbed hiring this fiscal year. This resulted in a slight decrease in sales, although this business segment posted a JPY0.159 billion profit this fiscal year from an operating loss last year.

HR Solutions continued to perform well, maintaining an operating margin of 10%.



Next, here are the actual figures for DX-related services as we have defined them, rounded out.

All of these areas have continued to grow, but in the current fiscal year we have strategically downsized in the area of systems development and shifted to more profitable operations.

On the other hand, the total of the three areas, excluding system development, grew by 13.3%, which is more than the growth of the whole.

We will continue to focus on DX solution consulting.

2. FY2024 Financial Report

Funai Soken Holdings

(6) Consolidated Financial Position: Balance Sheet

The decrease in net assets is due to proactive shareholder return measures such as ongoing dividend increases and share buybacks, resulting in slimming down of total assets and net assets

(Million yen)

		As of Dec. 31, 2023	As of Dec. 31, 2024	Change	Major factors behind changes
Current assets		18,657	17,756	▲901	Decrease in cash and deposits due to share buyback
Noncurrent assets	Property, plant, and equipment	6,146	6,507	+361	Increase in buildings and structures due to construction work in conjunction with relocation of Tokyo HQ
	Intangible assets	1,124	661	▲463	Decrease in leasehold rights due to sale of unit properties
	Investments and other assets	5,702	6,513	+811	Increase in long-term deposits due to surplus fund investments
Total assets		**31,631**	**31,438**	**▲192**	
Current liabilities		5,666	6,274	+608	Increase in other accounts payable due to increase in transactions
Noncurrent liabilities		238	174	▲63	Decrease due to transfer of long-term loans payable to current liabilities
Total liabilities		**5,904**	**6,449**	**+544**	
Total net assets		**25,726**	**24,989**	**▲736**	Decrease due to share buyback. Equity ratio steady at 77.2%.
Total liabilities & net assets		**31,631**	**31,438**	**▲192**	

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Next, here is a summary of the balance sheet.

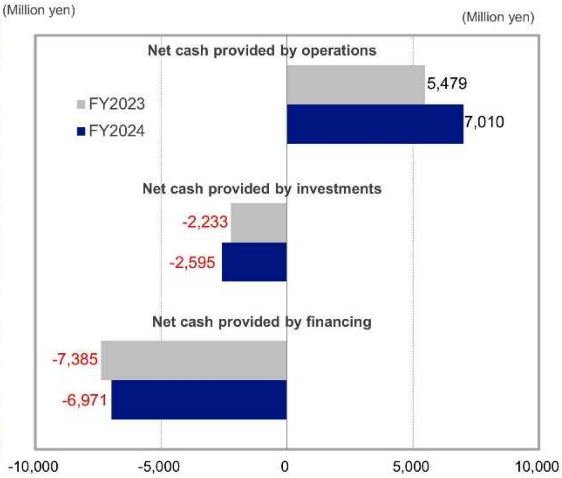
The decrease in net assets was mainly due to share repurchases, but the Company continues to maintain a sound financial position.

Funai Soken Holdings

(6) Consolidated Financial Position—Cash Flow Statement

(Million yen)

	FY2023	FY2024	Change
Net cash provided by (used in) operations			
Net income before income taxes and other adjustments	7,272	8,275	1,002
Depreciation	301	378	76
Other	△ 331	△ 184	146
Subtotal	7,242	8,469	1,226
Income taxes paid	△ 2,385	△ 2,185	200
Income tax refunds	602	717	115
Other	20	8	△ 11
Net cash provided by (used in) operations	5,479	7,010	1,531
Net cash provided by (used in) investments			
Payments into time deposits	△ 600	△ 2,000	△ 1,400
Purchase of property, plant and equipment and intangible assets	△ 649	※1 △ 965	△ 315
Proceeds from sale of property, plant, and equipment, and intangible assets	1	※2 606	605
Purchase of investments in subsidiaries resulting in change in scope of consolidation	△ 617	—	617
Other	△ 367	△ 237	130
Net cash provided by (used in) investments	△ 2,233	△ 2,595	△ 361
Net cash provided by (used in) financing			
Purchase of treasury shares	△ 4,312	△ 3,642	670
Dividends paid	△ 3,047	△ 3,302	△ 254
Other	△ 25	△ 27	△ 2
Net cash provided by (used in) financing	△ 7,385	△ 6,971	413
Change in cash and cash equivalents	△ 4,137	△ 2,547	1,589
Cash and cash equivalents at start of fiscal year	17,031	12,894	△ 4,137
Cash and cash equivalents at end of quarter	12,894	10,346	△ 2,547



1. Purchase of property, plant, and equipment associated with the relocation of Tokyo Headquarters.
2. Mainly proceeds from sale of leasehold resulting from integration of physical locations in Tokyo.

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Next, here is the cash flow statement.

As previously mentioned, the major increase/decrease was mainly due to the relocation of the Tokyo head office and the repurchase of treasury stock.

(7) News

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

Gemini
for Google Workspace

State-of-the-art generative AI will enable us to pursue positive transformations such as improved business efficiency and creativity. Moreover, we intend to serve as a model for Japanese mid-scale companies and SMEs by developing use cases to drive improved business performance.

②Our First J-Adviser Success Helping Baby Job List on the Tokyo Pro Market

Funai Consulting in its capacity as a J-Adviser, successfully helped Baby Job Co., Ltd., to list on the Tokyo Pro Market on December 19, 2024, offering advice and leadership on market suitability assessments and the listing process.

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Next, we will explain some of our initiatives as topics.

As Mr. Nakatani explained at the beginning of this meeting, in November, we introduced the generative AI Gemini for Google Workspace to all 1,500 employees in the group at once. We are currently working on creating use cases for our employees to use our own generative AI to serve as a model for improving the performance of small and midsize companies in Japan.

In December, BABY JOB Co., Ltd. was listed on TOKYO PRO Market as Funai Consulting's first J-Adviser project. As one of our IPO consulting services, we expect the number of projects to continue to increase.

(7) News

③Funai Soken Holdings & Agata Global Consulting to Terms on Joint Venture

Launched on January 6, 2025, Funai Soken Agata FAS Inc., will leverage both companies' strengths to help mid-scale companies and SMEs with M&A and business ownership succession.

④Almacreation becomes a wholly owned subsidiary of the Funai Soken Consulting Group

The Funai Soken Consulting Group welcomes Almacreation to the fold. Amlacreation's marketing community, "Next Generation Marketing Practice Meeting," has been attended by more than 20,000 business owners.

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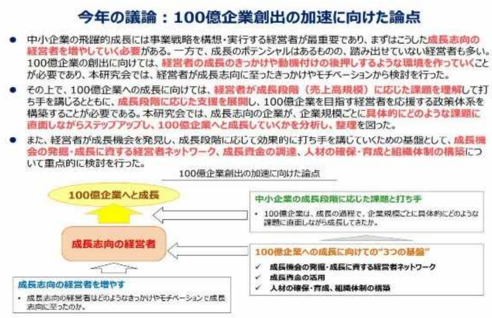
Next slide, please.

As we have announced in a press release, at the end of last year we established a joint venture company with Agata Global Consulting and integrated Almacreation as a group subsidiary.

Hence, since January of this year, both companies have been operating as part of Funai Soken Consulting Group.

(7) News

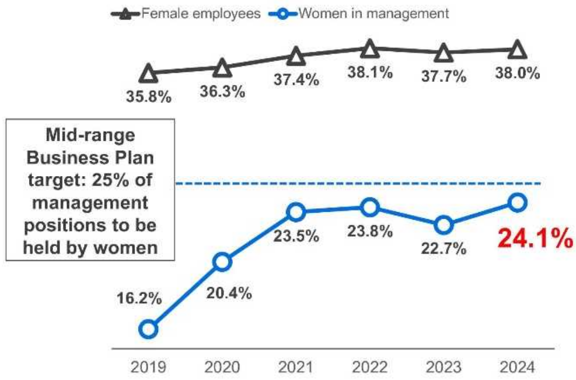
⑤Consulting Services Designed to Propel Client Companies to 10-billion-yen Turnover have exceeded 100 companies per year



※中小企業庁「中小企業の成長経営の実現に向けた研究会 第2次中間報告書」（2024年6月）P4より引用

One step ahead of new METI policy, we provide consulting services to help SMEs build a roadmap to reach ¥10 billion in turnover—a vital milestone to becoming mid-scale mainstays of the local community.

⑥Management Gender Balance Improving Steadily



The sustainability targets set forth in our Mid-Range Business Plan call for 25% of management positions to be held by women and for ongoing aggressive hiring of female talent

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Next, the number of clients for consulting services designed to propel client companies to 10-billion-yen turnover.

As you know, this consulting service is being developed in advance of the Ministry of Economy, Trade and Industry's policy and has steadily increased, surpassing 100 companies during the year. Consulting to accelerate growth from small and medium-sized enterprises to core regional enterprises is a theme that is also consistent with national policy and we can expect continued growth.

With regard to Funai Soken Consulting Group’s efforts to promote the advancement of women, the number of women in management positions has been steadily increasing. Specifically, the Company has set a medium-term management plan target of 25% women in management positions.

(7) News

⑦Osaka HQ to Relocate to Inogate Osaka in Jan. 2026

Our Osaka HQ will relocate to Inogate Osaka in January 2026. Direct access from Osaka Station and enhanced office functions will enable us to better recruit, train and develop talent, and expand the premises' role in sales.

⑧Current Osaka HQ and Gotanda Office to be Sold, Extraordinary Gains/Losses to Be Recorded in Accounts

Property	Scheduled contract date	Scheduled handover date	Extraordinary gain/loss forecast
Current Osaka HQ (Chuo-ku, Osaka)	Mar. 2025	Dec. 2025	Extraordinary gain of ¥3,155 mil. (to be recorded in 2025 4Q)
Gotanda Office (Shinagawa-ku, Tokyo)	Feb. 2025	May 2025	Extraordinary loss of ¥2,156 mil. (to be recorded in 2025 1Q)

The company has decided to sell the current Osaka HQ building, which we own, as part of the relocation of Osaka HQ. In addition, now that our Tokyo group companies' operations have been consolidated into the new Tokyo HQ at Tokyo Midtown Yaesu, we have decided to sell the former Gotanda Office building, which is owned by a group subsidiary

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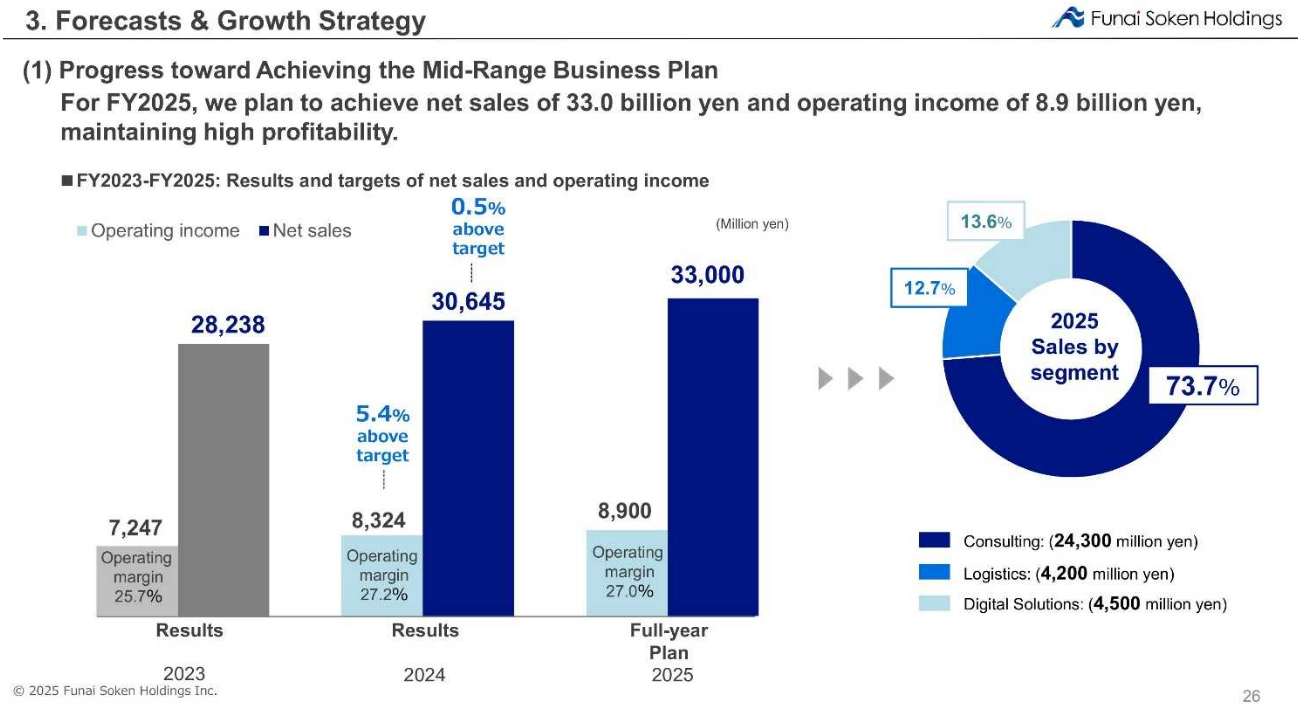
Next slide.

As part of our office strategy based on proactive investment in human resources, a key policy of our medium-term management plan, we have decided to relocate our Osaka Head Office to Inogate Osaka, directly connected to Osaka Station, in January 2026.

In addition, we are pleased to announce that we have decided to sell the current Osaka Head Office building and the Gotanda Building in conjunction with the HQ relocation and the consolidation of group companies that took place last year. A press release regarding this sale was also issued today.

That's all for today’s report.



Nakatani: Okay, I will explain again from here.

The current medium-term management plan is in its final year. We aim to maintain high profitability in the current fiscal year and achieve sales of JPY33 billion and operating income of JPY8.9 billion as soon as possible.

(2) FY2025 Earnings Forecast

	Consolidated mid-year forecast for FY2025			Consolidated full-year forecast for FY2025		
	2024 (actual) (million yen)	2025 forecast (million yen)	Change (%)	2024 (actual) (million yen)	2025 forecast (million yen)	Change (%)
Net sales	14,403	16,000	+11.1	30,645	33,000	+7.7
Operating income	4,220	4,600	+9.0	8,324	8,900	+6.9
Ordinary income	4,236	4,600	+8.6	8,411	8,900	+5.8
Net income	2,941	1,800	- 38.8	5,993	6,600	+10.1

*¥2,156 mil. extraordinary loss to be recorded in 2025 1Q due to sale of Gotanda Office.
*¥3,155 mil. extraordinary gain to be recorded in 2025 4Q due to sale of current Osaka HQ building.

Sales Forecasts by Segment

Consulting	24,300 mil. yen
Logistics	4,200 mil. yen
Digital solutions	4,500 mil. yen

Operating Income Forecasts by Segment

Consulting	8,000 mil. yen
Logistics	600 mil. yen
Digital solutions	200 mil. yen

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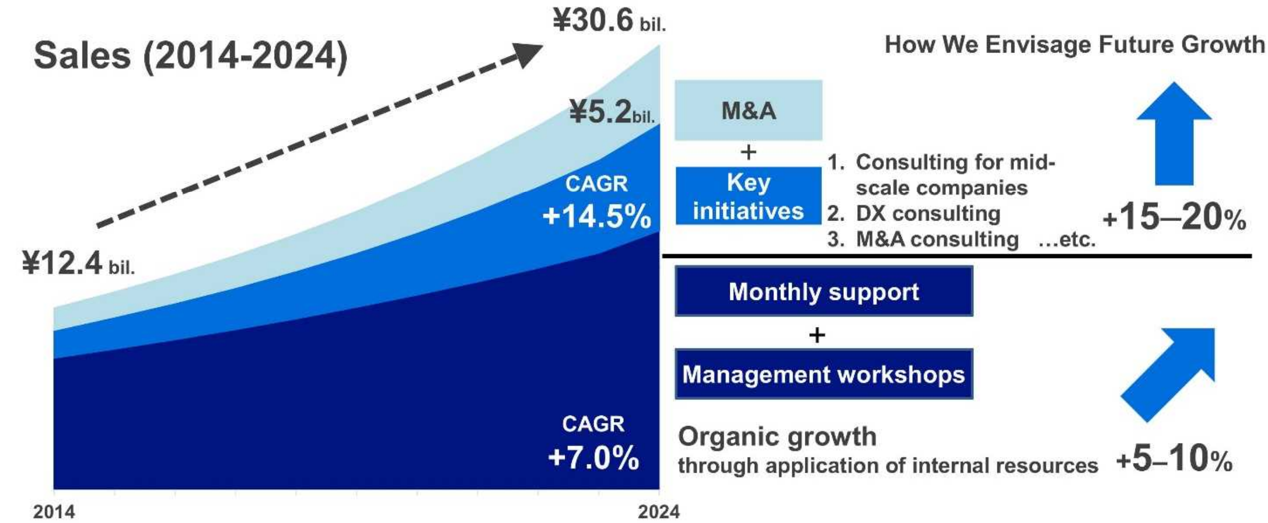
Here are the details of the forecast for the current fiscal year.

In the current fiscal year, we will continue our efforts to achieve record-high profits in each segment.

(3) How We Have Grown

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



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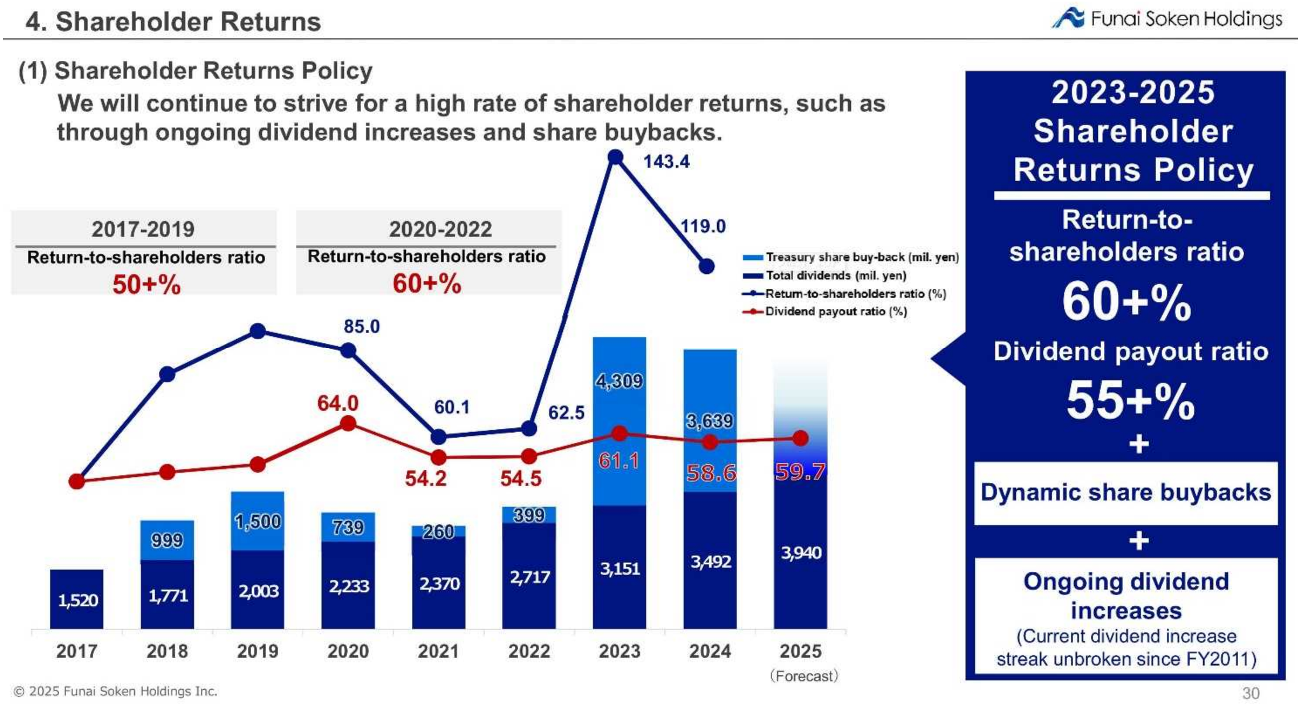
Next, I will explain the Group's growth strategy.

In 2014, our group was approximately JPY12 billion in size. Since becoming a holding company in 2014, we have continued to grow over the past 10 years, surpassing JPY30 billion in 2024, and are planning JPY33 billion in sales by the end of the current fiscal year.

The most important basis for this growth is monthly support and management workshops, which we see as the basic organic growth part of our business. The average growth rate in this area has been plus 7% over the past decade, and we envision this growth continuing to grow between 5% and 10%.

In addition to this area, we are currently focusing on medium-sized company consulting, DX consulting, and M&A consulting, which are our priority strategies. In fact, we have achieved an increase of 14.5% over the past 10 years in these areas.

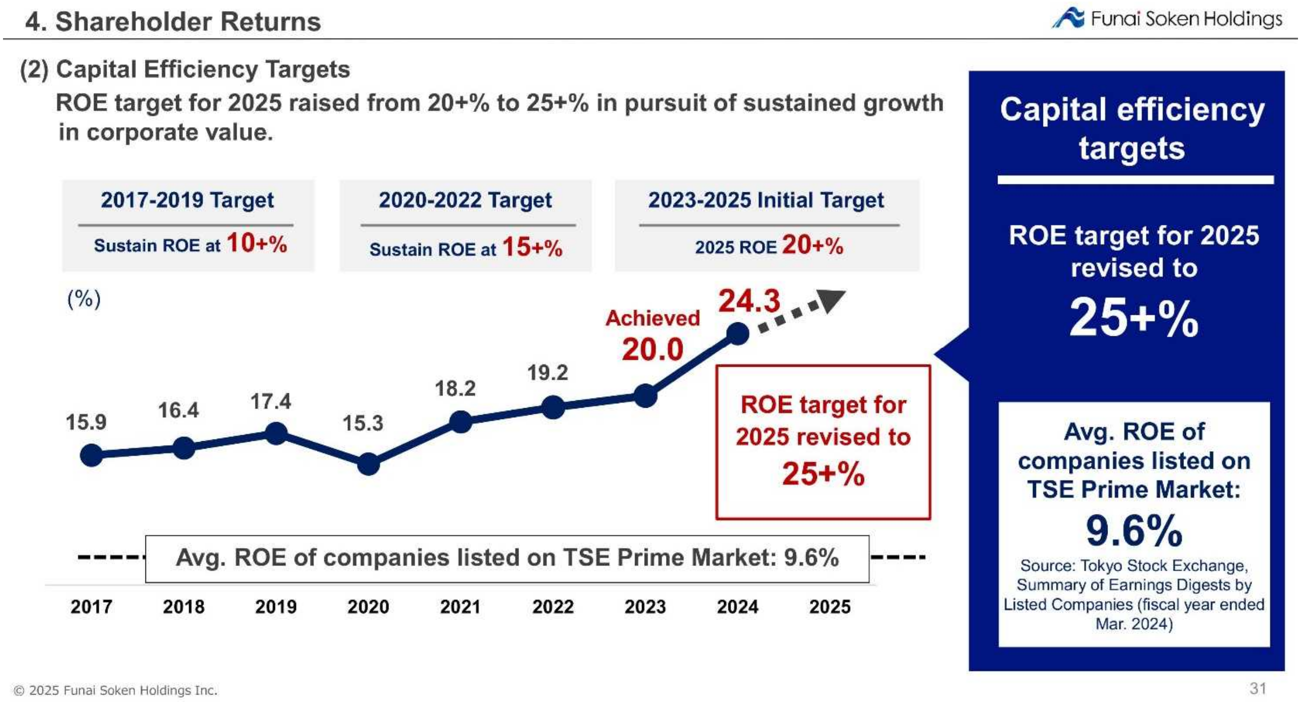
Since becoming a holding company, we have adopted a strategy of adding new members to the Group through M&A. Our major direction is to aim for sustained double-digit growth in these two major areas of business, with an additional 15% to 20% growth in total.



In the last part of my explanation, I'd like to talk about shareholder returns.

First, as stated on page 30, our shareholder return policy is to maintain a total return ratio of at least 60% and a dividend payout ratio of at least 55%.

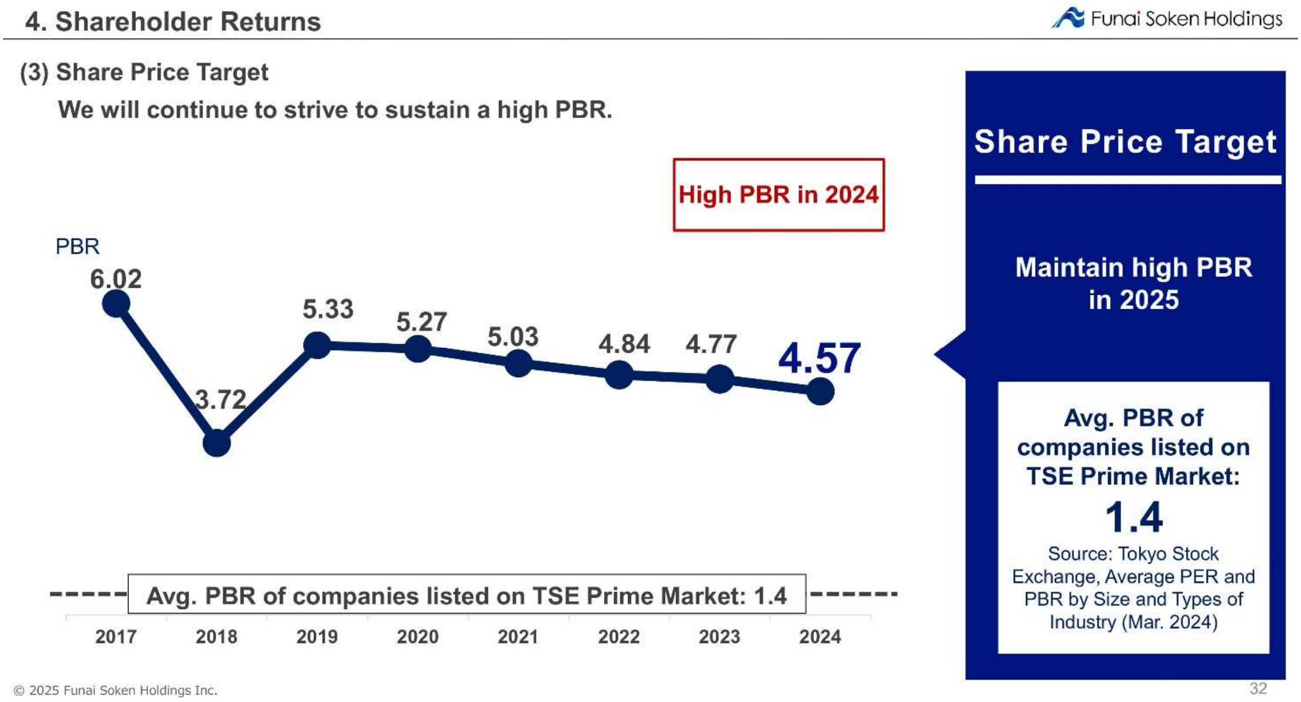
The Company will continue to aim for a total return ratio that exceeds our policy this year through continuous dividend increases and flexible share buybacks.



Next slide, please.

Regarding capital efficiency targets, last year we revised upward our ROE target for 2025 from 20% or more to 25% or more.

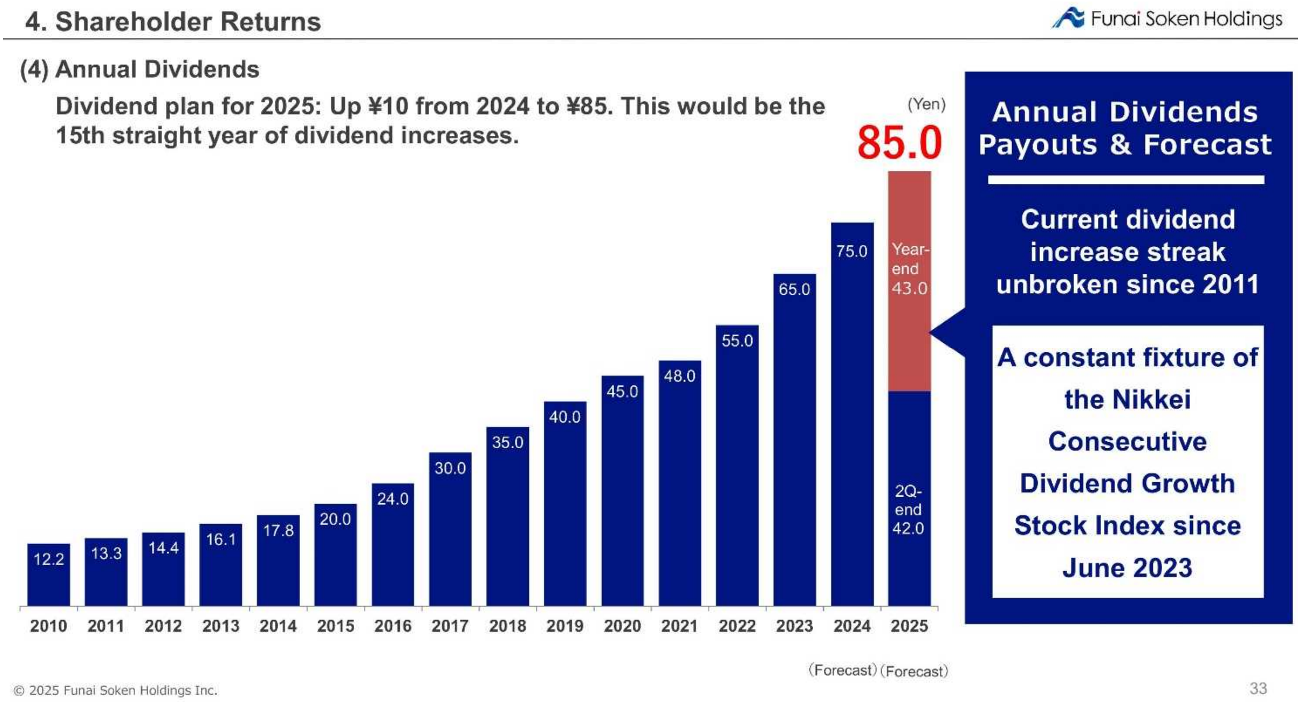
ROE in 2024 steadily increased to 24.3%, and we will accelerate further improvement of ROE in 2025, not to mention achieving our target of 25% or more.



Moving on to slide 32.

As a stock price level target, we aim to maintain a high P/B ratio in the future.

Compared to the average P/B ratio of all industries of TSE prime listed companies, our P/B ratio is high, with a P/B ratio of 4.57x in 2024.



Finally, I will explain about dividends.

The graph shows actual dividends from the past and future prospects. We plan to increase dividends by JPY10 to JPY75 in FY2024 and another JPY10 in FY2025, for an annual dividend of JPY85. If this is achieved, it will be the 15th consecutive year of dividend increases.

This concludes my explanation.

The fiscal year 2025 is underway, and fortunately, we are off to a good start. We will make every effort to firmly achieve not only the goals of this term's mid-term plan, but also to exceed them, and I would like to ask for your continued support in this endeavor.

This concludes our report. Thank you very much.

Moderator: Yes, thank you very much.

Question & Answer

Moderator [M]: We will now have a question-and-answer session.

Please take a moment to enter your questions. For your questions, please enter your questions in the Q&A section from the Zoom webinar. Please note that your question will be posted under the name you entered when you registered for the webinar. You may ask your questions anonymously.

Now, we have the first question. Thank you

Participant [Q]: Thank you for your explanation.

The background of the strong monthly support, especially in the most recent Q4, there seems to be an increase in momentum compared to the previous year, but is this largely due to the revision of unit prices? We would also appreciate it if you could enlighten us as to its sustainability.

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

Including this relocation to Yaesu, a major trend has emerged to first firmly conduct real seminars and real management workshops, and to further strengthen them in the future. After another six months or so, I believe that the flow of monthly support from these seminars and management workshops is now well underway.

Regarding the revision of unit prices, we are calling on the entire company, especially the management workshop, to raise the unit price, but the situation regarding monthly support is still one of individual judgment. Therefore, rather than revising the unit price, we were able to work in unison to make the best of the flow of seminars, workshops, and monthly support, which we believe was the reason for the overall increase in monthly support in Q4.

In addition, as for the impact of this price increase, about half of the management workshops started raising their prices in April last year, so that part will run its course by this March 2025 or so. Since the institutes that did not raise their prices are also gradually raising their prices, we believe that as a result, the effect of this full year of price increases will continue this year.

In addition, many consultants are confident that they can raise the price of monthly support, and we expect to see a gradual increase in the price of monthly support during this year's activities. That is all from me.

Participant [Q]: Now for the next question. Your Q4 results were good, but I am wondering if there were any special factors.

Nakatani [A]: This slightly overlaps with what I said earlier, but it is not that there were any special factors that led to the growth, but rather that all divisions performed well overall.

By industry, the medical, nursing care, and welfare-related sectors—the second largest in terms of sales—remained strong, while other sectors, such as manufacturing, continued to show significant growth. The logistics business, which had been struggling a bit the year before last, has also recovered well.

We have also been able to improve our performance in a wide variety of areas, such as consulting services designed to propel client companies to 10-billion-yen turnover, which is linked to the new theme of the national policy for medium-sized enterprises. In this sense, I believe that we can look forward to another year of growth. That is all from me.

Moderator [M]: If you have any questions or would like to know more, please do not hesitate to ask. We have received a question.

Participant [Q]: Please tell us about your priority policy areas. You have DX consulting, consulting for midscale companies, and M&A consulting, and we are wondering if you could tell us about your assessment of each of these businesses, especially with regard to the challenges they face.

Nakatani [A]: Yes, thank you. As for DX consulting, we continue to provide services based on Zoho, our CRM system for small and midsize companies, under the service name of Growth Cloud. The growth rate in this area has increased approximately 150% in the last year, and our first priority this year will be to continue to strengthen this area.

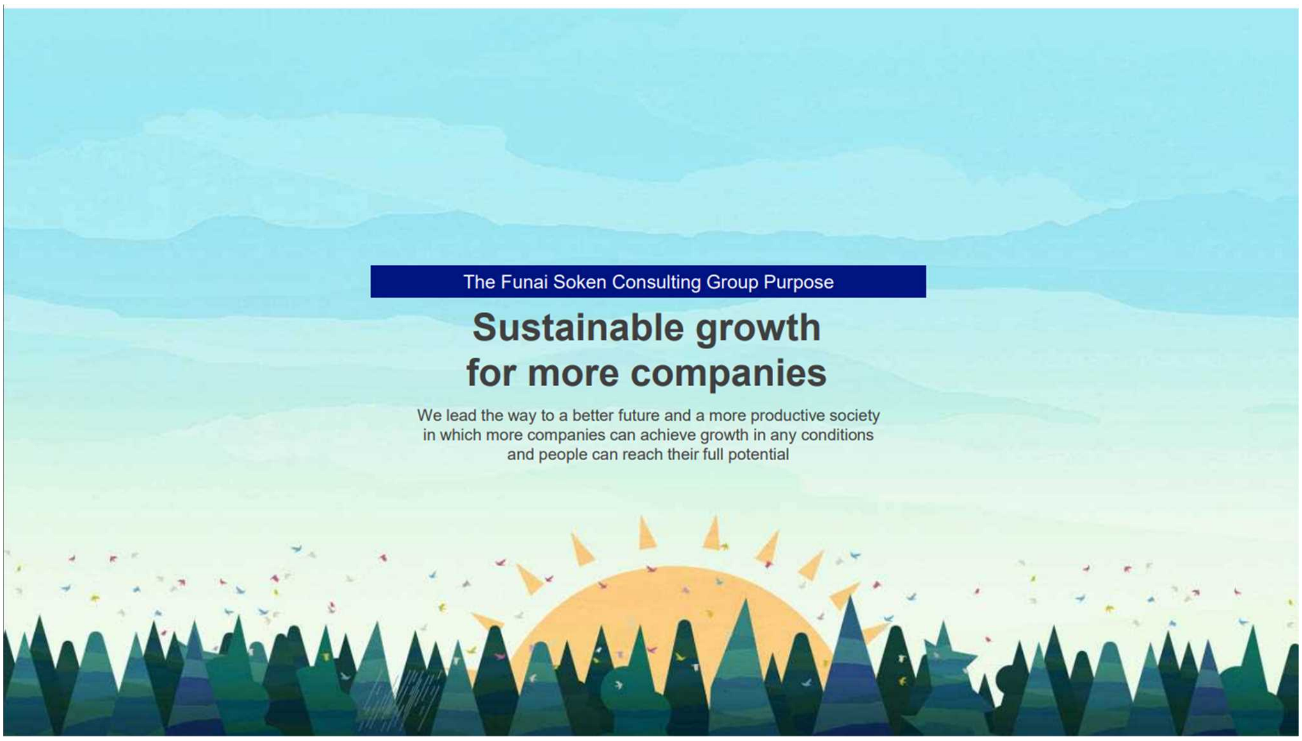
In the area of consulting services for medium-sized companies, we have consulting services designed to propel client companies to 10-billion-yen turnover that I mentioned earlier, and we will continue to strengthen this service menu. We have also begun to make steady progress in alliances with financial institutions, which we had previously struggled with, and these too are growing at a high rate. These two will be the main focus of our efforts.

In M&A consulting, one of our strengths is our industry-specific approach. The consultants who have been active in Funai Consulting's so-called “performance improvement” consulting, and who are now at the level of general manager or director, can now be very competitive by delving into M&A consulting units one by one by detailed industry and business category.

In addition, the joint venture that started under the name Funai Soken Agata FAS is also considering M&A as one of its options, but we would like to expand it as a so-called comprehensive FAS company for small and medium-sized enterprises by clearly showing the angle of business succession. That is all from me.

Moderator [M]: Thank you very much. If you have any questions at a later date, we are open to requests for one-on-one, etc. We would be happy to answer them.

This concludes the presentation of financial results for the fiscal year ended December 31, 2024. Thank you very much for joining and for your kind attention.



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