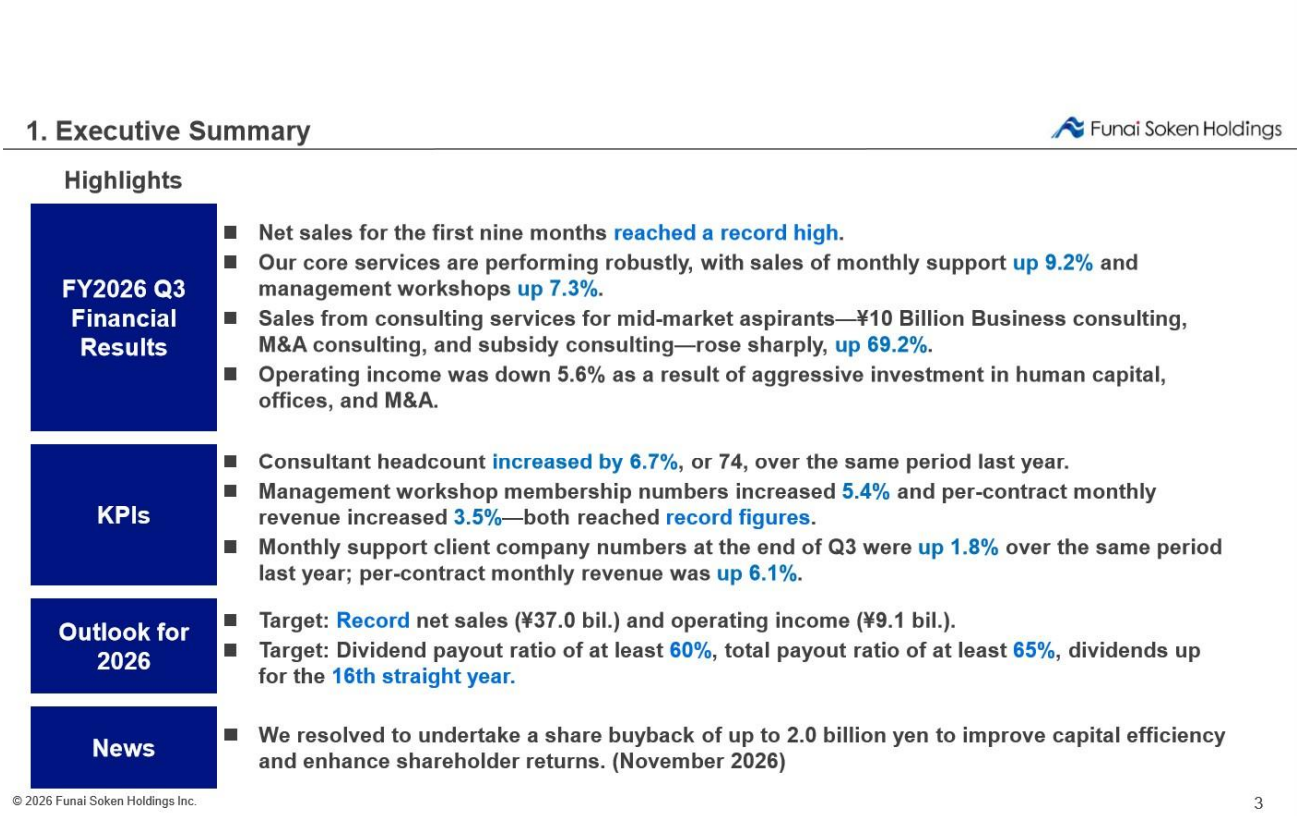
Funai Soken Holdings Incorporated

Q3 Financial Results Briefing for the Fiscal Year Ending December 2026

November 6, 2026

[Speakers]

Eijiro Saito	Executive Officer, Deputy Head of Management Division
Tsubasa Yamamoto	Head of Corporate Strategy Department
Naoya Yamane	Senior Manager of Corporate Finance Department



First, let us begin with a summary of these results.

I will first outline the key points.

Regarding the cumulative performance for Q3, sales reached a new record high.

The core monthly support service grew by 9.2%, and membership fees for management workshops increased by 7.3%, showing steady growth.

Meanwhile, consulting services for mid-market aspirants surged by 69.2%.

On the profit side, however, due to active investments in human resources, office infrastructure, and M&A activities, operating income decreased by 5.6% compared to the same period last year.

Regarding the key KPIs that serve as leading indicators of our company's performance, the number of consultants increased by 6.7% compared to the same period last year.

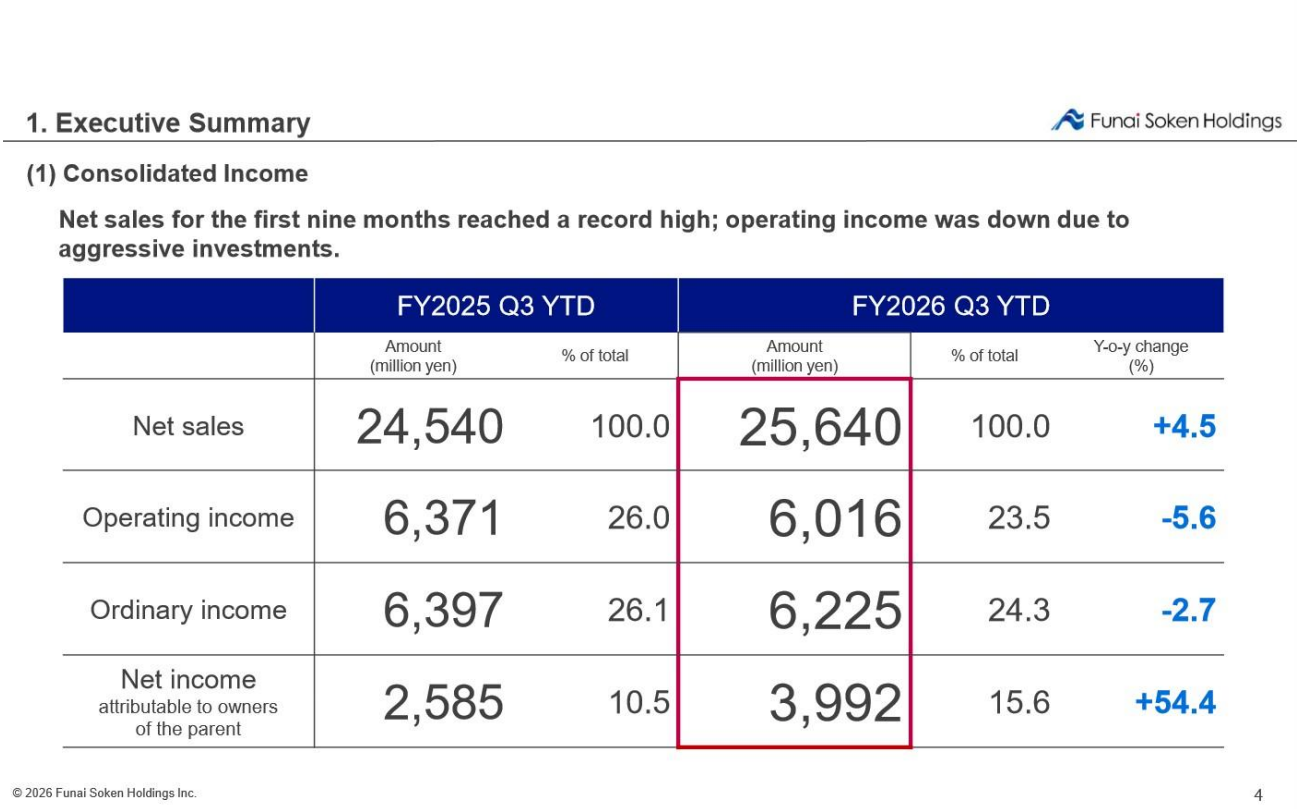
Additionally, management workshops, which form the foundation of our recurring revenue, saw both their membership increase by 5.4% and their monthly unit price rise by 3.5%, both reaching record highs.

Monthly support consulting also showed steady growth, with the unit price increasing by 6.1%.

Our full-year outlook remains unchanged.

Regarding shareholder returns, we aim for a dividend payout ratio of at least 60% and a total payout ratio of at least 65%, planning to achieve 16 consecutive years of dividend increases.

We also wish to report that the Board of Directors resolved today to purchase up to JPY2 billion worth of treasury shares.



1. Executive Summary

Funai Soken Holdings

(1) Consolidated Income

Net sales for the first nine months reached a record high; operating income was down due to aggressive investments.

	FY2025 Q3 YTD		FY2026 Q3 YTD		
	Amount (million yen)	% of total	Amount (million yen)	% of total	Y-o-y change (%)
Net sales	24,540	100.0	25,640	100.0	+4.5
Operating income	6,371	26.0	6,016	23.5	-5.6
Ordinary income	6,397	26.1	6,225	24.3	-2.7
Net income attributable to owners of the parent	2,585	10.5	3,992	15.6	+54.4

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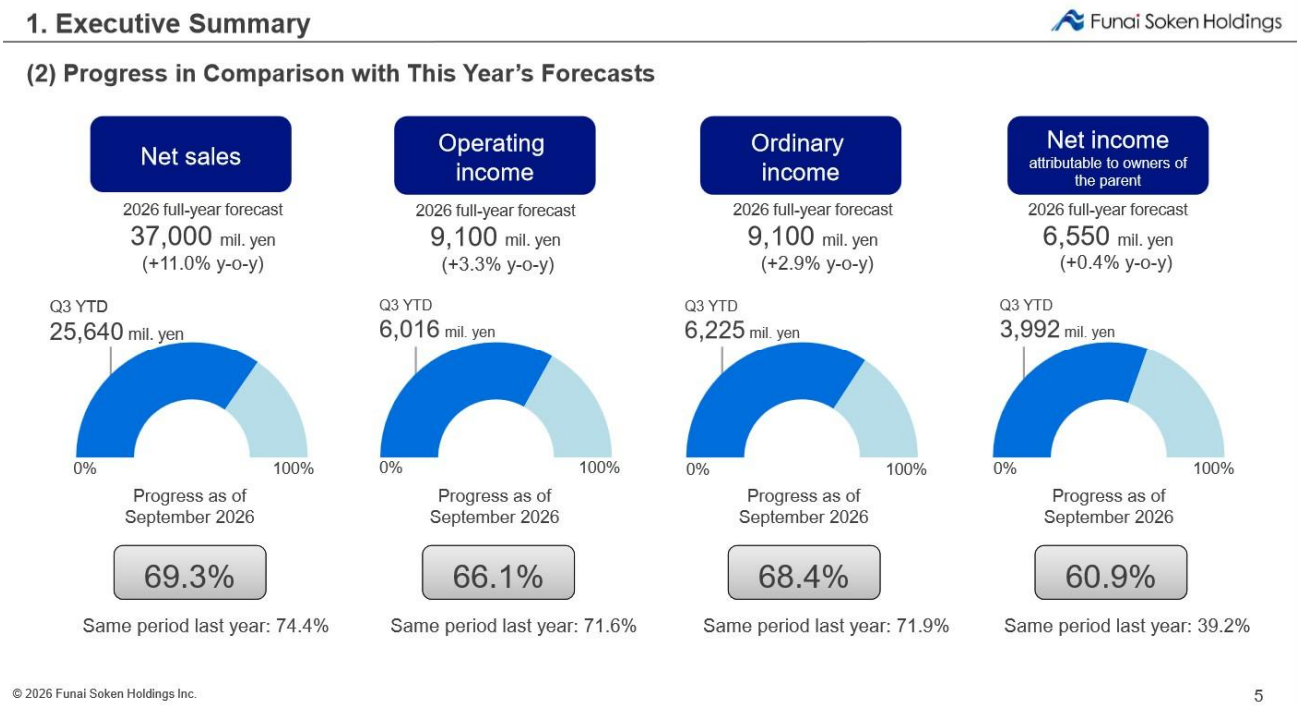
Next, here is the detailed consolidated income performance.

Net sales reached JPY25.64 billion, a 4.5% increase compared to the same period last year.

Operating income was JPY6.016 billion, down 5.6%.

Ordinary income stood at JPY6.225 billion, a 2.7% decrease.

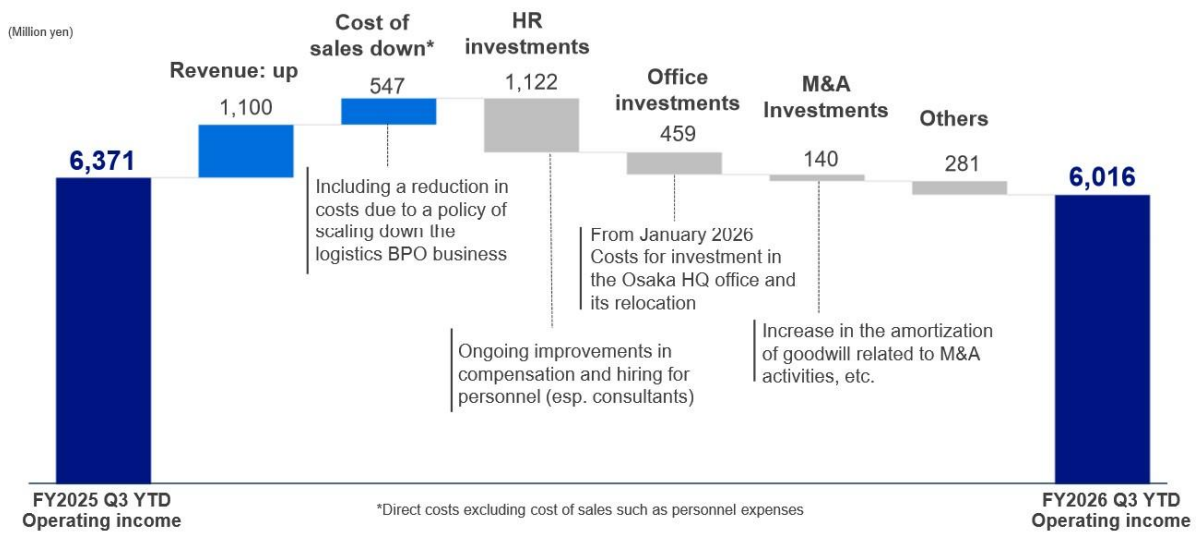
Net income attributable to owners of the parent was JPY3.992 billion, a 54.4% increase. This significant YoY improvement is partly due to the reversal effect of a special loss recorded in Q1 of last year related to the sale of the Gotanda office.



This shows progress in comparison with this year's forecasts.

As of Q3, the achievement rates relative to the full-year forecast for 2026 were 69.3% for net sales, 66.1% for operating income, 68.4% for ordinary income, and 60.9% for net income.

(3) Analysis of Changes from Same Period Last Year: Operating Income



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Let me now explain in more detail the factors affecting operating income.

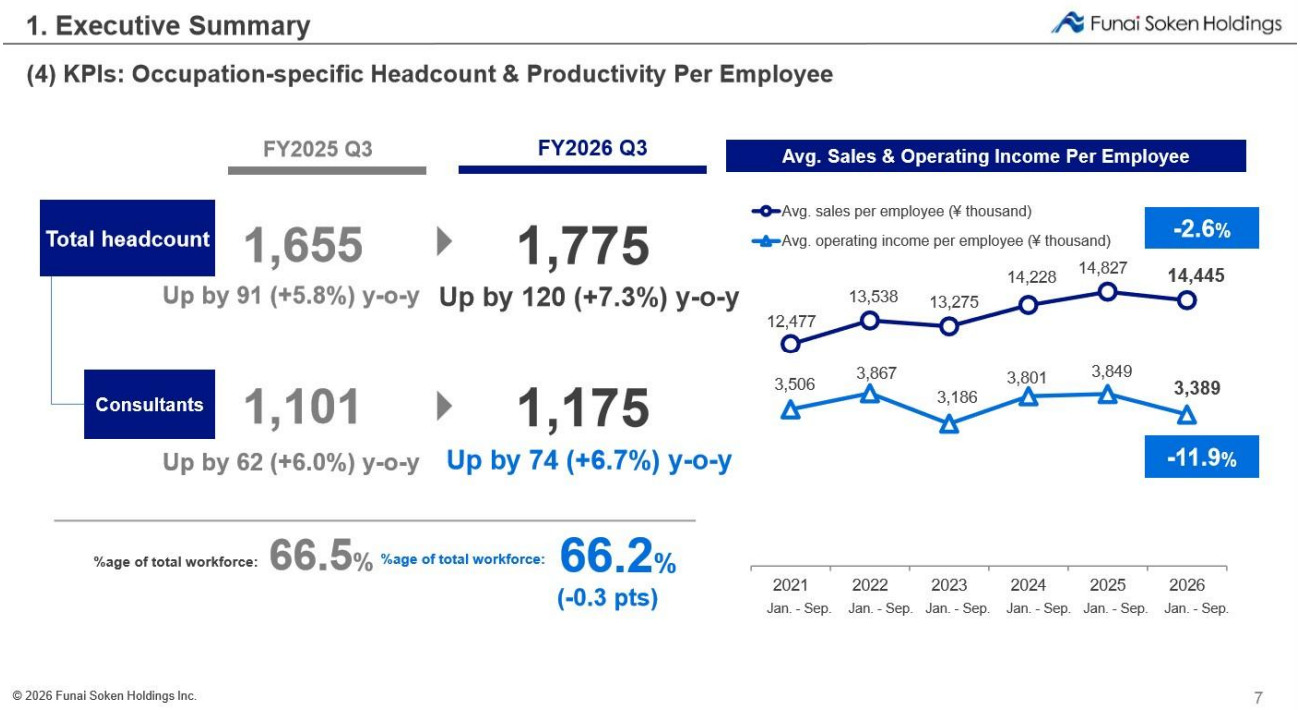
Compared to the operating income of JPY6.371 billion in the same period last year, the Q3 result was JPY6.016 billion.

A positive factor of JPY1.1 billion came from increased sales, while a reduction of JPY547 million in direct costs, excluding labor costs, due to a policy-driven decline in logistics BPO operations also contributed positively.

On the other hand, JPY1.122 billion was invested in human resources, including ongoing improvements in compensation for consultants aimed at supporting future growth and enhanced recruitment efforts.

JPY459 million was spent on office investments related to the relocation of the Osaka headquarters starting in January this year.

Additionally, JPY140 million was allocated to upfront investments, such as increased amortization of goodwill arising from M&A activities. These investments led to a decrease in operating income.



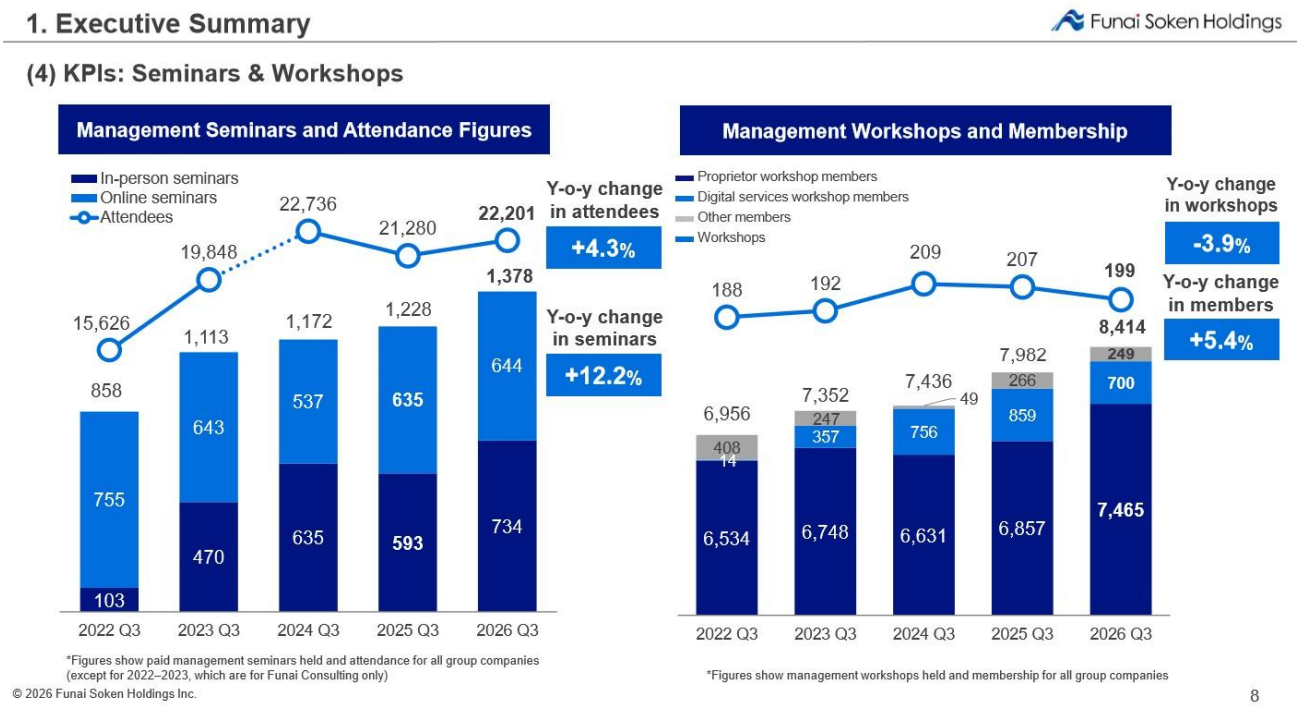
Moving forward, I will report on the main KPIs that serve as leading indicators of future performance.

First, let me discuss the metrics related to human resources.

The number of employees was 1,775, an increase of 120 compared to the same period last year. In percentage terms, this represents a 7.3% increase.

Among them, the number of consultant staff was 1,175, up by 74, or 6.7%, compared to the same period last year.

The proportion of consultants was 66.2%.



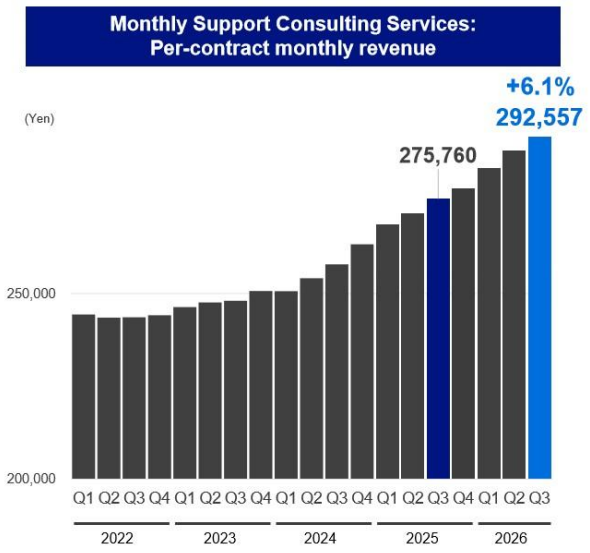
Next, I will cover the performance of management seminars and management workshops.

Although the number of management seminars had been on a slight downward trend until now, in the cumulative Q3, the number of events increased by 12.2%, and the number of participants rose by 4.3%, marking a shift to a positive trend.

The number of members in management workshops reached 8,414, a 5.4% increase over the same period last year. This figure continues to set new records and is growing steadily.

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





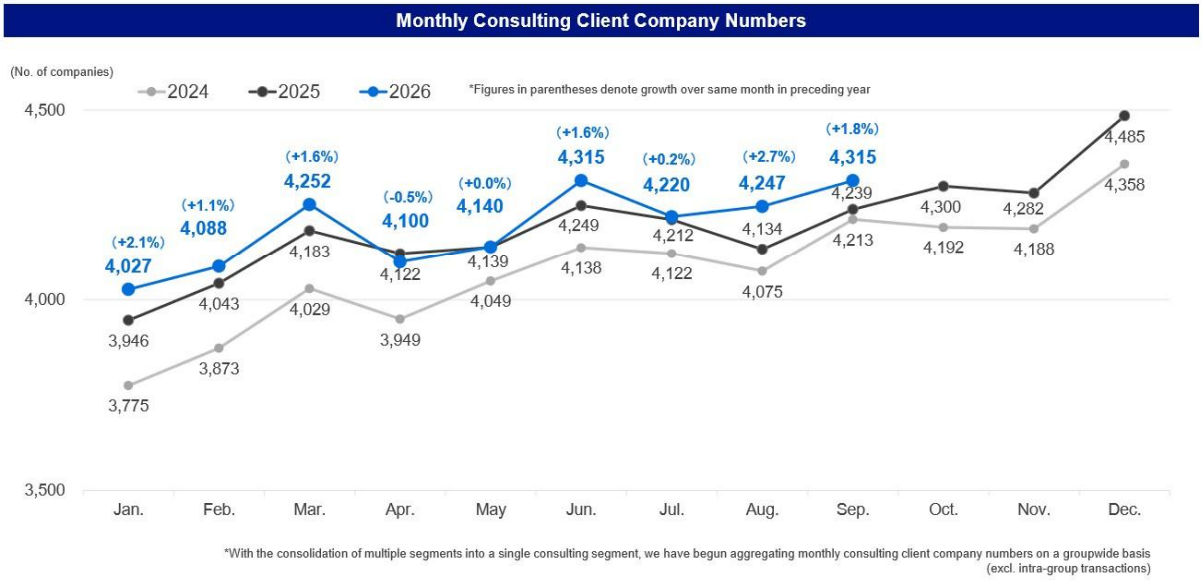
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This graph shows the trends in the monthly fees for management workshops, which serve as a pillar of recurring revenue, and the monthly fees for monthly support services.

Although the monthly fees for management workshops have shown a somewhat stabilized trend since the fee hike in April 2024, the average monthly fee still exceeded JPY30,000 and continued to rise by 3.5% compared to the same period last year.

The contract price for monthly support consulting also continued to increase, rising by 6.1% compared to the same period last year.

(4) KPIs: Consulting Client Numbers



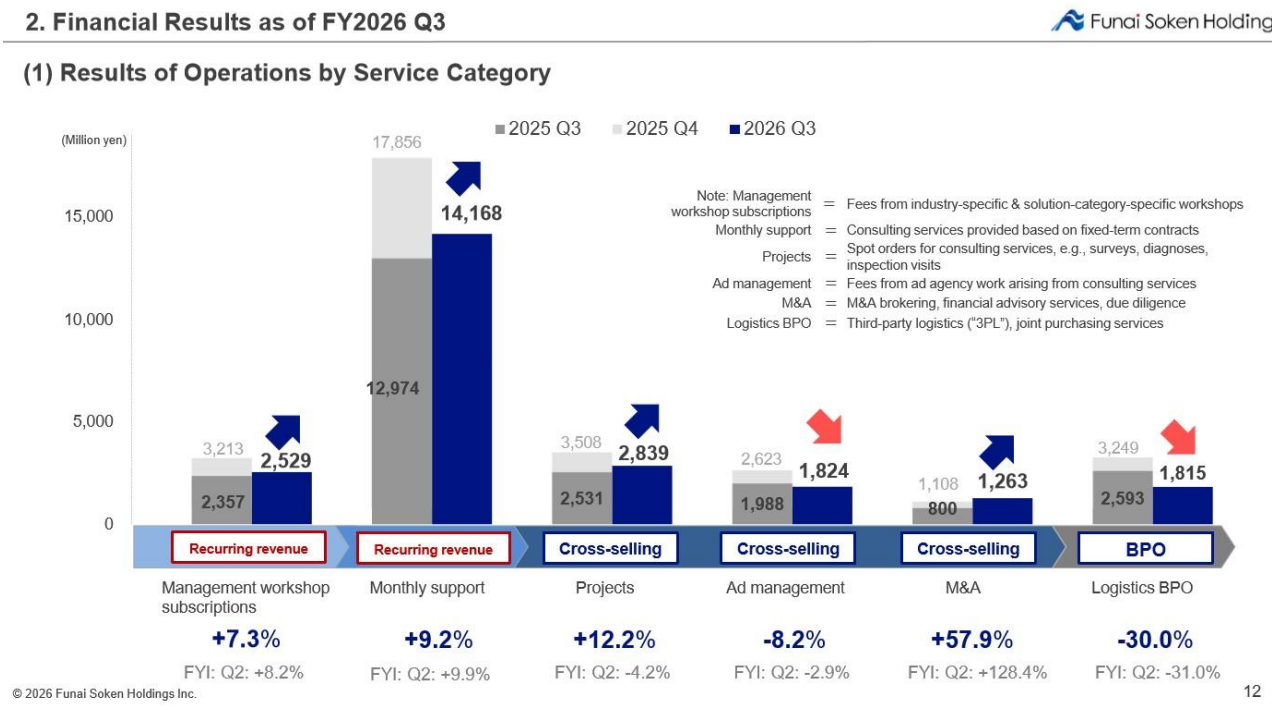
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Next, this chart illustrates the monthly trend in the consulting client numbers.

In September, the number was 4,315, a 1.8% increase over the same month last year. Even while raising fees, the number of supported companies exceeded that of the same month last year.

Moving forward, Yamamoto will provide a more detailed report on Q3.

Yamamoto: Thank you for your continued support. I am Yamamoto, responsible for IR in the Corporate Strategy Department. I will now provide an explanation.

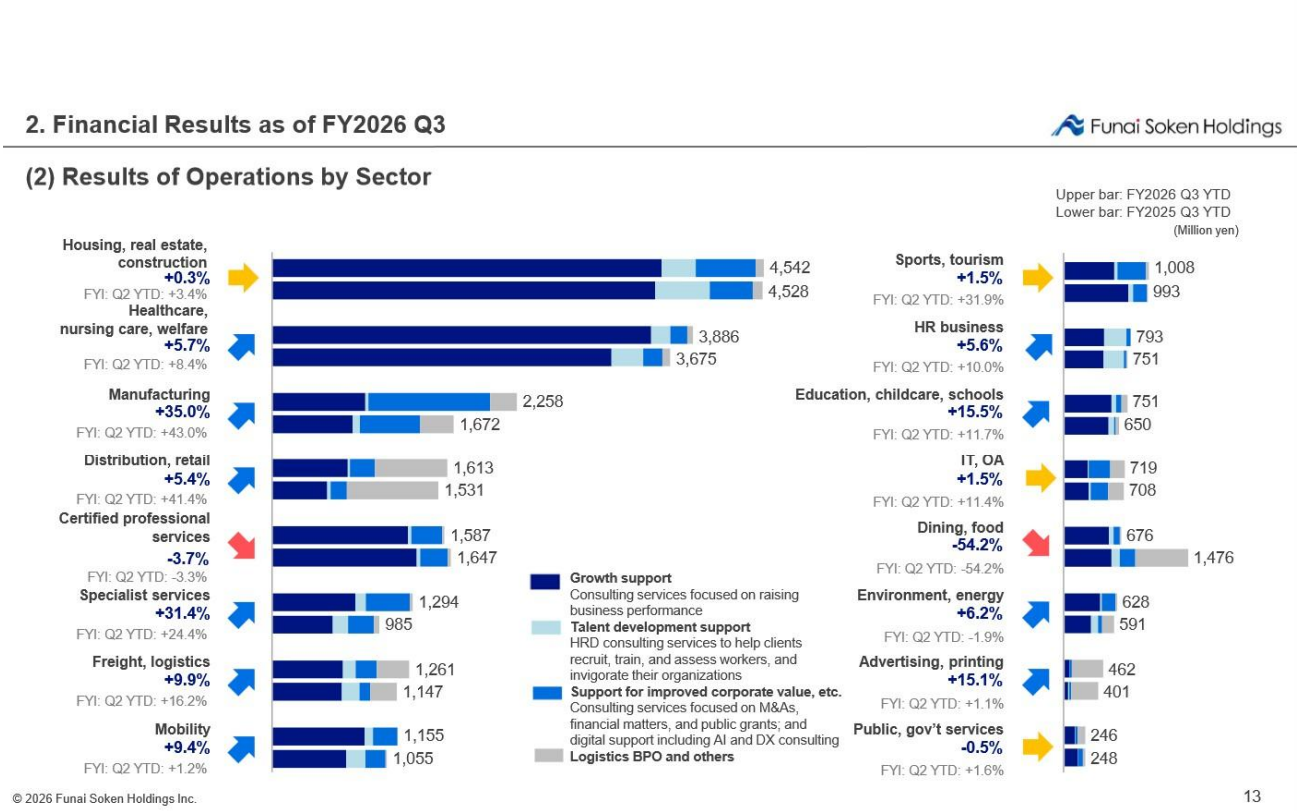


First, I will report on the results of operations by service category.

Recurring revenue from management workshop fees increased by 7.3% YoY to JPY2.529 billion, while monthly support services grew by 9.2% to JPY14.168 billion.

Sales from M&A also surged significantly, reaching JPY1.263 billion, a 57.9% increase.

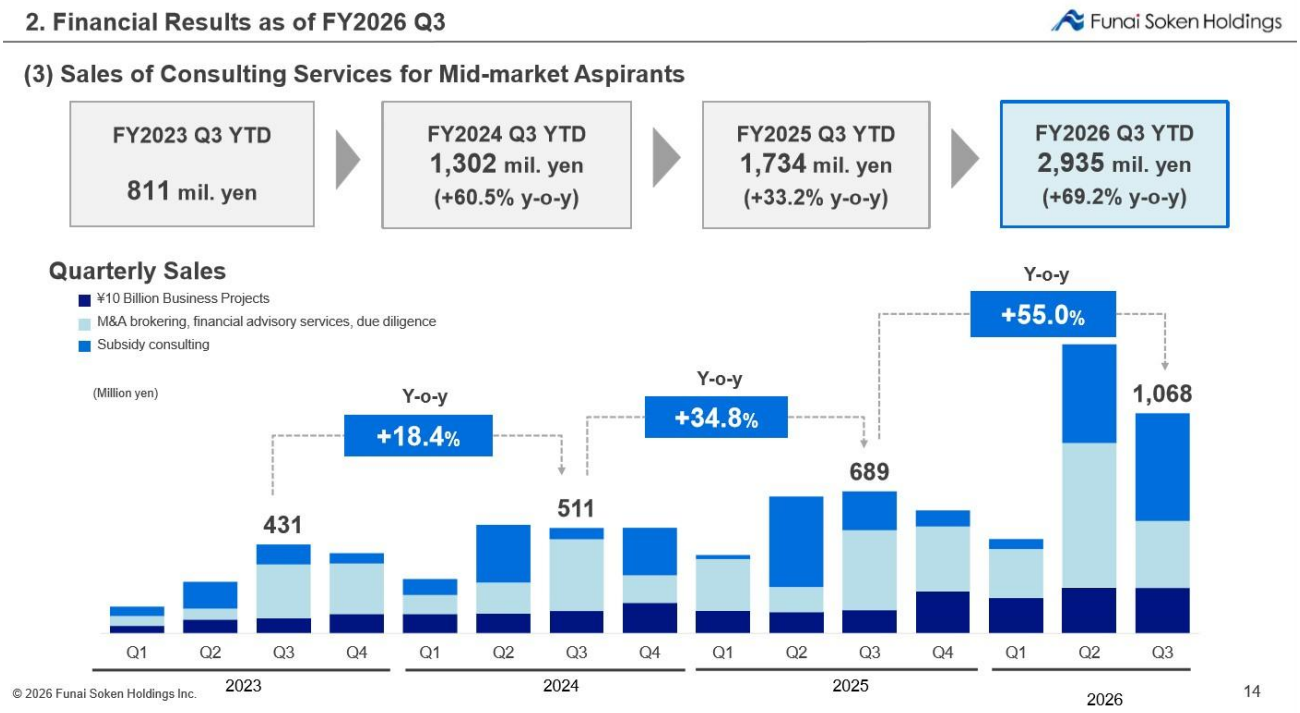
On the other hand, advertising management declined by 8.2%, and logistics BPO decreased by 30% due to policy-driven downsizing.



Next, let's look at the results of operations by sector.

Among industry sectors, housing, real estate, and construction, which account for a high proportion of sales, saw a 0.3% increase, while healthcare, nursing care, and welfare recorded a 5.7% increase.

The manufacturing sector saw a significant 35% increase in performance, and results exceeded those of the previous year across a wide range of sectors.



In the new medium-term management plan announced this year, sales related to consulting services for mid-market aspirants, a key focus area, covering themes such as the JPY10 billion business projects, M&A-related services, and subsidy consulting, are shown in terms of trends over the past three years.

The cumulative sales for Q3 reached JPY2.935 billion, representing a 69.2% increase compared to the same period last year.

During Q3 from July to September, sales also increased by 55% YoY, with particular growth in the areas of the JPY10 billion business projects and subsidy consulting.

As key areas supporting the medium-term management plan, these sectors continue to expand steadily each year and are driving the Company’s performance growth as new growth drivers.

(4) Consolidated Financial Position: Balance Sheet

(Million yen)

		As of Dec. 31, 2025	As of Sep. 30, 2026	Change	Major factors behind changes
Current assets		20,711	22,603	+1,892	Mainly due to an increase in cash and deposits.
Noncurrent assets	Property, plant, and equipment	2,668	2,095	(572)	Decrease due to a decrease in land resulting from the sale of company housing, as well as depreciation.
	Intangible assets	1,688	1,633	(54)	Decrease due to amortization, etc.
	Investments and other assets	9,425	9,892	+467	Increase in investment securities as part of surplus fund management.
Total assets		**34,493**	**36,225**	**+1,731**	
Current liabilities		8,514	7,749	(765)	Decrease in income taxes payable and a decrease in accounts payable – other following the payment of expenses related to the Osaka HQ relocation.
Noncurrent liabilities		190	240	+50	
Total liabilities		**8,705**	**7,990**	**(714)**	
Total net assets		**25,788**	**28,235**	**+2,446**	Equity ratio steady at 75.8%.
Total liabilities & net assets		**34,493**	**36,225**	**+1,731**	

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This is a summary of the balance sheet reflecting the Company's financial position.

The equity ratio stood at 75.8%, indicating that the Company continued to maintain a sound financial foundation.

(5) News

1. National Workshop Conference 2026
(99th National Management Strategy Seminar Conference)
(August 2026)



At the conference, management strategies were presented to around 4,000 business proprietors of mid-market companies and SMEs. The strategies included AI utilization, M&A and business succession strategies. The conference was held over four days, with attendance on the main day reaching a record high.

2. Welcoming ceremonies were held for a record 263 new recruits expected to contribute to our growth.
(October 2026)



We held welcoming ceremonies in Tokyo and Osaka for new recruits joining us in April 2027. The goal of these ceremonies was to help recruits better understand us and increase their motivation to be a part of the company, encouraging early success and retention after joining the company.

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Next, we will introduce the main highlights from Q3.

First, in August, we held the 99th National Management Strategy Seminar Conference over four days. Targeting approximately 4,000 business proprietors of mid-market companies and SMEs, we presented management strategies related to AI utilization, M&A, and business succession. The number of participants on the main day reached a record high.

Additionally, last month, October, we held welcoming ceremonies in Tokyo and Osaka for 263 new recruits scheduled to join in April 2027—the largest number ever.

(5) News

3. The Funai Soken Group's Osaka HQ, Sustainable Growth Square OSAKA, received the 39th Nikkei New Office Award (Kinki New Office Promotion Award) (August 2026)



We use our own offices as a practical model to strengthen our workplace consulting services that support our clients' human capital management.

Video presenting the Osaka HQ office: https://youtu.be/LNTNgVdZJNw?t=10

4. We are holding seminars focusing on the Takaichi administration's key 17 strategic fields. (From October 2026)



We have begun a series of seminars in each of the key fields, starting with a seminar focused on the food tech sector, to assist companies that are eager to grow in enhancing their understanding of the administration's policies and in making use of subsidies.

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Furthermore, our Osaka headquarters, Sustainable Growth Square OSAKA, which relocated this year, won the Kinki New Office Promotion Award at the Nikkei New Office Award.

We also plan to focus on workplace consulting going forward and will apply practical examples from our own offices to support our clients.

Moreover, we are currently offering seminars aligned with the 17 strategic fields identified by the Takaichi administration, providing policy understanding and subsidy utilization support to companies with a strong growth mind-set.

(5) News

5. Changes to the Shareholder Benefits Program

In October 2026, we amended the shareholder benefits program to further increase the appeal of investing in the company's shares and strengthen dialogue with shareholders.
The new Funai Soken Holdings Premium Shareholder Benefits Club awards points redeemable for more than 5,000 items.

Funai Soken Holdings Premium Shareholder Benefits Club



*Images are for illustrative purposes. Available products may change.

Program details

Shares held	Points awarded	Frequency	Record date
400–599 shares	2,000 points	Once a year	Dec. 31
600–799 shares	3,000 points	Once a year	Dec. 31
800–1,499 shares	5,000 points	Once a year	Dec. 31
1,500–2,499 shares	15,000 points	Once a year	Dec. 31
2,500 shares or more	30,000 points	Once a year	Dec. 31

Eligibility

Shareholders who hold 400 or more shares and are recorded in the company's shareholder register as of December 31 (starting with December 2026).

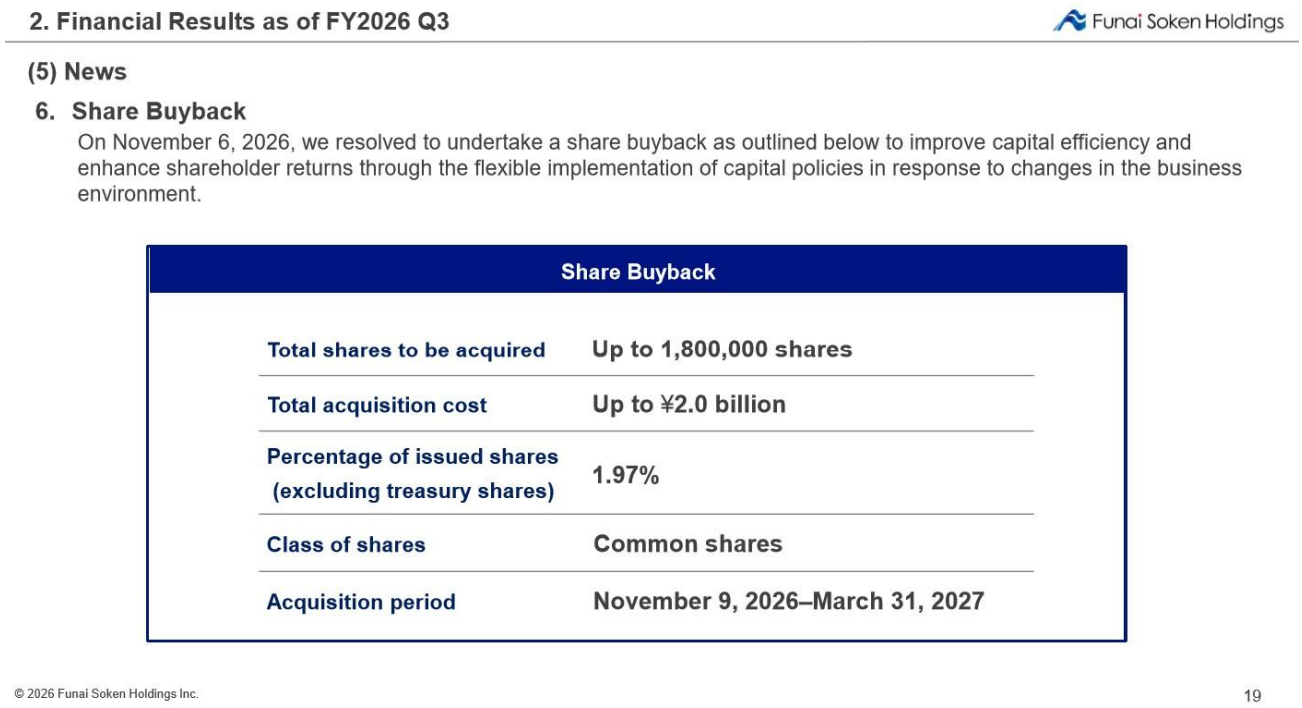
Carryover

Points accrued in one year may be carried over to the next year only if the shareholder has been listed or recorded in the company's shareholder register under the same shareholder number on at least two consecutive December 31 record dates, starting in 2026, and has held 400 or more shares continuously.
The maximum amount of points redeemable is two years' worth of points.
Please note that if a shareholder's shareholder number changes on or before the December 31 record date for any reason—including but not limited to sale of all shares, use of a brokerage firm's share lending service, transfer of share ownership to a person other than the shareholder concerned, or inheritance—points linked to those shares will expire and cannot be carried over.

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Next, we announced changes to the shareholder benefits program in October 2026.

shareholders holding 400 or more shares as of December 31 each year will receive points based on the number of shares they hold, awarded once a year.



To conclude my remarks, I would like to report on the acquisition of treasury stock that was resolved today.

At today's board meeting, November 6, it was decided to acquire treasury stock up to a maximum of JPY2 billion.

Moving forward, we will continue to implement flexible capital policies to improve capital efficiency and enhance shareholder returns.

That concludes my explanation. Thank you.

Question & Answer

Moderator [M]: Thank you very much. Now, we will move on to the Q&A session.

Let me read out the first question.

Participant [Q]: How is the progress toward achieving the full-year plan? This is a question about the likelihood of achieving it.

Saito [A]: Thank you.

First, regarding the progress toward achieving the full-year plan, as I explained on the previous slide, the completion rate after Q3 is 69.3% for net sales and 66.1% for operating income. Compared to the same period last year, these figures lag by about 5 percentage points each.

In terms of progress, to meet the announced full-year plan, we recognize that Q4 needs to show a 29% increase in net sales and a 26.3% increase in operating income compared to the previous year.

For instance, taking last year's operating income as a reference, achieving the plan requires JPY3 billion in operating income during Q4. For example, in Q4 of last year, it was JPY2.44 billion, and in Q2 of this year, it reached JPY2.63 billion. I think the key will be determining how much we can grow beyond that baseline.

In terms of accuracy, of course, with two more months ahead, sales will depend on orders received and subsequent conversion into net sales. As mentioned on the page about mid-market aspirants consulting, services related to transforming companies into mid-size enterprises, achieving the JPY10 billion status, subsidy consulting, and M&A, have all performed well in Q4. Thus, how much these areas contribute during the current period will be one of the key points.

Particularly regarding subsidy consulting, the timing of net sales recognition varies significantly depending on when the applications are approved. Since there are approval periods even in Q4, if the applications are successfully approved, the resulting net sales will accumulate accordingly.

Of course, another aspect is how much we can achieve through our core business—monthly support consulting for small- and medium-size enterprises. We will strive as much as possible to meet our targets.

That is my response. That's all.

Moderator [M]: Thank you.

Next question.

Participant [Q]: Please explain again how we should interpret the decrease in the number of management workshops. The question also asks for any new indicators that will be prioritized going forward.

Saito [A]: I will also provide an answer here. I assume this question stems from reviewing the KPIs in the summary.

We present both the number of management workshops and the number of their members. However, what our company prioritizes is the number of members in these management workshops.

The decrease in the number of workshops along with an increase in the number of management workshop members means that the number of members per management workshop is rising. For customers, it's a fact that the larger the scale of a management workshop, the higher their satisfaction in terms of exchanging information with more members and obtaining valuable insights.

Ideally, the number of members would increase in all workshops. However, there are some workshops where this isn't the case, depending on the industry or sector. Rather than simply scrapping and rebuilding them, we regularly merge similar management workshops to enhance their quality.

Through such efforts, we aim to maintain workshops with higher satisfaction levels. While increasing the number of workshop meetings is certainly part of our approach, what matters more is operating the workshops in a way that satisfies our customers. We hope you can understand why the current figures look this way.

In any case, as mentioned at the beginning, the number of members in management workshops is regarded as an important KPI, so we hope you recognize how much importance we attach to this.

That's all.

Moderator [M]: Thank you.

Next question.

Participant [Q]: How do you view the decline in operating income per employee? This question is about whether this will turn into an upward trend starting next period.

Yamamoto [A]: Thank you. I will provide an answer to this. I assume your question stems from reviewing the trend in operating income per employee shown in the executive summary.

It's indeed true that this figure has declined. Even during previous medium-term business plans, around the 2023 to 2025 period, in line with the first year of the 2023 Medium-term Plan, we actively invested in human resources, specifically increasing the number of consultants through recruitment to expand our business areas.

This year also marks the first year of our new three-year medium-term plan. Starting in H2 of last year, we continued to accelerate career-based hiring while also seeing a steady increase in new graduates. To achieve solid growth over these three years, we have been increasing our workforce as a form of upfront investment.

In line with this, the relocation of our Osaka office contributed to slightly higher expenses this time around. As a result, operating income declined. While net sales per employee decreased by 2.6%, the decline in operating income per employee appeared somewhat larger at 11.9%. We recognize that this may cause some concern.

Looking ahead to the next fiscal year, the growth in management workshop membership mentioned earlier, together with the increase in seminar attendance, provides positive leading indicators for consulting orders and sales growth.

Therefore, we aim to boost productivity and operating income by enabling the team members who joined us starting last year to fully demonstrate their capabilities.

That concludes my response.

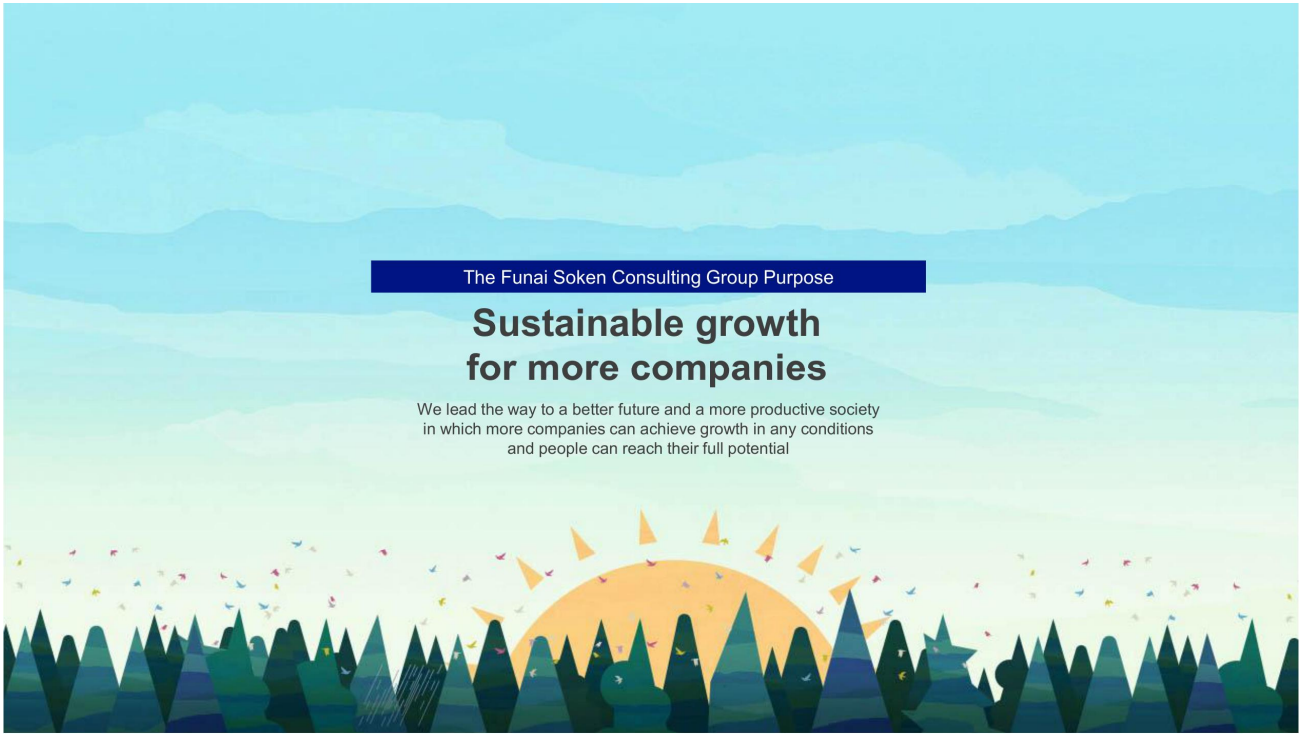
Moderator [M]: Thank you very much.

These were all the questions received.

If you have any individual questions, we accept requests for one-on-one meetings, so please feel free to contact us.

This concludes the Q3 FY2026 earnings briefing. Thank you all for your time and attention. Have a great day.

[END]



Statement Regarding Use of These Materials

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Actual results may differ greatly from these forecasts for a number of factors.

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Mid-range Business Plan 2026-2028



Integrated Report 2025



Analyst Report by Shared Research



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