Funai Soken Holdings Incorporated

2025 Half-year Financial Results Briefing

August 8, 2025

[Speakers]

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

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 Q2 financial results for the fiscal year ending December 31, 2025, 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. Director Haruta will then present a detailed financial report. After that, I will again explain our earnings forecast and growth strategy for the current fiscal year.

1. Executive Summary

Funai Soken Holdings

Highlights

FY2025 Q2 Financial Results	■ New 2nd-quarter records were set for sales and operating income ■ Double-digit sales growth and 20+% operating income growth in the core consulting segment as well as logistics ■ The decrease in mid-year net income is mainly due to extraordinary losses incurred on the sale of the Gotanda Office
KPIs	■ Consultant headcount increased 5.4% and sales per employee increased 7.2% over the same period last year ■ Management workshop membership numbers and per-contract monthly revenue both reached record figures, up 19.1% over the same period last year ■ Monthly support revenues were up 6.9% over the same period last year due to growth in per-contract monthly revenue
Outlook for 2025	■ Target: Record net sales (¥33 bil.) and operating income (¥8.9 bil.) ■ Target: Record ROE (25+%), dividends up for the 15th straight year (by ¥10)
News	■ Funai Soken Consulting Group acquired M&A consulting and due diligence experts MI Consulting in July 2025 ■ ¥2.5 billion share buyback to improve capital efficiency and boost shareholder returns in August 2025

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First, we would like to report on the key points of the current financial results.

In Q2 of FY2025, we achieved record results in both sales and operating income. Sales in both our core management consulting and logistics grew by double digits. Operating income for each segment also saw significant growth, increasing by over 20%. On the other hand, net income for the interim period decreased, but this was due to the recording of an extraordinary loss from the sale of the Gotanda office.

Major KPIs have remained steady. The number of consultants increased by 5.4% and revenue per employee increased by 7.2% compared to the same period last year. In addition, the Management Study Group, the foundation of our stock income, has seen record highs in both the number of members and the monthly unit price, and sales have grown significantly, up 19.1% YoY. Monthly support increased 6.9% YoY due to growth in unit prices.

As for the full year of 2025, we plan to achieve record-high sales of JPY33 billion and operating income of JPY8.9 billion, which will be the highest ever recorded in the current fiscal year, and ROE of over 25%, the highest ever recorded. In terms of shareholder returns, we plan to increase dividends by JPY10—rising for the 15th consecutive year.

As for topics, MI Consulting Co., Ltd. which excels in M&A consulting and due diligence, was newly added to the Group in July. Furthermore, the Board of Directors today decided to repurchase up to JPY2.5 billion of its own shares for the purpose of enhancing shareholder returns.

1. Executive Summary

Funai Soken Holdings

(1) Consolidated Income

Sales and operating income were up by double digits, buoyed by robust performance in the core consulting segment as well as logistics. The decrease in net income is mainly due to extraordinary losses of ¥2,155 mil. incurred due to the sale of the Gotanda Office in the 1st quarter.

	FY2024 Q2 YTD		FY2025 Q2 YTD			Comparison with financial result forecast (Issued February 7, 2025)	
	Amount (million yen)	% of total	Amount (million yen)	% of total	Change (%)	Amount (million yen)	Difference (%)
Net sales	14,403	100.0	16,043	100.0	+11.4	16,000	+0.3
Operating income	4,220	29.3	4,684	29.2	+11.0	4,600	+1.8
Ordinary income	4,236	29.4	4,688	29.2	+10.7	4,600	+1.9
Net income attributable to owners of the parent	2,941	20.4	1,651	10.3	-43.8	1,800	-8.2

*The decrease in mid-year net income is mainly due to extraordinary losses of ¥2,155 mil. incurred on the sale of the Gotanda Office in the 1st quarter. We are also forecasting extraordinary losses of ¥280 mil. on the sale of company housing in the 3rd quarter, and extraordinary income of ¥3,155 mil. on the sale of our Yodoyabashi Office in the 4th quarter.

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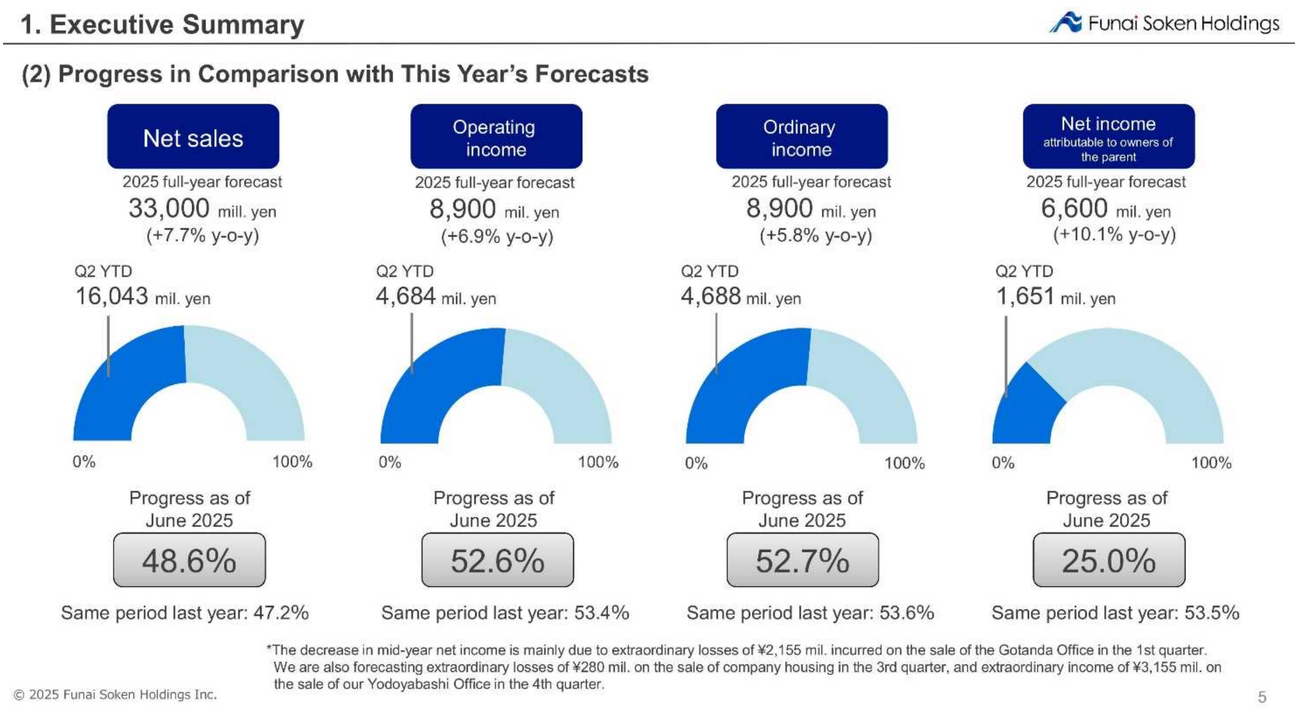
We will now report on the specifics.

First, let me explain the revenue situation.

Net sales were JPY16.043 billion, up 11.4% from the same period last year, operating income was JPY4.684 billion, up 11% YoY, and ordinary income was JPY4.688 billion, up 10.7% YoY.

Interim net income attributable to owners of the parent company was JPY1.651 billion, a decrease from the previous year, mainly due to the extraordinary loss of JPY2.155 billion associated with the sale of the Gotanda office in Q1, as I mentioned earlier.



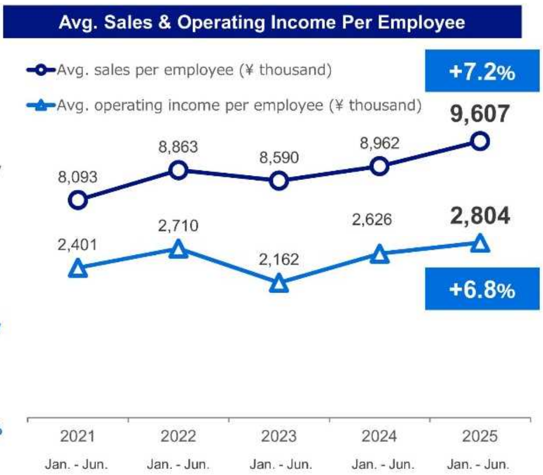
I would like to continue by explaining our progress toward the full-year earnings forecast.

For the current fiscal year, we plan a 7.7% increase in net sales to JPY33 billion and a 6.9% increase in operating income to JPY8.9 billion, and our current progress rate is 48.6% for net sales and 52.6% for operating income. Since our business model is one in which sales increase with each passing period, this rate of progress has been almost the same as in past years.

Net income for the year was 25% due to extraordinary losses, but this was planned, and we expect to achieve the plan for the full year, since we expect to post extraordinary gains from the sale of the Yodoyabashi office in Q4.

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

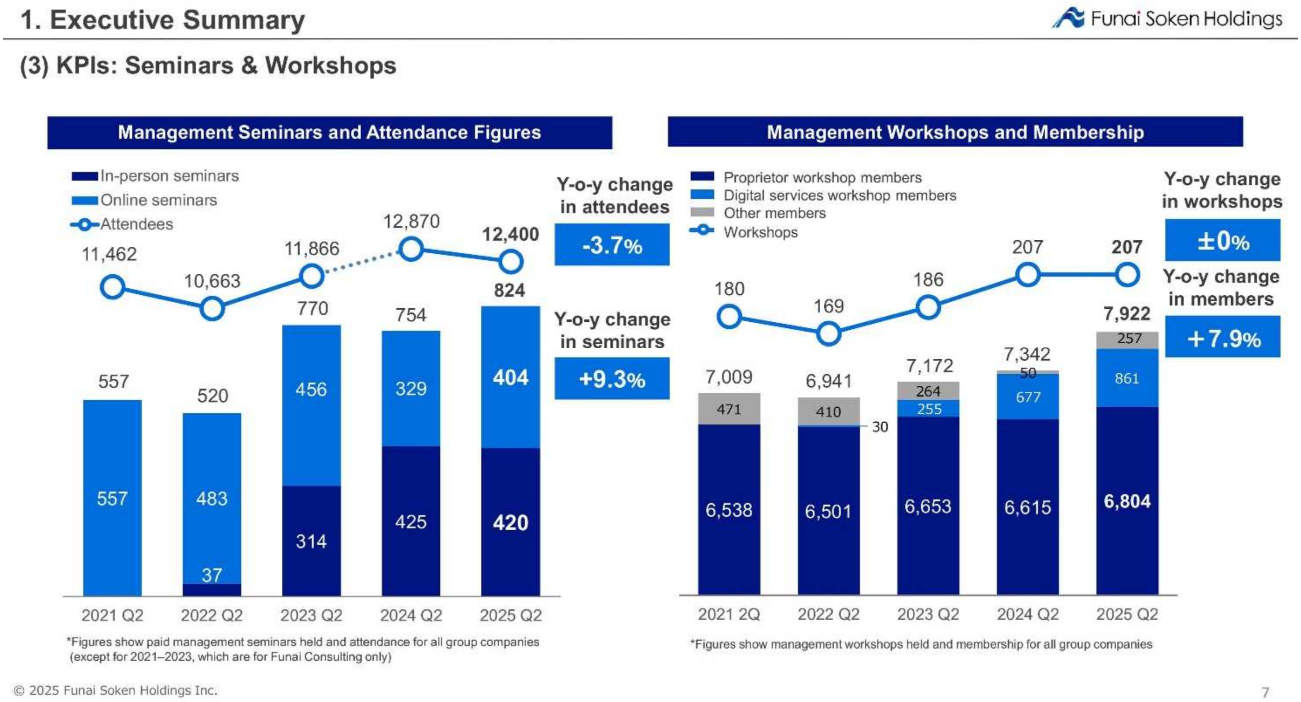
	FY2024 Q2	FY2025 Q2
Total headcount	1,607	1,670
	Up by 48 (+3.1%) y-o-y	Up by 63 (+3.9%) y-o-y
Consultants	1,054	1,111
	Up by 42 (+4.2%) y-o-y	Up by 57 (+5.4%) y-o-y
	%age of total workforce: 65.6%	%age of total workforce: 66.5% (+0.9 pts)



Continuing on to the key KPI indicators, I would like to first explain the indicators related to human resources.

The number of consultants, the source of our growth, increased by 57 to 1,111 compared to the same period last year. The number of employees has steadily increased to 1,670.

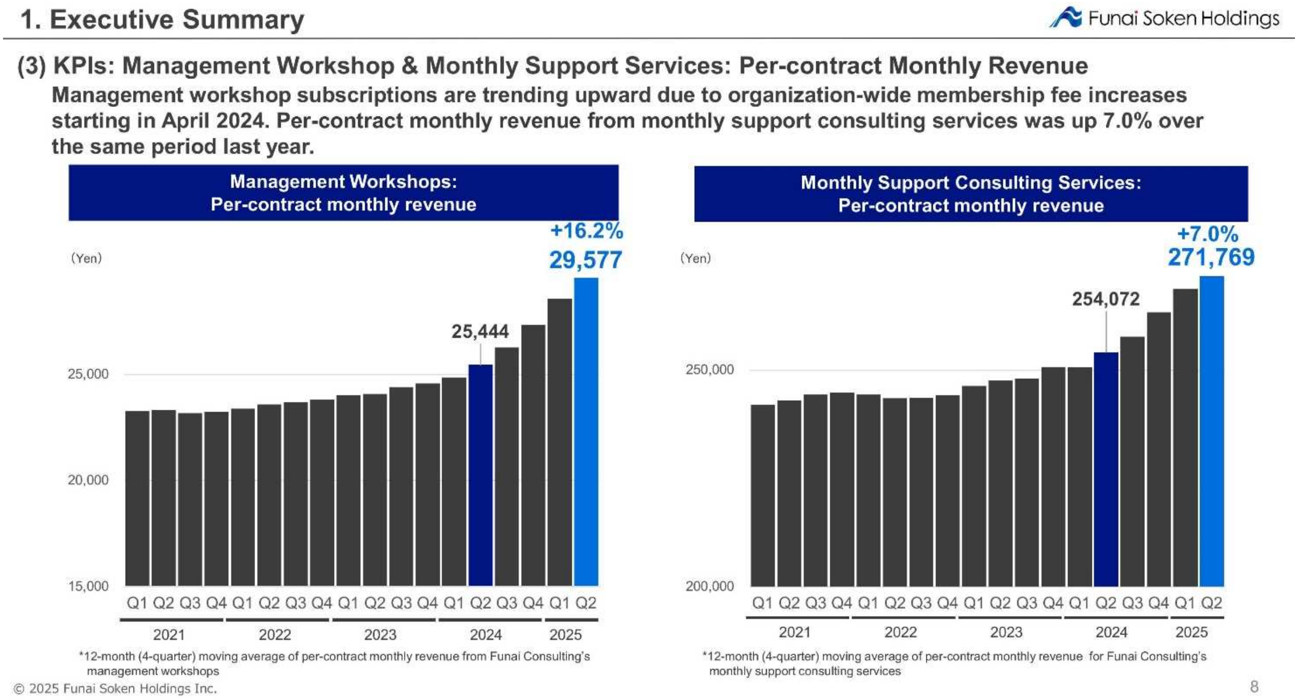
The graph on the right shows sales and operating income from January to June of each fiscal year divided by the number of employees at the end of June. As seen here, sales per employee increased by 7.2% YoY and operating income per employee increased by 6.8% YoY, with productivity also steadily increasing.



Next are the results of our management seminars and management workshops, which are the starting point of our business model.

The number of participants in management seminars decreased by 3.7% YoY, but this was due to the fact that Q2 of last year onward was just after the launch of seminar for the relocation of the Tokyo head office and other large customer-attracting events.

In the Management Study Group, the number of members reached a record high of 7,922, up 7.9% from the same period last year.



Next, here is a graph of the monthly unit price of management workshops and monthly support.

As a general rule, most of our contracts are renewed on a one year basis, so to better represent the actual situation, the graph here shows the moving average monthly unit price over a year. The price increase measures for the Management Study Group from last April and the monthly support consulting also gradually increased the unit price of contracts. This resulted in a 16.2% increase in the monthly unit price for the Management Study Group and a 7% increase in the monthly unit price for the monthly support consulting compared to the same period of the previous year.

Now, Haruta will explain the details by segment from here on.

Haruta: Thank you very much for all your help. I am Haruta of Funai Soken Holdings, Inc.

I will now report on the details by segment.

2. Financial Results as of FY2025 Q2

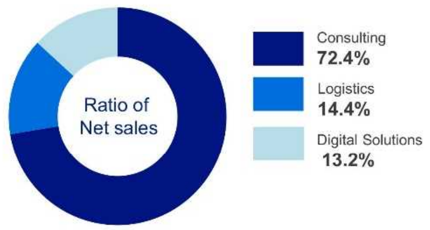
Funai Soken Holdings

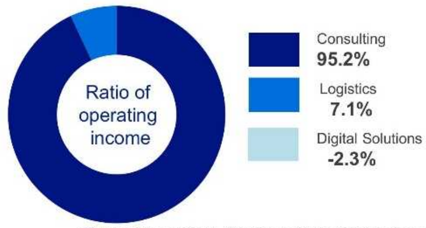
(1) Results of Operations by Segment

Double-digit growth in sales and income in the consulting and logistics segments, maintaining strong performance

Net sales	FY2024 Q2	FY2025 Q2	
	Amount (million yen)	Amount (million yen)	Change (%)
Consulting	10,319	11,616	+12.6
Logistics	1,988	2,314	+16.4
Digital Solutions	2,094	2,112	+0.8
(Intra-group & whole-group transactions)	0	–	–
Total	14,403	16,043	+11.4

Operating income	FY2024 Q2	FY2025 Q2	
	Amount (million yen)	Amount (million yen)	Change (%)
Consulting	3,566	4,451	+24.8
Logistics	250	332	+32.8
Digital Solutions	238	- 108	–
(Intra-group & whole-group transactions)	165	9	–
Total	4,220	4,684	+11.0





*Percentages exclude intra-group & whole-group transactions

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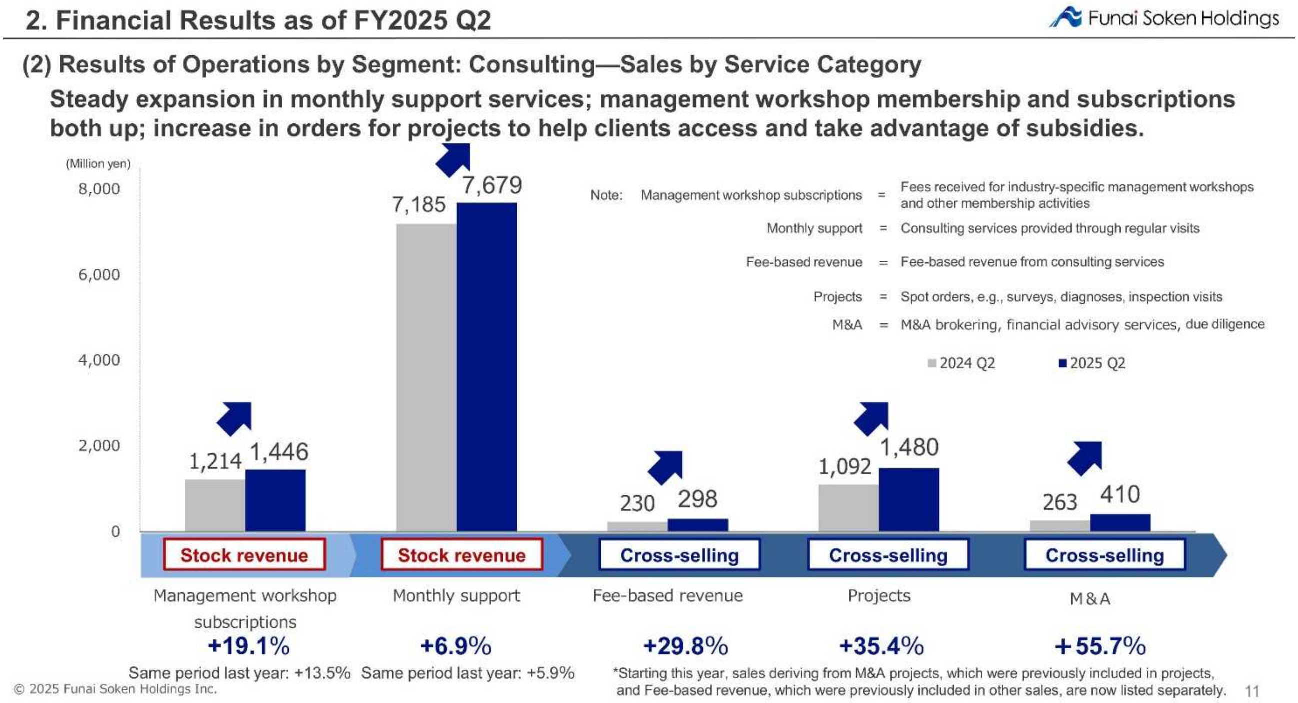
Here are the results of the three segments.

First, the mainstay management consulting business, which accounts for 72.4% of net sales, continued to drive overall growth, with net sales up 12.6% YoY and operating income up 24.8% YoY.

The logistics business also continued to grow strongly, with net sales up 16.4% and operating income up 32.8% YoY.

The digital solutions business saw a slight increase in sales, but struggled in terms of profit, but this was offset by the core business.

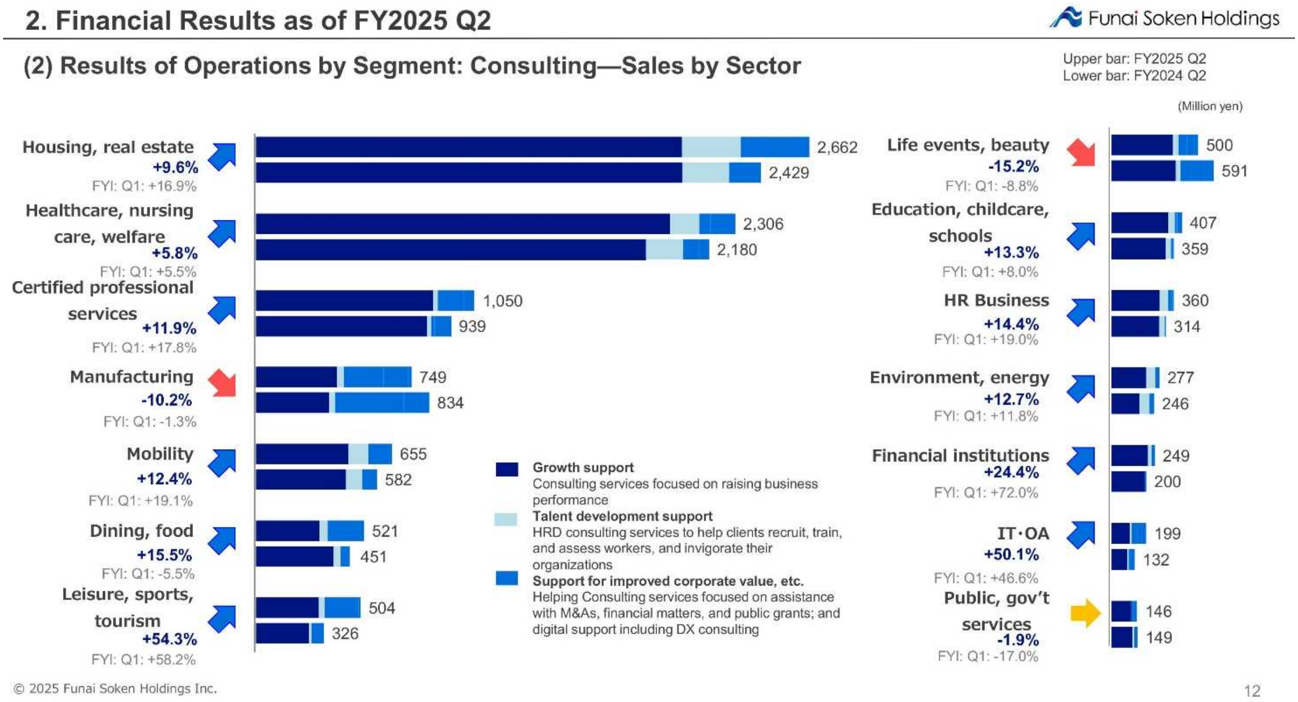


From here, I will look at each segment individually. I will begin with our management consulting business.

Here is a graph showing sales by major business categories in the management consulting business. We have organized our business model in such a way that the stock income portion, which is our business model, and the cross-selling portion, which is generated additionally mainly from Management Study Group members and monthly support customers, are indicated.

Our business model is based on stable growth driven by stock income from monthly support and management workshops, and cross-selling to these. The Management Study Group dues grew by 19.1% due to increases in both membership and unit costs. Monthly support also expanded steadily, up 6.9%, supported by higher unit prices.

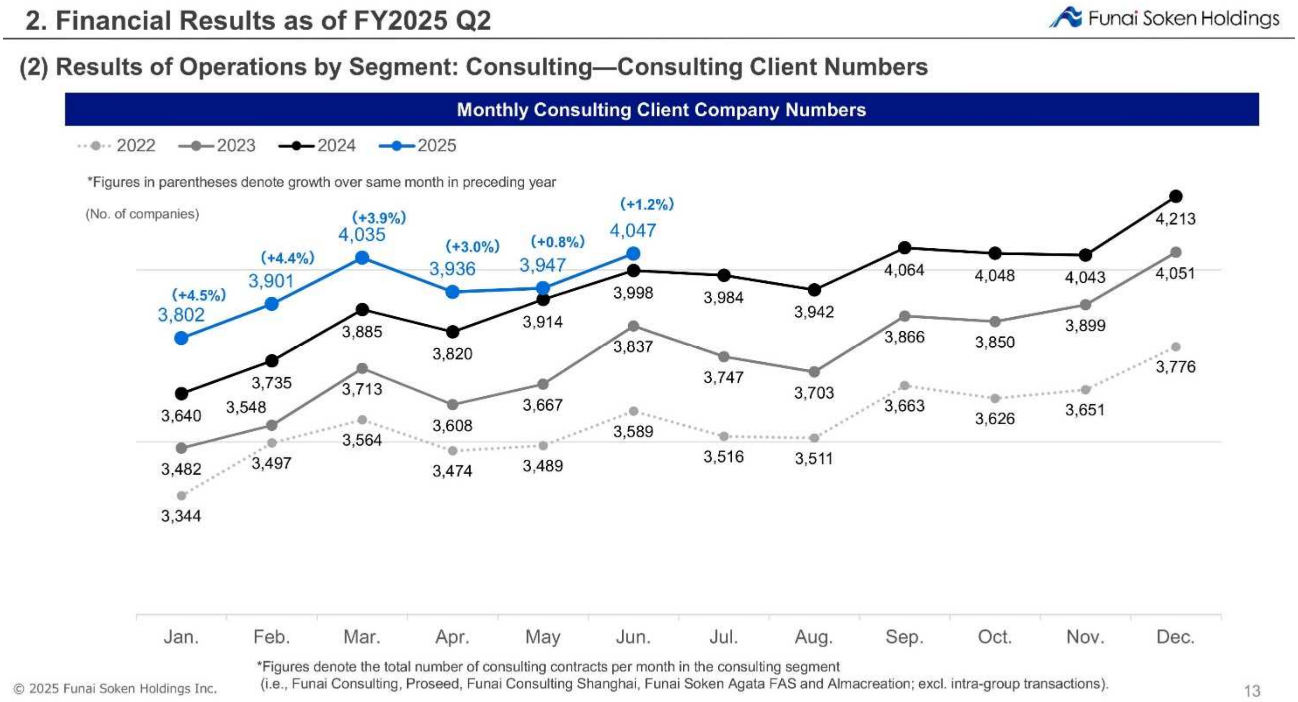
In terms of cross-selling revenues, there was a 35.4% increase in projects with strong subsidy consulting and a significant 55.7% increase in M&A-related revenues.



Next is the sales situation by major business category.

Many of the industries here also showed a significant increase over the previous year.

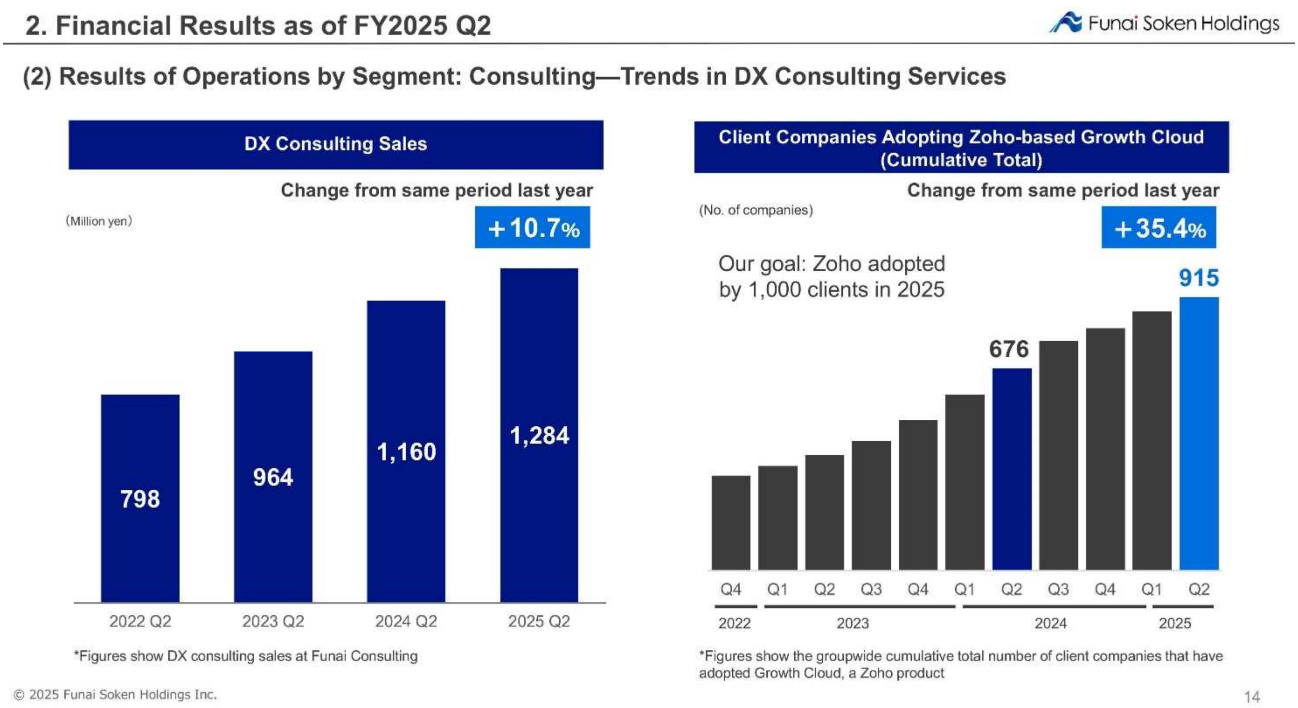
There was a trend of stable growth in growth support, while talent development support and value enhancement support also continued to increase their performance.



Here is the number of consulting companies by month.

Every month, the situation has been consistently higher than the same month last year.

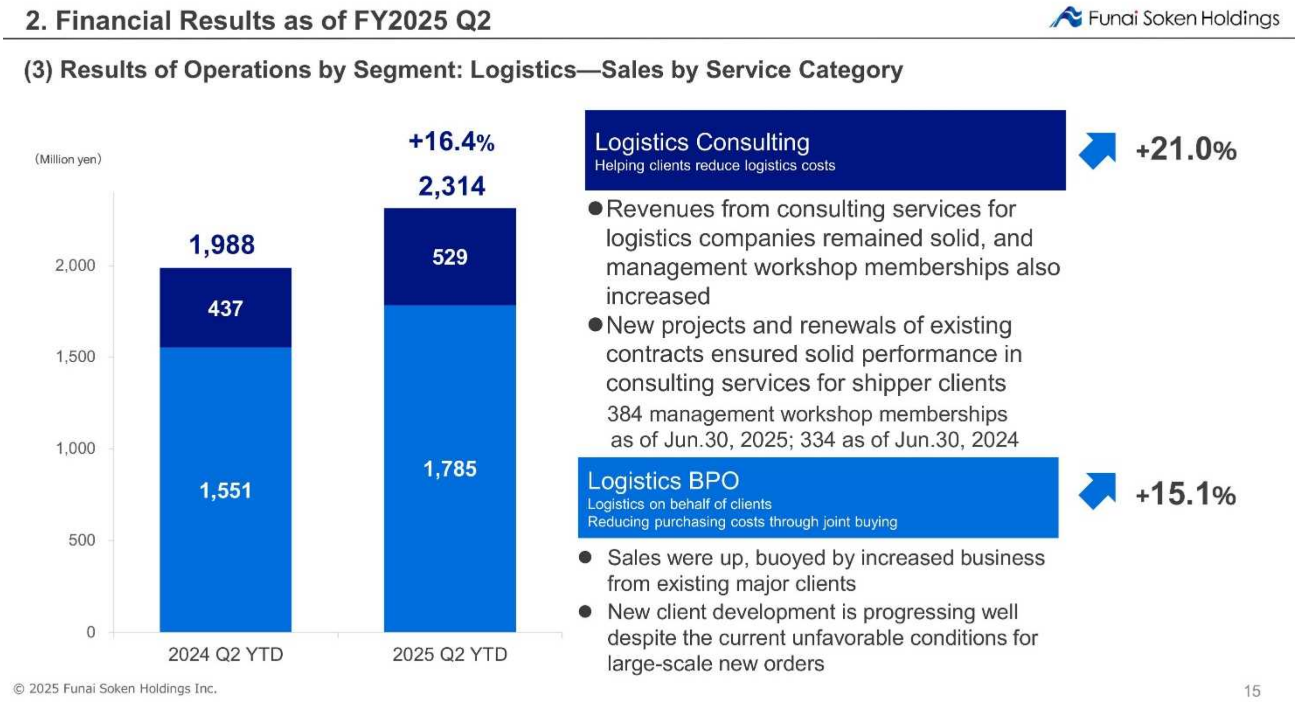
As I mentioned earlier, the growth rate has slowed somewhat in reaction to the increase in orders received last year due to the opening event associated with the relocation of the Tokyo headquarters.



I will explain the trends in DX consulting, which is our current focus.

This chart shows the transition of DX consulting sales as defined internally and the cumulative number of companies that have implemented Zoho—as part of the product we are developing under the service name of Growth Cloud. Both of these products are steadily growing, and we are aiming to have 1,000 companies install Growth Cloud Zoho by the end of 2025.

These are the results for the management consulting business.

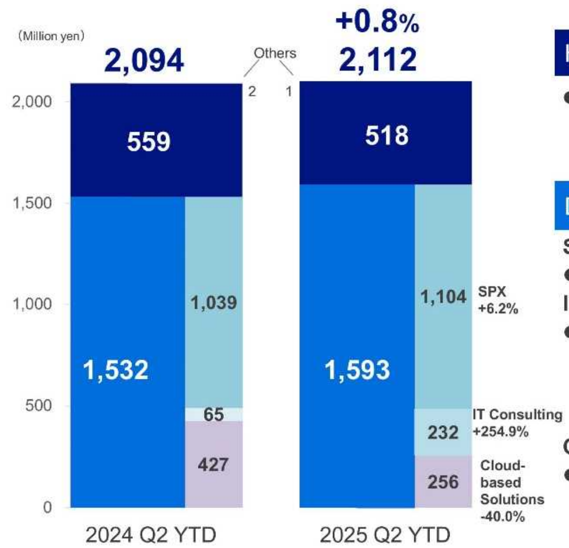


Next is the logistics business.

As for the logistics business, both logistics consulting and logistics BPO performed well in the current fiscal year. In particular, the consulting services for logistics companies have greatly increased the number of members of the Management Study Group.

Sales of logistics BPO also increased due to the expansion of transactions with existing customers.

(4) Results of Operations by Segment: Digital Solutions—Sales by Service Category



HR Solutions -7.3%

- Recruiting Cloud (AI-powered recruiting service): Revenues down due to tightening of some major clients' advertising budgets

Digital Solutions +3.9%

Sales Process Transformation (SPX)

- Sales of online ad agency services were up

IT Consulting

- Sales were up, buoyed by an increase in comprehensive projects covering everything from initial design of DX to final implementation of solutions such as Zoho CRM

Cloud-based Solutions

- Revenue is expected to decline due to a decrease in outsourced orders received, direct-client projects are expected to increase

Next is the digital solutions business.

In HR solutions, sales of the AI recruiting cloud service were down by 7.3% YoY due in part to a decline in sales as a result of reduced advertising budgets by large clients.

Looking at the breakdown of digital solutions, SPX saw an increase in web advertising management agency services, and IT consulting also saw a large increase in sales due to an increase in implementation support projects such as the introduction of Zoho. As for cloud solutions, sales decreased due to the shrinkage of subcontracting-type projects, but the number of first-tier contracting projects is expected to increase in the future.

(5) Consolidated Financial Position: Balance Sheet

(Million yen)

		As of Dec. 31, 2024	As of Jun. 30, 2025	Change	Major factors behind changes
Current assets		17,756	20,160	+2,403	Increase in cash and deposits due to sale of Gotanda Office
Noncurrent assets	Property, plant, and equipment	6,507	2,997	(3,510)	Decrease in land, buildings, and structures due to sale of Gotanda Office
	Intangible assets	661	1,191	+530	Due to increase in goodwill of subsidiary acquired
	Investments and other assets	6,513	7,439	+925	Due to increase in security deposit for new office
Total assets		**31,438**	**31,789**	**+350**	
Current liabilities		6,274	6,394	+120	Due to increase in provision for employees' bonuses
Noncurrent liabilities		174	424	+249	Due to increase in debts held by subsidiary acquired
Total liabilities		**6,449**	**6,819**	**+369**	
Total net assets		**24,989**	**24,969**	**(19)**	
Total liabilities & net assets		**31,438**	**31,789**	**+350**	

Next, here is a summary of the balance sheet.

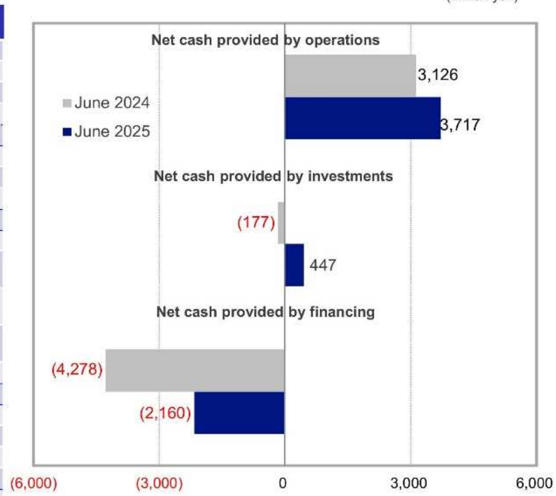
One major movement was a decrease in tangible fixed assets due to the sale of the Gotanda office.

(5) Consolidated Financial Position: Cash Flow Statement

(Million yen)

	June 2024	June 2025	Change
Net cash provided by (used in) operations			
Net income before income taxes and other adjustments	4,151	2,491	(1,659)
Depreciation	174	181	7
Other	(802)	1,224	2,027
Subtotal	3,524	3,898	374
Income taxes paid	(1,117)	(1,012)	104
Income tax refunds	715	823	108
Other	4	8	4
Net cash provided by (used in) operations	3,126	3,717	591
Net cash provided by (used in) investments			
Purchase of property, plant and equipment and intangible assets	(895)	(161)	734
Proceeds from sale of property, plant, and equipment, and intangible assets	604	※1 1,453	849
Purchase of investments in subsidiaries resulting in change in scope of consolidation	–	(50)	(50)
Other	114	(794)	(908)
Net cash provided by (used in) investments	(177)	447	624
Net cash provided by (used in) financing			
Purchase of treasury shares	(2,691)	(0)	2,691
Dividends paid	(1,575)	(1,759)	(184)
Other	(11)	(401)	(389)
Net cash provided by (used in) financing	(4,278)	(2,160)	2,117
Change in cash and cash equivalents	(1,317)	1,996	3,313
Cash and cash equivalents at start of fiscal year	12,894	10,346	(2,547)
Cash and cash equivalents at end of first half	11,577	12,342	765

(Million yen)



※1 Mainly proceeds from the sale of the Gotanda office.

Next, here is the summary of cash flow.

The major increase/decrease was mainly due to proceeds from the sale of the Gotanda office.

(6) News

1. MI Consulting Joins Funai Soken Consulting Group

The Funai Soken Consulting Group acquired M&A consulting and due diligence experts MI Consulting in July 2025 as part of its quest to build a platform for higher quality solutions and swifter growth in the M&A consulting sector.

Combining MI Consulting's strengths with those of Funai Soken Agata FAS, we aim to expand our sales channels with financial institutions and improve the quantity and quality of M&A solutions offered by the group.

Itaru kagami, President, MI Consulting (left) and Takayuki Nakatani, President & Group CEO, Funai Soken Holdings (right)

MIC

MI Consulting Co., Ltd.
Incorporated: Aug. 2022
Business: Due diligence (financial, tax), share valuations for M&A purposes, brokering of corporate tie-ups, financial advisory services relating to corporate tie-ups, etc.

Next, I would like to report on some recent initiatives as topics.

As Nakatani explained at the beginning of the meeting, in July we acquired shares of MI Consulting Co., Ltd., which excels in M&A consulting and due diligence, and made it a wholly owned subsidiary as of July 31.

This acquisition will allow us to further expand our services in the M&A area in cooperation with Funai Soken Agata FAS, another subsidiary of the Group.

(6) News

2. Board Votes to Undertake ¥2.5-billion Buyback of Shares

Price of buy-back: Max. ¥2.5 bil.

No. of shares: Max. 1.1 mil.

2.37% of total outstanding shares (excl. treasury shares)

Buy-back period: Aug. 12, 2025 – Jul. 31, 2026

The Board of Directors voted on August 8, 2025, to undertake a buyback of shares. The buyback is designed to help improve capital efficiency and boost shareholder returns by allowing for more dynamic implementation of capital policies in response to changes in the business environment.

3. Shareholder Rewards Now Distributed Twice a Year

Shares held	Shareholder rewards	
	Existing reward distribution	New additional reward distribution
	Record date Dec. 31	Record date Jun. 30
Holders of between 100 and 999 shares	¥500 Quo Card	+ ¥500 Quo Card
Holders of between 1,000 and 4,999 shares	¥1,000 Quo Card	+ ¥1,000 Quo Card
Holders of between 5,000 and 9,999 shares	¥5,000 Quo Card	+ ¥5,000 Quo Card
Holders of 10,000+ shares	¥10,000 Quo Card	+ ¥10,000 Quo Card

Increasing the distribution of shareholder rewards from once a year to twice is a token of our appreciation for shareholders' faith in the company, and another action in our efforts to make the company a more attractive investment option and boost share liquidity.

Subsequently, for the purpose of enhancing shareholder returns and improving capital efficiency, the Board of Directors today approved a resolution to repurchase up to 1.1 million shares, for a total repurchase amount of JPY2.5 billion.

In addition, in order to increase the attractiveness of investment in the Company's shares, the Company has expanded the shareholder special benefit program from once a year to twice a year by introducing the program in the interim period as well.

(6) News

4. Funai Soken Logistics and Oki Electric Industry Harness AI for Joint Distribution Platform

Combining Strengths to Build Better Solutions

Funai Soken Logistics		OKI — Open up your dreams
Deep insights into the logistics business	+	**State-of-the-art technology and systems development**
● A wealth of logistics consulting experience ● Experts in delivering practical, frontline-applicable support ● Extensive network of SMEs		● Sensing and AI technologies ● IoT and mechatronics ● Digital twin technologies

Funai Soken Logistics's network of more than 350 transporter companies and Oki Electric Industry's wealth of technical expertise are a formidable combination. Harnessing these, we aim to build a joint distribution platform that helps SME transporters improve loading ratios and profitability while also enabling shipper clients to optimize costs and make their supply chains more resilient.

5. Kobe University & Funai Consulting Joint Symposium: Our Research into ¥10 Billion Turnover Companies

Funai Consulting teams up with Kobe University for Joint Research on Value Creation by SMEs. The symposium attract an audience of 113 SME proprietors looking to propel their businesses to the 10 billion-yen turnover mark, as well as supporting players like regional banks, corporations, and government officials.

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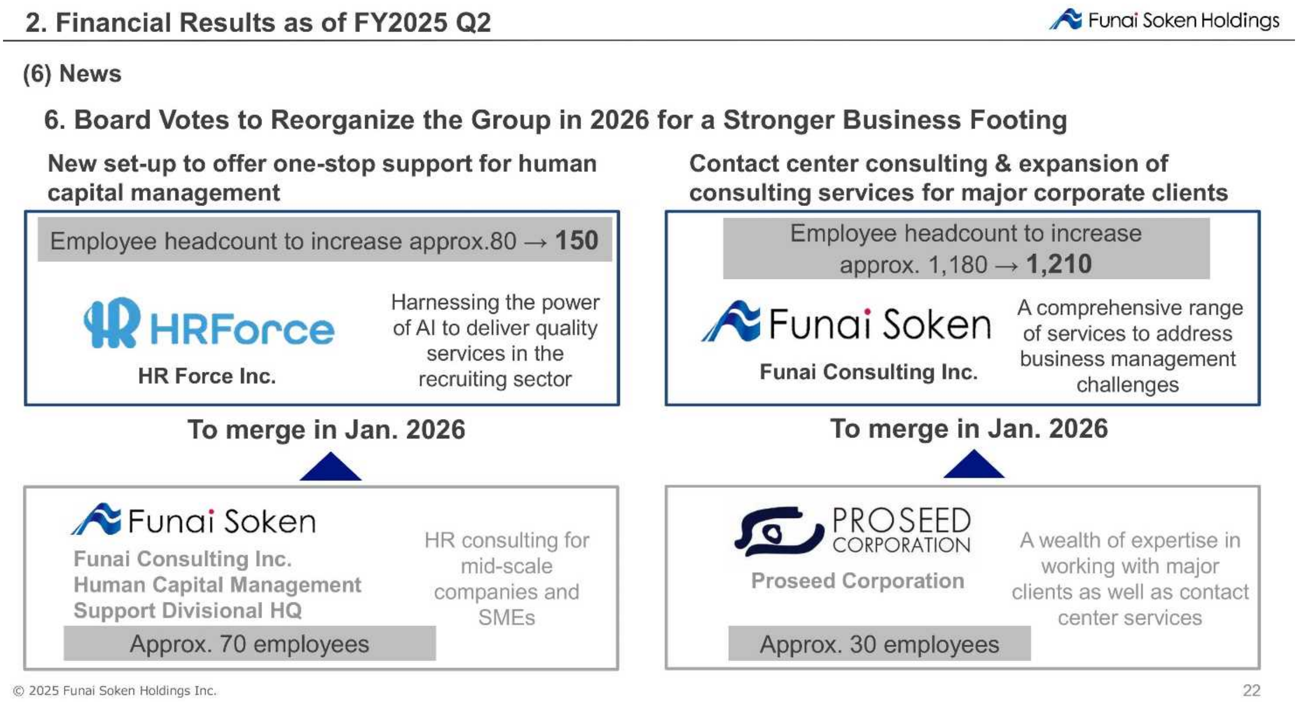
On the business front, our subsidiary Funai Soken Logistics plans to form a business alliance with Oki Electric Industry and start building a new joint delivery platform using AI.

In May, we held a symposium to present the results of joint research conducted with Kobe University on our key theme of becoming a JPY10-billion company.

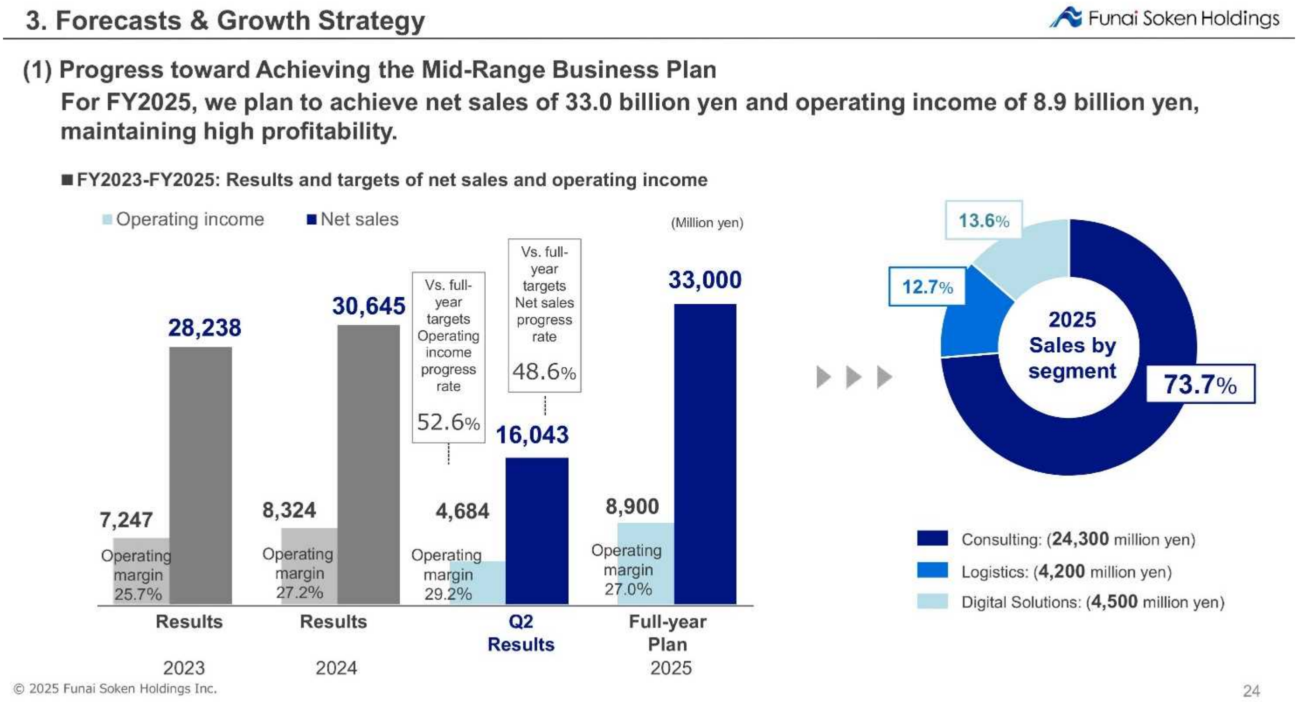


Finally, we have resolved to reorganize the Group in order to strengthen our business structure from FY2026.

As such, Funai Consulting's Human Capital Management Support Division will be integrated with HR Force in order to consolidate HR-related businesses and strengthen the human capital management support system.

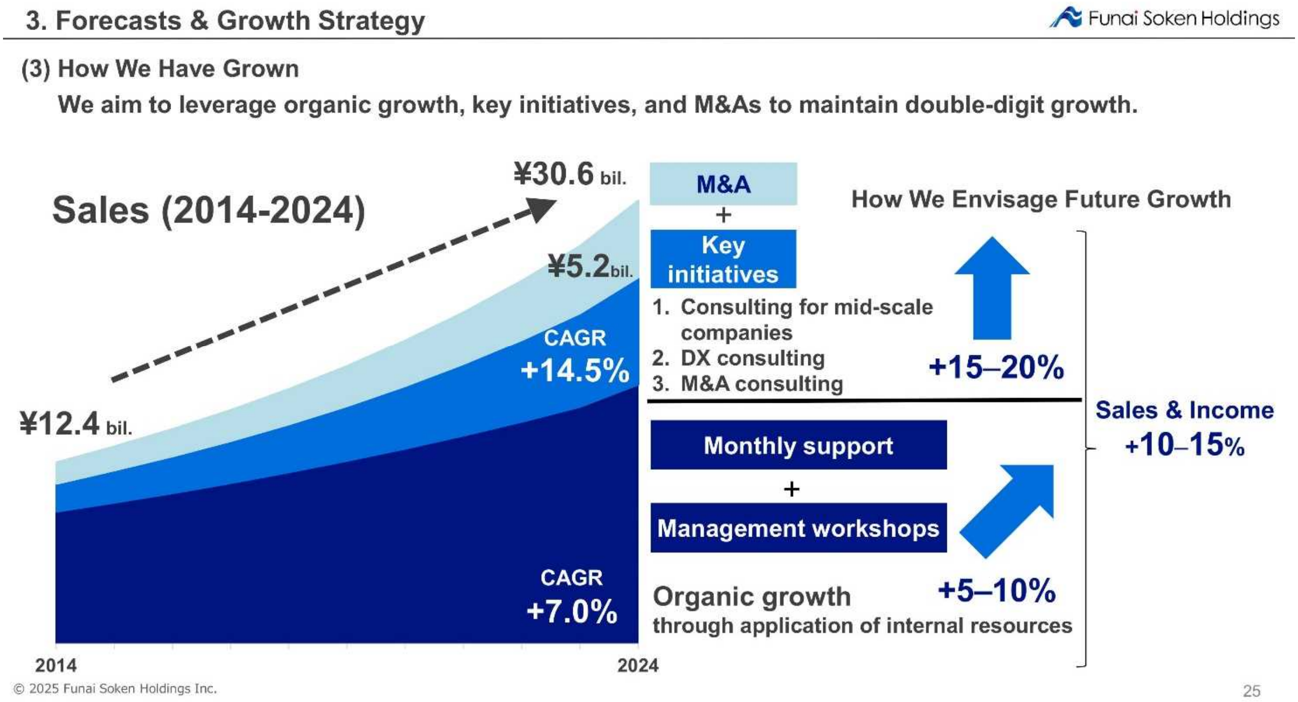
In addition, Proseed, which has strengths in contact center consulting for major corporations, will be integrated into Funai Consulting to expand the consulting domain for major corporations.

That's all for the report on the Q2 performance.



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.



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

In 2014, our group was approximately JPY12 billion in size, but 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 between 5% to 10% moving forward.

In addition to this area, we are focusing on medium-sized company consulting, DX consulting, and M&A consulting, which are currently our priority areas. Overall, the consulting business has grown by approximately 15% over the past 10 years.

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 areas, with an additional 15% to 20% growth in total. The grouping of Apparel Web in April of this year and MI Consulting in July is also in line with this strategy.

That’s all for my explanation.

Moderator [M]: Thank you very much.

Question & Answer

Moderator [M]: We will move on to the question-and-answer session. Since we have received two questions immediately, I would like to read them out in order. The first question.

Participant [Q]: What is the reason for the decrease in the number of participants in the management seminars compared to last year?

Nakatani [A]: Thank you very much. I will answer the question.

Last April, we moved our Tokyo office to Midtown Yaesu, and with the opening event, we have focused on several fairly large seminars, especially for the past six months. This year's decrease is a reaction to that. We believe that this is within our expectations, and that we will probably be able to return to a normal pace from Q4 onward. Thank you.

Moderator [M]: Thank you very much. I will move on to the next question.

Participant [Q]: What is the reason for the slowing growth in the number of consulting companies per month?

Nakatani[A]: Yes, thank you. I would like to offer a few explanations on this matter, too.

One of the reasons for this is partly a reaction to the increase in orders received in conjunction with last year's opening event, and the other is the unit price list that you may have seen in the first half of the previous section. Since relocating in April last year, we have been working to raise monthly support consulting service unit prices across the entire company. This has had an impact on the number of consulting companies, and the growth in the number of consulting companies has been slightly slower than in a normal year. We believe that this will probably be another turnaround that will allow us to return to our normal pace of increase.

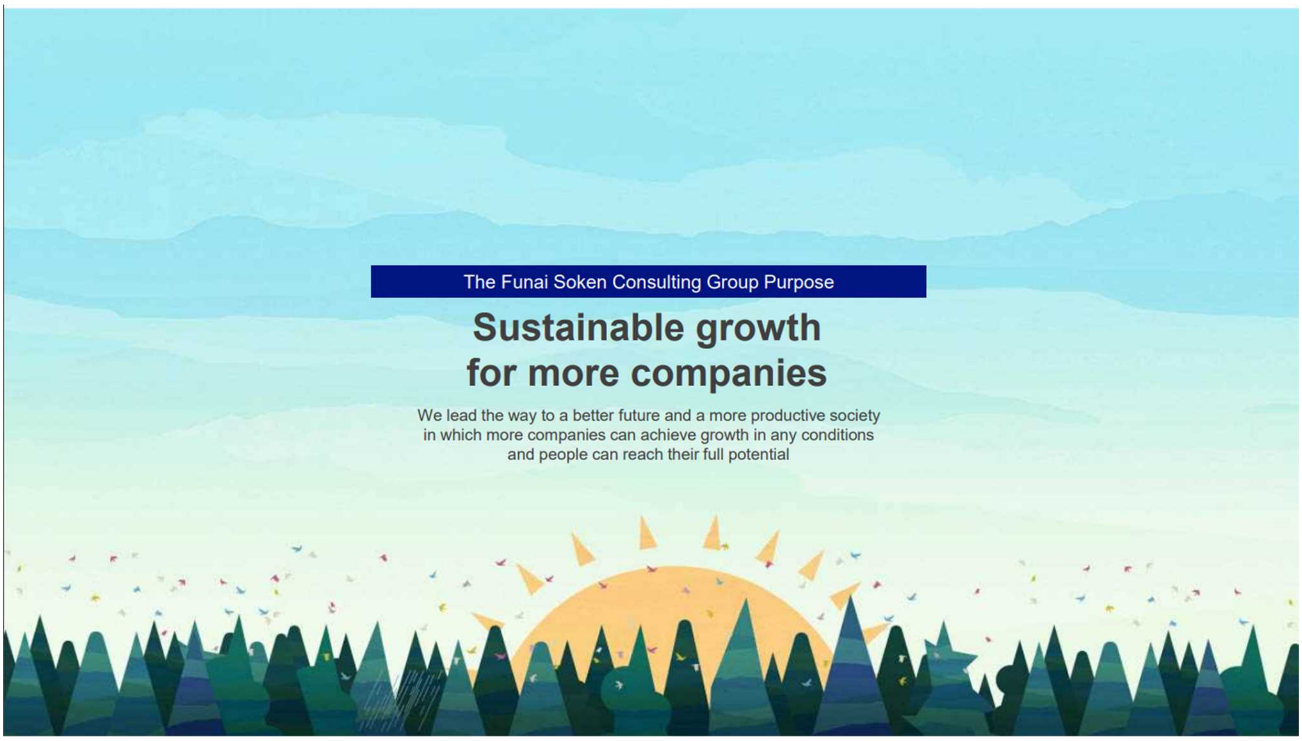
We have posted the consulting order backlog and other items in the financial report, and we hope that you will be assured that these items have remained steady.

Moderator [M]: Thank you very much. If you have any questions, please enter them into the Q&A section. We would like to wait for a while.

That is all the questions we have received, so we will conclude the question-and-answer session. If you have individual questions, we are open to one-on-one requests. We would be happy to hear from you.

This concludes the presentation of financial results for Q2 of the fiscal year ending December 31, 2025. Thank you very much for your participation.

[END]



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Funai Soken Holdings

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