



## Consolidated Financial Results for the First Half of the Fiscal Year Ending December 31, 2021 (January 1, 2021 – June 30, 2021)

August 3, 2021

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Scheduled date of payment of dividend: August 12, 2021

Scheduled date of filing quarterly report: August 26, 2021

Supplementary materials compiled to explain 1st-half financial statements?  Yes / No

Briefing to be held to explain 1st-half financial results?  Yes / No (For institutional investors and analysts)

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

### 1. 2021 1st Half Consolidated Financial Results (January 1, 2021 – June 30, 2021)

#### (1) Consolidated Results of Operations (Percentages represent change from the same period last year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ending								
Jun. 30, 2021	13,887	13.5	3,276	26.8	3,313	25.5	2,255	29.2
Jun. 30, 2020	12,234	1.2	2,584	(10.1)	2,640	(9.4)	1,745	(9.0)

Notes: Comprehensive income: 2,276 million yen (up 36.1%) in the six months ending Jun. 30, 2021  
 1,672 million yen (down 15.4%) in the six months ending Jun. 30, 2020

	Earnings per share (basic)		Earnings per share (diluted)	
	Yen		Yen	
Six months ending				
Jun. 30, 2021	45.66		45.15	
Jun. 30, 2020	35.06		34.68	

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Jun. 30, 2021	28,684	24,489	83.0
As of Jun. 30, 2020	27,951	23,688	82.4

Reference: Shareholders' equity: 23,817 million yen as of Jun. 30, 2021  
 23,041 million yen as of Jun. 30, 2020

### 2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year end	Total
	Yen	Yen	Yen	Yen	Yen
Year ending Dec. 31, 2020	—	20.00	—	25.00	45.00
Year ending Dec. 31, 2021	—	21.00	—	—	—
FY2021 forecast	—	—	—	25.00	46.00

Notes: \*Amendments to dividend numbers compared to most recently announced figures? None

### 3. Forecast Consolidated Financial Results for FY2021 (January 1, 2021 – December 31, 2021)

(Percentages represent year-on-year change)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	29,000	15.9	6,400	28.5	6,450	26.7	4,300	22.9	87.07

Notes: Amendments to performance numbers compared to most recently announced forecasts? Yes

Please refer to the Notice Regarding Upward Revision to Earnings Forecast released on August 3, 2021 for our consolidated performance forecast for the year ending December 31, 2021 (FY2021).

## Remarks

(1) Changes in consolidated subsidiaries in 1Q and 2Q: 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 2Q 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 six-month period  
(including treasury stock)

Jun. 30, 2021	52,500,000	Dec. 31, 2020	52,500,000
Jun. 30, 2021	3,119,896	Dec. 31, 2020	3,011,772
Jun. 30, 2021	49,388,207	Jun. 30, 2020	49,779,095

2) Number of treasury shares at end of six-month period

3) Average number of shares during six-month period  
(cumulative total)

Notes: 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.

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## 1. Qualitative Information Regarding the Six Months Ending Jun. 30, 2021

### (1) Results of Operations

During the six months under review (January 1, 2021 to June 30, 2021), the Japanese economy continued experiencing difficult conditions due to the impact of COVID-19, although positive signs began appearing in economic activities as progress was gradually made in the vaccination rollouts by local governments and companies. With the promotion of *new normal* workstyles through digitalization and the use of non-face-to-face channels, some sections of the economy saw recovery while continuing to implement infection prevention measures. The economic outlook, however, remains unpredictable due to concerns over the further spread and lengthening of the infectious disease fueled by the increasing number of positive cases caused by the spread of COVID-19 variants.

In this situation, the Funai Soken Consulting Group (the “Group”) proactively offered online seminars, further promoted consulting services using online conference systems, and worked to improve our digital transformation (DX) consulting menu to respond to the growing needs of our clients. Furthermore, the Group endeavored to continue business activities through the promotion of teleworking and other alternative workstyle options.

As a result, the Group posted 13,887 million yen in net sales (up 13.5% year on year), 3,276 million yen in operating income (up 26.8% year on year), 3,313 million yen in ordinary income (up 25.5% year on year), and 2,255 million yen in net income attributable to owners of the parent (up 29.2% year on year) for the six months to June 30, 2021, achieving record results exceeding the results we had achieved in the same period of the previous year in the business environment during the COVID-19 crisis as well as the results of the same period two years ago before the COVID-19 crisis.

#### I. Net sales: 13,887 million yen (up 13.5% over the same period of the preceding year)

Net sales increased in the monthly consulting support service of the business consulting business segment. In addition, net sales in online advertisement agency services continued their steady growth. Net sales also steadily grew in physical distribution operations in the logistics business.

Consequently, net sales rose 13.5% over the same period of the previous year to 13,887 million yen.

#### II. Operating income: 3,276 million yen (up 26.8% over the same period of the preceding year)

Cost of sales grew from 8,081 million yen in the same period of the previous year to 9,173 million yen with an increase in the cost of sales in online advertisement agency services. Travel expenses and venue hiring expenses, among other expenses, however, fell significantly in consulting activities. SG&A expenses also declined from 1,568 million yen in the same period of the previous year to 1,436 million yen.

Consequently, operating income rose 26.8% over the same period of the previous year to 3,276 million yen.

#### III. Ordinary income: 3,313 million yen (up 25.5% over the same period of the preceding year)

Non-operating income was 44 million yen, compared with 65 million yen in the same period of the previous year, reflecting factors such as gains on sales of investment securities, while non-operating expenses were 7 million yen, compared with 9 million yen in the same period of the previous year.

Consequently, ordinary income rose 25.5% over the same period of the previous year to 3,313 million yen.

#### IV. Net income attributable to owners of the parent: 2,255 million yen (up 29.2% over the same period of the previous year)

With income taxes totaling 1,048 million yen for the quarter under review, compared with 890 million yen in the same period of the previous year, net income attributable to owners of the parent rose 29.2% year on year to 2,255 million yen.

### Segment-Specific Performance

The performance of each business segment is outlined below.

#### I. Consulting

In the consulting business, both net sales and income recovered significantly compared with the same period of the previous

year. This was attributable to a steady increase in orders received online and the strong orders received during the period from the participants of seminars and management study groups, which provided us avenues to receive orders for consulting contracts as the channels to receive orders began developing mainly online. By industry sector, net sales grew steadily in the consulting service for the housing and real estate industries and for the medical and aged care industries. In addition, net sales increased smoothly in the DX consulting service mainly through the provision of online sales solutions to manufacturing businesses.

In addition to the increase in revenue, income increased significantly due to a large reduction in travel expenses and venue hiring expenses through the promotion of online seminars, online workshops, and remote support services using online conference systems.

Consequently, net sales increased 17.8% year on year to 10,688 million yen, and operating income rose 20.1% year on year to 3,018 million yen.

## **II. Logistics**

In the logistics operations, strong performance of e-commerce related operations in our corporate clients and an increase in new orders received online resulted in a considerable increase in revenue compared to the same period of the previous year. On the other hand, revenue declined in logistics consulting services due to the cautious stance our corporate clients adopted toward investment activities, although orders received were in a recovery trend. Revenue in logistics trading operations also increased due to higher sales prices, although fuel sales volume shrank following a downturn in business and individual movements. Income declined as the ratio of the more profitable logistics consulting services to total net sales fell.

Consequently, net sales rose 16.9% year on year to 1,495 million yen, while operating income fell 9.8% year on year to 149 million yen.

## **III. Direct Recruiting**

In the direct recruiting business, revenue fell year on year due to a reduction in recruitment advertisements following the reduced level of hiring by companies as a result of COVID-19's impact. Although an operating loss was recorded for the six months under review, the amount of operating loss decreased thanks to cost reduction and more efficient advertisement operations.

Consequently, net sales shrank 20.8% year on year to 1,075 million yen, and we posted an operating loss of 15 million yen, compared with an operating loss of 66 million yen in the same period of the preceding year.

## **IV. Other Information**

In other businesses, both net sales and income significantly grew year on year in the contact center consulting business due to the widespread adoption of remote channels for training and support services. In the IT consulting business, however, revenue shrank due to the difficulties in receiving new orders. Net sales in the system development business increased thanks to the recovery in orders received.

Consequently, net sales rose 19.9% year on year to 615 million yen and an operating income of 23 million yen was posted compared with an operating loss of 51 million yen in the same period of the previous year.

## **(2) Financial Position**

### **1. Assets, Liabilities and Equity**

#### **Assets**

Total net assets increased 732 million yen from the end of the previous fiscal year to 28,684 million yen at the end of the six months under review.

Current assets increased 424 million yen from the end of the previous fiscal year to 16,729 million yen. This was mainly due to increases in cash, deposits, trade notes, and accounts receivable.

Noncurrent assets grew by 307 million yen from the end of the previous fiscal year to 11,955 million yen. This was mainly due to an increase in investment securities.

#### **Liabilities**

Total liabilities fell by 69 million yen from the end of the previous fiscal year to 4,194 million yen as of the end of the six months under review.

Current liabilities rose by 30 million yen from the end of the previous fiscal year to 4,027 million yen. This mainly reflects increases in the current portion of long-term loans payable, income taxes payable, and an allowance for bonus, and reductions in consumption taxes payable and deposited money included in other current liabilities.

Noncurrent liabilities declined by 99 million yen from the end of the previous fiscal year to 166 million yen. This was mainly due to a decrease in long-term loans payable.

#### **Net Assets**

Total net assets increased by 801 million yen from the end of the previous fiscal year to 24,489 million yen as of the end of the six months under review.

#### **Equity Ratio**

The shareholders' equity ratio as of the end of the six months under review was 83.0%, up 0.6 percentage points from the end of the previous fiscal year.

### **2. Cash Flows**

Cash and cash equivalents (hereinafter, "cash") rose by 359 million yen from the end of the previous fiscal year to 12,575 million yen as of the end of the six months under review.

The status of each type of cash flows during the six months under review is as follows.

#### **(Cash flow from operating activities)**

Net cash provided by operating activities was 2,255 million yen (compared to 1,562 million yen of net cash provided in the same period of the previous year).

This mainly reflected the posting of 3,303 million yen in net income before tax and other adjustments and the payment of 777 million yen of income tax and others.

#### **(Cash flow from investing activities)**

Net cash used in investing activities was 398 million yen (compared to 271 million yen of net cash provided in the same period of the previous year).

This was mainly due to the net spending of 299 million yen for the purchase, sale, and redemption of securities and investment securities and the spending of 101 million yen for the purchase of property, plant and equipment and intangible assets.

#### **(Cash flow from financing activities)**

Net cash used in financing activities was 1,503 million yen (compared to 1,453 million yen of net cash used in the same period of the previous year).

This mainly reflected the net spending of 263 million yen for the purchase and sale of treasury shares and the spending of 1,236 million yen for dividend payment.

### (3) Consolidated Forecast and Other Forward-Looking Information

During the current fiscal year, the Japanese economy has remained in a difficult situation due to the impact of the resurging of COVID-19 infections and other factors. This is expected to continue impacting SMEs, who are the principal clients of the Group. The Group will capture the needs of the managers of our corporate clients and offer business consulting services that match the current trend to expand consulting and DX consulting services for SMEs as stated in our Mid-range Business Plan.

#### I. Full-year performance forecast

Although the impact of COVID-19 infections on the business environment remains unclear, we have revised our consolidated full-year performance forecast for the fiscal year ending December 31, 2021 upward in light of the strong performance of monthly support service and online advertising agency service in the consulting business, which is the Group's principal business, and the better operating income margin resulting from the significant cost reduction achieved by the promotion of online seminars and remote work. For details, please refer to the Notice Regarding Upward Revision to Earnings Forecast released on August 3, 2021.

- Revision to Consolidated Financial Result Forecast for FY2021 (January 1, 2021 – December 31, 2021) Unit: Millions of yen

	Consolidated net sales	Consolidated operating income	Consolidated ordinary Income	Net income attributable to owners of the parent
Previous forecast (A) (Announced on February 5, 2021)	28,000	5,700	5,750	4,000
Revised forecast (B)	29,000	6,400	6,450	4,300
Change (B-A)	1,000	700	700	300
Rate of change (%)	3.6	12.3	12.2	7.5
(Reference) Results of previous term (FYE Dec. 31, 2020)	25,027	4,982	5,091	3,498

#### II. Revision to Mid-Range Business Plan

Given that we can expect to continue receiving a greater number of orders and to keep reducing costs through the continuation of remote work, we have also revised the performance targets in the 2020-2022 Mid-Range Business Plan. For details, please refer to the Notice Regarding Revised Mid-Range Business Plan released on August 3, 2021.

- Revision to Mid-Range Business Plan Unit: Millions of yen

	Year ending Dec. 31, 2021		Year ending Dec. 31, 2022	
	Consolidated net sales	Consolidated operating income	Consolidated net sales	Consolidated operating income
Previous plan (A) (Announced on February 5, 2021)	28,000	5,700	31,000	6,300
Revised plan (B)	29,000	6,400	33,000	7,100
Change (B-A)	1,000	700	2,000	800
Rate of change (%)	3.6	12.3	6.5	12.7

Note: The Company plans to adopt the "revenue recognition accounting standards" from the fiscal year ending December 31, 2022.

This is expected to reduce consolidated net sales from the fiscal year ending December 31, 2022. We will announce the impact of this move when announcing financial highlights for the fiscal year ending December 31, 2021.

(Note) The above performance forecasts were prepared based on information currently available. Actual results may differ from the forecasts due to various factors that may arise in the future.

## 2. Consolidated Financial Statements and Notes

### (1) Consolidated Balance Sheet

(Thousand yen)

	FY12/20 (As of Dec. 31, 2020)	First half of FY12/21 (As of Jun. 30, 2021)
<b>Assets</b>		
Current assets		
Cash and deposits	12,216,419	12,575,892
Trade notes and accounts receivable	2,741,126	2,904,216
Short-term investment securities	304,771	300,028
Work in process	130,721	144,682
Raw materials and supplies	9,908	7,723
Other current assets	951,571	846,637
Allowance for doubtful accounts	(49,817)	(50,101)
Total current assets	16,304,701	16,729,078
Noncurrent assets		
Property, plant, and equipment		
Buildings and structures, net	1,234,799	1,201,746
Land	4,602,643	4,596,717
Other property, plant, and equipment, net	149,994	130,958
Total property, plant, and equipment	5,987,438	5,929,421
Intangible assets		
Leasehold rights	322,400	322,400
Software	256,251	296,823
Other intangible assets	96,735	63,969
Total intangible assets	675,386	683,193
Investments and other assets		
Investment securities	4,053,809	4,336,678
Assets related to retirement benefits	463,062	488,187
Other investments and other assets	475,851	524,426
Allowance for doubtful accounts	(8,258)	(6,837)
Total investments and other assets	4,984,465	5,342,455
Total noncurrent assets	11,647,290	11,955,070
Total assets	27,951,991	28,684,149



(Thousand yen)

	FY12/20 (As of Dec. 31, 2020)	First half of FY12/21 (As of Jun. 30, 2021)
<b>Liabilities</b>		
Current liabilities		
Trade notes and accounts payable	406,535	415,899
Short-term loans payable	200,000	200,000
Current portion of long-term loans payable	—	100,000
Income taxes payable	841,931	1,170,593
Allowance for bonus	—	141,856
Other current liabilities	2,549,217	1,999,562
Total current liabilities	3,997,683	4,027,911
Noncurrent liabilities		
Long-term loans payable	100,000	—
Retirement benefit liabilities	68,088	68,845
Deferred tax liabilities	56,128	58,427
Other noncurrent liabilities	41,673	39,017
Total noncurrent liabilities	265,891	166,290
Total liabilities	4,263,574	4,194,201
<b>Net assets</b>		
Shareholders' equity		
Capital stock	3,125,231	3,125,231
Capital surplus	2,946,634	2,946,661
Retained earnings	20,565,065	21,583,108
Treasury stock	(3,560,378)	(3,823,325)
Total shareholders' equity	23,076,553	23,831,675
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	75,241	78,609
Foreign currency translation adjustments	17,074	21,346
Accumulated adjustments for retirement benefits	(127,122)	(113,848)
Total accumulated other comprehensive income	(34,806)	(13,892)
Subscription rights for shares	646,669	672,165
Total net assets	23,688,416	24,489,948
<b>Total liabilities and net assets</b>	<b>27,951,991</b>	<b>28,684,149</b>

## (2) Consolidated Statements of Income and Comprehensive Income

### Consolidated Statement of Income

#### First Half

(Thousand yen)

	First Half of FY12/20 (Jan. 1 – Jun 30, 2020)	First Half of FY12/21 (Jan. 1 – Jun 30, 2021)
Net sales	12,234,202	13,887,021
Cost of sales	8,081,952	9,173,653
Gross profit	4,152,249	4,713,368
SG&A expenses	1,568,071	1,436,804
Operating income	2,584,178	3,276,564
Non-operating income		
Interest income	8,521	9,872
Dividend income	4,709	3,683
Gain on sales of investment securities	36,305	15,208
Gain on valuation of investment securities	2,893	—
Other non-operating income	13,218	15,649
Total non-operating income	65,649	44,413
Non-operating expenses		
Interest expenses	1,652	2,411
Loss on valuation of investment securities	887	1,350
Foreign exchange losses	4,398	1,577
Investment partnership management expenses	1,824	1,462
Other non-operating expenses	435	388
Total non-operating expenses	9,198	7,190
Ordinary Income	2,640,629	3,313,787
Extraordinary income		
Gain on sales of noncurrent assets	—	16
Gain on sales of investment securities	32	—
Total extraordinary income	32	16
Extraordinary losses		
Loss on sales of noncurrent assets	—	3,576
Loss on retirement of noncurrent assets	5,135	6,585
Total extraordinary losses	5,135	10,162
Net income before income taxes and other adjustments	2,635,525	3,303,641
Current income taxes	901,389	1,106,766
Deferred income taxes	(11,349)	(58,374)
Total income taxes	890,040	1,048,392
Net income	1,745,484	2,255,248
Net income attributable to owners of the parent	1,745,484	2,255,248

**Consolidated Statement of Comprehensive Income**  
**First Half**

(Thousand yen)

	First Half of FY12/20 (Jan. 1 – Jun 30, 2020)	First Half of FY12/21 (Jan. 1 – Jun 30, 2021)
Net income	1,745,484	2,255,248
Other comprehensive income		
Valuation difference on available-for-sale securities	(84,499)	3,368
Foreign currency translation adjustments	(525)	4,271
Adjustments for retirement benefits	11,740	13,274
Total other comprehensive income	(73,284)	20,913
Comprehensive income	1,672,199	2,276,162
Details		
Comprehensive income attributable to owners of the parent	1,672,199	2,276,162

### (3) Consolidated Cash Flow Statement

(Thousand yen)

	First Half of FY12/20 (Jan. 1 – Jun 30, 2020)	First Half of FY12/21 (Jan. 1 – Jun 30, 2021)
Net cash provided by (used in) operations		
Net income before income taxes and other adjustments	2,635,525	3,303,641
Depreciation	142,357	118,018
Amortization of goodwill	22,569	11,721
Share-based compensation expenses	78,473	25,495
Increase (decrease) in allowance for doubtful accounts	5,266	(1,137)
Increase (decrease) in assets related to retirement benefits	(9,623)	(11,850)
Increase (decrease) in liabilities related to retirement benefits	2,793	756
Increase (decrease) in allowance for bonus	152,596	141,673
Loss (gain) on valuation of investment securities	(2,006)	1,350
Loss (gain) on sales of investment securities	(36,337)	(15,208)
Interest and dividend income	(13,231)	(13,555)
Interest expenses	1,652	2,411
Foreign exchange loss (gain)	(863)	4,171
Loss (gain) on sales of property, plant and equipment	—	3,560
Loss on retirement of property, plant and equipment	2,427	2,113
Loss on retirement of intangible assets	2,708	4,472
Decrease (increase) in trade notes and accounts receivable	603,482	(162,649)
Decrease (increase) in other assets	(265,605)	(425,535)
Increase (decrease) in other liabilities	(1,129,053)	(521,478)
Other	5,036	7,676
Subtotal	2,198,169	2,475,647
Interest and dividends received	20,369	19,753
Interest paid	(1,619)	(2,416)
Income taxes paid	(1,108,372)	(777,783)
Income taxes refund	454,299	540,635
Net cash provided by (used in) operations	1,562,846	2,255,836
Net cash provided by (used in) investments		
Proceeds from sale and redemption of securities	600,000	104,615
Purchase of investment securities	(205,550)	(420,052)
Proceeds from sale and redemption of investment securities	797	16,011
Purchase of property, plant and equipment	(36,472)	(17,427)
Purchase of intangible assets	(87,278)	(84,023)
Other	—	2,366
Net cash provided by (used in) investments	271,496	(398,510)
Net cash provided by (used in) financing		
Increase (decrease) in short-term loans payable	200,000	—
Redemption of bonds	(500,000)	—
Repayment of lease obligations	(5,102)	(4,551)
Purchase of treasury shares	(5,538)	(263,127)
Proceeds from sale of treasury shares	2	63
Dividends paid	(1,142,610)	(1,236,255)
Net cash provided by (used in) financing	(1,453,247)	(1,503,871)
Effect of exchange rate changes on cash and cash equivalents	(1,715)	6,018
Net increase (decrease) in cash and cash equivalents	379,379	359,473
Cash and cash equivalents at start of fiscal year	11,630,554	12,216,419
Cash and cash equivalents at end of quarter	12,009,933	12,575,892

#### (4) Notes on Consolidated Financial Statements

##### Notes on Going Concern Assumptions

None to report.

##### Notes on Significant Changes to Shareholders' Equity

None to report.

##### Segment Information

###### I. First Half of FY12/20 (Jan. 1 – Jun 30, 2020)

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

	Consulting	Logistics	Direct Recruiting	Others <sup>(1)</sup>	Total	Adjustment <sup>(2)</sup>	(Thousand yen) Amount listed in consolidated statement of income <sup>(3)</sup>
Net sales							
Sales to external customers	9,071,551	1,279,621	1,358,033	513,164	12,222,370	11,831	12,234,202
Inter-segment sales and transfers	70,968	135,590	2,280	1,552	210,391	(210,391)	—
Total	9,142,520	1,415,211	1,360,313	514,716	12,432,762	(198,560)	12,234,202
Segment income/loss	2,513,083	165,823	(66,305)	(51,637)	2,560,963	23,215	2,584,178

##### Notes

1. "Others" includes income from IT consulting, contact center consulting, 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.

###### II. First Half of FY12/21 (Jan. 1 – Jun 30, 2021)

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

	Consulting	Logistics	Direct Recruiting	Others <sup>(1)</sup>	Total	Adjustment <sup>(2)</sup>	(Thousand yen) Amount listed in consolidated statement of income <sup>(3)</sup>
Net sales							
Sales to external customers	10,688,712	1,495,564	1,075,616	615,480	13,875,374	11,647	13,887,021
Inter-segment sales and transfers	32,423	171,669	885	9,338	214,317	(214,317)	—
Total	10,721,136	1,667,234	1,076,502	624,818	14,089,692	(202,670)	13,887,021
Segment income/loss	3,018,353	149,506	(15,804)	23,990	3,176,045	100,518	3,276,564

##### Notes

1. "Others" includes income from IT consulting, contact center consulting, 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.

### 3. Other Information

#### (1) Orders and Sales

##### I. Orders

Orders won by each operating segment in the first half of FY2021 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	7,766,054	+25.0	7,147,621	+10.2
Logistics	286,359	+56.4	216,797	+1.0
Other current liabilities	281,664	+84.3	115,234	(29.9)

##### 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. Direct recruiting entails no consulting revenues and is therefore not included in the above table.
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 half of FY2021 are as follows.

Segment	Sales (unit: 1,000 yen)	Change from same period last year (%)
Consulting	10,688,712	+17.8
Logistics	1,495,564	+16.9
Direct recruiting	1,075,616	(20.8)
Other businesses	615,480	+19.9
Total	13,875,374	+13.5

##### 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.