



December 9, 2021

Funai Soken Holdings, Inc.

(Stock code: 9757, Tokyo Stock Exchange 1st Section)

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**Notice of Launch of ESG Assessment Service at Consolidated Subsidiary
(Funai Consulting, Inc.)**

Supporting the improvement of value at small and medium-sized businesses, which are essential for the regional economy, in collaboration with the Shoko Chukin Bank, Ltd.

Funai Soken Holdings, Inc. is pleased to announce that in collaboration with the Shoko Chukin Bank, Ltd., consolidated subsidiary Funai Consulting, Inc. has developed an ESG assessment for small and medium-sized businesses, which are the main customers of both companies, and launched it as a new service. The details are provided below.

*ESG stands for Environment, Social and Governance.

1. Purpose of launch and background behind collaboration

As efforts to realize a decarbonized society accelerate worldwide, ESG management initiatives are being promoted, especially at large corporations. These large corporations have come to require compliance throughout the supply chain, including trading partners, in relation to CO₂ reduction, human rights, and labor. As such, small and medium-sized businesses that transact with large corporations must also work on ESG initiatives.

However, it is difficult for small and medium-sized businesses to carry out wide-ranging ESG initiatives by division or operation like a large corporation, so there is a growing need for more efficient and practical implementation.

Funai Consulting and the Shoko Chukin Bank have been collaborating on business matching and other such work since 2019, and most recently, they have developed a framework for more efficient and practical promotion of ESG initiatives by small and medium-sized businesses.

Bringing together their strengths, which are supporting the growth strategies of small and medium-sized businesses and financial services for small and medium-sized businesses and general financial services for management support, respectively, they are supporting the promotion of ESG management among small and medium-sized businesses, which account for 99.7% of companies in Japan*. In so doing, Funai Consulting and the Shoko Chukin Bank seek to further promote environmental, occupational safety, and other initiatives and increase the number of companies and human resources contributing to the solution of social issues in Japan and abroad.

*Source: Website of The Small and Medium Enterprise Agency

https://www.chusho.meti.go.jp/koukai/chousa/chu_kigyocnt/2018/181130chukigyocnt.html (Japanese language only)

2. Overview of new ESG assessment service

(1) Description of new service

(i) ESG assessment service

The ESG assessment service is a service for assessing the status of ESG initiatives at one's own company and identifying areas where improvement is necessary. It contains the necessary items for

taking the first step in response to feedback from customers who said they want to strengthen their ESG initiatives but do not know where to begin.

Conducting this assessment will bring to light issues with ESG initiatives, allowing us to provide various solutions accordingly, which will, in turn, enable us to contribute to the enhancement of our customers' corporate value.

Funai Consulting and the Shoko Chukin Bank conducted trial assessments for more than 150 companies this past summer in order to develop the framework for the assessment. These companies are engaged in freight transportation, manufacturing, processing, and other businesses, and the majority of them have between 100 and 300 employees and sales of between 1 billion to 10 billion yen. Comparing the assessment with the average score allows easy prioritizing of issues.

(ii) Contact point

Customers who have done business with Funai Consulting or the Shoko Chukin Bank may contact either one.

(iii) Department in charge

Business Innovation Consulting Department, Improved Corporate Value Consulting Divisional Headquarters, Funai Consulting, Inc.
 Person in charge: Daisuke Tsuchiya

Sustainability initiatives of Funai Soken Holdings

Funai Soken Holdings, Inc. considers contributing to society through the provision of consulting services to small and medium-sized businesses, which is our main business, a material issue (materiality) of sustainability. As interest grows in ESG for small and medium-sized businesses in Japan, we will help increase the number of companies that achieve sustainable growth while considering the environment and occupational safety through this collaboration.

(2) Overview of subsidiary

(1) Name	Funai Consulting, Inc.
(2) Address	4-4-10 Kitahama, Chuo-ku, Osaka City, Osaka
(3) Name and title of representative	Daisuke Shingai, President and CEO
(4) Description of business	Management consulting
(5) Capital	3,000 million yen
(6) Date of establishment	November 28, 2013
(7) Main shareholder(s) and shareholding ratio(s)	Funai Soken Holdings, Inc. (100%)

<About Funai Consulting, Inc.>

Funai Consulting is one of Japan's largest management consulting firms with consultants specialized in small and medium-sized businesses. Its mission is to create many great companies with high social value through the provision of support for growth strategies, human resources development, improvement of corporate value, and digital transformation based on the unique style of implementing both monthly support and management seminars by industry and topic. A distinctive characteristic is the way it engages in practical consulting activities working closely with the work site and management.

(3) Overview of Central Bank for Commercial and Industrial Cooperatives

(1) Address	2-10-17, Yaesu, Chuo-ku, Tokyo
(2) Name and title of representative	Masahiro Sekine, President
(3) Description of business	Financial services
(4) Capital	218.6 billion yen
(5) Date of establishment	October 8, 1936

3. Outlook

We believe that this new offering will contribute to improving the Company's performance and corporate value in the medium to long term. At this time, the impact on this year's performance will be minor. Going forward, any developments will be promptly disclosed.