



February 4, 2022

For Immediate Release

**Funai Soken Holdings, Inc. (TSE 1, stock code 9757)**  
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## **Notice Regarding Merger of Consolidated Subsidiaries and Change of Trade Name**

Funai Soken Holdings hereby announces that its Board of Directors decided at a board meeting today to merge two Funai Soken Consulting Group companies—Funai Soken Corporate Relations Inc., and Shinwa Computer Service Co., Ltd.—and rename the surviving company.

### **1. Reasons for Merger**

As part of the Funai Soken Consulting Group's core business of providing comprehensive management consulting services for SMEs, the group has expanded its services to include digital transformation consulting and comprehensive management consulting for mid-scale clients. As a result, the group faces an urgent need to strengthen its platform for hiring and developing talent able to provide digital solutions. The decision was made to merge the strengths of Funai Soken Corporate Relations (online marketing and BPO consulting) with those of Shinwa Computer Service (digital HR hiring and development, computer systems development) so that the Funai Soken Consulting Group may offer clients the full spectrum of digital services more seamlessly.

### **2. Details of Merger**

#### **(1) Schedule**

- Board meetings (of the boards of directors of the merging companies and Funai Soken Holdings) to approve merger agreement contents prior to execution: Scheduled for Feb. 18, 2022
- Execution of the merger agreement (by the merging companies): Scheduled for Feb. 18, 2022
- Shareholders meetings (of the merging companies) to approve the merger agreement: Scheduled for Mar. 25, 2022
- Merger takes effect: Scheduled for July 1, 2022

#### **(2) Method of Merger**

An absorption merger, in which Funai Soken Corporate Relations will absorb Shinwa Computer Service and be the surviving company, and Shinwa Computer Service will become defunct.

#### **(3) Allocation of Stake in New Company**

As both merging companies are wholly-owned subsidiaries of Funai Soken Holdings, no allocation of shares or other monies shall arise in this case.

#### **(4) Effect on Subscription Rights for Shares and Bonds with Subscription Rights**

N/A

### 3. Merging Companies

	Absorbing Company	Absorbed Company
(1) Name	Funai Soken Corporate Relations Inc.	Shinwa Computer Service Co., Ltd.
(2) Address	6th floor, Shinfushimimachi Bldg., 4-4-10 Fushimi-machi, Chuo-ku, Osaka	3rd floor, Nippo Hacchobori Bldg., 2-19-8 Hacchobori, Chuo-ku, Tokyo
(3) Representative	Hitoshi Nagira, president	Akihide Goto, president
(4) Business	Systems integration, digital marketing, BPO and consulting	Systems development, etc.
(5) Capital	50 million yen	13 million yen
(6) Incorporated	November 28, 2013	June 12, 1980
(7) Shares Issued	5,000	7,560
(8) Fiscal Year	Ends December 31	Ends December 31
(9) Major Shareholders and Stakes	Funai Soken Holdings: 100%	Funai Soken Holdings: 100%
(10) Financial Situation and Business Performance in Preceding Fiscal Year (In thousands of yen except net assets per share and earnings per share)		
	Year ended December 2020	Year ended December 2020
Net assets	889,786	124,982
Total assets	1,500,533	240,548
Net assets per share	177,957 yen	16,532 yen
Net sales	4,946,252	562,020
Operating income	223,055	-22,707
Ordinary income	230,369	-22,669
Net income	154,668	-10,526
Earnings per share	30,933 yen	-1,392 yen

### 4. Post-Merger Company

(1) New trade name	Funai Soken Digital, Inc. (TBC)
(2) Principal place of business	6th floor, Shinfushimimachi Bldg., 4-4-10 Fushimi-machi, Chuo-ku, Osaka
(3) Representative	Hitoshi Nagira, president
(4) Business	Systems integration, digital marketing, BPO, consulting, and systems integration, etc.
(5) Capital	50 million yen
(6) Fiscal Year	Ends December 31
(7) Major Shareholders and Stakes	Funai Soken Holdings: 100%

Funai Soken Corporate Relations is scheduled to change its trade name when the merger takes effect on July 1, 2022.

### 5. Outlook

The impact of this merger on business performance for this fiscal year is minor. Funai Soken Holdings will promptly announce any information requiring public notice.