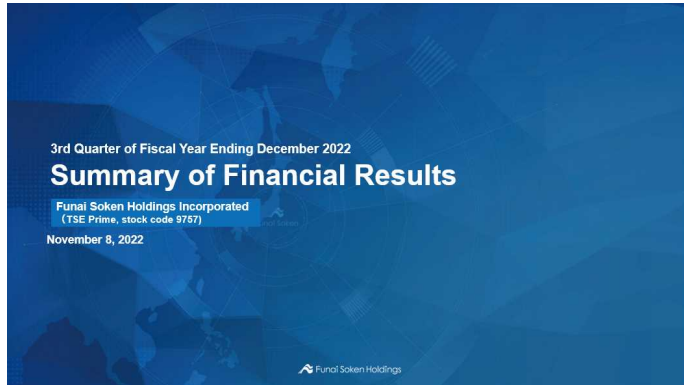


3rd Quarter of Fiscal Year Ending December 2022

Summary of Financial Results

Funai Soken Holdings Incorporated
(TSE Prime, stock code 9757)

November 8, 2022



1 FY2022 3rd Quarter Financial Results

- (1) Consolidated Income
- (2) (2) Progress in Comparison with This Year's Forecasts
- (3) Results of Operations by Segment
- (4) Results of Operations by Segment: Consulting
- (5) Results of Operations by Segment: Logistics
- (6) Results of Operations in Digital Transformation Services
- (7) Consolidated Financial Position

2 Progress toward Achieving the Mid-Range Business Plan

- (1) Progress toward Achieving the Mid-Range Business Plan
- (2) Business Strategy
- (3) Human Resource Strategy
- (4) Financial Strategy

3 ESG

[Statement Regarding Use of These Materials]



FY2022
3rd Quarter Financial Results

1. FY2022 3rd Quarter Financial Results

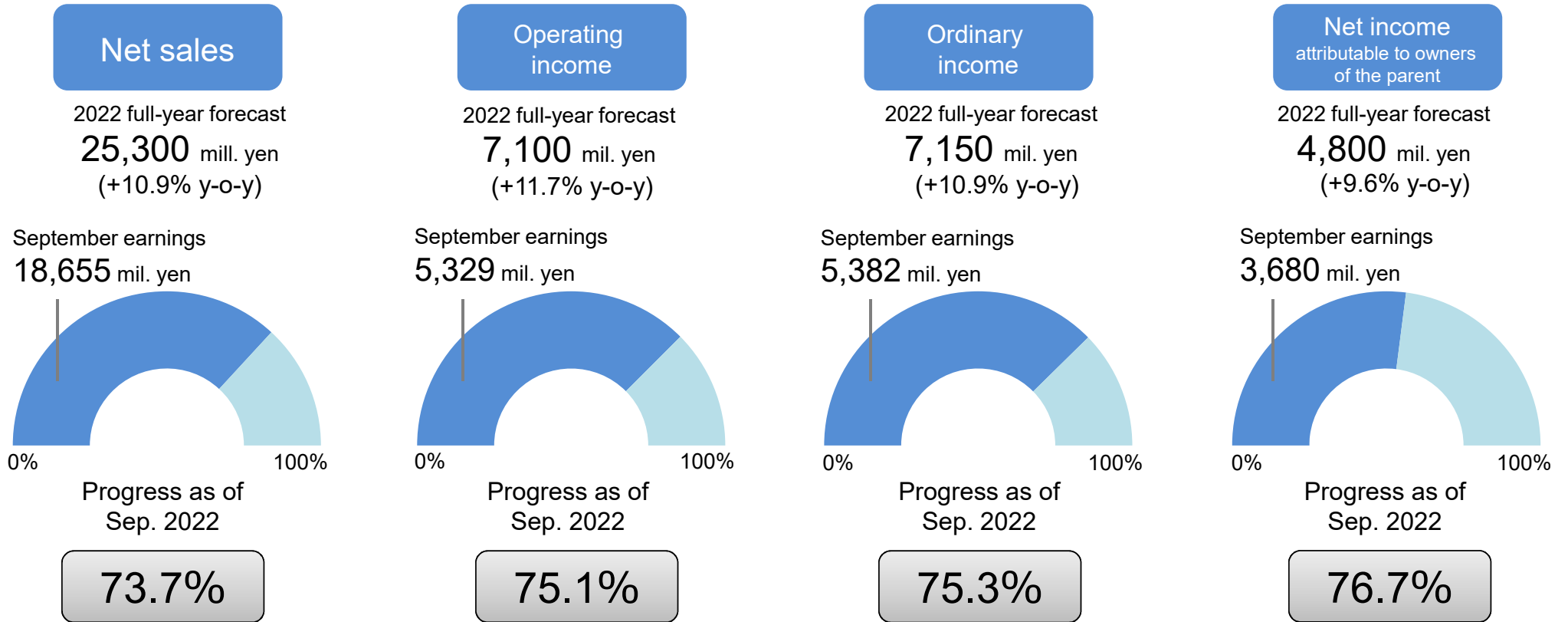
(1) Consolidated Income

- Sales were solid, with sales of monthly support services, project-based consulting, and online advertisement agency services up in the consulting segment, and sales of consulting and BPO also up in the logistics segment.
- Despite a rise in transport costs and consultant hiring costs resulting from the return to on-site consulting activities, we managed to sustain a high level of profitability.

	September 2021		September 2022		
	Amount (million yen)	% of total	Amount (million yen)	% of total	Change (%)
Net sales	16,606	100.0	18,655	100.0	+12.3
Operating income	4,667	28.1	5,329	28.6	+14.2
Ordinary income	4,712	28.4	5,382	28.9	+14.2
Net income attributable to owners of the parent	3,165	19.1	3,680	19.7	+16.3

1. FY2022 3rd Quarter Financial Results

(2) Progress in Comparison with This Year's Forecasts

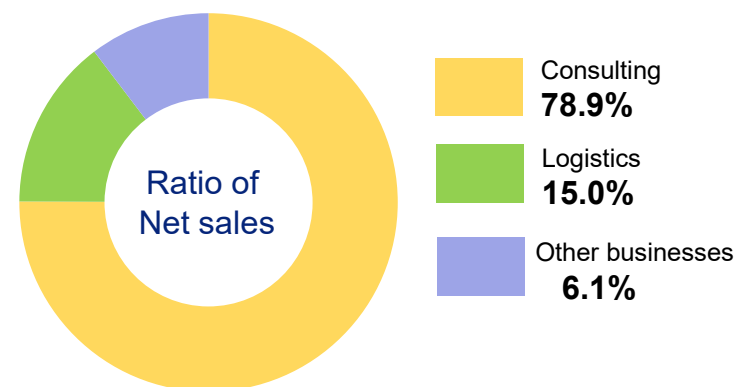


1. FY2022 3rd Quarter Financial Results

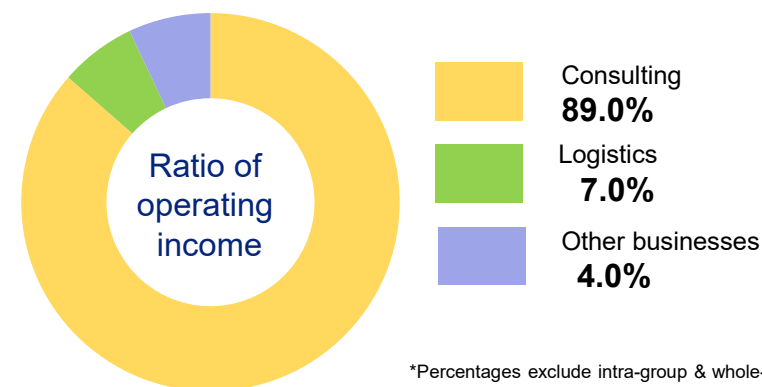
(3) Results of Operations by Segment

- Sales and income were up in all segments.
- Among other businesses, we achieved an increase in sales and income in the direct recruiting business due to an ongoing trend in increased job openings.

Net sales	September 2021	September 2022	
	Amount (million yen)	Amount (million yen)	Change (%)
Consulting	13,604	14,718	+8.2
Logistics	2,031	2,796	+37.6
Other businesses	954	1,128	+18.2
(Intra-group & whole-group transactions)	16	12	—
Total	16,606	18,655	+12.3



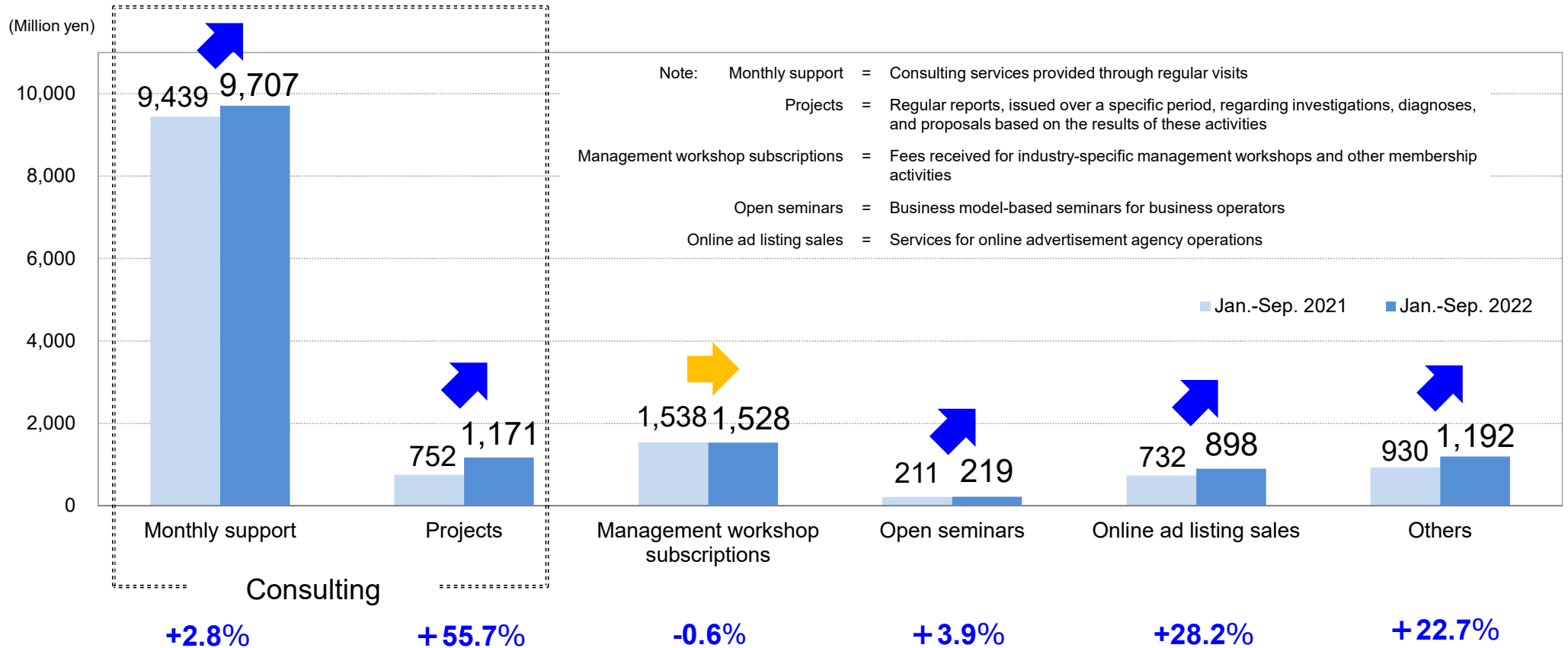
Operating income	September 2021	September 2022	
	Amount (million yen)	Amount (million yen)	Change (%)
Consulting	4,399	4,576	+4.0
Logistics	235	357	+51.9
Other businesses	-83	204	—
(Intra-group & whole-group transactions)	115	190	—
Total	4,667	5,329	+14.2



*Percentages exclude intra-group & whole-group transactions

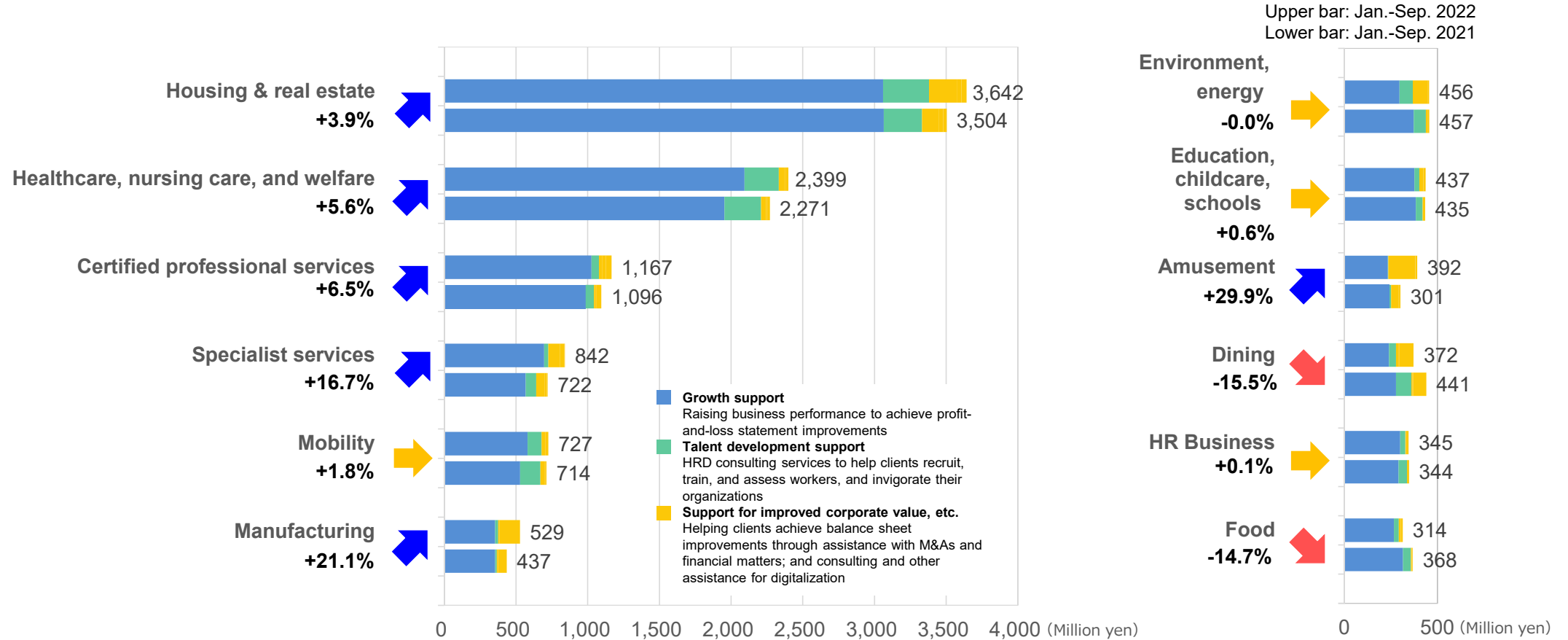
1. FY2022 3rd Quarter Financial Results

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



1. FY2022 3rd Quarter Financial Results

(4) Results of Operations by Segment: Consulting—Sales by Sector

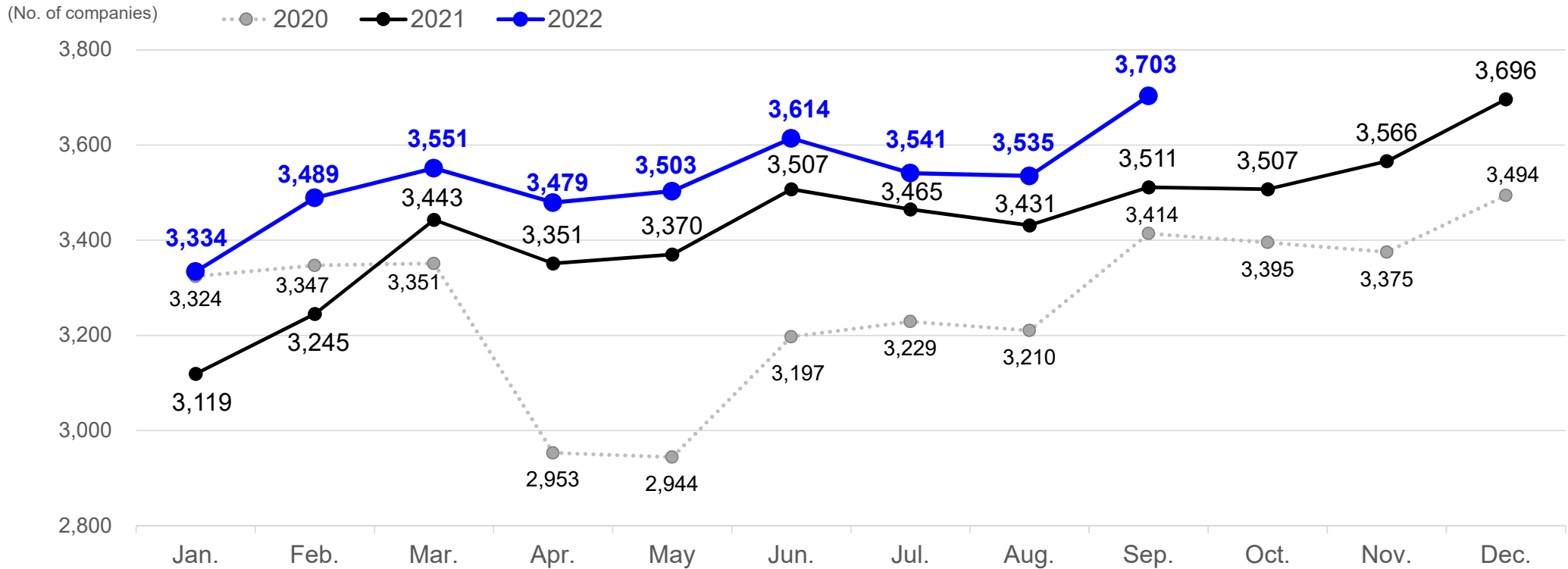


Figures show total sales of consulting contracts, management workshop subscriptions, and open seminars, grouped in accordance with the company's industry classifications, for Jan. through Sep. 2021 and 2022.

1. FY2022 3rd Quarter Financial Results

(4) Results of Operations by Segment: Consulting—Consulting Client Numbers

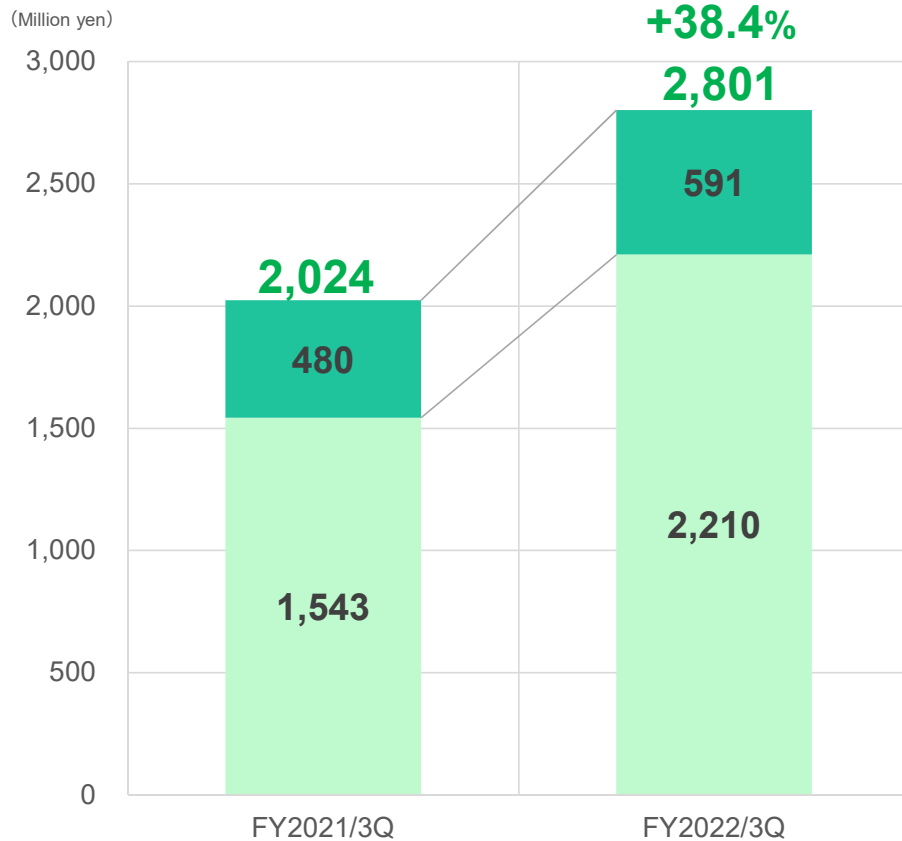
Monthly Consulting Client Company Numbers



*Figures denote number of client companies (in Japan) per month in the consulting segment (excl. intra-group transactions).

1. FY2022 3rd Quarter Financial Results

(5) Results of Operations by Segment: Logistics—Sales by Service Category



Logistics Consulting
Helping clients reduce logistics costs **+22.9%**

- Consulting for logistics companies was in line with the preceding year; management workshop memberships increased: 307 as of Sep. 30, 2022; 304 as of Sep. 30, 2021.
- Revenues from consulting services increased, buoyed by a recovery in orders.

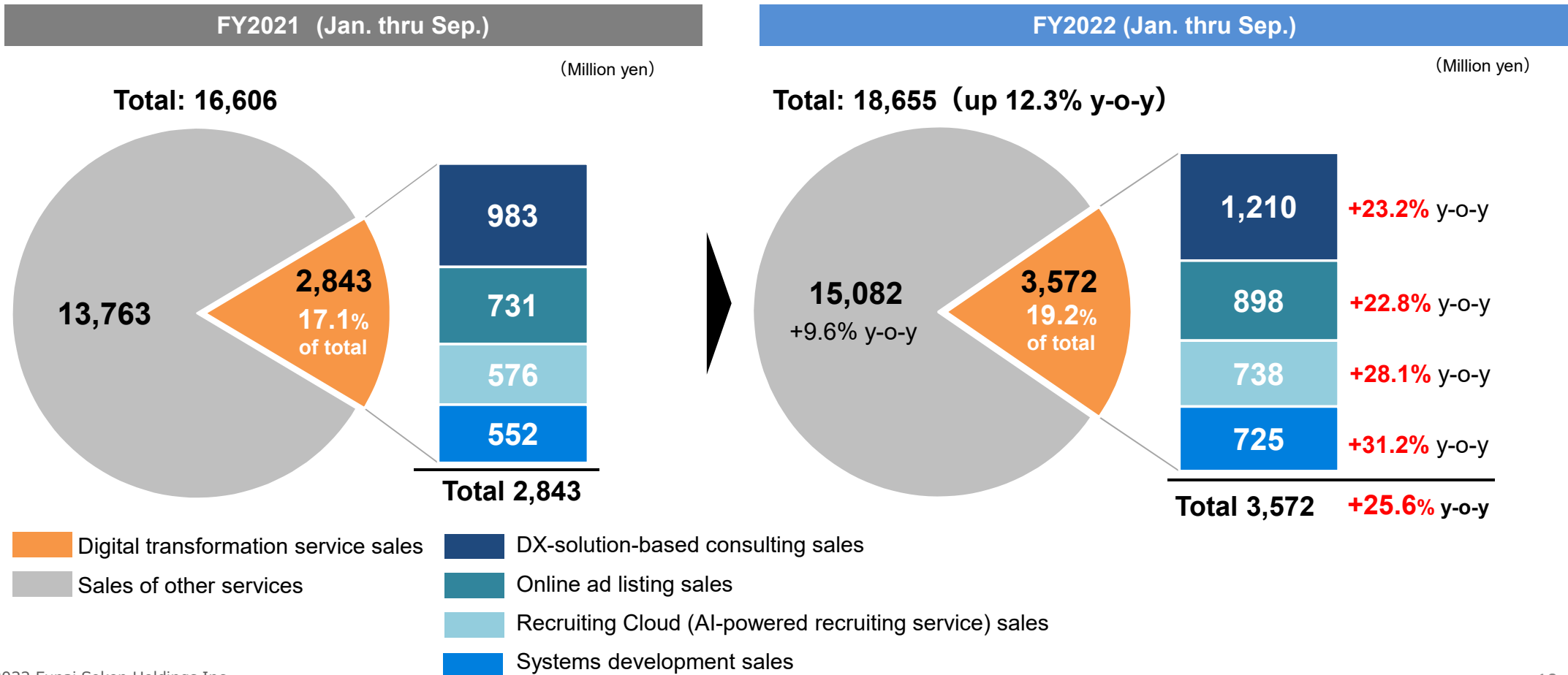
Logistics BPO
Logistics on behalf of clients
Reducing purchasing costs through joint buying **+43.2%**

- Deep-mining of existing clients and growth in client orders resulted in an increase in sales.
- Demand for product deliveries was particularly strong among clients.
- Sales increased due to the effect of rising fuel prices on our core offering in this segment: joint purchasing of fuel.

1. FY2022 3rd Quarter Financial Results

(6) Results of Operations in Digital Transformation Services

- The group is investing significant effort into digital transformation services, which grew 25%.
- Digital transformation services account for an increasingly large share of total sales and are helping grow the group's business overall.



1. FY2022 3rd Quarter Financial Results

(7) Consolidated Financial Position—Balance Sheet

(Million yen)

	As of Dec. 31, 2021	As of Sep. 30, 2022	Change	Major factors behind changes	
Current assets	19,049	20,597	+1,547	Increase in current assets: Major factors include increases in cash, deposits, and short-term investment securities.	
Noncurrent assets	Property, plant, and equipment	5,917	5,894	-22	Decrease in noncurrent assets: Major factors include decrease in investment securities.
	Intangible assets	705	846	+141	
	Investments and other assets	5,256	4,572	-683	
Total assets	30,928	31,910	+982		
Current liabilities	5,053	4,771	-281	Decrease in current liabilities: Major factors include increase in provision for bonuses, decreases in current portion of long-term loans payable, and decreases in accrued consumption taxes and deposits received (listed under “others”).	
Noncurrent liabilities	164	266	+ 102	Increase in noncurrent liabilities: Major factors include increase in long-term loans payable.	
Total liabilities	5,217	5,038	-178		
Total net assets	25,710	26,872	+1,161	Financial position remains sound with a high equity ratio of 82.0%.	
Total liabilities & net assets	30,928	31,910	+982		

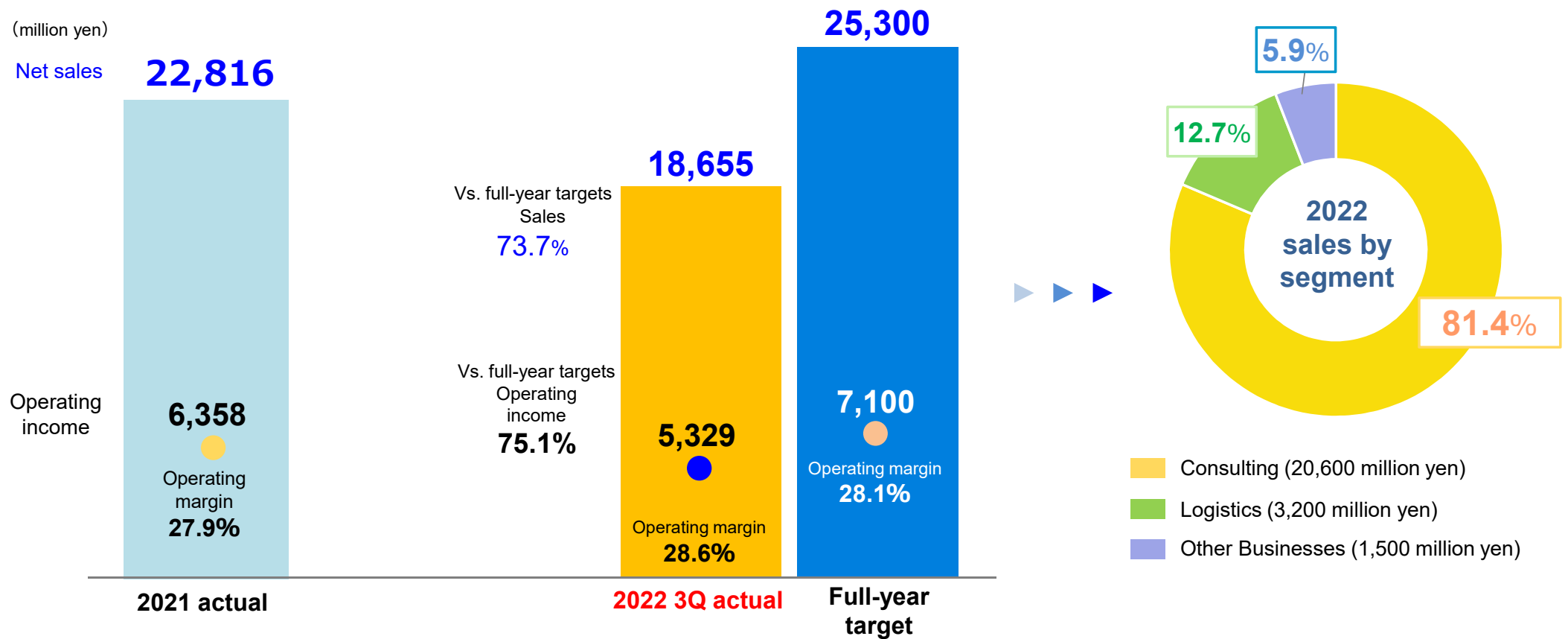


Progress toward Achieving the Mid-Range Business Plan

2. Progress toward Achieving the Mid-Range Business Plan

(1) Progress toward Achieving the Mid-Range Business Plan

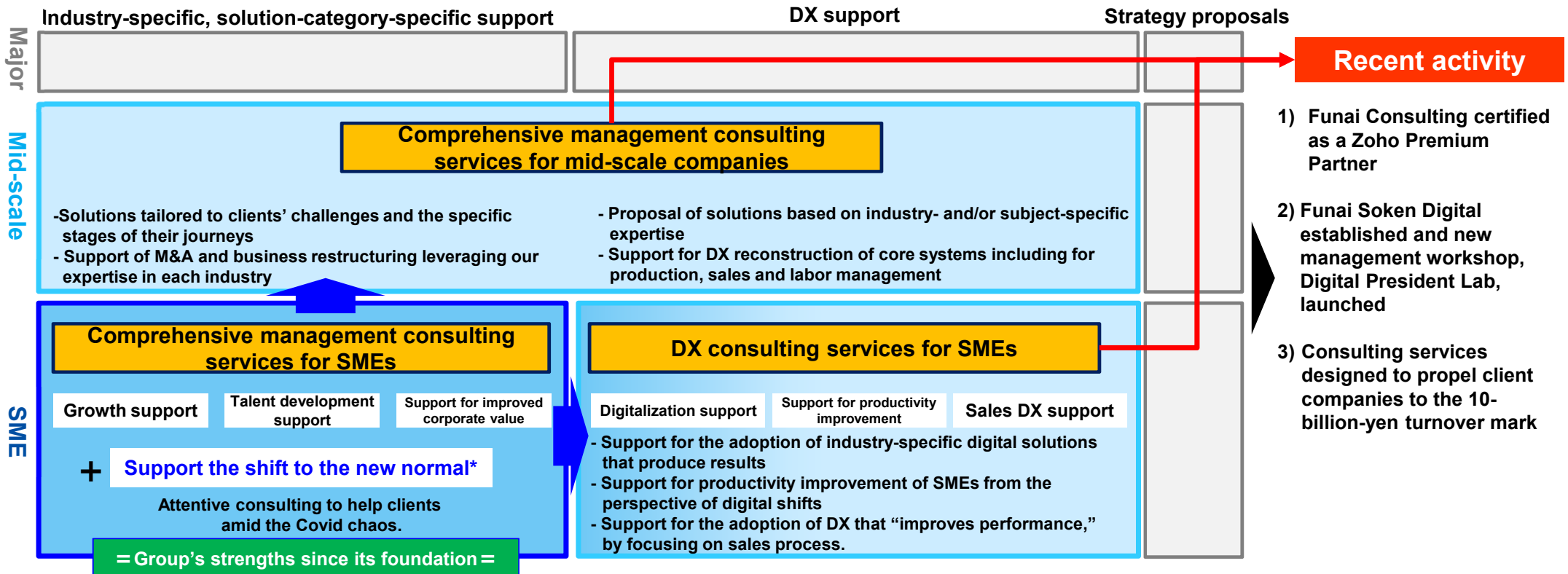
- In 2022, the final year of the current Mid-Range Business Plan, our target is sales of 25.3 billion yen.
- We are aiming for sustained double-digit growth and record operating income of 7.1 billion yen in FY2022.



2. Progress toward Achieving the Mid-Range Business Plan

(2) Business Strategy

Our **comprehensive management consulting services for SMEs**, the group's core strength, are the ideal vehicle for offering clients through **post-Covid "new normal" support** to help them cope amid the related upheaval. We are also working on a series of initiatives relating to **digital transformation consulting for SMEs** and **comprehensive management consulting services for mid-scale companies**, which will help us expand into new business segments as stated in our Mid-Range Business Plan.



*Support clients' shift to the new normal in the post-COVID era from the perspective of company management

2. Progress toward Achieving the Mid-Range Business Plan

(2) Business Strategy : (1) Funai Consulting Certified as a Zoho Premium Partner

- Zoho is the ideal tool for our digital transformation consulting services for SMEs and mid-scale clients.
- Our partnership with Zoho has developed, and we are the only company in Japan to be certified as a Premium Partner, the highest rank of Zoho partnership.



■ What is a Zoho Premium Partner?

- A Zoho partner is a company that works alongside clients and uses Zoho and other methods to provide solutions to their challenges.
- A Premium Partner is a Zoho partner that achieves year-on-year growth in Zoho sales of at least \$200,000.



Zoho, the Growing Company's Preferred DX Tool (written and edited by Funai Consulting Inc.)

About Zoho

Zoho is a suite of cloud-based solutions to help businesses digitalize their operations and improve efficiency. Worldwide, Zoho has more than

75 mil.
users

at

250,000
companies



Out now!

Maruzen Marunouchi
business category
(May 12–18, 2022)

Amazon SME
management category
(May 25, 2022)

Ranked
No. 1

2. Progress toward Achieving the Mid-Range Business Plan

(2) Business Strategy : (2) Funai Soken Digital Established; New Management Workshop, Digital President Lab, Launched

- Merged two subsidiaries on July 1, 2022, into Funai Soken Digital, Inc.
- Funai Soken Digital will work together with Funai Consulting and other group companies to offer a full spectrum of digital transformation services from initial consulting to final installation.

■ Funai Soken Digital's Services



(1) Cloud-based solutions development

Development and operation of Azure and other public cloud-based solutions, and technical consulting



(2) Digital marketing BPO

Comprehensive, industry-specific and solution-category-specific digital marketing support for mid-scale and SME clients



(3) IT consulting

Helping mid-scale and SME clients transform through back-office BPR and DX solutions



(4) Product development

Development and popularization of vertical SaaS (industry-specific digital products)



(5) Digital solutions staff recruiting & training

Training and reskilling services to help clients alleviate digital solutions staff shortages

■ New Management Workshop Launched



Major topics covered: Latest DX case studies; recruiting engineers, DX staff; M&A; trends in digital tools, etc.



Top: Funai Soken Digital directors at the company launch briefing on July 11.

Bottom: The September 29 Digital President Lab workshop hums with activity.

2. Progress toward Achieving the Mid-Range Business Plan

(2) Business Strategy : (3) Consulting Services Designed to Propel Client Companies to the 10-billion-yen Turnover Mark (Funai Consulting)

Harnessing the wealth of expertise amassed through growth support activities to build a roadmap and provide consulting services to help SMEs progress to become mid-scale mainstays of the local community.

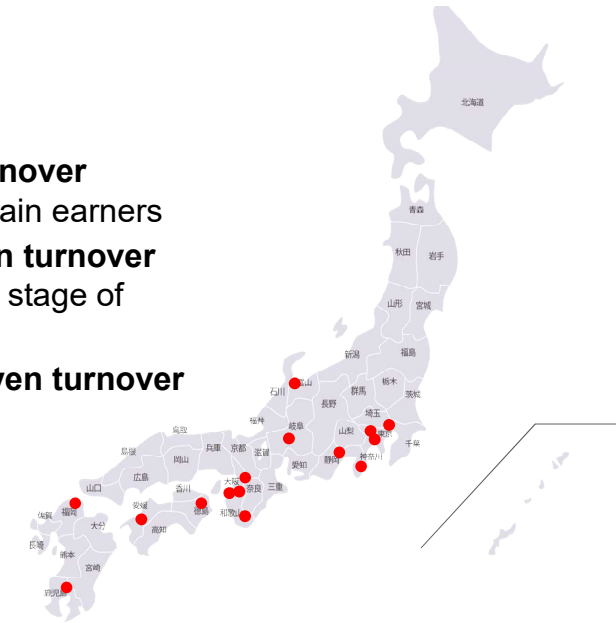
Creating a roadmap by backcasting from the goal (i.e., reaching 10-billion-yen turnover and becoming one of Japan's top 1% companies)



From the Funai Consulting “10 Billion Yen Business Project” website

Major support services:

- **Growth strategies for existing business**
- **New businesses to help reach 10-bil.-yen turnover**
Building new business operations to serve as main earners
- **Building a workforce to help reach 10-bil.-yen turnover**
Secure and train the workforce required at each stage of development
- **Financial strategy aimed at reaching 10-bil.-yen turnover**
Formulating financial strategies to generate rapid growth
- **Purpose-driven management to help reach 10-bil.-yen turnover**
Instilling philosophies appropriate to each growth stage

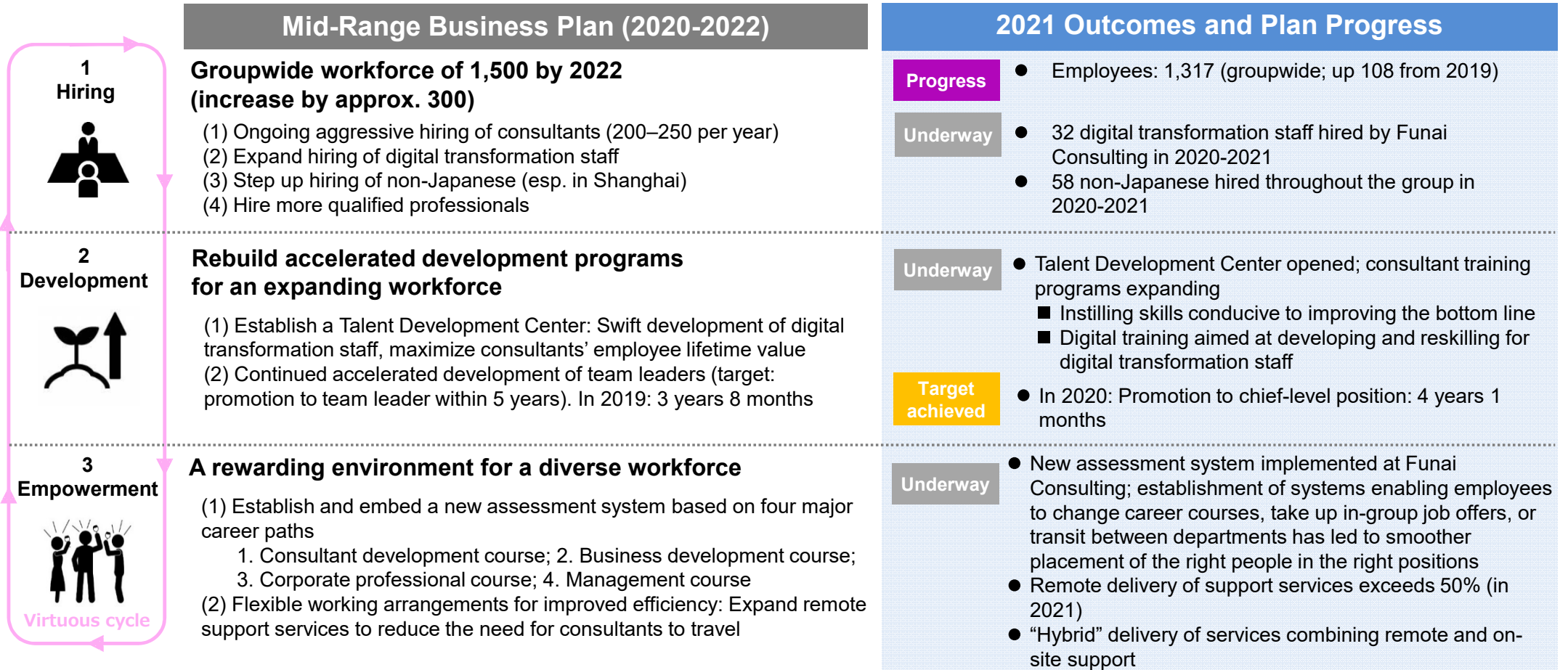


Launched in 2022; 15 clients already signed up nationwide

2. Progress toward Achieving the Mid-Range Business Plan

(3) Human Resource Strategy

We strive to generate sustained growth by designing a positive cycle that promotes the maintenance of a working environment that empowers our diverse workforce to make full use of their skills.

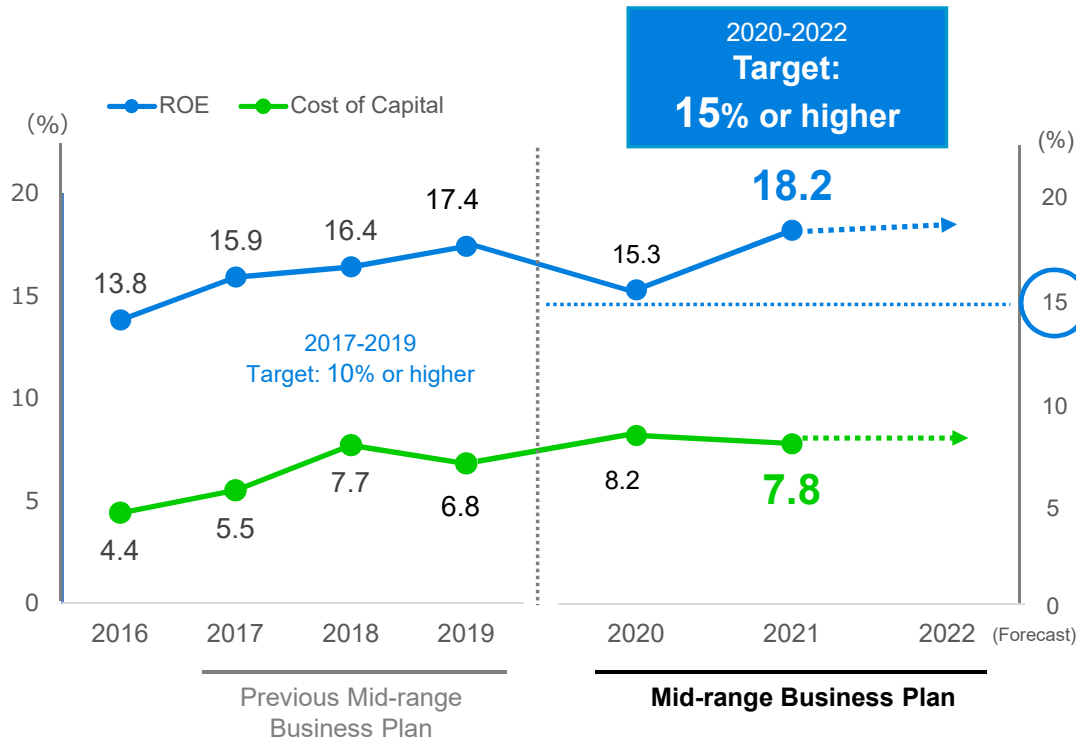


2. Progress toward Achieving the Mid-Range Business Plan

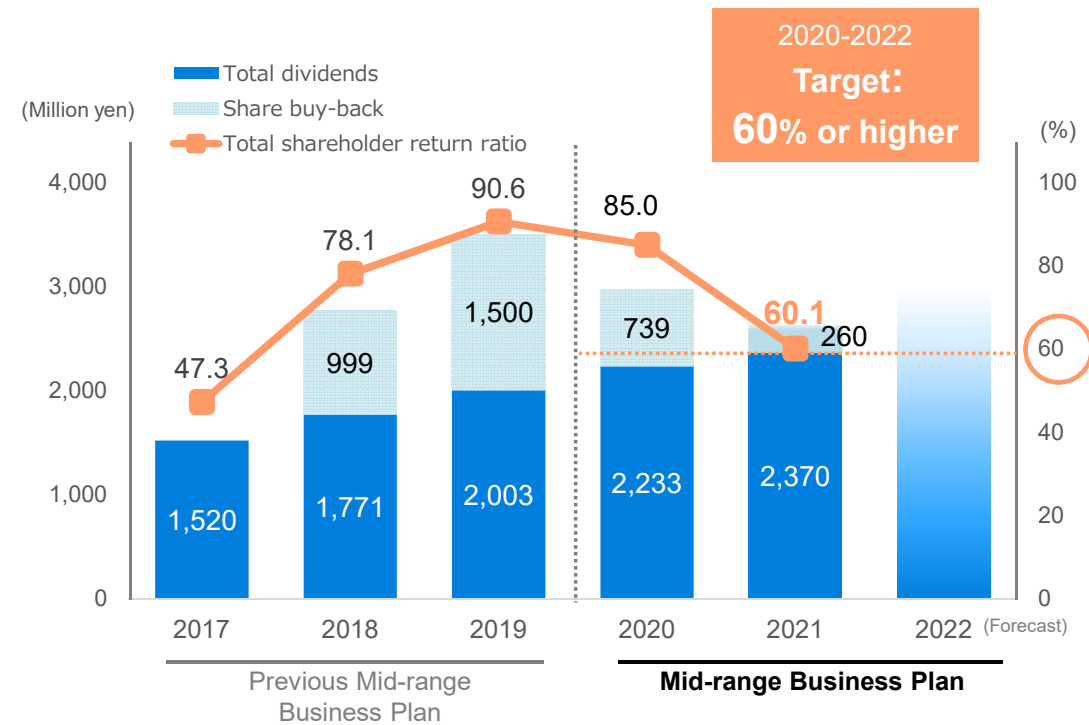
(4) Financial Strategy: (1) Capital Policy and Shareholder Return Policy

Amid residual impact from Covid-19 in 2021, we undertook a share buy-back. By acquiring treasury shares, we aimed to **improve capital efficiency to a consolidated ROE of at least 15% and raise the return-to-shareholders ratio to at least 60%**. Ultimately, we achieved those goals, with a consolidated ROE of 18.2% and a return-to-shareholders ratio of 60.1%. We remain committed to achieving the targets of 2022, the final year of the current Mid-Range Business Plan.

■ Consolidated ROE and capital cost: Results and targets



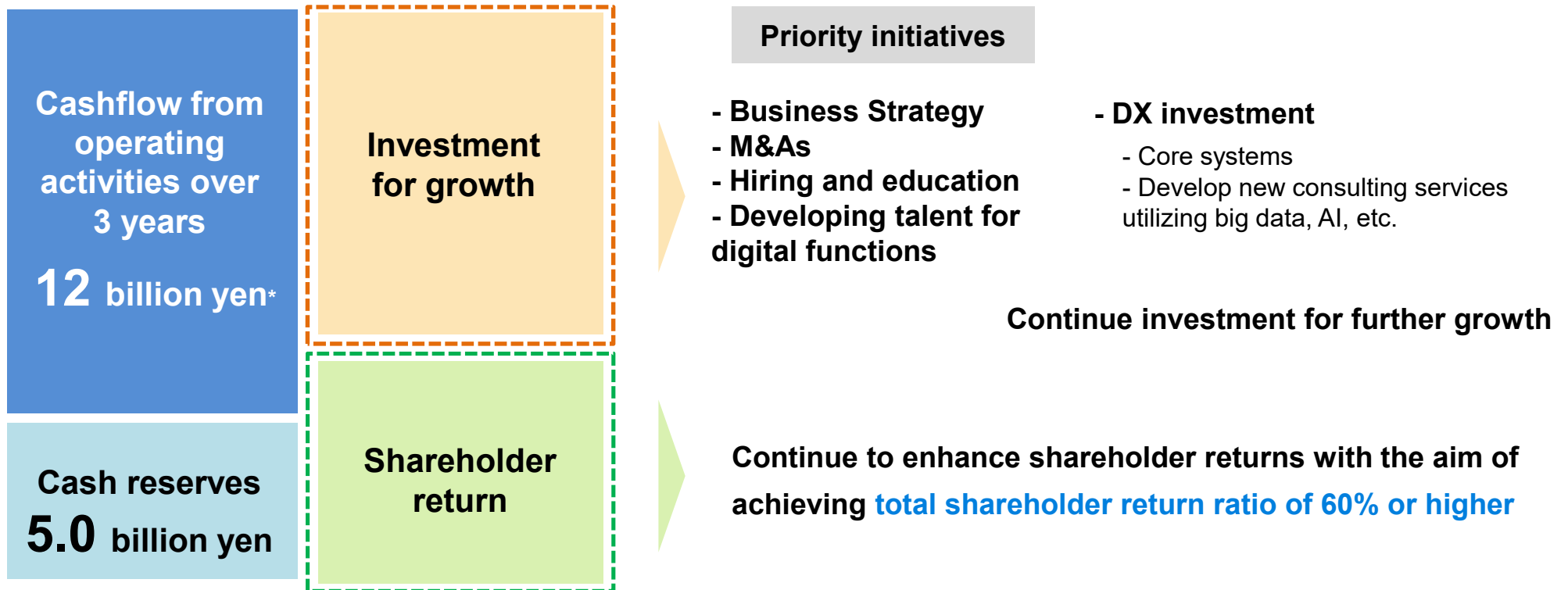
■ Total dividends and total shareholder return ratio: Results and targets



2. Progress toward Achieving the Mid-Range Business Plan

(4) Financial Strategy: (2) Investment for Growth: Allocation of cashflow from operating activities over three years

Increase shareholders' value by allocating cashflow from operating activities and cash reserves to investment for the next stage of growth and to appropriate shareholder returns.



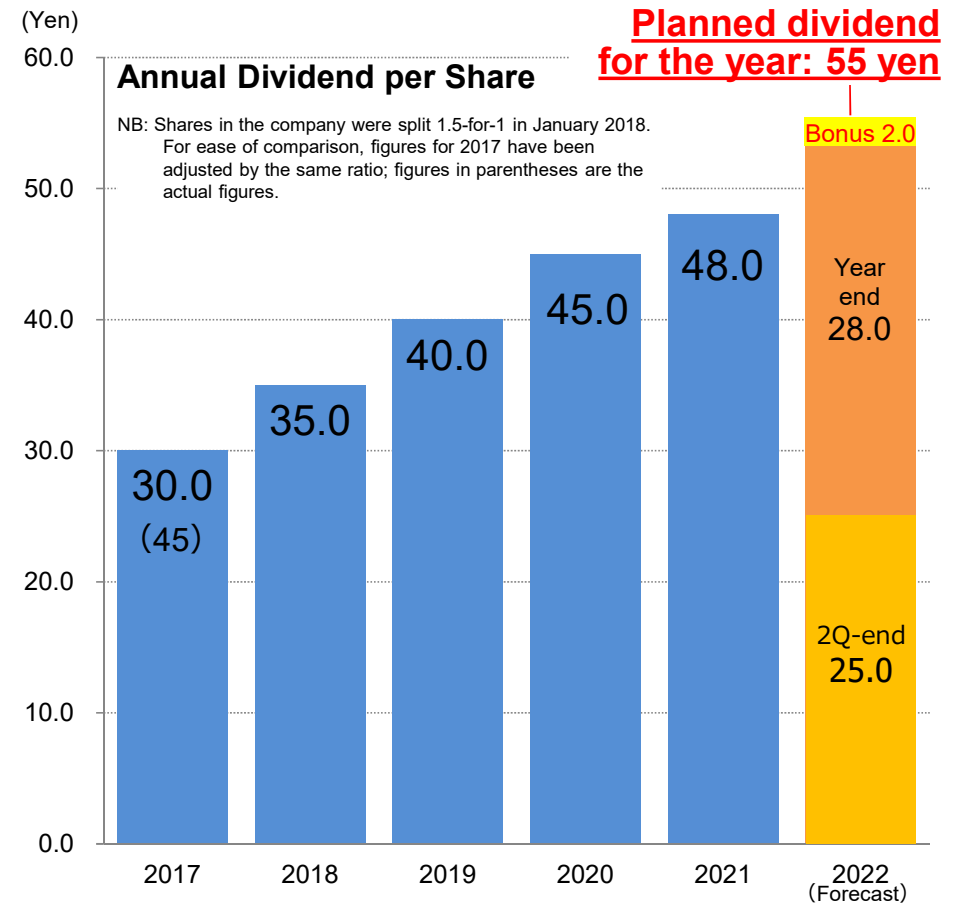
*Excluding operating capital of 6.0 billion yen

2. Progress toward Achieving the Mid-Range Business Plan

(4) Financial Strategy: (3) Annual Dividends

We plan to pay a total dividend of 55 yen per share for FY2022, comprising an interim dividend of 25 yen, a year-end dividend of 28 yen, and a bonus dividend of 2 yen to commemorate the move of the company's share listing to the Tokyo Stock Exchange's new Prime Market.

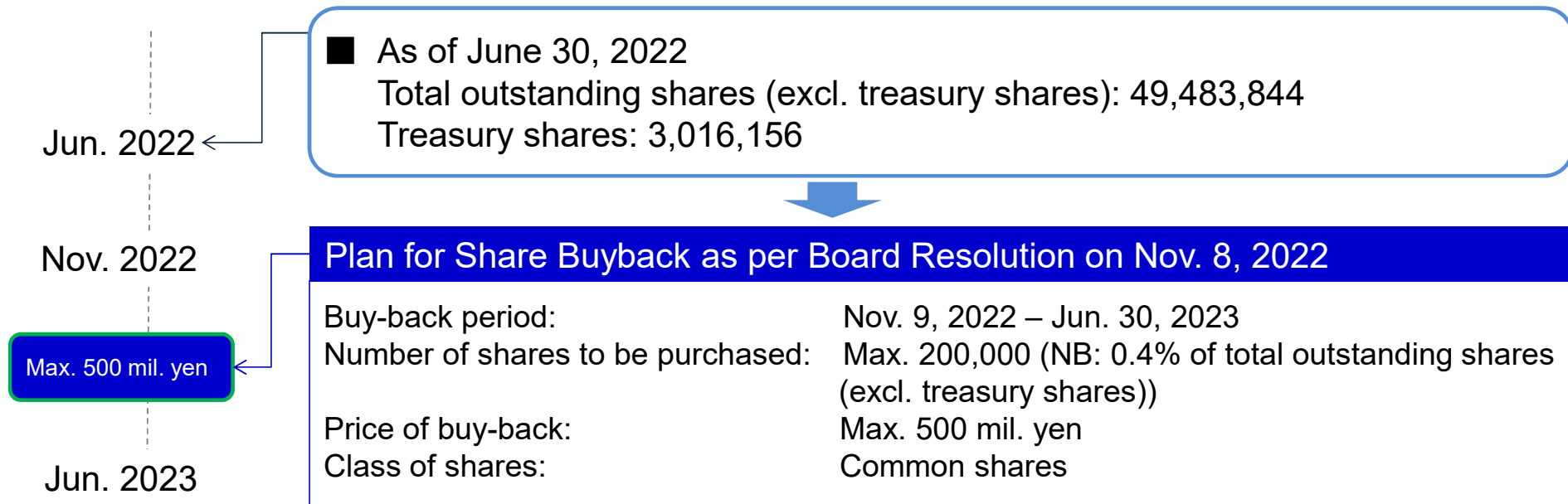
Record date	Initial forecast		Actual dividend	
	Dividend (per share)	Details	Dividend (per sharer)	Details
FY2017	39.0	2Q-end 15.0 Year end 24.0	45.0	2Q-end 15.0 Year end 30.0
FY2018 1.5-for-1 share split	33.0	2Q-end 15.0 Year end 18.0	35.0	2Q-end 15.0 Year end 20.0 *including special dividend of 2.0
FY2019	40.0	2Q-end 17.0 Year end 23.0	40.0	2Q-end 17.0 Year end 23.0 *Including a commemorative dividend of 3.0
FY2020	45.0	2Q-end 20.0 Year end 25.0	45.0	2Q-end 20.0 Year end 25.0
FY2021	46.0	2Q-end 21.0 Year end 25.0	48.0	2Q-end 21.0 Year end 27.0
FY2022 (Forecast)	53.0	2Q-end 25.0 Year end 28.0	55.0	2Q-end 25.0 Year end 30.0 (incl. bonus: 2.0)



2. Progress toward Achieving the Mid-Range Business Plan

(4) Financial Strategy: (4) Purchase of Treasury Shares

The Board of Directors voted on November 8, 2022, to undertake a 500-million-yen buyback of shares. The buyback of shares 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.



ESG

3. ESG

(1) Environment—Environmental Impact Reduction Initiatives

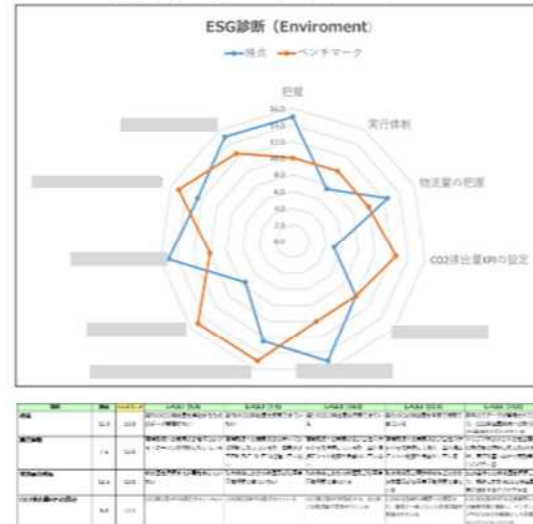
Consulting business initiative: New regular workshop to help clients achieve carbon-free business



This new workshop was launched in August 2022 to help business proprietors and executives take their businesses carbon-free with specific techniques and insights from the latest case studies, including CO₂ emission calculation, reduction strategies, etc. Workshops provide the latest decarbonization information from around Japan through guest speakers from the forefront of the sector, member forums, and the latest trends from expert consultants.

Logistics business initiative: ESG Logistics Diagnosis

An example of a diagnostic report



Companies' environmental, social and governance initiatives are rated using radar charts. Logistics consultants use the results to gauge clients' current progress, devise strategies, and provide ESG logistics support (i.e., providing effective ESG measures tailored for logistics businesses).

Environmental issues: Particularly relevant to logistics industry

Transport initiatives

- Eliminate cross-border transportation
- Increase lot size
- Reduce long-haul trucking
- Review freight modes, adopt RVs

Warehousing initiatives

- Review work flows
- Thorough inventory control
- Adopt reusable materials
- Review network locations

In combination with initiatives regarding the regulatory changes due in 2024, we help clients eliminate logistical waste and become carbon-free.

3. ESG

(2) Social—Diversity & Inclusion

We are working hard toward goals for 2030 relating to better harnessing the power of our female workforce.

Female employees

37.4% in 2021 ⇒ **Goal for 2030: 40%**

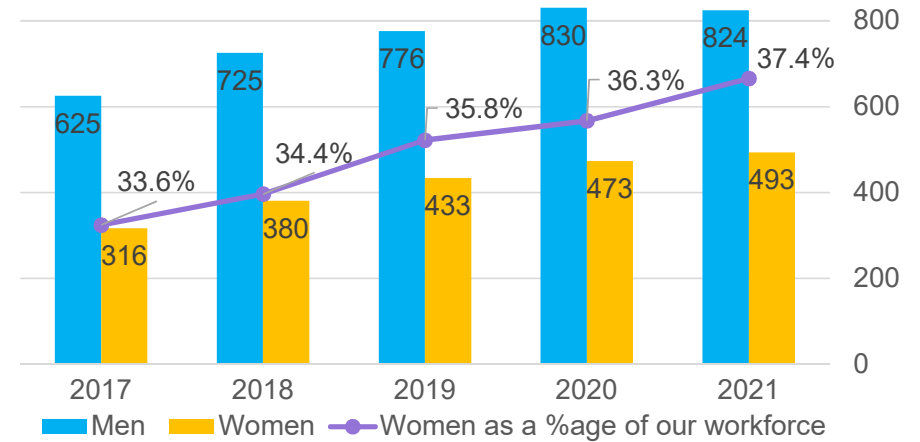
Women in management positions

23.5% in 2021 ⇒ **Goal for 2030: 30%**

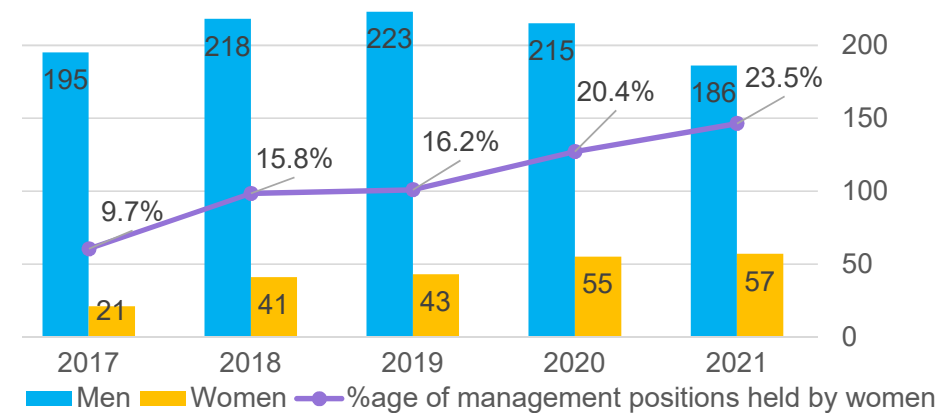
Major Initiatives

- Encouraging more flexible working styles
 - Remote working, flex-time, career course change, etc.
 - Support program for those returning to work after childcare leave
- Assignments and development that take advantage of the business's characteristics
 - Projects to help women forge meaningful careers
 - Training for managers to encourage better empowerment of female staff
 - HR framework and career enhancement program designed to increase women in management

Female employee numbers & %age of total workforce



Women in Management Positions



3. ESG

(3) Governance— Corporate Governance Structure

In order to ensure legal compliance in the running of the company’s business and to drive mid-to-long-term corporate value, the company is working to strengthen its corporate governance structure.

Nominating Committee

Ensures objectivity and validity of the process for selecting candidates for director positions.

3 out of 4 members are outside directors

Successor Nominating Committee

Ensures fairness and transparency of selection and nurturing of future presidential candidates.

3 out of 4 members are outside directors

Compensation Committee

Ensures objectivity and validity of officer remuneration by keeping remuneration tied to mid-to-long-term business performance.

3 out of 4 members are outside directors

Governance Committee

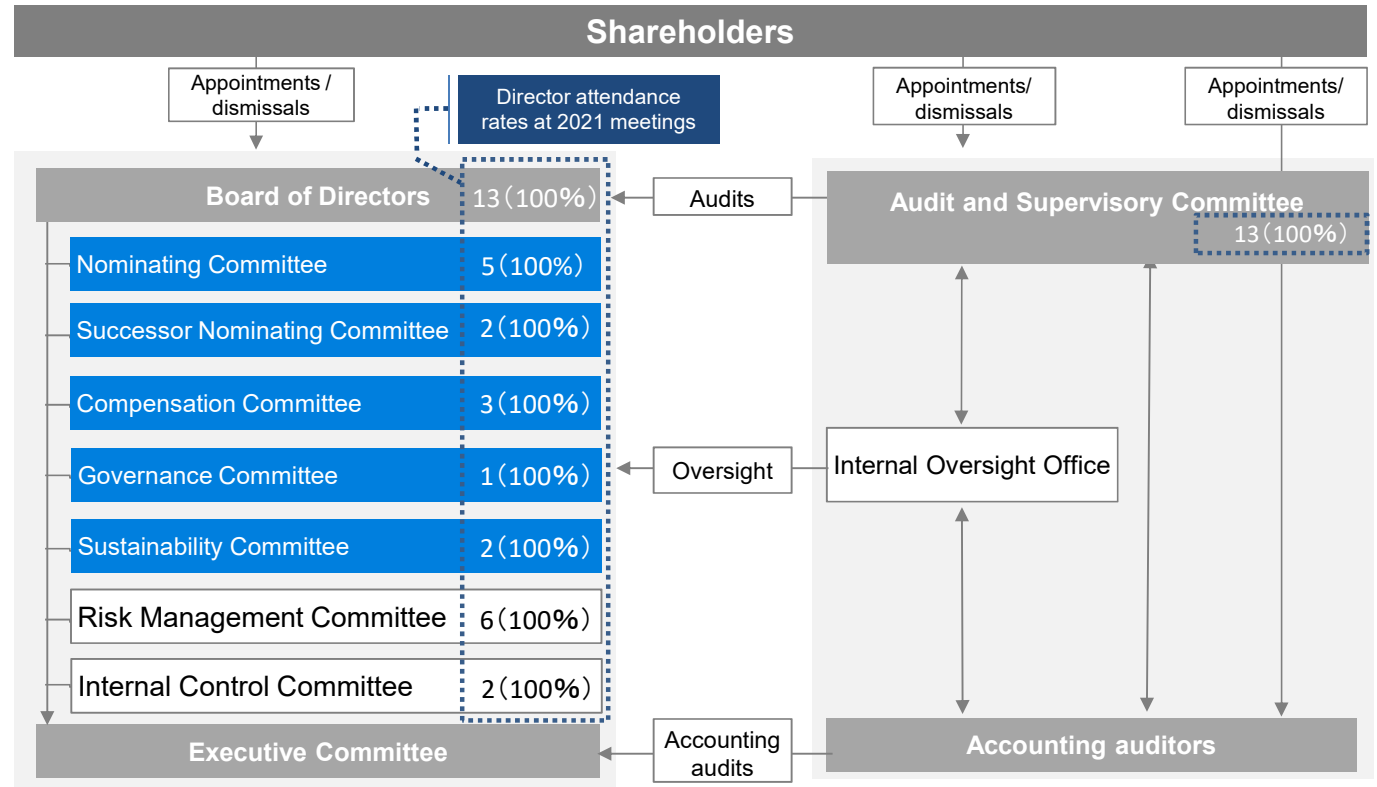
Discusses governance issues from a mid-to-long-term perspective, and endeavor to strengthen governance.

All 4 members are outside directors

Sustainability Committee

Coordinates cross-sectional pursuit of sustainability throughout the whole group, and implement ongoing issues under strict governance.

2 out of 3 members are outside directors



Previous Initiatives to Strengthen the Group’s Governance

2019 Established a Successor Nominating Committee, appointed outside directors to the boards of the group’s core companies, appointed in-house attorneys.

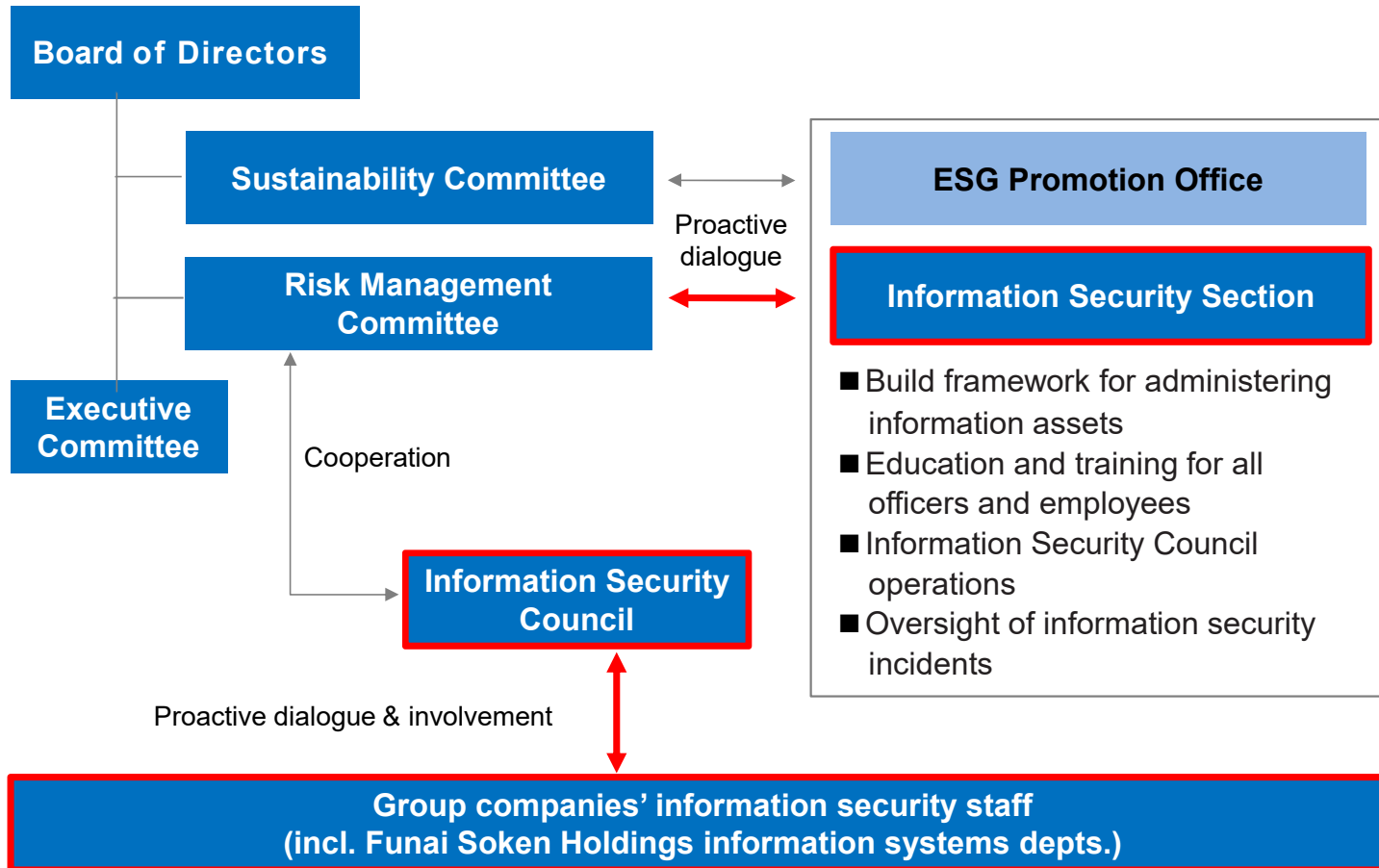
2020 Appointed 1 female director.

2021 Established a Sustainability Committee. The five advisory committees shown to the left are chaired by outside directors.

3. ESG

(3) Governance—Information Security Framework

Ongoing Strengthening of Management Systems and Training by Information Security Section and groupwide Information Security Council.



Information Security Level Checks
Check items added relating to DX. Implemented the PDCA cycle. Radar charts used to plot results.

Information Security e-Learning
Annual training to firmly embed awareness of information security rules among **all officers and employees**.

Groupwide Management
Each group company works to **enhance the framework** for identifying risks and protecting security.

More Secure Remote Work Platforms
Balancing information security and improved working practices by upgrading the **authentication infrastructure of our remote work platforms**.

Protecting Personal Information & Vital Data
Group companies and departments work together to uphold security through **periodic inspections and expert checks of core systems**.

Statement Regarding Use of These Materials

Plans, outlooks, strategies and other information contained herein 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.

All possible care has been exercised in preparing these materials, but the Funai Consulting Group assumes no responsibility for losses or other damages resulting from errors concerning any information.

These materials are not intended to encourage any kind of investment. Investment decisions are the sole responsibility of the individual investor.

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Our Mission

We help to build a better future for people, businesses, and society

We at the Funai Consulting Group will offer solutions for a better future to all the people and businesses we are involved with – and to society as a whole – and will do our best to turn those ideas into reality.

Our Vision for the Future

Trusted and respected by society for bringing joy to people and businesses through our work

We are determined to work together as a corporate group to bring joy to the people and businesses we are involved with. By earning the trust and respect of the people and businesses we seek to please, we can also earn the trust and respect of society as a whole.