



May 11, 2023

Consolidated Financial Results for the First Quarter of the Fiscal Year Ending Dec. 31, 2023 (January 1, 2023 – March 31, 2023)

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Scheduled date of filing quarterly report: May 12, 2023
 Scheduled date of payment of dividend: –
 Supplementary materials compiled to explain 1st-quarter financial statements: Yes
 Briefing to be held to explain 1st-quarter financial results: Yes (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. 2023 1st Quarter Consolidated Financial Results (January 1, 2023 – March 31, 2023)

(1) Consolidated Results of Operations

(Percentages represent year-on-year change)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended								
Mar. 31, 2023	6,770	8.5	1,765	(15.2)	1,811	(13.3)	1,206	(16.4)
Mar. 31, 2022	6,241	13.9	2,081	24.0	2,089	22.5	1,443	23.8

Notes: Comprehensive income: 1,245 million yen (down 12.9%) in the three months ended Mar. 31, 2023
 1,429 million yen (up 20.5%) in the three months ended Mar. 31, 2022

	Earnings per share (basic)	Earnings per share (diluted)
	Yen	Yen
Three months ended		
Mar. 31, 2023	24.46	24.18
Mar. 31, 2022	29.22	28.87

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
As of Mar. 31, 2023	33,288	27,402	80.4
As of Dec. 31, 2022	33,010	27,700	81.7

Reference: Shareholders' equity: 26,759 million yen as of Mar. 31, 2023
 26,953 million yen as of Dec. 31, 2022

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended Dec. 31, 2022	–	25.00	–	30.00	55.00
Year ending Dec. 31, 2023	–				
Forecast for year ending Dec. 31, 2023		32.00	–	33.00	65.00

Note: Amendments to dividend numbers compared to most recently announced forecasts: None

3. Forecast for Consolidated Financial Results for FY2023 (January 1, 2023 – December 31, 2023)

(Percentages represent year-on-year change, full-year figures represent change compared with previous year; first-half figures represent change compared with same period in previous fiscal year.)

	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
First half	13,600	10.9	4,000	6.7	4,000	5.8	2,700	4.0	54.73
Full year	28,500	11.2	7,900	11.3	7,950	10.5	5,500	10.2	111.48

Note: Amendments to performance numbers compared to most recently announced forecasts: None

Remarks

- (1) Changes in consolidated subsidiaries in this quarter: None
(Changes in scope of consolidation:)
- No. of new companies added: None
Names of new companies added: None
 - No. of companies removed: None
Names of companies removed: None
- (2) Application of specific accounting procedures when compiling quarterly 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: Yes
 - 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 three-month period (including treasury stock)
- 2) Number of treasury shares at end of three-month period
- 3) Average number of shares during three-month period (cumulative total)

As of Mar. 31, 2023	52,000,000	As of Dec. 31, 2022	52,500,000
As of Mar. 31, 2023	2,579,086	As of Dec. 31, 2022	3,162,966
As of Mar. 31, 2023	49,308,041	As of Mar. 31, 2022	49,382,006

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 “(1) 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 Three Months Ended March 31, 2023

(1) Results of Operations

During the quarter under review (January 1, 2023 to March 31, 2023), the economic environment saw a gradual normalization of social and economic activities with the easing of movement restrictions related to COVID-19. However, the economy continued to lack future transparency due to ongoing concerns about the economic impact of soaring energy prices and raw material costs caused by unstable conditions overseas.

In this situation, the Funai Soken Consulting Group adopted “Sustainable Growth for More Companies” as our Group Purpose. This reflects our commitment to supporting the development of many companies firmly capable of achieving sustainable growth and the Group’s own goal of becoming such a company, even in times of uncertainty and dramatic change. To realize this Group Purpose, we are expanding business into a structure that enables us to serve as a one-stop solution for the issues impacting corporate management. Through these efforts, we will work towards realizing our vision of being a business group for providing digital and comprehensive consulting solutions for mid-scale and SME clients.

Looking at our business activities, we are gradually returning to in-person activities for consulting services such as seminars, management study groups, and monthly support. While maintaining comprehensive business consulting for small and medium-sized enterprises as our mainstay business, we are continuing to expand into business domains such as DX consulting and comprehensive consulting for mid-scale clients. We also are continuing with the aggressive hiring activities outlined in our human resource strategy. With the welcoming of new hires who joined us in April 2023, our total number of consultants for the Group exceeded 1,000.

As a result, the Group posted 6,770 million yen in net sales (up 8.5% year on year), 1,765 million yen in operating income (down 15.2% year on year), 1,811 million yen in ordinary income (down 13.3% year on year), and 1,206 million yen in net income attributable to owners of the parent (down 16.4% year on year) for the quarter under review.

I. Net sales: 6,770 million yen (up 8.5% over the same quarter of the previous year)

Net sales increased in the monthly consulting support service and project consulting of the business consulting business segment. Net sales also steadily grew in the logistics business.

Consequently, net sales rose 8.5% year on year to 6,770 million yen.

II. Operating income: 1,765 million yen (down 15.2% over the same quarter of the previous year)

Looking at operating income, cost of sales were 4,129 million yen (3,390 million yen in the same quarter of the previous fiscal year). Sales promotion expenses increased on efforts to increase customers for seminars and travel expenses increased on the resumption of sales activities. Furthermore, personnel expenses and recruitment costs significantly increased as we continued with aggressive hiring activities. SG&A expenses were 875 million yen (770 million yen in the same quarter of the previous year).

Consequently, operating income decreased 15.2% year on year to 1,765 million yen.

III. Ordinary income: 1,811 million yen (down 13.3% over the same quarter of the previous year)

Ordinary income, which was 1,811 million yen, included non-operating income of 51 million yen (compared to 13 million yen in the same quarter of the previous year) from gains on the sale of investment securities as part of the management of surplus funds and the refund of insurance premiums, and non-operating expenses were 5 million yen (4 million yen in the same quarter of the previous year).

Consequently, ordinary income decreased 13.3% from the same quarter of the previous year to 1,811 million yen.

IV. Net income attributable to owners of the parent: 1,206 million yen (down 16.4% over the same quarter of the previous year)

With income taxes totaling 579 million yen for the quarter under review, compared with 644 million yen in the same quarter of the previous year, net income attributable to owners of the parent decreased 16.4% year on year to 1,206 million yen.

Segment-Specific Performance

The performance of each business segment is outlined below.

Furthermore, as of the first quarter of the current consolidated fiscal year, we changed our Group's reporting segments to three segments: Consulting, Logistics, and Digital Solutions. These statements are created based on categories applicable after the implementation of these changes.

For details, refer to "2. Quarterly Consolidated Financial Statements and Main Notes (3) Notes to Quarterly Consolidated Financial Statements (Segment Information)".

I. Consulting

In the consulting business, orders received from seminars increased significantly and consulting contracts also increased steadily. As a result, net sales increased compared to the same quarter of the previous year. Looking at income, income decreased as the increase in net sales was not enough to cover the increase in travel expenses resulting from the expansion of in-person activities and higher recruitment costs resulting from aggressive hiring activities.

Consequently, net sales increased 7.3% year on year to 4,750 million yen, and operating income decreased 3.2% year on year to 1,724 million yen.

II. Logistics

In the logistics business, logistics consulting services saw a return to logistics investments among shippers, resulting in favorable trends in orders received. Net sales from logistics BPO services increased thanks to sales efforts targeting existing customers and increased orders received from new customers. Looking at operating income, income decreased due to an increase in the ratio of sales of logistics BPO services, which have a relatively lower rate of profitability, and an increase in personnel expenses and recruitment costs due to efforts to increase hiring of logistics consulting personnel.

Consequently, net sales increased 9.2% year on year to 994 million yen, and operating income decreased 15.0% year on year to 114 million yen.

III. Digital Solutions

Looking at Digital Solutions, net sales increased on additional orders received from existing customers and an increase in orders received for cloud development and operation services. Additionally, online advertisement agency services continued to perform well. However, income decreased as the business conducted forward-looking investments to secure human resources, particularly engineers, which resulted in increased recruitment costs and personnel expenses. The HR Solutions business saw a firm increase in customer numbers compared to the same period of the previous fiscal year but net sales were largely unchanged in part due to the settling of hiring trends that at one point saw a sudden increase in demand.

Consequently, net sales increased 13.4% year on year to 1,020 million yen, and operating losses were 77 million yen (the same period of the previous fiscal year resulted in operating income of 152 million yen).

(2) This Fiscal Year's Financial Position

(Assets)

Total assets increased by 278 million yen from the end of the previous fiscal year to 33,288 million yen as of the end of the quarter under review.

Current assets decreased 806 million yen from the end of the previous fiscal year to 21,477 million yen. This was mainly due to a decrease in cash and deposits and an increase in accounts receivable - other, which are included under "other."

Noncurrent assets increased by 1,084 million yen from the end of the previous fiscal year to 11,811 million yen. This was mainly due to an increase in goodwill, investment securities, and deposits, which is included in "other" under investments and other assets.

(Liabilities)

Total liabilities increased by 576 million yen from the end of the previous fiscal year to 5,886 million yen as of the end of the quarter under review.

Current liabilities increased by 558 million yen from the end of the previous fiscal year to 5,625 million yen. This was mainly due to an increase in accounts payable - other, allowance for bonus, and deposited money, which is included under "other," and a decrease in income taxes payable.

Noncurrent liabilities increased by 17 million yen from the end of the previous fiscal year to 260 million yen. This was mainly due to an increase in long-term lease liabilities, which is included under "other."

(Net Assets)

Total net assets decreased by 298 million yen from the end of the previous fiscal year to 27,402 million yen as of the end of the quarter under review. This was mainly due to an increase in net income attributable to owners of the parent and a decrease in retained earnings as these were appropriated.

(Equity Ratio)

The shareholders' equity ratio as of the end of the quarter under review was 80.4%, decreased 1.3 percentage points from the end of the previous fiscal year.

(3) Consolidated Forecast and Other Forward-Looking Information

The Funai Soken Consulting Group started the first fiscal year of the Mid-range Business Plan for 2023 to 2025 we announced on February 8, 2023. During this period, centered on business consulting as our mainstay business, we will promote digital and comprehensive consulting solutions for mid-scale and SME clients. At the same time, we will strengthen Group internal alliances as we continue to capture the needs of the managers of our corporate clients and offer business consulting services that match the current trend.

For full-year consolidated results, the Group projects 28,500 million yen in net sales, 7,900 million yen in operating income, 7,950 million yen in ordinary income, and 5,500 million yen in net income attributable to owners of the parent.

2. Quarterly Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheet

(Thousand yen)

	FY12/22 (As of Dec. 31, 2022)	FY12/23 1Q (As of Mar. 31, 2023)
Assets		
Current assets		
Cash and deposits	17,031,407	15,466,661
Trade notes, accounts receivable, and contract assets	3,767,959	3,941,449
Short-term investment securities	408,150	100,000
Work in process	158,767	134,716
Raw materials and supplies	8,935	7,375
Other current assets	950,725	1,871,761
Allowance for doubtful accounts	(42,610)	(44,873)
Total current assets	22,283,334	21,477,091
Noncurrent assets		
Property, plant, and equipment		
Buildings and structures, net	1,111,950	1,095,021
Land	4,596,717	4,596,717
Other property, plant, and equipment, net	105,132	106,936
Total property, plant, and equipment	5,813,800	5,798,675
Intangible asset		
Leasehold rights	322,400	322,400
Software	392,655	380,622
Goodwill	11,721	427,587
Other intangible assets	103,926	110,994
Total intangible assets	830,704	1,241,605
Investments and other assets		
Investment securities	3,101,525	3,313,682
Assets related to retirement benefits	395,287	412,868
Other investments and other assets	592,068	1,051,765
Allowance for doubtful accounts	(5,997)	(6,909)
Total investments and other assets	4,082,883	4,771,405
Total noncurrent assets	10,727,388	11,811,686
Total assets	33,010,723	33,288,778

(Thousand yen)

	FY12/22 (As of Dec. 31, 2022)	FY12/23 1Q (As of Mar. 31, 2023)
Liabilities		
Current liabilities		
Trade notes and accounts payable	552,314	550,554
Short-term loans payable	200,000	200,000
Accounts payable - other	1,651,677	1,817,680
Income taxes payable	1,252,738	680,639
Allowance for bonus	-	382,082
Other current liabilities	1,410,292	1,994,633
Total current liabilities	5,067,022	5,625,590
Noncurrent liabilities		
Long-term loans payable	100,000	100,000
Retirement benefit liabilities	71,994	64,375
Deferred tax liabilities	2,804	8,925
Other noncurrent liabilities	67,989	87,170
Total noncurrent liabilities	242,788	260,470
Total liabilities	5,309,811	5,886,060
Net assets		
Shareholders' equity		
Capital stock	3,125,231	3,125,231
Capital surplus	2,955,094	2,946,634
Retained earnings	25,108,389	24,169,157
Treasury stock	(4,100,171)	(3,384,916)
Total shareholders' equity	27,088,544	26,856,107
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,755	53,462
Foreign currency translation adjustments	27,299	27,272
Accumulated adjustments for retirement benefits	(182,338)	(176,966)
Total accumulated other comprehensive income	(135,282)	(96,231)
Subscription rights for shares	747,650	642,841
Total net assets	27,700,911	27,402,717
Total liabilities and net assets	33,010,723	33,288,778

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

First Quarter of FY12/23

(Thousand yen)

	First Quarter of FY12/22 (Jan. 1 – Mar. 31, 2022)	First Quarter of FY12/23 (Jan. 1 – Mar. 31, 2023)
Net sales	6,241,731	6,770,246
Cost of sales	3,390,487	4,129,580
Gross profit	2,851,243	2,640,666
SG&A expenses	770,200	875,260
Operating income	2,081,043	1,765,406
Non-operating income		
Interest income	3,867	1,453
Dividend income	8	14
Gain on sales of investment securities	229	18,475
Gain on valuation of investment securities	2,472	76
Refund of insurance premiums	–	20,554
Other non-operating income	7,048	11,029
Total non-operating income	13,626	51,604
Non-operating expenses		
Interest expenses	2,595	1,495
Investment partnership management expenses	1,295	987
Foreign exchange losses	434	2,481
Other non-operating expenses	427	180
Total non-operating expenses	4,752	5,143
Ordinary income	2,089,917	1,811,867
Extraordinary income		
Gain on sales of noncurrent assets	–	8
Total extraordinary income	–	8
Extraordinary losses		
Loss on sales of noncurrent assets	1,714	–
Impairment losses	–	23,366
Loss on retirement of noncurrent assets	304	2,259
Total extraordinary losses	2,019	25,626
Net income before income taxes and other adjustments	2,087,897	1,786,249
Current income taxes	699,696	620,309
Deferred income taxes	(54,956)	(40,323)
Total income taxes	644,739	579,986
Net income	1,443,157	1,206,263
Net income attributable to owners of the parent	1,443,157	1,206,263

Consolidated Statement of Comprehensive Income

First Quarter of FY12/23

(Thousand yen)

	First Quarter of FY12/22 (Jan. 1 – Mar. 31, 2022)	First Quarter of FY12/23 (Jan. 1 – Mar. 31, 2023)
Net income	1,443,157	1,206,263
Other comprehensive income		
Valuation difference on available-for-sale securities	(23,183)	33,706
Foreign currency translation adjustments	3,728	(27)
Adjustments for retirement benefits	5,371	5,371
Total other comprehensive income	(14,083)	39,051
Comprehensive income	1,429,074	1,245,314
Details		
Comprehensive income attributable to owners of the Parent	1,429,074	1,245,314

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumptions)

None to report.

(Notes on Significant Changes to Shareholders' Equity)

None to report

(Changes in Accounting Policies)

As of the beginning of the first quarter of the current consolidated fiscal year, we apply the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, June 17, 2021, hereinafter, "Fair Value Measurement Standard Implementation Guidance"). In accordance with the transitional treatment set forth in Paragraph 27-2 of the Fair Value Measurement Standard Implementation Guidance, we will apply the new accounting policies set forth in the Fair Value Measurement Standard Implementation Guidance over time moving forward. Furthermore, this has no impact on our consolidated quarterly financial statements.

(Segment Information)

I. First Quarter of FY12/22 (Jan. 1 – Mar. 31, 2022)

Information About Net Sales, Income/Losses for Each Segment

(Thousand yen)

	Consulting	Logistics	Digital Solutions	Total	Adjustment (1)	Amount listed in consolidated statement of income (2)
Net sales						
Sales to external customers	4,426,282	910,694	900,016	6,236,993	4,738	6,241,731
Inter-segment sales and transfers	274,170	88,053	259,742	621,966	(621,966)	–
Total	4,700,452	998,747	1,159,758	6,858,959	(617,227)	6,241,731
Segment income	1,781,714	134,661	152,620	2,068,995	12,047	2,081,043

Notes:

1. Adjustments of segment income include elimination of inter-segment transactions and whole-group revenues and expenses that are not attributable to any segment. Whole-group revenues are comprised of outsourcing fees, consulting fees, and rental income from group companies, and whole-group expenses are mainly comprised of those incurred in group operations.
2. Segment income is adjusted against operating income in the consolidated statement of income.

II. First Quarter of FY12/23 (Jan. 1 – Mar. 31, 2023)

1. Information About Net Sales, Income/Losses for Each Segment

(Thousand yen)

	Consulting	Logistics	Digital Solutions	Total	Adjustment (1)	Amount listed in consolidated statement of income (2)
Net sales						
Sales to external customers	4,750,557	994,600	1,020,988	6,766,146	4,100	6,770,246
Inter-segment sales and transfers	327,028	149,509	274,991	751,529	(751,529)	–
Total	5,077,585	1,144,110	1,295,980	7,517,676	(747,429)	6,770,246
Segment income (loss)	1,724,060	114,511	(77,434)	1,761,137	4,268	1,765,406

Notes:

1. Adjustments of segment income or losses include elimination of inter-segment transactions and whole-group revenues and expenses that are not attributable to any segment. Whole-group revenues are comprised of outsourcing and consulting fees from group companies, property rental income and whole-group expenses are comprised of those incurred in group operations.
2. Segment income or losses are adjusted against operating income in the consolidated financial statements.

2. Matters concerning changes in reporting segments

Change in segmentation method for reporting segments

As of the first quarter of the current consolidated fiscal year, the Group has changed to three reporting segments: Consulting, Logistics, and Digital Solutions.

This was a result of reviewing reasonable segments to further clarify our Group growth strategy and take into account future business developments as well as our Mid-range Business Plan starting in the fiscal year ending December 2023 that reflects the July 2022 merger of Funai Soken Corporate Relations, Inc. and Shinwa Computer Service Co., Ltd., and the January 2023 acquisition of all shares in Seicho Senryaku, Inc.

Furthermore, the segment information for the cumulative first three months of the previous consolidated fiscal year disclosed as comparative information for first quarter of the current consolidated fiscal year has been adjusted to reflect these new reporting segments. As such, there are differences compared to the reporting segments for the cumulative first three months of the previous consolidated fiscal year disclosed during the previous consolidated fiscal year.

(Subsequent Events)

(Allocation of stock options as stock compensation for Company directors and executive officers and for subsidiary directors and executive officers)

At the Board of Directors held on April 21, 2023, the Company decided on the solicitation parameters for subscription rights for shares as stock options issued to the Company's directors (excluding Audit and Supervisory Committee members and outside directors), executive officers, subsidiary directors and subsidiary executive officers. The Board also voted to recruit parties to underwrite said subscription rights for shares.

Number of subscription rights for shares	518 (upper limit) (Note) 1
Type of stock applicable to subscription rights for shares	Common shares
Number of shares applicable to subscription rights for shares (shares)	93,240 (upper limit) (Note) 2
Payment amount at time of execution of subscription rights for shares	1 yen per share
Exercise period of subscription rights for shares	May 16, 2023 to May 15, 2053
Matters concerning increased capital stock and capital reserve when issuing shares related to the exercising of subscription rights for shares	(1) The amount of capital increase when issuing shares related to the exercising of subscription rights for shares shall be half the capital increase limit calculated in accordance with Article 17, Paragraph 1 of the Regulations on Corporate Accounting. Any fractional amounts less than 1 yen shall be rounded up. (2) The amount of additional paid-in capital to be increased when shares are issued as a result of the exercising of subscription rights for shares shall be the amount derived by subtracting capital amount increase outlined in (1) above from the capital increase limited indicated in (1) above.
Conditions for exercising subscription rights for shares	(Note) 3
Matters concerning the transfer of subscription rights for shares	The acquisition of subscription rights for shares via ownership transfer shall require approval by the Company Board of Directors.

Notes

- The number of shares applicable to each subscription right for shares (hereinafter, "number of allocated shares") shall be 180 shares.
- After May 15, 2023 (hereinafter referred to as the "allocation date"), if the Company will split the shares of the Company's common stock (including the free allotment of the Company's common stock, hereinafter, the same shall apply to descriptions of stock splits) or conduct a stock merger, adjustments shall be made using the following formula and any fractional shares shall be rounded off.
Adjusted No. of Allocated Shares = Pre-adjustment No. of Allocated Shares x split (or merger) ratio
If the Company conducts a merger or split after the allocation date, or if it is necessary to adjust the number of shares to be allocated due to similar circumstances, the Company shall appropriately adjust the number of shares to be allocated within a reasonable range.
- The partial exercising of subscription rights for shares is not allowed.
 - A person with subscription rights for shares may exercise their subscription rights for shares during the exercisable period as of the day after the day on which said person loses their position as a director, corporate auditor, or executive officer of the Company or a subsidiary held on the allocation date (hereinafter, "rights start date").
 - Notwithstanding (2) above, the stock acquisition rightsholder may exercise subscription rights for shares when applicable to either case i. or ii. below within the exercisable period (however, in the case of ii., this shall exclude cases where there is a merger agreement, share exchange agreement, or share transfer plan stipulating that the subscription rights for shares of the reorganized company will be issued to the stock acquisition rightsholder in accordance with the decision-making policy related to the issuance of subscription rights for shares for a company subject to reorganization), respectively.
 - When the stock acquisition rightsholder does not reach the rights start date by May 15, 2052
From May 16, 2052 to May 15, 2053
 - When a proposal for approval of a merger agreement in which the Company becomes an extinguished company or a proposal for approval of a share exchange agreement or a share transfer plan in which the Company becomes a wholly owned subsidiary is approved at a General Meeting of Shareholders (Board of Directors if a resolution at the General Meeting of Shareholders is not required)
15 days from the day after the approval date
 - The above (2) and (3) i. do not apply to those who have inherited the subscription rights for shares.
 - If the holder of the stock acquisition rights waives the subscription rights for shares, the subscription rights for shares cannot be exercised.

(Treasury stock acquisition)

At the Board of Directors meeting convened on May 11, 2023, we passed a resolution concerning the acquisition of treasury stock in accordance with the provisions of Companies Act Article 156, which are applied instead of the provisions of Article 165, Paragraph 3 of the same Act.

For details, refer to the "Notice Regarding Finalization of Share Buyback Details" dated May 11, 2023.

3. Other Information

(1) Orders and Sales

I. Orders

Orders won by each operating segment in the first quarter of the year 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	4,230,507	+0.9	7,623,529	+9.7
Logistics	178,213	+11.8	298,829	+11.4
Digital Solutions	388,948	+48.9	283,490	+23.1

Notes:

1. Consulting orders above include only monthly support service and project consulting revenues.
2. Logistics revenues include only that earned from logistics consulting activities.
3. Digital Solutions includes only that earned from IT consulting and cloud-based solutions.
4. The above amounts are based on sale prices.

II. Sales

Sales made by each operating segment in the first quarter of the year are as follows.

Segment	Sales (unit: 1,000 yen)	Change from same period last year (%)
Consulting	4,750,557	+7.3
Logistics	994,600	+9.2
Digital Solutions	1,020,988	+13.4
Total	6,766,146	+8.5

Notes

1. Sales amounts indicate sales to external customers.
2. No single customer accounted for 10% or more of aggregate net sales.