



August 8, 2023

## Consolidated Financial Results for the First Half of the Fiscal Year Ending December 31, 2023 (January 1, 2023 – June 30, 2023)

Company name:	Funai Soken Holdings, Inc.	Stock Exchange listing: Tokyo Stock Exchange
Stock code:	9757	URL: <a href="https://hd.funaisoken.co.jp">https://hd.funaisoken.co.jp</a>
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Scheduled date of filing quarterly report:	August 14, 2023	
Scheduled date of payment of dividend:	August 31, 2023	
Supplementary materials compiled to explain 1st-half financial statements:	Yes	
Briefing to be held to explain 1st-half 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 Half Consolidated Financial Results (January 1, 2023 – June 30, 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	%
Six months ended								
Jun. 30, 2023	13,392	9.3	3,371	(10.1)	3,428	(9.3)	2,271	(12.5)
Jun. 30, 2022	12,258	10.9	3,749	14.3	3,779	13.9	2,596	15.0

Notes: Comprehensive income: 2,348 million yen (down 8.5%) in the six months ended Jun. 30, 2023  
2,566 million yen (up 12.6%) in the six months ended Jun. 30, 2022

	Earnings per share (basic)	Earnings per share (diluted)
	Yen	Yen
Six months ended		
Jun. 30, 2023	46.04	45.52
Jun. 30, 2022	52.52	51.88

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
As of Jun. 30, 2023	33,250	27,855	81.8
As of Dec. 31, 2022	33,010	27,700	81.7

Reference: Shareholders' equity: 27,214 million yen as of Jun. 30, 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	–	32.00			
Forecast for year ending Dec. 31, 2023			–	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)

	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	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 during the period: 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 six-month period (including treasury stock)
- 2) Number of treasury shares at end of six-month period
- 3) Average number of shares during six-month period (cumulative total)

Jun. 30, 2023	52,000,000	Dec. 31, 2022	52,500,000
Jun. 30, 2023	2,810,410	Dec. 31, 2022	3,162,966
Jun. 30, 2023	49,342,849	Jun. 30, 2022	49,432,797

Note: 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.

## Appendix Contents

1. Qualitative Information Regarding the Six Months Ended June 30, 2023 .....	2
(1) Results of Operations.....	2
(2) Financial Position .....	4
(3) Consolidated Forecast and Other Forward-Looking Information.....	5
2. Quarterly Consolidated Financial Statements and Main Notes.....	6
(1) Consolidated Balance Sheet .....	6
(2) Consolidated Statements of Income and Comprehensive Income .....	8
(3) Consolidated Cash Flow Statement .....	10
(4) Notes to Quarterly Consolidated Financial Statements .....	11
(Notes on Going Concern Assumptions).....	11
(Notes on Significant Changes to Shareholders' Equity) .....	11
(Changes in Accounting Policies).....	11
(Segment Information).....	12
3. Other Information .....	14
(1) Orders and Sales .....	14

## 1. Qualitative Information Regarding the Six Months Ended June 30, 2023

### (1) Results of Operations

During the six months under review (January 1, 2023 to June 30, 2023), the economic environment saw a normalization of social and economic activities with the easing of movement restrictions related to COVID-19. However, small and medium-sized enterprises continue to face harsh conditions such as a severe labor shortage. Furthermore, 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 business consulting for mid-scale clients.

As a result, the Group posted 13,392 million yen in net sales (up 9.3% year on year), 3,371 million yen in operating income (down 10.1% year on year), 3,428 million yen in ordinary income (down 9.3% year on year), and 2,271 million yen in net income attributable to owners of the parent (down 12.5% year on year) for the period under review.

#### **I. Net sales: 13,392 million yen (up 9.3% over the same period of the previous fiscal year)**

Net sales increased in the monthly consulting support service and project consulting of the business consulting business segment. In addition, sales of cloud solutions in the digital solutions business were firm, resulting in an increase in sales.

Consequently, net sales rose 9.3% year on year to 13,392 million yen.

#### **II. Operating income: 3,371 million yen (down 10.1% over the same period of the previous fiscal year)**

Looking at operating income, cost of sales was 8,274 million yen (compared to 7,035 million yen in the same period of the previous fiscal year). Travel expenses for consulting activities increased as we gradually resumed activities due to the easing of movement restrictions related to COVID-19, and recruiting expenses and personnel expenses increased due to proactive recruitment of human resources. SG&A expenses were 1,746 million yen (1,473 million yen in the same period of the previous fiscal year).

Consequently, operating income decreased 10.1% year on year to 3,371 million yen.

#### **III. Ordinary income: 3,428 million yen (down 9.3% over the same period of the previous fiscal year)**

Ordinary income resulted in non-operating income of 64 million yen (compared to 36 million yen in the same period of the previous fiscal year) and non-operating expenses of 7 million yen (compared to 5 million yen in the same period of the previous fiscal year).

Consequently, ordinary income decreased 9.3% from the same period of the previous fiscal year to 3,428 million yen.

#### **IV. Net income attributable to owners of the parent: 2,271 million yen (down 12.5% over the same period of the previous fiscal year)**

With income taxes totaling 1,131 million yen for the period under review, compared with 1,178 million yen in the same period of the previous fiscal year, net income attributable to owners of the parent decreased 12.5% year on year to 2,271 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, the Group changed its 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 (4) Notes to Quarterly Consolidated Financial Statements (Segment Information).”

##### **I. Consulting**

In the consulting business, orders received from seminars increased significantly, orders received from study group members also increased, and the number of companies signing the consulting contract also increased steadily. As a result, net sales increased compared to the same quarter of the previous year. Looking at operating income, we were able to achieve an increase in profit by controlling costs such as travel expenses due to an increase in face-to-face activities and online sales promotion expenses due to aggressive sales promotion activities.

Consequently, net sales increased 9.5% year on year to 9,452 million yen, and operating income rose 2.2% year on year to 3,238 million yen.

##### **II. Logistics**

In the logistics business, net sales in the logistics consulting services declined due to a lack of growth in project orders for consulting services for shippers in spite of an increase in the number of members of study groups for logistics companies and a recovery in the holding of seminars. In the logistics BPO services, net sales increased due to the strong performance of operations in the online shopping business. Looking at operating income, income decreased due to an increase in personnel expenses resulting from the strengthening of recruitment.

Consequently, net sales increased 2.7% year on year to 1,907 million yen, and operating income decreased 30.1% year on year to 173 million yen.

##### **III. Digital Solutions**

In the digital solutions business, net sales increased due to solid performance in online advertisement agency services, cloud solutions, and IT consulting. However, the increase in net sales did not cover the increase in recruiting expenses and personnel expenses caused by upfront investments to secure human resources, mainly engineers, and income decreased. In the HR solutions business, net sales increased steadily due to an increase in new orders and other factors.

Consequently, net sales increased 15.2% year on year to 2,024 million yen, and operating losses were 126 million yen (the same period of the previous fiscal year resulted in operating income of 198 million yen).

## **(2) Financial Position**

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

#### **(Assets)**

Total assets increased by 239 million yen from the end of the previous fiscal year to 33,250 million yen as of the end of the six months under review.

Current assets decreased by 1,326 million yen from the end of the previous fiscal year to 20,956 million yen. This was mainly due to decreases in cash and deposits.

Noncurrent assets increased by 1,566 million yen from the end of the previous fiscal year to 12,293 million yen. This was mainly due to an increase in goodwill and deposits and time deposits included in “other” under investments and other assets.

#### **(Liabilities)**

Total liabilities increased by 84 million yen from the end of the previous fiscal year to 5,394 million yen as of the end of the six months under review.

Current liabilities increased by 36 million yen from the end of the previous fiscal year to 5,103 million yen. This was mainly due to an increase in allowance for bonuses and a decrease in deposited money included under “other.”

Noncurrent liabilities increased by 48 million yen from the end of the previous fiscal year to 291 million yen. This was mainly due to an increase in deferred tax liabilities.

#### **(Net Assets)**

Total net assets increased by 155 million yen from the end of the previous fiscal year to 27,855 million yen as of the end of the six months 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 six months under review was 81.8%, up 0.1 percentage points from the end of the previous fiscal year.

### **2. Cash Flows**

Cash and cash equivalents (hereinafter, “cash”) decreased by 1,186 million yen from the end of the previous fiscal year to 15,844 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 2,485 million yen (compared to 2,182 million yen of net cash provided in the same period of the previous fiscal year).

This mainly reflected the posting of 3,403 million yen in net income before tax and other adjustments and the payment of 1,257 million yen of income tax and others.

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

Net cash used in investing activities was 1,412 million yen (compared to 384 million yen of net cash provided in the same period of the previous fiscal year).

This was mainly due to payments into time deposits of 600 million yen and purchase of shares of subsidiaries resulting in change in scope of consolidation of 617 million yen.

(Cash flow from financing activities)

Net cash used in financing activities was 2,263 million yen (compared to 1,344 million yen of net cash used in the same period of the previous fiscal year).

This mainly reflected the spending of 1,476 million yen for dividend payment.

### **(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)	First half of FY12/23 (As of Jun. 30, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	17,031,407	15,844,629
Trade notes, accounts receivable, and contract assets	3,767,959	3,566,136
Short-term investment securities	408,150	200,829
Work in process	158,767	165,893
Raw materials and supplies	8,935	6,542
Other current assets	950,725	1,221,211
Allowance for doubtful accounts	(42,610)	(48,851)
Total current assets	22,283,334	20,956,391
Noncurrent assets		
Property, plant, and equipment		
Buildings and structures, net	1,111,950	1,063,755
Land	4,596,717	4,596,717
Other property, plant, and equipment, net	105,132	102,804
Total property, plant, and equipment	5,813,800	5,763,278
Intangible assets		
Leasehold rights	322,400	322,400
Software	392,655	362,041
Goodwill	11,721	399,530
Other intangible assets	103,926	135,750
Total intangible assets	830,704	1,219,722
Investments and other assets		
Investment securities	3,101,525	3,242,032
Assets related to retirement benefits	395,287	428,886
Other investments and other assets	592,068	1,646,476
Allowance for doubtful accounts	(5,997)	(6,569)
Total investments and other assets	4,082,883	5,310,826
Total noncurrent assets	10,727,388	12,293,827
Total assets	33,010,723	33,250,218

(Thousand yen)

	FY12/22 (As of Dec. 31, 2022)	First half of FY12/23 (As of Jun. 30, 2023)
<b>Liabilities</b>		
Current liabilities		
Trade notes and accounts payable	552,314	520,553
Short-term loans payable	200,000	200,000
Accounts payable - other	1,651,677	1,622,798
Income taxes payable	1,252,738	1,247,737
Allowance for bonus	-	207,671
Other current liabilities	1,410,292	1,304,506
Total current liabilities	5,067,022	5,103,267
Noncurrent liabilities		
Long-term loans payable	100,000	100,000
Retirement benefit liabilities	71,994	65,155
Deferred tax liabilities	2,804	43,930
Other noncurrent liabilities	67,989	81,953
Total noncurrent liabilities	242,788	291,038
Total liabilities	5,309,811	5,394,306
<b>Net assets</b>		
Shareholders' equity		
Capital stock	3,125,231	3,125,231
Capital surplus	2,955,094	2,946,634
Retained earnings	25,108,389	25,223,209
Treasury stock	(4,100,171)	(4,021,689)
Total shareholders' equity	27,088,544	27,273,386
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,755	78,530
Foreign currency translation adjustments	27,299	27,163
Accumulated adjustments for retirement benefits	(182,338)	(164,721)
Total accumulated other comprehensive income	(135,282)	(59,027)
Subscription rights for shares	747,650	641,553
Total net assets	27,700,911	27,855,912
<b>Total liabilities and net assets</b>	33,010,723	33,250,218

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

### Consolidated Statement of Income

First Half

(Thousand yen)

	First Half of FY12/22 (Jan. 1 – Jun. 30, 2022)	First Half of FY12/23 (Jan. 1 – Jun. 30, 2023)
Net sales	12,258,125	13,392,846
Cost of sales	7,035,430	8,274,825
Gross profit	5,222,695	5,118,020
SG&A expenses	1,473,608	1,746,955
Operating income	3,749,086	3,371,064
Non-operating income		
Interest income	7,843	2,886
Dividend income	4,154	4,748
Gain on sales of investment securities	242	18,444
Gain on valuation of investment securities	2,472	76
Refund of insurance premiums	3,899	21,108
Other non-operating income	17,923	17,520
Total non-operating income	36,535	64,785
Non-operating expenses		
Interest expenses	4,169	2,956
Investment partnership management expenses	1,295	1,011
Donations	–	2,050
Other non-operating expenses	486	1,032
Total non-operating expenses	5,951	7,050
Ordinary income	3,779,671	3,428,799
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	–	23,525
Loss on retirement of noncurrent assets	3,272	2,259
Total extraordinary losses	4,987	25,784
Net income before income taxes and other adjustments	3,774,683	3,403,023
Current income taxes	1,217,232	1,146,574
Deferred income taxes	(38,712)	(15,331)
Total income taxes	1,178,519	1,131,243
Net income	2,596,164	2,271,779
Net income attributable to owners of the parent	2,596,164	2,271,779

Consolidated Statement of Comprehensive Income

First Half

(Thousand yen)

	First Half of FY12/22 (Jan. 1 – Jun. 30, 2022)	First Half of FY12/23 (Jan. 1 – Jun. 30, 2023)
Net income	2,596,164	2,271,779
Other comprehensive income		
Valuation difference on available-for-sale securities	(46,578)	58,774
Foreign currency translation adjustments	6,209	(136)
Adjustments for retirement benefits	10,742	17,616
Total other comprehensive income	(29,625)	76,255
Comprehensive income	2,566,538	2,348,034
Details		
Comprehensive income attributable to owners of the parent	2,566,538	2,348,034

### (3) Consolidated Cash Flow Statement

(Thousand yen)

	First Half of FY12/22 (Jan. 1 – Jun 30, 2022)	First Half of FY12/23 (Jan. 1 – Jun 30, 2023)
Net cash provided by (used in) operations		
Net income before income taxes and other adjustments	3,774,683	3,403,023
Depreciation	164,527	141,146
Impairment losses	–	23,525
Amortization of goodwill	11,721	56,113
Share-based compensation expenses	62,766	62,509
Increase (decrease) in allowance for doubtful accounts	(3,015)	6,617
Decrease (increase) in assets related to retirement benefits	(14,299)	(15,983)
Increase (decrease) in liabilities related to retirement benefits	2,414	(6,838)
Increase (decrease) in allowance for bonus	177,191	207,368
Loss (gain) on valuation of investment securities	(2,472)	(76)
Loss (gain) on sales of investment securities	(242)	(18,444)
Interest and dividend income	(11,997)	(7,635)
Interest expenses	4,169	2,956
Foreign exchange loss (gain)	1,607	2,518
Donations	–	2,050
Loss (gain) on sales of property, plant and equipment	1,714	(8)
Loss on retirement of property, plant and equipment	3,272	2,259
Decrease (increase) in notes and accounts receivable-trade and contract assets	44,769	239,279
Decrease (increase) in other assets	(658,847)	(458,689)
Increase (decrease) in other liabilities	(589,780)	(496,718)
Other	1,906	(15,970)
Subtotal	2,970,089	3,129,002
Interest and dividends received	20,929	16,052
Interest paid	(4,237)	(2,878)
Income taxes paid	(1,255,550)	(1,257,373)
Income taxes refund	451,326	602,481
Donations paid	–	(2,050)
Net cash provided by (used in) operations	2,182,558	2,485,234

	First Half of FY12/22 (Jan. 1 – Jun 30, 2022)	First Half of FY12/23 (Jan. 1 – Jun 30, 2023)
Net cash provided by (used in) investments		
Proceeds from sale and redemption of securities	100,000	308,150
Purchase of investment securities	(100,000)	(200,000)
Proceeds from sale and redemption of investment securities	612,796	96,420
Purchase of property, plant and equipment	(32,493)	(25,643)
Purchase of intangible assets	(203,217)	(69,829)
Payments into time deposits	–	(600,000)
Proceeds from surrender of insurance reserves	6,896	75,812
Payments of guarantee deposits	–	(379,977)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(617,530)
Other	56	8
Net cash provided by (used in) investments	384,038	(1,412,589)
Net cash provided by (used in) financing		
Income from long-term loans	100,000	–
Expenditure for repayment of long-term loans	(100,000)	–
Repayment of lease obligations	(13,013)	(10,731)
Purchase of treasury shares	(1,142)	(776,152)
Proceeds from sale of treasury shares	105	294
Dividends paid	(1,330,571)	(1,476,741)
Net cash provided by (used in) financing	(1,344,622)	(2,263,331)
Effect of exchange rate changes on cash and cash equivalents	7,260	3,908
Net increase (decrease) in cash and cash equivalents	1,229,234	(1,186,778)
Cash and cash equivalents at start of fiscal year	14,675,155	17,031,407
Cash and cash equivalents at end of quarter	15,904,389	15,844,629

#### (4) 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 Half of FY12/22 (Jan. 1 – Jun. 30, 2022)

Information About Net Sales, Income, and 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	8,634,062	1,857,045	1,758,179	12,249,286	8,838	12,258,125
Inter-segment sales and transfers	568,176	168,962	529,757	1,266,896	(1,266,896)	–
Total	9,202,239	2,026,008	2,287,936	13,516,183	(1,258,057)	12,258,125
Segment income	3,168,436	248,215	198,668	3,615,320	133,766	3,749,086

Notes:

- 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 income is 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.
- Segment income is adjusted against operating income in the consolidated statement of income.

II. First Half of FY12/23 (Jan. 1 – Jun. 30, 2023)

1. Information About Net Sales, Income, and 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	9,452,141	1,907,886	2,024,617	13,384,645	8,200	13,392,846
Inter-segment sales and transfers	647,580	302,595	591,181	1,541,358	(1,541,358)	–
Total	10,099,722	2,210,482	2,615,799	14,926,003	(1,533,157)	13,392,846
Segment income (loss)	3,238,100	173,599	(126,680)	3,285,019	86,045	3,371,064

Notes:

- 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 income is comprised of outsourcing fees, consulting fees, and rental income from group companies, and whole-group expenses are comprised of those incurred in group operations.
- Segment income or losses is adjusted against operating income in the consolidated statement of income.

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 changed its reporting segments to three 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 first six months of the previous consolidated fiscal year disclosed as comparative information for the first half 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 first six months of the previous consolidated fiscal year disclosed during the previous consolidated fiscal year.



### 3. Other Information

#### (1) Orders and Sales

##### I. Orders

Orders won by each operating segment in the six months under review are as follows.

Segment	Orders received (Thousand yen)	Change from same period last year (%)	Orders outstanding (Thousand yen)	Change from same period last year (%)
Consulting	8,700,225	+5.7	8,190,579	+10.7
Logistics	330,013	+5.0	301,971	+14.7
Digital Solutions	596,352	+17.2	173,365	(19.2)

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 six months under review are as follows.

Segment	Sales (Thousand yen)	Change from same period last year (%)
Consulting	9,452,141	+9.5
Logistics	1,907,886	+2.7
Digital Solutions	2,024,617	+15.2
Total	13,384,645	+9.3

Notes:

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