



September 22, 2023

For Immediate Release

Funai Soken Holdings, Inc. (TSE Prime, stock code 9757)

Takayuki Nakatani, President & Group CEO

Contact: Tatsuro Ono

Director, executive vice president, and head of

Corporate Management Divisional Headquarters

+81-(0)6-6232-0130

Notice Regarding Merger of Consolidated Subsidiaries

Funai Soken Holdings hereby announces that its Board of Directors decided at a board meeting today to merge three Funai Soken Consulting Group companies: Funai Consulting, Funai Soken Digital, and Funai Soken IT Solutions.

1. Reasons for Merger

The Funai Soken Consulting Group is striving to cement its position as the foremost provider of digital and comprehensive consulting solutions for mid-scale and SME clients by further expanding upstream consulting services, expanding into mid-scale and high-profit business domains, and growing its range of digital solutions.

The group recognizes that it must fill out its business line-up to deliver a full range of services and solutions for mid-scale companies and SMEs if it is to continue growing.

Therefore, the group has decided to merge three of the group's companies. The merger, which will coincide with the relocation of its Tokyo headquarters to Tokyo Midtown Yaesu at the end of March 2024, is intended to better combine the group's digital services with its existing consulting strengths. The group is committed to leveraging Funai Consulting's formidable order-closing ability to further strengthen the group's framework for delivering top-quality digital services.

2. Details of Merger

(1) Schedule

- Board meeting (of the board of directors of Funai Soken Holdings) to determine merger policy: Scheduled for September 22, 2023
- Board meetings (of the boards of directors of Funai Soken Holdings and the merging companies) to approve merger agreement contents prior to execution: Scheduled for Nov. 22, 2023
- Execution of merger agreement (by the merging companies): Scheduled for Nov. 22, 2023
- Shareholders meetings (of the merging companies) to approve the merger agreement: Scheduled for Dec. 22, 2023
- Merger takes effect: Scheduled for Apr. 1, 2024

(2) Method of Merger

An absorption merger, in which Funai Consulting will absorb the other two companies and be the surviving company.

(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	Absorbed Company
(1) Name	Funai Consulting Inc.	Funai Soken Digital Inc.	Funai Soken IT Solutions Inc.
(2) Address	4-4-10 Kitahama, Chuo-ku, Osaka	6th floor, Shinfushimimachi Bldg., 4-4-10 Fushimi-machi, Chuo-ku, Osaka	Nihon Seimei Marunouchi Bldg., 1-6-6 Marunouchi, Chiyoda-ku, Tokyo
(3) Representative	Daisuke Shingai, president and CEO	Hitoshi Nagira, president	Naoki Nishiyama, president
(4) Business	Management consulting	Systems integration, digital marketing, BPO, consulting, and systems integration, etc.	IT consulting
(5) Capital	¥3 billion	¥50 million	¥60 million
(6) Incorporated	November 28, 2013	November 28, 2013	February 3, 2000
(7) Shares Issued	120,000	5,000	4,200
(8) Fiscal Year	Ends December 31	Ends December 31	Ends December 31
(9) Major Shareholders and Stakes	Funai Soken Holdings: 100%	Funai Soken Holdings: 100%	Funai Soken Holdings: 100%
(10) Financial Situation and Business Performance in Preceding Fiscal Year (* denotes amounts denominated in units of 1,000)			
	Year ending Dec. 31, 2022	Year ending Dec. 31, 2022	Year ending Dec. 31, 2022
Net assets*	¥14,706,991	¥1,197,001	(¥37,911)
Total assets*	¥17,687,756	¥2,252,407	¥25,687
Net assets per share	¥122,558	¥239,400	(¥9,026)
Net sales*	¥18,725,800	¥3,155,693	¥38,155
Operating income*	¥6,154,473	¥2,884	(¥819)
Ordinary income*	¥6,199,853	¥8,670	¥382
Net income*	¥4,375,051	¥12,542	¥1,008
Earnings per share	¥36,458	¥2,508	¥240

4. Post-Merger Company

There will be no change in the name, address, business, capital, or business year Funai Consulting, or the name or title of its representative, as a result of this merger.

5. Impact of the Merger on Business

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.

- End -