



November 8, 2024

## Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending Dec. 31, 2024 (January 1, 2024 – September 30, 2024) [Under Japanese GAAP]

Company name: Funai Soken Holdings, Inc. Stock Exchange listing: Tokyo Stock Exchange  
 Stock code: 9757 URL: <https://hd.funaisoken.co.jp>  
 President & Group CEO: Takayuki Nakatani  
 Contact: Motoki Haruta, Director and Executive Officer,  
 Head of Corporate Business Divisional Headquarters  
 Telephone: +81-(0) 6-6232-0130

Scheduled date of payment of dividend: -  
 Supplementary materials compiled to explain 3rd-quarter financial statements: Yes  
 Briefing to be held to explain 3rd-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. 2024 3rd-Quarter Consolidated Financial Results (January 1, 2024 – September 30, 2024)

#### (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	%
Nine months ended								
Sep. 30, 2024	22,253	7.9	5,945	20.1	5,968	19.0	4,043	17.2
Sep. 30, 2023	20,630	10.6	4,951	(7.1)	5,017	(6.8)	3,449	(6.3)

Notes: Comprehensive income: 4,136 million yen (up 17.1%) in the nine months ended September 30, 2024  
 3,532 million yen (down 2.8%) in the nine months ended September 30, 2023

	Earnings per share (basic)	Earnings per share (diluted)
	Yen	Yen
Nine months ended		
Sep. 30, 2024	86.06	85.11
Sep. 30, 2023	70.16	69.34

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
As of Sep. 30, 2024	29,601	22,995	75.4
As of Dec. 31, 2023	31,631	25,726	79.2

Reference: Shareholders' equity: 22,310 million yen as of September 30, 2024  
 25,054 million yen as of December 31, 2023

## 2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended Dec. 31, 2023	–	32.00	–	33.00	65.00
Year ending Dec. 31, 2024	–	37.00	–		
Forecast for year ending Dec. 31, 2024			–	38.00	75.00

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

## 3. Forecast for Consolidated Financial Results for FY2024 (January 1, 2024 – December 31, 2024)

(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	30,500	8.0	7,900	9.0	7,900	7.6	5,500	5.7	115.03

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

## Remarks

- (1) Changes in consolidated subsidiaries in the first nine months of the current fiscal year: None
- 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 nine-month 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: None
- 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 nine-month period (including treasury stock)
- 2) Number of treasury shares at end of nine-month period
- 3) Average number of shares during nine-month period (cumulative total)

As of Sep. 30, 2024	50,000,000	Dec. 31, 2023	52,000,000
As of Sep. 30, 2024	3,639,714	Dec. 31, 2023	4,186,224
As of Sep. 30, 2024	46,976,592	Sep. 30, 2023	49,168,775

Note: Review of the attached quarterly consolidated financial statements by a certified public accountant or audit corporation: None

### 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. Summary of Operating Results, etc. (3) Consolidated Forecast and Other Forward-Looking Information” on page 4 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. Summary of Operating Results, etc.**

### **(1) Summary of Operating Results for the First Nine Months of the Current Fiscal year**

During the first nine months of the current fiscal year, the economic environment remained uncertain due to concerns over the slowdown in the pace of economic expansion in the United States, the prolonged war in Ukraine, and the worsening situation in the Middle East, etc. Meanwhile, regarding the domestic situation, the financial markets showed signs of normalization due to the Bank of Japan changing its monetary policy, i.e., ending its negative interest rate policy. Large enterprises are showing an improvement in business confidence, particularly in the hotel and restaurant industries, in which demand from overseas is strong. However, small and medium-sized enterprises (SMEs) continue to face severe conditions, including soaring raw material prices and difficulties in securing employees due to labor shortages.

Under these conditions, the Group posted 22,253 million yen in net sales (up 7.9% year on year), 5,945 million yen in operating income (up 20.1% year on year), 5,968 million yen in ordinary income (up 19.0% year on year), and 4,043 million yen in net income attributable to owners of the parent (up 17.2% year on year) for the first nine months of the current fiscal year.

#### **I. Net sales: 22,253 million yen (up 7.9% over the same first nine months of the previous fiscal year)**

Net sales increased in the monthly consulting support service, project-based consulting service, and management seminar, which are the mainstays of the consulting business. In addition, there was strong performance in consulting services for logistics companies in the logistics business, and in online advertisement agency services and HR solutions in the digital solutions business, resulting in an increase in net sales.

Consequently, net sales rose 7.9% year on year to 22,253 million yen.

#### **II. Operating income: 5,945 million yen (up 20.1% over the same first nine months of the previous fiscal year)**

As for operating income, cost of sales was 13,705 million yen (13,020 million yen in the first nine months of the previous fiscal year). SG&A expenses were 2,603 million yen (2,658 million yen in the first nine months of the previous fiscal year). We were able to reduce costs, especially SG&A, by properly controlling recruitment expenses, etc.

Consequently, operating income increased 20.1% year on year to 5,945 million yen.

#### **III. Ordinary income: 5,968 million yen (up 19.0% over the same first nine months of the previous fiscal year)**

As for ordinary income, non-operating income was 63 million yen (78 million yen in the first nine months of the previous fiscal year) and non-operating expenses were 39 million yen (13 million yen in the first nine months of the previous fiscal year).

Consequently, ordinary income increased 19.0% from that in the first nine months of the previous fiscal year to 5,968 million yen.

#### **IV. Net income attributable to owners of the parent: 4,043 million yen (up 17.2% over the same first nine months of the previous fiscal year)**

With income taxes totaling 1,800 million yen for the first nine months of the current fiscal year, compared with 1,541 million yen in the first nine of the previous fiscal year, net income attributable to owners of the parent increased 17.2% year on year to 4,043 million yen.

#### **Segment-Specific Performance**

The performance of each business segment is outlined below.

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

In the consulting business, the number of visiting management executives also increased partly due to the effect of relocating the Tokyo head office to Tokyo Midtown Yaesu, Yaesu Central Tower in April, and orders from the seminars and the management study groups rose considerably, resulting in a sales increase compared to the first nine months of the previous fiscal year. Examined by industry, the consulting business for the medical, nursing care, and welfare industries saw a steady increase in sales. In addition, the consulting business for the manufacturing industry also saw a significant increase in sales. In terms of profit, income grew through controlling costs such as travel expenses associated with face-to-face activities and online sales promotion expenses for sales promotional activities.

Consequently, net sales increased 9.9% from those in the first nine months of the previous fiscal year to 16,119 million yen, and operating income grew 13.7% from that in the above period to 5,332 million yen.

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

In the logistics business, monthly consulting service support for logistics companies remained strong. The launch of a management study group for shippers also contributed to an increase in net sales. In the logistics BPO services, net sales rose due to an expansion in transactions with existing major customers.

Consequently, net sales increased 7.9% from those in the first nine months of the previous fiscal year to 3,084 million yen, and operating income increased 28.6% from that in the above period to 332 million yen.

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

In the digital solutions business, HR solutions remain strong, thanks to an improvement in the delivery rate against customer budget. Digital solutions saw a decrease in net sales due to a decrease in system development projects for cloud solutions, despite continued growth in online advertisement agency services. With respect to profit, in the online advertisement agency service, operating income has been significantly impacted due to the recording of allowance for a large amount of uncollected receivables relating to doubtful accounts.

Consequently, net sales decreased 1.3% from those in the first nine months of the previous fiscal year to 3,049 million yen, and operating income was 73 million yen (the first nine months of the previous fiscal year resulted in operating losses of 126 million yen).

## **(2) Summary of Financial Position for the First Nine Months of the Current Fiscal Year**

### **(Assets)**

Total assets decreased by 2,029 million yen from the end of the previous fiscal year to 29,601 million yen as of the end of the first nine months of the current fiscal year.

Current assets decreased by 3,748 million yen from the end of the previous fiscal year to 14,909 million yen. This was mainly due to decreases in cash and deposits.

Noncurrent assets increased by 1,718 million yen from the end of the previous fiscal year to 14,691 million yen. This was mainly due to an increase in buildings and structures, a decrease in construction in progress included in other property, plant and equipment, and an increase in time deposits included in other investments and other assets.

### **(Liabilities)**

Total liabilities increased by 701 million yen from the end of the previous fiscal year to 6,606 million yen as of the end of the first nine months of the current fiscal year.

Current liabilities increased by 700 million yen from the end of the previous fiscal year to 6,367 million yen. This was mainly due to an increase in allowance for bonuses, and a decrease in deposited money included in accounts payable – other.

Noncurrent liabilities increased by 0 million yen from the end of the previous fiscal year to 239 million yen. This was mainly due to an increase in deferred tax liabilities and a decrease in retirement benefit liabilities.

### **(Net Assets)**

Total net assets decreased by 2,731 million yen from the end of the previous fiscal year to 22,995 million yen as of the end of the first nine months of the current fiscal year. This is mainly due to an increase in net income attributable to owners of the parent, a decrease in retained earnings due to appropriation of surplus and cancellation of treasury stock, and a decrease in treasury stock due to treasury stock acquisition and cancellation.

### **(Equity Ratio)**

The shareholders' equity ratio as of the end of the first nine months of the fiscal year under review was 75.4%, a decrease of 3.8 percentage points from the end of the previous fiscal year.

## **(3) Consolidated Forecast and Other Forward-Looking Information**

The current fiscal year is the second year of the Mid-range Business Plan for FY2023 to FY2025, and we will continue to promote our Group's Purpose of "Sustainable Growth for More Companies," to realize this. In addition, we will expand our business to provide services for solving management issues that companies face in a single step, centered on business consulting service, the mainstay business of our Group. We will also promote our Group vision, digital and comprehensive consulting solutions for mid-scale and SME clients, and provide business consulting services that meet the needs of the management of client companies and are in line with current trends, while enhancing the power of alliances within the Group.

For full-year consolidated results, the Group projects 30,500 million yen in net sales, 7,900 million yen in operating income, 7,900 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)

	FY12/23 (As of Dec. 31, 2023)	FY12/24 3Q (As of Sep. 30, 2024)
<b>Assets</b>		
Current assets		
Cash and deposits	12,894,272	9,138,700
Trade notes, accounts receivable, and contract assets	4,129,004	4,216,920
Short-term investment securities	300,984	300,000
Work in process	150,485	229,995
Raw materials and supplies	6,491	6,653
Other current assets	1,229,965	1,239,049
Allowance for doubtful accounts	(53,224)	(221,626)
Total current assets	18,657,980	14,909,693
Noncurrent assets		
Property, plant, and equipment		
Buildings and structures, net	998,696	1,667,095
Land	4,596,717	4,558,702
Other property, plant, and equipment, net	550,587	342,200
Total property, plant, and equipment	6,146,000	6,567,999
Intangible assets		
Software	308,460	396,409
Goodwill	355,138	288,549
Other intangible assets	461,254	24,297
Total intangible assets	1,124,853	709,256
Investments and other assets		
Investment securities	3,220,850	3,098,388
Assets related to retirement benefits	445,246	496,653
Other investments and other assets	2,042,358	3,833,063
Allowance for doubtful accounts	(6,138)	(13,582)
Total investments and other assets	5,702,316	7,414,523
Total noncurrent assets	12,973,170	14,691,778
<b>Total assets</b>	<b>31,631,150</b>	<b>29,601,472</b>



(Thousand yen)

	FY12/23 (As of Dec. 31, 2023)	FY12/24 3Q (As of September. 30, 2024)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade notes and accounts payable	536,548	537,739
Short-term loans payable	200,000	200,000
Accounts payable - other	2,005,791	1,693,849
Income taxes payable	1,167,733	1,055,598
Allowance for bonus	-	1,523,348
Other current liabilities	1,756,359	1,356,735
<b>Total current liabilities</b>	<b>5,666,433</b>	<b>6,367,272</b>
<b>Noncurrent liabilities</b>		
Long-term loans payable	100,000	100,000
Retirement benefit liabilities	67,893	43,145
Deferred tax liabilities	5,902	58,805
Other noncurrent liabilities	64,447	37,181
<b>Total noncurrent liabilities</b>	<b>238,242</b>	<b>239,133</b>
<b>Total liabilities</b>	<b>5,904,676</b>	<b>6,606,405</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	3,125,231	3,125,231
Capital surplus	2,946,634	2,946,634
Retained earnings	26,579,111	23,459,169
Treasury stock	(7,558,359)	(7,276,156)
<b>Total shareholders' equity</b>	<b>25,092,618</b>	<b>22,254,879</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	90,312	158,064
Foreign currency translation adjustments	27,771	27,664
Accumulated adjustments for retirement benefits	(155,813)	(129,925)
<b>Total accumulated other comprehensive income</b>	<b>(37,729)</b>	<b>55,804</b>
<b>Subscription rights for shares</b>	<b>671,585</b>	<b>684,383</b>
<b>Total net assets</b>	<b>25,726,474</b>	<b>22,995,067</b>
<b>Total liabilities and net assets</b>	<b>31,631,150</b>	<b>29,601,472</b>

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

### Consolidated Statement of Income

First Nine Months of FY12/24

(Thousand yen)

	First Nine Months of FY12/23 (Jan. 1 – Sep. 30, 2023)	First Nine Months of FY12/24 (Jan. 1 – Sep. 30, 2024)
Net sales	20,630,373	22,253,766
Cost of sales	13,020,043	13,705,084
Gross profit	7,610,329	8,548,682
SG&A expenses	2,658,355	2,603,609
Operating income	4,951,974	5,945,072
Non-operating income		
Interest income	5,109	7,302
Dividend income	4,748	5,267
Gain on sales of investment securities	20,344	4,890
Gain on valuation of investment securities	76	2,796
Refund of insurance premiums	20,971	18,284
Other non-operating income	27,262	25,136
Total non-operating income	78,513	63,677
Non-operating expenses		
Interest expenses	5,422	3,652
Loss on valuation of investment securities	1,736	2,209
Investment partnership management expenses	1,078	24,484
Donations	2,050	7,050
Other non-operating expenses	2,851	2,580
Total non-operating expenses	13,138	39,976
Ordinary income	5,017,349	5,968,772
Extraordinary income		
Gain on sales of noncurrent assets	8	194,887
Total extraordinary income	8	194,887
Extraordinary losses		
Loss on sales of noncurrent assets	-	945
Impairment losses	23,755	39,744
Loss on retirement of noncurrent assets	2,339	7,370
Office relocation expenses	-	272,338
Total extraordinary losses	26,095	320,399
Net income before income taxes and other adjustments	4,991,262	5,843,260
Current income taxes	1,856,105	2,138,799
Deferred income taxes	(314,457)	(338,564)
Total income taxes	1,541,648	1,800,235
Net income	3,449,613	4,043,024
Net income attributable to owners of the parent	3,449,613	4,043,024

Consolidated Comprehensive Income

First Nine Months of FY12/24

(Thousand yen)

	First Nine Months of FY12/23 (Jan. 1 – Sep. 30, 2023)	First Nine Months of FY12/24 (Jan. 1 – Sep. 30, 2024)
Net income	3,449,613	4,043,024
Other comprehensive income		
Valuation difference on available-for-sale securities	54,957	67,752
Foreign currency translation adjustments	1,853	(106)
Adjustments for retirement benefits	26,424	25,887
Total other comprehensive income	83,234	93,533
Comprehensive income	3,532,848	4,136,558
Details		
Comprehensive income attributable to owners of the parent	3,532,848	4,136,558

### **(3) Notes on Quarterly Consolidated Financial Statements**

(Notes on Going Concern Assumptions)

None to report.

(Notes on Significant Changes to Shareholders' Equity)

The company purchased 1,501,700 treasury shares based on resolutions of the Board of Directors passed on August 23, 2023, and February 8, 2024. As a result, treasury shares increased 3,639,718 thousand yen in the first nine months of the current fiscal year. In addition, the company cancelled 2,000,000 treasury shares on February 29, 2024, based on a resolution of the Board of Directors passed on February 8, 2024. As a result, retained earnings and treasury shares decreased by 3,828,300 thousand yen during the first nine months of the current fiscal year. Consequently, retained earnings as of the end of the first nine months of the current fiscal year amounted to 23,459,169 thousand yen, and treasury shares to 7,276,156 thousand yen.

(Notes on segment information, etc.)

I. First Nine Months of FY12/23 (Jan. 1 – Sep. 30, 2023)

Information on Net Sales and Income/Losses for Each Segment, and Breakdown Information on Revenues

(Thousand yen)

	Consulting	Logistics	Digital Solutions	Total	Adjustment (1)	Amount listed in consolidated statement of income (2)
Net sales						
Monthly support consulting	10,290,093	—	—	10,290,093	—	10,290,093
Project consulting	1,866,072	—	—	1,866,072	—	1,866,072
Management study group membership fee	1,634,237	—	—	1,634,237	—	1,634,237
Logistics consulting	—	600,425	—	600,425	—	600,425
Logistics BPO	—	2,259,049	—	2,259,049	—	2,259,049
IT consulting	—	—	93,491	93,491	—	93,491
SPX	—	—	1,314,332	1,314,332	—	1,314,332
Cloud-based solutions	—	—	852,296	852,296	—	852,296
HR solutions	—	—	803,180	803,180	—	803,180
Other	879,075	—	25,924	905,000	—	905,000
Revenue from contracts with customers	14,669,479	2,859,474	3,089,225	20,618,180	—	20,618,180
Other revenue (Note 3)	—	—	—	—	12,193	12,193
Sales to external customers	14,669,479	2,859,474	3,089,225	20,618,180	12,193	20,630,373
Inter-segment sales and transfers	1,002,073	427,859	927,963	2,357,896	(2,357,896)	—
Total	15,671,552	3,287,334	4,017,189	22,976,076	(2,345,703)	20,630,373
Segment income (loss)	4,689,554	258,676	(126,272)	4,821,958	130,015	4,951,974

Notes:

- Adjustments to segment income or losses include elimination of 3,568,536 thousand yen of inter-segment transactions, together with 5,940,842 thousand yen of whole-group revenues and 2,242,290 thousand yen of whole-group expenses that are not attributable to any segment. Whole-group revenues are comprised of outsourcing and consulting fees from group companies, as well as property rental income, while whole-group expenses are comprised of those incurred in group operations.
- Segment income or losses are adjusted against operating income in the quarterly consolidated income statement for the first nine months.
- Other income includes property rental income, etc., to which the Accounting Standard for Lease Transactions applies.

## II. First Nine Months of FY12/24 (Jan. 1 – Sep. 30, 2024)

### Information on Net Sales and Income/Losses for Each Segment, and Breakdown Information on Revenues

(Thousand yen)

	Consulting	Logistics	Digital Solutions	Total	Adjustment (1)	Amount listed in consolidated statement of income (2)
Net sales						
Monthly support consulting	11,030,031	—	—	11,030,031	—	11,030,031
Project consulting	2,181,391	—	—	2,181,391	—	2,181,391
Management study group membership fee	1,875,964	—	—	1,875,964	—	1,875,964
Logistics consulting	—	661,851	—	661,851	—	661,851
Logistics BPO	—	2,422,319	—	2,422,319	—	2,422,319
IT consulting	—	—	109,817	109,817	—	109,817
SPX	—	—	1,516,823	1,516,823	—	1,516,823
Cloud-based solutions	—	—	578,251	578,251	—	578,251
HR solutions	—	—	842,121	842,121	—	842,121
Other	1,031,942	—	2,805	1,034,748	—	1,034,748
Revenue from contracts with customers	16,119,329	3,084,171	3,049,818	22,253,319	—	22,253,319
Other revenue (Note 3)	—	—	—	—	446	446
Sales to external customers	16,119,329	3,084,171	3,049,818	22,253,319	446	22,253,766
Inter-segment sales and transfers	413,932	422,761	427,116	1,263,809	(1,263,809)	—
Total	16,533,262	3,506,932	3,476,934	23,517,129	(1,263,362)	22,253,766
Segment income	5,332,688	332,655	73,632	5,738,977	206,095	5,945,072

#### Notes:

- Adjustments to segment income include elimination of 3,821,644 thousand yen of inter-segment transactions, together with 6,442,286 thousand yen of whole-group revenues and 2,414,546 thousand yen of whole-group expenses that are not attributable to any segment. Whole-group revenues are comprised of outsourcing and consulting fees from group companies, as well as property rental income, while whole-group expenses are comprised of those incurred in group operations.
- Segment income is adjusted against operating income in the quarterly consolidated income statement for the first nine months.
- Other income includes property rental income, etc., to which the Accounting Standard for Lease Transactions applies.

#### (Notes on Consolidated Cash Flow Statement)

No quarterly consolidated cash flow statement for the first nine months of the current fiscal year has been prepared.

Depreciation and amortization (including amortization of intangible assets other than goodwill) and amortization of goodwill for the first nine months of the current fiscal year are as follows.

	First Nine Months of FY12/23 (Jan. 1 – Sep. 30, 2023)	First Nine Months of FY12/24 (Jan. 1 – Sep. 30, 2024)
Depreciation and amortization	219,937 thousand yen	276,310 thousand yen
Amortization of goodwill	78,309 thousand yen	66,588 thousand yen

### 3. Other Information

#### (1) Orders and Sales

##### I. Orders

Orders won by each operating segment in the first nine months of the current fiscal 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	14,066,990	+12.6	8,189,675	+7.7
Logistics	597,114	+5.6	299,412	(14.1)
Digital Solutions	838,953	(16.0)	240,405	+16.0

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 nine months of the current fiscal year are as follows.

Segment	Sales (unit: 1,000 yen)	Change from same period last year (%)
Consulting	16,119,329	+9.9
Logistics	3,084,171	+7.9
Digital Solutions	3,049,818	(1.3)
Total	22,253,319	+7.9

Notes:

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