August 20, 2020

Company name: Funai Soken Holdings, Inc.
Representative: Sakae Takashima, President & Group CEO
(Securities Code: 9757, Tokyo Stock Exchange 1st Section)
Contact: Takahisa Okumura, Director and Senior Vice President
Head of Management Administration
Divisional Headquarters
(TEL: +81-(0)6-6232-0130)

Notice Regarding Revision of Financial Result Forecast

Funai Soken Holdings, Inc. announced today that it has revised its financial result forecast for the fiscal year ending December 2020. The revision comes after the company's previous announcement on May 20 that its financial result forecast for the year was "undetermined" due to the difficulty of predicting the end of the Covid-19 pandemic. Despite the ongoing opacity of the situation, Funai Soken Holdings has decided to release its forecast for the year as shown below based on currently available data and predictions.

1. Revised Forecast Consolidated Financial Results for FY2020 (Jan. 1, 2020 – Dec. 31, 2020)

	Consolidated net sales	Consolidated operating income	Consolidated ordinary income	Net income attributable to owners of the parent	Earnings per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previously announced forecast (A)	Undetermined	Undetermined	Undetermined	Undetermined	Undetermined
Latest forecast (B)	24,000 – 25,760	4,300 – 5,150	4,350 – 5,200	2,900 – 3,500	58.26 – 70.31
Change (B-A)	-	-	-	-	-
Rate of change (%)	-	-	-	-	-
(FYI) Performance in FY2019	25,752	5,705	5,755	3,868	76.67

2. Reasons for Revision

The Japanese economy continues to face stern challenges caused by Covid-19, and the ongoing effects, which are predicted to linger stubbornly over the long term, are certain to have some impact on the SMEs who make up the bulk of Funai Soken Consulting Group's clientele.

The group has had to adapt. Since February, in-person events such as seminars for business proprietors and management workshops have been suspended or moved online, and consulting services are now provided remotely via web conferencing rather than by consultants visiting clients' premises. Thus, while the group has managed to continue its operations, its restricted ability to do so in full has caused new consulting sales to stagnate, and further struggles are predicted as long as the group is limited

in its ability to provide services to existing clients.

Conversely, projections show some growth in the online advertising agency and direct recruiting segments, and as a result, the group is aiming for consolidated net sales of between 93.2% and 100.0% of FY2019's figures. Consolidated operating income is forecast to be between 75.4% and 90.3% of FY2019's figures as the decrease in higher-profit consulting sales begins to bite and the group is unable to absorb increased personnel expenses despite the savings in travel and venue hire expenses realized by moving in-person operations online.

For the time being, the group has not revised its dividend forecast.

NB: The financial result forecasts contained herein are based on currently available information, and actual results may differ from these forecasts due to various factors.

– End –