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Company name: Funai Soken Holdings, Inc.
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Notice Regarding Revision of Financial Result Forecast

Funai Soken Holdings, Inc., announced today a revision of its consolidated earnings forecast for the year ending December 31, 2020, originally released on August 20, 2020. The revision, outlined below, is made in response to recent trends in business performance, and is 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
Previous forecast (A)	24,000 – 25,760	4,300 – 5,150	4,350 – 5,200	2,900 – 3,500	58.26 – 70.31
Latest forecast (B)	25,100	4,900	5,000	3,400	68.30
Change (B-A)	1,100 – (660)	600 – (250)	650 – (200)	500 – (100)	-
Rate of change (%)	4.6 – (2.6)	14.0 – (4.9)	14.9 – (3.8)	17.2 – (2.9)	-
(FYI) Performance in FY2019	25,752	5,705	5,755	3,868	76.67

2. Reasons for Revision

In light of the modest recovery in the group's performance through the third quarter of the year despite the ongoing lack of clarity in the outlook (which is based on the assumption that Covid-19 will continue to have an effect in Japan in the fourth quarter), Funai Soken Holdings decided to restate its sales and income forecasts, previous stated as a range, as concrete figures.

Growth in new consulting contracts has stagnated somewhat as operations have adapted to the new landscape. Although the group has sought to make the best of the restricted circumstances, sales and marketing activities have been curtailed. For instance, in-person seminars 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. Conversely, projections show some growth in the online advertising agency segment, and as a result, the group is aiming for consolidated net sales of 97.5% of FY2019's figures. Consolidated operating income is forecast to be 85.9% 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 earnings forecasts contained herein are based on currently available information, and actual earnings results may differ from these forecasts due to various factors.

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