

May 11, 2020

**Notice of Recording of Impairment Losses and
Revision to Consolidated Full-year Business Forecasts**

Yumeshin Holdings Co., Ltd. announces that we have recorded impairment losses in the financial results for the second quarter of the fiscal year ending September 2020 and revised its consolidated business forecasts for the fiscal year ending September 2020 (October 1, 2019 to September 30, 2020) which were announced on November 14, 2019, in view of recent trends in operating results.

1. Recognition of impairment losses

Our consolidated subsidiary, P3OPLE4U, Inc., which provides engineer temporary staffing and other services in the Philippines, lost customers due to lockdowns in the Philippines caused by the expansion of the new coronavirus (COVID-19) infectious disease, resulting in an extremely severe business environment. As a result of reviewing the profit and loss outlook and examining the possibility of future recovery, we have recorded an impairment loss (extraordinary loss) of 419 million yen due to the impairment on goodwill.

2. Revisions to consolidated full-year business forecasts for the fiscal year ending September 2020 (October 1, 2019 to September 30, 2020)

(Million yen)

	Net sales	Operating income	Net income attributable to owners of parent	Net income per share (yen)
Previous forecasts (A)	63,000	8,000	5,400	70.59
Revised forecasts (B)	58,000 ~ 60,000	5,800 ~ 6,600	3,700 ~ 4,200	48.65 ~ 55.22
Increase/decrease (B-A)	-5,000 ~ -3,000	-2,200 ~ -1,400	-1,700 ~ -1,200	—
Percentage change	-7.9% ~ -4.8%	-27.5% ~ -17.5%	-31.5% ~ -22.2%	—

(Note) We have decided to adopt International Financial Reporting Standards (IFRS) on a voluntary basis from the announcement of our financial results for the fiscal year ending September 2020. Therefore, consolidated financial forecasts for the fiscal year ending September 2020 have been prepared on the basis of IFRS and do not include results for the previous fiscal year.

[Reasons for the Revision]

Due to the expansion of COVID-19 infectious disease, we are facing a severe phase due to the stagnant corporate activities and the economic slowdown. In the temporary staffing business, which is our core business, the impact on demand in the construction and IT industries, which are our main dispatch destinations, is minimal at this point. However, the future outlook remains uncertain, and the impact on demand is expected to become more apparent in the future. Due to temporary suspension of construction, extension of construction periods, and personnel adjustments at dispatch destinations, new construction projects are expected to decline and the speed of decision-making on operation is expected to slow.

We have temporarily suspended our recruitment activities, which are our growth drivers, in order to maintain the employment of our existing engineers and at the same time strike a balance with the demand environment, and the growth in the number of engineers is expected to decline from the initial plan. We will flexibly continue our recruitment activities to meet demand. Therefore, we will disclose the forecasts in the form of a range rather than a specified value, assuming 2 patterns: (1) when recruitment activities after June recovered to the normal pace, and (2) when recruitment are restrained until the end of September 2020.

We remain unchanged its dividend forecast for the fiscal year ending September 2020, paying 35 yen per share annually, from the announcement dated November 14, 2019.

(Note) The above forecasts are based on information available as of the date of publication of this document. Actual results may differ from these forecasts due to various factors.