

Summary of Business Results for the First Quarter Ended December 31, 2020 [IFRS] (Consolidated)

February 5, 2021

Company Yumeshin Holdings Co., Ltd. Listed on the TSE
 Stock Code 2362 URL <https://www.yumeshin-hd.co.jp>
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 Expected date of filing of quarterly report: February 15, 2021
 Expected starting date of dividend payment: -
 Preparation of quarterly supplementary financial document: Yes
 Quarterly results briefing: None

(Rounded down to million yen)

1. Consolidated business results for the three months ended December 2020 (October 1, 2020 through December 31, 2020)

(1) Consolidated results of operations

(% change from the previous corresponding period)

	Revenue		Operating profit		Profit before taxes		Profit for the period		Profit attributable to owners of parent		Basic profit per share	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended Dec. 2020	14,491	-3.9	1,869	16.4	1,859	12.9	1,301	39.5	1,308	39.1	1,303	39.3
Three months ended Dec. 2019	15,084	-	1,605	-	1,647	-	933	-	940	-	935	-

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended Dec. 2020	17.36	17.24
Three months ended Dec. 2019	12.35	12.26

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent
	Million yen	Million yen	Million yen	%
Three months ended Dec. 2020	33,272	11,348	11,483	34.5
Three months ended Dec. 2019	36,399	11,561	11,689	32.1

2. Dividends

	Annual dividend				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended Dec. 2019	-	15.00	-	20.00	35.00
Year ended Dec. 2020	-	-	-	-	-
Year ending Sept. 2021 (forecast)	-	-	-	-	-

(Note) Revisions to dividend forecast for the current quarter: None

3. Forecast of consolidated business results for the fiscal year ending September 2021 (October 1, 2020 through September 30, 2021)

As announced in the "Notice Concerning Execution of Merger Agreement between YUMESHIN HOLDINGS Co.,Ltd. and BeNEXT Group Inc." released on January 29, 2021, the Board of Directors of YUMESHIN HOLDINGS resolved at a meeting held on January 29, 2021 to integrate the management of YUMESHIN HOLDINGS and BeNEXT Group under the spirit of equality between the two companies, with an effective date of April 1, 2021 (scheduled). The both companies concluded a merger agreement for an absorption-type merger (the "Merger") in which the Company will be the absorbed company and the BeNEXT Group will be the surviving company.

The Merger is subject to the approval of the extraordinary general meeting of shareholders scheduled to be held on March 26, 2021, and as a result of this merger, the common stock of the Company is scheduled to be delisted as of March 30, 2021. Therefore, the Company does not prepare the business forecasts for the fiscal year ending September 2021.

***Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying changes in the scope of consolidation): None

(2) Changes in accounting policies, accounting estimates and restatement

- | | |
|--|--------|
| ① Changes in accounting policies required under IFRS | : None |
| ② Changes in accounting policies due to reasons other than ① | : None |
| ③ Changes in accounting estimates | : None |

(3) Shares outstanding (common stock)

① Number of shares outstanding at the end of period (treasury stock included)

As of December 2020 78,861,940 shares

As of September 2020 78,861,940 shares

② Treasury stock at the end of period

As of December 2020 3,455,031 shares

As of September 2020 3,454,831 shares

③ Average number of stock during period (quarterly cumulative period)

Three months ended December 2020 75,407,022 shares

Three months ended December 2019 76,188,496 shares

***Quarterly financial summary is not subject to the quarterly review procedures by certified public accountants or auditing firms.**

***Explanation regarding appropriate use of business forecasts and other special instructions**

Forecasts regarding future performance in this material are based on information currently available to the company and certain assumptions that the company deems to be reasonable at the time this report was prepared. The company does not make promises about the achievements. Actual results may differ significantly from the forecasts due to various factors.

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1. Qualitative Information on Quarterly Financial Results

(1) Results of Operations

① Overview of Consolidated Business Results

In Japan, where the labor population is declining, we have focused on securing and developing human resources in order to quickly produce the next generation of human resources to the construction industry, where the aging of the population and the shortage of young people are conspicuous, and to the IT industry, where is experiencing a rapid shortage of engineers with new technologies that are entering a period of dissemination as the standardization of IT technology progresses, there is a rising motivation to invest in IT to strengthen the competitive advantage of companies.

In the first quarter of the current fiscal year (October 1, 2020 to December 31, 2020), demand for human resources was also on a recovery trend, so the Company resumed recruitment activities that had been curtailed in the fiscal year ended September 2020, and focused on recovering the number of employees enrolled, while at the same time striving to maintain and increase the utilization rate and unit price of temporary staffing.

As a result, revenue decreased by 593 million yen (3.9%) to 14,491 million yen year-on-year. The decrease is mainly because the number of engineers in the Group is still on track for recovery reflecting the impact of the curbing new hires in the fiscal year ended September 2020, despite the growth in the Construction Engineer Temporary Staffing and Incidental Business mainly attributable to the increase in the unit price of temporary staffing.

Segment income increased by 263 million yen (16.4%) year-on-year to 1,869 million yen due to a steady unit price of temporary staffing. Profit attributable to owners of parent increased by 368 million yen (39.1%) year on year to 1,308 million yen.

The results for the cumulative first quarter of the current consolidated fiscal year are shown in the table below.

(Million yen)

	FY9/20 1Q	FY9/21 1Q	Change	Percentage change
Revenue	15,084	14,491	-593	-3.9%
Operating profit	1,605	1,869	263	16.4%
Profit attributable to owners of parent	940	1,308	368	39.1%

② Results by Segment

The reportable segments of the Group are the Construction Engineer Temporary Staffing and Incidental Business and the Engineer Temporary Staffing and Incidental Business.

Refer to the table below for the main businesses and operating companies of each segment.

(As of December 31, 2020)

Segment name	Business Line	Company Name
Construction Engineer Temporary Staffing and Incidental Business	<ul style="list-style-type: none"> Dispatch of construction management specialist to construction sites Dispatch of CAD operators 	Yumeshin Co., Ltd.
Engineer Temporary Staffing and Incidental Business	<ul style="list-style-type: none"> Dispatch of engineers to the manufacturing and IT industries Dispatch of network engineers Dispatch of IT engineers Offshore development in Vietnam 	Yume Technology Co., Ltd. Yume Proeng Co., Ltd. Neplus Co., Ltd. Information Port Co., Ltd. Garet Co., Ltd. Arrow Information Co., Ltd. YUMESHIN VIETNAM Co.,LTD Yumeshin Co., Ltd.
Other businesses	<ul style="list-style-type: none"> Japanese language education for local Philippine personnel Support for recruitment of local Vietnamese personnel Planning and operation of online programming learning service 	YUMEGLOBAL Corp. (Japan) YUMEGLOBAL CO., LTD. Samurai, Inc.

Results by business segment are as follows. Segment income (loss) is adjusted with operating income.

(a) Construction Engineer Temporary Staffing and Incidental Business

(Million yen)

	FY9/20 1Q	FY9/21 1Q	Change	Percentage change
Revenue	10,022	9,057	-964	-9.6%
Segment profit	1,830	1,658	-171	-9.4%
Number of Engineers at end of period (End-Dec.)	6,078	5,526	-552	-9.1%
Average number of engineers during the period (Oct.-Dec. avg.)	6,105	5,475	-630	-10.3%

<Overview of the Business>

In the Construction Engineer Temporary Staffing and Incidental Business, which are the core business of the Group, the structural shortage of human resources, such as the aging of the population and the shortage of young people, remains unchanged amid the continuing strong uncertainty due to the impact of COVID-19. Demand for temporary staffing services showed a slight recovery trend, especially in regional cities where the impact of COVID-19 is minimal.

The Group has been working to recover the number of engineers enrolled, which declined in FY09/20, by planning to hire 2,500 engineers per year and at the same time working to improve the retention rate through enhancing follow-up care for engineers. As a result, we hired 585 people (635 in the same period of the previous fiscal year) in the first quarter of the current fiscal year. As a result, the number of engineers enrolled at the end of December 2020 was 5,526, a decrease of 552 from the same period of the previous year.

<Business Results>

Revenue decreased by 964 million yen (9.6%) year-on-year to 9,057 million yen due to a decrease in the number of engineers.

Segment income decreased by 171 million yen (9.4%) year-on-year to 1,658 million yen due to a decrease in gross profit caused by a decrease in the ratio of new employees and a slight increase in SG&A expenses such as recruiting costs.

(b) Engineer Temporary Staffing and Incidental Business

(Million yen)

	FY9/20 1Q	FY9/21 1Q	Change	Percentage change
Revenue	4,849	5,205	356	7.3%
Segment profit	77	500	423	547.8%
Number of engineers at end of period (End-Dec.)	3,703	3,604	-99	-2.7%
Average number of engineers during the period (Oct.-Dec. avg.)	3,637	3,568	-69	-1.9%

<Overview of the Business>

In the Engineer Temporary Staffing and Incidental Business, despite the continuing strong sense of uncertainty due to the impact of COVID-19, there is solid demand for engineers, particularly in the manufacturing industry, where capital investment in labor-saving and automation is still brisk, and in the IT industry, where technological advances are accelerating.

Under this business environment, we have made an annual recruitment plan of 1,600 engineers to respond to the growing demand for engineers, and have promoted the development of new engineers. At the same time, we have expanded our training system to promote the creation of high-value-added group engineers and worked to build a training ecosystem.

As a result, the number of engineers hired during the first quarter of the current fiscal year was 246 (386 in the same period of the previous fiscal year). Accordingly, the number of engineers at the end of December 2020 was 3,604, decreased by 99 year-on-

year.

As a result, revenue in the first quarter increased by 356 million yen (7.3%) year-on-year, to 5,205 million yen, due to a rise in the unit price of temporary staffing. Segment income increased by 423 million yen (547.8%) year-on-year to 500 million yen.

(c) Other businesses

(Million yen)

	FY9/20 1Q	FY9/21 1Q	Change	Percentage change
Revenue	248	242	-6	-2.6%
Segment profit (loss)	-96	-31	64	—

<Overview of the Business>

In the Other Business segment, the Group has developed Japanese language classes in Vietnam, the Philippines, Taiwan, and South Korea to provide recruitment support services for Japanese companies seeking overseas human resources, as a recruitment consulting business, and to assist Japanese companies in utilizing overseas human resources. However, due to the worldwide severe business environment caused by COVID-19, we have continued to downsize this business since FY09/20.

As an Education-related business, the Company is engaged in the online programming learning service business, and we have recorded advertising and recruiting costs as upfront investment expenses.

As a result of the above, for the first quarter, revenue was 242 million yen (down 2.6% YoY), and the segment loss was 31 million yen (segment loss of 96 million yen in the same period of the previous fiscal year).

(2) Explanation of Financial Position

Assets at the end of the first quarter of the current fiscal year decreased by 3,126 million yen from the end of the previous fiscal year to 33,272 million yen. The main factors were a decrease of 3,095 million yen in cash and cash equivalents, an increase of 101 million yen in trade and other receivables, a decrease of 171 million yen in property, plant and equipment, and an increase of 34 million yen in intangible assets.

Total liabilities decreased by 2,914 million yen to 21,923 million yen. This was mainly due to a decrease of 1.806 billion yen in income taxes payable, a decrease of 3.016 billion yen in other current liabilities, a decrease of 560 million yen in other financial liabilities under current and non-current liabilities, and an increase of 2.501 billion yen in bonds and borrowings.

Total assets decreased by 212 million yen to 11,348 million yen. This was mainly due to a decrease of 207 million yen in retained earnings.

(3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Statements

Despite the continued strong uncertainty over the future due to the impact of COVID-19, demand for human resources has gradually recovered since the lifting of the State of Emergency in 2020.

The Group will strive to recover the number of engineers enrolled, which declined due to the impact of the curbing new hire in FY09/20. As a result, we anticipate an increase in recruitment expenses and personnel expenses to expand the follow-up system for engineers as upfront investment. In the Engineer Temporary Staffing and Incidental Business, we will continue to promote a training ecosystem aimed at increasing the added value of engineers from the previous fiscal year. We expect unit prices to increase by approximately 2% annually compared to the average unit price for FY09/20, by implementing re-training programs for our group engineers who have gained work experience for a certain period of time and aim to acquire more advanced skills.

Furthermore, as stated in the "Notice Concerning Execution of Merger Agreement between YUMESHIN HOLDINGS Co.,Ltd. and BeNEXT Group Inc." disclosed on January 29, 2021, our company and BeNEXT Group Inc. resolved to integrate the management of the both companies under the spirit of equality on April 1, 2021 (planned). With this, we have concluded a merger agreement involving the absorption-type merger (the "Merger") in which YUMESHIN HD will become the company absorbed in the merger and BeNEXT Group Inc. will become the company surviving the merger.

The merger is subject to approval at the general meetings of shareholders of both companies, and prior to the effective date of the merger (scheduled for April 1, 2021), the common stock of the Company is scheduled to be delisted from the Tokyo Stock Exchange, Inc. on March 30, 2021 (the last trading day will be March 29, 2021). Therefore, the forecast for FY09/21 is not presented.

2. Condensed Quarterly Consolidated Financial Statements and Major Notes

(1) Condensed Quarterly Consolidated Financial Position

(Thousand yen)

	Previous Fiscal Year (September 30, 2020)	Current First Quarter (December 31, 2020)
Assets		
Current assets		
Cash and cash equivalents	15,426,037	12,330,943
Trade and other receivables	7,528,457	7,629,508
Inventories	62,577	65,719
Other financial assets	146,981	145,244
Other current assets	1,610,942	1,639,040
Total current assets	24,774,996	21,810,456
Non-current assets		
Property, plant and equipment	2,993,862	2,822,682
Goodwill	3,428,635	3,428,635
Intangible assets	1,122,850	1,157,841
Real estate for investment	224,802	223,573
Other financial assets	1,790,015	1,769,888
Deferred tax assets	2,028,385	2,028,385
Other non-current assets	35,602	30,726
Total non-current assets	11,624,153	11,461,733
Total assets	36,399,150	33,272,190

	(Thousand yen)	
	Previous Fiscal Year (September 30, 2020)	Current First Quarter (December 31, 2020)
Liabilities and assets		
Liabilities		
Current liabilities		
Trade and other payables	566,979	559,093
Bonds and borrowings	2,674,832	3,794,508
Income taxes payable	2,390,374	584,313
Other financial liabilities	1,653,394	1,230,142
Provision	23,758	—
Other current liabilities	9,703,718	6,687,075
Total current liabilities	17,013,057	12,855,131
Non-current liabilities		
Bonds and borrowings	6,050,891	7,432,598
Other financial liabilities	1,017,886	880,368
Obligations for retirement plan	352,183	355,512
Provision	182,410	170,693
Deferred tax liabilities	216,982	216,982
Other non-current liabilities	4,497	12,567
Total non-current liabilities	7,824,851	9,068,721
Total liabilities	24,837,908	21,923,853
Assets		
Capital stock	828,751	828,751
Capital surplus	10,803,705	10,803,705
Retained earnings	2,458,544	2,251,109
Treasury stock	-2,437,646	-2,437,788
Other components of equity	36,561	37,710
Equity attributable to the owners of parent	11,689,915	11,483,488
Non-controlling shareholders' equity	-128,674	-135,151
Total assets	11,561,241	11,348,336
Total liabilities and assets	36,399,150	33,272,190

(2) Condensed Quarterly Consolidated Statements of Income and Statements of Comprehensive Income

Condensed Quarterly Consolidated Statements of Income

First Quarter

	(Thousand yen)	
	Previous First Quarter (October 1, 2019 - December 31, 2019)	Current First Quarter (October 1, 2020 - December 31, 2020)
Revenue	15,084,695	14,491,169
Cost of sales	10,806,715	10,455,492
Gross profit	4,277,979	4,035,676
Selling, general and administrative expenses	2,719,577	2,663,198
Other revenue	78,030	531,934
Other expenses	30,532	35,046
Operating profit	1,605,900	1,869,367
Financial income	61,370	30,087
Financing cost	19,643	40,100
Profit before taxes	1,647,628	1,859,354
Corporate income tax expense	714,551	557,486
Net income	933,076	1,301,868
Net profit attributable to		
Owners of parent	940,649	1,308,777
Non-controlling equity	-7,572	-6,909
Net income	933,076	1,301,868
Profit per share		
Basic profit per share (yen)	12.35	17.36
Diluted profit per share (yen)	12.26	17.24

Condensed Quarterly Consolidated Statements of Comprehensive Profit

First Quarter

(Thousand yen)

	Previous First Quarter (October 1, 2019 - December 31, 2019)	Current First Quarter (October 1, 2020 - December 31, 2020)
Net income	933,076	1,301,868
Other comprehensive profit		
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of defined benefit plans	—	—
Total	—	—
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation adjustments	13,886	6
Cash flow hedges	-11,337	1,647
Total	2,549	1,654
Total other comprehensive profit, net of tax	2,549	1,654
Comprehensive profit	935,626	1,303,523
Comprehensive profit		
Owners of parent	943,893	1,310,000
Non-controlling equity	-8,267	-6,477
Comprehensive profit	935,626	1,303,523

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

Previous First Quarter (October 1, 2019 - December 31, 2019)

(Thousand yen)

	Equity attributable to owners of parent					
						Other components of equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Share subscription rights	Remeasurement of defined benefit plans
Balance at October 1, 2019	822,964	10,777,833	1,562,384	-2,001,463	37,839	—
Net income			940,649			
Other comprehensive profit						
Comprehensive profit	—	—	940,649	—	—	—
Purchase of treasury stock				-619		
Dividend from retained earnings			-1,523,778			
Share-based payment transactions					-37	
Changes in equity due to acquisition of shares in consolidated subsidiaries		19,638				
Total transactions with owners	—	19,638	-1,523,778	-619	-37	—
Balance at December 31, 2019	822,964	10,797,471	979,255	-2,002,083	37,802	—

(Thousand yen)

	Equity attributable to owners of parent					
	Other components of equity			Total	Non-controlling equity	Total assets
	Foreign currency translation adjustments	Cash flows hedges	Total			
Balance at October 1, 2019	-8,005	-3,633	26,200	11,187,920	-133,248	11,054,671
Net income			—	940,649	-7,572	933,076
Other comprehensive profit	14,581	-11,337	3,244	3,244	-695	2,549
Comprehensive profit	14,581	-11,337	3,244	943,893	-8,267	935,626
Purchase of treasury stock			—	-619		-619
Dividend from retained earnings			—	-1,523,778		-1,523,778
Share-based payment transactions			-37	-37		-37
Changes in equity due to acquisition of shares in consolidated subsidiaries			—	19,638		19,638
Total transactions with owners	—	—	-37	-1,504,797	—	-1,504,797
Balance at December 31, 2019	6,575	-14,970	29,407	10,627,016	-141,516	10,485,499

Current First Quarter (October 1, 2020 - December 31, 2020)

(Thousand yen)

	Equity attributable to owners of parent					
						Other components of equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Share subscription rights	Remeasurement of defined benefit plans
Balance at October 1, 2020	828,751	10,803,705	2,458,544	-2,437,646	51,171	—
Net income			1,308,777			
Other comprehensive profit						
Comprehensive profit	—	—	1,308,777	—	—	—
Purchase of treasury stock				-142		
Dividend from retained earnings			-1,516,212			
Share-based payment transactions					-74	
Changes in equity due to acquisition of shares in consolidated subsidiaries		—				
Total transactions with owners	—	—	-1,516,212	-142	-74	—
Balance at December 31, 2020	828,751	10,803,705	2,251,109	-2,437,788	51,097	—

(Thousand yen)

	Equity attributable to owners of parent					
	Other components of equity			Total	Non-controlling equity	Total assets
	Foreign currency translation adjustments	Cash flows hedges	Total			
Balance at October 1, 2020	-666	-13,943	36,561	11,689,915	-128,674	11,561,241
Net income			—	1,308,777	-6,909	1,301,868
Other comprehensive profit	-424	1,647	1,223	1,223	431	1,654
Comprehensive profit	-424	1,647	1,223	1,310,000	-6,477	1,303,523
Purchase of treasury stock			—	-142		-142
Dividend from retained earnings			—	-1,516,212		-1,516,212
Share-based payment transactions			-74	-74		-74
Changes in equity due to acquisition of shares in consolidated subsidiaries			—	—		—
Total transactions with owners	—	—	-74	-1,516,428	—	-1,516,428
Balance at December 31, 2020	-1,091	-12,295	37,710	11,483,488	-135,151	11,348,336

(4) Notes on the Condensed Quarterly Consolidated Financial Statements

(Notes on going concern assumptions)

None applicable

(Significant subsequent events)

At the Board of Directors held on January 29, 2021, our company and BeNEXT Group Inc. resolved to integrate the management of the both companies under the spirit of equality on April 1, 2021 (planned). With this, we have concluded a merger agreement involving the absorption-type merger (the "Merger") in which YUMESHIN HD will become the company absorbed in the merger and BeNEXT Group Inc. will become the company surviving the merger.

1. Purpose of the Business Integration

The two companies will proceed with the Management Integration with the aim of realizing the integration effects based on "Expansion of Business Domain", "Strengthening Recruitment and Human Resource Development Capabilities, etc." and "Strengthening the Financial Base".

① Expansion of Business Domain

Although our company and the BeNEXT Group are in the same engineer temporary staffing industry, they have different characteristics. YUMESHIN HD has the largest share in the construction engineer staff market in Japan, mainly by way of dispatching construction management engineers. In recent years, YUMESHIN HD has been expanding its temporary staffing and contracting business in the mechanical, electrical and electronic engineering fields, particularly in the IT field, and has been strengthening its engineer training system. On the other hand, BeNEXT Group is mainly engaged in the dispatch of a wide range of engineers for design and development in the mechanical, electrical and electronic engineering fields, as well as manufacturing dispatch and overseas staffing services in the UK and other countries. In recent years, BeNEXT Group has been focusing on the recruitment and training of IT engineers in response to the growing need for human resources in the IT field.

The two companies have almost no overlap in clients in their core businesses, and we believe that the business portfolio of the two companies will be strengthened in a well-balanced manner through the Management Integration. In addition, in the IT field, which is expected to expand in the future, we will be able to respond to client needs in a broad and speedy manner by expanding the scale of our business, which is an ideal combination for future business growth, and we believe that the Management Integration will enable us to develop into an even more prominent company in the engineer temporary staffing industry. Furthermore, through the expansion of our business domain, we aim to become a company that can provide employees with a variety of opportunities and possibilities for their career growth.

② Strengthening Recruitment and Human Resource Development Capabilities, etc.

Through the Management Integration, the knowledge and experience of both companies will be combined, and the know-how of improving the skills of dispatched employees through training and skill improvement at the client company will be shared with each other, which will lead to further strengthening of human resource development capabilities. Furthermore, on the recruitment side, we can expect to further strengthen our recruitment capabilities by expanding the scale of the company through the business integration and other means. In addition, we aim to provide a workplace in which employees can work with greater peace of mind by further strengthening management through the sharing of know-how of both companies and the expansion of human resources.

③ Strengthening the Financial Base

Through the Management Integration, we will be able to expand our corporate scale and improve our creditworthiness, thereby strengthening our financial base and establishing a structure that can respond to further large-scale industry restructuring.

2. Summary of the Management Integration

(1) Schedule of the Management Integration

Date of Resolution of the Board of Directors	January 29, 2021
Execution Date of Agreement	January 29, 2021
Date of Public Notice of Record Date for Extraordinary General Meeting of Shareholders	January 29, 2021
Record Date for Extraordinary General Meeting of Shareholders	February 15, 2021 (scheduled)
Date of Resolution of Extraordinary General Meeting of Shareholders	March 26, 2021 (scheduled)
Last Trading Day (YUMESHIN HD)	March 29, 2021 (scheduled)
Date of Delisting (YUMESHIN HD)	March 30, 2021 (scheduled)
Effective Date of the Merger	April 1, 2021 (scheduled)

(2) Method of the Management Integration

The merger will be executed in the form of an absorption-type merger, with YUMESHIN HD as the company absorbed in the merger and BeNEXT Group as the company surviving the merger.

(3) Details of the Allotment pertaining to the Merger

	BeNEXT Group (Company Surviving the Absorption-Type Merger)	YUMESHIN HD (Company Absorbed in the Absorption-Type Merger)
Allotment Ratio pertaining to the Merger	1	0.63

3. Status after the Management Integration

(1) Name	BeNext-Yumeshin Group Co.
(2) Address	2-14-1 Higashi-shimbashi, Minato-ku, Tokyo, Japan
(3) Title and Name of the Representative	President and Representative Director Yutaka Nishida (Current President and Representative Director of BeNEXT Group Inc.) President and Representative Director Daio Sato (Current President and Representative Director of YUMESHIN HOLDINGS Co., Ltd.)
(4) Business	Temporary staffing business
(5) Capital	Not confirmed yet.
(6) End of Fiscal Year	June
(7) Net Assets	Not confirmed yet.
(8) Total Assets	Not confirmed yet.

4. Outline of Accounting Treatment

Regarding the accounting treatment for the Merger, we plan to apply the "Accounting Standards for Business Combinations" (ASBJ Statement No. 21) and the "Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10), and to use the purchase method with BeNEXT Group as the acquiring company. The amount of goodwill to be generated as a result of the Merger has not yet been determined and will be announced as soon as it is determined.

5. Future Outlook

The business outlook after the Management Integration will be announced as soon as it becomes clear.