



November 22, 2017

Notice Regarding Establishment of New Subsidiary

Funai Consulting Holdings, Inc., hereby announces its Board of Directors voted today to approve the establishment of a new subsidiary.

1. Reason for Establishing a New Subsidiary

The Funai Soken Consulting Group's core business has always been consulting services to help small and medium-sized enterprises improve performance. Starting in 2014, the group has sought to strengthen its recruiting and human resource development consulting capabilities amid a nationwide shortage of workers. As the lack of people to fill vacancies becomes increasingly problematic for SMEs, the Funai Soken Consulting Group launched a new service in 2016 to assist clients with direct recruiting via online advertising.

In light of the new service's steady growth (sales are forecast to exceed 600 million yen in FY2017 and further growth is expected) the group has spun the service off into a new, separate company, HR Force, Inc., which will concentrate on providing solutions such as direct recruiting to help clients alleviate human resource shortages.

The name HR Force speaks to the group's determination to leverage the advantages offered by technology and help clients achieve maximal momentum in their human resource strategies.

2. Overview of Subsidiaries to be Established

Company name	HR Force, Inc.	
Headquarters	1-6-6, Marunouchi, Chiyoda-ku, Tokyo, Japan	
Representative	President & CEO Shoji Takayama	
Description of business	Consulting services relating to direct recruiting	
Capital	64 million yen	
Establishment (planned)	January 5, 2018	
Shareholder	Funai Soken Holdings, Inc.: 100%	
Ties to Funai Soken Holdings	Capital	HR Force is a wholly owned subsidiary of Funai Soken Holdings
	Executives	One director and one auditor of Funai Soken Holdings, and one director of another Funai Soken Consulting Group company, are scheduled to serve concurrently as director, auditor, and director respectively of HR Force
	Transaction of business	It is expected that Funai Soken Consulting Group companies will engage HR Force to handle consulting services related to recruiting

3. Future Outlook

The effect of the establishment of HR Force on the group's financial results for FY2017 will be minor.

The group is prepared to transfer assets relating to HR Force's operations from other group companies as necessary, likely by splitting them off and absorbing them into HR Force. At present, however, there is no clear schedule for such transfers; notice will be submitted if and when such a decision is made.

Funai Soken Holdings, Inc.
President & Group CEO: Sakae Takashima
(Securities Code: 9757, Tokyo Stock Exchange 1st Section)



Please direct inquiries regarding this notice to:

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