October 14, 2020

Company name: RAKUS Co., Ltd.

Stock exchange listing: Tokyo

Stock code: 3923 URL https://www.rakus.co.jp/en/

Representative: Representative Director and President Takanori Nakamura

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Notification of revision of consolidated full-year guidance

RAKUS CO., LTD. (hereinafter the "Company"), in light of recent business trends, decided at a board meeting held on July 30, 2020 to revise the full-year guidance for the fiscal year March 2021 (from April 1, 2020 to March 31, 2021) which was disclosed at the earnings result on July 31, 2020 as follows:

1. Revision of the consolidated guidance for the fiscal year March 2021 (from April 1, 2020 to March 31, 2021)

	Sales	Operating profit	Ordinary profit	Profit attributable to owners of the parent company	Earnings per share
The guidance disclosed previously (A)	(million yen) 14,670	(million yen) 3,290	(million yen) 3,300	(million yen) 2,493	(yen) 13.76
The revised guidance (B)	15,119	3,604	3,617	2,720	15.01
Difference (B-A)	449	314	317	227	—
Difference (%)	3.1	9.5	9.6	9.1	—
Earnings results of the previous fiscal year （FY 2020）	11,608	1,174	1,177	799	4.41

The Company conducted a two-for-1 stock split of common stock on October 1, 2019 and October 1, 2020. EPS is calculated assuming that the stock split was conducted at the beginning of the fiscal year ending March 2019.

2. Reasons for the revision

Compared to the earnings forecast and assumptions issued on July 14, 2020, although the utilization rate of IT outsourcing business has been worse than the Company forecasted, the Company expects consolidated sales to outperform it, since new orders for " Raku Raku Seisan ", " Rakuraku Meisai " and " Email distribution " of cloud business has been exceptionally strong.

Since the Company provides stock-type business and there are few variable costs directly linked to sales, it is expected that profit margin for each stage grow at a rate higher than if of sales .