August 14, 2020

For immediate release

Company name:	kaonavi, inc.
Representative:	Hiroki Yanagihashi Representative Director, President & CEO
Code:	4435 (TSE Mothers)
Inquiries:	Kimitaka Hashimoto Director & CFO
Tel:	03-5775-3823

Revision of the Financial Forecast for the Six Months Ending September 30, 2020

After reviewing the recent business trends, kaonavi, inc. (the "Company") has revised the financial forecast for the first half of current fiscal year ending March 31, 2021 (April 1, 2020–September 30, 2020), which was announced May 14, 2020, as follows.

1. Revision of financial forecast for the six months ending September 30, 2020 (April 1, 2020–September 30, 2020)

	Net sales	Operating profit	Ordinary profit	Net profit	Earnings per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previously announced forecast (A)	1,420 ~ 1,600	(80) ~ 120	(82) ~ 118	(115) ~60	(10.51) ~ 5.48
Revised forecast (B)	1,575	145	143	75	6.68
Change (B-A)	155 ~ (25)	225 ~ 25	225 ~ 25	190 ~ 15	
Change (%)	10.9 ~ (1.6)	—	—	—	
Same period last year result (Six months ended September 30, 2019)	1,211	(4)	(5)	(7)	(1.21)

2. Reasons for the revision

The spread of COVID-19 had an impact on our business activities, including sluggish lead generation and prolonged lead time to closing, however, the business environment surrounding the Company has been improving since late May when the state of emergency was lifted.

Net sales are forecast to grow by 30.0% YoY with a gradual recovery after bottoming out in the first quarter although the pace of new customer acquisition will be slower than in the previous year. Gross profit is expected to be 1,185 million yen (75.2% gross profit margin) due to a higher than expected gross profit margin.

From the mid-to-long term perspective of enhancing corporate value, the Company focuses more on future business growth than immediate profitability. The Company intends to balance disciplined expense management with flexible growth investments in line with the business surroundings while working to ensure stable business and financial operations to cope with the uncertainty external environment.

NOTE: The forecasts above are based on the information currently available to the Company. Actual results may differ depending on various factors.