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October 16, 2023


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# Notice Concerning Revision to Consolidated Earnings Forecasts and Dividend Forecasts for FY2023.10

Nareru Group Inc. (the "Company") hereby announces that, at the Board of Directors' meeting held on October 16, 2023, it is resolved to revise the consolidated earnings forecasts and dividend forecasts for FY2023.10 (November 1, 2022 to October 31, 2023) announced on July 21, 2023, in light of the most recent operating trends and other factors.

1. Revision to full-year consolidated earnings forecasts

(1) Revision to the current period consolidated earnings forecasts (November 1, 2022 to October 31, 2023)

(Unit: millions of yen)

| | Revenue | Gross profit | Operating profit | Profit before tax | Profit attributable to owners of parent | Basic earnings per share |
|---|---|---|---|---|---|---|
| Previous forecasts (A) | 17,482 | 4,769 | 2,162 | 2,111 | 1,485 | 179.05 yen |
| Revised forecasts (B) | 17,910 | 5,070 | 2,400 | 2,350 | 1,600 | 193.72 yen |
| Change (B-A) | 428 | 301 | 238 | 239 | 115 | 14.67 yen |
| Change (%) | 2.4 | 6.3 | 11.0 | 11.3 | 7.7 | 8.2 |
| (Reference) Previous period results (FY2022.10) | 14,540 | 4,229 | 2,039 | 1,852 | 1,242 | 150.58 yen |

Note: Basic earnings per share in these revised forecasts are based on the average number of shares during the nine months ended July 31, 2023.

(2) Reason for the revision

During the third quarter accounting period (May 1, 2023 to July 31, 2023), revenue increased due to increase in the contract unit price beyond expectations as a result of sales efforts, in addition to steady growth in the number of active engineers. In the fourth quarter accounting period (August 1, 2023 to October 31, 2023), both the number of active engineers and the contract unit price are expected to remain growing steadily, and revenue has been revised upward from the previous forecasts.

In terms of profits, an increase in revenue resulting from a rise in the contract unit price contributed to an increase in gross profit. As a result, other stage profits below gross profit also increased. Even after factoring in strategic up-front investment for growth in the next fiscal year and beyond planned for the fourth quarter accounting period (August 1, 2023 to October 31, 2023), profits are still expected to increase due to an increase in revenue, and therefore all of stage profits have been revised upward.

2. Revision of dividend forecast

(1) Details of the revision

| | Annual dividend | | |
|---|---|---|---|
| | End of second quarter | End of period | Total |
| Previous forecasts | | 90.00 yen | 90.00 yen |
| Revised forecasts | | 95.00 yen | 95.00 yen |
| Current period results | 0.00 yen | | |
| Previous period results (FY2022.10) | 0.00 yen | 0.00 yen | 0.00 yen |

(2) Reason for revision to dividend forecasts

The year-end dividend for current period is planned to be ¥95 per share, which is increased by ¥ 5 per share from the previous forecasts, considering the upward revision of the consolidated earnings forecasts.

* The earnings and dividend forecasts in this document are based on the information that is available to the Company, as well as certain assumptions that are deemed to be reasonable, and they are not meant to be a commitment by the Company. Earnings and dividend actuals may differ significantly from these forecasts due to various factors.