August 14, 2024

Company name: Net Protections Holdings, Inc.
Representative: Shin Shibata, President and Representative Director
(Securities code: 7383; Prime Market of the Tokyo Stock Exchange)
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Notice of Revision to Earnings Forecast for the Fiscal Year Ending March 31, 2025

Net Protections Holdings, Inc. (the "Company") hereby announces that, in light of the latest performance trends, it has revised its earnings forecast for the fiscal year ending March 2025 (April 1, 2024 to March 31, 2025), which was disclosed on May 15, 2024, as follows.

1. Revised consolidated earnings forecasts for the six months ended September 30, 2024 (April 1, 2024 to September 30, 2024)

(Millions of yen, unless otherwise indicated)

	Total operating revenue	Operating profit	Profit before income taxes	Profit attributable to owners of the parent	Basic earnings per share (Yen)	GMV	Gross profit	EBITDA
Previous forecasts (A)	10,740	(243)	(283)	(167)	(1.72)	300,000	4,024	628
Revised forecasts (B)	10,740	316	266	223	2.29	300,000	4,414	1,158
Change (B – A)	—	560	550	390	4.01	—	390	530
Change (%)	—	—	—	—	—	—	9.7%	84.4%
(Reference) Actual results for the six months ended September 30, 2023	10,330	(605)	(623)	(496)	(5.13)	273,822	3,682	142

2. Revised full-year consolidated earnings forecasts for the fiscal year ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(Millions of yen, unless otherwise indicated)

	Total operating revenue	Operating profit	Profit before income taxes	Profit attributable to owners of the parent	Basic earnings per share (Yen)	GMV	Gross profit	EBITDA
Previous forecasts (A)	23,000	520	433	268	2.75	630,500	9,062	2,273
Revised forecasts (B)	23,000	1,080	983	658	6.76	630,500	9,452	2,803
Change (B –A)	—	560	550	390	4.01	—	390	530
Change (%)	—	107.6%	127.0%	145.5%	145.8%	—	4.3%	23.3%
(Reference) Actual results for the fiscal year ended March 31, 2024	20,844	(627)	(820)	(828)	(8.55)	565,987	7,795	1,037

Notes: 1. Per share information of the consolidated earnings forecasts for the six months ended September 30, 2024 and the full-year consolidated earnings forecasts for the fiscal year ending March 31, 2025 is based on the number of shares issued (excluding treasury shares) as of March 31, 2024.
2. The Company additionally discloses non-GAAP performance measures that are not prescribed by IFRS, the accounting standards applied by the Company, as we believe that such measures are useful for investors to assess the Group's operating performance.

Non-GAAP performance measure	Description
GMV	Gross merchandise value for the Group's payment services
Gross profit	Revenue – (Invoicing related expenses + Bad debt related expenses + Other payment-related expenses)
EBITDA	Operating profit + (Depreciation and amortization + Share-based payment expenses + Loss on disposal of property, plant and equipment + Impairment losses – Gain on reversal of impairment losses)

3. Reasons for the revision

The effects of the various initiatives to generate profits listed below were realized earlier than planned at the time of the previous announcement of the forecast figures, and the actual figures exceeded the planned figures, so the difference between the planned figures for the first quarter and the actual figures was added to the figures, and the earnings forecast was revised.

GMV and total operating revenue

・Progressed as planned, with no difference between forecast and actual figures.

Operating profit, profit before income taxes, profit attributable to owners of the parent, basic earnings per share, gross profit, and EBITDA

・Thanks to credit screening improvement measures for each service, we were able to lower the delinquency rate earlier than planned.
・After investing in strengthening our systems up to the previous fiscal year, we have since been working to improve efficiency by making full use of the strengthened systems. As a result, the SG&A expense ratio decreased earlier than planned.

As we will continue to focus on the measures mentioned above, we expect profitability to improve on an ongoing basis, but we have not revised our forecasts for the second quarter and beyond because we cannot accurately predict the impact of the collection of administrative fee for late payment, which began in the second quarter, or the fluctuations in bad debt-related expenses due to credit screening improvement measures at this time.

<Notes on forecasts>
Forward looking statements on our full-year financial forecasts contained in this notice were prepared based on information available as of the date of this notice and certain assumptions that we recognized to be reasonable. Actual results may differ from the forecasted figures due to various factors arising in future.