November 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 Concerning Variance between Consolidated Earnings Forecasts and Actual Results for Six Months Ended September 30, 2024 and Revision to Full-Year Consolidated Forecasts for the Fiscal Year Ending March 31, 2025

Net Protections Holdings, Inc. (the "Company") hereby announces the difference between its consolidated earnings forecast for the first half of the fiscal year ending March 31, 2025 (April 1, 2024 to March 31, 2025) and actual results, as well as revisions to full-year consolidated forecasts, which was disclosed on August 15, 2024, as follows.

1. Variance between the consolidated financial forecasts and the actual results 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	316	266	223	2.29	300,000	4,414	1,158
Actual results (B)	11,021	866	829	468	4.82	304,794	4,904	1,678
Change (B – A)	281	549	563	245	—	4,794	489	520
Change (%)	2.6%	173.5%	211.3%	110.2%	—	1.6%	11.1%	44.9%
(Reference) Actual results for the six months ended September 30, 2023	10,330	(605)	(633)	(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	1,080	983	658	6.76	630,500	9,452	2,803
Revised forecasts (B)	23,281	1,700	1,604	1,039	10.68	635,294	10,262	3,396
Change (B –A)	281	619	620	381	—	4,794	809	592
Change (%)	1.2%	57.3%	63.1%	57.9%	—	0.8%	8.6%	21.2%
(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 variance and the revision

GMV and total operating revenue

・The first half progressed as planned, with no significant differences between the forecast and actual results.
・Since the second quarter and beyond are expected to progress as planned, the full-year forecast remains unchanged.

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

・During the second quarter, the Company worked to reduce costs by improving credit screening and billing operations for each service, and also worked to improve efficiency in SG&A expenses. As a result, actual results exceeded the forecast.
・As mentioned above, the Company's performance in the first half was favorable, and it is expected to remain solid from here on, so the Company revised its full-year forecast upwards. In addition, since it became possible to more accurately estimate the impact of late payment administrative fee for NP *Atobarai* which started from July 2024, it has also been reflected in the revised forecast.
・In addition, a portion of the expected profits was allocated to SG&A expenses in order to make additional marketing investments with the aim of further GMV growth in the next fiscal year and beyond.

<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.