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Feb. 13, 2025

# Notice Regarding the Revision of Consolidated Earnings Forecast, Non-Consolidated Earnings Forecast, and Recording of Loss on Valuation of Investment Securities as an Extraordinary Loss

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Our company has revised the consolidated earnings forecast for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025), which was previously announced on May 10, 2024. This revision, as outlined below, was decided at the Board of Directors meeting held on February 13, 2025, based on recent business performance trends.

Although we do not disclose individual earnings forecasts, we would like to inform you that a variance is expected between the forecasted non-consolidated earnings for the fiscal year ending March 31, 2025, and the previous year's actual results.

Additionally, we have recorded an extraordinary loss for the nine months ended December 31, 2024, as detailed below.

## 1. Revision of Consolidated Earnings Forecast for Fiscal Year Ending March 2025 (from April 1, 2024 to March 31, 2025)

| | Net sales | Recurring revenue | Operating profit | Ordinary profit | Profit attributable to owners of parent | Basic earnings per share |
|---|---|---|---|---|---|---|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen | Millions of yen | yen |
| Previous Forecast(A) (Announced on May 10, 2024) | 9,912 | — | 925 | 913 | 686 | 15.87 |
| Revised Forecast (B) | 9,000 | 6,550 | 650 | 640 | 310 | 6.90 |
| Increase/Decrease Amount (B - A) | (912) | — | (275) | (272) | (375) | |
| Increase/Decrease Rate (%) | (9.2) | — | (29.7) | (29.8) | (54.8) | |
| (Reference) Previous Fiscal Year Results (Fiscal Year Ended March 2024) | 7,928 | 5,382 | 727 | 638 | 485 | 12.59 |

(Note) Recurring revenue (platform usage fees) arises from the continuous provision of services, such as fees for using the IoT platform. As we have decided to disclose this as a consolidated performance indicator starting from the Nine Months Ended December 31, 2024, we have not included the previous forecast, the amount of increase/decrease, or the rate of change.

## 2. Non-Consolidated Earnings Forecast for Fiscal Year Ending March 2025 (from April 1, 2024 to March 31, 2025)

| | Net sales | Ordinary profit (loss) | Profit (loss) | Basic earnings per share (loss per share) |
|---|---|---|---|---|
| | Millions of yen | Millions of yen | Millions of yen | yen |
| Previous Fiscal Year Results (Fiscal Year Ended March 2024) (A) | 5,428 | (228) | (152) | (3.95) |
| Revised Forecast (B) | 6,078 | 391 | 192 | 4.29 |
| Increase/Decrease Amount (B - A) | 650 | 619 | 344 | |
| Increase/Decrease Rate (%) | 12.0 | — | — | |

## 3. Reasons for the Revision of Consolidated Earnings Forecast and the Forecasted Variance Between the Previous Fiscal Year's Actual Results and the Non-Consolidated Earnings Forecast

<Reasons for the Revision of Consolidated Earnings Forecast>

Although recurring revenue (platform usage fees) has been performing well due to the continuous growth in the number of paying accounts (Note 1) and ARPA (Note 2), delays in the delivery of large-scale projects have resulted in an expected decline of 9.2% compared to the previous earnings forecast.

Additionally, due to the revision of net sales, operating profit and ordinary profit are expected to decrease by 29.7% and 29.8%, respectively, compared to the previous forecast. Furthermore, profit attributable to owners of parent is expected to decline by 54.8% due to the recording of a loss on valuation of investment securities, as stated in Section 4.

(Note 1) The number of billed accounts refers to the number of accounts that generated recurring revenue within a given month. This includes cases where a single corporate customer holds multiple accounts for different departments or operations.

(Note 2) Abbreviation for Average Revenue Per Account. This is a metric representing the average recurring revenue per billed account.

< Reasons for the Forecasted Variance Between the Previous Fiscal Year's Actual Results and the Non-Consolidated Earnings Forecast>

Net sales are expected to increase by 12.0% compared to the previous fiscal year, and ordinary income is forecast to be positive. Regarding net income, due to the recording of a loss on valuation of investment securities, it is forecasted to be 192 million yen.

※ The above forecasts are based on information available as of the date of this announcement. Actual results may differ from these forecasts due to various factors that may arise in the future.

## 4. Recording of Loss on Valuation of Investment Securities as an Extraordinary Loss

As of the end of December 2024, we determined that the fair value of a portion of our investment securities had significantly declined compared to their book value.

As a result, in the third quarter of the nine months ended December 31, 2024, we recorded a loss on valuation of investment securities of 198 million yen as an extraordinary loss.