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For Immediate Release

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Notice of Revision of Financial Results Forecast

Bengo4.com, Inc. (hereafter the “Company”) hereby announces that the Company revised its results forecasts for the fiscal year ending March 31, 2025 announced on May 10, 2024 based on a review of recent trends in its operating performance.

Details

1. Revision of results forecast

Consolidated results forecasts for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

	Net sales	EBITDA	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Previous forecast (A)	14,740 million yen	2,500 million yen	1,700 million yen	1,700 million yen	1,000 million yen	44.71 yen
Revised forecast (B)	14,000 million yen	2,100 million yen	1,310 million yen	1,320 million yen	950 million yen	42.34 yen
Change (B-A)	-740 million yen	-400 million yen	-390 million yen	-380 million yen	-50 million yen	—
Change (%)	-5.0%	-16.0%	-22.9%	-22.4%	-5.0%	—
(Reference) Results of previous fiscal year	11,323 million yen	1,887 million yen	1,236 million yen	1,315 million yen	837 million yen	37.62 yen

2. Reason for the revision

Net sales are expected to be lower than the initial forecast. In the Media business, sales from conference advertising service and recruitment service in specialized areas other than the legal sector did not increase significantly as initially planned.

Sales from the CloudSign service in the IT/Solutions business, the core business, were slightly lower than initially anticipated. However, the number of new paying companies, fees per company, and new recurring revenue for the fiscal year under review are projected to hit record highs, reflecting strong societal demand for electronic contract services. The fixed sales for December 2024 achieved the budget and shifted to a growth trajectory that exceeded the initial plan, as the unification of the fee structure for December 2024 contributed to the results above expectations.

Consequently, net sales are revised to 14,000 million yen.

Selling, general and administrative expenses are likely to be lower than initially planned as the Company is focusing on reducing various costs to create a high profitable structure, although it is making upfront investments in Legal Brain products to offer multiple products.

Consequently, the Company has revised operating profit to 1,310 million yen and ordinary profit to 1,320 million yen.

As stated in the Notice Concerning Posting of Extraordinary Income on Sale of Investment Securities issued on January 16, 2025, the Company plans to record an extraordinary income of 228 million yen in the fourth quarter of the fiscal year ending March 31, 2025, and has revised profit attributable to owners of parent to 950 million yen.

The Company has revised the results forecasts as stated above, but is improving its revenue structure to a leaner one through carefully balanced investments, while making active upfront investments in future growth. In addition, since the competition for LLM development intensifies worldwide, costs for AI investments such as systems, etc., as upfront investments are expected to decrease for the Company. For the fourth quarter of the fiscal year ending March 31, 2025, operating profit is projected to be approximately 550 million yen. The operating profit ratio is anticipated to be around 15%. The Company is developing a system to achieving significant profit growth from the next fiscal year.

The forward-looking statements such as results forecasts are based on the information currently available to the Company and certain assumptions that the Company judges as rational. These statements are not guarantees of future performance. Actual results may differ substantially from the forecasts due to various factors.