



September 14, 2022

To whom it may concern,

Company name: NEOJAPAN Inc.
Representative name: Akinori Saito, Representative
Director and President
(Code: 3921, Tokyo Stock
Exchange Prime Market)
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Notice of Changes to the Consolidated Financial Results Forecast

NEOJAPAN Inc. (the Company) hereby announces that it made the following changes to the consolidated financial results forecast for the fiscal year ending January 31, 2023 which was published on March 17, 2022 at the meeting of the Board of Directors held on September 14, 2022, considering the latest trends in financial results and other matters.

1. Changes to the figures for consolidated financial results forecast for the fiscal year ending January 31, 2023 (February 1, 2022 – January 31, 2023)

(1) Details of the changes

(Million yen)

	Consolidated net sales	Consolidated operating profit	Consolidated ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Previous forecast (A)	6,271	1,271	1,359	920	61.77 yen
Revised forecast (B)	5,989	1,094	1,182	782	52.48 yen
Amount of change (B - A)	(282)	(177)	(176)	(138)	
Rate of change (%)	(4.5)	(13.9)	(13.0)	(15.0)	
(Reference) Consolidated financial results for the previous fiscal year (Fiscal year ended January 31, 2022)	5,920	1,247	1,361	866	58.17 yen

(2) Reasons for the changes

Consolidated net sales for the system development service business are expected to decrease by approximately 230 million yen from the initial forecast because the system development service business expects to experience a continued decrease in sales caused by an impact of a reduction in the size of systems undertaken by major customers and a decrease in the number of personnel for such reasons as retirement in the second half of the fiscal year. Net sales for the software business are expected to decrease by approximately 42 million yen because net sales of cloud services are likely to be lower than the initial forecast though those of packaged products and others are likely to be higher than the initial forecast.

Consolidated operating profit is expected to decrease by approximately 82 million yen from the initial forecast mainly because the software business is planning to additionally spend advertising expenses of approximately 64 million yen to raise awareness in the second half of the fiscal year while the net sales are expected to be lower than the original forecast as described above. In addition, operating profit for the system development service business is expected to decrease by approximately 64 million yen due mainly to a decrease in net sales. In the overseas business, operating profit is expected to decrease by approximately 32 million yen from the initial forecast due to an increase in investment by a U.S. subsidiary in the development of new services and an increase in personnel expenses for subsidiaries in ASEAN.

As a result, consolidated net sales and profits are expected to be lower than the previous forecast. Accordingly, the Company made changes to the figures for consolidated financial results forecast for the fiscal year ending January 31, 2023 as described above.

(Note) The above forecast was prepared based on the information available on the date of notification of this document, and actual financial results and others may vary from the forecast due to various reasons.