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News Release

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Notice on Revisions to the Full-Year Business Results Forecasts

Miroku Jyoho Service Co., Ltd. (hereinafter the "Company") hereby announces that it has revised its forecasts of the full-year results for the fiscal year ending March 31, 2021, which was announced on May 13, 2020. The details are as follows:

1. Revisions to the business results forecasts

(1) Revisions to forecasts of consolidated business results for the fiscal year ending March 31, 2021 (April 1, 2020 to March 31, 2021)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecasts (A)	36,000	3,580	3,600	2,340	75.79
Revised forecasts (B)	33,500	4,400	4,350	2,570	83.45
Change (B - A)	-2,500	820	750	230	
Percentage change	-6.9	22.9	20.8	9.8	
(Reference) Results of previous FY (ended March 31, 2020)	35,501	5,227	5,311	1,839	59.59

(2) Revisions to forecasts of non-consolidated business results for the fiscal year ending March 31, 2021 (April 1, 2020 to March 31, 2021)

	Net sales	Ordinary income	Net income	Net income per share
	Million yen	Million yen	Million yen	Yen
Previous forecasts (A)	29,700	3,300	2,220	71.90
Revised forecasts (B)	29,700	4,650	2,930	95.14
Change (B - A)	—	1,350	710	
Percentage change	—	40.9	32.0	
(Reference) Results of previous FY (ended March 31, 2020)	31,898	4,917	1,563	50.65

## 2. Reason for revisions

In the first six-month period under review, the number of software maintenance contracts increased due to our focus on acquiring new customers of middle-standing/small to medium-sized companies for the mainstay ERP products. In addition, the Company started providing cloud services and ERP products in the subscription model (subscription fee method) on a full-scale basis. Consequently, software use revenue grew and stock-type service revenue rose. Moreover, the realization rate to the previously announced full-year consolidated business results forecasts was 69.5% on an ordinary income basis, reflecting cost and expense reductions.

In the third quarter to the fourth quarter, the Company will facilitate the provision of cloud services and ERP products in subscription model and endeavor to increase service revenue. The Company plans to gradually increase its activity level and reinforce its sales promotion activities to acquire new customers by actively having face-to-face communication with them and holding online/offline seminars and training sessions.

With regard to the impact of the COVID-19 pandemic, social and economic activities rapidly slowed down following the stay-at-home requests associated with the declaration of a state of emergency issued in April, and customers were cautious in their investment decisions. In addition, some restrictions appeared on the Group's sales activities and system installation support activities. Although it is expected that the situation will be gradually contained going forward, social and economic activities have yet to recover. It is difficult to predict the exact future outlook, but the Company expects that its business environment will normalize in the fiscal year ending March 31, 2022 and onwards.

In light of these factors, consolidated net sales for the fiscal year ending March 31, 2021 are expected to be lower than the previous forecasts by 2,500 million yen (down 6.9%), reflecting sluggish business performance of affiliates due to the impact of the COVID-19 pandemic. In terms of profits, by working on cost and expense reductions, operating income, ordinary income, and net income attributable to owners of parent are expected to be higher than the previous forecasts by 820 million yen (22.9%), 750 million yen (20.8%), and 230 million yen (9.8%). Accordingly, the full-year business results forecasts were revised.

(Note) The above business results forecasts have been prepared based on available information as of the date on which this material was announced, and actual results may differ from the forecasts due to a variety of factors going forward.