



January 14, 2021

Company Name: Kitanotatsujin Corporation
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(Stock code: 2930)
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Notice Regarding Revision of Financial Results Forecast (Upward)

Kitanotatsujin Corporation (hereinafter the “Company”) has revised its forecast of financial results released on April 14, 2020 in light of recent earnings trends, as described below.

● Revision of financial results forecast

Revision to forecast of non-consolidated financial results for the year ending February 28, 2021 (March 1, 2020 to February 28, 2021)

	Net sales	Operating profit	Ordinary profit	Profit	Earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	8,227	2,006	2,007	1,357	9.77
Revised forecast (B)	9,100	2,006	2,007	1,357	9.77
Changes (B-A)	872	—	—	—	
Changes (%)	10.6	—	—	—	
(Reference) Financial results for the year ended February 29, 2020	10,093	2,915	2,923	1,974	14.21

Reasons for revision

In the first nine months of the year ending February 28, 2021, the number of new customer acquisitions exceeded expectations due to factors including the release of new products, favorable sales promotion measures, and strong customer acquisition through Internet shopping malls such as Amazon and Rakuten Ichiba, as well as through affiliates. As a result, we have upwardly revised our previously announced non-consolidated forecast of financial results for the year ending February 28, 2021.

Meanwhile, the Company has left the previous forecast for each level of profit unchanged, as it is investing more than planned in advertising to acquire new customers that will bring in future sales and profits, and may continue to strategically expand advertising investment in the fourth quarter of the year ending February 28, 2021.

(Reference) The Company has adopted a subscription-based business model, and the ability to acquire new customers who will bring in future sales and profits is important in developing the business. Advertising expenses to acquire such new customers are positioned as upfront investments for companies engaged in e-commerce business. In order to secure the necessary profit, the Company sets the CPO limit (the maximum amount of advertising expenses that can be used per order), and proactively invests in advertising expenses within that range to prevent opportunity loss.

(Note) The above forecast of financial results is based on information available to the Company as of the date of publication of this document, and actual results may differ from the forecast due to various factors in the future.