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To whom it may concern:

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Notice on Difference between Forecast and Actual Results of Consolidated Earnings for the Year Ended December 2020

Please be advised that a difference has arisen between the Company's consolidated earnings forecast for the year ended December 2020 announced on August 14, 2020 and the actual results announced today as follows.

1. Difference between forecast and actual results of consolidated earnings for the year ended December 2020 (January 1, 2020 - December 31, 2020)

(Unit: million yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
Forecast in the previous announcement (A)	7,520 ~8,100	0 ~500	0 ~500	(55) ~394	(2.72) yen ~19.30 yen
Actual results (B)	8,288	803	747	584	28.18 yen
Amount of increase or decrease (B-A)	188 ~768	303 ~803	247 ~747	190 ~640	—
Rate of increase or decrease (%)	2.3% ~10.2%	— ~60.6%	— ~49.6%	— ~48.2%	—
(Reference) Results of the previous fiscal year (Year ended December 2019)	3,849	(441)	(455)	(459)	(38.73) yen

2. Reason for the difference

In the BASE business, the gross merchandise volume (GMV) was estimated to be between 88,000 million yen and 96,000 million yen (up 104.8% - 123.4% YoY) on an order basis and between 78,320 million yen and 84,480 million yen (up 105.8% - 122.0% YoY) on a settlement basis. However, the actual GMV exceeded the upper limit of forecast and reached 87,717 million yen on a settlement basis while that on an order basis landed within the forecast range at 95,296 million yen. Net sales and gross profit on sales were estimated respectively to be between 6,600 million yen and 7,080 million yen (up 106.3% - 121.3% YoY) and between 4,390 million yen and 4,710 million yen (up 103.6% - 118.4% YoY). However, both net sales and gross profit on sales exceeded the upper limit of forecast respectively to 7,321 million yen and 4,872 million yen as GMV on a settlement basis exceeded the upper limit of forecast.

In the Pay business, GMV, net sales, and gross profit on sales were estimated respectively to be between 34,000 million yen and 38,000 million yen (up 42.1% - 58.8% YoY), 900 million yen and 1,000 million yen (up 39.7% - 55.3% YoY), and between 90 million yen and 100 million yen (up 33.2% - 48.0% YoY), but GMV, net sales, and gross profit on sales all landed within a forecast range respectively at 36,069 million yen, 939 million yen and 92 million yen.

As for the full-year forecast of our group as a whole, we estimated consolidated net sales for the full year ended December 2020 to be between 7,520 million yen and 8,100 million yen (up 95.3% - 110.4% YoY), and consolidated gross profit on sales to be between 4,500 million yen and 4,830 million yen (up 101.7% - 116.5% YoY). However, since the actual results exceeded the upper limit of forecast in the BASE business, both consolidated net sales and consolidated gross profit on sales exceeded the upper limit of forecast respectively at 8,288 million yen and 4,992 million yen.

Selling, general and administrative expenses were estimated to be between 4,000 million yen and 4,830 million yen (up 49.7% - 80.7% YoY), but selling, general and administrative expenses landed within the level close to the upper limit of the forecast at 4,189 million yen, as personnel expenses, in anticipation of increasing product personnel proportion to expanded services, lowered the plan while advertising expenses landed within the level close to the upper limit of the plan by undertaking aggressive promotional campaigns.

Operating profit is estimated to be between 0 million yen and 500 million yen, ordinary profit is estimated to be between 0 million yen and 500 million yen, and profit is estimated to be between minus 55 million yen and 394 million yen. However, operating profit, ordinary profit and profit all exceeded the upper limit of forecast respectively at 803 million yen, 747 million yen and 584 million yen since the actual results exceeded the upper limit of forecast in the BASE business and selling, general and administrative expenses landed within the forecast range.

The end.