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January 7, 2022

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(Stock code: 7068 TSE-Mothers)
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Notice Regarding Revision of Consolidated Earnings Forecast

At a meeting of Board of Directors held on December 28,2021, Feedforce Group Inc. (hereinafter, the "Company" or simply "we") decided to revise its consolidated earnings forecast for the fiscal year ended May 31, 2022.

1.Revision of consolidated earnings forecast for the current fiscal year (From June 1, 2021 to May 31,2022)

	Net Sales	EBITDA	Operating Profit	Ordinary Profit	Profit Attributable owners of parent	Basic earnings per share
Forecast made on June 30,2021 （A）	Millions of Yen 3,047	Millions of Yen 1,266	Millions of Yen 1,092	Millions of Yen 1,083	Millions of Yen 675	Yen 25.98
Revised Forecast （B）	2,966	1,093	859	853	517	19.95
Difference （B）－（A）	△81	△173	△233	△230	△158	-
Difference（%）	△2.7	△13.7	△21.4	△21.3	△23.3	-
Reference: Previous year's actual results （FY2021/5）	2,587	1,058	889	874	472	18.88

（注） 1． EBITDA = Operating profit + Depreciation + amortization
2． Since the fiscal year ended May 31,2022,the Accounting Standards for Revenue Recognition has been applied, and the above earnings forecasts are figures after the standard has been applied.
3． Net income per share is calculated based on the average number of shares outstanding during the planned period.

2.Reason for the revision

As announced on October 14, 2021, "Notice Concerning Acquisition of Shares and Underwriting of Shares" and "Notice Concerning Conversion of Fracta Inc. by Acquisition of Shares to a Consolidated Subsidiary" on December 17, 2021, "Shippinno", a service that automates shipping-related operations for EC operators Shippinno Inc. (hereinafter referred to as "Shippinno") which provides no-code tool "TēPs" specialized in e-commerce, and Fracta Inc. (hereinafter referred to as "FRACTA") are consolidated subsidiaries, which provide one-stop services from branding strategy formulation to e-commerce site construction support and creative production.

In addition to the effects of these increase in consolidated subsidiaries, based on recent performance trends, etc., based on information currently available, we have decided to disclose the newly calculated consolidated earnings forecast for the fiscal year ending May 31, 2022.

Although the impact of the spread of the new coronavirus (COVID-19) in the Group's forecast for the full-year consolidated period for the fiscal year ending May 31, 2022 remains uncertain, we judge that there is no significant impact on our business activities at this time, and we have calculated it.

The reasons for the revision of each expected amount and details by business are as follows.

In the professional services business, we initially assumed that advertising volume would increase from the end of the year to March 2022 due to seasonal factors in the advertising industry and trends from the past, but at present, sales of ¥1,971 million (down 9.5% from the previous forecast) and operating income of ¥846 million (down 6.2% from the previous forecast) as some clients are expected to reduce their advertising budgets.
In the SaaS business, we are assuming steady accumulation of business results at this time, but we will revise net sales to 739 million yen (down 5.5% from the previous forecast) and operating income of 286 million yen (up 13.9% from the previous forecast) reflecting recent trends in acquisition of new projects and sales unit sales and performance such as personnel expenses.
In the DX business, while utilizing overseas resources (FEEDFORCE VIETNAM COMPANY LIMITED, established in Ho Chi Minh City, Vietnam), we will continue to focus on the development and investment of new businesses such as the development of apps for Shopify for the current fiscal year. Shippinno Inc., which became a newly consolidated subsidiary, and the newly established FEEDFORCE VIETNAM COMPANY LIMITED are expected to contribute to the Company's consolidated financial results from the fourth quarter consolidated accounting period, and amortization of goodwill generated by the acquisition of Shippinno Co and FRACTA will be recorded. In addition to the above events, we will revise sales of the DX business to 254 million yen (up 198.8% from the previous forecast) and operating loss to 273 million yen (previous forecast operating loss of 61 million yen) considering the results of recent acquisition of new projects and personnel expenses.

* The above earnings forecasts were prepared based on certain assumptions that the Company deems reasonable information available as of the date of publication of this document, and actual results may differ from the forecast figures due to various factors.

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