



Net Protections Holdings, Inc.

Supplementary Information on Financial Results Presentation for the Fiscal  
Year Ended March 31, 2023

May 15, 2023

Q1: Please explain how you have factored the macro environment, particularly the impact of the amended PMD Act and trends in e-commerce consumption, into the GMV as part of your earnings forecast.

It is projected based on the actual results and trends over the past year.

We assume that recovery from the impact of the amended PMD Act peaked out in the fourth quarter, and no further recovery can be expected going forward.

Also, we have estimated the GMV growth rate of the existing merchants by assuming that the domestic e-commerce merchandise consumption in the fiscal year ending March 31, 2024 will grow at the rate more or less the same as that in the fiscal year ended March 31, 2023, which was limited to 1% to 2% year on year based on our analysis.

Q2: Please explain how you have factored the order backlog that was disclosed in the second quarter of the fiscal year ended March 31, 2023 into the GMV as part of your earnings forecast, along with to what extent you have reflected the order backlog that is expected to build up since October 2023.

The order backlog announced in the second quarter of the fiscal year ended March 31, 2023 is reflected in the earnings forecast.

On the other hand, the order backlog building up since the third quarter has not been reflected in the earnings forecast.

This is because, while we have a number of merchants in the pipeline scheduled to launch operations in the fiscal year ending March 31, 2024, the timing of the launch is subject to change as we are considering system development and operational adjustments.

Accordingly, we are treating it as an upside potential.

※A transcript of the actual Q&A on the day of the financial results presentation will be uploaded at a later date on our IR page.

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