November 9, 2023

Revision of Business Forecasts for the Fiscal Year ending March 2024

ACOM CO., LTD. announces to revise its earnings forecasts for the Fiscal Year ending March 2024 (From April 1, 2023, to March 31, 2024) previously released on May 11, 2023, based on its recent business performance.

1. Revision of the Earnings Forecasts for the Fiscal Year ending March 2024
(From April 1, 2023, to March 31, 2024)

(1) Consolidated (Millions of yen, %)

	Operating Revenue	Operating Profit	Ordinary Profit	Profit Attributable to Owners of Parent	Basic Earnings per Share (yen)
Previous Forecast (A)	284,300	90,400	90,600	57,900	36.96
Revised Forecast (B)	293,100	84,500	84,800	52,900	33.77
Difference (B - A)	8,800	-5,900	-5,800	-5,000	
Percentage Change (%)	3.1	-6.5	-6.4	-8.6	
(Reference) FY March 2023 Results	273,793	87,287	87,485	54,926	35.06

(2) Non-consolidated (Millions of yen, %)

	Operating Revenue	Operating Profit	Ordinary Profit	Profit	Basic Earnings per Share (yen)
Previous Forecast (A)	210,600	67,000	72,700	51,400	32.81
Revised Forecast (B)	214,600	58,500	64,600	45,800	29.24
Difference (B - A)	4,000	-8,500	-8,100	-5,600	
Percentage Change (%)	1.9	-12.7	-11.1	-10.9	
(Reference) FY March 2023 Results	200,679	62,826	70,417	48,985	31.27

2. Context of the Revision

Japanese socio-economic activities are returning to normal against a backdrop of COVID-19 being classified as a Category V Infectious Disease and various government policies, resulting in economic conditions showing signs of gradual recovery.

At our company, the number of new customers was significantly higher than expected for the second quarter, and the efficiency of advertising is also moving towards an improved trend. Furthermore, receivables outstanding has exceeded the plan because of strong additional usage by existing customers.

In light of this situation, we decided to revise our business forecasts as provision for bad debts is expected to increase associated with an increase in receivables outstanding while continuing to strategically invest in advertising and to contribute to future performance.

3. Reasons for the Revision

(1) Consolidated Earnings Forecast

With respect to operating profit, we expect value of 144.2 billion yen (4.2 billion yen above the previous forecast up to second quarter) mainly owing to an increase in interest on operating loans and revenue from credit guarantee. In addition, we expect value of 293.1 billion yen (8.8 billion yen above the previous forecast) in operating profit as a result of a review of full-year operating revenues based on the situation up to this second quarter.

With respect to operating expenses, we expect value of 100.0 billion yen (5.6 billion yen above the previous forecast up to second quarter) mainly due to an increase in provision for bad debts and advertising expenses. As for provision for bad debts, bad debt expenses and allowance for doubtful accounts are expected to increase associated with the expansion of business scale and increase in the number of new customers. As for advertising expenses, it is also expected to increase by acquiring more new customers via Internet. In addition, we expect value of 208.6 billion yen (14.7 billion yen above the previous forecast) in operating expenses.

Due to the factors mentioned above, we expect operating income of 84.5 billion yen (down by 5.9 billion yen from the previous forecast), ordinary profit of 84.8 billion yen (down by 5.8 billion yen from the previous forecast) and profit attributable to owners of parent of 52.9 billion yen (down by 5.0 billion yen from the previous forecast).

(2) Non-consolidated Earnings Forecast

With respect to operating profit, we expect value of 105.6 billion yen (1.5 billion yen above the previous forecast up to second quarter) mainly owing to an increase in interest on operating loans and revenue from credit guarantee. In addition, we expect value of 214.6 billion yen (4.0 billion yen above the previous forecast) in operating profit as a result of a review of full-year operating revenues based on the situation up to this second quarter.

With respect to operating expenses, we expect value of 75.9 billion yen (5.5 billion yen above the previous forecast up to second quarter) mainly due to an increase in provision for bad debts and advertising expenses. As for provision for bad debts, bad debt expenses and allowance for doubtful accounts are expected to increase associated with the expansion of business scale and increase in the number of new customers. As for advertising expenses, it is also expected to increase by acquiring more new customers via Internet. In addition, we expect value of 156.1 billion yen (12.5 billion yen above the previous forecast) in operating expenses.

Due to the factors mentioned above, we expect operating income of 58.5 billion yen (down by 8.5 billion yen from the previous forecast), ordinary profit of 64.6 billion yen (down by 8.1 billion yen from the previous forecast) and profit attributable to owners of parent of 45.8 billion yen (down by 5.6 billion yen from the previous forecast).

*The above-mentioned earnings forecasts have been made based on information available on the date of this release. The final financial results may vary according to various factors.

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