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To whom it may concern

3-20-2 Nishishinjuku, Shinjuku-ku, Tokyo

Cross Marketing Group Inc.

Miki Igarashi, Representative Director, President and CEO

(Securities Code: 3675, Tokyo Stock Exchange Prime Market)

Inquiries: Koji Onozuka, Managing Director and CFO

(TEL: +81-3-6859-2259)

Notice Regarding Revision to Earnings Forecast and Period Extension of the Medium-Term Management Plan

In light of the recent performance trends, Cross Marketing Group Inc. has revised its full-year consolidated earnings forecast for the fiscal year ending June, 2024, announced on August 10, 2023.

In addition, at a meeting of the Board of Directors held today, we decided to extend the period of its Medium-term Management Plan (for the period from June 2022 to June 2024), which was announced on August 12, 2021, as follows.

1. Revisions to full-year consolidated earnings forecast for the fiscal year ending June 2024

(1) Revised full-year consolidated earnings forecast for the fiscal year ending June 2024 (July 1, 2023 to June 30, 2024)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	30,000	3,000	2,900	1,800	90.13
Revised forecast (B)	26,000	1,900	1,800	1,000	52.01
Change (B-A)	(4,000)	(1,100)	(1,100)	(800)	-
Change (%)	(13.3)	(36.7)	(37.9)	(44.4)	-
(Reference) Actual results for the previous full-year ended June 30, 2023	25,094	1,951	1,880	1,007	51.00

(2) Reason for revisions to the consolidated earnings forecast

In the six months (first half) of the fiscal year ending June 2024, (1) sales in the Data Marketing Business declined 20.2% compared to the same period of the previous fiscal year, as demand for consumer surveys from major customers mainly in the U.S. ran its course, and fell short of our plan, and (2) sales in the Insight Business remained 0.8% above the previous year's level due mainly to sluggish sales in the domestic medical field and in the U.K., and fell short of our plan. In addition, lower-than-planned sales in both of these businesses caused gross profit and operating income to come in below our plan.

As such, we have decided to revise its full-year earnings forecast for the fiscal year ending June 2024, following a careful review of the first-half results and the outlook for the third and fourth quarters (second half) of the fiscal year ending June 2024.

(3) Dividend forecast

There is no change to the annual dividend forecast of 13 yen (interim dividend of 6.5 yen and year-end dividend of 6.5 yen) announced on August 10, 2023.

2. Period Extension of the Medium-Term Management Plan

The Group has made efforts in its Medium-term Management Plan (for the period from June 2022 to June 2024), which ends in the fiscal year ending June, 2024.

However, in light of sluggish demand and declining order unit prices, mainly in the domestic media promotion area, and the demand for surveys in overseas bases running its course, we have determined that it will be difficult to achieve its initial performance targets (30 billion yen in net sales and 3 billion yen in operating income) for the final year of the Medium-term Management Plan (ending June 2024).

For this reason, in addition to revising our earnings forecast for the year ending June 2024, as explained above, we have extended the period of the Medium-term Management Plan from the three-year period spanning June 2022 through June 2024 to the four-year period ending June 2025, and have set new key performance targets for the final year (ending June 2025) of 30 billion yen in net sales and 3 billion yen in operating income. There are no changes to the policies and measures in the Medium-term Management Plan.

(Note) The above forward-looking statements are based on currently available information, and actual results may differ from these statements due to various factors that could occur in the future.