

January 30, 2024

To whom it may concern

Listed Company Name	Drecom Co., Ltd.
Representative	President and Representative Director: Yuki Naito
Code Number	3793
Contact Person	Director: Hideki Goto
TEL:	+81 (0)50-3101-9977

Notice of Revision of Full-Year Earnings Forecasts and Dividend Suspension

After analyzing our results to date, and current expectations, we revised our full-year results forecast as well as our dividend for the fiscal year ending March 31, 2024.

Notice

1. Revision of Earnings Forecasts

- (1) Revision of consolidated earnings forecast for the fiscal year ending March 31, 2024
 (April 1, 2023 - March 31, 2024)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share
Previous forecast (A)	Million yen 11,500	Million yen 500	Million yen 450	Million yen 0	Yen 0.0
Revised forecast (B)	10,000	800	700	100	3.51
Increase (Decrease) (B-A)	-1,500	300	250	100	
Increase (Decrease) (%)	-13.0	60.0	55.6	-	
(Reference) Results for fiscal year ending March 31, 2023	10,800	2,281	2,192	1,159	40.70

- (2) Reason for revision

We revised our forecast, as the revenue from existing operational titles, mainly our flagship titles, exceeded expectations. However, we have excluded contributions from new in-house releases in our projections because we are currently dedicating time to user testing, bug fixes, and additional development for content expansion to ensure a state of readiness. These activities are not expected to contribute to revenue until after their releases. The estimated contribution to net sales from new self-distributed titles for the fiscal year ending March 31, 2024, including titles already closed, has been revised from 1,784 million yen in the previous forecast to 14 million yen.

The forecast for operating income and ordinary income, as with net sales, does not include contributions from the release of new self-distributed titles, but has been revised upward due to the upswing in existing titles under management and other factors.

Net income attributable to shareholders of the parent company has been revised due to an increase in operating income and ordinary income.

Furthermore, as announced in the "Notice of Recording of Operating Expenses and Extraordinary Losses, Revision of Full-Year Earnings Forecasts, and Revision of Dividend Forecasts for Consolidated Subsidiaries (announced on July 27, 2023)" and "Notice of Recording of Operating Expenses and Extraordinary Losses (announced on October 26, 2023)", the Company closed two newly released titles and decided to terminate the development of one title that had not yet been announced or was in the prototype stage and recorded an extraordinary loss of 609 million yen.

(Note) The above forecasts are based on information available as of the date of publication of this document, and actual results may differ from these forecasts due to various factors.

2. Revision of Dividend Forecast

(1) Revision of dividend forecast for the fiscal year ending March 31, 2024

	Annual dividend (yen)		
	End of second quarter	End of period	Total
Previous Forecast		undecided	undecided
Revised Forecast		0.00 yen	0.00 yen
Actual results for fiscal year ending March 31, 2024	0.00 yen		
Actual results for fiscal year ending March 31, 2023	0.00 yen	5.00 yen	5.00 yen

(2) Reason for revision

The Company recognizes that returning profits to shareholders is one of its most important management issues, and decides on the level of profit distribution after careful consideration of trends in operating results and financial condition, as well as the status of R&D investment and other activities and future plans.

With respect to the year-end dividend forecast for fiscal year ending March 31, 2024, we regret to announce that we have revised our forecast to pay no dividend due to the increasing need for funds for the development of new in-house distribution titles and the launch of new business areas other than games for the purpose of developing and nurturing IP.

End of notice