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November 12, 2021

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### Notice of Disclosure of Consolidated Financial Forecast and Revision of Non-Consolidated Financial Forecast

At the Board of Directors' meeting held on October 22, 2021, the Company decided to acquire the shares of Focus Channel Inc. ("Focus Channel"), making the company a wholly owned subsidiary on November 1, 2021. As a result, we have decided to disclose the consolidated earnings forecast for the fiscal year ending December 31, 2021.

In addition, based on recent trends in our business performance, we have decided to revise our non-consolidated business forecast for the fiscal year ending December 31, 2021 (January 1, 2021 through December 31, 2021), which was disclosed at the time of the announcement of our full-year business results for the fiscal year ending December 31, 2020 on February 12, 2010.

#### 1. Consolidated Financial Forecast

	Consolidated net sales	Consolidated operating profit	Consolidated ordinary profit	Net profit attributable to shareholders of the parent company	Consolidated net profit per share
Financial forecast	Millions of yen 1,006	Millions of yen 16	Millions of yen 11	Millions of yen 9	Yen 0.61

#### 2. Revision of Non-Consolidated Financial Forecast (From January 1, 2021 to December 31, 2021)

	Net sales	Operating Profit	Ordinary profit	Net profit	Net profit per share
Previous financial forecast (A)	Millions of yen 1,256	Millions of yen 380	Millions of yen 370	Millions of yen 280	Yen 19.98
Revised financial forecast (B)	982	8	3	1	0.04
Increase (Decrease) (B-A)	(274)	(372)	(367)	(279)	(19.94)
Ratio of increase/decrease (%)	(21.8)	(97.9)	(99.2)	(99.8)	(99.8)
(reference) Financial results for previous fiscal year	762	170	148	147	10.85

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### 3. Reason for the revision of Non-Consolidated Financial Forecast

The Company has positioned 2022 as the first year to achieve dramatic growth and is aiming to expand its business through aggressive investment in signage advertising services and nationwide expansion with an eye to overseas expansion of the smart city business. In order to move away from providing services on a fee basis based on individual projects, which has accounted for most of our sales up to now, and to shift to providing services on a unit basis, which will enable us to achieve continuous sales per unit, we have formulated a policy of strengthening our financial base and our R&D and service provision systems.

In the midst of these efforts, we have come to the realization that we need to make a more drastic change in our business model in order to break out of the current situation as soon as possible and move into a phase of rapid growth, and have decided to forgo some of our fee-based projects in order to secure the necessary management resources.

During this fiscal year, we actively made the necessary investments in R&D and maintenance/operation services in order to build a system to realize AI software and its stable operation that can withstand unit sales, while promoting a change in our business model. We made investments that exceeded our business plan, including the establishment of an AI test field as a quality development base, and the establishment of Neural Engineering Inc., which is responsible for operations such as equipment installation and requirements definition, to build a foundation to support the shift in our business model.

As we continue to concentrate our management resources on transforming our business model and strengthen our R&D and sales structure, we have decided to revise our full-year financial forecast.

Even after the revision, net sales have increased compared to the same period of the previous year, and the gross profit margin, which measures the Company's ability to generate cash, has remained high at the 80% level. We will continue to maintain a high gross profit margin for the sales increase in 2022 and beyond due to the change in business model, which we believe will contribute to further strengthening the profitability of the entire group.

Please also refer “Q3FY2021 Financial Results Briefing Material” disclosed on November 12, 2021.

Note: The above forecasts are based on information available at the time of preparation and actual results may differ from the forecasts due to various factors in the future.