

Notice of Revision of the Financial Forecast for FY2023 and Notice of the Financial Forecast for FY2024



Stock exchange listing : Tokyo Prime Market (code : 8713)

URL : <http://www.fidea.co.jp/>

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We have revised our financial forecast for FY2023 (FY ending March 31, 2024), which had been announced on May 12, 2023. And we announce the financial forecast for the FY2024 (FY ending March 31, 2025).

1. Revision of the Financial Forecast for FY2023

Consolidated for FY ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

	Ordinary profit	Profit attributable to owners of parent	Earnings per share
	Million of Yen	Million of Yen	Yen
Previous Forecast (A)	2,900	1,800	99.54
Revised Forecast (B)	3,500	1,100	60.84
Difference (B-A)	600	(700)	
Change (%)	20.6	(38.8)	
(Reference) Previous FY (actual)	5,543	3,266	179.19

Reason for the Revision

Ordinary profit is expected to exceed the previous forecast, as interest and dividends on securities and gains/losses related to stocks are expected to exceed the initial plans in the investment section.

And, in anticipation of the merger of our subsidiaries, Shonai Bank and Hokuto Bank, which we have begun considering for implementation in FY2026 as announced on January 25 2024, we have decided to increase the allowance for loan losses due to the business conditions of some debtors, with the aim of further enhancing the soundness of our financial base. As a result, total income taxes are expected to increase, so profit attributable to owners of parent is expected to be lower than the previous forecast.

Additionally, there is no change to the dividend forecast for the FY2023. On May 12, 2023, we have announced an annual dividend of 75 yen per share (of which year-end dividend is 37.5 yen).

Our financial results for the FY2023 are scheduled to be announced on May 14, 2024.

2. The Financial Forecast for FY2024

Consolidated for FY ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

	Ordinary Profit		Profit attributable to owners of parent		Earnings per share
	Million Yen	%	Million Yen	%	Yen
FY2024	4,900	40.0	3,200	190.9	177.01

In order to achieve profit attributable to owners of parent of 4 billion yen in FY2025, the final FY of the Fifth Medium-Term Management Plan, we are planning for profit attributable to owners of parent of 3.2 billion yen in FY2024. And we will continue to increase the revenue of the customer services section, such as local business loans and corporate-related fees, and we will work to restore profitability the investment section by restructuring the securities portfolio. In addition, credit related costs are expected to increase temporarily in the FY2023 due to a result of increasing the allowance for loan losses in anticipation of the merger, but in the FY2024 they are expected approximately 1.3 billion yen, which was originally planned in the Fifth Medium-Term Management Plan.

The forecast for the second quarter of the FY2024 and the details of the forecast are scheduled to be announced on May 14, 2024, along with the financial results.

(Notes)

The financial forecast described in this material are based on information currently available to the Company and certain assumptions that the Company deems to be reasonable. Actual financial results may differ due to various factors.