

April 16, 2020

Company Name: Netyear Group Corporation
Representative: Fujiyo Ishiguro, President and Chief Executive Officer
(Code No.: 3622, Tokyo Stock Exchange Mothers Market)
Tel: +81-3-6369-0550

Parent Company: NTT DATA Corporation
Representative: Yo Honma, President and Chief Executive Officer
(Code No.: 9613, First section of Tokyo Stock Exchange)

Parent Company: Nippon Telegraph and Telephone Corporation
Representative: Jun Sawada, President and Chief Executive Officer
(Code No.: 9432, First section of Tokyo Stock Exchange)

NOTICE REGARDING NETYEAR GROUP CORPORATION'S ANNOUNCEMENT OF THE REVISION OF ANNUAL FINANCIAL FORECASTS

Based on recent business performance trends, Netyear Group Corporation (the "Company") has announced today the revision of its annual financial forecasts for the fiscal year ended March 31, 2020, which were previously announced on January 31, 2020, as stated below.

1. Revised Annual Consolidated Financial Forecasts for the Fiscal Year Ended March 31, 2020

(Millions of yen)

	Operating Revenues	Operating Income	Recurring Profit	Profit Attributable to Parent Shareholder	Earnings per Share
Previous Forecast (A)	5,300	(200)	(200)	(233)	(33.29) yen
Revised Forecast (B)	5,465	(77)	(77)	(69)	(10.00) yen
Change (B-A)	165	122	122	163	—
Percentage Change (%)	3.1	—	—	—	—
(Reference) Results for the Fiscal Year Ended March 31, 2019	5,513	21	20	(83)	(11.94) yen

2. Revised Annual Non-Consolidated Financial Forecasts for the Fiscal Year Ended March 31, 2020

(Millions of yen)

	Operating Revenues	Operating Income	Recurring Profit	Net Income	Earnings per Share
Previous Forecast (A)	3,350	(50)	(50)	(52)	(7.43) yen
Revised Forecast (B)	3,493	50	49	38	5.50 yen
Change (B-A)	143	100	99	90	—
Percentage Change (%)	4.3	—	—	—	—
(Reference) Results for the Fiscal Year Ended March 31, 2019	3,403	(58)	(57)	(133)	(19.05) yen

3. Reasons for the Revisions

(1) Consolidated Financial Results

As a result of an increase in transactions with the Company's parent company, NTT DATA Corporation, among other factors, the Company anticipates that its operating revenues will increase compared to the previous forecast. The Company anticipates that both operating income and recurring profit will increase compared to the previous forecast as a result of the increase in income in connection with the increase in operating revenues, as well as the effect of reductions in development costs due to strengthened project management and other factors. The Company also anticipates that profit attributable to parent shareholder will increase compared to the previous forecast as a result of the increase in recurring profit and consolidated subsidiaries of the Company intending to record deferred tax assets.

(2) Non-Consolidated Financial Forecasts

As a result of an increase in transactions with the Company's parent company, NTT DATA Corporation, among other factors, the Company anticipates that its operating revenues will increase compared to the previous forecast. The Company anticipates that its operating income, recurring profit and net income will also increase compared to the previous forecast as a result of the increase in income in connection with the increase in operating revenues, as well as the effect of reductions in development costs due to strengthened project management and other factors.

4. Dividend Forecasts

With respect to distribution of profits, the Company's fundamental policy is to both secure internal reserves required for future business development and for strengthening its management structure while also making stable and continuous dividends. The Company expects to pay an annual dividend of ¥3.25 per share as initially announced.

Note on Financial Forecasts:

The above forecasts are based on the information currently available to the Company as of the date of this announcement, and include certain potential risks and uncertainties. As a result, various factors in the future could cause actual results to differ materially from the above forecasts.