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To each

F I S C O L t d .
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Notice of Amendment to Mid-Term Business Plan

I. Reason for Review of Mid-Term Business Plan

The Company announced that it has amended its full-year earnings forecasts for the fiscal year ending December 2019 in accordance with the change of consolidated subsidiary NCXX Group Inc. (hereinafter “NCXX Group”) to an equity-method affiliate from the third quarter of the fiscal year ending December 31, 2019.

II. Background to the Review of the Mid-Term Business Plan

FISCO Ltd. absorbed and merged FISCO DIAMOND AGENCY, Inc. (hereinafter “FDAC”) and FISCO IR Co., Ltd. (hereinafter “FIR”) on July 2019, and is promoting business reorganization to reduce expenses and achieve efficient management by integrating their management divisions.

The Company has reduced the balance of interest-bearing debt from ¥2,654 million in the first quarter of the fiscal year ending December 2019 to ¥570 million by this absorption and merger as well as transferring its shares of NCXX Group on July 8, 2019, as consideration for the purchase and cancellation of its First Series of Unsecured Convertible Bonds with Stock Acquisition Rights issued in September 2018.

In addition, the Group expects to increase equity by approximately ¥500 million.

Furthermore, on July 31, 2019, the Company conducted a debt-equity swap, in which it issued ordinary shares by private placement with NCXX Group as the assignee against monetary receivables of approximately ¥1,400 million held by NCXX Group against the Company, thereby dramatically improving the Company’s equity ratio, stabilizing its financial base, and securing funds for dividends in order to resume dividend payments.

Furthermore, although NCXX Group will become an equity-method affiliate of the Company, it will continue its cordial relationship, including collaborations, as before. In addition, it will study collaboration with the Company in the field of crypto assets (crypto currency), which is a focus for the Company, 5G (5th generation mobile communication systems), which is a promising growth field for NCXX Group, and the mining business, which is an area of strong interest.

Status of Each Business Segment in the Previous Fiscal Year and the Second Quarter of the Fiscal Year Ending December 31, 2019

(Unit: Millions of yen)

	Fiscal year ended December 31, 2018		Cumulate total for second quarter of the fiscal year ending December 31, 2019		Second-half forecast for the fiscal year ending December 31, 2019		Forecast for the fiscal year ending December 31, 2019	
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Information services business	1,281	△173	476	45	922	180	1,398	225

Advertising agency business	108	△3	49	△6	86	42	135	36
Cryptocurrency and blockchain business	309	294	14	14	84	76	100	90
Internet travel business	2,370	38	1,141	12	—	—	1,141	12
IoT-related business	969	68	502	31	—	—	502	31
Brand retail platform business	6,449	△455	2,973	△319	—	—	2,973	△319
Other (adjustment)	△35	△556	△16	△299	△50	△74	△46	△373
Amount of operating income recorded in the consolidated financial statements	11,455	△768	5,161	△533	1,042	224	6,203	△298

“Other” includes general and administrative expenses among company wide expenses that are not attributable to the consulting business or each business segment and an adjustment amount for operating income in the consolidated financial statements. In addition, following the exclusion of NCXX Group from the business results of the second half of the fiscal year ending December 31, 2019 onward due to its becoming an equity-method affiliate of the Company is expected to reduce net sales along with corporate expenses included in other.

III. Formulation of the Mid-Term Business Plan (Amended)

1. Business Segments

(1) Information Services Business

In the information services business, the Company conducted a full review of the CLUB FISCO content from last year to the second half of 2019. Sales are forecast to increase with the planned resumption of services in the near future and recording of sales being concentrated in the second half of the fiscal year for the annual report service of the IR consulting business.

From the fiscal year ending December 31, 2020 onward, the Company will continue to increase and diversify earnings from platform services. At CLUB FISCO, a website selling content for individual investors, the Company will promote sales expansion of content summarizing investment methods of noted individual investors including FISCO Social Reporters. It will also launch investment education content and financial and economic content services, while focusing on information distribution in the fields of cryptocurrency and General Data Protection Regulation (GDPR). The Company will also study the launch of new services such as sales of content to institutional investors in addition to individual investors. In the IR consulting business, in the integrated report and annual report service, the Company will strengthen its frontline personnel and organizational capabilities, as well as its brand. In addition, as part of its measures for GDPR, the Company will aim to recover market share by conducting diagnostic and advisory services regarding how to connect personal information response to increased corporate value. At the same time, the company expects to continue steadily expanding its business due to projected demand for push-type IR support services for potential investors, such as

provision of corporate research reports and IR information to YAHOO! JAPAN FINANCE and Bloomberg.

(2) Advertising Agency Business

Amid a current surge in demand for small-scale spot advertising, the Company's challenge going forward is to expand continuous projects and order amounts. However, the Company has received orders for new projects in website renewal and operation, banner advertising, and internet video production, and is starting to see some results from measures to strengthen sales. In addition, development of advertising demand in the Parasport information magazine, for which initiatives started last year, has resulted not only in the acquisition of editorial tie-ups and corporate and product advertisements, but also development and the start of sales of methods such as production of booklets for parasport information that can be distributed and used independently by advertisers and parasport events. These have piqued the interest of advertisers and the Company will continuously strengthen planning development and sales on the communication front for the parasports market, which is expanding with the advent of the Tokyo Paralympic Games.

(3) Cryptocurrency and Blockchain Business

The Company's equity-method affiliate, Fisco Cryptocurrency Exchange Inc. (hereinafter "FCCE") operates both the Fisco Cryptocurrency Exchange and the Zaif Exchange. In the crypto asset (cryptocurrency) market, the price of BTC started to rise again in April 2019, and has remained strong since then. FCCE also achieved profitability on a single month basis against a backdrop of recovering transaction volumes. Moreover, FCCE is an equity-method affiliate of the Company, and its earnings attributable to the Company are recorded as share of profit of entities accounted for using equity method under non-operating income.

2. Numerical Targets under the Business Plan (Fiscal Year Ending December 31, 2020 to Fiscal Year Ending December 31, 2022)

(1) Numerical Targets under the Business Plan

(Unit: Millions of yen)

	Fiscal year ending December 31, 2020	Fiscal year ending December 31, 2021	Fiscal year ending December 31, 2022
Net sales total	1,161	2,084	2,084
Information services business	1,154	1,706	1,934
Advertising agency business	107	120	150
Cryptocurrency and blockchain business	—	—	—
Operating income	239	273	332

In the cryptocurrency and blockchain business, the Company intends to engage in training in accordance with the market conditions for crypto assets (cryptocurrency), and net sales are undecided at this point.

(2) Measures for Achieving Targets

a. Restart advisory services for individual investors, which are currently being revised, and strengthen financial and economic content services

- b. Expand services for institutional investors and strengthen sales promotion for corporate reports
- c. Reduce shared costs of Headquarters divisions by merging them
- d. Further strengthen management structure (strengthen cross organizational systems)

Note: The above earnings forecasts are created based on information available as of the announcement date of this material. Actual results may differ from forecast figures due to various factors going forward.