

**Translation**

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## Summary of Non-consolidated Financial Results for the Third Quarter Ended March 31, 2020 (Based on Japanese Accounting Standards)

May 12, 2020

Company Name: Net Marketing Co. Ltd.  
 Stock Exchange Listing: Tokyo Stock Exchange  
 Code Number: 6175  
 URL: <https://www.net-marketing.co.jp/>  
 Representative: Kunihisa Miyamoto, Representative Director and CEO  
 Contact: Koji Mimura, Director and CFO  
 (TEL) +81-3-6894-0139  
 Scheduled date to submit the quarterly report: May 13, 2020  
 Scheduled date of the start of dividend payments: –  
 Supplementary documents for quarterly results: Yes  
 Quarterly results briefing: No

(Amounts of less than one million yen are rounded down.)

### 1. Financial Results for the Third Quarter Ended March 31, 2020 (from July 1, 2019 to March 31, 2020)

#### (1) Financial Results (Percentages show year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Third quarter ended March 31, 2020	11,313	15.3	602	318.9	613	338.9	419	359.4
Third quarter ended March 31, 2019	9,812	27.2	143	(69.8)	139	(71.4)	91	(72.8)

	Net income per share	Diluted net income per share
	Yen	Yen
Third quarter ended March 31, 2020	28.43	27.91
Third quarter ended March 31, 2019	6.27	6.10

#### (2) Financial Position

	Total assets	Net assets	Ratio of shareholders' equity to total assets
	Million yen	Million yen	%
As of March 31, 2020	5,093	2,661	52.3
As of June 30, 2019	5,281	2,290	43.4

(Reference) Shareholders' equity: As of March 31, 2020 2,661 million yen  
 As of June 30, 2019 2,290 million yen

### 2. Dividends

	Dividends per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended June 30, 2019	–	0.00	–	5.00	5.00
Year ending June 30, 2020	–	0.00	–		
Year ending June 30, 2020 (forecast)				6.00	6.00

(Note) Revisions to dividend forecasts published most recently: No

### 3. Financial Results Forecasts for the Fiscal Year Ending June 30, 2020 (from July 1, 2019 to June 30, 2020)

(Percentages show year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Year ending June 30, 2020	—	—	—	—	—	—	—	—	—

- (Note) 1. Revisions to results forecasts published most recently: Yes  
 2. The spread of COVID-19 infections is still ongoing, and a state of uncertainty over the future persists. Under these circumstances, an impact on company earnings has begun to emerge, but the Company has determined that at this stage it is difficult to calculate a specific earnings forecast. Accordingly, on a temporary basis the Company will not produce an earnings forecast for the fiscal year ending June 2020, but will promptly announce a forecast once it becomes possible to make the appropriate calculations.

#### \* NOTE

(1) Application of Particular Accounting Treatment Concerning Preparation of Quarterly Financial Statements: None

(2) Changes in Accounting Principles, Changes in Accounting Estimates, and Retrospective Restatements

- (i) Changes in accounting principles accompanying the amendment of accounting standards: None
- (ii) Changes other than those in (i) above: None
- (iii) Changes in accounting estimates: None
- (iv) Retrospective restatements: None

(3) Number of Shares Issued (Common shares)

- (i) Number of shares issued at the end of the period (including treasury stock)
  - As of March 31, 2020: 14,793,600 shares
  - As of June 30, 2019: 14,579,400 shares
- (ii) Number of treasury stock at the end of the period
  - As of March 31, 2020: 188 shares
  - As of June 30, 2019: 146 shares
- (iii) Average number of shares issued during the period
  - First nine months ended March 31, 2020: 14,756,089 shares
  - First nine months ended March 31, 2019: 14,569,787 shares

\* The summaries of financial results are positioned outside the scope of a quarterly review by certified public accountants and audit firm.

#### \* Explanations Regarding the Appropriate Use of Financial Results Forecasts and Other Items Worthy of Special Mention

##### <Precautions for Forward-Looking Statements>

Forward-looking statements in this summary, such as financial results forecasts, are based on information available to the Company at present and certain assumptions the Company judges to be rational. Those descriptions do not mean that the Company promises their achievement. Actual financial results and the like may also differ significantly from those descriptions depending on various factors.

##### <Method for Obtaining Quarterly Supplementary Materials for Explaining Financial Results>

The Company will publish quarterly supplementary materials for explaining the financial results through the Company Announcements Disclosure Service of the Tokyo Stock Exchange and on its official website on Tuesday, May 12, 2020.

## Quarterly Financial Statements and Key Notes

### (1) Quarterly Balance Sheets

(Unit: Thousand yen)

	Previous fiscal year (As of June 30, 2019)	End of third quarter of the fiscal year under review (As of March 31, 2020)
<b>Assets</b>		
Current assets		
Cash and deposits	3,043,817	3,325,824
Accounts receivable - trade	1,759,412	1,259,946
Other	79,758	113,610
Allowance for doubtful accounts	(14)	(10)
<b>Total current assets</b>	<b>4,882,974</b>	<b>4,699,370</b>
Non-current assets		
Property, plant and equipment	120,857	110,149
Intangible assets	14,961	3,050
Investments and other assets	262,688	280,948
<b>Total non-current assets</b>	<b>398,507</b>	<b>394,149</b>
<b>Total assets</b>	<b>5,281,482</b>	<b>5,093,520</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	2,033,006	1,447,751
Current portion of long-term loans payable	79,992	79,992
Income taxes payable	16,767	152,116
Other	781,332	732,066
<b>Total current liabilities</b>	<b>2,911,098</b>	<b>2,411,925</b>
Non-current liabilities		
Long-term loans payable	80,032	20,038
<b>Total non-current liabilities</b>	<b>80,032</b>	<b>20,038</b>
<b>Total liabilities</b>	<b>2,991,130</b>	<b>2,431,963</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	395,442	407,753
Capital surplus	385,442	397,753
Retained earnings	1,509,268	1,855,884
Treasury shares	(101)	(135)
<b>Total shareholders' equity</b>	<b>2,290,051</b>	<b>2,661,256</b>
Share acquisition rights	300	300
<b>Total net assets</b>	<b>2,290,351</b>	<b>2,661,556</b>
<b>Total liabilities and net assets</b>	<b>5,281,482</b>	<b>5,093,520</b>

(2) Quarterly Statement of Income  
(First nine-month period)

(Unit: Thousand yen)

	First nine months of the previous fiscal year (From July 1, 2018 to March 31, 2019)	First nine months of the fiscal year under review (From July 1, 2019 to March 31, 2020)
Net sales	9,812,953	11,313,724
Cost of sales	6,823,424	7,723,731
Gross profit	2,989,529	3,589,992
Selling, general and administrative expenses	2,845,679	2,987,342
Operating income	143,849	602,650
Non-operating income		
Interest income	39	29
Commission fee	6,677	8,407
Rewards income	189	1,862
Other	421	572
Total non-operating income	7,327	10,872
Non-operating expenses		
Interest expenses	753	483
Share acquisition rights expenses	10,558	–
Other	210	30
Total non-operating expenses	11,522	513
Ordinary income	139,654	613,009
Extraordinary losses		
Loss on liquidation of subsidiaries and associates	329	–
Total extraordinary losses	329	–
Net income before income taxes	139,325	613,009
Income taxes - current	8,921	195,424
Income taxes - deferred	39,084	(1,927)
Total income taxes	48,005	193,496
Net income	91,319	419,512