Translation

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Summary of Consolidated Financial Results for the Year Ended February 28, 2022 (Based on Japanese GAAP)

April 13, 2022

Company name: PR TIMES, Inc.
Stock exchange listing: Tokyo
Stock code: 3922 URL https://prtimes.co.jp/
Representative: President and CEO TAKUMI YAMAGUCHI
Inquiries: Director AKIHIRO MISHIMA TEL 03-5770-7888
Scheduled date of ordinary general meeting of shareholders: May 25, 2022
Scheduled date to file Securities Report: May 25, 2022
Scheduled date to commence dividend payments: –
Preparation of supplementary material on financial results: Yes
Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended February 28, 2022 (from March 1, 2021 to February 28, 2022)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended February 28, 2022	4,854	–	1,834	–	1,833	–	1,281	–
Year ended February 28, 2021	–	–	–	–	–	–	–	–

Reference: Comprehensive income: Year ended February 28, 2022: ¥1,280 million [–%]
Year ended February 28, 2021: ¥– million [–%]

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended February 28, 2022	96.96	93.90	34.3	38.0	37.8
Year ended February 28, 2021	–	–	–	–	–

Reference: Equity in earnings (losses) of affiliates: Year ended February 28, 2022 ¥– million
Year ended February 28, 2021 ¥– million

Note: Because the Company has prepared consolidated financial statements starting in the year ended February 28, 2022, the Company is not stating year-on-year changes for the year ended February 28, 2022, or the consolidated operating results and year-on-year changes for the year ended February 28, 2021. In addition, profit/equity and ordinary profit/total assets for the year ended February 28, 2022 were calculated based on year-end equity and year-end total assets respectively as it was the first year of consolidated accounting.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of February 28, 2022	4,831	3,740	77.4	278.52
As of February 28, 2021	–	–	–	–

Reference: Equity As of February 28, 2022 ¥3,739 million
As of February 28, 2021 ¥– million

Note: Because the Company has prepared consolidated financial statements starting in the year ended February 28, 2022, the Company is not stating the consolidated financial position as of February 28, 2021.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended February 28, 2022	1,408	(554)	(41)	3,344
Year ended February 28, 2021	–	–	–	–

Note: Because the Company has prepared consolidated financial statements starting in the year ended February 28, 2022, the Company is not stating the consolidated cash flows for the year ended February 28, 2021.

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended February 28, 2021	–	0.00	–	0.00	0.00	–	–	–
Year ended February 28, 2022	–	0.00	–	0.00	0.00	–	–	–
Year ending February 28, 2023 (Forecast)	–	0.00	–	0.00	0.00		–	

3. Forecast of consolidated financial results for the year ending February 28, 2023 (from March 1, 2022 to February 28, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending August 31, 2022	2,823	22.9	675	(24.8)	673	(24.9)	466	(24.6)	34.71
Full year	5,950	22.6	1,600	(12.8)	1,596	(13.0)	1,105	(13.8)	82.30

4. Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations:	No
Changes in accounting policies due to other reasons:	No
Changes in accounting estimates:	No
Restatement of prior period financial statements:	No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of February 28, 2022	13,457,200 shares	As of February 28, 2021	13,457,200 shares

Number of treasury shares at the end of the period

As of February 28, 2022	30,847 shares	As of February 28, 2021	424,931 shares

Average number of shares during the period

Year ended February 28, 2022	13,214,131 shares	Year ended February 28, 2021	13,040,131 shares

Note: The Company conducted a 2-for-1 share split of its common shares on August 5, 2020. Total number of issued shares at the end of the period, number of treasury shares at the end of the period and average number of shares during the period have been calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

(Reference) Overview of non-consolidated financial results

Non-consolidated financial results for the year ended February 28, 2022 (from March 1, 2021 to February 28, 2022)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended February 28, 2022	4,842	28.6	1,852	42.3	1,851	42.5	1,286	23.3
Year ended February 28, 2021	3,765	30.6	1,301	156.5	1,299	156.2	1,043	280.0

	Earnings per share	Diluted earnings per share
	Yen	Yen
Year ended February 28, 2022	97.37	94.29
Year ended February 28, 2021	80.01	76.60

Note: The Company conducted a 2-for-1 share split of its common shares on August 5, 2020. Earnings per share and diluted earnings per share have been calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of February 28, 2022	4,830	3,745	77.5	278.91
As of February 28, 2021	3,457	2,484	71.8	190.63

Reference: Equity As of February 28, 2022 ¥3,744 million

As of February 28, 2021 ¥2,484 million

Note: The Company conducted a 2-for-1 share split of its common shares on August 5, 2020. Net assets per share have been calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

Reason for difference between non-consolidated financial results and actual results from the previous fiscal year

Net sales significantly exceeded the results of the previous fiscal year due to an increase in the number of companies using the press release distribution service “PR TIMES,” as well as in the number of press releases.

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of financial results forecasts, and other special matters

(Caution regarding forward-looking statements)

Forward-looking statements, including the consolidated forecasts stated in these materials, are based on information currently available to the Company and certain assumptions deemed reasonable. As such, they do not constitute guarantees by the Company of future performance. Results may differ materially from the consolidated forecasts due to various factors.

(How to obtain supplementary material on financial results and financial summary presentation material)

On Wednesday, April 13, 2022, the Company plans to post the supplementary material on the financial results on its website. The Company also plans to hold a financial summary presentation meeting for institutional investors and analysts on the same day.

Attached Material

Index

1. Overview of operating results, etc. 2
(1) Overview of operating results for the fiscal year under review 2
(2) Overview of financial position for the fiscal year under review 3
(3) Basic policy on profit distribution and dividends for the fiscal year under review and next fiscal year 4
2. Basic concept regarding selection of accounting standards 5
3. Consolidated financial statements and significant notes thereto 6
(1) Consolidated balance sheet 6
(2) Consolidated statement of income and comprehensive income 8
Consolidated statement of income 8
Consolidated statement of comprehensive income 8
(3) Consolidated statement of changes in equity 9
(4) Consolidated statement of cash flows 10
(5) Notes to consolidated financial statements 11
Notes on premise of going concern 11
Basis of preparation of consolidated financial statements 11
Segment information 11
Per share information 12
Significant events after the reporting period 13

1. Overview of operating results, etc.

(1) Overview of operating results for the fiscal year under review

(i) Operating results during the fiscal year under review

In the fiscal year ended February 28, 2022, the PR TIMES, Inc. Group (the "Group") invested in the development of new functions, etc. for the future in order to realize our mission of "Towards an age where information inspires hearts and minds" while continuing efforts to strengthen the core structure for the press release distribution service "PR TIMES," which is a key business.

The Group is maintaining strong growth, with the number of companies using our services reaching 65,660 (up 29.7% year on year) in February 2022, 50.4% of listed companies in Japan using our services, the number of press releases reaching a record high of 28,534 in November 2021, etc. Also in November, 144,887 still images were posted, and in October, 2,406 videos were posted as press release materials, both representing record highs, as the shift to press releases with rich contents continues. In addition, there were 11,798 distribution recipients, 23,114 media users and 210 partner media, and the number of monthly site views for press releases in August was the highest recorded at 58.80 million page views. There has been an enormous response in terms of network effect accompanying the increases for both the distribution side and the receiving side of press releases. As a result, "PR TIMES" has evolved from an information distribution service for press releases, containing media-oriented material, to a PR (Public Relations) platform.

To realize our mission, we are also striving to create business that goes beyond "PR TIMES." Beginning this fiscal year, we changed the key indicators from number of users to number of paying user companies for "Jooto," our task and project management tool, and from number of accounts to number of paying accounts for "Tayori," our cloud-based information organization tool, and worked to expand usage and improve service. As a result, the number of paying user companies for "Jooto" rose 22.1% year on year to 1,765 and the number of paying accounts for "Tayori" rose 43.1% to 661. Although both services grew according to plan, their effect on net sales was limited, and we continue to be in the investment phase.

As a result, for the fiscal year ended under review, the Company posted net sales of ¥4,854,526 thousand, operating profit of ¥1,834,036 thousand, ordinary profit of ¥1,833,592 thousand and profit attributable to owners of parent of ¥1,281,285 thousand. A comparison against the consolidated financial statements for the previous fiscal year has not been performed because the Group began preparing consolidated financial statements from the fiscal year under review.

Note that statement of operating results by segment is omitted because the Group has a single reportable segment, the Press Release Distribution Business.

(ii) Outlook for the next fiscal year

Although the quasi-state of emergency in Japan ended on March 21, 2022, the outlook for the containment of COVID-19 remains uncertain. In addition, the Group is unable to contribute directly to resolving the social and economic impacts from the geopolitical risks surrounding the situation in Ukraine. However, with "PR TIMES," an information platform that connects companies with consumers and the media, we believe we can play an important social role. For instance, at a time when further digitalization and the expanded use of the Internet are expected for all work in all industries, "Jooto" and "Tayori" can contribute to improving teamwork and enhancing work productivity as cloud tools for business that can be used for free.

In this environment, in order to achieve Milestone 2025, the medium-term management target ending in fiscal 2025 announced on April 13, 2021, the Group is making the maximum efforts currently possible, while continuing to take a medium-term perspective. The Group will invest aggressively in overseas expansion, marketing to encourage the use of PR TIMES by regional companies, and in systems to support the service infrastructure.

Given these circumstances, the business results forecasts for the next fiscal year are net sales of ¥5,950 million, up 22.6% year on year, operating profit of ¥1,600 million, down 12.8% year on

year, ordinary profit of ¥1,596 million, down 13.0% year on year, and profit attributable to owners of parent of ¥1,105 million, down 13.8%.

As a result of considering the situation from the early stages of the spread of COVID-19 to the present, it is assumed that the impact of COVID-19 on the Group's business results will be minimal in the event of either the future containment or expansion of the disease. Moreover, although it is assumed that the circumstances in Ukraine will not change significantly from the current situation, actual results may differ from the forecasts due to various factors in the future.

(2) Overview of financial position for the fiscal year under review

(i) Assets, liabilities, and net assets

Assets

Total assets at the end of the fiscal year under review were ¥4,831,057 thousand.

Current assets at the end of the fiscal year under review were ¥3,973,237 thousand. The main items were cash and deposits of ¥3,344,256 thousand and notes and accounts receivable – trade of ¥578,895 thousand. Non-current assets at the end of the fiscal year under review were ¥857,820 thousand. The main items were property, plant and equipment of ¥289,933 thousand and investments and other assets of ¥398,704 thousand.

Liabilities

Total liabilities at the end of the fiscal year under review were ¥1,090,816 thousand.

Current liabilities at the end of the fiscal year under review were ¥1,089,046 thousand. The main items were income taxes payable of ¥413,026 thousand, unearned revenue of ¥208,783 thousand, and other of ¥335,226 thousand. Non-current liabilities at the end of the fiscal year under review were ¥1,770 thousand.

Net assets

Total net assets at the end of the fiscal year under review were ¥3,740,240 thousand. The main item was retained earnings of ¥3,000,248 thousand.

(ii) Cash flows

Year-on-year comparison and analysis are not performed because the Company began preparing consolidated statements of cash flows from the fiscal year under review.

Cash and cash equivalents ("cash") at the end of the fiscal year under review were ¥3,344,256 thousand. The respective cash flow positions and the factors thereof in the fiscal year under review are as follows.

Cash flows from operating activities

Net cash provided by operating activities totaled ¥1,408,885 thousand. This was primarily due to profit before income taxes totaling ¥1,821,755 thousand and income taxes paid totaling ¥492,462 thousand.

Cash flows from investing activities

Net cash used in investing activities totaled ¥554,691 thousand. This was primarily due to purchase of property, plant and equipment totaling ¥244,745 thousand, purchase of intangible assets totaling ¥113,528 thousand, and payments of leasehold and guarantee deposits totaling ¥158,725 thousand.

Cash flows from financing activities

Net cash used in financing activities totaled ¥41,532 thousand. This was primarily due to purchase of treasury shares totaling ¥299,054 thousand and proceeds from disposal of treasury shares from exercise of share acquisition rights totaling ¥259,302 thousand.

(3) Basic policy on profit distribution and dividends for the fiscal year under review and next fiscal year

While the Company recognizes that returning profits to shareholders is an important management issue, the basic policy is to achieve sustainable growth in net sales and operating profit while aiming to increase market capitalization over the medium to long term through appropriate valuation, not returns to shareholders through dividends. Retained earnings will be applied to investments aimed at future expansion in the scale of business.

Based on the basic policy outlined above, the Company will pay no dividend for the fiscal year under review. Similarly, the Company currently plans to pay neither interim nor year-end dividends for the next fiscal year and beyond.

2. Basic concept regarding selection of accounting standards

To ensure comparability among companies and with past years, the Group prepares its consolidated financial statements based on the “Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (excluding Chapters VII and VIII)” (Ministry of Finance Order No. 28 of 1976).

With respect to adoption of International Financial Reporting Standards (IFRS), the Group will follow a policy of responding in a suitable manner after giving consideration to various circumstances in Japan and overseas.

3. Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheet

(Thousands of yen)

	As of February 28, 2022
Assets	
Current assets	
Cash and deposits	3,344,256
Notes and accounts receivable - trade	578,895
Other	64,826
Allowance for doubtful accounts	(14,740)
Total current assets	3,973,237
Non-current assets	
Property, plant and equipment	
Buildings and structures	241,362
Tools, furniture and fixtures	196,534
Leased assets	9,720
Accumulated depreciation	(157,683)
Total property, plant and equipment	289,933
Intangible assets	
Software	100,633
Software in progress	67,713
Other	834
Total intangible assets	169,181
Investments and other assets	
Investment securities	25,992
Leasehold and guarantee deposits	232,385
Deferred tax assets	113,614
Other	26,712
Total investments and other assets	398,704
Total non-current assets	857,820
Total assets	4,831,057

(Thousands of yen)

	As of February 28, 2022
Liabilities	
Current liabilities	
Notes and accounts payable - trade	49,777
Lease obligations	2,842
Income taxes payable	413,026
Unearned revenue	208,783
Provision for bonuses	70,400
Provision for shareholder benefit program	8,990
Other	335,226
Total current liabilities	1,089,046
Non-current liabilities	
Lease obligations	1,286
Other	483
Total non-current liabilities	1,770
Total liabilities	1,090,816
Net assets	
Shareholders' equity	
Share capital	420,660
Capital surplus	395,660
Retained earnings	3,000,248
Treasury shares	(77,111)
Total shareholders' equity	3,739,457
Share acquisition rights	203
Non-controlling interests	579
Total net assets	3,740,240
Total liabilities and net assets	4,831,057

(2) Consolidated statement of income and comprehensive income

Consolidated statement of income

(Thousands of yen)

	Fiscal year ended February 28, 2022
Net sales	4,854,526
Cost of sales	547,023
Gross profit	4,307,503
Selling, general and administrative expenses	2,473,466
Operating profit	1,834,036
Non-operating income	
Interest income	0
Recoveries of written off receivables	215
Other	2,179
Total non-operating income	2,394
Non-operating expenses	
Interest expenses	645
Loss on investments in capital	1,942
Other	249
Total non-operating expenses	2,837
Ordinary profit	1,833,592
Extraordinary losses	
Impairment losses	11,182
Loss on retirement of non-current assets	655
Total extraordinary losses	11,837
Profit before income taxes	1,821,755
Income taxes - current	574,465
Income taxes - deferred	(33,075)
Total income taxes	541,390
Profit	1,280,365
Loss attributable to non-controlling interests	(920)
Profit attributable to owners of parent	1,281,285

Consolidated statement of comprehensive income

(Thousands of yen)

	Fiscal year ended February 28, 2022
Profit	1,280,365
Comprehensive income	1,280,365
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	1,281,285
Comprehensive income attributable to non-controlling interests	(920)

(3) Consolidated statement of changes in equity

Fiscal year ended February 28, 2022

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	420,660	395,660	2,211,499	(543,496)	2,484,324
Changes during period					
Profit attributable to owners of parent			1,281,285		1,281,285
Purchase of treasury shares				(299,054)	(299,054)
Disposal of treasury shares		(492,536)		765,438	272,901
Transfer of loss on disposal of treasury shares		492,536	(492,536)		–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	788,748	466,384	1,255,133
Balance at end of period	420,660	395,660	3,000,248	(77,111)	3,739,457

	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of period	180	–	2,484,504
Changes during period			
Profit attributable to owners of parent			1,281,285
Purchase of treasury shares			(299,054)
Disposal of treasury shares			272,901
Transfer of loss on disposal of treasury shares			–
Net changes in items other than shareholders' equity	23	579	603
Total changes during period	23	579	1,255,736
Balance at end of period	203	579	3,740,240

(4) Consolidated statement of cash flows

(Thousands of yen)

	Fiscal year ended February 28, 2022
Cash flows from operating activities	
Profit before income taxes	1,821,755
Depreciation	121,590
Impairment losses	11,182
Loss (gain) on investments in capital	1,942
Loss on retirement of non-current assets	655
Increase (decrease) in allowance for doubtful accounts	(23,640)
Increase (decrease) in provision for bonuses	39,635
Increase (decrease) in provision for shareholder benefit program	(4,942)
Interest and dividend income	(0)
Interest expenses	645
Decrease (increase) in trade receivables	(55,676)
Increase (decrease) in trade payables	(718)
Increase (decrease) in accounts payable - other	(44,213)
Increase (decrease) in unearned revenue	23,778
Other, net	9,998
Subtotal	1,901,993
Interest and dividends received	0
Interest paid	(645)
Income taxes paid	(492,462)
Net cash provided by (used in) operating activities	1,408,885
Cash flows from investing activities	
Purchase of property, plant and equipment	(244,745)
Purchase of intangible assets	(113,528)
Purchase of investment securities	(25,192)
Payments of leasehold and guarantee deposits	(158,725)
Payments for investments in capital	(12,500)
Net cash provided by (used in) investing activities	(554,691)
Cash flows from financing activities	
Repayments of lease obligations	(3,416)
Proceeds from share issuance to non-controlling shareholders	1,500
Purchase of treasury shares	(299,054)
Proceeds from issuance of share acquisition rights	135
Proceeds from disposal of treasury shares from exercise of share acquisition rights	259,302
Net cash provided by (used in) financing activities	(41,532)
Net increase (decrease) in cash and cash equivalents	812,660
Cash and cash equivalents at beginning of period	2,531,595
Cash and cash equivalents at end of period	3,344,256

(5) Notes to consolidated financial statements

Notes on premise of going concern

Not applicable.

Basis of preparation of consolidated financial statements

Scope of consolidation

Number of consolidated subsidiaries:	1
Name of consolidated subsidiary:	THE BRIDGE, Inc.

Although this matter does not constitute a change in a specified subsidiary, THE BRIDGE, Inc., which was established on March 19, 2021, is included in the scope of consolidation from the fiscal year under review.

Segment information

Segment information is omitted because the Group has a single reportable segment, the Press Release Distribution Business.

Per share information

(Yen)

	Fiscal year ended February 28, 2022
Net assets per share	278.52
Earnings per share	96.96
Diluted earnings per share	93.90

Notes: 1. The basis for calculation of earnings per share and diluted earnings per share is as follows:

	Fiscal year ended February 28, 2022
Earnings per share	
Profit attributable to owners of parent (Thousands of yen)	1,281,285
Amounts not attributable to common shareholders (Thousands of yen)	–
Profit attributable to owners of parent related to common shares (Thousands of yen)	1,281,285
Average number of common shares outstanding during the period (Shares)	13,214,131
Diluted earnings per share	
Adjustment to profit attributable to owners of parent (Thousands of yen)	–
Increase in number of common shares (Shares)	430,873
[Of the above, share acquisition rights (Shares)]	[430,873]
Overview of dilutive shares that are not included in the calculation of diluted earnings per share as they have no dilutive effects	–

2. The basis for calculation of net assets per share is as follows:

	Fiscal year ended February 28, 2022
Total net assets on the consolidated balance sheet (Thousands of yen)	3,740,240
Amount deducted from total net assets on the consolidated balance sheet (Thousands of yen)	783
[Of the above, share acquisition rights (Thousands of yen)]	[203]
[Of the above, non-controlling interests (Thousands of yen)]	[579]
Net assets related to common shares at the end of the period (Thousands of yen)	3,739,457
Number of common shares at the end of the period used in the calculation of net assets per share (Shares)	13,426,353

Significant events after the reporting period

Not applicable.