Translation

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# Summary of Consolidated Financial Results for the Six Months Ended August 31, 2024 (Based on Japanese GAAP)

October 11, 2024

Company name: PR TIMES Corporation
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 to file Semi-annual Securities Report: October 11, 2024
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 six months ended August 31, 2024 (from March 1, 2024 to August 31, 2024)

(1) Consolidated operating results (cumulative) 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 | % |
| Six months ended August 31, 2024 | 3,892 | 18.5 | 958 | 7.6 | 955 | 7.3 | 634 | 5.6 |
| Six months ended August 31, 2023 | 3,284 | 16.7 | 890 | (2.8) | 890 | (2.7) | 600 | 4.2 |

Note: Comprehensive income For the six months ended August 31, 2024: ¥639 million [6.4%]
For the six months ended August 31, 2023: ¥601 million [4.2%]

| | Earnings per share | Diluted earnings per share |
|---|---|---|
| | Yen | Yen |
| Six months ended August 31, 2024 | 47.23 | 46.74 |
| Six months ended August 31, 2023 | 44.86 | 44.38 |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|---|---|---|---|---|
| | Millions of yen | Millions of yen | % | Yen |
| As of August 31, 2024 | 7,615 | 6,333 | 83.1 | 470.48 |
| As of February 29, 2024 | 7,071 | 5,662 | 80.0 | 421.20 |

Reference: Equity As of August 31, 2024 ¥6,331 million
As of February 29, 2024 ¥5,660 million

2. Cash dividends

| | Annual dividends per share | | | | |
|---|---|---|---|---|---|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Fiscal year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Year ended February 29, 2024 | – | 0.00 | – | 0.00 | 0.00 |
| Year ending February 28, 2025 | – | 0.00 | | | |
| Year ending February 28, 2025 (Forecast) | | | – | 0.00 | 0.00 |

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the year ending February 28, 2025 (from March 1, 2024 to February 28, 2025)

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 |
| Full year | 8,189 | 19.8 | 1,900 | 8.8 | 1,889 | 10.0 | 1,276 | 9.9 | 94.94 |

Note: Revisions to the forecast most recently announced: None

4. Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: Yes

Note: For more details, please refer to the section of "(4) Notes to semi-annual consolidated financial statements, Notes on accounting treatment specific to the preparation of semi-annual consolidated financial statements" of "2. Semi-annual consolidated financial statements and significant notes thereto" on page 7 of the attached material.

(3) 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: | None |
| Changes in accounting policies due to other reasons: | None |
| Changes in accounting estimates: | None |
| Restatement of prior period financial statements: | None |

(4) Number of issued shares (common shares)

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

| | | | |
|---|---|---|---|
| As of August 31, 2024 | 13,479,889 shares | As of February 29, 2024 | 13,462,249 shares |

Number of treasury shares at the end of the period

| | | | |
|---|---|---|---|
| As of August 31, 2024 | 23,033 shares | As of February 29, 2024 | 22,876 shares |

Average number of shares during the period

| | | | |
|---|---|---|---|
| Six months ended August 31, 2024 | 13,444,201 shares | Six months ended August 31, 2023 | 13,397,733 shares |

* Semi-annual financial results reports are exempt from review 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. Please refer to the section of "(3) Explanation of forward-looking information, including consolidated results forecasts" of "1. Overview of operating results, etc." on page 3 of the attached material for the preconditions for the results forecasts and items to exercise caution in the use of these results forecasts.

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

On Friday, October 11, 2024, 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 securities analysts on the same day.

## Attached Material

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# 1. Overview of operating results, etc.

## (1) Overview of operating results for the period under review

In the six months ended August 31, 2024, the PR TIMES Corporation Group (the "Group") continued aiming to increase recognition and acquire new customer segments, mainly working to strengthen the core structure for the press release distribution service "PR TIMES," which is a key business, as well as to grow business for the tools "Jooto" and "Tayori" for SaaS-based businesses in order to realize our mission of "Towards an age where information inspires hearts and minds."

The number of companies using "PR TIMES" has reached 101,286 companies (up 16.0% year on year), and 59.5% of listed companies in Japan were using "PR TIMES." The number of press releases reached a monthly record high of 35,357 in July 2024. In addition, there were 10,848 distribution recipients, 27,929 media users and 260 partner media, and the number of monthly site views for press releases reached a record high of 89.84 million page views in August 2023.

We worked to expand usage and improve service with the key indicators of number of paying users and average unit prices for "Jooto," our task and project management tool, and "Tayori," our customer support tool. As a result, for "Jooto," the number of paying users rose 30.8% year on year to 2,424 and the average unit price per user rose 69.4% year on year to ¥10,197. For "Tayori," the number of paying users rose 24.9% to 1,254 and the average unit price per account rose 25.3% year on year to ¥7,465. The number of paying users and the average unit price per user for "Jooto" increased due to the change of some fee plans during the period under review.

As a result, for the six months ended August 31, 2024, the Company posted net sales of ¥3,892,014 thousand (up 18.5% year on year), operating profit of ¥958,487 thousand (up 7.6% year on year), ordinary profit of ¥955,266 thousand (up 7.3% year on year) and profit attributable to owners of parent of ¥634,925 thousand (up 5.6% year on year).

The ratio of our "Press Release Distribution Business" as part of the Group's reportable segments is extremely high, and as the information for this business is nearly the same as that for our entire business listed above, we have omitted segment-specific listings.

## (2) Overview of financial position for the period under review

(i) Assets, liabilities, and net assets

Assets

Total assets at the end of the period under review were ¥7,615,960 thousand, an increase of ¥544,467 thousand from the end of the previous fiscal year.

Current assets at the end of the period under review were ¥5,785,106 thousand, an increase of ¥384,740 thousand from the end of the previous fiscal year. This was primarily due to increases of ¥270,842 thousand in cash and deposits and ¥91,424 thousand in notes and accounts receivable - trade, and contract assets.

Non-current assets at the end of the period under review were ¥1,830,854 thousand, an increase of ¥159,726 thousand from the end of the previous fiscal year. This was due to increases of ¥54,438 thousand in property, plant and equipment, ¥40,642 thousand in intangible assets and ¥64,645 thousand in investments and other assets.

Liabilities

Liabilities at the end of the period under review were ¥1,282,597 thousand, a decrease of ¥125,992 thousand from the end of the previous fiscal year.

Current liabilities at the end of the period under review were ¥1,280,193 thousand, a decrease of ¥125,771 thousand from the end of the previous fiscal year. This was primarily due to a decrease of ¥114,755 thousand in income taxes payable.

Non-current liabilities at the end of the period under review were ¥2,403 thousand, a decrease of ¥221 thousand from the end of the previous fiscal year.

Net assets

Net assets at the end of the period under review were ¥6,333,363 thousand, an increase of ¥670,459 thousand from the end of the previous fiscal year. This was primarily due to an increase of ¥634,925 thousand in retained earnings resulting from the recording of profit attributable to owners of parent.

(ii) Cash flows

Cash and cash equivalents (hereinafter "cash") as of August 31, 2024 were ¥4,807,635 thousand, an increase of ¥270,842 thousand from the end of the previous fiscal year. The respective cash flow positions and the factors thereof in the six months ended August 31, 2024, are as follows.

Cash flows from operating activities

Net cash provided by operating activities totaled ¥479,908 thousand (compared with ¥620,042 thousand provided in the same period of the previous fiscal year). This was primarily due to profit before income taxes totaling ¥955,266 thousand and income taxes paid totaling ¥431,435 thousand.

Cash flows from investing activities

Net cash used in investing activities totaled ¥208,354 thousand (compared with ¥409,304 thousand used in the same period of the previous fiscal year). This was primarily due to purchase of property, plant and equipment of ¥79,514 thousand and purchase of intangible assets of ¥98,325 thousand.

Cash flows from financing activities

Net cash used in financing activities totaled ¥711 thousand (compared with ¥35,155 thousand used in the same period of the previous fiscal year).

## (3) Explanation of forward-looking information, including consolidated results forecasts

There are no changes to forecast of consolidated financial results for full year ending February 28, 2025 released in the Summary of Consolidated Financial Results for the Year Ended February 29, 2024, announced on April 11, 2024.

The forecast of financial results for the fiscal year ending February 28, 2026 is still in the process of being formulated as of August 31, 2024. However as announced in the supplementary materials on financial results, etc., the Company plans to announce a forecast of financial results that includes an operating profit of ¥2.5 billion or higher. The Company continues aiming to achieve the medium-term management target, Milestone 2025, of ¥3.5 billion set for operating profit, and the Group will work together as it engages in business activities.

## 2. Semi-annual consolidated financial statements and significant notes thereto

### (1) Semi-annual consolidated balance sheet

(Thousands of yen)

| | As of February 29, 2024 | As of August 31, 2024 |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 4,536,792 | 4,807,635 |
| Notes and accounts receivable - trade, and contract assets | 732,112 | 823,536 |
| Other | 164,038 | 188,758 |
| Allowance for doubtful accounts | (32,578) | (34,824) |
| Total current assets | 5,400,365 | 5,785,106 |
| Non-current assets | | |
| Property, plant and equipment | 239,654 | 294,093 |
| Intangible assets | | |
| Goodwill | 252,005 | 223,305 |
| Other | 278,113 | 347,456 |
| Total intangible assets | 530,118 | 570,761 |
| Investments and other assets | 901,354 | 965,999 |
| Total non-current assets | 1,671,127 | 1,830,854 |
| Total assets | 7,071,492 | 7,615,960 |
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 81,840 | 73,597 |
| Income taxes payable | 457,672 | 342,917 |
| Contract liabilities | 209,916 | 314,869 |
| Provision for bonuses | 68,097 | 68,158 |
| Provision for shareholder benefit program | 20,090 | – |
| Other | 568,348 | 480,651 |
| Total current liabilities | 1,405,965 | 1,280,193 |
| Non-current liabilities | | |
| Other | 2,624 | 2,403 |
| Total non-current liabilities | 2,624 | 2,403 |
| Total liabilities | 1,408,589 | 1,282,597 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 422,717 | 438,487 |
| Capital surplus | 397,717 | 413,487 |
| Retained earnings | 4,891,507 | 5,526,432 |
| Treasury shares | (51,302) | (51,616) |
| Total shareholders' equity | 5,660,638 | 6,326,790 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | – | 4,337 |
| Total accumulated other comprehensive income | – | 4,337 |
| Share acquisition rights | 1,654 | 1,652 |
| Non-controlling interests | 610 | 583 |
| Total net assets | 5,662,903 | 6,333,363 |
| Total liabilities and net assets | 7,071,492 | 7,615,960 |

## (2) Semi-annual consolidated statement of income and comprehensive income

### Semi-annual consolidated statement of income

(Thousands of yen)

| | Six months ended August 31, 2023 | Six months ended August 31, 2024 |
|---|---|---|
| Net sales | 3,284,368 | 3,892,014 |
| Cost of sales | 426,478 | 602,994 |
| Gross profit | 2,857,890 | 3,289,020 |
| Selling, general and administrative expenses | 1,967,252 | 2,330,533 |
| Operating profit | 890,638 | 958,487 |
| Non-operating income | | |
| Interest income | 0 | 11 |
| Recoveries of written off receivables | 535 | 822 |
| Other | 267 | 362 |
| Total non-operating income | 802 | 1,196 |
| Non-operating expenses | | |
| Interest expenses | 328 | 245 |
| Loss on investments in capital | 494 | 1,401 |
| Foreign exchange losses | – | 1,218 |
| Other | 184 | 1,551 |
| Total non-operating expenses | 1,007 | 4,417 |
| Ordinary profit | 890,433 | 955,266 |
| Profit before income taxes | 890,433 | 955,266 |
| Income taxes | 289,412 | 320,368 |
| Profit | 601,021 | 634,898 |
| Profit (loss) attributable to non-controlling interests | 28 | (26) |
| Profit attributable to owners of parent | 600,992 | 634,925 |

### Semi-annual consolidated statement of comprehensive income

(Thousands of yen)

| | Six months ended August 31, 2023 | Six months ended August 31, 2024 |
|---|---|---|
| Profit | 601,021 | 634,898 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | – | 4,337 |
| Total other comprehensive income | – | 4,337 |
| Comprehensive income | 601,021 | 639,235 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 600,992 | 639,262 |
| Comprehensive income attributable to non-controlling interests | 28 | (26) |

## (3) Semi-annual consolidated statement of cash flows

(Thousands of yen)

| | Six months ended August 31, 2023 | Six months ended August 31, 2024 |
|---|---|---|
| Cash flows from operating activities | | |
| Profit before income taxes | 890,433 | 955,266 |
| Depreciation | 49,210 | 61,976 |
| Amortization of goodwill | 12,903 | 28,700 |
| Loss (gain) on investments in capital | 494 | 1,401 |
| Increase (decrease) in allowance for doubtful accounts | (3,673) | 2,245 |
| Increase (decrease) in provision for bonuses | 7,200 | 60 |
| Increase (decrease) in provision for shareholder benefit program | (14,060) | (20,090) |
| Interest and dividend income | (0) | (11) |
| Interest expenses | 328 | 245 |
| Decrease (increase) in trade receivables and contract assets | (41,860) | (91,424) |
| Increase (decrease) in trade payables | 4,539 | (8,242) |
| Increase (decrease) in accounts payable - other | (133,015) | (41,504) |
| Increase (decrease) in contract liabilities | 85,883 | 104,953 |
| Other, net | (194,486) | (81,998) |
| Subtotal | 663,897 | 911,578 |
| Interest and dividends received | 0 | 11 |
| Interest paid | (328) | (245) |
| Income taxes paid | (43,526) | (431,435) |
| Net cash provided by (used in) operating activities | 620,042 | 479,908 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (8,651) | (79,514) |
| Purchase of intangible assets | (117,841) | (98,325) |
| Purchase of investment securities | (50,000) | – |
| Payments of leasehold and guarantee deposits | (270) | – |
| Proceeds from refund of leasehold and guarantee deposits | – | 270 |
| Payments for investments in capital | (40,000) | (30,000) |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | (192,541) | – |
| Other, net | – | (785) |
| Net cash provided by (used in) investing activities | (409,304) | (208,354) |
| Cash flows from financing activities | | |
| Repayments of lease liabilities | (1,295) | (398) |
| Purchase of treasury shares | (36,580) | (313) |
| Proceeds from issuance of share acquisition rights | 1,563 | – |
| Proceeds from disposal of treasury shares from exercise of share acquisition rights | 1,156 | – |
| Net cash provided by (used in) financing activities | (35,155) | (711) |
| Net increase (decrease) in cash and cash equivalents | 175,582 | 270,842 |
| Cash and cash equivalents at beginning of period | 3,695,539 | 4,536,792 |
| Cash and cash equivalents at end of period | 3,871,122 | 4,807,635 |

## (4) Notes to semi-annual consolidated financial statements

### Notes on accounting treatment specific to the preparation of semi-annual consolidated financial statements

*Tax expense calculation*

Tax expenses are calculated by multiplying the profit before income taxes by the reasonably estimated effective tax rates after the application of tax effect accounting to the profit before income taxes for the fiscal year including the period under review.

### Notes on segment information

I Six months ended August 31, 2023

1. Information related to amounts for net sales and profit, or losses, as well as earnings analysis information by reportable segment

(Thousands of yen)

| | Reportable segment | Other (Note) 1. | Total | Amount of adjustments | Semi-annual consolidated statement of income amount (Note) 2. |
|---|---|---|---|---|---|
| | Press Release Distribution Business | | | | |
| Net sales | | | | | |
| "PR TIMES" and services related to "PR TIMES" | 3,131,319 | – | 3,131,319 | – | 3,131,319 |
| SaaS services for businesses | 93,177 | – | 93,177 | – | 93,177 |
| Other | – | 59,871 | 59,871 | – | 59,871 |
| Revenue arising from contracts with customers | 3,224,496 | 59,871 | 3,284,368 | – | 3,284,368 |
| Net sales to external customers | 3,224,496 | 59,871 | 3,284,368 | – | 3,284,368 |
| Internal sales or transfer volume among segments | – | 26,412 | 26,412 | (26,412) | – |
| Total | 3,224,496 | 86,283 | 3,310,780 | (26,412) | 3,284,368 |
| Segment profit or loss | 905,761 | (15,123) | 890,638 | – | 890,638 |

(Notes) 1. The "Other" category represents our system development business, a business segment not included in our reportable segments.

2. Segment profit or losses match operating profit in the semi-annual consolidated statement of income.

2. Information related to assets by reportable segment

In the first six months of the fiscal year ended February 29, 2024, the Company acquired all shares of glucose inc. and newly included it to the scope of consolidation. As a result, compared to the final day of the fiscal year ended February 28, 2023, the amount of assets in reportable segments in the first six months of the fiscal year ended February 29, 2024 increased by ¥244,256 thousand in the "Other" category.

3. Information related to impairment losses or goodwill for non-current assets by reportable segment

*(Important changes in the amount of goodwill)*

In the first six months of the fiscal year ended February 29, 2024, with the acquisition of all shares of glucose and its new addition to the scope of consolidation, goodwill in the "Other" category increased by ¥141,939 thousand.

II Six months ended August 31, 2024

Information related to amounts for net sales and profit, or losses, as well as earnings analysis information by reportable segment

(Thousands of yen)

| | Reportable segment | Other (Note) 1. | Total | Amount of adjustments | Semi-annual consolidated statement of income amount (Note) 2. |
|---|---|---|---|---|---|
| | Press Release Distribution Business | | | | |
| Net sales | | | | | |
| "PR TIMES" and services related to "PR TIMES" | 3,414,819 | – | 3,414,819 | – | 3,414,819 |
| SaaS services for businesses | 156,178 | – | 156,178 | – | 156,178 |
| Other | – | 321,017 | 321,017 | – | 321,017 |
| Revenue arising from contracts with customers | 3,570,997 | 321,017 | 3,892,014 | – | 3,892,014 |
| Net sales to external customers | 3,570,997 | 321,017 | 3,892,014 | – | 3,892,014 |
| Internal sales or transfer volume among segments | – | 80,889 | 80,889 | (80,889) | – |
| Total | 3,570,997 | 401,906 | 3,972,904 | (80,889) | 3,892,014 |
| Segment profit | 957,525 | 962 | 958,487 | – | 958,487 |

(Notes) 1. The "Other" category includes our system development business and social media marketing support business, which are business segments not included in our reportable segments.

2. Segment profit matches operating profit in the semi-annual consolidated statement of income.

**Notes on significant changes in the amount of shareholders' equity**

Not applicable.

**Notes on premise of going concern**

Not applicable.

**Notes on significant events after the reporting period**

Not applicable.