Briefing Materials for the Financial Results of Third Quarter of Fiscal Year 2024

PR TIMES Corporation (TSE Prime | 3922)

January 10, 2025

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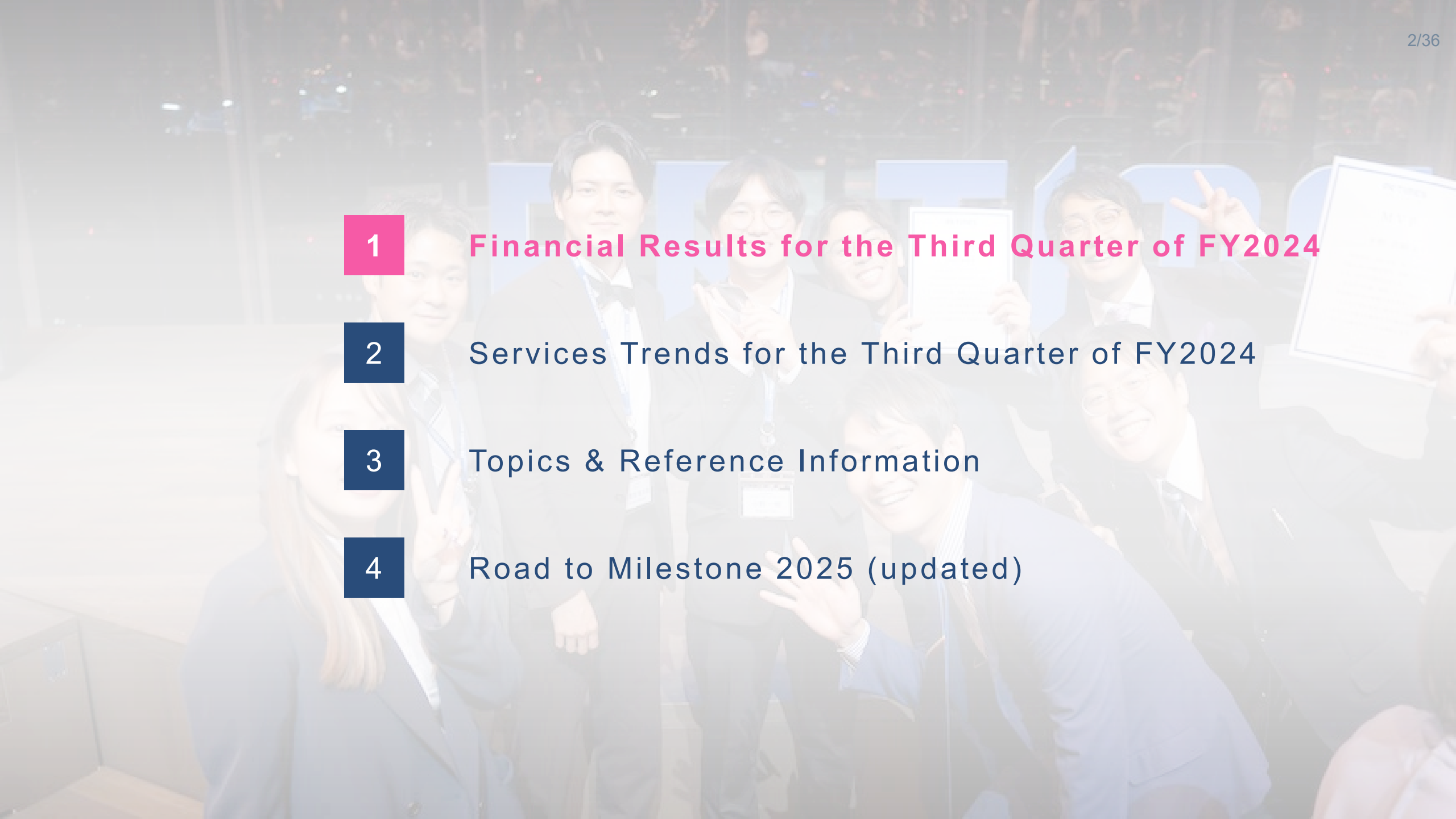
Executive Summary

Financial results for third quarter of FY2024	• Net sales amounted to ¥2,093 million, up 19.0% year on year, reaching a record high for the seventh consecutive quarter. • Operating profit was ¥638 million, up 2.2% year on year, a new record high for the first time in four quarters.
Outlook for financial results	• The percentage of full-year forecasts progressed was 73.1% for net sales and 84.0% for operating profit, which is progressing smoothly. • Given the increased probability of achieving the performance conditions for performance-linked share acquisition rights based on FY2025, we expect to record an additional share-based remuneration expense in the range of ¥60-100 million in the fourth quarter. However, in our judgment, the additional expense can be absorbed with smooth progress in business performance and cost control.
Services trends	• The number of companies using Jooto's paid version was 2,475, an increase of 2.1% quarter on quarter. The average unit price was ¥8,995, an 11.8% decrease quarter on quarter. • The number of paid Tayori accounts was 1,348, a 7.5% increase quarter on quarter. The average unit price was ¥7,832, a 4.9% increase quarter on quarter.
Topics	• For the first time since its founding, we expect to pay a year-end dividend for the fiscal year ending February 28, 2025, following our no-dividend policy adopted in 2016 subsequent to its listing. Our policy is to implement progressive dividends based on a dividend on DOE of 2% or more. • By partnering for regional information distribution throughout all 47 prefectures, we achieved one of the medium-term management goals for FY2025 in Milestone 2025.
FY2025 financial results forecasts	• As of the announcement of financial results for this third quarter of FY2024, operating profit was revised upward to ¥3.0 billion or more in financial results forecasts for FY2025 (operating profit of ¥2.5 billion or more planned as of the announcement of financial results for the second quarter of FY2024). • The entire Group will work as one to achieve an operating profit of ¥3.5 billion in FY2025, the goal set in Milestone 2025.



1 Financial Results for the Third Quarter of FY2024

2 Services Trends for the Third Quarter of FY2024

3 Topics & Reference Information

4 Road to Milestone 2025 (updated)

Financial Results for the Third Quarter of FY2024

- We posted net sales of ¥2,093 million (119.0% year on year; 106.4% quarter on quarter) and operating profit of ¥638 million (102.2% year on year; 134.7% quarter on quarter).

(Millions of yen)	FY2023 Q3	FY2023 Q4	FY2024 Q1	FY2024 Q2	FY2024 Q3	Year on Year (YoY)	Quarter on Quarter (QoQ)
Net sales	1,759	1,793	1,925	1,966	2,093	119.0%	106.4%
Gross profit	1,536	1,500	1,630	1,658	1,765	114.9%	106.5%
[Gross profit ratio]	[87.3%]	[83.7%]	[84.7%]	[84.3%]	[84.4%]	–	–
SG&A expenses	911	1,269	1,145	1,184	1,127	123.7%	95.2%
Operating profit	624	231	484	473	638	102.2%	134.7%
[Operating profit ratio]	[35.5%]	[12.9%]	[25.2%]	[24.1%]	[30.5%]	–	–
Ordinary profit	600	226	484	470	638	106.4%	135.7%
Profit	399	160	320	313	373	93.5%	118.9%

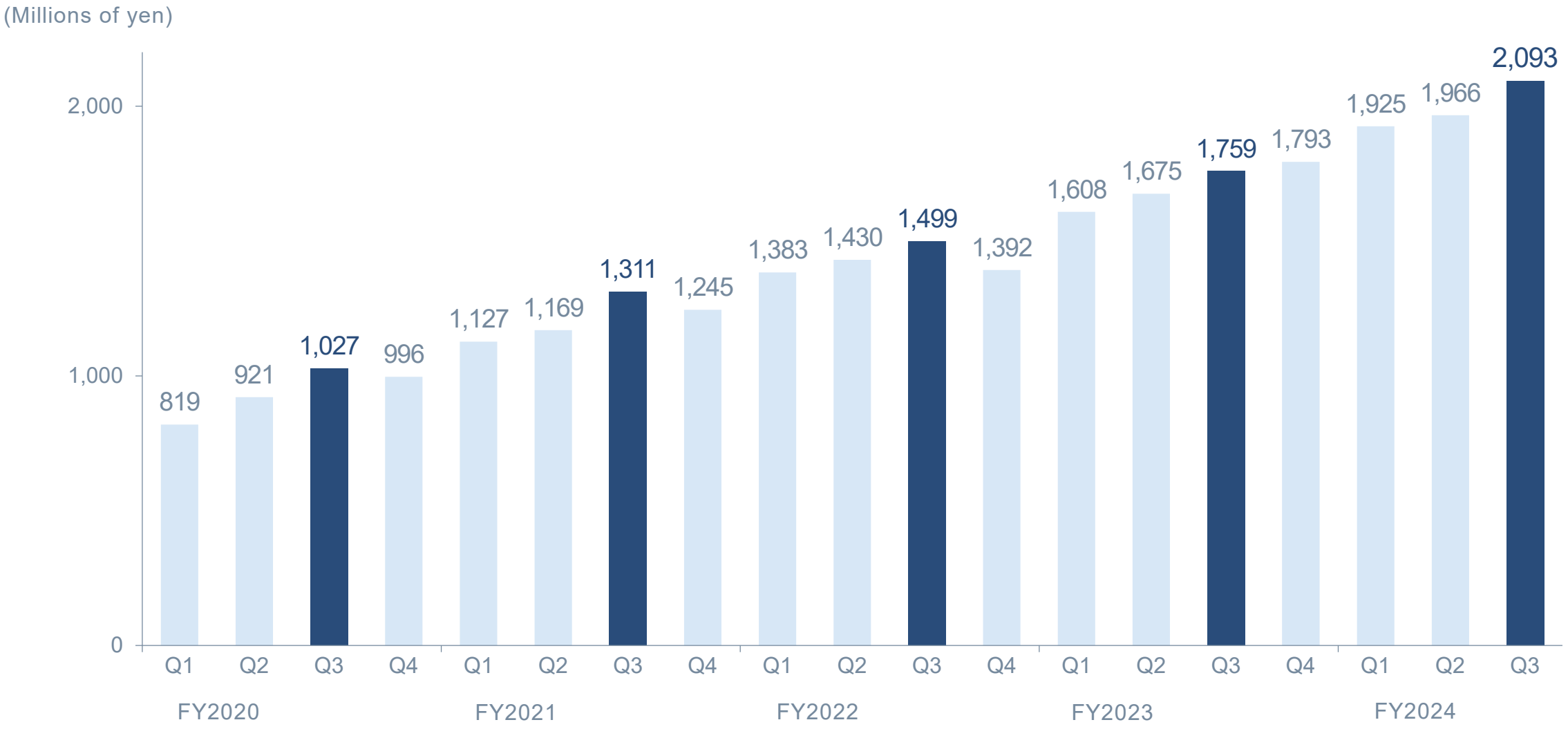
Financial Results for the Cumulative Third Quarter of FY2024

- We achieved a year-on-year increase in both net sales and all profits, steadily progressing against the full-year forecasts.

(Millions of yen)	FY2023 Q3	FY2024 Q3	Year on Year (YoY)	FY2024 full-year forecasts	Percentage of full-year forecasts achieved
Net sales	5,043	5,985	118.7%	8,189	73.1%
Gross profit	4,394	5,054	115.0%	–	–
[Gross profit ratio]	[87.1%]	[84.5%]	–	–	–
SG&A expenses	2,878	3,457	120.1%	–	–
Operating profit	1,515	1,596	105.4%	1,900	84.0%
[Operating profit ratio]	[30.0%]	[26.7%]	–	[23.2%]	–
Ordinary profit	1,490	1,594	106.9%	1,889	84.4%
Profit	1,000	1,008	100.8%	1,276	79.0%

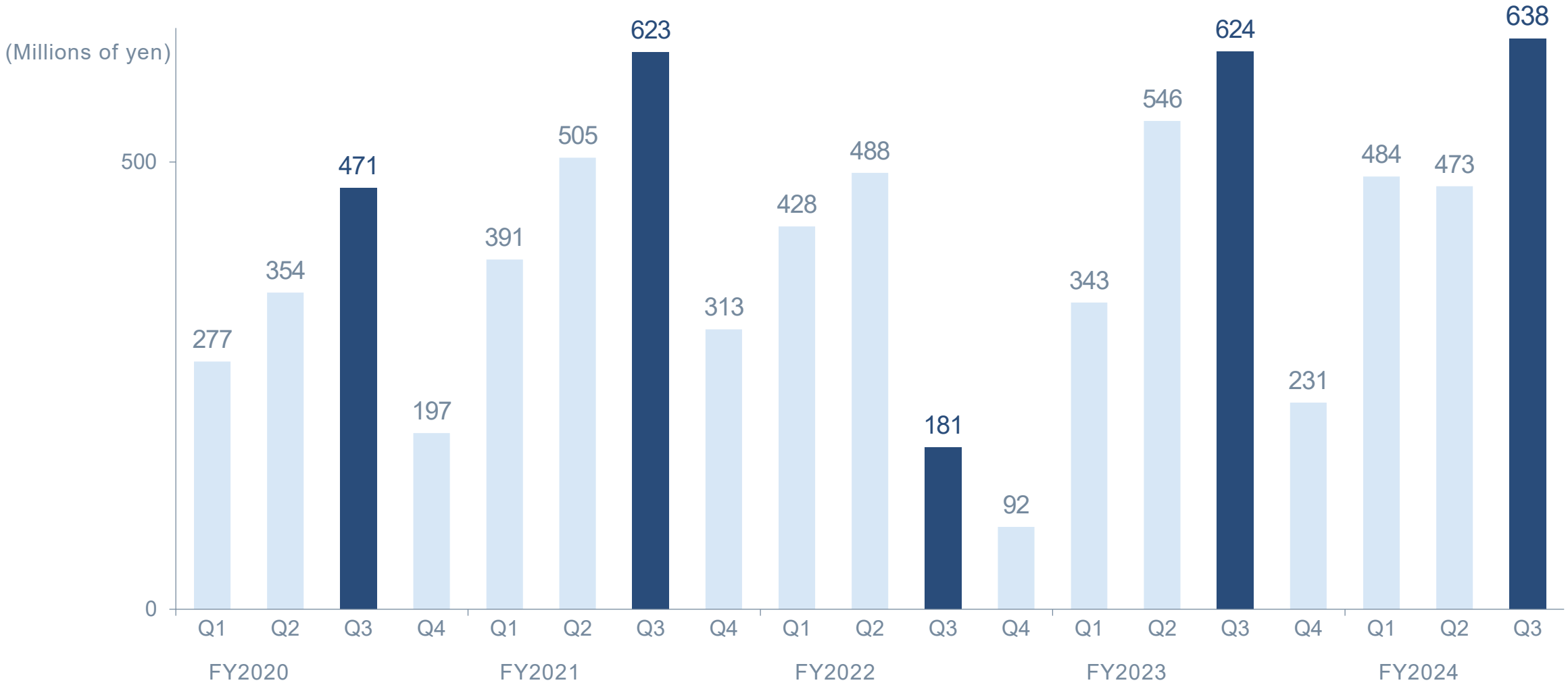
Changes in Quarterly Net Sales

- Net sales reached a record high for the seventh consecutive quarter.



Changes in Quarterly Operating Profit

- Operating profit reached a record high for the first time in four quarters after absorbing investments.



Breakdown and Ratios of Quarterly SG&A Expenses

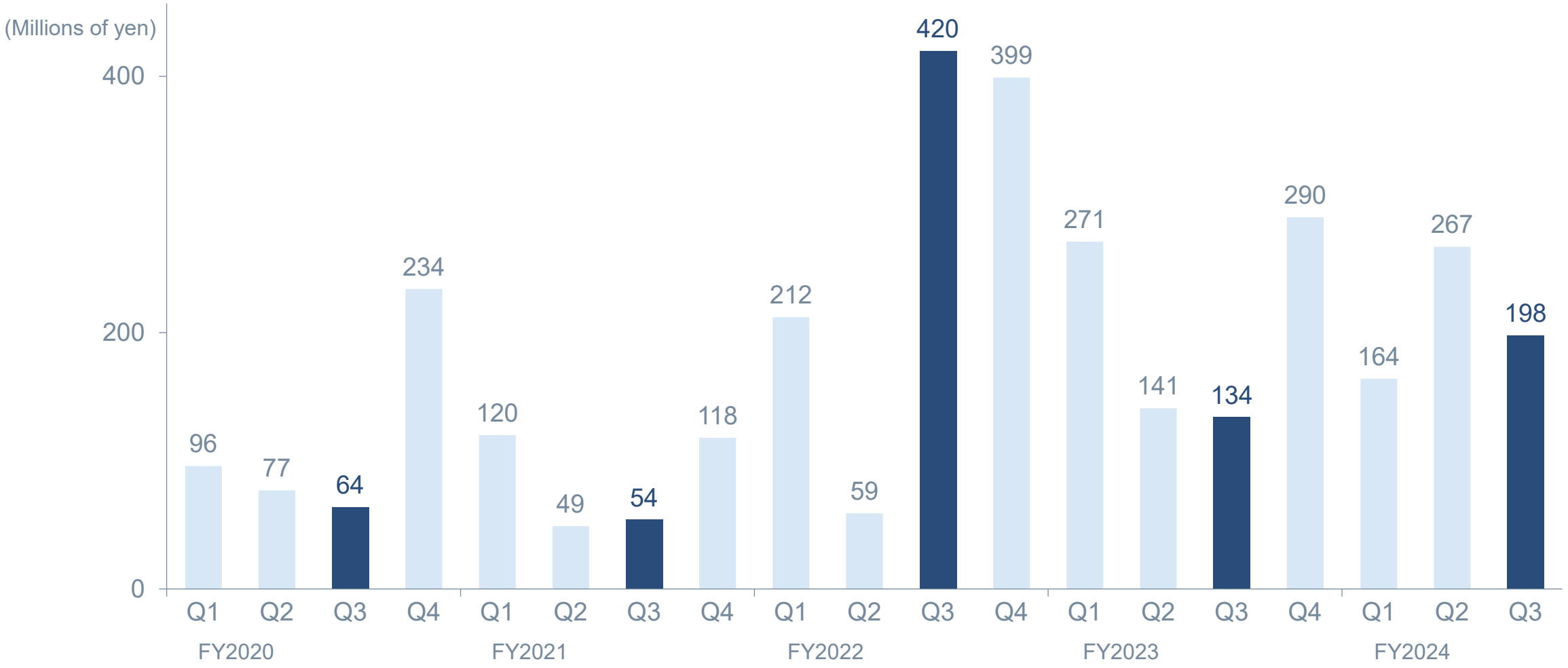
- S&M includes airing TV commercials and hosting several events in PR TIMES, as well as advertising videos and participating in events in Joto and Tayori.
- R&D includes expenses we have continued to incur for the renewal project of PR TIMES.
- G&A has been maintained at a stable level of less than 10% of net sales.

	FY2023				FY2024					
	Q3		Q4		Q1		Q2		Q3	
(Millions of yen)	Amount	Percentage of net sales	Amount	Percentage of net sales	Amount	Percentage of net sales	Amount	Percentage of net sales	Amount	Percentage of net sales
Net sales	1,759	100.0%	1,793	100.0%	1,925	100.0%	1,966	100.0%	2,093	100.0%
Cost of sales	223	12.7%	292	16.3%	294	15.3%	308	15.7%	327	15.6%
S&M	520	29.6%	870	48.5%	696	36.2%	747	38.0%	712	34.0%
R&D	266	15.1%	261	14.6%	279	14.5%	283	14.4%	272	13.0%
G&A	124	7.1%	137	7.7%	169	8.8%	154	7.8%	143	6.8%
Operating profit	624	35.5%	231	12.9%	484	25.2%	473	24.1%	638	30.5%

Note: S&M, R&D, and G&A are abbreviations for Sales & Marketing, Research & Development, and General & Administrative expenses, respectively. These figures have not been audited or reviewed by the financial auditor.

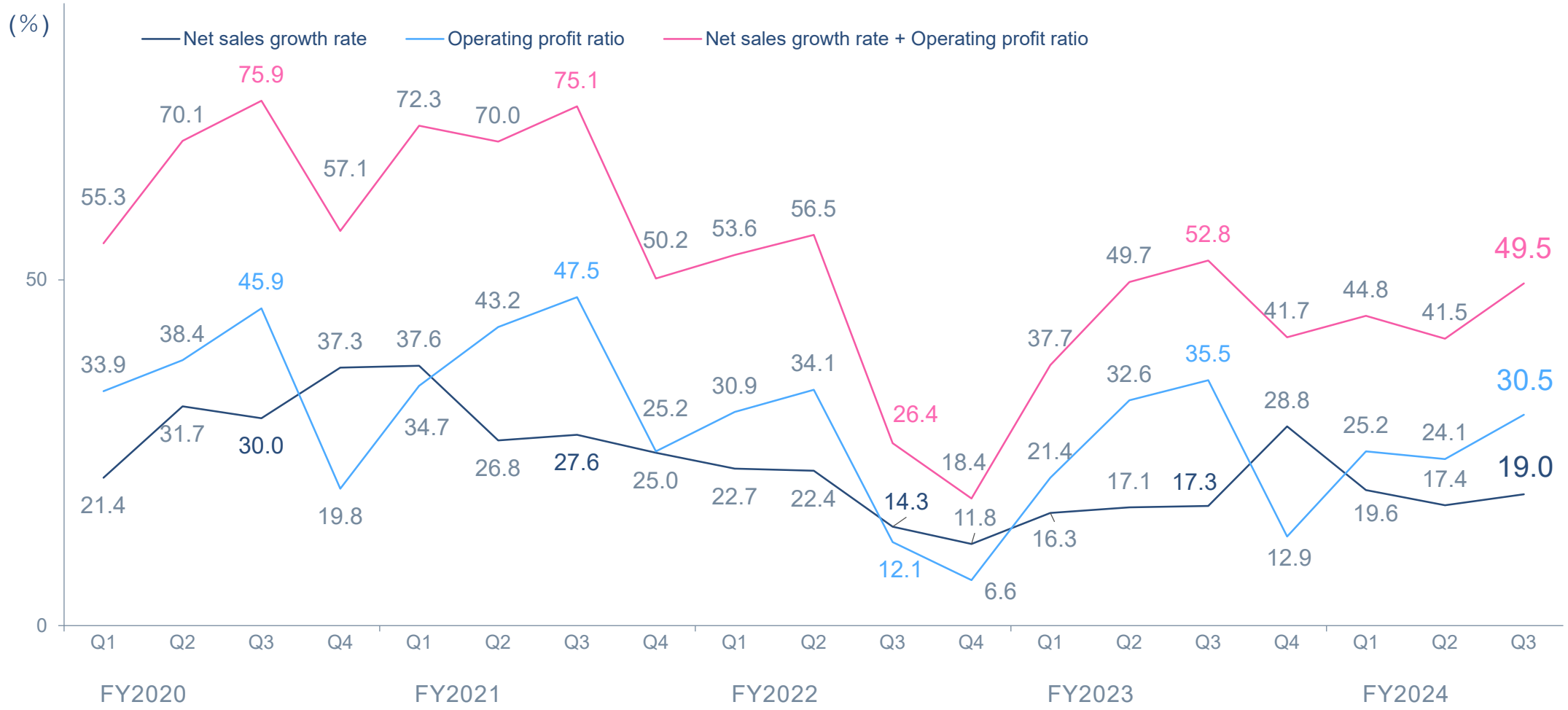
Changes in Quarterly Advertising Expenses

- Advertising expenses were ¥198 million, 147.4% of those in the same period of the previous fiscal year.



Changes in Net Sales Growth Rate and Operating Profit Ratio

- Total of net sales growth rate and operating profit ratio was 49.5%, maintaining a favorable level.
- Going forward, by driving aggressive yet disciplined investment, we will continue to pursue both sustainable growth and profit expansion.

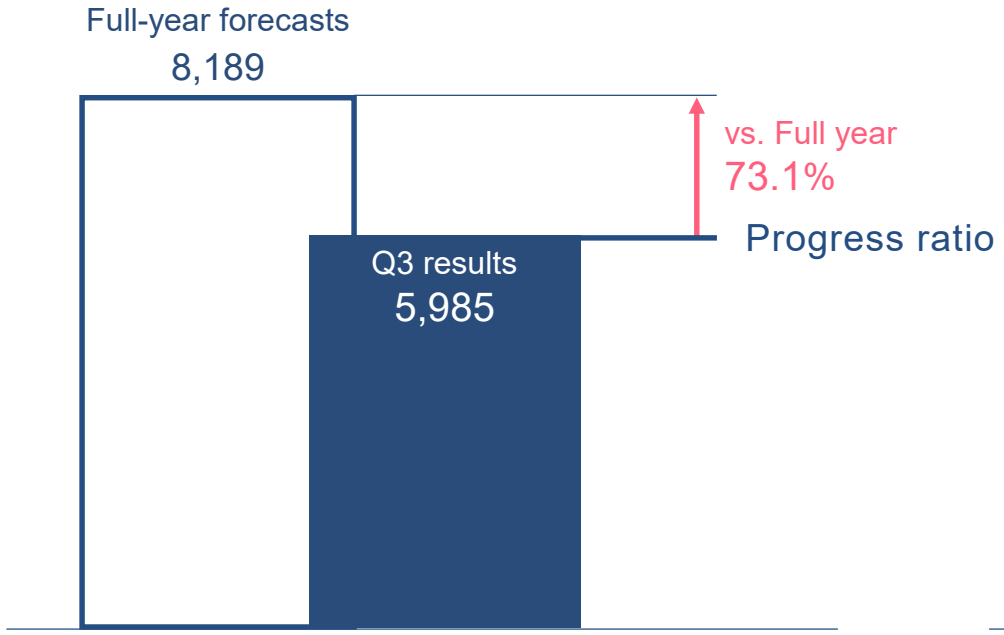


Progress of Financial Results Forecasts for FY2024

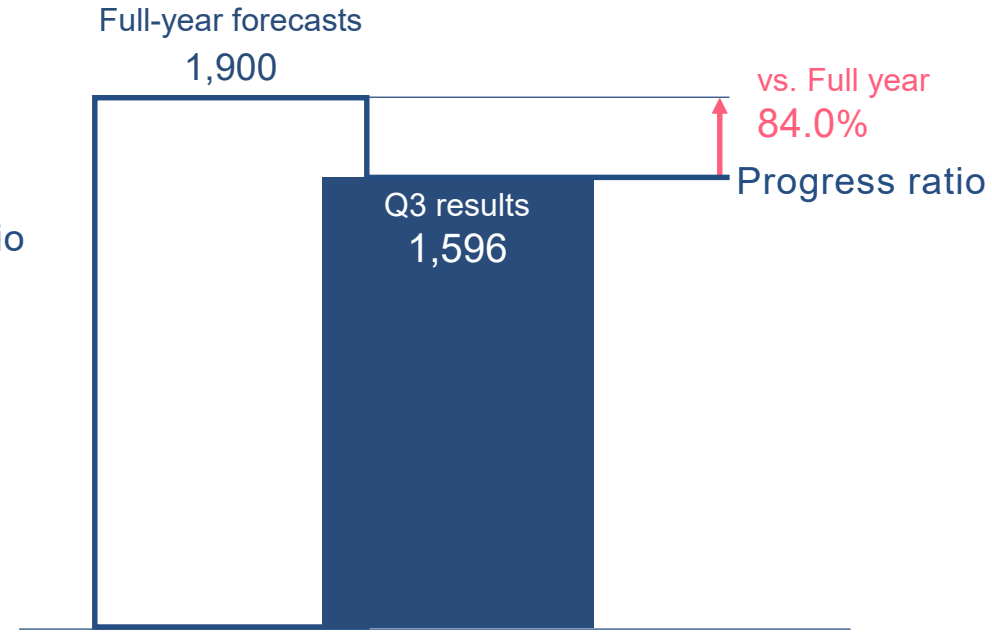
- The percentage of full-year forecasts progressed was 73.1% (73.8% in the same period of the previous fiscal year) for net sales and 84.0% (86.8% in the same period of the previous fiscal year) for operating profit, both at the same level as in the previous fiscal year.
- In our financial forecasts for FY2025, we plan to announce an operating profit of ¥3 billion or more.
- Given the increased probability of achieving the performance conditions for performance-linked share acquisition rights based on FY2025, we expect to record an additional share-based remuneration expense in the range of ¥60-100 million in the fourth quarter. However, in our judgment, the additional expense can be absorbed with smooth progress in business performance and cost control.

(Millions of yen)

Net sales



Operating profit



Balance Sheet

- Cash and deposits steadily accumulated due to an increase in operating cash flow, surpassing ¥5.0 billion for the first time in this quarter.

(Millions of yen)	As of May 31, 2024	As of August 31, 2024	As of November 30, 2024	Year on Year	Quarter on Quarter
Current assets	5,235	5,785	6,025	118.1%	104.1%
Of which, cash and deposits	4,297	4,807	5,009	118.4%	104.2%
Non-current assets	1,790	1,830	1,806	121.7%	98.6%
Total assets	7,025	7,615	7,831	118.9%	102.8%
Current liabilities	1,039	1,280	1,117	100.1%	87.3%
Of which, contract liabilities	287	314	284	96.2%	90.5%
Non-current liabilities	2	2	2	46.1%	93.2%
Net assets	5,983	6,333	6,711	122.9%	106.0%
ROA (*)	19.2%	17.4%	16.2%	–	–
ROE	23.5%	21.0%	19.2%	–	–

(*) ROA and ROE have been calculated based on figures of the latest 12 months.



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PR TIMES Business Highlights



https://prtimes.jp

Companies	Number of companies using PR TIMES	105,061
	Percentage of listed companies in Japan using PR TIMES	60.7% (2,460 out of 4,052 companies)
	Number of press releases	39,816 per month (Oct. 2024)
Media	Delivery media list	10,924 media
	Number of media users	27,096 persons
	Number of partner media	262 media
Consumers	Number of site views	89.84 million page views per month (Aug. 2023)
	Social media accounts	Facebook: 130,947 X (formerly Twitter): 477,512
	Number of individual users	226,977 persons

*As of November 30, 2024

Publicity Achievements (Q3 FY2024)

- One of the values we offer is publicity, and our publicity achievements demonstrate it.
- The number of publicity for the third quarter of FY2024 was 124 releases across 77 media (134.8% of that for the previous fiscal year), marking a record high for the third quarter.

Radio 1 release across 1 media

Kiss-FM KOBE「バンディ's What's Going On！」

TV 2 releases across 2 media

BS-TBS「噂の！東京マガジン」｜TOKYO MX「おはリナ！」

Magazines 10 releases across 10 media

企業と広告｜クロワッサン｜月刊全調協ニュース｜広報会議｜CALL CENTER JAPAN｜Sign＆Displays｜VISION OKAYAMA｜
ファイナンス｜POP EYE｜MONOQLO

Newspapers 36 releases across 23 media

糸島新聞｜神戸新聞｜The Bunka News｜信濃毎日新聞｜酒類飲料日報｜食品産業新聞｜新聞情報｜新聞之新聞｜新聞報｜東京新聞｜
都政新報｜塗料報知｜奈良新聞｜日本経済新聞｜北海道新聞｜毎日新聞｜みなと新聞｜南日本新聞｜山形新聞｜山口新聞｜読売新聞｜
旅行新聞｜労働新聞

Web 75 releases across 41 media

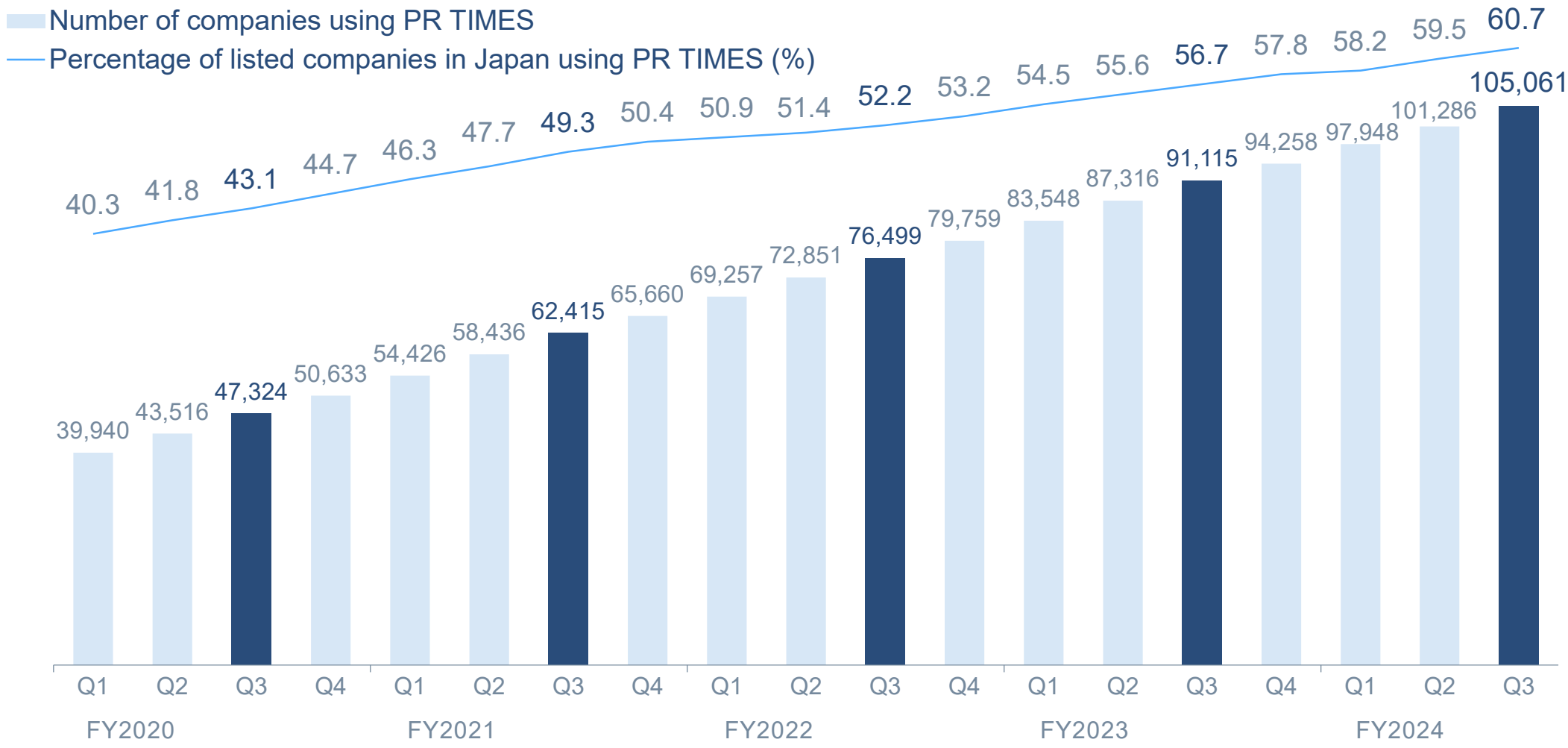
IR INFOナビ｜ITトレンド｜@DIME アットダイム｜AdverTimes.（アドタイ）｜アンドエンジニア｜AMP｜軽井沢ウェブ｜月刊総務オンライン｜
決算が読めるようになるノート｜広報デリ｜CALL CENTER JAPAN｜サードニュース｜札幌イベント情報マガジン『サツイベ』｜市民タイムスWEB｜
syncAD｜スポーツ報知｜スポニチ Sponichi Annex｜XEXEQ｜中京テレビNEWS NNN｜中日スポーツ｜中日BIZナビ｜できるネット｜トウシル｜
東スポWEB｜日経クロステック｜日経クロストレンド｜日本経済新聞｜PR EDGE｜PR GENIC｜びわ湖大津経済新聞｜formLab｜文化通信デジタル｜
VOIX biz｜BOXIL MAGAZINE｜MarkeZine｜マイナビウーマン｜マナミナ｜Media Innovation｜LISKUL｜LOGISTICS TODAY｜WorkMaster

- Publicity releases reproduced in Yahoo! News, livedoor News, SmartNews, LINE NEWS, NewsPicks, antenna, etc., are omitted.
- Publicity releases reproduced from newspapers and magazines to their respective online editions are omitted.
- PR EDGE and WorkMaster are media operated by the Company.
- Publicity releases regarding the Company's stock price are omitted.
- Figures include media that were published more than once.

(September 2024 to November 2024; media names listed in Japanese alphabetical order)

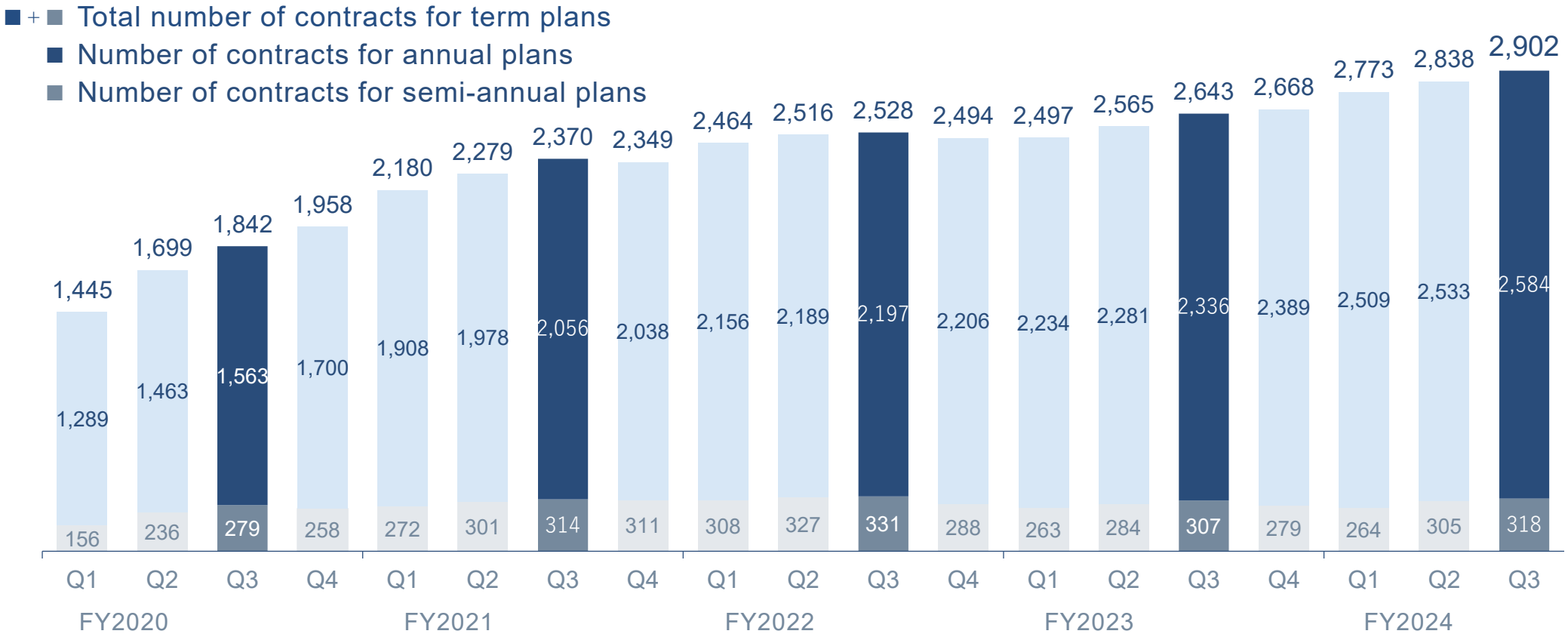
PR TIMES | Changes in Number of Companies Using PR TIMES

- The number of companies using PR TIMES reached 105,061 (up 13,946 companies year on year; up 3,775 companies quarter on quarter).
- 60.7% (2,460 out of 4,052) of all listed companies used PR TIMES.



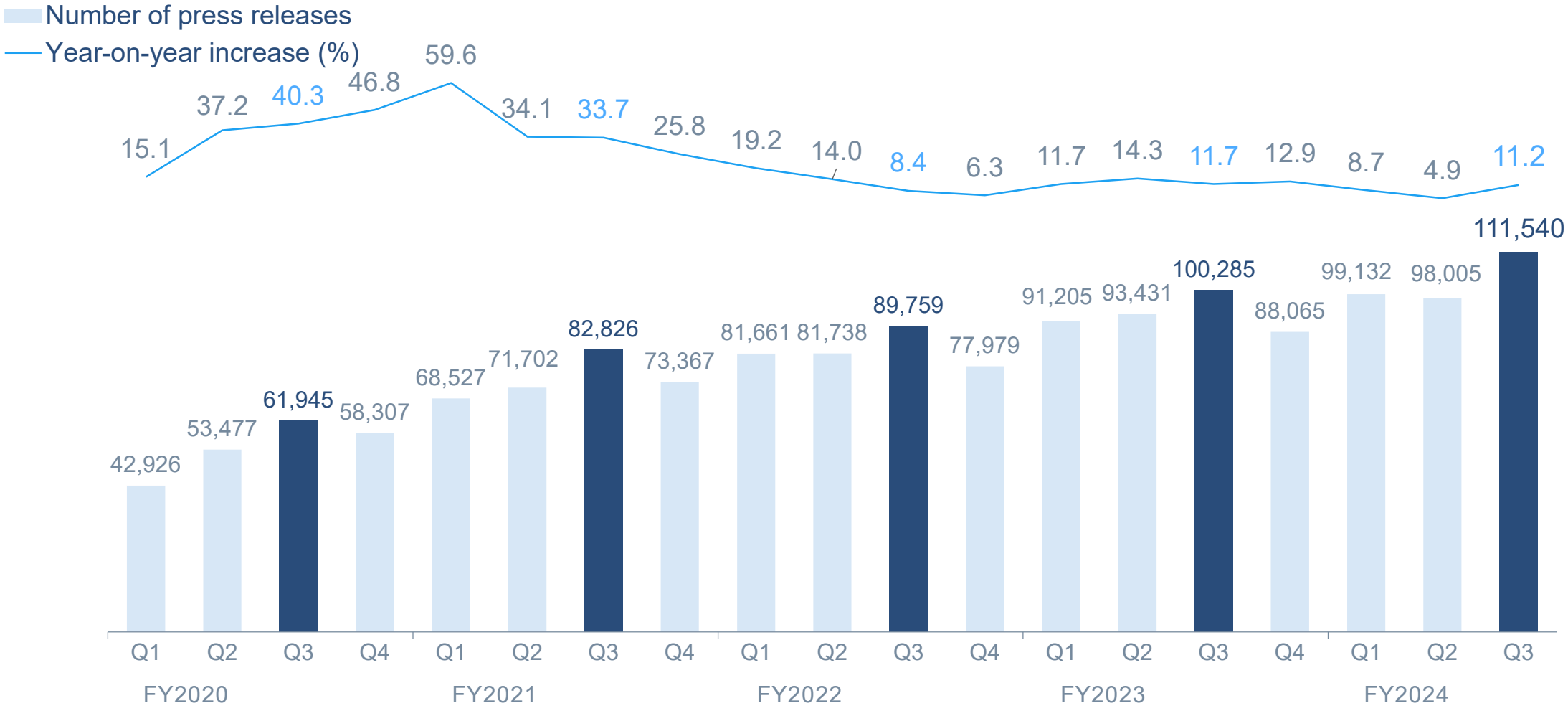
PR TIMES | Number of Contracts for Term Plans

- PR TIMES offers a pay-as-you-go plan at ¥30,000 per use and a fixed-rate plan. The fixed-rate plan includes a single-month contract at ¥80,000 per month, a semi-annual contract at ¥75,000 per month, and an annual contract at ¥70,000 per month. Quarterly disclosure of contracts for annual and semi-annual plans and their totals will be provided.
- The total number of contracts for term plans is 2,902 (up 259 companies or 9.8% year on year), including 2,584 companies under annual plans (up 248 companies or 10.6% year on year) and 318 companies under semi-annual plans (up 11 companies or 3.6% year on year).
- We will strengthen proposals for PR partner services, particularly to major consumer goods manufacturers among customers under contract with annual plans (see page 20 for details).



PR TIMES | Changes in Number of Press Releases

- The number of press releases was 111,540 (up 11.2% year on year; up 13.8% quarter on quarter), a new record high for the first time in four quarters.
- Growth rate in the number of press releases returned to the 10% level for the first time in three quarters, as a result of successful efforts to address several issues identified in the previous quarter and expand sales departments.

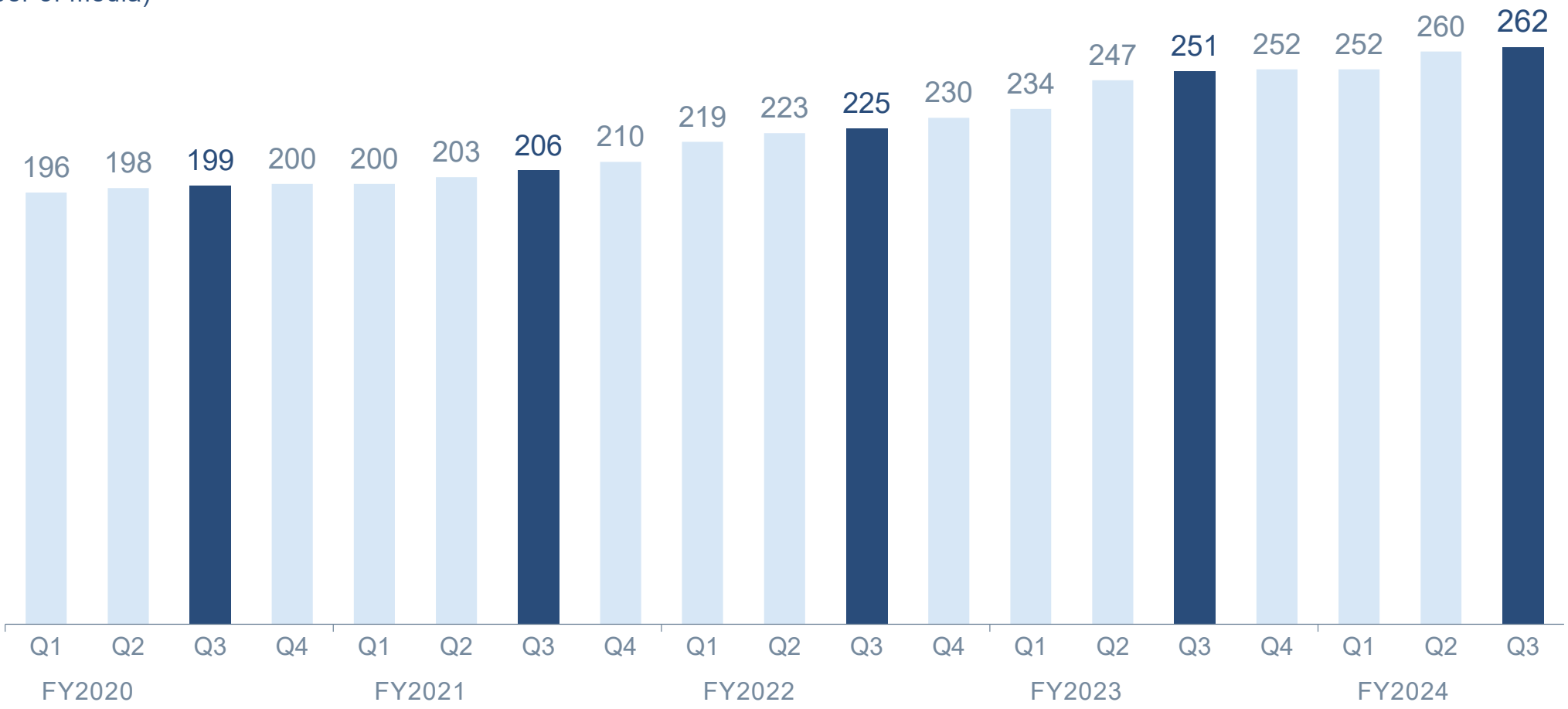


PR TIMES | Changes in Number of Partner Media

- The number of partner media was 262 (up 2 media).

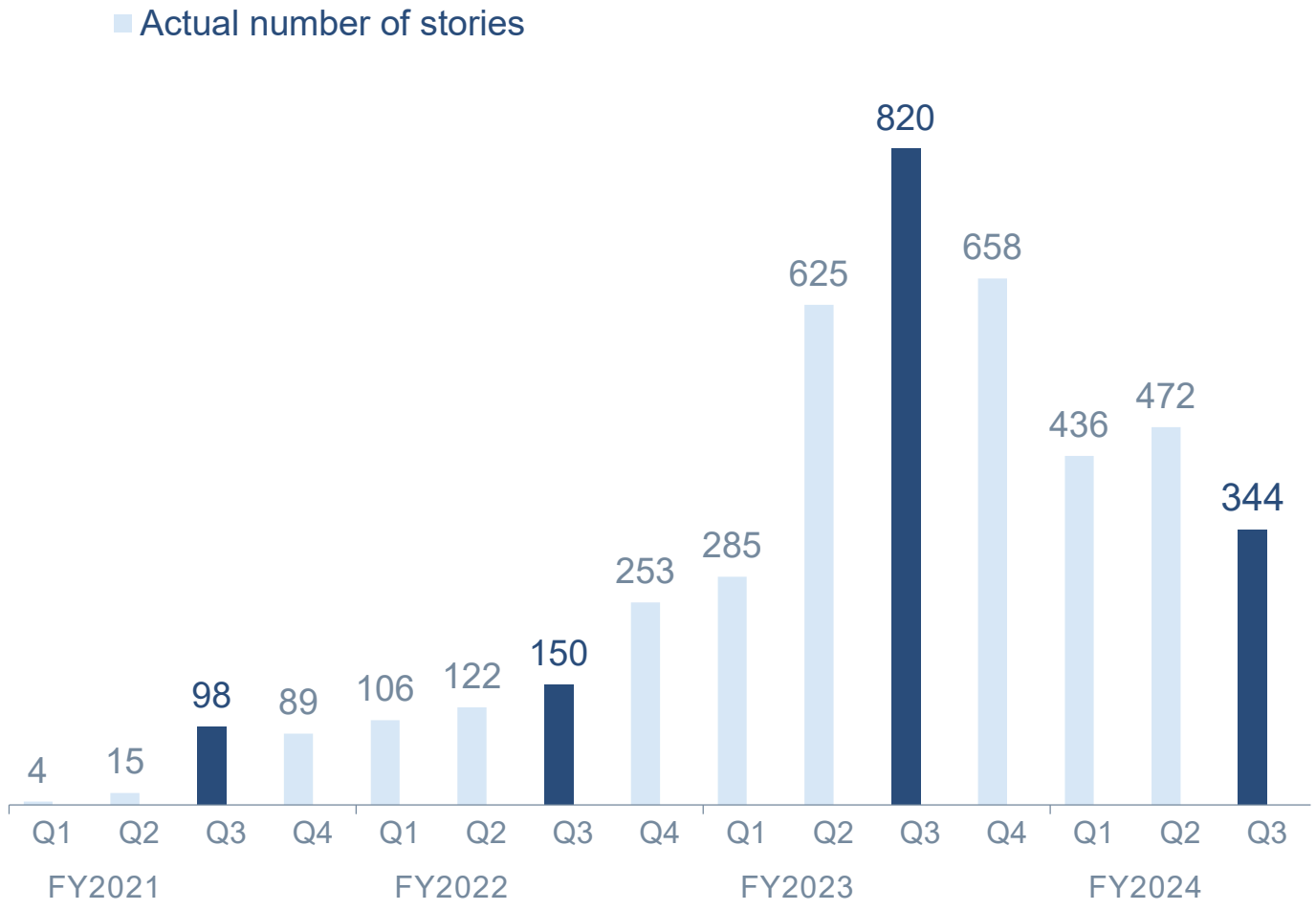
新潟日報　奈良新聞社

(Number of media)



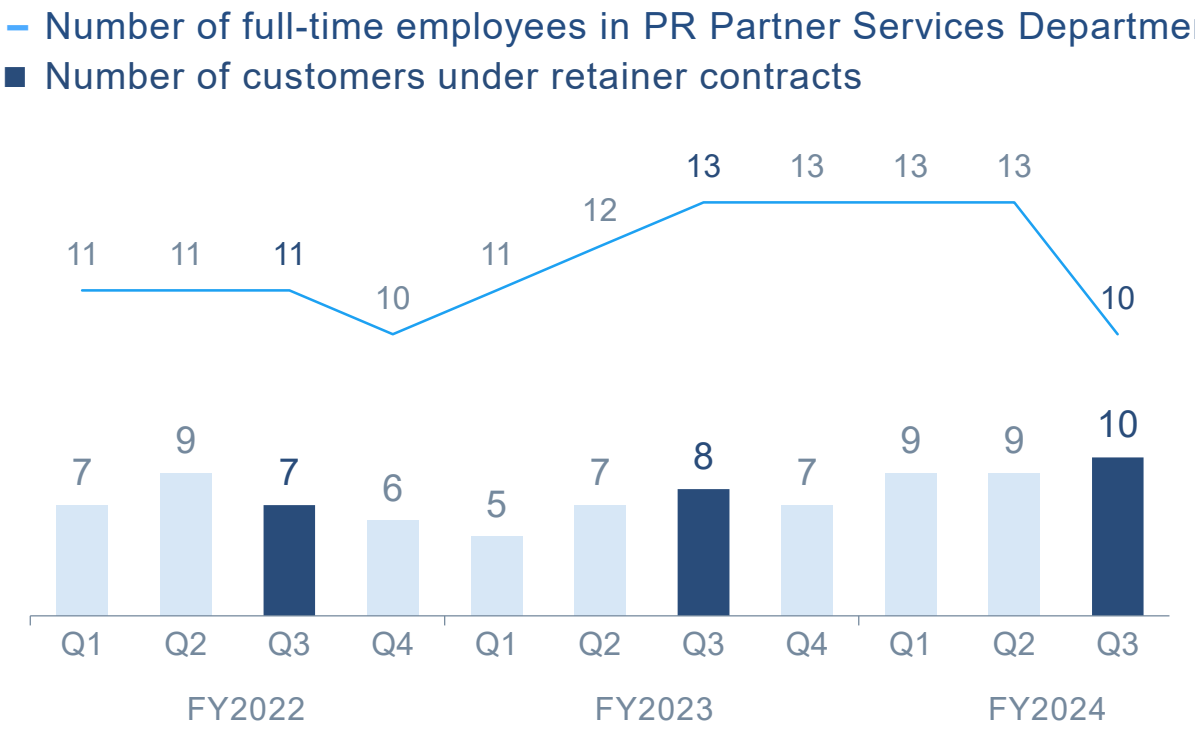
PR TIMES STORY | Changes in Number of Stories

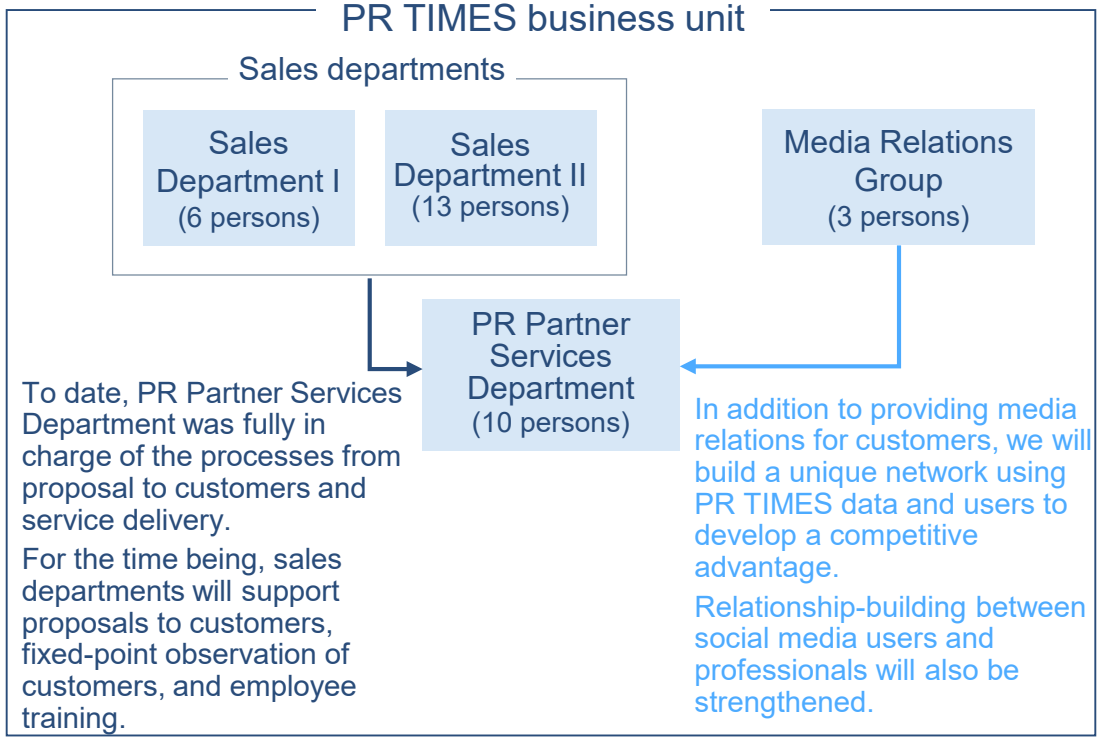
- The number of stories for PR TIMES STORY was 344 (down 58.0% year on year; down 27.1% quarter on quarter), significantly below the target of 1,914 stories.



PR Partner Services | Number of Customers under Retainer Contracts

- PR partner services, launched in August 2021 for PR TIMES customers, have not achieved sustainable growth, with a stagnant number of 5 to 10 customers under retainer contracts. The number of customers per employee is at a low level, indicating an inability to expand the organization.
- The PR TIMES business unit, which integrates functions and services related to PR TIMES, and Media Relations Group, which seeks to deepen relations with the media, were established last year. Sales departments have been expanded into an organization that promotes PR TIMES' peripheral and supplementary services in an integrated manner. Moving forward, sales departments and Media Relations Group will support PR partner services, aiming for an early stage of growth.

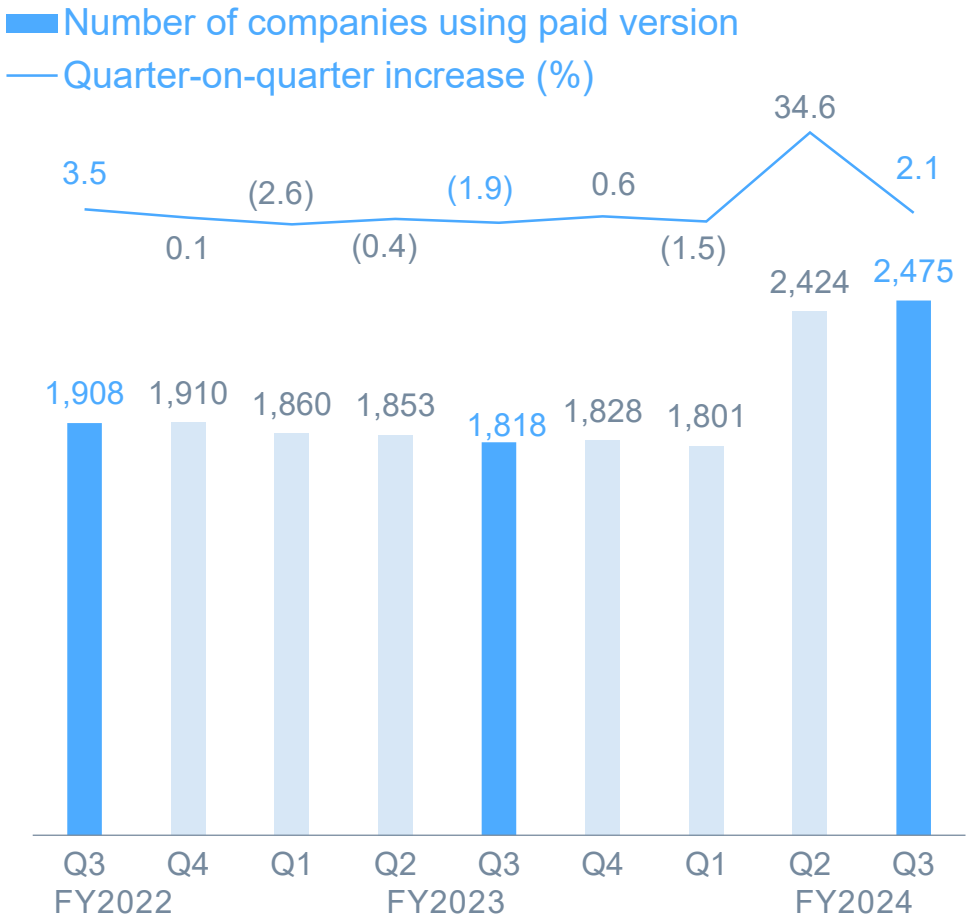


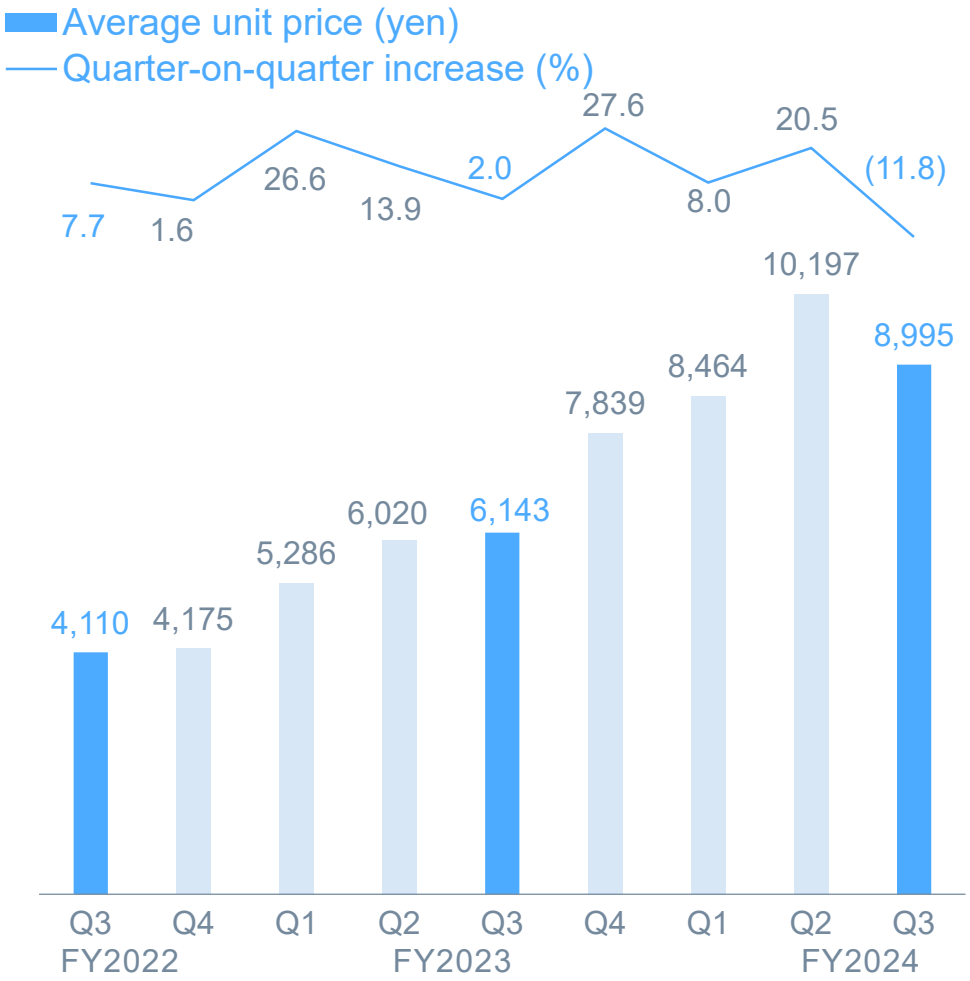


(*)The number of customers under retainer contracts is defined as the number of customers in operation for the most recent six consecutive months.

Jooto | Changes in Number of Companies Using Paid Version

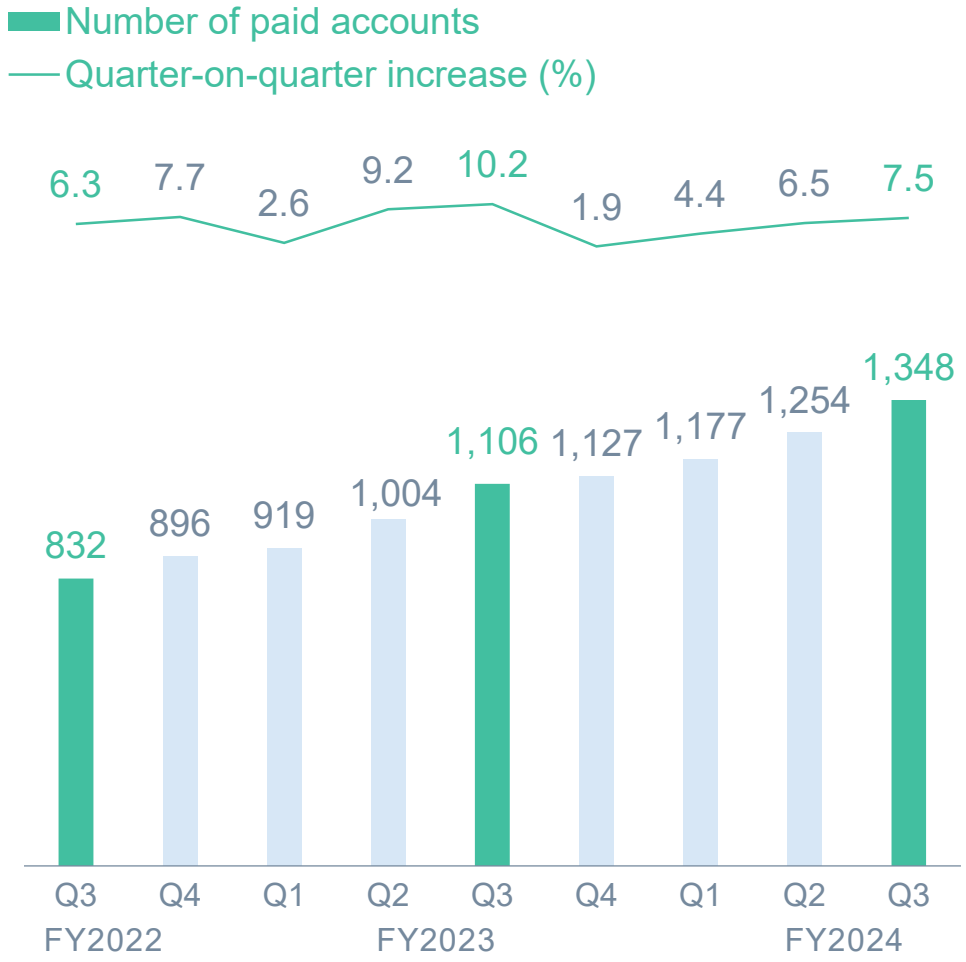
- The number of companies using the paid version reached 2,475 (up 51 companies or 2.1% quarter on quarter), increasing for the second consecutive quarter, with no rebound after the significant 34.6% increase recorded in the previous quarter.
- The average unit price per company was ¥8,995 (down 11.8% quarter on quarter, up 46.4% year on year), a temporary effect in reaction to the strong performance of optional services such as initial installation and API integration support in the previous quarter.

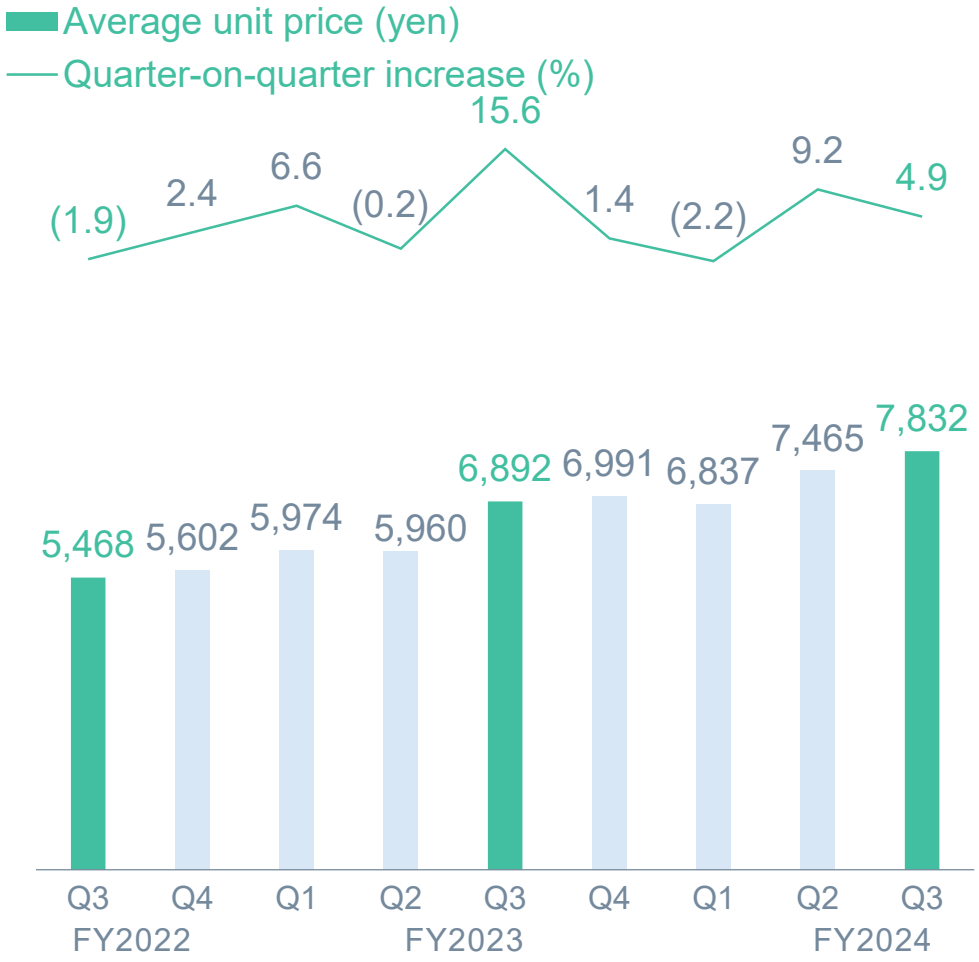




Tayori | Changes in Number of Paid Accounts

- The number of paid accounts increased for the 15th consecutive quarter to 1,348 (up 94 accounts or 7.5% quarter on quarter).
- The average unit price was ¥7,832 (up 4.9% quarter on quarter), while an increasing number of customers shifted to the professional plan with AI chatbots available, and sales of the implementation support program also gained momentum.







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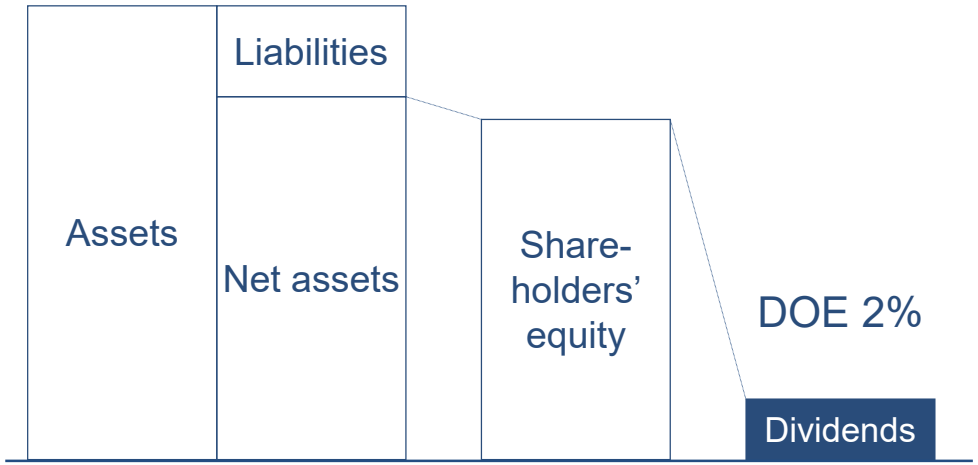
4 Road to Milestone 2025 (updated)

- For the first time since its founding, we expect to pay a dividend, following our no-dividend policy adopted in 2016 subsequent to its listing.
- Our policy is to implement dividends based on a dividend on equity (DOE) ratio of 2% or more. In current assumptions, we expect shareholders' equity to be about ¥7.0 billion for the fiscal year ending February 28, 2025. On this basis, we forecast a total dividend of about ¥140 million, or a dividend per share of ¥10.30.
- Turning from no dividend to a dividend for the first time does not make us a mature company. Going forward, we will continue to pursue both sustainable growth and profit growth through aggressive yet disciplined investment. In the future, shareholders will be able to track the process of this endeavor through progressive dividends, and evaluate and assess the results each fiscal year.

	Annual dividend End of Q2	Annual dividend Year-end	Annual dividend Total
Previous forecasts announced on October 11, 2024	—	¥0.00	¥0.00
Current forecasts	—	¥10.30	¥10.30
Results for current period Fiscal year ending February 2025	¥0.00	—	—
Results for previous period Fiscal year ended February 2024	¥0.00	¥0.00	¥0.00



Press release: https://prtimes.jp/main/html/rd/p/000001484.000000112.html (in Japanese)

- In the PR TIMES business unit, Development Group I led by the CTO and Development Group II led by the VPoE were moved up to a department. The Development Department's general manager was moved to Development Group I as general manager, and an employee in his 20s, in his seventh year since being hired as a new graduate, was appointed as general manager of Development Group II.
- An employee in his 20s, in his third year since being hired as a new graduate, was appointed as general manager of Sales Department II in the PR TIMES business unit. This makes three new managers in the company.



Management members (on January 10, 2025)

- To honor individuals whose actions have inspired society as a symbol of the year, the 2024 Public of The Year award ceremony was held for the first time.
  Nine winners were named in the three categories: enterprise/business, academic/cultural, and entertainment/sports.
- This newly established award is designed to recognize those who have taken action and communicated the information to the public, with the desire to create the next generation of doers to drive a virtuous cycle that moves society forward. We will make it be a prestigious award that will last for decades.



The winners of Public of The Year 2024 were announced on December 26, 2024.

Press release: https://prtimes.jp/main/html/rd/p/000001489.000000112.html (in Japanese)

- At the beginning of the year 2025, we pledge the "Path to the Public" to renew our commitment.
- We aim to create a world where everyone can affirm that individual actions are moving society forward.





Press release: https://prtimes.jp/main/html/rd/p/000001491.000000112.html (in Japanese)

PR TIMES | Expansion of Regional Operations

- In November 2024, we partnered with Nagoya Industries Promotion Corporation, Nara Newspaper, and Hokkaido Bureau of Economy, Trade and Industry of the Ministry of Economy, Trade and Industry. We have expanded partnerships for regional information dissemination to a total of 90 entities, including partnerships with 43 regional financial institutions (35 banks and eight shinkin banks), 34 regional media companies, as well as public agencies and local governments (three prefectures, seven cities, and three agencies).
- By covering all 47 prefectures, we achieved one of the medium-term management goals for FY2025 in Milestone 2025.



*As of January 10, 2025

PR TIMES | Good Design Award

- Following Tayori, PR TIMES won the Good Design Award in the system/service for professional use category.
- After a complete renewal of PR TIMES press release editor, we entered the award competition and gained recognition for its design of rich and visually appealing content.



PR TIMES' design significantly enhances the delivery of information by transforming press releases into richer and more visually appealing content.

PR TIMES was honored in recognition of its contribution to the democratization of press releases by providing a mechanism to effectively deliver the voice of businesses, regardless of size, with its reliability backed by Japan's No. 1 market share and an extensive distribution network that can reach more than 10,000 media users.

Review from the judging panel of Good Design Award

GOOD DESIGN

Press release: https://prtimes.jp/main/html/rd/p/000001468.000000112.html (in Japanese)

PR TIMES｜Airing of TV Commercial Tied to NTV’s Drama Series

- A TV commercial tied to Nippon Television’s Sunday drama “Wakakusa Monogatari (Little Women) - Sisters in Love and Me Out of Love” began airing on November 3, 2024.
- In the commercial, Ryo Machida, played by Mayu Hotta, together with the staff of TV Nippon (the in-drama TV station), publishes a press release on PR TIMES to attract more viewers to watch the in-drama TV show “Love Cruise,” in which she was first engaged as a drama scriptwriter apprentice.





Press release: https://prtimes.jp/main/html/rd/p/000001472.000000112.html (in Japanese)

Tayori | Japanese Record by Paper Aircraft with Hanshin Tigers Player Ryutaro Umeno

- Inspired by the paper aircraft of the Tayori service logo, we attained a new Japanese record for the longest distance of 64.652 meters flown by a paper aircraft with Ryutaro Umeno of the Hanshin Tigers.





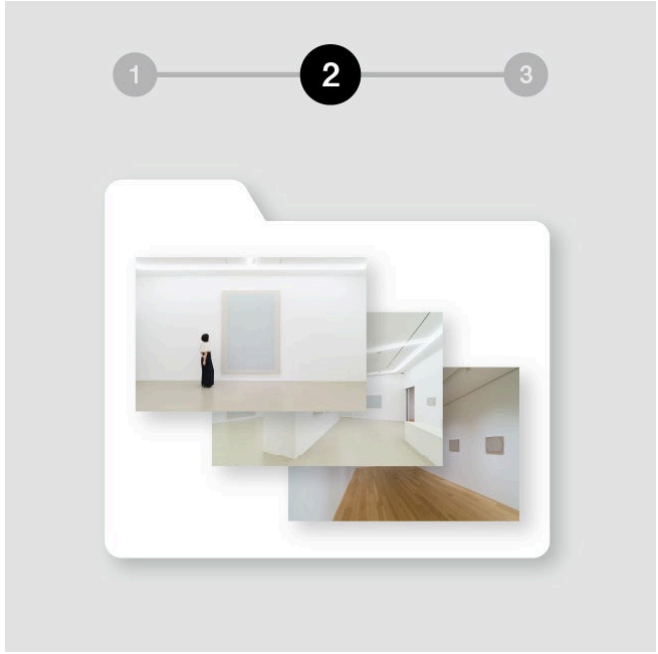
Press release: https://prtimes.jp/main/html/rd/p/000001486.000000112.html (in Japanese)

MARPH | Launch of a Paid Plan

- MARPH beta version was released in June 2022, designed to serve as an art-oriented PR platform. Chosen by a total of 37 galleries to date, 855 artworks and 255 solo exhibition contents are now available on MARPH. The number of press releases distributed is 154.
- We launched a paid press release distribution plan with a fee of ¥50,000 per release in November 2024. At present, five galleries are in use under the paid plan, and the number of the paid press releases distributed has reached seven. Preparations are underway to roll out the fully fledged service.



Distribution of a press release to 300-400 art-related media representatives



Additional communication services for 30-40 media representatives with high affinity, tailored to the press release content.



Collective reporting feature by compiling information such as lists of posted media and feedback from the media.

Press release: https://prtimes.jp/main/html/rd/p/000001474.000000112.html (in Japanese)



1 Financial Results for the Third Quarter of FY2024

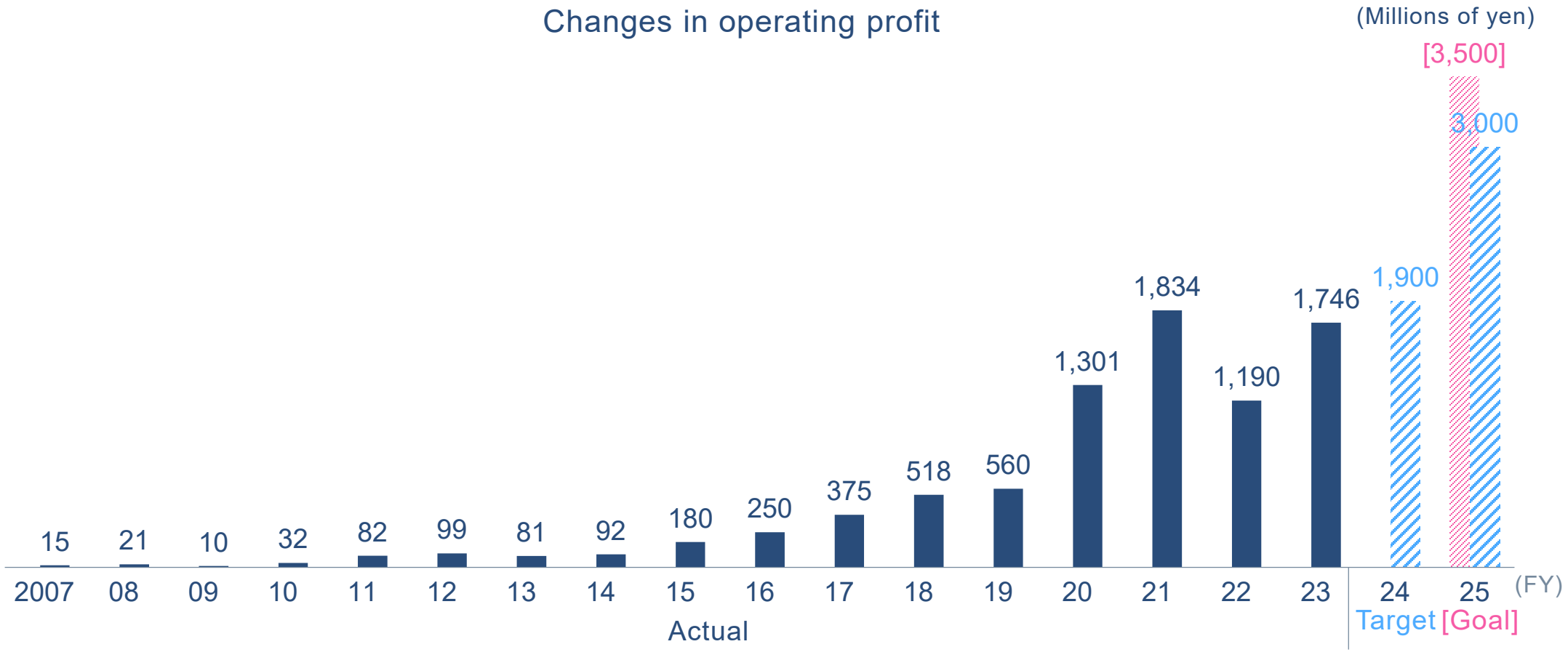
2 Services Trends for the Third Quarter of FY2024

3 Topics & Reference Information

4 **Road to Milestone 2025 (updated)**

Milestone 2025 Profit Goal and Plans

- **Although the financial results forecasts for FY2025 are currently under development, as of the announcement of financial results for this third quarter of FY2024, operating profit was revised upward to ¥3.0 billion or more in financial results forecasts for FY2025 (operating profit of ¥2.5 billion or more planned as of the announcement of financial results for the second quarter of FY2024).**
- Despite the current gap between this target and the operating profit goal of ¥3.5 billion by FY2025 stipulated in Milestone 2025, the entire Group will work as one to achieve this goal.



Towards an Age Where Information Inspires Hearts and Minds

It has been a quarter of a century since the Internet first became a part of people's lives.
Each and every one of us can now edit and disseminate information.
However, the amount of information that is gathered with technology and casually disseminated continues to grow.
Unfortunately, the probability of encountering the information that we really need and the feelings and thoughts that we really wish to experience has decreased in general.

The unshakable truth is not what has been said but what has been done.
Actions do not lie.
Hence, it is imperative to leverage the power of the Internet and technology to amplify the value of information about people who carry out actions.
Information directly related to hard work will spark the most robust and inspiring movements.
This is true in sports, in the arts, in politics, in economics, and at work and at home.
It is also true for all things big and small.

As the quality and speed of dissemination of information from people who carry out actions increases, it can become a mainstream source of information in the world.
The stories and thoughts that emerge from this will move the hearts and minds of each and every individual around the world.
This will create a virtuous cycle of positive energy.
Our mission is to become such a platform.

A briefing session is held in addition to the release of this document. We also meet separately with analysts and institutional investors as necessary. We refrain from communicating important information that has not been publicly disclosed during the Q&A segments of the briefing session and individual meetings. In general, new important information will first be announced on PR TIMES.

With regard to the rounding of numbers in this document, figures below the unit of millions of yen are rounded down (but rounded off to the first decimal place in cases where decimals are shown), while percentages (%) are rounded off to the first decimal place in general.

All opinions and forecasts contained in this document are the views of the Company as of the date on which the document was prepared, and the Company does not guarantee the accuracy of such information.

Please note that actual results, etc., may differ due to various factors.