April 21, 2025

Company name: PRONEXUS INC.
Name of representative: Takeshi Ueno, President and Representative Director
(Code No. 7893 Tokyo Stock Exchange Prime Market)
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Notice Concerning Impairment Losses and Revision of Full-Year Consolidated Earnings Forecast

PRONEXUS INC. hereby announces that it has resolved, at a meeting of the Board of Directors held on April 21, 2025, to revise downward as follows its full-year consolidated earnings forecast for the fiscal year ended March 31, 2025, which was announced on May 13, 2024.

1. Revision of consolidated earnings forecast for the full fiscal year ended March 31, 2025 (April 1, 2024 - March 31, 2025)

	Revenue	Operating profit	Income before income taxes	Consolidated earnings	Consolidated earnings attributable to parent company	Basic earnings per share
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Yen)
Previously announced forecast (A)	31,000	2,500	3,900	2,650	2,650	103.88
Revised forecasts (B)	31,000	200	1,650	500	490	19.21
Amount of change (B-A)	0	(2,300)	(2,250)	(2,150)	(2,160)	—
Percentage change	0.0%	(92.0%)	(57.7%)	(81.1%)	(81.5%)	—
Reference: Actual results for the previous fiscal year	30,117	2,435	2,529	1,786	1,779	69.76

2. Reasons for revision of earnings forecast

On March 31, 2023, we made a full stock acquisition of Cine Holdings Co., Ltd. (*) and have been promoting the expansion of event-related business together with its subsidiary Cine Focus Corp. As a result of the impairment test conducted in accordance with International Financial Reporting Standards (IFRS) for the goodwill generated at the time of the said stock acquisition, we expect to record impairment losses of approximately 2.5 billion yen in the consolidated financial statements for the full fiscal year ended March 31, 2025.

This was due to a cautious review of future business plans in light of the higher discount rate in response to rising long-term interest rates, as well as a slower-than-expected recovery in event-related businesses post-COVID.

Business activities in each of the Company's finished goods categories are generally strong, and there are no factors other than the recording of impairment losses that would cause the Company to revise its earnings forecast. Consolidated revenue is projected at ¥31,000 million, unchanged from the previous forecast.

* To streamline group management, Cine Holdings Co., Ltd. and Cine Focus Corp. merged on October 1, 2024, with Cine Focus Corp. as the surviving company.

3. Cash dividends

There is no change in the dividend forecast for the fiscal year ending March 31, 2025 (total of 52.00 yen, include a special dividend of 16.00 yen) following this performance revision.

4. Formulation and publication of next medium-term plan

The period covered by the New Medium-Term Management Plan 2024 announced by the Company on May 13, 2022 has ended as of the fiscal year ended March 31, 2025. In order to achieve sustainable growth of the group, we are currently formulating our next medium-term plan, the New Medium-Term Management Plan 2027, which we plan to announce in May 2025. In this plan, we expect that the event-related businesses centering on Cine Focus Corp. will continue to contribute to the Company's consolidated earnings.