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May 9, 2025

To whom it may concern

Company name: PRONEXUS INC.
Name of representative: Takeshi Ueno, President and Representative Director
(Code No. 7893 TSE Prime)
Inquiries: Managing Executive Officer, General Manager,
Corporate Planning and Administrative Division and
General Manager, President's Office
Jun Takamatsu
Phone number +81-3-5777-3111

Announcement on the Formulation of "New Medium-Term Management Plan 2027"

From "Disclosure and IR Support" Company to "Corporate Communication Support" Company

PRONEXUS INC. (the Company) is pleased to announce that it has formulated the "New Medium-Term Management Plan 2027" (Hereinafter, the new plan), which will run for 3 years from April 2025 to March 2028.

1. Transition and Current Status of the Company Business

The Company was founded in 1930 as a specialized securities certificate printing company. The corporate culture of pursuing expertise and quality and the relationship of trust with customers that the Company has fostered since its founding still constitute its business foundation.

The past 95 years have been a series of changes and challenges for the Company. A major turning point was the shift to the "Disclosure Business" with a view to digitizing listed stock certificates. This business has grown significantly as a core part of the Company, thanks to enhanced disclosure content and digitization, the spread of active IR activities, and continuous provision of new services in response to customer needs. Today, the Company serves as a capital market infrastructure that provides comprehensive support through systems and consulting for disclosure practices related to listed companies and financial products.

In recent years, there have been calls mainly for listed companies to digitize disclosure documents, introduce Japan's Corporate Governance Codes, and enhance non-financial information disclosure. Services in the non-printing field, such as Web, English translation, support for non-financial disclosure, and BPO, are the Company's growth drivers.

The business environment surrounding the Company is expected to continue to undergo significant changes. To reliably meet the needs of its customers, the Company is currently expanding its peripheral businesses beyond the disclosure and investor relations fields.

2. Review of the "Previous Medium-Term Management Plan (Hereinafter, the previous mid plan)"

Under these circumstances, the most important theme of the previous mid plan was the introduction of electronic convocation notices of the General Meeting of Shareholders (Hereinafter, "electronic convocation notices"), and the basic policy was to further expand the non-printing field and take on challenges in new business areas.

First, the Company introduced new services and promoted orders in response to the electronic convocation notices. In addition, progress in the shift to electronic convocation notices was slower than expected, which allowed us to offset the negative impact. On the other hand, there are continuing issues such as the expected continued progress in digitization and the postponement of the expected paperless delivery of investment trust prospectus to the new plan.

In addition, sales of non-printing services, such as web and English translation services, continued to increase, and the Company expanded its event-related business through mergers and acquisitions, as well as launched human resource recruitment support services and other initiatives in new business areas. The challenge for the new plan is to steadily scale these efforts.

As a result, while the Company achieved a record high of over 30 billion yen in consolidated revenue, it continued to face some problems in terms of profit due to aggressive investment in human resources and systems to expand its business and the recognition of impairment losses on goodwill of consolidated subsidiaries.

(Comparison of Performance Targets and Results in the previous mid plan) (Unit: millions of yen)

	Year ended March 31, 2023		Year ended March 31, 2024		Year ended March 31, 2025	
	Actual results	Target ratio	Actual results	Target ratio	Actual results	Target ratio
Consolidated Revenue	26,804	(196)	30,117	+117	30,996	(4)
Non-printing Revenue Ratio	55.0%	—	(*1) 65.9%	—	66.8%	—
Operating profit	2,212	(388)	2,435	+35	209	(2,291)
Operating profit margin	8.3%	(1.4) pt	8.1%	+0.1 pt	0.7%	(7.4) pt
Profit attributable to owners of parent	1,618	(182)	1,779	+129	451	(2,199)
ROE	6.8	(0.9) pt	7.1%	+0.3 pt	1.8%	(8.2) pt
Dividend payout ratio (* 2)	56.8%	—	51.6%	—	294.1%	—

(*1) The majority of the revenue from the Notice of Convocation had been recorded in the printing business, but from the fiscal year ended March 31, 2024, sales related to the creation of electronic data, which is the main deliverable, and sales related to the accompanying printing were separately recorded.

(*2) The Company pays stable dividends with a target dividend payout ratio of 50% or more.

3. New Plan

(1) Background of drafting the new plan (the Company's 100th anniversary, 2030 vision and positioning of the new plan)

In 2020, the Company revised its management philosophy that had been limited to the “disclosure and investor relations” domains. Its new business domains are “information communication” and “documentation”, and its vision is "Becoming a leading Niche-focused Corporate Group with Specialized services Unrivaled in the World" toward our 100th anniversary in 2030.

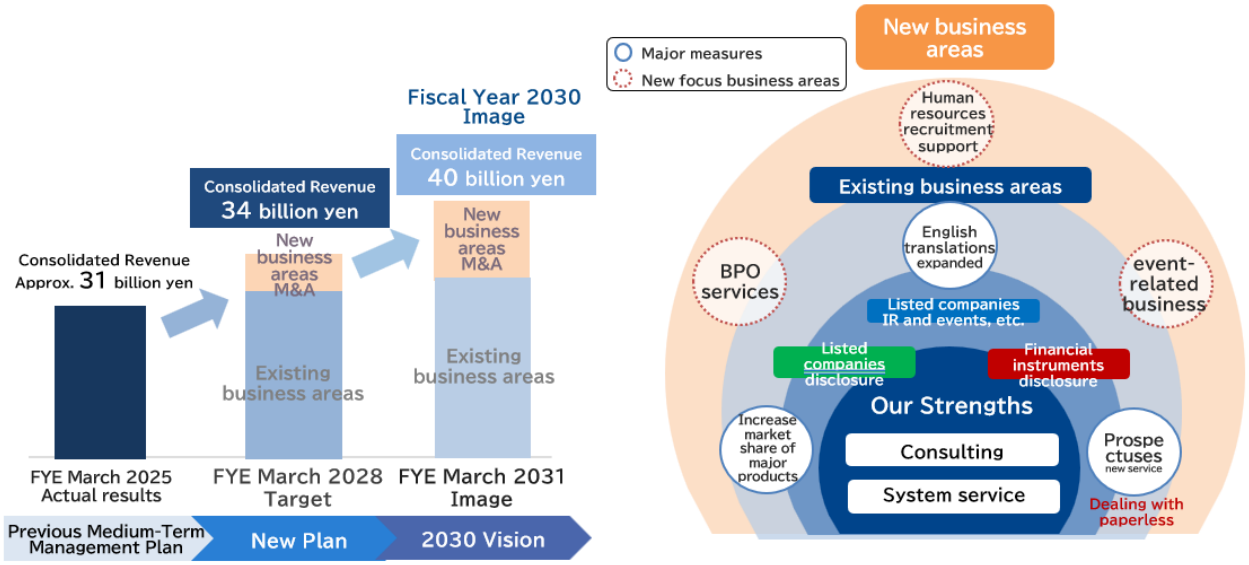
The new plan is positioned as a milestone toward achieving the 2030 Vision, and in order to increase the certainty of its realization, it has been decided to formulate specific directions and coefficient targets for the Company and its group companies ("the Group") as follows.

(2) Direction and Coefficient Targets for the Group as of 2030 (Consolidated Revenue Target of ¥40 billion)

As the business environment becomes increasingly uncertain, listed companies will increasingly need to expand the disclosure of non-financial information, such as sustainability information and human capital, and enhance dialogue with stakeholders. Leveraging the know-how it has cultivated, the Company aims to evolve into a “Corporate Communication Support” Company that provides a one-stop link between listed companies and all stakeholders, including not only shareholders and investors but also job seekers, employees and clients.

In addition, as of 2030 (fiscal year ending March 31, 2031), the Company set a consolidated revenue target of 40 billion yen for the existing stable disclosure and investor relations areas on the condition that, based on past performance trends, efforts in new business areas in the previous mid plan are scaled to a certain scale, and adding expansion of business areas through M&A as an important growth driver.

(Image of sales scale and expansion of business domains by 2030)



(3) Major Business Environment and Material Issues

[1] [Positive factor] Continue to expand information disclosure and enhance dialogue

As mentioned above, as there is a continued need to expand information disclosure and enhance dialogue, simultaneous disclosure of timely information by TSE Prime listed companies in Japanese and English will be made mandatory, and the Company anticipates an increase in English translation needs.

[2] [Positive Factors] Dealing with Difficulties in Recruiting Human Resources and Work Style Reform

As the birthrate continues to decline and the population ages, it will become increasingly difficult for domestic companies to secure a workforce. In addition, diverse and flexible working styles will be required, and the Company expects that there will continue to be need for support for hiring human resources and improving operational efficiency.

[3] [Negative factor] Digitization and the shift to paperless operations in disclosure

The electronic delivery system for investment trust prospectuses and investment reports, which was postponed from the previous mid plan, will be fully introduced. The Company also expects further progress in the computerization of convocation notices and a certain decrease in printing sales.

[4] [Negative factor] Moderate decline in the number of listed companies, which are major customers

The Company has transactions with more than 2,000 listed companies and approximately 300 investment trust management companies on an ongoing basis. The number of listed companies and the number of funds handled by investment trust management companies are expected to gradually decrease in the future due to the market reforms of the Tokyo Stock Exchange and the Financial Services Agency's efforts to protect investors.

In light of this business environment, in addition to making effective use of high-quality client assets in the existing disclosure and investor relations areas, the Company recognizes that the most important task for further growth of the Group is to fully develop new business areas that the Company has been working on in the current mid plan. Accordingly, it will promote the following key strategies and major measures.

(4) Key Strategies and Major Measures

	Key strategy	Major measures
[1]	Strategies for Strengthening Existing Disclosure and IR Businesses - Effective Use of Excellent Customer Assets -	✓ Increase market share of major products (notice of general meeting of shareholders and securities report) ✓ Expanding Translation Services for Simultaneous Japanese and English Disclosure ✓ Introduction of new services and expansion of market share in connection with the shift to paperless investment trust prospectuses
[2]	Growth strategies for new business domains - Full-scale Development of Previous Mid Plan Initiatives -	✓ Increase orders for general meetings of shareholders and IR events and strengthen sales promotion system for in-house company events ✓ Expansion of Human Resources Recruitment Support Business Utilizing Alliances ✓ Continue to strengthen disclosure BPO services and expand new services such as consolidated financial closing support services
[3]	ESG and Sustainability Strategy	✓ Expansion of Sustainability Information Disclosure Support Services and Introduction of Zero-Carbon Print ✓ Developing human resources for new businesses and creating a comfortable working environment ✓ Strengthening Group Management and Information Security
[4]	Cash allocation	✓ Aggressive DX investment centered on system services (including product development using AI) ✓ M&A in both existing and new businesses ✓ Emphasis on shareholder returns (Dividend payout ratio of 50% or higher, consideration of flexible acquisition of treasury shares)

(5) Performance target

The target of this plan is to achieve the following figures through the aforementioned key strategies and major measures.

As a precondition, the negative impact of the decrease in printing sales mainly due to the shift to paperless investment trust prospectuses and the progress of electronic convocation notices is factored in. In addition, the figures reflect an increase in revenue due to an increase in orders for English translation services and the expansion of event-related businesses and human resource recruitment support services which are identified as new business areas.

In the previous consolidated fiscal year, the Company recorded impairment losses of consolidated subsidiaries and a gain on sale of shares of subsidiaries and associates. However, at this stage, the Company does not anticipate any special factors for increase or decrease in profit targets. On the other hand, as mentioned above, we have positioned M&A as an important growth driver in our New Plan, and will continue to actively consider it in the future. In order to clarify the operating profit of our main business as we promote New Plan, we will disclose "core operating profit" excluding non-recurring profits and losses such as impairment losses due to M&A as follows.

(Three-Year Performance Targets of this Plan) (Unit: millions of yen)

	Actual results for the fiscal year ended March 31, 2025	Target for the fiscal year ending March 31, 2026	Target for the fiscal year ending March 31, 2027	Target for the fiscal year ending March 31, 2028	Increase/Decrease ratefrom FY ended March 31, 2025	
1. Consolidated Results						
Revenue	30,996	31,800	32,600	34,000	+3,004	+9.7%
Core operating profit	2,731	2,800	2,900	3,100	+369	+13.5%
Operating profit	209	2,800	2,900	3,100	+2,891	—
Profit attributable to owners of parent	451	1,800	1,900	2,000	+1,549	+343.5%
2. Management indicator						
Core operating profit margin	8.8%	8.8%	8.9%	9.1%	+0.3 pt	
Operating profit margin	0.7%	8.8%	8.9%	9.1%	+8.4 pt	
ROE	1.8%	7.2%	7.4%	7.7%	+5.9 pt	
3. Shareholder return						
Dividend payout ratio	294.1%	Implemented stable dividend based on 50%			—	
Acquisition of treasury shares	—	Flexibly implemented in light of stock prices and financial conditions			—	