

January 31, 2024

**Consolidated Financial Results**  
**for the First Nine Months of the Fiscal Year Ending March 31, 2024**  
**<under IFRS>**

Company name: PRONEXUS INC.  
Listing: Tokyo Stock Exchange  
Stock code: 7893  
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Scheduled date to file Quarterly Securities Report: February 9, 2024  
Scheduled date to commence dividend payments: –  
Preparation of supplementary material on quarterly earnings: Yes  
Holding of quarterly earnings performance review: None

(Millions of yen with fractional amounts rounded, unless otherwise noted)

**1. Consolidated performance for the first nine months of the fiscal year ending March 31, 2024 (from April 1, 2023 to December 31, 2023)**

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First nine months ended								
December 31, 2023	23,991	13.0	3,121	25.8	3,194	23.8	2,213	26.2
December 31, 2022	21,232	2.4	2,481	(15.9)	2,580	(15.5)	1,753	(16.4)

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	Yen
First nine months ended						
December 31, 2023	2,208	26.3	2,431	43.5	86.55	–
December 31, 2022	1,748	(16.4)	1,694	(32.4)	68.52	–

## (2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
	Millions of yen	Millions of yen	Millions of yen	%
As of				
December 31, 2023	38,147	25,949	25,903	67.9
March 31, 2023	36,918	24,436	24,395	66.1

## 2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	–	18.00	–	18.00	36.00
Fiscal year ending March 31, 2024	–	18.00	–		
Fiscal year ending March 31, 2024 (Forecast)				18.00	36.00

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

## 3. Consolidated earnings forecasts for the fiscal year 2023 (from April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2024	30,000	11.9	2,400	8.5	2,400	0.4	1,650	1.6	1,650	2.0	64.68

Note: Revisions to the consolidated earnings forecasts most recently announced: None

**\* Notes**

- (1) Changes in significant subsidiaries during the first nine months ended December 31, 2023 (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies and changes in accounting estimates
- a. Changes in accounting policies required by IFRS: None
  - b. Changes in accounting policies due to other reasons: None
  - c. Changes in accounting estimates: None

(3) Number of issued shares (common shares)

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

As of December 31, 2023	27,716,688 shares
As of March 31, 2023	27,716,688 shares

- b. Number of treasury shares at the end of the period

As of December 31, 2023	2,207,565 shares
As of March 31, 2023	2,207,521 shares

- c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

For the first nine months ended December 31, 2023	25,509,142 shares
For the first nine months ended December 31, 2022	25,509,208 shares

**\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.**

**\* Proper use of earnings forecasts, and other special matters**

(Caution regarding forward-looking statements and others)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to PRONEXUS INC. (hereinafter the “Company”) and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors. Please refer to the section of “(3) Explanation of consolidated earnings forecasts and other forward-looking statements” of “1. Qualitative information regarding earnings for the first nine months” on page 5 of [Attached Material] for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

(Means of access to contents of supplementary material on quarterly earnings and quarterly earnings performance review)

The supplementary material on quarterly earnings will be available on the Company’s website. The Company holds presentations for analysts regarding the six-month and year-end results. Distributed presentation materials as well as video recordings of the performance reviews will be available on the Company’s website.

[Attached Material]

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## 1. Qualitative information regarding earnings for the first nine months

### (1) Explanation of operating results

#### (i) Condition of Japanese economy

In the first nine months, the Japanese economy experienced a recovery in personal consumption due to the easing of activity restrictions against COVID-19 infection, leading to a moderate improvement in corporate earnings.

However, in addition to surging resource prices caused by Russia's invasion of Ukraine, as a result of the Japanese yen depreciation in foreign exchange markets and an increase in prices and other factors, the future of the economy remains unclear.

In addition, in the securities markets of Japan, to which the business of the Company is closely linked, the Nikkei Stock Average at one time hit the 33,000-yen level, the highest since the bursting of the bubble economy, against the backdrop of the Bank of Japan's continued monetary easing measures and expectations for a domestic economic recovery. The Nikkei Stock Average trended mainly in the 32,000-yen level during the first nine months of the current fiscal year, surpassing that of the same period of the previous fiscal year, which was in the 27,000-yen level.

#### (ii) Review of performance

In the first nine months of the current fiscal year, Cine Holdings Co., Ltd., and Cine Focus Corp. which is engaged in video equipment rental and operational support for events, joined our consolidated subsidiaries in March of last year, making a significant contribution to our business performance. The business of preparing the shareholder convocation notices, one of our mainstay products, saw the number of their printed pages decrease due to the implementation of the system for the electronic provision of convocation notices starting from the general meetings of shareholders held in March of last year. Nevertheless, the business achieved an increased revenue owing to an increase in the number of individual shareholders, solicitation of orders at reasonable prices in response to rising costs such as those of printing paper, and promotion of orders for new services in response to the introduction of the new system. In the meantime, the cessation of the issuance of structured notes that combine bonds and financial derivatives led to a significant decline in revenues from foreign bond-related products, but the increase in revenues from other products more than offset this, resulting in a year-on-year increase in consolidated revenue of 2,760 million yen, or by 13.0%, to 23,991 million yen in the first nine months of the current fiscal year.

In terms of profit, operating profit was 3,121 million yen, an increase of 640 million yen, or 25.8%, year on year owing to an increase in revenues, which compensated for the initial costs incurred mainly in labor costs arising from making changes in the workflows and an increase in man-hours mainly due to the introduction of the system for the electronic provision of convocation notices of general meetings of shareholders, and from the launch of new services, as well as higher personnel expenses associated with strengthening of the sales structure. Profit before tax was 3,194 million yen, an increase of 614 million yen, or 23.8%, year on year, and profit attributable to owners of parent was 2,208 million yen, an increase of 460 million yen, or 26.3%, year on year.

#### 1) Sales performance by business

##### <Listed companies disclosure-related business>

The business of preparing shareholder convocation notices, one of our mainstay products, saw a decrease in number of their printed pages due to the implementation of the system for the electronic provision of convocation notices starting from the general meetings of shareholders held in March of last year, and to the absence of the temporary increase in the printed pages that occurred in the same period of the previous fiscal year that notified amendments to articles of incorporation of many listed companies to respond to the introduction of the system.

Nevertheless, the business achieved an increased revenue, due to the fact that, in the first year of the introduction of the electronic provision system, approximately 70% of listed companies still printed the convocation notice of general meetings of shareholders as before, and to an increase

in the number of individual shareholders, solicitation of orders at reasonable prices in response to rising costs such as those of printing paper, and promotion of orders for new services in response to the introduction of the new system. Furthermore, with persisting high demands for operational streamlining in line with work-style reform, orders increased in outsourcing services for the preparation of disclosure documents. As a result, revenue of the listed companies disclosure-related business was 9,859 million yen, an increase of 407 million yen, or 4.3%, year on year.

#### <Listed companies IR and events-related, etc. business>

In March of last year, Cine Holdings Co., Ltd., and Cine Focus Corp. which is engaged in video equipment rental and operational support for events, joined our consolidated subsidiaries, allowing our event-related business such as support services for general meetings of shareholders to make a significant contribution to our business performance. In addition, against the backdrop of promotion of dialogue with shareholders, along with the application of the Japan's Corporate Governance Code to the Prime Market requiring English-language information disclosure in April 2022, orders increased for English translation services and web services. As a result, revenue of the listed companies IR and events-related, etc. business was 8,323 million yen, an increase of 2,261 million yen, or 37.3%, year on year.

The name of this product category has been changed from “listed companies IR-related, etc. business” to “listed companies IR and events-related, etc. business” from the first quarter of the current fiscal year due to an increase in the composition ratio of the event business.

#### <Financial instruments disclosure-related business>

In the J-REIT-related business, orders for finance-related products increased due to a rise in the number of funding businesses compared to the same period of the previous fiscal year. In the investment trust-related business, new large orders received in the second half of the previous fiscal year contributed to an increase in revenues related to prospectuses, its mainstay product. In the meantime, the cessation of structured notes that combine bonds and financial derivatives led to a significant decline in revenues from foreign bond-related products, but the increase in revenues from other products more than offset this. As a result, revenue of the financial instruments disclosure-related business was 5,038 million yen, an increase of 89 million yen, or 1.8%, year on year.

#### <Database-related business>

In the database-related business, although there were some cancellations and decreases in unit prices during contract renewals for existing customers, we worked to acquire orders from new customers such as universities and financial institutions. As a result, revenue of the database-related business was 771 million yen, an increase of 2 million yen, or 0.2%, year on year.

### Revenue by product areas

	First nine months of FY2022 (from April 1, 2022 to December 31, 2022)		First nine months of FY2023 (from April 1, 2023 to December 31, 2023)		Change	
	Amount (Thousands of yen)	Composition ratio (%)	Amount (Thousands of yen)	Composition ratio (%)	Amount (Thousands of yen)	(%)
Listed companies disclosure-related business	9,451,933	44.5	9,859,228	41.1	407,295	4.3
Listed companies IR and events-related, etc. business	6,061,625	28.6	8,323,106	34.7	2,261,480	37.3
Financial instruments disclosure-related business	4,948,669	23.3	5,037,872	21.0	89,202	1.8
Database-related business	769,437	3.6	770,964	3.2	1,527	0.2
Total	21,231,665	100.0	23,991,170	100.0	2,759,505	13.0

Note: Amounts are based on sales prices.

## 2) Earnings summary

In the first nine months, revenue increased by 2,760 million yen year on year, with revenue in all product areas exceeding the same period of the previous fiscal year. Cost of sales increased by 1,572 million yen as initial costs were incurred mainly in labor costs arising from making changes in workflows and an increase in man-hours due to the introduction of the system for the electronic provision of convocation notices of general meetings of shareholders and from the launch of new services. The cost-to-sales ratio declined by 0.6 percentage points to 61.6% year on year due to increased revenues. As a result, gross profit was 9,206 million yen, an increase of 1,187 million yen, or 14.8%, year on year. Selling, general and administrative expenses amounted to 6,139 million yen, an increase of 562 million yen, or 10.1%, year on year mainly due to a rise in personnel expenses associated with strengthening the sales structure, while the ratio of selling, general and administrative expenses was 25.6%, a decrease of 0.7 percentage points year on year due to increased revenues. As a result, operating profit was 3,121 million yen, an increase of 640 million yen, or 25.8%, year on year.

As a result of recording finance income of 52 million yen, finance costs of 21 million yen and share of profit of investments accounted for using equity method of 42 million yen, profit before tax was 3,194 million yen, an increase of 614 million yen, or 23.8%, year on year. As a result, profit attributable to owners of parent was 2,208 million yen, an increase of 460 million yen, or 26.3%, year on year.

### (iii) Seasonal factors of the third quarter

The Company and its subsidiaries (the “Group”) owe approximately two-thirds of its revenue to Japanese listed companies. Because roughly 65% of these companies close their books in March, orders for products related to account settlements and shareholders’ meetings peak in the first quarter (from April to June). Consequently, as shown in the table below, revenue during the first quarter accounts for approximately 40% of the year total, while that during the third quarter (from October to December) is limited to around 20%.

(Reference) Fiscal year ended March 31, 2023

	Q1 (Apr.–Jun.)	Q2 (Jul.–Sep.)	Q3 (Oct.–Dec.)	Q4 (Jan.–Mar.)	Year total
Revenue (Millions of yen)	10,976	5,042	5,213	5,572	26,804
Composition ratio (%)	40.9	18.8	19.5	20.8	100.0

## **(2) Explanation of financial position**

At the end of the third quarter ended December 31, 2023, total assets increased by 1,229 million yen from the previous fiscal year-end to 38,147 million yen. The main components included an increase of 1,847 million yen in cash and cash equivalents and a decrease of 430 million yen in trade and other receivables.

At the end of the third quarter, total liabilities decreased by 284 million yen from the previous fiscal year-end to 12,198 million yen. The main components included a decrease of 573 million yen in trade and other payables, an increase of 369 million yen in contract liabilities, and a decrease of 161 million yen in lease liabilities (non-current liabilities).

Equity totaled 25,949 million yen at the end of the third quarter, an increase of 1,512 million yen from the previous fiscal year-end. The main components included an increase due to the recording of 2,208 million yen in profit attributable to owners of parent, an increase due to the recording of 218 million yen in other comprehensive income, and a decrease due to dividends of surplus of 918 million yen. As a result, the ratio of equity attributable to owners of parent to total assets became 67.9%.

## **(3) Explanation of consolidated earnings forecasts and other forward-looking statements**

<Outlook for the fiscal year ending March 31, 2024>

No changes have been made to the consolidated earnings forecasts for the fiscal year ending March 31, 2024 announced on May 11, 2023.



## 2. Condensed quarterly consolidated financial statements and significant notes thereto

### (1) Condensed quarterly-consolidated statement of financial position

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	7,574,004	9,420,862
Trade and other receivables	3,122,537	2,692,398
Other financial assets	1,883,697	1,793,763
Inventories	601,723	540,912
Other current assets	352,299	398,180
Total current assets	13,534,261	14,846,115
Non-current assets		
Property, plant and equipment	4,349,871	4,378,024
Right-of-use assets	2,930,134	2,695,022
Goodwill	5,140,687	5,143,855
Intangible assets	2,992,012	2,993,534
Investment property	186,322	186,322
Investments accounted for using equity method	900,821	923,340
Other financial assets	5,863,264	6,220,349
Deferred tax assets	956,474	706,703
Other non-current assets	64,380	53,503
Total non-current assets	23,383,964	23,300,654
Total assets	36,918,225	38,146,769

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities and equity		
Liabilities		
Current liabilities		
Borrowings	116,540	172,085
Lease liabilities	771,299	730,935
Trade and other payables	1,744,201	1,171,617
Income taxes payable	504,767	460,802
Contract liabilities	719,178	1,088,579
Other current liabilities	2,765,632	2,881,426
Total current liabilities	6,621,617	6,505,445
Non-current liabilities		
Borrowings	378,010	328,105
Lease liabilities	2,070,057	1,909,401
Retirement benefit liability	2,686,459	2,723,169
Provisions	219,391	219,694
Other non-current liabilities	506,549	512,402
Total non-current liabilities	5,860,466	5,692,771
Total liabilities	12,482,083	12,198,215
Equity		
Share capital	3,058,651	3,058,651
Capital surplus	4,688,104	4,688,104
Treasury shares	(2,269,465)	(2,269,512)
Other components of equity	1,064,206	1,282,330
Retained earnings	17,853,844	19,143,275
Total equity attributable to owners of parent	24,395,339	25,902,847
Non-controlling interests	40,803	45,706
Total equity	24,436,142	25,948,553
Total liabilities and equity	36,918,225	38,146,769

**(2) Condensed quarterly consolidated statement of profit or loss and condensed quarterly consolidated statement of comprehensive income**

**(Condensed quarterly consolidated statement of profit or loss)**

(Thousands of yen)

	First nine months ended December 31, 2022	First nine months ended December 31, 2023
Revenue	21,231,665	23,991,170
Cost of sales	(13,213,159)	(14,785,397)
Gross profit	8,018,506	9,205,772
Selling, general and administrative expenses	(5,576,763)	(6,139,006)
Other income	60,095	65,546
Other expenses	(20,850)	(11,037)
Operating profit	2,480,987	3,121,275
Finance income	56,162	51,810
Finance costs	(2,773)	(21,482)
Share of profit of investments accounted for using equity method	45,725	42,410
Profit before tax	2,580,101	3,194,014
Income tax expense	(827,400)	(981,351)
Profit	1,752,701	2,212,663
Profit attributable to		
Owners of parent	1,747,999	2,207,760
Non-controlling interests	4,702	4,903
Profit	1,752,701	2,212,663
Earnings per share		
Basic earnings per share (Yen)	68.52	86.55
Diluted earnings per share (Yen)	—	—

**(Condensed quarterly consolidated statement of comprehensive income)**

(Thousands of yen)

	First nine months ended December 31, 2022	First nine months ended December 31, 2023
Profit	1,752,701	2,212,663
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(60,201)	198,866
Share of other comprehensive income of investments accounted for using equity method	1,307	3,468
Total of items that will not be reclassified to profit or loss	(58,894)	202,334
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(282)	15,790
Total of items that may be reclassified to profit or loss	(282)	15,790
Other comprehensive income, net of tax	(59,176)	218,124
Comprehensive income	1,693,525	2,430,787
Comprehensive income attributable to		
Owners of parent	1,688,995	2,425,884
Non-controlling interests	4,530	4,903
Comprehensive income	1,693,525	2,430,787

**(3) Condensed quarterly consolidated statement of changes in equity**

First nine months ended December 31, 2022

(Thousands of yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Exchange differences on translation of foreign operations	Financial assets measured at fair value through other comprehensive income	Total
Balance as of April 1, 2022	3,058,651	4,694,634	(2,269,362)	36,450	905,258	941,708
Profit						–
Other comprehensive income				(110)	(58,894)	(59,004)
Total comprehensive income	–	–	–	(110)	(58,894)	(59,004)
Purchase of treasury shares			(103)			–
Dividends						–
Changes in ownership interest in subsidiaries		(6,530)				–
Total transactions with owners	–	(6,530)	(103)	–	–	–
Balance as of December 31, 2022	3,058,651	4,688,104	(2,269,465)	36,340	846,364	882,704

	Equity attributable to owners of parent		Non-controlling interests	Total
	Retained earnings	Total		
Balance as of April 1, 2022	16,994,938	23,420,568	32,668	23,453,236
Profit	1,747,999	1,747,999	4,702	1,752,701
Other comprehensive income		(59,004)	(172)	(59,176)
Total comprehensive income	1,747,999	1,688,995	4,530	1,693,525
Purchase of treasury shares		(103)		(103)
Dividends	(943,841)	(943,841)		(943,841)
Changes in ownership interest in subsidiaries		(6,530)	1,768	(4,762)
Total transactions with owners	(943,841)	(950,474)	1,768	(948,706)
Balance as of December 31, 2022	17,799,096	24,159,089	38,966	24,198,055

First nine months ended December 31, 2023

(Thousands of yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Exchange differences on translation of foreign operations	Financial assets measured at fair value through other comprehensive income	Total
Balance as of April 1, 2023	3,058,651	4,688,104	(2,269,465)	41,809	1,022,397	1,064,206
Profit						–
Other comprehensive income				15,790	202,334	218,124
Total comprehensive income	–	–	–	15,790	202,334	218,124
Purchase of treasury shares			(46)			–
Dividends						–
Total transactions with owners	–	–	(46)	–	–	–
Balance as of December 31, 2023	3,058,651	4,688,104	(2,269,512)	57,599	1,224,731	1,282,330

	Equity attributable to owners of parent		Non-controlling interests	Total
	Retained earnings	Total		
Balance as of April 1, 2023	17,853,844	24,395,339	40,803	24,436,142
Profit	2,207,760	2,207,760	4,903	2,212,663
Other comprehensive income		218,124		218,124
Total comprehensive income	2,207,760	2,425,884	4,903	2,430,787
Purchase of treasury shares		(46)		(46)
Dividends	(918,329)	(918,329)		(918,329)
Total transactions with owners	(918,329)	(918,376)	–	(918,376)
Balance as of December 31, 2023	19,143,275	25,902,847	45,706	25,948,553

**(4) Notes to condensed quarterly consolidated financial statements  
(Notes on premise of going concern)**

No items to report