

Translation

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Summary of Consolidated Financial Results for the Year Ended February 29, 2024 (Based on Japanese GAAP)

April 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 of ordinary general meeting of shareholders: May 29, 2024
 Scheduled date to file Securities Report: May 29, 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 year ended February 29, 2024 (from March 1, 2023 to February 29, 2024)

(1) Consolidated operating results

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	%
Year ended February 29, 2024	6,836	19.8	1,746	46.7	1,717	44.5	1,161	49.3
Year ended February 28, 2023	5,706	17.5	1,190	(35.1)	1,188	(35.2)	777	(39.3)

Note: Comprehensive income: Year ended February 29, 2024 ¥1,161 million [49.3%]
 Year ended February 28, 2023 ¥777 million [(39.3)%]

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended February 29, 2024	86.60	85.67	22.9	27.8	25.5
Year ended February 28, 2023	57.96	57.16	19.0	23.5	20.9

Reference: Equity in earnings (losses) of affiliates: Year ended February 29, 2024 ¥- million
 Year ended February 28, 2023 ¥- million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of February 29, 2024	7,071	5,662	80.0	421.20
As of February 28, 2023	5,265	4,466	84.8	333.01

Reference: Equity As of February 29, 2024 ¥5,660 million
 As of February 28, 2023 ¥4,465 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended February 29, 2024	1,537	(556)	(139)	4,536
Year ended February 28, 2023	598	(172)	(74)	3,695

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended February 28, 2023	—	0.00	—	0.00	0.00	—	—	—
Year ended February 29, 2024	—	0.00	—	0.00	0.00	—	—	—
Year ending February 28, 2025 (Forecast)	—	0.00	—	0.00	0.00		—	

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
Six months ending August 31, 2024	3,958	20.5	842	(5.5)	835	(6.2)	566	(5.7)	42.15
Full year	8,189	19.8	1,900	8.8	1,889	10.0	1,276	9.9	94.94

4. Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation):
None

(2) 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: Yes

Changes in accounting policies due to other reasons: None

Changes in accounting estimates: None

Restatement of prior period financial statements: None

Note: For more details, please refer to the section of “(5) Notes to consolidated financial statements, Changes in accounting policies” of “3. Consolidated financial statements and significant notes thereto” on page 12 of the attached material.

(3) Number of issued shares (common shares)

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

As of February 29, 2024	13,462,249 shares	As of February 28, 2023	13,457,200 shares
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Number of treasury shares at the end of the period

As of February 29, 2024	22,876 shares	As of February 28, 2023	46,904 shares
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Average number of shares during the period

Year ended February 29, 2024	13,410,653 shares	Year ended February 28, 2023	13,419,637 shares
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1. Overview of operating results, etc.

(1) Overview of operating results for the fiscal year under review

(i) Operating results during the fiscal year under review

In the fiscal year ended February 29, 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 94,258 companies (up 18.2% year on year), and 57.8% of listed companies in Japan were using “PR TIMES.” The number of press releases reached a monthly record high of 34,092 in October 2023. Moreover, as press release materials, 187,016 images were posted in October, and 3,109 videos were posted in February 2024, each of which is a monthly record high, as the shift to press releases with rich content continues. In addition, there were 10,675 distribution recipients, 26,911 media users and 252 partner media, and the number of monthly site views for press releases in August 2023 was the highest recorded at 89.84 million page views.

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,” although the number of paying users fell 4.3% year on year to 1,828, the average unit price per user rose 87.8% year on year to ¥7,839. For “Tayori,” the number of paying users rose 25.8% to 1,127 and the average unit price per account rose 24.7% year on year to ¥7,686. The effects of both services on net sales were limited, and we continue to be in the investment phase. Furthermore, “Jooto” saw a temporary decline in the number of paying users compared to the end of the previous fiscal year due to our consolidation and elimination of plans offered in the fiscal year under review.

In addition, on March 31, 2023, the Company acquired all shares of glucose inc. (hereinafter “glucose”) and made it a consolidated subsidiary. Glucose is a group of engineers characterized by its service development capabilities. It is particularly strong in providing solutions related to the web, social media, and mobile app fields, and in building prototypes. Glucose provides contracted development and consulting to clients including media companies and startups that prioritize development capabilities for online services, and to think tanks and research institutions that value its technologies and results. By adding glucose to the Group, the Company believes that it will combine the customer base and networks of the Group with the prototype assembly and service development capabilities of glucose, start the commissioned development business for new projects, make the desires of “people who carry out actions” concrete, and provide integrated support from product development to PR.

Furthermore, on December 1, 2023, the Company acquired 70% of the issued shares of NAVICUS Co., Ltd. (hereinafter “NAVICUS”) and made it a consolidated subsidiary. NAVICUS is engaged in “fan building” through community support, including social media marketing support for companies and promotional support for local governments and regional companies. Many of the clients who form the customer base of “PR TIMES” are persons in charge of public relations and executives who face various public relations issues, and we believe that they have great needs for social media operation support. With the addition of NAVICUS to the Group, we believe that we will be able to offer public relations support for social media marketing, in addition to press releases, and that we will be able to support our customers’ public relations activities in a more well-rounded way.

As a result, for the fiscal year under review, the Company posted net sales of ¥6,836,966 thousand (up 19.8% year on year), operating profit of ¥1,746,581 thousand (up 46.7% year on year), ordinary profit of ¥1,717,188 thousand (up 44.5% year on year) and profit attributable to owners of parent of ¥1,161,386 thousand (up 49.3% year on year).

The Group previously only had one segment, the “Press Release Distribution Business.” However, in the fiscal year under review, we acquired all shares of glucose and 70% of the issued shares of NAVICUS, and newly added them to our scope of consolidation. With these additions, we began

disclosing segment information on our system development business and social media marketing support business, previously business segments not included in our reportable segments, in the “Other” category. 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.

(ii) Outlook for the next fiscal year

The press release distribution service “PR TIMES” is aimed to play an important social role as an information platform that connects companies with the media and consumers. At a time when further digitalization and the expanded use of the Internet are expected for all work in all industries, we believe that “Jooto” and “Tayori,” as cloud tools for business that can be used for free, can make teamwork and business collaboration more efficient and, in turn, contribute to improving the overall productivity of society. Furthermore, by combining the businesses of glucose and NAVICUS, which were newly added to the Group, with the customer base and networks of “PR TIMES,” we have created a structure that can provide support in terms of system development and social media marketing to “people who carry out actions,” who are customers that we have not been able to support thus far using “PR TIMES” alone. Going forward, we will develop businesses and services in order to provide our customers with multifaceted support.

In this environment, in order to achieve Milestone 2025, the medium-term management target ending in fiscal 2025, the Group is making the maximum efforts currently possible, while continuing to take a medium-term perspective. The Group will invest aggressively in overseas expansion, marketing to encourage the use of “PR TIMES” by regional companies, and in systems to support the service infrastructure.

Given these circumstances, the business results forecasts for the next fiscal year are net sales of ¥8,189 million, up 19.8% year on year, operating profit of ¥1,900 million, up 8.8% year on year, ordinary profit of ¥1,889 million, up 10.0% year on year, and profit attributable to owners of parent of ¥1,276 million, up 9.9% year on year.

(2) Overview of financial position for the fiscal year under review

(i) Assets, liabilities, and net assets

Assets

Total assets at the end of the fiscal year under review were ¥7,071,492 thousand, an increase of ¥1,806,124 thousand from the end of the previous fiscal year.

Current assets at the end of the fiscal year under review were ¥5,400,365 thousand, an increase of ¥958,901 thousand from the end of the previous fiscal year. This was primarily due to an increase of ¥841,253 thousand in cash and deposits. Non-current assets at the end of the fiscal year under review were ¥1,671,127 thousand, an increase of ¥847,223 thousand from the end of the previous fiscal year. This was primarily due to increases of ¥317,779 thousand in intangible assets and ¥544,527 thousand in investments and other assets.

Liabilities

Total liabilities at the end of the fiscal year under review were ¥1,408,589 thousand, an increase of ¥609,736 thousand from the end of the previous fiscal year.

Current liabilities at the end of the fiscal year under review were ¥1,405,965 thousand, an increase of ¥607,216 thousand from the end of the previous fiscal year. This was primarily due to increases of ¥403,069 thousand in income taxes payable and ¥175,880 thousand in other. Non-current liabilities at the end of the fiscal year under review were ¥2,624 thousand, an increase of ¥2,519 thousand from the end of the previous fiscal year.

Net assets

Total net assets at the end of the fiscal year under review were ¥5,662,903 thousand, an increase of ¥1,196,388 thousand from the end of the previous fiscal year. This was primarily due to an increase of ¥1,161,386 thousand in retained earnings resulting from the recording of profit attributable to owners of parent.

(ii) Cash flows

Cash and cash equivalents (hereinafter “cash”) at the end of the fiscal year under review were ¥4,536,792 thousand, an increase of ¥841,253 thousand from the end of the previous fiscal year. The respective cash flow positions and the factors thereof in the fiscal year under review are as follows.

Cash flows from operating activities

Net cash provided by operating activities totaled ¥1,537,072 thousand (compared with ¥598,071 thousand provided in the previous fiscal year). This was primarily due to profit before income taxes totaling ¥1,702,562 thousand and income taxes paid totaling ¥212,447 thousand.

Cash flows from investing activities

Net cash used in investing activities totaled ¥556,068 thousand (compared with ¥172,183 thousand used in the previous fiscal year). This was primarily due to purchase of intangible assets totaling ¥153,583 thousand, purchase of investment securities totaling ¥119,500 thousand and purchase of shares of subsidiaries resulting in change in scope of consolidation totaling ¥192,973 thousand.

Cash flows from financing activities

Net cash used in financing activities totaled ¥139,750 thousand (compared with ¥74,605 thousand used in the previous fiscal year). This was primarily due to repayments of long-term borrowings of ¥105,914 thousand and purchase of treasury shares of ¥36,643 thousand.

(3) Basic policy on profit distribution and dividends for the fiscal year under review and next fiscal year

While the Company recognizes that returning profits to shareholders is an important management issue, the basic policy at present is to achieve sustainable growth in net sales and operating profit while aiming to increase market capitalization over the medium to long term through appropriate valuation, not returns to shareholders through dividends. Retained earnings will be applied to investments aimed at future expansion in the scale of business.

Based on the basic policy outlined above, the Company will pay no dividend for the fiscal year under review. Similarly, the Company currently plans to pay neither interim nor year-end dividends for the next fiscal year and beyond.

2. Basic concept regarding selection of accounting standards

To ensure comparability among companies and with past years, the Group prepares its consolidated financial statements based on the “Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (excluding Chapters VII and VIII)” (Ministry of Finance Order No. 28 of 1976).

With respect to adoption of International Financial Reporting Standards (IFRS), the Group will follow a policy of responding in a suitable manner after giving consideration to various circumstances in Japan and overseas.

3. Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheet

(Thousands of yen)

	As of February 28, 2023	As of February 29, 2024
Assets		
Current assets		
Cash and deposits	3,695,539	4,536,792
Notes and accounts receivable - trade, and contract assets	654,379	732,112
Other	124,889	164,038
Allowance for doubtful accounts	(33,343)	(32,578)
Total current assets	4,441,463	5,400,365
Non-current assets		
Property, plant and equipment		
Buildings and structures	196,092	212,164
Tools, furniture and fixtures	196,333	172,218
Leased assets	9,720	10,682
Accumulated depreciation	(147,408)	(155,410)
Total property, plant and equipment	254,737	239,654
Intangible assets		
Goodwill	–	252,005
Software	158,399	276,072
Software in progress	53,240	1,475
Other	700	565
Total intangible assets	212,339	530,118
Investments and other assets		
Investment securities	75,991	180,866
Investments in capital	31,526	78,550
Leasehold and guarantee deposits	139,183	124,588
Deferred tax assets	89,309	146,491
Other	20,816	370,857
Total investments and other assets	356,826	901,354
Total non-current assets	823,904	1,671,127
Total assets	5,265,368	7,071,492

(Thousands of yen)

	As of February 28, 2023	As of February 29, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	57,192	81,840
Lease liabilities	1,208	785
Income taxes payable	54,602	457,672
Contract liabilities	240,137	209,916
Provision for bonuses	39,865	68,097
Provision for shareholder benefit program	14,060	20,090
Other	391,681	567,562
Total current liabilities	798,748	1,405,965
Non-current liabilities		
Lease liabilities	78	2,051
Deferred tax liabilities	–	572
Other	25	–
Total non-current liabilities	104	2,624
Total liabilities	798,852	1,408,589
Net assets		
Shareholders' equity		
Share capital	420,660	422,717
Capital surplus	395,660	397,717
Retained earnings	3,764,178	4,891,507
Treasury shares	(114,725)	(51,302)
Total shareholders' equity	4,465,774	5,660,638
Share acquisition rights	191	1,654
Non-controlling interests	549	610
Total net assets	4,466,515	5,662,903
Total liabilities and net assets	5,265,368	7,071,492

(2) Consolidated statement of income and comprehensive income**Consolidated statement of income**

(Thousands of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Net sales	5,706,238	6,836,966
Cost of sales	630,728	942,523
Gross profit	5,075,510	5,894,442
Selling, general and administrative expenses	3,884,776	4,147,861
Operating profit	1,190,734	1,746,581
Non-operating income		
Interest income	0	0
Recoveries of written off receivables	754	785
Other	54	380
Total non-operating income	808	1,166
Non-operating expenses		
Interest expenses	609	554
Loss on investments in capital	2,000	5,475
Non-payment additional tax	-	24,344
Other	228	184
Total non-operating expenses	2,838	30,559
Ordinary profit	1,188,704	1,717,188
Extraordinary losses		
Loss on retirement of non-current assets	4,189	-
Loss on valuation of investment securities	49,399	14,625
Total extraordinary losses	53,589	14,625
Profit before income taxes	1,135,115	1,702,562
Income taxes - current	333,057	600,318
Income taxes - deferred	24,304	(59,202)
Total income taxes	357,362	541,115
Profit	777,752	1,161,447
Profit (loss) attributable to non-controlling interests	(30)	60
Profit attributable to owners of parent	777,782	1,161,386

Consolidated statement of comprehensive income

(Thousands of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Profit	777,752	1,161,447
Comprehensive income	777,752	1,161,447
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	777,782	1,161,386
Comprehensive income attributable to non-controlling interests	(30)	60

(3) Consolidated statement of changes in equity

Fiscal year ended February 28, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	420,660	395,660	3,000,248	(77,111)	3,739,457
Changes during period					
Profit attributable to owners of parent			777,782		777,782
Purchase of treasury shares				(74,403)	(74,403)
Disposal of treasury shares		(13,852)		36,790	22,937
Transfer of loss on disposal of treasury shares		13,852	(13,852)		–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	763,930	(37,613)	726,317
Balance at end of period	420,660	395,660	3,764,178	(114,725)	4,465,774

	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of period	203	579	3,740,240
Changes during period			
Profit attributable to owners of parent			777,782
Purchase of treasury shares			(74,403)
Disposal of treasury shares			22,937
Transfer of loss on disposal of treasury shares			–
Net changes in items other than shareholders' equity	(12)	(30)	(42)
Total changes during period	(12)	(30)	726,274
Balance at end of period	191	549	4,466,515

Fiscal year ended February 29, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	420,660	395,660	3,764,178	(114,725)	4,465,774
Changes during period					
Issuance of new shares	2,056	2,056			4,113
Profit attributable to owners of parent			1,161,386		1,161,386
Purchase of treasury shares				(36,643)	(36,643)
Disposal of treasury shares		(34,057)		100,066	66,008
Transfer of loss on disposal of treasury shares		34,057	(34,057)		-
Net changes in items other than shareholders' equity					
Total changes during period	2,056	2,056	1,127,329	63,422	1,194,864
Balance at end of period	422,717	397,717	4,891,507	(51,302)	5,660,638

	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of period	191	549	4,466,515
Changes during period			
Issuance of new shares			4,113
Profit attributable to owners of parent			1,161,386
Purchase of treasury shares			(36,643)
Disposal of treasury shares			66,008
Transfer of loss on disposal of treasury shares			-
Net changes in items other than shareholders' equity	1,462	60	1,523
Total changes during period	1,462	60	1,196,388
Balance at end of period	1,654	610	5,662,903

(4) Consolidated statement of cash flows

(Thousands of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Cash flows from operating activities		
Profit before income taxes	1,135,115	1,702,562
Depreciation	86,362	117,605
Amortization of goodwill	–	34,995
Loss (gain) on valuation of investment securities	49,399	14,625
Loss (gain) on investments in capital	2,000	5,475
Loss on retirement of non-current assets	4,189	–
Increase (decrease) in allowance for doubtful accounts	18,603	(1,072)
Increase (decrease) in provision for bonuses	(30,535)	22,085
Increase (decrease) in provision for shareholder benefit program	5,070	6,030
Interest and dividend income	(0)	(0)
Interest expenses	609	554
Non-payment additional tax	–	24,344
Decrease (increase) in trade receivables and contract assets	(75,483)	15,835
Increase (decrease) in trade payables	7,415	3,942
Increase (decrease) in accounts payable - other	126,163	22,454
Increase (decrease) in contract liabilities	31,354	(30,221)
Other, net	(82,200)	(164,799)
Subtotal	1,278,063	1,774,418
Interest and dividends received	0	0
Interest paid	(609)	(554)
Non-payment additional tax paid	–	(24,344)
Income taxes paid	(679,382)	(212,447)
Net cash provided by (used in) operating activities	598,071	1,537,072
Cash flows from investing activities		
Purchase of property, plant and equipment	(47,517)	(36,863)
Purchase of intangible assets	(72,740)	(153,583)
Purchase of investment securities	(99,399)	(119,500)
Purchase of shares of non-consolidated subsidiaries	(13,987)	–
Payments of leasehold and guarantee deposits	(1,302)	(270)
Proceeds from refund of leasehold and guarantee deposits	75,263	–
Payments for investments in capital	(12,500)	(52,500)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(192,973)
Other, net	–	(378)
Net cash provided by (used in) investing activities	(172,183)	(556,068)
Cash flows from financing activities		
Repayments of long-term borrowings	–	(105,914)
Repayments of lease liabilities	(3,210)	(2,224)
Purchase of treasury shares	(74,631)	(36,643)
Proceeds from issuance of share acquisition rights	–	1,563
Proceeds from issuance of shares resulting from exercise of share acquisition rights	–	2,312
Proceeds from disposal of treasury shares from exercise of share acquisition rights	3,236	1,156
Net cash provided by (used in) financing activities	(74,605)	(139,750)
Net increase (decrease) in cash and cash equivalents	351,283	841,253
Cash and cash equivalents at beginning of period	3,344,256	3,695,539
Cash and cash equivalents at end of period	3,695,539	4,536,792

(5) Notes to consolidated financial statements**Notes on premise of going concern**

Not applicable.

Basis of preparation of consolidated financial statements

Scope of consolidation

Number of consolidated subsidiaries:	3
Name of consolidated subsidiary:	THE BRIDGE, Inc. glucose inc. NAVICUS Co., Ltd.

Although this matter does not constitute a change in a specified subsidiary, glucose inc. and NAVICUS Co., Ltd. are included in the scope of consolidation because the Company acquired shares of the said companies in the fiscal year under review thereby making them subsidiaries.

Changes in accounting policies

(Application of implementation guidance on accounting standard for fair value measurement)

The Company has applied the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021) from the beginning of the fiscal year under review, and in accordance with the transitional treatment prescribed in paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement, the new accounting policies set forth in the Implementation Guidance on Accounting Standard for Fair Value Measurement have been applied prospectively. There is no impact on the consolidated financial statements.

Additional information

On May 29, 2023, the National Tax Agency announced its view that the “economic gain at the time of exercise shall be taxed as wages” for the tax treatment of trust-type stock options.

For share acquisition rights issued by the Company, the fourth and sixth series of share acquisition rights fall under trust-type stock options. Of these, as the exercise period has commenced for the fourth series of share acquisition rights and the Company had tax withholding obligations with respect to those who have exercised their rights, the Company made tax payments of income tax withheld for the fiscal year under review. In addition, the exercise period for the sixth series of share acquisition rights did not commence, and this series of acquisition rights was cancelled pursuant to a resolution at the meeting of the Board of Directors held on July 13, 2023.

Segment information

1. Overview of reportable segments

(Methods used to identify business segments and types of services belonging to each reportable segment)

The reportable segments of the Group are components of the Group for which discrete financial information is available and regularly reviewed by the Board of Directors to make decisions about allocation of managerial resources and to assess their performance.

The Group provides various services with the “Press Release Distribution Business” as its main business, and each division and consolidated subsidiary of the Company formulates plans and develops business activities for each of these service categories.

Therefore, the Group has designated the “Press Release Distribution Business” as a reportable segment, and businesses that are not included in reportable segments are consolidated in the “Other” category.

The “Press Release Distribution Business,” in which the press release distribution service “PR TIMES” is a key business, provides services related to “PR TIMES” and SaaS services for businesses, such as “Jooto” and “Tayori.” The “Other” category includes the system development business of glucose inc. (hereinafter “glucose”), a consolidated subsidiary of the Company, and the social media marketing support business of NAVICUS Co., Ltd. (hereinafter “NAVICUS”), another consolidated subsidiary of the Company.

Items related to changes in reportable segments

The Group previously only had one segment, the “Press Release Distribution Business.” However, in the fiscal year under review, we acquired all shares of glucose and 70% of the issued shares of NAVICUS, and newly added them to our scope of consolidation. With these additions, we began disclosing segment information on our system development business and social media marketing support business, previously business segments not included in our reportable segments, in the “Other” category.

Furthermore, for segment information for the previous fiscal year, we have disclosed information prepared based on the reportable segment categories for the fiscal year under review.

2. Calculation of net sales, profit or losses, assets, liabilities and other items by reportable segment

The accounting method for the reportable business segments is in accordance with the accounting policies adopted to prepare the consolidated financial statements.

Profit by reportable segment is based on operating profit.

In addition, internal sales or transfer volume among segments are based on actual market price.

3. Information related to amounts of net sales, profit or losses, assets, liabilities and other items by reportable segment, and earnings analysis information by reportable segment

Fiscal year ended February 28, 2023

(Thousands of yen)

	Reportable segment	Other	Total	Amount of adjustments	Amount recorded in consolidated financial statements (Note)
	Press Release Distribution Business				
Net sales					
“PR TIMES” and services related to “PR TIMES”	5,570,347	–	5,570,347	–	5,570,347
SaaS services for businesses	135,891	–	135,891	–	135,891
Other	–	–	–	–	–
Revenue arising from contracts with customers	5,706,238	–	5,706,238	–	5,706,238
Net sales to external customers	5,706,238	–	5,706,238	–	5,706,238
Internal sales or transfer volume among segments	–	–	–	–	–
Total	5,706,238	–	5,706,238	–	5,706,238
Segment profit	1,190,734	–	1,190,734	–	1,190,734
Segment assets	5,265,368	–	5,265,368	–	5,265,368
Other items					
Depreciation	86,362	–	86,362	–	86,362
Amortization of goodwill	–	–	–	–	–
Increase in property, plant and equipment and intangible assets	107,106	–	107,106	–	107,106

Note: Segment profit matches operating profit in the consolidated financial statements.

Fiscal year ended February 29, 2024

(Thousands of yen)

	Reportable segment	Other (Note) 1.	Total	Amount of adjustments	Amount recorded in consolidated financial statements (Note) 2.
	Press Release Distribution Business				
Net sales					
“PR TIMES” and services related to “PR TIMES”	6,356,712	–	6,356,712	–	6,356,712
SaaS services for businesses	211,344	–	211,344	–	211,344
Other	–	268,909	268,909	–	268,909
Revenue arising from contracts with customers	6,568,057	268,909	6,836,966	–	6,836,966
Net sales to external customers	6,568,057	268,909	6,836,966	–	6,836,966
Internal sales or transfer volume among segments	–	71,502	71,502	(71,502)	–
Total	6,568,057	340,411	6,908,468	(71,502)	6,836,966
Segment profit or losses	1,774,084	(27,503)	1,746,581	–	1,746,581
Segment assets	6,862,514	208,978	7,071,492	–	7,071,492
Other items					
Depreciation	113,191	4,413	117,605	–	117,605
Amortization of goodwill	–	34,995	34,995	–	34,995
Increase in property, plant and equipment and intangible assets	172,544	292,077	464,622	–	464,622

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 or losses match operating profit in the consolidated financial statements.

Per share information

(Yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Net assets per share	333.01	421.20
Earnings per share	57.96	86.60
Diluted earnings per share	57.16	85.67

Notes: 1. The basis for calculation of earnings per share and diluted earnings per share is as follows:

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Earnings per share		
Profit attributable to owners of parent (Thousands of yen)	777,782	1,161,386
Amounts not attributable to common shareholders (Thousands of yen)	–	–
Profit attributable to owners of parent related to common shares (Thousands of yen)	777,782	1,161,386
Average number of common shares outstanding during the period (Shares)	13,419,637	13,410,653
Diluted earnings per share		
Adjustment to profit attributable to owners of parent (Thousands of yen)	–	–
Increase in number of common shares (Shares)	187,132	145,138
[Of the above, share acquisition rights (Shares)]	[187,132]	[145,138]
Overview of dilutive shares that are not included in the calculation of diluted earnings per share as they have no dilutive effects	Resolution of the Board of Directors held on April 13, 2021: Fifth series of share acquisition rights (Common shares: 39,000) Sixth series of share acquisition rights (Common shares: 96,000)	Resolution of the Board of Directors held on April 13, 2021: Fifth series of share acquisition rights (Common shares: 39,000)

2. The basis for calculation of net assets per share is as follows:

	As of February 28, 2023	As of February 29, 2024
Total net assets on the consolidated balance sheet (Thousands of yen)	4,466,515	5,662,903
Amount deducted from total net assets on the consolidated balance sheet (Thousands of yen)	740	2,264
[Of the above, share acquisition rights (Thousands of yen)]	[191]	[1,654]
[Of the above, non-controlling interests (Thousands of yen)]	[549]	[610]
Net assets related to common shares at the end of the period (Thousands of yen)	4,465,774	5,660,638
Number of common shares at the end of the period used in the calculation of net assets per share (Shares)	13,410,296	13,439,373

Significant events after the reporting period

Not applicable.