

# Translation

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

## Summary of Consolidated Financial Results for the Year Ended February 28, 2023 (Based on Japanese GAAP)

April 13, 2023

Company name: PR TIMES, Inc.  
 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 24, 2023  
 Scheduled date to file Securities Report: May 24, 2023  
 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 28, 2023 (from March 1, 2022 to February 28, 2023)

#### (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 28, 2023	5,706	17.5	1,190	(35.1)	1,188	(35.2)	777	(39.3)
Year ended February 28, 2022	4,854	–	1,834	–	1,833	–	1,281	–

Note: Comprehensive income: Year ended February 28, 2023 ¥777 million [(39.3)%]  
 Year ended February 28, 2022 ¥1,280 million [–%]

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended February 28, 2023	57.96	57.16	19.0	23.5	20.9
Year ended February 28, 2022	96.96	93.90	34.3	38.0	37.8

Reference: Equity in earnings (losses) of affiliates: Year ended February 28, 2023 ¥– million  
 Year ended February 28, 2022 ¥– million

Note: Because the Company has prepared consolidated financial statements starting in the year ended February 28, 2022, the Company is not stating year-on-year changes for the year ended February 28, 2022. In addition, profit/equity and ordinary profit/total assets for the year ended February 28, 2022 were calculated based on year-end equity and year-end total assets respectively as it was the first year of consolidated accounting.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of February 28, 2023	5,265	4,466	84.8	333.01
As of February 28, 2022	4,831	3,740	77.4	278.52

Reference: Equity As of February 28, 2023 ¥4,465 million  
 As of February 28, 2022 ¥3,739 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 28, 2023	598	(172)	(74)	3,695
Year ended February 28, 2022	1,408	(554)	(41)	3,344

## 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, 2022	—	0.00	—	0.00	0.00	—	—	—
Year ended February 28, 2023	—	0.00	—	0.00	0.00	—	—	—
Year ending February 29, 2024 (Forecast)	—	0.00	—	0.00	0.00		—	

## 3. Forecast of consolidated financial results for the year ending February 29, 2024 (from March 1, 2023 to February 29, 2024)

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, 2023	3,221	14.5	634	(30.8)	615	(32.8)	417	(27.7)	31.11
Full year	6,650	16.5	1,500	26.0	1,472	23.8	1,004	29.1	74.89

## 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 28, 2023	13,457,200 shares	As of February 28, 2022	13,457,200 shares
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Number of treasury shares at the end of the period

As of February 28, 2023	46,904 shares	As of February 28, 2022	30,847 shares
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Average number of shares during the period

Year ended February 28, 2023	13,419,637 shares	Year ended February 28, 2022	13,214,131 shares
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(Reference) Overview of non-consolidated financial results

Non-consolidated financial results for the year ended February 28, 2023 (from March 1, 2022 to February 28, 2023)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended February 28, 2023	5,670	17.1	1,191	(35.7)	1,189	(35.8)	778	(39.5)
Year ended February 28, 2022	4,842	28.6	1,852	42.3	1,851	42.5	1,286	23.3

	Earnings per share	Diluted earnings per share
	Yen	Yen
Year ended February 28, 2023	58.00	57.20
Year ended February 28, 2022	97.37	94.29

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of February 28, 2023	5,265	4,471	84.9	333.45
As of February 28, 2022	4,830	3,745	77.5	278.91

Reference: Equity      As of February 28, 2023      ¥4,471 million  
                                 As of February 28, 2022      ¥3,744 million

Reason for difference between non-consolidated financial results and actual results from the previous fiscal year

Net sales, which had continued to grow at the high level of over 25% for 15 consecutive terms since the Company's foundation, showed a slowing growth trajectory, mainly due to issues concerning sales activities. Despite that, however, the Company is maintaining its growth track. In addition, ordinary profit and profit fell significantly below actual results in the previous fiscal year as a result of carrying out large-scale advertisements for "PR TIMES," "Jooto" and "Tayori."

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

\* Proper use of financial results forecasts, and other special matters

(Caution regarding forward-looking statements)

Forward-looking statements, including the consolidated forecasts stated in these materials, are based on information currently available to the Company and certain assumptions deemed reasonable. As such, they do not constitute guarantees by the Company of future performance. Results may differ materially from the consolidated forecasts due to various factors. Please refer to the section of "(ii) Outlook for the next fiscal year" of "1. Overview of operating results, etc., (1) Overview of operating results for the fiscal year under review" on pages 2 to 3 of the attached material for the preconditions for the results forecasts and items to exercise caution in the use of these results forecasts.

(How to obtain supplementary material on financial results and financial summary presentation material)

On Thursday, April 13, 2023, the Company plans to post the supplementary material on the financial results on its website. The Company also plans to hold a financial summary presentation meeting for institutional investors and securities analysts on the same day.

**Attached Material****Index**

1. Overview of operating results, etc. ....	2
(1) Overview of operating results for the fiscal year under review.....	2
(2) Overview of financial position for the fiscal year under review .....	3
(3) Basic policy on profit distribution and dividends for the fiscal year under review and next fiscal year .....	4
2. Basic concept regarding selection of accounting standards .....	5
3. Consolidated financial statements and significant notes thereto.....	6
(1) Consolidated balance sheet .....	6
(2) Consolidated statement of income and comprehensive income .....	8
Consolidated statement of income.....	8
Consolidated statement of comprehensive income .....	8
(3) Consolidated statement of changes in equity .....	9
(4) Consolidated statement of cash flows .....	11
(5) Notes to consolidated financial statements.....	12
Notes on premise of going concern.....	12
Changes in accounting policies .....	12
Segment information .....	12
Per share information .....	13
Significant events after the reporting period .....	14

## 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 28, 2023, the PR TIMES, Inc. Group (the “Group”) continued investing in advertising with the aim of increasing recognition and acquiring new customer segments to strengthen the core structure for the press release distribution service “PR TIMES,” which is a key business, as well as to grow business of 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 79,759 companies (up 21.5% year on year), and 53.2% of listed companies in Japan were using “PR TIMES.” The number of press releases reached a record high of 31,165 in March 2022. Moreover, as press release materials, 164,608 images were posted in November and 2,840 videos were posted in March, both representing record highs, as the shift to press releases with rich contents continues. In addition, there were 11,787 distribution recipients, 25,051 media users and 230 partner media, and the number of monthly site views for press releases in February 2023 was the highest recorded at 67.99 million page views. Net sales, which had continued to grow at the high level of over 25% for 15 consecutive terms since the Company’s foundation, showed a slowing growth trajectory of a 17.5% increases year on year, mainly due to issues concerning sales activities. Despite that, however, the Company is maintaining its growth track.

We worked to expand usage and improve service with the key indicators of number of paying user companies for “Jooto,” our task and project management tool, and number of paying accounts for “Tayori,” our customer support tool. As a result, the number of paying user companies for “Jooto” rose 8.2% year on year to 1,910 and the number of paying accounts for “Tayori” rose 35.6% to 896. Although both services grew according to plan, their effect on net sales was limited, and we continue to be in the investment phase.

As a result, for the fiscal year under review, the Company posted net sales of ¥5,706,238 thousand (up 17.5% year on year), operating profit of ¥1,190,734 thousand (down 35.1% year on year), ordinary profit of ¥1,188,704 thousand (down 35.2% year on year) and profit attributable to owners of parent of ¥777,782 thousand (down 39.3% year on year).

In addition, the Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the fiscal year under review. Details are as described in “(5) Notes to consolidated financial statements, Changes in accounting policies” of “3. Consolidated financial statements and significant notes thereto.”

Note that statement of operating results by segment is omitted because the Group has a single reportable segment, the Press Release Distribution Business.

#### (ii) Outlook for the next fiscal year

While wearing masks has been up to individuals since March 13, 2023, the changes to society brought about by COVID-19 are continuing and the outlook remains uncertain. In addition, the Group is unable to contribute directly to resolving the social and economic impacts from geopolitical risks such as the situation in Ukraine. However, with “PR TIMES,” an information platform that connects companies with the media and consumers, we believe we can play an important social role. At a time when further digitalization and the expanded use of the Internet are expected for all work in all industries, “Jooto” and “Tayori” can contribute to improving teamwork and enhancing work productivity as cloud tools for business that can be used for free.

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 ¥6,650 million, up 16.5% year on year, operating profit of ¥1,500 million, up 26.0% year on year, ordinary profit of ¥1,472 million, up 23.8% year on year, and profit attributable to owners of parent of ¥1,004 million, up 29.1% year on year.

As a result of considering the situation from the early stages of the spread of COVID-19 to the present, it is assumed that the impact of COVID-19 on the Group's business results will be minimal in the event of either the future containment or expansion of the disease. Moreover, although it is assumed that the circumstances in Ukraine will not change significantly from the current situation, actual results may differ from the forecasts due to various factors in the future.

## **(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 ¥5,265,368 thousand, an increase of ¥434,310 thousand from the end of the previous fiscal year.

Current assets at the end of the fiscal year under review were ¥4,441,463 thousand, an increase of ¥468,226 thousand from the end of the previous fiscal year. This was primarily due to increases of ¥351,283 thousand in cash and deposits and ¥75,483 thousand in notes and accounts receivable - trade. Non-current assets at the end of the fiscal year under review were ¥823,904 thousand, a decrease of ¥33,915 thousand from the end of the previous fiscal year. This was due to decreases of ¥35,195 thousand in property, plant and equipment and ¥41,877 thousand in investments and other assets, despite an increase in intangible assets of ¥43,157 thousand.

#### Liabilities

Total liabilities at the end of the fiscal year under review were ¥798,852 thousand, a decrease of ¥291,964 thousand from the end of the previous fiscal year.

Current liabilities at the end of the fiscal year under review were ¥798,748 thousand, a decrease of ¥290,297 thousand from the end of the previous fiscal year. This was primarily due to a decrease of ¥358,423 thousand in income taxes payable, despite an increase of ¥112,221 thousand in accounts payable - other. Non-current liabilities at the end of the fiscal year under review were ¥104 thousand, a decrease of ¥1,666 thousand from the end of the previous fiscal year.

#### Net assets

Total net assets at the end of the fiscal year under review were ¥4,466,515 thousand, an increase of ¥726,274 thousand from the end of the previous fiscal year. This was primarily due to an increase of ¥777,782 thousand in retained earnings resulting from the recording of profit attributable to owners of parent.

### **(ii) Cash flows**

Cash and cash equivalents ("cash") at the end of the fiscal year under review were ¥3,695,539 thousand, an increase of ¥351,283 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 ¥598,071 thousand (compared with ¥1,408,885 thousand provided in the previous fiscal year). This was primarily due to profit before income taxes totaling ¥1,135,115 thousand, accounts payable - other increasing by ¥126,163 thousand and income taxes paid totaling ¥679,382 thousand.

Cash flows from investing activities

Net cash used in investing activities totaled ¥172,183 thousand (compared with ¥554,691 thousand used in the previous fiscal year). This was primarily due to purchase of property, plant and equipment totaling ¥47,517 thousand, purchase of intangible assets totaling ¥72,740 thousand, purchase of investment securities totaling ¥99,399 thousand and proceeds from refund of leasehold and guarantee deposits totaling ¥75,263 thousand.

Cash flows from financing activities

Net cash used in financing activities totaled ¥74,605 thousand (compared with ¥41,532 thousand used in the previous fiscal year). This was primarily due to purchase of treasury shares of ¥74,631 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 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, 2022	As of February 28, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	3,344,256	3,695,539
Notes and accounts receivable - trade	578,895	654,379
Other	64,826	124,889
Allowance for doubtful accounts	(14,740)	(33,343)
Total current assets	3,973,237	4,441,463
Non-current assets		
Property, plant and equipment		
Buildings and structures	241,362	196,092
Tools, furniture and fixtures	196,534	196,333
Leased assets	9,720	9,720
Accumulated depreciation	(157,683)	(147,408)
Total property, plant and equipment	289,933	254,737
Intangible assets		
Software	100,633	158,399
Software in progress	67,713	53,240
Other	834	700
Total intangible assets	169,181	212,339
Investments and other assets		
Investment securities	25,992	75,991
Leasehold and guarantee deposits	232,385	139,183
Deferred tax assets	113,614	89,309
Other	26,712	52,342
Total investments and other assets	398,704	356,826
Total non-current assets	857,820	823,904
Total assets	4,831,057	5,265,368

(Thousands of yen)

	As of February 28, 2022	As of February 28, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	49,777	57,192
Lease liabilities	2,842	1,208
Accounts payable - other	189,875	302,097
Income taxes payable	413,026	54,602
Unearned revenue	208,783	–
Contract liabilities	–	240,137
Provision for bonuses	70,400	39,865
Provision for shareholder benefit program	8,990	14,060
Other	145,351	89,584
Total current liabilities	1,089,046	798,748
Non-current liabilities		
Lease liabilities	1,286	78
Other	483	25
Total non-current liabilities	1,770	104
Total liabilities	1,090,816	798,852
<b>Net assets</b>		
Shareholders' equity		
Share capital	420,660	420,660
Capital surplus	395,660	395,660
Retained earnings	3,000,248	3,764,178
Treasury shares	(77,111)	(114,725)
Total shareholders' equity	3,739,457	4,465,774
Share acquisition rights	203	191
Non-controlling interests	579	549
Total net assets	3,740,240	4,466,515
Total liabilities and net assets	4,831,057	5,265,368

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

(Thousands of yen)

	Fiscal year ended February 28, 2022	Fiscal year ended February 28, 2023
Net sales	4,854,526	5,706,238
Cost of sales	547,023	630,728
Gross profit	4,307,503	5,075,510
Selling, general and administrative expenses	2,473,466	3,884,776
Operating profit	1,834,036	1,190,734
Non-operating income		
Interest income	0	0
Recoveries of written off receivables	215	754
Other	2,179	54
Total non-operating income	2,394	808
Non-operating expenses		
Interest expenses	645	609
Loss on investments in capital	1,942	2,000
Other	249	228
Total non-operating expenses	2,837	2,838
Ordinary profit	1,833,592	1,188,704
Extraordinary losses		
Impairment losses	11,182	—
Loss on retirement of non-current assets	655	4,189
Loss on valuation of investment securities	—	49,399
Total extraordinary losses	11,837	53,589
Profit before income taxes	1,821,755	1,135,115
Income taxes - current	574,465	333,057
Income taxes - deferred	(33,075)	24,304
Total income taxes	541,390	357,362
Profit	1,280,365	777,752
Loss attributable to non-controlling interests	(920)	(30)
Profit attributable to owners of parent	1,281,285	777,782

**Consolidated statement of comprehensive income**

(Thousands of yen)

	Fiscal year ended February 28, 2022	Fiscal year ended February 28, 2023
Profit	1,280,365	777,752
Comprehensive income	1,280,365	777,752
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,281,285	777,782
Comprehensive income attributable to non-controlling interests	(920)	(30)

**(3) Consolidated statement of changes in equity**

Fiscal year ended February 28, 2022

(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	2,211,499	(543,496)	2,484,324
Changes during period					
Profit attributable to owners of parent			1,281,285		1,281,285
Purchase of treasury shares				(299,054)	(299,054)
Disposal of treasury shares		(492,536)		765,438	272,901
Transfer of loss on disposal of treasury shares		492,536	(492,536)		—
Net changes in items other than shareholders' equity					
Total changes during period	—	—	788,748	466,384	1,255,133
Balance at end of period	420,660	395,660	3,000,248	(77,111)	3,739,457

	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of period	180	—	2,484,504
Changes during period			
Profit attributable to owners of parent			1,281,285
Purchase of treasury shares			(299,054)
Disposal of treasury shares			272,901
Transfer of loss on disposal of treasury shares			—
Net changes in items other than shareholders' equity	23	579	603
Total changes during period	23	579	1,255,736
Balance at end of period	203	579	3,740,240

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

**(4) Consolidated statement of cash flows**

(Thousands of yen)

	Fiscal year ended February 28, 2022	Fiscal year ended February 28, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	1,821,755	1,135,115
Depreciation	121,590	86,362
Impairment losses	11,182	–
Loss (gain) on valuation of investment securities	–	49,399
Loss (gain) on investments in capital	1,942	2,000
Loss on retirement of non-current assets	655	4,189
Increase (decrease) in allowance for doubtful accounts	(23,640)	18,603
Increase (decrease) in provision for bonuses	39,635	(30,535)
Increase (decrease) in provision for shareholder benefit program	(4,942)	5,070
Interest and dividend income	(0)	(0)
Interest expenses	645	609
Decrease (increase) in trade receivables	(55,676)	(75,483)
Increase (decrease) in trade payables	(718)	7,415
Increase (decrease) in accounts payable - other	(44,213)	126,163
Increase (decrease) in unearned revenue	23,778	–
Increase (decrease) in contract liabilities	–	31,354
Other, net	9,998	(82,200)
<b>Subtotal</b>	<b>1,901,993</b>	<b>1,278,063</b>
Interest and dividends received	0	0
Interest paid	(645)	(609)
Income taxes paid	(492,462)	(679,382)
<b>Net cash provided by (used in) operating activities</b>	<b>1,408,885</b>	<b>598,071</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(244,745)	(47,517)
Purchase of intangible assets	(113,528)	(72,740)
Purchase of investment securities	(25,192)	(99,399)
Purchase of shares of non-consolidated subsidiaries	–	(13,987)
Payments of leasehold and guarantee deposits	(158,725)	(1,302)
Proceeds from refund of leasehold and guarantee deposits	–	75,263
Payments for investments in capital	(12,500)	(12,500)
<b>Net cash provided by (used in) investing activities</b>	<b>(554,691)</b>	<b>(172,183)</b>
<b>Cash flows from financing activities</b>		
Repayments of lease liabilities	(3,416)	(3,210)
Proceeds from share issuance to non-controlling shareholders	1,500	–
Purchase of treasury shares	(299,054)	(74,631)
Proceeds from issuance of share acquisition rights	135	–
Proceeds from disposal of treasury shares from exercise of share acquisition rights	259,302	3,236
<b>Net cash provided by (used in) financing activities</b>	<b>(41,532)</b>	<b>(74,605)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>812,660</b>	<b>351,283</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>2,531,595</b>	<b>3,344,256</b>
<b>Cash and cash equivalents at end of period</b>	<b>3,344,256</b>	<b>3,695,539</b>

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

Not applicable.

**Changes in accounting policies**

*Application of Accounting Standard for Revenue Recognition, etc.*

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the fiscal year under review, and it has recognized revenue at the time the control of promised goods or services is transferred to the customer at the amount expected to be received upon exchange of said goods or services.

The application of the Accounting Standard for Revenue Recognition and relevant ASBJ regulations is subject to the transitional treatment provided for in the proviso to paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect of the retrospective application assuming the new accounting policy had been applied to periods prior to the start of the fiscal year under review, was added to or subtracted from the opening balance of retained earnings of the fiscal year under review, and thus the new accounting policy is applied from such opening balance.

Furthermore, “Unearned revenue” presented under current liabilities in the consolidated balance sheet for the previous fiscal year has been included in “Contract liabilities” from the fiscal year under review. “Increase (decrease) in unearned revenue” presented under cash flows from operating activities in the consolidated statement of cash flows for the previous fiscal year has been included in “Increase (decrease) in contract liabilities” from the fiscal year under review. However, in accordance with the transitional treatment provided for in paragraph 89-2 of the Accounting Standard for Revenue Recognition, figures for the previous fiscal year have not been restated in accordance with the new approach to presentation.

As a result, there was no impact on gain or loss or per share information in the fiscal year under review. Furthermore, there was no impact on the balance of retained earnings at the beginning of the period.

**Segment information**

Segment information is omitted as the Group has one reportable segment of the Press Release Distribution Business.

**Per share information**

(Yen)

	Fiscal year ended February 28, 2022	Fiscal year ended February 28, 2023
Net assets per share	278.52	333.01
Earnings per share	96.96	57.96
Diluted earnings per share	93.90	57.16

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

	Fiscal year ended February 28, 2022	Fiscal year ended February 28, 2023
Earnings per share		
Profit attributable to owners of parent (Thousands of yen)	1,281,285	777,782
Amounts not attributable to common shareholders (Thousands of yen)	—	—
Profit attributable to owners of parent related to common shares (Thousands of yen)	1,281,285	777,782
Average number of common shares outstanding during the period (Shares)	13,214,131	13,419,637
Diluted earnings per share		
Adjustment to profit attributable to owners of parent (Thousands of yen)	—	—
Increase in number of common shares (Shares)	430,873	187,132
[Of the above, share acquisition rights (Shares)]	[430,873]	[187,132]
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) Sixth series of share acquisition rights (Common shares: 96,000)



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

	As of February 28, 2022	As of February 28, 2023
Total net assets on the consolidated balance sheet (Thousands of yen)	3,740,240	4,466,515
Amount deducted from total net assets on the consolidated balance sheet (Thousands of yen)	783	740
[Of the above, share acquisition rights (Thousands of yen)]	[203]	[191]
[Of the above, non-controlling interests (Thousands of yen)]	[579]	[549]
Net assets related to common shares at the end of the period (Thousands of yen)	3,739,457	4,465,774
Number of common shares at the end of the period used in the calculation of net assets per share (Shares)	13,426,353	13,410,296

**Significant events after the reporting period***Purchase of treasury shares*

At the Board of Directors meeting held on February 22, 2023, the Company resolved to carry out the purchase of treasury shares prescribed in the provisions of Article 156 of the Companies Act as applied by replacing the relevant terms pursuant to the provisions of Article 165, paragraph (3) of the said Act, and carried out the purchase of treasury shares as described below.

## 1. Reason for the purchase of treasury shares

The Company provides opportunities for employees to become shareholders in order for them to build active ownership as a representative of the Company to realize the Company's mission of "Towards an age where information inspires hearts and minds." Currently at the Company, a system for share acquisition rights and restricted share-based remuneration has been introduced, and the policy is to utilize treasury shares in order to suppress dilution at the time of allotting shares. However, in light of the present number of allotted shares and the number of treasury shares held, the Company has decided to purchase additional treasury shares.

As stated in "Status of Progress in Accordance With Plan for Compatibility With Continued Listing Criteria for the Prime Market," which was disclosed in a timely manner on October 13, 2022, the Company has a tradeable share ratio of 36.9% as estimated by the Company, and has satisfied 35% of the criteria for being listed on the Prime Market. This ratio will slightly decline temporarily due to this purchase of treasury shares, but the impact will be minimal and the ratio is expected to recover as the allotment of treasury shares proceeds.

## 2. Details of matters relating to purchase

## (1) Type of shares to be purchased

Common shares of the Company

## (2) Total number of shares to be purchased

22,000 shares (maximum)

(0.16% of the total number of shares issued excluding treasury shares)

## (3) Total value of shares acquired

¥50,000 thousand (maximum)

(4) Purchase period

March 1, 2023 to March 3, 2023

(5) Purchase method

Purchasing through the Tokyo Stock Exchange off-auction own share repurchase trading system (ToSTNeT-3)

3. Result of the purchase of treasury shares

As a result of acquisition through the above mentioned purchase, the Company has acquired 20,000 common shares of the Company (total value of ¥36,580 thousand).

*Business combination through acquisition*

At the Board of Directors meeting held on March 28, 2023, the Company resolved to acquire all shares of glucose inc. (hereinafter “glucose”) and make it a subsidiary. The Company concluded a share transfer agreement on the same day, and acquired all shares on March 31, 2023.

## 1. Overview of business combination

## (1) Name of acquiree and its business description

Name of acquiree	glucose inc.
Business description	Development of a wide range of applications and online services from the development of IoT devices and systems and services that incorporate AI (deep learning) to media, EC, etc.

## (2) Primary reason for business combination

The Company has stated its mission of “Towards an age where information inspires hearts and minds,” and seeks to realize a society in which the news focuses on the positive information of “people who carry out actions” and individuals are encouraged to have an optimistic outlook.

By adding glucose to the Group, the Company believes that it will combine the customer base and networks of “PR TIMES” and “BRIDGE” 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, the Company anticipates that it will enhance the speed and quality of development and implementation with a sense of purpose that is easy to make uniform, and contribute to business growth by switching externally outsourced development to development within the Group. Moreover, the Company believes that creating a system for secondment between the Company and glucose and changing the intentionality of engineers will prevent turnover and lead to the creation of opportunities for innovation and enhancement of recruitment capabilities, and has concluded the share transfer agreement.

## (3) Date of business combination

March 31, 2023

## (4) Legal form of business combination

Acquisition of shares

## (5) Name of company after business combination

No change.

## (6) Percentage of voting rights acquired

100%

## (7) Main basis for determining acquiring company

The Company acquired the shares in consideration for cash.

## 2. Acquisition cost of acquiree and components thereof by consideration type

		(Thousands of yen)
Consideration for the acquisition	Cash	238,029
Acquisition cost		238,029

## 3. Amount of goodwill, reason for recognition, amortization method and amortization period

Not confirmed at this stage.

4. Amount and breakdown of assets acquired and liabilities assumed as of the date of business combination

Not confirmed at this stage.