

Earnings Announcement

Nine-Month Earnings for the Year Ending March 31, 2016
(From April 1 to December 31, 2016)

Aspiring for Medium- to Long-Term Growth
Results of Operations and Outlook

A Specialist in Corporate Disclosure and Investor Relations

PRONEXUS INC.

January 29, 2016

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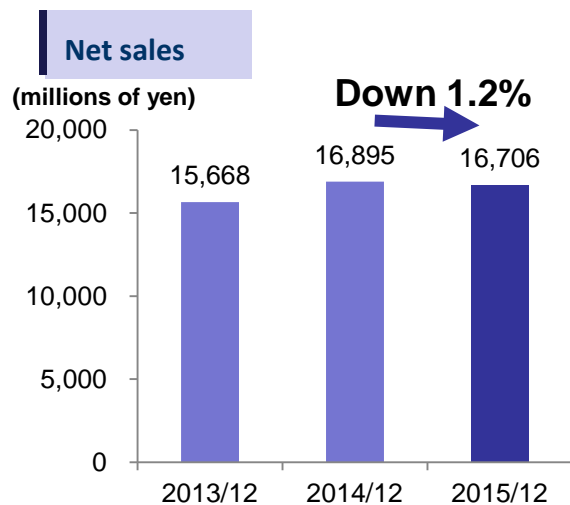
- 1. Results of Operations for the First Nine Months of the Fiscal Year Ending March 31, 2016**
- 2. Growth Initiatives**
- 3. Corporate Profile**
- 4. Stock Price and Shareholder Return**

**1. Results of Operations
for the First Nine Months of the Fiscal
Year Ending March 31, 2016**

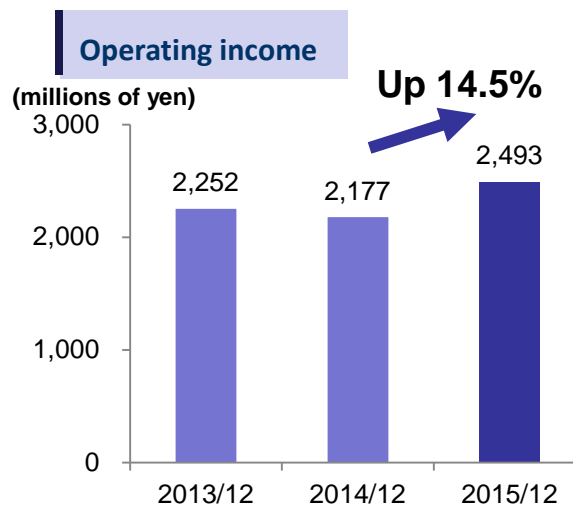
1-(1). Financial Highlights

Point Profits exceed full-term forecast (Units: millions of yen, %)

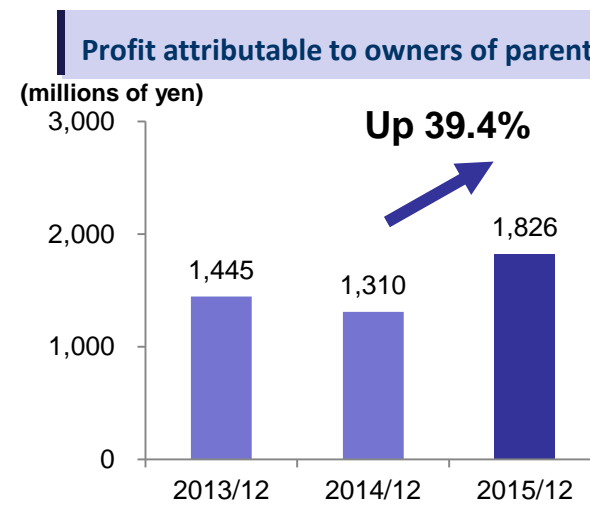
	3Q results for FYE March 2015		3Q results for FYE March 2016		Change YoY		Compared to initial forecast	
	Amount	Share	Amount	Share	Amount	%	Forecast	%
Net sales	16,895	100.0%	16,706	100.0%	(188)	(1.1)	20,500	81.5%
Operating income	2,177	12.9%	2,493	14.9%	315	14.5	2,100	118.7%
Ordinary income	2,187	12.9%	2,579	15.4%	392	18.0	2,150	120.0%
Profit attributable to owners of parent	1,310	7.8%	1,826	10.9%	515	39.4	1,600	114.1%



- Main factor behind change
- The a2m Group's rapidly growing external sales were excluded from consolidation beginning with 1Q of current FYE



- Main factor behind change
- The cost of sales ratio declined by 5.1ppt



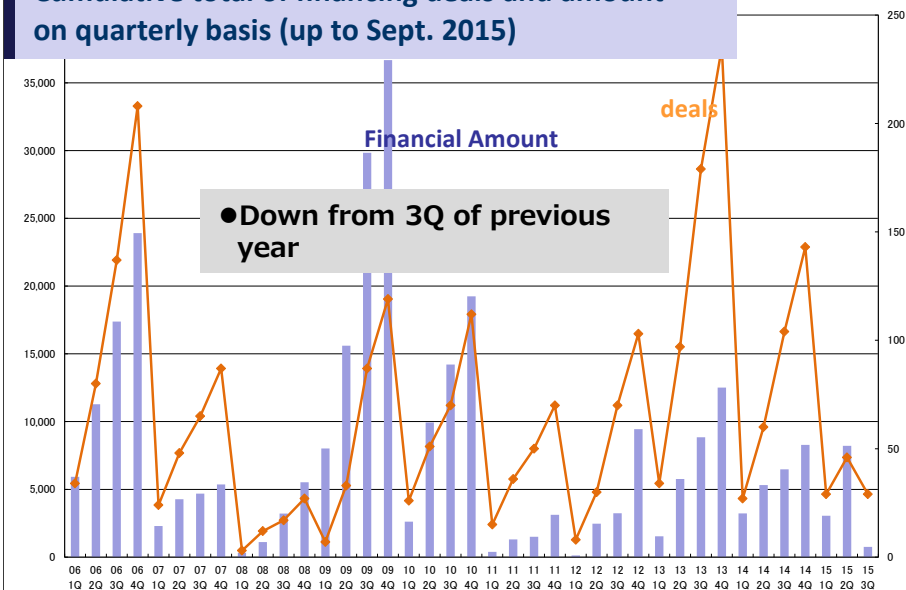
- Main factor behind change
- A special gain of ¥213 million was recorded on transfer of fixed assets

1-(2). Stock Market-Related

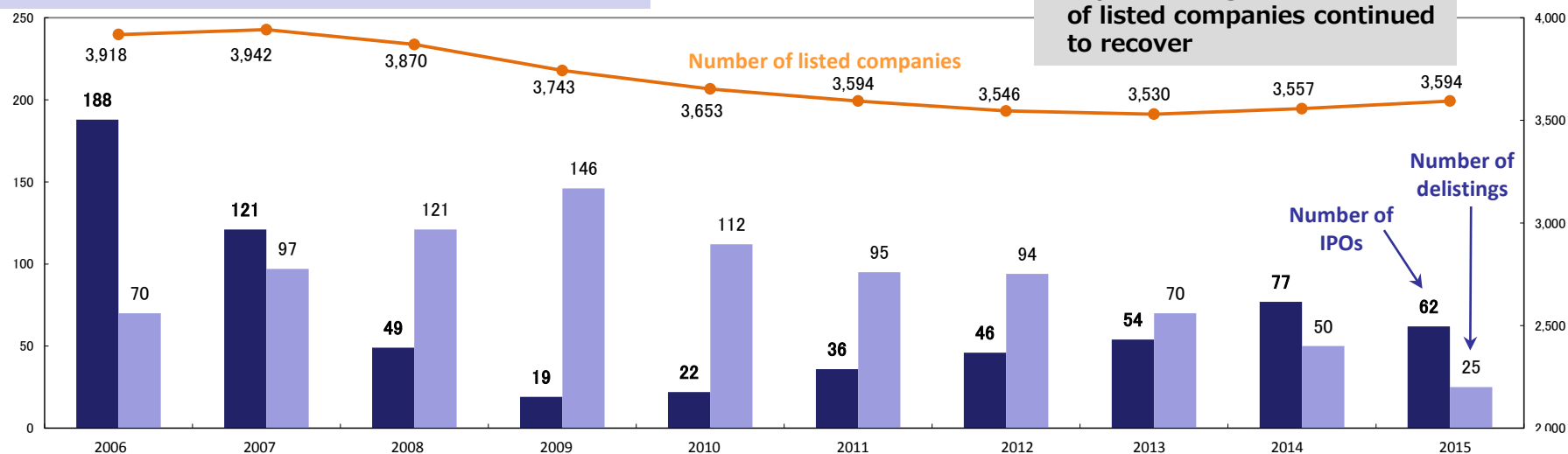
Nikkei 225 (closing price)



Cumulative total of financing deals and amount on quarterly basis (up to Sept. 2015)

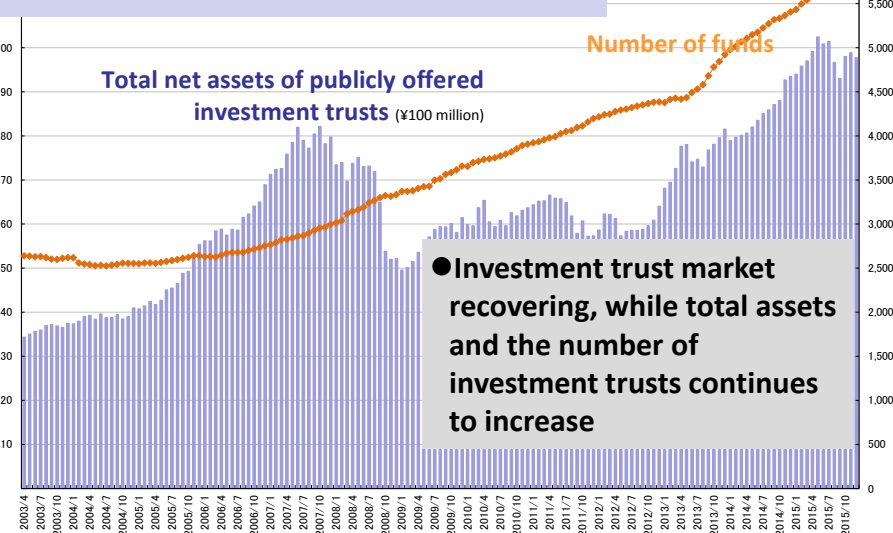


Number of listed companies (calendar year)

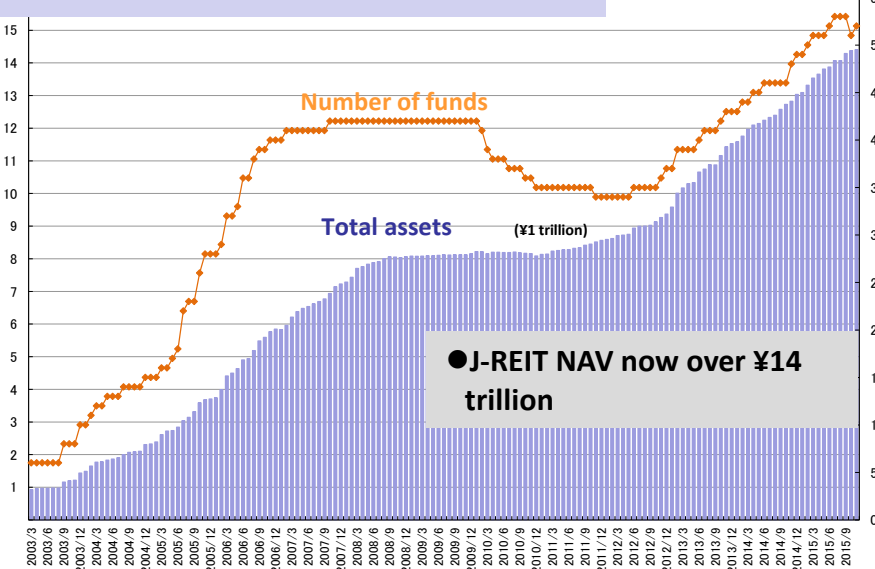


1-(2). Trust- and J-REIT-Related

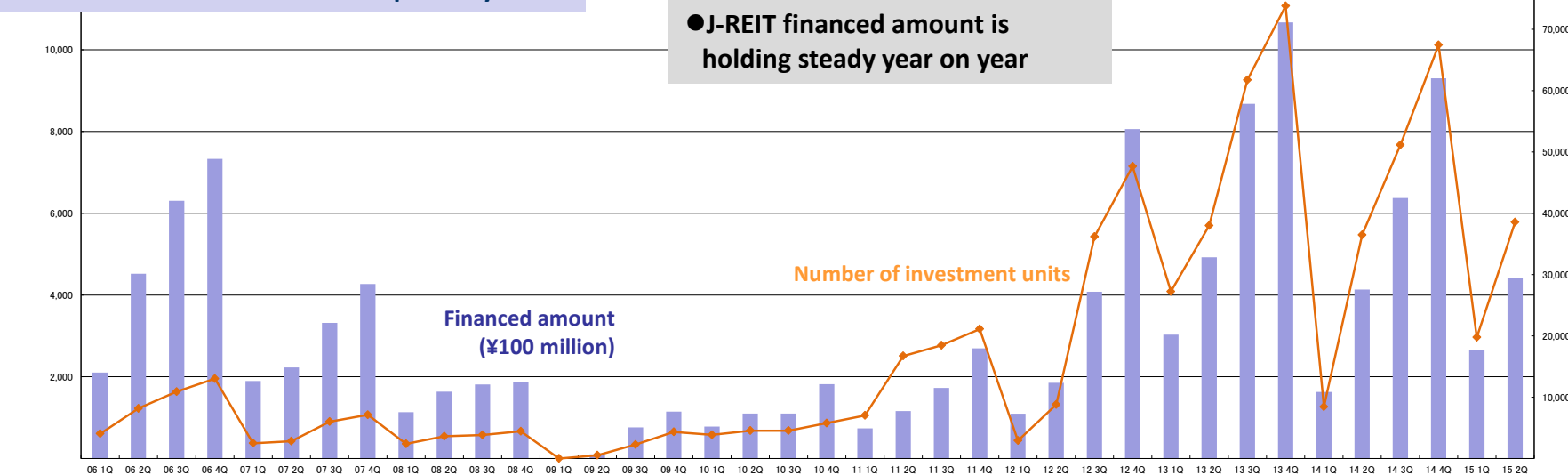
Total net assets of publicly offered investment trusts and number of fund



Total assets of J-REITs and number of funds



Cumulative total of financed amount and number of investment units on quarterly basis



1-(3). Sales by Product Area — Composition (YoY Comparison)

Point Decline of IR-related sales to listed companies, caused by consolidation change, was offset by sales of other products

(Unit: millions of yen)

	3Q results for FYE March 2015		3Q results for FYE March 2016		YoY change	
	Amount	share	Amount	share	Amount	share
Listed companies disclosure-related	7,189	42.6	7,558	45.2	368	5.1
Listed companies IR-related, etc.	4,966	29.4	3,946	23.6	(1,020)	(20.5)
	a2media Group sales are included		a2media Group sales are excluded		Net sales are decreased	
Financial instruments disclosure-related	4,391	26.0	4,841	29.0	450	10.3
Database-related	347	2.0	360	2.2	13	3.9
Total	16,895	100.0	16,706	100.0	(188)	(1.1)

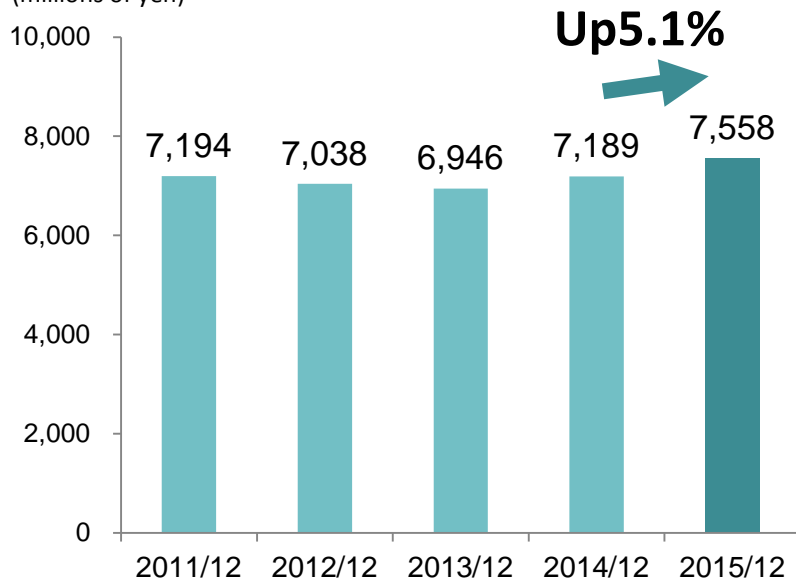
1-(4). Sales by Product Area — Listed Companies Disclosure-Related

Point

Higher sales on colorization of convocation notices and increase in IPOs and financing

Net sales (3 Q)

(millions of yen)



▲ Positive factors

- Convocation notices using color adopted by wide range of companies
- IPOs and financing at high level

▼ Negative factor

- Positive sales effect of new EDINET has run its course

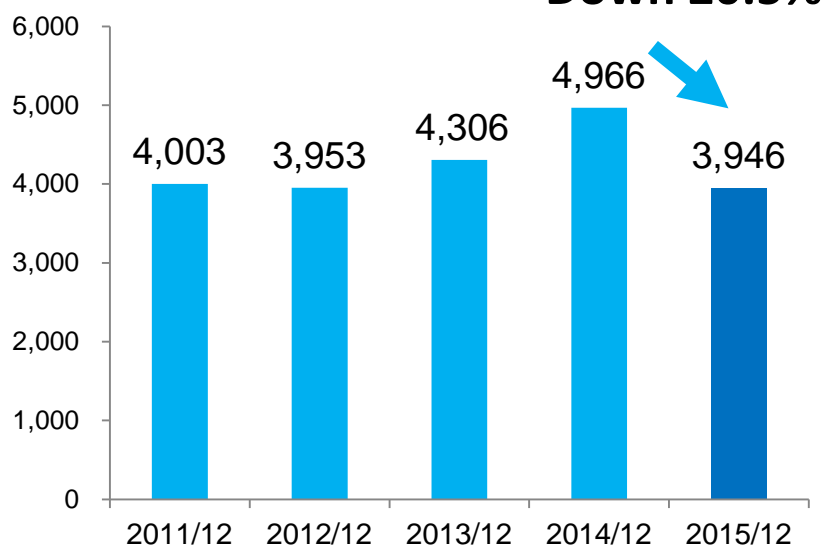
		Net sales	Major factors		
			Order volume	Market share	Prices
Shareholders' meeting-related	Convocation notices for shareholders' meetings/printing of resolution notices, etc.	→	→	→	→
Account settlement-related	Securities reports/earnings reports	→	→	→	→
	Systems related	→	→	→	→
IPO/finance-related	Prospectuses and registration documents	→	→	→	→

1-(4). Sales by Product Area — Listed Companies IR-Related, etc.

Point Excluding the a2media Group's call center services and other external sales

Net sales (3Q)

(millions of yen)



▲ Positive factors

- Rapid increase in English IR service orders backed by new corporate governance code
- Increase in online service and other sales

▼ Negative factor

- a2m Group's rapidly growing call center services and other external sales were excluded from consolidation

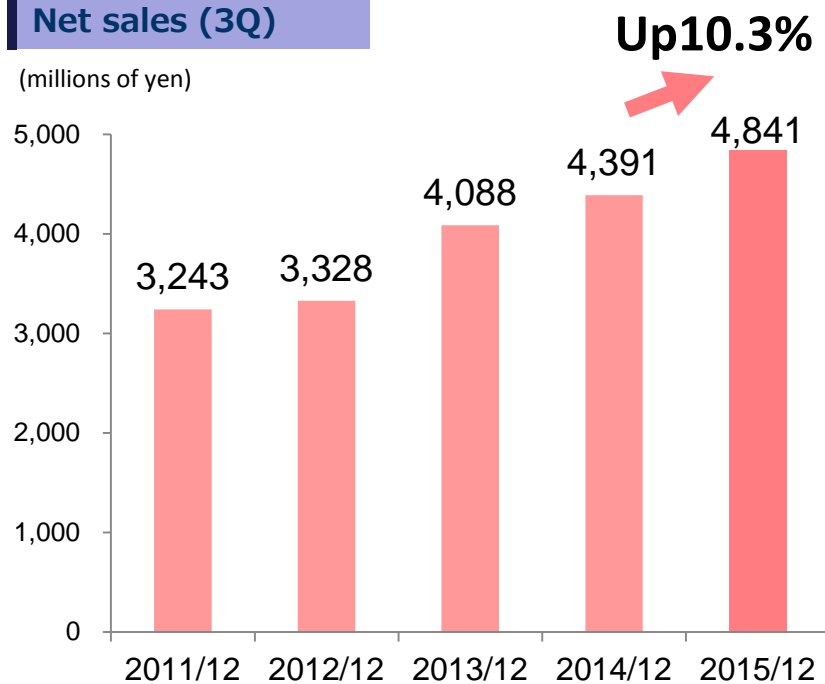
	Net sales	Major factors		
		Order volume	Market share	Prices
Business reports	➡	➡	➡	➡
Online IR services	➡	➡	➡	➡
English-language IR tools	➡	➡	➡	➡
Visuals and operational support for shareholders' meetings	➡	➡	➡	➡
Call center services and other a2media Group external sales	Excluded from sales beginning with 1Q of current FYE			

1-(4). Sales by Product Area — Financial Instruments Disclosure-Related

Point Owing to firm investment trust market conditions, sales increased 10% or more

Net sales (3Q)

(millions of yen)



▲ Positive factors

- Vigorous investment trust market boosted orders for prospectuses, sales materials, and online services
- Favorable development of J-REIT market

▼ Negative factors

- Management reports were simplified (January 2015)
- Volume of the offering documents for foreign bond declined.

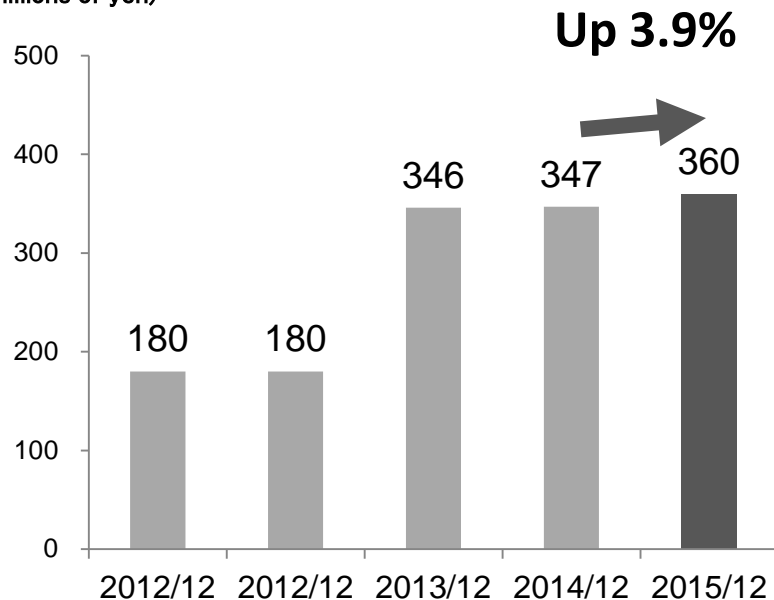
	Net sales	Major factors		
		Order volume	Market share	Prices
Domestic investment trust management company-related	→	→	→	→
J-REIT listed investment trust-related	→	→	→	→
Foreign investment trust management company-related	→	→	→	→
Foreign company-related	→	→	→	→

1-(4). Sales by Product Area — Database-Related

Point Stable sales based on existing clients

Net sales (3Q)

(millions of yen)



- Database business taken over from Hitachi High-Technologies

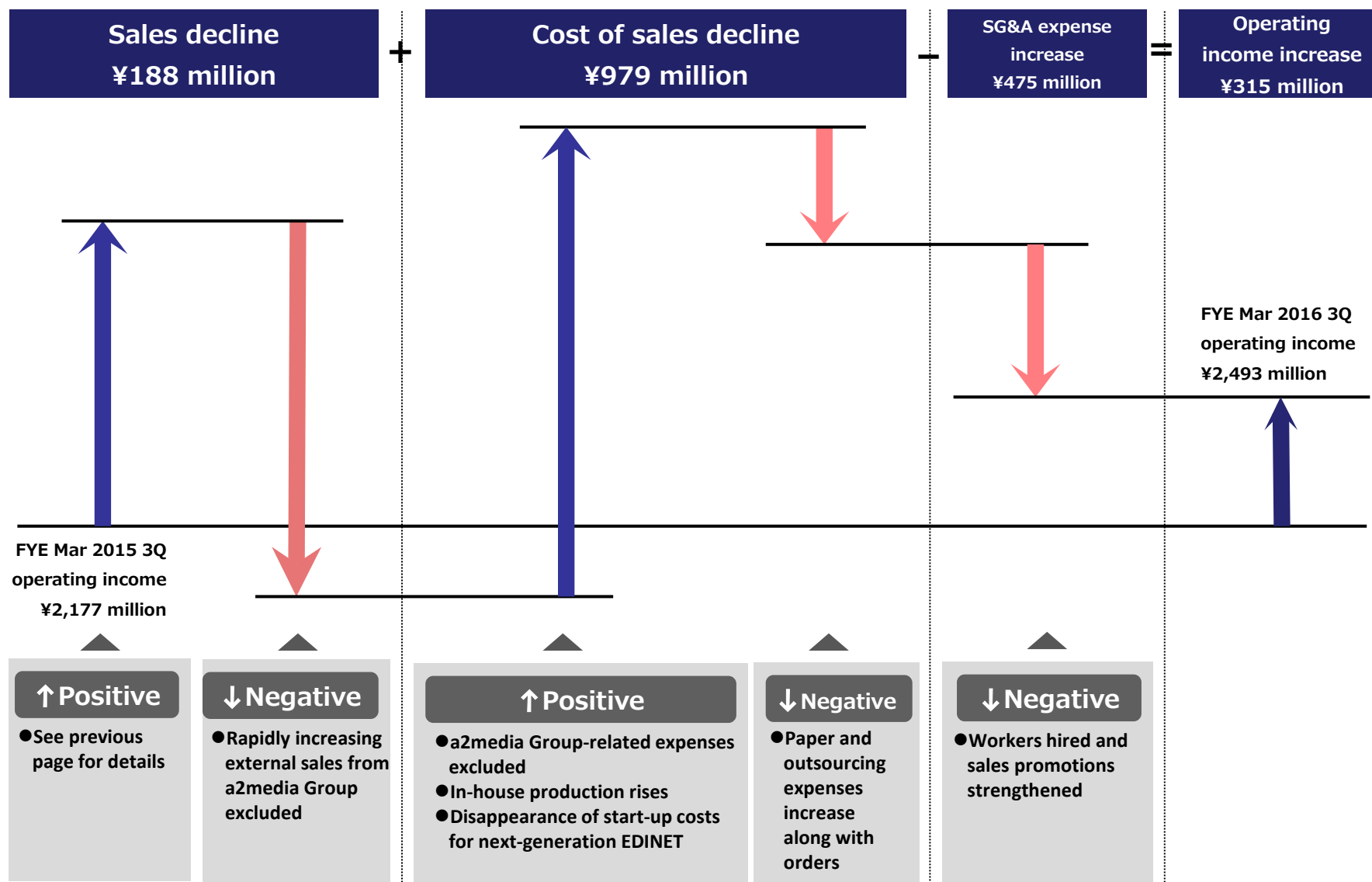
▲ Positive factors

- High rate of contract renewals by existing clients
- Contribution from data sales and other new orders

1-(5). FYE March 2016 Main positive and negative earnings factors in 3Q

Point

- a2media Group-related sales & expenses (rapidly increasing since 3Q of previous FYE) were removed from consolidation
- Sales declined ¥188 million, but decline in cost of sales > increase in SG&A expenses, so operating income up ¥315 million



1-(6). Topics (1)

Support business for Japanese companies looking to expand in Asia
Business tie-ups with regional financial institutions are moving forward

● January 2016: Business tie-ups with 23 regional financial institutions

Coordinating with regional financial institutions to strengthen support services for regional companies that are expanding overseas



Details of the business tie-ups

- Consulting on overseas sites
- Human resources/payroll services
- Accounting services and support services for registrations necessary to establish a new base, etc.
- Proxy service for working visas, alien resident certificate cards, and other applications
- Office space rental and virtual office services (Taiwan only)



System consulting strengthened

● December 2015: Business tie-up forged with Business Brain Ota-Showa Inc. (BBS)

Aiming to strengthen our business tie-up, we acquired treasury stock from BBS through a third-party allocation



Details of the business tie-ups

- Cooperation in the system service field for accounting, financial results, and disclosure
- Information sharing on clients, technology, and staff, as well as cooperation for mutual benefit
- Exploration of new tie-up fields through mutual use of each company's special strengths and expertise



Events for individual investors, held jointly with Radio Nikkei, will be expanded

● February 2016: “J-REIT Fan 2016,” an IR fair for individual investors (held jointly with TSE and Radio Nikkei)

- A better IR venue for both individual investors and J-REITs
- Exposure to a broad investor stratum centered on Radio Nikkei listeners is achieved

Program

- J-REIT IR seminar
- Securities company seminar
- Keynote speech
- Special speech
- J-REIT discussion



● March 2016: Individual Investors Thanksgiving Day – Spring IR Festival 2016 – (held jointly with Radio Nikkei)

- Radio Nikkei’s appeal to clients and its media power will be used to the full; broad notification ensures exposure to a large investor base
- Collaboration with the jointly held Investment Strategy Fair boosts the appeal to diverse investors

Program

- Stock speech
- Corporate IR seminar
- Seminars to be broadcast on radio and kept in archives



● Tie-ins with Radio Nikkei program “Asazai”: Positive results since July 2012

- IR and investment information offered on morning program “Asazai”: 186 times
- Corporate IR and individual investor-support events: Held 25 times
- Asazai IR Special Seminars that provide a platform for direct dialogue between individual investors and companies: Held 7 times

(as of January 2016)

1-(7). Consolidated Statements of Income for 3Q of FYE March 2016

(Unit: millions of yen)

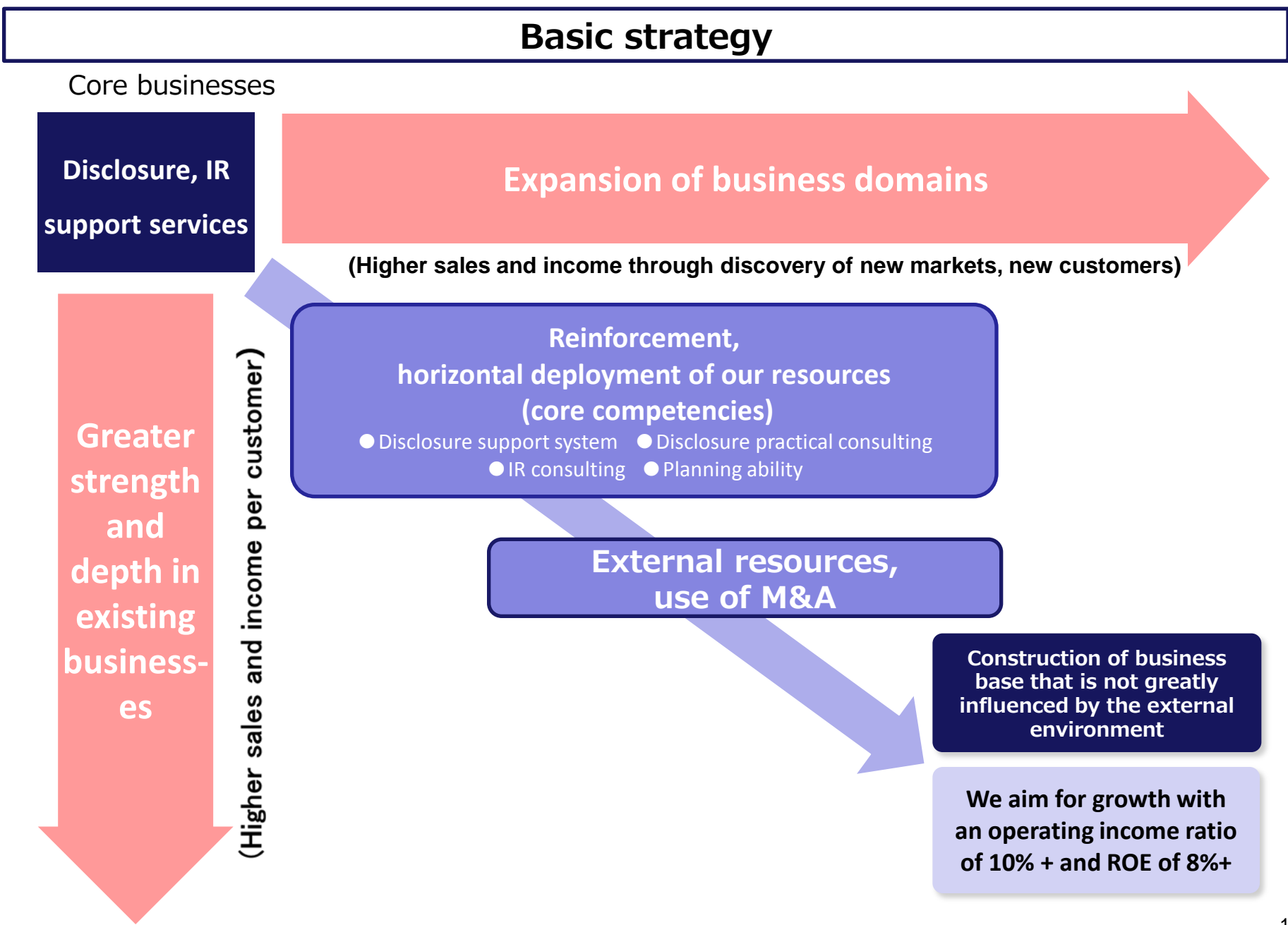
	FYE March 2015		FYE March 2016	Change (3Q)	
	3Q	Full term	3Q	Amount	%
Net sales	16,895	21,119	16,706	(188)	(1.1)
Cost of sales	10,600	13,606	9,621	(979)	(9.2)
Cost of sales ratio	62.7%	64.4%	57.6%	—	(5.1)
Gross profit	6,294	7,512	7,085	791	12.6
Selling, general and administrative expenses	4,117	5,520	4,592	475	11.6
Operating income	2,177	1,991	2,493	315	14.5
Operating margin	12.9%	113	14.9%	—	2.0
Non-operating income	99	114	113	13	
Non-operating expenses	89	69	26	(63)	
Ordinary income	2,187	2,036	2,579	392	18.0
Extraordinary income	—	36	904	904	
Extraordinary losses	—	—	690	690	
Quarterly profit attributable to owners of parent	1,310	1,358	1,826	515	39.4

1-(8). Consolidated Balance Sheets for 1H of FYE March 2016

(Unit: millions of yen)

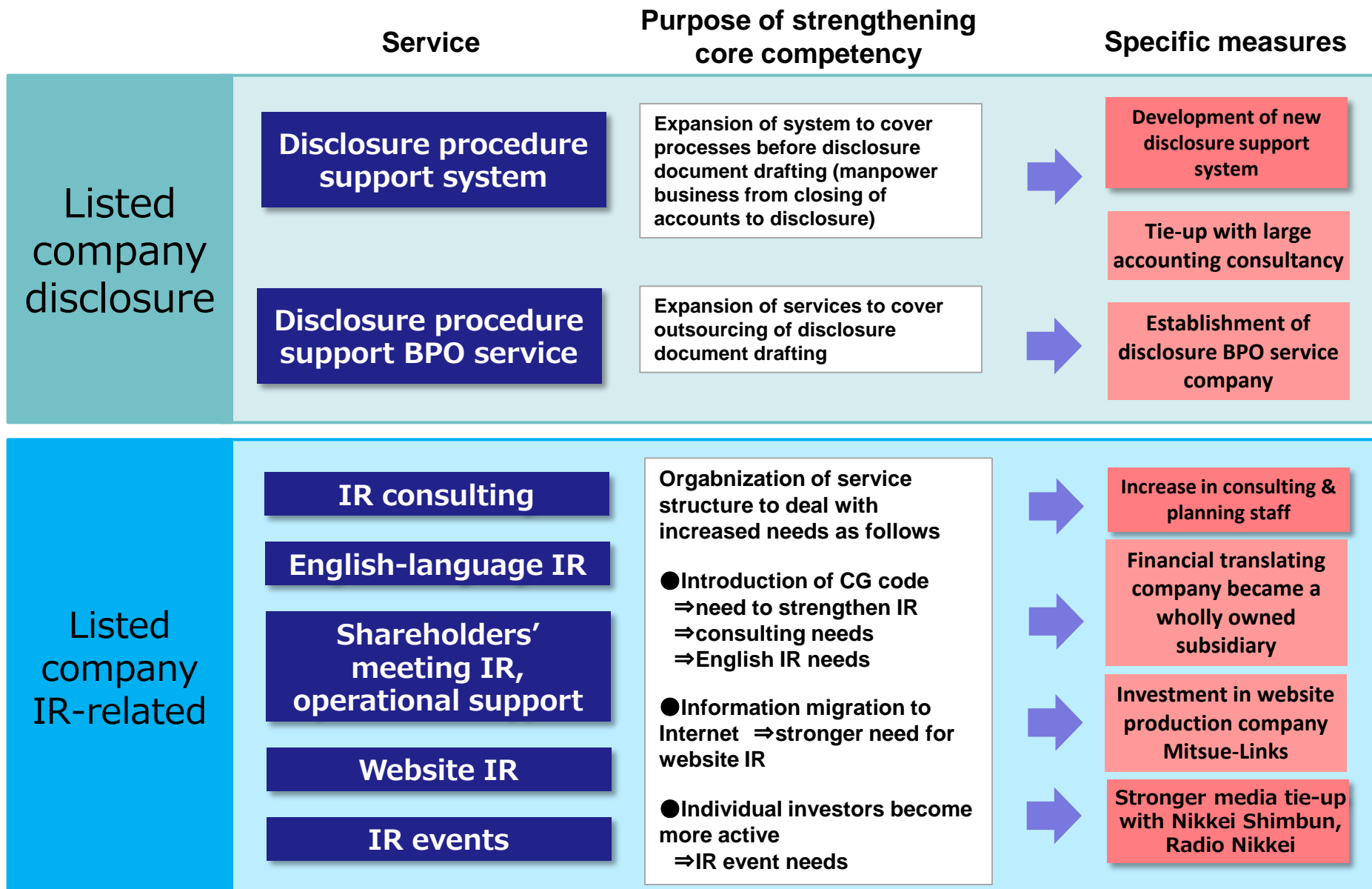
	FYE March 2015		FYE March 2016	Difference over previous year	Main reasons for difference
	End 3Q	End FYE	End 3Q		
Cash and deposits	7,272	6,851	5,986	(864)	
Notes and accounts receivable—trade	1,988	2,182	1,825	(357)	
Other	4,629	4,874	8,147	3,273	Increase in short-term securities: ¥3,401 million
Total current assets	13,890	13,908	15,960	2,051	
Property, plant and equipment	5,924	6,019	4,122	(1,896)	Decline in land: ¥1,958 million
Intangible assets	2,666	2,650	2,554	(95)	
Investments and other assets	4,884	4,899	6,110	1,210	Increase in investment securities: ¥1,246 million
Total noncurrent assets	13,474	13,569	12,787	(781)	
Total assets	27,365	27,478	28,748	1,269	
Total liabilities	6,430	6,544	6,515	(28)	
Capital stock / retained earnings	24,778	24,827	23,992	(834)	Quarterly net income: ¥1,826 million Reduction of retained earnings by dividend: ¥628 million
Treasury stock	(4,498)	(4,498)	(2,466)	2,032	Cancellation of approximately 2.88 million shares of treasury stock
Total shareholders' equity	20,279	20,328	21,525	1,197	
Total net assets	20,934	20,934	22,232	1,298	
Total liabilities and net assets	27,365	27,478	28,748	1,269	

2. Growth Initiatives



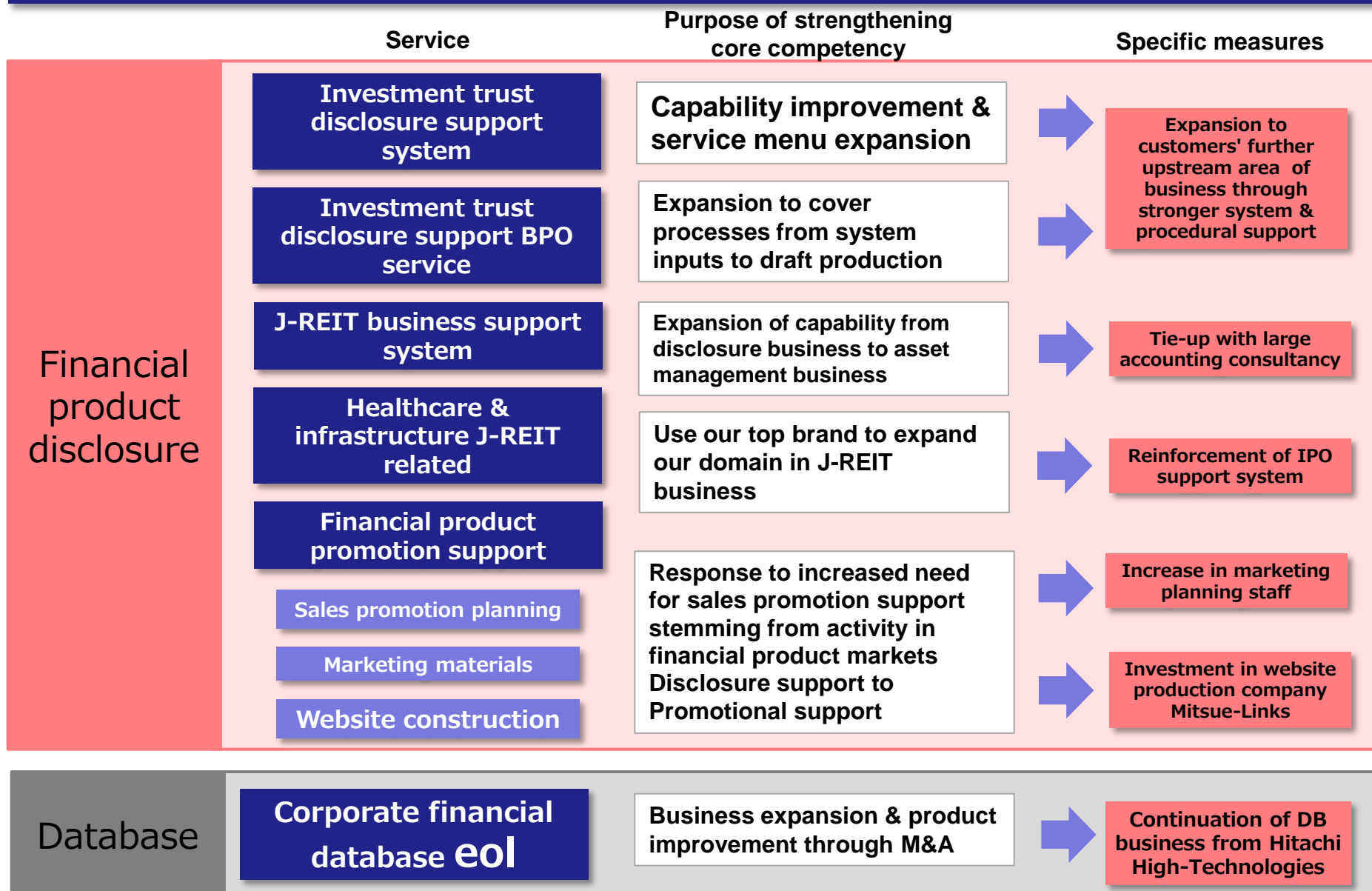
2-(2). Initiatives in the Listed Company Service Field

Deepen existing businesses, expand business domains by strengthening core competencies, including use of external resources



2-(3). Initiatives in the Financial Product Services / Database Field

Deepen existing businesses, expand business domains by strengthening core competencies, including use of external resources



3. Corporate Profile

3-(1). Company Data

- Founded in 1930, PRONEXUS became a company with net sales of ¥20 billion, operating income of ¥2 billion and 1,000 employees.

Founded

December 15, 1930; 2015 is the 85th anniversary

Paid-in Capital

¥3,058 million (as of March 31, 2015)

Net Sales

¥21,119 million (consolidated; FYE March 31, 2015)

Operating Income

¥1,991 million (consolidated; FYE March 31, 2015)

Main Clients

Approximately 2,700 listed companies
+ approximately 1,100 companies considering an IPO

No. of Employees

962(consolidated; as of December 31, 2015)

Offices

Tokyo, Osaka, Nagoya, Fukuoka, Sapporo

Plant

Toda City, Saitama Prefecture

Group Companies

● Consolidated subsidiaries:

- ASP Communications Co., Ltd. (Text and information processing)
- ZAIHON, INC. (Translation of financial documents)
- PRONEXUS TAIWAN Co., Ltd. (BPO business for Japanese companies in Taiwan)

● Affiliates under the equity method:

- a2media corporation (Planning/production of IR products)
- Japan REIT Inc. (Information services related to real estate investment trusts)
- Brainpress Inc. (Call center and BPO services)
- Mitsue-Links Co., Ltd. (Website planning and development services)
- DISCLOSURE PRO Inc. (Disclosure and BPO services)



Site of the head office
(Minato Ward)



Takeshi Ueno, President
and Representative
Director



Plant (Toda City,
Saitama Prefecture)



Data center in the Hokuriku region

*At the beginning of FYE March 2016, the a2media Group changed from a subsidiary to an affiliate under the equity method.

3-(2). Sales Structure

■ More than 70% of sales originate from disclosure and investor relations services for listed companies

Listed companies disclosure-related

- Shareholders' meeting-related
- Account settlement-related
- Account settlement-related system
- Disclosure operations support system
- Disclosure and accounting information generating system
- IPO/finance-related

Database-related

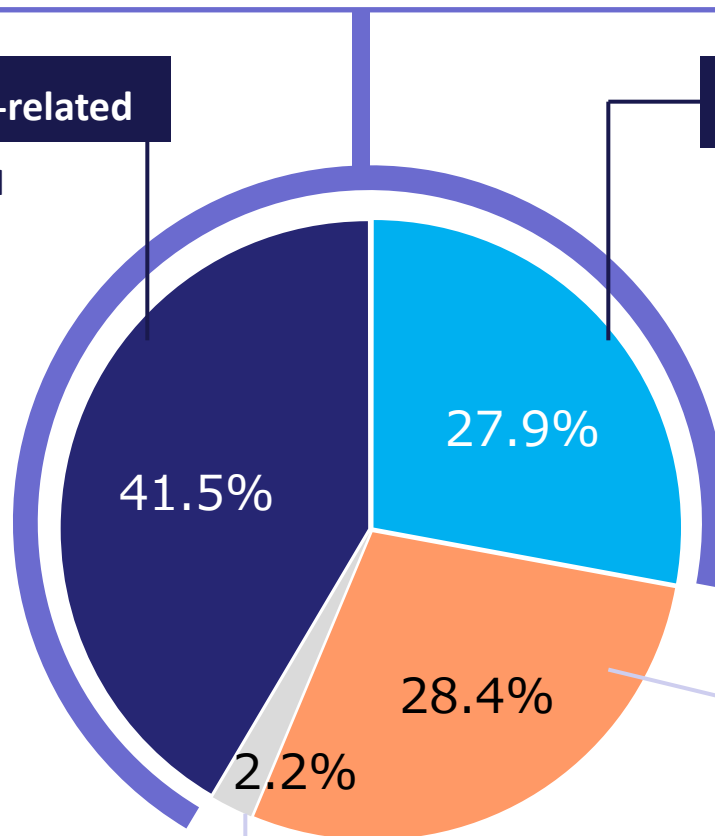
- Corporate information databases

Listed companies IR- related, etc.

- Business reports
- IR site building and updating service
- Support for shareholders' meeting (visualization, etc.)
- English-language IR tools
- Public notices, advertising, etc.

Financial instruments disclosure-related

- Disclosure documents and sales tools for investment trusts, J-REITs and foreign securities, etc.
- Investment trust document preparation support systems
- Fund management system for J-REITs



Breakdown of sales structure
(FYE March 31, 2015)
¥21,119 million

3-(3). Our Products (1): Four Fields and Main Customers

1. Listed companies disclosure-related

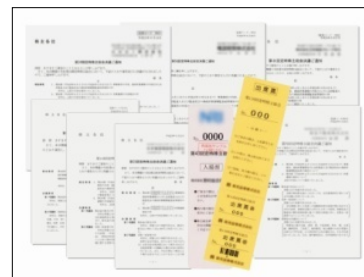
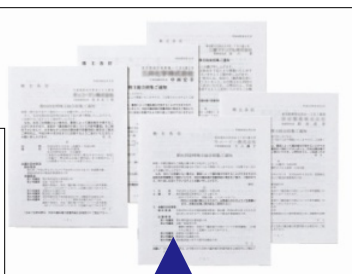
Main clients

Listed companies
(accounting / administrative divisions)

Shareholders'
meeting-related

Convocation notices for
shareholders' meeting

Printing of earnings reports,
dividend receipts, etc.



Account
settlement-
related

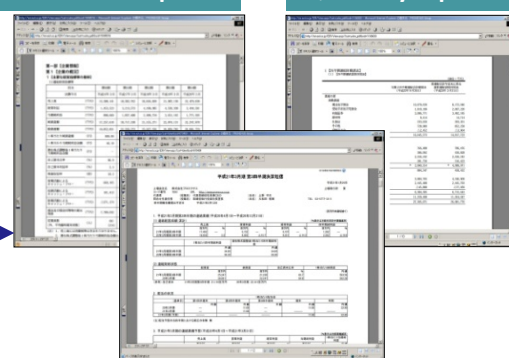
PRONEXUS WORKS
Disclosure operations
support system

WORKS-i
Disclosure and accounting
information generating system

A computer monitor displaying the PRONEXUS WORKS software interface, showing various data tables and charts.

Securities reports

Quarterly reports



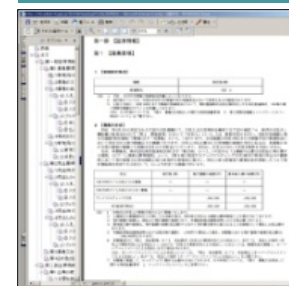
Earnings reports

IPO/finance-related

Stock listing applications

Prospectuses

Securities registration
statements



3-(3). Our Products (2): Four Fields and Main Customers

2. Listed companies IR-related, etc.

Main clients

Listed companies
(IR departments)

Business reports



IR site building and updating service



Support for electronic public notices



Public notices, advertising



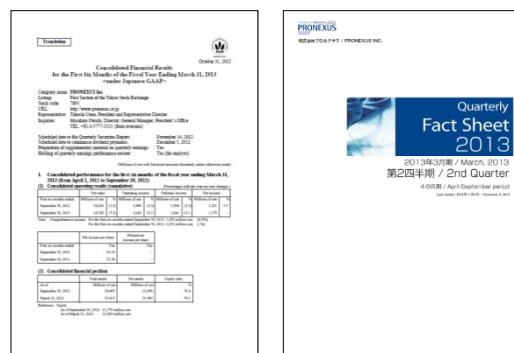
Company brochures



Support for shareholders' meeting (visualization, etc.)



English-language IR tools



Business education seminars



IR consulting service

3-(3). Our Products (3): Four Fields and Main Customers

3. Financial instruments disclosure-related

Disclosure documents and tools for investment trusts, J-REIT and foreign securities, etc.

Main clients

Domestic investment trust management companies, listed J-REITs, overseas investment trust management companies, and overseas companies

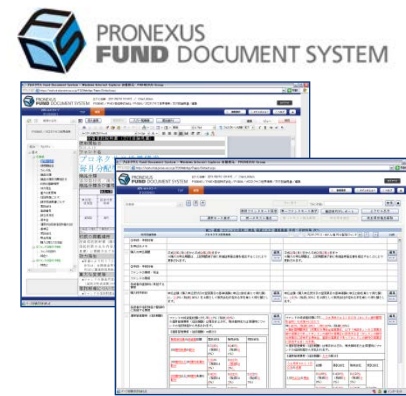
Prospectuses, securities registration statements, and asset management reports

Sales materials

Website content

Disclosure operations support system for investment trust management firms

Operations support system for J-REITs



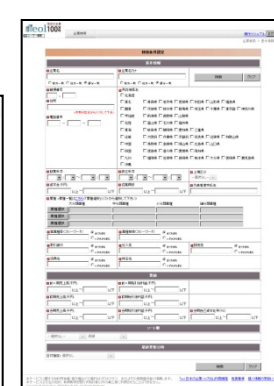
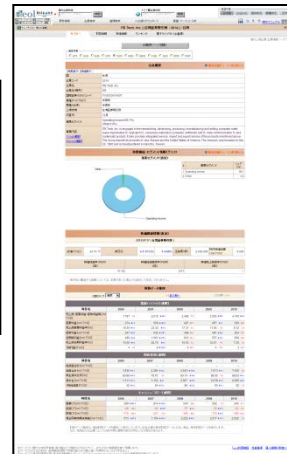
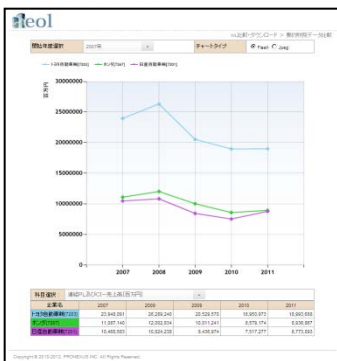
4. Database-related

Main clients

Universities, research institutions, and general business companies

Corporate information databases

"eolDB," "AsiaOne," "eol Japan's 1 Million Companies"

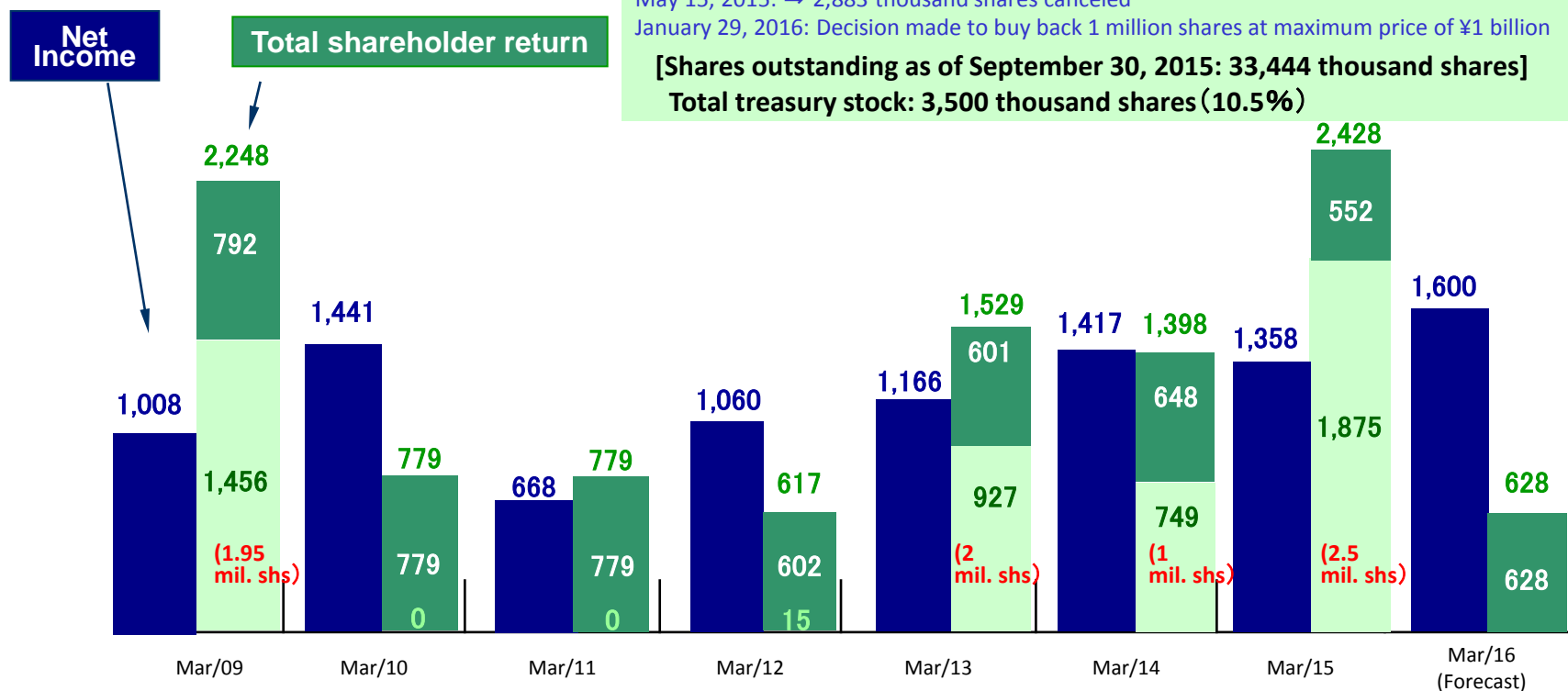


4. Stock Price and Shareholder Return

4-(1) Change of Dividends and Stock Repurchases

(millions of yen)

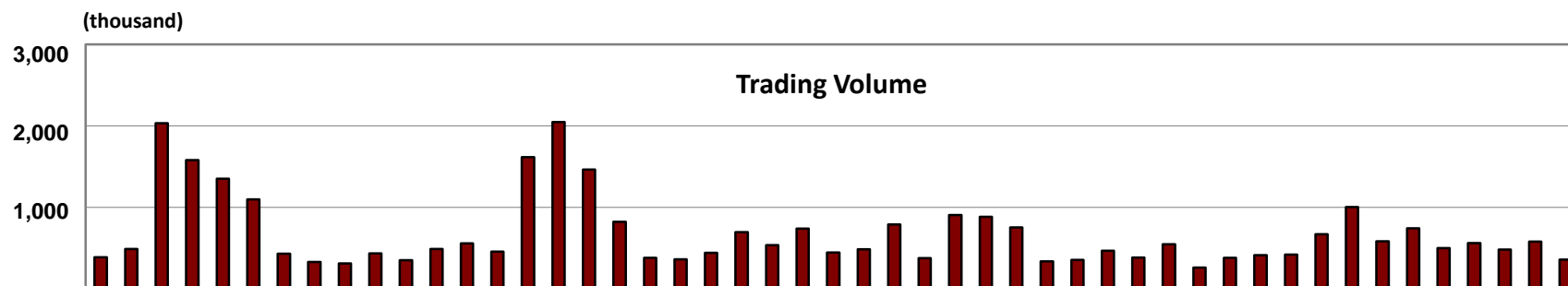
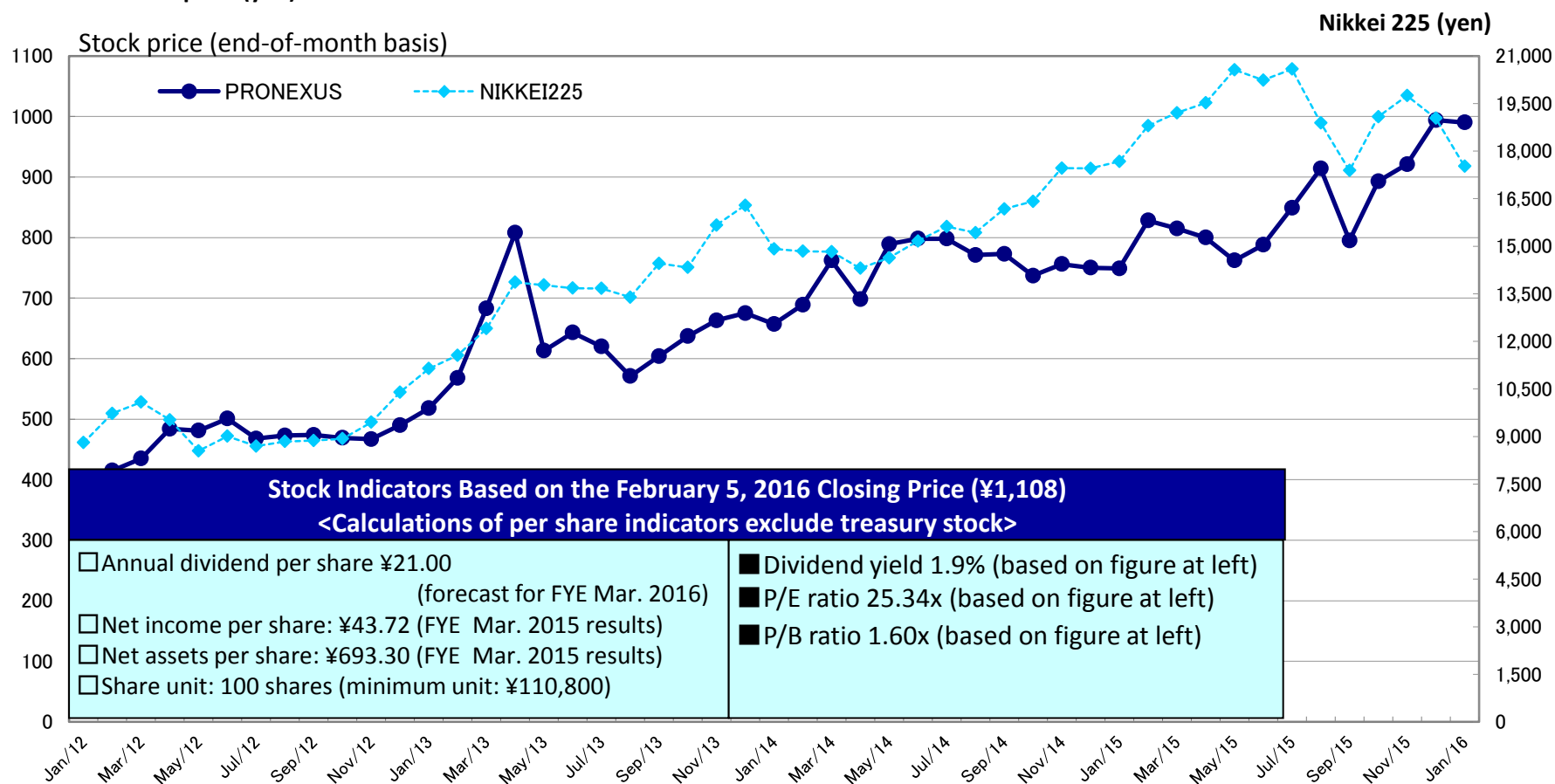
■ Net income ■ Dividends ■ Stock repurchases



Pct. of earnings returned to shareholders	223.0%	54.1%	116.7 %	58.3%	131.0%	98.7%	178.7%	39.3%
Dividend payout ratio	79.6%	54.1%	116.6%	56.8%	51.9%	45.8%	41.2 %	39.3%
Annual dividend per share	¥22	¥22	(including ¥22 commemorative dividend)	¥17	¥18	¥20	¥18	(including ¥21 commemorative dividend)

4-(2). Stock Price, Trading Volume, and Related Indicators

PRONEXUS' stock price (yen)



■ QUO prepaid cards presented based on the number of years and number of shares owned (offered to shareholders recorded in the shareholder registry as of March 31 each year who own more than 100 shares)

Number of years owned Number of shares owned	Less than 1 year	1 or more years but less than 3 years	3 years or more
100 shares or more	¥500 QUO prepaid card	¥1,000 QUO prepaid card	¥1,500 QUO prepaid card
1,000 shares or more	¥1,000 QUO prepaid card	¥3,000 QUO prepaid card	¥5,000 QUO prepaid card

“Number of years owned” is the number of years that a shareholder with the same shareholder no. is recorded continuously in the shareholder registry.

