

May 13, 2025

Consolidated Financial Results for the Three Months Ended March 31, 2025 (Under Japanese GAAP)

Company name: Kyodo Public Relations Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 2436
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 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended March 31, 2025 (from January 1, 2025 to March 31, 2025)

(1) Consolidated operating results (cumulative)

(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	%
Three months ended March 31, 2025	2,036	13.9	368	24.1	366	19.7	215	85.1
March 31, 2024	1,787	8.4	297	11.2	306	15.3	116	(19.5)

Note: Comprehensive income For the three months ended March 31, 2025: ¥237 million [65.7%]
 For the three months ended March 31, 2024: ¥143 million [(15.6)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2025	24.74	24.27
March 31, 2024	13.43	13.28

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of March 31, 2025	5,598	3,894	62.1
December 31, 2024	5,810	3,889	58.8

Reference: Equity
 As of March 31, 2025: ¥3,475 million
 As of December 31, 2024: ¥3,417 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2024	-	0.00	-	12.00	12.00
Fiscal year ending December 31, 2025	-				
Fiscal year ending December 31, 2025 (Forecast)		0.00		14.00	14.00

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

3. Forecast of consolidated financial results for the fiscal year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending June 30, 2025	4,150	16.3	620	9.6	620	7.5	345	30.4	39.74
Fiscal year ending December 31, 2025	8,500	16.1	1,280	19.1	1,280	18.3	730	38.7	84.08

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

* **Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

Excluded: 1 company (KOLTECH Inc.)

Note: For details, see "2. Quarterly Consolidated Financial Statements and Major Notes (3) Notes on Quarterly Consolidated Financial Statements (4) Important changes in the scope of consolidation in the semi-year-to-date period).

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of March 31, 2025	8,809,992 shares
As of December 31, 2024	8,809,992 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2025	105,611 shares
As of December 31, 2024	105,591 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2025	8,704,387 shares
Three months ended March 31, 2024	8,663,559 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (optional)

* Proper use of earnings forecasts, and other special matters

(Note on Forward-Looking Statements)

• The forward-looking statements, including forecasts of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially due to various factors. For the conditions on which earnings forecasts are predicated and precautions for using earnings forecasts, please refer to "1. Please refer to "(3) Explanation of Forward-Looking Information such as Consolidated Earnings Forecasts" in "Summary of Operating Results."

Quarterly consolidated balance sheet

(Thousands of yen)

	As of December 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	3,259,899	3,114,565
Accounts receivable - trade	1,268,975	1,227,264
Contract assets	28,672	40,912
Costs on service contracts in progress	133,063	116,391
Other	61,353	55,746
Allowance for doubtful accounts	(6,454)	(4,715)
Total current assets	4,745,510	4,550,164
Non-current assets		
Property, plant and equipment	119,793	144,802
Intangible assets		
Goodwill	363,899	331,790
Other	62,425	59,197
Total intangible assets	426,324	390,987
Investments and other assets		
Investment securities	116,194	114,582
Shares of subsidiaries and associates	16,119	17,936
Distressed receivables	51,012	50,980
Leasehold and guarantee deposits	186,325	185,651
Deferred tax assets	34,453	22,351
Retirement benefit asset	145,905	153,791
Other	19,567	17,764
Allowance for doubtful accounts	(51,012)	(50,980)
Total investments and other assets	518,564	512,076
Non-current assets	1,064,682	1,047,867
Total assets	5,810,193	5,598,032

	As of December 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	398,092	460,048
Short-term borrowings	50,000	50,000
Current portion of long-term borrowings	182,169	178,545
Accounts payable - other	183,830	158,730
Income taxes payable	269,711	95,432
Contract liabilities	78,399	66,032
Provision for bonuses	123,377	105,658
Other	281,056	259,549
Total current liabilities	1,566,636	1,373,996
Non-current liabilities		
Long-term borrowings	306,898	261,041
Retirement benefit liability	10,497	11,143
Provision for retirement benefits for directors (and other officers)	2,275	2,350
Other	34,727	55,278
Total non-current liabilities	354,398	329,812
Total liabilities	1,921,034	1,703,809
Net assets		
Shareholders' equity		
Share capital	553,812	553,812
Capital surplus	548,082	501,012
Retained earnings	2,314,221	2,425,083
Treasury shares	(66,762)	(66,779)
Total shareholders' equity	3,349,353	3,413,129
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	42,639	37,389
Remeasurements of defined benefit plans	25,259	24,583
Total accumulated other comprehensive income	67,899	61,972
Share acquisition rights	136,143	141,922
Non-controlling interests	335,761	277,198
Total net assets	3,889,158	3,894,222
Total liabilities and net assets	5,810,193	5,598,032

Quarterly consolidated statement of income

(Thousands of yen)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Net sales	1,787,914	2,036,957
Cost of sales	972,184	1,108,387
Gross profit	815,730	928,570
Selling, general and administrative expenses	518,729	559,960
Operating profit	297,000	368,609
Non-operating income		
Interest income	11	1,114
Rental income	1,877	1,884
Foreign exchange gains	5,130	-
Share of profit of entities accounted for using equity method	4,572	1,817
Other	379	318
Total non-operating income	11,971	5,134
Non-operating expenses		
Interest expenses	1,495	1,494
Rental expenses on real estate	1,220	1,192
Foreign exchange losses	-	4,661
Other	147	53
Total non-operating expenses	2,863	7,402
Ordinary profit	306,108	366,341
Extraordinary losses		
Loss on valuation of investment securities	29,374	-
Loss on retirement of non-current assets	234	-
Total extraordinary losses	29,608	-
Profit before income taxes	276,500	366,341
Income taxes - current	98,521	87,101
Income taxes - deferred	30,487	35,488
Total income taxes	129,008	122,589
Profit	147,491	243,751
Profit attributable to non-controlling interests	31,175	28,436
Profit attributable to owners of parent	116,315	215,315

Quarterly consolidated statement of comprehensive income

(Thousands of yen)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Profit	147,491	243,751
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,303)	(5,250)
Remeasurements of defined benefit plans, net of tax	(1,678)	(676)
Total other comprehensive income	(3,982)	(5,926)
Comprehensive income	143,509	237,824
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	85,182	209,388
Comprehensive income attributable to non-controlling interests	58,327	28,436

(Notes on segment information, etc.)

Segment Information

I. the three months of the previous fiscal year (January 1, 2024 to March 31, 2024)

1. Information on sales and the amount of profit or loss for each reported segment

(Unit: 1 thousand yen)

	Reportable segments				Adjustment amount (Note) 1	Quarterly Consolidated Statements of Income (Note)2
	Pr service	Influencer marketing	AI big data solution segment	Total		
Sales						
Revenues from external customers	1,350,641	213,532	223,740	1,787,914	-	1,787,914
Transactions with other segments	-	4,220	813	5,033	(5,033)	-
Total	1,350,641	217,752	224,553	1,792,947	(5,033)	1,787,914
Segment Profit	239,949	26,961	62,144	329,054	(32,054)	297,000

Note: 1. Segment profit adjustment of (32,054) thousand yen, amortization of goodwill of (32,108) thousand yen, allocated to each reporting segment.
Not included in the company-wide cost of 54 thousand yen.

2. Segment profit is adjusted to operating income in the quarterly consolidated statements of income.

II. the three months of the current fiscal year (January 1, 2025 to March 31, 2025)

1. Information on sales and the amount of profit or loss for each reported segment

(Unit: 1 thousand yen)

	Reportable segments				Adjustment amount (Note) 1	Quarterly Consolidated Statements of Income (Note)2
	Pr service	Influencer marketing	AI big data solution segment	Total		
Sales						
Revenues from external customers	1,527,384	270,301	239,272	2,036,957	-	2,036,957
Transactions with other segments	550	360	813	1,723	(1,723)	-
Total	1,527,934	270,661	240,085	2,038,680	(1,723)	2,036,957
Segment Profit	311,572	35,148	54,068	400,789	(32,179)	368,609

Note: 1. Segment profit adjustment of (32,179) thousand yen, amortization of goodwill of (32,108) thousand yen, allocated to each reporting segment.
The company-wide fee of 71 thousand yen is included.

2. Segment profit is adjusted to operating income in the quarterly consolidated statements of income.