

August 13, 2025

Consolidated Financial Results for the Six Months Ended June 30, 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 file semi-annual securities report: August 13, 2025
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the six months ended June 30, 2025 (from January 1, 2025 to June 30, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	3,958	11.0	632	11.8	626	8.6	355	34.3
June 30, 2024	3,567	9.3	565	26.5	576	27.0	264	8.5

Note: Comprehensive income For the six months ended June 30, 2025: ¥406 million [28.9%]
 For the six months ended June 30, 2024: ¥315 million [7.4%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2025	40.76	40.00
June 30, 2024	30.50	30.11

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2025	5,871	4,089	62.0
December 31, 2024	5,810	3,889	58.8

Reference: Equity
 As of June 30, 2025: ¥3,637 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	-	0.00			
Fiscal year ending December 31, 2025 (Forecast)				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
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
Note: For details, see "2. Interim Consolidated Financial Statements and Major Notes (4) Notes on Interim Consolidated Financial Statements (Interim Important changes in the scope of consolidation in the consolidated accounting period).

(2) Adoption of accounting treatment specific to the preparation of semi-annual 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 June 30, 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 June 30, 2025	78,870 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)

Six months ended June 30, 2025	8,714,282 shares
Six months ended June 30, 2024	8,673,000 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* 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 "Qualitative Information on the Interim Financial Results."

Semi-annual consolidated balance sheet

(Thousands of yen)

	As of December 31, 2024	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	3,259,899	3,422,243
Notes receivable - trade	-	1,325
Accounts receivable - trade	1,268,975	1,117,149
Contract assets	28,672	18,707
Costs on service contracts in progress	133,063	178,820
Other	61,353	92,592
Allowance for doubtful accounts	(6,454)	(3,657)
Total current assets	4,745,510	4,827,179
Non-current assets		
Property, plant and equipment	119,793	138,708
Intangible assets		
Goodwill	363,899	299,681
Other	62,425	55,135
Total intangible assets	426,324	354,816
Investments and other assets		
Investment securities	116,194	121,460
Shares of subsidiaries and associates	16,119	16,722
Distressed receivables	51,012	51,288
Leasehold and guarantee deposits	186,325	201,078
Deferred tax assets	34,453	35,619
Retirement benefit asset	145,905	159,302
Other	19,567	16,371
Allowance for doubtful accounts	(51,012)	(51,288)
Total investments and other assets	518,564	550,554
Total non-current assets	1,064,682	1,044,080
Total assets	5,810,193	5,871,259

	As of December 31, 2024	As of June 30, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	398,092	374,883
Short-term borrowings	50,000	50,000
Current portion of long-term borrowings	182,169	174,001
Accounts payable - other	183,830	109,771
Accrued expenses	94,730	95,469
Income taxes payable	269,711	231,191
Contract liabilities	78,399	187,802
Provision for bonuses	123,377	147,315
Provision for shareholder benefit program	16,000	16,000
Provision for loss on orders received	2,729	302
Other	167,596	128,656
Total current liabilities	1,566,636	1,515,393
Non-current liabilities		
Long-term borrowings	306,898	220,851
Retirement benefit liability	10,497	11,640
Provision for retirement benefits for directors (and other officers)	2,275	14,058
Other	34,727	19,844
Total non-current liabilities	354,398	266,395
Total liabilities	1,921,034	1,781,788
Net assets		
Shareholders' equity		
Share capital	553,812	553,812
Capital surplus	548,082	505,210
Retained earnings	2,314,221	2,564,958
Treasury shares	(66,762)	(49,878)
Total shareholders' equity	3,349,353	3,574,102
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	42,639	41,118
Remeasurements of defined benefit plans	25,259	22,729
Total accumulated other comprehensive income	67,899	63,847
Share acquisition rights	136,143	147,575
Non-controlling interests	335,761	303,945
Total net assets	3,889,158	4,089,470
Total liabilities and net assets	5,810,193	5,871,259

Semi-annual consolidated statement of income

(Thousands of yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Net sales	3,567,204	3,958,465
Cost of sales	1,937,695	2,185,182
Gross profit	1,629,509	1,773,283
Selling, general and administrative expenses	1,063,894	1,140,755
Operating profit	565,614	632,528
Non-operating income		
Interest income	14	1,138
Dividend income	656	741
Rental income	3,841	3,736
Foreign exchange gains	9,472	-
Share of profit of entities accounted for using equity method	2,551	603
Other	530	455
Total non-operating income	17,066	6,675
Non-operating expenses		
Interest expenses	3,011	2,956
Rental expenses on real estate	2,491	2,451
Foreign exchange losses	-	7,165
Other	257	106
Total non-operating expenses	5,759	12,680
Ordinary profit	576,921	626,523
Extraordinary losses		
Loss on retirement of non-current assets	234	-
Loss on valuation of investment securities	29,374	-
Total extraordinary losses	29,608	-
Profit before income taxes	547,312	626,523
Income taxes - current	225,093	214,382
Income taxes - deferred	(1,778)	1,767
Total income taxes	223,315	216,149
Profit	323,997	410,373
Profit attributable to non-controlling interests	59,504	55,183
Profit attributable to owners of parent	264,492	355,189

Semi-annual consolidated statement of comprehensive income

(Thousands of yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Profit	323,997	410,373
Other comprehensive income		
Valuation difference on available-for-sale securities	(5,366)	(1,521)
Remeasurements of defined benefit plans, net of tax	(3,357)	(2,530)
Total other comprehensive income	(8,724)	(4,051)
Comprehensive income	315,273	406,321
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	255,768	351,137
Comprehensive income attributable to non-controlling interests	59,504	55,183

Semi-annual consolidated statement of cash flows

(Thousands of yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Cash flows from operating activities		
Profit before income taxes	547,312	626,523
Depreciation	27,962	27,498
Amortization of goodwill	74,747	64,229
Share-based payment expenses	21,871	21,823
Increase (decrease) in allowance for doubtful accounts	(8,576)	(2,521)
Increase (decrease) in provision for bonuses	45,611	23,937
Increase (decrease) in provision for retirement benefits for directors (and other officers)	141	150
Increase (decrease) in net defined benefit asset and liability	(11,432)	(12,254)
Interest and dividend income	(670)	(1,880)
Interest expenses	3,011	2,898
Loss on retirement of non-current assets	234	-
Loss (gain) on valuation of investment securities	29,374	-
Share of loss (profit) of entities accounted for using equity method	(2,551)	(603)
Decrease (increase) in trade receivables	150,634	161,010
Decrease (increase) in inventories	(1,392)	(45,756)
Increase (decrease) in trade payables	(174,905)	(23,209)
Increase (decrease) in advances received	20,238	109,403
Increase (decrease) in accrued expenses	(21,201)	1,101
Increase (decrease) in accrued consumption taxes	(9,658)	(21,389)
Other, net	(36,987)	(111,305)
Subtotal	653,763	819,656
Interest and dividends received	491	1,728
Interest paid	(3,066)	(2,911)
Income taxes paid	(147,015)	(252,152)
Net cash provided by (used in) operating activities	504,172	566,320
Cash flows from investing activities		
Payments into time deposits	(13,100)	(9,500)
Proceeds from withdrawal of time deposits	13,101	9,500
Purchase of property, plant and equipment and intangible assets	(14,054)	(39,483)
Purchase of investment securities	(1,860)	(6,849)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(958)
Payments of leasehold and guarantee deposits	-	(15,000)
Other, net	105	-
Net cash provided by (used in) investing activities	(15,808)	(62,290)
Cash flows from financing activities		
Repayments of long-term borrowings	(119,768)	(94,215)
Purchase of treasury shares	(23)	(17)
Purchase of treasury shares of subsidiaries	-	(134,070)
Dividends paid	(86,247)	(104,180)
Other, net	621	(5,000)
Net cash provided by (used in) financing activities	(205,417)	(337,483)
Effect of exchange rate change on cash and cash equivalents	5,877	(4,000)
Net increase (decrease) in cash and cash equivalents	288,823	162,545
Cash and cash equivalents at beginning of period	2,656,181	3,225,154
Cash and cash equivalents at end of period	2,945,004	3,387,700

(Notes on segment information, etc.)
Segment Information
I. Previous interim consolidated accounting period (January 1, 2024 to June 30, 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	Interim Consolidated Statements of Income (Note)2
	Pr service	Influencer marketing	AI big data solution segment	Total		
Sales						
Revenues from external customers	2,658,180	459,128	449,896	3,567,204	-	3,567,204
Transactions with other segments	-	6,950	1,626	8,576	(8,576)	-
Total	2,658,180	466,078	451,522	3,575,780	(8,576)	3,567,204
Segment Profit	462,481	51,823	115,516	629,821	(64,206)	565,614

- Note: 1. Segment profit adjustment of (64,206) thousand yen, amortization of goodwill of (64,217) thousand yen, allocated to each reporting segment.
The company-wide fee of 10 thousand yen is included.
2. Segment profit is adjusted to operating income in the interim consolidated statements of income.
II. Interim Consolidated Accounting Period (January 1, 2025 to June 30, 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	Interim Consolidated Statements of Income (Note)2
	Pr service	Influencer marketing	AI big data solution segment	Total		
Sales						
Revenues from external customers	2,889,788	583,200	485,477	3,958,465	-	3,958,465
Transactions with other segments	1,600	1,740	1,626	4,966	(4,966)	-
Total	2,891,388	584,940	487,103	3,963,431	(4,966)	3,958,465
Segment Profit	555,993	61,424	79,429	696,847	(64,318)	632,528

- Note: 1. Segment profit adjustment of (64,318) thousand yen, amortization of goodwill of (64,229) thousand yen, allocated to each reporting segment.
The company-wide cost (89) thousand yen is included.
2. Segment profit is adjusted to operating income in the interim consolidated statements of income.