



April 15, 2024

Company name: PRONEXUS INC.
Name of representative: Takeshi Ueno, President and Representative Director (Securities code: 7893; Prime Market of the Tokyo Stock Exchange)
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Notice Concerning Changes in Associates Accounted for by the Equity Method (Share Transfer) and Expected Recording of Gain on Sale of Shares of Subsidiaries and Associates

TOKYO, JAPAN, April 15, 2024 – PRONEXUS INC. (“PRONEXUS” or the “Company”) hereby announces that, at a meeting of the Company’s Board of Directors held on April 15, 2024, a resolution was passed to transfer all the Company’s held shares of Mitsue-Links Co., Ltd. (“Mitsue-Links”), an associate accounted for by the equity method of the Company, to Mr. Masashi Takahashi (“Mr. Takahashi”), Representative Director of that company (the “Share Transfer”).

In addition, the Company announces that in conjunction with the Share Transfer, Mitsue-Links has been removed from the Company’s associates accounted for by the equity method, and for the first three months of the fiscal year ending March 31, 2025, the Company expects to record gain on sale of shares of subsidiaries and associates.

1. Reasons for the Share Transfer

On November 14, 2013, with the intention of further strengthening and expanding its website-related business, the Company made website production services specialist Mitsue-Links an associate accounted for by the equity method. In parallel with this, the Company has been hiring personnel with website skills and conducting M&A to strengthen the PRONEXUS Group’s overall production system in the website area, which has seen continual sales growth.

Concerning the Share Transfer, the Company was approached by the Representative Director of Mitsue-Links with the proposal to purchase all of that company’s shares held by the Company. As a result, the Company agreed to the Share Transfer based on the belief that good progress has been made in establishing website production systems at the Company and its subsidiaries, that the cooperative relationship currently existing with Mitsue-Links can be continued, and also because this is aligned with the Company’s wishes to improve its asset efficiency.

2. Overview of the associate accounted for by the equity method to be transferred

(1) Name	Mitsue-Links Co., Ltd.		
(2) Address	8-17-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo		
(3) Name and title of representative	Masashi Takahashi, Representative Chairman		
(4) Description of business	Web integration, Web consulting, System development, Audio / Video content		
(5) Share capital	99,800 thousand yen (as of November 2023)		
(6) Date of establishment	July 1990		
(7) Major shareholder and ownership ratio	Masashi Takahashi: 38.15%, Fine Start Co., Ltd.: 34.32%, PRONEXUS: 20.00%, Others: 7.53%		
(8) Relationship between the Company and Mitsue-Links	Capital relationship	The Company owns 20.00% of the voting rights of Mitsue-Links.	
	Personnel relationship	None	
	Business relationship	The Company has a business relationship with Mitsue-Links relating to “website production services” and other services.	
	Applicability to related parties	None	
(9) Operating results and financial positions of Mitsue-Links for the last three years	(Millions of yen, unless otherwise noted)		
Fiscal year	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net assets	2,987	3,297	3,676
Total assets	3,569	3,805	4,281
Net assets per share (Yen)	440,372.62	486,013.14	541,929.56
Net sales	3,566	3,689	4,064
Ordinary profit	569	599	699
Profit attributable to owners of parent	373	397	474
Earnings per share (Yen)	54,986.72	58,532.45	69,909.97
Dividend per share	13,800	14,700	17,500
[Of which, interim dividend per share] (Yen)	[-]	[-]	[-]

3. Overview of the counterparty to the Share Transfer

(1) Name	Masashi Takahashi	
(2) Address	Shinjuku-ku, Tokyo	
(3) Relation between the Company and the person	Capital relationship	The person is a shareholder of the Company, who holds voting rights of 0.71%. (as of March 31, 2024)
	Personnel relationship	None
	Business relationship	None
	Applicability to related parties	None

4. Number of shares to be transferred, transfer price and number of shares held by the Company before and after transfer

(1) Number of shares held by the Company before transfer	1,357 shares (Number of voting rights: 1,357; Ratio of voting rights: 20.00%)
(2) Number of shares to be transferred	1,357 shares (Number of voting rights: 1,357; Ratio of voting rights: 20.00%)
(3) Transfer price	The transfer price is not disclosed due to the strong wish of the transferee. Both parties discussed the value of the acquisition, and have agreed that the settled price is fair and reasonable.
(4) Number of shares held by the Company after transfer	0 shares (Number of voting rights: 0; Ratio of voting rights: 0%)

5. Timetable

(1) Resolution at the meeting of the Board of Directors	April 15, 2024 (today)
(2) Date of conclusion of share transfer agreement	April 15, 2024 (today)
(3) Date of share transfer	April 26, 2024 (planned)

6. Outlook

As a result of the Share Transfer, Mitsue-Links has been removed from the Company's associates accounted for by the equity method. Additionally, the Company expects to record gain on sale of shares of subsidiaries and associates for the first three months of the fiscal year ending March 31, 2025. As the amount is currently under review, the Company will announce the amount once it is finalized.