



December 15, 2023

PRESS RELEASE

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 (Securities code: 7034, TSE Prime Market)  
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**Notice Concerning Differences Between Full-Year Financial Forecasts and Actual Results**

Prored Partners Co., Ltd. (the “Company”) hereby announces that some differences have arisen in the financial results of the fiscal year ended October 31, 2023 (November 1, 2022 to October 31, 2023) announced separately on December 15, 2023 from the forecasts announced on June 14, 2023. Details are as follows.

1. Differences between consolidated financial results forecasts for the fiscal year ended October 31, 2023 (November 1, 2022 to October 31, 2023) and actual results

(Unit: million yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share (Unit: yen)
Previously announced forecast (A)	2,361	(619)	-	-	-
Actual results (B)	2,715	(372)	4,378	818	74.95
Change (B – A)	353	246	-	-	-
Percent change (%)	15.0	-	-	-	-
(Reference) Results for the previous fiscal year (FYE October 2022)	2,718	(148)	(209)	(871)	(79.78)

2. Reasons for differences

The Company announced only its consolidated net sales forecast on December 15, 2022, and its consolidated operating profit forecast on June 14, 2023 taking into account the management environment surrounding the Company and the transfer of Pro-sign BSM business. Although the management environment surrounding the Company, especially the environment related to performance-based consulting, has remained harsh since the above information disclosure, actual results exceeded the previously announced forecasts due to the following reasons.

- (1) Net sales

In performance-based consulting, the total amount of fees which the Company receives from clients is calculated as a certain percentage of costs reduced per annum through consulting, and the said amount is divided into three years and recorded under net sales. The figures for net sales related to orders received before the fiscal year ended October 31, 2022, which were posted in the second and third years and announced on December 15, 2022, reflected the impact of progressing inflation and the spike in electricity prices. However, net sales increased, attributable to net sales posted for certain projects that evaded the said impact and fixed-fee consulting, the introduction of which progressed in the cost management and digital transformation promotion domains in which the Company has expert knowledge.

(2) Operating profit

The increase in net sales and continuous reviews of costs led to a decrease in operating loss.

(3) Ordinary profit and Profit attributable to owners of parent

The Company posted non-operating income as a result of the management of an investment limited partnership in which the Company invests, as announced in the " Notice Concerning the Posting of Non-Operating Income and Revisions to Full-Year Financial Results Forecasts " on June 14, 2023.

In addition, the portion of the investment limited partnership management profit that is not the Company equity interest was excluded from net profit attributable to owners of parent.