

March 17, 2025

Consolidated Financial Results for the First Three Months of the Fiscal Year Ending October 31, 2025 (Japanese GAAP)

Company name: Prored Partners Co., Ltd.	Stock exchange listing: TSE Prime Market
Securities code: 7034	URL: https://www.prored-p.com/
Representative: Susumu Satani, Representative Director	
Contact: Yuki Kamito, Executive Officer and CFO	Tel: +81-3-6435-6581
Scheduled date of dividend payment: –	
Supplementary documents for quarterly results: None	
Quarterly results briefing: None	

(Rounded down to the nearest million yen)

1. Consolidated Financial Results for the First Three Months of the Fiscal Year Ending October 31, 2025 (November 1, 2024 to January 31, 2025)

(1) Consolidated business results (Percentages below represent increases (decreases) from the same period of the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
January 31, 2025	926	20.0	-161	–	-332	–	-192	–
January 31, 2024	772	32.1	2	–	-72	–	-36	–

(Note) Comprehensive income First three months ended January 31, 2025 -337 million yen (–%)
First three months ended January 31, 2024 -95 million yen (–%)

	Profit per share	Diluted profit per share
Three months ended	Yen	Yen
January 31, 2025	-17.64	–
January 31, 2024	-3.35	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Million yen	Million yen	%
January 31, 2025	13,943	12,289	43.9
October 31, 2024	13,114	11,323	48.1

(Reference) Equity As of January 31, 2025: 6,120 million yen As of October 31, 2024: 6,314 million yen

2. Dividends

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended October 31, 2024	–	0.00	–	0.00	0.00
Fiscal year ending October 31, 2025	–				
Fiscal year ending October 31, 2025 (Forecast)		0.00	–	0.00	0.00

(Note) Revisions to the forecasts of cash dividends most recently announced: None

3. Forecast for Consolidated Financial Results for the Fiscal Year Ending October 31, 2025 (November 1, 2024 to October 31, 2025) (Percentages below represent increases (decreases) from the same period of the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	Yen
Full Year	3,857	20.4	-757	–	–	–	–	–

(Note) Revisions to the forecast of results since most recent announcement: None

The Company does not forecast a specific ordinary profit figure or figures for profit items below ordinary profit, due to the difficulty of reasonably predicting the timing and amount of accruals for profit and loss caused by the management of the investment limited partnership in which the Company invests.

* Notes

- (1) Important changes in the scope of consolidation during the period: None
 New: None Excluded: None
- (2) Application of particular accounting treatment concerning preparation of quarterly consolidated financial statements: Yes
 (Note) For details, please refer to “2. Quarterly Consolidated Financial Statements and Key Notes (3) Notes to Quarterly Consolidated Financial Statements (Application of particular accounting treatments concerning preparation of quarterly consolidated financial statements)” on page 8 of the Supplementary Information.
- (3) Changes in accounting policies, accounting estimates and restatement
 (i) Changes in accounting policies associated with revision of accounting standards: Yes
 (ii) Changes in accounting policies other than (i): None
 (iii) Changes in accounting estimates: None
 (iv) Restatement: None
- (4) Number of shares outstanding (common stock)
 (i) Number of shares outstanding (including treasury shares)
 As of January 31, 2025: 11,195,600 shares
 As of October 31, 2024: 11,195,600 shares
 (ii) Number of treasury shares at the end of the period
 As of January 31, 2025: 276,106 shares
 As of October 31, 2024: 276,106 shares
 (iii) Average number of shares issued during the period
 Three months ended January 31, 2025: 10,919,494 shares
 Three months ended January 31, 2024: 10,919,494 shares

* Review of these quarterly consolidated financial statements by certified public accountants or audit corporations: None

* Explanations and other special notes concerning the appropriate use of business results forecasts

(Notes on forward-looking statements)

The forward-looking statements such as result forecasts included in this document are based on the information available to the Company at the time of the announcement and on certain assumptions considered reasonable, and the Company makes no representations as to their achievability. Actual results may differ materially from the forecast depending on a range of factors. For assumptions underlying the forecasts and notes regarding the use of the forecasts, please refer to “1. Overview of Operating Results, etc. (3) Explanation Regarding Financial Results Forecasts and Other Forward-Looking Statements” on page 4 of the Supplementary Information.

○ Index for Supplementary Information

1. Overview of Operating Results, etc.	2
(1) Overview of Operating Results.....	2
(2) Overview of Financial Position	3
(3) Explanation Regarding Financial Results Forecasts and Other Forward-Looking Statements.....	4
2. Quarterly Consolidated Financial Statements and Key Notes.....	5
(1) Quarterly Consolidated Balance Sheet	5
(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income	6
(3) Notes to Quarterly Consolidated Financial Statements	8
(Changes in accounting policies).....	8
(Application of particular accounting treatments concerning preparation of quarterly consolidated financial statements)	8
(Notes to segment information, etc.)	8
(Notes in the case of significant changes in shareholders' equity)	8
(Note regarding going concern assumptions)	8
(Notes to quarterly consolidated statement of cash flows)	8
(Significant subsequent events)	8

1. Overview of Operating Results, etc.

The forward-looking statements made below are forecasts determined by the Group at the end of the first three months under review.

(1) Overview of Operating Results

1. Explanation regarding business results

The Group sought to grow its pay-per-performance cost management consulting, where it has one of the strongest track records in Japan, as well as its contingency-fee consulting, which includes an “investment phase” before transitioning to a fee-based contract.

The business environment for the pay-per-performance cost management consulting remained challenging, given difficulty in reducing cost due to ongoing inflation. On the other hand, demand for cost management and various types of support for corporate activities that are difficult to provide in the performance-based model remains high. To meet this demand, the Company began providing a service in the fixed-fee consulting services domain aimed at establishing a new contingency-fee consulting service model in which an investment phase is established before a fee-based contract. The Company is focusing on expanding this new service. The Group will continue working to return the consulting business to a growth track by revitalizing the pay-per-performance cost management consulting business and expanding the contingency-fee consulting services.

As a result, in the first three months under review, the Company recorded net sales of 926 million yen (up 20.0% year on year) and an operating loss of 161 million yen (an operating profit of 2 million yen a year ago). Ordinary loss stood at 332 million yen (an ordinary loss of 72 million yen a year ago). Loss attributable to owners of parent came to 192 million yen (a loss attributable to owners of parent of 36 million a year ago).

Segment information is not shown because the Company’s operations are limited to the single segment of the consulting business.

The following is a supplementary description of results.

(i) Net sales

Three months ended January 31, 2024		
	Net sales	Year-on-year change
Fixed-fee consulting services	267,598 thousand yen	139.2 %
Performance-based consulting services	363,395 thousand yen	-4.2 %
Other	141,466 thousand yen	51.0 %
Total	772,460 thousand yen	32.1 %

Three months ended January 31, 2025		
	Net sales	Year-on-year change
Fixed-fee consulting services	477,866 thousand yen	78.6 %
Performance-based consulting services	308,332 thousand yen	-15.2 %
Other	140,639 thousand yen	-0.6 %
Total	926,837 thousand yen	20.0 %

(ii) Number of consultants and hiring expenses

(Number of consultants)

As of January 31, 2024	
Fixed-fee consulting services	48
Performance-based consulting services	49
Total	97

As of January 31, 2025	
Fixed-fee consulting services	111
Performance-based consulting services	36
Total	147

(Hiring expenses)

Three months ended January 31, 2024	
Hiring expenses	60,602 thousand yen

Three months ended January 31, 2025	
Hiring expenses	169,592 thousand yen

(2) Overview of Financial Position

(Assets)

Assets at the end of the first three months under review totaled 13,943 million yen, an increase of 828 million yen from the end of the previous fiscal year.

Current assets decreased 655 million yen from the end of the previous fiscal year, to 5,601 million yen. This was mainly attributable to a decrease of 687 million yen in cash and deposits.

Non-current assets increased 1,484 million yen from the end of the previous fiscal year, to 8,341 million yen. This was attributable primarily to an increase of 1,255 million yen in investment securities.

(Liabilities)

Liabilities at the end of the first three months under review totaled 1,654 million yen, a decrease of 137 million yen from the end of the previous fiscal year.

Current liabilities decreased 81 million yen from the end of the previous fiscal year, to 853 million yen. This was largely due to a decrease of 89 million yen in accrued expenses.

Non-current liabilities declined 55 million yen from the end of the previous fiscal year, to 801 million yen. This chiefly reflects a decrease of 54 million yen in long-term borrowings.

(Net assets)

Net assets at the end of the first three months under review totaled 12,289 million yen, an increase of 965 million yen from the end of the previous fiscal year. This was mainly attributable to an increase of 1,157 million yen in non-controlling interests, which was partly offset by a decrease of 192 million yen in retained earnings caused by the posting of loss attributable to owners of parent.

(3) Explanation Regarding Financial Results Forecasts and Other Forward-Looking Statements

Business results forecasts for the fiscal year ending October 31, 2025 remain unchanged from the consolidated business results forecasts announced on December 16, 2024.

Results forecasts are prepared based on the information available to the Company at the present moment, and actual results may differ from forecasts due to various future factors.

2. Quarterly Consolidated Financial Statements and Key Notes

(1) Quarterly Consolidated Balance Sheet

(Unit: Thousand yen)

	Previous fiscal year (As of October 31, 2024)	First three-month period (As of January 31, 2025)
Assets		
Current assets		
Cash and deposits	5,519,365	4,831,403
Accounts receivable - trade, and contract assets	457,891	583,850
Other	280,179	186,473
Total current assets	6,257,437	5,601,728
Non-current assets		
Property, plant and equipment	38,852	37,832
Intangible assets		
Goodwill	246,036	238,347
Software	10,503	8,214
Other	3,176	3,176
Total intangible assets	259,716	249,738
Investments and other assets		
Investment securities	6,324,438	7,579,916
Other	234,388	474,161
Total investments and other assets	6,558,827	8,054,078
Total non-current assets	6,857,395	8,341,649
Total assets	13,114,833	13,943,377
Liabilities		
Current liabilities		
Accounts payable - trade	43,738	52,387
Current portion of long-term borrowings	219,200	219,200
Accounts payable - other	234,404	226,303
Accrued expenses	264,092	174,772
Accrued consumption taxes	42,672	45,592
Income taxes payable	18,460	738
Provision for bonuses	64,099	87,721
Other	48,267	46,466
Total current liabilities	934,935	853,183
Non-current liabilities		
Long-term borrowings	777,000	722,200
Retirement benefit liability	16,498	16,498
Asset retirement obligations	15,079	15,090
Deferred tax liabilities	48,131	47,359
Total non-current liabilities	856,708	801,147
Total liabilities	1,791,644	1,654,330
Net assets		
Shareholders' equity		
Share capital	10,000	10,000
Capital surplus	4,031,851	4,031,851
Retained earnings	3,027,162	2,834,559
Treasury shares	-762,824	-762,824
Total shareholders' equity	6,306,189	6,113,585
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,441	6,981
Total accumulated other comprehensive income	8,441	6,981
Share acquisition rights	84,685	87,118
Non-controlling interests	4,923,873	6,081,361
Total net assets	11,323,189	12,289,046
Total liabilities and net assets	13,114,833	13,943,377

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income

(Quarterly consolidated statement of income)

(First three-month period)

(Unit: Thousand yen)

	First three-month period of the previous fiscal year (from November 1, 2023 to January 31, 2024)	First three-month period (from November 1, 2024 to January 31, 2025)
Net sales	772,460	926,837
Cost of sales	495,839	663,858
Gross profit	276,621	262,979
Selling, general and administrative expenses	273,923	424,427
Operating profit (loss)	2,697	-161,448
Non-operating income		
Gain on investments in investment partnerships	1,025	2,710
Other	255	3,763
Total non-operating income	1,281	6,473
Non-operating expenses		
Interest expenses	966	1,771
Investment partnership management expenses	75,184	175,640
Other	130	0
Total non-operating expenses	76,281	177,411
Ordinary loss	-72,302	-332,386
Extraordinary income		
Gain on reversal of share acquisition rights	–	4,119
Total extraordinary income	–	4,119
Loss before income taxes	-72,302	-328,266
Income taxes	21,793	8,079
Loss	-94,096	-336,345
Loss attributable to non-controlling interests	-57,508	-143,742
Loss attributable to owners of parent	-36,587	-192,603

(Quarterly consolidated statement of comprehensive income)
(First three-month period)

(Unit: Thousand yen)

	First three-month period of the previous fiscal year (from November 1, 2023 to January 31, 2024)	First three-month period (from November 1, 2024 to January 31, 2025)
Loss	-94,096	-336,345
Other comprehensive income		
Valuation difference on available-for-sale securities	-1,044	-1,460
Other comprehensive income	-1,044	-1,460
Comprehensive income	-95,141	-337,806
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	-37,632	-194,063
Comprehensive income attributable to non-controlling interests	-57,508	-143,742

(3) Notes to Quarterly Consolidated Financial Statements

(Changes in accounting policies)

(Application of the Accounting Standard for Current Income Taxes, etc.)

The Company has applied Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; hereinafter referred to as the “Revised Accounting Standard 2022”) effective from beginning of the first quarter of the fiscal year under review.

The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022). This change in accounting policies has no impact on the quarterly consolidated financial statements.

(Application of particular accounting treatments concerning preparation of quarterly consolidated financial statements)

(Calculation of tax expenses)

The Company calculates tax expenses by multiplying profit before income taxes by an effective tax rate that was reasonably estimated by applying tax effect accounting to profit before income taxes for the fiscal year including the first three months under review, excluding certain consolidated subsidiaries. However, in cases where the calculation of taxes using such estimated effective tax rate yields a result that is not reasonable to a significant extent, the effective statutory tax rate is used. Income taxes - deferred is included in income taxes.

(Notes to segment information, etc.)

Segment information

Segment information is not shown because the Group’s operations are limited to the single segment of the consulting business.

(Notes in the case of significant changes in shareholders’ equity)

Not applicable.

(Note regarding going concern assumptions)

Not applicable.

(Notes to quarterly consolidated statement of cash flows)

No quarterly cash flow statement was prepared for the first three months under review. Depreciation (including depreciation on intangible assets excluding goodwill) and the amount of amortization of goodwill for the first three months under review are as follows.

	First three-month period of the previous fiscal year (from November 1, 2023 to January 31, 2024)	First three-month period (from November 1, 2024 to January 31, 2025)
Depreciation	9,279 thousand yen	3,379 thousand yen
Amortization of goodwill	7,688 thousand yen	7,688 thousand yen

(Significant subsequent events)

Not applicable.