



January 23, 2024

PRESS RELEASE

Company Name: Prored Partners Co., Ltd.  
(Securities code: 7034, TSE Prime Market)  
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### **Notice Concerning Withdrawal of Medium-Term Management Plan**

Prored Partners Co., Ltd. (the “Company”) hereby announces that it resolved at a meeting of its Board of Directors held on January 23, 2024 to withdraw its Medium-Term Management Plan (covering the period from the fiscal year ending October 31, 2022 to the fiscal year ending October 31, 2025), which was disclosed on December 15, 2021.

#### **1. Withdrawal of the Medium-Term Management Plan**

With a management vision of Value = Reward, the Company provides a performance-based consulting service, which packages major management consulting services typically offered by strategic consulting firms, to large and/or listed companies, private equity funds, and other clients. Meanwhile, in the fixed-fee consulting services domain, the Company began providing a service aimed at establishing a new service model in which an investment phase is established before the fee-based contract.

In addition, the Company developed and invested in the creation of its original digital transformation platform Pro-Sign, introducing a soft launch of the service in June 2021. On December 15, 2021, the Company disclosed a Medium-Term Management Plan covering the period up to the fiscal year ending October 31, 2025 which positions Pro-Sign as a new pillar of the Company's business, and the Company has sought to realize this goal in its business activities. Under the plan, around 40% of the consolidated net sales target for the fiscal year ending October 31, 2025 of 10.3 billion yen was recurring subscription fees from Pro-Sign users and the Company also expected revenue from the provision of consulting services triggered by the introduction of Pro-Sign. However, no further revenue from the Pro-Sign BSM Business is expected in the future following completion of the transfer of the Pro-Sign BSM Business (Operations for the provision of SaaS (Software as a Service) in the Business Spend Management fields) as stated in Notice Concerning Completion of Business Transfer disclosed on June 1, 2023. Even taking the growth of net sales from expansion of the fixed-fee consulting business into consideration, the impact of the transfer on the Medium-Term Management Plan will be considerable and make achievement of the plan difficult. On this basis, the Company has decided to withdraw the plan.

#### **2. Future outlook**

To improve its corporate value over the medium and long term, the Company will concentrate its management resources on business growth driven by fixed-fee consulting services, in addition to turning around the performance-based consulting services, which are being adversely affected by the ongoing inflation. The Company plans to verify the progress of the business in the fiscal year ending October 31, 2024 (focusing on the growth rate of KPIs such as average fees per client, utilization rate, and the number of consultants, in order to judge the status of expansion of the fixed-fee consulting business), to formulate KPIs based on verification and the latest market conditions in the fiscal year ending October 31, 2025, and to announce a new Medium-Term Management Plan at the time of the results announcement in December 2025.