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PRESS RELEASE

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 (Securities code: 7034, TSE Prime Market)
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Status of Progress Based on the Plan to Meet the Criteria for Maintaining Listing (updated)

Prored Partners Co., Ltd. (the “Company”) hereby announces that after submitting a "Plan for Compliance with the Criteria for Maintaining Listing" on the Prime Market of the Tokyo Stock Exchange on January 27, 2023, the Company disclosed "An Updated Plan for Compliance with the Criteria for Maintaining Listing (a Change to the Period of the Plan)" on March 31, 2023 as a result of the downscaling of the Pro-Sign business in which the Company had been investing to make it one of its main businesses, and that, as of October 31, 2023, the status of progress based on the plan is as follows.

1. Changes in the status of compliance with the criteria for maintaining listing and plan period

The status of the Company's compliance with the criteria for maintaining listing on the Prime Market as of the base date (October 31, 2023), including the changes thereof, is as detailed below. The Company does not meet the criteria for market capitalization of shares in circulation and daily average trading value. The Company will continue to implement a range of initiatives to meet the criteria for maintaining listing over the plan period.

		Number of shareholders (Persons)	Number of shares in circulation (Units)	Market capitalization of shares in circulation (Million yen)	Percentage of shares in circulation (%)	Daily average trading value (Million yen)
The Company's status of compliance and the changes thereof	As of October 31, 2022 (*1)	3,264	40,715	2,117	36.3	-
	As of October 31, 2023 (*1)	2,775	43,427	2,038	38.7	-
	As of December 31, 2023 (*2)	-	-	-	-	7
Criteria for maintaining listing		800	20,000	10,000	35.0	20
Plan period				FY2030		December 31, 2026

(*1) The Company's status of compliance is calculated based on the distribution of the Company's share certificates, etc. as understood by the Tokyo Stock Exchange as of the base date.

(*2) Daily average trading value is based on results of the Tokyo Stock Exchange's confirmation of compliance with the criteria for maintaining listing (trading value criterion) for the period from January to December 2023 and is another item for which the Company has failed to meet the criteria.

2. Implementation status and evaluation of initiatives for compliance with the criteria for maintaining listing

(1) Implementation status of initiatives

During the fiscal year ended October 31, 2023, the Company implemented the following initiatives, as stated in "An Updated

Plan for Compliance with the Criteria for Maintaining Listing (a Change to the Period of the Plan)" disclosed on March 31, 2023.

- 1) Downscaling of Pro-Sign business
- 2) Expansion of fixed-fee consulting services
- 3) Review of cost structure associated with turnaround of performance-based consulting services

(2) Evaluation of initiatives

The Company evaluates the initiatives from (i) to (iii) above as follows.

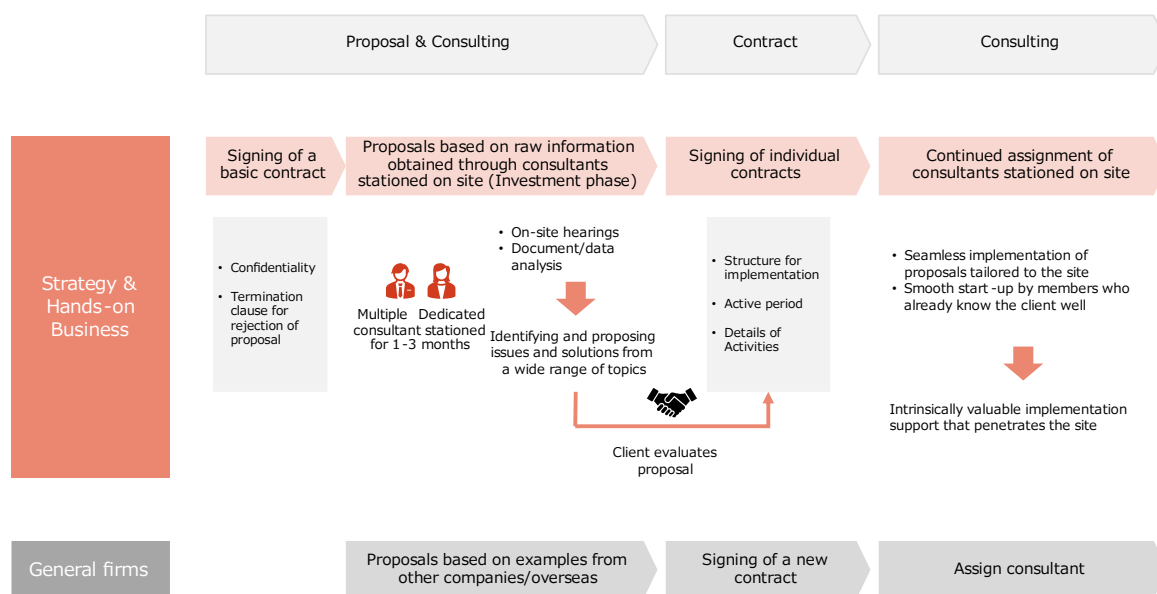
- 1) The Company believes that its decision not to abandon the Pro-Sign BSM Business (Operations for the provision of SaaS (Software as a Service) in the Business Spend Management fields) but rather to ensure its survival through transfer to another party was perhaps the best outcome for stakeholders, especially employees. This transfer also enabled the Company to concentrate its management resources on consulting services.
- 2) The Company launched a new model of fixed-fee consulting (see the extract from "Financial Results for FY2023" disclosed on December 15, 2023 below). As a result, new services are being established and expanding steadily in the fields of back office BPR support and project implementation support.

1. FY2023 Financial Results

Prored Partners

Prored Non-consolidated | A new model of fixed -fee consulting

- To embody the concept of "value for money," we established a new model we call the Strategy & Hands-on Business, in which an investment phase is established before the fee-based contract.

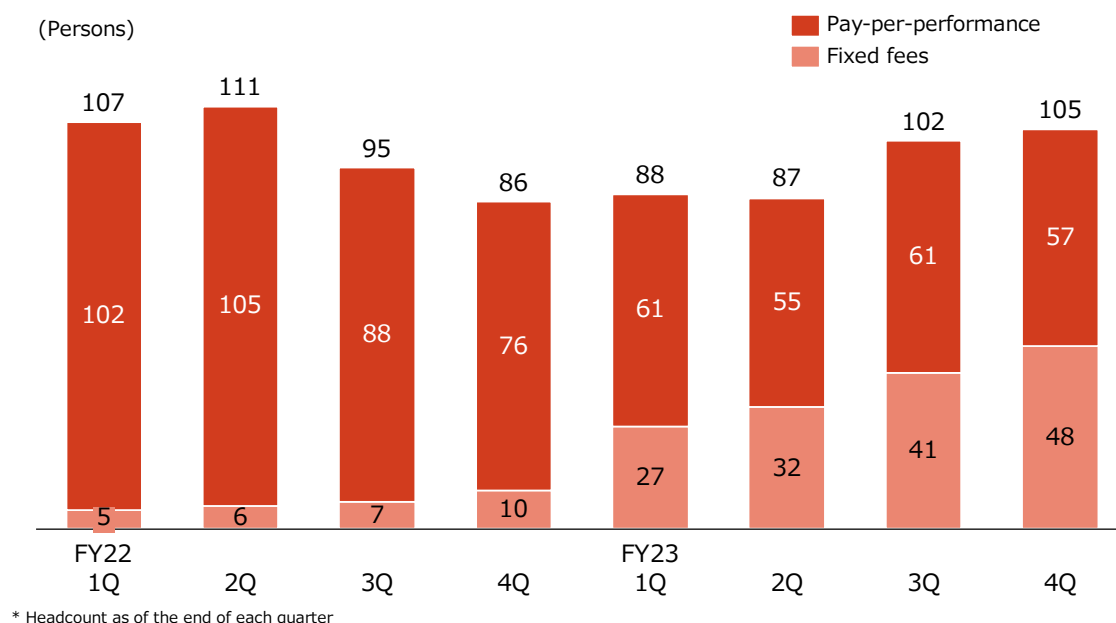


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- 3) The Company is making steady progress in terms of controlling the hiring of consultants and reassigning consultants involved in performance-based consulting, as well as reassigning personnel in sales and administrative divisions (see the extract from "Financial Results for FY2023" disclosed on December 15, 2023 below). The Company has also pushed ahead with a review of company-wide expenses and believes that this will contribute to business performance from the fiscal year ending October 31, 2024.

Prored Non-consolidated | Quarterly Trend in Number of Consultants



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3. Future challenges and initiatives

(1) Basic policy

The market capitalization of shares in circulation is composed of market capitalization and percentage of shares in circulation, and because the percentage of shares in circulation meets the criteria, the Company recognizes the need to improve market capitalization. Meanwhile trading value is composed of share value and trading volume, and the Company believes that an increase in the Company's share price achieved primarily through enhancement of corporate value and fair evaluation by the stock market is necessary.

To improve market capitalization, the Company will concentrate its management resources on certain businesses, considering the current environment for the Company's businesses and the environment over the medium and long terms. Specifically, the Company scaled down its Pro-Sign business, in which the Company had been investing to make it one of its main businesses and a driver of sales growth, in the fiscal year ended October 31, 2023. Instead, the Company is concentrating its management resources on performance-based consulting services, which are being adversely affected by the ongoing inflation, to turn them around, and also on fixed-fee consulting services to expand them and achieve growth. The Company believes that this will also lead to an increase in the Company's share price through enhancement of its corporate value and fair evaluation by the stock market.

(2) Future challenges

The Company recognizes that the reason why it has not achieved the market capitalization of shares in circulation and daily average trading value is due to sluggish share prices based on the factors detailed below. Factor (ii) in particular is a situation which has also been impacting the Company's business performance since the fiscal year ended October 31, 2023 and the Company positions improvement of the efficiency of the performance-based consulting services as a future challenge.

- 1) The contraction of net sales and consolidated operating profit related to performance-based consulting services due to the manifestation of the impact of the coronavirus in the fiscal year ended October 31, 2021
- 2) Further contraction of net sales and loss of consolidated operating profit related to performance-based consulting services

due to the impact of inflation in the fiscal year ended October 31, 2022

(3) Details of initiatives

The Company will strive to increase its market capitalization and meet the criteria for maintaining its listing on the Prime Market by continuing to promote the following initiatives (i) and (ii).

In "An Updated Plan for Compliance with the Criteria for Maintaining Listing (a Change to the Period of the Plan)" disclosed on March 31, 2023, the Company stated that it planned to review its current Medium-Term Management Plan prior to its financial results announcement for the fiscal year ended October 31, 2023; however, as stated in "Notice Concerning Withdrawal of Medium-Term Management Plan" disclosed today, given that the transfer of the Pro-Sign BSM Business has a significant impact on the Medium-Term Management Plan, making it difficult to achieve and given also that a review of the plan would need to take into consideration the progress of the following measures and recent market conditions, the Company has decided to withdraw the plan instead of reviewing it. The Company plans to verify progress of the measures 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.

1) Expansion of fixed-fee consulting services

Although the Company will continue to provide performance-based consulting services, there are aspects of the business that do not fit well under inflationary conditions. 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, and the Company is expanding its fixed-fee consulting services in the belief that responding to these demands will contribute to its business growth.


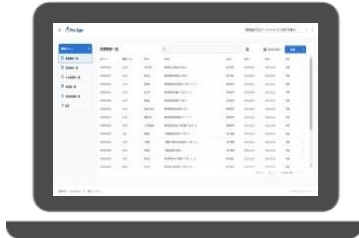
The Company's lineup of fixed-fee consulting services as of the end of October 2023 is as shown below (extract from "Financial Results for FY2023" disclosed on December 15, 2023).

1. FY2023 Financial Results

Prored Partners

Prored Non-consolidated | Service Lines

- Taking a thorough hands-on approach, Prored offers implementation support services based on a wide range of themes, particularly cost management.

Consulting			SaaS
	Theme	Examples of projects	
Performance-based fees	Cost management	Reduction in indirect materials procurement costs and distribution costs	 Improvement in efficiency in store information management
	Cost management	Development of rules and tools related to the establishment of a procurement organization Strategy development and implementation support for supply chain optimization Back office BPR support	
	Sales increase	Support for new business development Support to lead acquisition and improvement in the success rate	
	M&A/DD/PMI	Business/financial due diligence Hands-on support by a member of management (CxO)	
	DX promotion	System introduction support Project implementation support by PMO	
	Human resource development	Practical development of executive candidates in a Kei - Gan program using generative AI	
	Decarbonization	Development of decarbonization strategies, and implementation support	
Fixed fees			

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Starting from the fiscal year ending October 31, 2024, the Company will continue to expand its fixed-fee consulting services in order to transform its service portfolio to one that can withstand increasingly complex needs and rapid changes in market

conditions, and to improve corporate performance.

2) Cost optimization through review of cost structure

The Company will strive to optimize expenses by reviewing its cost structure through the following measures.

- Restructuring of consultant structure in conjunction with reduced hiring due to shrinking sales of performance-based consulting services and increased hiring due to expansion of fixed-fee consulting services
- Continuous review of personnel allocation in sales and administrative divisions
- Continuous review of company-wide expenses