

June 14, 2023

Consolidated Financial Results for the First Six Months of the Fiscal Year Ending October 31, 2023 (Japanese GAAP)

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 Scheduled date of dividend payment: –
 Supplementary documents for quarterly results: Yes
 Quarterly results briefing: Yes (for institutional investors and analysts)

(Rounded down to the nearest million yen)

1. Consolidated Financial Results for the First Six Months of the Fiscal Year Ending October 31, 2023 (November 1, 2022 to April 30, 2023)

(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	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
April 30, 2023	1,361	(8.8)	(98)	–	4,746	4,645.1	902	517.1
April 30, 2022	1,492	(26.8)	119	(79.4)	100	(79.5)	146	(60.6)

(Note) Comprehensive income First six months ended April 30, 2023: 4,697 million yen (–%)
 First six months ended April 30, 2022: 30 million yen ((90.4)%)

	Earnings per share		Diluted earnings per share	
Six months ended	Yen		Yen	
April 30, 2023	82.64		–	
April 30, 2022	13.39		–	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Million yen		Million yen		%	
As of April 30, 2023	10,330		8,553		58.8	
As of October 31, 2022	9,322		7,519		55.4	

(Reference) Equity As of April 30, 2023: 6,078 million yen As of October 31, 2022: 5,168 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, 2022	–	0.00	–	0.00	0.00
Fiscal year ending October 31, 2023	–	0.00			
Fiscal year ending October 31, 2023 (Forecast)			–	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, 2023 (November 1, 2022 to October 31, 2023) (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		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full Year	2,361	(13.1)	(619)	–	–	–	–	–	–

(Notes) Revisions to the forecast of results since most recent announcement: Yes

- For details of revisions to the consolidated financial results forecasts, please refer to “Notice Concerning the Posting of Non-Operating Income and Revisions to Full-Year Financial Results Forecasts” (June 14, 2023).
- 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) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying changes in scope of consolidation): None
New: None Excluded: None
- (2) Application of particular accounting treatment concerning preparation of quarterly financial statements: Yes
(Note) For details, please refer to “2. Quarterly Consolidated Financial Statements and Key Notes (4) 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
(Note) For details, please refer to “2. Quarterly Consolidated Financial Statements and Key Notes (4) Notes to Quarterly Consolidated Financial Statements (Changes in accounting policies)” on page 8 of the Supplementary Information.
- (4) Number of shares outstanding (common stock)
(i) Number of shares outstanding (including treasury stock)
As of April 30, 2023: 11,195,600 shares
As of October 31, 2022: 11,195,600 shares
(ii) Number of treasury stock at the end of the period
As of April 30, 2023: 276,106 shares
As of October 31, 2022: 276,106 shares
(iii) Average number of shares issued during the period
Six months ended April 30, 2023: 10,919,494 shares
Six months ended April 30, 2022: 10,919,500 shares

* Quarterly financial results are outside the scope of the quarterly review by certified public accountants or audit corporations.

* 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. Qualitative Information on Financial Results for the First Six Months Ended April 30, 2023 (3) Explanation Regarding Financial Results Forecasts and Other Forward-Looking Statements” on page 3 of the Supplementary Information.

(How to obtain supplementary documents for quarterly results and details of the results briefing)

The Company will hold an online results briefing for institutional investors and analysts on Wednesday, June 14, 2023, using its web meeting system. The Company will post the details of the results briefing on its website as soon as it has been held

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1. Qualitative Information on Financial Results for the First Six Months Ended April 30, 2023

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

(1) Explanation Regarding Business Results

During the first six months under review, the Japanese economy gradually recovered, chiefly due to the easing of movement restrictions toward the downgrading of the severity of COVID-19 to Class 5 under the infectious disease law. Nonetheless, the economy continued to face a tough situation due to COVID-19.

The outlook for the economic environment remained uncertain, chiefly due to rising raw materials prices leading to the highest inflation level in 40 years, concern over the effects of the situation in Ukraine and Russia on economic activity, and the rapid weakening of the yen caused by interest rate hikes in the United States.

In this economic situation, the Company sought to grow its consulting business, in which it mainly provide pay-per-performance cost management consulting, where it has had one of the strongest track records in Japan.

The business environment for the consulting business remains challenging, given that recent dramatic price increases in the economic environment described above have made it difficult to make initially anticipated cost reductions and that net sales from customers' industries affected severely by the COVID-19 pandemic were below the initial plan.

Although potential demand for cost management is still high, the Company will work to offer more fixed-fee consulting services for addressing customers' issues and will seek win deals, in addition to continuing to win deals in the business of pay-per-performance cost management consulting and expanding the number of service offerings tailored to the current business environment. The Company will institute strategies such as accelerating the achievement of sales leads and expanding new business domains to return the consulting business to a growth track at an early stage.

In the Pro-Sign business, the Company began to charge service fees in the Business Spend Management (BSM) domain in the previous fiscal year, but the number of companies that the Company charges service fees saw sluggish growth. After examining the future direction, the Company has decided to transfer the business. The Company will continue to develop and operate the Rental Contract Management Service, which can centrally manage store information, including rental contracts.

The Group also recorded a gain on investment partnerships of 4,983 million yen as a result of the management of the limited liability investment partnerships in which the Group has an investment.

As a result, in the first six months under review, the Company recorded net sales of 1,361 million yen (down 8.8% year on year) and an operating loss of 98 million yen (an operating profit of 119 million yen a year ago). Ordinary profit stood at 4,746 million yen (47.4 times the same period of the previous year)). Profit attributable to owners of parent came to 902 million yen (6.1 times the same period of the previous year).

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

(2) Explanation Regarding Financial Position

(i) Assets, liabilities and net assets

(Assets)

Net assets at the end of the first six months under review totaled 10,330 million yen, an increase of 1,007 million yen from the end of the previous fiscal year.

Current assets increased 765 million yen from the end of the previous fiscal year, to 6,301 million yen. This is primarily due to increases of 946 million yen in cash and deposits, 45 million yen in advances paid and 15 million yen in prepaid expenses, despite decreases of 101 million yen in accounts receivable - trade and contract assets, 80 million yen in consumption taxes refund receivable and 66 million yen in income taxes refund receivable.

Non-current assets increased 242 million yen from the end of the previous fiscal year, to 4,028 million yen. This was attributable primarily to an increase of 262 million yen in investment securities.

(Liabilities)

Liabilities at the end of the first six months under review totaled 1,776 million yen, a decrease of 25 million yen from the end of the previous fiscal year.

Current liabilities decreased 284 million yen from the end of the previous fiscal year, to 727 million yen. This was mainly attributable to decreases of 176 million yen in deposits received, 117 million yen in accounts payable - other and 36 million yen in accrued expenses, despite increases of 43 million yen in provision for bonuses and 42 million yen in accounts payable - trade.

Non-current liabilities rose 258 million yen from the end of the previous fiscal year, to 1,049 million yen. This chiefly reflects an increase of 254 million yen in long-term borrowings and 40 million yen in provision for bonuses, which offset a decrease of 40 million yen in bonds payable.

(Net assets)

Net assets at the end of the first six months under review totaled 8,553 million yen, an increase of 1,033 million yen from the end of the previous fiscal year. This was mainly attributable to increases of 2,015 million yen in capital surplus due to a transfer from share capital, 902 million yen in retained earnings due to the posting of profit attributable to owners of parent and 96 million yen in non controlling interests, despite decreases of 2,015 million yen in share capital due to a capital reduction.

(ii) Cash flows

Cash and cash equivalents (net cash) during the six months ended April 30, 2023 increased by 946 million yen from the previous consolidated fiscal year, to 5,676 million yen.

Cash flows and the factors contributing to them during the six months ended April 30, 2023 were as follows.

(Cash flows from operating activities)

Net cash used in operating activities was 172 million yen. This was largely attributable to of 4,975 million yen in gain on investments in investment partnerships, despite 4,746 million yen in profit before income taxes and decrease 101 million yen in trade receivables.

(Cash flows from investing activities)

Net cash provided by investing activities was 4,802 million yen. The main factors were 5,365 million yen in proceeds from sale of investment securities, despite 597 million yen in purchase of investment securities.

(Cash flows from financing activities)

Net cash used in financing activities was 3,683 million yen. This was mainly attributable to proceeds from share issuance to non-controlling shareholders of 278 million yen, proceeds from long-term borrowings of 264 million yen, despite Distribution paid to non-controlling interests of 4,162 million yen.

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

The Company is now able to rationally calculate consolidated operating profit for the fiscal year ending October 31, 2023, taking into consideration the business environment for it and the transfer of the Pro-Sign BSM Business. The Company thus announces a consolidated operating profit forecast for the fiscal year.

The Company does not forecast any 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.

For details, please see the “Notice Concerning the Posting of Non-Operating Income and Revisions to Full-Year Financial Results Forecasts” released today (June 14, 2023).

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, 2022)	First six-month period (As of April 30, 2023)
Assets		
Current assets		
Cash and deposits	4,729,774	5,676,160
Accounts receivable - trade, and contract assets	509,080	407,463
Other	297,249	217,983
Total current assets	5,536,104	6,301,608
Non-current assets		
Property, plant and equipment	70,211	62,224
Intangible assets		
Goodwill	307,545	292,168
Software	27,106	24,241
Other	26	26
Total intangible assets	334,678	316,435
Investments and other assets		
Investment securities	3,204,654	3,467,168
Other	177,050	182,773
Total investments and other assets	3,381,704	3,649,942
Total non-current assets	3,786,594	4,028,601
Total assets	9,322,699	10,330,210
Liabilities		
Current liabilities		
Accounts payable - trade	36,800	79,507
Current portion of bonds payable	80,000	80,000
Current portion of long-term borrowings	45,600	33,000
Accounts payable - other	226,622	109,408
Accrued expenses	230,953	194,801
Accrued consumption taxes	87,024	71,363
Income taxes payable	66,696	57,379
Provision for bonuses	13,040	56,126
Other	225,320	45,921
Total current liabilities	1,012,058	727,506
Non-current liabilities		
Bonds payable	80,000	40,000
Long-term borrowings	682,000	936,000
Retirement benefit liability	13,847	13,847
Provision for bonuses	—	40,525
Asset retirement obligations	14,996	15,017
Deferred tax liabilities	—	4,082
Total non-current liabilities	790,844	1,049,473
Total liabilities	1,802,903	1,776,980
Net assets		
Shareholders' equity		
Share capital	2,025,925	10,000
Capital surplus	2,015,925	4,031,851
Retained earnings	1,889,074	2,791,504
Treasury shares	(762,824)	(762,824)
Total shareholders' equity	5,168,101	6,070,530
Valuation difference on available-for-sale securities	—	7,720
Share acquisition rights	—	27,090
Non-controlling interests	2,351,694	2,447,887
Total net assets	7,519,795	8,553,229
Total liabilities and net assets	9,322,699	10,330,210

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income
(Quarterly consolidated statement of income)
(First six-month period)

	(Unit: Thousand yen)	
	First six-month period of the previous fiscal year (from November 1, 2021 to April 30, 2022)	First six-month period (from November 1, 2022 to April 30, 2023)
Net sales	1,492,658	1,361,413
Cost of sales	676,552	920,459
Gross profit	816,106	440,953
Selling, general and administrative expenses	696,930	539,493
Operating profit (loss)	119,175	(98,539)
Non-operating income		
Interest income	22	221
Gain on investments in investment partnerships	91,144	4,975,363
Miscellaneous income	1,597	1,293
Total non-operating income	92,764	4,976,878
Non-operating expenses		
Interest expenses	282	1,796
Interest expenses on bonds	120	80
Investment partnership management expenses	100,786	129,859
Commission expenses	10,200	—
Miscellaneous losses	528	470
Total non-operating expenses	111,918	132,207
Ordinary profit	100,021	4,746,132
Profit before income taxes	100,021	4,746,132
Income taxes	69,941	56,085
Profit	30,079	4,690,046
Profit (loss) attributable to non-controlling interests	(116,156)	3,787,616
Profit attributable to owners of parent	146,236	902,429

(Quarterly consolidated statement of comprehensive income)

(First six-month period)

(Unit: Thousand yen)

	First six-month period of the previous fiscal year (from November 1, 2021 to April 30, 2022)	First six-month period (from November 1, 2022 to April 30, 2023)
Profit	30,079	4,690,046
Other comprehensive income		
Valuation difference on available-for-sale securities	—	7,720
Total other comprehensive income	—	7,720
Comprehensive income	30,079	4,697,766
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	146,236	902,429
Comprehensive income attributable to non-controlling interests	(116,156)	3,787,616

(3) Quarterly Consolidated Statement of Cash Flows

(Unit: Thousand yen)

	First six-month period of the previous fiscal year (from November 1, 2021 to April 30, 2022)	First six-month period (from November 1, 2022 to April 30, 2023)
Cash flows from operating activities		
Profit before income taxes	100,021	4,746,132
Depreciation	21,672	14,021
Amortization of goodwill	15,377	15,377
Share-based payment expenses	—	27,090
Increase (decrease) in provision for bonuses	412	83,611
Interest income	(22)	(221)
Interest expenses	402	1,876
Loss (gain) on investments in investment partnerships	(91,144)	(4,975,363)
Subsidy income	—	(273)
Decrease (increase) in trade receivables	261,622	101,616
Decrease (increase) in inventories	46,930	450
Decrease (increase) in prepaid expenses	(22,409)	(15,839)
Increase (decrease) in accounts payable - trade	(58,039)	42,706
Increase (decrease) in accounts payable - other	24,107	(118,240)
Increase (decrease) in accrued expenses	(6,906)	(36,152)
Increase (decrease) in accrued consumption taxes	3,364	(15,661)
Increase (decrease) in advances received	(23,319)	(2,164)
Increase (decrease) in deposits received	—	19,151
Other, net	94,888	(73,391)
Subtotal	366,956	(185,273)
Interest received	22	221
Subsidies received	647	273
Interest paid	(402)	(1,876)
Income taxes paid	(16,901)	13,678
Net cash provided by (used in) operating activities	350,321	(172,976)
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,855)	(1,472)
Purchase of intangible assets	(374,770)	(115)
Purchase of investment securities	(385,701)	(597,210)
Proceeds from distributions from investment partnerships	86,514	37,840
Proceeds from sale of investment securities	—	5,365,005
Proceeds from refund of leasehold and guarantee deposits	1,179	—
Other, net	(7,500)	(1,350)
Net cash provided by (used in) investing activities	(688,133)	4,802,698
Cash flows from financing activities		
Proceeds from long-term borrowings	382,000	264,000
Repayments of long-term borrowings	(12,600)	(22,600)
Redemption of bonds	(40,000)	(40,000)
Proceeds from share issuance to non-controlling shareholders	293,627	278,136
Distribution to non-controlling interests	—	(4,162,871)
Other, net	(45)	—
Net cash provided by (used in) financing activities	622,982	(3,683,334)
Net increase (decrease) in cash and cash equivalents	285,171	946,386
Cash and cash equivalents at beginning of period	4,566,793	4,729,774
Cash and cash equivalents at end of period	4,851,965	5,676,160

(4) Notes to Quarterly Consolidated Financial Statements

(Note regarding going concern assumptions)

Not applicable.

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

First six-month period of the previous fiscal year (from November 1, 2021 to April 30, 2022)

1. Dividends paid

Not applicable.

2. Dividends whose record date falls in the period from the first day of the fiscal year under review to the last day of the first six months of the fiscal year and whose effective date falls after the last day of the first six months under review

Not applicable.

3. Significant change in shareholders' equity

Not applicable.

First six-month period (from November 1, 2022 to April 30, 2023)

1. Dividends paid

Not applicable.

2. Dividends whose record date falls in the period from the first day of the fiscal year under review to the last day of the first six months of the fiscal year and whose effective date falls after the last day of the first six months under review

Not applicable.

3. Significant change in shareholders' equity

The Company reduced capital without compensation on February 28, 2023. Consequently, share capital decreased 2,015 million yen and capital surplus increased 2,015 million yen in the first six months of the fiscal year under review, and share capital and capital surplus stood at 10 million yen and 4,031 million yen, respectively.

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

The Company calculates tax expenses by rationally estimating the effective tax rate after applying tax effect accounting to profit before income taxes in the consolidated fiscal year that includes the six months under review and multiplying profit before income taxes by the estimated effective tax rate. However, in cases where the result of calculating using this effective tax rate lacks reasonableness in a significant manner, the Company bases calculations on the legal tax rate. Income taxes - deferred is included in income taxes.

(Changes in accounting policies)

(Application of Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Group has been applying the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021, hereinafter the "Fair Value Measurement Accounting Standard Implementation Guidance") from the beginning of the first quarter of the fiscal year under review. Accordingly it will continue to apply the new accounting policies specified in the Fair Value Measurement Accounting Standard Implementation Guidance according to the transitional measures prescribed in Paragraph 27-2 of the Fair Value Measurement Accounting Standard Implementation Guidance. The application has no impact on the quarterly consolidated financial statements.

(Additional information)

(Accounting estimates regarding the impact of the rapid spread of COVID-19 and changes in the international situation related to Ukraine)

The rapid spread of COVID-19 and changes in the international situation related to Ukraine have made the business environment more difficult for some of our client companies in their industries, and to some extent this has affected the orders for consulting services that we provide to our client companies. However, at the time of preparation of the financial statements, we do not believe that this will have a material impact on our accounting estimates.

The Company has made accounting estimates based on information available at the time of preparation of the financial statements, assuming that the impact of COVID-19 and changes in the international situation related to Ukraine will continue for a certain period of time.

Due to the high degree of uncertainty regarding the timing of the normalization of the COVID-19 situation and changes in the international situation related to Ukraine, and the impact on the business environment, any change in the situation could have an impact on our financial position and operating results.

(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.

(Significant subsequent events)

The Company resolved at a meeting of its Board of Directors held on April 28, 2023 to transfer the Pro-Sign BSM (Business Spend Management) Business to NTT Data Intramart Corporation (headquartered in Minato-ku, Tokyo; Representative: Yoshihito Nakayama, President; "NTT Data Intramart") (the "Business Transfer") and concluded a business transfer agreement with NTT Data Intramart on the same day.

1. Reason for business transfer

With a management vision of Value = Reward, the Company provides performance-based cost management 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. In addition, the Company developed and invested in the creation of its original digital transformation platform and has been promoting the service as Pro-Sign Business, following its soft launch in June 2021. In the fiscal year ended October 31, 2022, billing started in Pro-Sign BSM Business. Due to low growth in the number of subscribing companies, however, the Company has been re-evaluating the future direction.

In this situation, the Company discussed the possibility of cooperation in the Pro-Sign BSM Business with NTT Data Intramart, whose main line of business is the development and marketing of intra-mart packaged software. Based on the judgment that, through mutual cooperation, the two companies will be able to respond to a wide range of customer needs in the procurement and purchasing areas, from consulting to digital transformation, the Company decided to transfer the Pro-Sign BSM Business to NTT Data Intramart.

The Company will continue to develop and operate the Pro-Sign Rental Contract Management Service, which can centrally manage store information, including rental contracts.

2. Content of business transfer

(1) Content of business subject to transfer

Pro-Sign BSM Business (Operations for the provision of SaaS (Software as a Service) in the Business Spend Management fields)

(2) Net sales and ordinary profit of the business subject to transfer in the immediately preceding business year

	Business subject to transfer (a)	Actual consolidated results in October 2022 (b)	Ratio (a/b)
Net sales	0 million yen	2,718 million yen	0.00%

* As the business is part of the operations of a business division, it is difficult to calculate expenses for the said operations alone. Accordingly, operating profit and ordinary profit of the said business are not stated herein.

(3) Items of assets and liabilities of the business subject to transfer and their amounts

(i) Items of assets to be transferred and their amounts

Not applicable.

(ii) Items of liabilities to be transferred and their amounts

Not applicable.

(4) Transfer value and settlement method for the business subject to transfer

Transfer price: 220 million yen

Settlement method: Cash settlement

3. Overview of counterpart

(1) Name	NTT Data Intramart Corporation	
(2) Address	5th floor, Akasaka Garden City Building, 4-15-1 Akasaka, Minato-ku, Tokyo	
(3) Representative	Yoshihito Nakayama, President	
(4) Outline of the business	Marketing of packaged software intra-mart	
	Development, maintenance, and operation of systems and relevant education incidental to the above	
	Consulting regarding Intranet and Extranet	
	Other business incidental thereto (marketing of equipment incidental to the said package, etc.)	
(5) Share capital	738 million yen	
(6) Date of establishment	February 22, 2000	
(7) Net assets and total assets in the immediately preceding business year	Fiscal year ended March 31, 2023	
	Net assets: 4,725 million yen	
	Total assets: 7,477 million yen	
(8) Major shareholder and stockholding	NTT Data Corporation (47.9%)	
	Yoshihito Nakayama (11.9%)	
	* As of September 30, 2022	
(9) Relationships between the listed company and the relevant company	Capital relationship	Not applicable
	Personal relationship	Not applicable
	Business relationship	Not applicable
	Applicability to related parties	Not applicable

4. Schedule for business transfer

(1) Date of board resolution: April 28, 2023

(2) Date of conclusion of business transfer agreement: April 28, 2023

(3) Date of business transfer: May 31, 2023

(Note) As the Business Transfer does not fall under the provisions of Article 467, Paragraph 1, Item 2 of the Companies Act, a resolution of the Company's general shareholders' meeting is not required.

5. Overview of accounting treatment

Accounting will be carried out in accordance with the Accounting Standard for Business Divestitures and Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures, and extraordinary gains of 218 million yen are expected to be recorded in the financial results for the third quarter of the financial year ending 31 October 2023.