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FOR IMMEDIATE RELEASE

Prored Partners Co., Ltd.
 (Securities code: 7034, First Section of TSE)
 Susumu Satani, Representative Director
 Contact: Eiji Shibata, Director CFO
 (TEL. 03-6435-6581)

Notice on Revisions to the Full-Year Financial Results Forecasts

Prored Partners Co., Ltd. ("the Company") announces that at a meeting of the Board of Directors held on March 17, 2022, the Company resolved to revise the financial results forecasts for the fiscal year ending October 31, 2022 (November 1, 2021 to October 31, 2022) announced on December 15, 2021, considering recent trends in corporate goods prices and social conditions. Details are as follows.

1. Revisions of forecasts of consolidated financial results for the fiscal year ending October 31, 2021 (November 1, 2021 - October 31, 2022) (Unit: million yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
Previously announced forecast (A)	4,000	-	-	-	-
Newly revised forecast (B)	3,240	-	-	-	-
Change (B - A)	-760				
Change (%)	-19.0				
(Reference) Results for the previous fiscal year (FY 2021)	3,649	726	523	533	48.13

2. Reasons for the revisions

Consolidated net sales in the first three months of the fiscal year ending October 31, 2022 under review stood at 752 million yen, down about 15% year on year. The aforementioned amount fell short of the underlying assumptions of the previously announced forecast due to the factors described below. The same factors are expected to have an impact on net sales in the period leading up to October 31, 2022, and thus the Company has decided to revise its full-year financial results forecast.

Consolidated net sales in the first three months under review fell short of the forecast chiefly due to the following contributing factors: (1) It was difficult to achieve the cost reductions that had been initially expected in the Company's consulting business because of sharply increasing inflationary pressures, and certain projects were canceled accordingly; and (2) after reviewing the framework for managing the funds within the Company's consolidated group, the Company decided to continue to classify under "profit attributable to non-controlling interests" management fees that a subsidiary of the Company received, which were included in net sales in the previously announced forecast.

Firstly, on factor (1), the Corporate Goods Price Index announced by the Bank of Japan rose 9.3% year on year in February this year, reaching the level of inflation at a 40-year high. The index rose more than 5% year on year for nine consecutive

months leading up to February, and this was the first time that inflation exceeded 5% for such a long time since the oil shocks of the 1970s. This situation is having an increasingly strong adverse effect on cost cutting. Energy costs are expected to rise further due to the Russian invasion of Ukraine, which began in February, and there are increasing uncertainties with the outlook of the business environment surrounding the Company's cost management consulting.

As for factor (2), the Company had assumed at the beginning of the current fiscal year that by way of changing the framework for managing Dolphin No. 1 Investment Limited Partnership (the "Partnership"), which is operated by Bluepass Capital, a consolidated subsidiary of the Company, within the Company's consolidated group, there would be a possibility to include in its consolidated net sales the management fees that are received from external investors by the Partnership. The Company reviewed the framework for managing the Partnership during the first three months of the fiscal year ending October 31, 2022 and came to a conclusion that it would be optimal to maintain the current framework instead. Therefore, the Company has decided to remove the management fees from its full-year net sales forecast.

For the reasons described above, the Company has reviewed its initial net sales forecast from the end of the first three months to the end of the fiscal year. The Company has revised the full-year consolidated net sales forecast down to 3,240 million yen, from 4,000 million yen.

As explained when the previous forecast was announced, the Company will announce full-year profits forecasts when results for the first half are disclosed.

(Note) The forecasts above are forward-looking statements based on information available at the time of publication of this notice. Actual results may differ because of a variety of factors.

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