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FOR IMMEDIATE RELEASE

Company Name: Prored Partners Co., Ltd.
 (Securities code: 7034, TSE Prime Market)
 Representative: Susumu Satani, Representative Director
 Contact: Yoshimaro Toyama, General Manager of Administrative Division
 (Tel: +81-3-6435-6581)

Notice of Revisions to Full-Year Results Forecasts

Prored Partners Co., Ltd. ("the Company") announces that at a meeting of the Board of Directors held on September 14, 2022, the Company resolved to revise its full-year results forecasts for the fiscal year ending October 31, 2022 (November 1, 2021 to October 31, 2022) announced on June 14, 2022. Details are as follows.

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

	N e t s a l e s	Operating profit	Ordinary profit	P r o f i t attributable to owners of p a r e n t	Earnings per s h a r e (Y e n)
Previously announced f o r e c a s t (A)	2,515	(248)	(460)	(226)	(20.71)
Newly revised forecast (B)	2,515	(487)	(698)	(1,287)	(117.87)
C h a n g e (B - A)	-	(238)	(238)	(1,061)	(97.16)
C h a n g e (%)	-	-	-	-	-
(Reference) Results for the previous fiscal year (F Y 2 0 2 1)	3,649	726	523	533	48.13

2. Reason for the revision to consolidated results forecast

The Company's Board of Directors resolved to reduce its full-year forecast for consolidated net sales for the fiscal year under review to 2,515 million yen at its meeting held on June 14, 2022. The Board of Directors also resolved to disclose such forecast because a reasonable calculation of consolidated profits became possible based on information available at that time, and made a timely disclosure to that effect.

After making this disclosure, the business environment surrounding the Company remained challenging, and the corporate goods price index for July 2022 announced by the Bank of Japan rose 8.6% year on year. As a result of carefully examining the recoverability of software assets and deferred tax assets related to the Pro-Sign business in light of this

business environment and the outlook for future business performance, we have decided to take the following actions during the current fiscal year.

(1) Recording of impairment losses (extraordinary losses) on software assets

As a result of reviewing the recoverability of software assets related to the the Pro-Sign business in accordance with the "Accounting Standard for Impairment of Fixed Assets" and taking into consideration future earnings prospects, the Company has decided to write off the entire book value of the relevant software and software in progress, and record extraordinary losses of 783 million yen. In addition, as a result of this booking of impairment losses, depreciation and amortization related to software assets will decrease in or after the fourth quarter of the fiscal year ending October 31, 2022, while the investment amount related to the Pro-Sign business will not be recorded as software assets but posted as expenses. In the fourth quarter of the fiscal year ending October 31, 2022, depreciation and amortization related to software assets are expected to reduce 12 million yen, and investment amount of 250 million yen related to Pro-Sign business is expected to be recorded as expenses. As a result, operating profit and ordinary profit will decrease 238 million yen. For more details, please refer to the "Notice of Recording of Impairment Losses on Software Assets" released today.

(2) Recording of income taxes - deferred related to partial reversal of deferred tax assets

The Company carefully considered the recoverability of deferred tax assets based on a conservative estimate of future taxable income in light of the current business environment and performance trends. As a result, the Company has decided to reverse a portion of deferred tax assets and record 38 million yen in income taxes - deferred in its consolidated financial results for the current fiscal year.

Neither of the accounting treatments (1) nor (2) involves substantial expenditures and does not have an impact on the Company's cash flows.

Given the continuously difficult business environment surrounding the Company, we are proceeding with the implementation of measures to realize the benefits of cost reductions in a short period of time by conducting a review of our cost structure. Taking these circumstances into consideration, the Company will proceed with the review of its full-year results forecast for the fiscal year ending October 31, 2023 (November 1, 2022 to October 31, 2023).

(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.