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## PRESS RELEASE

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(Securities code: 7034, TSE Prime Market)  
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### **Notice Regarding the Formulation of the Medium-Term Management Plan**

Prored Partners Co., Ltd. (the “Company”) has formulated a Medium-Term Management Plan covering the four-year period from the fiscal year ending October 31, 2026 to the fiscal year ending October 31, 2029, as outlined below.

#### 1. Overview of the Medium-Term Management Plan

The Company has adopted "Value = reward" as its management vision and aims to realize a fair society in which the value created by individuals and companies is appropriately matched by the rewards they receive. Accordingly, the Company's business models are founded on this core philosophy of "Value = reward" and include performance-based consulting, in which compensation is linked to results achieved; fixed-fee (assessment-based) consulting, which incorporates a no-fee evaluation phase to assess the feasibility of value creation prior to entering a paid engagement; and private equity funds that generate returns by investing capital upfront and realizing value through post-investment enhancement and exit.

Since the fiscal year ended October 31, 2021, revenue from performance-based consulting has stagnated due to factors such as inflation, followed by the failure of the indirect procurement SaaS product "Pro-Sign BSM," resulting in losses. However, demand for consulting services that support corporate activities from various perspectives remains strong. In response, the Company has established a new consulting model in its fixed-fee consulting business an assessment-based model that includes a no-fee evaluation phase prior to entering a paid contract and has expanded the scale of this business since the fiscal year ended October 31, 2023.

Against this backdrop, the Company has formulated this Medium-Term Management Plan with the aim of presenting its future plans and growth strategy.

#### 2. Details of the Medium-Term Management Plan

Please refer to the attached materials for further details.

The Medium-Term Management Plan is also available on the Company's corporate website (<https://www.prored-p.com/ir/>).

# Medium-Term Management Plan

## FY2026-FY2029

Prored Partners Co., Ltd.

2026.01

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## Prored Partners' Vision

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**「Value = reward」**

### **Realizing a fair society in which appropriate value is duly recognized**




The world we aspire to create is one in which "Value = reward" is realized for our clients and society as a whole—that is, a fair society where value is properly rewarded.

Accordingly, the Company provides services based on the core philosophy of "Value = reward." These include performance-based consulting, in which compensation is linked to results achieved; fixed-fee (assessment-based) consulting, which incorporates a non-compensated phase to assess the feasibility of value creation prior to entering a paid engagement; and private equity funds that generate returns by investing capital upfront and realizing value through post-investment enhancement and exit.

In order to support the growth of companies that are essential to society and possess strong long-term potential, we fulfill our responsibilities as professionals by continuously delivering impactful results that drive corporate management and digital transformation, thereby contributing to our clients' growth and transformation.

# Service Portfolio




Providing solutions centered on value creation through consulting, including performance-based, fixed-fee (assessment-based), and investment-based models.

Company	Business Segment	Fee Structure	Solution
<b>Prored Partners</b> 	<b>Cost management</b>	<b>Performance-based fee</b>	Procurement cost optimization Contract management SaaS (Pro-Sign)
	<b>SCM and Logistics Management</b>		Improvement of SCM and logistics operations
	<b>Digital &amp; Hands-on</b>	<b>Fixed-fee (Assessment-based)</b>	AX/DX Strategy and IT Consulting
	<b>Strategy &amp; Hands-on</b>		Management Strategy and Hands-on Consulting
	<b>Organizational Strategy</b>		Organizational Strategy and HR Transformation Consulting with Hands-on Execution Support
<b>Knowledge Lean</b> 	<b>Environmental Consulting</b>		Consulting for CDP/TCFD Initiatives, EMS, and Environmental Planning
<b>Bluepass Capital</b> 	<b>Private Equity Fund</b>	<b>Investment-based</b>	A hands-on private equity fund offering end-to-end support from sourcing through PMI to IPO

\*An assessment-based model featuring a one- to two-month no-fee evaluation phase, followed by a paid phase only if results are deemed achievable.

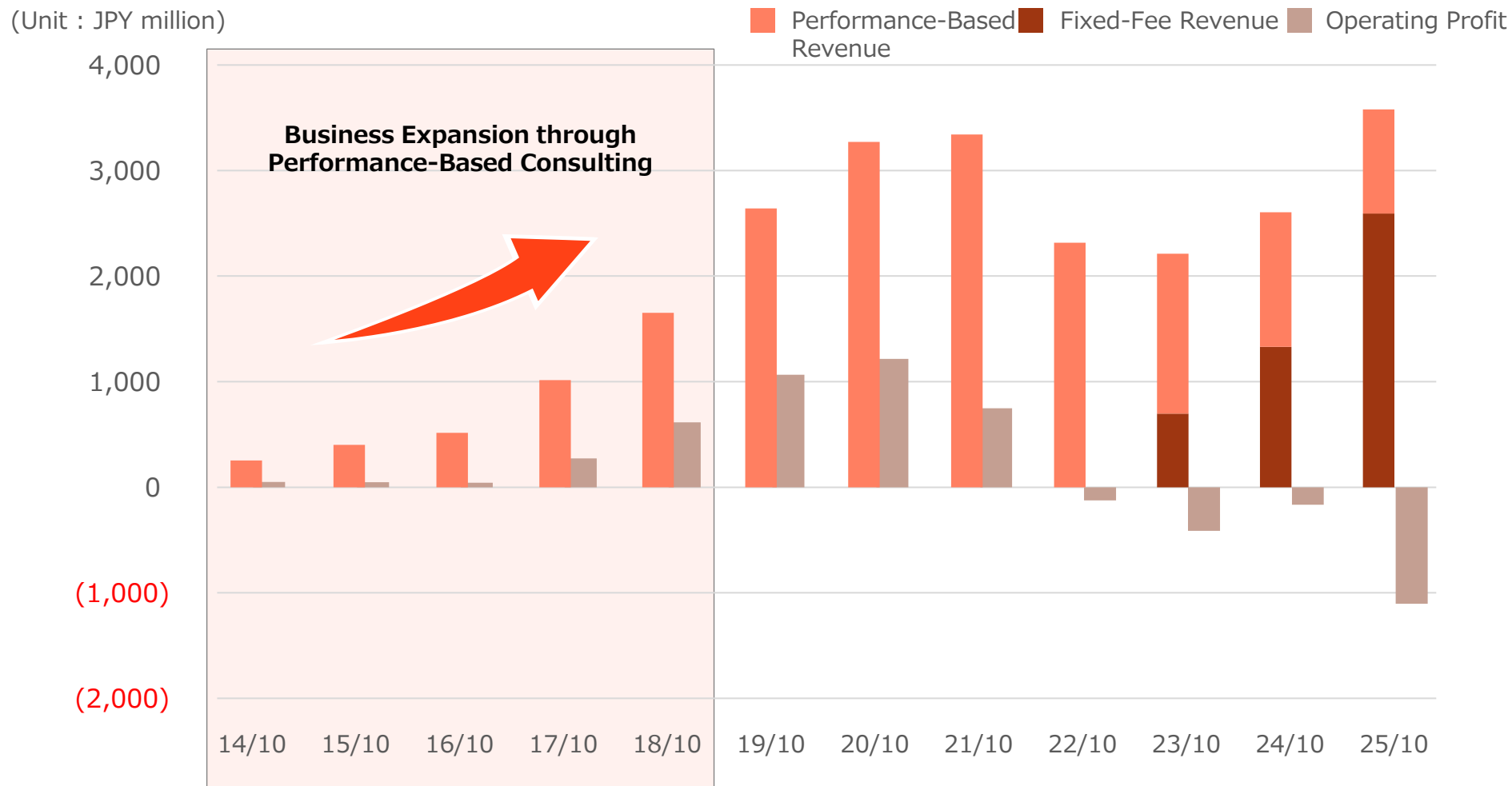
# Positioning in the Consulting Industry

While most consulting firms operate under a fixed-fee model and tend to be engaged depending on the client’s revenue scale, the Company provides performance-linked, risk-taking services to companies of all sizes.

Client Size Business Model	SMEs JPY hundreds of millions – JPY 10bn	Mid-sized JPY 10bn – JPY 300bn	Large Enterprises JPY 300bn – several trillion JPY
Fixed-fee	Japan-focused Consulting Firms	Domestic Boutique Consulting Firms	Global Integrated Consulting Firms
Performance-based fee			
Fixed-fee (Assessment-based)			
Investment-based			

## Business Expansion through Performance-Based Consulting

The Company grew to become a listed company with performance-based consulting as its core service.

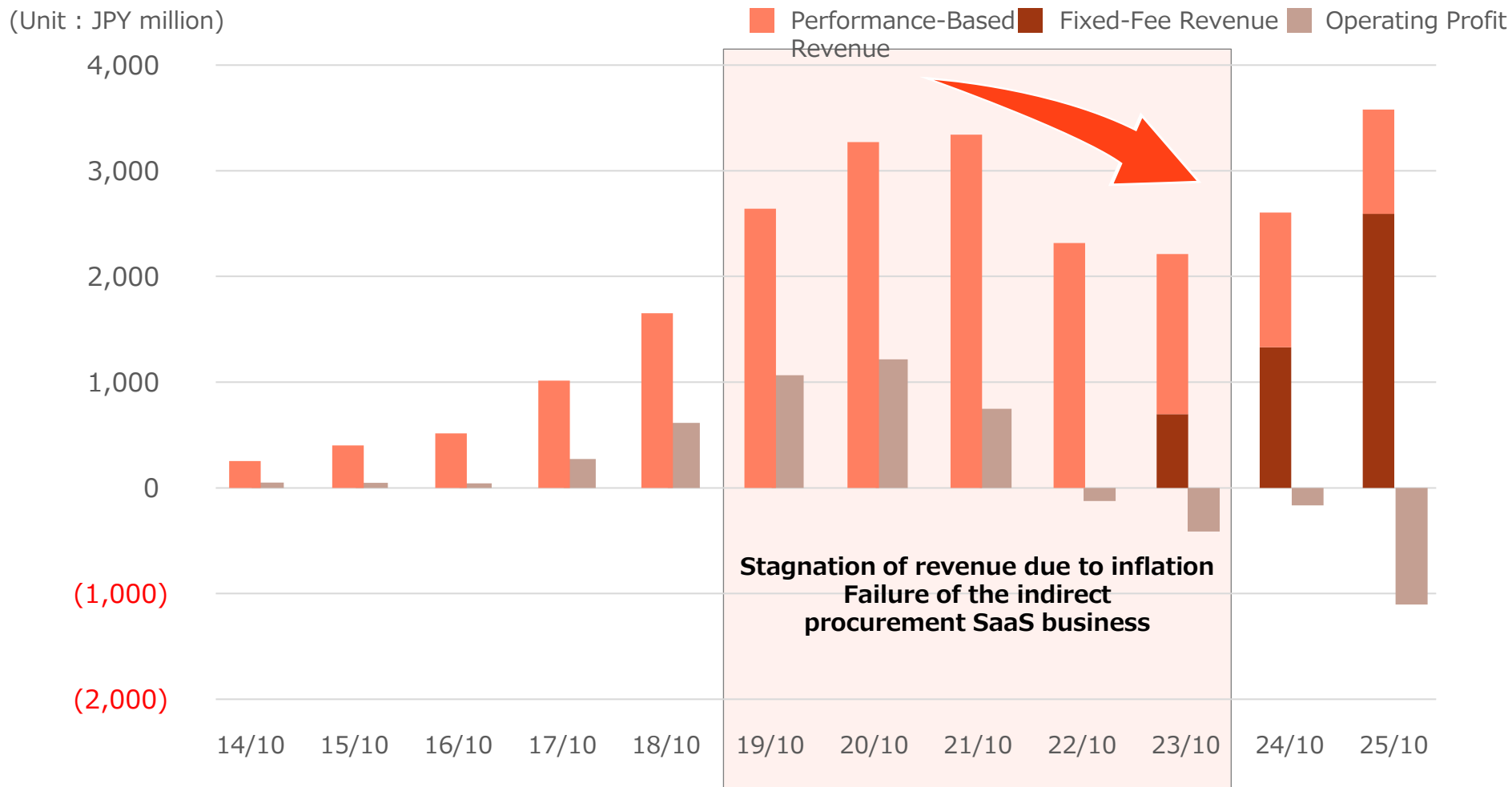


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## Earnings Decline Due to the Materialization of Risks in Performance-Based Consulting

Revenue from performance-based consulting stagnated due to the impact of inflation, followed by the failure of the indirect procurement SaaS product, "Pro-Sign BSM."



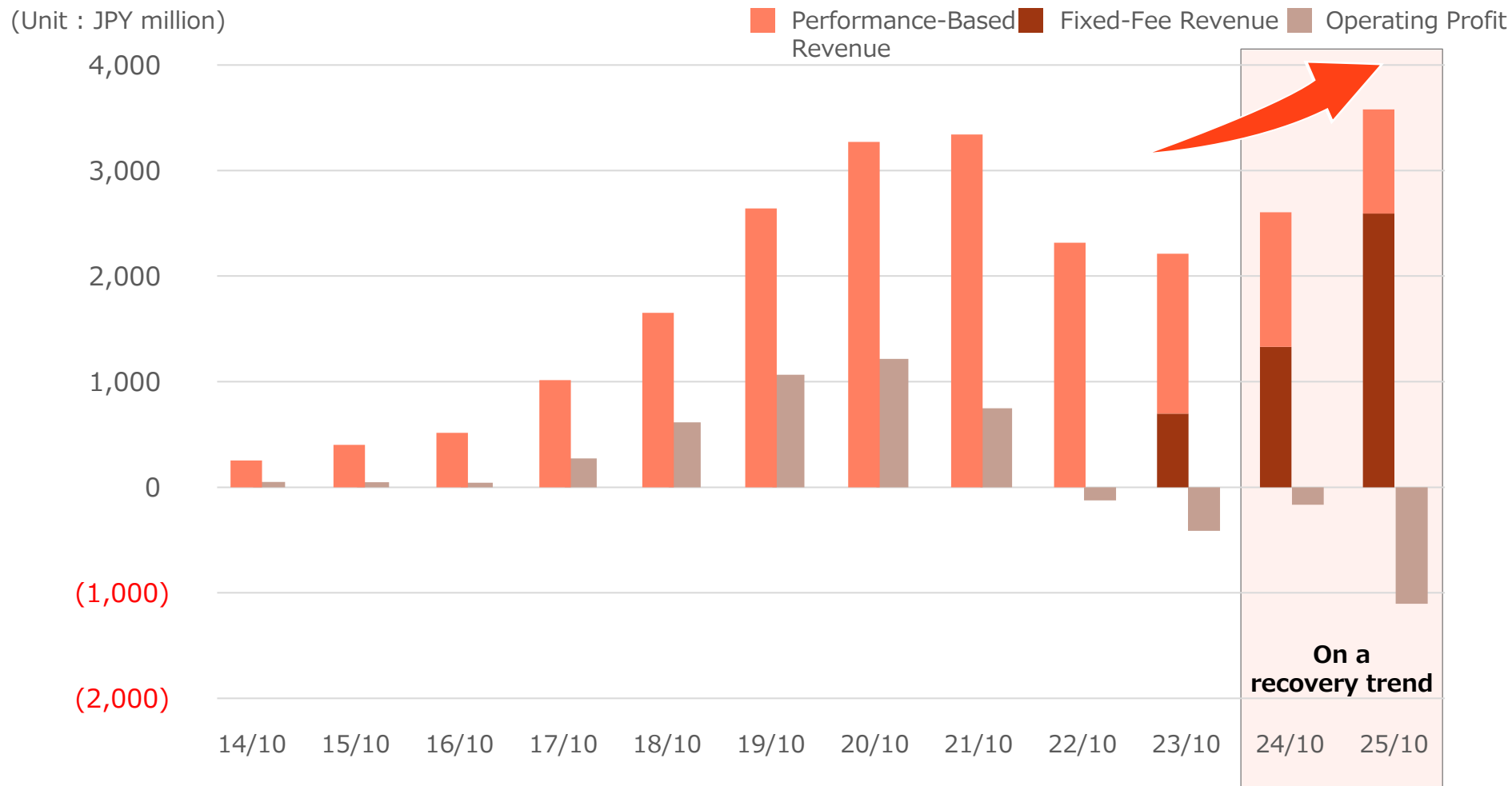
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## Transition to Fixed-Fee (Assessment-Based) Consulting

Following the transition to fixed-fee (assessment-based) consulting, revenue has returned to a recovery trend.



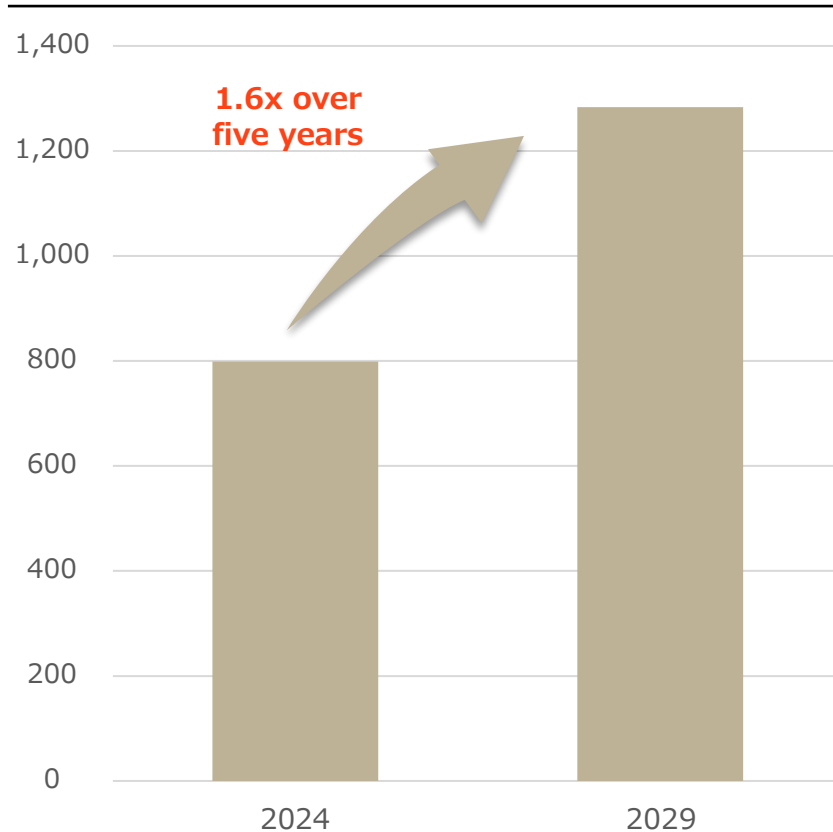
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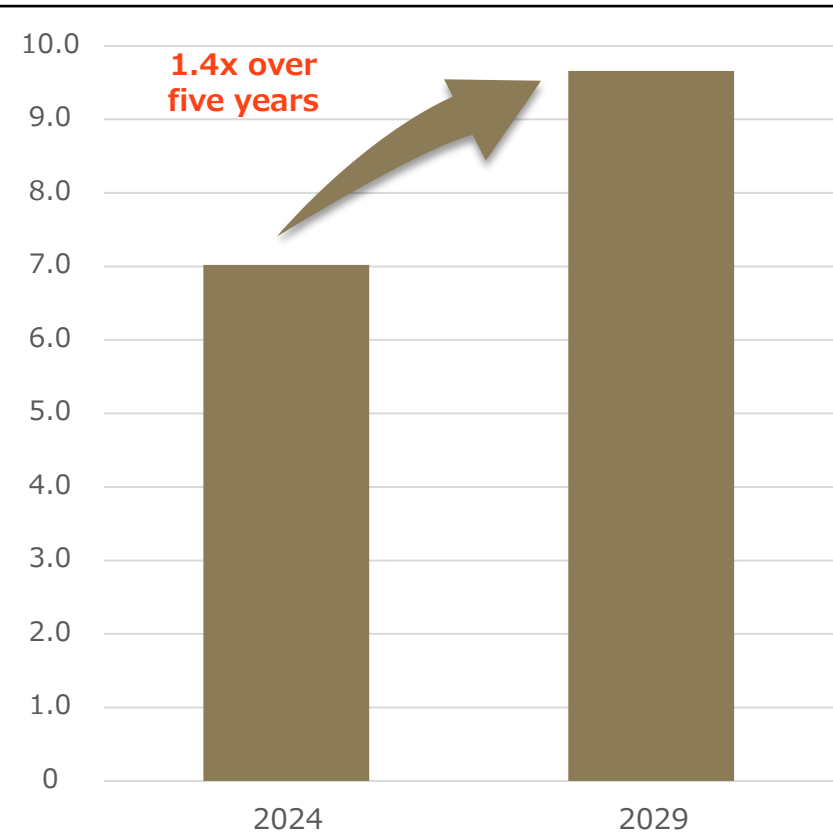
## Market Size Forecast

Both the domestic business consulting and IT services markets are expected to expand, with projected CAGRs of 9.9% and 6.6%, respectively, from 2024 to 2029.

Domestic Business Consulting Market (Unit : JPY billion)



Domestic IT Services Market (Unit : JPY trillion)



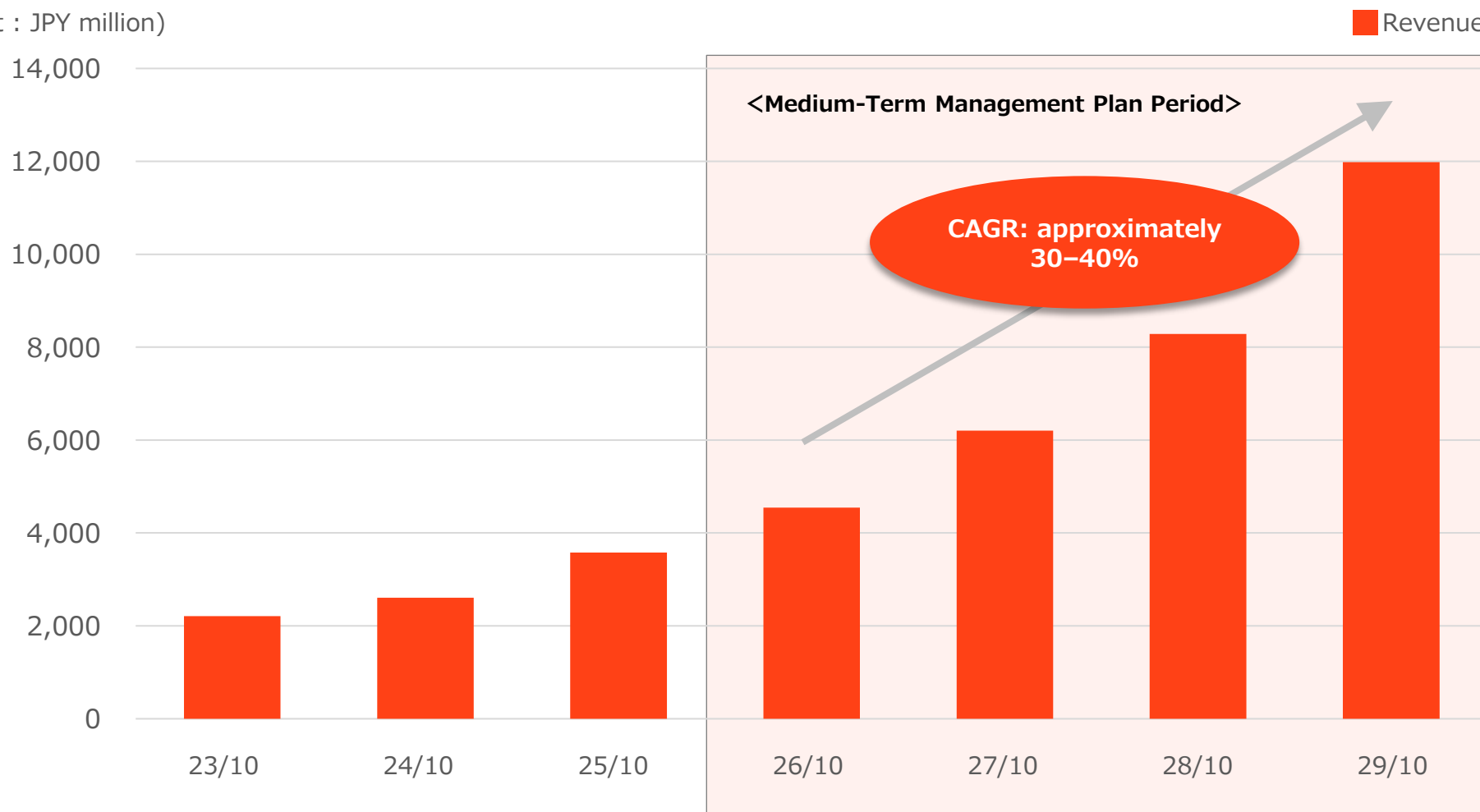
Source: Prepared by Prored based on IDC, "IDC Forecasts Japan Business Consulting Market: Corporate AI Adoption as a Growth Driver," and "IDC Forecasts Japan IT Services Market: Practical Use of AI and Expansion of Use Cases Drive Market Growth."

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## Medium-Term Management Plan

The Company's basic policy is to pursue organic growth centered on its consulting business, with the aim of achieving revenue of JPY 11,985 million and an operating profit margin of 12% in the fiscal year ending October 2029.

(Unit : JPY million)



## Growth Strategy | Summary

The Company is advancing a growth strategy built on two pillars: strengthening the earnings base of its existing businesses and creating new growth drivers.

### Overview

<b>1</b> Growth of Fixed-Fee (Assessment-Based) Consulting	<ul style="list-style-type: none"> <li>➤ Leveraging the execution capabilities and strong sensitivity to P&amp;L impact that the Company has cultivated to date, the Company is expanding its market share as a partner that executes and supports DX initiatives aimed at generating profits in the digital domain.</li> </ul>
<b>2</b> Recovery of Performance-Based Consulting	<ul style="list-style-type: none"> <li>➤ While continuing to provide its existing services, the Company is promoting operational efficiency through the exploration of AI utilization, as well as expanding its consulting approaches and cost management capabilities.</li> </ul>
<b>3</b> Expansion of Consulting Capabilities	<ul style="list-style-type: none"> <li>➤ The Company is promoting the expansion of organizational strategy consulting and environmental consulting (Knowledge Lean), as well as the achievement of profitability for the Pro-Sign SaaS business.</li> </ul>
<b>4</b> Growth of the Fund Business and M&A	<ul style="list-style-type: none"> <li>➤ For the fiscal year ending October 31, 2026, the Company plans to pursue the formation of a second fund and generate returns through hands-on support for its investments.</li> <li>➤ Prored Partners will also continue to evaluate potential M&amp;A opportunities.</li> </ul>
<b>5</b> Strengthening Consultant Recruitment	<ul style="list-style-type: none"> <li>➤ The Company implemented rebranding initiatives with a focus on its long-term vision.</li> <li>➤ Increasing the number of candidates by expanding the recruiter team and strengthening relationships with talent agencies.</li> </ul>

## Growth Strategy | 1 Growth of Fixed-Fee (Assessment-Based) Consulting

Leveraging its execution capabilities and strong focus on P&L impact, the Company is positioning itself as an "execution partner" to address digital challenges and expand its share.

### Current Challenges in the Digital Domain

- Although DX visions and roadmaps exist, many initiatives face significant implementation delays, remain at the PoC stage, are confined to specific departments, or fail to take root in operations, resulting in little or no contribution to P&L or in some cases, a negative impact.
- While vendors and system integrators often handle system implementation, many are unable to go further into areas such as business process design, revenue models, and change management.
- As a result, there is a shortage of partners capable of executing DX initiatives from the perspective of generating profits for companies.

### Value Proposition of Prored Partners

- The Company provides DX support grounded in the execution capabilities and strong sensitivity to P&L impact cultivated through its past initiatives.
  - ✓ Rather than focusing on the introduction of concepts, the Company proposes strategies and plans that emphasize feasibility and P&L impact to enable digital implementation.
  - ✓ The Company's support goes beyond the delivery of slides or design documents, providing hands-on assistance through execution with a view toward on-site adoption, operation, and profit generation.
- As a result, Prored is positioned to serve as an "execution partner" that many companies currently lack.



**Prored is a firm that has consistently focused on delivering results and creating value through execution. As AI continues to shift the role of consultants from strategy formulation toward execution, the Company believes that Prored's value proposition will continue to grow.**

## Growth Strategy | 2 Recovery of Performance-Based Consulting

The Company delivers results by engaging deeply in specification changes and cost of sales / direct material cost items, while promoting operational efficiency through the use of AI and expanding its service offerings.

### Factors Behind the Underperformance of Performance-Based Consulting

- While reductions in electricity unit prices had made a significant contribution, fuel costs increased following Russia's invasion of Ukraine in February 2022. As the services were performance-based, refund obligations arose, leading to operational disruption. As the Company prioritized support for existing clients, this ultimately resulted in a downsizing of the organization.
- In addition, by declining requests for proposals based on fixed-fee arrangements and focusing solely on unit price reductions, the Company was adversely affected by rising costs associated with inflation and increasing labor expenses. As a result, achievable cost reductions declined, particularly in categories such as mechanical security services and elevator maintenance, which led to stagnation in revenue.

### Initiatives Toward Recovery and Growth Drivers

- Beginning in March 2024, the Company initiated efforts to reduce electricity unit prices, followed in May 2024 by initiatives to revise specifications for services such as cleaning and facility security. In addition, the number of projects involving unit price reductions and specification changes for construction costs increased, generating tangible results across individual engagements.
- There remains further growth potential through the expansion of applicable cost categories—including specification-related items and cost of sales/direct material items—as well as by enhancing the flexibility of project structures and compensation models for large-scale engagements.
- Currently, projects involving large enterprises with annual revenue exceeding JPY 1 trillion have commenced and are underway.



**While continuing to provide its existing services, the Company is exploring the use of AI and promoting the expansion of new service areas, including support for reducing cost of sales and direct material costs, PMO support for large-scale cost management initiatives, and fixed-fee services that provide end-to-end support for procurement visualization and value creation.**

## Growth Strategy | **3** Expansion of Consulting Capabilities

The Company is promoting the expansion of organizational strategy consulting and environmental consulting (Knowledge Lean), as well as the achievement of profitability for the Pro-Sign SaaS business.

### Organizational Strategy Consulting



- Contributing to corporate growth by linking business strategy and organizational design, and executing succession, new organization launches, and transformation initiatives.
- In FY2025, the sector secured engagements with eight major companies and expanded its team from 12 to 17 members, with continued hiring planned.
- Training programs are being implemented to support future scale expansion.

### Environmental Consulting



- Providing environmental research, planning, and sustainability consulting to local governments and private-sector clients.
- For local governments, expanding orders by proposing decarbonization measures aligned with 2030 targets.
- For private-sector clients, driving retention and new project acquisition by expanding sustainability services beyond decarbonization.

### Pro-Sign



- The Company provides a contract management SaaS service for multi-location enterprises.
- With the mandatory adoption of the new lease accounting standard approaching, demand particularly from large corporations is increasing.
- Leveraging compliance with the new lease accounting standard to highlight its strength in simplifying complex contract management for multi-location businesses and achieve profitability.

## Growth Strategy | 4 Growth of the Fund Business and M&A

While advancing initiatives toward the formation of a second fund at Bluepass Capital, the Company is also continuing to evaluate M&A opportunities at Prored Partners.

### Fund Business at Bluepass Capital

- In the fund business, the first fund has made cumulative investments of JPY 7,511 million to date and had an outstanding investment balance of JPY 6,059 million as of the end of October 2025.
- The investment period of the first fund has concluded, and as of the end of October 2025, the fund as a whole has generated total returns of JPY 15,434 million. The Company will continue to provide support to its portfolio companies in order to further accumulate returns.
- For the fiscal year ending October 31, 2026, the Company plans to move forward with the formation of a second fund and, as with the first fund, aims to generate returns through hands-on support for its portfolio companies.

### M&A at Prored Partners

- The Company is continuously exploring potential opportunities and is currently receiving introductions from M&A advisory firms.
- The Company is considering M&A transactions involving companies in areas where it has expertise and where its involvement can enable the generation of sustainable returns.



## Growth Strategy | **5** Strengthening Consultant Recruitment

The Company has implemented rebranding initiatives with a view to its long-term vision, while also undertaking measures to increase the number of potential candidates.

### Rebranding

- The Company implemented rebranding initiatives with a focus on its long-term vision.
- The Company's core values were defined through a company-wide participatory process, which included interviews with executive management and a survey of all employees to identify and select candidate value statements that best represent what Prored embodies.
- As part of the rebranding, the corporate website previously centered on performance-based consulting was renewed to reflect the Company's long-term vision and future direction.

### Strengthening Recruitment Activities

- The Company relocated its office.
  - ✓ The office was designed to support a growing organization, with a focus on accessibility, comfort, and productivity.
  - ✓ A centrally positioned entrance layout promotes movement and active communication.
- The Company has increased its candidate pool by strengthening relationships with recruitment agencies.
  - ✓ Briefing materials and regular meetings were introduced to improve agency understanding.
  - ✓ Recruitment KPIs were shared transparently, with targets set jointly with each agency.
- In addition, the Company increased the number of recruiters and is working to ensure that each recruiter develops expertise in digital domains as well as consulting skills.

## (For Reference) Rebranding and Office Relocation

The Company implemented rebranding to build recognition aligned with its renewed growth phase and corporate culture, and also relocated its office in anticipation of future business expansion.

### Rebranding

#### Comprehensive review of the service portfolio and renewal of the corporate website

- A shift from a performance-based consulting-centric model to a fixed-fee consulting-centric model, with a focus on the Company's long-term vision.

#### Review of the corporate logo

- While retaining the dolphin symbolizing animal spirits, the Company revised its design to better reflect its values and long-term vision.



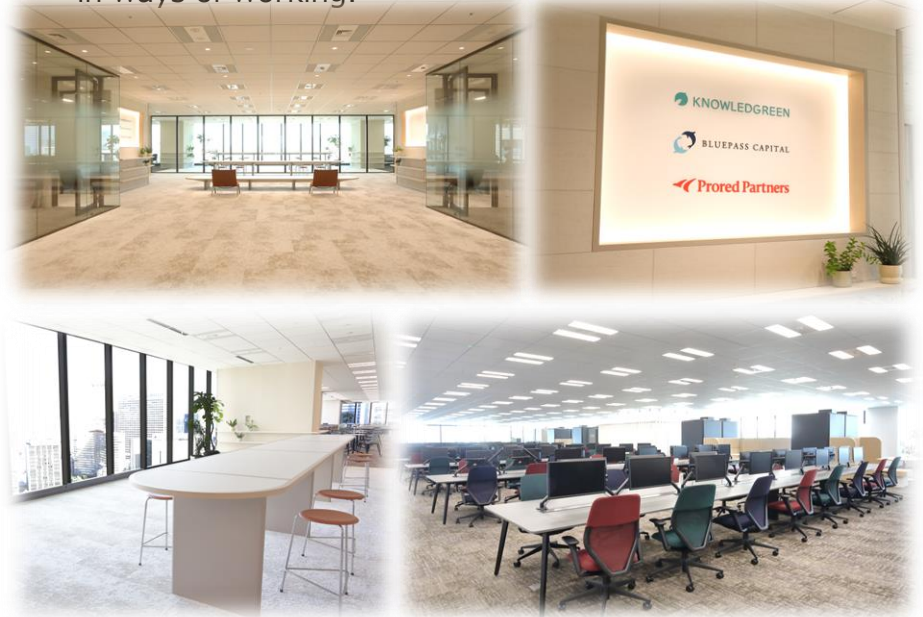
#### Fostering a new internal culture in line with the revised service portfolio

- Company-wide participation in defining core values.
- Enhancement of training and education programs.

### Office Relocation

#### Office relocation to AKASAKA GREEN CROSS in September 2025

- Designed to serve as a place where people can get to know and experience Prored, even amid increasing diversification in ways of working.



## Shareholder Return Policy

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- As the Company is still in a growth phase, it believes that strengthening retained earnings and allocating them to investments for business growth will ultimately contribute to shareholder returns. Based on this approach, the Company has not paid dividends since its establishment.
- In order to achieve sustainable business growth, investments in recruitment and personnel costs related to the business are essential, and funds are also required for investments in funds operated by the Group.
- On the other hand, the Company believes it is important to clearly define the conditions under which shareholder return measures would be considered. Accordingly, the Company will consider measures such as dividends or shareholder benefit programs once both of the following conditions are met: (i) the Company achieves operating profitability on a non-consolidated basis, and (ii) the Group achieves profitability attributable to owners of the parent on a consolidated basis.

## Disclaimer

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- This document includes descriptions of the future prospects of the company. These descriptions were prepared based on the information at the time they were written and do not guarantee future results and involve risks and uncertainties. Please note that there is a possibility that these results will substantially differ from the future prospects due to a variety of factors.
- This document includes past financial statements that have not been audited by audit companies and management figures of the company that are not based on financial statements.
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What we at Prored Partners strive for is a fair society  
in which "Value = reward" is properly recognized.

To deliver truly valuable solutions,  
each individual continues to take on challenges as a professional,  
and the trust and results built through these efforts  
will ultimately become the driving force that realizes  
a society where "Value = reward."

As leaders who envision and create new value for society,  
we will work together to pioneer this future.