



Translation

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Notice of Difference between Full-year Earnings Forecast and Results for the Fiscal Year Ended December 31, 2021

ORO Co., Ltd. (hereinafter the “Company”) announces a difference between the full-year earnings forecast released on February 15, 2021 and the results for the fiscal year ended December 31, 2021 released today as follows.

1. Difference between the consolidated financial results forecasts and results for the fiscal year ended December 31, 2021 (From January 1, 2021 to December 31, 2021).

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
Previously announced forecast (A)	Millions of yen 6,050	Millions of yen 1,931	Millions of yen 1,940	Millions of yen 1,338	Yen 80.63
Results (B)	5,762	2,120	2,132	1,490	92.08
Change (B – A)	(288)	188	191	151	
Change (%)	(4.8)	9.8	9.9	11.3	
(Reference) Results for the previous fiscal year (ended December 31, 2020)	5,240	1,707	1,713	1,182	71.19

2. Reasons for the difference

(1) Net Sales

In the Cloud Solutions business, the number of new contracts signed during the first half of the current fiscal year remained rather stagnant due to a prolonged time required to close a new contract as the Company has changed its operating structure since January 2021. Since the second half, the number of new contracts signed has been on an upward trend, which could however not offset the decreased number of new contracts and the associated decline in sales from installation support in the first half.

In the Digital Transformation (DX) business, impacted by budget cuts from clients due to the global shortage of semiconductors, advertising for the automobile industry has decreased.

As a result, the Company recorded net sales of 5,762 million yen, which fell short of the previously announced forecast.

(2) Profit

The Company as a whole has seen an improvement in productivity through efforts to automate operations. Along with that, hiring expenses fell below the level expected in the previous forecast due to a downward revision to the hiring plan. Above all, the Digital Transformation (DX) business has successfully reduced the occurrence of unprofitable projects to the extent beyond our expectations by strengthening the project management system in the business unit.

As a result, the Company recorded operating profit of 2,120 million yen, ordinary profit of 2,132 million yen, and profit attributable to owners of parent of 1,490 million yen, all of which exceeded the previously announced forecast.