

To Our Shareholders:

ORO Co., Ltd.
3-9-1, Meguro Meguro-ku, Tokyo
Atsushi Kawata
Representative Director & President

Notice of the 24th Annual General Meeting of Shareholders

We hereby notify that the 24th Annual General Meeting of Shareholders of ORO Co., Ltd. (the “Company”) will be held as indicated below.

If you are unable to attend the meeting, you may exercise your voting rights in writing or via the internet. Please review the Reference Documents for the General Meeting of Shareholders hereinafter and return the enclosed Voting Form or exercise your voting rights on the voting rights exercise website designated by the Company (<https://www.web54.net>), indicating whether you are for or against each of the proposals. Your vote shall be received by no later than 6:30 p.m. on Thursday, March 24, 2022 (JST).

1. Date and time: Friday, March 25, 2022 at 10:00 a.m. (Reception opens at 9:30 a.m.)

2. Venue: Conference Room C, FUKURACIA Marunouchi Oazo,
15F Marunouchi Kitaguchi Building
1-6-5, Marunouchi, Chiyoda-ku, Tokyo

3. Agenda:

Matters to be reported:

1. Reports on Business Report, Consolidated Financial Statements, and the results of the audit thereof by the Accounting Auditor and the Board of Corporate Auditors for the 24th fiscal year (from January 1, 2021 to December 31, 2021)
2. Report on the Non-Consolidated Financial Statements for the 24th fiscal year (from January 1, 2021 to December 31, 2021)

Matters to be resolved:

- Proposal No. 1** Dividend of Surplus
- Proposal No. 2** Partial Amendments to the Articles of Incorporation
- Proposal No. 3** Election of Five (5) Directors (Excluding Directors Who are Audit and Supervisory Committee Members)
- Proposal No. 4** Election of Four (4) Directors who are Audit and Supervisory Committee Members
- Proposal No. 5** Determination of Amount of Remuneration for Directors (Excluding Directors Who are Audit and Supervisory Committee Members)
- Proposal No. 6** Determination of Amount of Remuneration for Directors who are Audit and Supervisory Committee Members
- Proposal No. 7** Determination of Remuneration for Granting the Restricted Stock to Directors (Excluding Directors Who are Audit and Supervisory Committee Members and Outside Directors)
- Proposal No. 8** Determination of Amount and Details of Non-Monetary Remuneration for Directors (Excluding Directors Who are Audit and Supervisory Committee Members and Outside Directors)

- ©If you attend the meeting in person, please submit the enclosed Voting Form at the reception. To save paper resources, please bring this notice with you.
- ©If you plan to exercise your voting rights in a non-uniform way, please inform the Company of this intention with the reason in writing at least three days prior to the meeting.
- ©Of the documents to be provided with this notice, the following items are posted on the Company's website on the internet (<https://www.oro.com/en/ir/>) in accordance with the provisions of relevant laws and regulations as well as Article 18 of the Articles of Incorporation of the Company, and therefore, are not included in this notice.

- Notes to Consolidated Financial Statements
- Notes to Non-consolidated Financial Statements

Accordingly, the attached documents to this notice are part of the documents audited by Corporate Auditors and the Accounting Auditor when preparing their respective audit reports.

- ©Any corrections to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements, and the Consolidated Financial Statements will be posted on the Company's website (<https://www.oro.com/en/ir/>).

Proposal No. 1: Dividend of Surplus

The Company places great emphasis on continuous improvement of corporate value and stable return of profits to shareholders.

By taking into consideration, among other factors, financial results for the current fiscal year ended December 31, 2021 and future business development, the Company proposes to pay a year-end dividend for the current fiscal year as follows:

(1) Type of dividend property:

Cash

(2) Matters concerning the allotment of dividend property to shareholders and the total amount thereof:

15 yen per share of the Company's common stock

Total amount: 241,663,020 yen

(3) Effective date of the dividend of surplus:

Monday, March 28, 2022

Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

- (1) The Company has decided to transition to a company with an audit and supervisory committee with the aim of realizing the sustainable growth of corporate value by further strengthening supervisory functions of the Board of Directors and seeking to separate the business execution and supervisory functions through appointing directors who are audit and supervisory committee members with the authority to audit the directors' execution of their duties, as well as by improving the agility of management decision making through the delegation of authority. Accordingly, the Company proposes to establish new provisions regarding the audit and supervisory committee and audit and supervisory committee members, and to delete provisions regarding corporate auditors and the board of corporate auditors.
- (2) The amended provisions stipulated in the supplementary provision of Article 1 of the Act Partially Amending the Companies Act (Act No. 70 of 2019) will be enforced on September 1, 2022. In order to accommodate a system for providing materials for the general meeting of shareholders in electronic format, the Articles of Incorporation of the Company shall be amended as follows:
 - (i) The proposed amendments to Article 18, Paragraph 1 shall stipulate that the Company takes the electronic provision measure for information included in the reference document for the general meeting of shareholders, etc.
 - (ii) The proposed amendments to Article 18, Paragraph 2 shall establish a provision to limit the scope of matters to be included in the hard copy to be sent to shareholders who have requested it.
 - (iii) The provisions related to the Disclosure on Internet of Reference Materials for General Meeting of Shareholders and Deemed Provision of that Information (Article 18 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
 - (iv) In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.
- (3) Other necessary amendments including corrections to the wording of some provisions, changes in numbering of Articles in line with the above establishment and deletion of provisions shall be made.

2. Contents of the amendments

Details of the amendments are as follows.

The proposed amendments to the Articles of Incorporation in this proposal, other than those concerning Article 18 of the current Articles of Incorporation described in (2) of 1 (Reasons for the proposal) above, shall be effective upon conclusion of this General Meeting of Shareholders.

Current Articles of Incorporation	Proposed Amendment
<p style="text-align: center;">CHAPTER I GENERAL PROVISIONS</p> <p>(Trade name) ARTICLE 1 (Provisions omitted)</p> <p>(Purpose) ARTICLE 2 The purpose of the Company shall be to perform the following businesses:</p> <p><u>1.~11.</u> (Provisions omitted)</p> <p>ARTICLE 3 (Provisions omitted)</p> <p>(Organs) ARTICLE 4 The Company shall have the following organs in addition to the General Meeting of Shareholders and Directors:</p> <p><u>1. Board of Directors</u> <u>2. Corporate Auditors</u> <u>3. Board of Corporate Auditors</u> <u>4. Accounting Auditors</u></p> <p>ARTICLE 5 (Provisions omitted)</p> <p style="text-align: center;">CHAPTER II SHARES</p> <p>ARTICLE 6~8 (Provisions omitted)</p> <p>(Rights with Respect to Shares Less Than One Unit) ARTICLE 9 A shareholder may not exercise rights with respect to shares less than one unit other than those specified in the following sections:</p> <p><u>1.</u> Rights specified in each item of Paragraph 2 of Article 189 of the Companies Act. <u>2.</u> Right to make requests provided for in Paragraph 1 of Article 166 of the Companies Act. <u>3.</u> Right to receive an allotment of shares for subscription or share options for subscription in accordance with the number of shares held by the shareholder.</p> <p>(Share Register Administrator) ARTICLE 10 (Provisions omitted) 2. The share register administrator and its place of business shall be decided by <u>a resolution of the Board of Directors.</u></p> <p>3. (Provisions omitted)</p> <p>ARTICLE 11 (Provisions omitted)</p> <p style="text-align: center;">CHAPTER III SHAREHOLDERS MEETING</p> <p>ARTICLE 12~17 (Provisions omitted)</p>	<p style="text-align: center;">CHAPTER I GENERAL PROVISIONS</p> <p>(Trade name) ARTICLE 1 (No change)</p> <p>(Purpose) ARTICLE 2 The purpose of the Company shall be to perform the following businesses:</p> <p><u>(1)~(11)</u> (No change)</p> <p>ARTICLE 3 (No change)</p> <p>(Organs) ARTICLE 4 The Company shall have the following organs in addition to the General Meeting of Shareholders and Directors:</p> <p><u>(1) Board of Directors</u> <u>(2) Audit and Supervisory Committee</u> (Deleted) (3) Accounting Auditors</p> <p>ARTICLE 5 (No change)</p> <p style="text-align: center;">CHAPTER II SHARES</p> <p>ARTICLE 6~8 (No change)</p> <p>(Rights with Respect to Shares Less Than One Unit) ARTICLE 9 A shareholder may not exercise rights with respect to shares less than one unit other than those specified in the following sections:</p> <p><u>(1)</u> Rights specified in each item of Paragraph 2 of Article 189 of the Companies Act. <u>(2)</u> Right to make requests provided for in Paragraph 1 of Article 166 of the Companies Act. <u>(3)</u> Right to receive an allotment of shares for subscription or share options for subscription in accordance with the number of shares held by the shareholder.</p> <p>(Share Register Administrator) ARTICLE 10 (No change) 2. The share register administrator and its place of business shall be decided by the Board of Directors <u>or Directors delegated by a resolution of the Board of Directors.</u></p> <p>3. (No change)</p> <p>ARTICLE 11 (No change)</p> <p style="text-align: center;">CHAPTER III SHAREHOLDERS MEETING</p> <p>ARTICLE 12~17 (No change)</p>

Current Articles of Incorporation	Proposed Amendment
<p><u>(Disclosure on Internet of Reference Materials for General Meeting of Shareholders and Deemed Provision of that Information)</u> <u>ARTICLE 18 If the Company discloses information relating to matters stated or indicated in reference documents, business report, financial statements and consolidated financial statements in connection with convening the General Meeting of Shareholders through the Internet pursuant to the Ordinance of the Ministry of Justice, the Company may deem that it has provided the same to shareholders.</u></p>	<p>(Deleted)</p>
<p>(Newly established)</p>	<p><u>(Electronic Provision Measure, Etc.)</u> <u>Article 18 The Company shall, when convening a General Meeting of Shareholders, take the electronic provision measure for information included in the reference documents for General Meeting of Shareholders, etc.</u> <u>2. Among the matters subject to the electronic provision measure, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p>
<p>CHAPTER IV DIRECTORS AND BOARD OF DIRECTORS</p>	<p>CHAPTER IV DIRECTORS AND BOARD OF DIRECTORS</p>
<p>(Number of Directors) ARTICLE 19 The Company shall have no more than six (6) Directors.</p>	<p>(Number of Directors) ARTICLE 19 The Company shall have no more than six (6) Directors <u>(excluding Directors who are Audit and Supervisory Committee Members).</u></p>
<p>(Newly established)</p>	<p><u>2. The Company shall have no more than four (4) Directors who are Audit and Supervisory Committee Members.</u></p>
<p>(Method of Election) ARTICLE 20 Directors shall be elected at the General Meeting of Shareholders.</p>	<p>(Method of Election) ARTICLE 20 Directors shall be elected at the General Meeting of Shareholders <u>by distinguishing Directors who are Audit and Supervisory Committee Members and other Directors.</u></p>
<p>2.~3. (Provisions omitted)</p>	<p>2.~3. (No change)</p>
<p>(Term of Office) ARTICLE 21 The term of office of Directors shall expire upon conclusion of the Annual General Meeting of Shareholders to be held for the last fiscal year ending within one (1) year after the election of the Directors.</p>	<p>(Term of Office) ARTICLE 21 The term of office of Directors <u>(excluding Directors who are Audit and Supervisory Committee Members)</u> shall expire upon conclusion of the Annual General Meeting of Shareholders to be held for the last fiscal year ending within one (1) year after the election of the Directors.</p>
<p>(Newly established)</p>	<p><u>2. The term of office of Directors who are Audit and Supervisory Committee Members shall expire upon conclusion of the Annual General Meeting of Shareholders to be held for the last fiscal year ending within two (2) years after the election of the Directors.</u></p>
<p>2. The term of office of a Director elected to increase the number of Directors or fill the vacancy of the Board shall be the remainder of the term of office of the Directors in office.</p>	<p><u>3. The term of office of a Director (excluding a Director who is an Audit and Supervisory Committee Member) elected to increase the number of Directors or fill the vacancy of the Board shall be the remainder of the term of office of other Directors (excluding Directors who are audit and Supervisory Committee Members) in office.</u></p>
<p>(Newly established)</p>	<p><u>4. The term of office of a Director who is an Audit and Supervisory Committee Member elected as a substitute for a Director who is an Audit and Supervisory Committee Member who has resigned before the expiry of his/her term of office shall be until the expiry of the term of office of the resigning Director.</u></p>

Current Articles of Incorporation	Proposed Amendment
<p>(Representative Directors and Directors with Special Titles) ARTICLE 22 The Board of Directors shall by resolution appoint Representative Directors.</p> <p>2. The Board of Directors may by resolution appoint one (1) President and Director, a few Senior Managing Directors, and a few Managing Directors.</p> <p>ARTICLE 23 (Provisions omitted) (Notice of Convocation of Meetings of the Board of Directors)</p> <p>ARTICLE 24 Notice of a meeting of the Board of Directors shall be given to each Director <u>and each Corporate Auditor</u> at least three days prior to the day set for such meeting; provided, however, that in case of emergency, such period of notice may be shortened.</p> <p>2. When all Directors <u>and Corporate Auditors</u> give unanimous consent, the meeting of the Board of Directors may be held without the formal convocation procedures.</p> <p>ARTICLE 25 (Provisions omitted) (Newly established)</p> <p>(Minutes of Meetings of the Board of Directors) ARTICLE <u>26</u> A summary of the process of the proceedings of meetings of the Board of Directors and the results thereof, and other matters provided by laws and regulations, shall be stated or recorded in the minutes, to which the Directors <u>and Corporate Auditors</u> present shall sign their names and stamp their seals, or affix their electronic signatures.</p> <p>ARTICLE <u>27</u> (Provisions omitted)</p> <p>(Remunerations, Etc.) ARTICLE <u>28</u> Remuneration, bonuses and other financial benefits of Directors received from the Company in consideration for the execution of the duties (hereinafter referred to as "Remunerations, Etc.") shall be determined by a resolution of a General Meeting of Shareholders.</p> <p>(Limited Liability Agreement with Directors) ARTICLE <u>29</u> Under the provision of Article 427, paragraph 1 of the Companies Act, the Company may enter into individual agreements with each Director (excluding Directors who are Executive Directors, etc.) to limit their liabilities under Article 423, paragraph 1 of the said Act provided that such Director has acted in good faith and without gross negligence. However, the limit of liability for damages under the agreement shall be the minimum liability amount stipulated by laws and regulations.</p> <p><u>CHAPTER V CORPORATE AUDITORS AND BOARD OF CORPORATE AUDITORS</u></p>	<p>(Representative Directors and Directors with Special Titles) ARTICLE 22 The Board of Directors shall by resolution appoint Representative Directors <u>among the Directors (excluding Directors who are Audit and Supervisory Committee Members)</u>.</p> <p>2. The Board of Directors may by resolution appoint one (1) President and Director, a few Senior Managing Directors, and a few Managing Directors <u>among the Directors (excluding Directors who are Audit and Supervisory Committee Members)</u>.</p> <p>ARTICLE 23 (No change) (Notice of Convocation of Meetings of the Board of Directors)</p> <p>ARTICLE 24 Notice of a meeting of the Board of Directors shall be given to each Director at least three days prior to the day set for such meeting; provided, however, that in case of emergency, such period of notice may be shortened.</p> <p>2. When all Directors give unanimous consent, the meeting of the Board of Directors may be held without the formal convocation procedures.</p> <p>ARTICLE 25 (No change) <u>(Delegation of Decisions on Execution of Important Operations)</u></p> <p><u>ARTICLE 26 Pursuant to the provisions of Article 399-13, Paragraph 6 of the Companies Act, the Company may delegate to Directors the whole or a part of decisions on the execution of important operations (excluding matters set forth in the items of Paragraph 5 of the same Article) by a resolution of the Board of Directors.</u></p> <p>(Minutes of Meetings of the Board of Directors) ARTICLE <u>27</u> A summary of the process of the proceedings of meetings of the Board of Directors and the results thereof, and other matters provided by laws and regulations, shall be stated or recorded in the minutes, to which the Directors present shall <u>put their signatures or</u> sign their names and stamp their seals, or affix their electronic signatures.</p> <p>ARTICLE <u>28</u> (No change)</p> <p>(Remunerations, Etc.) ARTICLE <u>29</u> Remuneration, bonuses and other financial benefits of Directors received from the Company in consideration for the execution of the duties (hereinafter referred to as "Remunerations, Etc.") shall be determined by a resolution of a General Meeting of Shareholders <u>by distinguishing Directors who are Audit and Supervisory Committee Members and other Directors</u>.</p> <p>(Limited Liability Agreement with Directors) ARTICLE <u>30</u> Under the provision of Article 427, paragraph 1 of the Companies Act, the Company may enter into individual agreements with each Director (excluding Directors who are Executive Directors, etc.) to limit their liabilities under Article 423, paragraph 1 of the said Act provided that such Director has acted in good faith and without gross negligence. However, the limit of liability for damages under the agreement shall be the minimum liability amount stipulated by laws and regulations.</p> <p>(Deleted)</p>

Current Articles of Incorporation	Proposed Amendment
<p><u>(Number of Corporate Auditors)</u> <u>ARTICLE 30 The Company shall have no more than four (4) Corporate Auditors.</u></p>	(Deleted)
<p><u>(Method of Election)</u> <u>ARTICLE 31 Corporate Auditors shall be elected at the General Meeting of Shareholders.</u> <u>2. Resolutions to elect Corporate Auditors shall be adopted by a majority vote of the shareholders present at the General Meeting of Shareholders where the shareholders holding one-third (1/3) or more of the voting rights of the shareholders entitled to exercise their voting rights are present.</u></p>	(Deleted)
<p><u>(Term of Office)</u> <u>ARTICLE 32 The term of office of Corporate Auditors shall expire upon conclusion of the Annual General Meeting of Shareholders to be held for the last fiscal year ending within four (4) years after the election of the Corporate Auditors.</u> <u>2. The term of office of a Corporate Auditor elected as a substitute shall be until the expiry of the term of office of the resigning Corporate Auditor.</u></p>	(Deleted)
<p><u>(Standing Corporate Auditor)</u> <u>ARTICLE 33 The Board of Corporate Auditors shall appoint Standing Corporate Auditor(s) among the Corporate Auditors.</u></p>	(Deleted)
<p><u>(Notice of Convocation of Meetings of the Board of Corporate Auditors)</u> <u>ARTICLE 34 Notice of a meeting of the Board of Corporate Auditors shall be given to each Corporate Auditor at least three days prior to the day set for such meeting; provided, however, that in case of emergency, such period of notice may be shortened.</u> <u>2. When all Corporate Auditors give unanimous consent, the meeting of the Corporate Auditors may be held without the formal convocation procedures.</u></p>	(Deleted)
<p><u>(Method of Resolution by the Board of Corporate Auditors)</u> <u>ARTICLE 35 Unless otherwise provided for by law or regulation, resolutions of the Board of Corporate Auditors shall be adopted by a majority vote of the Corporate Auditors present.</u></p>	(Deleted)
<p><u>(Minutes of Meetings of the Board of Corporate Auditors)</u> <u>ARTICLE 36 A summary of the process of the proceedings of meetings of the Board of Corporate Auditors and the results thereof, and other matters provided by laws and regulations, shall be stated or recorded in the minutes, to which the Corporate Auditors present shall sign their names and stamp their seals, or affix their electronic signatures.</u></p>	(Deleted)
<p><u>(Regulations of the Board of Corporate Auditors)</u> <u>ARTICLE 37 Except as provided by laws, ordinances or this Articles of Incorporation, the Board of Corporate Auditors shall be administered in accordance with the Regulations of the Board of Corporate Auditors which shall be adopted by the Board of Corporate Auditors.</u></p>	(Deleted)
<p><u>(Remunerations, Etc.)</u> <u>ARTICLE 38 Remunerations, etc. of Corporate Auditors shall be determined by a resolution of a General Meeting of Shareholders.</u></p>	(Deleted)

Current Articles of Incorporation	Proposed Amendment
<p><u>(Limited Liability Agreement with Corporate Auditors)</u> <u>ARTICLE 39 Under the provision of Article 427, paragraph 1 of the Companies Act, the Company may enter into individual agreements with each Corporate Auditor to limit their liabilities under Article 423, paragraph 1 of the said Act provided that such Corporate Auditor has acted in good faith and without gross negligence. However, the limit of liability for damages under the agreement shall be the minimum liability amount stipulated by laws and regulations.</u></p>	<p>(Deleted)</p>
<p>(Newly established)</p>	<p><u>CHAPTER V AUDIT AND SUPERVISORY COMMITTEE</u></p>
<p>(Newly established)</p>	<p><u>(Standing Audit and Supervisory Committee Member)</u> <u>ARTICLE 31 The Audit and Supervisory Committee may by resolution appoint standing Audit and Supervisory Committee Member(s).</u></p>
<p>(Newly established)</p>	<p><u>(Notice of Convocation of Meetings of the Audit and Supervisory Committee)</u> <u>ARTICLE 32 Notice of a meeting of the Audit and Supervisory Committee shall be given to each Corporate Auditor at least three days prior to the day set for such meeting; provided, however, that in case of emergency, such period of notice may be shortened.</u></p>
<p>(Newly established)</p>	<p><u>2. When all Audit and Supervisory Committee Members give unanimous consent, the meeting of the Audit and Supervisory Committee may be held without the formal convocation procedures.</u></p>
<p>(Newly established)</p>	<p><u>(Method of Resolution by the Audit and Supervisory Committee)</u> <u>ARTICLE 33 Resolutions of the Audit and Supervisory Committee shall be adopted at a meeting of the Audit and Supervisory Committee at which a majority of all of the Audit and Supervisory Committee Members entitled to vote at the meeting are present, by a majority of such Audit and Supervisory Committee Members present at such meeting.</u></p>
<p>(Newly established)</p>	<p><u>(Minutes of Meetings of the Audit and Supervisory Committee)</u> <u>ARTICLE 34 A summary of the process of the proceedings of meetings of the Audit and Supervisory Committee and the results thereof, and other matters provided by laws and regulations, shall be stated or recorded in the minutes, to which the Audit and Supervisory Committee Members present shall put their signatures, or sign their names and stamp their seals, or affix their electronic signatures.</u></p>
<p>(Newly established)</p>	<p><u>(Regulations of the Audit and Supervisory Committee)</u> <u>ARTICLE 35 Except as provided by laws, ordinances or this Articles of Incorporation, the Audit and Supervisory Committee shall be administered in accordance with the Regulations of the Audit and Supervisory Committee which shall be adopted by the Audit and Supervisory Committee.</u></p>
<p>CHAPTER VI ACCOUNTING AUDITOR</p>	<p>CHAPTER VI ACCOUNTING AUDITOR</p>
<p>ARTICLE <u>40~41</u> (Provisions omitted)</p>	<p>ARTICLE <u>36~37</u> (No change)</p>
<p>CHAPTER VII ACCOUNTS</p>	<p>CHAPTER VII ACCOUNTS</p>
<p>ARTICLE <u>42~45</u> (Provisions omitted)</p>	<p>ARTICLE <u>38~41</u> (No change)</p>

Current Articles of Incorporation	Proposed Amendment
<p>(Newly established) (Newly established)</p> <p>(Newly established)</p>	<p><u>SUPPLEMENTARY PROVISION</u> <u>(Transitional Measures Concerning Limited Liability Agreement with Corporate Auditors)</u> <u>ARTICLE 1 The agreements with Corporate Auditors (including former Corporate Auditors) to limit their liabilities under the provision of Article 423, paragraph 1 of the Companies Act concluded before the conclusion of the 24th Annual General Meeting of Shareholders shall remain in force.</u></p> <p><u>(Transitional Measures Concerning Electronic Provision Measure, Etc.)</u> <u>ARTICLE 2 The deletion of Article 18 (Disclosure on Internet of Reference Materials for General Meeting of Shareholders and Deemed Provision of that Information) of the Articles of Incorporation before the amendment and the new establishment of Article 18 (Electronic Provision Measure, Etc.)of the Articles of Incorporation after the amendment shall come into effect as from the date of enforcement of the amended provisions stipulated in the supplementary provision of Article 1 of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (hereinafter referred to as “the Date of Enforcement”).</u> <u>2. Notwithstanding the provisions of the preceding paragraph, Article 18 of the Articles of Incorporation before the amendment shall remain in force with respect to a General Meeting of Shareholders to be held on a date within six (6) months from the Date of Enforcement.</u> <u>3. The Article 2 of the supplementary provisions shall be deleted on the later of either the day on which six (6) months elapse from the Date of Enforcement or the day on which three (3) months elapse from the day of the General Meeting of Shareholders set forth in the preceding paragraph.</u></p>

Proposal No. 3: Election of Five (5) Directors (Excluding Directors Who are Audit and Supervisory Committee Members)

If Proposal No. 2 “Partial Amendments to the Articles of Incorporation,” is approved as originally proposed, the Company will transition to a company with an audit and supervisory committee, and all Directors will retire due to the expiration of their term of office. Accordingly, the Company proposes to elect five (5) Directors (excluding Directors who are Audit and Supervisory Committee Members) after the transition to a company with an audit and supervisory committee.

This proposal, however, can only take effect after Proposal No. 2 “Partial Amendments to the Articles of Incorporation” takes effect.

The candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) are as follows:

1. Atsushi Kawata (Date of Birth: September 8, 1973) Re-election

■ Number of Company’s shares held:

6,241,031 shares

■ Career summary, positions, responsibilities and significant concurrent positions:

January	1999	Founder and President and CEO of the Company (current position)
January	2010	Chairman of oRo TECHNOLOGY (DALIAN) Co., Ltd.
December	2012	Chairman of oRo Vietnam Co., Ltd.
December	2013	Director of oRo Malaysia Sdn. Bhd.
July	2014	Director of oRo (Thailand) Co., Ltd.
January	2016	Director of oRo TAIWAN Co., Ltd.
May	2016	Chairman of DALIAN oRo ADVERTISING Co., Ltd.
February	2018	Director of oRo TECHNOLOGY (DALIAN) Co., Ltd. (current position) Director of DALIAN oRo ADVERTISING Co., Ltd. (current position) Director of oRo TAIWAN Co., Ltd.
April	2018	General Manager of International Business Division of the Company
June	2018	Outside Director of Netyear Group Corporation (current position)
July	2018	oRo Digital Asia Sdn. Bhd. Director
May	2020	Outside Director of NISSEN INC. (current position)

(Significant concurrent positions)

Director of oRo TECHNOLOGY (DALIAN) Co., Ltd.

Director of DALIAN oRo ADVERTISING Co., Ltd.

Outside Director of Netyear Group Corporation

Outside Director of NISSEN INC.

■ Reasons for nomination as a candidate for Director:

Since the inception of the Company in 1999, Mr. Atsushi Kawata has led the management of the entire Group over the course of many years and driven the development of the Group. We believe that his experience and knowledge in the Group’s overall management will continue to contribute to enhancing the Group’s corporate value. The Company thus requests his reelection him as Director.

2. Yasuhisa Hino (Date of Birth: May 14, 1973) Re-election

■ Number of Company's shares held:

3,105,512 shares

■ Career summary, positions, responsibilities and significant concurrent positions:

January	1999	Co-founder and Director of the Company
April	2009	General Manager for Administration Department of the Company
June	2009	Senior Managing Director of the Company (current position)
January	2010	Director of oRo TECHNOLOGY (DALIAN) Co., Ltd.
January	2013	General Director of oRo Vietnam Co., Ltd.
December	2013	Director of oRo Malaysia Sdn. Bhd.
January	2015	General Manager for Corporate Department (current position)
March	2021	Director of oRo Miyazaki Co., Ltd. (current position) Director of oRo code MOC Co., Ltd. (current position)

(Significant concurrent positions)

Director of oRo Miyazaki Co., Ltd.

Director of oRo code MOC Co., Ltd.

■ Reasons for nomination as a candidate for Director:

Since the inception of the Company in 1999, Mr. Yasuhisa Hino has overseen the Group's management, especially its administrative operations, over the course of many years and driven the development of the Group. We believe that his experience and knowledge in the Group's management and administrative operations will continue to contribute to enhancing the Group's corporate value. The Company thus requests his reelection as Director.

3. Hiroshi Ikumoto (Date of Birth: October 26, 1976) Re-election

■ Number of Company's shares held:

8,461 shares

■ Career summary, positions, responsibilities and significant concurrent positions:

July	1999	Joined Folk Co., Ltd.
May	2006	President of Folk Co., Ltd.
July	2012	Director of Folk Co., Ltd.
January	2013	Joined oRo Co., Ltd., Corporate Officer, Deputy General Manager of the Communication Design Division of the Company
January	2016	Corporate Officer, General Manager, Communication Design Division of the Company
December	2016	Director of oRo Miyazaki Co., Ltd. (current position)
February	2018	Director of oRo TECHNOLOGY (DALIAN) Co., Ltd. (current position) Director of DALIAN oRo ADVERTISING Co., Ltd. (current position)
March	2018	Director, General Manager, Communication Design Division of the Company (currently Marketing Communication Division) (current position)
April	2019	Director of oRo code MOC Co., Ltd. (current position)
February	2021	Director of oRo TAIWAN Co., Ltd. (current position)
March	2021	Director of oRo (Thailand) Co., Ltd. (current position)
April	2021	Director of oRo Malaysia Sdn. Bhd. (current position)

(Significant concurrent positions)

Director of oRo Miyazaki Co., Ltd.

Director of oRo TECHNOLOGY (DALIAN) Co., Ltd.

Director of DALIAN oRo ADVERTISING Co., Ltd.

Director of oRo code MOC Co., Ltd.

Director of oRo TAIWAN Co., Ltd.

Director of oRo (Thailand) Co., Ltd.

Director of oRo Malaysia Sdn. Bhd.

■ Reasons for nomination as a candidate for Director:

Mr. Hiroshi Ikumoto has been engaged in the field of digital marketing over the course of many years and has experience and knowledge in that field. He assumed the position of Corporate Officer and Deputy General Manager of the Communication Design Division of the Company in 2013, and has been in charge as General Manager of the Communication Design Division (currently, Marketing Communication Division) since 2016. We believe that such experience and knowledge gained through his career will continue to contribute to enhancing the Group's corporate value, such as acquiring more orders by the Group. The Company thus requests his reelection as Director.

4. Masanori Seimiya (Date of Birth: September 13, 1976) New appointment

■ Number of Company's shares held:

5,024 shares

■ Career summary, positions, responsibilities and significant concurrent positions:

April	2010	Joined the Company
April	2013	Head of Client Support Group, Business Solutions Division of the Company
April	2014	Head of Client Support Group and Head of Maintenance Group, Business Solutions Division of the Company
April	2016	Head of Client Support Group and Head of Maintenance and Infrastructure Group, Business Solutions Division of the Company
April	2018	Head of Development Group, Business Solutions Division of the Company
July	2020	Head of Client Support Group and Head of Enterprise Development Group, Cloud Solutions Division of the Company
July	2021	Deputy Division Manager, Cloud Solutions Division of the Company (current position)

(Significant concurrent positions)

—

■ Reasons for nomination as a candidate for Director:

Since joining the Company in 2010, Mr. Masanori Seimiya has served as Group Heads within the Business Solutions Division (currently, Cloud Solutions Division) of the Company. He currently oversees the entire Cloud Solutions Division as Deputy Division Manager by demonstrating his management skills. We believe that such experience and knowledge will continue to contribute to enhancing the Group's corporate value, such as acquiring more orders by the Group. The Company thus requests his election as Director.

5. Kei Sakaguchi (Date of Birth: November 27, 1973) Candidate for Independent Officer
Candidate for Outside Director
Re-election

■ Number of Company's shares held:
100 shares

■ Career summary, positions, responsibilities and significant concurrent positions:

April	2008	Associate Professor, Tokyo Institute of Technology
April	2012	Associate Professor, Osaka University
April	2015	Associate Professor, Tokyo Institute of Technology
August	2015	Senior Scientist, Fraunhofer Heinrich-Hertz- Institute
April	2017	Professor, Tokyo Institute of Technology (current position)
January	2018	Consultant, Fraunhofer Heinrich-Hertz- Institute
March	2018	Outside Director of the Company (current position)
December	2019	Director of Tokyo Tech Academy for Super Smart Society (current position)

(Significant concurrent positions)
Professor, Tokyo Institute of Technology

■ Reasons for nomination as a candidate for Outside Director and overview of expected roles:

Although Mr. Kei Sakaguchi has never been directly involved in corporate management, he has in-depth expertise and experience cultivated as a scholar of information and communication engineering. We expect him to give advice on the Company's overall management from an academic point of view as well as to contribute to strengthening our risk management and enhancing the supervisory function of business execution in the Company's engineering departments. The Company thus requests his reelection as Outside Director.

(Notes to Proposal No. 3)

- Notes:
1. There is no conflict of interest between each candidate and the Company.
 2. The number of the Company's shares held by Mr. Masanori Seimiya includes the substantive number of shares held by the Employee Shareholding Association.
 3. Mr. Kei Sakaguchi is a candidate for Outside Director.
 4. Mr. Kei Sakaguchi currently serves as Outside Director of the Company, and he will have served in the position for four (4) years at the conclusion of this General Meeting of Shareholders.
 5. The Company has registered Mr. Kei Sakaguchi as an Independent Officer in accordance with the provisions of the Tokyo Stock Exchange. The Company intends to continue to designate him as an Independent Officer if his reelection is approved.
 6. The Company has entered into an agreement with Mr. Kei Sakaguchi to limit his liability under Article 423, paragraph 1 of the Companies Act, and the limit of liability for damages under the agreement shall be the minimum liability amount stipulated in Article 425, paragraph 1 of the said Act. The Company intends to continue the aforementioned limited liability agreement with Mr. Kei Sakaguchi if his reelection is approved.
 7. The Company has entered into a directors and officers liability insurance policy with an insurance company. The policy indemnifies the insured against damage compensation, legal costs and other expenses arising from claims for damages caused by an action (including nonfeasance) of the insured taken as an officer of the company. However, there are certain exemptions, such as in case of actions taken with knowledge of their illegality. The insurance premiums are fully borne by the Company. If each candidate assumes office as Director, they will be insured under the insurance policy. Also, the insurance policy will be renewed during their term of office.

Proposal No. 4: Election of Four (4) Directors who are Audit and Supervisory Committee Members

If proposal No. 2 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed, the Company will transition to a company with an audit and supervisory committee. Accordingly, the Company proposes to elect four (4) Directors who are Audit and Supervisory Committee Members. The Company has obtained consent of the Board of Corporate Auditors to this proposal.

This proposal, however, can only take effect after Proposal No. 2 “Partial Amendments to the Articles of Incorporation” takes effect.

The candidates for Directors who are Audit and Supervisory Committee Members are as follows:

- 1. Seiichi Suzuki** (Date of Birth: October 6, 1947) Candidate for Independent Officer
Candidate for Outside Director
New appointment

■ Number of Company’s shares held:
2,500 shares

April	1970	Joined The Yokohama Rubber Co., Ltd.
June	2002	Full-time Corporate Auditor of The Yokohama Rubber Co., Ltd.
October	2009	Full-time Corporate Auditor of the Company (current position)
March	2015	Corporate Auditor of oRo TECHNOLOGY (DALIAN) Co., Ltd. (current position) Controller of oRo Vietnam Co., Ltd. (current position)
January	2016	Corporate Auditor of oRo TAIWAN Co., Ltd. (current position)
May	2016	Corporate Auditor of DALIAN oRo ADVERTISING Co., Ltd. (current position)
September	2016	Corporate Auditor of oRo Miyazaki Co., Ltd. (current position)
April	2019	Corporate Auditor of oRo code MOC Co., Ltd. (current position)

■ Career summary, positions, responsibilities and significant concurrent positions:

(Significant concurrent positions)
Corporate Auditor of oRo TECHNOLOGY (DALIAN) Co., Ltd.
Controller of oRo Vietnam Co., Ltd.
Corporate Auditor of oRo TAIWAN Co., Ltd.
Corporate Auditor of DALIAN oRo ADVERTISING Co., Ltd.
Corporate Auditor of oRo Miyazaki Co., Ltd.
Corporate Auditor of oRo code MOC Co., Ltd.

■ Reasons for nomination as a candidate for Outside Director and overview of expected roles:

Mr. Seiichi Suzuki has many years of extensive experience and a wide range of knowledge gained at business companies. Moreover, up to the present he has appropriately fulfilled his duties and responsibilities as Standing Corporate Auditor of the Company, through which he has amassed a wealth of insight in the Group’s auditing practices. The Company thus requests his election as Outside Director who is an Audit and Supervisory Committee Member as we expect that he will appropriately audit the Company’s business management from an objective standpoint independent from executive officers based on his experience and knowledge gained through his career.

2. Minoru Hirooka (Date of Birth: July 8, 1971)

Candidate for Independent Officer
Candidate for Outside Director
New appointment

■ Number of Company's shares held:

2,500 shares

■ Career summary, positions, responsibilities and significant concurrent positions:

October	1997	Joined Central Audit Corporation
May	2001	Certified Public Accountant registration
January	2009	Founder and President of Hirooka Certified Public Accountant Office (current position) Corporate Auditor of IOS Corporation (current position)
June	2009	Corporate Auditor of the Company (current position)
March	2013	Corporate Auditor of AGRIMEDIA Inc. (current position)
January	2015	Founder and President of Hirooka Office (current position)
May	2015	Corporate Auditor of Day Dream Co., LTD. (current position)
June	2016	Corporate Auditor of FOODCONNECTION Inc. (current position)
May	2017	Corporate Auditor of Veritas In Silico Inc. (current position)
June	2018	Outside Director (Audit and supervisory committee member) of SE Holdings and Incubations Co.,Ltd. (current position)

(Significant concurrent positions)

President of Hirooka Certified Public Accountant Office

Outside Director (Audit and supervisory committee member) of SE Holdings and Incubations Co., Ltd.

■ Reasons for nomination as a candidate for Outside Director and overview of expected roles:

Mr. Minoru Hirooka is a certified public accountant and has expertise and experience in finance and accounting. The Company requests his election as Outside Director who is an Audit and Supervisory Committee Member as we expect that he will appropriately audit the Company's business management from an objective standpoint independent from executive officers based on his experience and knowledge gained through his career.

3. Yoichi Maeda (Date of Birth: October 18, 1956)

Candidate for Independent Officer
Candidate for Outside Director
New appointment

■ Number of Company's shares held:

—

■ Career summary, positions, responsibilities and significant concurrent positions:

April	1980	Joined MITSUI & CO., LTD.
March	1991	General Manager of Information and Machinery Division of Brussels Headquarters, MITSUI & CO. BENELUX S. A./N. V.
April	2001	Departmental General Manager of Semiconductor Division, Electronics Business Unit, MITSUI & CO., LTD.
December	2005	Departmental General Manager of Strategic Planning Division, Information Industry Business Unit, MITSUI & CO., LTD.
April	2007	General Manager of Information Industry Planning and Administrative Division (Information Industry Business Unit), MITSUI & CO., LTD.
July	2007	General Manager of Electronics Business Division Information Industry Business Unit, MITSUI & CO., LTD.
March	2011	Inspector, Internal Auditing Division, MITSUI & CO., LTD.
June	2017	Standing Corporate Auditor, MN Inter-Fashion Ltd. (formerly Mitsui Bussan I-Fashion Ltd.)
July	2021	Specially Appointed Inspector, Internal Auditing Division, MITSUI & CO., LTD.

(Significant concurrent positions)

—

■ Reasons for nomination as a candidate for Outside Director and overview of expected roles:

Mr. Yoichi Maeda has many years of extensive experience and a wide range of knowledge gained at business companies. The Company requests his election as Outside Director who is an Audit and Supervisory Committee Member as we expect that he will appropriately audit the Company's business management from an objective standpoint independent from executive officers based on his experience and knowledge gained through his career.

4. Yuki Imamura (Date of Birth: January 18, 1976) Candidate for Independent Officer
Candidate for Outside Director
New appointment

■ Number of Company's shares held:

—

■ Career summary, positions, responsibilities and significant concurrent positions:

April	1998	Joined McCann Erickson Japan Inc.
December	2008	Registered as Attorney at Law
January	2009	Joined TMI Associates
January	2021	Counsel at TMI Associates (current position)

(Significant concurrent positions)

—

■ Reasons for nomination as a candidate for Outside Director and overview of expected roles:

Although Ms. Yuki Imamura has never been directly involved in corporate management, she is an attorney at law with practical and legal expertise and experience in advertisement. The Company requests her election as Outside Director who is an Audit and Supervisory Committee Member as we expect that she will reflect her expertise in audits of the Company from an objective standpoint independent from executive officers.

(Notes to Proposal No. 4)

- Notes:
1. There is no conflict of interest between each candidate and the Company.
 2. Mr. Seiichi Suzuki, Mr. Minoru Hirooka, Mr. Yoichi Maeda and Ms. Yuki Imamura are candidates for Outside Directors.
 3. The Company has registered Mr. Seiichi Suzuki and Mr. Minoru Hirooka as Independent Officers in accordance with the provisions of the Tokyo Stock Exchange. The Company intends to continue to register them as Independent Officers if their election is approved. The Company also intends to newly designate Mr. Yoichi Maeda and Ms. Yuki Imamura as Independent Officers and register them with the said stock exchange if their election is approved.
 4. The Company has entered into an agreement with Mr. Seiichi Suzuki and Mr. Minoru Hirooka to limit their liabilities as Corporate Auditors under Article 423, paragraph 1 of the Companies Act, and the limit of liability for damages under the agreement shall be the minimum liability amount stipulated in Article 425, paragraph 1 of the said Act. The Company intends to enter into a limited liability agreement with the same content as the aforementioned agreement with each of them if their election as Directors who are Audit and Supervisory Committee Members is approved. The Company also intends to enter into the same agreement with Mr. Yoichi Maeda and Ms. Yuki Imamura if their election is approved.
 5. The Company has entered into a directors and officers liability insurance policy with an insurance company. The policy indemnifies the insured against damage compensation, legal costs and other expenses arising from claims for damages caused by an action (including nonfeasance) of the insured taken as an officer of the company. However, there are certain exemptions, such as in case of actions taken with knowledge of their illegality. The insurance premiums are fully borne by the Company. If each candidate assumes office as Director who is an Audit and Supervisory Committee Member, they will be insured under the insurance policy. Also, the insurance policy will be renewed during their term of office.
 6. Yuki Imamura's name in the family register is Yuki Yamauchi

Reference: Skill Matrix of the Board of Directors after the General Meeting of Shareholders

If all the candidates listed in this notice of convocation are elected as originally proposed, the expertise and experience of each Director will be as follows:

	Corporate management	Business strategy/ marketing	Technology	Global business	ESG/ sustainability	Finance/accounting/ investment	Legal affairs/ risk management
Atsushi kawata	○		○		○		
Yasuhisa Hino	○					○	○
Hiroshi Ikumoto	○	○		○			
Masanori Seimiya		○	○			○	
Kei Sakaguchi			○	○	○		
Seiichi Suzuki				○	○		○
Minoru Hirooka						○	○
Yoichi Maeda	○			○			○
Yuki Imamura					○		○

Note: Out of the expertise and experience possessed by each Director, up to three main categories are marked with a circle.

Proposal No. 5: Determination of Amount of Remuneration for Directors (Excluding Directors Who are Audit and Supervisory Committee Members)

If proposal No. 2 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed, the Company will transition to a company with an audit and supervisory committee.

At the 15th Annual General Meeting of Shareholders held on June 27, 2013, the amount of remuneration for the Directors of the Company was approved to be up to 200 million yen per year, which has remained valid to date. In line with the transition to a company with an audit and supervisory committee, the Company hereby proposes to determine the amount of remuneration for the Directors (excluding Directors who are Audit and Supervisory Committee Members) to be up to 200 million yen per year (of which, up to 15 million yen per year for Outside Directors), taking into consideration their duties and responsibilities as well as various other factors such as economic conditions. The specific amount and the timing of payment, etc. of remuneration for each Director (excluding Director who is an Audit and Supervisory Committee Member) shall be determined by a resolution of the Board of Directors.

The intention of this proposal is to determine the maximum amount of remuneration for the Directors (excluding Directors who are Audit and Supervisory Committee Members) to the necessary and reasonable extent in consideration of such factors as the remuneration levels of other companies of the same scale, balance with employee salaries, duties and responsibilities of Directors (excluding Directors who are Audit and Supervisory Committee Members), and securing of human resources, and we believe that this proposal is appropriate.

The proposed amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) does not include employee salaries for Directors who concurrently serve as employees.

If proposal No. 3 “Election of Five (5) Directors (Excluding Directors Who are Audit and Supervisory Committee Members)” is approved as originally proposed, the number of such Directors eligible for the remuneration under this proposal shall be five (5) (one [1] of whom is an Outside Director).

This proposal, however, can only take effect after Proposal No. 2 “Partial Amendments to the Articles of Incorporation” takes effect.

Proposal No. 6: Determination of Amount of Remuneration for Directors who are Audit and Supervisory Committee Members

If proposal No. 2 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed, the Company will transition to a company with an audit and supervisory committee.

Accordingly, the Company proposes to determine the amount of remuneration for the Directors who are Audit and Supervisory Committee Members to be up to 35 million yen per year, taking into consideration their duties and responsibilities as well as various other factors such as economic conditions. The specific amount and the timing of payment, etc. of remuneration for each Director who is an Audit and Supervisory Committee Member shall be determined by discussion among the Directors who are Audit and Supervisory Committee Members.

The intention of this proposal is to determine the amount of remuneration for the Directors who are Audit and Supervisory Committee Members to the necessary and reasonable extent in consideration of such factors as the remuneration levels of other companies of the same scale, duties and responsibilities of Directors who are Audit and Supervisory Committee Members, the remuneration level of Directors (excluding Directors who are Audit and Supervisory Committee Members), and securing of human resources, and we believe that this proposal is appropriate.

If proposal No. 4 “Election of Four (4) Directors Who are Audit and Supervisory Committee Members” is approved as originally proposed, the number of such Directors eligible for the remuneration under this proposal shall be four (4).

This proposal, however, can only take effect after Proposal No. 2 “Partial Amendments to the Articles of Incorporation” takes effect.

Proposal No. 7: Determination of Remuneration for Granting the Restricted Stock to Directors (Excluding Directors Who are Audit and Supervisory Committee Members and Outside Directors)

If proposal No. 5 “Determination of Amount of Remuneration for Directors (Excluding Directors Who are Audit and Supervisory Committee Members)” is approved as originally proposed, the amount of remuneration for Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members) will be up to 200 million yen per year (not including employee salaries for Directors who concurrently serve as employees). Besides that, the Company hereby proposes the payment of remuneration for granting shares with restriction on transfer (hereinafter referred to as the “Restricted Stock”) to Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) of the Company (hereinafter referred to as “Eligible Directors”), separately from the aforementioned amount of remuneration, in order for them to further share the benefits and risks of stock price fluctuations with shareholders and enhance their motivation toward further contribution to the rise in stock price and the increase in corporate value.

At the 22nd Annual General Meeting of Shareholders held on March 26, 2020, the Company obtained the approval for remuneration for granting the Restricted Stock to Directors (excluding Outside Directors). However, in line with the transition to a company with an audit and supervisory committee, the Company is now seeking approval for this proposal instead of the previously approved remuneration.

The remuneration to be paid to Eligible Directors for granting the Restricted Stock under this proposal shall be monetary remuneration receivables, and its total amount shall not exceed 50 million yen per year, which is deemed reasonable in light of the aforementioned purpose. The specific timing of payment and allotment to each Eligible Director shall be determined by the Board of Directors.

The intention of this proposal is to determine the remuneration for Eligible Directors to the necessary and reasonable extent in consideration of such factors as duties and responsibilities of the Eligible Directors and the effect on the total number of issued shares in light of the aforementioned purpose, and we believe that this proposal is appropriate.

If proposal No. 3 “Election of Five (5) Directors (Excluding Directors Who are Audit and Supervisory Committee Members)” is approved as originally proposed, the number of Eligible Directors shall be four (4).

Eligible Directors shall make in-kind contributions of all monetary remuneration receivables to be granted under this proposal, and shall, in return, receive the Company’s shares of common stock that will be issued or disposed of by the Company by a resolution of the Board of Directors. The total number of shares of common stock of the Company to be issued or disposed of under this proposal shall not exceed 15,000 shares per year; however, in case that the Company splits its shares (including gratis allotment of common stock of the Company), consolidates its shares of common stock on or after the date of approval of this proposal, or any other event that requires adjustment of the total number of shares of the Company’s common stock to be issued or disposed of as the Restricted Stock, the total number of shares shall be adjusted within a reasonable range.

The amount to be paid in per share shall be the amount determined by the Board of Directors within a range that is not specially advantageous to the Eligible Directors who will receive the common stock, based on the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of the Board of Directors (if such date is a non-trading day, the closing price on the most recent trading day prior to that date). For the purpose of issuing and disposing of common stock in the Company under this proposal, the Company shall enter into a restricted stock allotment agreement (hereinafter referred to as the “Allotment Agreement”) with Eligible Directors, which shall include the following contents:

(1) Transfer restriction period

Eligible Director shall not transfer, create a security interest on, or otherwise dispose of the Company's common stock allotted under this Allotment Agreement (hereinafter referred to as the "Allotted Stock") during a period predetermined by the Board of Directors of the Company between 3 and 50 years from the date of allotment under the agreement (hereinafter referred to as the "Transfer Restriction Period") (hereinafter referred to as the "Transfer Restrictions").

(2) Treatment on retirement from the office

If an Eligible Director retires from the office as Director or any other equivalent position of the Company before the expiration of the Transfer Restriction Period, the Company shall automatically acquire the Allotted Stock without contribution, unless the reason for his/her retirement from office is the expiration of the term of his/her office, death or any other justifiable reason.

(3) Lifting of the Transfer Restrictions

Notwithstanding the provisions of (1) above, the Company shall lift the Transfer Restrictions of all of the Allotted Stock upon the expiration of the Transfer Restriction Period, on condition that the Eligible Director has remained in the office as Director or any other equivalent position of the Company throughout the Transfer Restriction Period. However, if the Eligible Director retires from the office defined in (2) above before the expiration of the Restriction Period due to the expiration of the term of his/her office, death or any other justifiable reason defined in (2) above, the Company shall rationally adjust the number of the Allotted Stock on which the Transfer Restrictions are to be lifted and the timing of lifting as needed. Furthermore, the Company shall automatically acquire without contribution the Allotted Stock on which the Transfer Restrictions have not been lifted as of the time of immediately after the Transfer Restrictions were lifted, in accordance with the provisions above.

(4) Treatment during reorganization, etc.

Notwithstanding the provisions of (1) above, if, during the Transfer Restriction Period, matters relating to a merger agreement under which the Company is the disappearing company, a stock exchange agreement or stock transfer plan in which the Company becomes a wholly-owned subsidiary of another company, or any other reorganization, etc. are approved at the Company's general meeting of shareholders (or at a meeting of the Board of Directors of the Company in case where approval at the Company's general meeting of shareholders is not required in relation to the reorganization, etc.), the Company shall lift the Transfer Restrictions on the Allotted Stock with the number of shares that is reasonably determined considering the period from the start date of the Transfer Restriction Period to the approval date of the reorganization, etc. prior to the date on which the reorganization, etc. becomes effective, by a resolution of the Board of Directors of the Company. Furthermore, the Company shall automatically acquire without contribution the Allotted Stock on which the Transfer Restrictions have not been lifted as of the time immediately after the Transfer Restrictions were lifted, in accordance with the provisions above.

(5) Other matters

Other matters concerning the Allotment Agreement shall be determined by the Board of Directors of the Company.

Proposal No. 8: Determination of Amount and Details of Non-Monetary Remuneration for Directors (Excluding Directors Who are Audit and Supervisory Committee Members and Outside Directors)

The Company proposes to provide rental housing to Directors stationed overseas (excluding Directors who are Audit and Supervisory Committee Members; hereinafter referred to as “Eligible Directors”), and bear additional education costs for their children incurred due to the overseas assignment (hereinafter referred to as the “Plan”). In such a case, the maximum monthly amount of non-monetary remuneration to be borne by the Company under this Plan shall not exceed 500 thousand yen per Eligible Director, separately from the amounts of remuneration proposed under Proposal No. 5 “Determination of Amount of Remuneration for Directors (Excluding Directors Who are Audit and Supervisory Committee Members)” and Proposal No. 7 “Determination of Remuneration for Granting the Restricted Stock to Directors (Excluding Directors Who are Audit and Supervisory Committee Members and Outside Directors).”

At the 18th Annual General Meeting of Shareholders held on March 25, 2016, the maximum monthly amount of non-monetary remuneration to be borne by the Company under this Plan was approved to be up to 500 thousand yen per Director stationed overseas. However, in line with the transition to a company with an audit and supervisory committee, the Company is now seeking approval for this proposal instead of the previously approved remuneration.

This proposal complies with the fact that the rent and education costs for children of employees stationed overseas are borne by the Company in accordance with the internal rules, and we thus believe that this proposal is appropriate.

If proposal No. 3 “Election of Five (5) Directors (Excluding Directors Who are Audit and Supervisory Committee Members)” is approved as originally proposed, the number of Directors eligible for this Plan shall be four (4).

Business Report (Fiscal Year Ended December 31, 2021)

1. Matters regarding the current state of the Group

(1) Progress and results of operations

During the fiscal year ended December 31, 2021 (from January 1, 2021 to December 31, 2021) (the “current fiscal year”), the Japanese economy remained in a severe situation with the state of emergency being declared for the second time due to the spread of COVID-19 infections. While there were signs of recovery in some economic activities in the second half of the current fiscal year, during which vaccination against COVID-19 was facilitated and various economic measures were taken, as well as the state of emergency was lifted nationwide, the outlook for the future still remains uncertain.

In the domestic IT service industry, with workstyle reform being more widely accepted in society, there has been a continued growth in demand for IT systems that improve productivity and operational efficiency. In fact, an increasing number of companies have been adopting cloud-based services for their enterprise IT systems, seeking for more cost-effective and convenient IT systems and making a transition to a new way of working designed to support remote work triggered by the impact of COVID-19.

The Internet industry has seen an ongoing strong trend mainly among major corporations toward a new form of digitization called “Digital Transformation (DX),” which can drastically transform the existing business models and industry structures.

Under such market conditions, we have maintained our integrated system of production and sales, on which the cloud services and digital solutions are provided. Cloud-based ERP “ZAC” and “Reforma PSA,” flagship products of our Cloud Solutions business, have contributed to business results by showing a steady growth thanks to extensive demand from industries and business fields comprised mainly of companies seeking for project management solutions. In our Digital Transformation (DX) business, we have provided a variety of digital-based solutions that support the full scope of clients’ business activities. Among them are area marketing for corporate clients who operate local stores in each trade area across the nation; planning and development of websites, digital content, and applications; strategic planning and operational support for SNS marketing; strategy building for and management of Web advertisements. In addition, to achieve continuous improvement in our corporate value, we have strived to acquire new clients while deepening relationships with existing high-priority clients in each of our businesses.

As a result of the above, the consolidated financial results for the current fiscal year were as follows. Net sales were 5,762,070 thousand yen (up 9.9% year-on-year), operating profit was 2,120,427 thousand yen (up 24.2% year-on-year), ordinary profit was 2,132,046 thousand yen (up 24.5% year-on-year), and profit attributable to owners of parent was 1,490,724 thousand yen (up 26.1% year-on-year).

Net sales by business segment

Business segment	Net sales
Cloud Solution	3,372,782 thousand yen
Digital Transformation	2,389,288 thousand yen

Note: The above amounts do not include consumption and other taxes.

(2) Capital expenditure

Total capital expenditure amounted to 60,161 thousand yen for the current fiscal year, mainly comprising the following:

- Business servers and other devices in the Cloud Solutions business 30,028 thousand yen
- Cost of development of a ZAC’s new functions in the Cloud Solutions business 25,369 thousand yen

(3) Financing

There are no material facts to report.

(4) Acquisition or disposal of shares, other equity interests or share acquisition rights of other companies

Not applicable.

(5) Assets and profit or loss

(i) Assets and profit or loss of the Group

(Thousands of yen)

Account	FY2018 21th	FY2019 22th	FY2020 23th	FY2021 (As of December 31, 2021) 24th
Net sales	4,463,678	5,022,672	5,240,816	5,762,070
Ordinary profit	1,186,134	1,357,727	1,713,121	2,132,046
Profit attributable to owners of parent	834,128	900,306	1,182,080	1,490,724
Earnings per share	yen 50.25	yen 54.24	yen 71.19	yen 92.08
Total assets	6,637,714	7,681,739	8,608,368	8,357,570
Net assets	5,394,344	6,164,021	7,216,818	6,859,908
Net assets per share	yen 324.96	yen 371.32	yen 434.59	yen 425.79

Notes: 1. Net sales do not include consumption and other taxes.

2. Profit per share was calculated based on the average number of shares during the period excluding treasury shares, while net assets per share was calculated based on the number of shares at the end of the period excluding treasury shares.

3. As the Company conducted a 2-for-1 common stock split effective on June 1, 2019, both profit per share and net assets per share were calculated based on the assumption that the stock split had been conducted at the beginning of the 21st fiscal year.

(ii) Assets and profit or loss of the Company

(Thousands of yen)

Account	FY2018 21th	FY2019 22th	FY2020 23th	FY2021 (As of December 31, 2021) 24th
Net sales	4,187,241	4,744,201	5,022,955	5,507,254
Ordinary profit	1,137,821	1,351,619	1,707,124	2,081,456
Profit	809,248	852,422	1,198,616	1,441,383
Earnings per share	yen 48.75	yen 51.35	yen 72.19	yen 89.03
Total assets	6,145,503	7,121,655	8,109,081	7,789,659
Net assets	5,082,944	5,811,778	6,881,003	6,432,304
Net assets per share	yen 306.20	yen 350.11	Yen 414.37	yen 399.25

Notes: 1. Net sales do not include consumption and other taxes.

2. Profit per share was calculated based on the average number of shares during the period excluding treasury shares, while net assets per share was calculated based on the number of shares at the end of the period excluding treasury shares.

3. As the Company conducted a 2-for-1 common stock split effective on June 1, 2019, both profit per share and net assets per share were calculated based on the assumption that the stock split had been conducted at the beginning of the 21st fiscal year.

(6) Issues to be addressed

The Group's Cloud Solutions business and Digital Transformation business both cover business domains where technological evolution, changes in customer needs, and competition with competitors are intense. Under such business circumstances, issues to be addressed by the Group in order to project sustainable growth over the long term and ensure the execution of management strategies are stated as below.

(i) Securing and development of excellent human resources

We recognize that human resources, which are the source of continuous growth, are the most important management resources for the Group. In the information service industry to which the Group belongs, competition for human resources is intensifying, and in such a situation, consistently hiring and retaining excellent human resources are crucial to the development of the Group. To strengthen our human resource base, we will move forward with various measures such as strengthening our recruitment system, enhancing our education and talent development, training and personnel evaluation systems, and improving our working environment.

(ii) Strengthening of sales force

In our Digital Transformation business, we will strengthen our marketing strategy and acquire more leads, aiming to enhance our visibility in the industry. Also, we will continue to strengthen cooperation with major advertising agencies so as to receive more project orders.

In our Cloud Solutions business, we will expand the range of sales and marketing activities to increase our market shares in growing industries. We will also strengthen cooperation with major system integrators so as to receive more project orders.

(iii) Improvement of technical and product capabilities

In our Digital Transformation business where competition is increasingly intensifying, further differentiation in technology and services is required to ensure the effective exploitation of business opportunities to drive business growth. We will improve our technological edge by catching up with the latest technological developments and effectively reflecting them in our business.

In our Cloud Solutions business, we will push forward with our research activities in technical domains more than ever to leverage the strength of a SaaS model, which is a feature of our mainstay product, cloud ERP “ZAC.” We will turn ZAC’s basic functions into an API and actively link it with cloud products and business intelligence (BI) products of other companies. We will also strive to strengthen our R&D system to promote priority measures such as improving user interface (UI) and making our products compatible with smartphones.

(iv) Global business development

In our Digital Transformation business, there is an increasing trend in clients moving forward with their global business development. We believe that it is necessary requirement for the Group to put in place a system that enables us to provide global client support. At the same time, we expect that exploring overseas markets will offer great growth opportunities.

In the ERP market, major companies have already expanded their business globally. Therefore, in order to achieve further growth of the Cloud Solutions business, it is inevitable for the Group to expand its business operations globally. Offering products in multiple languages and making them compatible with multiple currencies are essential requirements for such growth, and we will invest in developing these additional functions.

In order to seize such opportunities, the Group will actively promote global business development, while reducing risks by strengthening systems of overseas consolidated subsidiaries as well as by exploring new global business partners.

(v) Improvement of visibility and establishment of brand presence

In order for the Group to further increase its market penetration, it becomes necessary to further improve its visibility and build a sense of trust. We will strive to establish a presence of the Group’s brand and increase its dissemination through tireless efforts to raise the levels of our products and services, improvement of our existing client satisfaction, and enhancement of our publicity so that our clients can trust us as a “market leader.”

(vi) Impact of COVID-19 infections and countermeasures

The results of our Digital Transformation business have been adversely affected by the COVID-19 pandemic as it also had a negative impact on companies in the retail and automobile industries, which are our major clients. As such, we will work to strengthen our sales activities to expand the scope of clients so as to minimize the impact on our business results.

In addition, in response to the spread of COVID-19 infections and the declaration of the state of emergency, we have been taking various measures in consideration of ensuring the safety of our employees and stakeholders and our business continuity, such as implementing remote working, utilizing staggered working hours, and taking thorough internal preventive measures. We are also working to improve our productivity such as increasing operational efficiency.

(7) Main businesses (as of December 31, 2021)

The Group offers IT-driven solutions to solve challenges in corporate management. The details of our respective business segments are as follows:

(i) Cloud Solutions

Cloud Solutions provides services with a focus on development and sale of the enterprise resource planning (ERP) “ZAC” and “Reforma PSA.”

(ii) Digital Transformation

Digital Transformation provides digital-based one-stop support for marketing activities of companies and local governments, such as creation, construction, operation and analysis of web and internet advertisements.

(8) Principal business offices (as of December 31, 2021)

(i) The Company

Company name	Location
Head Office	Meguro-ku Tokyo
Nishinohon Branch Office	Osaka-shi Osaka
Hokkaido Branch Office	Sapporo-shi Hokkaido
Fukuoka Branch Office	Fukuoka-shi Fukuoka

(ii) Subsidiaries

Domestic

Company name	Location
oRo Miyazaki Co., Ltd.	Miyazaki-shi Miyazaki
oRo code MOC Co., Ltd.	Niigata-shi Niigata

Overseas

Company name	Location
oRo TECHNOLOGY (DALIAN) Co., Ltd.	China
oRo Vietnam Co., Ltd.	Vietnam
oRo Malaysia Sdn. Bhd.	Malaysia
oRo (Thailand) Co., Ltd.	Thailand
oRo TAIWAN Co., Ltd.	Taiwan
DALIAN oRo ADVERTISING Co., Ltd.	China

(9) Employees (as of December 31, 2021)

(i) Group's employees

Number of employees	YoY change
441	16 increase

Note: The number of employees (excluding those seconded from the Group to outside the Group, but including those seconded to the Group from outside the Group) does not include contract employees, temporary employees, or part-timers.

(ii) The Company

Number of employees	YoY change	Average age	Average years of service (year)
253	11 increase	33.7	5.6

Note: The number of employees (excluding those seconded from the Company to outside the Company, but including those seconded to the Company from outside the Company) does not include contract employees, temporary employees, or part-timers.

(10) Material parent company and subsidiaries

(i) Parent Company

Not applicable

(ii) Material subsidiaries

Company name	Capital	Equity stake of the Company	Main Business
oRo TECHNOLOGY (DALIAN) Co., Ltd.	70,000 USD	100.0%	Cloud Solutions Digital Transformation
oRo Vietnam Co., Ltd.	100,000 USD	100.0%	Digital Transformation
oRo Malaysia Sdn. Bhd.	1,000,000 MYR	100.0%	Digital Transformation
oRo (Thailand) Co., Ltd.	4,000,000 THB	49.0% [41.0]	Digital Transformation
oRo TAIWAN Co., Ltd.	5,000,000 TWD	100.0%	Digital Transformation
DALIAN oRo ADVERTISING Co., Ltd.	1,000,000 CNY	100.0%	Digital Transformation
oRo Miyazaki Co., Ltd.	10,000,000 JPY	100.0%	Cloud Solutions Digital Transformation
oRo code MOC Co., Ltd.	10,000,000 JPY	100.0%	Cloud Solutions Digital Transformation

Notes: 1. The figures in [] in “Equity stake of the Company” are the ratio of stake held by persons who have agreed and not included in the total.

2. DALLIAN oRo ADVERTISING Co., Ltd. is indirectly owned through oRo TECHNOLOGY (DALLIAN) Co., Ltd.

3. In addition to the above, there are two subsidiaries and one associate, but they are not listed due to their immateriality.

4. There is no subsidiary that falls under the category of specified wholly-owned subsidiary.

(1) Principal lenders (as of December 31, 2021)

Not applicable

2. Matters regarding shares of the Company (as of December 31, 2021)

- (1) Total number of shares authorized to be issued 48,000,000 shares
- (2) Total number of issued shares 16,606,453 shares (including 495,585 treasury shares)
- (3) Number of shareholders 1,842

(4) Principal shareholders

Name	No. of shares held	Shareholding ratio (%)
Atsushi Kawata	6,241,031 Shares	38.74 %
Yasuhisa Hino	3,105,512	19.28
Custody Bank of Japan, Ltd. (Trust Account)	870,000	5.40
The Master Trust Bank of Japan, Ltd. (Trust Account)	861,000	5.34
Custody Bank of Japan, Ltd. (Trust Account 9)	693,800	4.31
THE BANK OF NEW YORK MELLON 140051	450,800	2.80
NORTHERN TRUST CO.(AVFC) RE HCR00	427,100	2.65
THE BANK OF NEW YORK MELLON 133652	348,800	2.16
KIA FUND F149	247,800	1.54
Kunio Fujisaki	184,656	1.15

Note: The shareholding ratio is calculated excluding treasury stock.

(5) Shares granted to Directors and Corporate Auditors of the Company as compensation for execution of duties during the current fiscal year

	Number of shares	Number of recipients
Directors (excluding Outside Directors)	4,807 shares	4
Outside Directors	–	–
Corporate Auditor	–	–

Note: The details of the Company's stock remuneration are presented in “(4) Total remuneration for Directors and Corporate Auditors.”

(6) Other important matters regarding shares

The Board of Directors of the Company, at its meeting held on February 15, 2021, resolve to purchase treasury shares in accordance with the provisions of Article 156 of the Companies Act, as applied pursuant to Article 165, paragraph 3 of the said Act.

(i) Purpose of purchase of treasury shares

The Company has decided to repurchase shares to strengthen shareholder returns and to improve capital efficiency, etc. The Company has introduced a restricted stock remuneration plan for Directors of the Company, it plans to use the purchased treasury shares as shares with restriction on transfer to be delivered in the future.

(ii) Details of purchase

Class of shares to be purchased: Common stock of the Company
 Total number of shares to be purchased: 500,000 shares
 (3.01% of the total number of issued shares excluding treasury shares)
 Total purchase amount: 1,737,500 thousand yen
 Purchase period: From February 16, 2021 to March 15, 2021
 Purchase method: Purchase through off-auction own share repurchase trading on the Tokyo Stock Exchange (ToSTNeT-3)

3. Matters regarding share acquisition rights, etc. of the Company

Not applicable

4. Matters regarding Directors and Corporate Auditors of the Company

(1) Names of Directors and Corporate Auditors (as of December 31, 2021)

Name	Position and responsibilities	Significant concurrent positions
Atsushi Kawata	CEO	Director of oRo TECHNOLOGY (DALIAN) Co., Ltd. Director of DALIAN oRo ADVERTISING Co., Ltd. Outside Director of Netyear Group Corporation Outside Director of NISSEN INC.
Yasuhisa Hino	Senior Managing Director General Manager for Corporate Department	Director of oRo Miyazaki Co., Ltd. Director of oRo code MOC Co., Ltd.
Kunio Fujisaki	Managing Director General Manager, Cloud Solutions Division	Director of oRo TECHNOLOGY (DALIAN) Co., Ltd. Director of oRo Miyazaki Co., Ltd. Director of oRo code MOC Co., Ltd.
Hiroshi Ikumoto	Director General Manager of the Digital Transformation Division	Director of oRo Miyazaki Co., Ltd. Director of oRo TECHNOLOGY (DALIAN) Co., Ltd. Director of DALIAN oRo ADVERTISING Co., Ltd. Director of oRo code MOC Co., Ltd. Director of oRo TAIWAN Co., Ltd. Director of oRo (Thailand) Co., Ltd. Director of oRo Malaysia Sdn. Bhd.
Takeshi Ue	Director (Outside Director)	President of DECOBOCO BASE Co., Ltd.
Kei Sakaguchi	Director (Outside Director)	Professor, Tokyo Institute of Technology

Seiichi Suzuki	Full-time Corporate Auditor (Outside Corporate Auditor)	Corporate Auditor of oRo TECHNOLOGY (DALIAN) Co., Ltd. Controller of oRo Vietnam Co., Ltd. Corporate Auditor of oRo TAIWAN Co., Ltd. Corporate Auditor of DALIAN oRo ADVERTISING Co., Ltd. Corporate Auditor of oRo Miyazaki Co., Ltd. Corporate Auditor of oRo code MOC Co., Ltd.
Minoru Hirooka	Corporate Auditor (Outside Corporate Auditor)	President of Hirooka Certified Public Accountant Office Outside Director (Audit and supervisory committee member) of SE Holdings and Incubations Co., Ltd.
Tsuyoshi Dai	Corporate Auditor (Outside Corporate Auditor)	Representative Partner of TSUYOSHI DAI & PARTNERS Corporate Auditor of 3-D Matrix, Ltd. Corporate Auditor of Relo Group, Inc.

- Notes
1. Directors Mr. Takeshi Ue and Mr. Kei Sakaguchi are Outside Directors.
 2. Corporate Auditors Mr. Seiichi Suzuki, Mr. Minoru Hirooka and Mr. Tsuyoshi Dai are Outside Corporate Auditors.
 3. The Company has designated Directors Mr. Takeshi Ue and Mr. Kei Sakaguchi, and Corporate Auditors Mr. Seiichi Suzuki, Mr. Minoru Hirooka and Mr. Tsuyoshi Dai as Independent Officers in accordance with the provisions of the Tokyo Stock Exchange and registered them with the said stock exchange.
 4. Corporate Auditor Mr. Minoru Hirooka is qualified as a certified public accountant and has considerable knowledge of finance and accounting.
 5. “Digital Transformation Division” changed its name to “Marketing Communication Division” as of January 1, 2022.

(2) Outline of the details of limited liability agreement

Under the provisions of Article 427, paragraph 1 of the Companies Act, the Company has entered into an agreement with each Outside Director and each Outside Corporate Auditor to limit their liabilities under Article 423, paragraph 1 of the said Act. The limit of liability for damages under the agreement shall be the minimum liability amount stipulated in Article 425, paragraph 1 of the Act.

(3) Outline of the details of directors and officers liability insurance policy

The Company has entered into a directors and officers liability insurance policy with an insurance company as stipulated in Article 430-3, paragraph 1 of the Companies Act. The policy indemnifies the insured against damage compensation, legal costs and other expenses arising from claims for damages caused by an action (including nonfeasance) of the insured taken as an officer of the company. However, there are certain exemptions, such as in case of actions taken with knowledge of their illegality.

The insured parties of the insurance policy are all Directors, Corporate Auditors, etc. of the Company and its subsidiaries as defined in the Companies Act, and the Company fully bears the insurance premiums for all the insured parties.

(4) Amount of remuneration for Directors and Corporate Auditors for the current fiscal year

(i) Total amount of remuneration for Directors and Corporate Auditors

Title	Number of recipients	Total amount of remunerations by type (Thousands of yen)		Total (Thousands of yen)	Remarks
		Basic remuneration	Non-monetary remuneration		
Director (Outside Director)	6 (2)	120,306 (10,500)	16,993 (-)	137,299 (10,500)	
Corporate Auditor (Outside Corporate Auditor)	3 (3)	18,600 (18,600)	-	18,600 (18,600)	
total	9	138,906	16,993	155,899	

(ii) Policy for determining amount and calculation method of remuneration for Directors and Corporate Auditors

a. Details of the policy for determining amount of remuneration for Directors and Corporate Auditors and determination method thereof

The Company has established a policy for determining the amount and calculation method of remuneration for Directors and Corporate Auditors. Remuneration for the Company’s Directors and Corporate Auditors consists of “basic remuneration,” which is fixed remuneration paid according to their positions and responsibilities; and “stock remuneration,” which fluctuates depending on the Company’s stock price. The “basic remuneration” and “non-monetary remuneration” are paid in cash and by allotting as shares with restriction on transfer, respectively.

Meanwhile, remuneration for Outside Directors and Outside Corporate Auditors consists solely of fixed remuneration in view of the fact that they are in a position independent from other executive directors.

As for activities carried out by the Board of Directors in the process of determining the amount of remuneration for the Company's Directors and Corporate Auditors for the current fiscal year, the amount of individual remuneration for Directors was determined by discussion at the Board of Directors meeting within the maximum amount of remuneration resolved at a general meeting of shareholders in consideration of such factors as the remuneration levels of other companies, the Company's business results and balance with employee salaries. The content of individual remuneration for Directors for the current fiscal year was determined based on the policy defined by the Company, and we thus believe such content was in accordance with the Company's policy. The amount of individual remuneration for Corporate Auditors was determined by discussion of Corporate Auditors.

b. Resolutions for remuneration for Directors and Corporate Auditors approved at general meetings of shareholders

The 15th Annual General Meeting of Shareholders held on June 27, 2013 resolved that the maximum amount of remuneration for Directors shall not exceed 200 million yen per year, while that for Corporate Auditors shall not exceed 30 million yen per year. The number of Directors and Corporate Auditors at the conclusion of the said Annual General Meeting of Shareholders was five (5) and two (2), respectively.

The 18th Annual General Meeting of Shareholders held on March 25, 2016 resolved to provide rental housing to Directors stationed overseas and treat additional education costs for their children incurred due to the overseas assignment as non-monetary remuneration. The meeting also resolved that the maximum monthly amount of non-monetary remuneration to be borne by the Company in such a case shall not exceed 500 thousand yen per eligible Director. The number of Directors at the conclusion of the said Annual General Meeting of Shareholders was five (5).

The 22nd Annual General Meeting of Shareholders held on March 26, 2020 resolved that the amount of monetary remuneration receivables paid as restricted stock remuneration to four Directors (excluding Outside Directors) separately from the maximum amount of remuneration for Directors shall not exceed 50 million yen per year (the number of restricted stock to be allotted shall not exceed 15,000 shares). The number of Directors at the conclusion of the said Annual General Meeting of Shareholders was four (4).

(5) Matters regarding Outside Directors and Outside Corporate Auditors

(i) Significant concurrent positions at other organizations and relationships between the Company and such organizations

Director Mr. Takeshi Ue is President of DECOBOCO BASE Co., Ltd. The Company has entered into transactions with the organization in connection with web integration and web marketing operations. However, the terms and conditions of such transactions are determined by price negotiations which take place after the Company offers desirable prices based on market prices. The Company therefore has no conflict of interest with Mr. Takeshi Ue or the organization.

Director Mr. Kei Sakaguchi is Professor of Tokyo Institute of Technology. The Company has no conflict of interest with the organization.

Corporate Auditor Mr. Minoru Hirooka is President of Hirooka Certified Public Accountant Office and Outside Director (Audit and Supervisory Committee Member) of SE Holdings and Incubations Co., Ltd. The Company has no conflict of interest either of the organizations.

Corporate Auditor Mr. Tsuyoshi Dai is Representative Partner of TSUYOSHI DAI & PARTNERS, Corporate Auditor of 3-D Matrix, Ltd., and Corporate Auditor of Relo Group, Inc. The Company has no conflict of interest with either of the organizations.

(ii) Main activities in the current fiscal year

(a) Attendance at meetings of the Board of Directors and Board of Corporate Auditors

	Meetings of the Board of Directors (held 15 times)		Meetings of the Board of Corporate Auditors (held 14 times)	
	No. of meetings attended	Attendance rate	No. of meetings attended	Attendance rate
Takeshi Ue (Director)	15	100%	—	—
Kei Sakaguchi (Director)	15	100%	—	—
Seiichi Suzuki (Corporate Auditor)	15	100%	14	100%
Minoru Hirooka (Corporate Auditor)	15	100%	14	100%
Tsuyoshi Dai (Corporate Auditor)	13	87%	13	93%

(b) Statements made at meetings of the Board of Directors and Board of Corporate Auditors and duties performed in relation to the expected roles as Outside Director

- Director Mr. Takeshi Ue was elected on the expectation that he would supervise the Company's corporate management and provide management advice for the Company from a medium- and long-term perspective by drawing on his extensive experience and a wide range of insights gained as a corporate manager. He asked questions and gave advice and suggestions at meetings of the Board of Directors as appropriate from an independent and objective standpoint.
- Director Mr. Kei Sakaguchi was elected on the expectation that he would enhance the supervisory function of the management of the Company and give advice to strengthen the risk management in our engineering departments by drawing on his in-depth expertise and experience cultivated as a scholar of information and communication engineering. He asked questions and gave advice and suggestions at meetings of the Board of Directors as appropriate from an independent and objective standpoint.
- Corporate Auditor Mr. Seiichi Suzuki asked questions and gave advice and suggestions at meetings of the Board of Directors and Board of Corporate Auditors as appropriate from a comprehensive perspective by drawing on his long years of extensive experience and a wide range of insights gained at business companies.
- Corporate Auditor Mr. Minoru Hirooka asked questions and gave advice and suggestions at meetings of the Board of Directors and Board of Corporate Auditors as appropriate from a professional perspective by drawing on his experience gained as a certified public accountant.
- Corporate Auditor Mr. Tsuyoshi Dai asked questions and gave advice and suggestions at meetings of the Board of Directors and Board of Corporate Auditors as appropriate from a professional perspective by drawing on his experience gained as an attorney at law.

5. Accounting Auditor

(1) Name of Accounting Auditor

KPMG AZSA LLC

- (2) Amount of remuneration for the Accounting Auditor for the current fiscal year
- (i) Amount of remuneration to be paid to the Accounting Auditor for the current fiscal year 44,000 thousand yen
 - (ii) Total amount of money and other property benefits to be paid by the Company and its subsidiaries to the Accounting Auditor 44,000 thousand yen

Notes: 1. The Board of Corporate Auditors of the Company provided consent to the amount of remuneration for the Accounting Auditor under Article 399, paragraph 1 of the Companies Act, following the examination of the relevant factors including the number of days spent for audit work, staffing, etc., as part of the audit plan for the current fiscal year presented by the Accounting Auditor, as well as the verification and assessment of the audit work performed in the previous fiscal year, adequacy of progress in audit work by the Accounting Auditor, and the basis of calculation for the cost estimation presented as prerequisite to the amount of remuneration.

2. The audit agreement entered into between the Company and the Accounting Auditor does not clearly distinguish—as this cannot be distinguished practically—the amount of remuneration for audits under the Companies Act and that under the Financial Instruments and Exchange Act. Therefore, the “Amount of remuneration to be paid to the Accounting Auditor for the current fiscal year” is the sum of the amount of such remuneration.

3. Some of the Company’s consolidated subsidiaries are audited by audit firms other than the Company’s Accounting Auditor.

(3) Policy for decisions on dismissal or non-reappointment of Accounting Auditor

In the event that the Accounting Auditor is deemed to fall under any of the items set forth in Article 340, paragraph 1 of the Companies Act, the Board of Corporate Auditors of the Company shall dismiss the Accounting Auditor with the consent of all members of the board. In this case, a Corporate Auditor selected by the Company’s Board of Corporate Auditors shall report the fact and the reason for the dismissal at the first general meeting of shareholders to be held after the dismissal.

In addition to the above, if it is deemed difficult for the Accounting Auditor to properly perform its duties due to the occurrence of events that impair its qualification or independence, the Board of Corporate Auditors of the Company shall decide a proposal on dismissal or non-reappointment of the Accounting Auditor to be submitted to a general meeting of shareholders.

(4) Outline of the details of limited liability agreement

Not applicable.

6. Systems and policies of the Company

(1) Systems to ensure the proper business process

The Board of Directors of the Company resolved at its meeting the “Basic Policy on Internal Control System” to put in place a system to ensure that the performance of duties by directors should comply with laws and the Articles of Incorporation as well as other systems to ensure the proper corporate business process. Since then, we have reviewed the basic policy as appropriate.

The basic policy was revised at the Board of Directors meeting held on December 21, 2018 and is currently implemented as follows:

(i) Corporate Philosophy

“With the commitment of all employees in creating what they can proudly present to the world (namely our organization with its products, and services), oRo’s goal is to continue to deliver more happiness and joy to more people (coworkers, families, business partners, shareholders and society), and lead all our employees to self-fulfillment through our efforts to achieve this goal.”

(ii) Internal system to ensure the performance of duties by directors and employees should comply with laws and the Articles of Incorporation

- According to the “Business Ethics,” we shall cultivate the spirit among all the officers and employees to comply with the relevant laws, the Articles of Incorporation, rules and social ethics, and make them understand the compliance with these laws and rules is precondition to our corporate activities.
- In addition to our “Management Philosophy,” we shall establish our “Action Guideline” not only for our directors and employees to comply with the relevant laws and the Articles of Incorporation, but also to build up a corporate culture to operate business with a sense of ethics.

- We shall establish “Internal Reporting Rules” in order to take proper actions for reports of failures to comply with the relevant laws or other regulations, and manage the internal reporting system for the purpose of detecting early on and correct failure or possible failure to comply with the relevant laws and the Article of Incorporation and other internal rules, based on the Internal Reporting Rules.
 - We shall propose the election of outside directors to improve and maintain the level of supervision of the Board of Directors.
 - The Board of Corporate Auditors shall audit the situation of performance of duties by each of directors, from its independent standpoint, including the status of organizing and operating the internal control system, in accordance with the “Audit Standard for Corporate Auditors” and the “Audit Plan.”
 - The Internal Audit Office shall audit whether we appropriately perform the business processes in accordance with the relevant laws, the Articles of Incorporation and other rules.
 - As initiative to ensure and strengthen sense of compliance, we shall provide workshops to study the basics of compliance and information management required for performance of duties for directors and employees of our company for the purpose of continuous education and its diffusion.
- (iii) System to save and administer information regarding the performance of duties by directors
- As for information regarding the performance of duties by directors, we shall produce, save and administer such information in written form (including electronic form) in accordance with the relevant laws and the “Document Management Regulations.” We shall verify the operation of this system or review the rules if necessary.
 - It shall be a system to save and administer the documents mentioned above so that anyone can immediately review the documents if it is necessary for directors and corporate auditors to do so for the purpose of performing their duties.
- (iv) Rules and other systems for management of risks of loss
- In accordance with the “Risk Management Regulations” providing for the basic rules for risk management, we shall establish a Risk Management Committee for comprehensive and systematic management of each risk.
 - Head of each department shall provide the risk-related information to the Board of Directors.
 - In case of unexpected incident or situation, we shall set up a task force under supervision of the CEO and take immediate and precise actions, jointly with the external specialized institutions, such as the office of corporate lawyer, if necessary, in order to minimize possible damages.
- (v) System to ensure the efficient performance of duties by directors
- We shall comply with the “Board of Directors Regulations” and hold once a month a meeting of the Board of Directors consisting of directors including outside directors, and further hold an extraordinary meeting of the Board of Directors on a timely basis if necessary.
 - We shall prepare sufficient information materials in advance regarding items to be decided set force in the “Board of Directors Regulations” and make sure the items should be decided by the Board of Directors.
 - We shall identify targets of each department and its responsibility based on a business plan, and make efforts to achieve the initial business targets through the analysis of difference between the budget and the actual figures.
 - In order to accelerate the decision-making process, we shall establish and organize internal rules such as “Internal Regulations,” “Segregated Duties Regulations” and “Official Authority Regulations” to identify the role, authority and responsibilities of each director.
 - As for the items out of duties and authority, we shall establish and operate a system of executing business to decide things based on the agreement among the CEO and officer(s) in charge after the expert opinions from the responsible department have been reflected.

- (vi) System to ensure the proper business process among the corporate group consisting of our company and its subsidiaries
- We shall establish the “oRo Group Policy,” a system of philosophy such as the policy on human resources or the compliance policy in the oRo Group (corporate group) to share with and infiltrate the Management Philosophy into the corporate group and ensure its proper business process.
 - Our subsidiaries shall report anything set forth in the “Affiliated Companies Management Regulations” requiring approval by and reporting to our company, and report the progress of the performance of duties on a regular basis in order to ensure the proper business process while we share information both on management administration and risk management.
 - Director(s) in charge of subsidiary administration shall immediately inform the Board of Directors of our company of the nature of risk, the extent of the possible damage and the impact on our business if the director found out that there is a risk of damage to be suffered by any subsidiary.
 - Our subsidiaries shall be subject to a regular internal audit to be conducted by the Internal Audit Office of our company and report the result of the audit to the CEO of our company.
 - We shall dispatch director(s) to subsidiaries or corporate auditor(s) shall visit subsidiaries to audit and supervise the performance of duties by director(s) in charge of subsidiary administration through such directors or corporate auditors.
- (vii) Items regarding employee in case a corporate auditor requires to hire him/her to support the performance of his/her duties, items regarding the independence of this employee from director(s), and items to ensure the effectiveness of instructions
- We shall hire an employee for a corporate auditor to support the performance of his/her duties as corporate auditor if the corporate auditor needs to do so, and discuss its selection and appointment between corporate auditors.
 - In order to ensure the independence of such an employee working for a corporate auditor from directors, the employee shall not be subject to any instruction or order given by directors, and it requires agreement of the corporate auditor for appointment, transfer, evaluation and dismissal of the employee during this period.
 - An employee to support the performance of duties by a corporate auditor shall comply with instructions and orders given by the corporate auditor whenever he/she supports the corporate auditor upon request from the corporate auditor.
- (viii) System for director(s) and employee(s) to report to corporate auditor(s), and System to report to the Board of Corporate Auditors
- System for director(s) and employee(s) to report to corporate auditor(s)
 - a. A corporate auditor has a right to attend meetings of the Board of Directors and all other internal meetings if necessary.
 - b. Director(s) and employee(s) shall report the situations of business operation as well as internal controls, and the Internal Audit Office shall report the results of its internal audits, upon request from corporate auditor(s).
 - c. Director(s) and employee(s) shall immediately inform corporate auditor(s) of the fact that there is a material breach of the relevant laws and the Articles of Incorporation and wrongful acts, or the fact that there is an incident that is likely to significantly damage the business of our company whenever they came to know them.
 - System for director(s), corporate auditor(s), employee(s) and employee(s) of our subsidiaries performing their duties or those who received a report from them to report to corporate auditor(s) of our company
Upon request from corporate auditor(s) of our company, they shall report the status of the performance of their duties, and immediately inform corporate auditor(s) of our company of the fact that there is an incident that is likely to significantly damage the business of our company whenever they came to know it.
- (ix) System to ensure that a person who reported the fact as described in the preceding item would not be unfavorably treated just because that person reported it
We shall prohibit to unfavorably treat director(s) and employee(s) who reported to corporate auditor(s) because they reported to the corporate auditor(s) and protect them from possible unfavorable treatment in accordance with the provisions regarding the protection of these reporters stipulated in the “Internal Reporting Rules.”

(x) Items regarding the policy on the settlement of expenses or debts arising out of the performance of duties by a corporate auditor

We shall set forth a billing and settlement system for expenses arising out of the performance of duties by a corporate auditor, and when the corporate auditor asks for advance payment or redemption for such expenses, we shall settle the payment or redeem them following the designated procedures unless we clearly decide these expenses are not necessary for the corporate auditor to perform his/her duties.

(xi) Other systems to ensure that audits by corporate auditors are conducted effectively

- We shall call on a person who has a plenty of experience or an expert in corporate management, or a qualified person such as a certified public accountant as outside corporate auditor and keep their independence from those who execute operations, such as the CEO or directors of our company.
- Corporate auditor(s) shall meet the CEO of our company on a regular basis to exchange opinions and information each other.
- Corporate auditor(s) may closely cooperate together with the Internal Audit Office and ask the office to conduct an investigation if necessary.

(xii) Establishment and organization of a system to ensure the reliability of financial reporting

We shall establish and organize accounting rules and set forth the “Basic Policy on the Improvement of the Internal Control System related to Financial Reports” in order to manage possible risks of fraud or error in financial reporting, organize, operate and evaluate the prevention and check-and-balance functions, and correct them if there is any defect or fault.

(xiii) Basic concept for elimination of antisocial forces and status thereof

We shall take actions against antisocial forces posing a threat to the public order or healthy activities by companies in a resolute attitude across the company including cooperation with related entities, and never get involved in anything related to or associated with antisocial forces or ban a relationship with them. We shall continue to organize and maintain the system to eliminate antisocial forces while we cooperate with police and related entities as well as expert institutions such as lawyers.

(2) Overview of the operational status of system to ensure the proper business process

- In accordance with the “Board of Directors Regulations,” the Board of Directors discusses important management decisions at its meetings in the presence of Corporate Auditors and supervises the business execution of Directors. In addition to regular meetings, held in principle once a month, the Board of Directors holds an extraordinary meeting as necessary. The Board of Directors holds its meetings to share information by making reports, for example on the progress of business results and other operating matters, in addition to making decisions based on their authority.
- The Business Strategy Committee is composed of full-time Directors and full-time Corporate Auditors, and holds a meeting once a month to deliberate and make decisions on management issues such as matters related to basic management policies and important initiatives, and matters related to proposals to be submitted to the Board of Directors.
- The Weekly Report Committee is composed of full-time Directors, full-time Corporate Auditors, and senior managers above a certain rank, and holds a meeting once a week to share information by making reports, for example on the progress of business results and other operating matters, in addition to making decisions based on their authority.
- The Risk Management Committee is composed of full-time Directors, full-time Corporate Auditors, and senior managers above a certain rank, and holds a meeting regularly to share information by making reports, for example on the progress of the Company’s risk analysis and risk management measures as well as on the maintenance and status of the internal reporting system.
- The Board of Corporate Auditors holds a meeting every month, and each Corporate Auditor attends the Board of Directors meetings and other important meetings in accordance with an annual audit plan prepared for each fiscal year. Corporate Auditors also audit the performance of duties by Directors through investigations on business operations, as well as on various documents and evidence.

- The Internal Audit Office conducts internal audits of departments and subsidiaries on the status of legal compliance and the efficiency of business activities, and gives concrete advice and recommendations for operational improvement.

Note: Amounts and numbers of shares stated in this Business Report are rounded down to the nearest unit.

Consolidated Financial Statements

Consolidated balance sheets (As of December 31, 2021)

(Thousands of yen)

Account	Amount	Account	Amount
(Assets)		(Liabilities)	
Current assets	7,707,227	Current liabilities	1,337,432
Cash and deposits	6,350,145	Notes and accounts payable - trade	208,009
Notes and accounts receivable - trade	1,060,753	Income taxes payable	447,760
Work in process	173,310	Provisions for bonuses	37,099
Raw materials and supplies	2,658	Provisions for loss on order received	30,083
Other	120,943	Other	614,480
Allowance for doubtful accounts	(584)	Non-current liabilities	160,228
Non-current assets	650,342	Asset retirement obligations	114,376
Property, plant and equipment	394,255	Other	45,852
Buildings	254,007	Total liabilities	1,497,661
Tools, furniture and fixtures	440,595	(Net assets)	
Other	79,747	Shareholders' equity	6,822,204
Accumulated depreciation	(380,095)	Capital stock	1,193,528
Intangible assets	45,722	Capital surplus	1,103,817
Investments and other assets	210,364	Retained earnings	6,246,829
Investment securities	12,500	Treasury shares	(1,721,970)
Deferred tax assets	90,976	Accumulated other comprehensive income	37,704
Other	107,802	Valuation difference on available-for-sale securities	4,241
Allowance for doubtful accounts	(915)	Foreign currency translation adjustment	33,462
Total assets	8,357,570	Total net assets	6,859,908
		Total liabilities and net assets	8,357,570

Consolidated statements of income
(Fiscal Year Ended December 31, 2021)

(Thousands of yen)

Account	Amount	
Net sales		5,762,070
Cost of sales		2,118,120
Gross profit		3,643,950
Selling, general and administrative expenses		1,523,522
Operating profit		2,120,427
Non-operating income		
Interest and dividend income	1,952	
Foreign exchange gains	8,064	
Subsidy income	1,340	
Consumption tax difference	3,927	
Compensation income for damage	6,004	
Gain on forgiveness of debts	8,848	
Others	704	30,842
Non-operating expenses		
Interest expenses	2,255	
Settlement package	15,000	
Others	1,967	19,223
Ordinary profit		2,132,046
Profit before income taxes		2,132,046
Income taxes - current	642,225	
Income taxes - deferred	(903)	641,321
Profit		1,490,724
Profit attributable to owners of parent		1,490,724

Consolidated Statements of Changes in Net Assets
(Fiscal Year Ended December 31, 2021)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total Shareholders' equity
Balance as of January 1, 2021	1,193,528	1,103,528	4,922,166	(942)	7,218,281
Changes of items during the fiscal year					
Dividends of surplus	–	–	(166,061)	–	(166,061)
Profit attributable to owners of parent	–	–	1,490,724	–	1,490,724
Purchase of treasury shares	–	–	–	(1,737,733)	(1,737,733)
Disposal of treasury shares	–	288	–	16,704	16,992
Net change of items other than shareholders' equity	–	–	–	–	–
Total changes of items during the fiscal year	–	288	1,324,663	(1,721,028)	(396,076)
Balance as of December 31, 2021	1,193,528	1,103,817	6,246,829	(1,721,970)	6,822,204

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance as of January 1, 2021	7,523	(8,987)	(1,463)	7,216,818
Changes of items during the fiscal year				
Dividends of surplus	–	–	–	(166,061)
Profit attributable to owners of parent	–	–	–	1,490,724
Purchase of treasury shares	–	–	–	(1,737,733)
Disposal of treasury shares	–	–	–	16,992
Net change of items other than shareholders' equity	(3,282)	42,449	39,167	39,167
Total changes of items during the fiscal year	(3,282)	42,449	39,167	(356,909)
Balance as of December 31, 2021	4,241	33,462	37,704	6,859,908

Non-Consolidated Financial Statements

Balance sheets (As of December 31, 2021)

(Thousands of yen)

Account	Amount	Account	Amount
(Assets)		(Liabilities)	
Current assets	7,105,507	Current liabilities	1,245,015
Cash and deposits	5,788,583	Accounts payable - trade	252,572
Notes receivable - trade	49,021	Accounts payable - other	140,556
Accounts receivable - trade	918,914	Income taxes payable	441,000
Work in process	178,553	Accrued expenses	138,921
Supplies	2,613	Advances received	41,531
Advance payments to suppliers	1,553	Deposits received	49,230
Prepaid expenses	41,197	Provision for bonuses	35,279
Short-term loans receivable from subsidiaries and associates	60,000	Provision for loss on order received	34,030
Other	65,171	Other	111,892
Allowance for doubtful accounts	(101)		
Non-current assets	684,151	Non-current liabilities	112,339
Property, plant and equipment	321,957	Asset retirement obligations	99,582
Buildings	202,518	Other	12,756
Tools, furniture and fixtures	400,433		
Accumulated depreciation	(280,994)	Total liabilities	1,357,354
Intangible assets	50,499	(Net assets)	
Trademark right	213	Shareholders' equity	6,428,062
Software	38,916	Capital stock	1,193,528
Software in progress	11,359	Capital surplus	1,103,817
Other	9	Legal capital surplus	1,103,528
Investments and other assets	311,694	Other capital surplus	288
Investment securities	12,500	Retained earnings	5,852,687
Shares of subsidiaries and associates	54,788	Other retained earnings	5,852,687
Investments in capital of subsidiaries and associates	15,747	Retained earnings brought forward	5,852,687
Distressed receivables	915	Treasury shares	(1,721,970)
Long-term prepaid expenses	8,134		
Deferred tax assets	144,796	Valuation and translation adjustments	4,241
Other	75,727	Valuation difference on available-for-sale securities	4,241
Allowance for doubtful accounts	(915)		
Total assets	7,789,659	Total net assets	6,432,304
		Total liabilities and net assets	7,789,659

Statements of income
(Fiscal Year Ended December 31, 2021)

(Thousands of yen)

Account	Amount	
Net sales		5,507,254
Cost of sales		2,186,491
Gross profit		3,320,763
Selling, general and administrative expenses		1,285,622
Operating profit		2,035,140
Non-operating income		
Interest and dividend income	3,489	
Foreign exchange gains	46,586	
Compensation income for damage	6,004	
Reversal of allowance for loan losses	6,861	
Others	311	63,253
Non-operating expenses		
Commission for purchase of treasury shares	1,915	
Settlement package	15,000	
Others	21	16,937
Ordinary profit		2,081,456
Extraordinary losses		
Loss on valuation of shares of subsidiaries and associates	34,057	34,057
Profit before income taxes		2,047,398
Income taxes – current	619,145	
Income taxes - deferred	(13,130)	606,014
Profit		1,441,383

Non-consolidated Statements of Changes in Net Assets
(Fiscal Year Ended December 31, 2021)

(Thousands of yen)

	Shareholders' equity						
	Capital stock	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings
					Reserve for special depreciation	Retained earnings brought forward	
Balance as of January 1, 2021	1,193,528	1,103,528	–	1,103,528	265	4,577,099	4,577,364
Changes of items during the fiscal year							
Dividends of surplus	–	–	–	–	–	(166,061)	(166,061)
Reversal of reserve for special depreciation	–	–	–	–	(265)	265	–
Profit	–	–	–	–	–	1,441,383	1,441,383
Purchase of treasury shares	–	–	–	–	–	–	–
Disposal of treasury shares	–	–	288	288	–	–	–
Net changes of items other than shareholders' equity	–	–	–	–	–	–	–
Total change of items during the fiscal year	–	–	288	288	(265)	1,275,587	1,275,322
Balance as of December 31, 2021	1,193,528	1,103,528	288	1,103,817	–	5,852,687	5,852,687

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance as of January 1, 2021	(942)	6,873,479	7,523	7,523	6,881,003
Changes of items during the fiscal year					
Dividends of surplus	–	(166,061)	–	–	(166,061)
Reversal of reserve for special depreciation	–	–	–	–	–
Profit	–	1,441,383	–	–	1,441,383
Purchase of treasury shares	(1,737,733)	(1,737,733)	–	–	(1,737,733)
Disposal of treasury shares	16,704	16,992	–	–	16,992
Net changes of items other than shareholders' equity	–	–	(3,282)	(3,282)	(3,282)
Total change of items during the fiscal year	(1,721,028)	(445,417)	(3,282)	(3,282)	(448,699)
Balance as of December 31, 2021	(1,721,970)	6,428,062	4,241	4,241	6,432,304