

**Last update on March 30, 2022****ORO Co., Ltd.**

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The corporate governance of ORO Co., Ltd. (the “Company”) is described below.

## I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

### 1. Basic Views

The Company’s basic idea on corporate governance is to manage a corporate structure that can immediately make decisions in accordance with any changes in its social and economical environment in order to continuously raise oRo’s corporate value. To achieve this goal, the Company has been working on strengthening its corporate governance as follows, after understanding that the Company should build up a highly transparent and extremely flexible structure and system as well as it should carry out its responsibilities for all its stakeholders, including shareholders, business partners, and employees.

### Reasons for Non-compliance with the Principles of the Corporate Governance Code **[Updated]**

The following statements are based on the Corporate Governance Code as revised in June 2021 (including principles for the Prime Market to be applicable from April 4, 2022).

[Supplementary Principle 2.4.1] The Company and the subsidiaries have been actively hiring foreign nationals and midcareer professionals and have appointed several to managerial positions. However, we are yet to disclose actual results. In future, the Company will disclose targets and results for promoting foreign nationals and midcareer hires to managerial positions and, at the same time, work on promoting such employees to managerial positions.

[Supplementary Principle 3.1.3] The Company will collect and analyze the necessary data in the future, on the impact of climate change-related risks and earning opportunities on its business activities, profits and the like, and consider its approach toward enhancing the quality and quantity of disclosure of such data.

### Disclosure Based on the Principles of the Corporate Governance Code **[Updated]**

[Principle1-4] At times when the Company determines that holding shares of other listed companies will contribute to the Group’s medium- to long-term development, business alliances or stronger business relationships, the Company may hold such shares in cross-shareholding.

#### (i) Policy on cross-shareholdings

- The Company may hold shares of other listed companies in cross-shareholdings when the Company determines that such shareholding will contribute to the medium- to long-term enhancement of the Group’s corporate value in terms of continuing and strengthening business relationships or developing business in collaboration with the issuing companies over the medium to long term.

- The Company will ensure the economic rationality of cross-shareholding by paying attention to its soundness, identifying appropriately the risks associated with such shareholding, and taking into account the corresponding returns.

#### (ii) Assessment on the shares in cross-shareholdings

The Board of Directors of the Company assesses the significance and economic rationality of cross-shareholdings.

(ii) Standards for exercising voting rights on cross-shareholdings

The Company determines whether to exercise voting rights on shares in cross-shareholdings after making confirmation on the following points and giving comprehensive consideration on each issuing company and proposal:

- Will the proposal contribute to the increased economic benefit of the Group over the medium to long term?
- Will the proposal enhance the corporate value of the issuing company over the medium to long term and contribute to its sustainable growth?

[Principle 1.7] All related party transactions shall be approved by the Board of Directors before execution, after obtaining legal advice from the Company's corporate attorney as necessary, in accordance with the regulations of the Company's Board of Directors in order to ensure that, among others, such transactions do not damage the soundness of the management of the Group and are valid in the reasonable judgement of the Group, as well as that terms and conditions of such transactions are adequate when compared with other transactions with outside parties.

[Supplementary Principle 2.4.1]

1. Policies, goals, and status regarding ensuring diversity in the appointment and promotion of core human resources

The Company will create an environment that embraces diverse career paths and work styles so that people with diverse personalities can achieve self-fulfillment, thus enabling the Company to ensure and strengthen the growth potential of its business and the diversity of its organization.

The Company has set a target of increasing the proportion of women in managerial positions to 10% by 2027 (it is 5% as of December 2021).

2. Policies for human resource development and internal environment development to ensure diversity, and status thereof

In accordance with the human resources policy of the Group, the Company excludes decisions based on irrational matters unrelated to the individual's aptitude and ability and treat individuals appropriately throughout all corporate activities including recruitment, evaluation, personnel assignment, salary increases, and promotions.

As part of our efforts to develop core human resources, the Company will enhance its recruitment and training systems to produce high-caliber human resources with potential to make up the core of our business.

Human Resources Policy of oRo Group is posted on the Company's website:

<https://www.oro.com/en/corporate/philosophy/>

[Principle 2.6] The Company has not adopted a corporate pension plan and so is not positioned as an asset owner of a corporate pension plan.

[Principle 3.1]

(i) The Company's Corporate Philosophy, Medium-term Business Plan and other information are disclosed on its website and through financial results presentation materials and other methods.

(ii) The Company's basic views on corporate governance are based on each of the principles of the Code and are disclosed on its corporate governance report and annual securities report.

(iii) Remuneration for the Company's Directors 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. Remuneration for Outside Directors consists solely of fixed remuneration in view of the fact that they are in a position independent from other Directors in executive position. The "basic remuneration" are paid in cash and "stock remuneration" are paid by allotting the shares with restriction on transfer. The Board of Directors shall deliberate and decide on the amount of remuneration for Directors on the basis of the report of the Nomination and Remuneration Committee, within the maximum amount of remuneration resolved at 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.

(iv) In nominating candidates for Directors, the Company shall make a comprehensive judgment of their personality, experience, ability, knowledge, and other attributes, and will nominate appropriate candidates who can fulfill their duties and responsibilities. Candidates for Directors shall be proposed by the Representative Director & President, and the Board of Directors shall deliberate and decide on the basis of the report of the Nomination and Remuneration Committee.

(v) The professional backgrounds and other details of Director candidates and the explanations with respect to the individual appointments/dismissals are included in the notice of annual general meeting of shareholders.

[Supplementary Principle 3.1.3]

1. The Company's initiatives on sustainability

The Company's Corporate Philosophy is to create what we can proudly present to the world and deliver more

happiness and joy to more people. Under this philosophy, the Company believes that it is important to pursue both the realization of a sustainable society and the sustainable growth of the Group at the same time. By combining technology and creativity, the Company provides new value to the world and contribute to the realization of a sustainable society.

Prior to this policy, the Company established the Sustainability Committee in August 2021. The committee identifies the Group's material issues (materiality), considers establishment of the targets related to the issues, formulation of specific measures and establishment and measurement of various KPIs, and formulates and implements specific measures one by one.

## 2. Investments in human capital and intellectual properties

The Company promotes "health management" to improve the physical and mental health of employees so that they can work actively staying in good health.

[Supplementary Principle 4.1.1] The Board of Directors of the Company makes decisions on important management matters in accordance with the "Board of Directors Regulations" as well as the matters stipulated by laws and regulations and the Articles of Incorporation. Deliberations and decisions on matters other than those to be decided by the Board of Directors are delegated to the Company's management in accordance with the "Internal Regulations," "Approval Process Regulations," "Segregated Duties Regulations" and "Official Authority Regulations."

[Principle 4.9] The Company shall set the standard to determine the independence of Outside Directors, based on which the Company determines that its Outside Director is independent from the Company if such Outside Director meets the independence standard specified by the Tokyo Stock Exchange and does not fall under any of the following conditions.

1. A party whose major business partner is the Group (the Company and its subsidiaries: the same shall apply hereinafter) (\*1), or an executive (\*2) thereof;
2. A major business partner of the Group (\*3), or an executive thereof;
3. A consultant, a professional in accounting or law who receives a significant amount (\*4) of money or property from the Group other than remuneration for Directors or Audit & Supervisory Board Members (if such party is a body such as a corporation or an association, etc., a person who belongs to such body);
4. A party who receives a significant amount of donations from the Group, or an executive thereof;
5. A major creditor to the Group (\*5), or an executive thereof;
6. A major shareholder of the Company (\*6), or an executive thereof;
7. A close relative (\*8) of an important person (\*7) among those who fall under any of the above items from 1 to 6.

Notes:

\*1. "A party whose major business partner is the Group" refers to a party whose transaction amount with the Group exceeded 2% of such party's annual consolidated revenue for any of the most recent three fiscal years.

\*2. "An executive" refers to an executive director, executive officer, corporate officer, or other employee, etc. (including a person who held such position in the most recent three fiscal years).

\*3. "Major business partner of the Group" refers to a party whose transaction amount with the Group exceeded 2% of the Group's annual consolidated revenue for any of the most recent three fiscal years.

\*4. "Significant amount" refers to a case in which the amount exceeds 10 million yen per fiscal year in any of the most recent three fiscal years.

\*5. "Major creditor to the Group" refers to a creditor from whom the Group owes an amount exceeding 2% of the consolidated total assets of the Group in any of the most recent three fiscal years.

\*6. "Major shareholder of the Company" refers to a shareholder who holds 10% or more of the total voting rights of the Company.

\*7. "Important person" refers to a person who holds an important position such as, among others, a director, executive officer, corporate officer, and an employee who is in the position of general manager or higher.

\*8. "Close relative" refers to a spouse or a relative within the second degree of kinship.

[Supplementary Principle 4.10.1] The Company has established the Nomination and Remuneration Committee as an advisory body to the Board of Directors. In order to ensure the independence and objectivity of the Nomination and Remuneration Committee, a majority of its members are Independent Outside Directors, and the Chairperson is an Independent Outside Director. The Nomination and Remuneration Committee, in response to consultation by the Board of Directors, deliberate on the nominations of Director candidates, succession planning, director remuneration and other matters, and then reports the results to the Board of Directors.

[Supplementary Principle 4.11.1] Composition of the Company's Board of Directors reflects diversity in

gender and other areas, as well as balance in knowledge, experience and ability. In order to ensure diversity and balance in knowledge, experience and abilities in the Board of Directors and to demonstrate its effectiveness, the number of its members shall be no more than six Directors (excluding Directors who are Audit and Supervisory Committee Members) and no more than four Directors who are Audit and Supervisory Committee Members. Considering the importance of the role of Outside Directors in the Board of Directors, the proportion of Independent Outside Directors shall account for, in principle, at least one-third of the total number of members in the Board of Directors.

[Supplementary Principle 4.11.2] The status of concurrent positions held by Directors of the Company is disclosed in its Business Report and Reference Materials for General Meeting of Shareholders.

[Supplementary Principle 4.11.3] The Company analyzes and evaluates the Board of Directors once a year to improve its effectiveness. The results of analysis and evaluation on the Board of Directors conducted in the fiscal year 2021 are summarized as follows. No consultants or other external parties were used in the analysis and evaluation of the effectiveness.

#### 1. Evaluation method

In the same manner as conducted last year, a questionnaire was distributed to all Directors and Corporate Auditors, and the Board of Directors discussed the results based on the responses.

#### 2. Summary of evaluation results

The results of the questionnaire confirmed that 9 out of total 14 items were rated as “fully adequate” and “generally adequate.”

On the other hand, “explanation on the items on agenda (including advance explanations) at Board of Directors meetings” was indicated as an issue that still needs to be improved. A small number of respondents indicated that there are issues regarding “frequency of Board of Directors meetings,” “frequency and content of the reports on risk management system,” and “management of conflicts of interest with related parties.”

#### 3. Assessment on actions taken on the issues in the last year

To address the issues in the last year, the Company has been working on the following items.

(1) In order to address the issues of “explanations on the items on agenda (including advance explanations)” and “securing time to review materials in advance,” the Company shall strive to ensure that important items are fully discussed at Board of Directors meetings by, when sharing materials for the items on agenda, explaining the detail, background and other circumstances, especially to Outside Officers. Furthermore, the Company shall share such matters with officers as necessary as off-agenda items, so to provide them sufficient time to verify and review each opinion, before they are put on the agenda.

(2) For “providing training opportunities and related financial support,” the Company shall strive to provide, not only opportunities to participate in general meetings of employees and kickoff events in the divisions, but also information on outside seminars and online training.

As a result of addressing issues (1) and (2) above, the evaluation result indicated improvement in the issues of “securing time to review materials in advance” and “providing training opportunities and related financial support.” On the other hand, “explanations on the items on agenda (including advance explanations)” was rated as requiring further improvement.

#### 4. Future actions to take on the issues

Given the results of the evaluation, the Board of Directors deliberated and decided to strengthen the efforts in fiscal 2022 with focus on the following items.

(1) To address the issue of “explanations of the items on agenda (including advance explanations),” the Company shall allocate time for explaining the items on agenda to Outside Officers before the Board of Directors meeting. Time shall be allowed for explanations and questions before the agenda item is resolved at the Board of Directors meeting as a matter to be resolved at the meeting.

(2) To address the issue of “frequency and content of the reports on risk management system,” the Company shall enhance the frequency and content of reports from the Risk Management Committee and the Internal Audit Office to the Board of Directors.

[Supplementary Principle 4.14.2] To ensure that Directors of the Company fulfill their expected roles and responsibilities properly, the Company shall provide them, upon their assumption of office, with opportunities to gain knowledge about the Company’s business, financials, organizations, etc., and to develop an understanding of the roles and responsibilities expected as Director. In addition, after their assumption of office, the Company shall provide them with opportunities to be kept updated on an ongoing basis.

[Principle 5.1] (i) The Company has designated Directors in charge of IR and specified that said Directors shall manage all dialogues with shareholders. If a shareholder makes a request to engage in dialogue with the Company, either members of senior management, Directors including Outside Directors shall, in principle, engage in dialogue with such shareholder within a reasonable range, upon taking into consideration the wishes

of such shareholder and the main concern of the dialogue. (ii) The Company has assigned personnel in charge of IR in the Corporate Department so that they can, under their leadership and that of Directors in charge of IR, organically cooperate with personnel in charge of accounting, legal affairs, and human resources, as well as with each division to enhance a constructive dialogue with shareholders. (iii) As a measure to increase opportunities for dialogue with shareholders, the Company holds a financial results briefing presented by the top management itself annually, as well as corporate briefings for individual investors. (iv) The Company shall report opinions and concerns ascertained during dialogues with shareholders to the members of senior management and the Board of Directors on a regular basis. (v) When engaging in dialogue with shareholders, the Company shall ensure thorough information management in accordance with its insider trading regulations and shall not disclose undisclosed material information selectively to certain persons.

## 2. Capital Structure

Foreign Shareholding Ratio	10% or more and less than 20%
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### Status of Major Shareholders **[Updated]**

Name or Company Name	Number of Shares Owned	Percentage (%)
Atsushi Kawata	6,241,031	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

Name of Controlling Shareholder, if applicable (excluding Parent Company)	None
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Name of Parent Company, if applicable	None
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Supplementary Explanation
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### 3. Corporate Attributes

Listed Stock Exchange and Market Segment	Tokyo Stock Exchange, First Section
Fiscal Year-End	December 31
Business Sector	Information & Communication
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	100 or more and fewer than 500
Net Sales (Consolidated) as of the End of the Previous Fiscal Year	Less than ¥10 billion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	10 or more and fewer than 50

### 4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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### 5. Other Special Circumstances which May have Material Impact on Corporate Governance

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## II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

### 1. Organizational Composition and Operation [Updated]

Corporate Governance System	Company with Audit and Supervisory Committee
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#### Directors [Updated]

Number of Directors Stipulated in Articles of Incorporation	10
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	9
Election of Outside Directors	Elected
Number of Outside Directors	5
Number of Independent Directors	5



Outside Directors' Relationship with the Company (1) **[Updated]**

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Kei Sakaguchi	Academic											
Seiichi Suzuki	From another company											
Minoru Hirooka	CPA											
Yoichi Maeda	From another company											
Yuki Imamura	Lawyer											

\*Categories for "Relationship with the Company".

(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past.)

- a. Person who executes business of the Company or a subsidiary
- b. Person who executes business or a non-executive director of a parent company
- c. Person who executes business of a fellow subsidiary
- d. Person/entity for which the Company is a major client or a person who executes business for such person/entity
- e. Major client of the Company or a person who executes business for such client
- f. Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets in addition to director/Audit and Supervisory Board Member compensation from the Company
- g. Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business of the corporation)
- h. Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to self only)
- i. Person who executes business for another company holding cross-directorships/cross-auditorships with the Company (applies to self only)
- j. Person who executes business for an entity receiving contributions from the Company (applies to self only)
- k. Other

Outside Directors' Relationship with the Company (2) **[Updated]**

Name	Membership of Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Applicable Relationship	Reasons for Appointment
Kei Sakaguchi		○	-	Mr. Kei Sakaguchi has in-depth expertise and experience cultivated as a scholar of information and communication engineering. The Company expects him to give advice on the Company's overall management from an academic point of view as well as to contribute to strengthening the Company's risk management in its engineering departments and enhancing the supervisory function of business execution from an objective standpoint independent from executives. The

				Company thus has elected him as Outside Director. There is no personal, capital or business relationship or any other interest between the Company and Mr. Sakaguchi. For the above reasons, the Company has determined that there is no risk of a conflict of interest with general shareholders and has designated him as an Independent Officer.
Seiichi Suzuki	○	○	-	Mr. Seiichi Suzuki has many years of extensive experience and a wide range of knowledge gained at business companies. He has appropriately performed his duties as a full-time Corporate Auditor of the Company and has a wealth of knowledge of the Group's audit practices. The Company has elected him as Outside Director who is an Audit and Supervisory Committee Member as it expects that with his experience and knowledge gained through his career, he will appropriately audit the Company's business management from an objective standpoint independent from executives. There is no personal, capital or business relationship or any other interest between the Company and Mr. Suzuki. For the above reasons, the Company has determined that there is no risk of a conflict of interest with general shareholders and has designated him as an Independent Officer.
Minoru Hirooka	○	○	-	Mr. Minoru Hirooka is a certified public accountant and has expertise and experience in finance and accounting. The Company has elected him as Outside Director who is an Audit and Supervisory Committee Member as the Company expects that, with his experience and knowledge gained through his career, he will appropriately audit the Company from an objective standpoint independent from executives. The Company has not entered into any continuing advisory agreement with Mr. Hirooka. There is no personal, capital or business relationship or any other interest between the Company and Mr. Hirooka or the Hirooka Certified Public Accountant Office, which he represents. For the above reasons, the Company has determined that there is no risk of a conflict of interest with general shareholders and has designated him as an Independent Officer.



Yoichi Maeda	○	○	-	Mr. Yoichi Maeda has many years of extensive experience and a wide range of knowledge gained at business companies. The Company has elected him as Outside Director who is an Audit and Supervisory Committee Member as it expects that, with his experience and knowledge gained through his career, he will appropriately audit the Company's business management from an objective standpoint independent from executives. There is no personal, capital or business relationship or any other interest between the Company and Mr. Maeda. For the above reasons, the Company has determined that there is no risk of a conflict of interest with general shareholders and has designated him as an Independent Officer.
Yuki Imamura	○	○	-	Ms. Yuki Imamura is an attorney at law with practical experience in advertisement and knowledge and expertise in laws. The Company has elected her as Outside Director who is an Audit and Supervisory Committee Member as it expects that she will reflect her expertise in audits of the Company from an objective standpoint independent from executives. The Company has not entered into any continuing advisory agreement with Ms. Imamura. There is no personal, capital or business relationship or any other interest between the Company and Ms. Imamura or TMI Associates, to which she belongs. For the above reasons, the Company has determined that there is no risk of a conflict of interest with general shareholders and has designated her as an Independent Officer.

### Supervisory Committee

#### Composition of Supervisory Committee and Attributes of the Chairperson **[Updated]**

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Committee Chair
Supervisory Committee	4	1	0	4	Outside Director

Appointment of Directors and/or Staff to Support the Supervisory Committee	Not Appointed
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Matters Concerning Independence of Said Directors and/or Employees from Executive Officers **[Updated]**

The Company has not assigned any employees to support the performance of duties by the Audit and Supervisory Committee and shall hire such employee if the Audit and Supervisory Committee needs to do so. The appointment, transfer, evaluation, dismissal, and other treatment of employees to support the performance of duties by the Audit and Supervisory Committee require prior consultation and agreement with the Audit and Supervisory Committee. Employees to support the performance of duties by the Audit and Supervisory Committee are, when assisting the performance of duties by the Audit and Supervisory Committee, subject to instructions and orders of the Audit and Supervisory Committee and not of Directors (excluding Directors who are Audit and Supervisory Committee Members). The Company thereby ensures the independence from Directors (excluding Directors who are Audit and Supervisory Committee Members) of the employees to support the performance of duties by the Audit and Supervisory Committee.

Status of Coordination between Supervisory Committee, Accounting Auditor, and Internal Audit Department **[Updated]**

Audit and Supervisory Committee Members who are Outside Directors attend the Audit and Supervisory Committee meetings held approximately once a month, to hear reports from the Internal Audit Office on the status of audits which are conducted based on the annual audit plan and the progress of the items in key activity plan and express their opinions.

The Internal Audit Office exchanges information with full-time Audit and Supervisory Committee Members on monthly basis or, for important matters, as needed and regularly reports to the Board of Directors and the Audit and Supervisory Committee on audit results and issues and other matters detected in internal control evaluations. In addition, the Audit and Supervisory Committee and the Internal Audit Office regularly share information with the auditing firm that serves as the Accounting Auditor on the matters conducted in audits. All parties work closely together, exchanging views on subjects such as audit results and the status of internal controls and risk assessments identified by the auditing firm.

Voluntary Established Committee(s) **[Updated]**

Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Remuneration Committee	Established
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Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee Chair (Chairperson) **[Updated]**

	Committee's Name	All Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee	Nomination and Remuneration Committee	3	0	1	2	0	0	Outside Director
Voluntarily Established Committee Equivalent to Remuneration Committee	Nomination and Remuneration Committee	3	0	1	2	0	0	Outside Director

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**Supplementary Explanation** **[Updated]**

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As of March 25, 2022, the Company established the Nomination and Remuneration Committee as a voluntary advisory body to the Board of Directors, with majority of its members being Independent Outside Directors. The Nomination and Remuneration Committee is composed of three members who are Independent Outside Director or Director, and is chaired by an Independent Outside Director. In order to enhance the transparency and objectivity of the decision-making process and to strengthen the monitoring and supervisory functions of management, the Nomination and Remuneration Committee is involved in the nomination and remuneration of Directors from a standpoint independent of management. The Nomination and Remuneration Committee deliberates on the fairness and appropriateness of director candidate nominations, succession planning, director remuneration, and others, and then reports to the Board of Directors for decision making.

### Matters Concerning Independent Directors

Number of Independent Directors	5
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**Other Matters Concerning Independent Directors**

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The Company designates all Outside Directors who meet the requirements for an Independent Officer as Independent Officers.

### Incentives

Implementation Status of Measures related to Incentives Granted to Directors	Other
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**Supplementary Explanation for Applicable Items** **[Updated]**

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The Company introduced a restricted stock remuneration plan for Directors as resolved at the 24th Annual General Meeting of Shareholders held on March 25, 2022. The aim of this plan is for Directors 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. Under this plan, the Company provides monetary remuneration receivables to Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) separately from the maximum amount of remuneration, and Directors contribute the monetary remuneration receivables to the Company which, in return, grants transfer-restricted shares to the Directors.

Persons Eligible for Stock Options	-
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**Supplementary Explanation for Applicable Items**

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### Director Remuneration

Status of Disclosure of Individual Directors' Remuneration	No Disclosure for any Directors
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**Supplementary Explanation for Applicable Items** **[Updated]**

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There is no supplementary explanation since per Director remuneration, etc. totaling 100 million yen or more does not exist.

## Policy on Determining Remuneration Amounts and the Calculation Methods Thereof

Established

### Disclosure of Policy on Determining Remuneration Amounts and the Calculation Methods Thereof **[Updated]**

The Board of Directors of the Company has established a policy for determining the amount and calculation method of remuneration for Directors, which is summarized as follows:

The Company's basic policy is that remuneration should promote the Company's business performance and corporate value and enable the Company to secure human resources essential for sustainable growth; at the same time, remuneration should be commensurate with each individual's contributions to their duties and the Company's business performance and management conditions and be set at a level that is balanced with those of other companies in the same industry.

Remuneration for the Company's Directors consists of "basic remuneration," which is fixed remuneration, and "stock remuneration," which fluctuates depending on the Company's stock price. The remuneration is calculated in accordance with the calculation method specified for each position based on the basic policy and determined upon resolution by the Board of Directors. The details of the remuneration of each Director for the current fiscal year were determined in accordance with the above policy; therefore, we believe that they are in line with that policy.

Remuneration for Outside Directors (excluding Directors who are Audit and Supervisory Committee Members) and Directors who are Audit and Supervisory Committee Members consists solely of "basic remuneration," which is fixed remuneration, in view of the fact that they are in a position independent from Executive Directors.

Remuneration for Directors who are Audit and Supervisory Committee Members is determined by discussion among Directors who are Audit and Supervisory Committee Members.

As of March 25, 2022, the Company established the Nomination and Remuneration Committee as a voluntary advisory body to the Board of Directors, with a majority of its members being Independent Outside Directors. Starting from the next fiscal year, the Company will determine remuneration for Directors after receiving reports from the Nomination and Remuneration Committee.

### Support System for Outside Directors **[Updated]**

The Corporate Department provides support to Outside Directors. Before a Board of Directors meeting, it sends materials related to each agenda item to all officers including Outside Directors, and provide explanations in advance upon request from each officer.

## 2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System) **[Updated]**

### ■ Board of Directors

The Board of Directors is composed of nine Directors, five of whom are Outside Directors, and is chaired by the Representative Director & President. In addition to regular meetings held once a month, the Board of Directors holds extraordinary meetings as necessary. The Board of Directors deliberates, resolves, and reports on statutory matters and important matters related to management and business execution. The Board of Directors also supervises the execution of business by Directors by incorporating the perspectives of Outside Directors who constitute the majority of the Board of Directors.

### ■ Audit and Supervisory Committee

The Audit and Supervisory Committee is composed of four Directors, all of them being Outside Directors, and is chaired by an Outside Director. In addition to regular meetings held once a month, the Audit and Supervisory Committee holds an extraordinary meeting as necessary. The Audit and Supervisory Committee reports the detail of audits conducted in accordance with the audit policy, audit plan, and division of duties established by the Audit and Supervisory Committee, and conducts necessary deliberation and resolution. Audit and Supervisory Committee Members attend important internal meetings. Selected Audit and Supervisory Committee Members conduct audits through investigations on business operations and vouchers. In addition to these, by receiving reports from the Internal Audit Office and other departments that perform monitoring

functions, the Audit and Supervisory Committee conducts systematic audits utilizing the internal control system.

■ **Business Strategy Committee**

The Business Strategy Committee is composed of five members who are either the Representative Director & President, Executive Director, or Director who is full-time Audit and Supervisory Committee Member, and is chaired by the Representative Director & President. The Business Strategy Committee 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.

■ **Weekly Report Committee**

The Weekly Report Committee is composed of nine members who are either the Representative Director & President, Executive Director, Director who is full-time Audit and Supervisory Committee Member, or four officers of group companies above a certain rank. The Weekly Report Committee 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.

■ **Risk Management Committee**

The Risk Management Committee is composed of six members who are either Executive Director, full-time Audit and Supervisory Committee Member, or one employee from the legal department, and is chaired by the Representative Director & President. The Risk Management Committee holds a meeting regularly to share information by making reports, for example on the Company's risk analysis and the progress of risk management measures as well as on the maintenance and status of the internal reporting system.

■ **Internal Audit Office**

The Internal Audit Office is comprised of one full-time member and verifies, evaluates and advises on whether the Group's organization, systems and operations are in compliance with management policies, laws, regulations and rules, and whether they are operated efficiently. Through this process, the Internal Audit Office strives to prevent legal violations, fraud and errors, to provide accurate information, to preserve assets, and to improve business activities.

■ **Accounting Auditor**

The Company is audited by KPMG AZSA LLC. There are no special interests between the Company and KPMG AZSA LLC or the managing partners of KPMG AZSA LLC who are engaged in auditing the Company.

■ **Limited liability agreement**

The Company's Article of Incorporation stipulates that under the provisions of Article 427, paragraph 1 of the Companies Act, the Company may enter into individual agreements with each Director who is not an Executive Director, etc. to limit his/her liabilities under Article 423, paragraph 1 of the said Act. Accordingly, the Company has entered into such agreements with Directors who are not Executive Directors, etc. The limit of liability for damages under the agreement will be the minimum liability amount stipulated by laws and regulations. Such limitation of liability is limited to cases where the Director who is not an Executive Director has performed his/her duties in good faith and without gross negligence.

### **3. Reasons for Adoption of Current Corporate Governance System [Updated]**

The Company has adopted a corporate governance structure that the Company believes is optimal for achieving its objectives at the time and will review it from time to time as the social and legal environment changes.

The Company aims to further strengthen the supervisory functions of the Board of Directors and seek to separate the business execution and supervisory functions through appointing Directors who are Audit and Supervisory Committee Members. The Company also strives to improve the agility of management decision making through the delegation of authority. The Company decided to become a company with an audit and supervisory committee, which is considered an appropriate governance structure for realizing the sustainable growth of corporate value under the Company's current circumstances.

### III. Implementation of Measures for Shareholders and Other Stakeholders

#### 1. Measures to Vitalize the General Shareholder Meetings and Facilitate Exercise of Voting Rights

[Updated]

	Supplementary Explanation
Early Posting of Notice of the General Shareholders Meeting	The Company sends out the notice of annual general meeting of shareholders earlier than three weeks on annual general meeting of shareholders so that shareholders may have sufficient time to consider the proposals.
Scheduling of the General Shareholders Meeting During Non-Peak Days	The Company schedules the General Meeting of Shareholders avoiding the peak days so that a greater number of the shareholders can attend.
Electronic Exercise of Voting Rights	The Company has adopted the method of exercising voting rights via the Internet, starting with the annual general meeting of shareholders held on March 2022.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	The Company has been participating in the electronic voting platform from the annual general meeting of shareholders to be held on March 2022.
Provision of Notice (or Summary of Notice) of the General Shareholders Meeting in English	The Company provides the notice of the annual general meeting of shareholders in English, since the annual general meeting of shareholders held on March 2022.
Other	Notices of convocation and resolutions are posted on the Company's website. <a href="https://www.oro.com/en/ir/library/">https://www.oro.com/en/ir/library/</a>

#### 2. Status of IR-related Activities

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Formulation and Publication of Disclosure Policies	The "Disclosure Policy" is posted on the Company's website. <a href="https://www.oro.com/en/ir/policy/">https://www.oro.com/en/ir/policy/</a>	
Regular Investor Briefings held for Individual Investors	The Company holds corporate briefings for individual investors on a regular basis.	Held
Regular Investor Briefings held for Analysts and Institutional Investors	The Company holds corporate briefings for individual investors on a regular basis.	Held
Regular Investor Briefings held for Overseas Investors	The Company holds corporate briefings for individual investors on a regular basis.	Held
Online Disclosure of IR Information	The summaries of consolidated financial results, timely disclosure materials, annual securities reports, and quarterly reports are posted on the Company's website. <a href="https://www.oro.com/ja/ir/library/">https://www.oro.com/ja/ir/library/</a>	
Establishment of Department and/or Placement of a Manager in Charge of IR	The Company has assigned personnel in charge of IR in the Corporate Department.	



### 3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	The Company's "Business Ethics" stipulates that the Company shall strictly prohibit any act that violates social norms and the principle of good faith in corporate activities and further strive to earn the trust of stakeholders.
Implementation of Environmental Preservation Activities and CSR Activities, etc.	None
Formulation of Policies, etc. on Provision of Information to Stakeholders	The Company's "Business Ethics" stipulates that the Company shall consider the timely and appropriate disclosure of corporate information to its stakeholders to be its important responsibility. It includes disclosure of corporate information as required by the Financial Instruments and Exchange Act, the Companies Act, other relevant laws and regulations, and the rules of stock exchanges. Furthermore, it specifies that in order to increase the transparency of corporate management and to have its corporate value properly evaluated, the Company shall establish a system of timely disclosure and strive to proactively disclose corporate information.

## IV. Matters Concerning the Internal Control System

### 1. Basic Views on Internal Control System and Status of Development [Updated]

The Company shall establish the basic policy for a system to ensure the proper business process (hereinafter the "Internal Control System") in accordance with the Companies Act and the Ordinance for Enforcement of the Companies Act as follows, and make ceaseless efforts to improve and enhance such system.

#### 1. 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."

#### 2. Internal system to ensure the performance of duties by Directors and employees should comply with laws and the Articles of Incorporation

- (1) According to the "Business Ethics," the Company 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 the Company's corporate activities.
- (2) In addition to its "Management Philosophy," the Company shall establish the "Action Guideline" not only for the Company's 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.
- (3) The Company 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. In addition, the person in charge of the hotline for internal reporting shall immediately report to the Audit and Supervisory Committee on the detail of the matters reported.
- (4) The Company shall propose the election of Outside Directors to improve and maintain the level of supervision of the Board of Directors.
- (5) The Audit and Supervisory Committee shall audit the status of performance of duties by each of Directors (excluding Directors who are Audit and Supervisory Committee Members), from its independent standpoint, including the status of developing and operating the internal control system, in accordance with the "Auditing and Supervising Standards for Audit and Supervisory Committee" and the "Audit Plan."
- (6) The Internal Audit Office shall audit whether the Company appropriately performs the business processes in accordance with the relevant laws, the Articles of Incorporation and other rules.

(7) As an initiative to ensure and strengthen sense of compliance, the Company shall provide workshops to study the basics of compliance and information management required for performance of duties for Directors and employees of the Company for the purpose of continuous education and its diffusion.

### 3. System to save and administer information regarding the performance of duties by Directors

(1) As for information regarding the performance of duties by Directors, the Company shall produce, save and administer such information in written form (including electronic form) in accordance with the relevant laws and the “Document Management Regulations.” The Company shall verify the operation of this system or review the rules if necessary.

(2) 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 to do so for the purpose of performing their duties.

### 4. Rules and other systems for management of risks of loss

(1) In accordance with the “Risk Management Regulations” providing for the basic rules for risk management, the Company shall establish a Risk Management Committee for comprehensive and systematic management of each risk.

(2) Head of each department shall provide the risk-related information to the Board of Directors.

(3) In case of unexpected incident or situation, the Company shall set up a task force under supervision of the Representative Director & President 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.

### 5. System to ensure the efficient performance of duties by Directors

(1) The Company 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.

(2) The Company shall prepare sufficient information materials in advance regarding items to be decided set forth in the “Board of Directors Regulations” and make sure the items should be decided by the Board of Directors.

(3) The Company 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.

(4) In order to accelerate the decision-making process, the Company 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.

(5) As for the items out of duties and authority, the Company shall establish and operate a system of executing business to decide things based on the agreement among the Representative Director & President and officer(s) in charge after the expert opinions from the responsible department have been reflected.

### 6. System to ensure the proper business process among the corporate group consisting of the Company and its subsidiaries

(1) The Company 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.

(2) To ensure the proper business process, the Company’s subsidiaries shall report anything set forth in the “Affiliated Companies Management Regulations” requiring approval by and reporting to the Company, and report on a regular basis the progress of the performance of duties while sharing information both on their business and risk management.

(3) The supervising officers of controlling functions of affiliated companies as set forth in the “Affiliated Companies Management Regulations” shall immediately inform the Board of Directors of the Company of the nature of risk, the extent of the possible damage and the impact on the Company’s business if the supervising officer found out that there is a risk of damage to be suffered by any subsidiary.

(4) The Company’s subsidiaries shall be subject to a regular internal audit to be conducted by the Internal Audit Office of the Company and report the result of the audit to the Representative Director & President and Audit and Supervisory Committee of the Company.

(5) Audit and Supervisory Committee members appointed by the Audit and Supervisory Committee shall visit subsidiaries to audit their business operations if necessary.

(6) The Company shall dispatch its Director(s) to its subsidiaries to audit and supervise the performance of duties by Director(s) of the subsidiaries through such Director(s).

(7) The Company shall establish the internal reporting system that allows Directors, Corporate Auditors and employees of the Company's subsidiaries to report directly to the Company, and thereby detect early on and correct failure or possible failure to comply with the relevant laws and the Articles of Incorporation and other internal rules.

7. Matters concerning employees who are to assist the performance of the duties of the Audit and Supervisory Committee, matters concerning independence of such employee from Directors, and matters concerning measures to ensure effectiveness of instructions and orders by Audit & Supervisory Board Members to such employee.

(1) The Company shall hire an employee for the Audit and Supervisory Committee to assist the performance of its duties as the Audit and Supervisory Committee if the Audit and Supervisory Committee needs to do so, and discuss its selection and appointment at the Audit and Supervisory Committee.

(2) In order to ensure the independence of an employee who assists the performance of the duties of the Audit and Supervisory Committee from Directors (excluding Directors who are Audit and Supervisory Committee Members), the appointment, transfer, evaluation and dismissal of such employee shall be determined with the agreement of the Audit and Supervisory Committee.

(3) An employee who assists the performance of the duties of the Audit and Supervisory Committee shall comply with instructions and orders given by the Audit and Supervisory Committee whenever he/she assists the Audit and Supervisory Committee, and shall not be subject to any instruction or order given by Directors (excluding Directors who are Audit and Supervisory Committee Members).

8. System for Directors (excluding Directors who are Audit and Supervisory Committee Members) and employees to report to the Audit and Supervisory Committee

(1) System for Directors (excluding Directors who are Audit and Supervisory Committee Members) and employees of the Company to report to the Audit and Supervisory Committee

a. The Audit and Supervisory Committee Members have the authority to attend and request a report at the meetings of the Board of Directors and all other internal meetings if necessary.

b. Directors (excluding Directors who are Audit and Supervisory Committee Members) and employees shall report the status of business operation and internal controls to the Audit and Supervisory Committee on a regular basis, and the Internal Audit Office shall report the plans and results of its internal audits on a regular basis.

c. Directors and employees shall immediately inform the Audit and Supervisory Committee 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 the Company whenever they came to know them.

(2) System for Directors, Corporate Auditors, employees performing their duties and other employees of the Company's subsidiaries or those who received a report from them to report to the Audit and Supervisory Committee of the Company

Upon request from the Audit and Supervisory Committee of the Company, they shall report the status of the performance of their duties, and immediately inform the Audit and Supervisory Committee of the Company 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 the Company and its subsidiaries.

9. 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

The Company shall prohibit the unfavorable treatment of Directors and employees who reported to the Audit and Supervisory Committee due to their reports to such committee.

10. Matters regarding the policy on the settlement of expenses or debts arising out of the performance of duties by an Audit and Supervisory Committee Member

The Company shall set forth a billing and settlement system for expenses arising out of the performance of duties by an Audit and Supervisory Committee Member, and when the Audit and Supervisory Committee Member asks for advance payment or redemption for such expenses, the Company shall settle the payment or redeem them following the designated procedures unless the Company clearly decides these expenses are not necessary for the Audit and Supervisory Committee Member to perform his/her duties.

#### 11. Other systems to ensure that audits by the Audit and Supervisory Committee are conducted effectively

- (1) The Company 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 Audit and Supervisory Committee Member and keep their independence from those who execute operations, such as the Representative Director & President or Directors (excluding Directors who are Audit and Supervisory Committee Members) of the Company.
- (2) Audit and Supervisory Committee shall hold a meeting with the Representative Director & President of the Company on a regular basis to exchange opinions and information with each other.
- (3) The Audit and Supervisory Committee and the Internal Audit Office shall closely cooperate with each other and develop an audit plan. The Audit and Supervisory Committee may also instruct the Internal Audit Office to conduct investigations if necessary. The Internal Audit Office shall follow the instructions and orders of the Audit and Supervisory Committee in performing its duties as directed by the Audit and Supervisory Committee, and shall not be subject to the instructions and orders of the Representative Director & President.
- (4) The appointment, transfer, evaluation, dismissal, etc. of personnel of the Internal Audit Office shall be discussed in advance with the Audit Committee and its consent shall be obtained.

#### 12. Development of a system to ensure the reliability of financial reporting

The Company 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.

#### 13 System to eliminate antisocial forces

The Company shall take actions against antisocial forces posing a threat to the public order or sound corporate activities in a resolute attitude across the Company including cooperation with related entities, and sever all relationship with them. The Company shall continue to enhance the development of the system to eliminate antisocial forces while cooperating with the police and related entities as well as expert institutions such as lawyers.

## 2. Basic Views on Measures for Eliminating Anti-Social Forces and Status of Development

The Company’s “Business Ethics” stipulates as follows: “The Company shall sever any relationship with antisocial forces that threaten the order and security of civil society, and even in the case the Company receives unfair demands from such forces, the Company shall resolutely confront such forces without yielding to them.” The Company has developed a system to eliminate antisocial forces by establishing “Rules for Measures Against Antisocial Forces” and “Manual for the Elimination of Antisocial Forces,” and designating the Corporate Department and its General Manager as the department and person in charge of this matter.

Specifically, before conducting business with a new partner, the Company examines whether or not such partner has any relationship with antisocial forces by collecting information on such partner using multiple information services. The Company also regularly examines whether or not its existing business partners have any relationship with antisocial forces, as well as conducts such examination on all of its business partners at least once a year. In addition, when starting transactions with a new business partner, the Company concludes “Memorandum Regarding Elimination of Antisocial Forces” with such partner prior to the conclusion of contracts for orders and other transactions with them. The said memorandum includes a clause regarding the exclusion of organized crime syndicates that allows a contract to be terminated in the case that such partner is found to be an antisocial force.

The Company regularly provides all of its Directors and employees with opportunities to thoroughly understand the Company’s rules for the elimination of antisocial forces in major training sessions and meetings for them.

To cooperate with external agencies, the Company has become the member of the Meguro District Special Violence Prevention Measures Council, and established a system to collect information and secure assistance from the Tokyo Metropolitan Police Department’s Special Violence Prevention Measures Association (Tokubouren) and the local police department, etc.

## V. Other

### 1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures

Not Adopted

Supplementary Explanation for Applicable Items

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### 2. Other Matters Concerning the Corporate Governance System

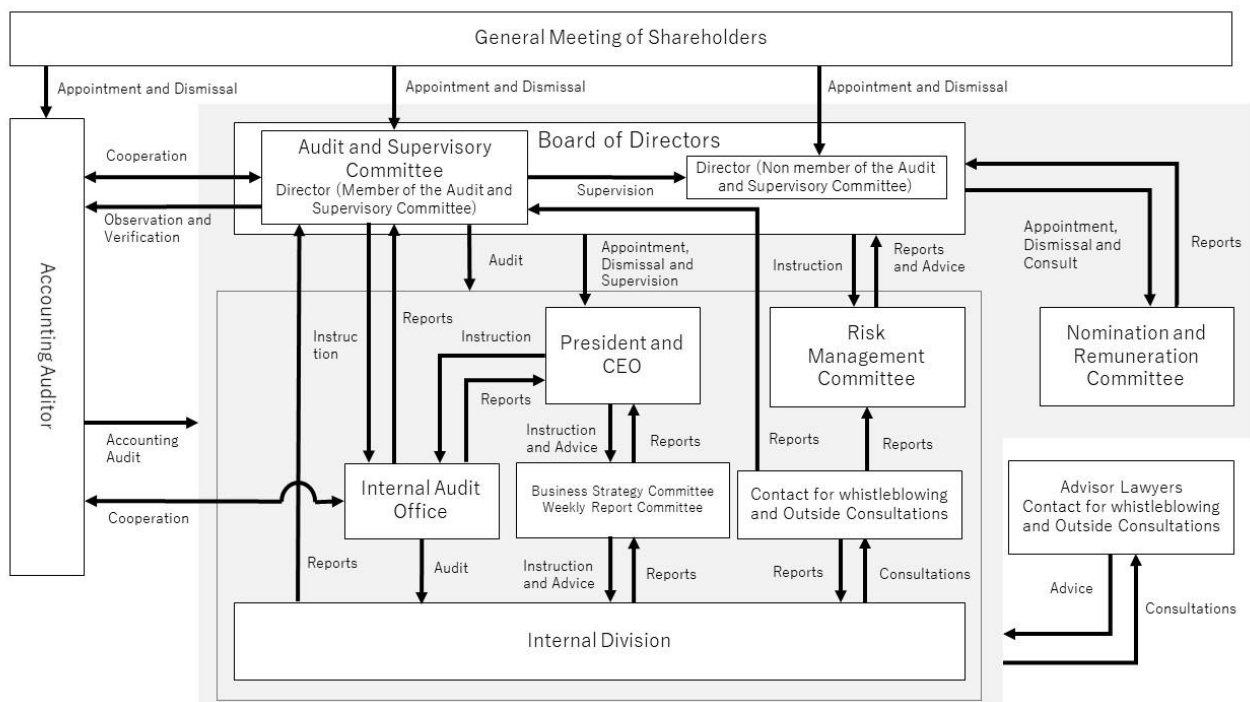
#### (1) Corporate governance system

Please refer to the “Diagram of Corporate Governance System (Reference Material)” below.

#### (2) Timely disclosure system

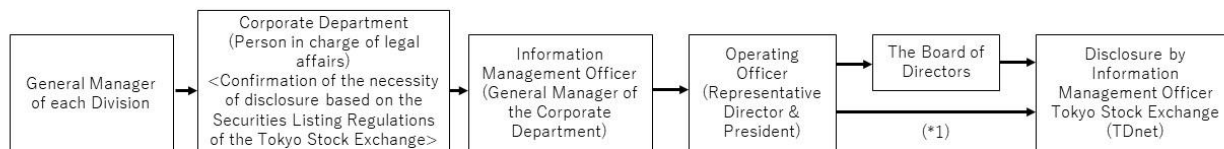
The Company regards efforts on proactive disclosure as part of corporate governance. The Company has designated the General Manager of the Corporate Department as Information Management Officer. Accordingly, the Corporate Department collects information reported by the Company’s Directors and employees in a timely manner, and any of such information that should be disclosed in accordance with the procedures described in the “Overview of Timely Disclosure System (Reference Material)” below shall be disclosed in a timely manner. In addition, the Company provides its Directors and employees with training to understand and become aware of the importance of timely disclosure as necessary, along with other training for the management of confidential and personal information.

[Diagram of Corporate Governance System (Reference Material)] **[Updated]**



## [Overview of Timely Disclosure System (Reference Material)]

<Information, etc. on decisions and financial results of the Group>



(\*1) If information is disclosed without the prior approval of the Board of Directors, such information should be reported to the Board after the disclosure without delay.

<Information on decisions made by subsidiaries>



<Information on the facts related to the Group>

