

Financial Results for Q1 FY2023

oRo Co.,Ltd. Code : 3983

May 15, 2023



Index

01 Q1 FY2023 Financial Results Highlights

02 Business Segment Topics

03 Company profile

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.



Q1 FY2023 Financial Results Highlights

Q1 FY2023 Financial Results

Q1 FY2023 consolidated financial results		
Revenue	1,589 million JPY	YoY +14.1%
Operating profit	590 million JPY	YoY +21.5%

Revenue were moderately worse than plan, while operating profit remained steady.

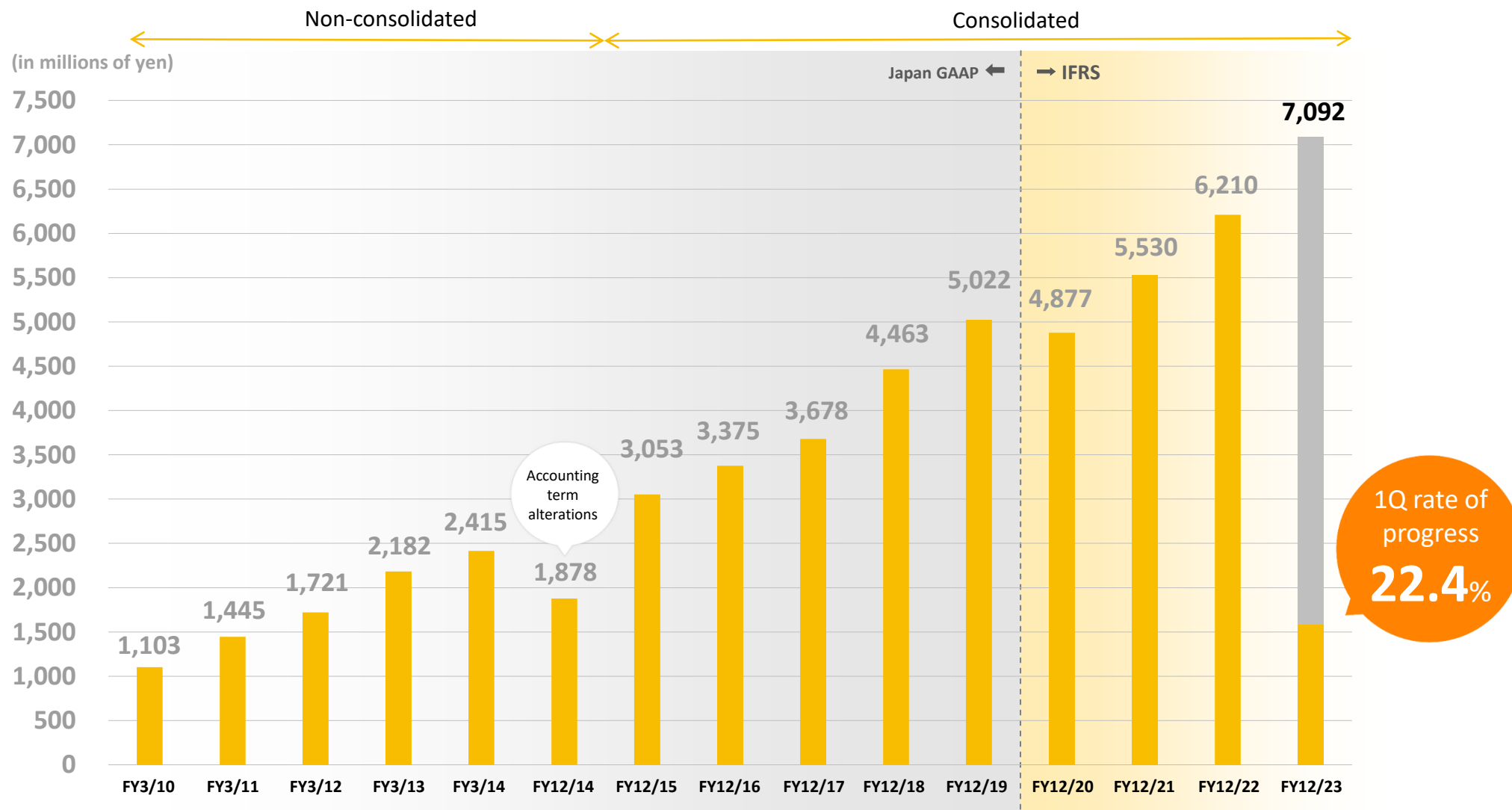
Cloud Solutions (CS)			Digital Transformation (DX)		
Revenue	936 million JPY	YoY +17.3%	Revenue	653 million JPY	YoY +9.8%
Operating profit	415 million JPY	YoY +22.6%	Operating profit	173 million JPY	YoY +27.2%

Revenue were moderately worse than plan, while operating profit remained steady.

Revenue were weak, 14.0% below plan, while operating profit were moderately worse than plan.

Trends in sales

Recorded 1,589 million yen, up 14.1% year-on-year



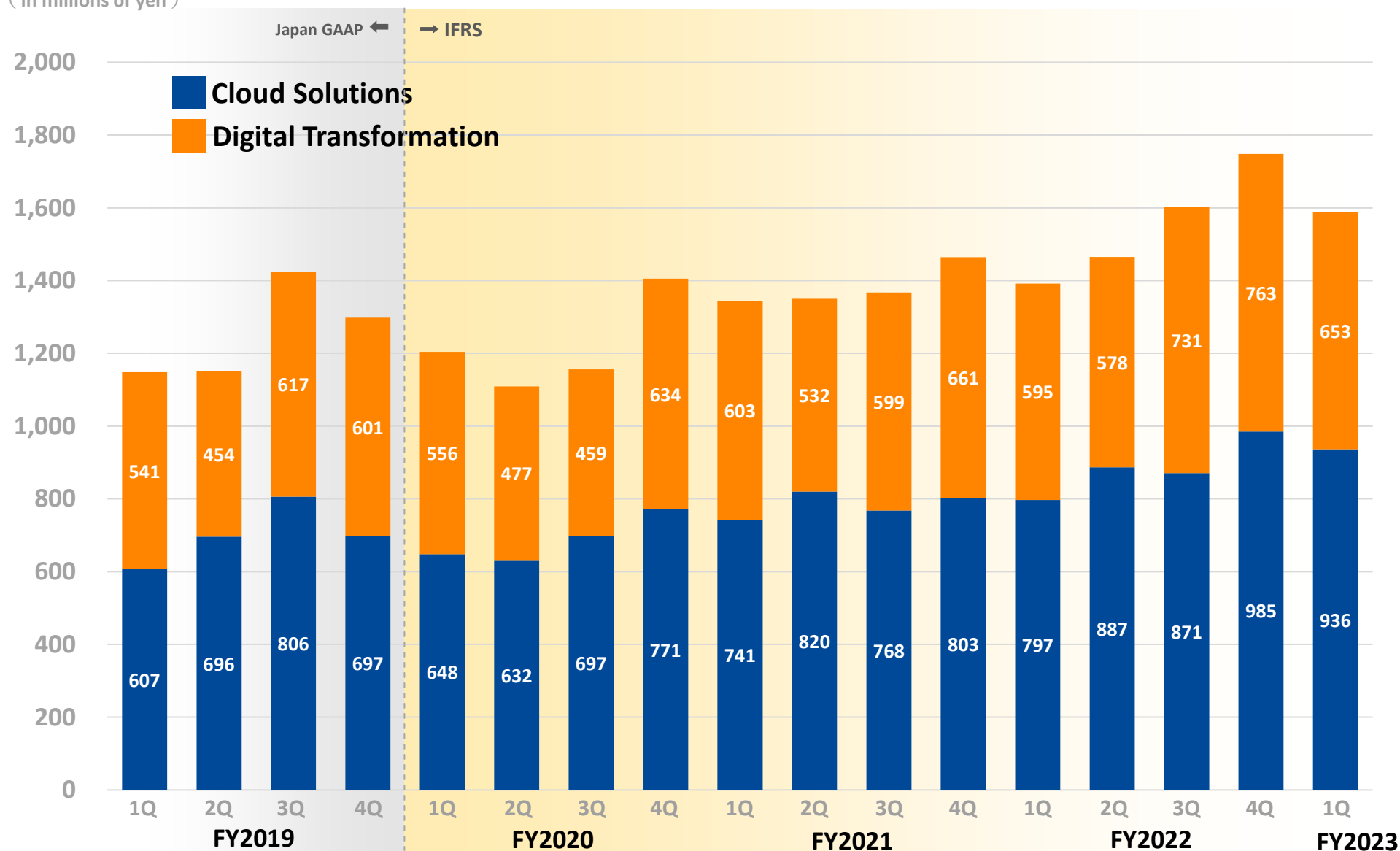
*Was not audited by KPMG AZSA LLC, prior to and in the fiscal year ended March 31, 2014

*Following the change in accounting policy in fiscal 2018, net sales for Digital Transformation Business (previously Communication Design Business) are shown on a net basis from the fiscal year ended December 31, 2017, instead of a gross basis used previously.

*Starting from the fiscal year ended December 31, 2021, the Company has adapted International Financial Reporting Standards (IFRS) instead of Japanese GAAP. Accordingly, revenue for the fiscal year ended December 31, 2020 indicates the amount after retrospective application of the change.

Trends in quarterly sales

(in millions of yen)

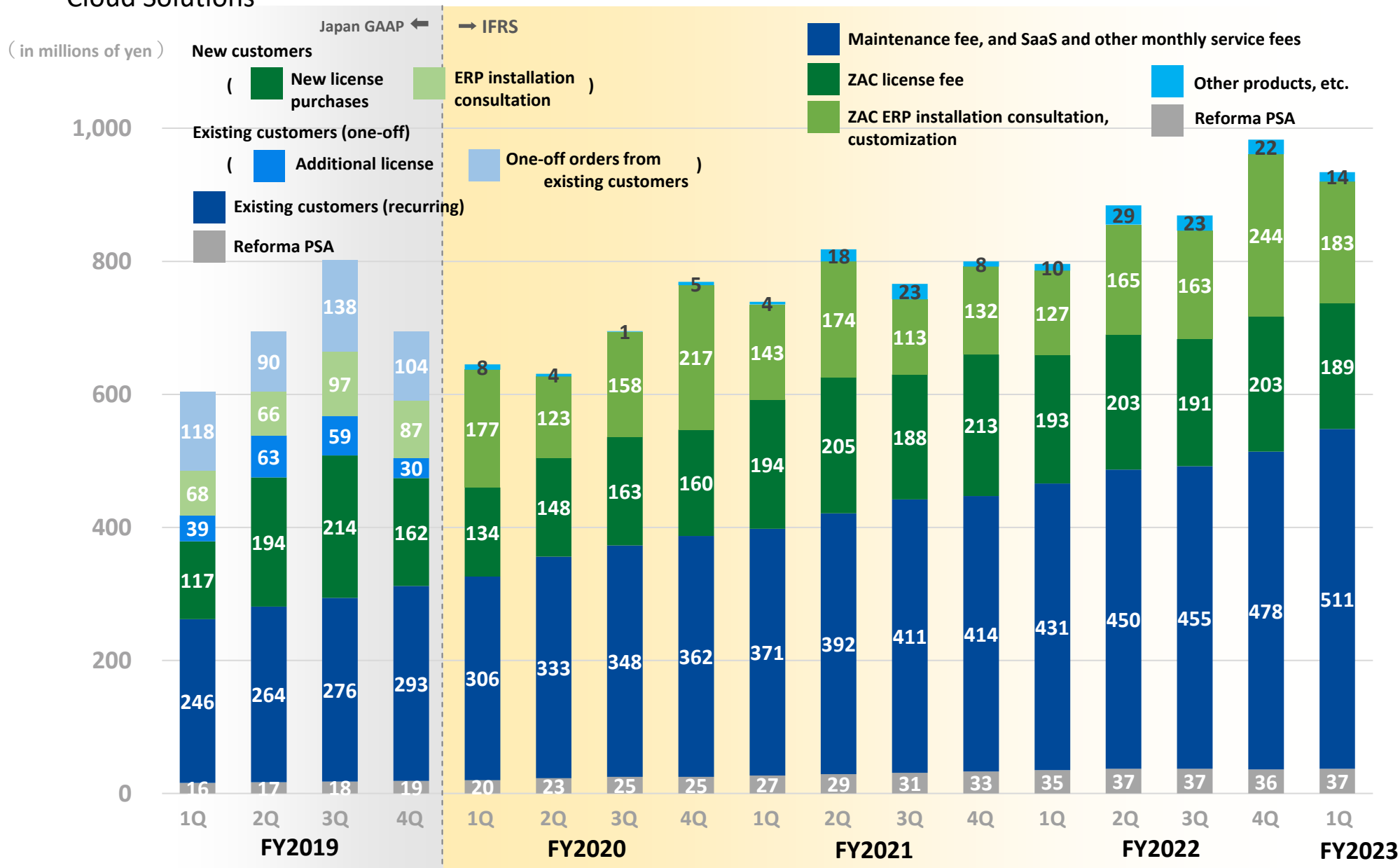


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Breakdown of sales by customer segment

Cloud Solutions

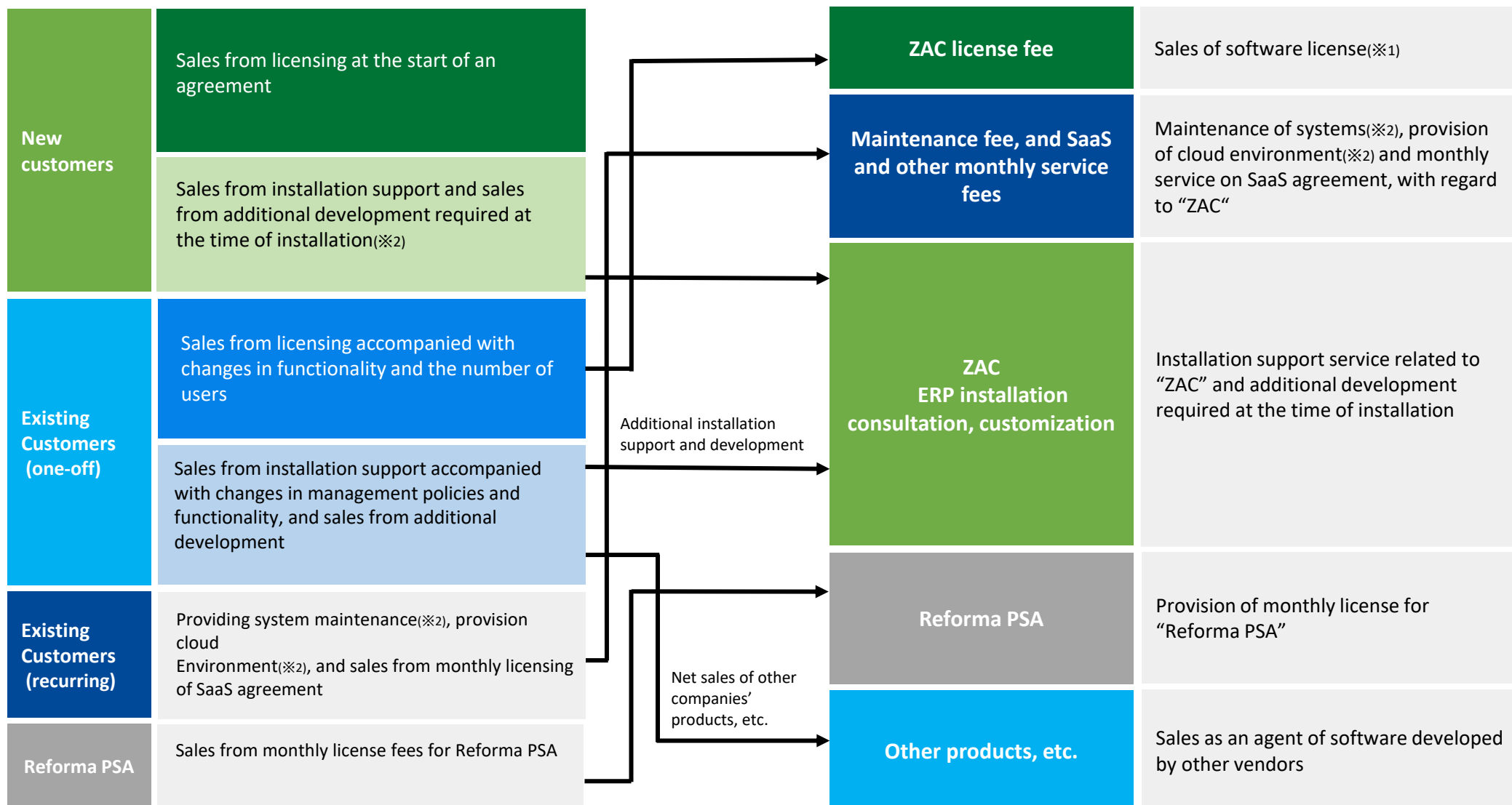


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Breakdown of sales by business segment

Cloud Solutions



※1 : Software license fees arising from one-time purchase contracts are allocated and recognized as revenue over 30 months.

※2 : Only in the case of no-returns purchase agreements.

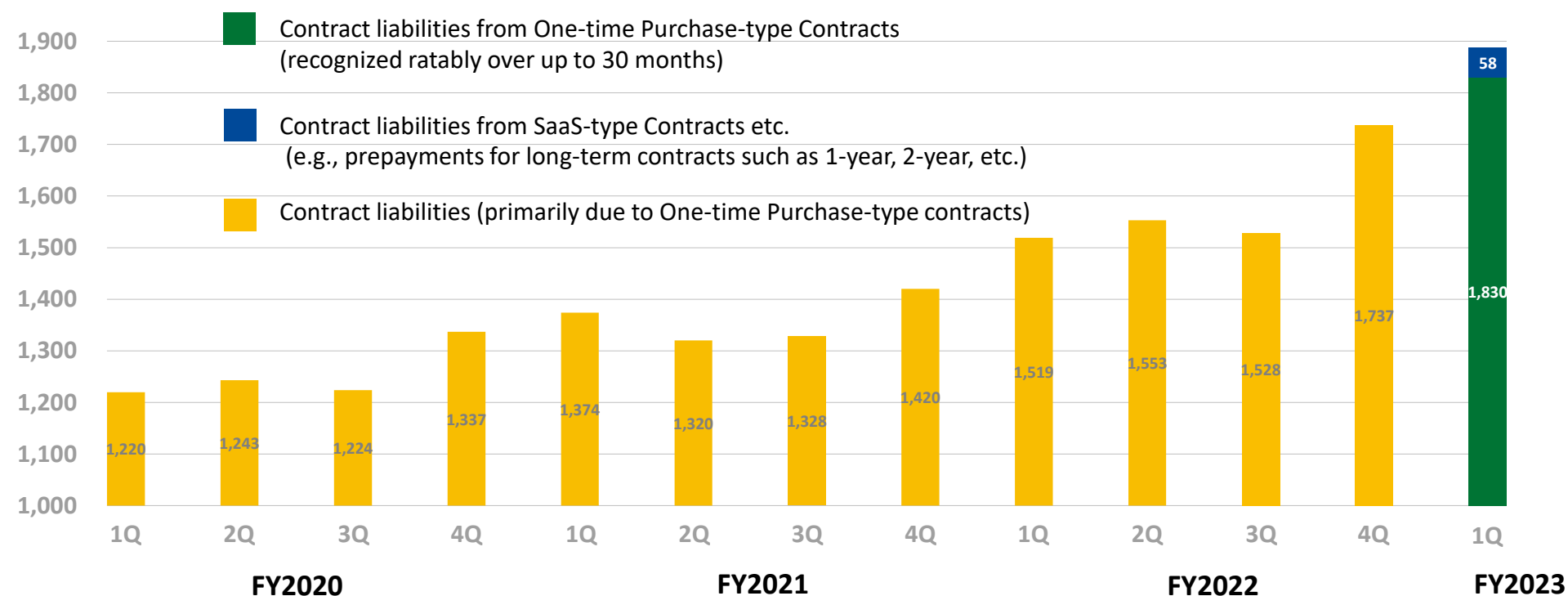
ZAC Contract liabilities (license)

Cloud Solutions

Contract liabilities increased by 24.3% YoY to 1,888 million yen, and growth also in QoQ.

Reason: Due to the abolition of the One-time Purchase-type Contract, there was an increase in rush orders for One-time Purchase-type licenses for existing ZAC customers by the end of 2022.

(in millions of yen)



Contract liabilities are the balance of contracts for which consideration has already been received and for which will be recognized as revenue in the following quarter or later.

Contracts for new and additional licenses, and long-term SaaS-type contracts etc. are included in this balance.

The increase in contract liabilities indicates a steady build-up in orders.

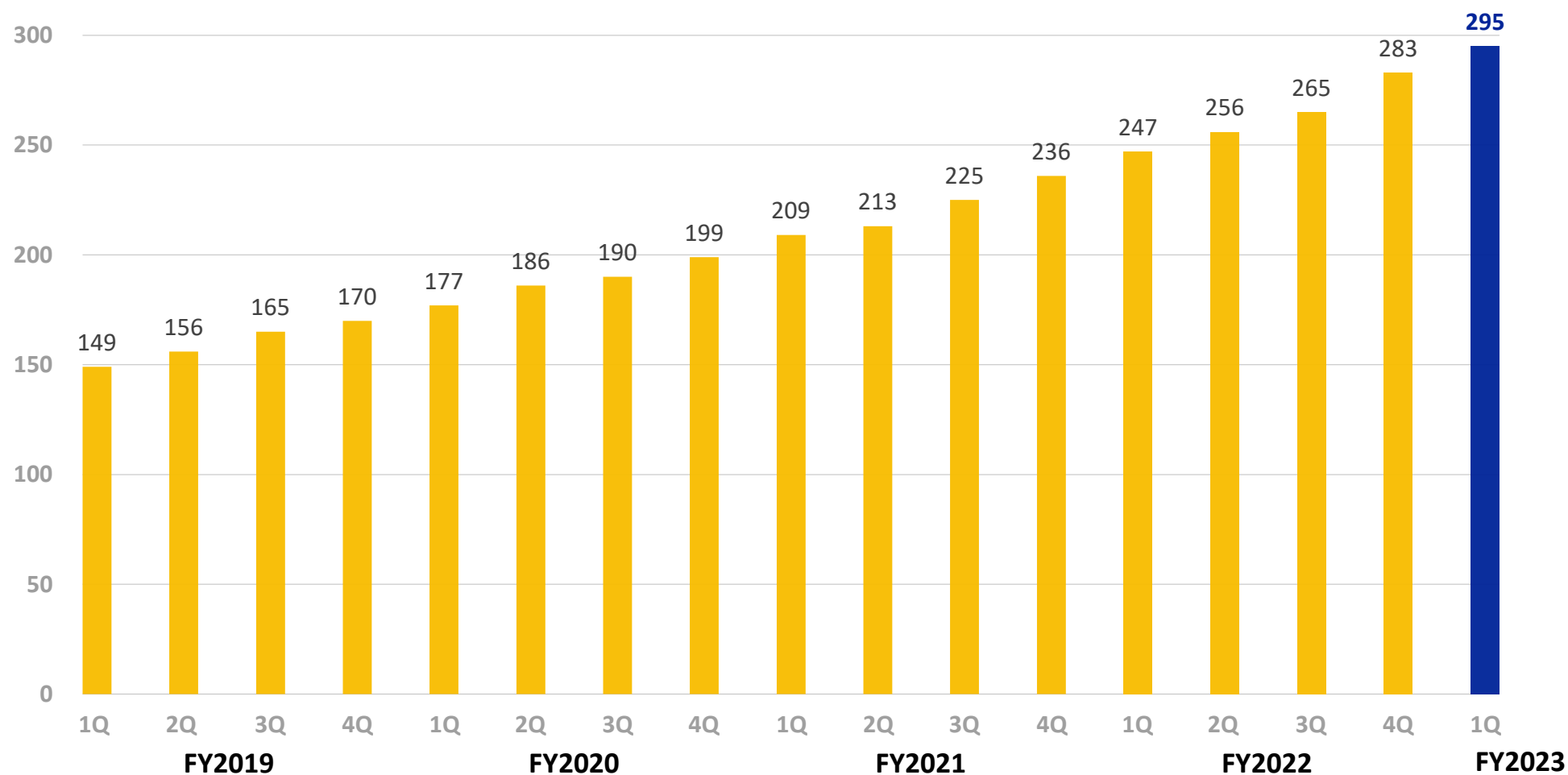
*The values for each quarter of FY 2020 was not audited by KPMG AZSA LLC.

Trend in the numbers of “ZAC” and “ZAC Enterprise” active licenses

Cloud Solutions

The number of active licenses have been increasing steadily backed by acquisition of new customers and expansion of transactions with existing customers.

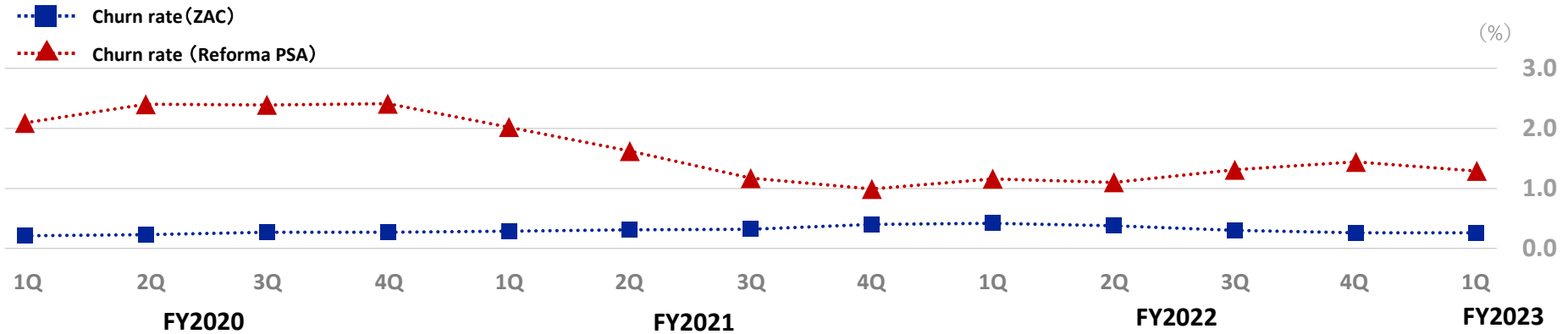
(in thousand)



*Number of active licenses = Cumulative number of licenses sold – Cumulative number of licenses terminated

Monthly Churn Rate, Changes in the Number of Contracts and Churns

Cloud Solutions



- The monthly churn rate of ZAC has remained stably low. New services to maintain the current churn rate are being planned and prepared for launch primarily by the service planning staff and health score staff.
- The monthly churn rate of Reforma PSA is declining due to strengthened follow-up measures of the customer success team.

[ZAC]

	Q1 FY2020	Q2 FY2020	Q3 FY2020	Q4 FY2020	Q1 FY2021	Q2 FY2021	Q3 FY2021	Q4 FY2021	Q1 FY2022	Q2 FY2022	Q3 FY2022	Q4 FY2022	Q1 FY2023
Number of Contracts	22	19	14	34	17	6	21	19	21	15	23	28	13
Number of Churns	4	7	5	11	5	8	7	5	11	3	0	7	9

[Reforma PSA]

	Q1 FY2020	Q2 FY2020	Q3 FY2020	Q4 FY2020	Q1 FY2021	Q2 FY2021	Q3 FY2021	Q4 FY2021	Q1 FY2022	Q2 FY2022	Q3 FY2022	Q4 FY2022	Q1 FY2023
Number of Contracts	23	18	11	25	10	13	15	10	13	10	9	9	13
Number of Churns	10	10	10	4	6	6	2	7	9	6	8	8	6

*Monthly churn rate: churn rate calculated by moving average of monthly churn customers / customers at beginning of the month for the last 12 months

License Price Revisions (Abolition of One-time Purchase-type Contract) and Revenue Recognition

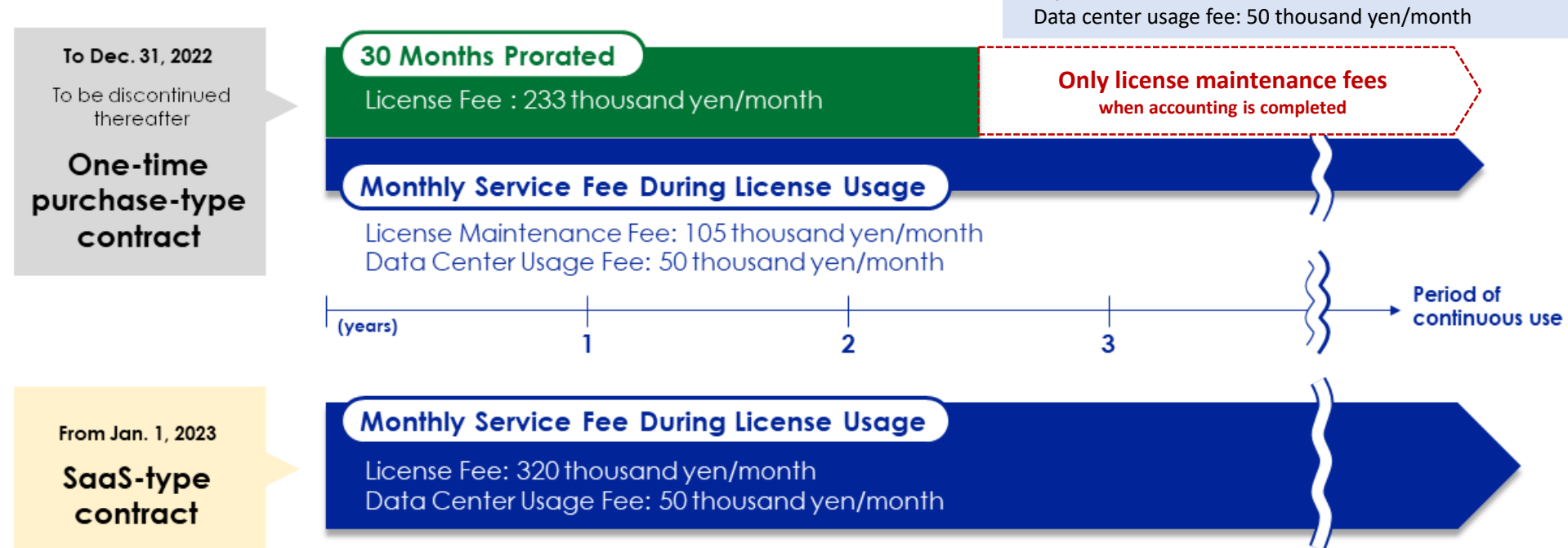
Cloud Solutions

As of January 1, 2023, the sales format of licenses for cloud-based ZAC and ZAC Enterprise has been updated. The one-time purchase-type contract (lump-sum perpetual license type) has been discontinued, and only the SaaS-type contract (monthly subscription fee type) is now available. Additionally, the license fees have been revised.

Revenue Recognition of License Sales

(Model case for 100-person client)

*The green and blue areas represent the revenue amount.



The above revisions do not apply to customers who have signed and used a one-time purchase contract by December 31, 2022.

For details, please refer to the “Notice of Revisions of License Fees for Cloud-based ERP ZAC and ZAC Enterprise” disclosed on November 14, 2022.

Efforts for customer acquisition

Cloud Solutions

Acquire new customers

The inside sales team has been successful in acquiring seeds through telephone sales. On the other hand, we are struggling with other initiatives to acquire inquiries/leads and supply Sales Qualified Leads (SQLs)*, and we are currently working to improve and review budget allocations.

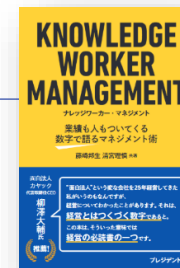
* SQL: Refers to leads that the sales group judges to have the potential to secure an order within one year after the initial meeting.

Improve branding and recognition

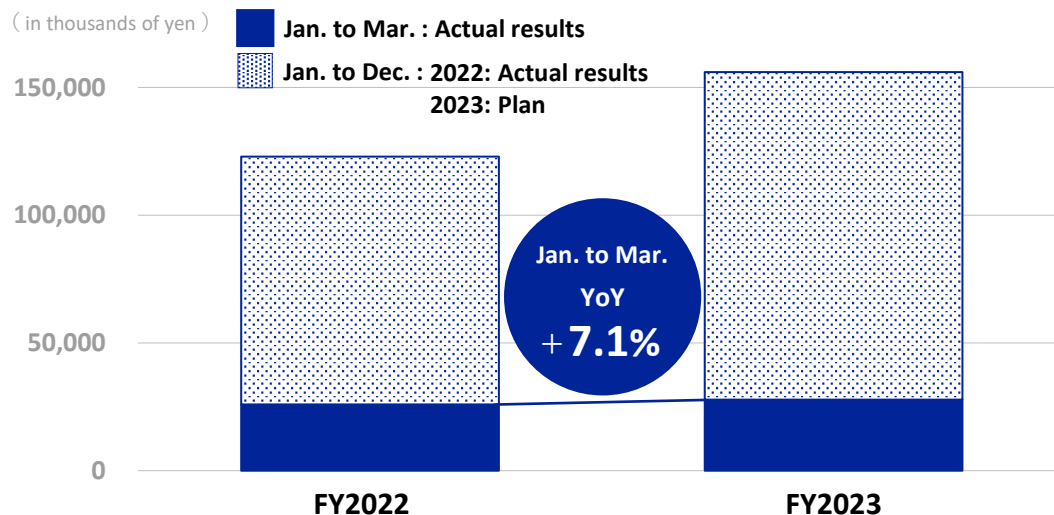
Published a book
KNOWLEDGE WORKER MANAGEMENT
(August 31, 2022)

Released a book with the aim of "improving the order rate" and "cultivating deeper relationships with existing customers."

This book discloses the systematic business management know-how of ORO, which has been developing and providing cloud ERP since its inception.



Advertising Expenses (CS)



Rate of progress against the plan:

17.8% (As of March 31, 2023)

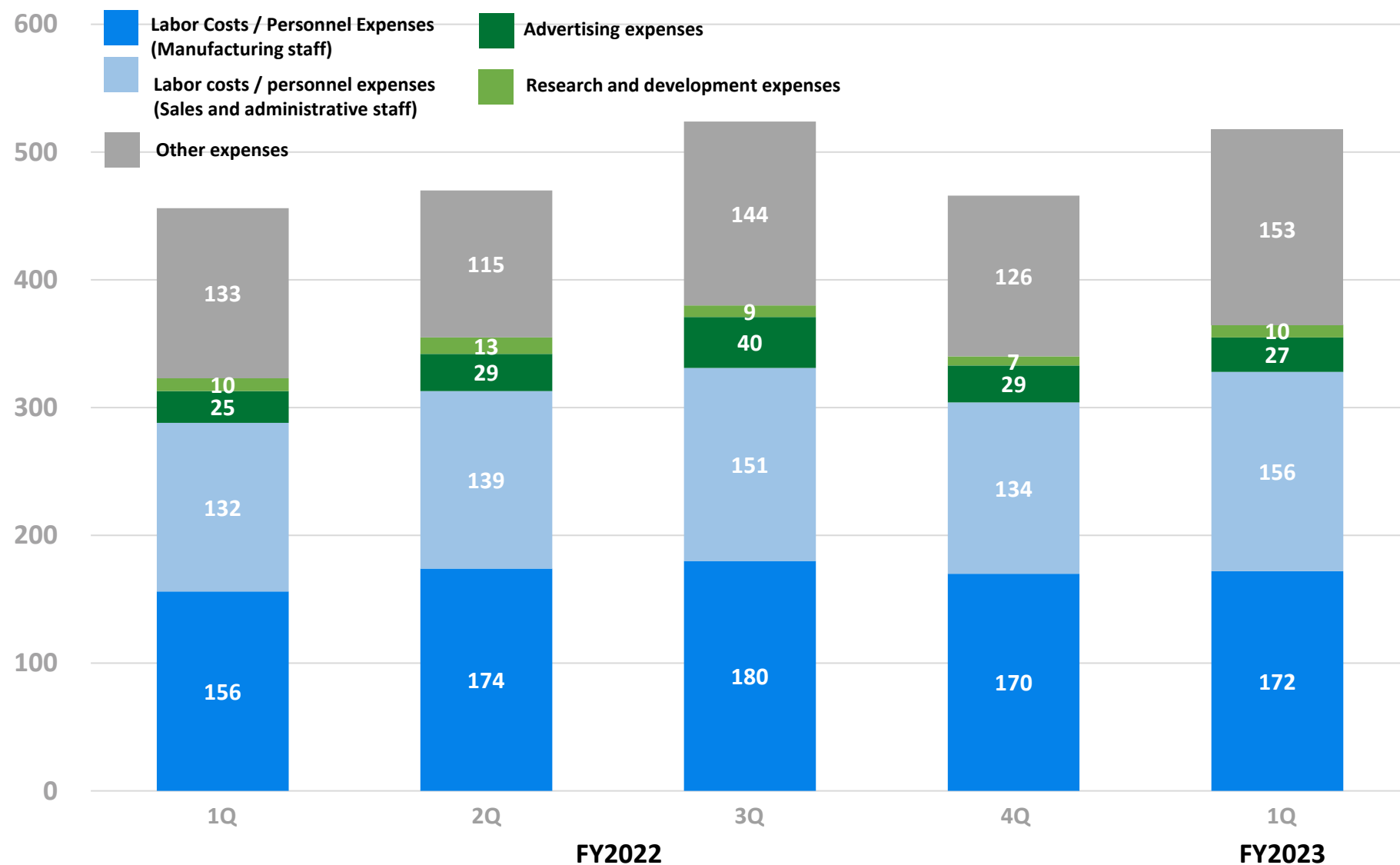
There are challenges with the effectiveness of web advertising initiatives relative to advertising expenses, and we have temporarily reduced the budget.

While working on improvements, we are considering redirecting the reduced budget for web advertising to other marketing initiatives, such as trade show participation.

Breakdown of expenses (consolidated)

Cloud Solutions

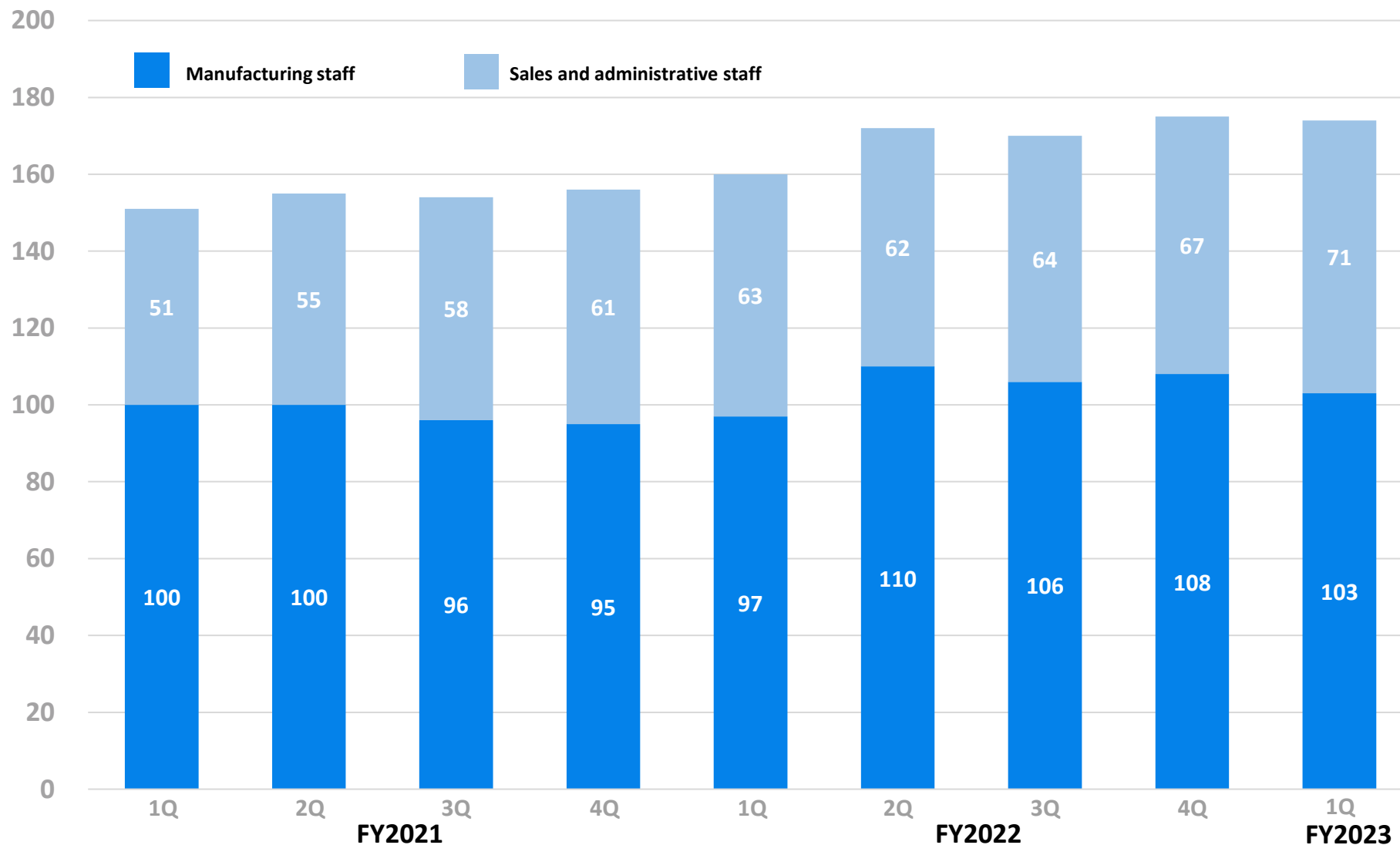
(in millions of yen)



Breakdown of personnel (parent company and two domestic subsidiaries)

Cloud Solutions

(number of employees)



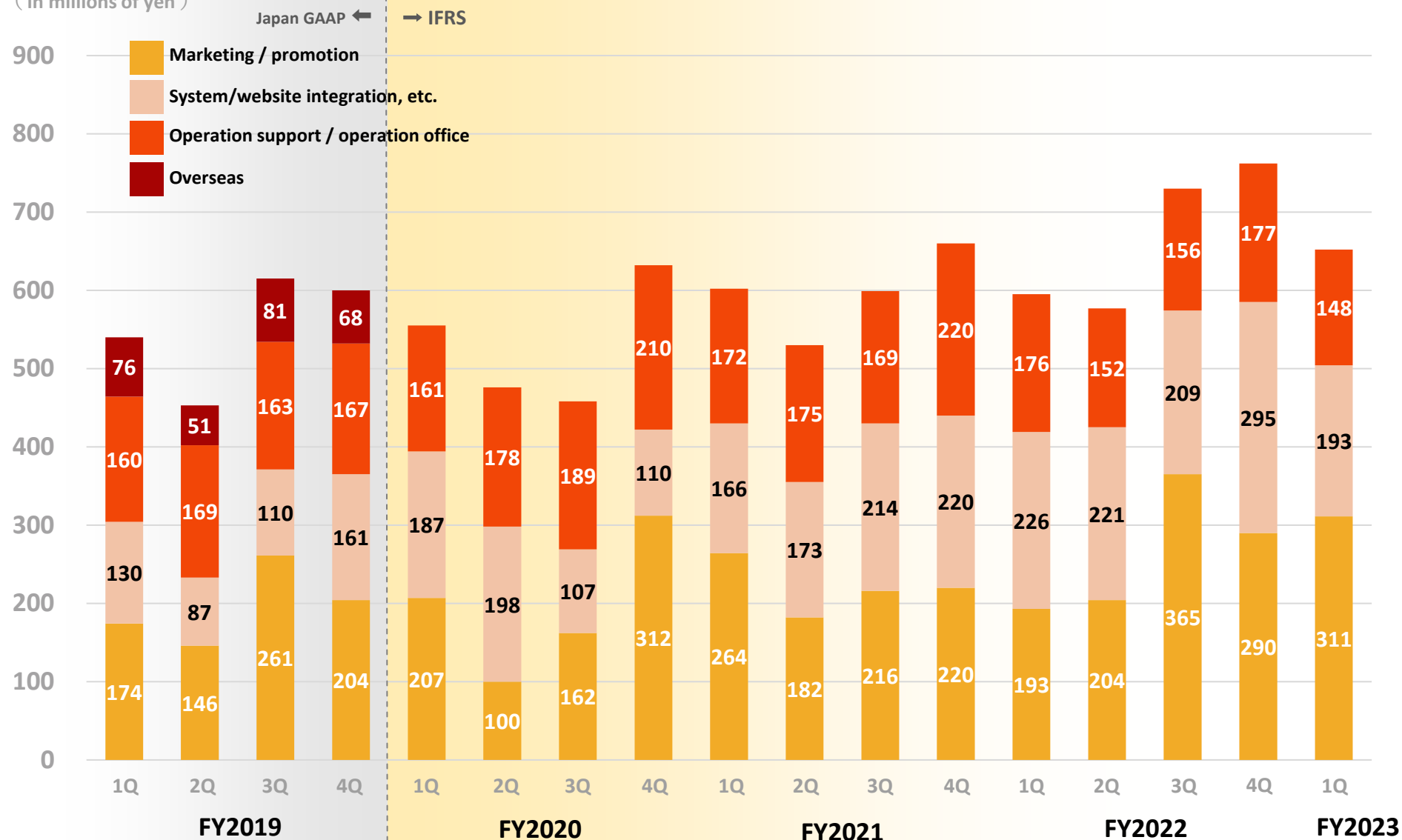
* Employees of the Corporate Department and the Office of the President are not included in the graph.

* The two domestic subsidiaries refer to oRo Miyazaki Co., Ltd. and oRo code MOC Co., Ltd.

Breakdown of sales by type of operations

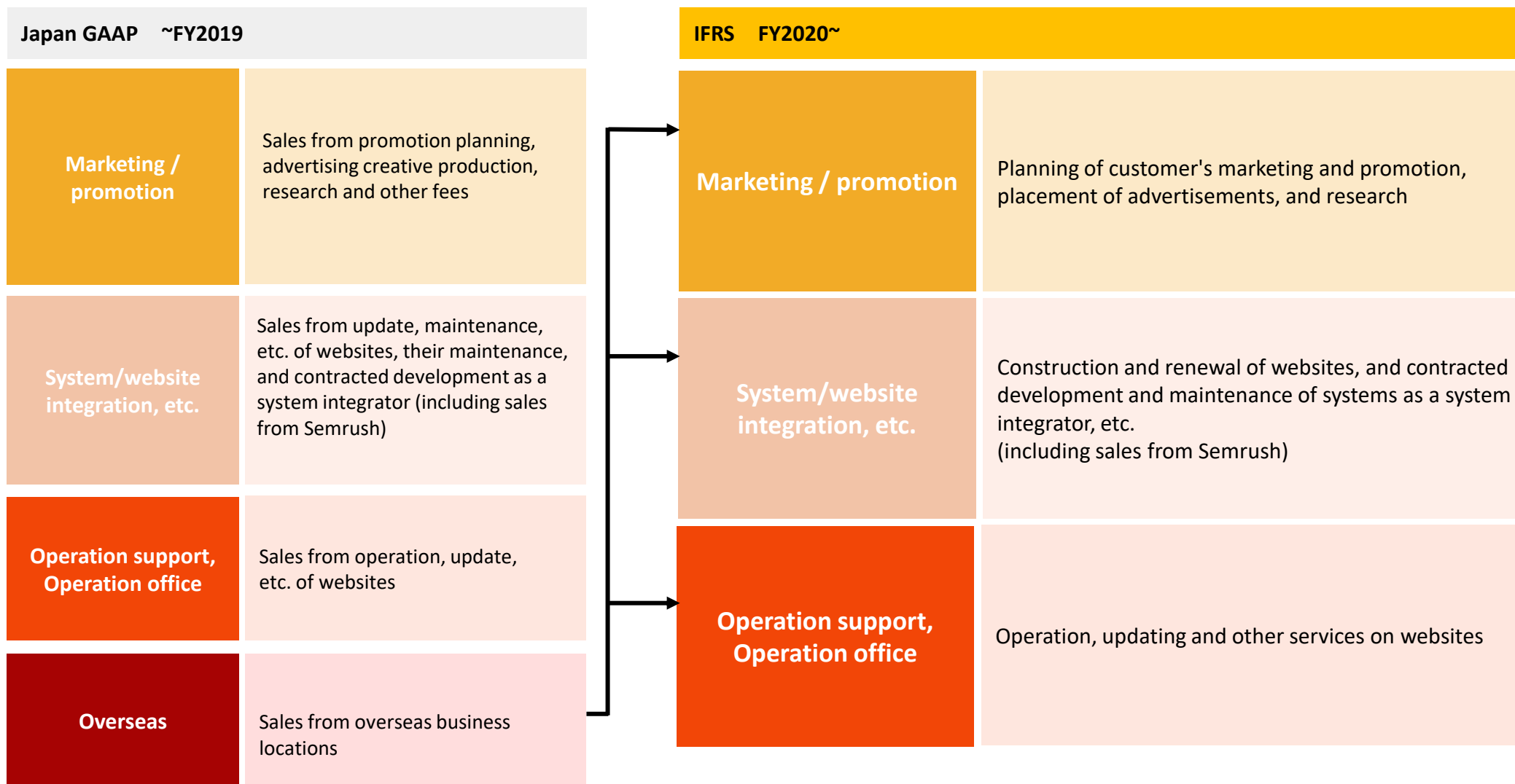
Digital Transformation

(in millions of yen)



Composition of sales by type of operations

Digital Transformation

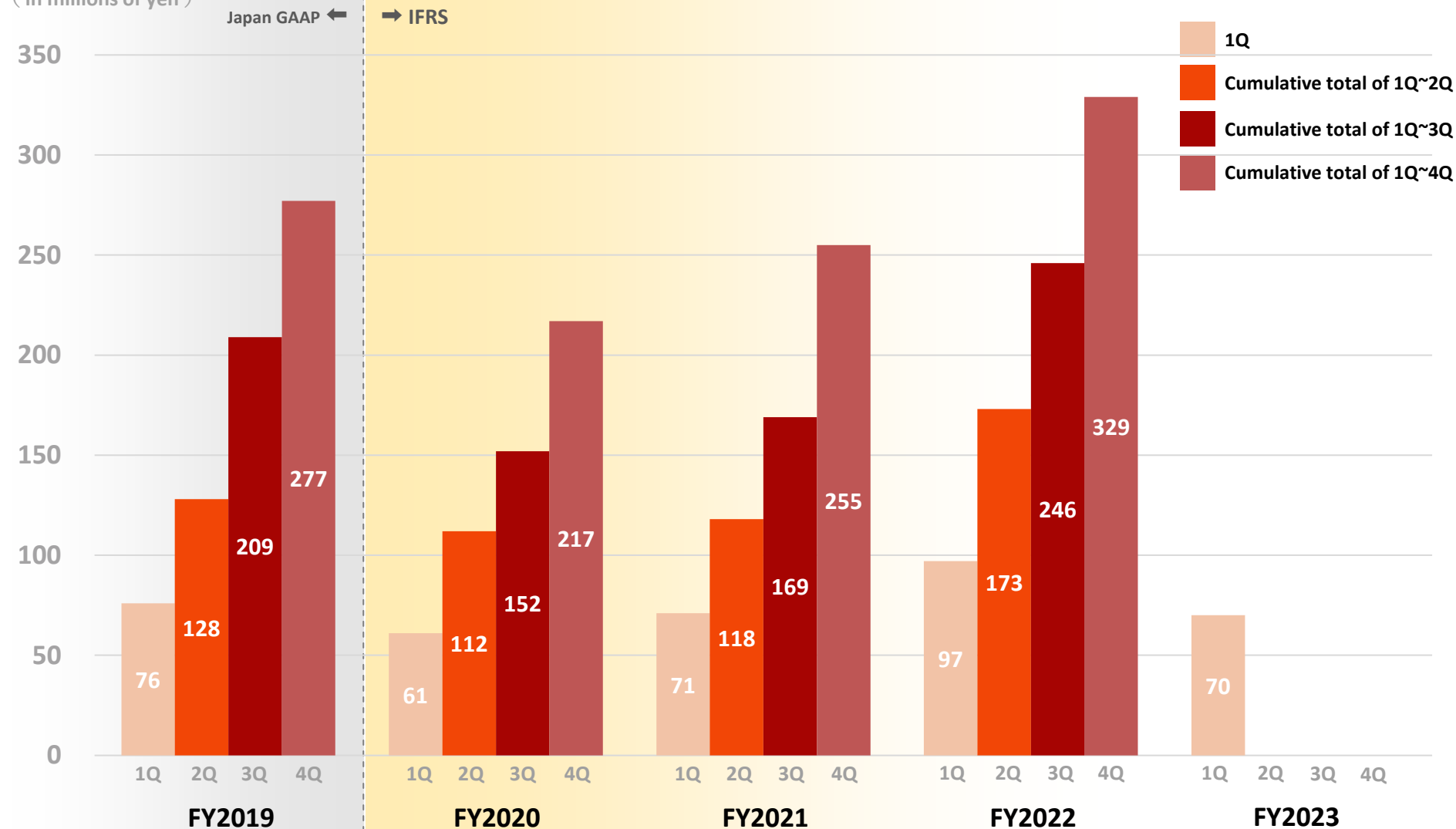


*Upon the adoption of IFRS, sales from overseas business locations that were previously reported in a separate segment “Overseas” have been allocated to the above three segments based on the nature of their services.

Overseas Sales

Digital Transformation

(in millions of yen)



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Efforts for customer acquisition

Digital Transformation

Due to the underperformance of new customer acquisition in the first quarter compared to our plan, we will implement the following measures to improve the situation in the short and medium term.

Strengthen collaboration with Toppan Inc.

Since announcing our partnership with Toppan Inc. in March 2022, we have made progress in obtaining leads from new customers through them. In order to accelerate new customer acquisition this fiscal year, we will forge a stronger relationship with Toppan Inc. and expand the areas in which we can provide suggestions and support, aiming for further growth in lead generation.

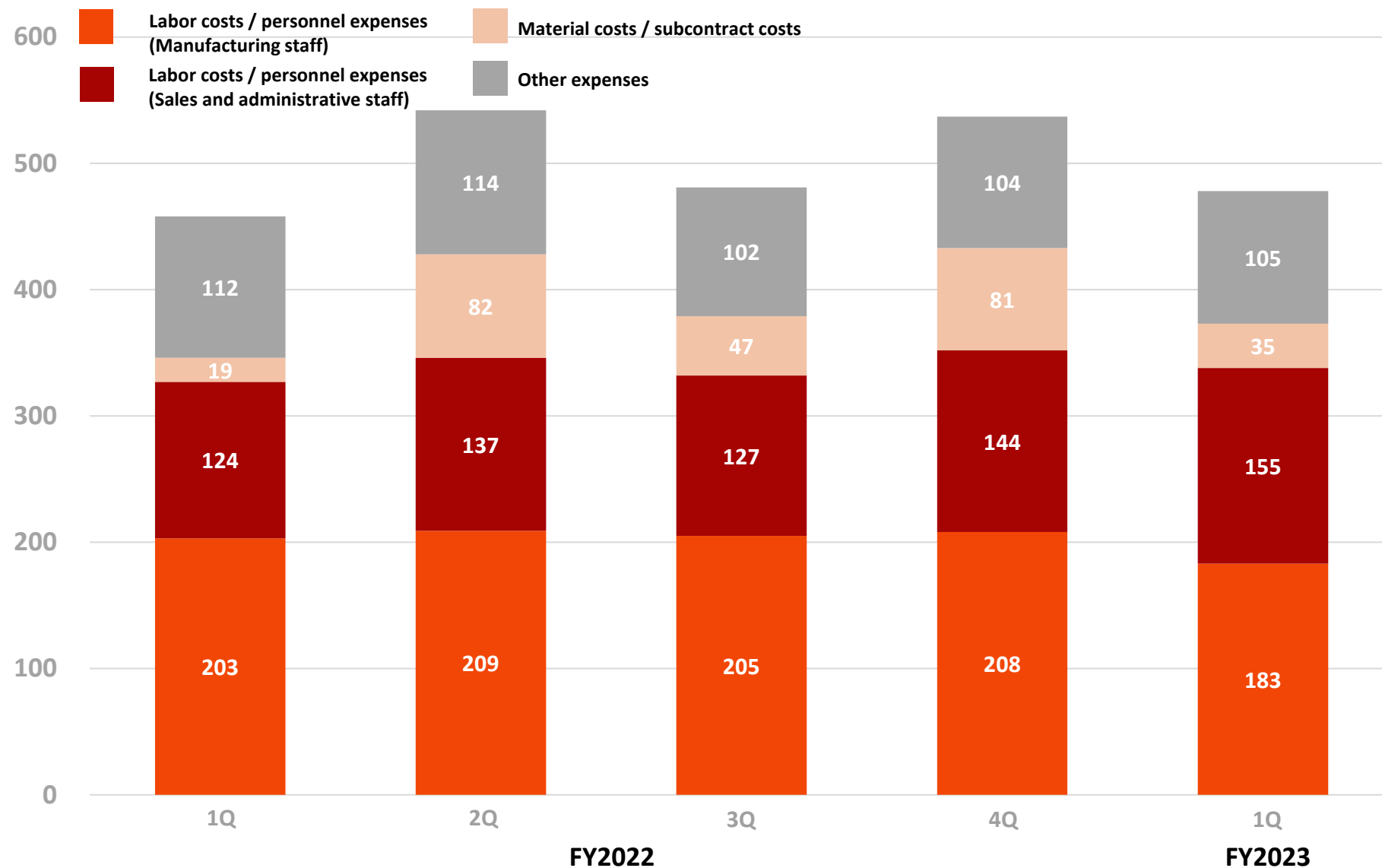
In-house customer acquisition

For new client leads acquired through sponsorship of events and similar activities, with the goal of securing medium- to long-term projects, we will increase lead nurturing activities to create contact and proposal opportunities for these new customer leads.

Breakdown of expenses (consolidated)

Digital Transformation

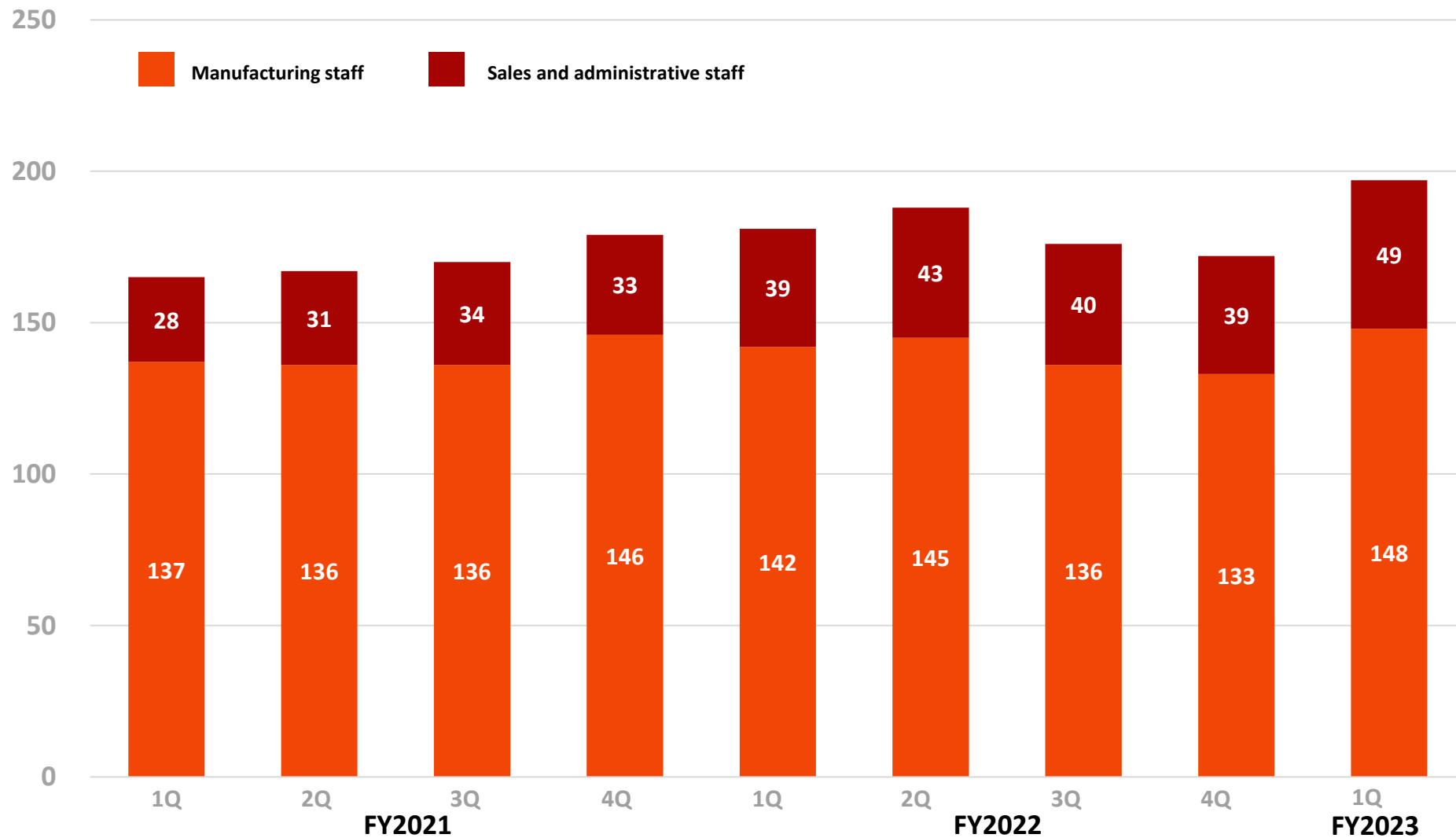
(in millions of yen)



Breakdown of personnel (parent company and two domestic subsidiaries)

Digital Transformation

(number of employees)



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* The two domestic subsidiaries refer to oRo Miyazaki Co., Ltd. and oRo code MOC Co., Ltd.

Progress against full-year forecasts

(in millions of yen)

	FY2023 full-year forecasts	Q1 FY2023 Results	Rates of progress
Revenue	7,092	1,589	22.4%
Cloud Solutions	4,132	936	22.6%
Digital Transformation	2,959	653	22.1%
Operating profit	2,380	590 [*]	24.8%
Cloud Solutions	1,712	415	24.2%
Digital Transformation	667	173	26.0%
Profit before tax	2,386	590	24.8%
Profit	1,656	406	24.5%

*Includes 1 million of other income (loss) not attributable to reportable segments.

Profit and loss statement (YoY)

(in millions of yen)

	Q1 FY2022 (Composition ratio)	Q1 FY2023 (Composition ratio)	Difference	Main factors
Revenue	1,393 [100.0%]	1,589 [100.0%]	196	
Cost of sales	497 [35.7%]	520 [32.7%]	23	Increase in salaries due to an increase in the number of technical professional employees and pay raise, increase in subcontract costs, etc.
Gross profit	895 [64.3%]	1,069 [67.3%]	173	
Selling, general and administrative expenses	409 [29.4%]	470 [29.6%]	60	increase in sales and administrative employees and pay raise, etc.
Research and development	11 [0.8%]	10 [0.6%]	(1)	
Other income (expenses)	11 [0.8%]	1 [0.1%]	(9)	
Operating profit	486 [34.9%]	590 [37.1%]	104	
Finance income (costs)	18 [1.3%]	0 [0.0%]	(18)	
Profit before tax	504 [36.2%]	590 [37.2%]	86	
Profit	353 [25.4%]	405 [25.5%]	52	
Profit attributable to owners of the parent	348 [25.0%]	406 [25.6%]	57	

Statement of financial position(vs. end of previous fiscal year)

(in millions of yen)

	As of Dec 31, 2022	As of March 31, 2023	Difference		As of Dec 31, 2022	As of March 31, 2023	Difference
Current assets	9,408	9,182	(225)	Total liabilities	3,708	3,376	(331)
Non-Current Assets	1,637	1,630	(7)	Current liabilities	3,288	2,993	(294)
Property, plant and equipment	828	770	(57)	Non-current liabilities	420	383	(36)
Intangible assets	70	80	9	Total equity	7,337	7,436	98
Other	738	779	41	Equity attributable to owners of the parent	7,331	7,430	99
Total assets	11,045	10,813	(232)	Non-controlling interests	6	5	(0)
				Total liabilities and equity	11,045	10,813	(232)

【 Major components of current liabilities 】

	As of Dec 31, 2022	As of March 31, 2023	Difference
Contract liabilities	1,801	1,909	108
Income tax payable	475	196	(278)
Trade and other payable	403	233	(170)

The increase in contract liabilities is primarily due to the acquisition of ZAC contracts.

News Release

Mar 3 Recognized as a “2023 Premier Partner” in the top 3% in Japan by the Google Partners Program

Mar 15 Cloud ERP “ZAC” wins first place in the ERP category of the “BOXIL SaaS AWARD 2023”

Mar 17 Certified as a “Health & Productivity Management Outstanding Organization 2023 (Large Enterprise Category)” for the second consecutive year

oRo Miyazaki and oRo code MOC were also certified in the Small and Medium-Sized Enterprise Category

Mar 23 SaaS management tool “dxeco” linked to Dialpad

Mar 23 Released “Brand Monitoring,” an automatic collection feature for Semrush brand-related mentions

Mar 31 Reforma PSA upgrades time and attendance management functionality, adding alerts for compliance with 36 agreements.

Apr 4 “dxeco” adds “Account Survey Function”

Apr 4 Notice of Appointment of New Executive Officer

Introduced the Executive Officer System to create a management structure with six Executive Officers

Apr 5 Kajima Corporation, a major general construction company, implements “ZAC” in its division

Achieves project-specific man-hour forecasting and management

Apr 7 Reforma PSA has redesigned the UI for all major functions to improve visibility and ease of use

New business

SaaS management tool “dxeco”

“dxeco” visualizes contract information, usage status, account information, and Shadow IT for SaaS applications used within companies. It enables cost optimization of SaaS usage, management and understanding of security risks, and streamlining of account inventory tasks.



- With the Google Chrome extension, information about tools used by employees is automatically collected.
- New features are being continuously added.
- The API has been released, and numerous integrations with other companies' products have been published (as of May 2023).

* Although the monetization of the business is expected to take some time, we are focusing on enhancing the features, such as reflecting user companies' feedback into the product.

Case study

Pre-implementation Challenges

- Inability to comprehensively track internal SaaS account information
- Difficulty in understanding SaaS adopted and managed at the department level

Post-implementation Impact

- Creation of a comprehensive management ledger without gaps through API and CSV integration
- Capability to gain a comprehensive understanding of all SaaS in use across the company, including Shadow IT

02

Business Segment Topics

Business overview

Cloud Solutions (CS)

Development and delivery of



Support for operation and management with cloud-based ERP

- Improving operational efficiency
- Improving project management level
- Supporting appropriate management decision-making based on managerial accounting

Digital Transformation (DX)

Planning of digital strategies, digitalization support, creative

Digital-based corporate business activities support

- Planning digital strategies for business activities
- Promoting digitalization of marketing activities
- Accelerating global business expansion

Cloud Solutions

Cloud ERP “ZAC”, Cloud PSA “Reforma PSA”

Cloud Solutions

Cloud-based integrated mission critical systems centered on management of income and expenditure for each transaction/project, supporting business processing and information sharing within a corporate group.



Cloud ERP “ZAC”

- Targeting small- to middle sized companies with 50 to 300 employees
- Numerous general-purpose parameters to match client needs/resolve client problems
- Providing end-to-end supports by consultants, from installation to operation

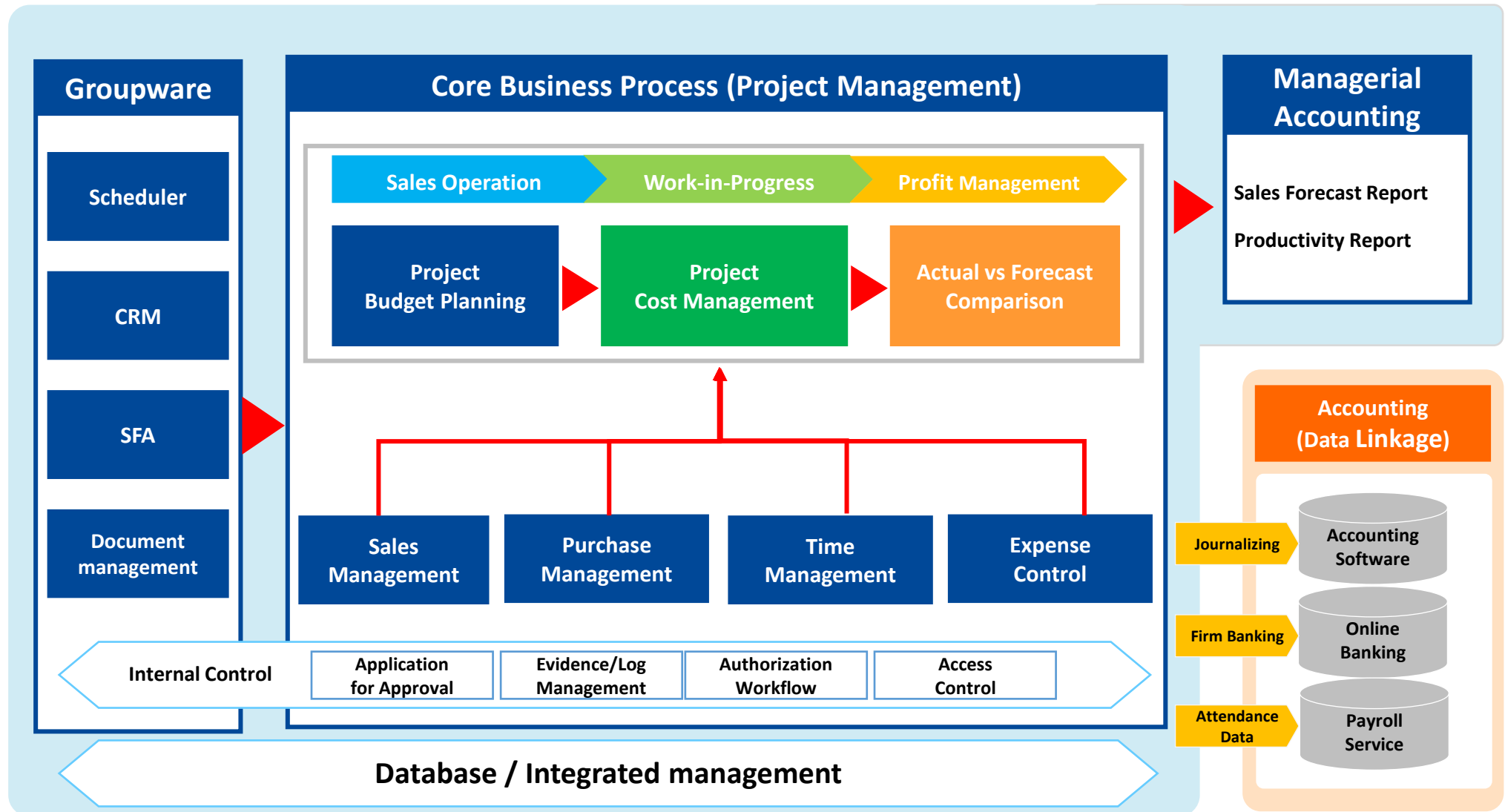


Cloud PSA “Reforma PSA”

- Targeting start-ups/venture firms with up to 50 employees
- Providing only a selected set of essential functions of ZAC
- Allowing customers to use the service at low cost given no upfront fees (only monthly subscription fees)

Overview of cloud ERP “ZAC” – functions

Cloud Solutions



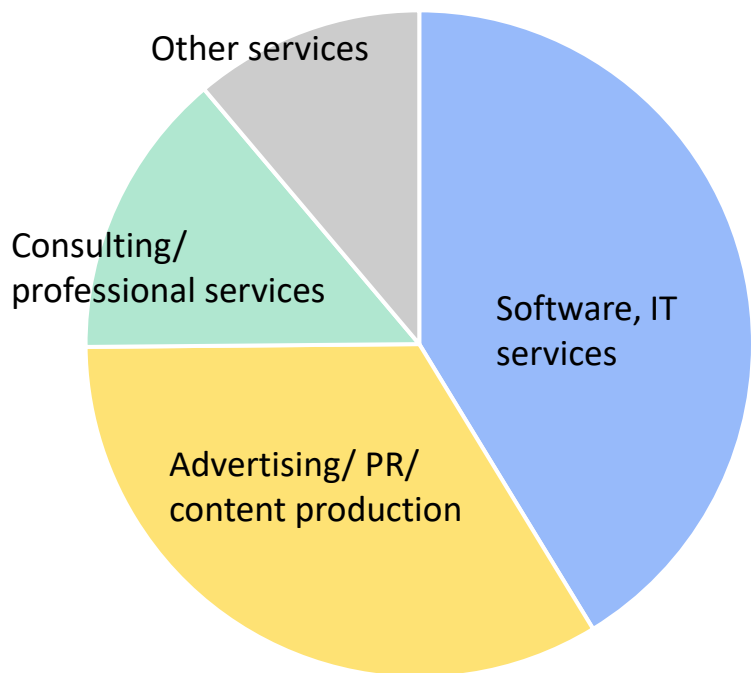
* Reforma PSA provides some of ZAC's key features.

Industry-specific ERP

Cloud Solutions

ZAC has been implemented in a cumulative total of over 900 companies, primarily in the software, IT services, and advertising industries.

(As of March 31, 2023)



Recently, orders from the software and IT services industries have increased. Approximately 40% of the total number of orders received come from the IT service industry, and 30% come from the advertising industry.

Software/system development, and IT services



Advertising/PR/content production



Consulting/professional services



Other services




Industry-specific integrated ERP

Cloud Solutions

ERP systems can be broadly categorized into single-function general-purpose systems that can be used across multiple industries, and **multi-function integrated systems** that combine a variety of industry-specific functions.

ZAC / Reforma PSA is a **multi-function integrated system** specifically designed for the IT services, advertising, and consulting industries, addressing the unique needs and challenges of each of these sectors.

Positioning Map by Industry/Business Domain

			Secondary industries	Tertiary industries	Quaternary industries	Quinary industries
MA/CRM	Overseas MA tool	Domestic CRM tool	Overseas ERP	Domestic ERP Overseas ERP		
SFA	Overseas SFA tool	Domestic SFA tool				
Sales/purchases	Domestic sales management system	Domestic purchase management system				
Attendance/working hours	Domestic attendance management system	Domestic working hour management system				
Expense settlement	Overseas expense settlement system	Domestic expense settlement system				
BI	Overseas BI tool	Domestic BI tool				

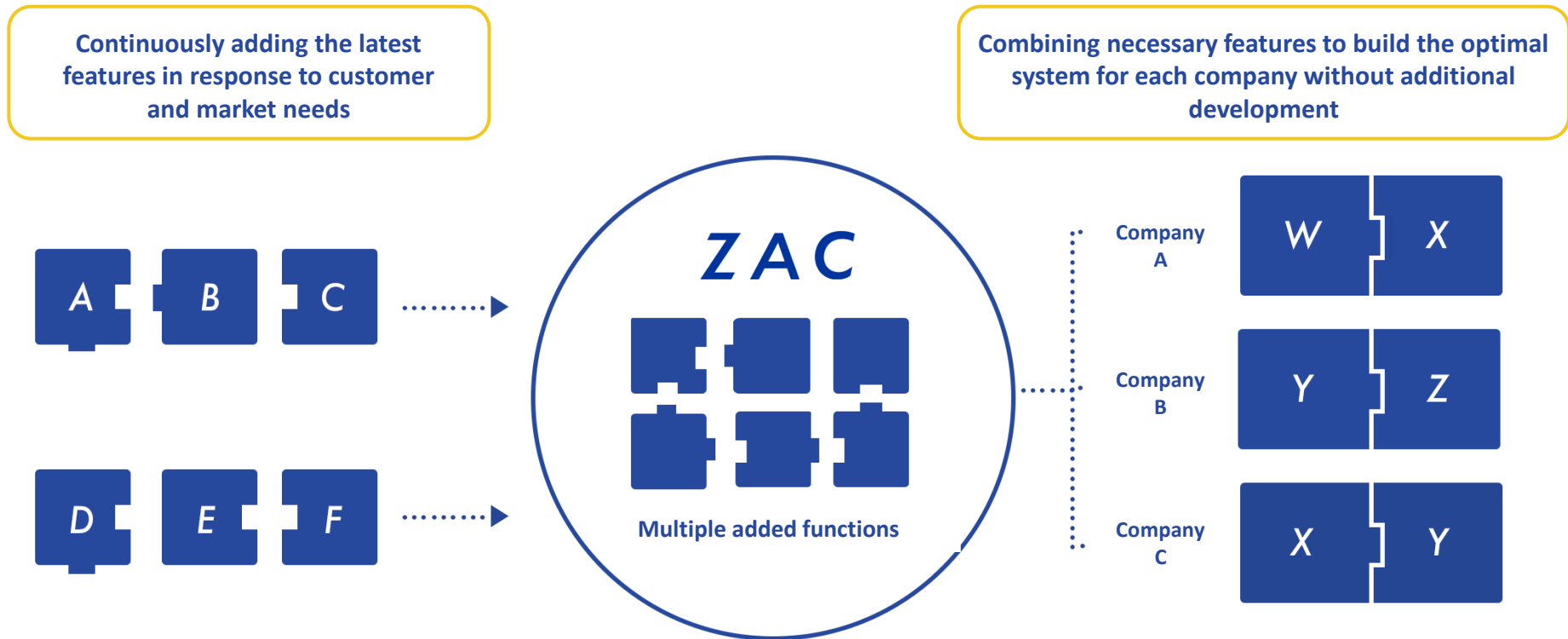
Vertically integrated system capable of outputting a management report combining the pieces of data spanning across multiple operational domains

Example: P/L by project, profit/loss by the type of service or client, sales/profit forecasts by segment (forecast analysis)

Advantages of cloud-based systems in functional scalability

Cloud Solutions

Since 2006, we have accumulated approximately 2,000* parameters (functional components) to meet unique customer demands.



Advantages of industry-specific parameter design

POINT1 (From the customer's perspective) Access to a customized system at a low cost and with a short delivery time, making specification changes, such as adding new features, easier

POINT2 (From our perspective) Ability to horizontally deploy new features or functionality developed for individual customers, resulting in efficient sales proposals and feature delivery

* We provide about 2,000 functional parameters in ZAC and about 13,000 functional parameters in ZAC Enterprise.

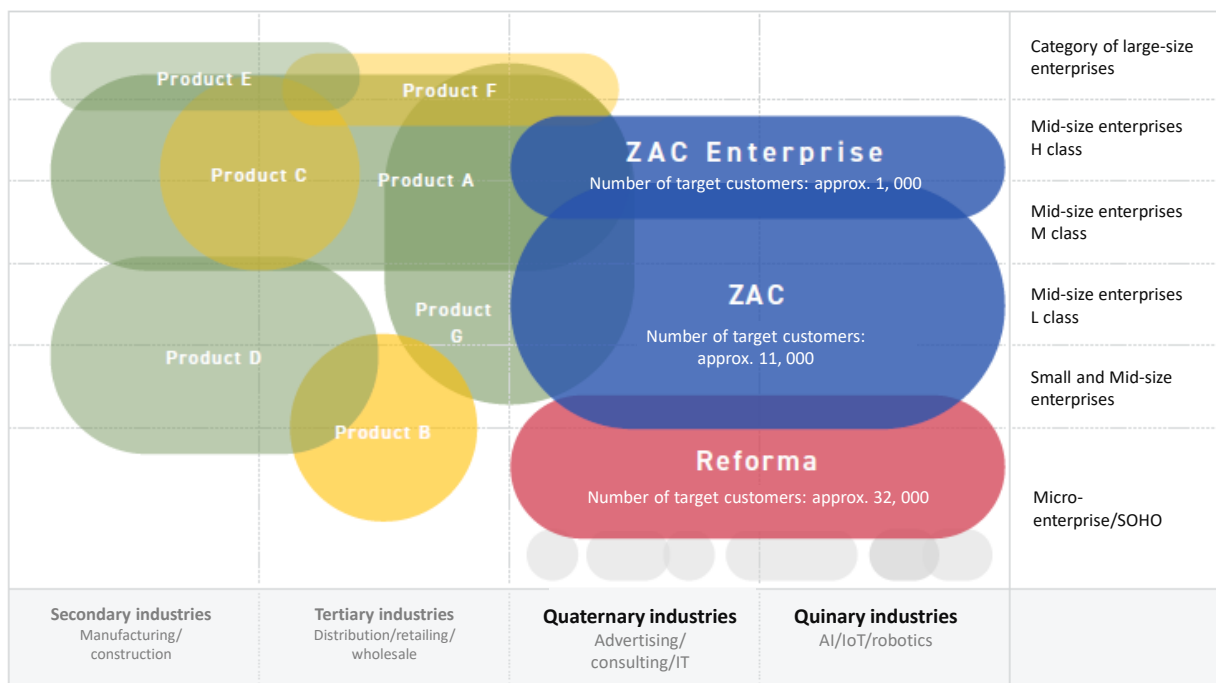
Size of target market in Japan and medium-term goal for ZAC/Reforma PSA

Cloud Solutions

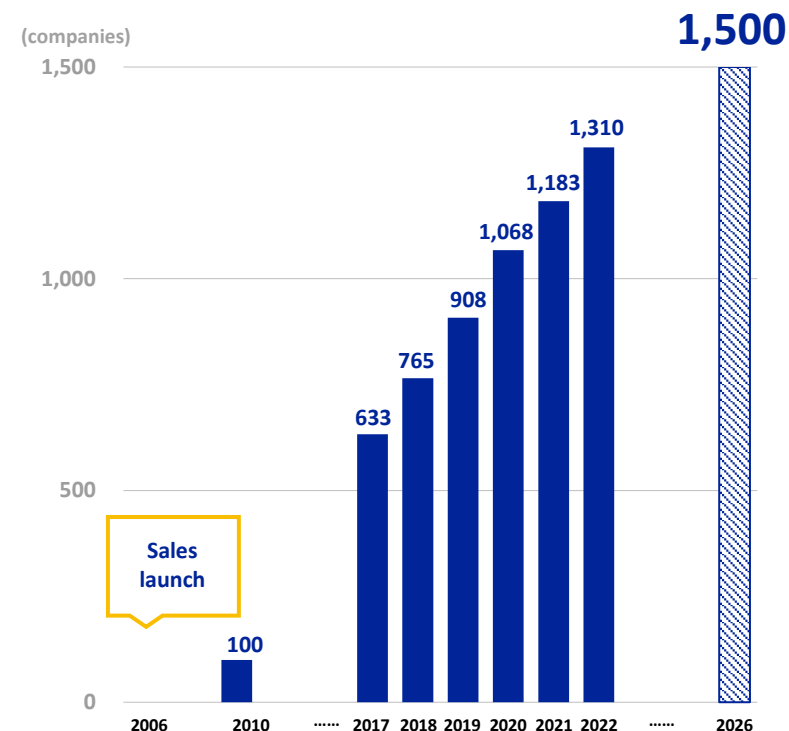
Aiming to expand the market share of ZAC / Reforma PSA on a cumulative basis to 3,000 companies out of approx.

44,000 target companies in Japan by 2030

ERP Positioning Map by Industry/Target Customers Size



Cumulative total numbers of companies that have introduced our ZAC / Reforma PSA, and the goal for 2026



Target: 1,500 companies by 2026, 3,000 companies by 2030

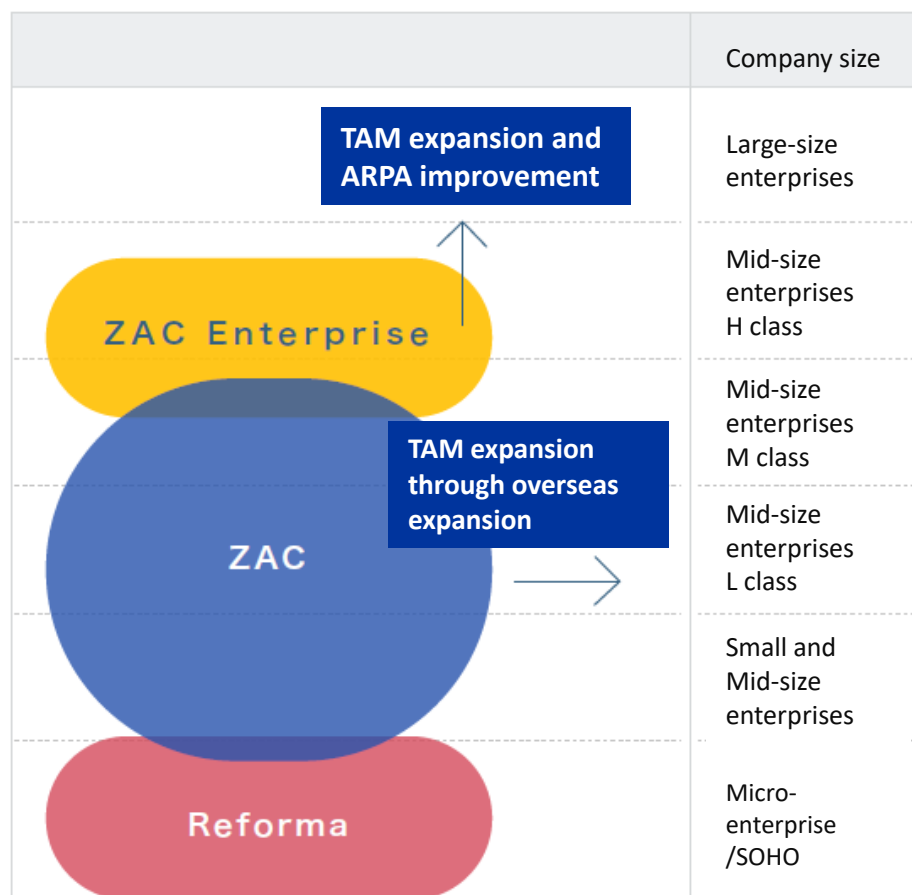
* Clients in Japan (44,000 companies) consist mostly of the companies with roughly 1 to 2,000 employees in the target industries for ZAC / Reforma PSA, including IT, advertising and consulting industries. Since FY2021, we have worked out numbers using data extracted from the database of FORCAS (Uzabase), not the database of Teikoku Databank used until FY2020, to raise the accuracy of numbers as to target industries.
 * The numbers above represent the cumulative numbers of companies that introduced ZAC and/or Reforma PSA solutions,

Strengthen Development for Further Market Expansion

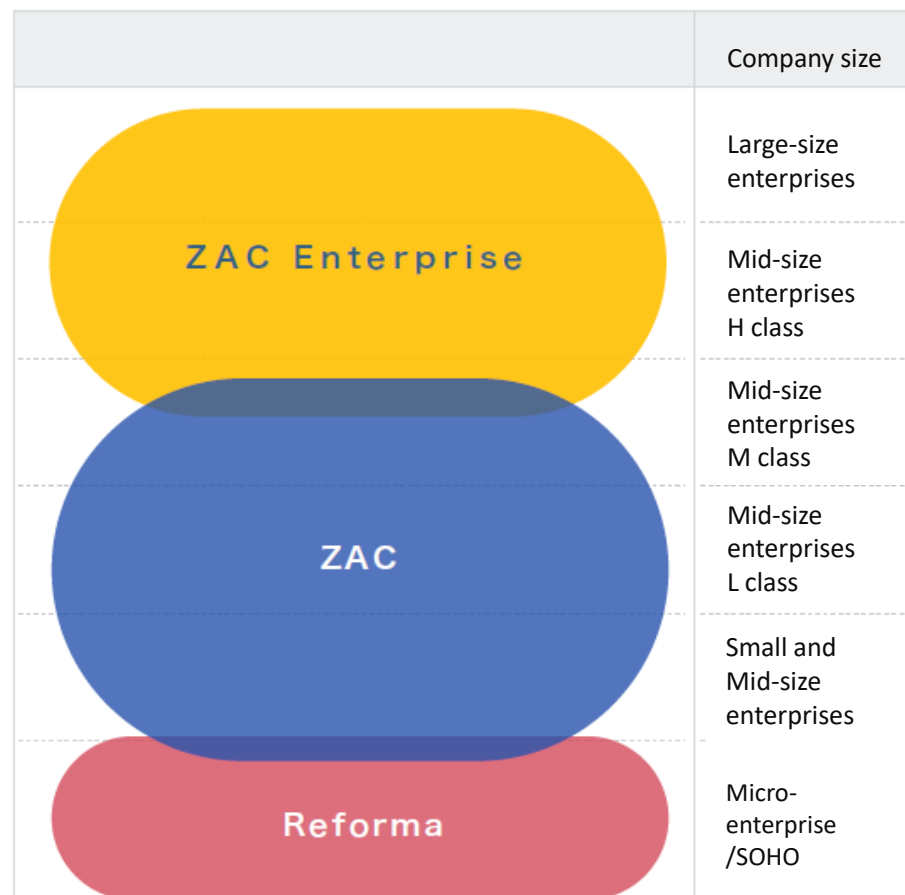
Cloud Solutions

We will review our system configuration and enhance our internationalization functions to propose solutions to large enterprises with 10,000 employees and small- to medium-sized enterprises located overseas by 2026.

2021



2026

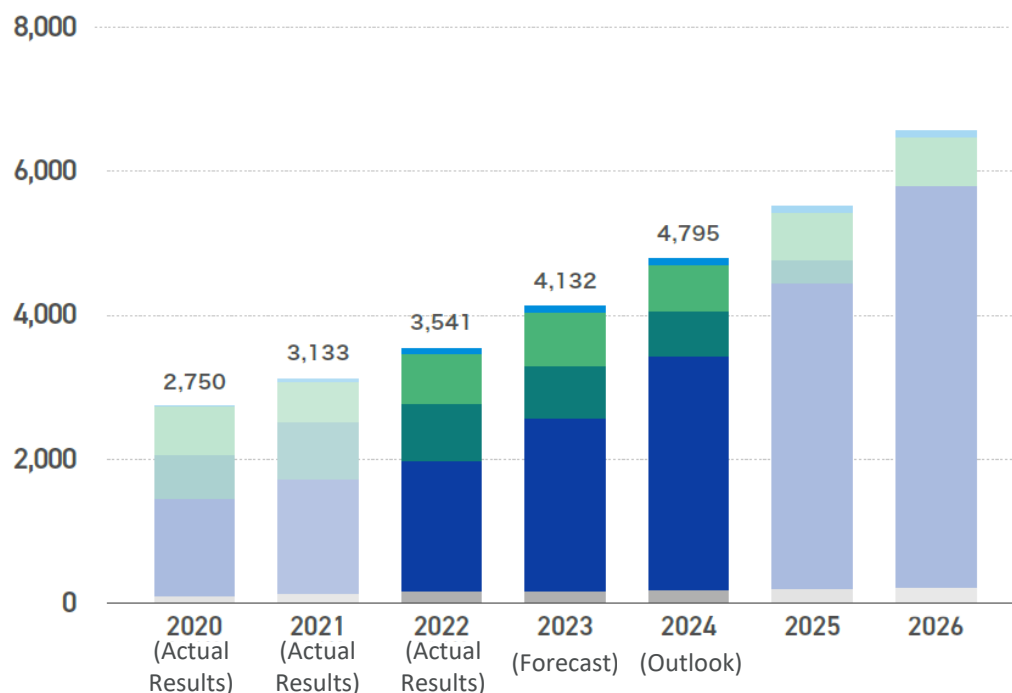


Changes in Revenue and Revenue Targets in the Following Segments

Cloud Solutions

Since one-time purchase-type contracts have been abolished from January 1, 2023, “ZAC license fees (one-time purchase-type contracts)” are not expected to accrue after 2026. On the other hand, the growth rate of “maintenance fees, SaaS and other monthly service fees” will accelerate after 2023.

(in millions of yen)



- **Other products, etc.**
 Sales as an agent of software developed by other vendors
- **ZAC ERP installation consultation,**
 Installation support service related to “ZAC” and additional development required at the time of installation
- **ZAC license fee (one-time purchase-type contract)**
 Sales of software license
 The discontinuation of one-time purchase-type contract is expected to cause a decrease in 2025, with revenue from this format expected to disappear entirely by 2026
- **Maintenance fee, and SaaS and other monthly service fees**
 Maintenance of systems, provision of cloud environment and monthly service on SaaS agreement, with regard to “ZAC”
 Due to the discontinuation of One-time Purchase-type contracts, revenue from licenses sold after FY2023 will be recognized in this segment (as licenses are sold under SaaS-type contracts).
- **Reforma PSA**
 Provision of monthly license for “Reforma PSA”

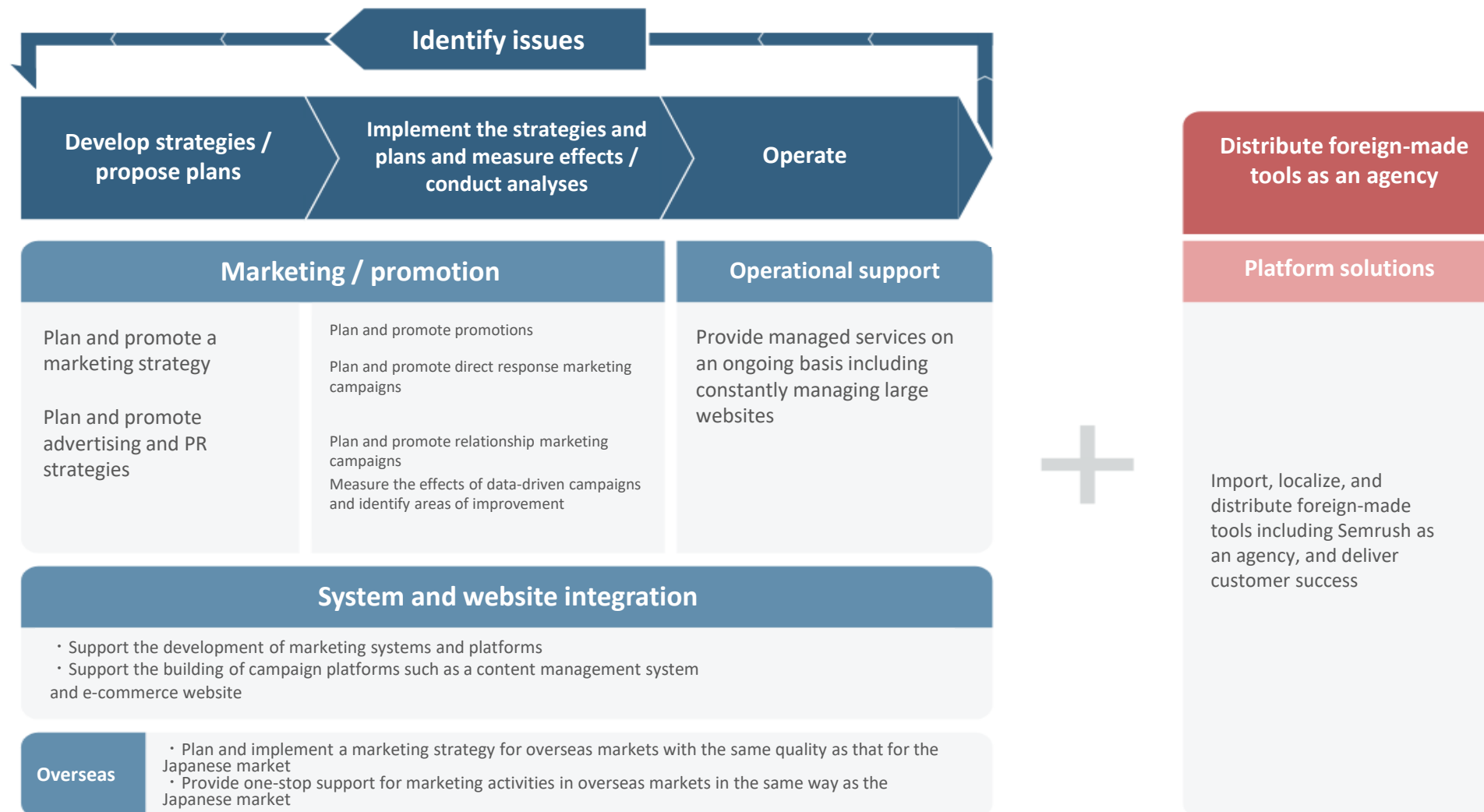
Digital Transformation

Support large companies with digital marketing

Digital Transformation

Achieve excellence in integrity, speed, and cost performance by providing end-to-end services, from designing of strategies to operation.

Enhance services that support the shift to digitalization based on data analysis, in which Oro boasts strengths.

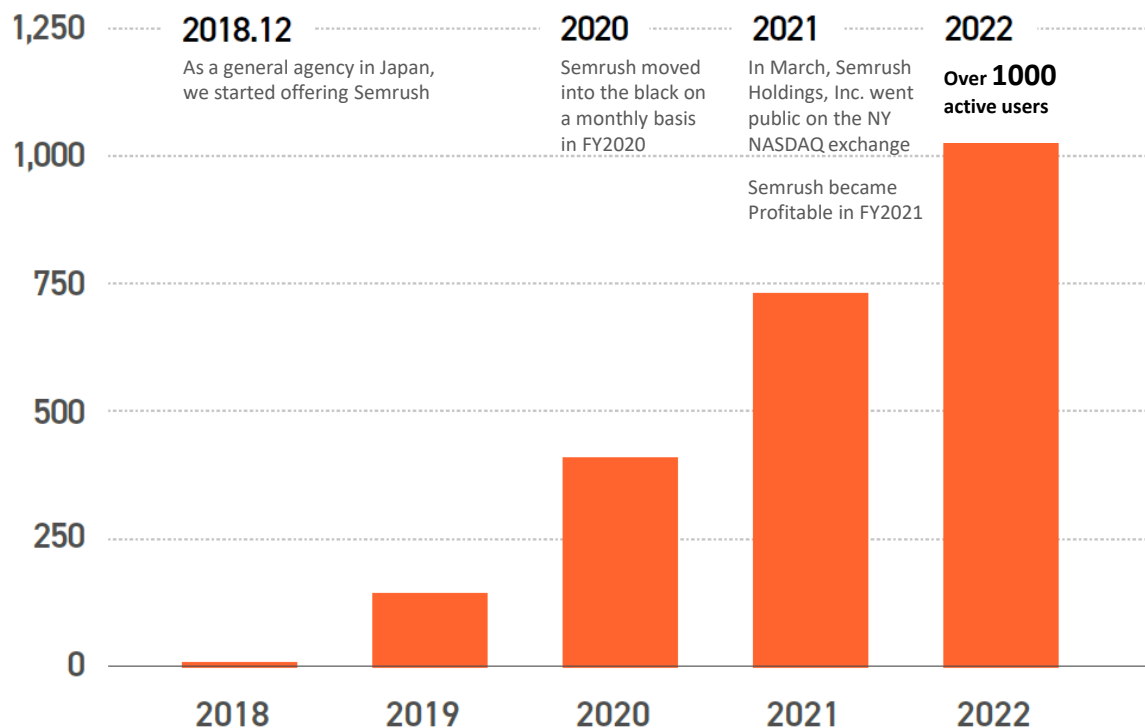




All-in-one competitive analysis tool that enables competitive research and analysis in SEO, ads, and social media

Number of Active Users*

(active users)



* Active users exclude free trial users and canceled users.

Semrush

The World's Largest Digital Marketing Tool

(10 million Registered Account in the world)

※As of June 2022

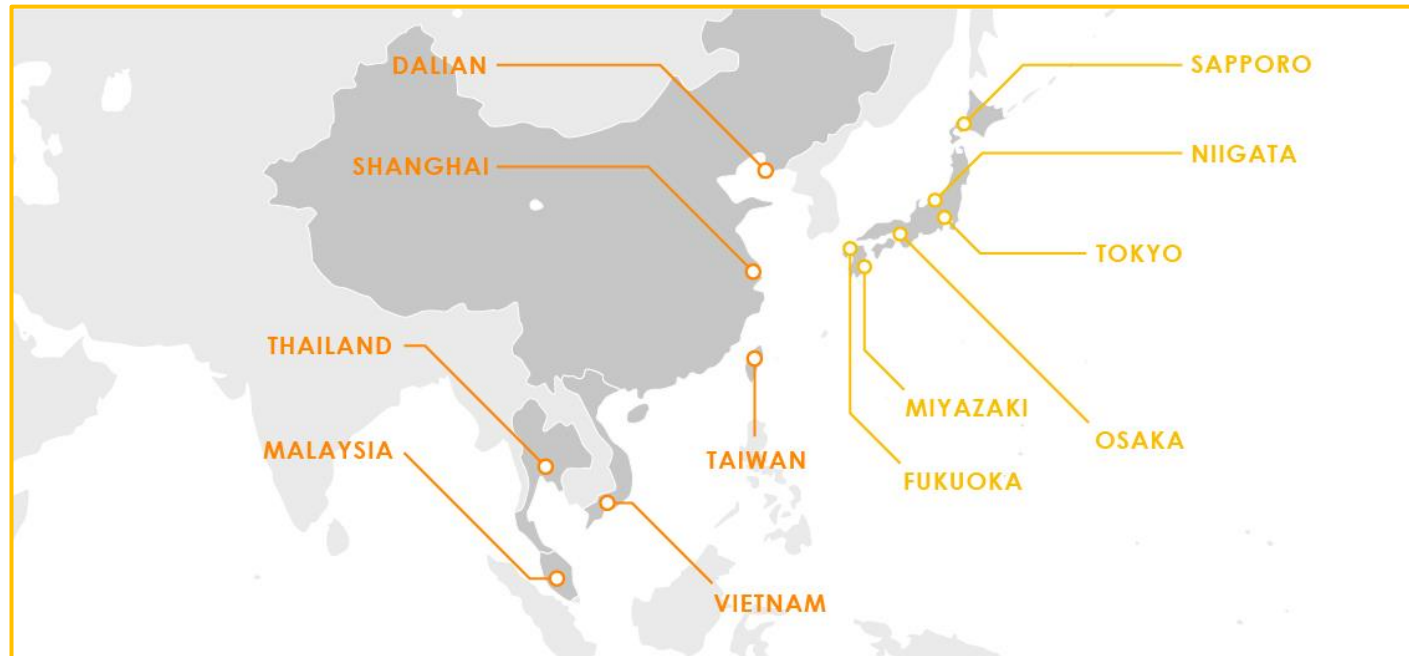
Monthly Subscription Business Model

Get ourselves ready for expanding a range of foreign-made tools next to Semrush

Strengthen sales forces at overseas business locations

Digital Transformation

Reinforcement of operating structure to prepare for the recovery of economic activity to pre-COVID-19 crisis levels



Advertising and promotion in ASEAN and Greater China

Investing resources in foreign operations to move into full-fledged sales of our excellent and quality products and services to Japanese companies operating abroad and local companies by utilizing our track record and insights gained through providing advertising and promotion services in Japan

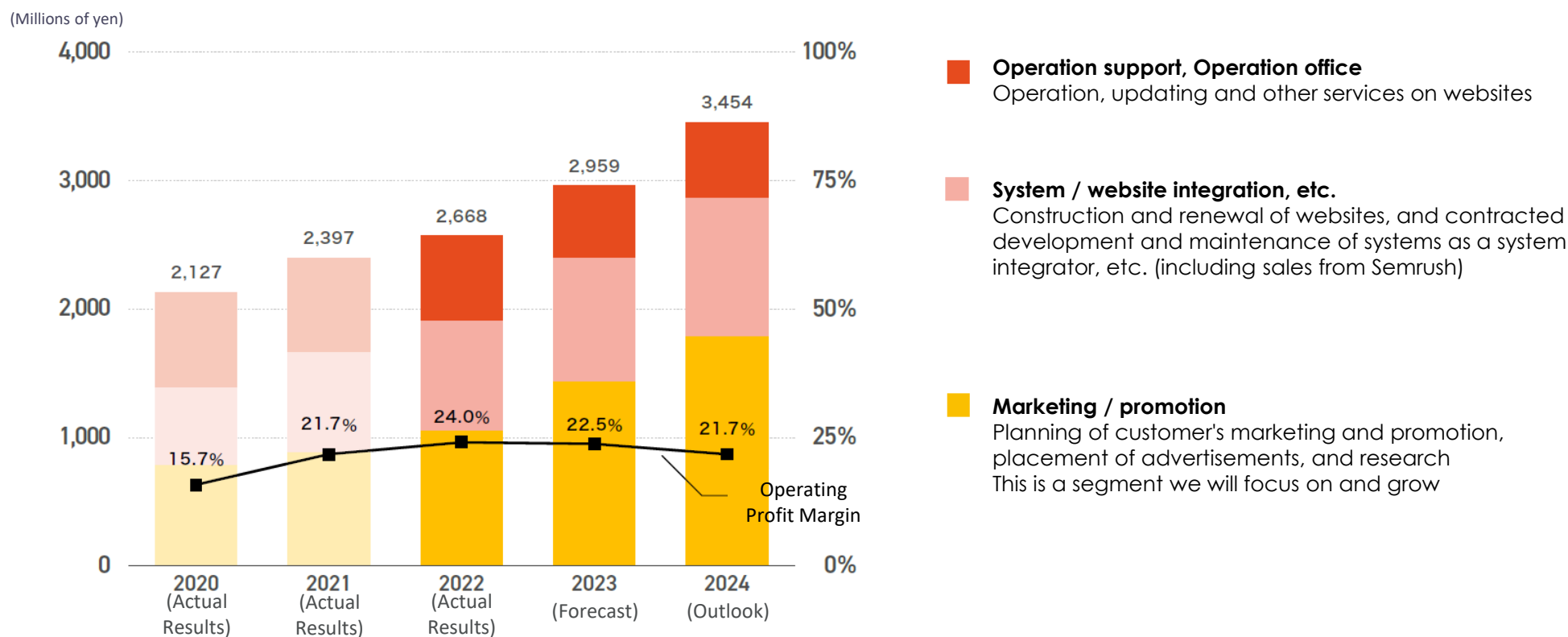
Inbound demand to be back on track as COVID-19 infections begin to settle down

Preparing for a full recovery of inbound demand from 2025

Changes in Revenue, and Revenue and Operating Profit Targets in the Following Segments

Digital Transformation

While targeting an operating margin of around 20%, we are focusing on growing the marketing and promotion segment in particular.



03

Company profile

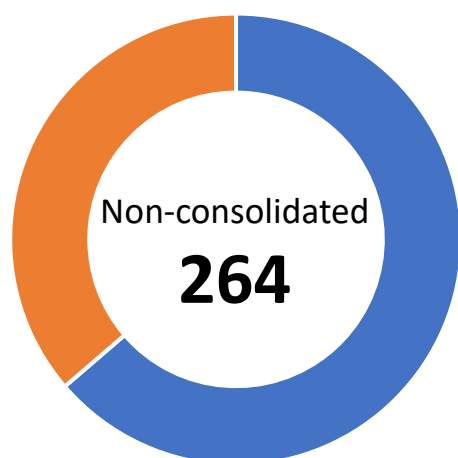
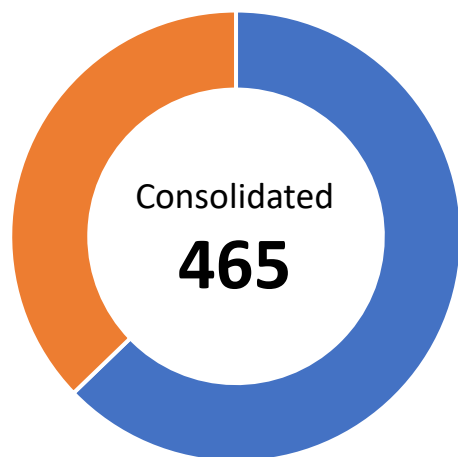
Company profile

Company name	oRo Co., Ltd.
Listed Exchange	Tokyo Stock Exchange Prime Market (Code: 3983)
Representative	Representative Director, President and CEO Atsushi Kawata
Foundation	January 20, 1999
Head Office	Meguro Suda Building, 3-9-1 Meguro, Meguro-ku, Tokyo 153-0063
Capital	1,193 million yen
Business Portfolio	Cloud Solutions (CS) <ul style="list-style-type: none">• Development and sales of cloud-based ERP “ZAC” Digital Transformation (DX) <ul style="list-style-type: none">• Support for corporate marketing activities
Employees	Non-consolidated 264 / Consolidated 465 (as of December 31, 2022)
Branch	Nishinohon Branch, Hokkaido Branch, Fukuoka Branch
Group Company	oRo Miyazaki Co., Ltd. oRo code MOC Co., Ltd. oRo TECHNOLOGY Co., Ltd. (DALIAN, SHANGHAI) DALIAN oRo ADVERTISING Co., Ltd. oRo TAIWAN Co., Ltd. oRo Malaysia Sdn. Bhd. oRo Vietnam Co., Ltd. oRo (Thailand) Co., Ltd.

Organizational structure

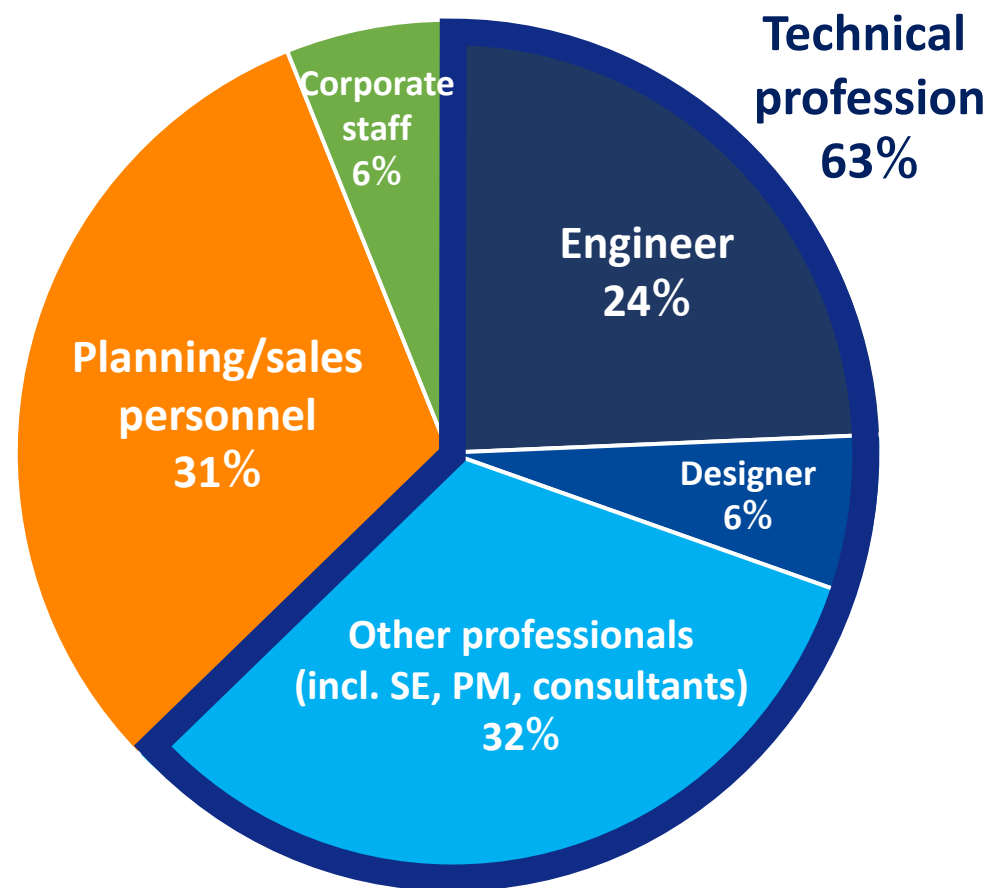
Organizational structure designed to drive creation of solutions through “Technology x Creative”

Split between manufacturing and sales personnel



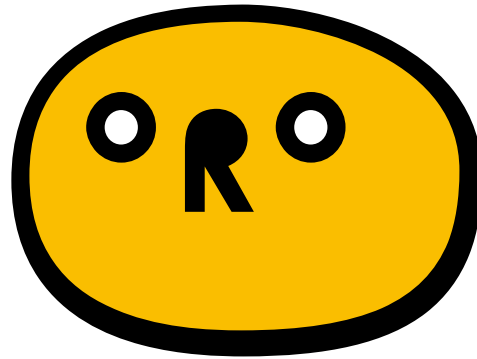
(As of December 31, 2022)

Breakdown by job type (non-consolidated)



(As of December 31, 2022)

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.

Material issues

Sustainability initiatives

To realize our corporate philosophy, we have identified the three categories of material issues that we must address in order to achieve sustainable growth: business, human resources, and environment .



Realizing our corporate philosophy requires our own sustainable growth in the first place. Our growth cannot be achieved without delivering more happiness and joy to co-workers, families, business partners, shareholders, and society at large.

For this reason, ORO will engage in corporate activities to realize its corporate philosophy by aligning its initiatives for the three materiality categories of **Business**, **Human Resources**, and **Environment** from the perspective of sustainability, while monitoring the progress of these initiatives.

Human resources initiatives (1/2)

Sustainability initiatives

We are taking steps to ensure diversity in accordance with the oRo GROUP HUMAN RESOURCES POLICY. To ensure diversity in our core human resources, we aim to achieve a ratio of female managers of “15% by 2027.”

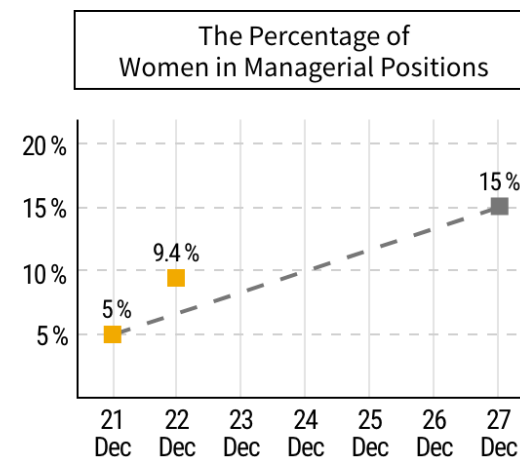
oRo GROUP HUMAN RESOURCES POLICY

oRo's goal is to continuously develop creative and autonomous human resources and therefore to deliver more happiness and joy to more people through creation of organization, products, and services.

1. We do not discriminate on the basis of race, creed, gender, social status, nationality, disability, employment type, age, religion, etc.
2. We evaluate our employees/ business partners fairly and treat them appropriately.
3. We respect diversity. We will create a culture where everybody can think on their own, demonstrate their abilities and creativity, and achieve self-fulfillment.
4. We pursue the physical and mental well-being of our employees and their family, and support career development, health, and personal fulfillment.

Raising the percentage of women in managerial positions

In March 2022, we announced a target of having women make up “10% of managerial positions by 2027.” By the end of 2022, we reached 9.4% through internal promotions and hiring of senior managers. In light of the progress made, we revised the target upward to “15% by 2027” in February 2023.



Human resources initiatives (2/2)

Sustainability initiatives

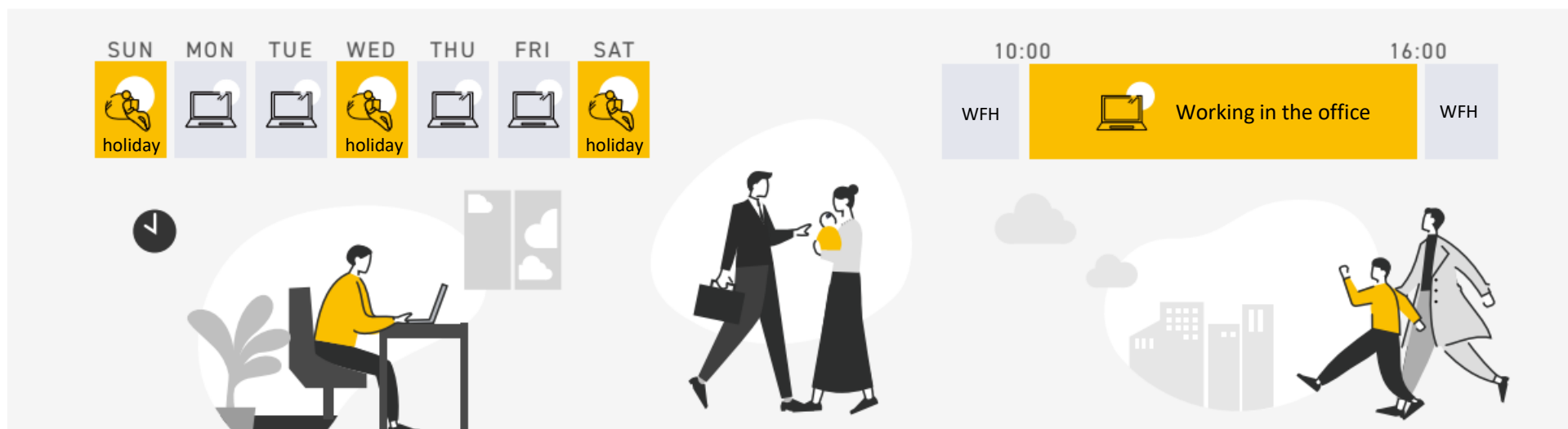
We promote “Health & Productivity Management” so that our employees can play an active and vigorous role in the company. As part of this effort, we have made it possible for employees to choose diverse and flexible work styles so that they can achieve self-fulfillment.

Selective four-day work week “Sun Life”

This system allows applicants to choose between an 8-hour or 10-hour work day and adopt a four-day work week. Eligible employees can choose Tuesday, Wednesday, or Thursday as their additional day off.

Childcare support system “Core Life”

Our childcare support system allows employees to work flexible hours at the office from 10:00 to 16:00, and to choose whether to work at the office or home for the remaining hours of the day. By supporting work-life balance, we aim to help employees manage family and childcare responsibilities.



* Our company has certified as a Health & Productivity Management Outstanding Organization 2023 (Large Enterprise Category) for the second consecutive year, and oRo Miyazaki and oRo code MOC were also certified in the Small and Medium-Sized Enterprise Category. And also we have received the “Kurumin” certification, which is awarded by the Japanese Ministry of Health, Labour and Welfare to companies that actively support employees in balancing work and family life.

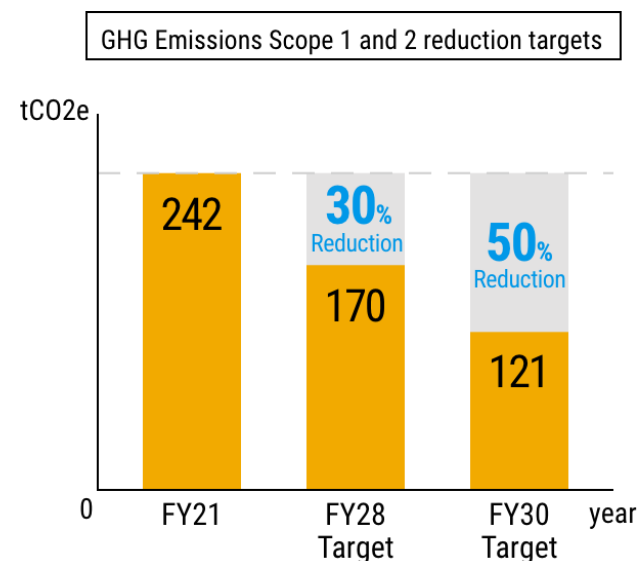
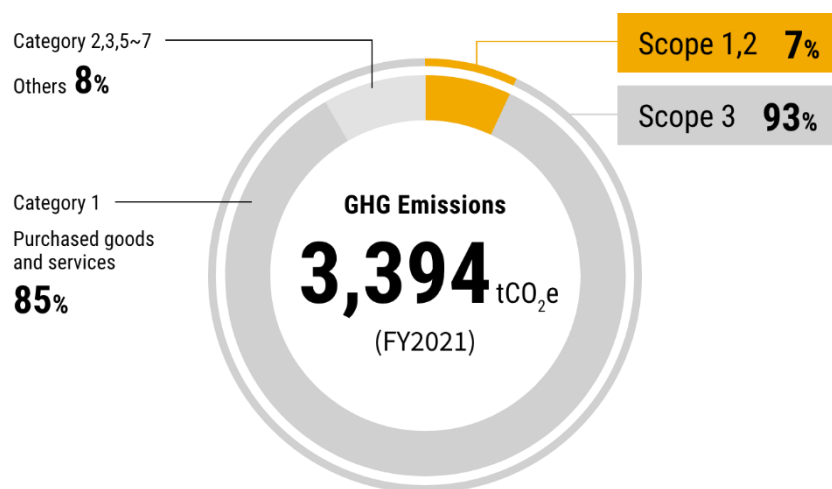
Environment initiatives

Sustainability initiatives

We believe that climate change will affect the growth of our business in the medium to long term. As we advance our business, we will also work to reduce greenhouse gas emissions and environmental impacts.

Greenhouse gas emissions and reduction targets

Our GHG emissions in FY2021 were 3,394 tCO₂e. We believe we can reduce Scope 1 and 2 emissions, which include our direct emissions and electricity use, through our own efforts. We will continue to implement specific measures, such as energy conservation, with the goal of achieving a 50% reduction* by 2030.



* The targets are set with 2021 as the base year and Scope 1 and 2 as the targets.

Status of other initiatives

We have conducted a climate change scenario analysis based on TCFD recommendations and published the results on our website. <https://www.oro.com/en/ir/sustainability/environment/>

History

- 1999 Establishment of oRo Co., Ltd
- 2004 Launched website management and maintenance operations
- 2005 Acquired the Information Security Management Systems (ISMS) certification
- 2006 Developed and launch sales of ZAC Enterprise, an SaaS-compliant ERP package
- 2007 Acquired certification to use the Privacy Mark
Opened the Osaka branch (currently, the Nishinohon branch office)
- 2008 Opened the Hokkaido branch office
- 2010 Established the Chinese local corporation oRo TECHNOLOGY (DALIAN) CO., LTD. (currently, a consolidated subsidiary)
Acquired the Environmental Management Systems (EMS) certification
- 2012 Opened the Miyazaki Support Center
Opened the Chubu branch office
Established the Malaysian local corporation ORO Malaysia Sdn. Bhd. (currently, a consolidated subsidiary)
- 2013 Established the Vietnamese local corporation ORO Vietnam Co., Ltd. (currently, a consolidated subsidiary)
- 2014 Established the Thai local corporation ORO (Thailand) Co., Ltd. (currently, a consolidated subsidiary)
- 2016 Established the Taiwanese local corporation ORO TAIWAN CO., LTD. (currently, a consolidated subsidiary)
Established the Chinese local corporation DALIAN oRo ADVERTISING CO., LTD. (currently, a consolidated subsidiary)
Established oRo Miyazaki Co., Ltd. (currently, a consolidated subsidiary)
- 2017 Listed on the TSE Mothers Section
- 2018 Listing upgraded to the TSE 1st Section
oRo Digital Asia Pte. Ltd. (formerly Crossfinity Digital Asia Pte. Ltd.) becomes a subsidiary
oRo Digital Asia Sdn. Bhd. (formerly Crossfinity Digital Asia Sdn. Bhd.) becomes a subsidiary
Opening of the Fukuoka branch
- 2019 Established oRo code MOC Co., Ltd. (currently, a consolidated subsidiary)
- 2022 Transition to TSE Prime Market

Attention on handling this material

- This presentation material contains the projections for the Company as well as its forward-looking plans and business goals. These statements are based on current assumptions regarding potential future events and developments, and we provide no guarantee that these assumptions are correct. Actual financial results could potentially differ significantly from what is shown in this presentation material due to various factors.
- Financial data stated in this presentation material are shown according to Japanese generally accepted accounting principles unless specified otherwise.
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