Financial Results for Q3 FY2023

oRo Co.,Ltd.　　Code：3983

November 14, 2023

Index

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.

©oRo Co.,Ltd.

Q3 FY2023
Financial Results Highlights

Q3 FY2023 Financial Results

Q3 FY2023/12 consolidated financial results

		YoY	Rate of progress
Revenue	**5,158** million JPY	**+15.6**%	**72.7**%
Operating profit	**1,880** million JPY	**+23.0**%	**79.0**%

Revenue and operating profit remained steady compared to plan.

Cloud Solutions (CS)

		YoY	Rate of progress
Revenue	**3,184** million JPY	**+24.6**%	**77.1**%
Operating profit	**1,505** million JPY	**+37.0**%	**87.9**%

Revenue and operating profit remained favorable compared to plan.

The upscaling of new customers has led to an increase in the unit price of new contracts for ZAC, and the customization of The Qualified Invoice-Based Method (the Invoice System) for existing customers of ZAC Enterprise (tailored to individual company needs) has driven revenue growth. In addition, the increase in sales exceeding our projections and the efficiency of advertising and promotional expenses supported the increase in profit.

Digital Transformation (DX)

		YoY	Rate of progress
Revenue	**1,974** million JPY	**+3.6**%	**66.7**%
Operating profit	**413** million JPY	**-1.1**%	**61.9**%

Revenue was worse than planned, while operating profit remained steady.

The increase in personnel and recruiting costs due to the strong hiring activity resulted in a 1.1% decrease in operating income compared to the year-on-year, but was almost exactly in line with the plan.

Revision of Dividend Forecasts (Dividend Increase)

Revision of Dividend Forecasts

Following our fundamental policy, and after a comprehensive assessment of our current fiscal year's performance, financial health, and future business prospects, we have revised our dividend forecast. For this fiscal period, we anticipate **a dividend of 30 yen per share, an increase of 10 yen from the previous dividend**.

Basic Policy on Dividend Distribution

We emphasize the constant pursuit of increasing corporate value and returning profits to shareholders.

To ensure stable returns for our shareholders and sustainable growth of the company, our dividend policy involves periodic review to comprehensively assess our performance, financial condition, and future business development.

Additionally, with regards to acquiring treasury shares, we will conduct a comprehensive evaluation that considers the need for flexible capital policies in response to the management environment and the impact on our financial structure.

Summary of the revised dividend forecast

Record date	Dividend per share		
	Q2	Fiscal year-end	Total
Full-year forecasts at beginning of the year (FY2023/12)	0.00yen	20.00yen	20.00yen
Full-year revised forecasts (FY2023/12)	0.00yen	30.00yen	30.00yen

Establishment of Shareholders Benefits Program

Establishment of Shareholders Benefits Program

To express our gratitude for the continued support of our shareholders, we are establishing a shareholder benefit program to enhance the attractiveness of our stock as an investment, to increase trading volume and liquidity by broadening our shareholder base, and to improve understanding of our group of companies.
(We anticipate the expenses related to the shareholder benefits will be less than 3% of the total dividend amount.)

Details of the Shareholder Benefits Program

(1) Eligible Shareholders
Shareholders who hold at least 100 of the Company's shares (one standardized trading unit) and who are listed or recorded in the Company's shareholder registry as of December 31 are eligible.

(2) Details of the Shareholder Benefits
A QUO card valued at 3,000 yen will be provided.
* One benefit will be provided to each shareholder who falls under (1) above.

(3) Timing of Delivery of Benefits (Scheduled)
The delivery of benefits is scheduled to be dispatched from late February to early March.
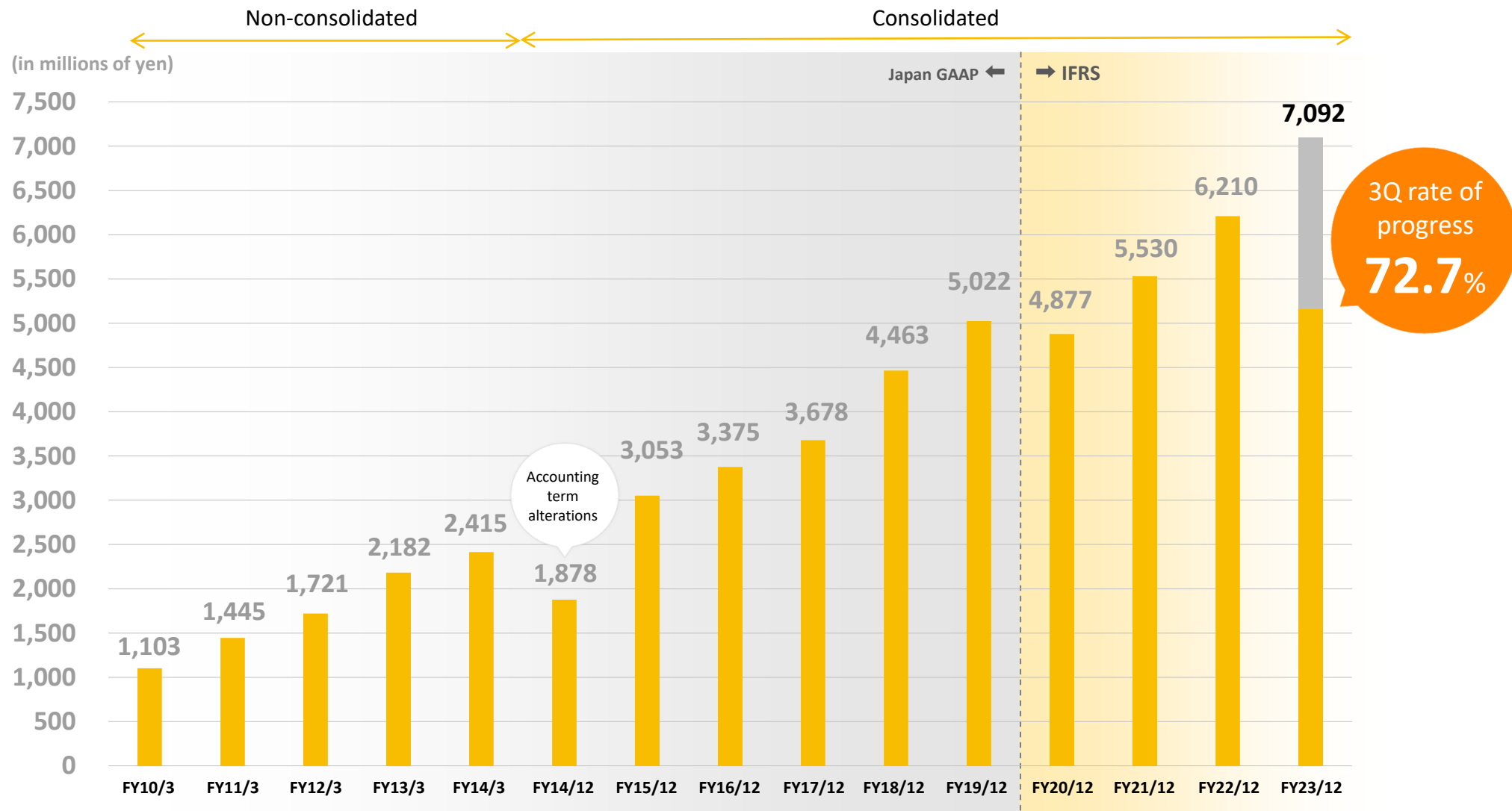Please note that delivery will be restricted to addresses within Japan.

Commencement of the Shareholder Benefits Program

The shareholder benefits program will commence on December 31, 2023, for shareholders holding at least 100 of the Company's shares (one standardized trading unit) and who are listed or registered in the Company's shareholder registry as of this date.

Trend in Sales

Recorded 5,158 million yen, up 15.6% year-on-year

Non-consolidated   Consolidated

(in millions of yen)

Japan GAAP ← → IFRS

FY	Value
FY10/3	1,103
FY11/3	1,445
FY12/3	1,721
FY13/3	2,182
FY14/3	2,415
FY14/12	1,878
FY15/12	3,053
FY16/12	3,375
FY17/12	3,678
FY18/12	4,463
FY19/12	5,022
FY20/12	4,877
FY21/12	5,530
FY22/12	6,210
FY23/12	7,092

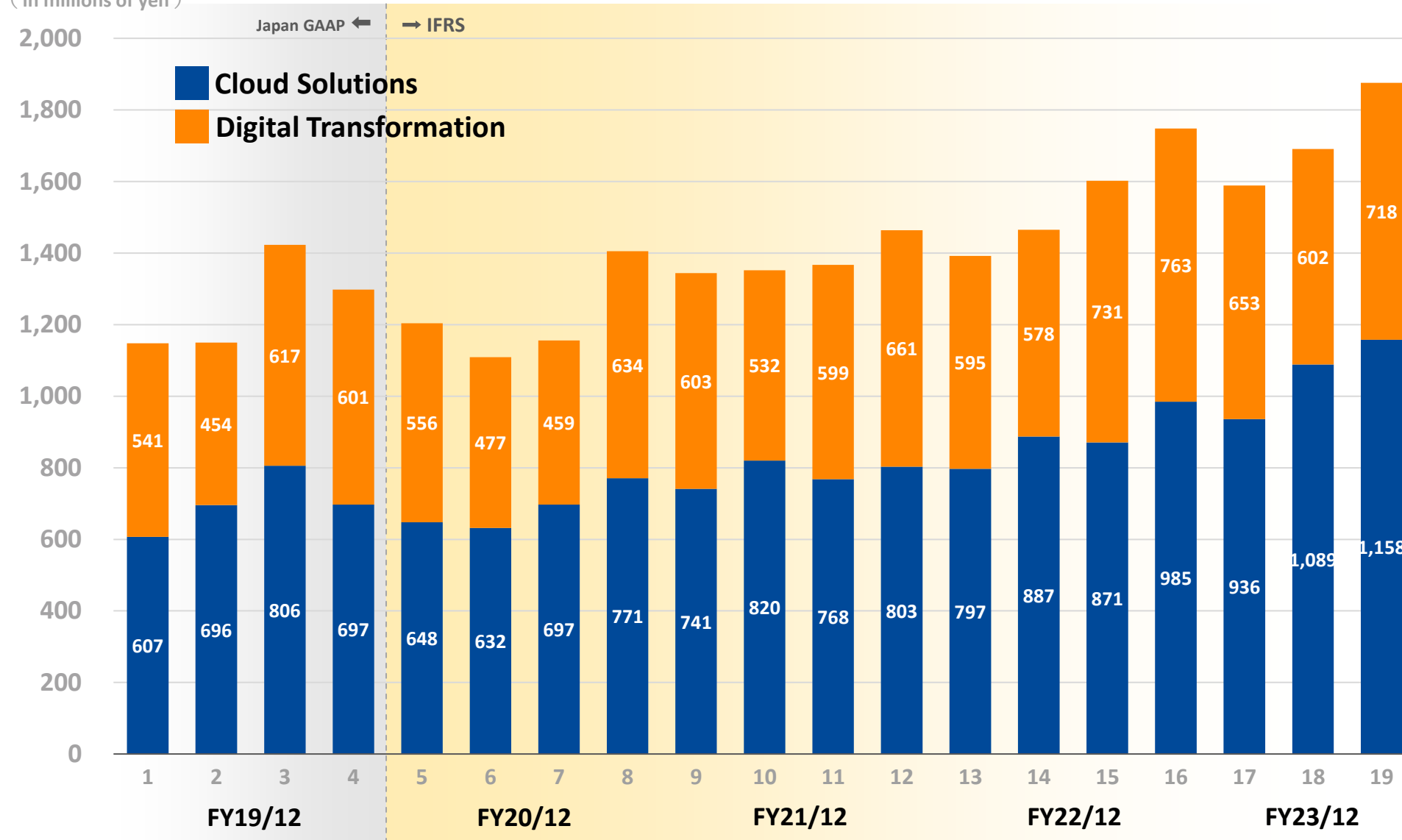Accounting term alterations

3Q rate of progress **72.7%**

*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.

©oRo Co.,Ltd.

7

Trend in Quarterly Sales

（in millions of yen）

Japan GAAP ← → IFRS

Cloud Solutions
Digital Transformation

Quarter	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Digital Transformation	541	454	617	601	556	477	459	634	603	532	599	661	595	578	731	763	653	602	718
Cloud Solutions	607	696	806	697	648	632	697	771	741	820	768	803	797	887	871	985	936	1,089	1,158

FY19/12 | FY20/12 | FY21/12 | FY22/12 | FY23/12

*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.
*The values for each quarter of FY2020 was not audited by KPMG AZSA LLC.

©oRo Co.,Ltd.

Breakdown of Sales by Customer Segment
Cloud Solutions

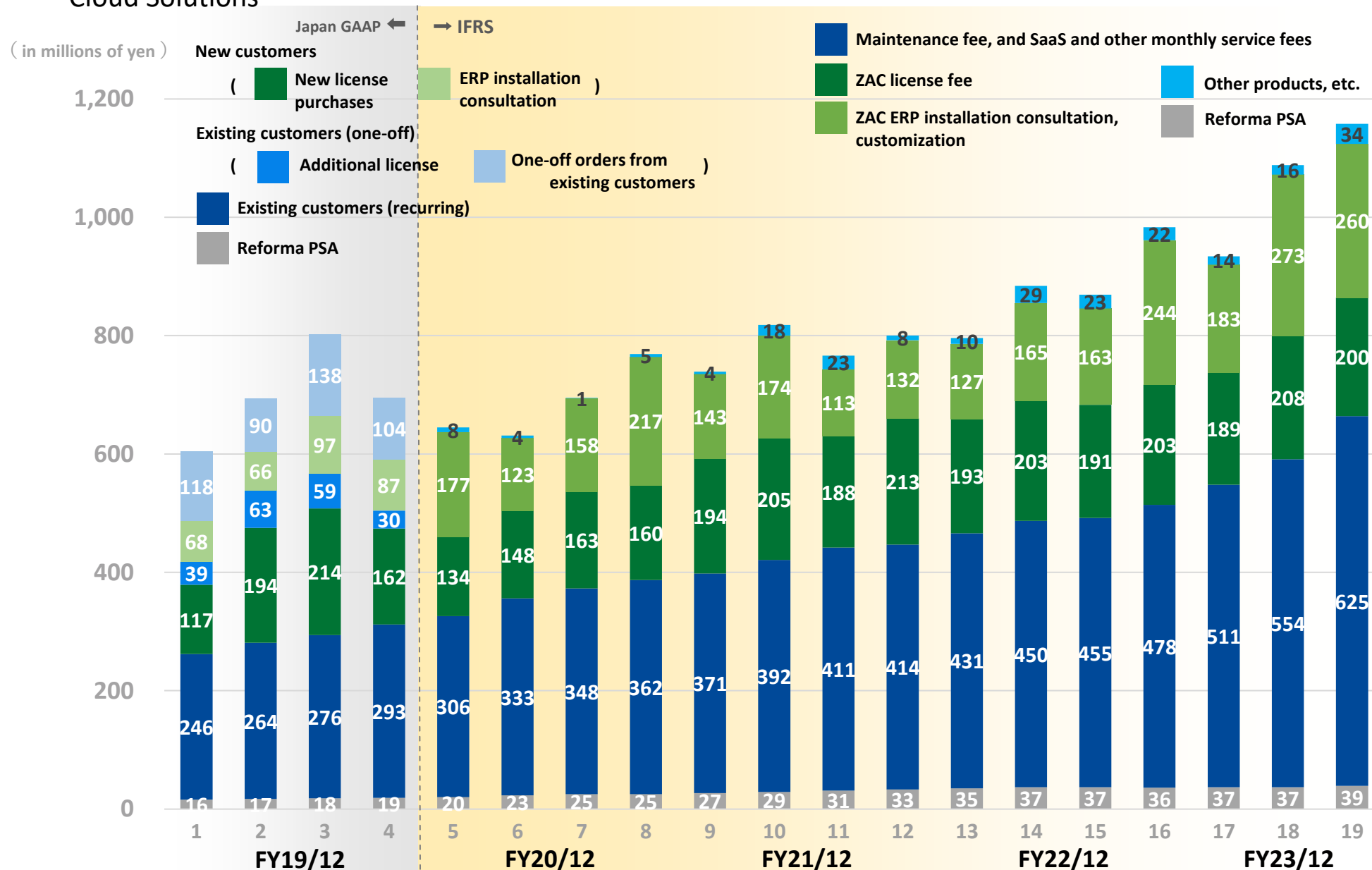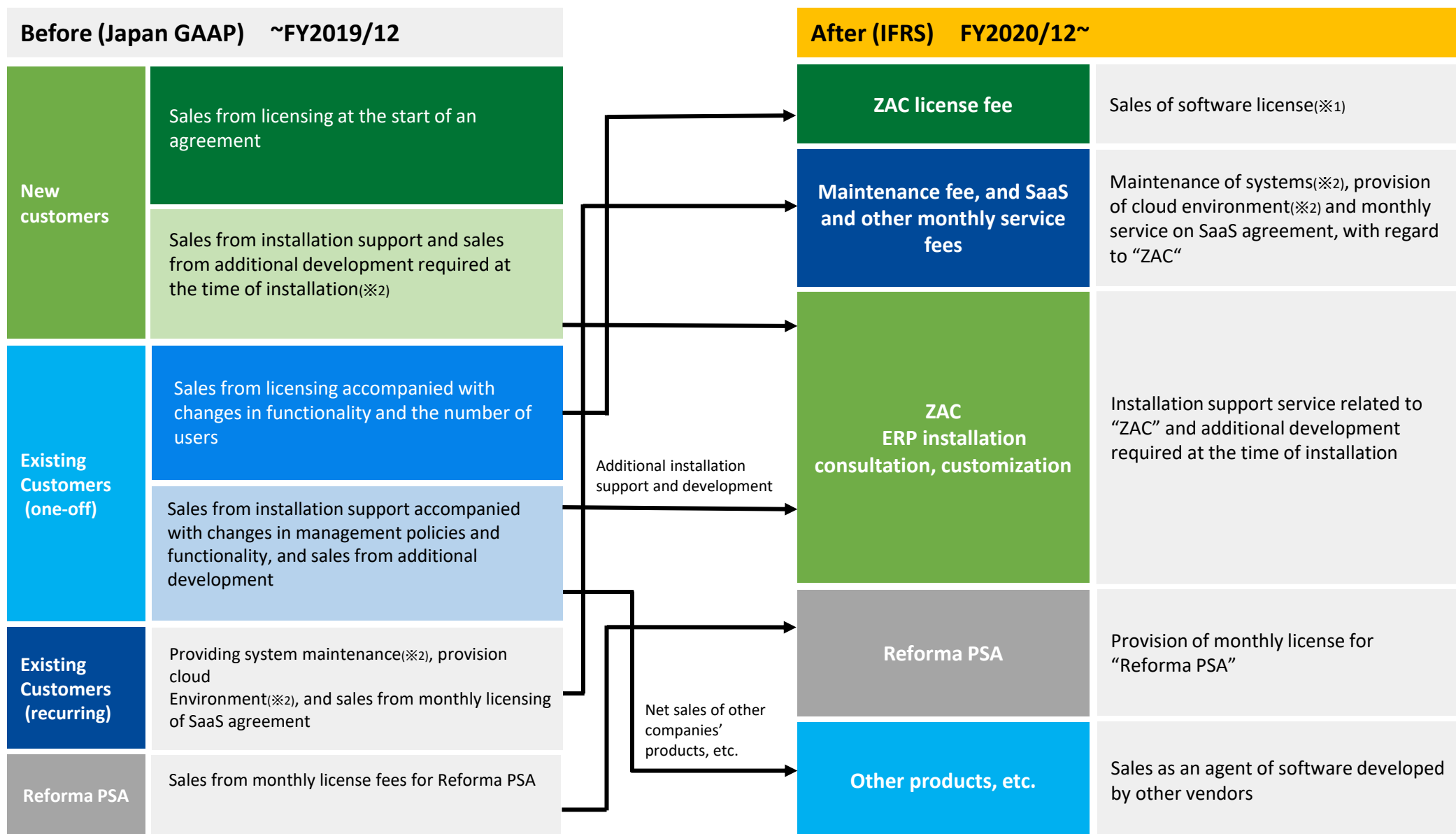*Starting from the fiscal year ended December 31, 2021, the Company has adapted International Financial Reporting Standards (IFRS) instead of Japanese GAAP. Accordingly, revenue for the fiscal year ended December 31, 2020 indicates the amount after retrospective application of the change.
*The values for each quarter of FY 2020/12 was not audited by KPMG AZSA LLC.

©oRo Co.,Ltd.

9

Breakdown of Sales by Business Segment
Cloud Solutions

Before (Japan GAAP) ~FY2019/12	
New customers	Sales from licensing at the start of an agreement
	Sales from installation support and sales from additional development required at the time of installation(※2)
Existing Customers (one-off)	Sales from licensing accompanied with changes in functionality and the number of users
	Sales from installation support accompanied with changes in management policies and functionality, and sales from additional development
Existing Customers (recurring)	Providing system maintenance(※2), provision cloud Environment(※2), and sales from monthly licensing of SaaS agreement
Reforma PSA	Sales from monthly license fees for Reforma PSA

Additional installation support and development

Net sales of other companies' products, etc.

After (IFRS) FY2020/12~	
ZAC license fee	Sales of software license(※1)
Maintenance fee, and SaaS and other monthly service fees	Maintenance of systems(※2), provision of cloud environment(※2) and monthly service on SaaS agreement, with regard to "ZAC"
ZAC ERP installation consultation, customization	Installation support service related to "ZAC" and additional development required at the time of installation
Reforma PSA	Provision of monthly license for "Reforma PSA"
Other products, etc.	Sales as an agent of software developed by other vendors

※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.

©oRo Co.,Ltd.

10

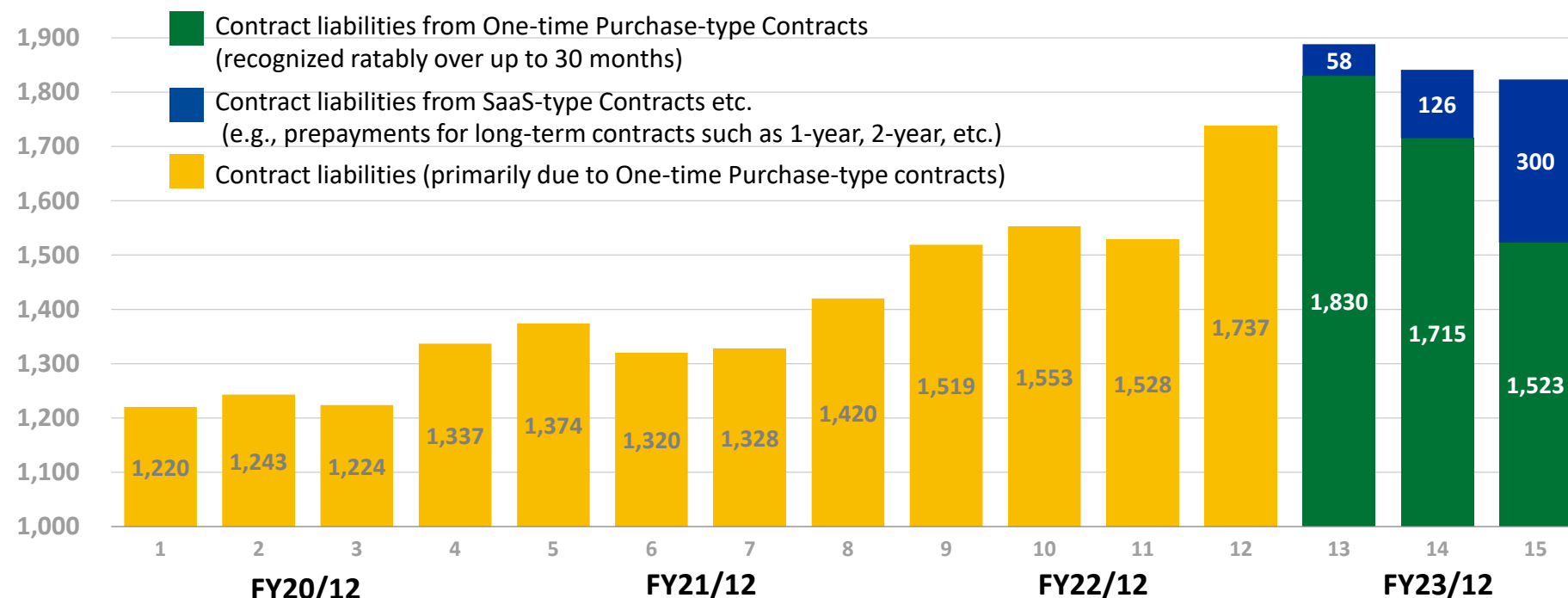# ZAC and ZAC Enterprise Contract Liabilities (License)
Cloud Solutions

Contract liabilities increased by 19.3% YoY to 1,823 million yen and decreased by 1.0% QoQ due to a reduction in one-time purchase-type licenses.

Reason for QoQ decrease: Contract liabilities arising from one-time purchase-type contracts will not increase in the future, owing to the abolition of this purchasing option.

（**in millions of yen**）

Legend:
- Contract liabilities from One-time Purchase-type Contracts (recognized ratably over up to 30 months)
- Contract liabilities from SaaS-type Contracts etc. (e.g., prepayments for long-term contracts such as 1-year, 2-year, etc.)
- Contract liabilities (primarily due to One-time Purchase-type contracts)

Quarter	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Yellow	1,220	1,243	1,224	1,337	1,374	1,320	1,328	1,420	1,519	1,553	1,528	1,737			
Green													1,830	1,715	1,523
Blue													58	126	300

FY20/12, FY21/12, FY22/12, FY23/12

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.
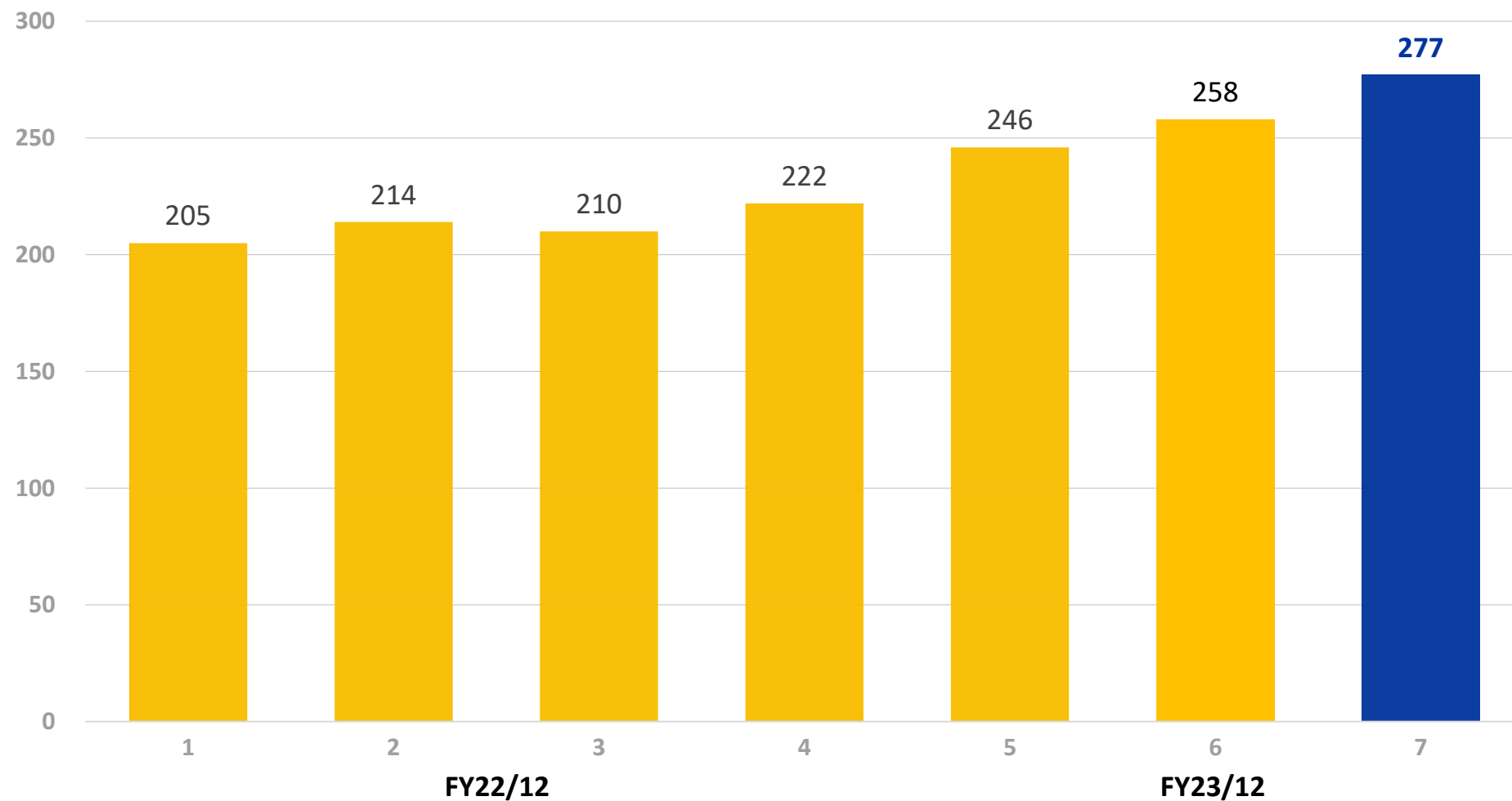
*The values for each quarter of FY 2020/12 was not audited by KPMG AZSA LLC.

MRR Trend of ZAC and ZAC Enterprise
Cloud Solutions

Despite being influenced by the fluctuations in ZAC license fees, the growth in the number of contract licenses is driving MRR.

（in millions of yen）

* MRR: Stands for Monthly Recurring Revenue, which is the regular monthly revenue. It is calculated as the total sum of "ZAC License Fees" and "Maintenance Fees, SaaS, and Other Monthly Service Fees" for the last month of the respective quarter.

Trend in the number of active "ZAC" and "ZAC Enterprise" 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.

The number of active licenses per active company has remained stable since Q1.
On a year-on-year basis, there's an increase of 5.3%, attributed to the acquisition of larger new customers and additional licenses purchased by existing customers.

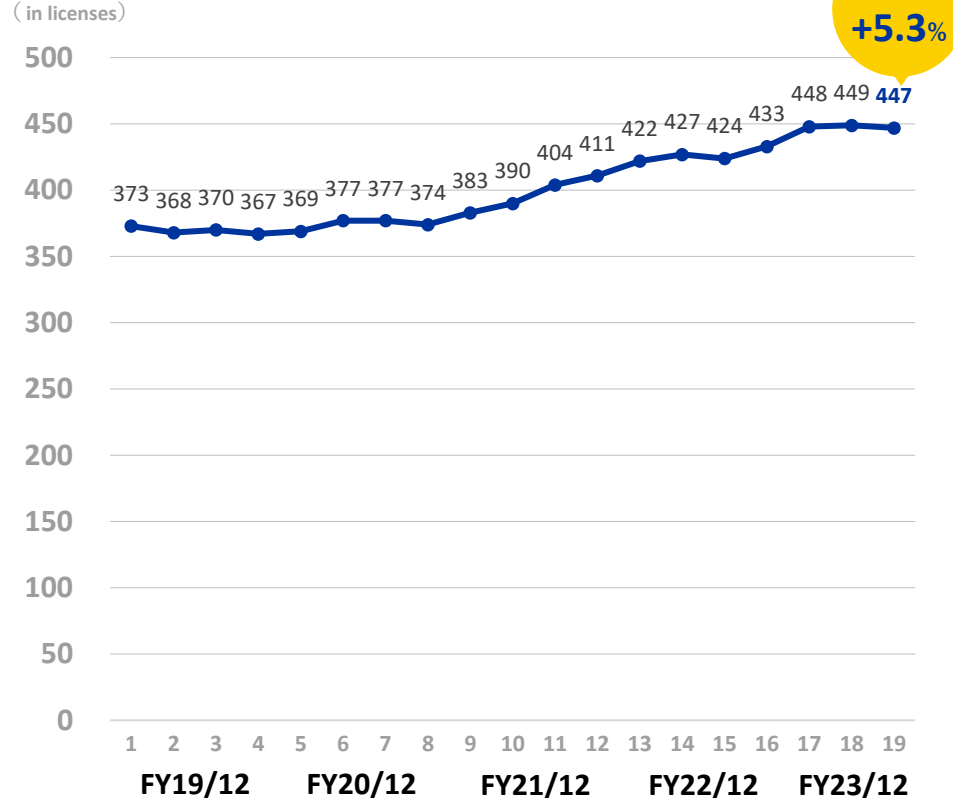**Trend in the number of active ZAC and ZAC Enterprise licenses**

（in thousands of licenses）

YoY **+13.1**%

149 156 165 170 176 185 189 197 206 210 223 233 243 252 260 274 286 290 294

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 |

FY19/12　FY20/12　FY21/12　FY22/12　FY23/12
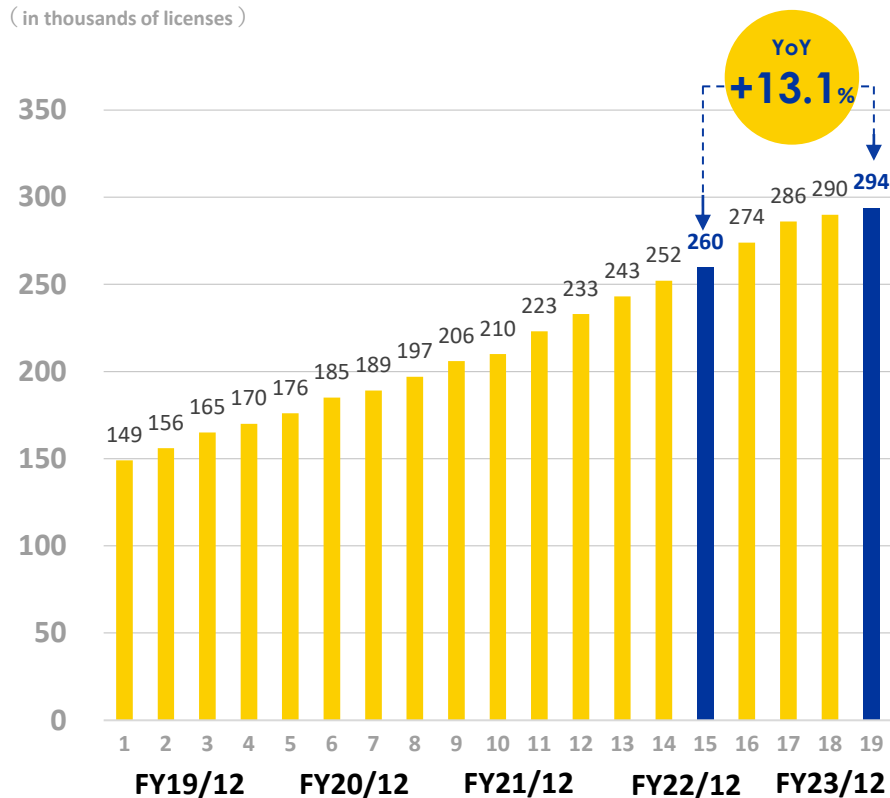
* Number of active licenses
= Cumulative number of licenses sold - Cumulative number of licenses terminated

Trend in the number of active licenses per active client

（in licenses）

YoY **+5.3**%

373 368 370 367 369 377 377 374 383 390 404 411 422 427 424 433 448 449 447

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 |

FY19/12　FY20/12　FY21/12　FY22/12　FY23/12

* Number of active licenses per active client
= Number of active licenses / The number of active clients at the end of the quarter.

* For existing customers transitioning from ZAC Enterprise to ZAC, there was a double counting of contracted license numbers. Consequently, we have adjusted the data in both charts starting from the first quarter of FY2020/12 onwards to correct this.

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

Monthly churn rate for "ZAC" and "ZAC Enterprise" is stable and low, while "Reforma PSA" is improving.
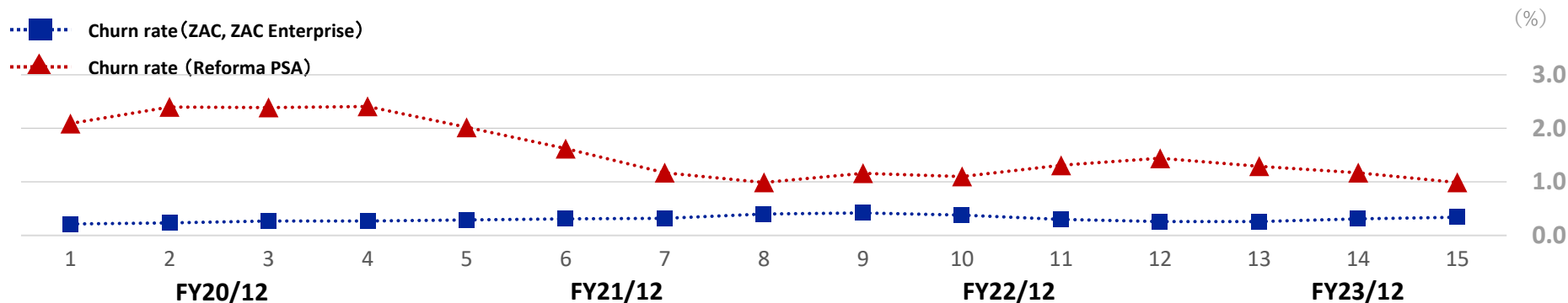
- The monthly churn rate of ZAC and ZAC Enterprise has remained stably low. To maintain the current churn rate, we are executing operation proposals aimed at encouraging utilization, and conducting customer operation status hearings, mainly through the Health Score staff.
- The monthly churn rate of Reforma PSA is declining due to strengthened follow-up measures of the customer success team.

【ZAC, ZAC Enterprise】

	FY20/12 1Q	FY20/12 2Q	FY20/12 3Q	FY20/12 4Q	FY21/12 1Q	FY21/12 2Q	FY21/12 3Q	FY21/12 4Q	FY22/12 1Q	FY22/12 2Q	FY22/12 3Q	FY22/12 4Q	FY23/12 1Q	FY23/12 2Q	FY20/12 3Q
Number of Contracts	22	19	14	34	17	6	21	19	21	15	23	28	13	16	16
Number of Churns	4	7	5	11	5	8	7	5	11	3	0	7	9	7	4

【Reforma PSA】

	FY20/12 1Q	FY20/12 2Q	FY20/12 3Q	FY20/12 4Q	FY21/12 1Q	FY21/12 2Q	FY21/12 3Q	FY21/12 4Q	FY22/12 1Q	FY22/12 2Q	FY22/12 3Q	FY22/12 4Q	FY23/12 1Q	FY23/12 2Q	FY20/12 3Q
Number of Contracts	23	18	11	25	10	13	15	10	13	10	9	9	13	10	13
Number of Churns	10	10	10	4	6	6	2	7	9	6	8	8	6	4	5

*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
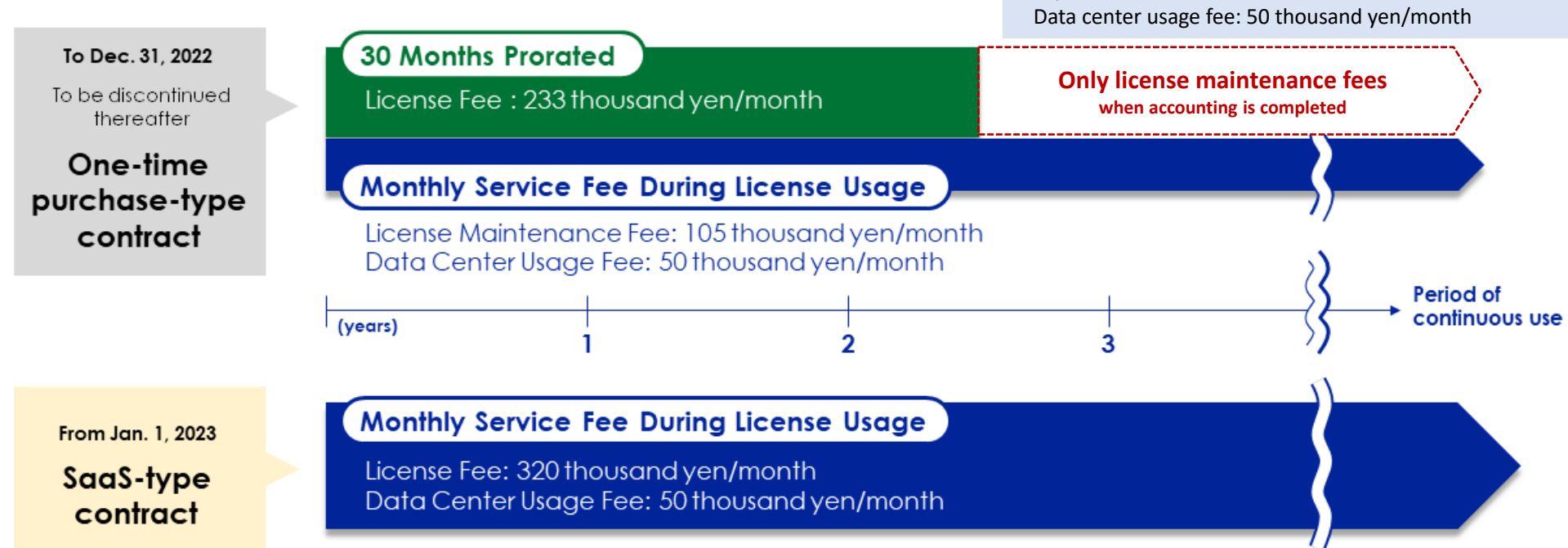## Cloud Solutions

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.

Sales Management: 20 licenses
Purchase Management: 20 licenses
Time Management: 100 licenses
Expense Control: 100 licenses
Data center usage fee: 50 thousand yen/month

To Dec. 31, 2022
To be discontinued thereafter

One-time purchase-type contract

30 Months Prorated
License Fee : 233 thousand yen/month

Only license maintenance fees
when accounting is completed

Monthly Service Fee During License Usage
License Maintenance Fee: 105 thousand yen/month
Data Center Usage Fee: 50 thousand yen/month

(years)   1   2   3

Period of continuous use

From Jan. 1, 2023

SaaS-type contract

Monthly Service Fee During License Usage
License Fee: 320 thousand yen/month
Data Center Usage Fee: 50 thousand yen/month

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

Situation as of Q2 2023

To maximize the creation of SQL*, we have revised our budget allocation, restraining the expenditure on less successful initiatives such as web advertising, and instead, leveraging external partners in telephone sales operations for greater efficiency.

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

Progress and Countermeasures at Q3

SQL Supply Situation

- Telephone sales and sales agents' referral sales have generated a number of SQLs, and we have secured inquiries for both Q4 in the current fiscal year and Q1 of the next year.

Strengthen Alliances with Sales Agents

- As a result of our efforts to strengthen alliances with sales agents, we have successfully acquired project referrals, contributing to the generation of SQLs.
- We are also advancing our efforts to begin collaboration with regional banks that have customers with a high interest in DX as new sales agents.

Telephone Sales Situation

- Due to the successful performance of external partners, we have raised our budget to enhance the supply of SQLs.

Budget Allocation Review

- We continue to control the costs for existing measures like web advertising, consistently evaluating their effectiveness.
- To expand our target lists, we resumed exhibiting at trade shows starting in Q3.
  We are also planning to participate in trade shows in Q4 of this fiscal year and in Q1 of the next fiscal year.
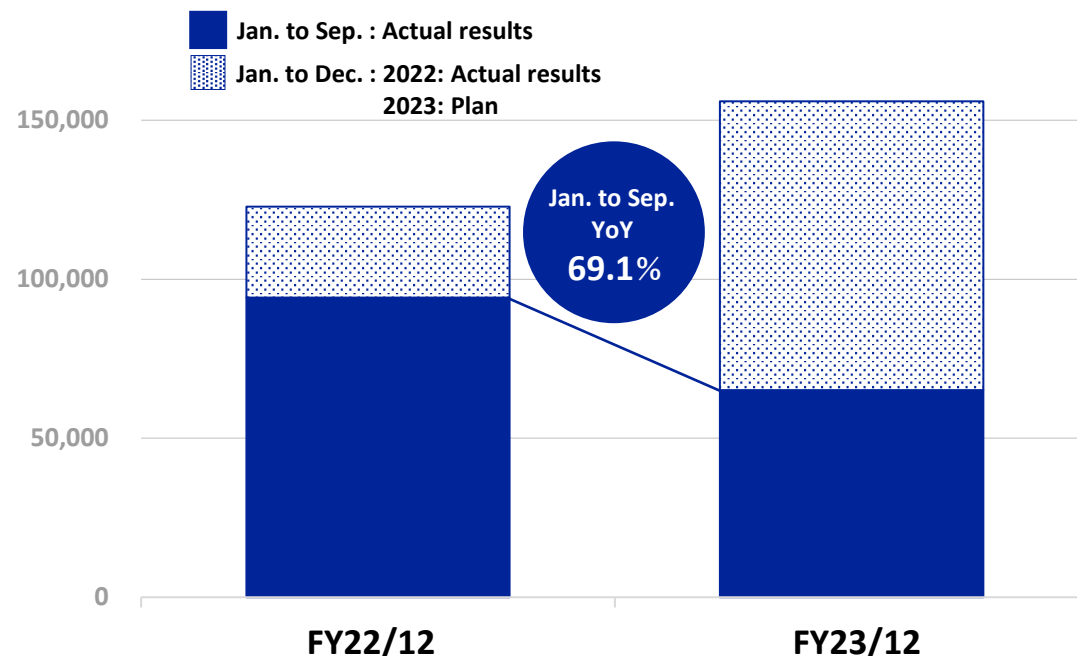
Efforts for Customer Acquisition
Cloud Solutions

Advertising Expenses (CS)

（in thousands of yen）

■ Jan. to Sep. : Actual results

▦ Jan. to Dec. : 2022: Actual results
2023: Plan

Jan. to Sep. YoY
69.1%

FY22/12	FY23/12

Chart y-axis: 0, 50,000, 100,000, 150,000

Rate of progress against the plan:

41.8% (As of September 30, 2023)

In addition to utilizing external partners for telephone sales, we executed investments aimed at achieving results, such as participating in exhibitions, and achieved significant outcomes. On the other hand, considering cost-effectiveness, we restrained the budget for web advertising, which accounts for a significant portion of our advertising expenses, even in Q3 (primarily display ads), compared to the initial plan. In the current period, we assessed investment effectiveness based on maximizing SQLs, but in the next period, we also plan to deploy marketing strategies with lead acquisition maximization as the guiding principle.

Plans for current period

We will persist in our commitment to efficiently allocate budgets towards telemarketing sales aimed at effective SQL provision, while continuing to control our expenditures on web advertising. Concurrently, as we prepare for the upcoming fiscal year, our focus remains on leveraging seminars, direct mail, telemarketing, and exhibitions to reach untapped customers. In particular, for our exhibition-related activities in Q4, we are planning to participate in the "BOXIL EXPO IT/DX Exhibition in TOKYO 2023", scheduled for November 21st and 22nd.

Actions to Increase MRR
Cloud Solutions

We are implementing further enhancements to our BI integration options, with orders anticipated starting in Q4

Update for BI Option

We have made additional enhancements to our dashboard templates to simplify the implementation of the management expertise presented in the book, *Knowledge Worker Management*. These continuous improvements have allowed us to better serve the requirements of our current customers. As a result, we anticipate an increase in orders from customers who intend to utilize the management data gathered in ZAC starting in Q4. Additionally, we anticipate an increase in MRR of 50,000 yen to 70,000 yen per order, as well as immediate revenue from implementation support.

For more details, please visit the following URL: https://zac.go.oro.com/news/news-2091.html

Proposals for Compliance with Electronic Books Maintenance Act

In preparation for compliance with the Electronic Books Maintenance Act, inquiries for the "Electronic Evidence Storage Option" have emerged from our ZAC and ZAC Enterprise clients.

As we anticipate an increase in MRR of 20,000 yen per order or more, along with additional revenue from installation support costs, we will intensify our proposal activities to secure orders.
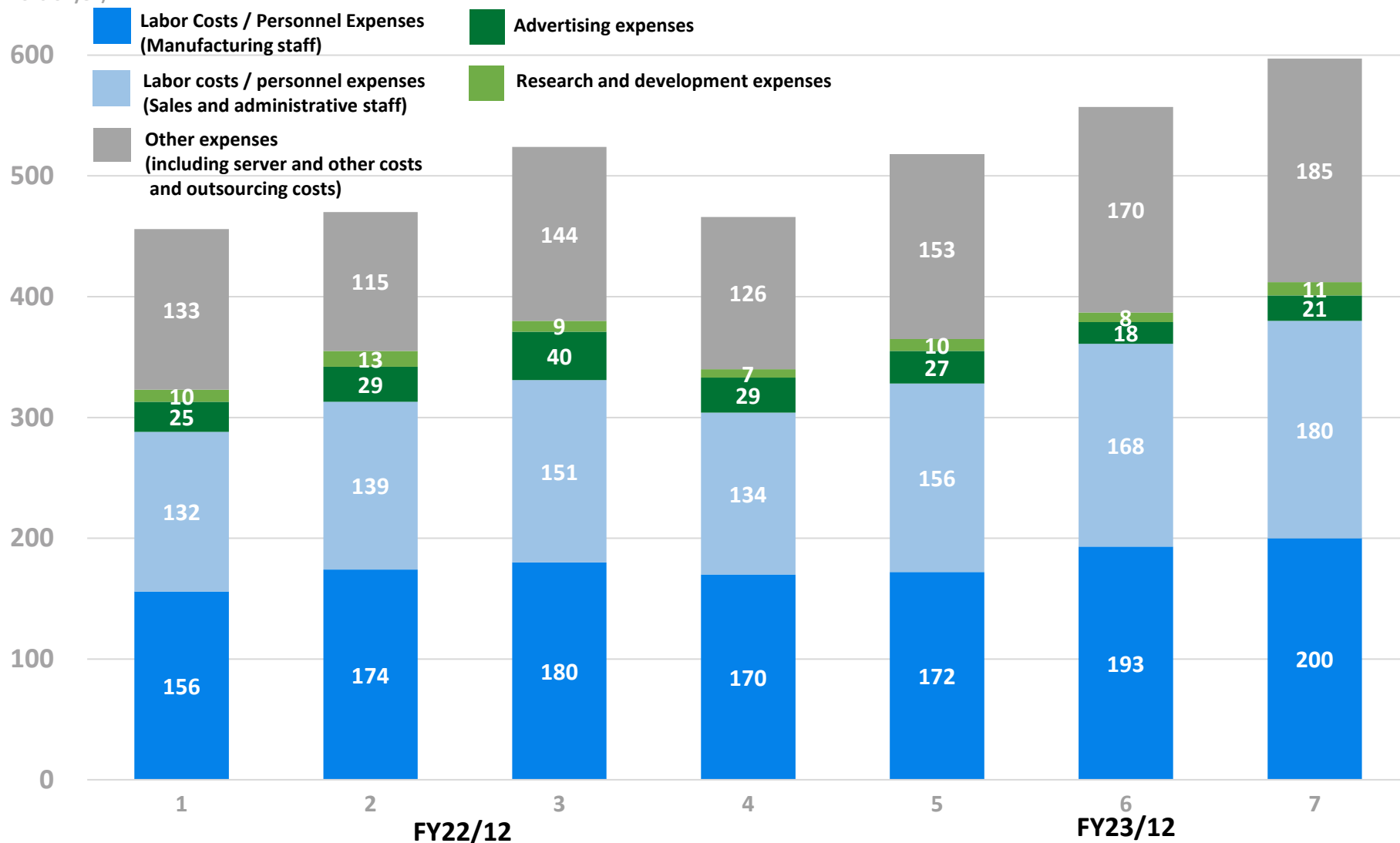
API Integration for ZAC Enterprise Customers

The API integration feature was primarily offered to ZAC customers and those who contracted with ZAC Enterprise after February 2020. However, with the goal of enhancing product utilization among our clients, we have now initiated proposals to extend API integration capabilities to ZAC Enterprise customers who entered into agreements before January 2020.

Breakdown of Expenses (Consolidated)

Cloud Solutions

Server and other costs proportional to business growth and increase in outsourcing costs related to compliance with the Qualified Invoice-based Method (the Invoice System).

(in millions of yen)

Legend:
- **Labor Costs / Personnel Expenses (Manufacturing staff)** (blue)
- **Labor costs / personnel expenses (Sales and administrative staff)** (light blue)
- **Other expenses (including server and other costs and outsourcing costs)** (gray)
- **Advertising expenses** (dark green)
- **Research and development expenses** (green)

	1	2	3	4	5	6	7
Other expenses	133	115	144	126	153	170	185
Research and development	10	13	9	7	10	8	11
Advertising	25	29	40	29	27	18	21
Labor (Sales and administrative)	132	139	151	134	156	168	180
Labor (Manufacturing)	156	174	180	170	172	193	200

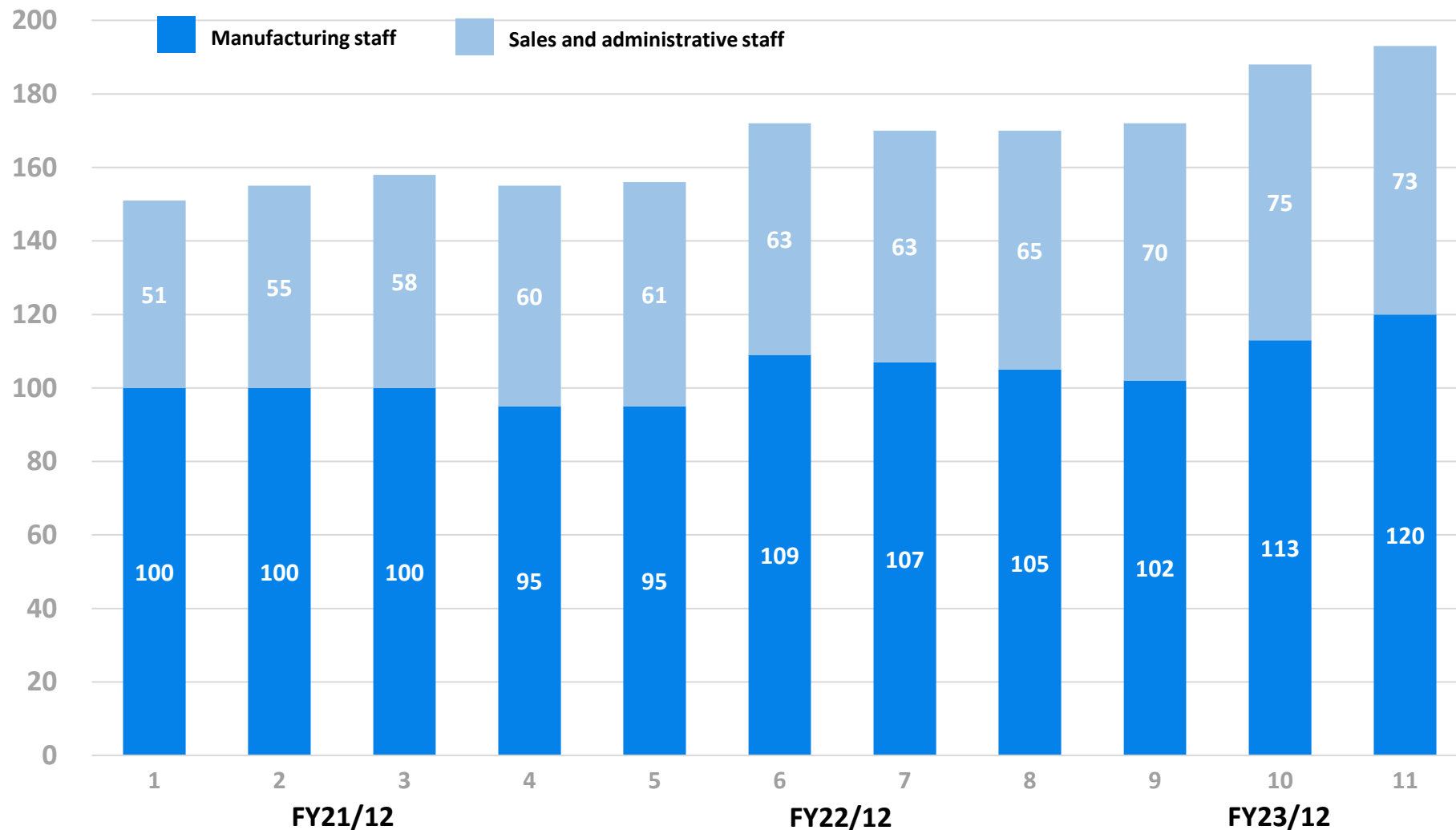FY22/12   FY23/12

Breakdown of Personnel (Parent Company and Two Domestic Subsidiaries)
Cloud Solutions

Hiring of manufacturing personnel (non-engineers) is progressing at the domestic subsidiaries.
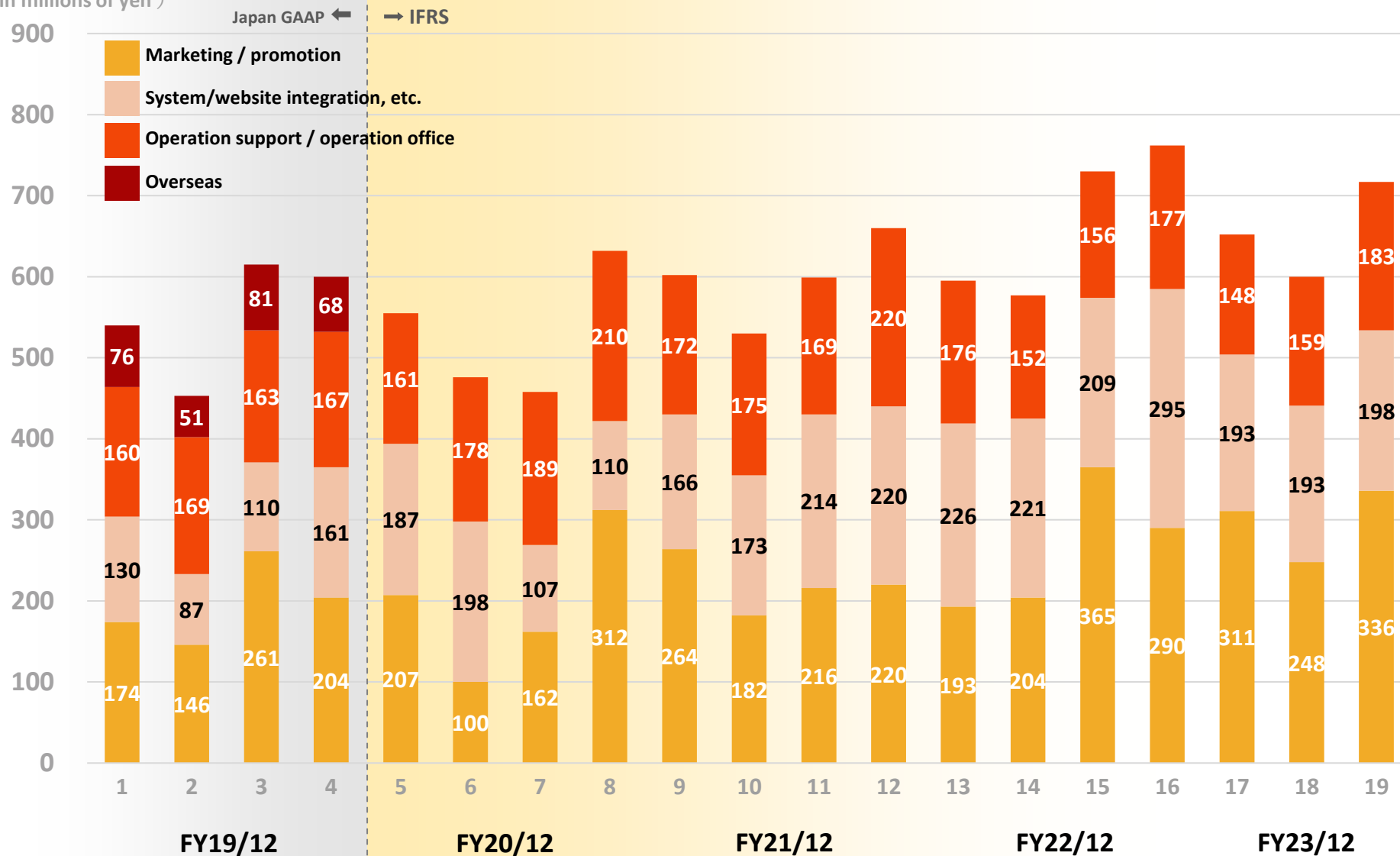
(number of employees)

* Starting from the second quarter of the fiscal year ending December 2023, we are disclosing the average number of employees during the quarter (rounded to one decimal place) instead of at the end of the quarter.
* 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.

©oRo Co.,Ltd.

Breakdown of Sales by Type of Operations

Digital Transformation

（in millions of yen）

Japan GAAP ⬅ ➡ IFRS

Legend:
- Marketing / promotion
- System/website integration, etc.
- Operation support / operation office
- Overseas

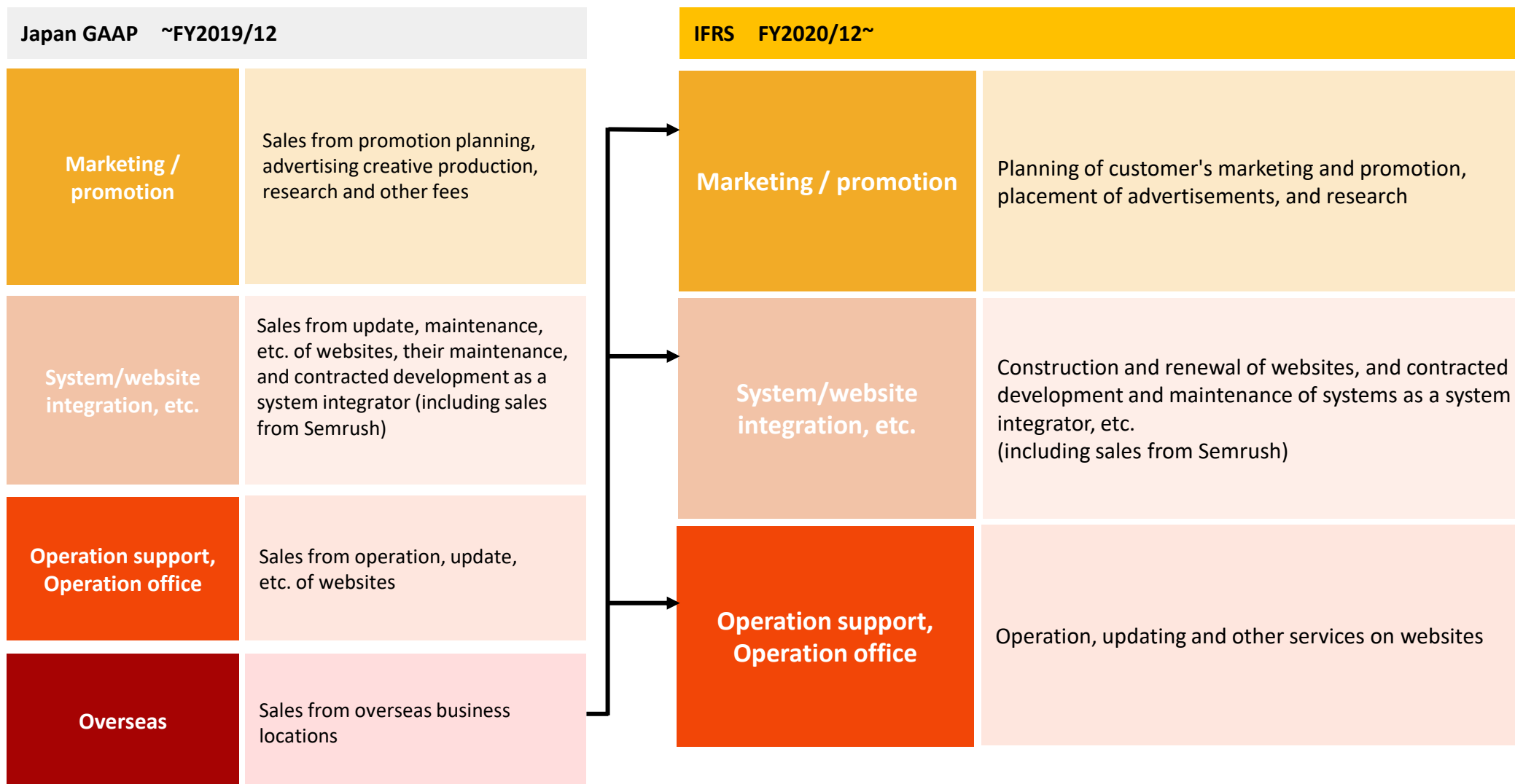|	FY19/12				FY20/12			FY21/12					FY22/12				FY23/12		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Overseas	76	51	81	68															
Operation support / operation office	160	169	163	167	161	178	189	210	172	175	169	220	176	152	156	177	148	159	183
System/website integration, etc.	130	87	110	161	187	198	107	110	166	173	214	220	226	221	209	295	193	193	198
Marketing / promotion	174	146	261	204	207	100	162	312	264	182	216	220	193	204	365	290	311	248	336

*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.
*The values for each quarter of FY2020/12 was not audited by KPMG AZSA LLC.

©oRo Co.,Ltd.

21

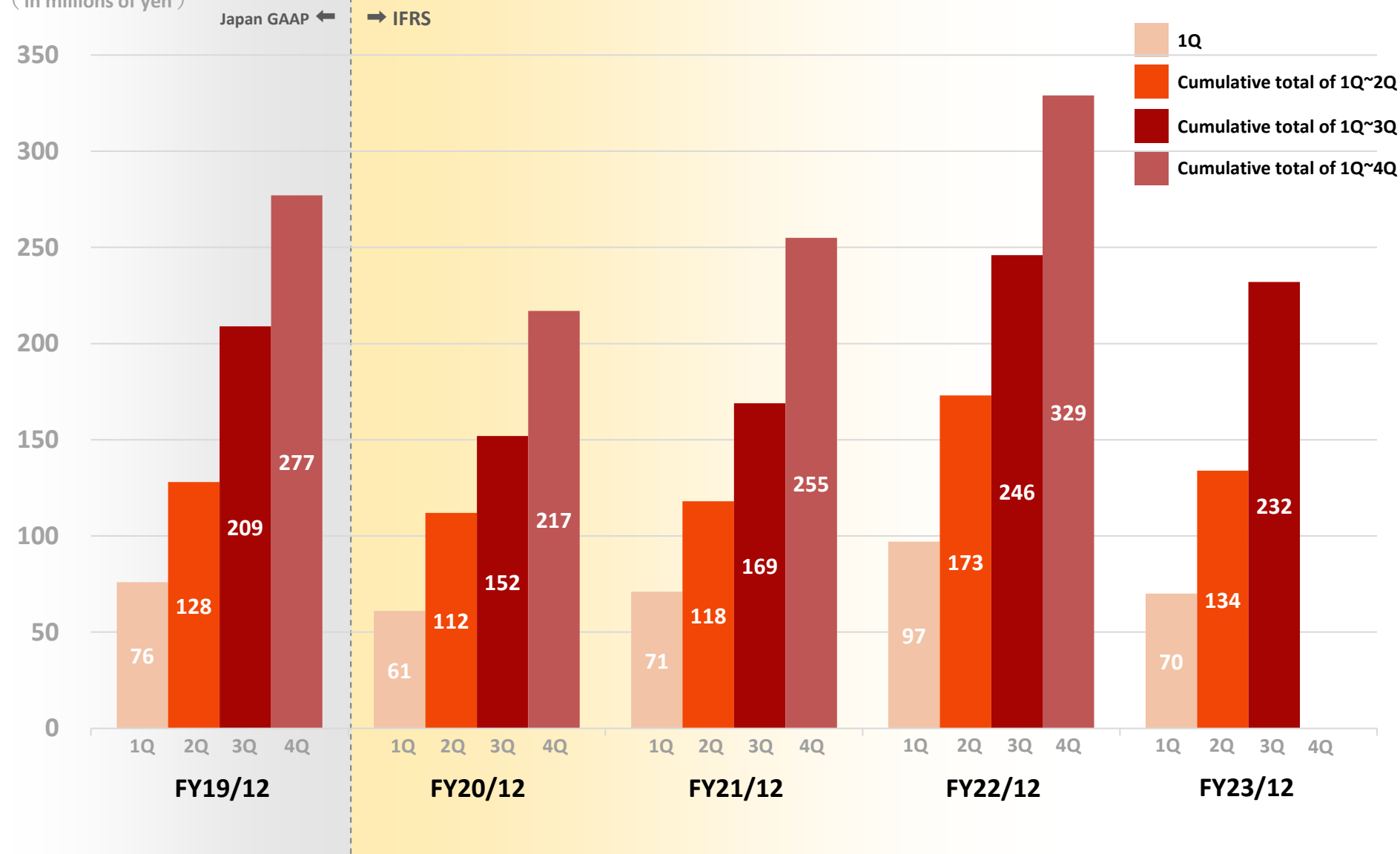# Composition of Sales by Type of Operations

Digital Transformation

IFRS　FY2020/12~

Japan GAAP ~FY2019/12		IFRS FY2020/12~	
Marketing / promotion	Sales from promotion planning, advertising creative production, research and other fees	**Marketing / promotion**	Planning of customer's marketing and promotion, placement of advertisements, and research
System/website integration, etc.	Sales from update, maintenance, etc. of websites, their maintenance, and contracted development as a system integrator (including sales from Semrush)	**System/website integration, etc.**	Construction and renewal of websites, and contracted development and maintenance of systems as a system integrator, etc. (including sales from Semrush)
Operation support, Operation office	Sales from operation, update, etc. of websites	**Operation support, Operation office**	Operation, updating and other services on websites
Overseas	Sales from overseas business locations		

*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.

©oRo Co.,Ltd.

22

Overseas Sales
Digital Transformation

（in millions of yen）

Japan GAAP ⬅ | ➡ IFRS

Legend:
- 1Q
- Cumulative total of 1Q~2Q
- Cumulative total of 1Q~3Q
- Cumulative total of 1Q~4Q

FY19/12
- 1Q: 76
- 2Q: 128
- 3Q: 209
- 4Q: 277

FY20/12
- 1Q: 61
- 2Q: 112
- 3Q: 152
- 4Q: 217

FY21/12
- 1Q: 71
- 2Q: 118
- 3Q: 169
- 4Q: 255

FY22/12
- 1Q: 97
- 2Q: 173
- 3Q: 246
- 4Q: 329

FY23/12
- 1Q: 70
- 2Q: 134
- 3Q: 232
- 4Q: —

*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.
*The values for each quarter of FY2020/12 was not audited by KPMG AZSA LLC.

Efforts for Customer Acquisition
Digital Transformation

Due to falling short of our new customer acquisition plan,
we are advancing efforts to improve in the short and medium term.

Strengthen Collaboration with Toppan Inc.

Since our announcement of the collaboration with TOPPAN Inc. in March 2022, we have made progress in acquiring leads

from new customers through this partnership. In June, we established a dedicated team for projects in collaboration with

TOPPAN Inc., intensifying our sales activities to secure orders from new clients.

The number of collaborative projects with TOPPAN Inc. has increased compared to the last fiscal year. Moving forward,

we are focusing on further bolstering our collaborative arrangements, including securing production resources, to

improve the outcomes of our joint efforts.

In-house Customer Acquisition

In addition to generating new client leads through event sponsorships and other initiatives, we are also proactively

conducting marketing activities to create engagement and proposal opportunities with dormant clients, targeting

medium to long-term project acquisitions.

As a testament to our efforts, we have successfully launched several projects with new clients. Going forward, we will

continue to start with smaller-scale transactions, building a solid track record of successful outcomes and trust, with the

ultimate goal of gradually being entrusted with larger-scale projects by our clients.

Breakdown of Expenses (Consolidated)

Digital Transformation

Compared to Q3 YoY, there has been an increase in labor and personnel expenses associated with the recruitment of immediately effective personnel, as well as in recruitment fees.


(in millions of yen)

Legend:
- Labor costs / personnel expenses (Manufacturing staff) — orange
- Labor costs / personnel expenses (Sales and administrative staff) — dark red
- Material costs / subcontract costs — light peach
- Other expenses — gray

	1	2	3	4	5	6	7
Other expenses	112	114	102	104	105	123	136
Material costs / subcontract costs	19	82	47	81	35	32	63
Labor costs / personnel expenses (Sales and administrative staff)	124	137	127	144	155	163	177
Labor costs / personnel expenses (Manufacturing staff)	203	209	205	208	183	188	194

FY22/12   FY23/12

Breakdown of Personnel (Parent Company and Two Domestic Subsidiaries)

Digital Transformation

In this fiscal year, we have actively engaged in the mid-career recruitment of immediately effective personnel, and there has been a trend of increasing staff numbers since Q1.

(number of employees)
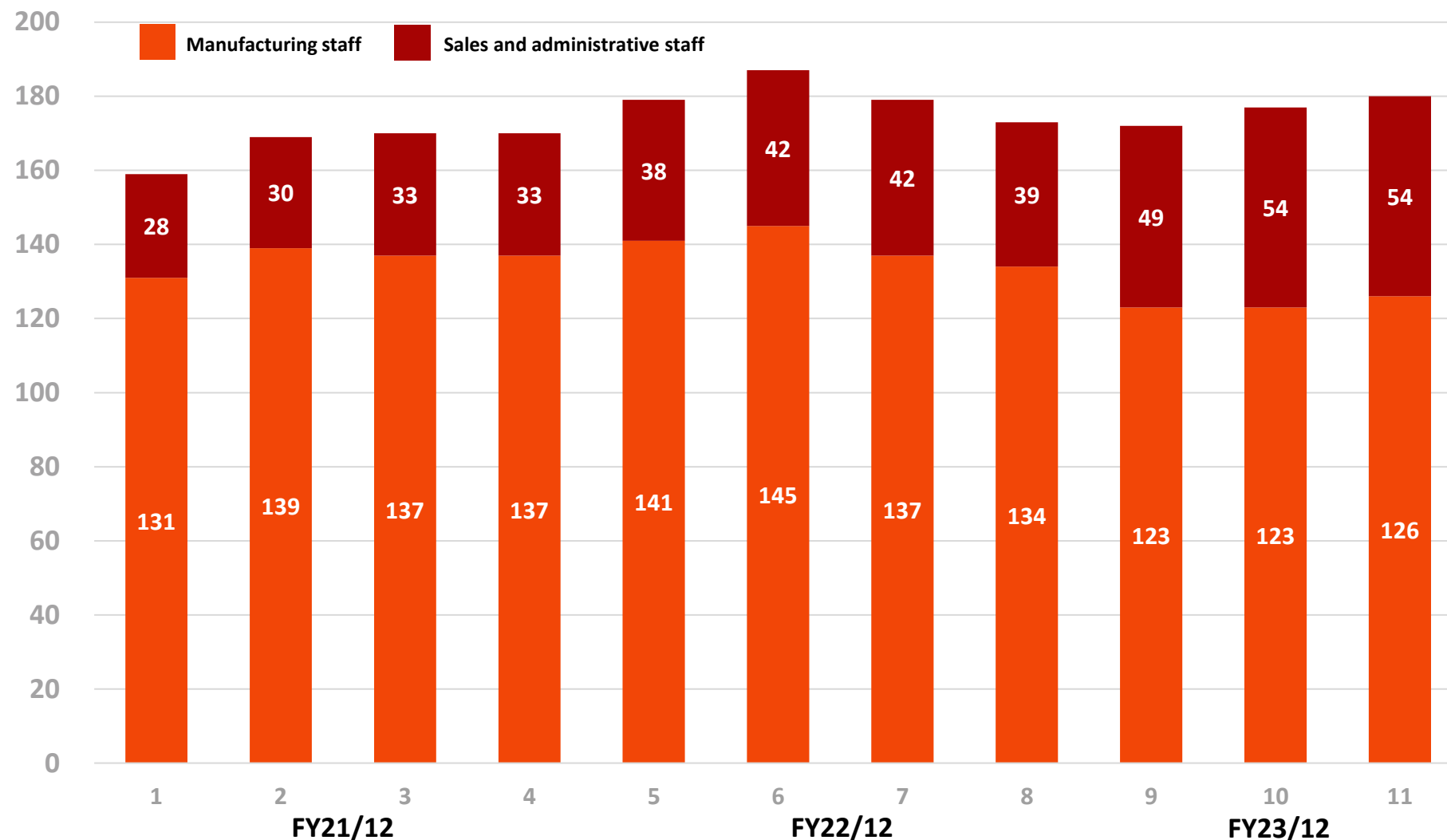
*Starting from the second quarter of the fiscal year ending December 2023, we are disclosing the average number of employees during the quarter (rounded to one decimal place) instead of at the end of the quarter.
* Employees of the Corporate Department and the Office of the President are not included in the graph. The two domestic subsidiaries refer to oRo Miyazaki Co., Ltd. and oRo code MOC Co., Ltd.

©oRo Co.,Ltd.

Progress Against Full-Year Forecasts

(in millions of yen)

	FY2023/12 Full-year forecasts	Q3 FY2023/12 Results	Rates of progress
Revenue	**7,092**	**5,158**	**72.7** %
Cloud Solutions	4,132	3,184	77.1 %
Digital Transformation	2,959	1,974	66.7 %
Operating profit	**2,380**	**1,880** *	**79.0** %
Cloud Solutions	1,712	1,505	87.9 %
Digital Transformation	667	413	61.9 %
Profit before tax	**2,386**	**1,978**	**82.9** %
Profit	**1,656**	**1,366**	**82.5** %

*Includes (37 million yen) of other profit (loss) not attributable to reportable segments.

© oRo Co.,Ltd.

Profit and Loss Statement（YoY）

(in millions of yen)

	Q3 FY2022/12 (Composition ratio)	Q3 FY2023/12 (Composition ratio)	Difference	Main factors
Revenue	**4,461** [100.0%]	**5,158** [100.0%]	**697**	
Cost of sales	**1,653** [37.1%]	**1,710** [33.2%]	**56**	Increase in material costs and depreciation and amortization
Gross profit	**2,807** [62.9%]	**3,448** [66.8%]	**640**	
Selling, general and administrative expenses	**1,256** [28.2%]	**1,497** [29.0%]	**241**	increase in sales and administrative employees and pay raise, recruiting expenses, travel, and transportation costs, etc.
Research and development	**35** [0.8%]	**32** [0.6%]	**(3)**	
Other profit (loss)	**12** [0.3%]	**(37)** [(0.7)%]	**(50)**	settlement payment (45 million yen)
Operating profit	**1,529** [34.3%]	**1,880** [36.5%]	**351**	
Finance profit (loss)	**111** [2.5%]	**98** [1.9%]	**(13)**	
Profit before tax	**1,640** [36.8%]	**1,978** [38.4%]	**337**	
Profit	**1,131** [25.4%]	**1,361** [26.4%]	**230**	
Profit attributable to owners of the parent	**1,124** [25.2%]	**1,366** [26.5%]	**241**	

©oRo Co.,Ltd.

Statement of Financial Position (vs. End of Previous Fiscal Year)

(in millions of yen)

	As of Dec 31, 2022	As of Sep 30, 2023	Difference
Current assets	**9,408**	**10,184**	**776**
Cash and cash equivalents	6,831	8,065	1,233
Trade and other receivables	1,405	1,028	(377)
Other current assets	1,170	1,090	(79)
Non-Current Assets	**1,637**	**1,449**	**(188)**
Property, plant and equipment	828	678	(149)
Intangible assets	70	89	18
Other	738	681	(57)
Total assets	**11,045**	**11,634**	**588**

	As of Dec 31, 2022	As of Sep 30, 2023	Difference
Total liabilities	**3,708**	**3,214**	**(493)**
Current liabilities	3,288	2,924	(363)
Trade and other payable	403	294	(108)
Contract liabilities	1,801	1,823	22
Income tax payable	475	128	(346)
Other current liabilities	607	677	70
Non-current liabilities	420	289	(130)
Total equity	**7,337**	**8,419**	**1,082**
Equity attributable to owners of the parent	7,331	8,417	1,086
Non-controlling interests	6	1	(4)
Total liabilities and equity	**11,045**	**11,634**	**588**

©oRo Co.,Ltd.

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.

- Implemented team management features, enabling permission settings for each organizational hierarchy.
- Utilized during ISMS audits, also received high praise as a point of excellence during internal reviews.
- Continuously adding new features in response to customer feedback.

* 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	Post-implementation Impact
• Inability to comprehensively track internal SaaS account information	• Creation of a comprehensive management ledger without gaps through API and CSV integration
• Difficulty in understanding SaaS adopted and managed at the department level	• Capability to gain a comprehensive understanding of all SaaS in use across the company, including Shadow IT

News Release

Aug 21   **Reforma PSA Procurement and Expense functions corresponded to**

                  The Qualified Invoice-Based Method (the Invoice System)

Sep 14   **ZAC Wins "Good Service" in ERP Category at BOXIL SaaS AWARD Autumn 2023**

Sep 21   **oRo Launched a new influencer marketing menu**

                  Utilizes BuzzGuru Influencer Analytics, an add-on to Semrush, and

                  IPR (Influencer Power Ranking), a proprietary tool developed by BitStar Inc.

Sep 22   **ZAC launched a new feature "document email delivery," to streamline sending invoices and statements**

Oct 10   **oRo implemented Donor Leave Policy**

                  Provides special paid leave, separate from regular annual leave, for employees who participate in bone marrow donation or are

                  selected as donors through a bone marrow bank, alleviating the work-related burden of employees engaged in social contribution

Oct 19   **"dxeco" implemented by GMO DIGITAL lab, the company that deploys "GMO Shop App"**

                  Visualize employees' Shadow IT, implement security risk measures, and free from analog management to achieve cost reductions

                  For more details, please visit the following URL: https://www.dxeco.io/case/gmodigitallab

02 Business Segment Topics

Business Overview

Cloud Solutions (CS)

Development and delivery of

ZAC **Reforma PSA**

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.

Small Enterprises/Start-up

**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, 30,000 yen)

Small to Medium Enterprises

Cloud ERP "ZAC"

- Main product offered to small to middle sized companies with 50 to 300 employees

- Equipped with approximately 2,000 parameters, it fits customer operations without the need for customization (add-on development).

- Through automatic version updates, the product continuously evolves

Large-scale Enterprises/ Customization

**Cloud ERP
"ZAC Enterprise"**

- Catering to large corporations with over 1,000 employees

- Equipped with approximately 13,000 parameters

- Able to meet unique corporate needs and business requirements through customization (add-on development)

# Overview of Cloud ERP "ZAC" – Functions
Cloud Solutions

Groupware

- Scheduler
- CRM
- SFA
- Document management

Core Business Process (Project Management)

Sales Operation	Work-in-Progress	Profit Management
Project Budget Planning	Project Cost Management	Actual vs Forecast Comparison

- Sales Management
- Purchase Management
- Time Management
- Expense Control

Internal Control

Application for Approval	Evidence/Log Management	Authorization Workflow	Access Control

Database / Integrated management

Managerial Accounting

Sales Forecast Report

Productivity Report

Accounting (Data Linkage)

- Journalizing → Accounting Software
- Firm Banking → Online Banking
- Attendance Data → Payroll Service

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

©oRo Co.,Ltd.

36

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 September 30, 2023)

Other services

Consulting/
professional services

Software, IT
services

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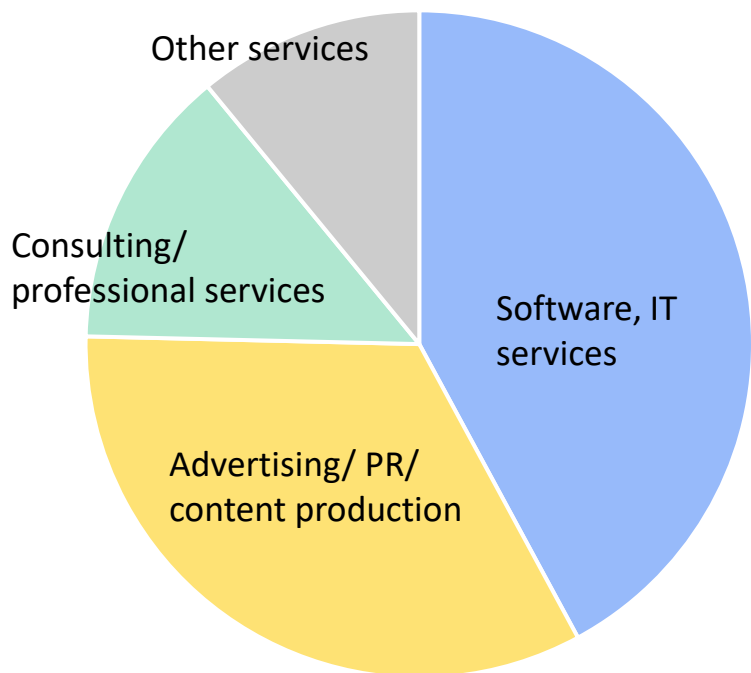
Recently, orders from the software and IT services
industries have increased.
Approximately 40% of the total number of orders received
come from the IT service industry, and 30% come from the
advertising industry.

Software/system development, and IT services

JAL INFOTEC ・ JAL ・ 住友林業情報システム ・ UEL Corporation

株式会社 KSK ・ 面白法人 カヤック ・ SynergyMarketing

Advertising/PR/content production

KEIKYU AD ENTERPRISE ・ KEIO AGENCY ・ 1→10 ・ ITO AD TOKYO AD AGENCY

NISSEN ・ 株式会社 静鉄アド・パートナーズ S.A.P. SHIZUTETSU AD. PARTNERS ・ 東京テアトル株式会社

Consulting/professional services

ASK TOTAL ADVISORS & SUPPORTING KNOWLEDGE ・ KRI ・ UEYES design

Other services

JMC ・ WASEDA Academic Solutions ・ INA 株式会社INA新建築研究所 Institute of New Architecture

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
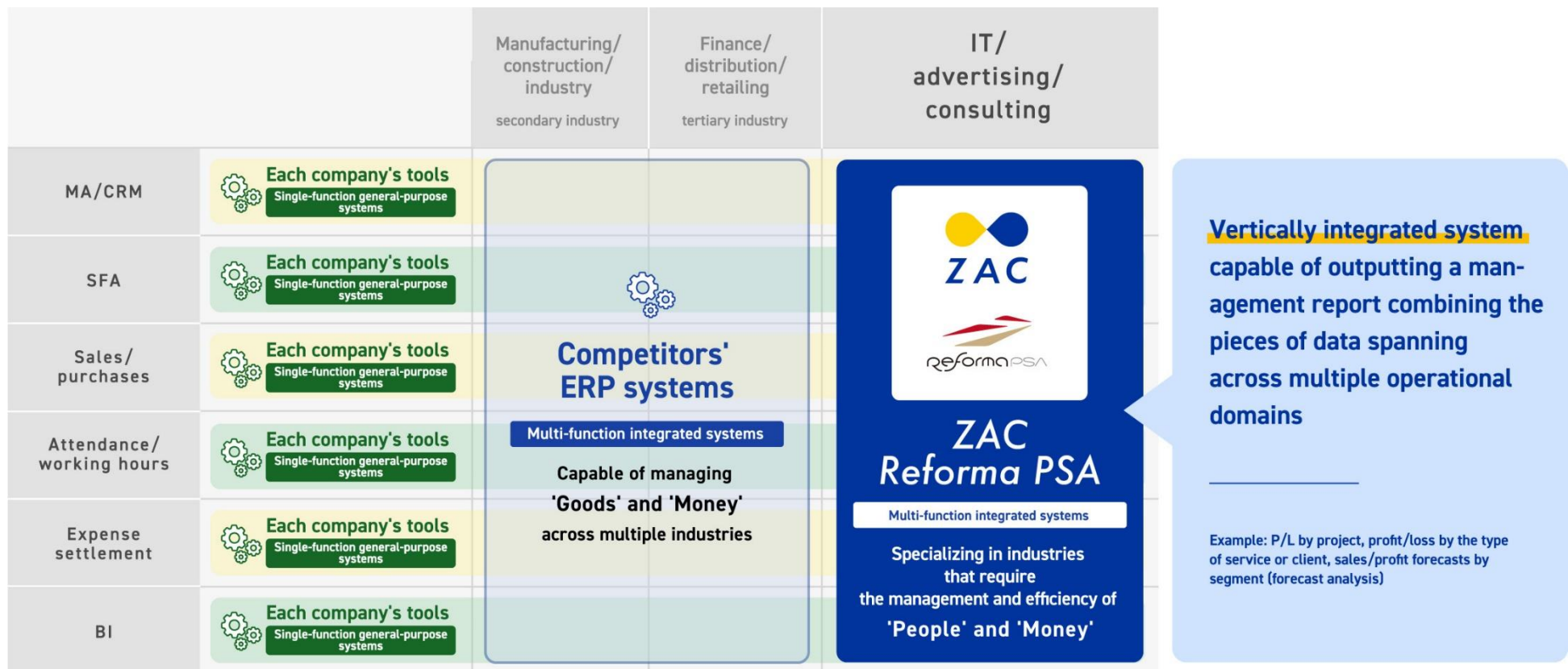
Advantages of Cloud-Based Systems in Functional Scalability

Cloud Solutions

Since 2006, we have accumulated approximately 13,000* parameters (functional components) to meet unique customer demands.

Continuously adding the latest features in response to customer and market needs

Combining necessary features to build the optimal system for each company without additional development

A B C

D E F

ZAC

Multiple added functions

Company A — W X

Company B — Y Z

Company C — X Y
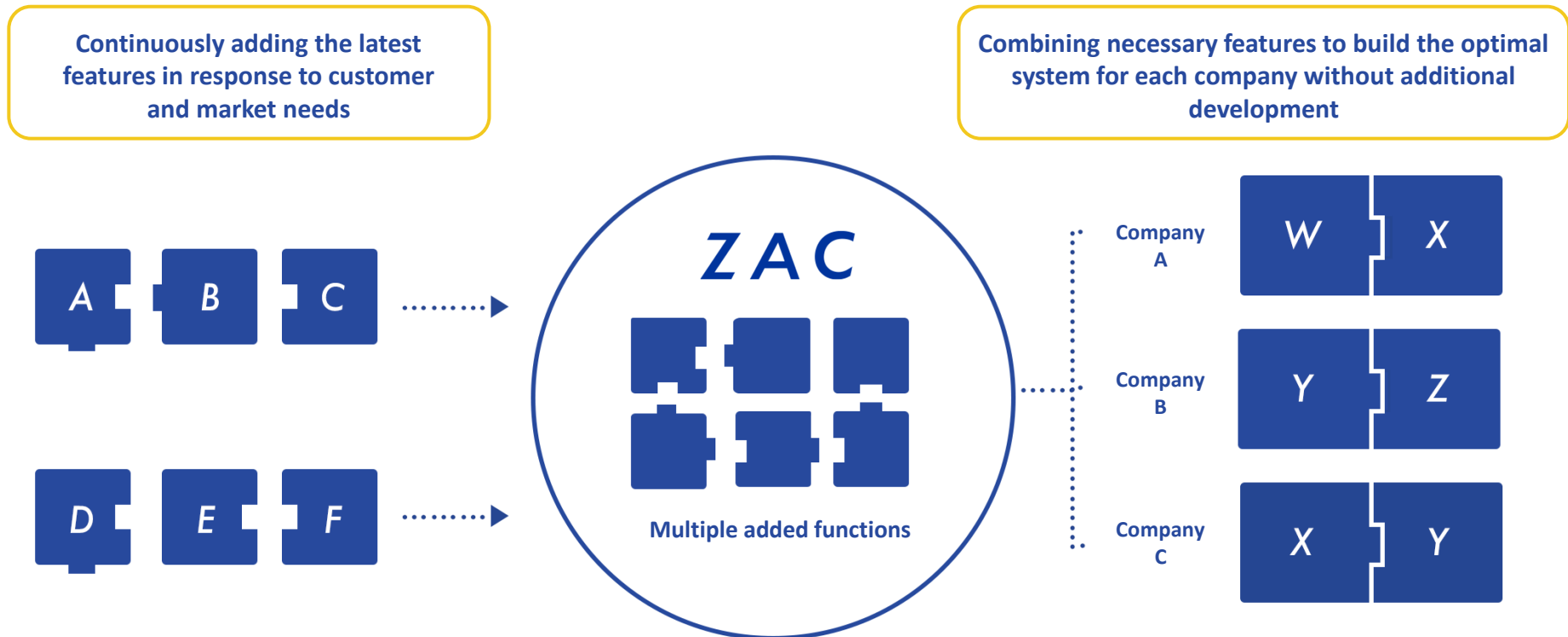
Advantages of industry-specific parameter design

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, ZAC Enterprise and Reforma PSA
Cloud Solutions

Aiming to expand the market share of ZAC, ZAC Enterprise and 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

Product E			Large-size enterprises
	Product F		
		ZAC Enterprise Number of target customers: approx. 1,000	Mid-size enterprises H class
Product C	Product A		Mid-size enterprises M class
	Product G	**ZAC** Number of target customers: approx. 11,000	Mid-size enterprises L class
Product D			Small and Mid-size enterprises
	Product B	**Reforma PSA** Number of target customers: approx. 32,000	Micro-enterprise/ SOHO
Manufacturing/ construction/ industry secondary industry	Finance/ distribution/ retailing tertiary industry	IT/advertising/consulting	

Cumulative total numbers of companies and the goal for 2030

Cumulative total numbers **3,000**

(companies)

Year	Companies
2006	
2010	100
2017	633
2018	765
2019	908
2020	1,068
2021	1,183
2022	1,310
2023	1,396
2030	3,000

Sales launch

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, ZAC Enterprise and Reforma PSA, including IT, advertising and consulting industries.
  Since FY2021/12, we have worked out numbers using data extracted from the database of FORCAS (Uzabase), not the database of Teikoku Databank used until FY2020/12, 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.
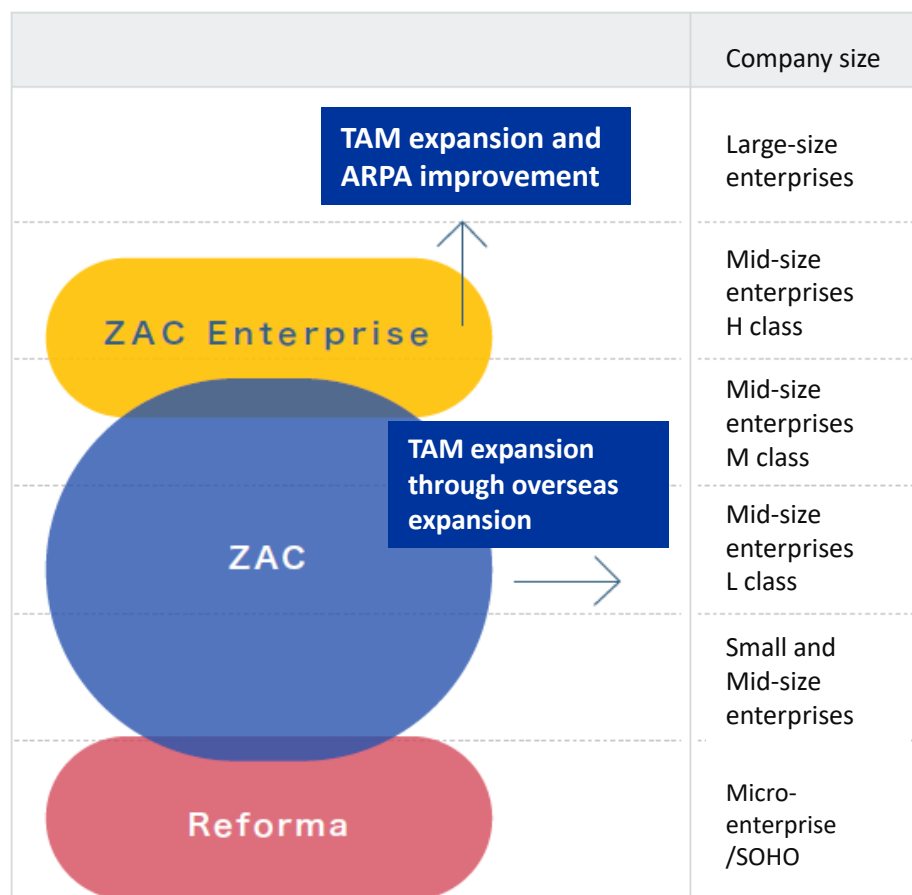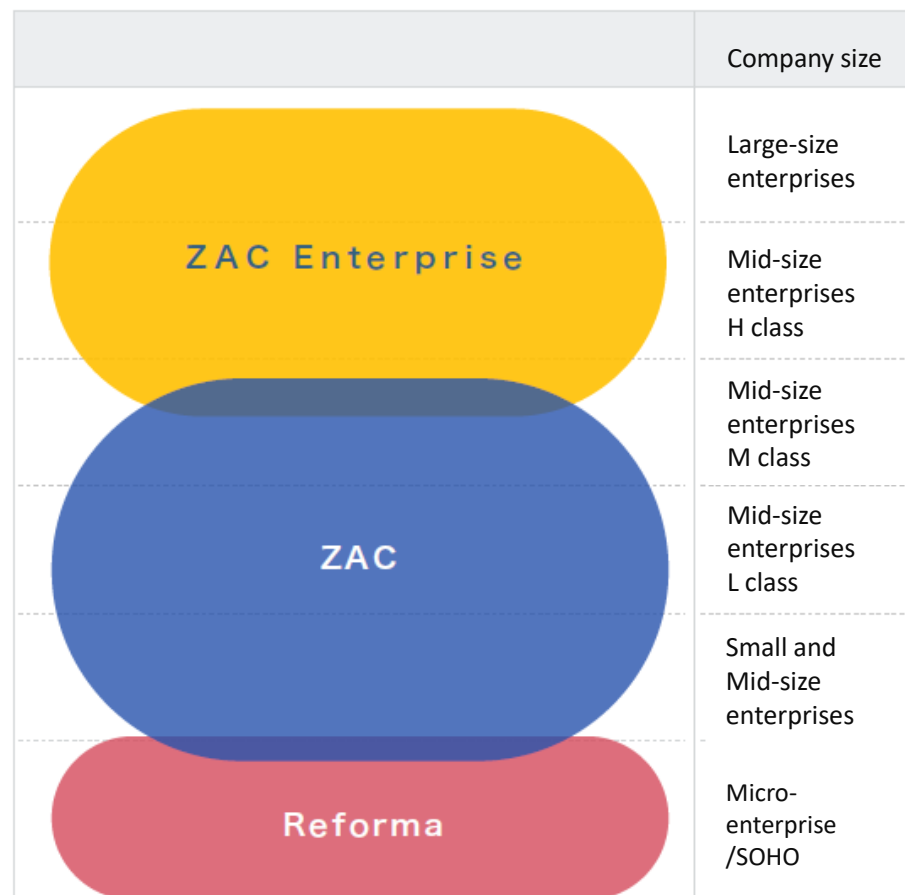
Changes in Revenue and Revenue Targets in the Following Segments
Cloud Solutions

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)
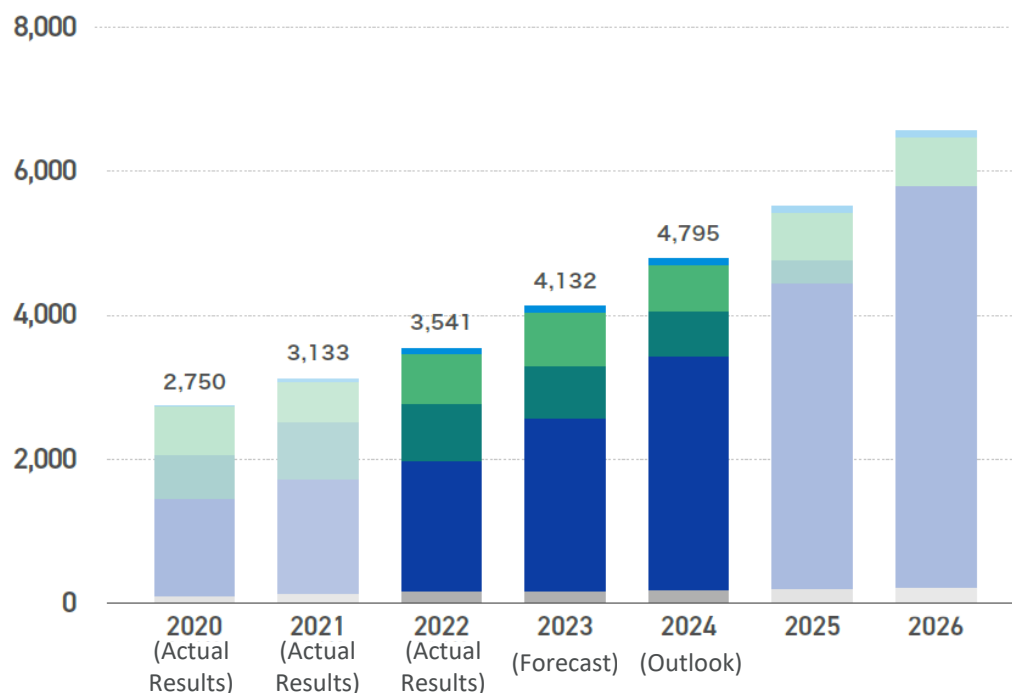
Other products, etc.
Sales as an agent of software developed by other vendors

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 FY2023/12 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.
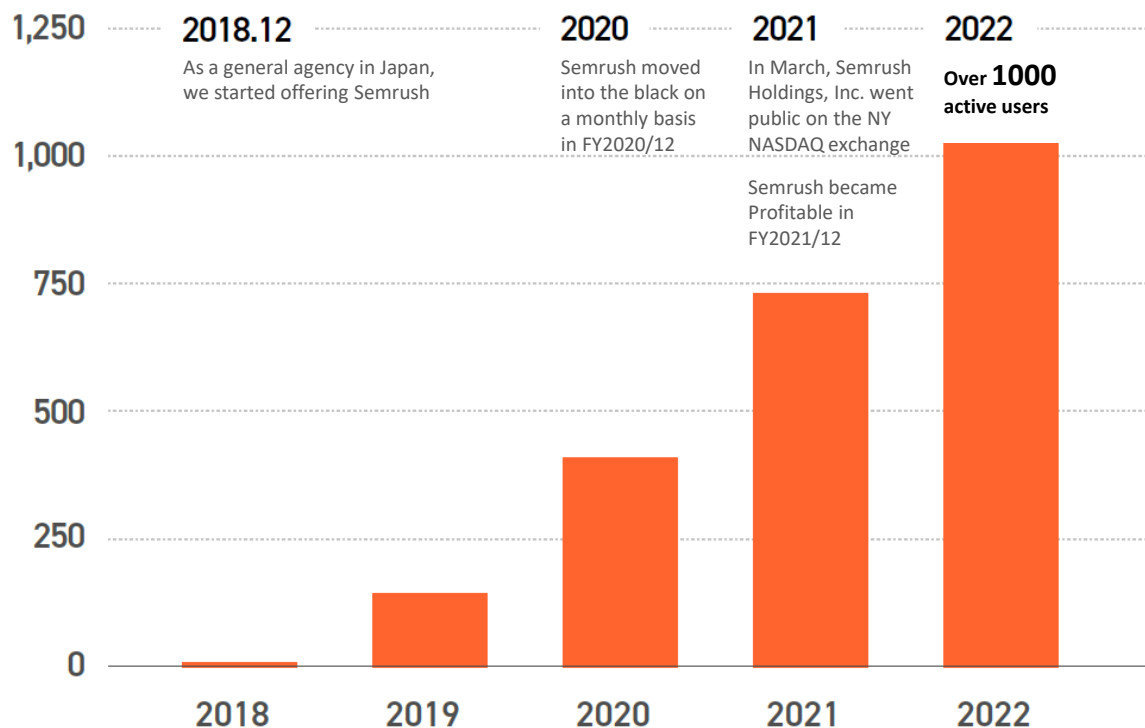
Identify issues

Develop strategies / propose plans	Implement the strategies and plans and measure effects / conduct analyses	Operate

Distribute foreign-made tools as an agency

Marketing / promotion

		Operational support
Plan and promote a marketing strategy	Plan and promote promotions	Provide managed services on an ongoing basis including constantly managing large websites
	Plan and promote direct response marketing campaigns	
Plan and promote advertising and PR strategies	Plan and promote relationship marketing campaigns	
	Measure the effects of data-driven campaigns and identify areas of improvement	

Platform solutions

Import, localize, and distribute foreign-made tools including Semrush as an agency, and deliver customer success

System and website integration

・Support the development of marketing systems and platforms
・Support the building of campaign platforms such as a content management system and e-commerce website

Overseas	・Plan and implement a marketing strategy for overseas markets with the same quality as that for the Japanese market ・Provide one-stop support for marketing activities in overseas markets in the same way as the Japanese market

+

Semrush

Digital Transformation

*A marketing tool developed and provided by US-based Semrush Inc.

SEMRUSH

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

Number of Active Users*

(active users)

2018.12
As a general agency in Japan, we started offering Semrush

2020
Semrush moved into the black on a monthly basis in FY2020/12

2021
In March, Semrush Holdings, Inc. went public on the NY NASDAQ exchange

Semrush became Profitable in FY2021/12

2022
Over 1000 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
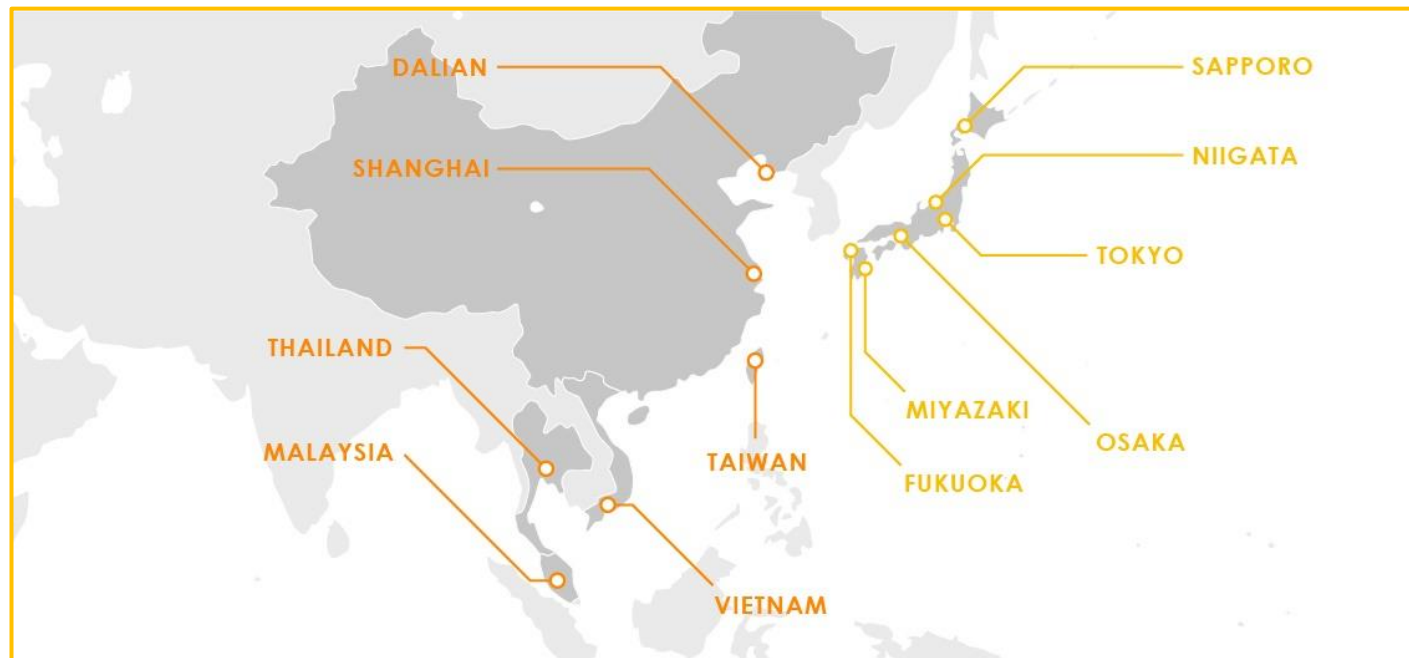
Advertising and promotion in ASEAN and Greater China

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

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.

Operation support, Operation office
Operation, updating and other services on websites

System / website integration, etc.
Construction and renewal of websites, and contracted development and maintenance of systems as a system integrator, etc. (including sales from Semrush)

Marketing / promotion
Planning of customer's marketing and promotion, placement of advertisements, and research
This is a segment we will focus on and grow

O3 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)
    ・Development and sales of cloud-based ERP "ZAC"
    Digital Transformation (DX)
    ・Support for corporate marketing activities

Employees   Non-consolidated 284 / Consolidated 491 (as of June 30, 2023)

Branch   Nishinihon 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

Consolidated
491

Non-consolidated
284
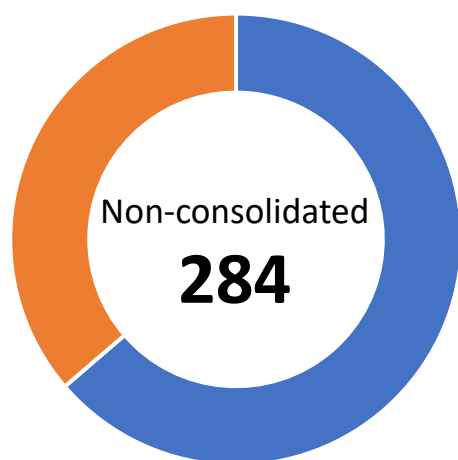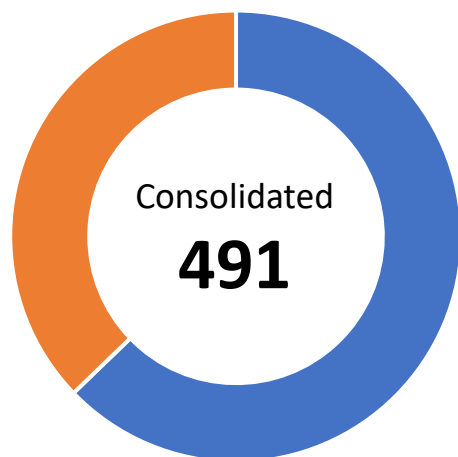
(As of June 30, 2023)

Breakdown by job type (non-consolidated)

Technical profession 57%

Corporate staff 8%

Engineer 34%

Designer 6%

Planning/sales personnel 35%

Other professionals (incl. SE, PM, consultants) 28%
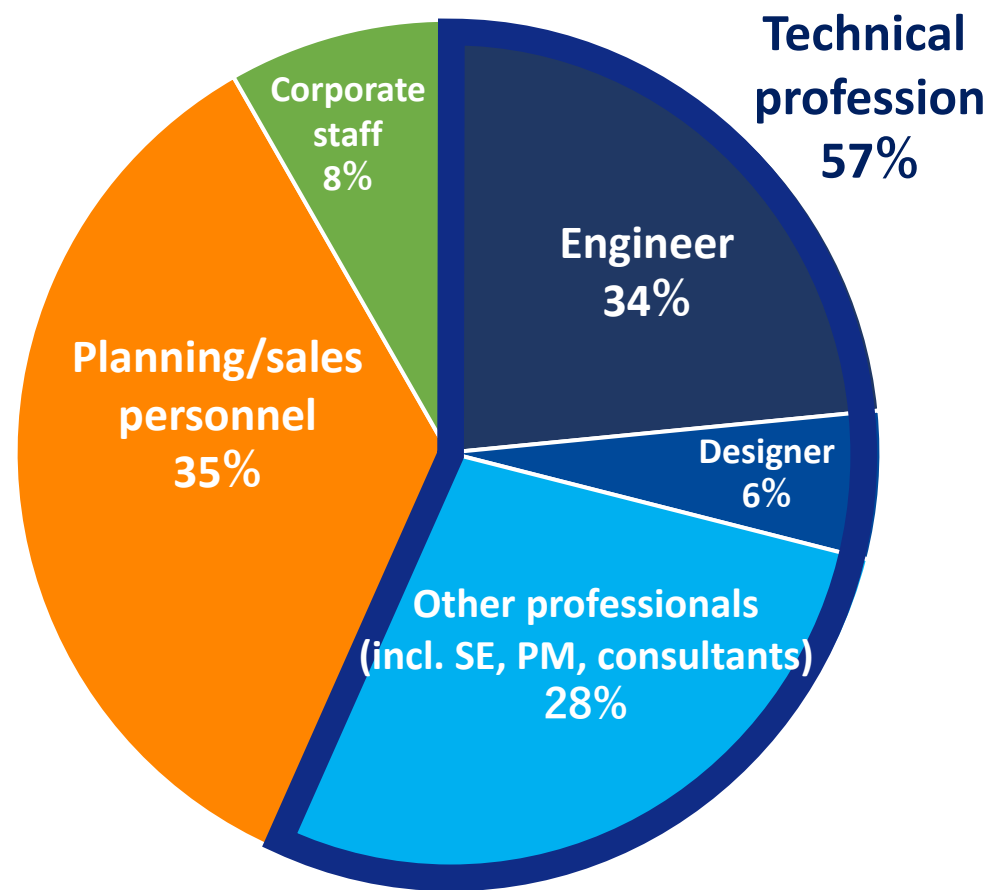
(As of June 30, 2023)

Corporate Philosophy
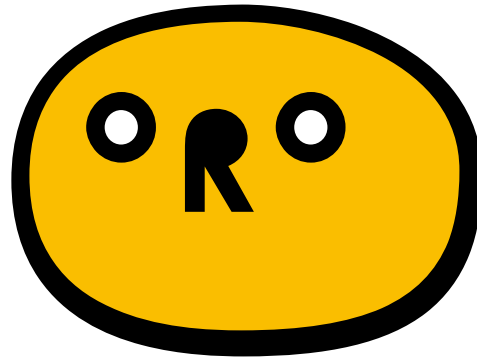
With the commitment of all employees in creating what they can proudly present to the world

(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.

The Percentage of
Women in Managerial Positions

© oRo Co.,Ltd.   53
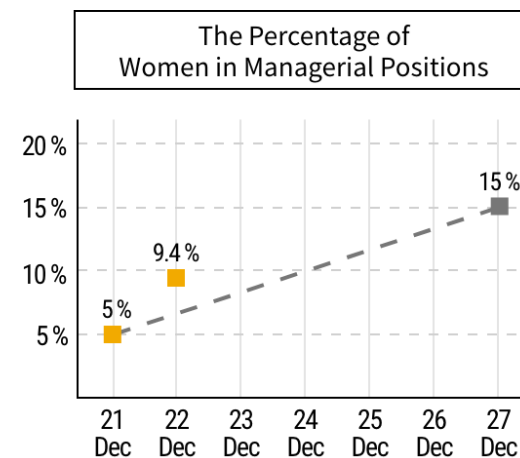
# Human Resources Initiatives (2/2)
Sustainability initiatives

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"	Childcare support system "Core 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.	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.
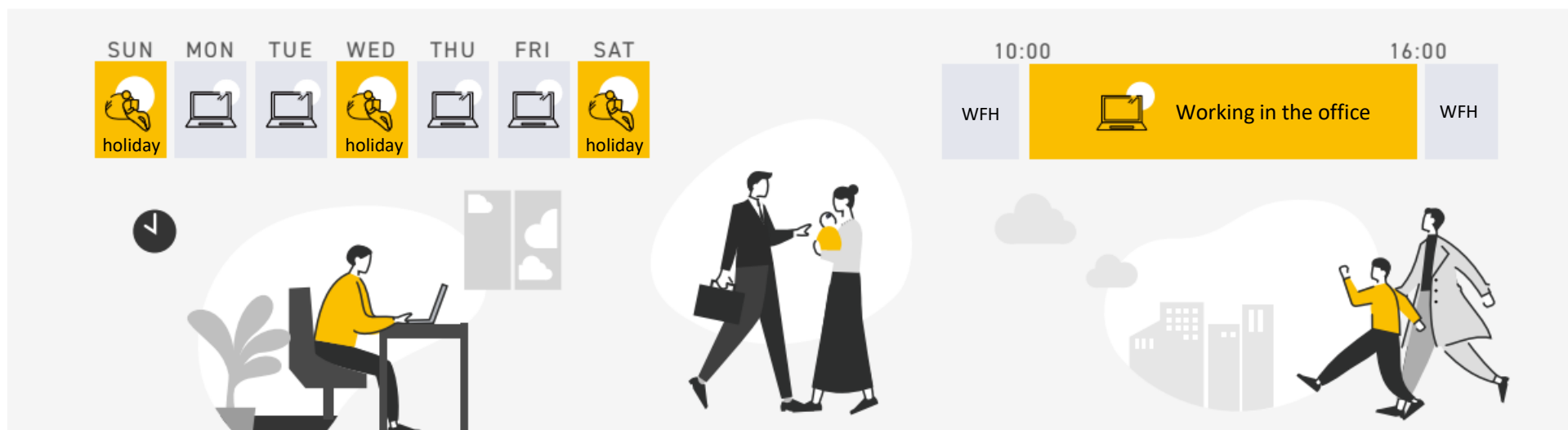
* Our company has certified as a Health & Productivity Management Outstanding Organization 2023 (Large Enterprise Category) for the second consecutive year, and oRo Miyazaki and oRo code MOC were also certified in the Small and Medium-Sized Enterprise Category.
  And also we have received the "Kurumin" 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.
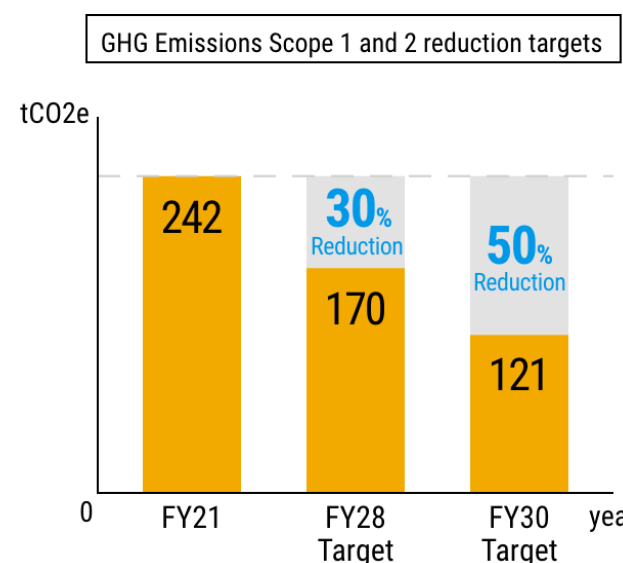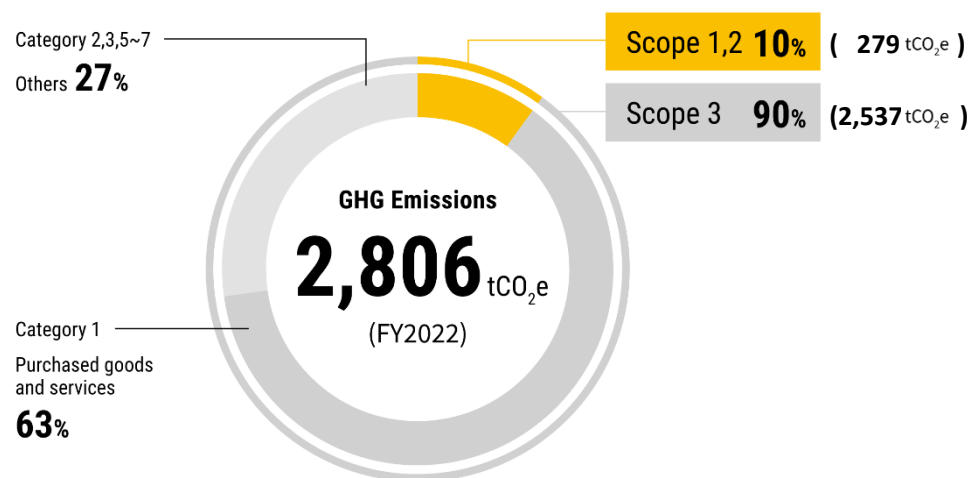
Environment Initiatives
Sustainability initiatives

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 FY2022/12 were 2,806 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.

Category 2,3,5~7
Others **27**%

Scope 1,2 **10**% (**279** tCO$_2$e)

Scope 3 **90**% (**2,537** tCO$_2$e)

GHG Emissions

2,806 tCO$_2$e

(FY2022)

Category 1
Purchased goods and services
63%

GHG Emissions Scope 1 and 2 reduction targets

tCO2e

242

30% Reduction
170

50% Reduction
121

0   FY21   FY28 Target   FY30 Target   year

* 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 Nishinihon 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.

- The Company will not necessarily revise previously-issued releases on its future outlook regardless of the occurrence of future events unless it is required to do so by disclosure rules.

- Information on firms other than the Company is generally based on publicly-known information.

- The Company holds any and all rights to any part of this presentation material. Reproducing or transferring any part of the document, either electronically or mechanically, without permission regardless of the purpose is prohibited.