



Translation

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Notification Revision of FY2020 Consolidated Financial Forecasts

ORO Co., Ltd today announces that it has revised downward its consolidated forecasts for the fiscal years ending FY2020, which announced on February 14, 2020, as described below.

Details

1. Revision of Financial Forecasts

Revision of FY2020 Consolidated Financial Forecasts (January 1, 2020 –December 31, 2020)

(Unit: million Japanese yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of the parent	Earnings per share
Previous forecast (A)	5,721	1,791	1,801	1,237	74.55 Yen
Revised forecast (B)	5,127	1,642	1,660	1,115	67.16 Yen
Change (B-A)	(593)	(149)	(141)	(122)	
Change (%)	(10.4)	(8.3)	(7.8)	(9.9)	
(Reference) FY2019	5,022	1,333	1,357	900	54.24 Yen

1. The Company conducted a 2-for-1 split of its common shares, effective on June 1, 2019. Earnings per share is computed on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

2. Since the number of issued shares will increase due to the issuance of new shares as stated in the “Notice regarding Issuance of New Shares as Restricted Stock Compensation Plan” announced on March 27, 2020, net income per share has been revised.

2. Reasons For The Revision

Regarding the business environment for the second quarter of the fiscal year ending December 31, 2020, the spread of COVID-19 infections has affected the businesses of the Group. We have revised our consolidated forecasts downward for the fiscal years ending FY2020 because we now expect the forecast to be lower than our previous forecast. The revisions are made based on the assumption that the state of voluntary restraints as of August 12 will continue until the end of the current consolidated fiscal year.

In Cloud Solutions, net sales are expected to decrease by 113 million yen from the previous forecast to 3,174 million yen. As for new customers, business has been impacted by the emergency measures against COVID-19 taken by each company. To be specific, the number of initial inquiries is decreasing, and the time required to conclude an agreement is increasing. These circumstances started to recover in June, but the number of new orders is expected to stay reduced until the end of the current fiscal year. As for existing customers, there is currently negligible impact on business; therefore, the company assumes the net sales of the existing customers's will be as expected.

In Digital Transformation, net sales are expected to decrease by 480 million yen from the previous forecast to 1,953 million yen. With regard to our main customers, there are few impacts on business including the periodic renewal and management of corporate websites (existing customers (operation)). While advertisement to gather customers to the stores has been recovering since June, but we have revised our forecast for the second half of FY2020 considering the rapid changes in the business environment for the customers, including the impact of COVID-19.

In term of the profit, despite efforts to reduce expenses such as travel, entertainment and training, the decline in the net sales, the operating income are expected to 1,642 million yen, ordinary income to 1,660 million yen, and net income attributable to shareholders to 1,115 million yen.

The forecasts described above include future prospects, assumptions and projections underlying the forethought as of the date of announcement of this document. Actual business results may differ considerably due to various changeable conditions in the future.