

FY2024/12

Financial Results

oRo Co., Ltd. Code: 3983



oRo

February 14, 2025

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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.

FY2024/12

Financial Results Highlights



01

FY2024/12 Financial Results Highlights

FY2024/12 Consolidated Financial Results

Revenue	7,899 million JPY	YoY +12.3%
Operating Profit	2,720 million JPY	YoY +6.8%

Cloud Solutions (CS)

Revenue	million JPY 4,929	YoY +10.1%
Operating Profit	million JPY 2,162	YoY +7.0%

- Stock revenue maintained steady growth, with 68 new contracts secured, exceeding the plan by one; recovery seen in numbers of inquiries and contracted license growth rate.
- ZAC ERP installation consultation and customization, as project-based revenue, failed to recover delays from H1. Consequently, revenue and operating profit were 6.5% and 2.4% below the plan.

Marketing Solutions (MS)

Revenue	million JPY 2,969	YoY +16.2%
Operating Profit	million JPY 557	YoY +5.9%

- New customer acquisitions drove revenue growth in the system / web Integration, etc. segment, while transactions with existing customers remained mostly on track with the plan.
- Meanwhile, higher labor costs from workforce expansion and increased outsourcing expenses pressured operating profit. As a result, revenue was 0.3% above and operating profit was 1.8% below the plan.

Dividends and Dividend Payout Ratio (Consolidated)

Policy on Shareholder Returns

The Company places great emphasis on continuously improving corporate value and the stable return of profits to shareholders.

To achieve stable shareholder returns and sustainable company growth, the Company will adopt a progressive dividend policy, considering financial results, financial position, future business development and other relevant factors.

The acquisition of treasury stock will be determined from a comprehensive standpoint, taking into account planned growth investments in response to the business environment and its impact on the financial position.

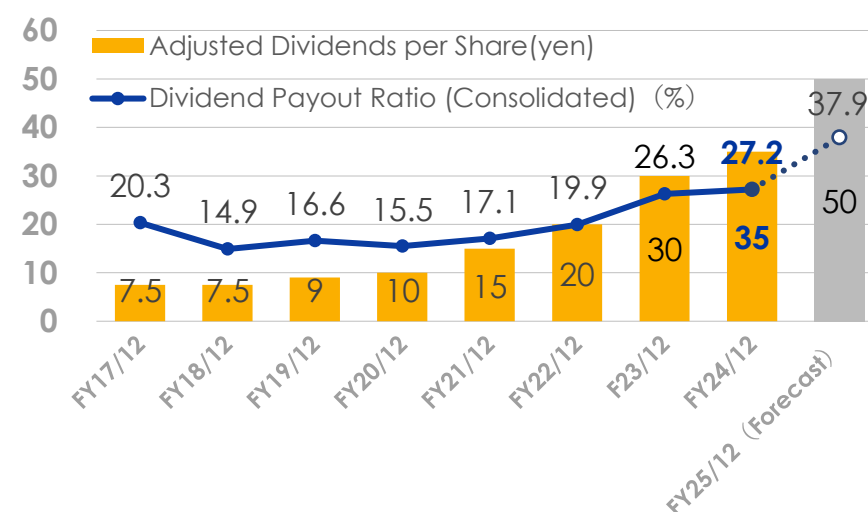
Based on the above fundamental policy and taking a comprehensive view of the Company's performance, financial position, and future business developments, we plan to distribute **a dividend of 35.00 yen per share for the current fiscal year, representing a 5.00 yen increase from the previous year.**

The decision-making body for dividends is the Board of Directors for second quarter-end dividends and the General Meeting of Shareholders for annual dividends.

Dividends for current fiscal year and next fiscal year

	Annual dividends per share (yen)		
Record date	2nd quarter-end	Fiscal year-end	Total
Fiscal Year Ended December 31, 2024 (revised forecast)	0.00	35.00	35.00
Fiscal Year Ending December 31, 2025 (forecast)	0.00	50.00	50.00

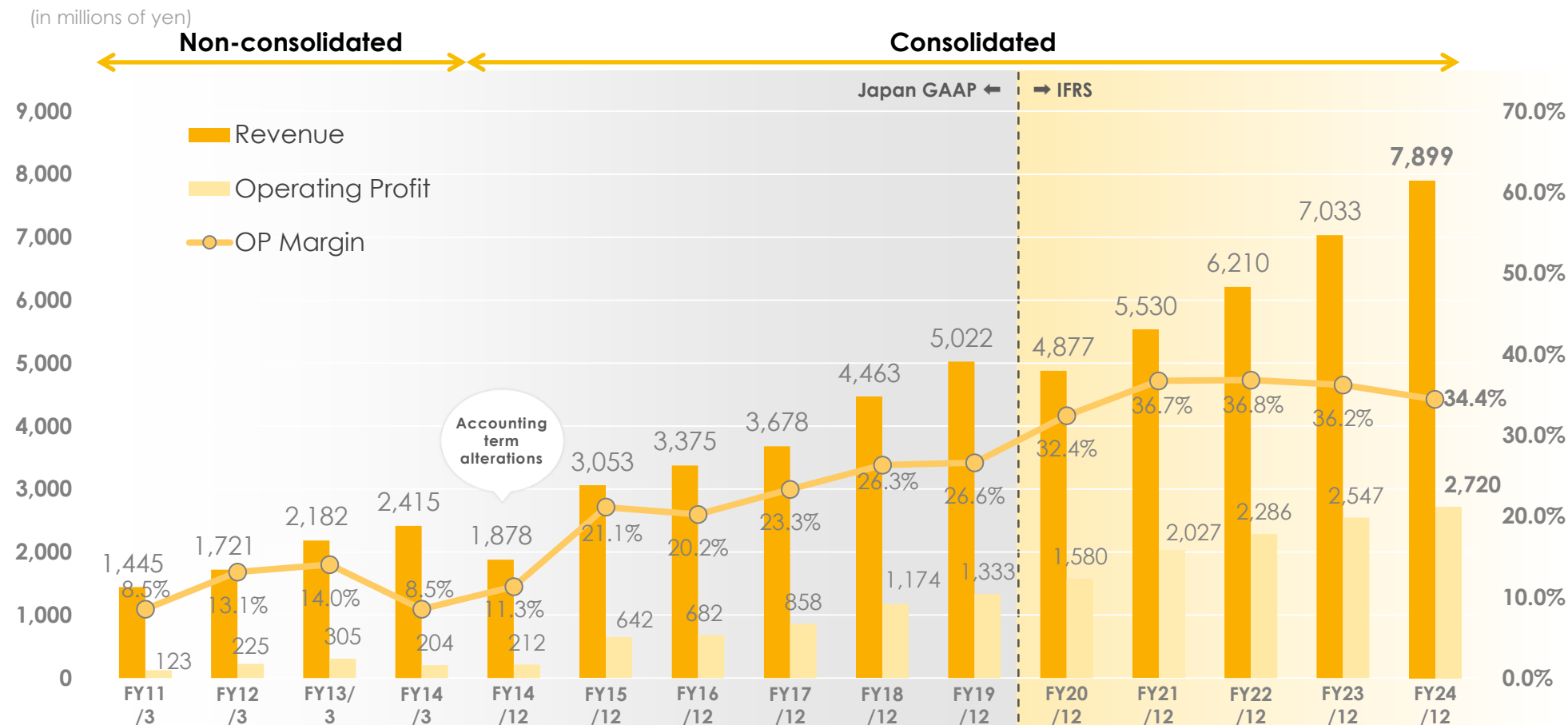
Trends in Adjusted Dividends per Share and Payout Ratio (Consolidated)



Consolidated

Trend in Revenue, Operating Profit and Operating Margin

Recorded revenue 7,899 million yen, +12.3% YoY; operating profit 2,720 million yen, +6.8% YoY



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

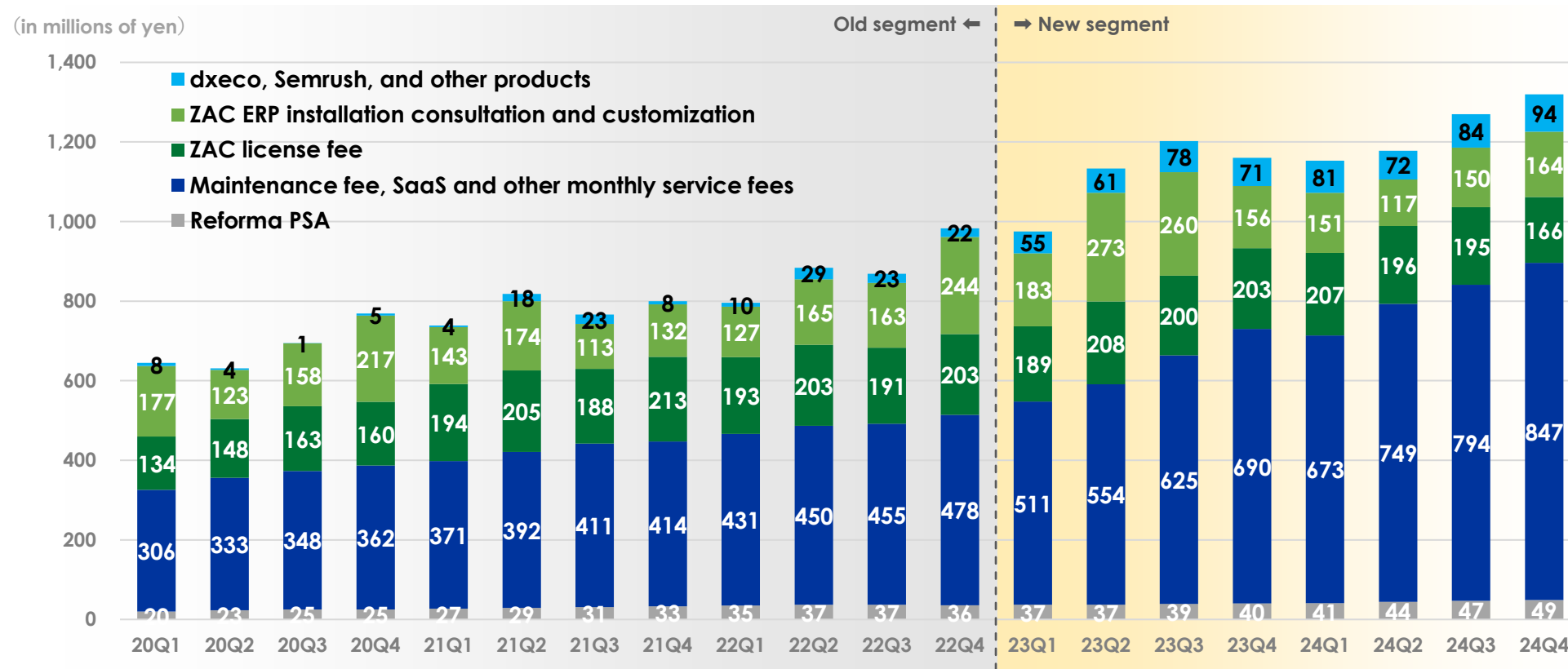
*Following the change in accounting policy in the fiscal year ended December 31, 2018, net sales for the Marketing Solutions Business are now reported on a net basis from the fiscal year ended December 31, 2017, instead of a gross basis previously used.

*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.

Breakdown of Revenue by Business Segment

As in the previous quarter, new customer acquisitions drive recurring revenue growth

Meanwhile, delays in ZAC ERP installation consultation and customization were not recovered over the fiscal year.



* Starting from FY2024/12, the Company has changed the reporting segments.

Accordingly, revenue for FY2023/12 is shown after retrospective application of this change.

* Starting from FY2021/12, the Company has adapted International Financial Reporting Standards (IFRS) instead of Japanese GAAP.

Accordingly, revenue for FY2020/12 indicates the amount after retrospective application of the change.

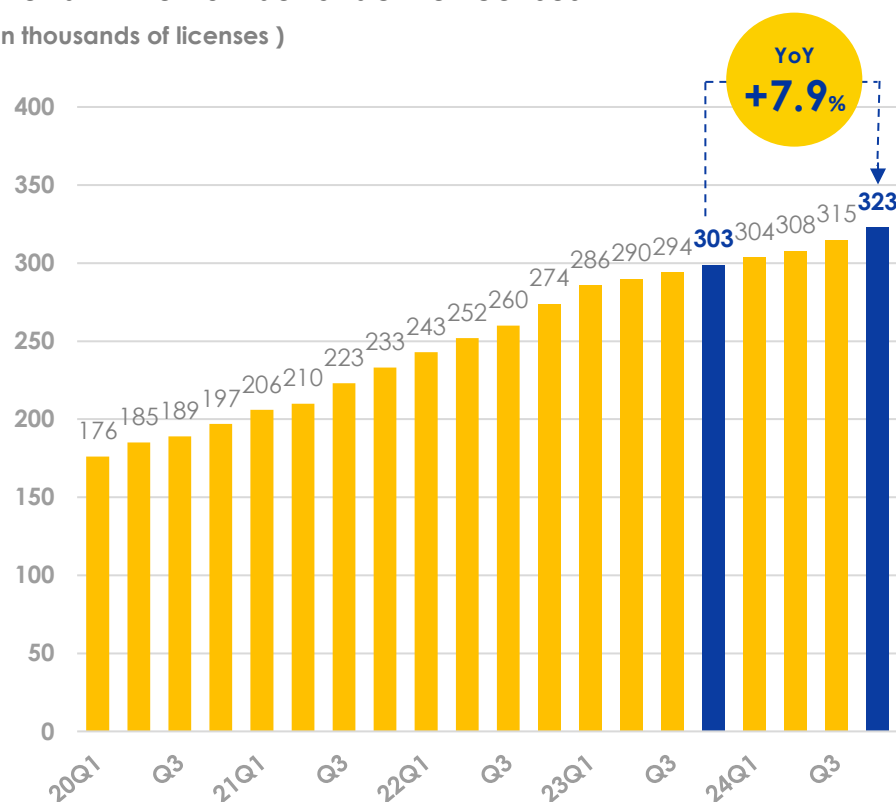
* The values for each quarter of FY 2020/12 was not audited by KPMG AZSA LLC.

Trend in the Number of Active Licenses

Continued growth in the number of contracted licenses through the acquisition of new customers and increased in business with existing customers

Trend in the number of active licenses

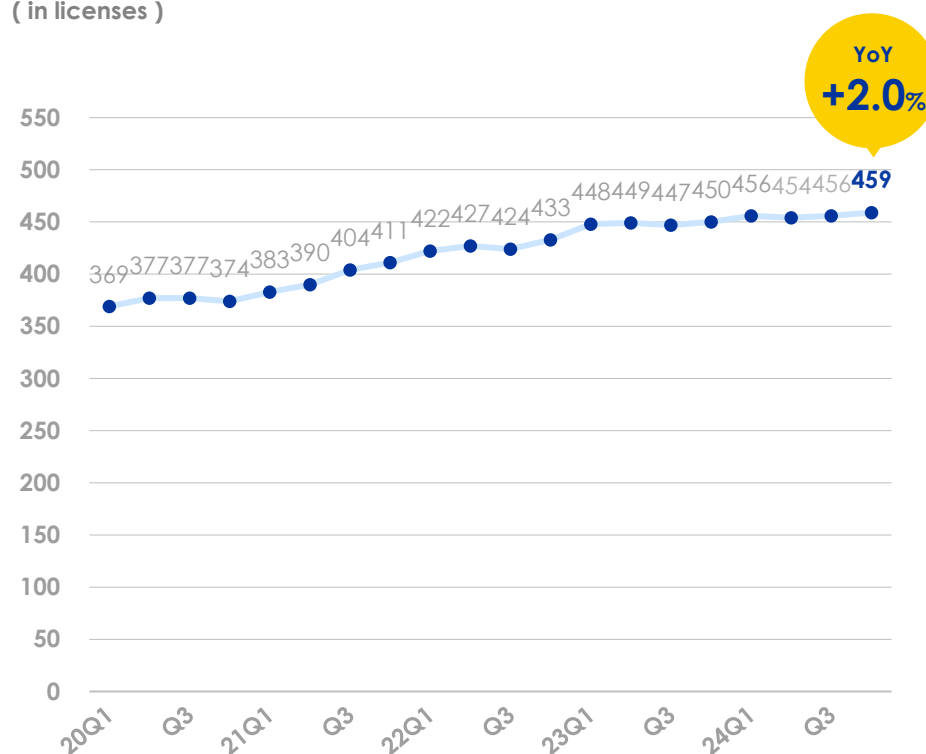
(in thousands of licenses)



* 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)

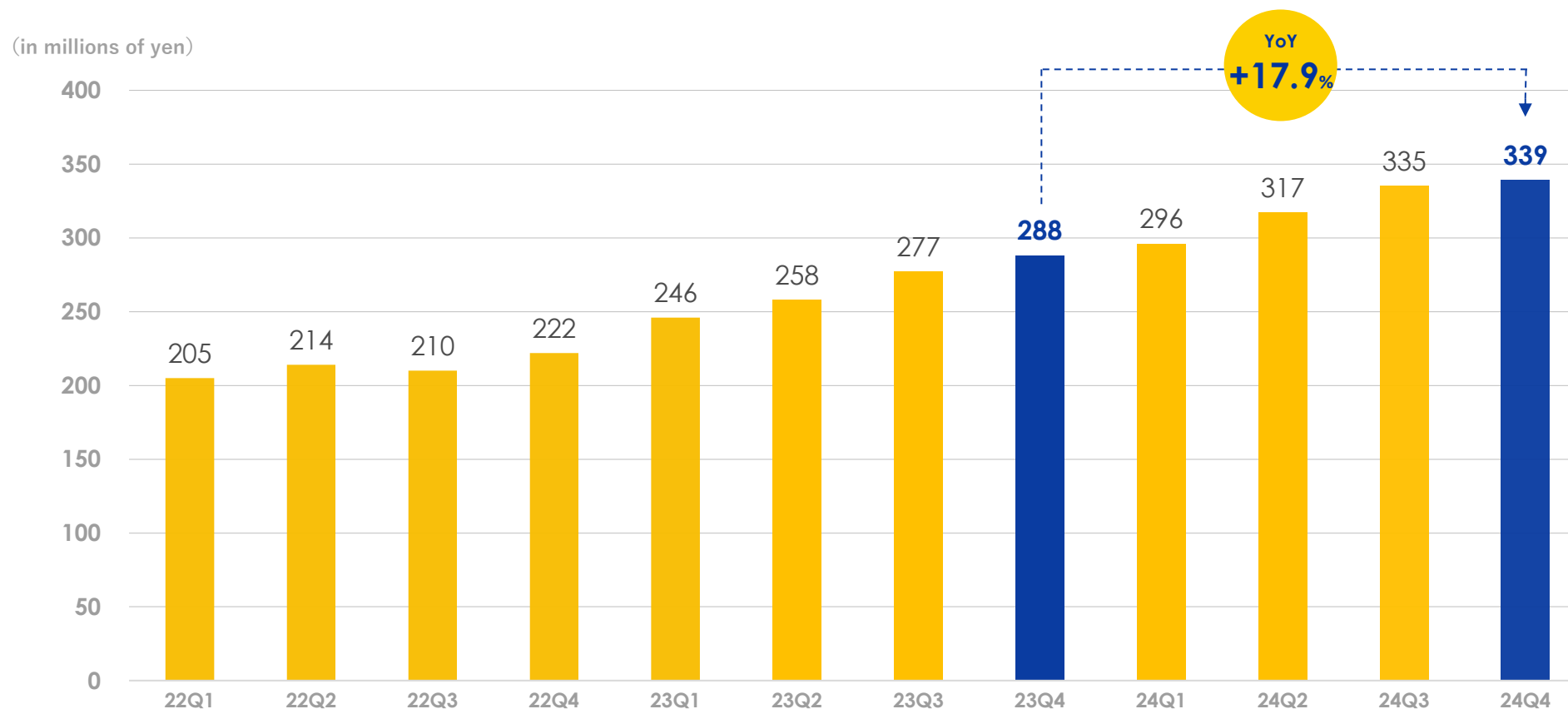


* Number of active licenses per active client
= Number of active licenses / The number of active clients at the end of the quarter

Trend in MRR

Growth rate temporarily declined due to a 28 million yen decrease in ZAC license fees QoQ

The completion of revenue recognition for ZAC license fees under one-time-purchase-type contracts coincided with Q4, affecting financial results. Meanwhile, maintenance fees, SaaS fees, and other monthly service fees increased by 22.8% YoY.

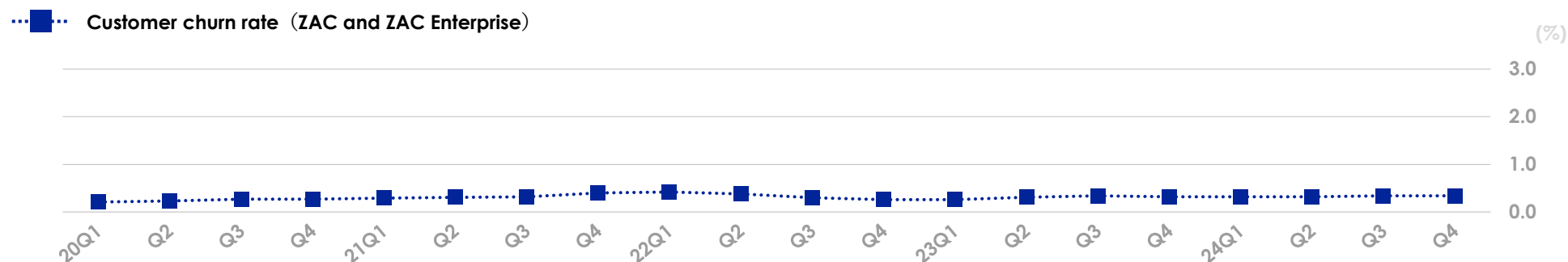


*MRR: Stands for Monthly Recurring Revenue, which is the regular monthly revenue. It is calculated as the total sum of "ZAC License Fees" and "Maintenance Fees, SaaS, and Other Monthly Service Fees" for the last month of the respective quarter.

Monthly Churn Rate, the Numbers of New Contracts and Churns

Trend in Monthly Customer Churn Rate

The trend remains steady, hovering around 0.3%. Starting FY2024/12, we are enhancing support for client ZAC adoption.



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

Trend in the Number of New Contracts and Churns

The number of new contracts reached 68, against a full-year forecast of 67. Major client acquisitions continued, while small and medium-sized client acquisition recovered from the previous year's decline.

Contract cancellations were mainly due to business closures or transitions to parent company systems following mergers and acquisitions.

	20/12 Q1	20/12 Q2	20/12 Q3	20/12 Q4	21/12 Q1	21/12 Q2	21/12 Q3	21/12 Q4	22/12 Q1	22/12 Q2	22/12 Q3	22/12 Q4	23/12 Q1	23/12 Q2	23/12 Q3	23/12 Q4	24/12 Q1	24/12 Q2	24/12 Q3	24/12 Q4
Number of New Contracts	22	19	14	34	17	6	21	19	21	15	23	28	13	16	16	9	13	21	17	17
Number of Churns	4	7	5	11	5	8	7	5	11	3	0	7	9	7	4	3	11	9	4	4

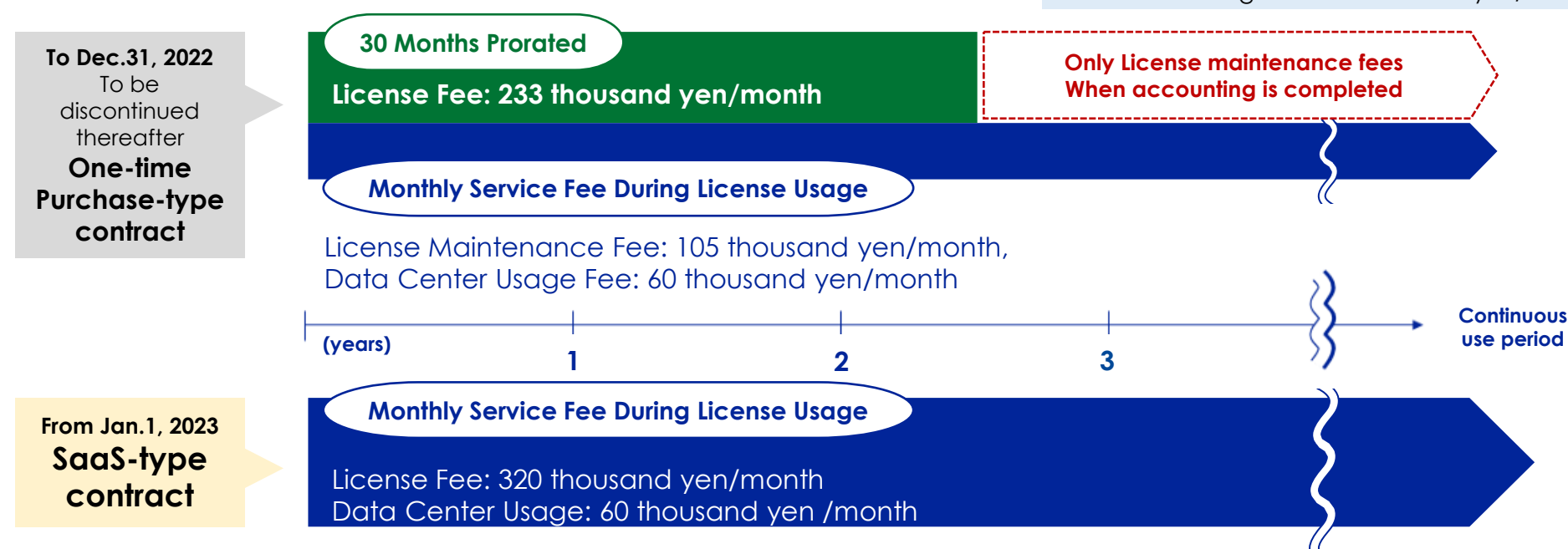
License Price Revisions and Revenue Recognition

As of January 1, 2023, the sales format of ZAC/ZAC Enterprise licenses, one-time Purchase-type contracts (lump-sum perpetual license type) has been discontinued, and only SaaS-type contracts (monthly subscription fee type) is now available.

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: 60 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.

Schedule and Revenue Recognition after New ZAC Contract

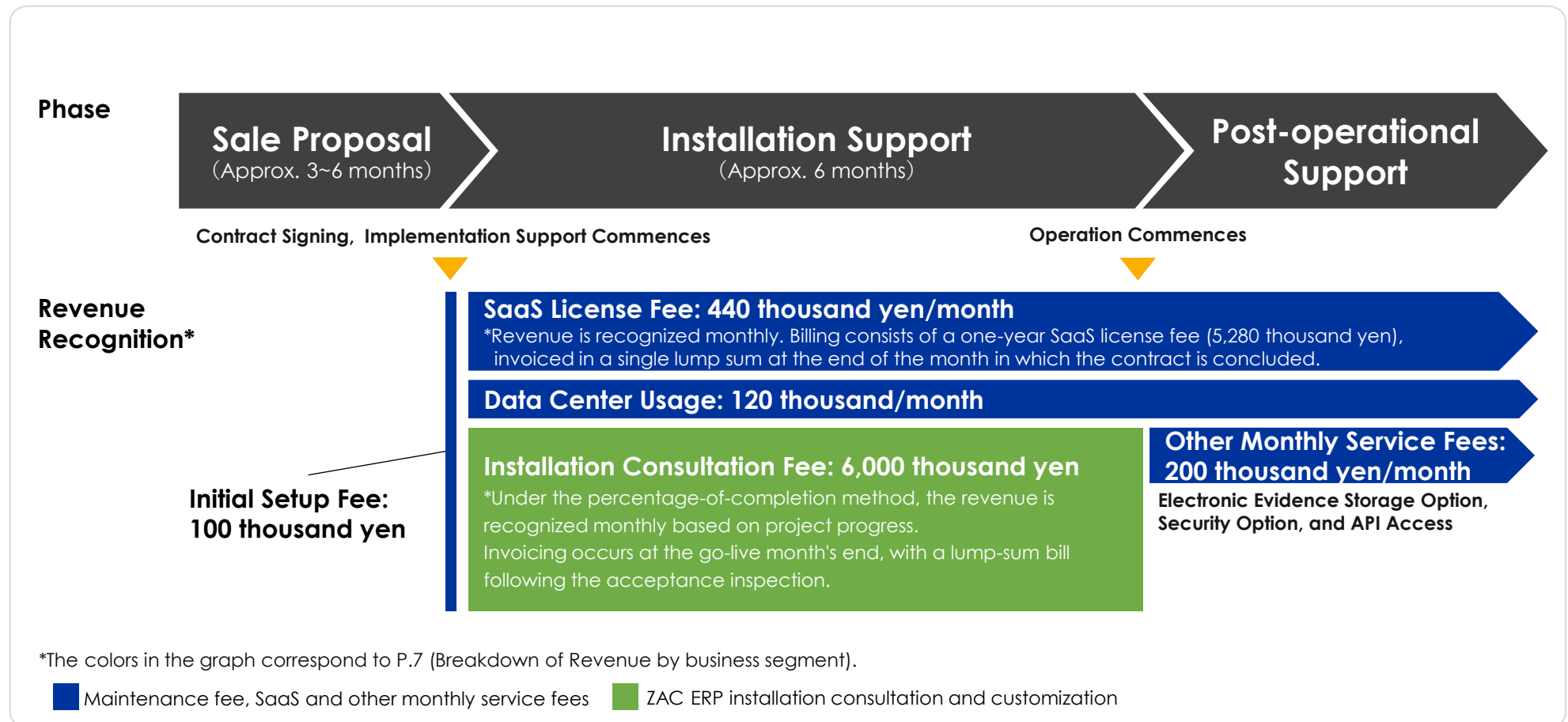
Model case for a client with 200 employees

License Structure

Sales Management: 20 licenses, Purchase Management: 20 licenses, Time Management: 200 licenses, Expense Control: 200 licenses

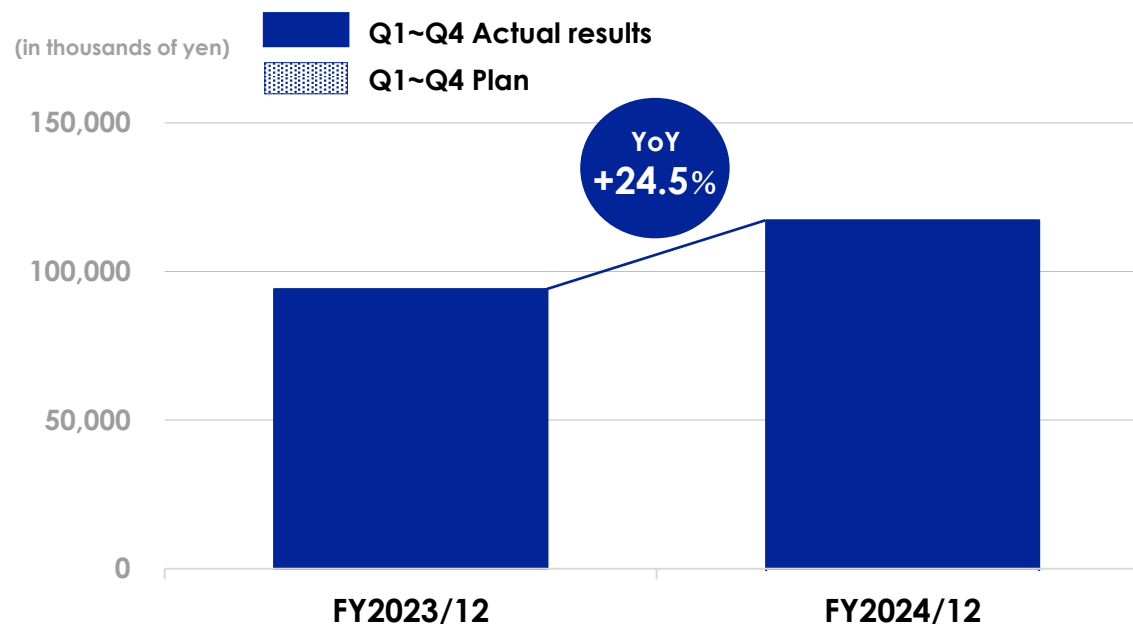
Additional Monthly Service Configurations:

Electronic Evidence Storage Option, Security Option, API Access



Efforts for Customer Acquisition

Advertising Expenses (only ZAC and Reforma PSA)



Rate of progress against the plan:

114.9% (As of December 31, 2024)

In the current fiscal year, exhibitions and web advertising performed well, leading to additional budget allocations and slightly higher full-year advertising expenses.

Q4 saw a recovery in SQL(Sales Qualified Leads) acquisitions, supported by improved web marketing and TEL sales.

Plans for FY2025/12

We have generated sufficient SQLs to achieve the full-year target of 89 new contracts and will focus on closing proposals. In FY2025/12, we will continue investing in high-performing initiatives to drive the creation of qualified SQLs. For the next fiscal year, we plan advertising expenses of 163 million yen (+39.5% YoY) for ZAC and Reforma PSA.

Efforts for Customer Acquisition

To get more new clients and maximize MRR, we implemented the following initiatives:

Strengthening Collaboration with Sales Agencies

To increase the number of sales qualified leads (SQLs), the Sales Planning Team, established in Q2 2024, is actively working to strengthen collaboration with sales agencies. Through this partnership, we can reach decision-makers among potential clients who may not have been accessible through our own efforts alone. We will therefore continue to deepen our partnership with sales agencies.

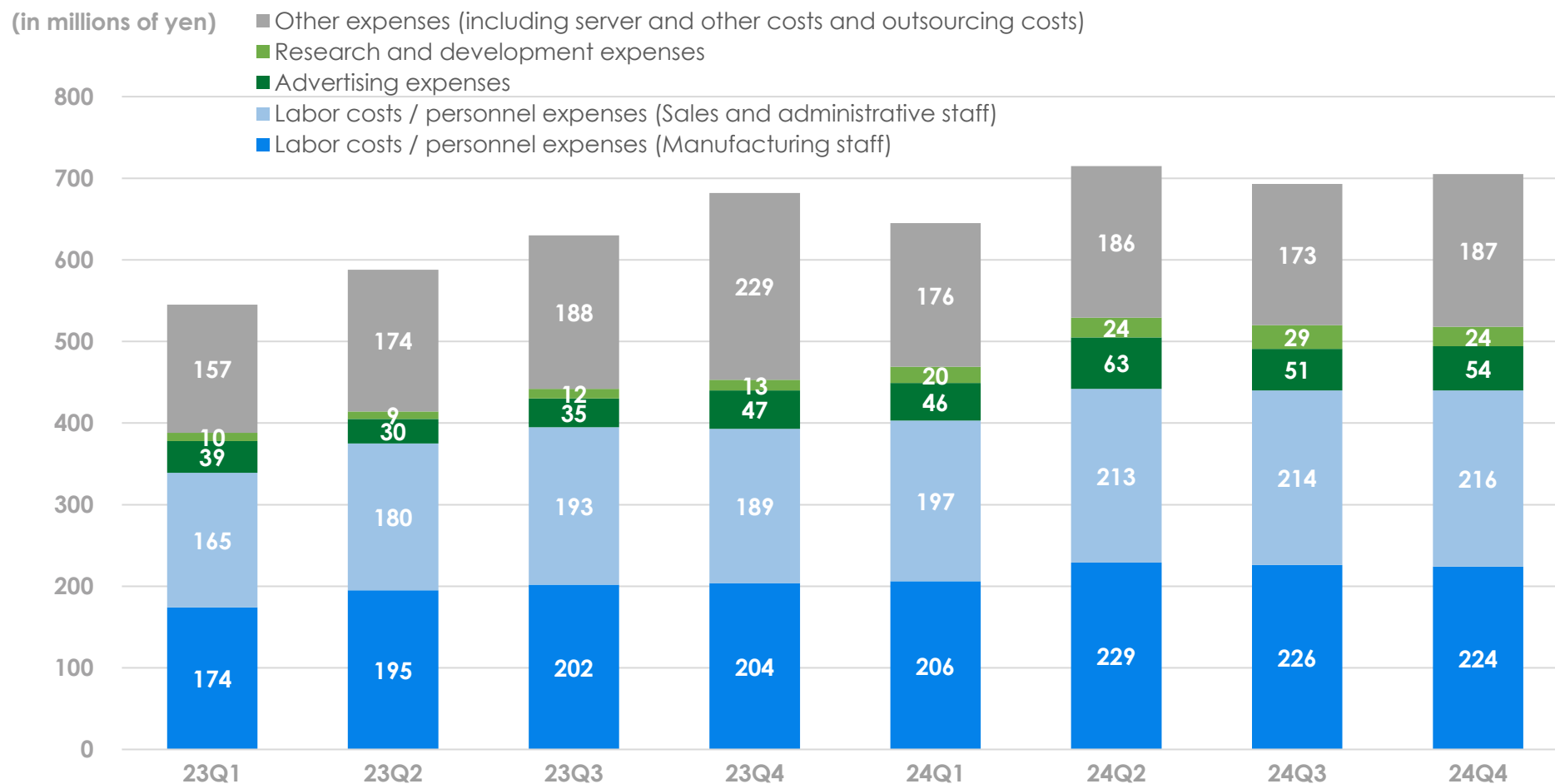
Given the solid progress, we will continue this initiative to further drive growth.

Development and Provision of Optional Features

In this fiscal year, we made progress in securing contracts for the “QuickSight Integration Option” and “HubSpot Integration Option.” Our proposals for both new and existing clients have been positively received, showcasing the potential for operational efficiency gains, including in areas beyond the core ZAC system. Moving forward, we will continue to provide solutions that address operational issues.

* QuickSight is a service provided by Amazon Web Service (AWS). HubSpot is a service provided by HubSpot Japan, Inc.

Breakdown of Expenses (Consolidated)



*Starting from FY2024/12, the Company has changed the reporting segments.
Accordingly, expense for FY2023/12 is shown after retrospective application of this change.

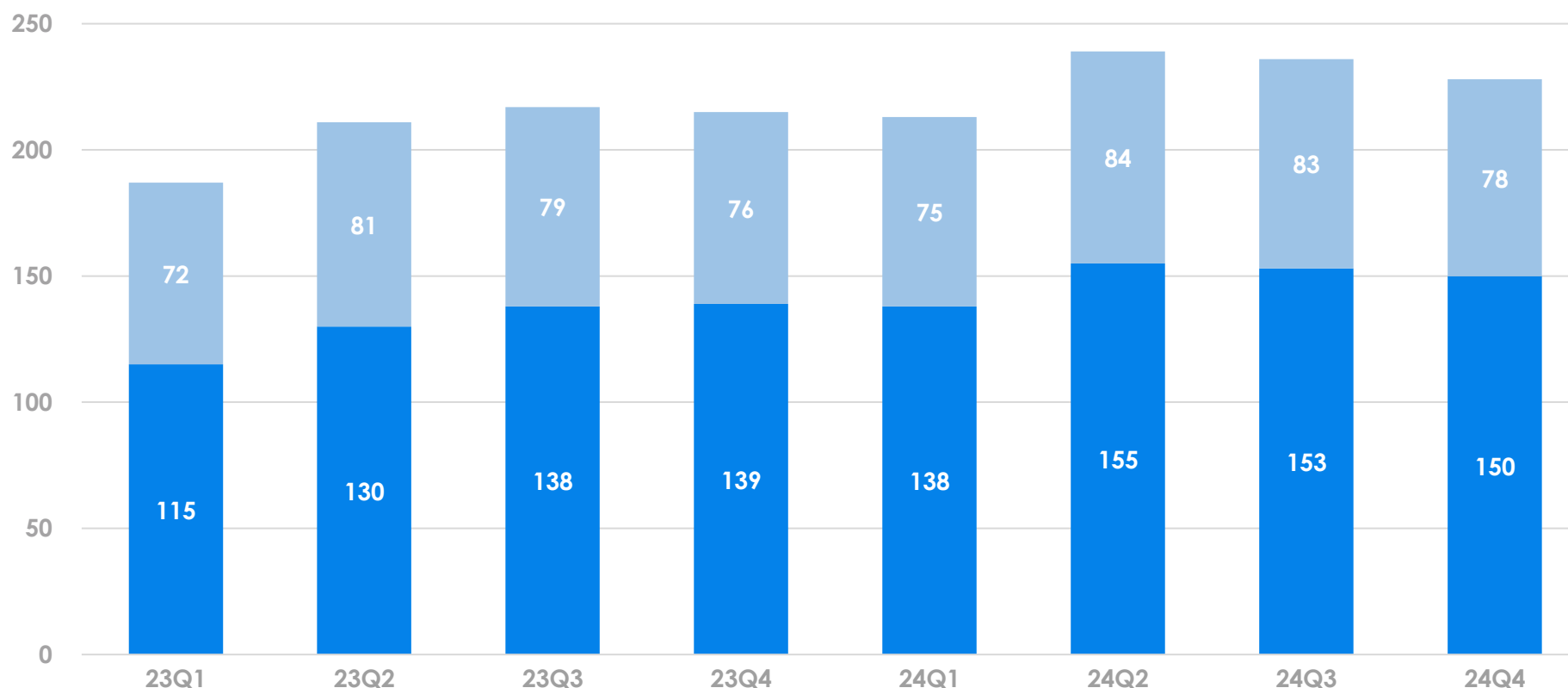
Breakdown of Personnel (Consolidated)

No change in trend. Personnel will increase in Q2 FY25/12 with new graduate hires, then stabilize thereafter.

(number of employees)

■ Sales and administrative staff

■ Manufacturing staff



*Starting from FY2024/12, the Company has changed the reporting segments.

Accordingly, number of employees for FY2023/12 is shown after retrospective application of this change.

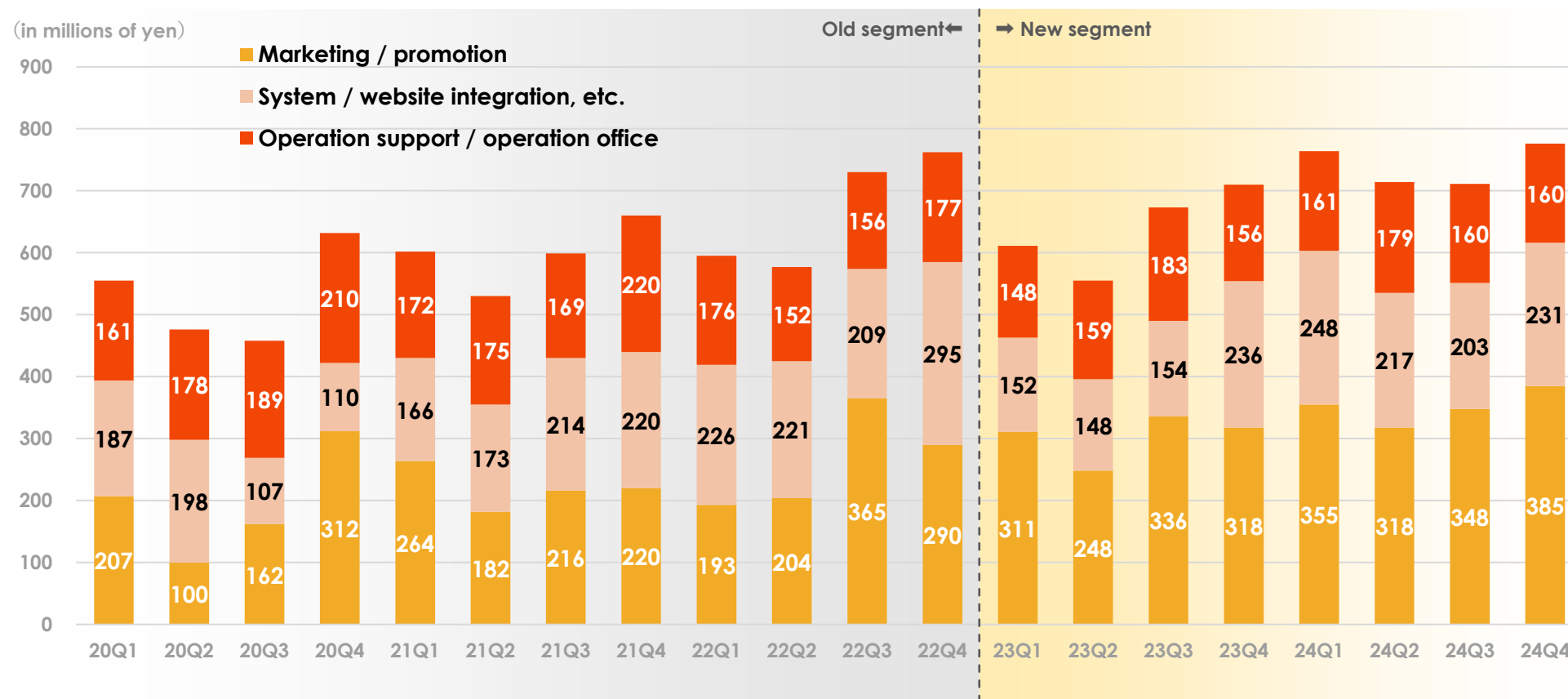
*We disclose the average number of employees during the quarter (rounded to one decimal place) instead of at the end of the quarter.

Starting from Q2, FY2024/12, the Company has changed reporting of the number of full-time employees for the consolidated group, rather than just the three domestic companies.

Breakdown of Revenue by Business Segment

Revenue landed mostly in line with the plan

The impact of major client's reductions in advertising expenses did not materialize significantly in Q4.



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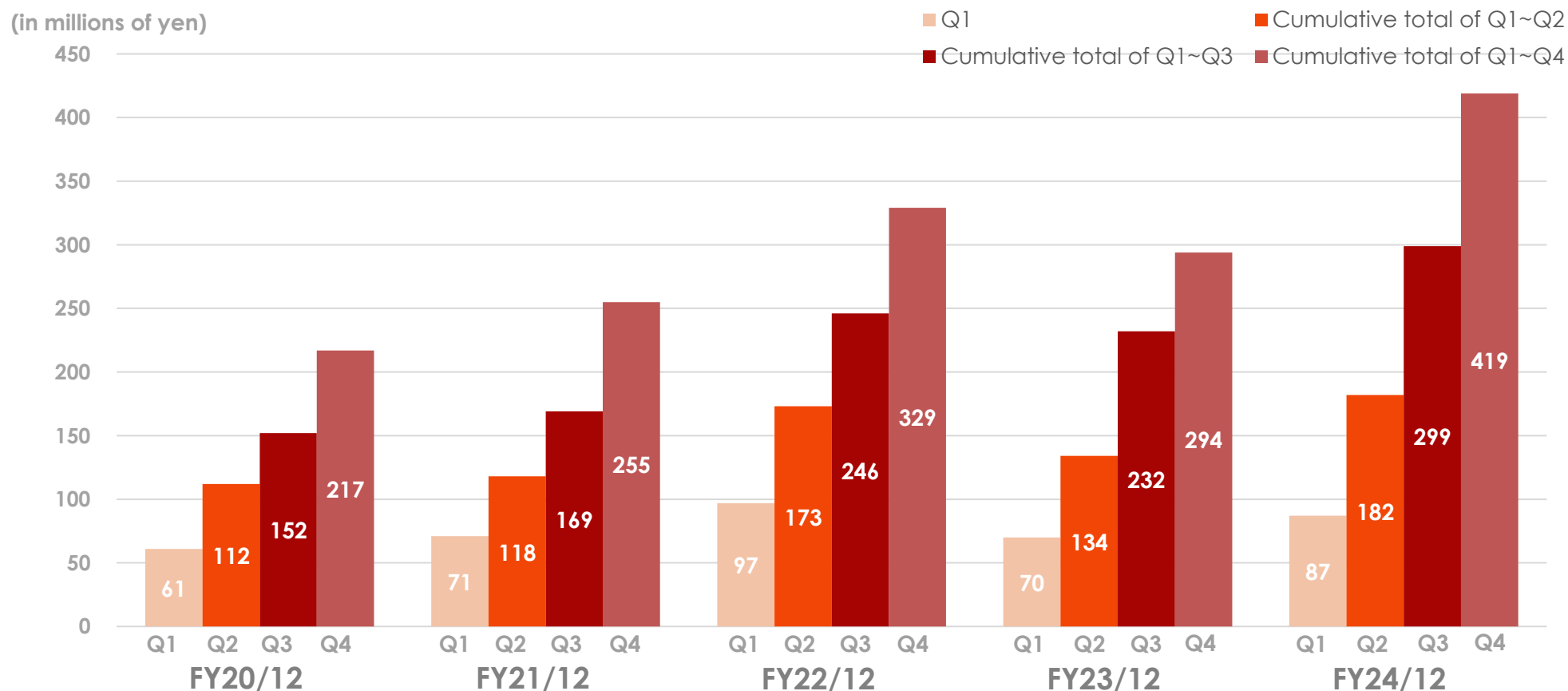
* Starting from the fiscal year ended December 31, 2021, the Company has adapted International Financial Reporting Standards (IFRS) instead of Japanese GAAP. Accordingly, revenue for the fiscal year ended December 31, 2020 indicates the amount after retrospective application of the change.

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

Overseas Revenue

To further expand our revenue, we're focusing on recruiting to strengthen sales and production

Strengthening local hiring led to a 42.2% YoY increase. Sales and strategic planner recruitment is underway to enhance our sales structure.



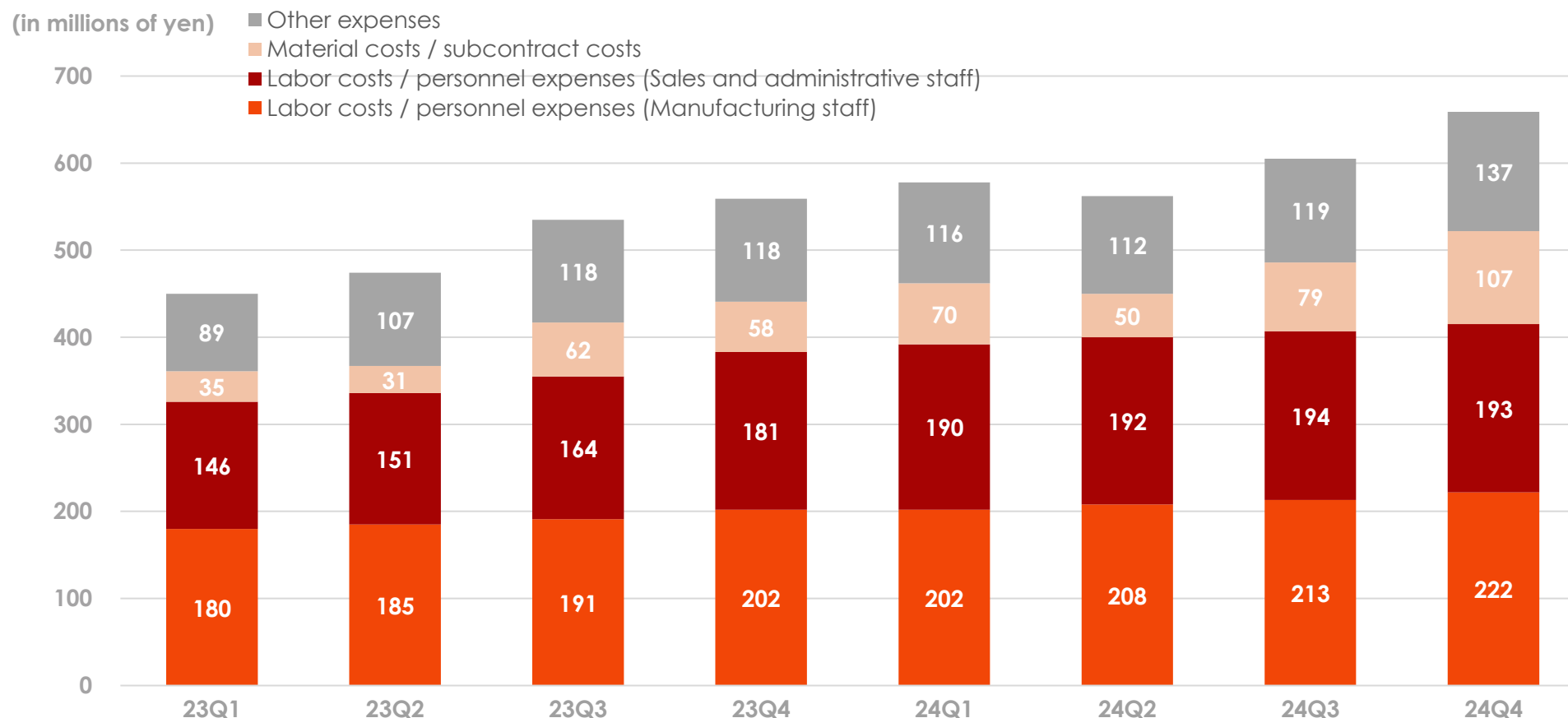
* Starting from December 31, FY2021/12, the Company has adapted International Financial Reporting Standards (IFRS) instead of Japanese GAAP.

Accordingly, revenue for December 31, FY2020/12 indicates the amount after retrospective application of the change.

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

Breakdown of Expenses (Consolidated)

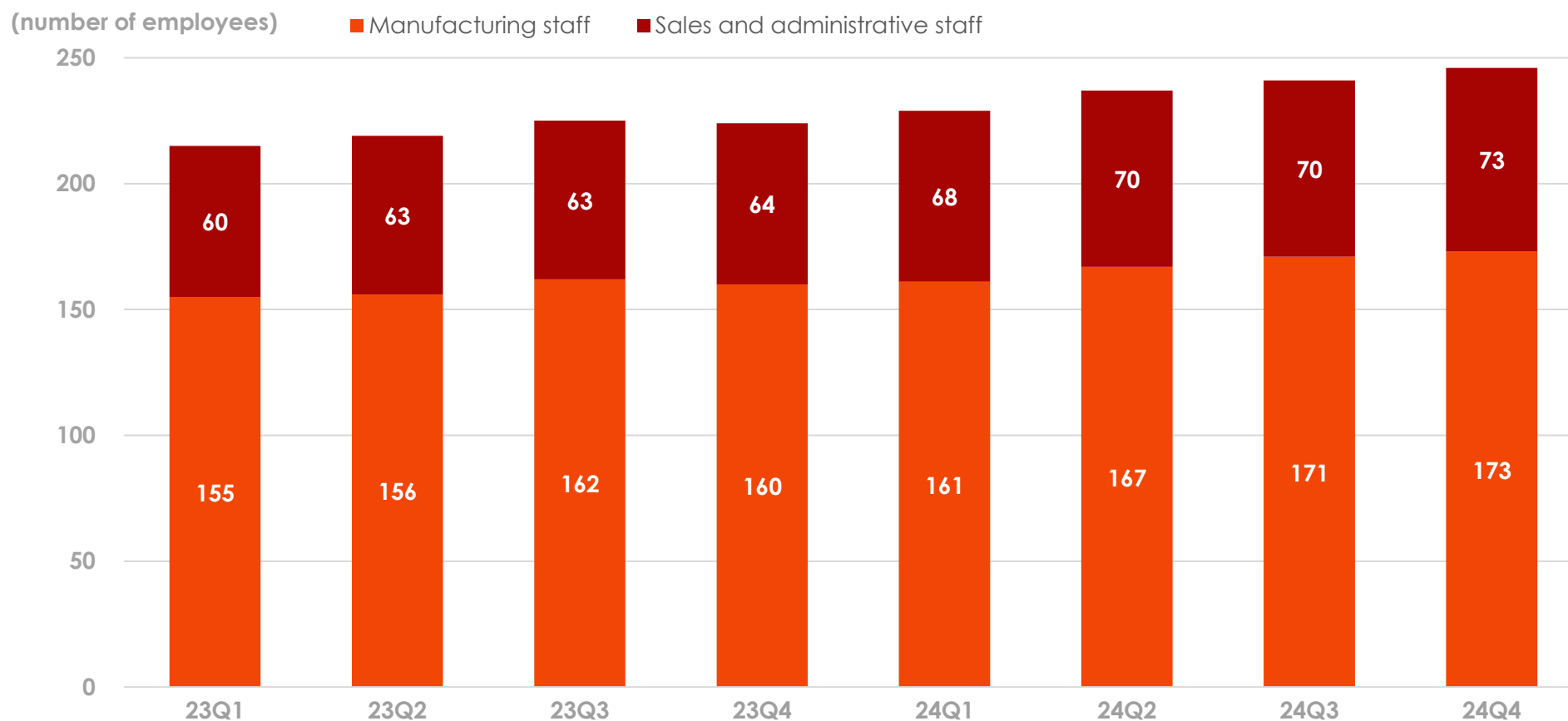
Temporary increase in subcontract costs continuing from the previous quarter, other expenses generally increased but no significant factors



*Starting from FY2024/12, the Company has changed the reporting segments.
Accordingly, expense for FY2023/12 is shown after retrospective application of this change.

Breakdown of Personnel (Consolidated)

While we plan to increase new graduate hiring in FY2025/12, overall recruitment will be adjusted flexibly based on order trends and revenue forecasts.



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Accordingly, number of employees for FY2023/12 is shown after retrospective application of this change.

*We disclose the average number of employees during the quarter (rounded to one decimal place) instead of at the end of the quarter.

Starting from Q2, FY2024/12, the Company has changed the reporting of the number of full-time employees for the consolidated group, rather than just the three domestic companies.

Difference Between Full-Year Forecasts and Actual Results

(in millions of yen)

	FY2024/12 Full-year forecasts [Composition ratio]	FY2024/12 Results [Composition ratio]	Difference	Main factors
Revenue	8,229 [100.0%]	7,899 [100.0%]	(330)	
Cloud Solutions	5,270 [64.0%]	4,929 [62.4%]	(341)	Due to slow progress in receiving customization orders from existing customers.
Marketing Solutions	2,959 [36.0%]	2,969 [37.6%]	10	
Operating profit	2,782 [33.8%]	2,720* [34.4%]	(62)	
Cloud Solutions	2,214 [26.9%]	2,162 [27.4%]	(52)	Due to revenue not growing as planned.
Marketing Solutions	568 [6.9%]	557 [7.1%]	(11)	
Profit before tax	2,824 [34.3%]	2,856 [36.2%]	32	Foreign exchange gain: 107 million yen.
Profit attributable to owners of the parent	1,963 [23.9%]	2,072 [26.2%]	109	

* Includes 0.3 million yen of other profit (loss) not attributable to reportable segments.

Profit and Loss Statement (YoY)

(in millions of yen)

	FY2023/12 [Composition ratio]	FY2024/12 [Composition ratio]	Difference	Main factors
Revenue	7,033 [100.0%]	7,899 [100.0%]	866	
Cost of sales	2,358 [33.5%]	2,622 [33.2%]	263	Increase in technical personnel, salary, outsourcing expenses, material costs, and maintenance expenses, etc.
Gross profit	4,674 [66.5%]	5,277 [66.8%]	602	
Selling, general and administrative expenses	2,081 [29.6%]	2,458 [31.1%]	377	Increase in sales and administrative employees and salary, advertising expenses, and depreciation expenses, provision for shareholder benefits and travel expenses, etc.
Research and development	45 [0.7%]	98 [1.2%]	52	
Other profit (loss)	(0) [(0.0%)]	0 [0.0%]	0	
Operating profit	2,547 [36.2%]	2,720 [34.4%]	173	
Finance profit (loss)	55 [0.8%]	135 [1.7%]	80	
Profit before tax	2,602 [37.0%]	2,856 [36.2%]	253	
Profit	1,829 [26.0%]	2,070 [26.2%]	240	
Profit attributable to owners of the parent	1,836 [26.1%]	2,072 [26.2%]	236	

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

(in millions of yen)

	FY2023/12	FY2024/12	Difference
Current assets	10,920	12,455	1,534
Cash and cash equivalents	8,707	9,903	1,195
Trade and other receivables	998	974	(23)
Other current assets	1,215	1,577	362
Non-Current Assets	1,452	1,134	(317)
Property, plant and equipment	731	574	(156)
Intangible assets	83	119	36
Other	638	440	(197)
Total assets	12,373	13,590	1,216

	FY2023/12	FY2024/12	Difference
Total liabilities	3,489	3,308	(180)
Current liabilities	3,143	2,968	(156)
Contract liabilities	1,759	1,600	(158)
Income tax payable	229	233	3
Trade and other payable	455	472	17
Other current liabilities	699	680	(18)
Non-current liabilities	346	321	(24)
Total equity	8,884	10,281	1,397
Equity attributable to owners of the Parent	8,884	10,283	1,399
Non-controlling interests	0	(2)	(2)
Total liabilities and equity	12,373	13,590	1,216

News Release

CS	Jan 27	Surpasses 500 companies implementing “Reforma PSA” Surpasses 1,500* companies implementing “ZAC” and “Reforma PSA”!!
CS	Jan 20	Webinar: oRo x Mirai Works “What Talent Ensures ERP Implementation Success? Required Ideal Candidate Profile, Skill Set & Organizational Structure”
CS	Dec 9	Cloud-based ERP “Reforma PSA” now supports output of “Kanjyo Bugyo** Integration File”
CS	Dec 5	Cloud-based ERP “ZAC” launches “Custom Field Feature” adding custom data to projects This feature allows users to freely add information fields (such as text, dates, and checkboxes) to project records. The added fields can be output in reports and used for project searches within ZAC.
CS	Dec 3	Released “Audit Refugee & Securities Refugee Survey Report”
MS	Nov 28	Conducted SNS marketing survey: “80% of Companies See Increased Foot Traffic & Sales! Success Factors from User & Business Insights”
CS	Nov 26	“Semrush” exhibits at “Eight EXPO 3rd Sales & Marketing DX Comparison & Implementation Exhibition”
CS	Nov 22	Cloud-based ERP “ZAC” released new feature enabling time entry via Google Calendar integration

* The cumulative number of contracts for “ZAC”, “ZAC Enterprise” and “Reforma PSA” (as of January 2025).

** Kanjyo Bugyo is an accounting system provided by OBIC BUSINESS CONSULTANTS CO., LTD.

FY2025/12-FY2027/12

Mid-term Business Outlook



Consolidated

FY2025/12 Forecasts

Forecasts: 15.7% Revenue, 9.7% Operating Profit Growth

(in millions of yen)

	FY2024/12 Results	FY2025/12 Forecasts	Difference	Rate of change
Revenue	7,899	9,142	1,243	15.7 %
Cloud Solutions	4,929	5,959	1,030	20.9 %
Marketing Solutions	2,969	3,182	213	7.2 %
Operating profit	2,720	2,985	265	9.7 %
Cloud Solutions	2,162	2,569	407	18.8 %
Marketing Solutions	557	415	(141)	(25.4 %)
Profit before tax	2,856	3,020	163	5.7 %
Profit attributable to owners of the parent	2,072	2,099	26	1.3 %

Consolidated

Consolidated Earnings Outlooks

FY2025/12: impact of major client's advertising expenses reductions in MS business;
upward revision of FY2026/12+ outlook on CS recurring revenue growth

(in millions of yen)

Fiscal Period	FY2024/12 (Results)	FY2025/12 (Forecasts)	FY2026/12 (Outlooks)	FY2027/12 (Outlooks)
Revenue	7,899	9,142	11,162	13,725
Operating profit	2,720	2,985	3,924	5,269
OP Margin	34.4%	32.7%	35.2%	38.4%
ROE	21.6%	20% or more		

Earnings Outlooks

Upgraded FY2026/12+ outlook, reflecting recurring revenue growth from the January 2023 shift to a unified SaaS-type contract and recent improvements in sales and marketing

(in millions of yen)

Fiscal Period	FY2024/12 (Results)	FY2025/12 (Forecasts)	FY2026/12 (Outlooks)	FY2027/12 (Outlooks)
Revenue	4,929	5,959	7,507	9,590
Operating profit	2,162	2,569	3,323	4,538
Ratio of operating profit	43.9%	43.1%	44.3%	47.3%

* We plan to begin overseas sales of ZAC in 2026; however, as it is currently difficult to estimate the impact on financial performance, we have not incorporated it into our earnings outlook for FY12/2026 and beyond.

Mid- to Long-Term Strategy

Maximizing New MRR

01

**Enhancing Product Development for
Maximizing MRR Growth**

02

**Strengthening Development for
Further Market Expansion**

03

1. Maximizing New MRR

Strengthening proposal capabilities and sales agent relations to expand customer base and increase new contracts

In FY2024/12, in addition to acquiring large customers, we observed a recovery in orders from small and mid-sized enterprises, with the number of sales-qualified leads rebounding in H2. Since new contracts acquisitions are one of the key drivers of monthly recurring revenue (MRR) growth, we will implement the following initiatives to maximize new MRR.

Enhancing proposal structure for major clients

From February 2024, we've enhanced our major account sales team with experienced implementation consultants. Large customer proposals tend to be more complex, requiring customized solutions and broader scopes. With this team structure, we can now accurately and rapidly identify customer needs, enabling us to provide well-targeted proposals that build stronger trust with clients.

Moving forward, we will enhance our implementation support capacity, improving productivity while expanding our organization to ensure that more and larger enterprise clients can confidently enter into contracts with us.

Strengthening collaboration with sales agents

We are currently reinforcing alliances with sales agents to acquire SQLs. Since the prospective clients referred to tend to be large in scale, we will continue to strengthen the collaboration to maximize new MRR.

2. Enhancing Product Development for Maximizing MRR Growth

Strengthening development for new features and options to address customer challenges

In FY2024/12, proposals, including those in ZAC's peripheral areas, were well received by both new and existing customers. Moving forward, we will continue developing and delivering high-value solutions to drive new customer acquisition and expand engagements with existing clients.

By continuously introducing new features and options, reduce **Customer Churn Rate** and increase **ARPA** and **NRR**.



3. Strengthening Development for Further Market Expansion

Feature development for overseas sales is progressing well, targeting test marketing in 2025

As Vietnam is the leading candidate for expansion, we are developing multi-language/multi-currency support and localization. In 2025, we plan to start test marketing through exhibitions, etc., and by 2026, will start offering to mid-sized local companies.



Reason for Selecting Vietnam as the Leading Expansion Candidate

1

Minimal Investment Needed for Vietnam Expansion

With a local subsidiary established in 2013, no major investment is required. Strong understanding of local business practices and existing product specifications enable cost-effective localization.

2

Roughly 100 ZAC clients in Japan have subsidiaries in Vietnam

With numerous candidates for test marketing and proposals, the probability of success is high.

3

Vietnamese Government's Support for IT Industry Growth

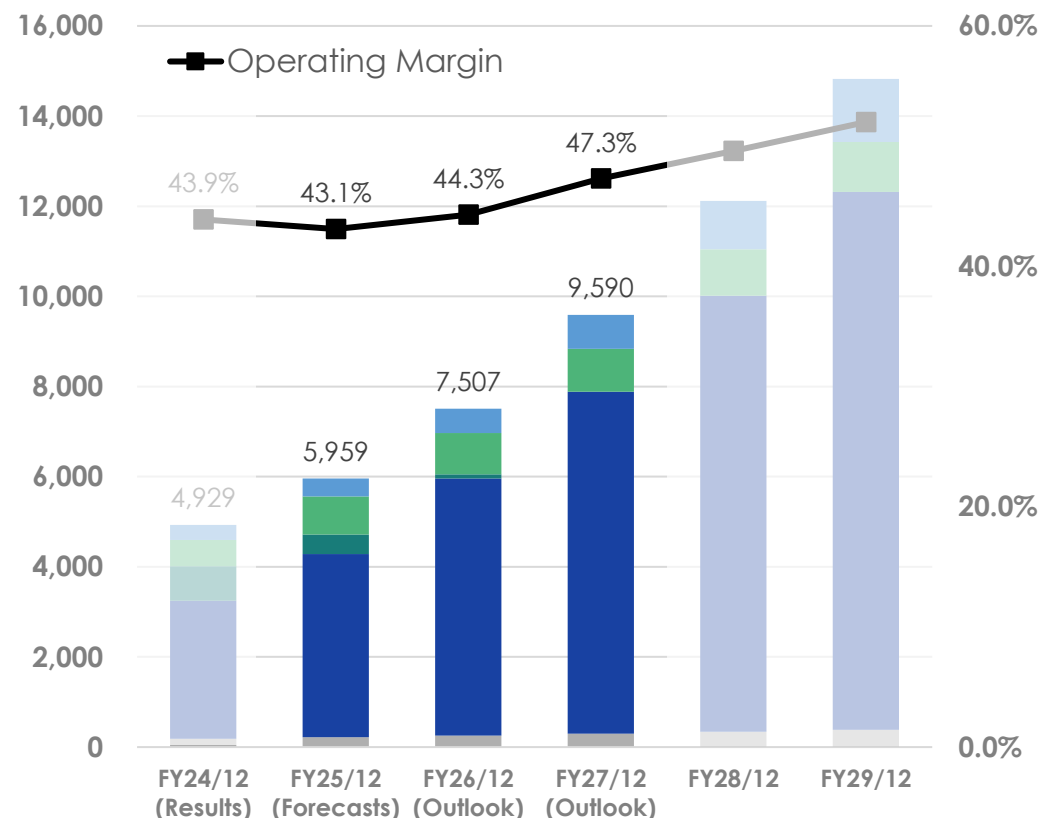
Growth in IT companies is expected to expand the total addressable market (TAM) for ZAC.

Segment Revenue and Operating Margin

The impact of unifying license sales into a SaaS-type contract in January 2023 is expected to materialize from FY2026/12 onward

To drive revenue growth and prepare for overseas sales not yet included in our outlook, we will expand our organization while improving productivity.

(in millions of yen)



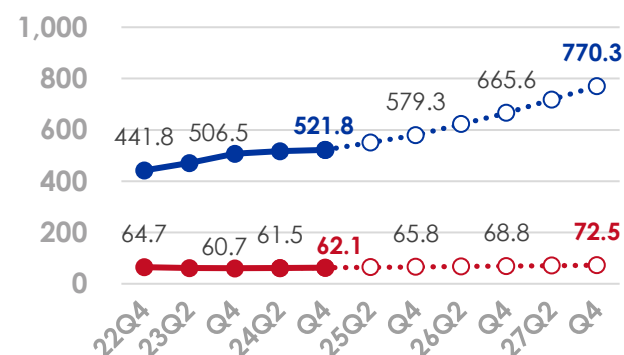
- **Other products, etc.**
Revenue as an agent of software developed by other vendors
- **ZAC ERP installation consultation and customization**
Installation support service related to “ZAC” and additional development required at the time of installation
- **ZAC license fee (one-time purchase-type contract)**
Revenue of software license
The discontinuation of one-time purchase-type contract is expected to cause a decrease, with revenue from this format expected to disappear entirely by 2027
- **Maintenance fee, and SaaS and other monthly service fees**
ZAC system maintenance, cloud provisioning, and license monthly fees
Post-2023 ZAC license fees booked in this segment after ending one-time purchase-type contracts
- **Reforma PSA**
Provision of monthly license for “Reforma PSA”

Setting KPIs in the Earnings Outlooks for FY27/12

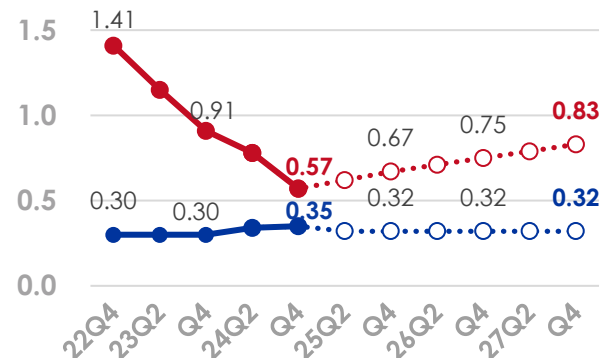
Assumptions for Earnings Forecast and Outlook

(Blue: ZAC, ZAC Enterprise Red: Reforma PSA Solid line: Actual figures Dotted line: Forecasts and outlooks)

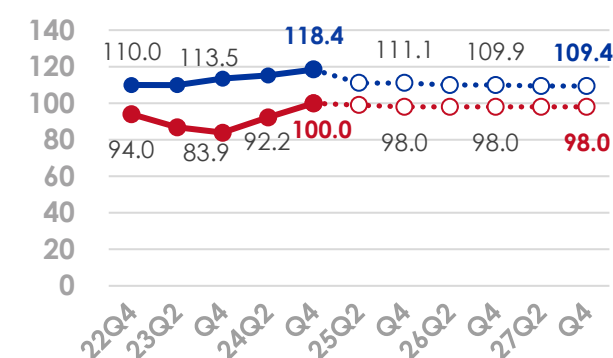
ARPA (in thousands of yen) *



Customer Churn Rate (%) **



NRR (%) ***



ZAC, ZAC Enterprise

ARPA is expected to improve over the medium to long term as SaaS license revenue accumulates.

The Customer Churn Rate is projected to remain stable at current levels in the medium term.

In FY2024/12, NRR temporarily improved significantly, driven by the expansion of SaaS license sales and accumulated orders for newly introduced subscription-based services, such as BI integration, electronic evidence storage, and HubSpot integration options. However, from FY2025/12 onward, it is expected to stabilize at around 110%.

Reforma PSA

In FY2024/12, the customer churn rate improved significantly. However, for our earnings outlook, we assume an annual churn rate of approximately 8-10% (0.67-0.83% per month) as a baseline.

*Abbreviation for Average Revenue Per Account

ARPA for ZAC and ZAC Enterprise are calculated based on monthly revenue related to "ZAC license fees, maintenance fees, SaaS and other monthly service fees" and "ZAC installation support and customization" per customer. ARPA for Reforma PSA is calculated by monthly revenue related to "ReformaPSA" per customer.

**Monthly customer churn rate calculated using the most recent 12-month moving average of "number of customers canceled in the current month ÷ number of customers at the beginning of the month."

***Abbreviation for Net Retention Rate. ARR for period n ÷ ARR for period n-1 for customers with revenue in period n-1. For ZAC and ZAC Enterprise, calculation is based only on "maintenance fees, SaaS and other monthly service fees." For Reforma PSA, the calculation is based on the monthly usage fee of "ReformaPSA."

Earnings Outlooks

Major clients' ad spending cuts are expected to heavily impact H1 FY2025/12.

Given uncertainty beyond H2, we'll adjust hiring, staffing, and in-house production as needed.

(in millions of yen)

Fiscal Period	FY2024/12 (Results)	FY2025/12 (Forecasts)	FY2026/12 (Outlooks)	FY2027/12 (Outlooks)
Revenue	2,969	3,182	3,655	4,135
Operating profit	557	415	600	730
Ratio of operating profit	18.8%	13.1%	16.4%	17.7%

Mid- to Long-Term Strategy

**Building Support Model as
“Execution-Oriented Company”**

01

**Establishing Brand Image as
“Execution-Oriented Company”**

02

**Strengthening Talent to
Improve Proposal Capabilities**

03

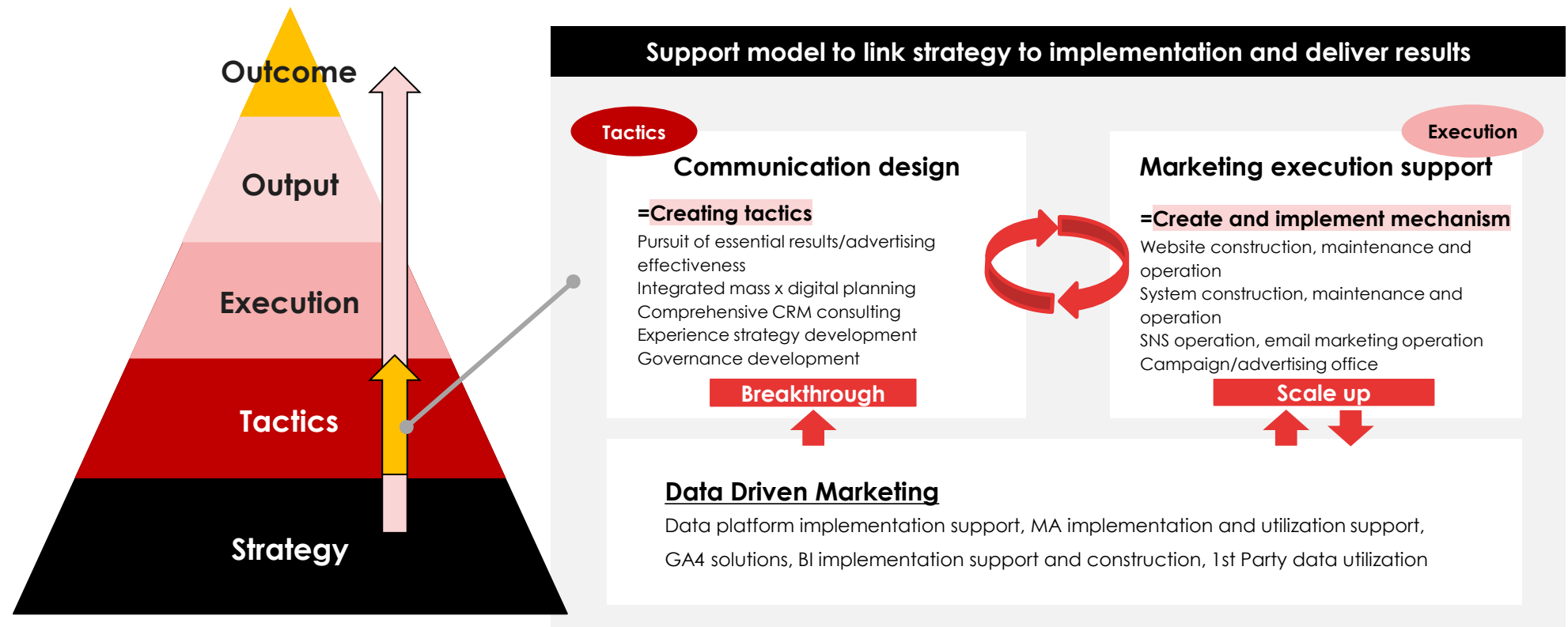
1. Building Support Model as “Execution-Oriented Company”

Provide a mechanism to translate the client's marketing strategy into concrete actions

As the digital marketing market expands, we serve MS businesses as “an execution company”. This is to ensure clients' strategies to make sure that their strategies do not just remain theoretical.

We provide a support model that generates ongoing results through communication design (effective tactical planning) and marketing execution support (implementing and scaling tactics).

Our Support Model as an “Execution-Oriented Company” (conceptual diagram)



2. Establishing Brand Image as Execution-Oriented Company

Actively sharing case studies and insights to generate leads and strengthen branding

In FY2024, enhanced knowledge management enabled the systematic accumulation of service proposals, project achievements, and case studies. Beyond sales proposals, we will actively share these externally to strengthen the branding of our Marketing Solutions business, attract inbound inquiries, and nurture existing customers.

Initiatives for FY2025

- We will update the Marketing Solutions website (<https://mc.oro.com/>)
- Enhanced service and case study listings with expanded content following the website update
- Strengthening lead nurturing through CRM and content distribution

3. Strengthening Talent to Improve Proposal capabilities

Strengthening recruitment and development for implementing sales strategy

In FY2024/12, the primary objective was to recruit sales professionals. However, from FY2025/12, we will take a more balanced approach by including graduate recruitment to support organizational expansion. Additionally, talent development plans, internal job rotations, and both internal and external training programs will drive the growth of junior to mid-level staff. We will also strengthen onboarding and in-house training programs to develop future leaders.

Recruitment

- Active use of recruitment partners for ready-to-work sales personnel
- To expand the organization, hire new graduates in a well-balanced way

Training

- Provide opportunities to acquire skills rarely learned on job
- Establish a job rotation system to experience different areas of work
- Support growth of individuals and organizations through new training programs

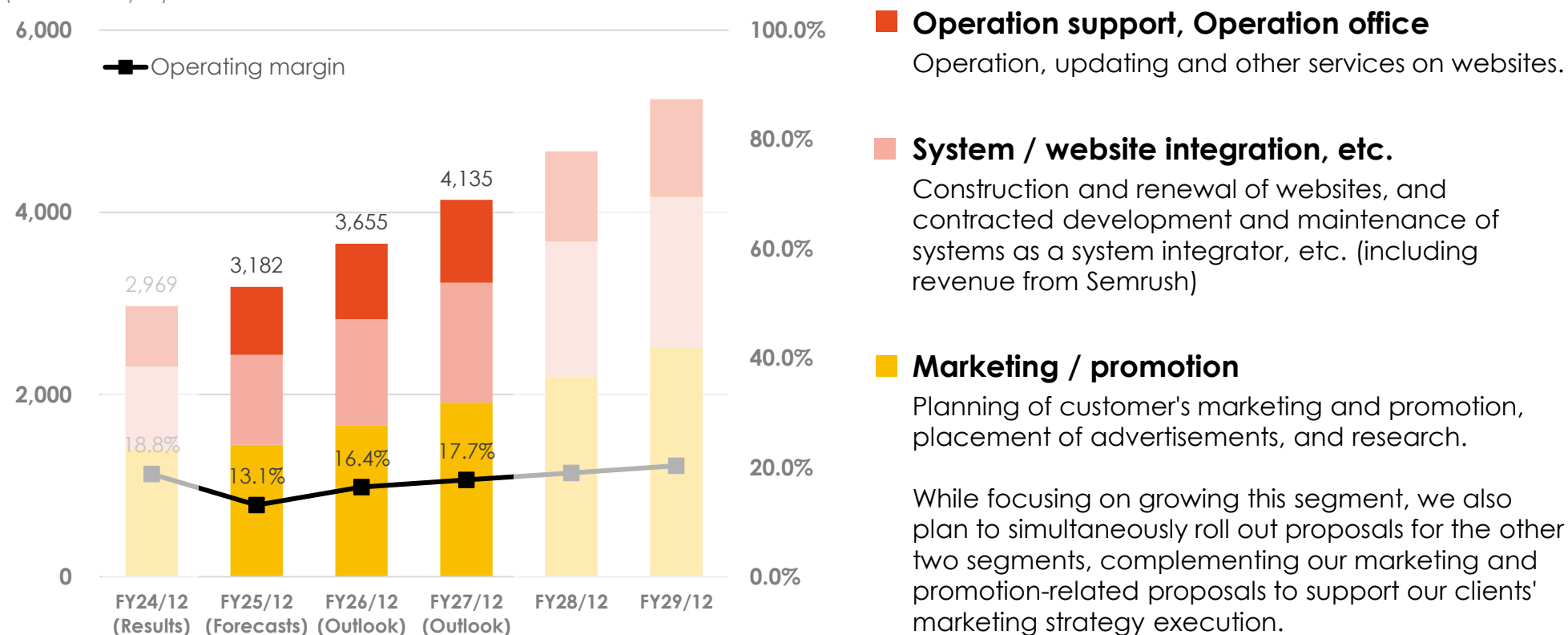
Segment Revenue and Operating Margin

While revenue is expected to increase, profits are projected to decline temporarily

However, we anticipate expansion with existing customers and growth in overseas revenue

To drive improvements, we will strengthen marketing efforts for brand awareness and lead generation starting in FY2025/12

(in millions of yen)



Business Segment Topics



03

Business Overview

Cloud Solutions (CS)

Development and provision of cloud services, including



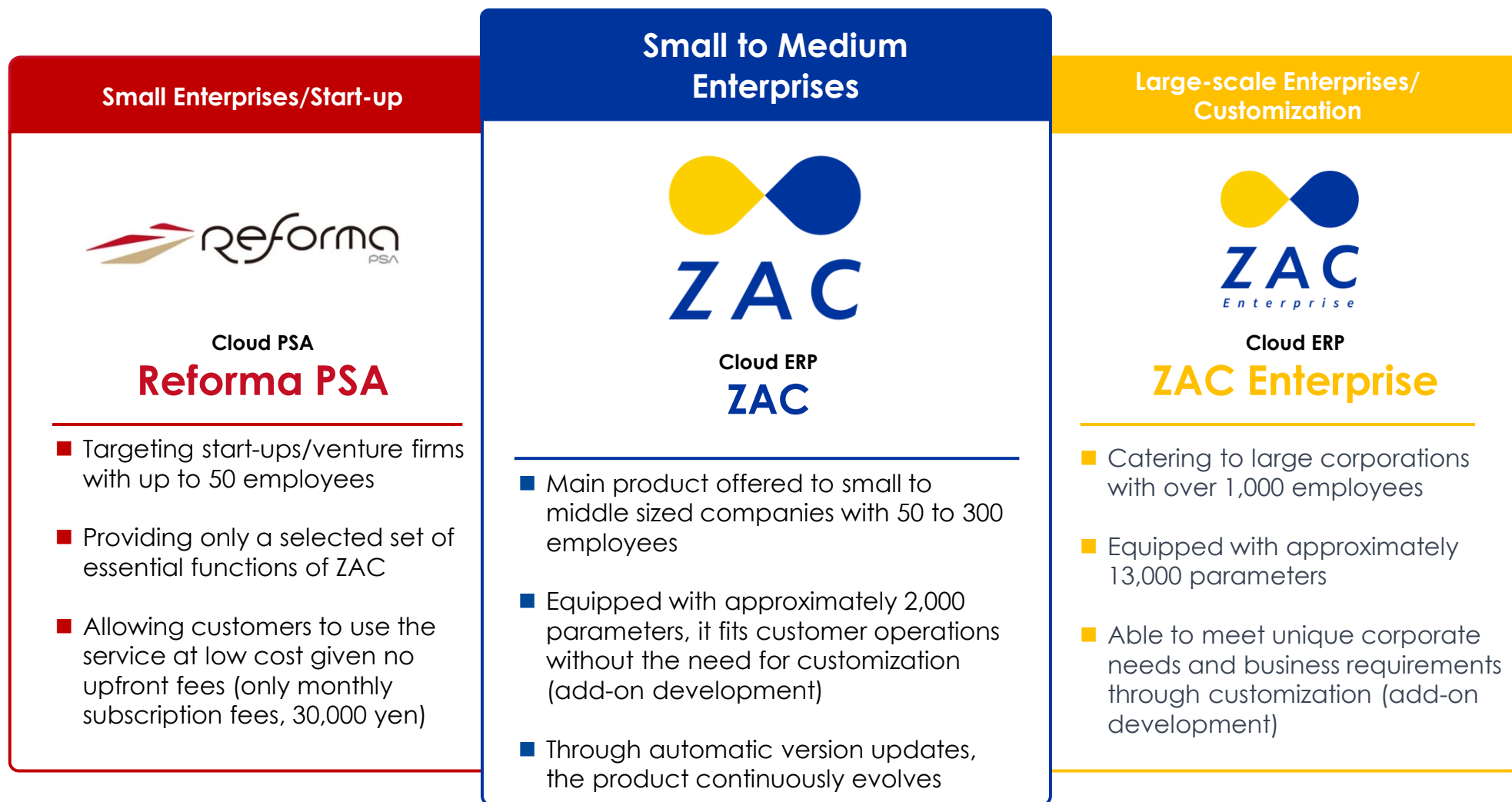
Marketing Solutions (MS)

Provision of services related to customer marketing support, including digital advertising, system production, web production, and more.

CLOUD SOLUTIONS

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

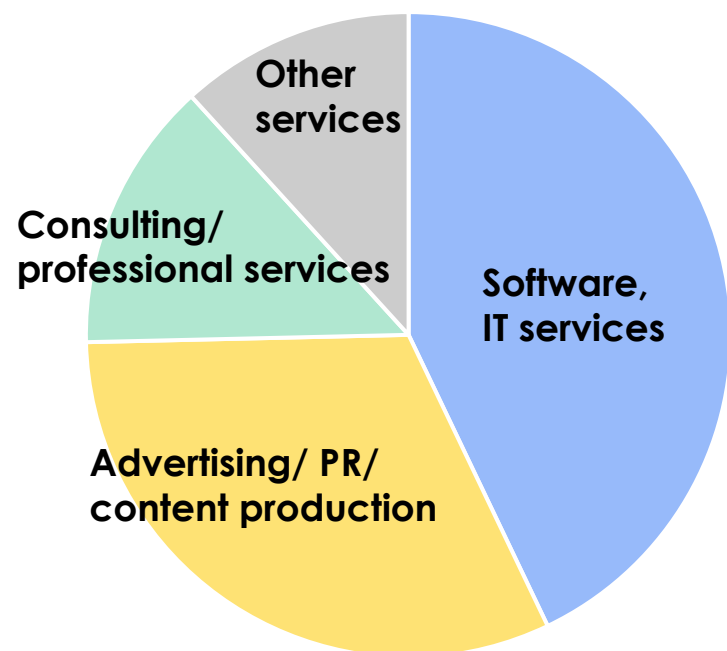
We provide three types of cloud-based integrated systems tailored to the size of the enterprise. The systems streamline business processes and facilitate company-wide information sharing.



Industry-Specific ERP

ZAC has been implemented in a cumulative total of over 1,000 companies, primarily in the software, IT services, and advertising industries.

(As of December 31, 2024)



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

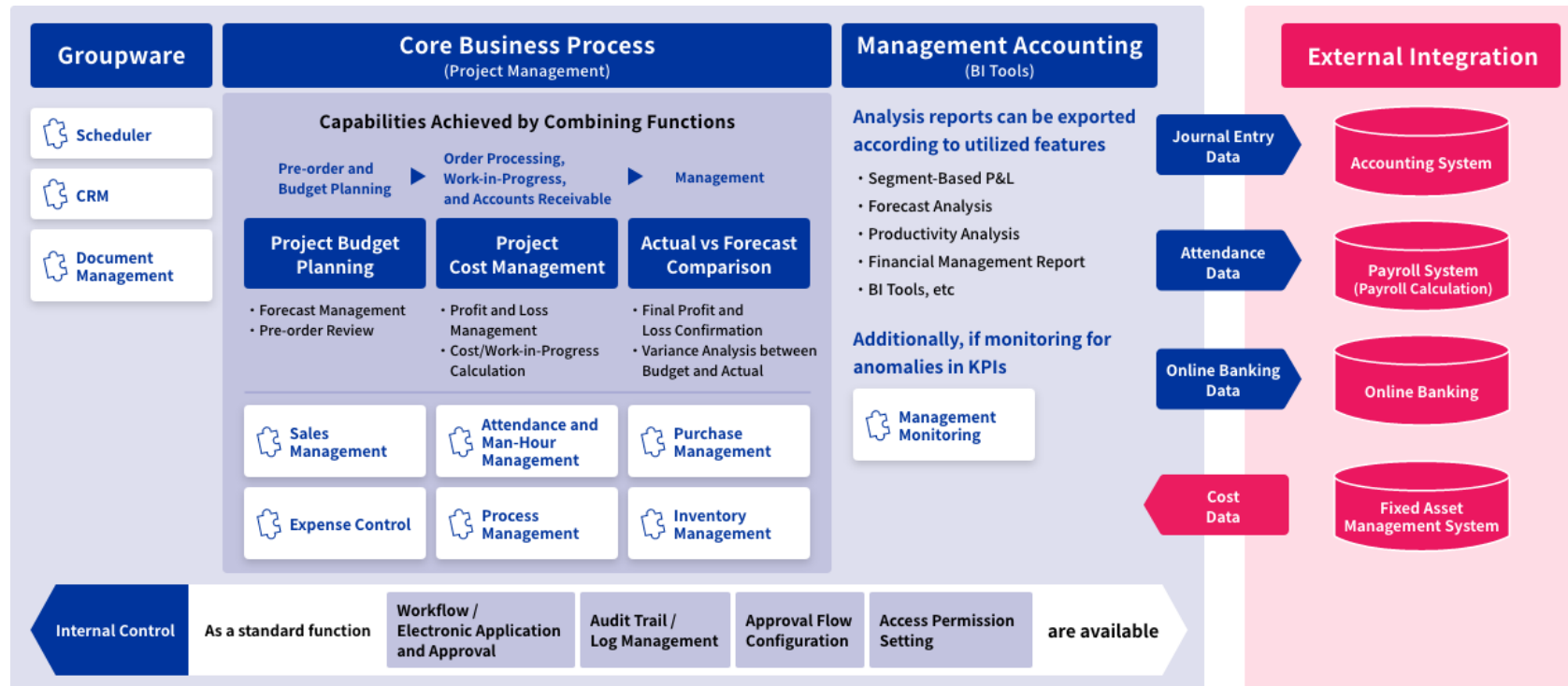


Other services



Overview of Cloud ERP ZAC - Functions

Specialized in Front Office Operations, Standard Features Fulfill Industry-Specific Requirements



With ZAC,
you can choose
and implement only
necessary modules

Modules
(Functions)



Number of Licenses
(Users)



Usage Price*



Begin by utilizing only the necessary modules and the precise number of licenses required
Both modules and licenses can be freely expanded or reduced as needed

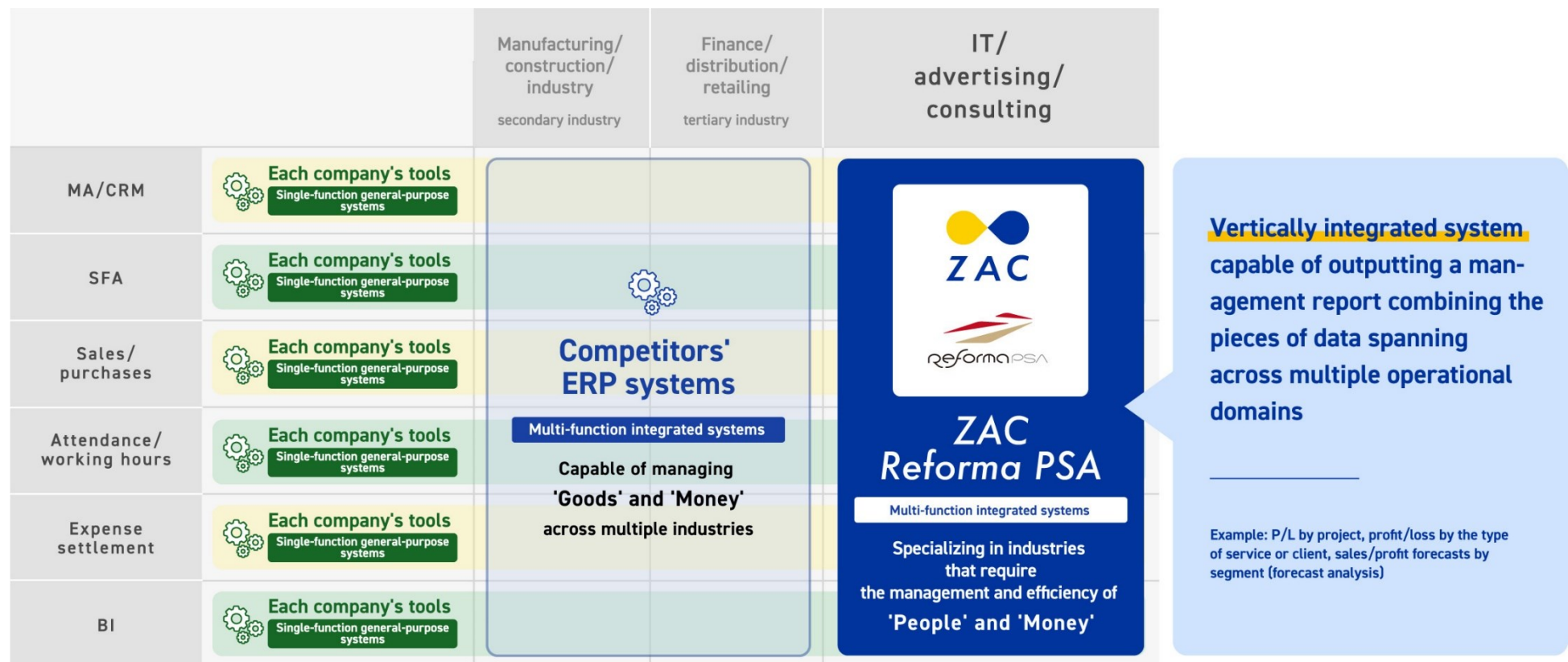
*Reforma PSA provides some of ZAC's key features.

Industry-Specific Integrated ERP

ERP systems can be divided into single-function general-purpose systems applicable across industries, and **multi-function integrated systems** merging industry-specific functions.

ZAC / Reforma PSA is a **multi-function integrated system** designed to meet the specific needs and challenges of customers in the IT services, advertising, and consulting industries.

Positioning Map by Industry/Business Domain

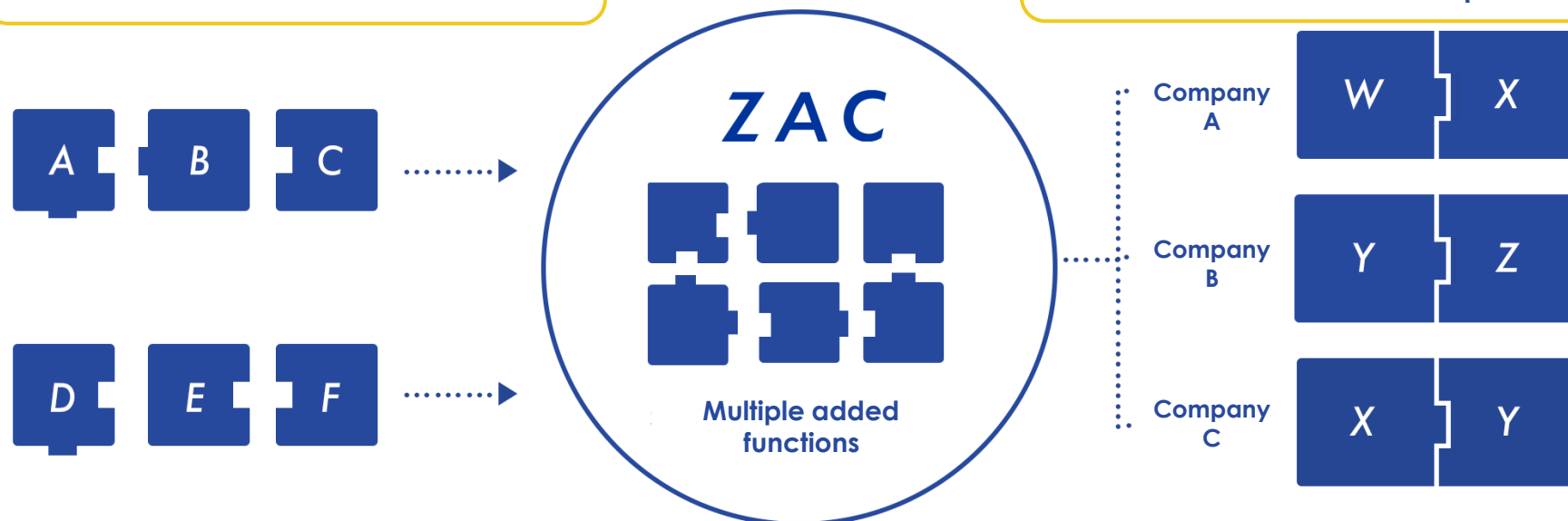


Advantages of Cloud-Based Systems in Functional Scalability

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



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.

Provide Regular Version Updates

Despite being a large-scale system with approximately 2,000 functional parameters, ZAC undergoes regular version upgrades, continuously offering enhancements in functionality and design, as well as new features.

Regular version upgrades
to improve customer satisfaction,
reduce **Customer Churn Rate**
and increase **ARPA** and **NRR**.



*Approximately 2,000 functional parameters are available for ZAC and 13,000 for ZAC Enterprise.

ZAC Enables Visibility of Project-Based Labor Costs



KAYAC Inc.

<App and Game Development Industry>

Renowned for unique management methods like “dice pay,” the company develops content businesses, producing innovative social games and smartphone apps, and hosting special exhibitions such as UNKO MUSEUM. Its performance and scale expand annually.

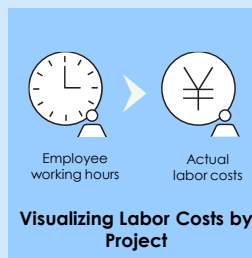
Challenges Prior to 2010 Implementation of ZAC Enterprise:

Manual Cost Calculation in Excel Reaches Its Limit Due to Scaling Up

The company managed project-specific man-hour data using Excel files. However, a rapid increase in the workforce made it challenging to manually calculate costs by linking accounting data (labor costs) with project-specific man-hours.



Benefits Following the 2010 Implementation of ZAC Enterprise:



Easier Understanding of Labor Costs by Project

Centralizing the management of man-hours at a single ZAC location has streamlined the process, allowing for quick and efficient allocation of labor costs by project.



Enabling Data-Driven Decision-Making

The implementation of ZAC Enterprise has improved the accuracy of management data, enabling intuitive decisions to be backed by reliable information.

Kayac Inc. adopted ZAC Enterprise in 2010, starting with attendance and man-hour management, and gradually adding sales, purchasing, and expense features. In 2023, to meet legal changes and enhance management for their growing group, they switched to ZAC, launched in 2019. This reflects the state during ZAC Enterprise's implementation.

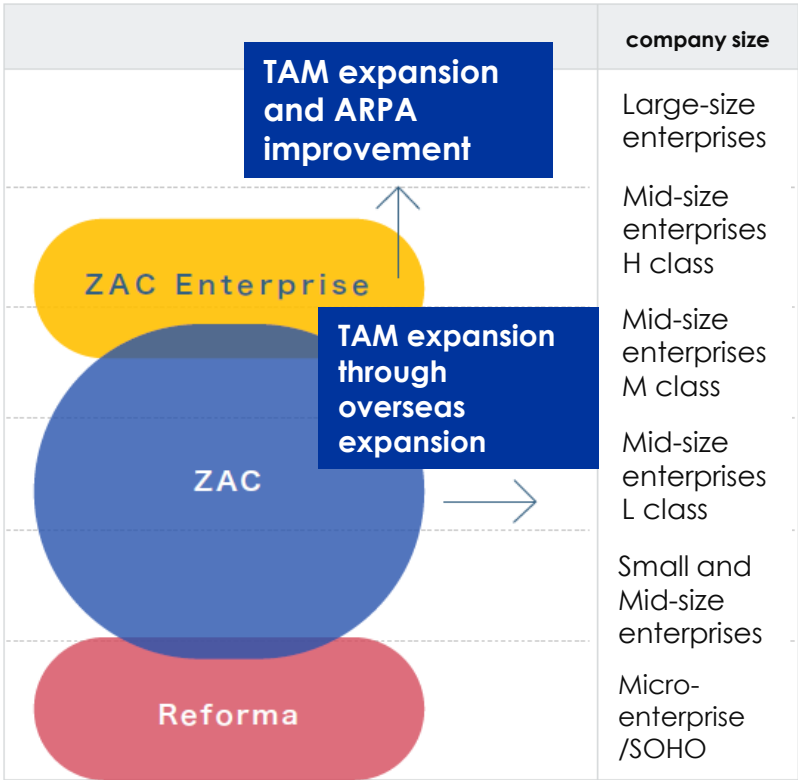
Strengthen Development for Further Market Expansion

44,000 domestic target companies, we are targeting larger companies and overseas markets

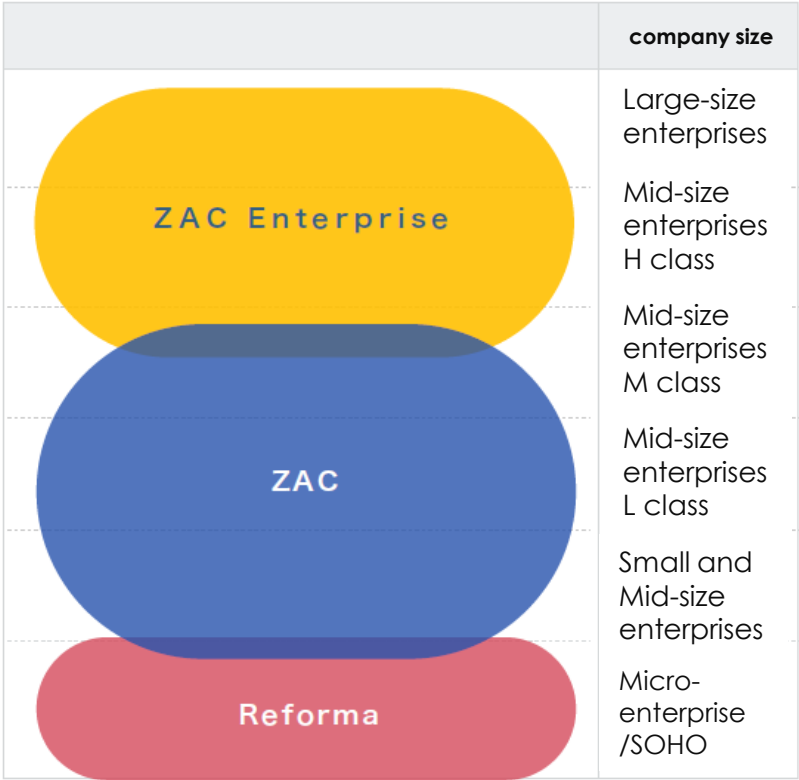
We will review our system configuration and enhance our internationalization functions to propose solutions to large enterprises with 10,000 employees and small- to medium-sized enterprises located overseas by 2026.

Market Expansion Image (TAM)

Present



2026



*Domestic target companies are ZAC, ZAC Enterprise and Reforma's target industries, such as IT, advertising and consulting, with approximately 1 to 2,000 employees.

SaaS Management Tool “dxeco”

“dxeco” visualizes contract information, usage status, account information, and Shadow IT for SaaS applications used within companies.

It optimizes SaaS costs, management and understanding of security risks, and streamlining of account inventory tasks.

- Permissions can be set for each organizational level.
- Praised during ISMS audits and internal reviews for excellence.
- Continuously adding new features in response to customer feedback.



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

Subscription Business Sales Management System “Hayasub”

Hayasub is a sales management system designed for BtoB subscription businesses. It streamlines the sales management process by handling diverse pricing models (flat/metered fees) and contract terms (annual/monthly, special discount).

- Systematizes sales management from prospecting to invoicing to reduce waste
- Manages varied fee structures, contract terms, and billing
- Centralizes sales management by integrating with ZAC and other systems



Issues that can be solved and expected

Challenges Before Implementation

- Manual billing processes lead to errors, including missed and inaccurate charges.
- Key subscription business KPIs like MRR and churn rates are not calculated accurately or promptly.

Effects After Implementation

- Systematization ensures accurate billing amid complex fee and contract structures.
- Centralized management enables real-time visualization of key subscription metrics.

Boost Overseas Tool Variety and Revenue

Semrush localization and domestic distribution are growing steadily

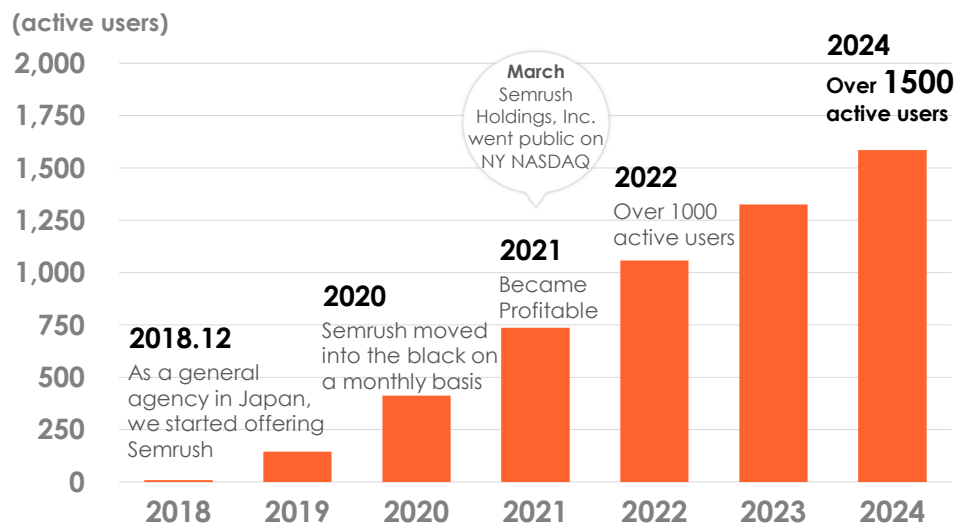
We will enhance new plans, including Semrush Enterprise*, to drive MRR expansion.



10 million Registered Account in the world***
All-in-one competitive analysis tool for
SEO/ Ad Analysis/ SNS Competitive Analysis

Number of Active Users**

Target in 2025



Aim to **increase the number of Enterprise users** and the **revenue growth rate** in 2025

Providing hands-on
Customer Support

Acquiring leads by
Expansion of Marketing Channels

implementation and expansion of
Semrush * Enterprise

NEXT Plan to expand a range of foreign-made tools next to Semrush

*Semrush Enterprise : A new enterprise SEO platform separate from the standard Semrush (Core), enhanced with advanced BI and AI capabilities.

Active users exclude free trial users and canceled users * Total number of users including trial users

Marketing Solutions

Digital Marketing Consultation for National Brands

Aeon Co., Ltd. And Nissan Motor Co., Ltd. are the main customers.



Examples of ORO's Support for Implementing Marketing Strategies

Strong in supporting organizations to execute strategy and to deliver results

- **Tactical Planning:** Tailored digital marketing consulting and execution per regional characteristics.
- **Systematization:** Developing and offering dashboards that enable the visualization of marketing ROI across all areas.
- **Execution Support:** Designing and implementing customer acquisition strategies for nationwide stores.

One-stop digital marketing for store-based businesses



Nissan Motor Co., Ltd.

<Manufacturing and sales of automotive products>

Nissan, renowned for its technological prowess, is a leading player in the automobile industry, particularly in electric vehicle innovation. The Nissan sales company group, boasting 115 companies, operates around 2,100 dealerships across all prefectures as of April 2024.

Issues to be Improved

No Unified System to Govern Nationwide Sales Companies

Each sales company managed its advertising independently based on regional car demand. This resulted in some advertisements not aligning with the brand image that Nissan Motor Co. aimed for.

Challenges in Aggregating Ad Distribution Results

Since sales companies across the nation reported their advertising results separately, the reporting process created significant burdens. Moreover, this made it difficult for Nissan to comprehensively track and analyze the overall data.



Digital Marketing Support by ORO



Enabling Regional Advertising with Brand Integrity

We support each sales company in aligning ad production and distribution with the manufacturer's marketing strategies and brand image. This system enables tailored advertising to meet local needs while maintaining brand integrity.



Optimized BI Environment for Quick Insight

A Business Intelligence (BI) environment has been established to allow for seamless, comprehensive analysis of national marketing outcomes. This system reduces reporting burdens for sales companies and enables manufacturers to easily oversee distribution results with a strategic perspective.

Creating an “Engaging” 130-Year Corporate History Site



Obayashi Corporation

<General Construction Company>

A leading general construction company committed to contributing to a sustainable society in Japan and globally, guided by the philosophy of being a “Leading Sustainable Company.” The company is actively pursuing green energy projects and expanding into new business domains for the new era.

Requirements

A Web-Based 130-Year History

In line with current trends, the goal was to create a 130-year history site accessible from any device and location, with features such as searchability and links to the corporate website.

Expanding Corporate History Globally

For the first time, the history would be made available globally with both Japanese and English. To further share the history with employees and clients at Obayashi's overseas subsidiaries, additional support was added for four languages: Traditional Chinese, Thai, Indonesian, and Vietnamese.



TOPPAN × ORO Proposal

TOPPAN

An “Engaging” History Site Aligned with Corporate Rebranding

To support Obayashi's rebranding, TOPPAN produced an “engaging” history site rather than merely a “readable” one, designed as web-based global content for the general public beyond corporate stakeholders.

The multilingual requirements were met through collaboration between TOPPAN's translation and history teams.



Website Design and Implementation by ORO

ORO handled the design and implementation, featuring six stories like Obayashi's “Space Elevator” vision, brought to life through animations. The site is optimized for mobile and includes key web features like internal search and external links.

Please refer to the interview article at the following URL for details (this will redirect you to the website of TOPPAN Holdings Inc.; Japanese Only):

https://solution.toppan.co.jp/bx/contents/interview_contents05.html

Strengthen the Structure at Overseas Business Locations

Strengthening Both Sales and Production to Improve Profitability



Enhancing the Sales Structure

By bolstering the recruitment of sales personnel and strategic planners, the company aims to enhance proposal quality to secure contracts through direct appointments and annual deals.

Reinforcing the Production System

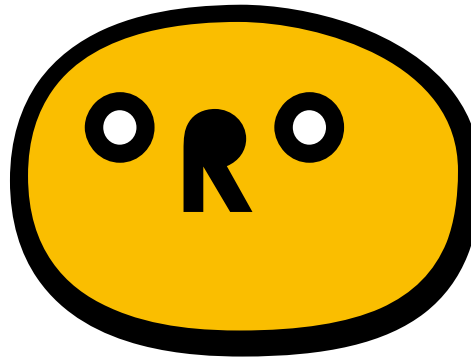
With growing demand for outsourced services from advertising agencies, we are strengthening our structure, including recruitment, to boost revenue. At the same time, we aim to improve profitability by promoting in-house production.

Company Profile



04

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.

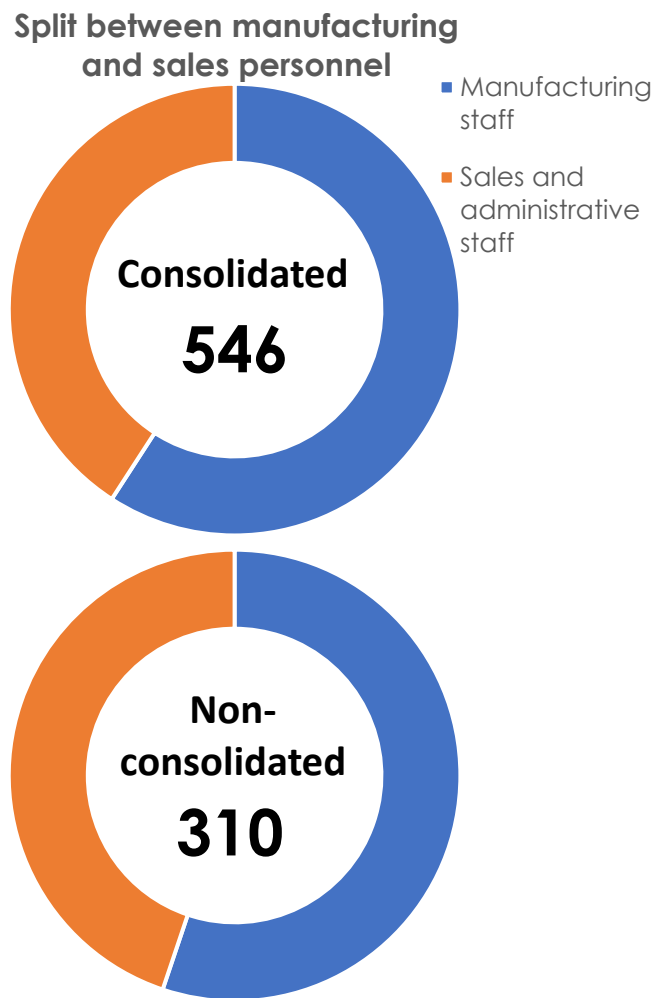
History



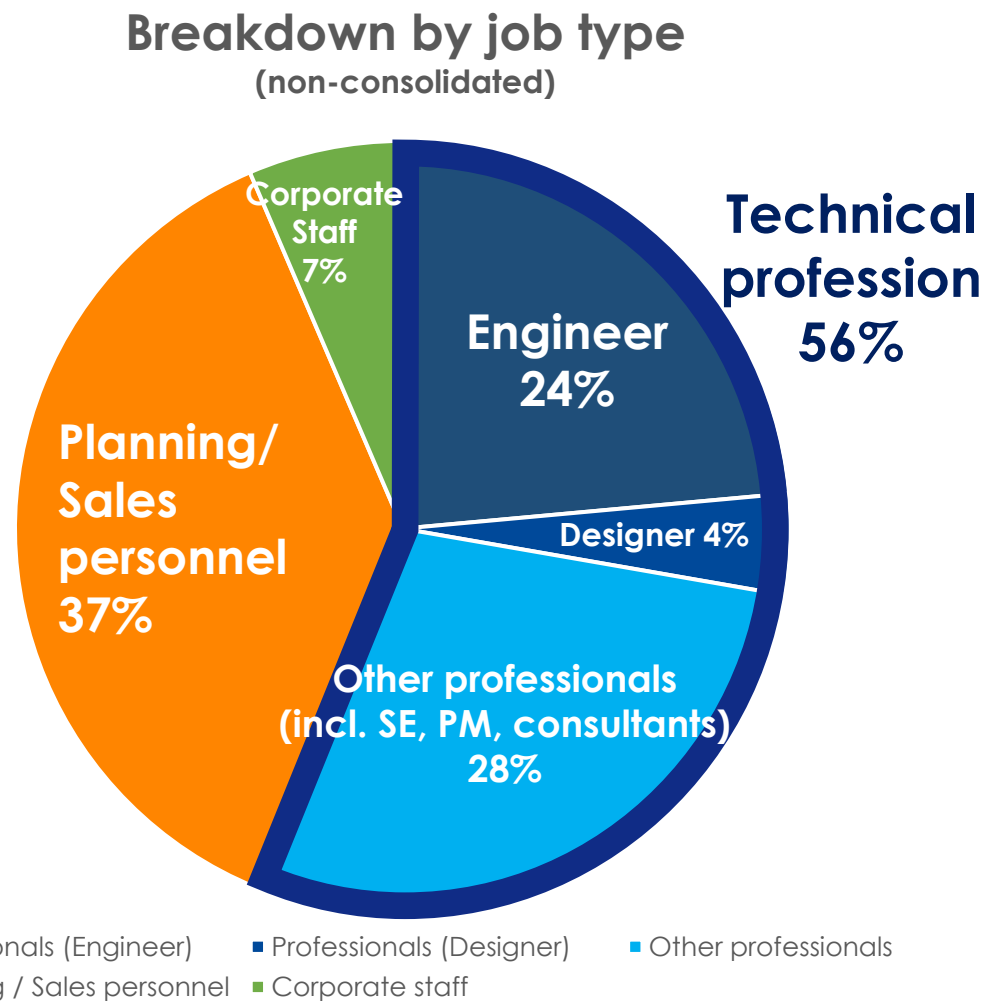
- 1999** Establishment of oRo Co., Ltd
- 2004** Launched website management and maintenance operations
- 2005** Acquired the Information Security Management Systems (ISMS) certification
- 2006** Developed and launch sales of ZAC Enterprise, an SaaS-compliant ERP package
- 2007** Acquired certification 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

Organizational Structure

Organizational structure promotes “technology x creativity” solutions



(As of December 31, 2024)



(As of December 31, 2024)

Material Issues

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**.



Sustainability Policy

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)

In line with our 'oRo GROUP HUMAN RESOURCES POLICY', we are advancing diversity initiatives, targeting a 15% ratio of women in managerial positions by 2027 to diversify our core personnel.

oRo GROUP HUMAN RESOURCES POLICY

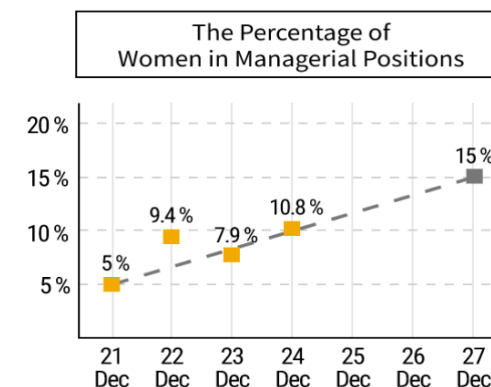
oRo's goal is to continuously develop creative and autonomous human resources and therefore to deliver more happiness and joy to more people through creation of organization, products, and services.

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

Since February 2023, we have established a goal of achieving a 15% ratio of women in managerial positions by 2027. As of December 31, 2024, we have reached a performance level of 10.8%, which aligns closely with our plan.

Moving forward, we will concentrate on improving our workplace by accommodating diverse career paths and work styles, as well as striving to create a more attractive work environment. Through these enhancements, we aim to increase the proportion of female managers.



Human Resources Initiatives (2/2)

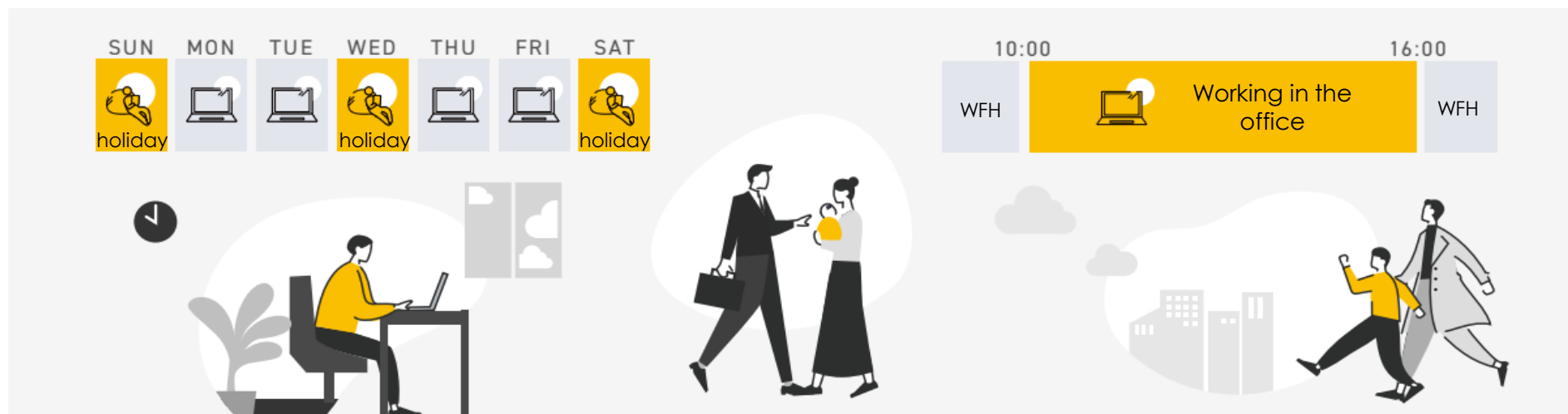
We promote “Health & Productivity Management” to empower employees to play an active role in the company. Offering diverse and flexible work styles enhances self-fulfillment.

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 enables flexible office hours from 10:00 to 16:00, and the option to work from home for the rest, promoting work-life balance and aiding in managing family and childcare duties.



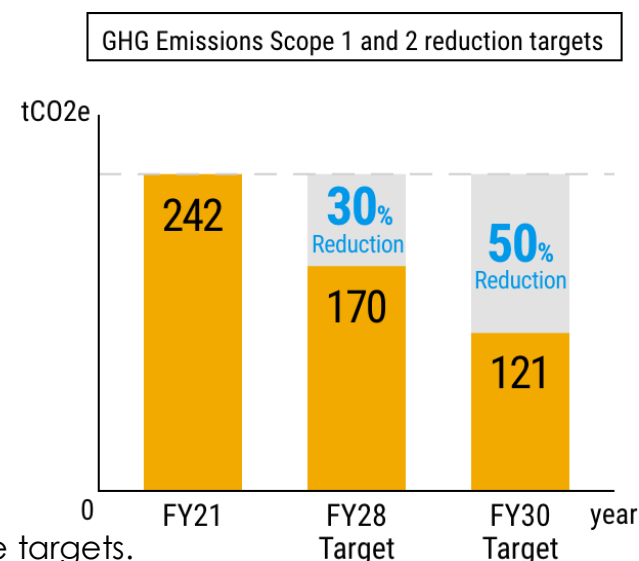
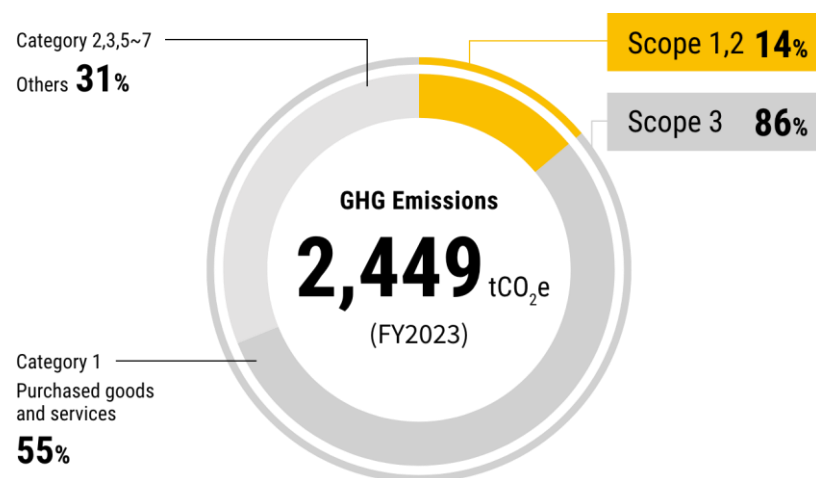
*Our company has certified as a Health & Productivity Management Outstanding Organization 2024 (Large Enterprise Category) for the second consecutive year, and oRo Miyazaki and oRo code MOC were also certified in the Small and Medium-Sized Enterprise Category. And also we and oRo Miyazaki have received the “Kurumin” certification, which is awarded by the Japanese Ministry of Health, Labor and Welfare to companies that actively support employees in balancing work and family life.

Environment 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 emission and reduction targets

Our GHG emissions in FY2023/12 were 2,449 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/>

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,” “Reforma PSA,” SaaS management tool “dxeco” - Domestic sales representation for SEO tool “Semrush” Marketing Solutions (MS) - Support for corporate marketing activities
Employees	Non-consolidated 310 / Consolidated 546 (as of December 31, 2024)
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.

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.
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