Q1 FY2025/12

Financial Results

oRo Co., Ltd.   Code: 3983

Index

Translation Notice:
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Q1 FY2025/12
Financial Results Highlights

01

Q1 FY2025/12 Financial Results Highlights

Q1 FY2025/12 Consolidated Financial Results

Revenue	**1,980**million JPY	YoY **+3.1%**
Operating Profit	**664**million JPY	YoY **-4.3%**

Revenue remained steady, while operating profit was favorable relative to the plan.

Cloud Solutions (CS)

	million JPY	YoY
Revenue	**1,339**	**+15.9%**
Operating Profit	**625**	**+23.0%**

Revenue and operating profit remained steady compared to full-year plan.

- Recurring revenue maintained steady growth, supported by progress in new customer acquisition.

- Operating profit slightly exceeded the plan, as there were no significant cost increases other than personnel expenses.

Marketing Solutions (MS)

	million JPY	YoY
Revenue	**641**	**-16.2%**
Operating Profit	**39**	**-78.9%**

Revenue was steady, and operating profit was great relative to full-year plan.

- Revenue and profit declined YoY due to ad budget cuts by key clients, but this was factored into our H1 forecast.

- Uncertainty remains for H2, and we are reducing costs, including reviewing workforce planning.

* Progress expression to the plan: great > favorable > steady > worse > weak

Share Cancellation and Repurchase

Share Cancellation

We completed the cancellation of 207,400 shares of treasury stock on April 30, 2025. These shares had been repurchased between November 15, 2024 and February 6, 2025.
Following this cancellation, the total number of shares outstanding (including treasury shares) stands at 15,949,053.

Share Repurchase

Based on the Policy on Shareholder Returns, we will repurchase treasury stock up to 1,000 million yen or 500,000 shares to enhance shareholder returns and improve capital efficiency.
We will continue to focus on maintaining our target ROE of 20% or higher, which we regard as one of our most important management KPIs.
(Repurchase period: From May 5, 2025, to November 30, 2025; method of repurchase: market purchases)

(Reference) 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.

Trend in Revenue, Operating Profit and Operating Margin

Recorded revenue 1,980 million yen, +3.1% YoY; operating profit 664 million yen, -4.3% YoY

(in millions of yen)

Non-consolidated ← → **Consolidated**

Japan GAAP ← → IFRS

- Revenue
- Operating Profit
- OP Margin

Accounting term alterations

Q1 Rate of Progress
Revenue **21.7%**
Operating profit **22.3%**

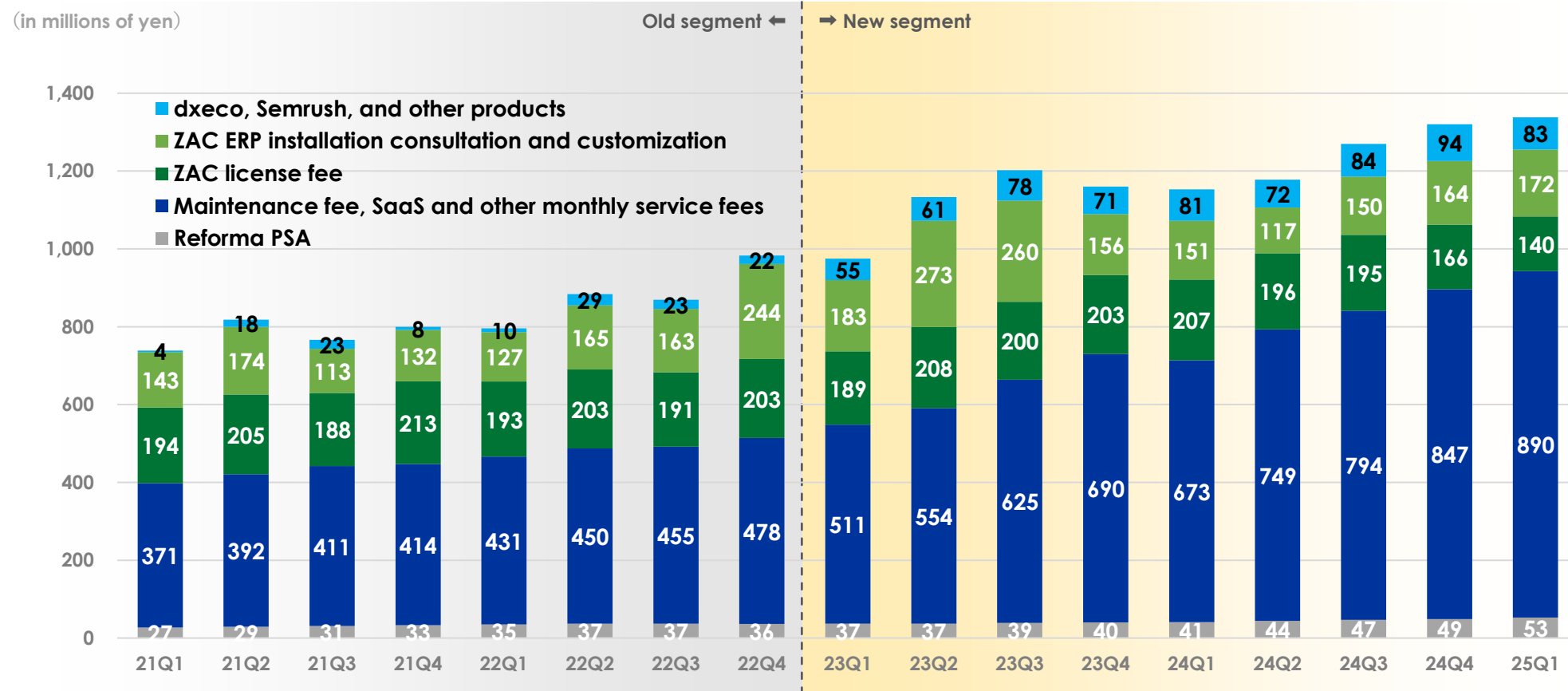|	FY12/3	FY13/3	FY14/3	FY14/12	FY15/12	FY16/12	FY17/12	FY18/12	FY19/12	FY20/12	FY21/12	FY22/12	FY23/12	FY24/12	FY25/12
Revenue	1,721	2,182	2,415	1,878	3,053	3,375	3,678	4,463	5,022	4,877	5,530	6,210	7,033	7,899	9,142
Operating Profit	225	305	204	212	642	682	858	1,174	1,333	1,580	2,027	2,286	2,547	2,720	2,985
OP Margin	13.1%	14.0%	8.5%	11.3%	21.1%	20.2%	23.3%	26.3%	26.6%	32.4%	36.7%	36.8%	36.2%	34.4%	33.8%

*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

（in millions of yen）

Old segment ⬅ | ➡ New segment

Legend:
- dxeco, Semrush, and other products
- ZAC ERP installation consultation and customization
- ZAC license fee
- Maintenance fee, SaaS and other monthly service fees
- Reforma PSA

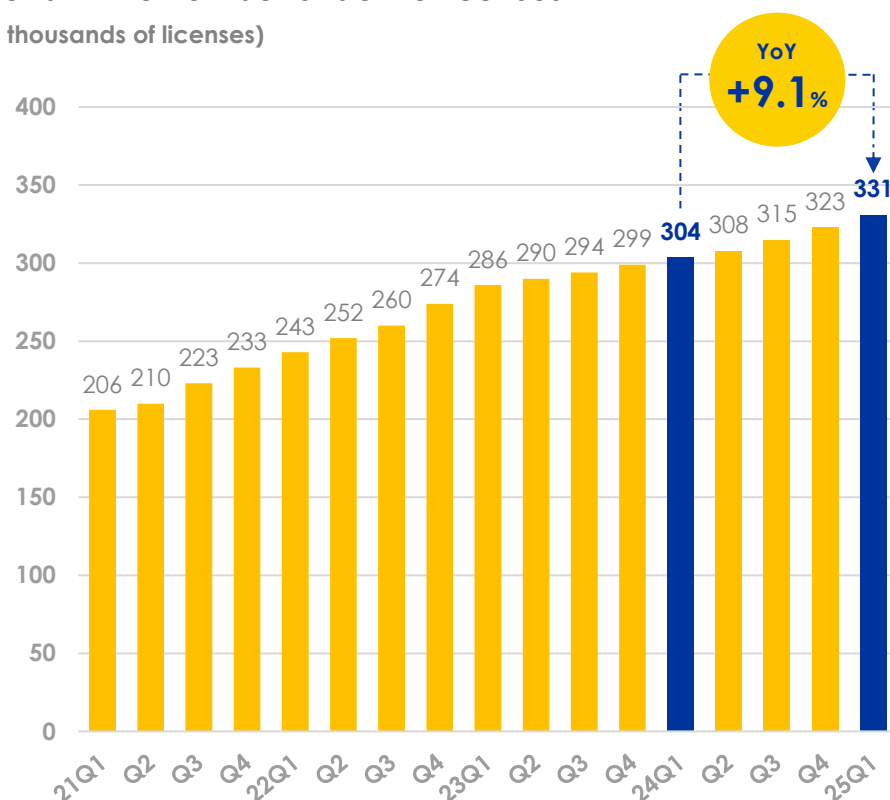|	21Q1	21Q2	21Q3	21Q4	22Q1	22Q2	22Q3	22Q4	23Q1	23Q2	23Q3	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1
dxeco, Semrush, and other products	4	18	23	8	10	29	23	22	55	61	78	71	81	72	84	94	83
ZAC ERP installation consultation and customization	143	174	113	132	127	165	163	244	183	273	260	156	151	117	150	164	172
ZAC license fee	194	205	188	213	193	203	191	203	189	208	200	203	207	196	195	166	140
Maintenance fee, SaaS and other monthly service fees	371	392	411	414	431	450	455	478	511	554	625	690	673	749	794	847	890
Reforma PSA	27	29	31	33	35	37	37	36	37	37	39	40	41	44	47	49	53

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

Trend in the Number of Active Licenses

Continued growth in the number of contracted licenses through the acquisition of new customers and an increase in business with existing customers
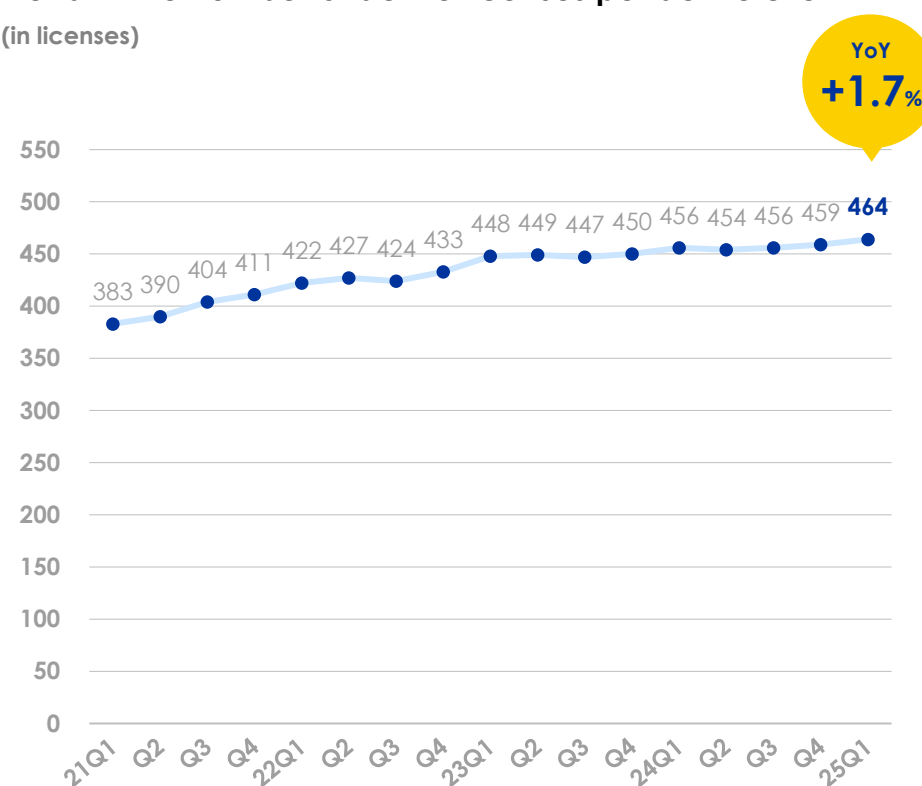
Trend in the number of active licenses

(in thousands of licenses)

YoY **+9.1%**

Bars (left to right):
- 21Q1: 206
- Q2: 210
- Q3: 223
- Q4: 233
- 22Q1: 243
- Q2: 252
- Q3: 260
- Q4: 274
- 23Q1: 286
- Q2: 290
- Q3: 294
- Q4: 299
- 24Q1: **304**
- Q2: 308
- Q3: 315
- Q4: 323
- 25Q1: **331**

Trend in the number of active licenses per active client

(in licenses)

YoY **+1.7%**

Line (left to right):
- 21Q1: 383
- Q2: 390
- Q3: 404
- Q4: 411
- 22Q1: 422
- Q2: 427
- Q3: 424
- Q4: 433
- 23Q1: 448
- Q2: 449
- Q3: 447
- Q4: 450
- 24Q1: 456
- Q2: 454
- Q3: 456
- Q4: 459
- 25Q1: **464**

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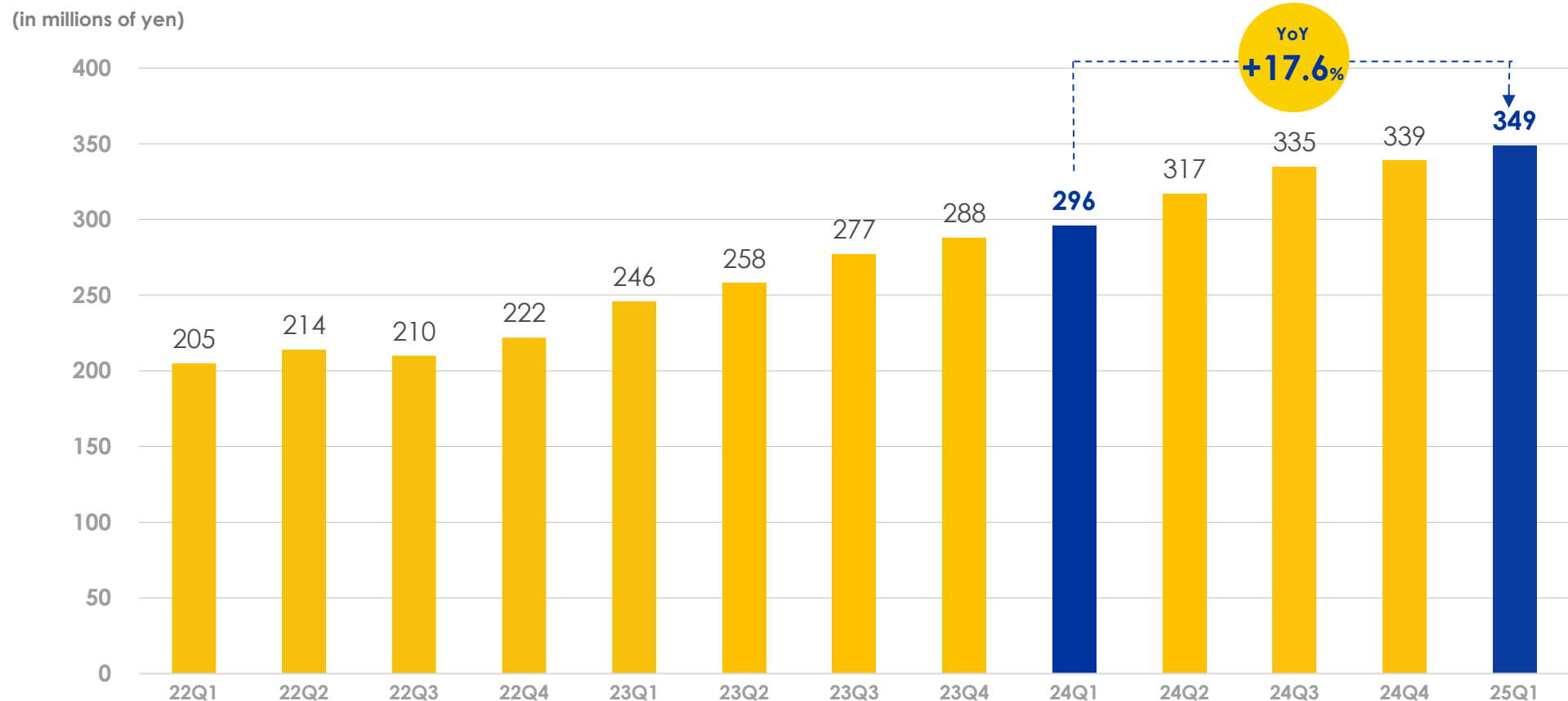
* Number of active licenses per active client
  = Number of active licenses / The number of active clients at the end of the quarter

Cloud Solutions

Trend in MRR

Growing number of active licenses drives stable MRR growth

(in millions of yen)

YoY **+17.6**%

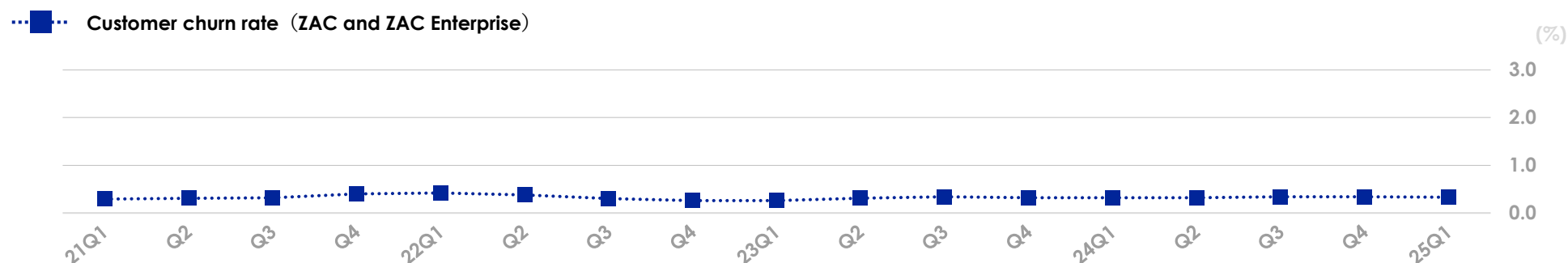| Quarter	MRR
22Q1	205
22Q2	214
22Q3	210
22Q4	222
23Q1	246
23Q2	258
23Q3	277
23Q4	288
24Q1	296
24Q2	317
24Q3	335
24Q4	339
25Q1	349

*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%.

■···■··· Customer churn rate（ZAC and ZAC Enterprise）

(%)

3.0
2.0
1.0
0.0

21Q1　Q2　Q3　Q4　22Q1　Q2　Q3　Q4　23Q1　Q2　Q3　Q4　24Q1　Q2　Q3　Q4　25Q1

*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

New contract acquisitions reached 19.1% of the full-year target of 89, with a well-balanced mix of large and small to mid-sized clients. Contract cancellations were primarily due to business closures or transitions to parent company systems following M&A.

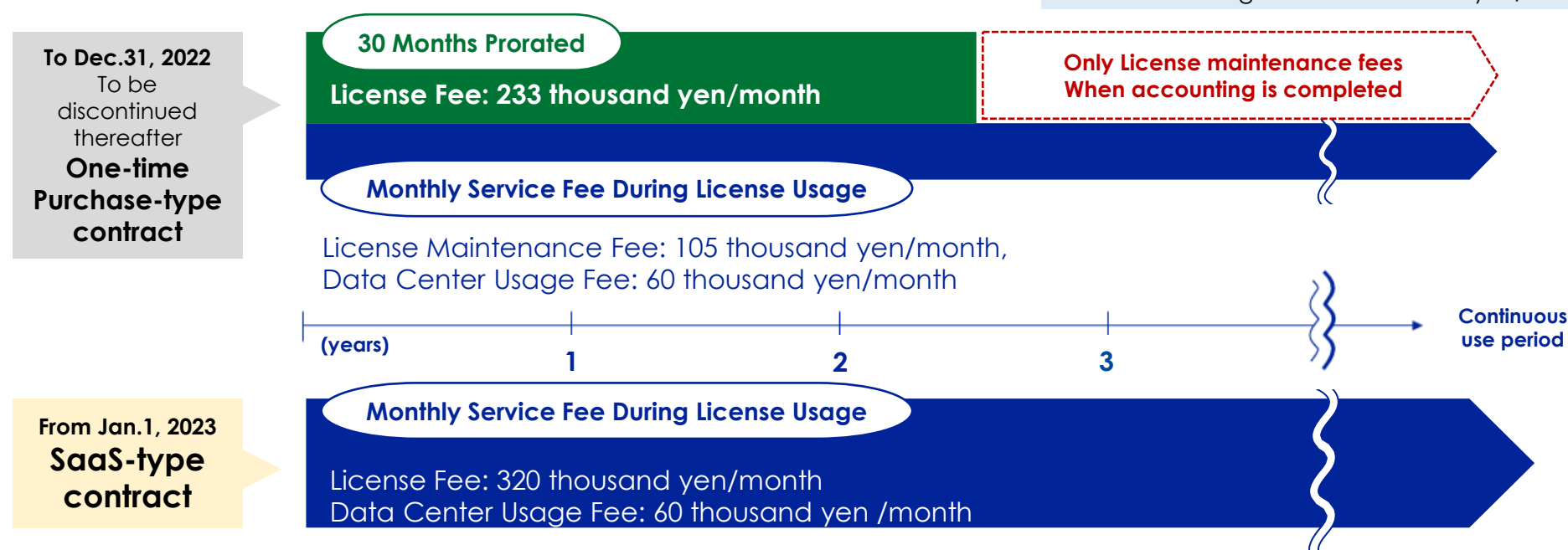|	21/12 Q1	21/12 Q2	21/12 Q3	21/12 Q4	22/12 Q1	22/12 Q2	22/12 Q3	22/12 Q4	23/12 Q1	23/12 Q2	23/12 Q3	23/12 Q4	24/12 Q1	24/12 Q2	24/12 Q3	24/12 Q4	25/12 Q1
Number of New Contracts	17	6	21	19	21	15	23	28	13	16	16	9	13	21	17	17	17
Number of Churns	5	8	7	5	11	3	0	7	9	7	4	3	11	9	4	4	8

Cloud Solutions

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

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: 60 thousand yen/month

(years)

1   2   3

Continuous use period

**From Jan.1, 2023
SaaS-type contract**

Monthly Service Fee During License Usage

License Fee: 320 thousand yen/month
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.

Cloud Solutions

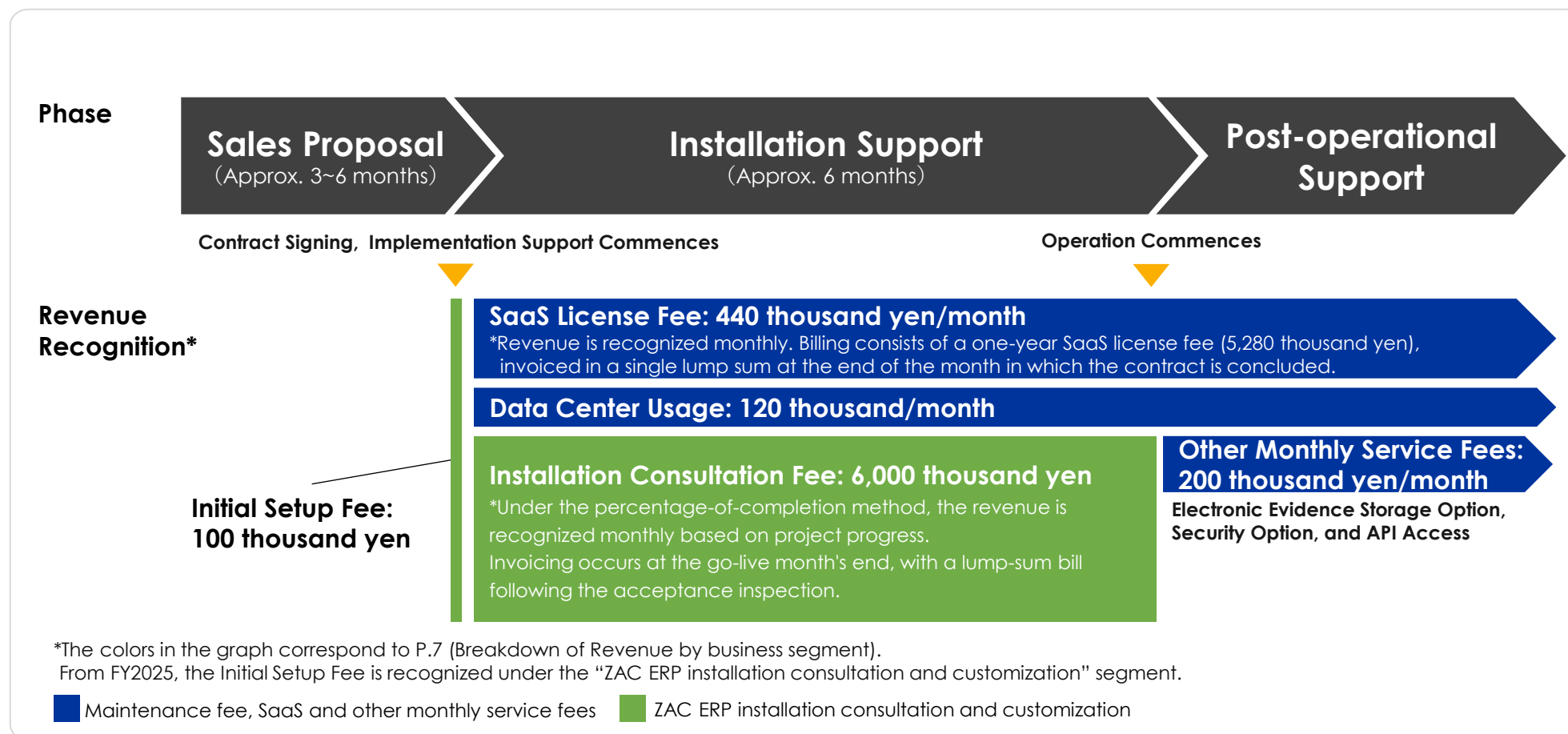# Schedule and Revenue Recognition after New ZAC Contract

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
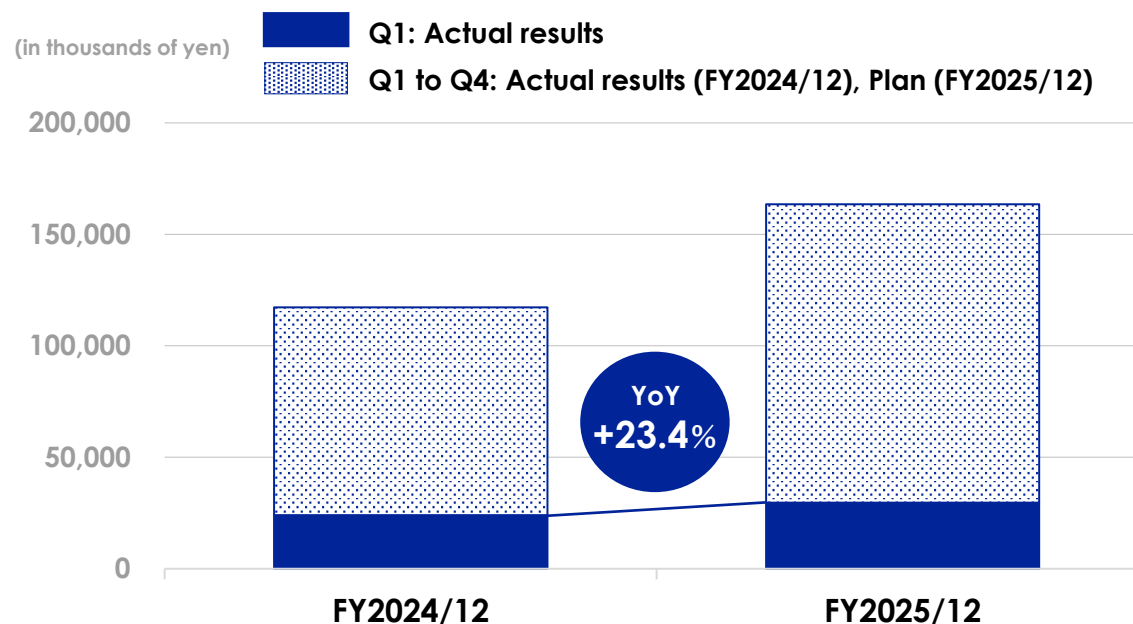
Additional Monthly Service Configurations:
Electronic Evidence Storage Option, Security Option, API Access

Phase

| Sales Proposal (Approx. 3~6 months) | Installation Support (Approx. 6 months) | Post-operational Support |

Contract Signing, Implementation Support Commences

Operation Commences

Revenue Recognition*

SaaS License Fee: 440 thousand yen/month
*Revenue is recognized monthly. Billing consists of a one-year SaaS license fee (5,280 thousand yen), invoiced in a single lump sum at the end of the month in which the contract is concluded.

Data Center Usage: 120 thousand/month

Other Monthly Service Fees: 200 thousand yen/month
Electronic Evidence Storage Option, Security Option, and API Access

Installation Consultation Fee: 6,000 thousand yen
*Under the percentage-of-completion method, the revenue is recognized monthly based on project progress.
Invoicing occurs at the go-live month's end, with a lump-sum bill following the acceptance inspection.

Initial Setup Fee: 100 thousand yen

*The colors in the graph correspond to P.7 (Breakdown of Revenue by business segment).
 From FY2025, the Initial Setup Fee is recognized under the "ZAC ERP installation consultation and customization" segment.

■ Maintenance fee, SaaS and other monthly service fees   ■ ZAC ERP installation consultation and customization

Efforts for Customer Acquisition

Advertising Expenses (only ZAC and Reforma PSA)

(in thousands of yen)

- ■ **Q1: Actual results**
- ▦ **Q1 to Q4: Actual results (FY2024/12), Plan (FY2025/12)**

Bar chart showing Advertising Expenses for FY2024/12 and FY2025/12 with YoY +23.4%

	FY2024/12	FY2025/12

Rate of progress against the plan:

18.1% (As of March 31, 2025)

Sales-qualified lead (SQL) generation and appointment acquisition during this quarter faced challenges, particularly around the trade show held in March. In contrast, the large-scale exhibition "Japan DX Week" in April delivered strong results. We are actively working to recover SQL and appointment acquisition progress during the first half.

Plans for FY2025/12

To reach our full-year target of 89 new clients, we will continue investing in high-impact initiatives.

We are to plan exhibit at the "Back Office DXPO Nagoya '25" in June.

Cloud Solutions

Efforts for Customer Acquisition

For the purpose of acquiring new clients and maximizing MRR, we implemented the following initiatives:

Strengthening Collaboration with Sales Agencies

To increase the number of sales qualified leads (SQLs), the Sales Planning Team 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.

Development and Provision of Optional Features

In addition to the "QuickSight Integration Option" and "HubSpot Integration Option," both highly regarded for enhancing operational efficiency across workflows surrounding ZAC, we launched the "Salesforce Integration Option" in March. We will continue developing and offering new optional features to help address operational challenges faced by both new and existing customers.

* QuickSight is a service provided by Amazon Web Services, Inc HubSpot is provided by HubSpot Japan, Inc. Salesforce is provided by Salesforce Japan Co., Ltd.

Breakdown of Expenses (Consolidated)

(in millions of yen)

■ Other expenses (including server and other costs and outsourcing costs)
■ Research and development expenses
■ Advertising expenses
■ Labor costs / personnel expenses (Sales and administrative staff)
■ Labor costs / personnel expenses (Manufacturing staff)

	23Q1	23Q2	23Q3	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1
Other expenses	157	174	188	229	176	186	173	187	183
Research and development expenses	10	9	12	13	20	24	29	24	14
Advertising expenses	39	30	35	47	46	63	51	54	58
Labor costs (Sales and administrative staff)	165	180	193	189	197	213	214	216	228
Labor costs (Manufacturing staff)	174	195	202	204	206	229	226	224	229

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

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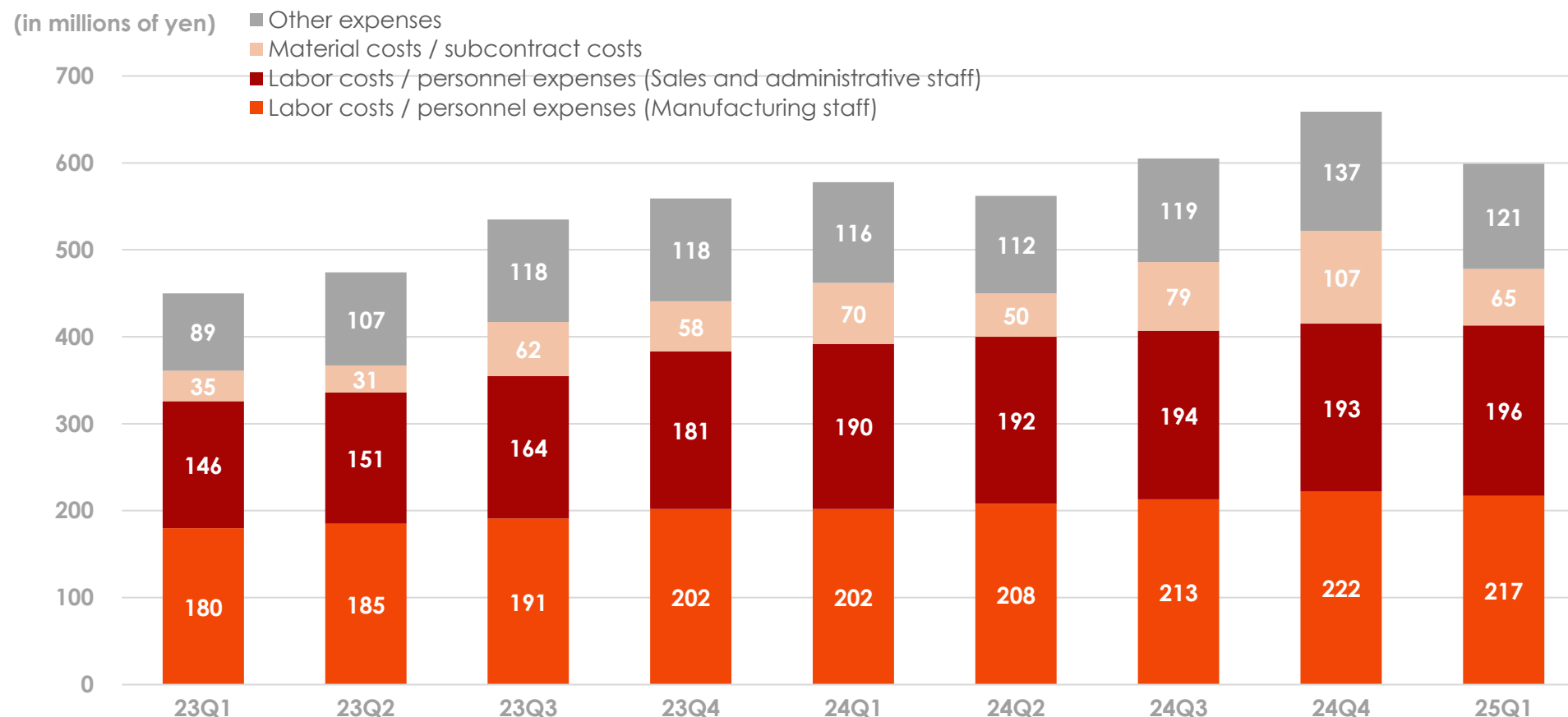
Breakdown of Personnel (Consolidated)

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
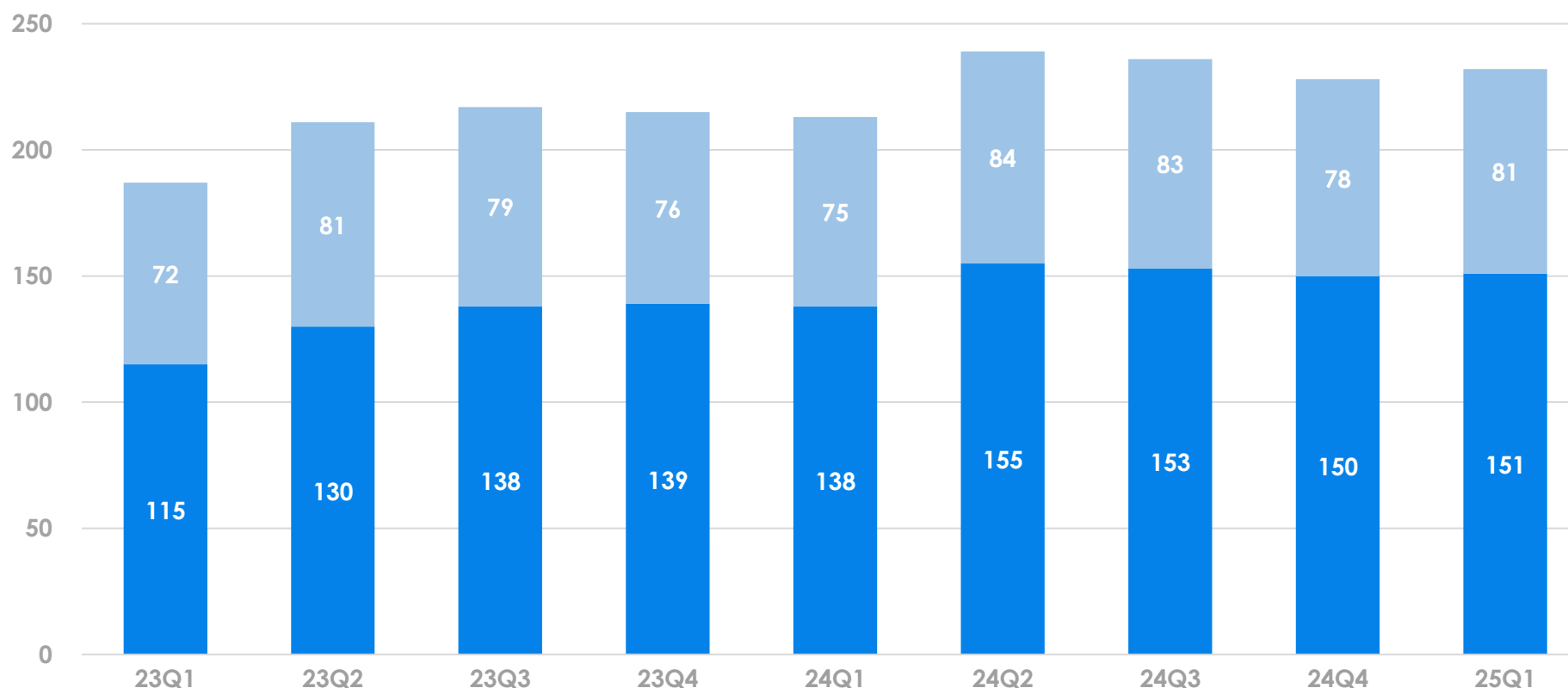
*Starting from FY2024/12, the Company has changed the reporting segments.
Accordingly, number of employees for FY2023/12 is shown after retrospective application of this change.
*We disclose the average number of employees during the quarter (rounded to one decimal place) instead of at the end of the 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 declined due to major client's ad budget cuts, but results were in line with the plan.

(in millions of yen)

Old segment ← | → New segment

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

Quarter	Marketing / promotion	System / website integration, etc.	Operation support / operation office
21Q1	264	166	172
21Q2	182	173	175
21Q3	216	214	169
21Q4	220	220	220
22Q1	193	226	176
22Q2	204	221	152
22Q3	365	209	156
22Q4	290	295	177
23Q1	311	152	148
23Q2	248	148	159
23Q3	336	154	183
23Q4	318	236	156
24Q1	355	248	161
24Q2	318	217	179
24Q3	348	203	160
24Q4	385	231	160
25Q1	292	189	159

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

Overseas Revenue

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

(in millions of yen)

Legend: Q1 · Cumulative total of Q1~Q2 · Cumulative total of Q1~Q3 · Cumulative total of Q1~Q4

FY21/12
- Q1: 71
- Q2: 118
- Q3: 169
- Q4: 255

FY22/12
- Q1: 97
- Q2: 173
- Q3: 246
- Q4: 329

FY23/12
- Q1: 70
- Q2: 134
- Q3: 232
- Q4: 294

FY24/12
- Q1: 87
- Q2: 182
- Q3: 299
- Q4: 419

FY25/12
- Q1: 105
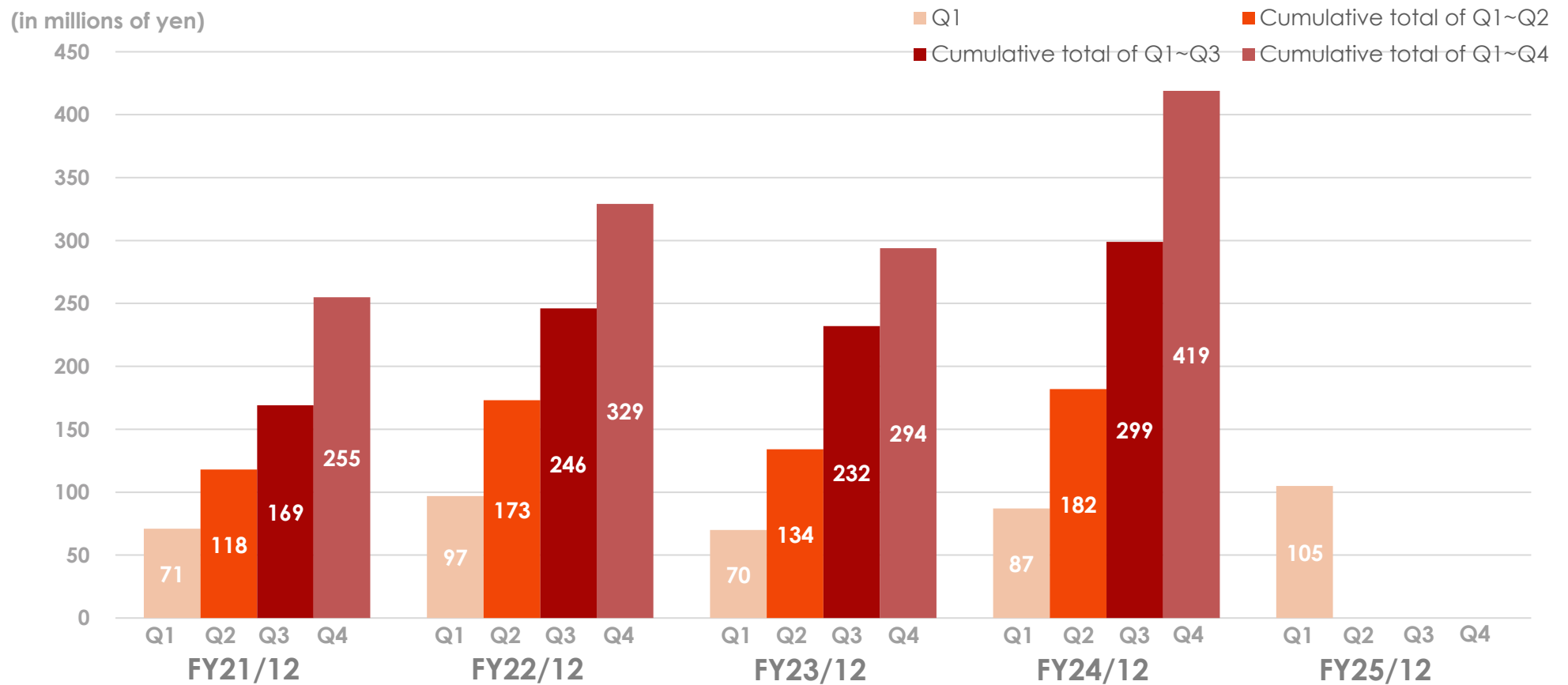
Breakdown of Expenses (Consolidated)

We are reviewing staffing plans and reducing costs in response to business conditions.

However, personnel expenses are expected to increase in Q2 FY2025 due to the onboarding of new graduate hires in April.

(in millions of yen)

- Other expenses
- Material costs / subcontract costs
- Labor costs / personnel expenses (Sales and administrative staff)
- Labor costs / personnel expenses (Manufacturing staff)

	23Q1	23Q2	23Q3	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1
Other expenses	89	107	118	118	116	112	119	137	121
Material costs / subcontract costs	35	31	62	58	70	50	79	107	65
Labor costs (Sales and administrative staff)	146	151	164	181	190	192	194	193	196
Labor costs (Manufacturing staff)	180	185	191	202	202	208	213	222	217

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

Breakdown of Personnel (Consolidated)

Recruitment is being flexibly managed in line with order trends and revenue forecasts.
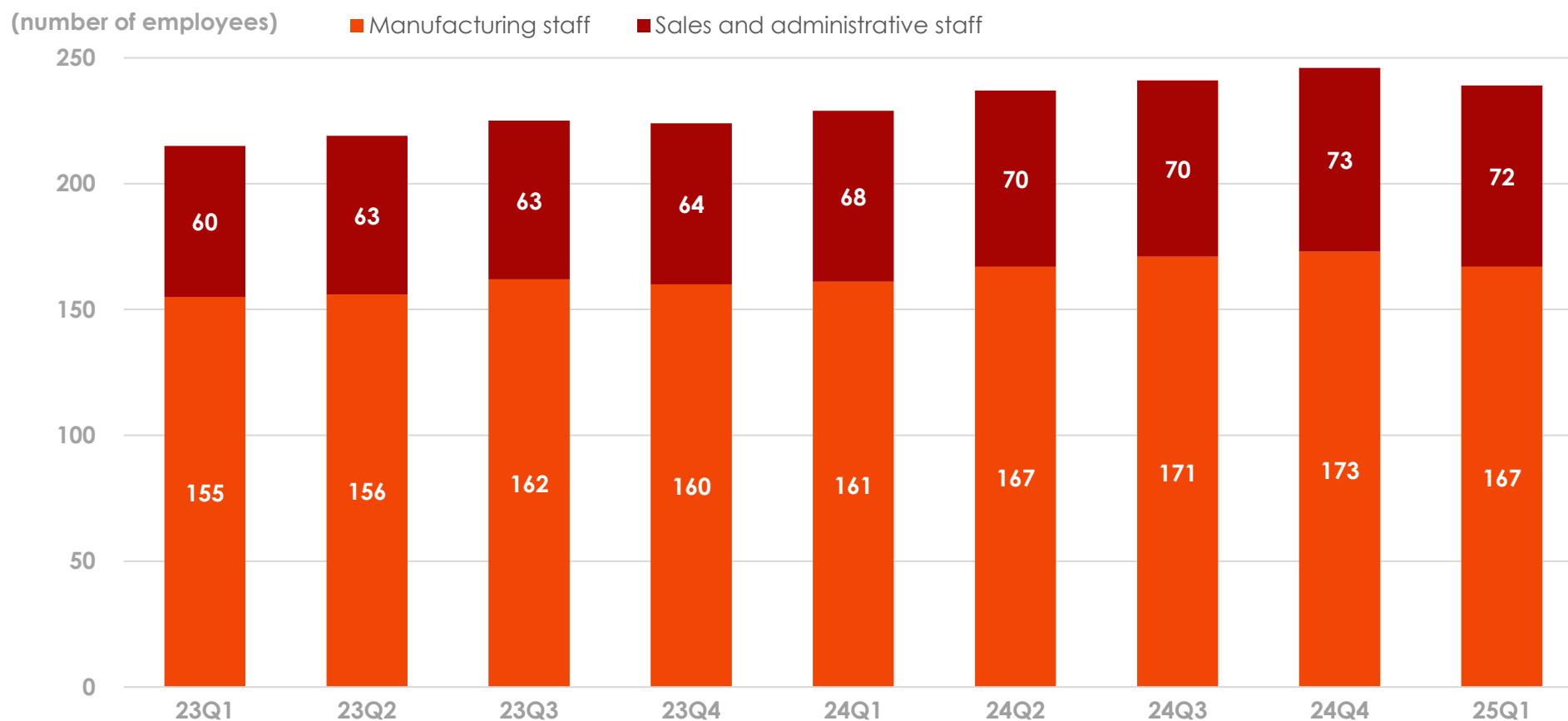
(number of employees) ■ Manufacturing staff ■ Sales and administrative staff

	23Q1	23Q2	23Q3	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1
Sales and administrative staff	60	63	63	64	68	70	70	73	72
Manufacturing staff	155	156	162	160	161	167	171	173	167

*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 the reporting of the number of full-time employees for the consolidated group, rather than just the three domestic companies.

Progress against Forecasts and Actual Results

(in millions of yen)

	FY2025/12 Q1 Results [Composition ratio]	FY2025/12 Forecasts [Composition ratio]			
		Full-year	Progress	H1	Progress
Revenue	1,980 [100.0%]	9,142 [100.0%]	21.7%	4,163 [100.0%]	47.6%
Cloud Solutions	1,339 [67.6%]	5,959 [65.2%]	22.5%	2,786 [66.9%]	48.1%
Marketing Solutions	641 [32.4%]	3,182 [34.8%]	20.1%	1,376 [33.1%]	46.6%
Operating profit	664* [33.6%]	2,985 [32.7%]	22.3%	1,187 [28.5%]	56.0%
Cloud Solutions	625 [31.6%]	2,569 [28.1%]	24.3%	1,141 [27.4%]	54.7%
Marketing Solutions	39 [2.0%]	415 [4.5%]	9.4%	45 [1.1%]	86.9%
Profit before tax	591 [29.9%]	3,020 [33.0%]	19.6%	1,204 [28.9%]	49.1%
Profit attributable to owners of the parent	409 [20.7%]	2,099 [23.0%]	19.5%	835 [20.1%]	49.0%

* Includes 0.2 million yen of other profit (loss) not attributable to reportable segments.

Profit and Loss Statement (YoY)

(in millions of yen)

	FY2024/12 [Composition ratio]	Q1 FY2025/12 [Composition ratio]	Difference	Main factors
Revenue	**1,920** [100.0%]	**1,980** [100.0%]	**60**	
Cost of sales	621 [32.4%]	658 [33.2%]	36	Increase in technical personnel, salary, and material costs.
Gross profit	1,298 [67.6%]	1,322 [66.8%]	23	
Selling, general and administrative expenses	583 [30.4%]	643 [32.5%]	59	Increase in sales and administrative employees and salary, and advertising expenses.
Research and development	20 [1.1%]	14 [0.7%]	(6)	
Other profit (loss)	0 [0.0%]	0 [0.0%]	(0)	
Operating profit	**694** [36.2%]	**664** [33.6%]	**(30)**	
Finance profit (loss)	62 [3.3%]	(73) [(3.7%)]	(135)	Increase in foreign exchange losses.
Profit before tax	**757** [39.4%]	**591** [29.9%]	**(165)**	
Profit	**521** [27.1%]	**413** [20.9%]	**(107)**	
Profit attributable to owners of the parent	**521** [27.2%]	**409** [20.7%]	**(112)**	

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

(in millions of yen)

	FY2024/12	FY2025/12 Q1	Difference
Current assets	**12,455**	**11,604**	**(851)**
Cash and cash equivalents	9,903	9,531	(371)
Trade and other receivables	974	1,000	25
Contract Assets	434	222	(211)
Other current assets	1,143	850	(293)
Non-Current Assets	**1,134**	**1,057**	**(77)**
Property, plant and equipment	574	501	(72)
Intangible assets	119	146	26
Other	440	409	(31)
Total assets	**13,590**	**12,661**	**(928)**

	FY2024/12	FY2025/12 Q1	Difference
Total liabilities	**3,308**	**2,802**	**(505)**
Current liabilities	2,986	2,492	(493)
Contract liabilities	1,600	1,432	(167)
Income tax payable	233	127	(105)
Trade and other payable	472	277	(194)
Other current liabilities	680	654	(25)
Non-current liabilities	321	310	(11)
Total equity	**10,281**	**9,858**	**(422)**
Equity attributable to owners of the Parent	10,283	9,856	(426)
Non-controlling interests	(2)	1	3
Total liabilities and equity	**13,590**	**12,661**	**(928)**

News Release

Apr 30	"Semrush" Receives "Leader" Award in 3 Categories at ITreview Grid Award 2025 Spring
Apr 22	Cloud-based ERP "ZAC" to Exhibit at Japan DX Week Spring 2025, Japan's Largest DX Expo
Apr 2	oRo (Thailand) Co., Ltd. appointed as marketing advisor to Thai Meiji Food Co., Ltd.
Mar 28	Cloud-based ERP "Reforma PSA" obtains "JIIMA Certification*" for document retention compliance
Mar 24	Cloud-based ERP "ZAC" obtains "JIIMA Certification*" for document retention compliance
Mar 17	Cloud-based ERP "ZAC" launches new "Salesforce Integration Option"
Mar 4	[Improved product sales and web analytics!] Post-implementation interview with Semrush × Nippon Travel Agency now available
Feb 21	[One-stop solution from analysis to performance measurement!] Post-implementation interview with Semrush × Leverages Inc. now available
Feb 20	Cloud-based ERP "Reforma PSA" launches new integration feature with Google Calendar
Feb 18	Cloud-based ERP "ZAC" to exhibit at "Back Office DXPO Osaka 2025," promoting operational efficiency and DX for administrative departments

*The JIIMA certification is awarded by the Japan Image and Information Management Association (JIIMA) to document management systems that comply with legal requirements, including the Electronic Book Preservation Act.

Business Segment Topics

02

Business Overview

Cloud Solutions (CS)

Development and provision of cloud services, including

ZAC   Reforma PSA

Marketing Solutions (MS)

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

CLOUD SOLUTIONS

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.

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

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 May 31, 2025)
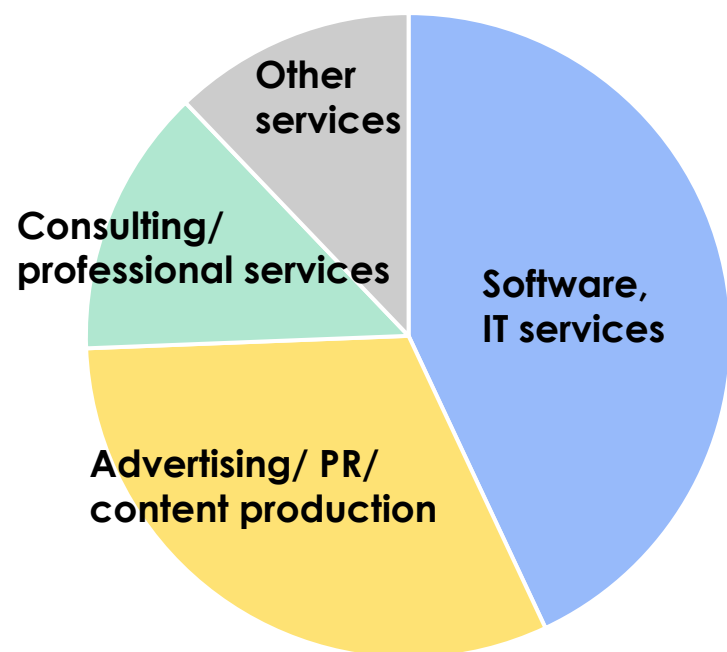
Recently, orders from the software and IT services industries have increased.
Approximately 40% of the total number of orders received come from the IT service industry, and 30% come from the advertising industry.

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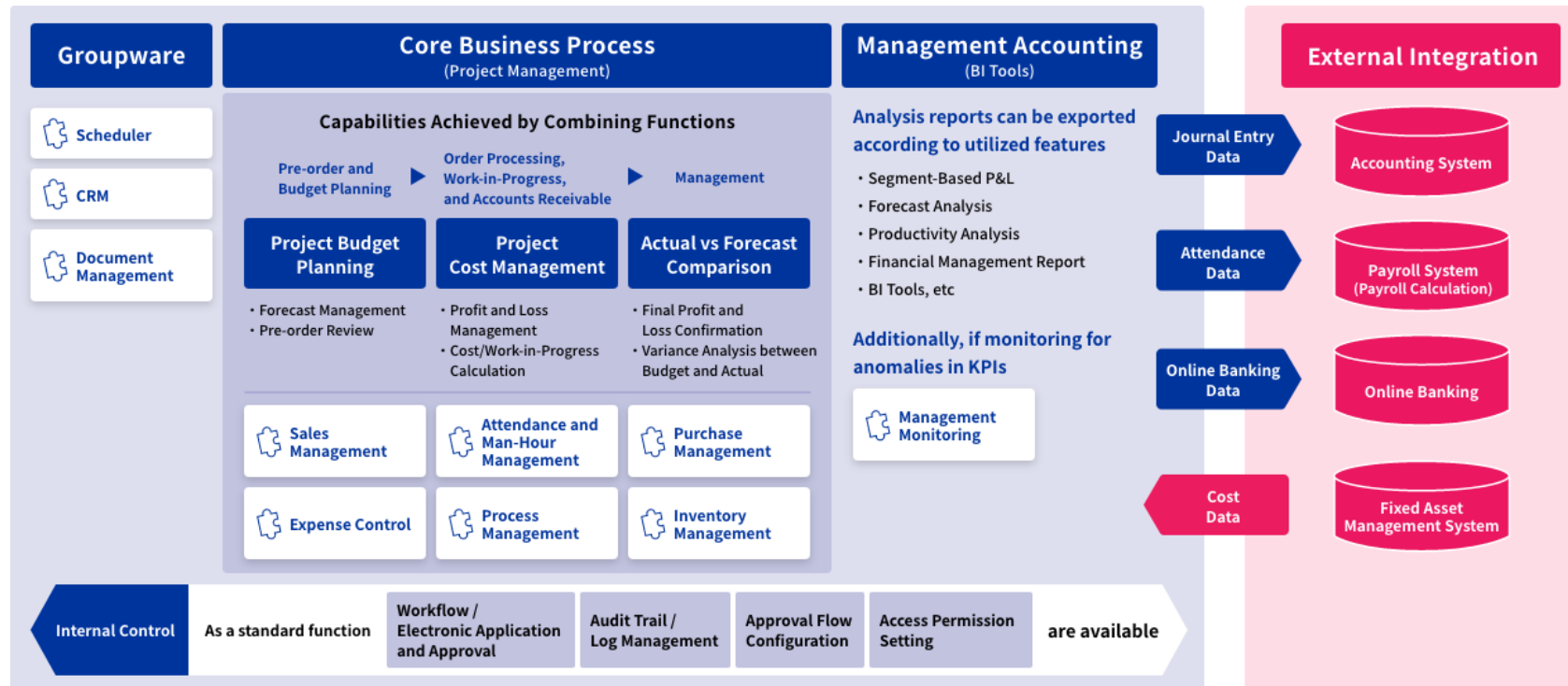
*Reforma PSA provides some of ZAC's key features.

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
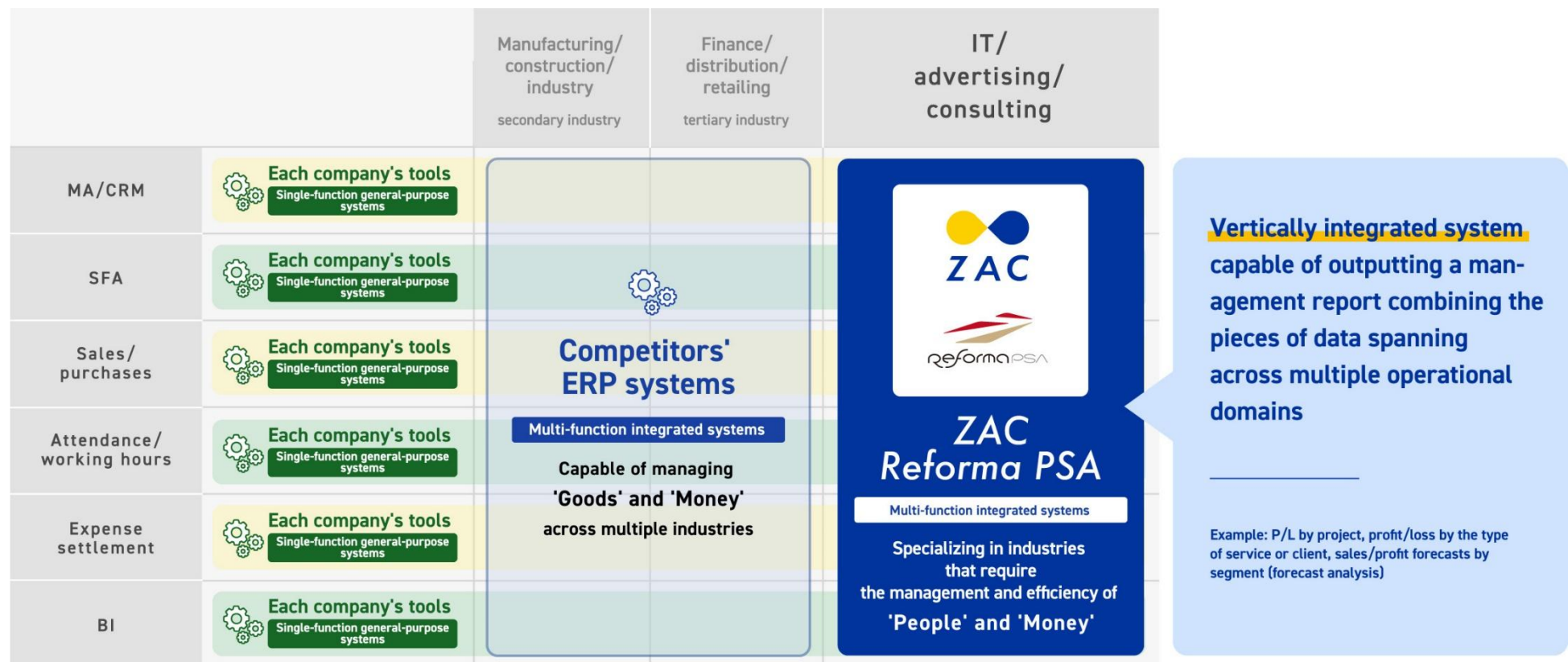
Advantages of Cloud-Based Systems in Functional Scalability

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

ZAC

Multiple added functions

Company A

Company B

Company C

W X

Y Z

X Y
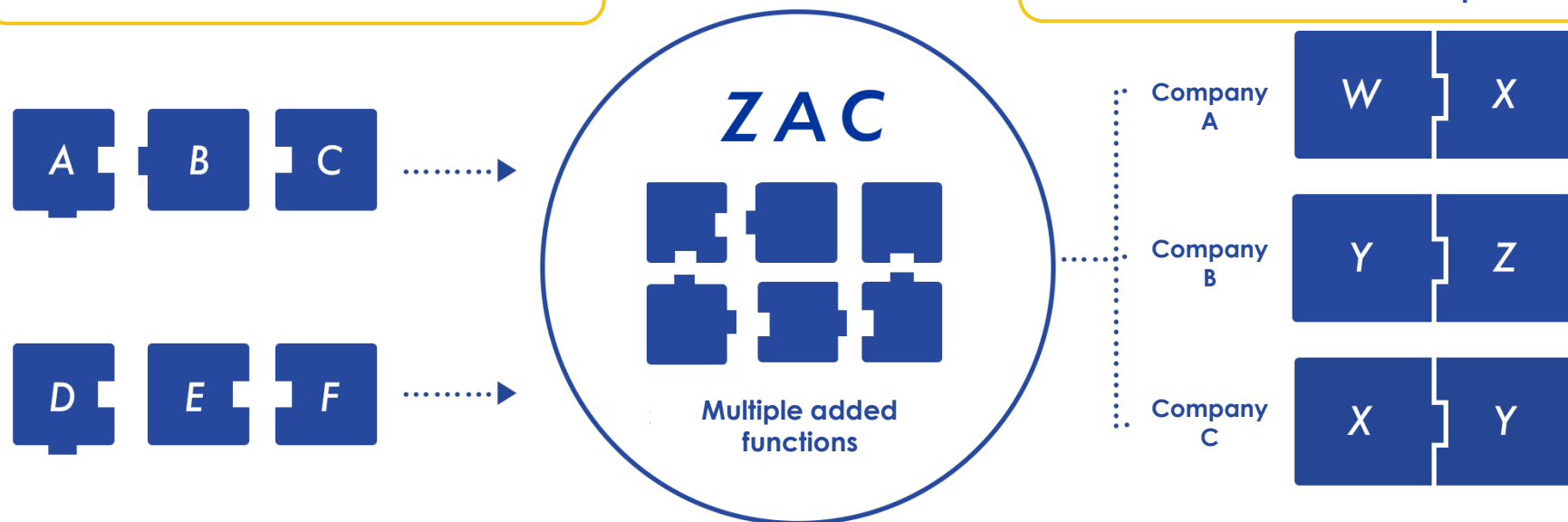
Advantages of industry-specific parameter design

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.

Cloud Solutions

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**.

Health Score and Market Customer Needs Analysis

Product Development

Customer Satisfaction

New Feature Offering

Regular Version Updates

*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:

Employee working hours > Actual labor costs

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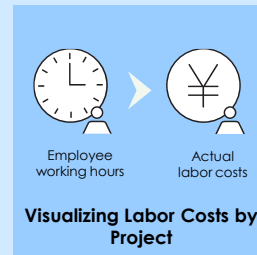
Easier Understanding of Labor Costs by Project
Centralizing the management of man-hours at a single ZAC location has streamlined the process, allowing for quick and efficient allocation of labor costs by project.

Future

Past

Improved Accuracy of Management Control

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.

Cloud Solutions

Strengthening Development for Further Market Expansion

44,000 domestic target companies, we are targeting larger companies and overseas markets
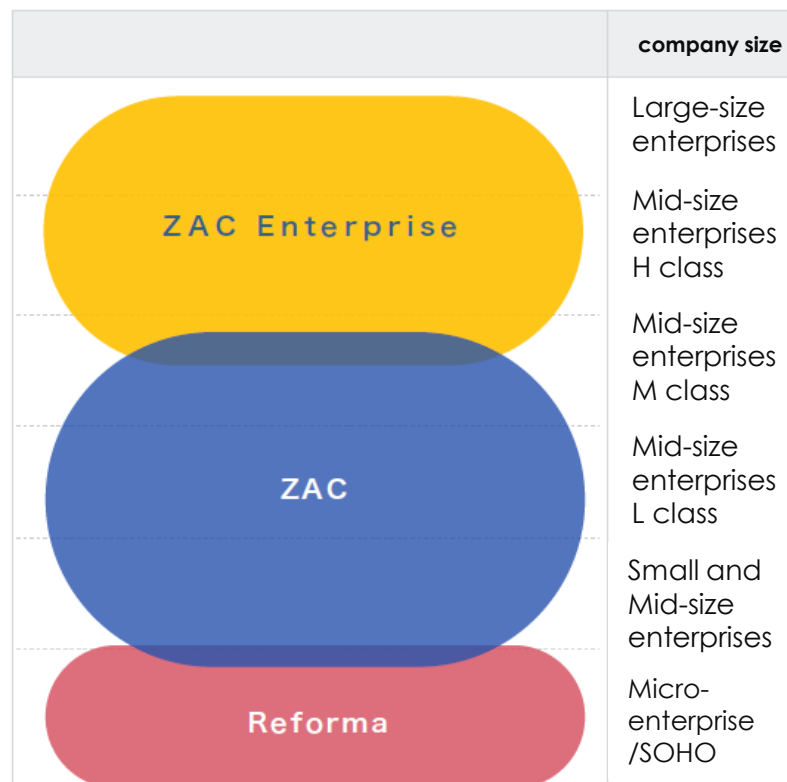
We will review our system configuration and enhance our internationalization functions to propose solutions to large enterprises with 10,000 employees and small- to medium-sized enterprises located overseas by 2026.

Market Expansion Image (TAM)

Present

	company size
TAM expansion and ARPA improvement	Large-size enterprises
ZAC Enterprise	Mid-size enterprises H class
TAM expansion through overseas expansion	Mid-size enterprises M class
ZAC	Mid-size enterprises L class
	Small and Mid-size enterprises
Reforma	Micro-enterprise /SOHO

2026

	company size
ZAC Enterprise	Large-size enterprises
	Mid-size enterprises H class
	Mid-size enterprises M class
ZAC	Mid-size enterprises L class
	Small and Mid-size enterprises
Reforma	Micro-enterprise /SOHO

*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.

Strengthening Development for Further Market Expansion

Feature development for overseas sales is progressing well; Hanoi exhibition* planned for May

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.

⭐ **Reasons 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.

* VietOffice 2025

Cloud Solutions

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

Cloud Solutions

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

サブスク管理に速さを
ハヤサブ

Issues that can be solved and expected

Challenges Before Implementation	Effects After Implementation
● Manual billing processes lead to errors, including missed and inaccurate charges.	● Systematization ensures accurate billing amid complex fee and contract structures.
● Key subscription business KPIs like MRR and churn rates are not calculated accurately or promptly.	● 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.

SEMRUSH

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

(active users)

2024
Over **1500**
active users

March
Semrush Holdings, Inc. went public on NY NASDAQ

2022
Over 1000 active users

2021
Became Profitable

2020
Semrush moved into the black on a monthly basis

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

2,000 / 1,750 / 1,500 / 1,250 / 1,000 / 750 / 500 / 250 / 0

2018 · 2019 · 2020 · 2021 · 2022 · 2023 · 2024
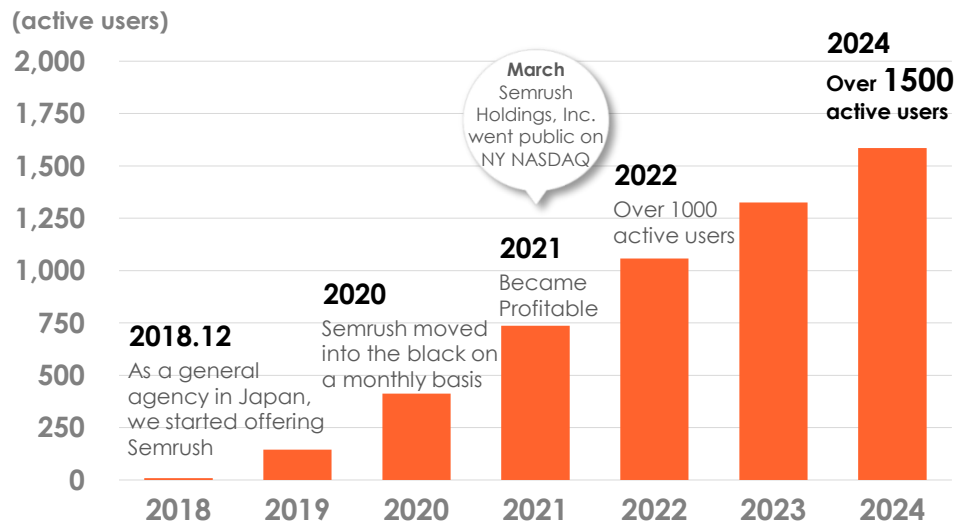
Aim to **increase the number of Enterprise users and the revenue growth rate** in 2025

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

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-timepurchase-typecontract)
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"

* While we plan to begin overseas sales of ZAC in 2026, the impact on our financial performance is currently difficult to estimate. Accordingly, it is not reflected in our earnings forecast for FY26/12 and beyond.

Marketing Solutions

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 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)

Outcome
Output
Execution
Tactics
Strategy

Support model to link strategy to implementation and deliver results

Tactics

Communication design

=Creating tactics
Pursuit of essential results/advertising effectiveness
Integrated mass x digital planning
Comprehensive CRM consulting
Experience strategy development
Governance development

Breakthrough

Execution

Marketing execution support

=Create and implement mechanism
Website construction, maintenance and operation
System construction, maintenance and operation
SNS operation, email marketing operation
Campaign/advertising office

Scale up

Data Driven Marketing

Data platform implementation support, MA implementation and utilization support, GA4 solutions, BI implementation support and construction, 1st Party data utilization

We support the marketing efforts of large enterprises

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 Manage 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

Advertisements with a Unified Brand Image

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 Insights

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.

OBAYASHI

Requirements	TOPPAN ☓ ORO Proposal

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

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.

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)

- **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 revenue from Semrush)

- **Marketing / promotion**
  Planning of customer's marketing and promotion, placement of advertisements, and research.

  While focusing on growing this segment, we also plan to simultaneously roll out proposals for the other two segments, complementing our marketing and promotion-related proposals to support our clients' marketing strategy execution.

Company Profile

03

Corporate Philosophy
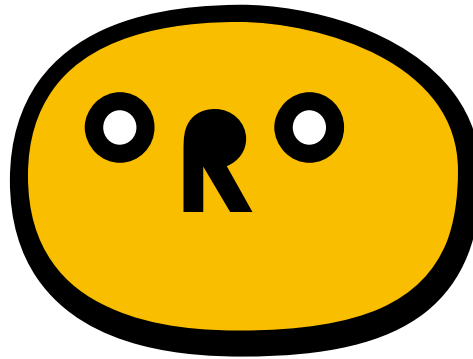
With the commitment of all employees
in creating what they can proudly present to the world
(namely our organization with its products, and services),
oRo's goal is to continue to deliver
more happiness and joy to more people
(coworkers, families, business partners, shareholders and society),
and lead 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 launched 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)
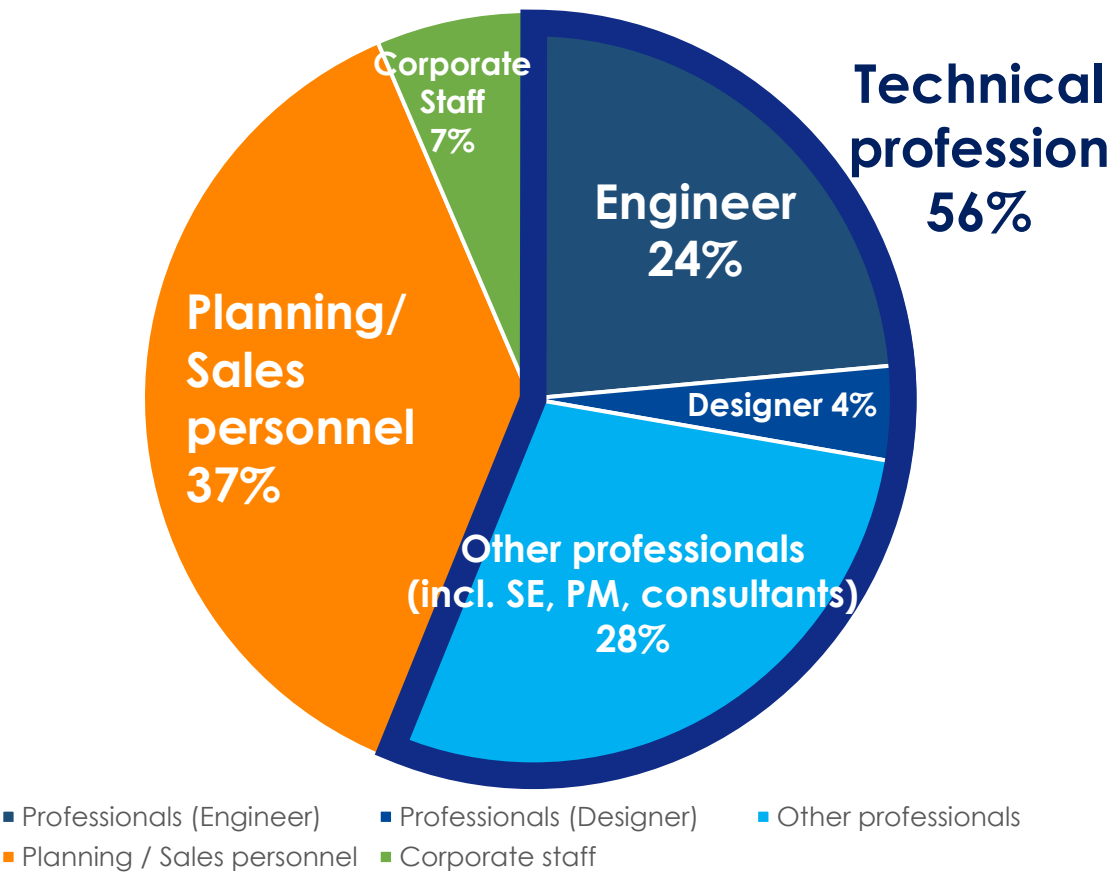
2022   Transition to TSE Prime Market

Organizational Structure

Organizational structure promotes "technology x creativity" solutions

Split between manufacturing and sales personnel

- Manufacturing staff
- Sales and administrative staff

Consolidated
546

Non-consolidated
310
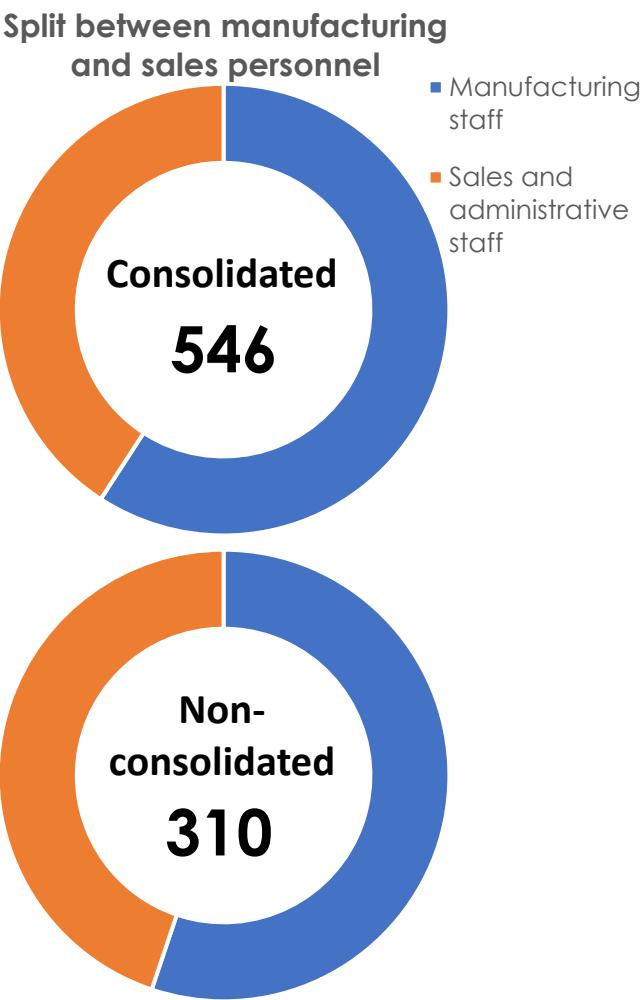
(As of December 31, 2024)

Breakdown by job type
(non-consolidated)

- Corporate Staff 7%
- Engineer 24%
- Technical profession 56%
- Designer 4%
- Other professionals (incl. SE, PM, consultants) 28%
- Planning/Sales personnel 37%

- Professionals (Engineer)
- Professionals (Designer)
- Other professionals
- Planning / Sales personnel
- Corporate staff

(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.

The Percentage of Women in Managerial Positions
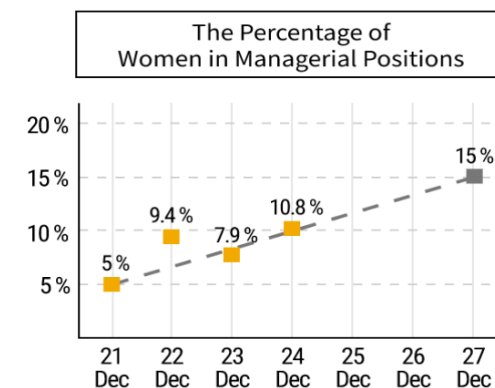
Human Resources Initiatives (2/2)

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"	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 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.
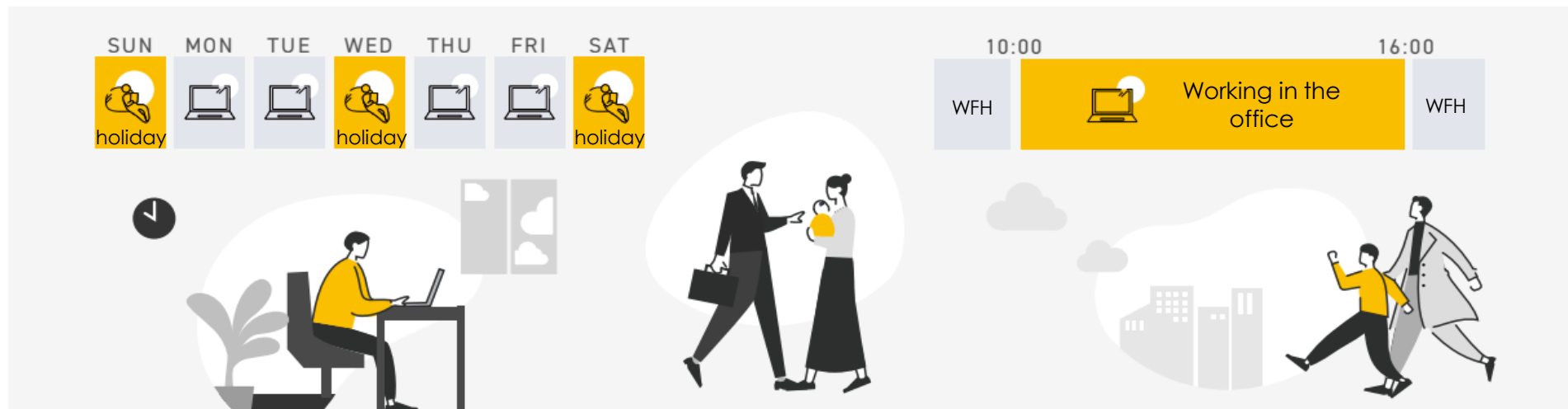
*Our company has certified as a Health & Productivity Management Outstanding Organization 2024 (Large Enterprise Category) for the second consecutive year, and oRo Miyazaki and oRo code MOC were also certified in the Small and Medium-Sized Enterprise Category.
And also we and oRo Miyazaki have received 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 FY2024/12 were 2,962 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.
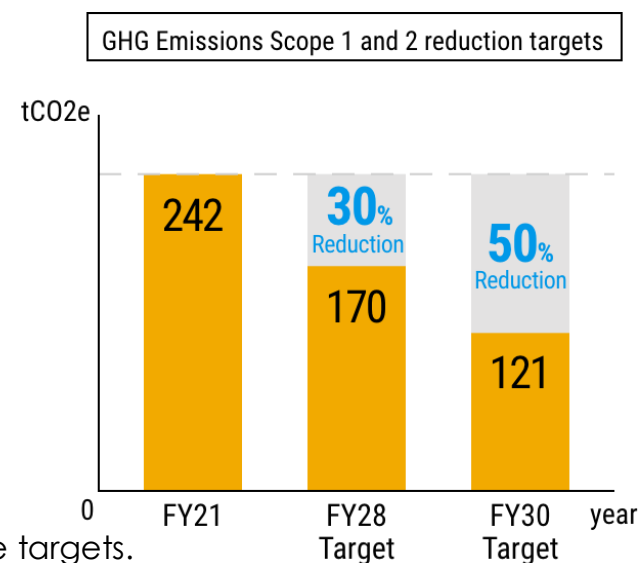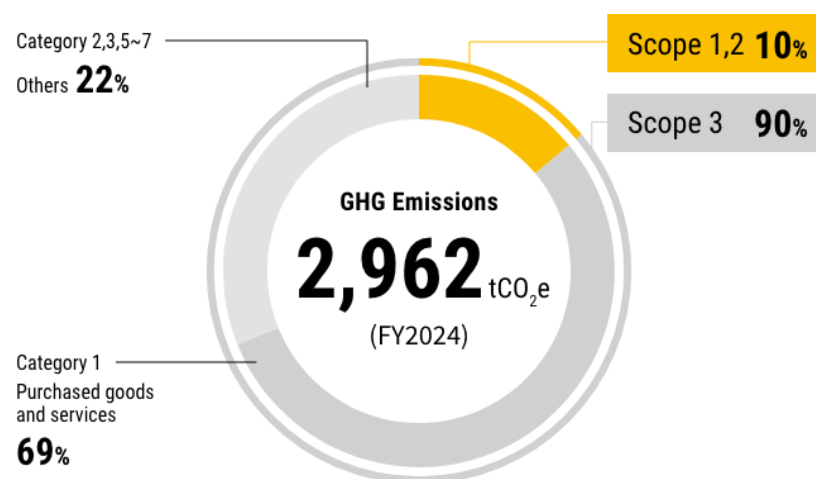
*The targets are set with 2021 as the base year and Scope 1 and 2 as the targets.

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	**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.**

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.

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