

Translation

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Summary of Consolidated Financial Results  
for the Three Months Ended March 31, 2024  
(Based on IFRS)

May 14, 2024

Company name: ORO Co., Ltd  
 Stock exchange listing: TSE  
 Stock code: 3983 URL: <https://www.oro.com>  
 Representative: Atsushi Kawata, Representative Director, President and CEO  
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 Scheduled date to file Quarterly Securities Report: May 14, 2024  
 Scheduled date to commence dividend payments: -  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: None

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended March 31, 2024 (from January 1, 2024 to March 31, 2024)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Revenue		Operating profit		Profit before tax		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended March 31, 2024	1,920	20.8	694	17.6	757	28.2	521	28.5
Three months ended March 31, 2023	1,589	14.1	590	21.5	590	17.1	405	14.7
	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share		Diluted earnings per share	
	Millions of yen	%	Millions of yen	%	Yen		Yen	
Three months ended March 31, 2024	521	28.4	534	27.9	32.36		—	
Three months ended March 31, 2023	406	16.6	417	10.5	25.21		—	

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
	Millions of yen	Millions of yen	Millions of yen	%
As of March 31, 2024	12,151	8,939	8,939	73.6
As of December 31, 2023	12,373	8,884	8,884	71.8

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended December 31, 2023	—	0.00	—	30.00	30.00
Year ending December 31, 2024	—	—	—	—	—
Year ending December 31, 2024 (Forecast)	—	0.00	—	30.00	30.00

Note: Revisions to most recently released dividend forecast : None

3. Forecast of consolidated financial results for the year ending December 31, 2024 (from January 1, 2024 to December 31, 2024)

Percentages indicate year-on-year changes

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Basic earnings per share	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	
Full year	8,229	17.0	2,782	9.2	2,824	8.5	1,963	7.3	1,963	6.9	121.55	

Note: Revisions to most recently released earnings forecast : None

#### 4. Notes

- (1) Changes in significant subsidiaries during the Period  
(changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies and changes in accounting estimates
- Changes in accounting principles required by IFRS: None
- Changes in accounting policies due to other reasons: None
- Changes in accounting estimates: None

#### (3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024	16,156,453 shares	As of December 31, 2023	16,156,453 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	30,282 shares	As of December 31, 2023	30,282 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2024	16,126,171 shares	Three months ended March 31, 2023	16,117,154 shares
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\* These Consolidated basic Results are not included in the scope of audits by certified public accountants or audit corporations.

\* Explanation concerning appropriate use of the earnings forecast and other matters to note

(Caution regarding forward-looking statements)

Earnings forecasts and other forward-looking statements contained in this document are based on information available at the time of this document's preparation and on certain assumptions that are deemed to be reasonable. These forward-looking statements do not guarantee future performance, and actual results, performance, achievements or financial position may differ materially from those expressed or implied herein due to a range of factors.

(Method of obtaining supplementary materials to quarterly financial results)

Supplementary materials to financial results are disclosed on TDnet and the Company's website on the same day.

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1. Condensed quarterly consolidated financial statement and key notes

(1) Condensed quarterly consolidated statement of financial position

(Thousands of yen)

	As of December 31, 2023	As of March 31, 2024
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	8,707,486	8,590,754
Trade and other receivables	998,173	1,234,607
Contract assets	447,407	201,210
Other financial assets	641,152	691,241
Other current assets	126,445	98,499
<b>Total current assets</b>	<b>10,920,664</b>	<b>10,816,313</b>
<b>Non-current assets</b>		
Property, plant and equipment	731,017	660,556
Intangible assets	83,338	84,419
Other financial assets	111,251	111,507
Deferred tax assets	488,796	442,136
Other non-current assets	38,452	36,139
<b>Total non-current assets</b>	<b>1,452,857</b>	<b>1,334,760</b>
<b>Total assets</b>	<b>12,373,522</b>	<b>12,151,073</b>

(Thousands of yen)

	As of December 31, 2023	As of March 31, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	455,382	315,462
Contract liabilities	1,759,116	1,713,255
Lease liabilities	195,412	191,689
Income tax payables	229,569	170,708
Provisions	27,639	5,166
Other current liabilities	476,106	512,981
Total current liabilities	3,143,227	2,909,265
Non-current liabilities		
Lease liabilities	220,118	176,590
Provisions	125,895	125,968
Total non-current liabilities	346,014	302,559
Total liabilities	3,489,241	3,211,824
Equity		
Capital stock	1,193,528	1,193,528
Capital surplus	1,095,202	1,095,202
Treasury shares	(112,862)	(105,042)
Retained earnings	6,620,867	6,655,755
Other components of equity	87,318	100,256
Equity attributable to owners of the parent	8,884,053	8,939,700
Non-controlling interests	227	(451)
Total equity	8,884,280	8,939,248
Total liabilities and equity	12,373,522	12,151,073

(2) Condensed quarterly consolidated statement of income and consolidated statement of comprehensive income

Condensed quarterly consolidated statement of income

Three months ended March 31, 2024

(Thousands of yen)

	Three months ended March 31, 2023	Three months ended March 31, 2024
Revenue	1,589,882	1,920,022
Cost of sales	520,527	621,341
Gross profit	1,069,355	1,298,680
Selling, general and administrative expenses	470,843	583,925
Research and development	10,066	20,895
Other income	1,973	780
Other expenses	1	25
Operating profit	590,418	694,614
Finance income	5,800	64,410
Finance costs	5,506	1,682
Profit before tax	590,712	757,342
Income tax expenses	184,978	236,154
Profit	405,733	521,188
Profit attributable to:		
Owners of parent	406,346	521,869
Non-controlling interests	(612)	(681)
Profit	405,733	521,188
Earnings per share		
Basic earnings per share (Yen)	25.21	32.36
Diluted earnings per share (Yen)	-	-

Condensed quarterly consolidated statement of comprehensive income

Three months ended March 31, 2024

(Thousands of yen)

	Three months ended March 31, 2023	Three months ended March 31, 2024
Profit	405,733	521,188
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	11,726	12,941
Total of items that may be reclassified subsequently to profit or loss	11,726	12,941
Other comprehensive income, net of taxes	11,726	12,941
Comprehensive income	417,460	534,130
Attributable to:		
Owners of the parent	417,889	534,808
Non-controlling interests	(429)	(678)
Comprehensive income	417,460	534,130

## (3) Condensed quarterly consolidated statement of changes in equity

Three months ended March 31, 2023

(Thousands of yen)

	Equity attributable to owners of parent			
	Capital stock	Capital surplus	Treasury shares	Retained earnings
Balance on January 1, 2023	1,193,528	1,095,202	(141,788)	5,117,976
Profit				406,346
Other comprehensive income				
Total comprehensive income	-	-	-	406,346
Restricted Stock-based payment transactions			5,465	(1,591)
Dividends				(322,343)
Total transactions with owners	-	-	5,465	(323,935)
Balance on March 31, 2023	1,193,528	1,095,202	(136,322)	5,200,388

	Equity attributable to owners of parent				
	Other components of equity		Total	Non-controlling interests	Equity
	Exchange differences on translation of foreign operations	Total			
Balance on January 1, 2023	66,170	66,170	7,331,089	6,347	7,337,436
Profit			406,346	(612)	405,733
Other comprehensive income	11,542	11,542	11,542	183	11,726
Total comprehensive income	11,542	11,542	417,889	(429)	417,460
Restricted Stock-based payment transactions			3,873		3,873
Dividends			(322,343)		(322,343)
Total transactions with owners	-	-	(318,469)	-	(318,469)
Balance on March 31, 2023	77,712	77,712	7,430,508	5,918	7,436,427



Three months ended March 31, 2024

(Thousands of yen)

	Equity attributable to owners of parent			
	Capital stock	Capital surplus	Treasury shares	Retained earnings
Balance on January 1, 2024	1,193,528	1,095,202	(112,862)	6,620,867
Profit				521,869
Other comprehensive income				
Total comprehensive income	-	-	-	521,869
Restricted Stock-based payment transactions			7,819	(3,196)
Dividends				(483,785)
Total transactions with owners	-	-	7,819	(486,981)
Balance on March 31, 2024	1,193,528	1,095,202	(105,042)	6,655,755

	Equity attributable to owners of parent		Non-controlling interests	Equity	
	Other components of equity	Total			
	Exchange differences on translation of foreign operations	Total			
Balance on January 1, 2024	87,318	87,318	8,884,053	227	8,884,280
Profit			521,869	(681)	521,188
Other comprehensive income	12,938	12,938	12,938	3	12,941
Total comprehensive income	12,938	12,938	534,808	(678)	534,130
Restricted Stock-based payment transactions			4,623		4,623
Dividends			(483,785)		(483,785)
Total transactions with owners	-	-	(479,161)	-	(479,161)
Balance on March 31, 2024	100,256	100,256	8,939,700	(451)	8,939,248

## (4) Condensed quarterly consolidated statements of cash flows

(Thousands of yen)

	Three months ended March 31, 2023	Three months ended March 31, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	590,712	757,342
Depreciation and amortization	79,533	88,851
Finance income	(3,276)	(68,089)
Finance costs	886	808
Decrease (increase) in trade and other receivables	(65,393)	(244,135)
Decrease (increase) in contract assets	279,869	246,501
Increase (decrease) in trade and other payables	(172,107)	(119,536)
Increase (decrease) in contract liabilities	107,642	(45,871)
Increase (decrease) in provision	(1,494)	(22,466)
Other	53,781	74,062
Subtotal	870,153	667,467
Interest received	1,414	7,774
Interest paid	(886)	(808)
Income taxes paid	(504,271)	(248,413)
Cash flows from operating activities	366,410	426,020
<b>Cash flows from investing activities</b>		
Payments into time deposits	(1,166)	(6,561)
Purchase of property, plant and equipment	(3,828)	(31,829)
Purchase of intangible assets	(15,290)	(10,092)
Payments for lease and guarantee deposits	(359)	-
Other	(73)	9,627
Cash flows from investing activities	(20,718)	(38,856)
<b>Cash flows from financing activities</b>		
Repayments of lease liabilities	(48,904)	(48,698)
Cash dividends paid	(320,543)	(481,639)
Cash flows from financing activities	(369,448)	(530,338)
Net increase (decrease) in cash and cash equivalents	(23,756)	(143,174)
Cash and cash equivalents at beginning of period	6,831,944	8,707,486
Effect of exchange rate change on cash and cash equivalents	4,182	26,442
Cash and cash equivalents at end of period	6,812,371	8,590,754

(5) Notes on condensed quarterly consolidated financial statements

(Note on the going-concern assumption)

Not applicable

(Segment information)

1. Revenues and results for each reportable segment

Three months ended March 31, 2023

	Reportable Segment			Adjustments (Note 1)	(Thousands of yen)
	Cloud Solutions	Marketing Solutions	Total		Consolidated
Revenue					
Revenue from external customers	977,401	612,481	1,589,882	—	1,589,882
Intersegment revenue	—	—	—	—	—
Total	977,401	612,481	1,589,882	—	1,589,882
Segment income	429,264	159,181	588,445	1,972	590,418
Finance income					5,800
Finance costs					5,506
Profit before tax					590,712
Other					
Depreciation and amortization	52,299	27,234	79,533	—	79,533

(Note)

1. The adjustment of 1,972 thousand yen to segment income mainly consists of “Other income” and “Other expense” that are not attributable to any reportable segment.
2. Segment income corresponds to operating profit in the consolidated statements of income.
3. Segment assets, segment liabilities, and capital expenditures are not presented since they are not subject to a review to determine the allocation of management resources and evaluate financial results.

Three months ended March 31, 2024

	Reportable Segment			Adjustments (Note 1)	(Thousands of yen)
	Cloud Solutions	Marketing Solutions	Total		Consolidated
Revenue					
Revenue from external customers	1,155,131	764,890	1,920,022	—	1,920,022
Intersegment revenue	—	—	—	—	—
Total	1,155,131	764,890	1,920,022	—	1,920,022
Segment income	508,068	185,791	693,860	754	694,614
Finance income					64,410
Finance costs					1,682
Profit before tax					757,342
Other					
Depreciation and amortization (Note)	58,501	30,350	88,851	—	88,851

1. The adjustment of 754 thousand yen to segment income mainly consists of “Other income” and “Other expense” that are not attributable to any reportable segment.

2. Segment income corresponds to operating profit in the consolidated statements of income.

3. Segment assets, segment liabilities, and capital expenditures are not presented since they are not subject to a review to determine the allocation of management resources and evaluate financial results.

## 2. Matters Concerning Changes in Reportable Segments, etc.

From the first quarter of the current consolidated cumulative period, the Company has revised its reportable segments to better align with the actual business conditions. The main changes are as follows:

1. The domestic sales agency business of the SEO tool “Semrush,” previously reported under the Digital Transformation business, is now classified as part of the Cloud Solutions business.
2. The Digital Transformation business has been discontinued, and a new Marketing Solutions business has been established. Marketing support operations (excluding “Semrush”), previously reported under the Digital Transformation business, will now be reported under the Marketing Solutions business.
3. The SaaS management tool “dxeco” was previously considered a new business in the pre-commercialization stage, with its costs distributed between two segments. However, since its commercialization is expected in the current fiscal year, all its sales and expenses will now be reported entirely under the Cloud Solutions business.

Due to these changes, the Cloud Solutions business will now focus on developing and providing proprietary cloud services, along with services from other companies. The Marketing Solutions business will primarily offer marketing support services to clients. Segment information for the first quarter of the previous fiscal year is presented according to the new reporting segment classifications.