

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.

To Our Shareholders:

ORO Co., Ltd.
3-9-1, Meguro Meguro-ku, Tokyo
Atsushi Kawata
Representative Director, President and CEO

Notice of the 28th Annual General Meeting of Shareholders

We hereby notify that the 28th Annual General Meeting of Shareholders of ORO Co., Ltd. (the “Company”) will be held as indicated below.

In accordance with the provisions set forth in the Company’s Articles of Incorporation, this meeting will be held as a **General Meeting of Shareholders without a designated location (“virtual-only shareholders’ meeting”)**. Please join the Meeting via the Internet as there will be no physical venue to attend.

When convening this Annual General Meeting of Shareholders, the Company has taken the electronic provision measure. Matters subject to the electronic provision measure are posted on the following website on the Internet as Notice of the 28th Annual General Meeting of Shareholders and Meeting Materials:

[The Company’s website]

<https://www.oro.com/en/ir/library/>

[TSE’s website (Listed Company Search)]

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

* To view the Notice on the TSE’s website, please access the URL above and follow the steps below:

1. Enter the code “3983” and search for ORO Co., Ltd.; press the “Basic Information” button
2. Press the “Documents for public inspection/PR information” tab.
3. Press the “Click here for access” button under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting]”.

If you are unable to attend the meeting or otherwise prepare for possible communication failure or other incidents, you may exercise your voting rights in writing or via the Internet. Please review the Reference Documents for the General Meeting of Shareholders contained in the matters subject to the electronic provision measure and return the enclosed Voting Form or exercise your voting rights on the voting rights exercise website designated by the Company (<https://www.web54.net>), indicating whether you are for or against each of the proposals. Your vote shall be received by no later than **6:30 p.m. on Monday, March 23, 2026 (JST)**.

1. Date and time: Tuesday, March 24, 2026 at 3:00 p.m. (JST)
(Approximate Access Time: 2:30 p.m.)

*Should there be an inability to conduct this Annual General Meeting of Shareholders due to communication disruptions or similar impediments, it will be rescheduled to the contingency date of March 26, 2026 (Thursday), commencing at 10:00 a.m. (JST). In such an event, a prompt notification will be disseminated via our official website (<https://www.oro.com/en/ir/>).

- 2. How the meeting will be held:** As a General Meetings of Shareholders without a designated location (i.e., virtual-only shareholders' meetings)
*There will be no physical venue available for shareholders.
Please attend the meeting online through our designated website. Details necessary to attend the meeting, such as the URL of the website, instructions on how to access, and other procedures can be found in pages 5 to 8.

3. Agenda:

Matters to be reported:

1. Reports on Business Report, Consolidated Financial Statements, and the Results of the Audit Thereof by the Accounting Auditor and the Audit and Supervisory Committee for the 28th Fiscal Year (from January 1, 2025 to December 31, 2025)
2. Report on the Non-Consolidated Financial Statements for the 28th Fiscal Year (from January 1, 2025 to December 31, 2025)

Matters to be resolved:

Proposal No. 1 Dividend of Surplus

Proposal No. 2 Election of Two (2) Directors (Excluding Directors Who are Audit and Supervisory Committee Members)

Proposal No. 3 Election of Three (3) Directors Who Are Audit and Supervisory Committee Members

- ⊙Internet-based communication will be used for transmitting and receiving information of proceedings of the Annual General Meeting of Shareholders.
- ⊙If there is a major interruption to the proceedings of the meeting due to communication failure and such, the chairperson shall determine either to postpone or adjourn the meeting, which shall be resolved at the beginning of the meeting. If the chairperson decides to postpone or adjourn the meeting based on the resolution, the continuation meeting or the adjourned meeting will be held on Thursday, March 26, 2026 at 10:00 a.m. (JST). In such case, the matter will be announced promptly through our website on the Internet. Please follow the guide in pages 5 to 8 for necessary procedures to attend the Continuation or Adjourned Annual General Meeting of Shareholders.
- ⊙If neither approval nor disapproval of a proposal is indicated on the Voting Form, it shall be deemed a vote of approval.
- ⊙If you exercise your voting rights both via the Internet and in writing, we will treat the exercise of your voting rights via the Internet as a valid exercise of your voting rights. If you exercise your voting rights more than once in writing or via the Internet, we will treat the last exercise as a valid exercise of your voting rights.
- ⊙If you exercised your voting rights either via the Internet or in writing and also attended the meeting, we will treat your voting rights exercised at the meeting as a valid exercise of your voting rights. If we are unable to confirm your exercise at the meeting, the one exercised either via the Internet or in writing will be treated as valid.
- ⊙Subject to relevant laws and regulations and the provisions of the Company's Articles of Incorporation, shareholders who wish to attend by proxy shall appoint one (1) proxy who is a shareholder with voting rights. Please refer to page 9 for details of procedures.
- ⊙If you plan to exercise your voting rights in a non-uniform way, please inform the Company of this intention with the reason at least three (3) days prior to the meeting.
- ⊙Any correction to the matter subject to the electronic provision measure will be posted on the Company's relevant websites along with the matters before and after the correction.
- ⊙In lieu of sending paper materials, the results of the vote on the proposals presented at the meeting will be posted on the Company's website after the close of this meeting.

Guidance for How to Exercise Your Voting Rights

■ If you choose to exercise your voting rights in advance

Exercising your voting rights by way of mail

Please indicate whether you are for or against each of the proposals on the enclosed Voting Form, then cut it out as shown in the diagram below and mail it in.

If you do not indicate whether you are for or against each of the proposals, it will be deemed as voting “for” the proposal.

Deadline: Monday, March 23, 2026, by 6:30 p.m. (JST)

Please indicate whether you are for or against each of the proposals.

- If you are for the proposal, please put a circle in the “賛” (for) box.
- If you are against the proposal, please put a circle in the “否” (against) box.



Exercising your voting rights via the Internet

To exercise your voting rights via the Internet, please access the voting rights exercise website from your smartphone or PC, and follow the on-screen instructions.

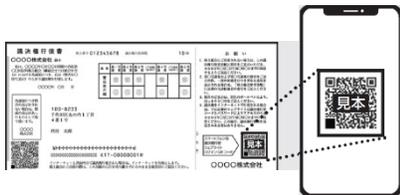
Deadline: Monday, March 23, 2026, by 6:30 p.m. (JST)

How to exercise your voting rights using the QR code

(i) Scan the QR code

Scan the “Login QR code” printed on the enclosed Voting Form.

The QR code is a registered trademark of Denso Wave Incorporated.



(ii) Proceed to the voting rights exercise website

From this point onward, please follow the on-screen instructions and enter whether you are for or against each of the proposals.

Note:

If you wish to change your vote after you have already exercised your voting rights, you can do so via the “voting rights exercise website” on the right.



rights exercise website

Please access the voting rights exercise website via the following URL and enter the “voting rights exercise code” and “password” printed on the Voting Form.

After you log in, please follow the on-screen instructions and enter whether you are for or against each of the proposals.

Voting rights exercise website:

<https://www.web54.net>

Note: If you change your vote after you have already exercised your voting rights, you will be required to enter the “voting right exercise code” and “password” as indicated on the Voting Form.

Contact

Web Support Hotline for Stock Transfer Agent
Sumitomo Mitsui Trust Bank, Ltd.
0120-652-031
(Office hours: 9:00–21:00) (JST)

Please be sure to check out the Q&A, as well.



How to exercise your voting rights via the voting

If you choose to attend the meeting virtually

(i) Access the website for shareholders

Access is anticipated to be available from around 2:30 p.m. (JST) on the day of the meeting, Tuesday, March 24, 2026.

When attending from a PC, please use the following URL.

Website for shareholders: <https://3983.ksoukai.jp>



When attending from a smartphone or tablet, please enter the URL above or scan the QR code on the right to access the website.

(ii) Login to the website for shareholders

When you access the shareholder website, you will see the screen A. Please follow the instructions on the screen and enter your “shareholder number” and the “postal code” provided in your Voting Form to log in.



* Before mailing your Voting Form, make sure you keep your shareholder number and the postal code at hand.

Since the postal code for logging in is based on the shareholder register as of the end of December 2025, please note that for some shareholders, it may differ from the postal code on their Voting Form.

System requirements are as follows:

System requirements for PC terminals

	Windows	Mac
OS*1	Windows 11	Latest version of macOS
Browser*2*3	Microsoft Edge, Mozilla Firefox, Google Chrome	Safari

System requirements for mobile terminals

	Android	iOS
OS	Android 12 or above	iPhone & iPad: Latest version of iOS
Browser*2	Google Chrome	Safari

*1 If you are using Windows 11, please run the site in desktop mode as the operation was tested in desktop mode.

*2 Please enable JavaScript and cookies in your browser. All browsers are assumed to have been updated to their latest version.

*3 You cannot use Internet Explorer mode in Microsoft Edge.

In the unlikely event of a communications failure, etc., we will promptly notify all shareholders via **the Company's website (<https://www.oro.com/en/ir/>)**.

Procedures of the Annual General Meeting of Shareholders

Before the General Meeting of Shareholders:

Wednesday, February 25

From the day when the convocation notice is posted until March 23, 2026

The electronic provision measure starts. You can review the Meeting Materials. The Company’s website (full version)

Simplified convocation notice

Notice of the 28th Annual General Meeting of Shareholders, including all matters subject to the electronic provision measure

Please access and check the following site:
<https://www.oro.com/en/ir/library/>

Monday, March 2

(i) (ii) (iii)

(i) Exercising your voting rights in advance

Exercising your voting rights by way of mail
 Please fill in the enclosed Voting Form and return it to us.

Deadline:
Monday, March 23, 2026, by 6:30 p.m. (JST)

Exercising your voting rights via the Internet

By using the QR code
 Please scan the “Login QR code” on the enclosed Voting Form for entry.

By entering your voting code and password
 Please enter your voting code and password at <https://www.web54.net>

Deadline:
Monday, March 23, 2026, by 6:30 p.m. (JST)

Friday, March 13

(ii) How to attend the meeting by proxy

Shareholders who wish to attend this Annual General Meeting of Shareholders by proxy may, subject to relevant laws and regulations and the provisions of the Company’s Articles of Incorporation, appoint one (1) proxy who is a shareholder of the Company with voting rights. Such shareholders must submit a form representing his/her intention to appoint a proxy (a power of attorney) to the Company. Please refer to page 9 and send it to us.

Deadline:
Monday, March 16, 2026, by 6:30 p.m. (JST)

Monday, March 16

(iii) Pre-meeting questions

We will accept pre-meeting questions via the website for shareholders. Please access the following URL. The website for shareholders <https://3983.ksoukai.jp>

Acceptance period:
From 0:00 a.m. Monday, March 2, 2026 to 11:59 p.m. Friday, March 13, 2026 (JST)

Question submission process

- Access the website by entering the above URL or scanning the QR code displayed to the right.
- After logging in by entering your “shareholder number” and “postal code” as prompted on the screen, submit your questions related to the meeting's agenda through the "Submit Pre-meeting Questions" button.
- Each shareholder may ask up to two (2) questions, limited to 200 characters per question.
- Given the limited Q&A session time and depending on the nature of the questions, please understand that not all questions may receive a response. Priority will be given to answering questions that are likely of general interest to many shareholders. Responses to additional questions will be posted on our company's website after the meeting concludes.

Monday, March 23

**On the day of the
General Meeting
of Shareholders
Tuesday, March 24**

(iv) Attend the General Meeting of Shareholders and exercise your voting rights

(iv) If you attend the meeting virtually

You can exercise your voting rights and ask questions while watching the live streaming. This will be treated in the same way as if you were physically present at the Annual General Meeting of Shareholders, and you will be treated as if you were “present” at the meeting.

Date and Time of the
General Meeting of
Shareholders
Tuesday, March 24, 2026,
at 3:00 p.m. (JST)

Virtual attendance shareholders are kindly asked to do the following

**Access available at
around 2:30 p.m.
(JST)**

Access the website for shareholders and start your virtual attendance

Proceedings of AGM

3:00 p.m. (JST)

Opening statement



Audit report



Business report



Issues to be
addressed



Submission of
matters to be
resolved



POINT:
Q&A session



POINT:
Vote on the
proposals &
announcement of
the voting results



Closing statement

We will accept questions from virtual attendance shareholders.

How to ask a question

When the acceptance of questions begins, submit your questions related to the meeting's agenda through the “Submit Questions” button on the screen and send it.

- Notes
- Each shareholder may ask up to two (2) questions, limited to 200 characters per question.
- Given the limited Q&A session time and depending on the nature of the questions, please understand that not all questions may receive a response. Priority will be given to answering questions that are likely of general interest to many shareholders. Responses to additional questions will be posted on our company's website after the meeting concludes.
- At the discretion of the chairperson, or as directed by the secretariat acting on the chairperson's instructions, questions may be excluded or not considered if they are repeated, excessively verbose, include content unrelated to the purpose of this Annual General Meeting of Shareholders, content that violates privacy or honor, or other inappropriate content. In addition, if a question is inconsistent with the purpose of the Annual General Meeting of Shareholders, which is an important platform for shareholder dialogue, or disrupts the orderly conduct of the Annual General Meeting of Shareholders or the stability of the virtual-only meeting system, the chairperson or the designated secretariat may forcibly terminate communication with the affected stockholder. In addition, questions that are sent in a manner not specified by the chairperson, making them indistinguishable from formal questions, may also be disregarded.

You may exercise your voting rights when voting on matters to be resolved.

Voting procedure:

- After you log in, follow the instructions given by the chairperson and select either for or against through the “Exercise voting rights” button on the screen and submit.
- If you exercised your voting rights either via the Internet or in writing prior to the meeting and also attended the meeting:
 - (i) The voting rights exercised in advance will become invalid at the point when the exercise on the day of the meeting is confirmed.

(ii) If the exercise of the voting rights on the day of the meeting cannot be confirmed, the one exercised in advance will be considered valid.

Contacts

(1) Inquiries about how to log in on the day, how to operate the system, etc.

Contact: V-cube, Inc.

TEL: 03-4335-8081

(Date and time of reception: From 9:00 a.m. on Tuesday, March 24, 2026, until the close of the General Meeting of Shareholders (JST))

(2) Inquiries about ID and password

Contact: ORO Co., Ltd.

TEL: 03-5724-7001

(Date and time of reception : From 9:30 a.m. on Monday, March 2, 2026, until the close of the General Meeting of Shareholders on Tuesday, March 24, 2026 (JST) (excluding Saturdays, Sundays, legal holidays and holidays designated by the Company).)

*When making an inquiry, please state that it is regarding the ID and password for the General Meeting of Shareholders.

Other notes

1. How to attend the meeting by proxy

Shareholders who wish to attend this Annual General Meeting of Shareholders by proxy may, subject to relevant laws and regulations and the provisions of the Company's Articles of Incorporation, appoint one (1) proxy who is a shareholder of the Company with voting rights. Such shareholders must submit a form representing his/her intention to appoint a proxy (a power of attorney) to the Company at the address listed below:

<Required documents>

- A written proxy statement indicating the intent to delegate (power of attorney)
- * Please include the email address of the delegating shareholder and apply a seal (an unregistered seal is acceptable).
- The original voting form of the shareholder delegating authority.
- The original voting form of the shareholder being delegated authority.

<Address for sending proxy documents>

Person in charge of Annual General Meeting of Shareholders

Corporate Department, ORO Co., Ltd.

3-9-1, Meguro Meguro-ku, Tokyo, 153-0063

2. How to make motions

- After you log in, follow the instructions given by the chairperson and select the type of motion from the "Motion" button on the screen, enter the detail of your motion, and submit.
- Your text message should not exceed 300 characters per each proposal.
- At the discretion of the chairperson, or as directed by the secretariat acting on the chairperson's instructions, proposals may be excluded or not considered if they are repetitive, excessively verbose, clearly unlawful, irrelevant to the meeting agenda, invasive of privacy or dignity, or otherwise inappropriate. Please understand that even if such submissions are initially accepted, their content may be omitted or summarized. In addition, if a proposal is inconsistent with the purpose of the Annual General Meeting of Shareholders, which is an important platform for shareholder dialogue, or disrupts the orderly conduct of the Annual General Meeting of Shareholders or the stability of the virtual-only meeting system, the chairperson or the designated secretariat may forcibly terminate communication with the affected stockholder. In addition, proposals that are sent in a manner not specified by the chairperson, making them indistinguishable from formal proposals, may also be disregarded.

3. Policies for measures against disruption in communication methods used to transmit and receive information for the proceedings of the General Meeting of Shareholders

This General Meeting of Shareholders will be operated using a system that has countermeasures to deal with communication failures. To prepare for any significant hindrance to the proceedings due to communication failure, we will refer to the meeting in the beginning, matter regarding delegating chairperson the power to decide whether to postpone or adjourn the meeting. We will also create response manuals prior to the meeting, which include how we will notify our shareholders of the postponement or the adjournment.

4. Policies for ensuring the interest of shareholders who have difficulty with using the Internet as a method to transmit and receive information for the proceedings of the General Meeting of Shareholders

Shareholders who wish to exercise his/her voting rights but have difficulty with using the Internet should exercise his/her voting rights by way of mailing the Voting Form in advance.

5. Matters to keep in mind

- Shareholders will bear the cost of telecommunications charges when attending the General Meeting of Shareholders.
- Disruptions, delays, temporary interruptions, or pauses in the live broadcast of the General Meeting of Shareholders may occur due to the viewing shareholder's telecommunications environment.
- It is prohibited to share or disclose video or audio data to third parties, post to social media, display, reprint, copy, record, or disclose login methods or necessary login information to third parties.

Reference Documents for the Annual General Meeting of Shareholders

Proposal No. 1: Dividend of Surplus

The Company adopts a progressive dividend policy to achieve stable shareholder returns and sustainable company growth by comprehensively considering financial results, financial position, future business development and other relevant factors.

The Company proposes to pay a year-end dividend of 50 yen per share for the current fiscal year, an increase of 15 yen compared to the previous year as follows:

- (1) Type of dividend property:
Cash
- (2) Matters concerning the allotment of dividend property to shareholders and the total amount thereof:
50 yen per share of the Company's common stock
Total amount: 779,201,100 yen
- (3) Effective date of the dividend of surplus:
Friday, March 27, 2026

Proposal No. 2: Election of Two (2) Directors (Excluding Directors Who are Audit and Supervisory Committee Members)

All of the two (2) Directors (excluding Directors who are Audit and Supervisory Committee Members) will expire their term of office at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes to elect two (2) Directors (excluding Directors who are Audit and Supervisory Committee Members). The Audit and Supervisory Committee has no particular opinion about this proposal.

The candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) are as follows:

1. Atsushi Kawata (Date of Birth: September 8, 1973, Male) Re-election

■ Number of Company's shares held: 6,008,535 shares

■ Career summary, positions, responsibilities and significant concurrent positions:

January	1999	Founder and President and CEO of the Company
January	2010	Chairperson of oRo TECHNOLOGY (DALIAN) Co., Ltd.
December	2012	Chairperson of oRo Vietnam Co., Ltd.
December	2013	Director of oRo Malaysia Sdn. Bhd.
July	2014	Director of oRo (Thailand) Co., Ltd.
January	2016	Director of oRo TAIWAN Co., Ltd.
May	2016	Chairperson of DALIAN oRo ADVERTISING Co., Ltd.
February	2018	Director of oRo TECHNOLOGY (DALIAN) Co., Ltd. Director of DALIAN oRo ADVERTISING Co., Ltd. Director of oRo TAIWAN Co., Ltd.
April	2018	General Manager of International Business Division of the Company
June	2018	Outside Director of Netyear Group Corporation
July	2018	oRo Digital Asia Sdn. Bhd. Director
May	2020	Outside Director of NISSEN INC. (current position)
March	2023	Representative Director, President and CEO of the Company (current position)

(Significant concurrent positions)

Outside Director of NISSEN INC.

■ Reasons for nomination as a candidate for Director:

Since the inception of the Company in 1999, Mr. Atsushi Kawata has led the management of the entire Group over the course of many years and driven the development of the Group. We believe that his experience and knowledge in the Group's overall management will continue to contribute to enhancing the Group's enterprise value. The Company thus requests his reelection as Director.

2. Yasuhisa Hino (Date of Birth: May 14, 1973, Male) Re-election

■ Number of Company's shares held: 2,713,748 shares

■ Career summary, positions, responsibilities and significant concurrent positions:

January	1999	Co-founder and Director of the Company
April	2009	General Manager for Administration Department of the Company
June	2009	Senior Managing Director of the Company
January	2010	Director of oRo TECHNOLOGY (DALIAN) Co., Ltd.
January	2013	General Director of oRo Vietnam Co., Ltd.
December	2013	Director of oRo Malaysia Sdn. Bhd.
January	2015	General Manager for Corporate Department (current position)
March	2021	Director of oRo Miyazaki Co., Ltd. (current position) Director of oRo code MOC Co., Ltd. (current position)
March	2023	Director and Senior Managing Executive Officer of the Company (current position) Director of oRo (Thailand) Co., Ltd. (current position) Director of oRo Malaysia Sdn. Bhd. (current position)
August	2024	Director of oRo TAIWAN Co., Ltd. (current position)
September	2024	Director of oRo TECHNOLOGY (DALIAN) Co., Ltd. (current position) 2024 Director of DALIAN oRo ADVERTISING Co., Ltd. (current position)

(Significant concurrent positions)

Director of oRo Miyazaki Co., Ltd.

Director of oRo code MOC Co., Ltd.

Director of oRo TECHNOLOGY (DALIAN) Co., Ltd.

Director of oRo (Thailand) Co., Ltd.

Director of oRo Malaysia Sdn. Bhd.

Director of oRo TAIWAN Co., Ltd.

Director of DALIAN oRo ADVERTISING Co., Ltd.

■ Reasons for nomination as a candidate for Director:

Since the inception of the Company in 1999, Mr. Yasuhisa Hino has overseen the Group's management, especially its administrative operations, over the course of many years and driven the development of the Group. We believe that his experience and knowledge in the Group's management and administrative operations will continue to contribute to enhancing the Group's enterprise value. The Company thus requests his reelection as Director.

(Notes to Proposal No. 2)

- Notes:
1. There is no conflict of interest between each candidate and the Company.
 2. The Company has entered into a Directors and Officers Liability Insurance policy with an insurance company. The policy indemnifies the insured against damage compensation, legal costs and other expenses arising from claims for damages caused by an action (including nonfeasance) of the insured taken as an Officer of the Company. However, there are certain exemptions, such as in case of actions taken with knowledge of their illegality. The insurance premiums are fully borne by the Company. If each candidate assumes office as Director, they will be insured under the insurance policy. Also, the insurance policy will be renewed during their term of office.

Proposal No. 3: Election of Three (3) Directors Who are Audit and Supervisory Committee Members

All of the three (3) Directors who are Audit and Supervisory Committee Members will expire their term of office at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes to elect three (3) Directors who are Audit and Supervisory Committee Members. The Company has obtained consent of the Audit and Supervisory Committee to this proposal.

The candidates for Directors who are Audit and Supervisory Committee Members are as follows:

1. Yoichi Maeda (Date of Birth: October 18, 1956, Male) Candidate for Independent Directors Candidate for Outside Director Re-election

■Number of Company's shares held:

0 shares

■Career summary, positions, responsibilities and significant concurrent positions:

April	1980	Joined MITSUI & CO., LTD.
March	1991	General Manager of Information and Machinery Division of Brussels Headquarters, MITSUI & CO. BENELUX S. A./N. V.
April	2001	Departmental General Manager of Semiconductor Division, Electronics Business Unit, MITSUI & CO., LTD.
December	2005	Departmental General Manager of Strategic Planning Division, Information Industry Business Unit, MITSUI & CO., LTD.
April	2007	General Manager of Information Industry Planning and Administrative Division (Information Industry Business Unit), MITSUI & CO., LTD.
July	2007	General Manager of Electronics Business Division Information Industry Business Unit, MITSUI & CO., LTD.
March	2011	Inspector, Internal Auditing Division, MITSUI & CO., LTD.
June	2017	Standing Corporate Auditor, Mitsui Bussan I-Fashion Ltd. (currently MN Inter-Fashion Ltd.)
March	2022	Outside Director (Full-Time Audit and Supervisory Committee Member) of the Company (current position) Corporate Auditor of oRo Miyazaki Co., Ltd. (current position) Corporate Auditor of oRo code MOC Co., Ltd. (current position) Corporate Auditor of oRo TECHNOLOGY (DALIAN) Co., Ltd. (current position) Controller of oRo Vietnam Co., Ltd. (current position) Corporate Auditor of oRo TAIWAN Co., Ltd. (current position) Corporate Auditor of DALIAN oRo ADVERTISING Co., Ltd. (current position)

(Significant concurrent positions)

Corporate Auditor of oRo Miyazaki Co., Ltd.

Corporate Auditor of oRo code MOC Co., Ltd.

Corporate Auditor of oRo TECHNOLOGY (DALIAN) Co., Ltd.

Controller of oRo Vietnam Co., Ltd.

Corporate Auditor of oRo TAIWAN Co., Ltd.

Corporate Auditor of DALIAN oRo ADVERTISING Co., Ltd.

■Reasons for nomination as a candidate for Outside Director who is an Audit and Supervisory Committee Member and overview of expected roles:

Mr. Yoichi Maeda has many years of extensive experience and a wide range of knowledge gained at business companies. The Company requests his election as Outside Director who is an Audit and Supervisory Committee Member as we expect that he will appropriately audit the Company's business management from an objective standpoint independent from Executive Officers based on his experience and knowledge gained through his career.

2. Yuki Imamura (Date of Birth: January 18, 1976, Female) Candidate for Independent Director
Candidate for Outside Director
Re-election

■Number of Company's shares held:
0 shares

■Career summary, positions, responsibilities and significant concurrent positions:

April	1998	Joined McCann Erickson Japan Inc.
December	2008	Registered as Attorney at Law
January	2009	Joined TMI Associates
January	2021	Counsel at TMI Associates (current position)
March	2022	Outside Director (Audit and Supervisory Committee Member) of the Company (current position)
August	2022	Corporate Auditor of e-solutions, inc. (current position)

(Significant concurrent positions)

Counsel at TMI Associates

■Reasons for nomination as a candidate for Outside Director who is an Audit and Supervisory Committee Member and overview of expected roles:

Although Ms. Yuki Imamura has never been directly involved in corporate management, she is an attorney at law with practical and legal expertise and experience in advertisement. The Company requests her election as Outside Director who is an Audit and Supervisory Committee Member as we expect that she will reflect her expertise in audits of the Company from an objective standpoint independent from Executive Officers.

3. Saori Tanoue (Date of Birth: June 24, 1983, Female) Candidate for Independent Director
Candidate for Outside Director
Re-election

■Number of Company's shares held:
0 shares

■Career summary, positions, responsibilities and significant concurrent positions:

December	2007	Joined Ernst & Young ShinNihon (currently Ernst & Young ShinNihon LLC)
January	2013	Joined Fukushima Accounting Office (currently FLAIR Accounting Firm)
April	2013	Certified Public Accountant registration
October	2021	Outside Corporate Auditor of KURADASHI.Co.,Ltd.
October	2022	Full-Time Corporate Auditor of KURADASHI.Co.,Ltd. (current position)
March	2024	Outside Director (Audit and Supervisory Committee Member) of the Company (current position)
September	2024	Partner and certified tax accountant of FLAIR Accounting Firm (current position)

(Significant concurrent positions)

Full-Time Corporate Auditor of KURADASHI.Co.,Ltd.

Partner and certified tax accountant of FLAIR Accounting Firm

■Reasons for nomination as a candidate for Outside Director who is an Audit and Supervisory Committee Member and overview of expected roles:

Although Ms. Saori Tanoue has never been directly involved in corporate management, she is a certified public accountant with expertise and experience in finance and accounting. The Company requests her election as Outside Director who is an Audit and Supervisory Committee Member as we expect that she will appropriately audit the Company's business management from an objective standpoint independent from Executive Officers based on her experience and knowledge gained through her career.

(Notes to Proposal No. 3)

- Notes:
1. There is no conflict of interest between each candidate and the Company.
 2. Mr. Yoichi Maeda, Ms. Yuki Imamura and Ms. Saori Tanoue are candidates for Outside Directors.
 3. Mr. Yoichi Maeda, Ms. Yuki Imamura, and Ms. Saori Tanoue currently serve as Outside Directors who are Audit and Supervisory Committee Members of the Company. At the conclusion of this General Meeting of Shareholders, Mr. Yoichi Maeda and Ms. Yuki Imamura will have served in their positions for four (4) years, and Ms. Saori Tanoue for two (2) years.
 4. The Company has registered Mr. Yoichi Maeda, Ms. Yuki Imamura, and Ms. Saori Tanoue as Independent Officers in accordance with the provisions of the Tokyo Stock Exchange. The Company intends to continue to register them as Independent Officers if their election is approved.
 5. The Company has entered into an agreement with Mr. Yoichi Maeda, Ms. Yuki Imamura, and Ms. Saori Tanoue to limit their liabilities as Directors who are Audit and Supervisory Committee Members under Article 423, paragraph 1 of the Companies Act, and the limit of liability for damages under the agreement shall be the minimum liability amount stipulated in Article 425, paragraph 1 of the said Act. The Company intends to continue the aforementioned agreement if their election is approved.
 6. The Company has entered into a Directors and Officers Liability Insurance policy with an insurance company. The policy indemnifies the insured against damage compensation, legal

costs and other expenses arising from claims for damages caused by an action (including nonfeasance) of the insured taken as an Officer of the Company. However, there are certain exemptions, such as in case of actions taken with knowledge of their illegality. The insurance premiums are fully borne by the Company. If each candidate assumes office as Director who is an Audit and Supervisory Committee Member, they will be insured under the insurance policy. Also, the insurance policy will be renewed during their term of office.

7. Yuki Imamura's name in the family register is Yuki Yamauchi.

Reference: Skill Matrix of the Board of Directors after the General Meeting of Shareholders

As our Corporate Philosophy, the Company aims to create things that we can proudly present to the world and become a company that provides more “happiness and pleasures” to many people as possible. With an aim to realize the Corporate Philosophy in anticipation of long-term and sustainable growth of the Group, the Board of Directors shall secure the balance among knowledge, experience and skills as well as diversity with consideration given to the scale required to demonstrate the effectiveness of the Board of Directors. The composition of the Board of Directors is defined as follows by matching the required skills with the management issues and management strategies.

<Definition of each skill>

Corporate management	Experience as a corporate manager (Director, etc.) at a company
Business strategy/marketing	Expertise on IT industry and DX, experience as a responsible person in the Business Division
Technology	Experience as a responsible person in technological research and development departments related to IT industry and DX/ considerable knowledge in IT industry and DX
Global business	Experience as a responsible person in Overseas Business Division/ experience as a representative of overseas affiliated firm/ considerable knowledge in overseas business operations
ESG/sustainability	Considerable knowledge in environment, social contribution, human resource development and governance
Finance/accounting/investment	Experience as a responsible person about finance, accounting and investment management/ considerable knowledge in finance and accounting such as a certified public accountant and certified tax accountant, etc.
Legal affairs/risk management	Experience as a responsible person about legal affairs and internal audit/ considerable knowledge in laws such as an attorney at law

If all the candidates listed in this notice of convocation are elected as originally proposed, the skills of each Director will be as follows:

	Corporate management	Business strategy/marketing	Technology	Global business	ESG/sustainability	Finance/accounting/investment	Legal affairs/risk management
Atsushi Kawata	○	○	○		○		
Yasuhisa Hino	○			○	○	○	○
Yoichi Maeda	○	○		○			○
Yuki Imamura					○		○
Saori Tanoue					○	○	○

Business Report (Fiscal Year Ended December 31, 2025)

1. Matters regarding the current state of the Group

(1) Progress and results of operations

During the fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025) (the “current fiscal year”), the Japanese economy as a whole recovered moderately due to the rise in demand for services and from tourists visiting Japan and an increase in capital investment including software, although some areas of the economy still stalled. However, the outlook for the future has remained uncertain for a number of reasons, such as the continuously rising prices, concerns about geopolitical risks, the overseas economy, and turbulence in financial markets.

In the domestic IT service industry, the demand for cloud-based services for enterprise IT systems has continued to grow. Also, in conjunction with the digital transformation (DX) trend being embraced by companies, there is a need for more cost-effective and convenient IT systems that improve productivity and operational efficiency.

The Internet industry has continued to see a strong trend mainly among major corporations toward DX, which has drastically transformed the existing business models and industry structures. Meanwhile, the advertising market has seen not only a growing shift to digitalization but a hybrid customer approach incorporating conventional legacy media.

Under such market conditions, we have maintained our integrated system of production and sales to provide cloud services and support corporate marketing. Cloud-based ERP “ZAC” and “Reforma PSA,” flagship products of our Cloud Solutions business, have contributed to business results by showing a steady growth thanks to extensive demand from industries and business fields comprised mainly of companies seeking project management solutions. In our Marketing Solutions business, we have provided a variety of solutions to help our clients translate their marketing strategies into tactics and execution that produce results. Among them are data-analysis-driven strategy formulation/execution and effectiveness verification for web advertising; website/digital-content production and planning/design of applications; and strategic planning and operational support for social media marketing. In addition, to achieve continuous improvement in our enterprise value, we have strived to acquire new clients while deepening relationships with existing high-priority clients in each of our businesses. We have also endeavored to invest in marketing, research, and development and strengthen recruitment.

As a result of the above, the consolidated financial results for the current fiscal year were as follows. Revenue was 8,307,953 thousand yen (up 5.2% year-on-year), operating profit was 2,649,270 thousand yen (down 2.6% year-on-year), profit before tax was 2,656,671 thousand yen (down 7.0% year-on-year), and profit attributable to owners of parent was 1,896,738 thousand yen (down 8.5% year-on-year).

Revenue by business segment

Business segment	Revenue
Cloud Solutions	5,664,295 thousand yen
Marketing Solutions	2,643,657 thousand yen

(2) Capital expenditure

Total capital expenditure amounted to 120,903 thousand yen for the current fiscal year, mainly comprising the following:

Business servers and other devices in the Cloud Solutions business	3,566 thousand yen
Cost of development of ZAC’s new functions in the Cloud Solutions business	96,528 thousand yen

(3) Financing

There are no material facts to report.

(4) Acquisition or disposal of shares, other equity interests or share acquisition rights of other companies
Not applicable.

(5) Assets and profit or loss

(i) Assets and profit or loss of the Group

(Thousands of yen, unless otherwise stated)

Account	FY2022 25th	FY2023 26th	FY2024 27th	FY2025 28th (As of December 31, 2025)
Revenue	6,210,714	7,033,155	7,899,305	8,307,953
Operating profit	2,286,563	2,547,337	2,720,442	2,649,270
Profit before tax	2,352,477	2,602,772	2,856,388	2,656,671
Profit attributable to owners of parent	1,623,552	1,836,415	2,072,900	1,896,738
Basic earnings per share	yen 100.75	yen 113.90	yen 128.56	yen 120.25
Total assets	11,045,755	12,373,522	13,590,184	13,747,370
Equity attributable to owners of parent	7,331,089	8,884,053	10,283,756	10,357,152
Equity attributable to owners of parent per share	yen 454.86	yen 550.91	yen 641.09	yen 664.60

Note: Basic earnings per share was calculated based on the average number of shares during the period excluding treasury shares, while equity attributable to owners of parent per share was calculated based on the number of shares at the end of the period excluding treasury shares.

(ii) Assets and profit or loss of the Company

(Thousands of yen, unless otherwise stated)

Account	FY2022 25th	FY2023 26th	FY2024 27th	FY2025 (As of December 31, 2025) 28th
Net sales	5,903,146	6,708,823	7,483,563	7,861,189
Ordinary profit	2,243,992	2,732,954	2,829,445	2,610,484
Profit	1,583,086	1,970,363	2,074,919	1,893,017
Earnings per share	yen 98.24	yen 122.20	yen 128.69	yen 120.01
Total assets	9,967,821	11,479,520	12,719,408	12,584,278
Net assets	6,851,391	8,517,906	9,901,788	9,977,470
Net assets per share	yen 425.10	yen 528.20	yen 617.27	yen 640.24

Note: Earnings per share was calculated based on the average number of shares during the period excluding treasury shares, while net assets per share was calculated based on the number of shares at the end of the period excluding treasury shares.

(6) Issues to be addressed

The Group's Cloud Solutions business and Marketing Solutions business belong to the information services industry. This industry faces rapid technological innovation, diversified customer needs, and fierce competition for human resources. Furthermore, the market environment is constantly changing due to the rapid development of new technologies such as AI and the advancement of globalization. We recognize that in order for the Group to achieve sustainable growth in this environment, it is essential to invest in the promotion of human resources, the strengthening of global operations including overseas business development, and the provision of high-value services and productivity enhancement using cutting-edge technology.

Against this backdrop, the Group positions human resources as the most important management resource in the realization of the Corporate Philosophy and the achievement of medium- to long-term growth. We are committed to promoting diversity, establishing an environment supportive of diverse career paths and workstyles, enhancing our recruitment and development of talent, and improving our working environment. At the same time, in order to enhance our ability to respond to changes in the market and customer needs, we integrated the development functions that had previously been dispersed across each business into the "Engineering Division," which was established in January 2026. By improving the quality, reproducibility, and scalability of our development capabilities, we will strengthen the competitiveness of our existing businesses. In addition, we will actively make disciplined investments in human resources, including recruitment, to support the development of technology and services that effectively incorporate the latest technologies such as AI.

In the Cloud Solutions business, we are accelerating technical research and development of new functions to further strengthen the cloud ERP "ZAC," our mainstay product. We are also expanding our sales and marketing activities to expand market share in domestic growth industries and making efforts to win new contracts by deepening collaborations with partner companies. In addition, we are promoting efforts to establish a support system for existing customers to increase their utilization of our products. Furthermore, we will continue to expand the product market through measures including sales in Vietnam, which will begin in 2026, and by developing features for large-scale clients, thereby achieving medium- to long-term growth.

In the Marketing Solutions business, we aim to be widely recognized as an "execution-oriented company" that enables our clients to reliably execute their marketing strategy in concrete actions. To this end, we are working to increase the number of orders by strengthening sales and marketing strategies and cooperating with major advertising agencies. In addition, we are promoting measures to establish our technological superiority and enhance our customers' trust by keeping up with the latest trends in technology, laws, and regulations, and quickly reflecting the trends in our services. We are also taking measures to expand our business while minimizing risks in overseas markets by strengthening the sales system and corporate governance of consolidated overseas subsidiaries and developing global partners.

The Group will strive to enhance corporate value and achieve sustainable growth over the medium- to long-term by simultaneously promoting measures in both the Cloud Solutions business and the Marketing Solutions business, while recognizing the importance of promoting human resources, global operations, and the utilization of cutting-edge technologies as key company-wide issues.

(7) Main businesses (as of December 31, 2025)

The Group offers IT-driven solutions to solve challenges in corporate management. The details of our respective business segments are as follows:

(i) Cloud Solutions

Cloud Solutions provides services with a focus on development and sale of the enterprise resource planning (ERP) "ZAC" and "Reforma PSA."

(ii) Marketing Solutions

Marketing Solutions provides various solutions to generate results by incorporating clients' marketing strategies into tactics and execution, including the formulation, operation, and effect verification of web advertising strategies based on data analysis, the production of websites and digital contents, the planning and production of applications, and strategic planning and operational support for the utilization of social media.

(8) Principal business offices (as of December 31, 2025)

(i) The Company

Company name	Location
Head Office	Meguro-ku Tokyo
Nishinohon Branch Office	Osaka-shi Osaka
Hokkaido Branch Office	Sapporo-shi Hokkaido
Fukuoka Branch Office	Fukuoka-shi Fukuoka

(ii) Subsidiaries

Domestic

Company name	Location
oRo Miyazaki Co., Ltd.	Miyazaki-shi Miyazaki
oRo code MOC Co., Ltd.	Niigata-shi Niigata

Overseas

Company name	Location
oRo TECHNOLOGY (DALIAN) Co., Ltd.	China
oRo Vietnam Co., Ltd.	Vietnam
oRo Malaysia Sdn. Bhd.	Malaysia
oRo (Thailand) Co., Ltd.	Thailand
oRo TAIWAN Co., Ltd.	Taiwan
DALIAN oRo ADVERTISING Co., Ltd.	China

(9) Employees (as of December 31, 2025)

(i) Group's employees

Number of employees	YoY change
585	39 increase

Note: The number of employees (excluding those seconded from the Group to outside the Group, but including those seconded to the Group from outside the Group) does not include delegated executive officers, contract employees, temporary employees, or part-timers.

(ii) The Company

Number of employees	YoY change	Average age	Average years of service (year)
335	25 increase	33.5	6.1

Note: The number of employees (excluding those seconded from the Company to outside the Company, but including those seconded to the Company from outside the Company) does not include delegated executive officers, contract employees, temporary employees, or part-timers.

(10) Material parent company and subsidiaries

(i) Parent Company

Not applicable

(ii) Material subsidiaries

Company name	Capital	Equity stake of the Company	Main Business
oRo TECHNOLOGY (DALIAN) Co., Ltd.	70,000 USD	100.0%	Cloud Solutions Marketing Solutions
oRo Vietnam Co., Ltd.	100,000 USD	100.0%	Marketing Solutions
oRo Malaysia Sdn. Bhd.	1,000,000 MYR	100.0%	Marketing Solutions
oRo (Thailand) Co., Ltd.	4,000,000 THB	49.0% [41.0]	Marketing Solutions
oRo TAIWAN Co., Ltd.	5,000,000 TWD	100.0%	Marketing Solutions
DALIAN oRo ADVERTISING Co., Ltd.	1,000,000 CNY	100.0%	Marketing Solutions
oRo Miyazaki Co., Ltd.	10,000,000 JPY	100.0%	Cloud Solutions Marketing Solutions
oRo code MOC Co., Ltd.	10,000,000 JPY	100.0%	Cloud Solutions Marketing Solutions

Notes: 1. The figures in [] in "Equity stake of the Company" are the ratio of stake held by persons who have agreed and not included in the total.
2. DALLIAN oRo ADVERTISING Co., Ltd. is indirectly owned through oRo TECHNOLOGY (DALIAN) Co., Ltd.
3. oRo Digital Asia Pte. Ltd. completed its liquidation on July 12, 2025.
4. There is no subsidiary that falls under the category of specified wholly-owned subsidiary.

(11) Principal lenders (as of December 31, 2025)

Not applicable

2. Matters regarding shares of the Company (as of December 31, 2025)

- (1) Total number of shares authorized to be issued 48,000,000 shares
- (2) Total number of issued shares 15,949,053 shares (including 365,031 treasury shares)
- (3) Number of shareholders 8,518

(4) Principal shareholders

Name	No. of shares held	Shareholding ratio (%)
Atsushi Kawata	6,008,535 Shares	38.56 %
Yasuhisa Hino	2,713,748	17.41
GOLDMAN, SACHS & CO. REG	798,464	5.12
The Master Trust Bank of Japan, Ltd. (Trust Account)	671,300	4.31
GOLDMAN SACHS INTERNATIONAL	466,300	2.99
NORTHERN TRUST CO. (AVFC) RE NON TREATY CLIENTS ACCOUNT	308,500	1.98
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	282,700	1.81
INTERACTIVE BROKERS LLC	273,569	1.76
The Employee Shareholding Association of ORO Co., Ltd.	254,700	1.63
Kunio Fujisaki	184,656	1.18

Note: The shareholding ratio is calculated excluding treasury stock.

(5) Shares granted to Directors and Audit and Supervisory Committee Members of the Company as compensation for execution of duties during the current fiscal year

	Number of shares	Number of recipients
Directors (excluding Audit and Supervisory Committee Members and Outside Directors)	5,217 shares	2
Directors (Audit and Supervisory Committee Members)	—	—

Note: The details of the Company's stock remuneration are presented in "4. Matters regarding Directors and Audit and Supervisory Committee Members of the Company (4) Amount of remuneration for Directors and Audit and Supervisory Committee Members for the current fiscal year."

(6) Other important matters regarding shares
Not applicable

3. Matters regarding share acquisition rights, etc. of the Company

Not applicable

4. Matters regarding Directors and Audit and Supervisory Committee Members of the Company

(1) Names of Directors (as of December 31, 2025)

Name	Position and responsibilities	Significant concurrent positions
Atsushi Kawata	Representative Director, President and CEO	Outside Director of NISSEN INC.
Yasuhisa Hino	Director, Senior Managing Executive Officer General Manager for Corporate Department	Director of oRo Miyazaki Co., Ltd. Director of oRo code MOC Co., Ltd. Director of oRo TECHNOLOGY (DALIAN) Co., Ltd. Director of oRo (Thailand) Co., Ltd. Director of oRo Malaysia Sdn. Bhd. Director of oRo TAIWAN Co., Ltd. Director of DALIAN oRo ADVERTISING Co., Ltd
Yoichi Maeda	Director (Outside Director, Full-Time Audit and Supervisory Committee Member)	Corporate Auditor of oRo Miyazaki Co., Ltd. Corporate Auditor of oRo code MOC Co., Ltd. Corporate Auditor of oRo TECHNOLOGY (DALIAN) Co., Ltd. Controller of oRo Vietnam Co., Ltd. Corporate Auditor of oRo TAIWAN Co., Ltd. Corporate Auditor of DALIAN oRo ADVERTISING Co., Ltd.
Yuki Imamura	Director (Outside Director, Audit and Supervisory Committee Member)	Counsel at TMI Associates
Saori Tanoue	Director (Outside Director, Audit and Supervisory Committee Member)	Full-Time Corporate Auditor of KURADASHI Co., Ltd. Partner and certified tax accountant of FLAIR Accounting Firm

Notes: 1. Directors Mr. Yoichi Maeda, Ms. Yuki Imamura, and Ms. Saori Tanoue are Outside Directors.

2. The Company ensures that the execution of duties by Executive Directors is monitored at all times by having the Full-Time Audit and Supervisory Committee Member attend important meetings and gather information. The Full-Time Audit and Supervisory Committee Member liaises closely with the Accounting Auditor and Internal Audit Office, and is appointed for the purpose of making the audit function highly effective through the provision of reports to the Audit and Supervisory Committee, which allows information to be shared and cooperation to be achieved with the Audit and Supervisory Committee Members who are Outside Directors.

3. The Company has designated Directors Mr. Yoichi Maeda, Ms. Yuki Imamura, and Ms. Saori Tanoue as Independent Directors in accordance with the provisions of the Tokyo Stock Exchange and registered them with the said stock exchange.

4. Audit and Supervisory Committee Member Ms. Saori Tanoue is qualified as a certified public accountant and tax accountant and has considerable knowledge of finance and accounting.

5. Yuki Imamura's name in the family register is Yuki Yamauchi.

(2) Outline of the details of limited liability agreement

Under the provisions of Article 427, paragraph 1 of the Companies Act, the Company has entered into an agreement with each Outside Director to limit their liabilities under Article 423, paragraph 1 of the said Act. The limit of liability for damages under the agreement shall be the minimum liability amount stipulated in Article 425, paragraph 1 of the Act.

(3) Outline of the details of Directors and Officers Liability Insurance policy

The Company has entered into a Directors and Officers Liability Insurance policy with an insurance company as stipulated in Article 430-3, paragraph 1 of the Companies Act. The insured parties of the insurance policy are all Directors, Audit and Supervisory Committee Members (Corporate Auditors), Executive Officers, etc. of the Company and its subsidiaries as defined in the Companies Act, and the Company fully bears the insurance premiums for all the insured parties. The policy indemnifies the insured against damage compensation, legal costs and other expenses arising from claims for damages caused by an action (including nonfeasance) of the insured taken as an officer of the Company. However, there are certain exemptions, such as in case of actions taken with knowledge of their illegality.

(4) Amount of remuneration for Directors and Audit and Supervisory Committee Members for the current fiscal year

(i) Total amount of remuneration for Directors and Audit and Supervisory Committee Members

Title	Number of recipients	Total amount of remunerations by type (Thousands of yen)			Total (Thousands of yen)	Remarks
		Fixed compensation	Performance-linked compensation	Stock compensation		
Directors (excluding Audit and Supervisory Committee Members) (Outside Directors)	2 (-)	44,996 (-)	31,047 (-)	13,496 (-)	89,540 (-)	
Directors (Audit and Supervisory Committee Members) (Outside Directors)	3 (3)	28,200 (28,200)	-	-	28,200 (28,200)	
Total	5	73,196	31,047	13,496	117,740	

(ii) Policy for determining content of individual remuneration for Directors and Audit and Supervisory Committee Members

The Company's Board of Directors has established a policy for determining the content of compensation for individual directors and officers, which is summarized below. For a resolution by the Board of Directors, the Company consults with and receives a report from the Nomination and Remuneration Committee.

The Company's basic policy is to set compensation at a level that promotes the improvement of its business performance and corporate value over the medium to long term; enables the attraction of human resources essential for its sustainable growth; is commensurate with their contributions to the Company's duties, business performance, and management conditions based on its key management indicators; and is well balanced with those of other companies in the same industry.

Specifically, the compensation for Directors (excluding Audit and Supervisory Committee Members) is composed of "fixed compensation," "performance-linked compensation," and "stock compensation" to reflect performance outcomes and share value with shareholders.

Fixed compensation is paid in cash, with amounts predetermined for each position. Performance-linked remuneration is paid in money as short-term incentive, of which amount is calculated by multiplying the amount of consolidated operating profit for the previous fiscal year by a rate predetermined for each position.

Stock remuneration, intended as a medium- to long-term incentive, involves the allocation of shares with transfer restrictions. Directors who are eligible for stock compensation ('Eligible Directors') receive grants of monetary compensation rights. These grants are limited to the total amount of such rights as determined by the Board of Directors' resolution and ratified during a General Meeting of Shareholders, with specific rates predefined for each position. This method ensures that stock compensation aligns with the Company's goals for sustained growth and executive performance, facilitating equity in alignment with shareholder interests. By paying all these monetary remuneration receivables in the form of equity investment in kind, Eligible Directors receive common stock in the Company through either new issuance or treasury-share disposal.

Total remuneration for Representative Director, President, and CEO consists of approximately 50% in fixed remuneration, 30% in performance-linked remuneration, and 20% in stock remuneration. The higher the position, the greater the proportion of performance-linked remuneration.

The amount of compensation for individual Directors (excluding Audit and Supervisory Committee Members) is determined by the Board of Directors based on a recommendation from the Nomination and Remuneration Committee.

The details of remuneration, etc. for individual Directors (excluding Audit and Supervisory Committee Members) for the current fiscal year are determined to be in line with the above policy, as the Nomination and Remuneration Committee made a report after reviewing the above policy, including its consistency, and the Board of Directors made its decision in accordance with such report.

The performance indicators for performance-linked compensation are the consolidated operating profit, which is a key performance indicator valued by the Company. The consolidated operating profit for the fiscal year ended December 31, 2024, which was used to calculate the performance-linked compensation for the

fiscal year ended December 31, 2025, amounted to 2,720 million yen.

Compensation for Directors (Audit and Supervisory Committee Members) consists solely of “fixed compensation,” considering their objective position to audit the performance of duties by Directors (excluding Audit and Supervisory Committee Members).

The amount of individual remuneration for Directors (Audit and Supervisory Committee Members) was determined through discussions with Directors (Audit and Supervisory Committee Members).

(iii) Matters regarding resolutions on remuneration for Directors and Audit and Supervisory Committee Members

The 24th Annual General Meeting of Shareholders held on March 25, 2022 resolved that the maximum amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) shall not exceed 200 million yen per year (of which the annual amount for Outside Directors shall not exceed 15 million yen per year, while that for Directors who are Audit and Supervisory Committee Members shall not exceed 35 million yen per year. The number of Directors (excluding Directors who are Audit and Supervisory Committee Members) and Directors who are Audit and Supervisory Committee Members at the conclusion of the said Annual General Meeting of Shareholders was five (5) (including one (1) Outside Director) and four (4), respectively.

The 24th Annual General Meeting of Shareholders held on March 25, 2022 resolved that the amount of monetary remuneration receivables paid as restricted stock remuneration to Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) separately from the maximum amount of remuneration for Directors shall not exceed 50 million yen per year (the number of restricted shares to be allotted shall not exceed 15,000 shares per year). The number of Directors at the conclusion of the said Annual General Meeting of Shareholders was four (4). At the 25th Annual General Meeting of Shareholders held on March 24, 2023, it was resolved to revise the handling of Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) upon their resignation and the lifting of restrictions on transfer. The number of directors affected by this resolution at the conclusion of this shareholders’ meeting was two (2).

The 24th Annual General Meeting of Shareholders held on March 25, 2022 resolved to provide rental housing to Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) stationed overseas and treat additional education costs for their children incurred due to the overseas assignment as non-monetary remuneration. The meeting also resolved that the maximum monthly amount of non-monetary remuneration to be borne by the Company in such a case shall not exceed 500 thousand yen per month per Director. The number of Directors at the conclusion of the said Annual General Meeting of Shareholders was four (4).

(5) Matters regarding Outside Directors and Audit and Supervisory Committee Members

(i) Significant concurrent positions at other organizations and relationships between the Company and such organizations

Director (Audit and Supervisory Committee Member) Ms. Yuki Imamura is Counsel at TMI Associates. The Company has no conflict of interest with the organization.

Director (Audit and Supervisory Committee Member) Ms. Saori Tanoue is full time Corporate Auditor of KURADASHI. Co., Ltd. and partner and certified tax accountant of FLAIR Accounting Firm. The Company has no conflict of interest with either of the organizations.

(ii) Main activities in the current fiscal year

(a) Attendance at meetings of the Board of Directors and Audit and Supervisory Committee

	Meetings of the Board of Directors (held 14 times)		Meetings of the Audit and Supervisory Committee (held 14 times)	
	No. of meetings attended	Attendance rate	No. of meetings attended	Attendance rate
Yoichi Maeda Director (Audit and Supervisory Committee Member)	14	100%	14	100%
Yuki Imamura Director (Audit and Supervisory Committee Member)	14	100%	14	100%
Saori Tanoue Director (Audit and Supervisory Committee Member)	14	100%	14	100%

Note: In addition to the number of the meetings of the Board of Directors mentioned above, under the provisions of Article 370 of the Companies Act and Article 25, paragraph 2 of the Company's Articles of Incorporation, there was one written resolution deemed to have been approved by the meeting of the Board of Directors.

(b) Statements made at meetings of the Board of Directors and Audit and Supervisory Committee and duties performed in relation to the expected roles as Outside Director

- Director (Audit and Supervisory Committee Member) Mr. Yoichi Maeda drew on the wealth of experience and broad knowledge he accumulated over many years at a non-financial company to ask questions, give advice, and make suggestions at meetings of the Board of Directors as appropriate and from an objective standpoint. He therefore performed a suitable role for ensuring the reasonableness and appropriateness of decision-making by the Board of Directors. Furthermore, at meetings of the Audit and Supervisory Committee, he reported on the status of audits as the Full-Time Audit and Supervisory Committee Member, and exchanged opinions on the results of audits and engaged in discussions on important audit-related matters as Chairperson. And besides the above, he participated as Chairperson in meetings of the Nomination and Remuneration Committee, and fulfilled the role expected of him.
- Director (Audit and Supervisory Committee Member) Ms. Yuki Imamura drew on her expertise as an attorney to ask questions, give advice, and make suggestions at meetings of the Board of Directors as appropriate and from an objective standpoint. She therefore performed a suitable role for ensuring the reasonableness and appropriateness of decision-making by the Board of Directors. Furthermore, at meetings of the Audit and Supervisory Committee, she exchanged opinions on the results of audits and engaged in discussions on important audit-related matters. And besides the above, she participated in meetings of the Nomination and Remuneration Committee, and fulfilled the role expected of her.
- Director (Audit and Supervisory Committee Member) Ms. Saori Tanoue drew on her expertise as a certified public accountant to ask questions, give advice, and make suggestions at meetings of the Board of Directors as appropriate and from an objective standpoint. She therefore performed a suitable role for ensuring the reasonableness and appropriateness of decision-making by the Board of Directors. Furthermore, at meetings of the Audit and Supervisory Committee, she exchanged opinions on the results of audits and engaged in discussions on important audit-related matters.

5. Accounting Auditor

- (1) Name of Accounting Auditor
KPMG AZSA LLC
- (2) Amount of remuneration for the Accounting Auditor for the current fiscal year
 - (i) Amount of remuneration to be paid to the Accounting Auditor for the current fiscal year 55,700 thousand yen
 - (ii) Total amount of money and other property benefits to be paid by the Company and its subsidiaries to the Accounting Auditor 55,700 thousand yen

Notes: 1. The Audit and Supervisory Committee of the Company provided consent to the amount of remuneration for the Accounting Auditor under Article 399, paragraph 1 of the Companies Act, following the examination of the relevant factors including the number of days spent for audit work, staffing, etc., as part of the audit plan for the current fiscal year presented by the Accounting Auditor, as well as the verification and assessment of the audit work performed in the previous fiscal year, adequacy of progress in audit work by the Accounting Auditor, and the basis of calculation for the cost estimation presented as prerequisite to the amount of remuneration.

2. The audit agreement entered into between the Company and the Accounting Auditor does not clearly distinguish—as this cannot be distinguished practically—the amount of remuneration for audits under the Companies Act and that under the Financial Instruments and Exchange Act. Therefore, the “Amount of remuneration to be paid to the Accounting Auditor for the current fiscal year” is the sum of the amount of such remuneration.

3. Some of the Company’s consolidated subsidiaries are audited by audit firms other than the Company’s Accounting Auditor.

4. The Company has not entrusted the Accounting Auditor with any tasks other than those related to audit certification as defined under Article 2, paragraph 1 of the Certified Public Accountants Act.

(3) Policy for decisions on dismissal or non-reappointment of Accounting Auditor

In the event that the Accounting Auditor is deemed to fall under any of the items set forth in Article 340, paragraph 1 of the Companies Act, the Audit and Supervisory Committee of the Company shall dismiss the Accounting Auditor with the consent of all members of the committee. In this case, an Audit and Supervisory Committee Member selected by the Company’s Audit and Supervisory Committee shall report the fact and the reason for the dismissal at the first general meeting of shareholders to be held after the dismissal.

In addition to the above, if it is deemed difficult for the Accounting Auditor to properly perform its duties due to the occurrence of events that impair its qualification or independence, the Audit and Supervisory Committee of the Company shall decide the contents of proposals on dismissal or non-reappointment of the Accounting Auditor to be submitted to a general meeting of shareholders.

- (4) Outline of the details of limited liability agreement
Not applicable.

6. Systems and policies of the Company

- (1) Overview of corporate governance
 - (i) Basic policy on corporate governance
The following describes the basic policy on the Company’s corporate governance:

The Corporate Philosophy of the Group is “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.”

To realize this philosophy, the Group has established the “Group Activity Guidelines” to foster a corporate culture that conducts business activities with high ethical standards.

a. Fundamental approach to corporate governance

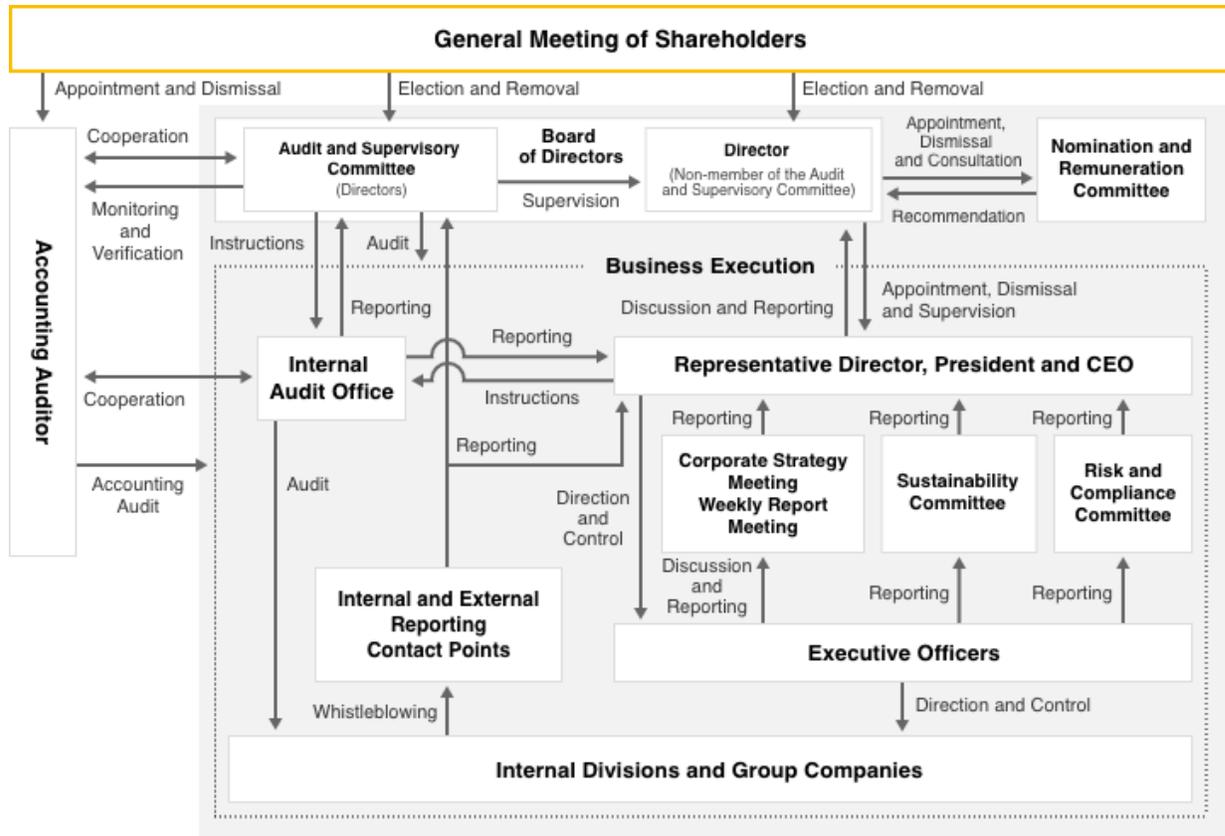
Our corporate governance aims to establish and maintain an organizational structure capable of swiftly adapting to changes in the social and economic environment, thereby continuously enhancing value of the Company.

Executive officers, elected by the Board of Directors, implement the “Group Activity Guidelines” to achieve corporate governance, ensuring these guidelines permeate throughout the Group and overseeing their application. The Board of Directors supports the “Group Activity Guidelines” and the “Corporate Governance Code” established by the financial exchanges. It commits to developing transparent and flexible organizations and systems to fulfill our responsibilities to shareholders and customers.

The internal control system ensures that the Group’s business operations are appropriate. All officers and employees of the Group ensure the propriety of operations through the practice of the “Group Activity Guidelines.” The Company’s Board of Directors has established a fundamental policy on the internal control system and a business execution framework, which it oversees. The Audit and Supervisory Committee audits the execution of duties by Directors (excluding Directors who are Audit and Supervisory Committee Members) from an independent standpoint, focusing on the establishment and operation of the internal control system.

Based on these basic principles, and following the provisions of the Articles of Incorporation approved by the General Meeting of Shareholders, the Board of Directors constructs a corporate governance system and commits to enhancing corporate governance as outlined below:

b. Corporate governance structure



(a) Board of Directors

The Company’s Board of Directors consists of five (5) Directors, including three (3) Outside Directors, and is chaired by the Representative Director. In addition to holding regular monthly meetings, extraordinary meetings are convened as necessary. The Board deliberates, decides, and reports on legal matters as well as significant issues related to management and business execution. Moreover, the Board, incorporating perspectives from a majority of Outside Directors, supervises the execution of duties by the Directors.

The Board of Directors shall maintain a system for preparing, storing and managing information relating to the performance of Directors’ duties in documents (including electromagnetic records) in accordance with laws, regulations and internal rules, including the “Document Management Rules.”

Members as of December 31, 2025:

Director: Atsushi Kawata (Chairperson), Yasuhisa Hino
Outside Director: Yoichi Maeda, Yuki Imamura, Saori Tanoue
All Outside Directors are Independent Directors.

Main activities of the Board of Directors in the current fiscal year:

A total of 14 meetings were held in the current fiscal year with individual Directors' attendance as follows:

Name	No. of meetings held	No. of meetings attended
Atsushi Kawata	14	14
Yasuhisa Hino	14	14
Yoichi Maeda	14	14
Yuki Imamura	14	14
Saori Tanoue	14	14

Note: In addition to the number of the meetings of the Board of Directors mentioned above, under the provisions of Article 370 of the Companies Act and Article 25, paragraph 2 of the Company's Articles of Incorporation, there was one written resolution deemed to have been approved by the meeting of the Board of Directors.

For the current fiscal year, each meeting lasted approximately an hour and ten minutes. Throughout the year, the following reports, deliberations, and resolutions were made:

Report items:

Reports on the progress toward management strategy and targets, business execution reports, various committee reports (Risk and Compliance, Sustainability, Nomination and Remuneration, and Health Management Promotion), Audit and Supervisory Committee's audit reports, internal audit reports, reports on the results of exercising the votes of shareholders at the General Meeting of Shareholders, reports on the penetration of the Corporate Philosophy and code of conduct, reports on the internal control system status and detected issues, internal whistleblowing status reports, among others.

Resolution items:

Revisions to policies (the basic policy on corporate governance, Group compliance policy, Group human resources policy, basic policy on the internal control system relating to financial reporting, and policy on the transfer of the authorities on subsidiaries), revisions to rules and regulations (Rules on Administrative Authority, Risk Management Regulations, and Internal Reporting Regulations), basic internal control plan relating to financial reporting, annual targets, proposed dividend of surplus, cancellation of treasury shares, among others.

Deliberation items:

Management strategy and issues, sustainability initiatives, corporate governance system, members and skill matrix of the Board of Directors, shareholder returns (dividends, acquisition of treasury shares, and benefit program), among others.

Evaluation of the Board of Directors' effectiveness

The Company conducts an analysis and evaluation of the Board of Directors' effectiveness annually to enhance its functionality. The summary of the analysis and evaluation for the Board of Directors conducted in the fiscal year ended December 31, 2025 is as follows.

Currently, the Company does not utilize third-party evaluations for the effectiveness analysis and believes that evaluations based on the Directors' own opinions and discussions within the Board of Directors are effective.

(I) Evaluation method

A questionnaire regarding the effectiveness of the Board of Directors was administered to all Directors. Based on the results of the questionnaire, the Board of Directors discussed the results.

<Questionnaire items>

Frequency and duration of Board meetings, progress of discussions, differentiation of proposals, focusing discussions, atmosphere conducive to free speech, quality and quantity of documentation provided, adequacy of information provided, explanation of proposals, time allotted for document review, information and understanding of operational status, discussions on governance, internal controls, and risk management systems,

discussions on the business environment, management strategy, and management challenges, discussions on critical issues for sustainable growth, shareholder returns, provision of training opportunities and financial support, related party management, individual Director's own understanding and preparation of risks, raising issues and expressing opinions, etc.

(II) Summary of evaluation results

The analysis and evaluation of effectiveness showed that out of 16 items, 14 received ratings of “fully appropriate” or “generally appropriate,” confirming the formal effectiveness of the Board of Directors is being maintained. However, the areas of “time allotted for document review,” “discussions on the business environment, management strategy, and management challenges,” and “discussions on critical issues for sustainable growth” were identified as needing improvement.

(III) Evaluation of response to issues from the previous year

As a response to the previous year’ issues, the Company has undertaken the following actions:

i) As part of the “discussions on the business environment, management strategy, and management challenges,” progress and actions for the medium- to long-term management strategies, policies, initiatives, and targets in each business were reported and deliberated upon in the Board of Directors’ meetings on an as needed basis.

ii) As part of the “discussions on critical issues for sustainable growth,” the Sustainability Committee was reorganized to consist mainly of Directors and Executive Officers, and the progress of the Committee’s efforts and the corporate status relating to human capital were periodically reported and deliberated upon in the Board of Directors’ meetings.

Following these actions, the analysis and evaluation of effectiveness showed that the areas of “discussions on critical issues for sustainable growth” and “discussions on the business environment, management strategy, and management challenges” still required further improvement. The question is what roles and responsibilities the Board of Directors should fulfill in order to achieve sustainable growth and to enhance corporate value over the medium to long term.

(IV) Future responses to issues

Considering these evaluations, the Board of Directors has decided to intensify efforts in the following areas for the fiscal year ending December 31, 2026.

i) The Board of Directors will deepen its discussions on medium- to long-term management strategies and policies, by regularly receiving reports on progress, analyses, and actions regarding the medium- to long-term management strategies, policies, and specific initiatives and targets in each business, along with associated discussions held on the business execution side.

ii) The Board of Directors will deepen its discussions on critical issues for sustainable growth, by regularly receiving reports on discussions and efforts by the Sustainability Committee, Risk and Compliance Committee, and other related organizations, and on the corporate status relating to human capital, along with associated discussions held on the business execution side, in an effort to reduce information asymmetry between inside and outside Directors.

(b) Audit and Supervisory Committee

The Audit and Supervisory Committee consists of three (3) Directors, all of whom are Audit and Supervisory Committee Members, including three Outside Directors. It is chaired by an Outside Director. In addition to holding regular monthly meetings, extraordinary meetings are convened as necessary. The Committee reports on the results of audits conducted in accordance with the audit policies, plans, and allocation of duties established by the Committee and conducts necessary deliberations and resolutions.

In addition, the following systems have been established to ensure that the Audit and Supervisory Committee performs its duties properly.

(I) Matters relating to employees who assist the Audit and Supervisory Committee in carrying out its duties, matters relating to the independence of such employees from the Directors, and matters relating to ensuring the effectiveness of their instructions

i) When the Audit and Supervisory Committee deems it necessary, it may appoint audit support staff to assist with its duties, discussing their selection within the Committee.

ii) To ensure the independence of the audit support staff from Directors (excluding Directors who are Audit and Supervisory Committee Members), their appointment, transfer, evaluation, and dismissal are discussed and consented to in advance with the Committee.

- iii) The audit support staff, in assisting the Audit and Supervisory Committee, shall follow the Committee's commands and not accept orders from Directors (excluding Directors who are Audit and Supervisory Committee Members).
- (II) System for reporting to the Audit and Supervisory Committee by the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members) and employees
 - i) System for reporting to the Audit and Supervisory Committee by the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members) and employees
 - 1) Audit and Supervisory Committee Members have the right to attend Board of Directors meetings and other internal meetings as needed, and to request reports.
 - 2) Directors (excluding Directors who are Audit and Supervisory Committee Members) and employees regularly report the status of internal controls to the committee, and the Internal Audit Office reports on the planning and results of internal audits regularly.
 - 3) When Directors and employees become aware of any serious violation of laws, regulations, the Articles of Incorporation, or misconduct, or any fact that may cause substantial damage to the Company, they must promptly report these to the Audit and Supervisory Committee.
 - ii) System for reporting to the Audit and Supervisory Committee of the Company by Directors, Corporate Auditors and employees of subsidiaries or persons receiving reports from them

Report to the Audit and Supervisory Committee of the Company, upon request, on the status of business operations and promptly report to the Audit and Supervisory Committee of the Company upon discovery of any serious violation of laws, regulations, the Articles of Incorporation, or misconduct, or any fact that may cause substantial damage to the Company or its subsidiaries.
- (III) System to ensure that a person who makes a report as described in the preceding item is not treated adversely because of such report

Directors and employees who report to the Audit and Supervisory Committee shall not be treated adversely because of such report.
- (IV) Matters relating to policies for the treatment of expenses or liabilities incurred in the performance of duties by Audit and Supervisory Committee Members

The Company shall establish procedures for Audit and Supervisory Committee Members to request coverage for expenses incurred during their duties. Should a member request an advance or reimbursement, the Company is to fulfill this request following established procedures, except when the expenses are deemed unrelated to the member's committee duties.
- (V) Other systems to ensure the effective conduct of the Audit and Supervisory Committee's audits
 - i) The Audit and Supervisory Committee shall be composed of experienced and knowledgeable persons familiar with corporate management and qualified persons, such as certified public accountants, and shall maintain independence from the President, Directors (excluding Directors who are Audit and Supervisory Committee Members) and other persons who conduct the Company's business.
 - ii) The Audit and Supervisory Committee shall hold regular meetings with the President to exchange opinions and information.
 - iii) In close cooperation, the Audit and Supervisory Committee and the Internal Audit Office will develop audit plans. The Audit and Supervisory Committee may direct the Internal Audit Office to undertake specific investigations as necessary. In performing duties under the direction of the Audit and Supervisory Committee, the Internal Audit Office will follow the Audit and Supervisory Committee's directives, independent of the President's instructions.
 - iv) Decisions regarding the appointment, transfer, performance evaluation, and dismissal of Internal Audit Office staff require prior discussion and approval by the Audit and Supervisory Committee.

Members as of December 31, 2025

Director who is an Audit and Supervisory Committee Member: Yoichi Maeda (full time, Chairperson), Yuki Imamura (part time), and Saori Tanoue (part time)
 All Outside Directors are Independent Directors.

Mr. Yoichi Maeda, Full-Time Audit and Supervisory Committee Member, has many years of extensive experience and a wide range of knowledge gained at business companies. He is an internationally qualified internal auditor and is familiar with group governance and internal controls.

Ms. Yuki Imamura, Part-Time Audit and Supervisory Committee Member, is an attorney at law with practical and legal expertise and experience in advertisement.

Ms. Saori Tanoue, Part-Time Audit and Supervisory Committee Member, is a certified public accountant and has considerable knowledge in finance and accounting.

Activities of the Audit and Supervisory Committee in the current fiscal year

A total of 14 meetings were held during the current fiscal year with individual Audit and Supervisory Committee Members' attendance as follows:

Name	No. of meetings held	No. of meetings attended
Yoichi Maeda	14	14
Yuki Imamura	14	14
Saori Tanoue	14	14

For the current fiscal year, each meeting lasted approximately one and a half hours on average. Throughout the year, the following resolutions, reports, and deliberations/discussions were made:

Resolution items:

Audit reports, approval of business reports and financial statements, preparation of a written confirmation of the execution of duties as an Audit and Supervisory Committee Member, the necessity of exercise of the right to express opinions regarding the election, compensation, etc. of Directors, the selection of Appointed Audit and Supervisory Committee Members, Specific Audit and Supervisory Committee Members, and the chairperson of the Audit and Supervisory Committee, the necessity of revision of Audit and Supervisory Committee-related regulations/audit standards, the Audit and Supervisory Committee's audit policy, audit plans, allocation of duties, and audit cost budget, consent on the reappointment and remuneration of accounting auditors, determination of compensation amounts for Audit and Supervisory Committee Members, among others.

Report items:

Monthly audit implementation status reports by the full-time Audit and Supervisory Committee Member (results of on-site inspections of domestic and overseas subsidiaries and domestic offices, important resolutions at meetings of the Board of Directors etc., results of hearings with division, group, and other managers, and results of other important meetings), internal audit results and follow-up status reports (quarterly) and annual plans, Nomination and Remuneration Committee activity reports, the status of operation of the Risk and Compliance Committee, Sustainability Committee, and information security management system, ISMS/PMS audit results reports, evaluations for the reappointment of accounting auditors, among others.

Deliberation and discussion items:

Reports to the Board of Directors on the status of implementation and activities of audit by the Audit and Supervisory Committee, confirmation of the status of compliance with the Corporate Governance (CG) Code, evaluation and audit reports on the status of establishment and operation of the Group's internal control system, promotion of women and increase in the proportion of women in managerial positions, issues related to internal whistleblowing (consultation), enhancement of the Group's internal whistleblowing system, self-evaluation of the effectiveness of the Audit and Supervisory Committee, among others.

The following table summarizes key audit items and audit activities during the current fiscal year:

Key audit item	Main results of audit activities
<p>Evaluation of the Board's compliance with the corporate governance guidelines based on the CG Code</p>	<p>[1] Requested detailed information in advance as input for decisions in exercising voting rights and conducted supervision through discussions at the Board of Directors' meetings.</p> <p>[2] Reflected through evaluation of the Board of Directors' effectiveness, identified issues to be addressed by the Board of Directors, and facilitated improvements.</p> <p>[3] Discussed investments in human capital and promotion of women, among other issues, in a free and open-minded manner.</p>
<p>Confirmation and auditing of the performance of duties by the Board of Directors and Directors</p>	<p>[1] Evaluated the appropriateness of deliberations and the decision-making process on critical issues and measures at the management meetings and Board of Directors' meetings, and efficient business operations.</p> <p>[2] The Full-Time Audit and Supervisory Committee Member attended important meetings, such as management meetings and meetings of the Risk and Compliance Committee and the Sustainability Committee, and provided advice, as necessary.</p> <p>[3] Regularly met with Directors, obtained opinions from Executive Officers, and conducted on-site inspections of offices and domestic and overseas subsidiaries to audit business operations and organizational management and provide advice for enhancing agility.</p>
<p>Monitoring and advice on the status of the operation of the internal control system, including the control environment for overseas subsidiaries and the Marketing Solutions business under performance pressure</p>	<p>[1] The Full-Time Audit and Supervisory Committee Member conducted on-site inspections of all sites, including branch offices and domestic and overseas subsidiaries, to evaluate the status of the establishment and operation of group-wide internal control systems—including the control environment, risk management framework, and compliance structure for cross-organizational operations such as Marketing Solutions business—and provided findings and advice for improvement to the heads of each office. In particular, they assessed the appropriateness of group governance over overseas subsidiaries by the parent company and the delegation of authority, and encouraged improvements.</p> <p>[2] During on-site inspections, promoted the use of the Group's internal reporting system and checked for signs of fraud risks and compliance violations.</p>
<p>Evaluation of the effectiveness of progress in attracting and developing diverse core human resources to contribute to sustainability management (introduction of a new personnel system, human resources strategy, human resources development programs, etc.)</p>	<p>[1] Regularly held free discussions with the President and Executive Directors to exchange opinions on sustainability management, mainly through discussions on investments in human capital and promotion of women.</p> <p>[2] Evaluated the effectiveness of deliberations at Corporate Strategy Meetings and human resources-related meetings and the programs for attracting and developing core human resources, including training aimed at nurturing business leaders.</p> <p>[3] Shared the current situation and exchanged opinions at Audit and Supervisory Committee meetings.</p>

Key audit item	Main results of audit activities
<p>Cooperation with the accounting auditor and the Internal Audit Office and support for the development of internal auditors</p>	<p>[1] Received reports from the Internal Audit Office on the results of internal audits and the status of their follow-up (at quarterly meetings of the Audit and Supervisory Committee) and exchanged opinions on the annual internal audit plan.</p> <p>[2] Shared fundamental data on audit targets kept by the Corporate Department and Internal Audit Office to enhance the efficiency of audits by the Audit and Supervisory Committee.</p> <p>[3] The Full-Time Audit and Supervisory Committee Member and the Internal Audit Office shared the results of internal audits, the status of follow-ups, and the results of audits conducted by the Audit and Supervisory Committee (Members) at weekly meetings to align their viewpoints, and worked to develop internal auditors by teaching them how to manage the organization and conduct business audits.</p> <p>[4] Cooperated with the Accounting Auditor through the following activities:</p> <ul style="list-style-type: none"> - Reports on the quarterly reviews, identification of issues from them, and discussion about proposed internal control improvement - Audits under the Companies Act and the Financial Instruments and Exchange Act, as well as reports and opinion exchange on internal control audits - Exchange of opinions on risk-based audit topics (including fraud scenarios) and discussions on audit plans and proposed audit fees - Exchange of opinions based on the risk scoring results for subsidiaries that were prepared by the accounting auditor - Discussion of KAM, group governance, and other issues - Interviews with the accounting auditor on its quality management system, the duty execution system, etc.

The activities of the Full-Time Audit and Supervisory Committee Member include, in addition to attending meetings of the Board of Directors, attending various other important meetings, such as Corporate Strategy Meetings, Weekly Report Meetings with the management and presidents of domestic and overseas subsidiaries, meetings of the Risk and Compliance Committee and the Sustainability Committee, meetings related to human resources, and meetings related to new business progress to audit decision-making processes by management and the establishment and operation of internal control, and providing objective opinions from an independent and neutral standpoint by utilizing his/her abundant experience and wide-ranging insight in management. The Full-Time Audit and Supervisory Committee Member also inspects decision-making documents to confirm that decisions are made appropriately, visits offices and domestic and overseas subsidiaries to gather information and exchange opinions through meetings with the management and employees of these companies in order to share awareness of management issues and business and other risks, and works to improve the audit environment.

The Full-Time Audit and Supervisory Committee Member reports the status of these audits at monthly meetings.

(c) Nomination and Remuneration Committee

The Company established the Nomination and Remuneration Committee as a voluntary advisory body to the Board of Directors on March 25, 2022. The Committee, composed of a majority of Independent Outside Directors, is chaired by an Independent Outside Director and consists of three (3) Directors. The purpose of

the Committee is to enhance the transparency and objectivity of the decision-making process and to strengthen management's oversight and control functions by providing an independent perspective on director nominations, compensation, etc. The Nomination and Remuneration Committee reports to the Board of Directors on the fairness and appropriateness of Director candidate nominations, succession planning, and Director compensation, etc., after deliberation within the Committee.

Members as of December 31, 2025

Independent Outside Director: Yoichi Maeda (full time, Chairperson), Yuki Imamura (part time)
 Director: Atsushi Kawata

Activities of the Nomination and Remuneration Committee in the current fiscal year

A total of 4 meetings were held during the current fiscal year with individual Nomination and Remuneration Committee Members' attendance as follows:

Name	No. of meetings held	No. of meetings attended
Yoichi Maeda	4	4
Yuki Imamura	4	4
Atsushi Kawata	4	4

For the current fiscal year, each meeting lasted approximately an hour and ten minutes. Throughout the year, the following deliberations and resolutions were made:

Resolution items:

Selection of the Chairperson of the Nomination and Remuneration Committee, preliminary proposals for Director nominations and the appointment of delegated Executive Officers, preliminary proposals for selecting the Representative Director, preliminary proposals concerning the individual remuneration of Directors and delegated Executive Officers, among others.

Deliberation items:

Preparation of an annual activity plan, the exercise of voting rights at the Annual General Meeting of Shareholders, composition of the Board of Directors (appointment of Outside Directors who are not Audit and Supervisory Committee Members), successor development for the President, remuneration mix (breakdown of remuneration, the stock compensation system), performance evaluation metrics, evaluation and compensation determination methods for Directors and delegated Executive Officers, disclosure of Directors' remuneration, among others.

(d) Accounting Auditor

The Company's audit is conducted by KPMG AZSA LLC, with which the Company and the personnel engaged in the audit have no special interest relationships.

The Audit and Supervisory Committee and the Internal Audit Office regularly exchange information with the Accounting Auditor regarding the audit contents, discussing audit results, and the evaluation of the internal control situation and risks identified by the auditor to ensure close cooperation.

(e) Business execution and internal control systems

All officers and employees within the Group ensure the propriety of business operations by practicing the "Group Activity Guidelines." The Board of Directors of the Company has established the following basic policy for the internal control system and has established a system for the conduct of business.

(I) Systems to ensure efficient business operations, including Corporate Strategy Meeting and Weekly Report Meeting

i) The Company separates decision-making and supervisory functions from business execution functions, aiming to enhance each function and optimize the Board of Directors. Under the supervision of the Board, which decides on the basic policy, Executive Officers within their authority make decisions and execute business tasks. The Executive Officers discuss the Group's management issues to be deliberated, including items to be decided by the Board of Directors, and report on the execution status of business tasks at Corporate Strategy Meetings and Weekly Report Meetings according to the "Management

Meeting Regulations.”

The Corporate Strategy Meeting is composed of a total of nine (9) persons (the President and CEO, one (1) Senior Managing Executive Officer, two (2) Managing Executive Officers, four (4) Executive Officers, and one (1) Director who is a Full-Time Audit and Supervisory Committee Member) and chaired by the President and CEO. The meeting is held once a month to deliberate and make decisions on management issues such as matters related to basic management policies and important initiatives, and matters related to proposals to be submitted to the Board of Directors.

The Weekly Report Meeting is composed of a total of 13 persons (the President and CEO, one (1) Senior Managing Executive Officer, two (2) Managing Executive Officers, four (4) Executive Officers, one (1) Director who is a Full-Time Audit and Supervisory Committee Member, three (3) Officers from Group companies, and one (1) employee involved in overseas business). The meeting is held once a week to share information by making reports, for example on the progress of business results and other operating matters, in addition to making decisions based on their authority.

The Executive Officers clarify the goals and responsibilities of each division based on the management plan and analyze the difference between budget and actual results to achieve the desired performance targets.

- ii) To speed up decision-making, the Company has established internal rules such as “Organization Rules,” “Rules on Division of Duties,” and “Rules on Administrative Authority” to clarify roles, authority and responsibilities.

- iii) To ensure the reliability of financial reporting, the Company has established accounting rules and regulations and a “Basic Policy for the Development of Internal Control over Financial Reporting” to manage the risk of fraud and errors in financial reporting, develop, operate and evaluate prevention and control functions, and establish a system to correct any deficiencies. The Company has established a basic plan for company-wide internal control, general control over IT, and internal control over financial closing and reporting processes and other business processes, and has established and implemented these controls. The effectiveness of these controls is subject to self-assessment by the control implementation department and evaluation by the Internal Audit Office.

The Corporate Strategy Meeting members as of December 31, 2025

President and CEO: Atsushi Kawata (chairperson)

Senior Managing Executive Officer: Yasuhisa Hino

Managing Executive Officer: Hiroshi Ikumoto, Masanori Seimiya

Executive Officer: Yoichiro Sasaki, Masaya Takeuchi, Sho Yoshida, Ayumi Goto

Director who is a Full-Time Audit and Supervisory Committee Member: Yoichi Maeda

The Weekly Report Meeting members as of December 31, 2025

President and CEO: Atsushi Kawata

Senior Managing Executive Officer: Yasuhisa Hino

Managing Executive Officer: Hiroshi Ikumoto, Masanori Seimiya

Executive Officer: Yoichiro Sasaki, Masaya Takeuchi, Sho Yoshida, Ayumi Goto

Director who is a Full-Time Audit and Supervisory Committee Member: Yoichi Maeda

Three (3) Officers from Group companies

Employee involved in overseas business: One (1) person

(II) Risk and Compliance Committee

The Risk and Compliance Committee, chaired by the President and CEO, is composed of the President and CEO, the Senior Managing Executive Officer, two (2) Managing Executive Officers, one (1) Director who is a Full-Time Audit and Supervisory Committee Member, and one (1) employee of the Legal Department, for a total of six (6) members. In accordance with the “Risk Management Regulations,” which regulate basic matters of risk management, the Committee meets regularly to analyze risks to the Group, report on the progress of risk response policies, and exchange information. If a risk materializes, the President and CEO convenes a meeting of the Risk and Compliance Committee to discuss risk response and risk prevention measures. The Chairperson of the Risk and Compliance Committee reports regularly to the Board of Directors on the status of the Committee’s activities.

The Risk and Compliance Committee incorporates the information security management system and the personal information protection management system, implements security measures for information management, including personal information, and conducts training for officers and employees to ensure proper information management.

In the event of an unforeseen incident, the Company has established a task force under the direction of the President and CEO and, if necessary, in cooperation with outside professional organizations such as the Office of the General Counsel, etc., to take prompt and appropriate action to minimize the spread of loss, damage, etc.

The Company recognizes that thorough compliance is essential to enhancing corporate value, and the Risk and Compliance Committee has studied countermeasures and implemented the following measures.

- i) The Company has established the “Corporate Code of Ethics”, and in accordance with the Code, all Officers and employees are required to act in accordance with laws and regulations and to conduct themselves with high ethical standards. In addition, as a measure to thoroughly promote and raise awareness of compliance, the Company holds training sessions for all officers and employees on the basics of compliance and information management essential to business operations, and conducts ongoing education and dissemination activities.
- ii) The Company as a whole takes a firm stance against antisocial forces that threaten social order and sound business operations, including cooperation with related organizations, and rejects any relationship with antisocial forces. In addition, the Company will continue to promote the development of a system to eliminate antisocial forces in cooperation with the police, relevant organizations, and professional organizations such as lawyers.
- iii) In order to properly handle reports of violations of laws and regulations, the Company has established “Internal Reporting Regulations” and operates an internal reporting system based on these regulations for the purpose of early detection and correction of violations of laws and regulations, the Articles of Incorporation and other internal regulations, or actions that may lead to such violations.

Members as of December 31, 2025

President and CEO: Atsushi Kawata (Chairperson)

Senior Managing Executive Officer: Yasuhisa Hino

Managing Executive Officer: Hiroshi Ikumoto, Masanori Seimiya

Director who is a Full-Time Audit and Supervisory Committee Member: Yoichi Maeda

Employee of Legal Department: One (1) person

(III) Sustainability Committee

The Sustainability Committee, chaired by the President and CEO, is composed of the President and CEO, the

Senior Managing Executive Officer, two (2) Managing Executive Officers, one (1) Director who is a Full-Time Audit and Supervisory Committee Member, and one (1) employee of the Management Planning Department, for a total of six (6) members. In accordance with the “Sustainability Committee Regulations,” which regulate basic matters of its duties, the Committee meets regularly to formulate the sustainability policy of the Group, report on the progress of sustainability initiatives, and exchange information. The Chairperson of the Sustainability Committee reports regularly to the Board of Directors on the status of the Committee’s activities. Through these efforts, we strive to promote our sustainability-related initiatives across the Group.

Members as of December 31, 2025

President and CEO: Atsushi Kawata (Chairperson)

Senior Managing Executive Officer: Yasuhisa Hino

Managing Executive Officer: Hiroshi Ikumoto, Masanori Seimiya

Director who is a Full-Time Audit and Supervisory Committee Member: Yoichi Maeda

Employee of Management Planning Department: One (1) person

(IV) Internal Audit Office

To ensure the independence and objectivity of internal audits, the Internal Audit Office is directly managed by the President and composed of one (1) dedicated personnel from the Internal Audit Department. It verifies, evaluates, and advises on the compliance and efficiency of the Group’s organizational, systemic, and operational adherence to management policies, laws, regulations, and rules. The Internal Audit Office conducts its audits based on an annual audit plan, which is created with the approval or directive of the Representative Director, President and CEO. It assesses the setup and operational status of internal controls, focusing on the effectiveness and efficiency of operations, the reliability of financial reporting, compliance with laws and regulations, and the protection of company assets, and provide advice and recommendations for improvement of risk management, control measures, and the adequacy and effectiveness of governance. Through these efforts, we strive to prevent violations of laws and regulations, fraud and errors, provide accurate information, safeguard assets, and improve business operations.

Audit findings are consistently reported to the Representative Director, President and CEO, the Board of Directors, and the Audit and Supervisory Committee.

Regular weekly meetings are held between the Full-Time Audit and Supervisory Committee Members and the Internal Audit Office to share fundamental data on audit targets, and exchange opinions on audit methods and results, audit progress, and annual plans etc. The Internal Audit Office, the Audit and Supervisory Committee, and the audit firm cooperate by exchanging opinions on audit results, audit plans, and other matters, as appropriate.

(V) Other measures to ensure the appropriateness of operations within the Group

- i) The Company shall establish the “oRo Group Policy”, a system of principles including human resources policy and compliance policy for the Group to share and disseminate the Corporate Philosophy among the Group and ensure the appropriateness of its operations.
- ii) Subsidiaries shall report to the Company and seek approval for matters to be discussed and approved or reported in accordance with the “Affiliate Management Regulations” and conduct regular business progress reports to share business management and crisis management information while ensuring the adequacy of their business execution systems.

- iii) The Internal Audit Office of the Company shall subject subsidiaries to its regular internal audits, and report the results of such audits to the President and CEO, the Board of Directors, and the Audit and Supervisory Committee of the Company.
- iv) The Audit and Supervisory Committee Members selected by the Audit and Supervisory Committee shall visit subsidiaries as necessary to review the status of business operations.
- v) The Company shall dispatch its Directors or employees as directors of subsidiaries as necessary and supervise the performance of duties by directors of subsidiaries through such Directors or employees.
- vi) The Company shall establish an internal reporting system directly accessible to Directors, Corporate Auditors and employees of subsidiaries, and detect and correct violations of laws, the Articles of Incorporation, and other internal regulations or actions that may lead to such violations at an early stage.

Note: Amounts and numbers of shares stated in this Business Report are rounded down to the nearest unit.

Consolidated Financial Statements

Consolidated Statement of Financial Position (As of December 31, 2025)

(Thousands of yen)

Account	Amount	Account	Amount
(Assets)		(Liabilities)	
Current assets	12,431,641	Current liabilities	2,842,296
Cash and cash equivalents	10,058,039	Trade and other payables	440,653
Trade and other receivables	1,112,306	Contract liabilities	1,249,474
Contract assets	399,873	Lease liabilities	205,674
Other financial assets	717,702	Income tax payables	344,414
Other current assets	143,719	Provisions	19,366
		Other current liabilities	582,712
Non-current assets	1,315,728	Non-current liabilities	551,667
Property, plant and equipment	807,396	Lease liabilities	432,045
Intangible assets	170,908	Provisions	119,622
Other financial assets	118,481		
Deferred tax assets	172,676	Total liabilities	3,393,964
Other non-current assets	46,270		
		(Equity)	
Total assets	13,747,370	Equity attributable to owners of parent	10,357,152
		Capital stock	1,193,528
		Capital surplus	1,095,202
		Treasury shares	(1,051,399)
		Retained earnings	9,018,728
		Other components of equity	101,092
		Non-controlling interests	(3,746)
		Total equity	10,353,405
		Total liabilities and equity	13,747,370

Consolidated Statement of Income
(Fiscal Year Ended December 31, 2025)

(Thousands of yen)

Account	Amount
Revenue	8,307,953
Cost of sales	2,851,396
Gross profit	5,456,556
Selling, general and administrative expenses	2,746,226
Research and development	63,542
Other income	14,285
Other expenses	11,801
Operating profit	2,649,270
Finance income	29,400
Finance costs	21,999
Profit before tax	2,656,671
Income tax expenses	761,273
Profit	1,895,398
Profit attributable to:	
Owners of parent	1,896,738
Non-controlling interests	(1,339)
Profit	1,895,398

Consolidated Statement of Changes in Equity
(Fiscal Year Ended December 31, 2025)

(Thousands of yen)

	Equity attributable to owners of parent			
	Capital stock	Capital surplus	Treasury shares	Retained earnings
Balance as of January 1, 2025	1,193,528	1,095,202	(313,398)	8,202,954
Profit				1,896,738
Other comprehensive income				
Total comprehensive income	-	-	-	1,896,738
Restricted stock-based payment transactions			19,310	(816)
Dividends				(561,440)
Purchase of treasury shares			(1,276,018)	
Cancellation of treasury shares			518,707	(518,707)
Total transactions with owners	-	-	(738,000)	(1,080,963)
Balance as of December 31, 2025	1,193,528	1,095,202	(1,051,399)	9,018,728

	Equity attributable to owners of parent			Non-controlling interests	Equity
	Other components of equity		Total		
	Exchange differences on translation of foreign operations	Total			
Balance as of January 1, 2025	105,470	105,470	10,283,756	(2,131)	10,281,625
Profit			1,896,738	(1,339)	1,895,398
Other comprehensive income	(4,377)	(4,377)	(4,377)	(275)	(4,652)
Total comprehensive income	(4,377)	(4,377)	1,892,360	(1,615)	1,890,745
Restricted stock-based payment transactions			18,494		18,494
Dividends			(561,440)		(561,440)
Purchase of treasury shares			(1,276,018)		(1,276,018)
Cancellation of treasury shares			-		-
Total transactions with owners	-	-	(1,818,964)	-	(1,818,964)
Balance as of December 31, 2025	101,092	101,092	10,357,152	(3,746)	10,353,405

Notes to the Consolidated Financial Statements

(Notes to Significant Matters Forming the Basis for Preparing Consolidated Financial Statements)

1. Standards for preparing consolidated financial statements

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”), pursuant to Article 120, paragraph 1 of the Regulations on Corporate Accounting. Certain disclosure items required by IFRS are omitted pursuant to the latter part of the same paragraph.

2. Scope of consolidation

Number of consolidated subsidiaries:	8 companies
Names of consolidated subsidiaries:	oRo TECHNOLOGY (DALIAN) Co., Ltd. oRo Vietnam Co., Ltd. oRo Malaysia Sdn. Bhd. oRo (Thailand) Co., Ltd. oRo TAIWAN Co., Ltd. DALIAN oRo ADVERTISING Co., Ltd. oRo Miyazaki Co., Ltd. oRo code MOC Co., Ltd.

oRo Digital Asia Pte. Ltd. has been excluded from the scope of consolidation due to the completion of its liquidation.

3. Fiscal year, etc. of the consolidated subsidiaries

The balance sheet date of all subsidiaries is December 31, which is the same as the consolidated balance sheet date.

4. Accounting policies

(1) Valuation standards and methods for significant assets

1) Financial assets

(i) Initial recognition and measurement

Financial assets are initially recognized at the transaction date when the Group becomes a party to the contract and are classified as financial assets measured either at amortized cost or at fair value.

Except for trade receivables that do not contain a significant financing component, all financial assets are measured at fair value plus transaction costs.

(a) Financial assets measured at amortized cost

Financial assets are classified as financial assets measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Trade receivables that do not contain a significant financing component are measured at the transaction price.

(b) Financial assets measured at fair value

Equity instruments such as shares held mainly for the purpose of maintaining or strengthening business relationships with investees are designated at initial recognition as financial assets measured at fair value

through other comprehensive income, and such designation is applied on an ongoing basis.

(ii) Subsequent measurement

After initial recognition, financial assets are measured as follows:

(a) Financial assets measured at amortized cost

Financial assets measured at amortized cost are recognized at the gross carrying amount using the effective interest method less accumulated impairment losses.

(b) Financial assets measured at fair value through other comprehensive income

Subsequent changes in the fair value of equity instruments such as shares are recognized in other comprehensive income. When the instrument is disposed of, the cumulative gain or loss recognized through other comprehensive income is transferred from other components of equity to retained earnings.

Dividends from such financial assets are recognized as profit or loss to be included in “finance income.”

(iii) Impairment of financial assets and other assets

A loss allowance is recognized for expected credit losses on financial assets and contract assets measured at amortized cost.

A loss allowance for a financial asset is measured at each fiscal year-end based on an assessment of whether the credit risk on the financial asset has increased significantly since initial recognition. If it is determined that the credit risk of the financial asset has increased significantly since initial recognition, the loss allowance is measured at an amount equal to the expected credit losses over the expected remaining lifetime of the financial asset. If it is determined that the credit risk of the financial asset has not increased significantly since initial recognition, the loss allowance is measured at an amount equal to the expected credit losses that will be incurred within 12 months after the fiscal year-end. However, for trade receivables and contract assets, the loss allowance is always measured at an amount equal to the lifetime expected credit losses.

Expected credit losses are measured at the present value of the difference between the total contractual cash flows payable to the Group and the future cash flows estimated to be received by the Group, which are recognized in profit or loss. In subsequent periods, if an event occurs that reduces the loss allowance, a reversal of the loss allowance is recognized in profit or loss.

If the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof, such an amount is directly deducted from the carrying amount of the financial asset.

(iv) Derecognition of financial assets

The Group derecognizes a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- the Group transfers the contractual rights to receive the cash flows of the financial asset, thereby transferring substantially all the risks and rewards of ownership of the financial asset.

(2) Depreciation and amortization methods for significant depreciable assets

1) Property, plant and equipment

Property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses, using the cost model.

The cost of property, plant and equipment includes costs directly attributable to the acquisition of the asset and the costs of dismantlement, removal and restoration.

After initial recognition, property, plant and equipment are depreciated on a straight-line basis over their respective estimated useful lives. The estimated useful lives of major items of property, plant and equipment are as follows:

- Buildings 3–18 years
- Tools, furniture and fixtures 2–10 years
- Right-of-use assets 1–10 years

The estimated useful lives, residual values and depreciation methods are reviewed at each fiscal year-end, and

any changes are applied prospectively as changes in accounting estimates.

2) Intangible assets

Intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses, using the cost model.

Intangible assets acquired separately are initially measured at cost.

After initial recognition, intangible assets are amortized on a straight-line basis over their respective estimated useful lives. The estimated useful lives of major intangible assets are as follows:

- Software 1–10 years
- Trademark right 10 years
- Patent right 8 years

The estimated useful lives, residual values and amortization methods are reviewed at each fiscal year-end, and any changes are applied prospectively as changes in accounting estimates. Expenditures for research activities are recognized in profit or loss as incurred. Expenditures for development activities meeting all the requirements for asset recognition are measured and carried in the consolidated statement of financial position at the total amount of expenditures incurred from the date the requirements for asset recognition are met to the date the development is completed.

3) Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is determined to be, or contain, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

When it is determined that a contract is a lease, or contains, a lease, a right-of-use asset and a lease liability are recognized at the commencement date of the lease. The lease liability is measured at the present value of the total accrued lease payments, and the right-of-use asset is measured at cost, which is the amount of the initial measurement of the lease liability adjusted for any initial direct costs incurred by the lessee. In measuring right-of-use assets and lease liabilities, as a practical expedient, the Group elects to recognize each lease component and any associated non-lease components not separately but as a single lease component.

After initial recognition, right-of-use assets are depreciated on a straight-line basis over the lease term. The lease term of the right-of-use asset is estimated by taking into account the non-cancelable term of the lease and options to extend and terminate the lease.

Lease payments are allocated to finance costs and repayment of lease liabilities based on the interest method, with the finance costs recognized in the consolidated statement of income.

Right-of-use assets are included in “property, plant and equipment” in the consolidated statement of financial position.

The Group elects not to recognize right-of-use assets or lease liabilities for short-term leases with a lease term of 12 months or less and leases of low-value assets, including leases of IT equipment. Instead, the Group recognizes lease payments for these leases as expenses on a straight-line basis over the lease term.

(3) Impairment of non-financial assets

The carrying amounts of the Group’s non-financial assets, other than deferred tax assets, are assessed at each fiscal year-end to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset or cash-generating unit is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its value in use and its fair value less costs of disposal. The value in use is determined by discounting the estimated future cash flows to present value using a pre-tax discount rate that reflects the time value of money and the risks specific to the asset. Assets not tested individually for impairment are integrated into the smallest cash-generating unit that generates cash inflows from continuing use that are largely independent of cash inflows from other assets or groups of assets.

An impairment loss is recognized in profit or loss when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount.

The Group assesses whether there is any indication that an impairment loss recognized in prior fiscal years for an asset or cash-generating unit may have decreased or may no longer exist. If any such indication exists, the recoverable amount of that asset or cash-generating unit is estimated. If the recoverable amount exceeds the carrying amount of the asset or cash-generating unit, the impairment loss is reversed to the extent that the carrying amount of the asset or cash-generating unit is not increased above the carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized for the asset or cash-generating unit in prior fiscal years.

(4) Standards for recording significant provisions

A provision is recognized when:

- the Group has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

A provision is determined by discounting the estimated future cash flows to present value using a pre-tax discount rate that reflects the time value of money and the risks specific to the liability. The unwinding of the discount due to the passage of time is recognized as “finance costs.”

The Group recognizes provisions mainly for loss on orders received, product warranties, asset retirement obligations and provision for shareholder benefit program.

1) Provision for loss on orders received

To prepare for future losses on orders received, a provision is recognized for the estimated amount of losses to be incurred after the end of the reporting period, when it is probable that future losses will be incurred and the amount of such losses can be estimated reliably as of the end of the reporting period.

2) Provision for product warranties

To provide for costs of product warranties for a certain period of time related to software, a provision is recognized for the estimated amount of costs to be incurred after the end of the reporting period, when it is probable that future costs will be incurred and the amount of such costs can be estimated reliably as of the end of the reporting period.

3) Asset retirement obligations

When the Group has a legal obligation required by law or contract for the removal of property, plant and equipment used in an ordinary way, such as a restoration obligation associated with a lease agreement for a building used by the Group, an asset retirement obligation is recognized based on the estimated amount of future expenditures determined mainly based on past experience.

4) Provision for shareholder benefit program

To provide for expenses associated with the shareholder benefit program, a provision is recorded for the amount to be borne in the reporting period out of the amount expected in the future based on the shareholder benefit program.

(5) Standards for recording revenues and expenses

1) Revenue recognition

The Group recognizes revenue from contracts with customers based on the following five-step approach:

Step 1: Identify the contract(s) with a customer.

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligations in the contract.

Step 5: Recognize revenue when (or as) the Group satisfies a performance obligation.

Performance obligations and revenue recognition by type of service are described in (Notes to Revenue) 1. Disaggregation of revenue.

2) Revenue presentation

The Group determines whether it is a principal or an agent in a revenue transaction by the criteria: whether the nature of its promise in the transaction is a performance obligation to provide the specified goods or services itself that are controlled by the Group before transferred to the customer (i.e., a principal) or to arrange for those goods or services to be provided by the other party (i.e., an agent).

The Group assesses whether it acts as a principal or as an agent in a transaction, considering the following indicators:

- Is the Group primarily responsible for providing goods or services or fulfilling orders to the customer?
- Does the Group assume inventory risk before or after placement of an order by the customer, during transportation, or upon return of goods?
- Does the Group have the right to determine prices directly or indirectly?

When the Group is determined to be a principal in a transaction, revenue is presented on a gross basis, and when the Group is determined to be an agent, revenue is presented on a net basis.

(6) Standards for translating assets and liabilities denominated in foreign currencies into Japanese yen

Functional currency and presentation currency

The Group's consolidated financial statements are presented in Japanese yen, which is the Company's functional currency, with amounts rounded down to the nearest thousand yen.

1) Transactions denominated in foreign currencies

Transactions denominated in foreign currencies are translated into the functional currency of each company in the Group at the exchange rate on the transaction date.

Monetary assets and liabilities denominated in foreign currencies as of the fiscal year end are translated into the functional currency at the exchange rate prevailing on that date.

Translation differences arising from translation or settlement are recognized in profit or loss.

2) Financial statements of foreign operations

Assets and liabilities of foreign operations are translated using the exchange rate at the fiscal year-end. Revenues and expenses of foreign operations are translated using the average exchange rate for the period unless there were significant exchange rate fluctuations. Translation differences arising from the translation of financial statements of foreign operations are recognized in other comprehensive income, with the cumulative amount recognized in other components of equity, except for the portion allocated to non-controlling interests. Translation differences of foreign operations are recognized in profit or loss in the period in which the foreign operations are disposed of.

When the Group loses control, significant influence or joint control over a foreign operation upon disposal of part or all of that foreign operation, the cumulative amount of the translation differences related to the foreign operation is reclassified from equity to profit or loss.

(Notes to Accounting Estimates)

(Estimates of recognition period for revenue from license fees arising from one-time purchase contracts of the cloud ERP system)

(1) The amount recorded in the consolidated financial statements for the current fiscal year

Revenue from software license fees arising from one-time purchase contracts of the cloud ERP system	437,725 thousand yen
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(2) Information on significant accounting estimates for the items identified

The cloud ERP system "ZAC" is treated as a single performance obligation because it is provided in a combination of software licensing, maintenance, and related system integration services through which customers can enjoy the benefits of using such an ERP system. Of software license fees, those arising from one-time purchase contracts are received by the Group in a lump sum at the time of the conclusion of a contract with the customer, which will be recognized as revenue for accounting over the period during which such fees are estimated to provide material rights to the customer. Specifically, as the one-time purchase fee is approximately equivalent to the 30-month fee of a SaaS contract, the amount of such a one-time purchase fee is allocated to the material right and recognized as revenue over the 30 months.

The period during which such a one-time purchase fee is estimated to provide material rights to the customer is an accounting estimate that requires management judgment since such a period can be shorter than a period of use by the Group's typical customers as the contract period is not specified in the contracts concluded with customers. If such a period needs to be revised due to changes in customer needs and pricing structures, etc., it could cause a significant impact on the consolidated financial statements for the following fiscal year.

Since the Group discontinued the one-time purchase contract for ZAC software licenses, the materiality of this estimate has been decreased.

(Estimates of total cost of satisfying performance obligations and recognizing revenue over a specified period of time)

- (1) The amount recorded in the consolidated financial statements for the current fiscal year
- | | |
|--|----------------------|
| Amount of revenue recognized based on progress | 896,245 thousand yen |
|--|----------------------|

- (2) Information on significant accounting estimates for the items identified

For ZAC ERP installation consultation, customization; construction and renewal of websites; and contracted development, if the contract amount or the total cost to completion can be estimated reliably, revenue is recognized as the performance obligation is satisfied based on the progress towards satisfaction of the performance obligation measured as of the end of the reporting period. The progress towards satisfaction of the performance obligation is measured using the input method (the cost-to-cost method) at the costs incurred relative to the estimated total cost to completion.

The recognition of these revenues is dependent on estimates of total costs, which are estimated in a timely and appropriate manner based on the progress of the work, past work performance, and other factors. However, the number of man-hours and subcontract prices used in the calculation of estimated total costs are subject to uncertainty. If a revision is necessary due to changes in the nature of the work or the occurrence of additional work, it could cause a significant impact on the consolidated financial statements for the following fiscal year.

(Notes to Consolidated Statement of Financial Position)

- (1) Loss allowance deducted directly from assets
- | | |
|-----------------------------|------------------|
| Trade and other receivables | 526 thousand yen |
| Other financial assets | 915 thousand yen |
- (2) Accumulated depreciation and accumulated impairment losses on property, plant and equipment
- | | |
|--|------------------------|
| | 1,686,684 thousand yen |
|--|------------------------|

(Notes to Consolidated Statements of Changes in Equity)

1. Class and total number of shares issued at the end of the current fiscal year
- | | | |
|--------------|------------|--------|
| Common stock | 15,949,053 | shares |
|--------------|------------|--------|
2. Class and number of treasury shares at the end of the current fiscal year
- | | | |
|--------------|---------|--------|
| Common stock | 365,031 | shares |
|--------------|---------|--------|

3. Dividends

(1) Amount of dividends paid

Resolution	Class of shares	Dividend resource	Total amount of dividends (thousand yen)	Dividend per Share (yen)	Record date	Effective date
Annual General Meeting of Shareholders held on March 25, 2025	Common stock	Retained earnings	561,440	35.00	December 31, 2024	March 27, 2025

(2) Dividends with a record date in the current fiscal year but with an effective date in the following fiscal year

The following resolution is scheduled.

Resolution (planned)	Class of shares	Dividend resource	Total amount of dividends (thousand yen)	Dividend per Share (yen)	Record date	Effective date
Annual General Meeting of Shareholders held on March 24, 2026	Common stock	Retained earnings	779,201	50.00	December 31, 2025	March 27, 2026

4. The class and number of shares to be issued upon the exercise of stock acquisition rights at the end of the current fiscal year (except for those shares whose first date of exercise period has not passed).

Not applicable.

(Notes to Financial Instruments)

1. Status of financial instruments

(1) Policies for financial instruments

The Group manages its funds by investing in very low-risk deposits and other instruments.

(2) Description of financial instruments and associated risks

Foreign currency deposits are exposed to foreign exchange rate fluctuation risk.

Notes and accounts receivable – trade, which are trade receivables, are exposed to customer credit risk.

Notes and accounts payable – trade, which are trade payables, are mainly due within one year.

(3) Risk management for financial instruments

Financial risk management

The Group is exposed to financial risks (credit risk, liquidity risk, foreign exchange risk, and market price fluctuation risk) in the course of its business activities. To mitigate such financial risks, the Group takes steps under its risk management policies.

Credit risk management

Credit risk is the risk that a counterparty to a financial asset held by the Group will default on its contractual obligations, resulting in the Group incurring a financial loss.

To mitigate credit risk on trade receivables, the Group manages due dates and outstanding balances for each counterparty, thereby identifying at an early-stage concerns about collection, such as due to deterioration in financial conditions.

The carrying amount after impairment of financial assets presented in the consolidated financial statements represents the maximum exposure of the Group's financial assets to credit risk, without taking into account the value of collateral.

Note that the Group has no properties held as collateral or other credit enhancements against exposure to credit risk.

Concentration of credit risk

11% of trade receivables as of the consolidated balance sheet date for the current fiscal year are attributable to several large clients.

The Group measures expected future credit losses and recognizes a loss allowance for trade receivables and other financial assets and contract assets, taking into consideration whether there has been a significant increase in credit risk. The Group assesses whether there has been a significant increase in credit risk by considering the counterparty's operating results, past due information, forward-looking statements, and other available information. Credit losses on credit-impaired financial assets and financial assets with significantly increased credit risk are measured individually. Credit losses on other financial assets are measured collectively by grouping the financial assets based on the nature of the transaction, past delinquencies, and other characteristics. The Group determines that a financial asset is credit-impaired upon the following events:

- significant financial difficulties of the borrower;
- granting of concessions related to the borrower's financial difficulties; or
- bankruptcy etc., of the borrower.

The loss allowance for trade receivables and contract assets is always measured at an amount equal to the lifetime expected credit losses. The loss allowance for financial assets other than trade receivables is measured at an amount equal to the 12-month expected credit losses; however, if there is a significant increase in credit risk, the loss allowance is measured at an amount equal to the lifetime expected credit losses.

If the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof, such an amount is considered to be in default and thus directly deducted from the carrying amount of the financial asset.

2. Fair value and carrying amount of financial instruments

The fair value and carrying amount of financial assets as of December 31, 2025 are as follows. Note that financial instruments measured at fair value and financial instruments whose carrying amount closely approximates their fair value are not included in the table below.

	(Thousands of yen)	
	Carrying amount	Fair value
Financial assets		
Financial assets measured at amortized cost		
Other financial assets		
Lease and guarantee deposits	118,369	110,308
Total	118,369	110,308

3. Fair value information by level within the fair value hierarchy

The fair value hierarchy for financial instruments is categorized into the following three levels:

Level 1: Fair value measured at quoted prices in active markets for identical assets or liabilities

Level 2: Fair value measured using observable inputs other than Level 1, either directly or indirectly

Level 3: Fair value measured using valuation techniques with unobservable inputs

Fair value measurements are classified into Level 1 through Level 3 based on the observability and significance of the inputs used for the measurement. Transfers between levels of the fair value hierarchy are recognized as if they occurred at the end of each reporting period.

(1) Financial instruments measured at amortized cost

Financial assets measured at amortized cost are classified by level of the fair value hierarchy as follows. Note that financial instruments whose carrying amount closely approximates their fair value are not included in the table below.

(Thousands of yen)

	Level 1	Level 2	Level 3	Total
Financial instruments				
Financial assets measured at amortized cost				
Lease and guarantee deposits	–	110,308	–	110,308
Total	–	110,308	–	110,308

(Notes to Revenue)

1. Disaggregation of revenue

The Group establishes Cloud Solutions and Marketing Solutions as two separate reportable segments. The breakdown of revenue from contracts with customers in each business segment is as follows:

	(Thousands of yen)		
	Cloud Solutions	Marketing Solutions	Total
ZAC license fee, maintenance fee, and SaaS and other monthly service fees	4,274,762	–	4,274,762
ZAC ERP installation consultation, customization	789,365	–	789,365
Reforma PSA	215,706	–	215,706
dxeco, Semrush, and other products, etc.	384,460	–	384,460
Marketing / promotion	–	1,118,328	1,118,328
System/website integration, etc.	–	893,857	893,857
Operation support / Operation office	–	631,471	631,471
Total	5,664,295	2,643,657	8,307,953

Cloud Solutions

- 1) The business segment “ZAC license fee, maintenance fee, and SaaS and other monthly service fees” includes sales of software license, maintenance of systems, provision of cloud environment and monthly service on SaaS contract, with regard to “ZAC.” The Company provides a combination of software licensing, system maintenance, cloud environment provision, and other services that are necessary for customers to use the systems to allow the customers to enjoy the benefits of using the systems, and thus these are considered a single performance obligation.

There are two types of software licensing contracts: one-time purchase contract and SaaS contract.

Under a one-time purchase contract, software license fees are received in a lump sum at the time of the conclusion of a contract, and maintenance and other fees are received monthly. Software licensing and maintenance and other services are recognized together as a single performance obligation to be satisfied over time during the period such fees are expected to provide the customer with material rights. The period the fees are expected to provide the customer with material rights is determined by taking into account the characteristics of the software licensing and related services (history of continued use by the customer, quality, etc.) since the contract period is not specified in the contracts concluded with customers. Specifically, as the one-time purchase fee is approximately equivalent to the 30-month fee of a SaaS contract, the amount of such a one-time purchase fee is allocated to the material right and recognized as revenue over the 30 months.

Under a SaaS contract, software license fees are received on a monthly basis, the same as system maintenance fees, cloud environment provision service fees and other monthly service fees under a one-time purchase contract. These performance obligations are primarily satisfied over time, and thus the monthly fees are recognized as revenue on a monthly basis over the period the services are rendered.

- 2) The business segment “ZAC ERP installation consultation, customization” includes installation support service related to “ZAC” and additional development required at the time of installation. If the contract

amount or the total cost to completion can be estimated reliably, revenue is recognized as the performance obligation is satisfied based on the progress towards satisfaction of the performance obligation measured as of the end of the reporting period. The progress towards satisfaction of the performance obligation is measured using the input method (the cost-to-cost method) at the costs incurred relative to the estimated total cost to completion. If the contract amount or the total cost to completion cannot be estimated reliably, revenue is recognized in an amount equal to the portion of the costs incurred that is considered highly recoverable (the cost recovery method).

- 3) The business segment “Reforma PSA” includes provision of monthly license for Reforma PSA. Its performance obligation is to provide an environment for the use of software. This performance obligation is primarily satisfied over time, and thus revenue is recognized over the period the service is rendered.
- 4) The business segment “dxeco, Semrush, and other products, etc.” includes dxeco monthly service on SaaS contract and sales as an agent of software developed by other vendors. Under a SaaS contract for SaaS management tool “dxeco,” software license fees are received on a monthly basis. This performance obligation is primarily satisfied over time, and thus the monthly fees are recognized as revenue on a monthly basis over the period the services are rendered.

The performance obligation for the sales as an agent of software developed by other vendors is considered to be satisfied when the contractual delivery conditions are met, such as when the product is transferred to, or accepted, by the customer, and thus revenue is recognized at that point in time. As the Group is considered to be an agent in the nature of the business, given its primary responsibility for fulfilling promises, its exposure to inventory risk, and its discretion in establishing prices, revenue is recognized in the net amount of consideration received as a fee from the customer for the services rendered, less related costs, or in the amount of consideration as a certain fee in the form of a commission.

Marketing Solutions

- 5) The business segment “Marketing / promotion” includes planning of customer’s marketing and promotion, placement of advertisements, and research (including sales from advertisement management and those achieved as an agency). Revenue is recognized depending on the nature of the rights granted to the customer. When the rights are transferred to the customer at a certain point in time, revenue is recognized at that point in time, and when the rights are available for use by the customer over a certain period of time, revenue is recognized over that period of time. For sales from advertisement management and those achieved as an agency, the Group is considered to be an agent in the nature of the business, given its primary responsibility for fulfilling promises, its exposure to inventory risk, and its discretion in establishing prices, revenue is recognized in the net amount of consideration received as a fee from the customer for the services rendered, less related costs, or in the amount of consideration as a certain fee in the form of a commission.
- 6) The business segment “System/website integration, etc.” includes construction and renewal of websites, and contracted development and maintenance of systems as a system integrator, etc. For construction and renewal of websites and contracted development, if the contract amount or the total cost to completion can be estimated reliably, revenue is recognized as the performance obligation is satisfied based on the progress towards satisfaction of the performance obligation measured as of the end of the reporting period. The progress towards satisfaction of the performance obligation is measured using the input method (the cost-to-cost method) at the costs incurred relative to the estimated total cost to completion. If the contract amount or the total cost to completion cannot be estimated reliably, revenue is recognized in an amount equal to the portion of the costs incurred that is considered highly recoverable (the cost recovery method). For maintenance of systems, etc., revenue is recognized when the services are completed and billable.
- 7) The business segment “Operation support / Operation office” includes operation, updating and other services on websites. The performance obligation is considered to be satisfied when the service rendered is accepted by the customer, and thus revenue is recognized at that point in time.

2. Contract balances

The components of contract balances are as follows:

	(Thousands of yen)
Receivables arising from contracts with customers	
Trade and other receivables	1,112,306

Contract assets	399,873
Contract liabilities	
Advances received	1,249,474

A contract asset is recognized for the right to the consideration recorded by recognizing revenue according to the progress achieved. The contract asset is reclassified to a receivable when the right to the consideration becomes unconditional.

A contract liability is recognized for advance consideration received from the customer in advance of the fulfillment of a contract. The contract liability is reversed as revenue is recognized for the contract related to the advance consideration. The amount of revenue recognized for the current fiscal year that was included in the beginning balance of contract liabilities was 895,391 thousand yen.

3. Transaction price allocated to the remaining performance obligations

The total transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations and the time frame the Group expects to recognize the amount as revenue are as follows. Note that transactions with expected individual contract terms of one year or less are not disclosed, which is permitted as a practical expedient. There is no significant consideration from contracts with customers that is not included in the transaction price.

	(Thousands of yen)
Within one year	759,549
Over one year	489,925
Total transaction price allocated to the unsatisfied performance obligations	1,249,474

(Notes to Per Share Information)

Equity attributable to owners of parent	664.60 yen
Basic earnings per share	120.25 yen

(Notes to Significant Subsequent Events)

Not applicable.

Non-Consolidated Financial Statements

Balance Sheet (As of December 31, 2025)

(Thousands of yen)

Account	Amount	Account	Amount
(Assets)		(Liabilities)	
Current assets	11,858,584	Current liabilities	2,507,848
Cash and deposits	10,175,962	Accounts payable - trade	349,651
Accounts receivable - trade	1,021,965	Accounts payable - other	119,488
Contract assets	405,715	Accrued expenses	236,015
Supplies	3,241	Income taxes payable	362,386
Advance payments to suppliers	13,725	Contract liabilities	1,245,507
Prepaid expenses	89,366	Deposits received	49,259
Short-term loans receivable from subsidiaries and associates	149,375	Provision for loss on orders received	142
Other	38,626	Provision for product warranties	2,858
Allowance for doubtful accounts	(39,393)	Provision for shareholder benefit program	16,450
		Other	126,087
Non-current assets	725,693	Non-current liabilities	98,958
Property, plant and equipment	199,902	Asset retirement obligations	98,958
Buildings	221,555		
Tools, furniture and fixtures	482,799		
Accumulated depreciation	(504,451)		
Intangible assets	189,875	Total liabilities	2,606,807
Patent right	330		
Trademark right	305	(Net assets)	
Software	146,953	Shareholders' equity	9,977,470
Software in progress	42,276	Capital stock	1,193,528
Other	9	Capital surplus	1,103,528
Investments and other assets	335,914	Legal capital surplus	1,103,528
Shares of subsidiaries and associates	20,806	Retained earnings	8,721,768
Investments in capital of subsidiaries and associates	15,747	Other retained earnings	8,721,768
Long-term loans receivable	112	Retained earnings brought forward	8,721,768
Distressed receivables	915	Treasury shares	(1,041,354)
Long-term prepaid expenses	45,620		
Deferred tax assets	168,988		
Other	84,640	Total net assets	9,977,470
Allowance for doubtful accounts	(915)	Total liabilities and net assets	12,584,278
Total assets	12,584,278		

Statement of Income
(Fiscal Year Ended December 31, 2025)

(Thousands of yen)

Account	Amount	
Net sales		7,861,189
Cost of sales		2,935,262
Gross profit		4,925,927
Selling, general and administrative expenses		2,421,494
Operating profit		2,504,432
Non-operating income		
Interest and dividend income	123,380	
Other	9,329	132,710
Non-operating expenses		
Provision of allowance for doubtful accounts	11,581	
Compensation expenses	7,010	
Compensation for damage	3,813	
Commission expenses	2,348	
Other	1,905	26,658
Ordinary profit		2,610,484
Profit before income taxes		2,610,484
Income taxes – current	601,997	
Income taxes - deferred	115,469	717,466
Profit		1,893,017

Non-consolidated Statement of Changes in Net Assets
(Fiscal Year Ended December 31, 2025)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus		Retained earnings	
		Legal capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance as of January 1, 2025	1,193,528	1,103,528	1,103,528	7,911,938	7,911,938
Changes of items during the fiscal year					
Dividends of surplus	–	–	–	(561,440)	(561,440)
Profit	–	–	–	1,893,017	1,893,017
Purchase of treasury shares	–	–	–	–	–
Cancellation of treasury shares	–	–	–	(522,233)	(522,233)
Restricted stock-based payment transactions	–	–	–	486	486
Total change of items during the fiscal year	–	–	–	809,829	809,829
Balance as of December 31, 2025	1,193,528	1,103,528	1,103,528	8,721,768	8,721,768

	Shareholders' equity		Total net assets
	Treasury shares	Total shareholders' equity	
Balance as of January 1, 2025	(307,207)	9,901,788	9,901,788
Changes of items during the fiscal year			
Dividends of surplus	–	(561,440)	(561,440)
Profit	–	1,893,017	1,893,017
Purchase of treasury shares	(1,274,389)	(1,274,389)	(1,274,389)
Cancellation of treasury shares	522,233	–	–
Restricted stock-based payment transactions	18,008	18,494	18,494
Total change of items during the fiscal year	(734,147)	75,682	75,682
Balance as of December 31, 2025	(1,041,354)	9,977,470	9,977,470

Notes to the Non-Consolidated Financial Statements

(Significant Accounting Policies)

1. Valuation standards and methods for significant assets

(1) Valuation standards and methods for securities

Shares of subsidiaries Shares of subsidiaries are carried at cost by the moving-average method.

2. Depreciation and amortization methods for non-current assets

(1) Property, plant and equipment Depreciated using the straight-line method.

The useful lives of assets are principally as follows:

Buildings 4–18 years

Tools, furniture and fixtures 3–10 years

(2) Intangible assets

(i) Amortized using the straight-line method over 10 years.

Trademark right

(ii) Patent right Amortized using the straight-line method over 8 years.

(iii) Software for sale Amortized by the larger of either the amount based on the estimated sales volume for the effective sales period (3 years) or the amount equally allocated over the remaining effective sales period.

(iv) Software for internal use Amortized using the straight-line method over its useful life (5 years).

3. Standards for recording allowances and provisions

(1) Allowance for doubtful accounts To provide for potential losses on doubtful accounts, allowance for doubtful accounts is provided at the amount computed using the historical bad debt ratio for ordinary receivables, and the estimated uncollectible amount for specific receivables including doubtful accounts receivables after reviewing their collectability on an individual basis.

(2) Provision for loss on orders received To provide for future losses on orders received, provision for loss on orders received is provided at the estimated amount of losses on orders received at the end of the current fiscal year.

(3) Provision for product warranties To provide for costs of product warranties for a certain period of time related to software, a provision is recognized for the estimated amount of costs to be incurred after the end of the reporting period, when it is probable that future costs will be incurred and the amount of such costs can be estimated reliably as of the end of the reporting period.

(4) Provision for shareholder benefit program To provide for expenses associated with the shareholder benefit program, provision for shareholder benefit program is provided at the amount to be borne in the current fiscal year out of the amount expected in the future, based on the shareholder benefit program.

4. Standards for recording revenues and expenses

(1) Revenue recognition method

The Company recognizes revenue by applying the following steps to contracts with customers.

Step 1: Identify the contract with the customer.

Step 2: Identify the performance obligations in the contract.

Step 3: Calculate the transaction price.

Step 4: Allocate the transaction price to the performance obligations in the contract.

Step 5: Recognize revenue when (or as) the performance obligation is satisfied.

The performance obligations and revenue recognition methods for each type of service are described in (Notes to Revenue).

(2) Presentation of revenue

In determining the principal-agent classification of revenue, the nature of the performance obligation in the transaction is considered to determine whether the performance obligation is a performance obligation to control and personally provide the identified goods or services before they are transferred to the customer (i.e., “principal”) or a performance obligation to arrange for those goods or services to be provided by the other party to the transaction (i.e., “agent”).

The following indicators are considered in determining whether the Company is acting as a principal or as an agent:

- The Company has primary responsibility for providing the goods or services to the customer or for fulfilling the order.
- The Company assumes inventory risk before and after orders are placed by customers, in transit, or upon return.
- The Company has the right to set prices directly or indirectly.

If the Company is determined to be a principal in the transaction, revenue is presented gross; if the Company is determined to be an agent, revenue is presented net.

(Notes to Accounting Estimates)

Estimated period for allocation of sales revenue related to license fees for cloud ERP purchase-type contracts

(1) Amount recorded in the financial statements for the current fiscal year

437,725 thousand yen of net sales related to software license fees for purchase-type contracts of cloud ERP

(2) Information on significant accounting estimates related to identified items

Same as described in “Notes to Accounting Estimates” in the notes to the consolidated financial statements.

Estimation of Total Costs in the Method of Recognizing Revenue over a Period of Time by Fulfilling Performance Obligations:

(1) Amounts recognized in the financial statements for the current fiscal year

Revenue recognized based on progress: 896,245 thousand yen.

(2) Information on significant accounting estimates related to identified items

Identical to the matters described in the notes to consolidated financial statements (Notes on accounting estimates).

(Notes to Balance Sheet)

Receivables from and payables to subsidiaries and associates

Short-term receivables 18,424 thousand yen

Short-term payables 109,035 thousand yen

The receivables and payables that were separately presented are excluded from the above list.

(Notes to Statement of Income)

Transactions with affiliated companies

Operating transactions

Sales	6,235	thousand yen
Purchases	898,309	thousand yen
Other non-operating transactions	97,371	thousand yen

(Notes to Statement of Changes in Net Assets)

Class and number of treasury shares at the end of the current fiscal year

Common stock	365,031	shares
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(Notes to Tax Effect Accounting)

The deferred tax assets were primarily the result of contract liabilities, asset retirement obligations, etc.

(Notes to Revenues)

The information that forms the basis for understanding contract revenue is identical to that presented in “Notes to the Consolidated Financial Statements (Notes to Revenues), 1. The analysis of revenues” and therefore the notes have been omitted.

(Notes to Per Share Information)

Net assets per share	640.24 yen
Earnings per share	120.01 yen

(Notes to Significant Subsequent Events)

Not applicable.