

Translation

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Summary of Consolidated Financial Results  
for the Nine Months Ended September 30, 2025  
(Based on IFRS)

November 14, 2025

Company name: ORO Co., Ltd  
 Stock exchange listing: TSE  
 Stock code: 3983 URL: <https://www.oro.com>  
 Representative: Atsushi Kawata, Representative Director, President and CEO  
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 Scheduled date to commence dividend payments: -  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended September 30, 2025 (from January 1, 2025 to September 30, 2025)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Revenue		Operating profit		Profit before tax		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended September 30, 2025	5,994	3.4	1,856	(6.7)	1,784	(10.7)	1,234	(10.3)
Nine months ended September 30, 2024	5,799	12.4	1,990	5.8	1,998	1.0	1,376	1.1
	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share		Diluted earnings per share	
	Millions of yen	%	Millions of yen	%	Yen		Yen	
Nine months ended September 30, 2025	1,234	(10.6)	1,222	(11.8)	77.96		—	
Nine months ended September 30, 2024	1,381	1.1	1,385	(0.4)	85.62		—	

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
	Millions of yen	Millions of yen	Millions of yen	%
As of September 30, 2025	12,617	9,680	9,682	76.7
As of December 31, 2024	13,590	10,281	10,283	75.7

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended December 31, 2024	—	0.00	—	35.00	35.00
Year ending December 31, 2025	—	0.00	—		
Year ending December 31, 2025 (Forecast)				50.00	50.00

Note: Revisions to the most recently released dividend forecast : None

3. Forecast of consolidated financial results for the year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

Percentages indicate year-on-year changes

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	8,265	4.6	2,523	(7.2)	2,471	(13.5)	1,671	(19.3)	1,671	(19.4)	105.98

Note: Revisions to the most recently released earnings forecast : Yes

\* Notes

(1) Changes in significant subsidiaries during the Period  
(changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Changes in accounting policies and changes in accounting estimates  
 Changes in accounting principles required by IFRS: None  
 Changes in accounting policies due to other reasons: None  
 Changes in accounting estimates: None

(3) Number of issued shares (common shares)

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

As of September 30, 2025	15,949,053 shares	As of December 31, 2024	16,156,453 shares
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Number of treasury shares at the end of the period

As of September 30, 2025	365,031 shares	As of December 31, 2024	115,305 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2025	15,837,245 shares	Nine months ended September 30, 2024	16,130,254 shares
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\* These Consolidated Financial Results are not included in the scope of audits by certified public accountants or audit corporations. Yes

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

(Caution regarding forward-looking statements)

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

(Revision of earnings forecast)

The Company has revised its full-year consolidated earnings forecast announced on February 14, 2025, based on the consolidated results for the nine months ended September 30, 2025 and the outlook for the remainder of the current fiscal year. For details, please refer to "1. Overview of operating results and financial position (3) Forecast for consolidated financial results" on page 5 of the Accompanying Materials.

The Company resolved to repurchase treasury stock at its Board of Directors meeting held on May 14, 2025, and completed said repurchase on September 11, 2025. The Basic earnings per share in this revised forecast reflects the impact of this share repurchase. For full details, please refer to the "Notice Regarding the Status and Completion of the Repurchase of Treasury Stock" disclosed on September 12, 2025.

(Method of obtaining supplementary materials to quarterly financial results)

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

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## 1. Overview of operating results and financial position

### (1) Overview of consolidated operating results for the nine months ended September 30, 2025

For the fiscal year spanning January 1, 2025, to September 30, 2025, the Japanese economy has been gradually recovering overall, driven by an increase in service demand and inbound tourism, as well as growth in capital investment, including software, despite some areas experiencing stagnation. However, uncertainties persist due to ongoing inflation, geopolitical risks, concerns over overseas economies, and fluctuations in financial markets.

In the domestic information services sector, the demand for cloud services in corporate systems has been continuously increasing. Additionally, as enterprises pursue digital transformation (DX), there's a growing demand for information systems that offer superior cost efficiency and convenience for enhancing productivity and operational efficiency.

In the internet industry, while the DX trend continues to reshape existing business models and industry structures, primarily among major players, the advertising market is evolving to include not just a digital shift in media but also an integrated approach to customer engagement that incorporates traditional legacy media.

Against this backdrop, our group has continued to offer cloud services and support corporate marketing efforts, maintaining an integrated manufacturing and sales system. Our cloud solution business's flagship products, Cloud ERP "ZAC" and "Reforma PSA," have seen stable growth and contributed significantly to our performance, demanded broadly across sectors that require project management. In our marketing solutions business, we have provided a range of solutions to support clients in implementing their marketing strategies by translating these strategies into actionable tactics, including strategy formulation, management, and performance evaluation of web advertising based on data analytics, creation of websites and digital content, and planning and development of applications and SNS strategy. Efforts have also been made to enhance corporate value sustainably by acquiring new clients, deepening relationships with key accounts, investing in marketing initiatives and research and development, as well as bolstering recruitment. Furthermore, in research and development, we have actively invested in the development of new AI-powered features and services to respond to changes in the market environment and customer needs driven by the rapid advancement of new technologies such as AI. Consequently, the consolidated results for the Nine months ended September 30, 2025 were as follows: revenues reached 5,994,379 thousand yen (an increase of 3.4% year on year), operating profit was 1,856,396 thousand yen (a decrease of 6.7% year on year), profit before tax stood at 1,784,432 thousand yen (a decrease of 10.7% year on year), and profit attributable to owners of parent was 1,234,688 thousand yen (a decrease of 10.6% year on year).

Segment wise performance is detailed as follows:

#### (a) Cloud Solutions Business

The revenues reached 4,164,733 thousand yen (an increase of 15.5% year on year), operating profit was 1,847,422 thousand yen (an increase of 19.5% year on year). Against the initial plan, revenue was worse, but operating profit remained steady.

#### (b) Marketing Solutions Business

The revenues reached 1,829,646 thousand yen (a decrease of 16.5% year on year), operating profit was 3,044 thousand yen (a decrease of 99.3% year on year). Against the initial plan, revenue and operating profit were weak.

### (2) Overview of consolidated financial position as of September 30, 2025

Total assets as of September 30, 2025, decreased by 972,877 thousand yen from the end of the prior fiscal year to 12,617,306 thousand yen. This was mainly due to decreases of 855,671 thousand yen in cash and cash equivalents. Total liabilities were reduced by 371,678 thousand yen compared to the end of the prior fiscal year, totaling 2,936,880 thousand yen. This was mainly due to reductions of 447,908 thousand yen in contract liabilities. Total equity was 9,680,426 thousand yen decreased by 601,199 thousand yen from the end of the previous fiscal year. This was mainly due to an increase of 1,234,688 thousand yen in the recording of profit attributable to owners of the parent, offset by a reduction of 1,276,018 thousand yen in share repurchases and 561,440 thousand yen in the cash dividends paid.

(3) Forecast for consolidated financial results

Based on the consolidated operating results for the nine months ended September 30, 2025 and the future outlook, the Company has revised its full-year consolidated earnings forecast announced on February 14, 2025. For details, please refer to the “Notice Regarding Revision of Full-Year Consolidated Financial Forecasts for the Fiscal Year Ending December 31, 2025” announced today.

There are no changes to the dividend forecast announced on February 14, 2025.

Revision of forecast of consolidated financial results for the year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

	Revenue	Operating profit	Profit before tax	Profit	Profit attributable to owners of parent	Basic earnings per share
Previous forecast (A)	Millions of yen 9,142	Millions of yen 2,985	Millions of yen 3,020	Millions of yen 2,099	Millions of yen 2,099	Yen 131.80
Revised forecast (B)	8,265	2,523	2,471	1,671	1,671	105.98
Change (B-A)	(876)	(461)	(548)	(427)	(427)	
Change (%)	(9.6)	(15.5)	(18.2)	(20.4)	(20.4)	
(Reference) Results for the previous period (the year ended December 31, 2024)	7,899	2,720	2,856	2,070	2,072	128.56

Note: The Company resolved to repurchase treasury stock at its Board of Directors meeting held on May 14, 2025, and completed said repurchase on September 11, 2025. The Basic earnings per share in this revised forecast reflects the impact of this share repurchase. For full details, please refer to the “Notice Regarding the Status and Completion of the Repurchase of Treasury Stock” disclosed on September 12, 2025.

2. Condensed quarterly consolidated financial statement and key notes

(1) Condensed quarterly consolidated statement of financial position

(Thousands of yen)

	As of December 31, 2024	As of September 30, 2025
<b>Assets</b>		
Current assets		
Cash and cash equivalents	9,903,123	9,047,451
Trade and other receivables	974,577	1,035,836
Contract assets	434,012	298,087
Other financial assets	746,188	721,881
Other current assets	397,363	133,334
Total current assets	<u>12,455,265</u>	<u>11,236,591</u>
Non-current assets		
Property, plant and equipment	574,214	860,803
Intangible assets	119,889	170,268
Other financial assets	113,626	113,387
Deferred tax assets	287,019	187,452
Other non-current assets	40,169	48,803
Total non-current assets	<u>1,134,918</u>	<u>1,380,715</u>
Total assets	<u><u>13,590,184</u></u>	<u><u>12,617,306</u></u>

(Thousands of yen)

	As of December 31, 2024	As of September 30, 2025
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	472,523	294,881
Contract liabilities	1,600,707	1,152,799
Lease liabilities	140,310	205,182
Income tax payables	233,141	155,977
Provisions	45,396	10,285
Other current liabilities	494,532	517,751
<b>Total current liabilities</b>	<b>2,986,612</b>	<b>2,336,875</b>
<b>Non-current liabilities</b>		
Lease liabilities	195,519	473,550
Provisions	126,427	126,454
<b>Total non-current liabilities</b>	<b>321,946</b>	<b>600,004</b>
<b>Total liabilities</b>	<b>3,308,559</b>	<b>2,936,880</b>
<b>Equity</b>		
Capital stock	1,193,528	1,193,528
Capital surplus	1,095,202	1,095,202
Treasury shares	(313,398)	(1,055,868)
Retained earnings	8,202,954	8,356,524
Other components of equity	105,470	93,411
Equity attributable to owners of the parent	10,283,756	9,682,797
Non-controlling interests	(2,131)	(2,371)
<b>Total equity</b>	<b>10,281,625</b>	<b>9,680,426</b>
<b>Total liabilities and equity</b>	<b>13,590,184</b>	<b>12,617,306</b>

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

## Condensed quarterly consolidated statement of income

(Thousands of yen)

	Nine months ended September 30, 2024	Nine months ended September 30, 2025
Revenue	5,799,504	5,994,379
Cost of sales	1,925,223	2,071,574
Gross profit	3,874,281	3,922,805
Selling, general and administrative expenses	1,810,565	2,033,579
Research and development	74,671	38,759
Other income	1,556	13,252
Other expenses	243	7,322
Operating profit	1,990,358	1,856,396
Finance income	25,573	21,615
Finance costs	17,876	93,579
Profit before tax	1,998,054	1,784,432
Income tax expenses	621,476	549,986
Profit	1,376,577	1,234,446
Profit attributable to:		
Owners of parent	1,381,024	1,234,688
Non-controlling interests	(4,446)	(241)
Profit	1,376,577	1,234,446
Earnings per share		
Basic earnings per share (Yen)	85.62	77.96
Diluted earnings per share (Yen)	-	-



Condensed quarterly consolidated statement of comprehensive income

(Thousands of yen)

	Nine months ended September 30, 2024	Nine months ended September 30, 2025
Profit	1,376,577	1,234,446
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	8,617	(12,057)
Total of items that may be reclassified subsequently to profit or loss	8,617	(12,057)
Other comprehensive income, net of taxes	8,617	(12,057)
Comprehensive income	1,385,195	1,222,388
Attributable to:		
Owners of the parent	1,389,805	1,222,628
Non-controlling interests	(4,609)	(239)
Comprehensive income	1,385,195	1,222,388

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

Nine months ended September 30, 2024

(Thousands of yen)

	Equity attributable to owners of parent			
	Capital stock	Capital surplus	Treasury shares	Retained earnings
Balance on January 1, 2024	1,193,528	1,095,202	(112,862)	6,620,867
Profit				1,381,024
Other comprehensive income				
Total comprehensive income	-	-	-	1,381,024
Restricted Stock-based payment transactions			19,621	(5,751)
Dividends				(483,785)
Share repurchase			(72)	
Total transactions with owners	-	-	19,549	(489,536)
Balance on September 30, 2024	1,193,528	1,095,202	(93,313)	7,512,355

	Equity attributable to owners of parent				
	Other components of equity		Total	Non-controlling interests	Equity
	Exchange differences on translation of foreign operations	Total			
Balance on January 1, 2024	87,318	87,318	8,884,053	227	8,884,280
Profit			1,381,024	(4,446)	1,376,577
Other comprehensive income	8,780	8,780	8,780	(162)	8,617
Total comprehensive income	8,780	8,780	1,389,805	(4,609)	1,385,195
Restricted Stock-based payment transactions			13,870		13,870
Dividends			(483,785)		(483,785)
Share repurchase			(72)		(72)
Total transactions with owners	-	-	(469,987)	-	(469,987)
Balance on September 30, 2024	96,098	96,098	9,803,871	(4,382)	9,799,488

Nine months ended September 30, 2025

(Thousands of yen)

	Equity attributable to owners of parent			
	Capital stock	Capital surplus	Treasury shares	Retained earnings
Balance on January 1, 2025	1,193,528	1,095,202	(313,398)	8,202,954
Profit				1,234,688
Other comprehensive income				
Total comprehensive income	-	-	-	1,234,688
Restricted Stock-based payment transactions			14,840	(970)
Dividends				(561,440)
Share repurchase			(1,276,018)	
Share cancelled			518,707	(518,707)
Total transactions with owners	-	-	(742,470)	(1,081,117)
Balance on September 30, 2025	1,193,528	1,095,202	(1,055,868)	8,356,524

	Equity attributable to owners of parent			Non-controlling interests	Equity
	Other components of equity		Total		
	Exchange differences on translation of foreign operations	Total			
Balance on January 1, 2025	105,470	105,470	10,283,756	(2,131)	10,281,625
Profit			1,234,688	(241)	1,234,446
Other comprehensive income	(12,059)	(12,059)	(12,059)	1	(12,057)
Total comprehensive income	(12,059)	(12,059)	1,222,628	(239)	1,222,388
Restricted Stock-based payment transactions			13,870		13,870
Dividends			(561,440)		(561,440)
Share repurchase			(1,276,018)		(1,276,018)
Share cancelled			-		-
Total transactions with owners	-	-	(1,823,588)	-	(1,823,588)
Balance on September 30, 2025	93,411	93,411	9,682,797	(2,371)	9,680,426

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

(Thousands of yen)

	Nine months ended September 30, 2024	Nine months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	1,998,054	1,784,432
Depreciation and amortization	267,932	258,360
Finance income	(14,000)	(21,615)
Finance costs	2,329	82,910
Gain on liquidation of subsidiaries	-	(7,181)
Decrease (increase) in trade and other receivables	(141,787)	(64,020)
Decrease (increase) in contract assets	217,093	135,633
Increase (decrease) in trade and other payables	(119,512)	(176,649)
Increase (decrease) in contract liabilities	(142,373)	(447,616)
Increase (decrease) in provision	(23,153)	(34,963)
Other	16,181	20,120
Subtotal	2,060,763	1,529,410
Interest received	23,847	23,502
Interest paid	(2,329)	(4,810)
Income taxes paid	(574,002)	(527,588)
Cash flows from operating activities	1,508,279	1,020,514
Cash flows from investing activities		
Payments into time deposits	(20,001)	(19,611)
Purchase of property, plant and equipment	(56,900)	(18,670)
Purchase of intangible assets	(41,562)	(81,442)
Payments for lease and guarantee deposits	(242)	(1,520)
Proceeds from collection of lease and guarantee deposits	10,296	1,498
Other	(997)	0
Cash flows from investing activities	(109,408)	(119,745)
Cash flows from financing activities		
Repayments of lease liabilities	(149,288)	(152,217)
Cash dividends paid	(483,534)	(561,372)
Payments for acquisition of treasury shares	(72)	(1,276,018)
Decrease (increase) in deposits for acquisition of treasury shares	-	274,831
Cash flows from financing activities	(632,895)	(1,714,777)
Net increase (decrease) in cash and cash equivalents	765,976	(814,008)
Cash and cash equivalents at beginning of period	8,707,486	9,903,123
Effect of exchange rate change on cash and cash equivalents	(2,565)	(41,662)
Cash and cash equivalents at end of period	9,470,897	9,047,451

(5) Notes on condensed quarterly consolidated financial statements

(Note on the going-concern assumption)

Not applicable

(Applicable financial reporting framework)

The Company's condensed quarterly consolidated financial statements (condensed quarterly consolidated statements of financial position, condensed quarterly consolidated statements of profit or loss, condensed quarterly consolidated statements of comprehensive income or loss, condensed quarterly consolidated statements of changes in equity, condensed quarterly consolidated statements of cash flows, and notes) have been prepared in accordance with Article 5, Paragraph 2 of the Standards for the Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. (however, omission of description specified in Article 5, Paragraph 5 of the said standards is applied), and some of disclosure items and notes required by IAS 34 "Interim Financial Reporting" are omitted.

(Changes in significant subsidiaries during the period)

Not applicable

Although this event does not constitute a change in specific subsidiaries, oRo Digital Asia Pte. Ltd. completed its liquidation during the current consolidated quarter and has consequently been excluded from the scope of consolidation.

(Segment information)

Revenues and results for each reportable segment

Nine months ended September 30, 2024

	Reportable Segment			Adjustments (Note 1)	(Thousands of yen)
	Cloud Solutions	Marketing Solutions	Total		Consolidated
Revenue					
Revenue from external customers	3,607,195	2,192,309	5,799,504	-	5,799,504
Intersegment revenue	-	-	-	-	-
Total	<u>3,607,195</u>	<u>2,192,309</u>	<u>5,799,504</u>	<u>-</u>	<u>5,799,504</u>
Segment income	<u>1,546,583</u>	<u>442,461</u>	<u>1,989,044</u>	<u>1,313</u>	<u>1,990,358</u>
Finance income					25,573
Finance costs					17,876
Profit before tax					<u>1,998,054</u>
Other					
Depreciation and amortization	178,974	88,958	267,932	-	267,932

(Note)

1. The adjustment of 1,313 thousand yen to segment income mainly consists of "Other income" and "Other expense" that are not attributable to any reportable segment.
2. Segment income corresponds to operating profit in the consolidated statements of income.
3. Segment assets, segment liabilities, and capital expenditures are not presented since they are not subject to a review to determine the allocation of management resources and evaluate financial results.

Nine months ended September 30, 2025

	Reportable Segment			Adjustments (Note 1)	(Thousands of yen)
	Cloud Solutions	Marketing Solutions	Total		Consolidated
Revenue					
Revenue from external customers	4,164,733	1,829,646	5,994,379	-	5,994,379
Intersegment revenue	-	-	-	-	-
Total	4,164,733	1,829,646	5,994,379	-	5,994,379
Segment income	1,847,422	3,044	1,850,466	5,930	1,856,396
Finance income					21,615
Finance costs					93,579
Profit before tax					1,784,432
Other					
Depreciation and amortization	176,221	82,138	258,360	-	258,360

(Note)

1. The adjustment of 5,930 thousand yen to segment income mainly consists of “Other income” and “Other expense” that are not attributable to any reportable segment.
2. Segment income corresponds to operating profit in the consolidated statements of income.
3. Segment assets, segment liabilities, and capital expenditures are not presented since they are not subject to a review to determine the allocation of management resources and evaluate financial results.

(Notes to revenue)

The breakdown of revenue from contracts with customers

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:

	Nine months ended September 30, 2024			Nine months ended September 30, 2025		
	Cloud Solutions	Marketing Solutions	Total	Cloud Solutions	Marketing Solutions	Total
ZAC license fee, maintenance fee, and SaaS and other monthly service fees	2,816,365	-	2,816,365	3,160,222	-	3,160,222
ZAC ERP installation consultation, customization	419,158	-	419,158	571,862	-	571,862
Reforma PSA	133,558	-	133,558	159,608	-	159,608
dxeco, Semrush, and other products, etc.	238,112	-	238,112	273,040	-	273,040
Marketing / promotion	-	1,022,041	1,022,041	-	760,321	760,321
System / website integration, etc.	-	668,802	668,802	-	612,048	612,048
Operation support / operation office	-	501,464	501,464	-	457,275	457,275
Total	3,607,195	2,192,309	5,799,504	4,164,733	1,829,646	5,994,379

#### Cloud Solutions Business

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. Since the contract period is not specified in the contracts concluded with customers, the period the fees are expected to provide the customer with material rights is determined by considering the characteristics of the software licensing and related services (history of continued use by the customer, quality, etc.). 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 monthly, 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 monthly over the service provision period.

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 monthly service fee for SaaS contracts of dxeco and sales of an agent of software developed by other vendors.

For SaaS contracts related to the SaaS management tool “dxeco,” software license fees are collected monthly. The performance obligation is primarily fulfilled over time, so the monthly fee is recognized as revenue monthly throughout the service provision period.

Regarding the sale of third-party software as an agent, the performance obligation for these sales is 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 Business

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 satisfied when the service rendered is accepted by the customer, and thus revenue is recognized at that point in time.