



ORCHESTRA HOLDINGS

Results of Operations
for the Second Quarter of
the Fiscal Year Ending
December 31, 2024

Executive Summary



FY2024 2Q	Net Sales	6,730 mil yen	YonY+16.3%	EBITDA	748 mil yen	YonY +29.5%
	Gross Profit	3,230 mil yen	YonY+12.5%	Operating Profit	494 mil yen	YonY +28.8%
<p>Net sales and gross profit reached 2Q highs.</p> <p>Despite an unbudgeted brokerage fee of 50 million yen due to the M&A of A&B Computer Corp.'s business, progress against the full-year forecast in the first half was 48.1% for sales and 49.9% for EBITDA, exceeding expectations.</p>						

Digital Marketing (DM) Business

1H results exceeded those of the previous year, but 2Q sales declined due to the impact of budget reductions by large clients.

53 new graduates were hired for future business expansion. Increased labor costs pushed down profit.

Inquiries from major clients increased due to strengthened sales to new clients.

Digital Transformation (DX) Business

Segment profit in 2Q reached a new high.

Improved profitability of Sharing Innovations (SI) and M&A of A&B Computer Corp.'s business contributed to higher profits.

Cross-selling by SI and VES, Inc. progressed steadily.

VES Inc. has been growing steadily, we view VES as a growth investment phase and will continue to make strategic investments.

M&A

In the DX business (VES, Inc.), the SES business of A&B Computer Corp. was acquired in April, and about 120 engineers joined to strengthen the development system.

One-time expenses of 50 million yen in M&A brokerage fees were recorded in 2Q.

Continue to promote growth strategy utilizing M&A.

01 Financial Overview: 2Q FY2024

02 Earnings Forecast: FY2024

03 Business Summary

04 Growth Strategy

05 ESG Activities



01 Financial Overview: 2Q FY2024

2Q FY2024 Consolidated Results



Net sales and gross profit reached 2Q highs.

Despite an unbudgeted brokerage fee of 50 million yen due to the M&A of A&B Computer Corp.'s business, progress against the full-year forecast in the first half was exceeding our expectations in all indicators.

(Millions of yen)	1H/FY2024	1H/FY2023	% Change	2Q/FY2024	2Q/FY2023	% Change
Net Sales	6,730	5,786	16.3%	3,340	3,004	11.2%
Gross Profit	3,230	2,870	12.5%	1,523	1,472	3.5%
SG&A expenses	2,735	2,486	10.0%	1,464	1,379	6.1%
EBITDA	748	578	29.5%	188	209	△10.3%
EBITDA margin	11.1%	10.0%	1.1%	5.6%	7.0%	△1.3%
Operating Profit	494	383	28.8%	59	92	△36.0%
Ordinary Profit	484	394	22.9%	57	95	△39.9%
Profit attributable to owners parent	249	202	23.0%	13	△ 3	-

2Q FY2024 Segment Results



In the DX business, EBITDA increased significantly due to improved profitability from cost optimization efforts at Sharing Innovations and the M&A of A&B Computer Corp.'s business by VES, Inc.

In the DM business, 1H results exceeded those of the previous year, but 2Q sales declined due to the impact of budget reductions at large clients. 53 new graduates were hired for future business expansion. Higher labor costs pushed down profit. Inquiries from major clients increased due to strengthened sales to new clients.

In other businesses, continued* upfront investment in new business "Skill Navi."

* Upfront investment in Skill Navi: YTD 126million yen QTD 69million yen

Segment (Millions of yen)	1H/FY2024	1H/FY2023	% Change	2Q/FY2024	2Q/FY2023	% Change
Digital Transformation(DX) business						
Net sales	3,266	2,556	27.8%	1,745	1,388	25.8%
EBITDA	342	193	76.7%	179	108	64.9%
Segment profit	205	122	68.1%	109	61	78.5%
Digital Marketing business						
Net sales	2,864	2,779	3.1%	1,287	1,389	△7.3%
EBITDA	1,130	1,125	0.4%	434	537	△19.2%
Segment profit	1,036	1,020	1.6%	387	479	△19.2%
Other businesses						
Net sales	641	511	25.4%	326	264	23.6%
EBITDA	△ 16	△ 44	-	△ 18	△ 31	-
Segment profit	△ 22	△ 49	-	△ 21	△ 34	-

Quarterly Consolidated Results



2Q Record high

Net sales

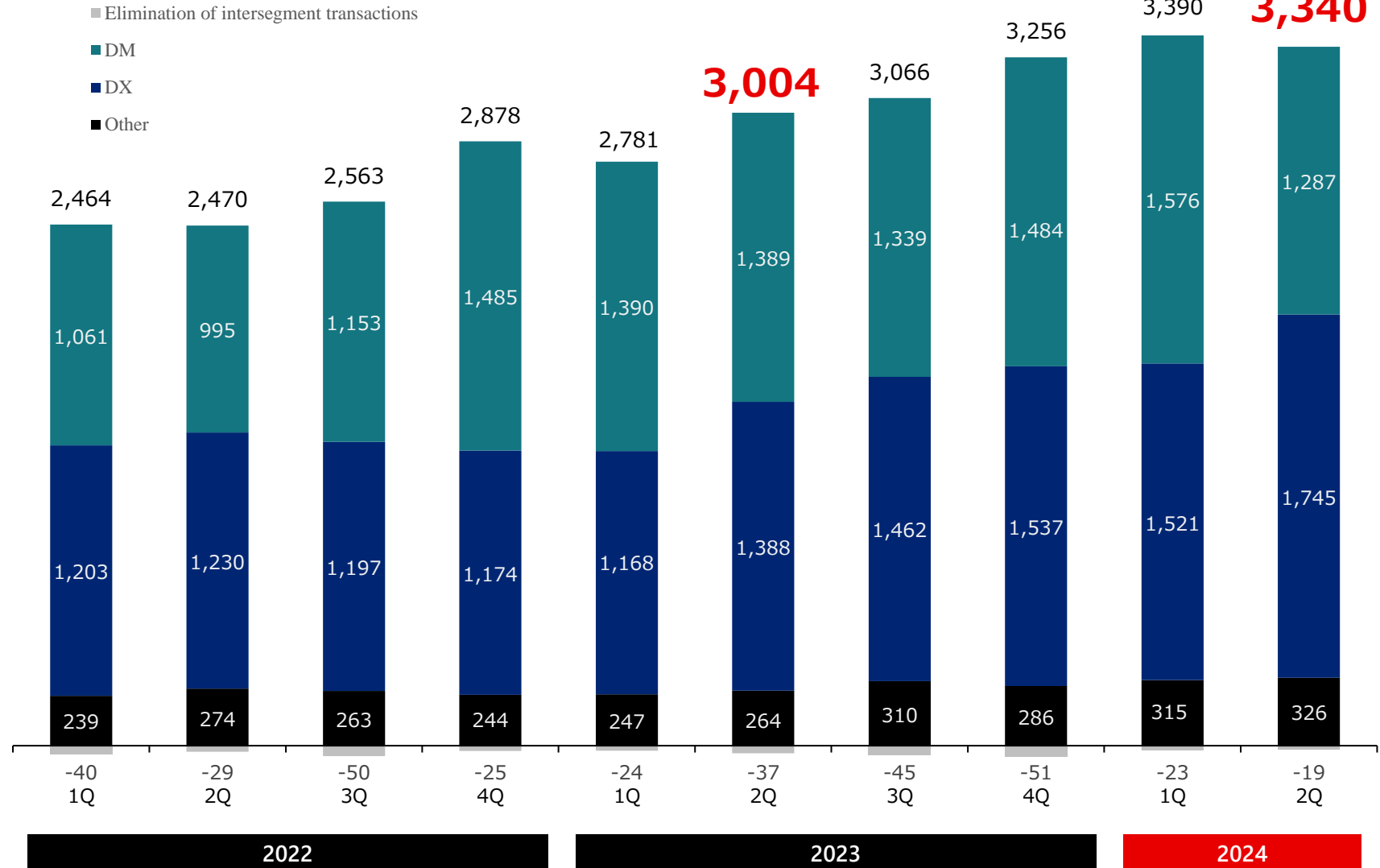
Up 11.2% YonY

- Although sales declined in the DM business due to reduced advertising budgets of large clients in 2Q, growth in the DX business led to a new 2Q high.

*Right graph shows the sales transition after the start of application of the new revenue recognition standard.

Effective from FY2022, due to the application of the new revenue recognition standard, a portion of sales in the digital marketing business will be changed from gross to net presentation.

(Millions of yen)



Quarterly Consolidated Results

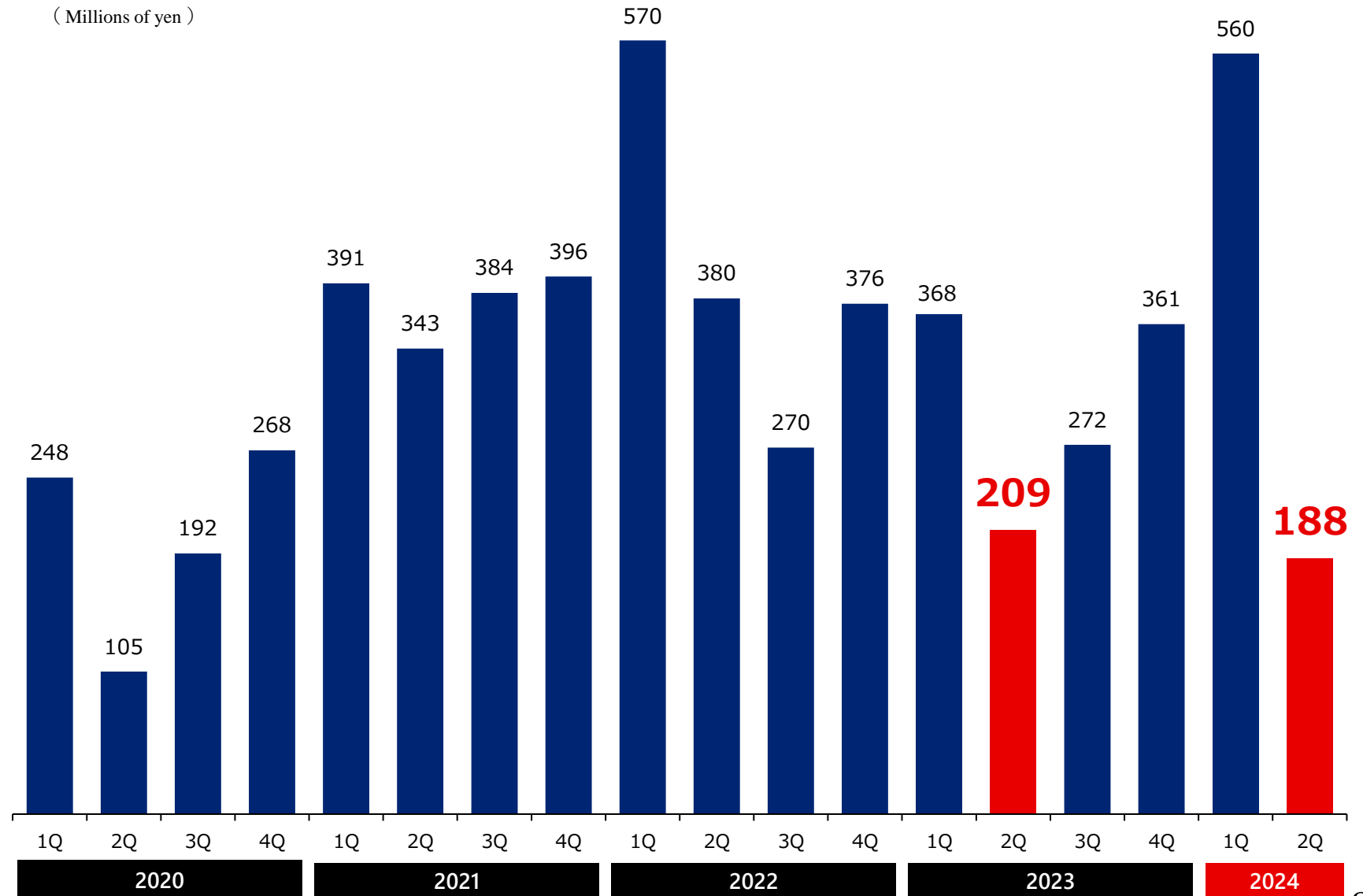


EBITDA

Down 10.3% YoY

- M&A brokerage fee of 50M was incurred in 2Q as a one-time expense in connection with the acquisition of A&B Computer Corp.'s business by VES, Inc.

(Millions of yen)



DX Business: Quarterly Results



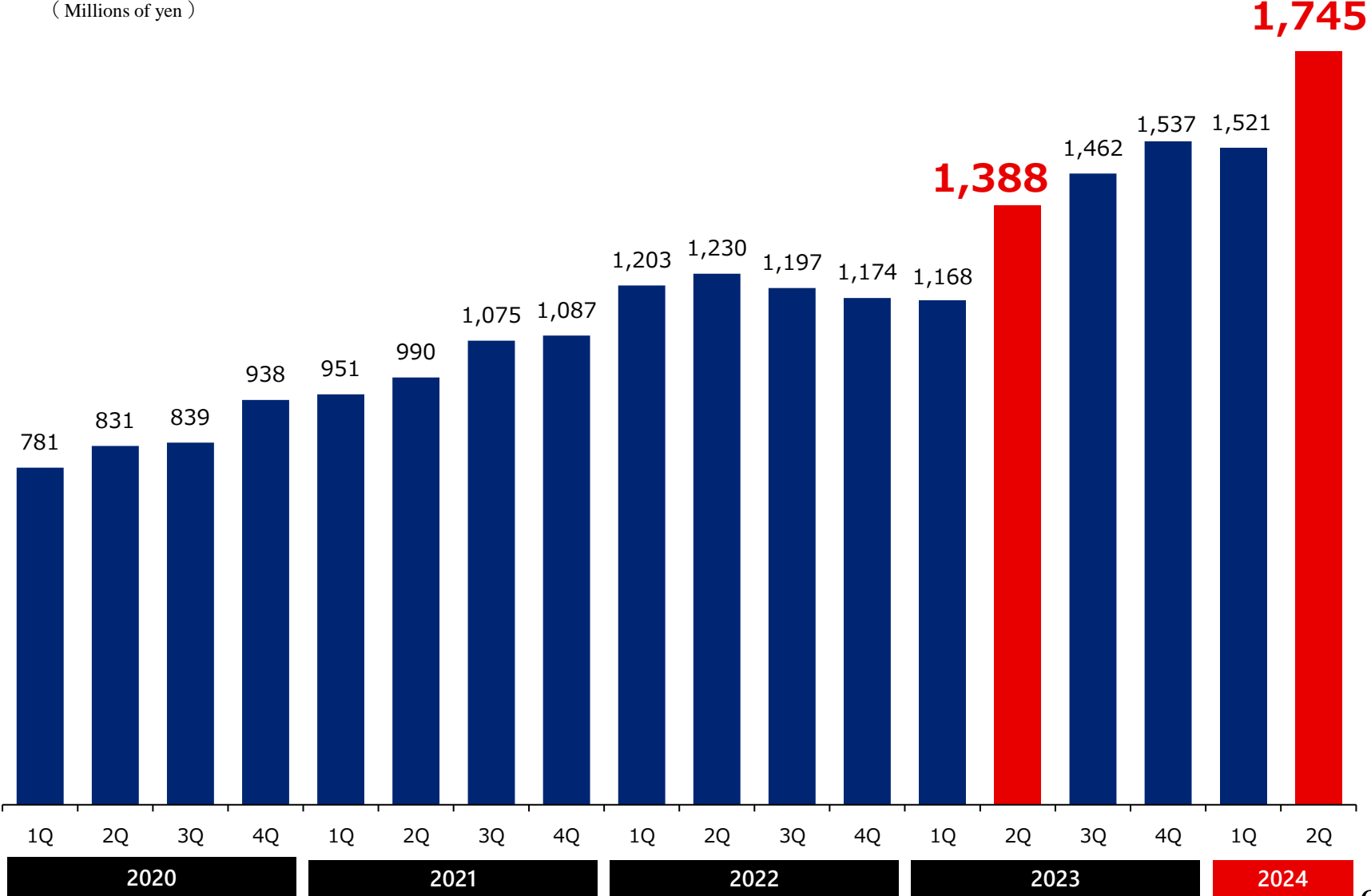
Record high

Net sales

Up 25.8% YonY

- Sales increased significantly compared to last year due to the acquisition of A&B Computer Corp.'s business in 2Q.

(Millions of yen)



DX Business: Quarterly Results

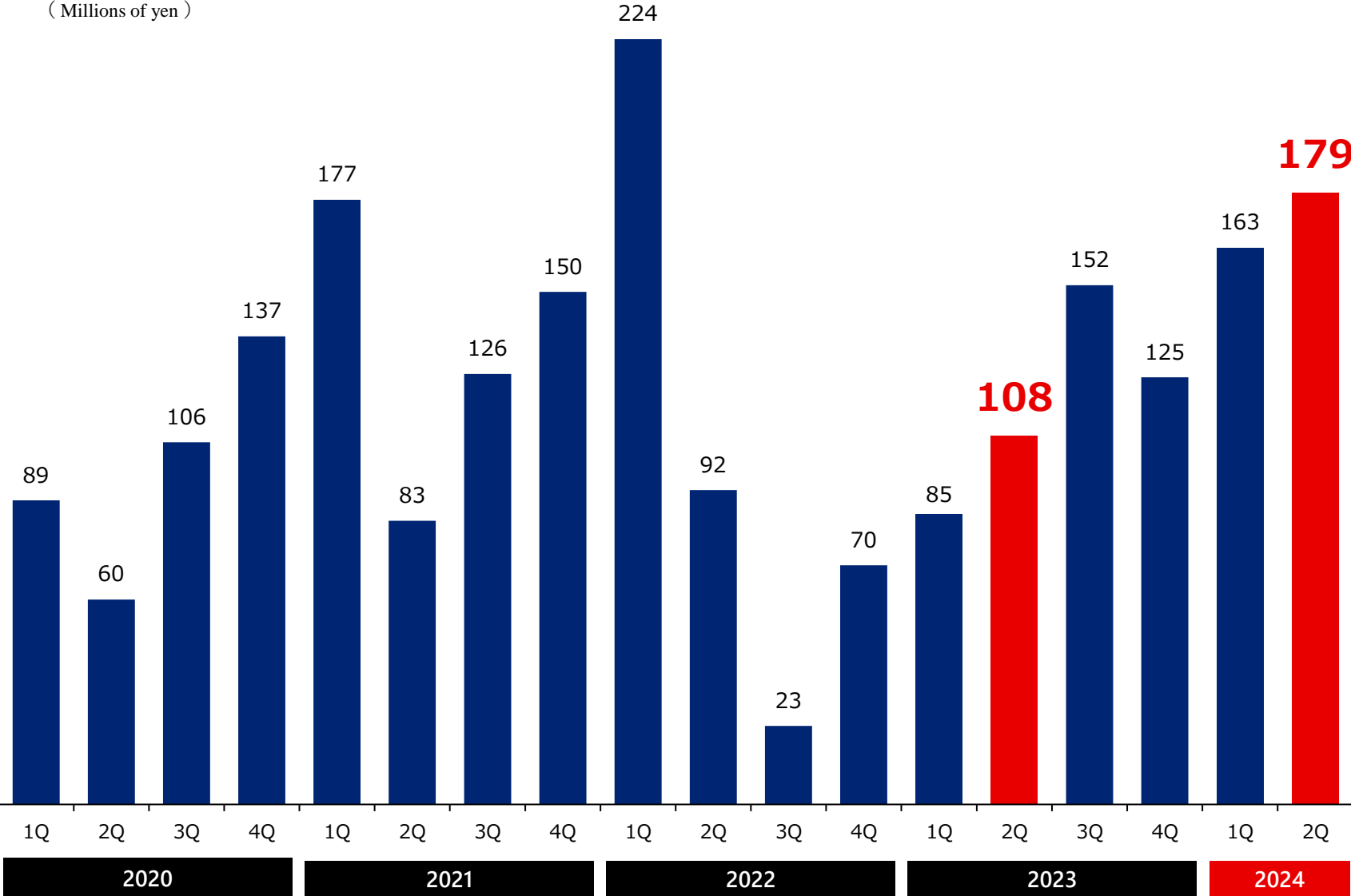


2Q Record high

EBITDA

Up 64.9% YonY

- Sharing Innovations has become a stable and profitable company since FY2023 3Q following the restructuring of its cloud integration business.
- From 2Q, the acquisition of A&B Computer Corp.'s business contributed to profit.
- Cross-selling through the sharing of VES Inc.'s prime customer base was strong.



Digital Marketing Business: Quarterly Results



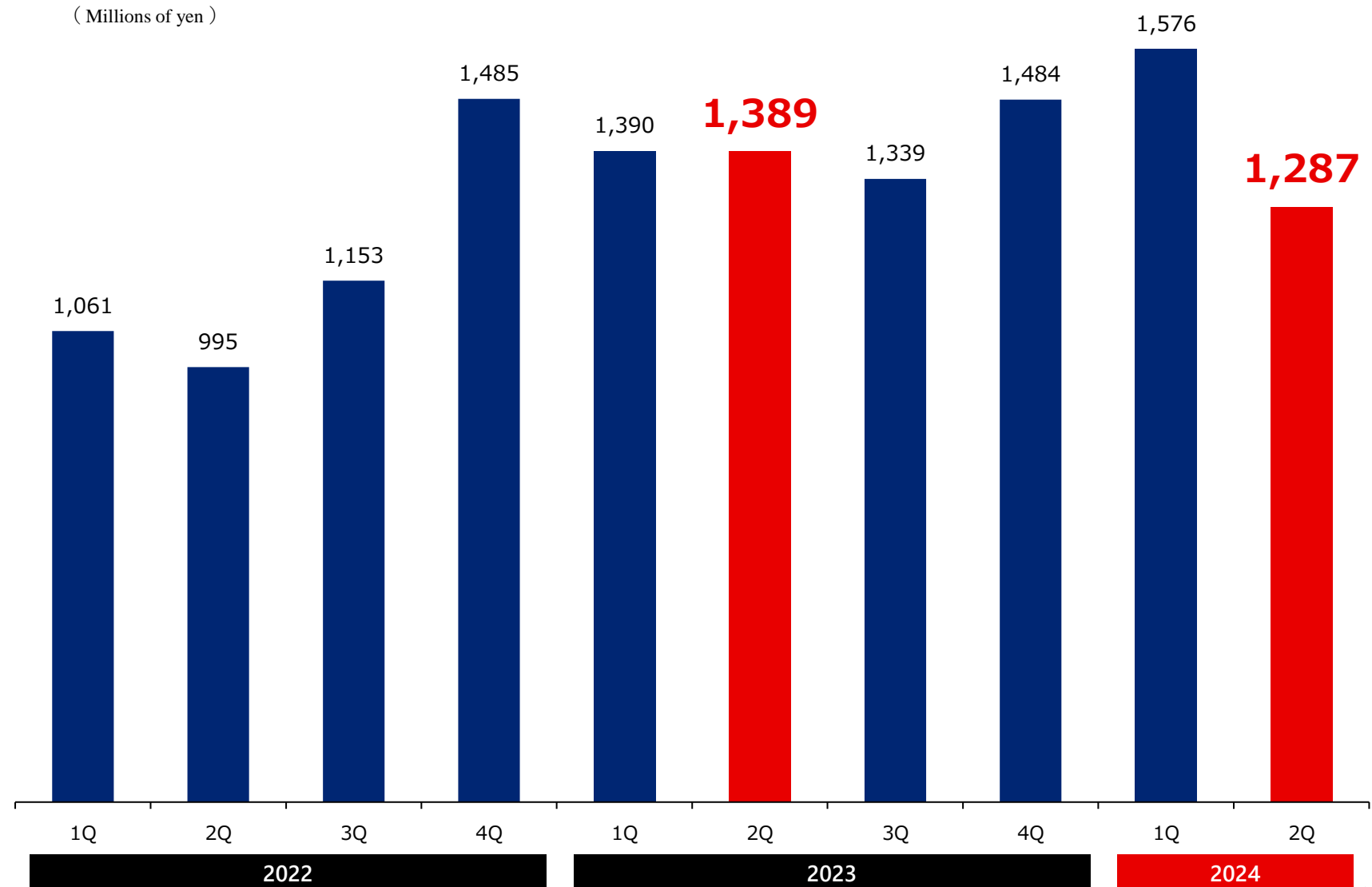
Net sales

Down 7.3% YonY

- In 1Q, orders from existing and new clients increased steadily and budgets of large clients were increased, resulting in higher-than-expected revenue compared to last year. However, revenue decreased due to the impact of reduced advertising budgets of large clients in 2Q.
- Inquiries from major clients increased due to strengthened sales efforts to new clients.

*Right graph shows the sales transition after the start of application of the new revenue recognition standard.

Effective from FY2022, due to the application of the new revenue recognition standard, a portion of sales in the digital marketing business will be changed from gross to net presentation.



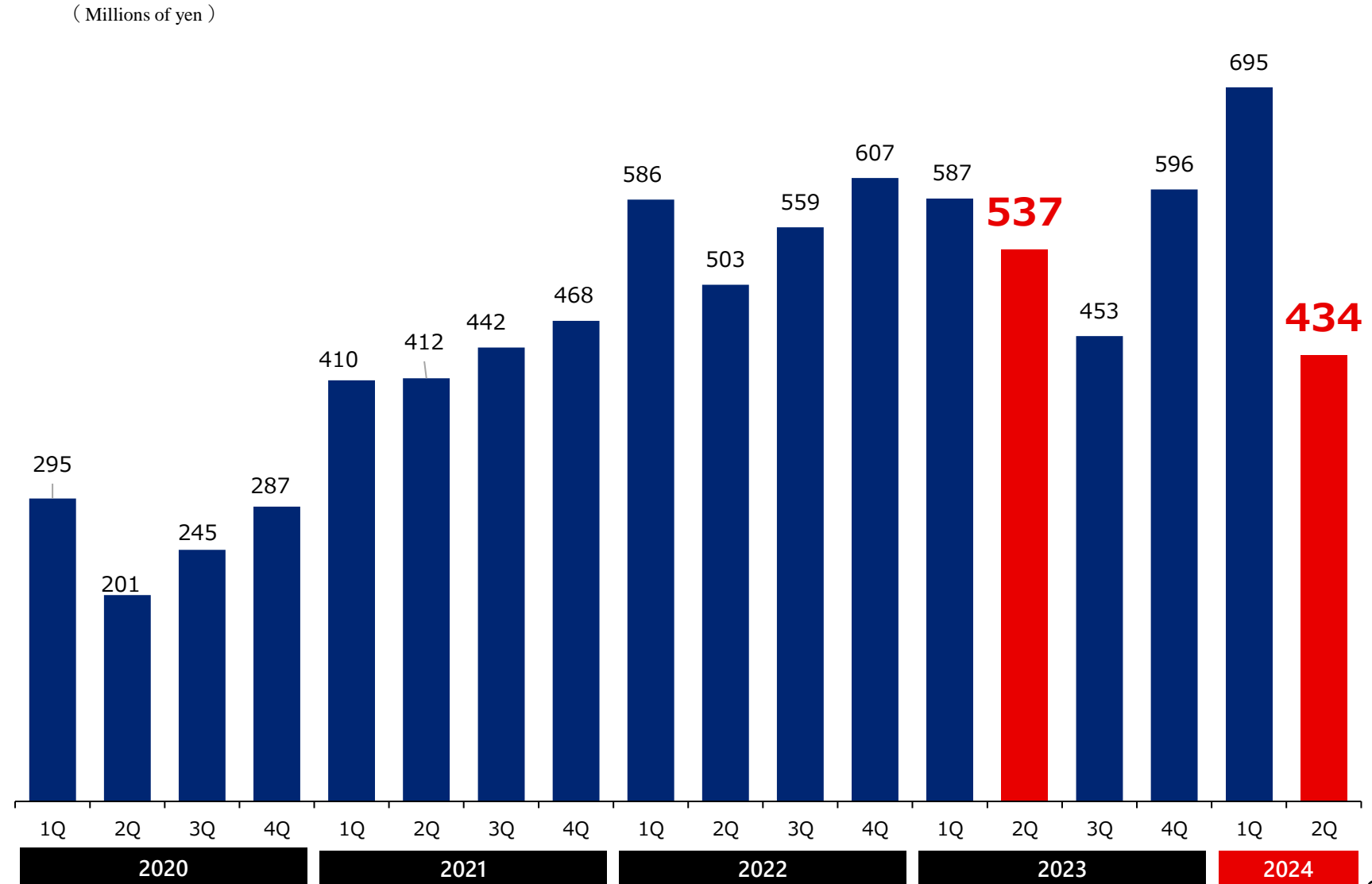
Digital Marketing Business: Quarterly Results



EBITDA

Down 19.2% YoY

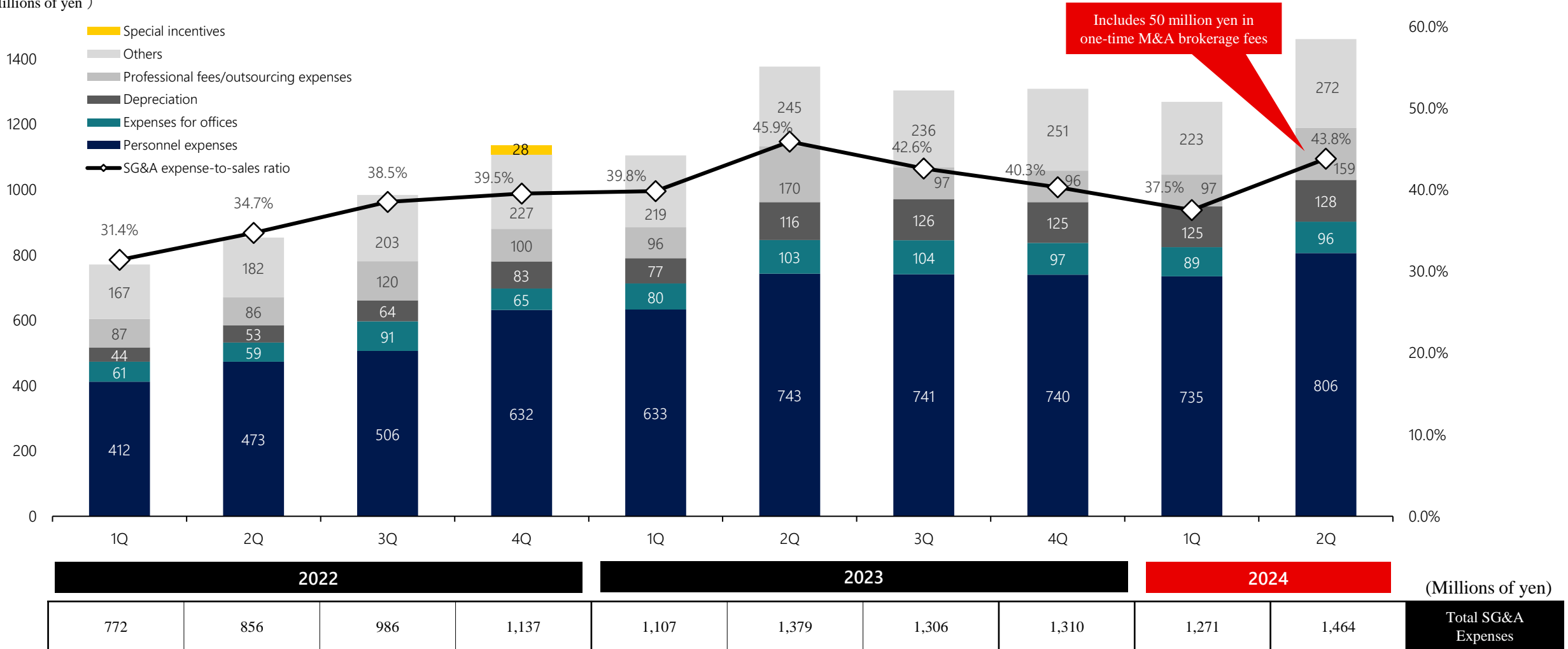
- Profitability was pushed down due to the impact of reduced advertising budgets of large clients in 2Q and investment in human resources, including the hiring of 53 new graduates.
- Inquiries from major clients increased due to strengthened sales efforts to new clients.



Changes in SG&A Expenses

SG&A expenses increased due to M&A and proactive investment in human resources. A one-time expense of 50 million yen was incurred for M&A brokerage fee.

(Millions of yen)



(Millions of yen)

Total SG&A Expenses

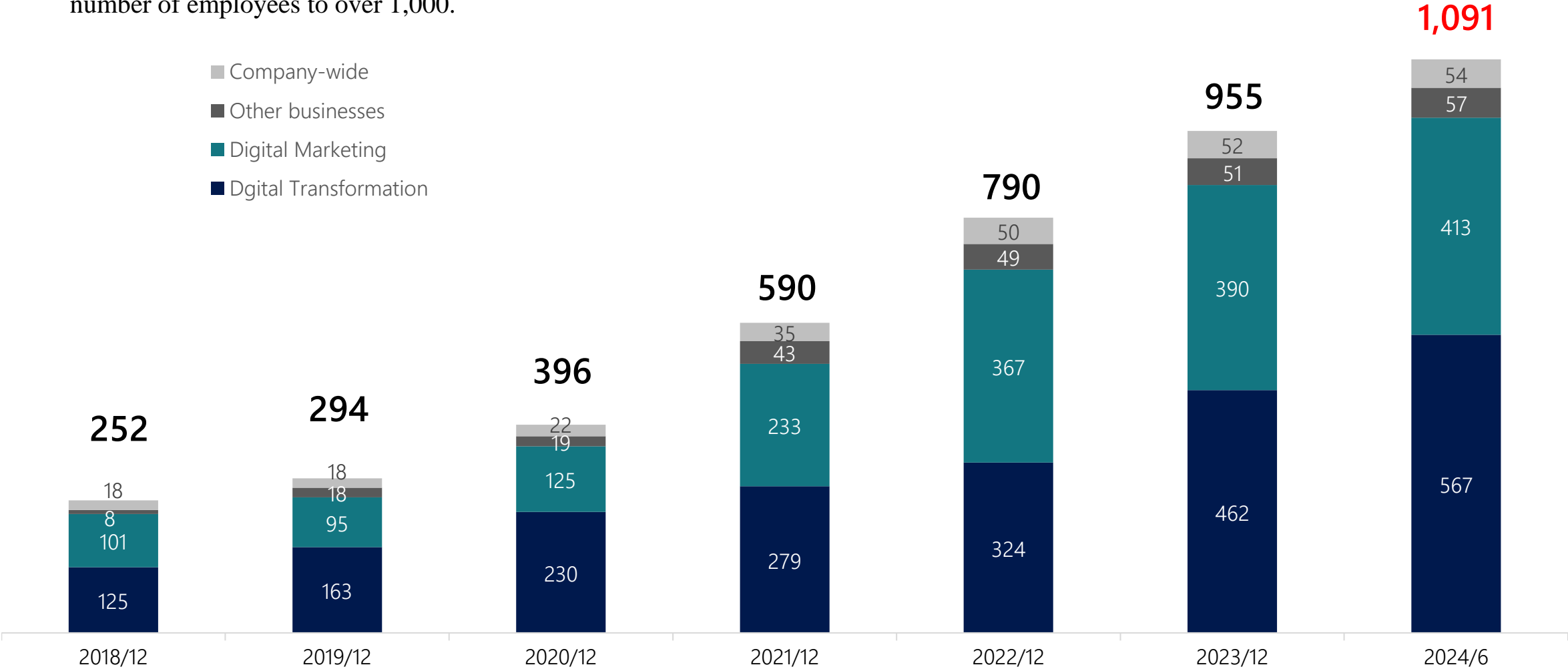
Changes in The Number of executives and employees



The number of executives and employees is 1,091 at the end of June 2024

M&A of A&B Computer (see p.54) and new graduates join the company, bringing the group's total number of employees to over 1,000.

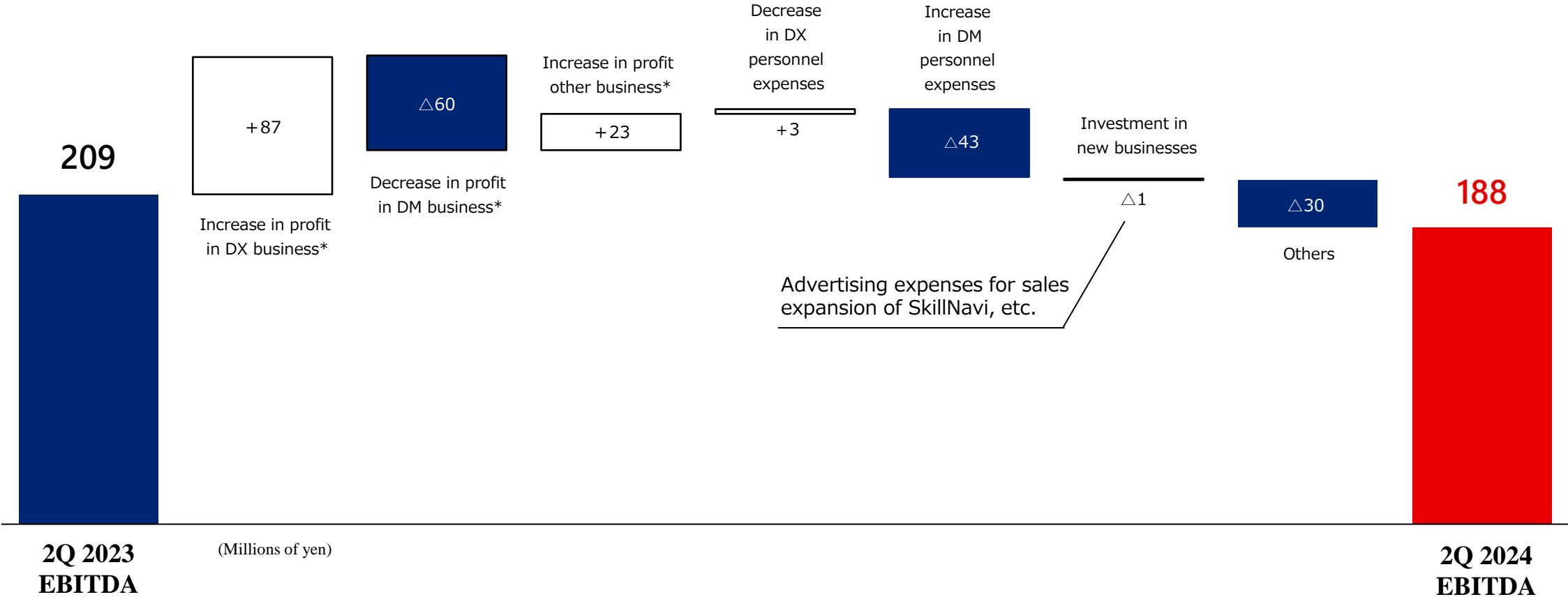
- Company-wide
- Other businesses
- Digital Marketing
- Digital Transformation



2Q FY2024 Changes in EBITDA



Despite the improved profitability of Sharing Innovations in the DX business and the M&A of A&B Computer by VES Inc., EBITDA landed at 188 million yen (-10.3% YonY) due to the reduced advertising budgets of large clients in the DM business, human resource investment, and a one-time M&A brokerage fee of 50 million yen.



2Q FY2024 Consolidated Balance Sheet



Equity ratio of 45.8%, goodwill to capital ratio of 0.6x, maintaining financial soundness while continuing to invest in growth.

(Millions of yen)	Jun.30, 2024	Dec.31, 2023	Change
Current assets	7,309	7,145	164
Non-current assets	5,240	5,567	△ 326
Property, plant and equipment	265	528	△ 262
Intangible assets	3,565	3,653	△ 88
Investments and other assets	1,408	1,385	23
Total assets	12,550	12,712	△ 162
Current liabilities	4,413	4,401	12
Non-current liabilities	1,963	2,274	△ 310
Total liabilities	6,377	6,676	△ 298
Total net assets	6,172	6,036	135
Total liabilities and net assets	12,550	12,712	△ 162

Impact of the sale of investment real estate owned by a subsidiary that was included in the group through M&A.



02 Earnings Forecast: 2024

FY2024 Consolidated Forecast



Despite an unbudgeted brokerage fee of 50 million yen due to the M&A of A&B Computer Corp.'s business, progress against the full-year forecast in the first half was exceeding our expectations in all indicators.

(Millions of yen)	1H/FY2024		FY2023	FY2024	YoY Change	
	Amount	Progress ratio	Results	Forecasts	Amount	%
Net sales	6,730	48.1%	12,109	14,000	1,890	15.6%
EBITDA	748	49.9%	1,212	1,500	287	23.7%
Operating profit	494	49.4%	765	1,000	234	30.6%
Ordinary profit	484	48.4%	776	1,000	223	28.8%
Profit attributable to owners of parent	249	45.3%	474	550	75	16.0%

2024 Shareholder Distributions



The ordinary dividend will be increased by 1 yen to 11 yen per share.

Policy for shareholder distributions

Our goal is the constant growth of shareholder value by making investments for growth by using M&A and starting businesses in new market sectors.

Shareholder distributions are an important means of increasing shareholder value. Our policy is to distribute earnings to shareholders while maintaining the balance between these distributions and investments for growth.

In 2024, based on our forecast for sales and earnings, our financial position, and other considerations, we plan to raise the ordinary dividend from 10 yen to 11 yen.

	2023	2024
Dividend per share	10.0 yen (Ordinary dividend: 10.0 yen)	11.0 yen (Ordinary dividend: 11.0 yen)



03 Business Summary

Business Segment



* Only listed main businesses



Jun 2009 : Established
Sept 2016 : Listed with Mothers of TSE
Dec 2018 : Listed with 1st section of TSE

Digital Marketing (DM) business



Digital Identity

Mint'z
Planning co.,ltd.

Digital Transformation (DX) business



Mar 24, 2021
Listed with Mothers
(Growth Market)

VES
validation engineering service

Others

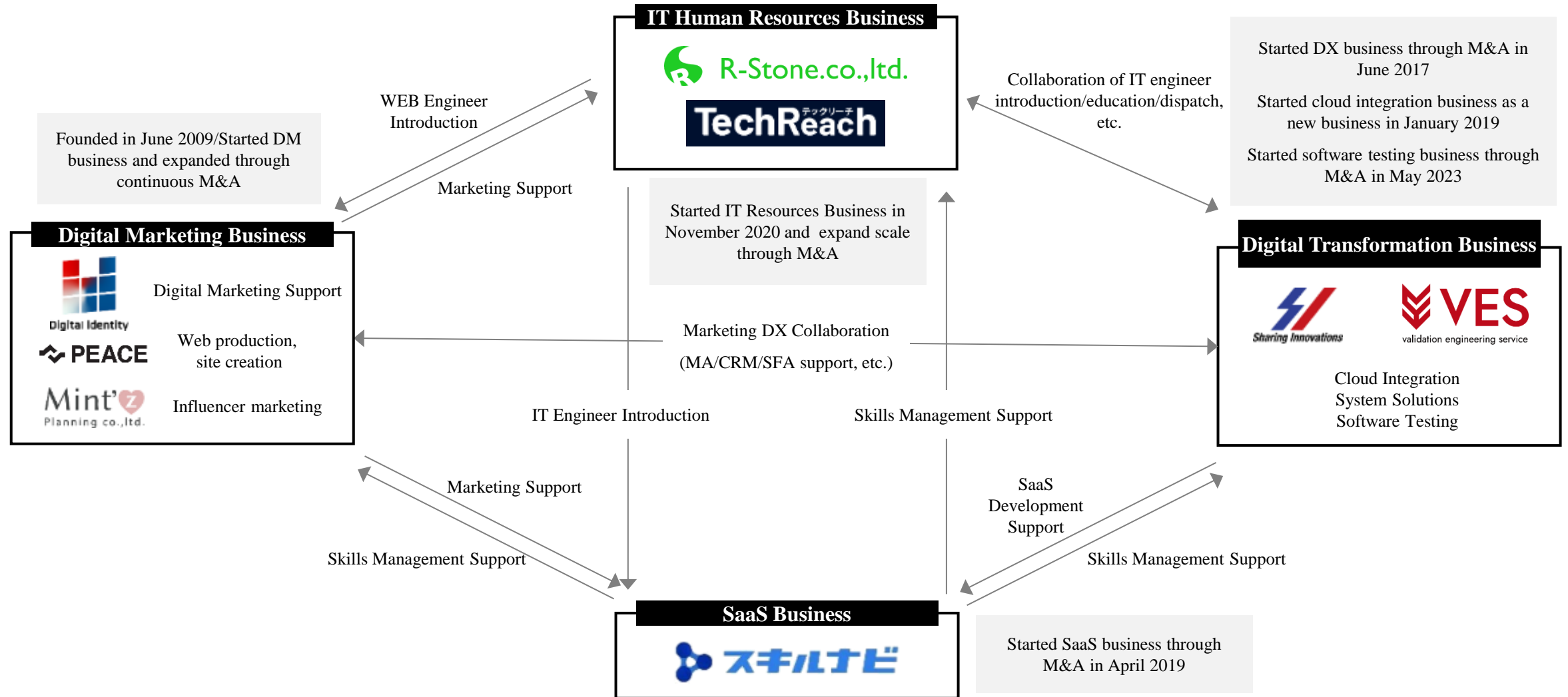


R-Stone.co.,ltd.

TechReach
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Business Synergies

Create synergies among businesses to build a high-growth × high-profit business model



Digital Marketing (DM) Business



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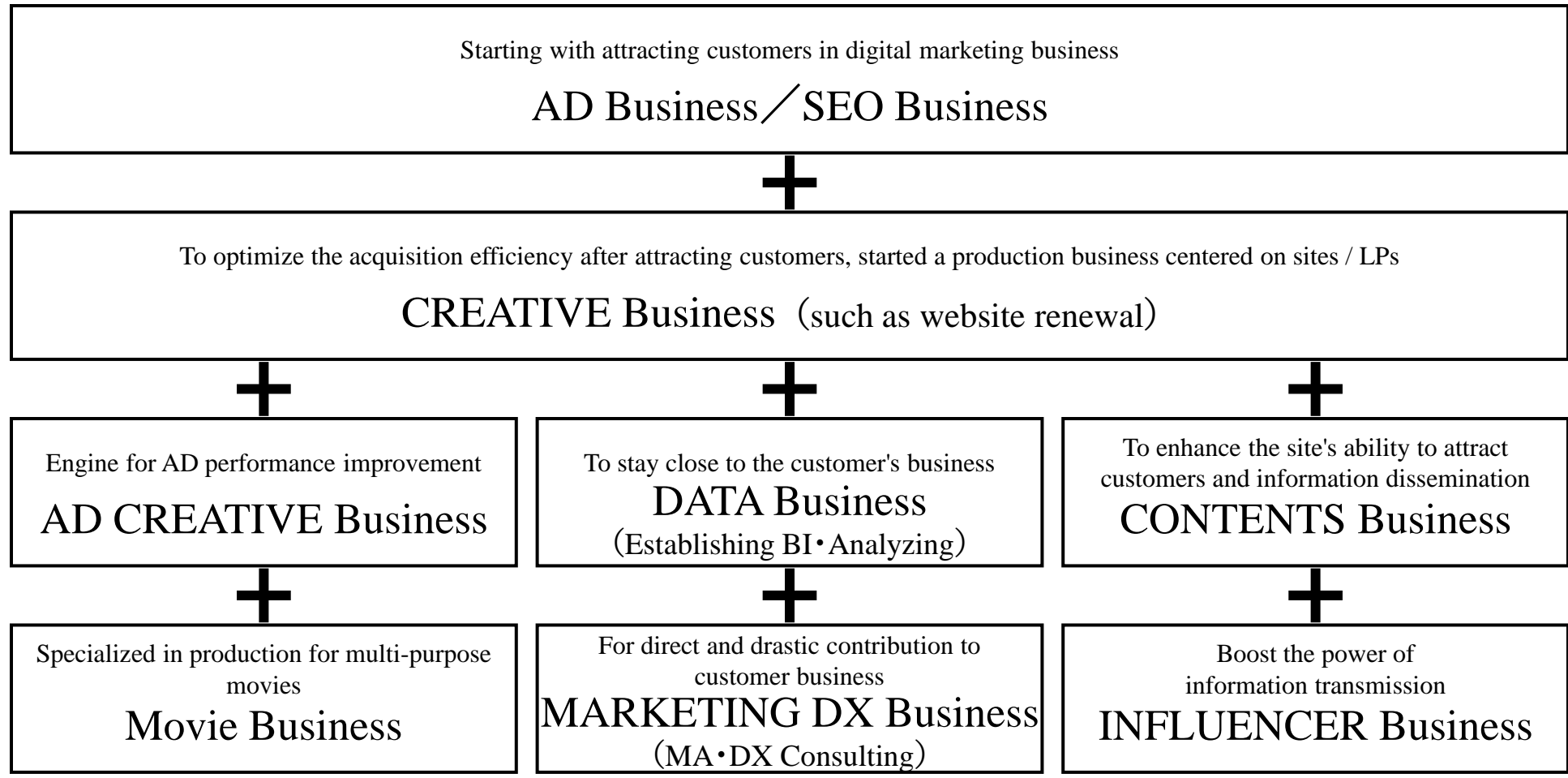
Others



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Business Overview

Starting with attracting customers digitally, developing into various products to provide end-to-end digital marketing service to customers.



Business Overview

Build a system that can be executed in a one-stop system from end to end

Overall design and Consulting

Understanding Users			Data Driven		
Market research	Customer journey	In-store survey	Data integration management	Dashboard	BI
Persona development		Action roadmap	Tag management	Statistics/analysis	RPA・AI・machine learning
Insight development	Story Design	Contact channel	Algorithm analysis	Tracking analysis	API・automatic processing

Execution of measures and promotion

Cognitive Advertising	Programmatic Advertising		SEO	Creation	OTHER
Tie-up	Listing Ad	App Ad	Internal enforcement	Website creation	MA
Pure Ad	Display Ad	Affiliate Ad	Keyword research	LP	CRM
PR	Ad network・DSP	PMP	Content production	Banner Ad	LINE@
Influencer	Social Ad	Specialized Media <small>例：インテイド</small>	Media management	Movie	SalesForce Implementation
Event	Movie Ad	Overseas Streaming	External link scrutiny	Email	System development
In-store linkage	Dynamic Ad	In-house production support	Speeding up display speed	UI evaluation/improvement	Chatbot
Mass linkage	Infeed Ad	Report automation	Backend SEO	Access analysis	WEB customer service tool
Campaign	Ad Creative	Account diagnosis	Mobile friendly	App creation	Customer management tool

Digital Transformation (DX) Business



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Digital Transformation
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Others



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Sharing Innovations / Business Overview

CLOUD INTEGRATION

Cloud service implementation support centered on Salesforce



DATA SUCCESS

Support for a full range of data utilization from data success consulting to environment construction and utilization support



SYSTEM SOLUTION

DX support in scratch development centered on open technology



WEB



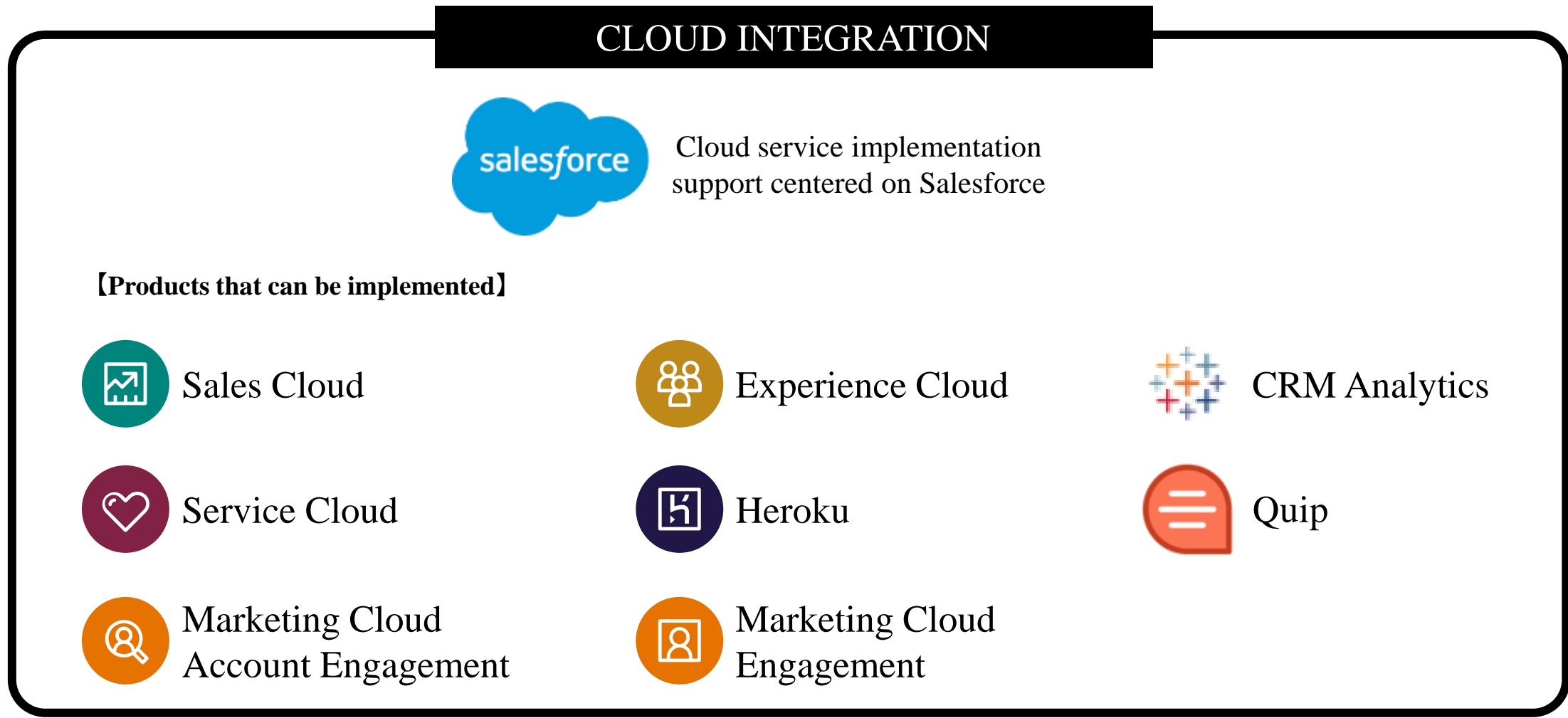
Smart Phone



core system

Sharing Innovations / Business Overview

Approach for Multi-Cloud Tools



Sharing Innovations / Business Overview

Unparalleled number of Salesforce/Tableau certifications*

*As of July 4, 2024

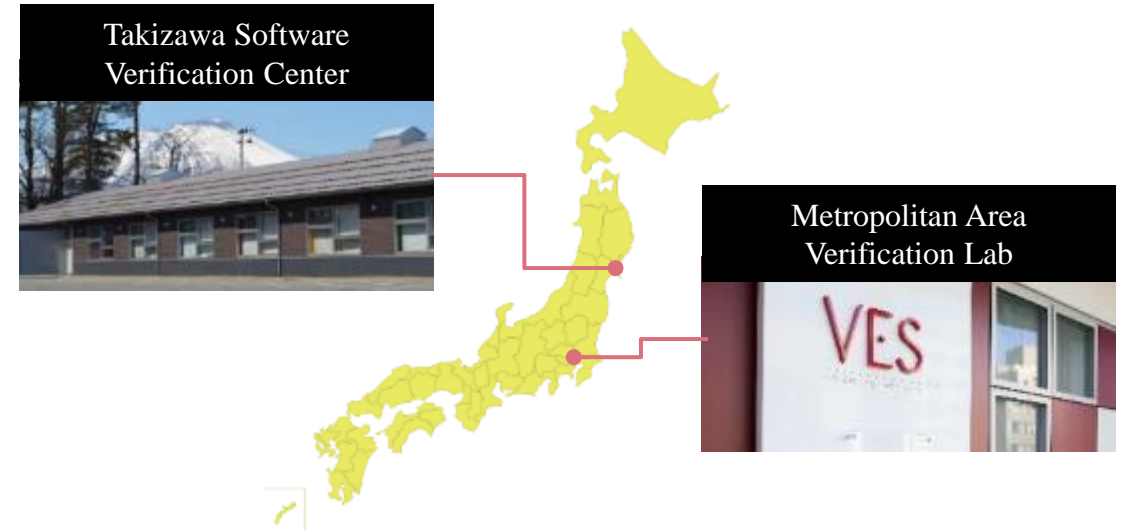
MARKETING		ENGINEERING				OPERATION					
Salesforce 認定 Marketing Cloud Account Engagement コンサルタント	11 persons	Salesforce 認定 Development Lifecycle and Deployment アーキテクト	1 person	Salesforce 認定 Platformデベロッパー	17 persons	Salesforce 認定 JavaScript デベロッパー	4 persons	Salesforce 認定 上級アドミニストレーター	47 persons	Salesforce 認定 Experience Cloud コンサルタント	36 persons
Salesforce 認定 Marketing Cloud Account Engagement スペシャリスト	38 persons	Salesforce 認定 Identity and Access Management アーキテクト	1 person	Salesforce 認定 Sharing and Visibility アーキテクト	4 persons	Salesforce 認定 システムアーキテクト	1 person	Salesforce 認定 アドミニストレーター	156 persons	Salesforce 認定 Field Service コンサルタント	12 persons
Salesforce 認定 Marketing Cloud メールスペシャリスト	7 persons	Salesforce 認定 Integration アーキテクト	1 person	Salesforce 認定 Platform アプリケーションビルダー	46 persons			Salesforce 認定 アソシエイト	2 person	Salesforce 認定 AIアソシエイト	13 persons
Salesforce 認定 Marketing Cloud アドミニストレーター	29 persons	Salesforce 認定 Data アーキテクト	4 persons	Salesforce 認定 アプリケーション アーキテクト	3 persons			Salesforce 認定 Sales cloud コンサルタント	55 persons	Salesforce 認定 CRM Analytics and Einstein Discovery コンサルタント	43 persons
Salesforce 認定 Marketing Cloud デベロッパー	3 persons	Salesforce 認定 上級Platformデベロッパー	8 persons	Salesforce 認定 Heroku アーキテクト	9 persons			Salesforce 認定 Service cloud コンサルタント	64 persons	Salesforce 認定 Data Cloud コンサルタント	6名
Salesforce 認定 Marketing Cloud コンサルタント	1 person	Tableau				SALES					
								Tableau Certified Consultant	5 persons	Tableau Certified Data Analyst	2 persons

VES / Business Overview

Main Business

- Software Third-Party Verification Services
- Test Automation Services
- Nearshore Verification Services
- Usability Verification Services
- Test Engineer Training Support Services

Select the best verification system for each client



Cumulative total of over 12,000 cases Extensive verification experience

Since starting software verification services in 2003, we have accumulated specialized technology and expertise in verification in a variety of industries.



No.1 in the industry IVEC's highest rank Platinum Partner Certification

No. 1 in the industry for LEVEL 5 certification, the highest level of the IT Verification Engineer Certification Examination (IVEC). We have high-level test engineers.



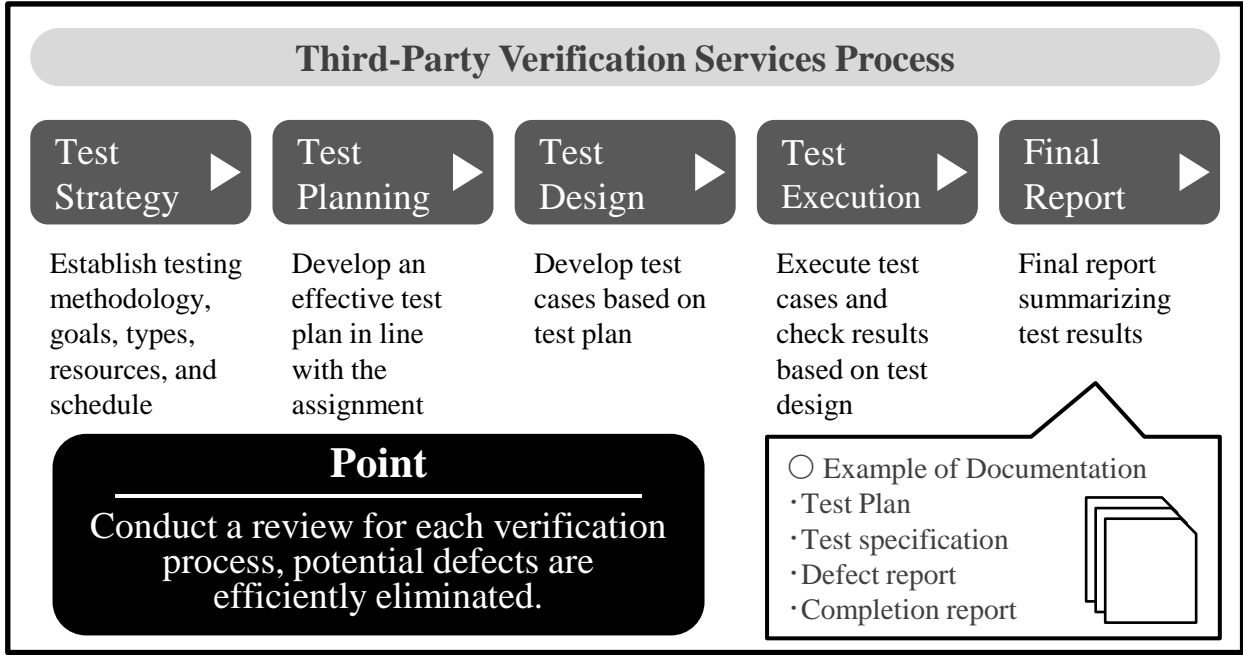
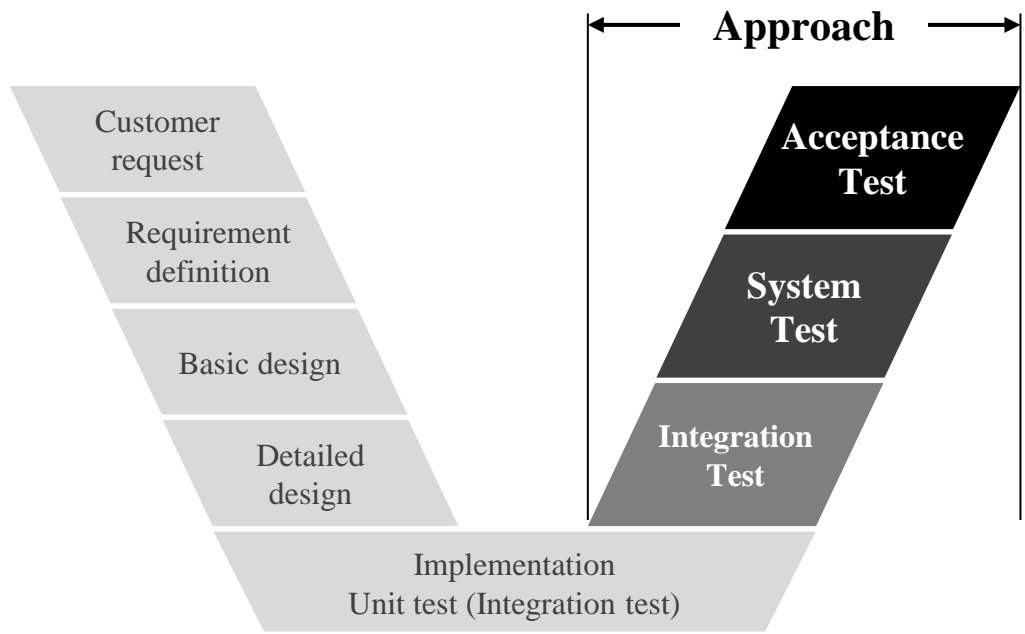
Software Testing International Certification JSTQB Gold Partner Certification

We have been certified as a "Gold Partner" by ISTQB, an international certification body, as a sign of recognition of our high-quality testing services.



VES / Business Overview

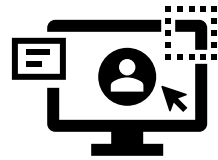
Third-party verification services can support all phases of testing after the integration test, from test strategy, planning, design, execution, and final report.



Third-party verification solutions (excerpts)



● **Software Verification Services**
 Verify and evaluate software from an objective perspective to identify and report on problems that are often overlooked



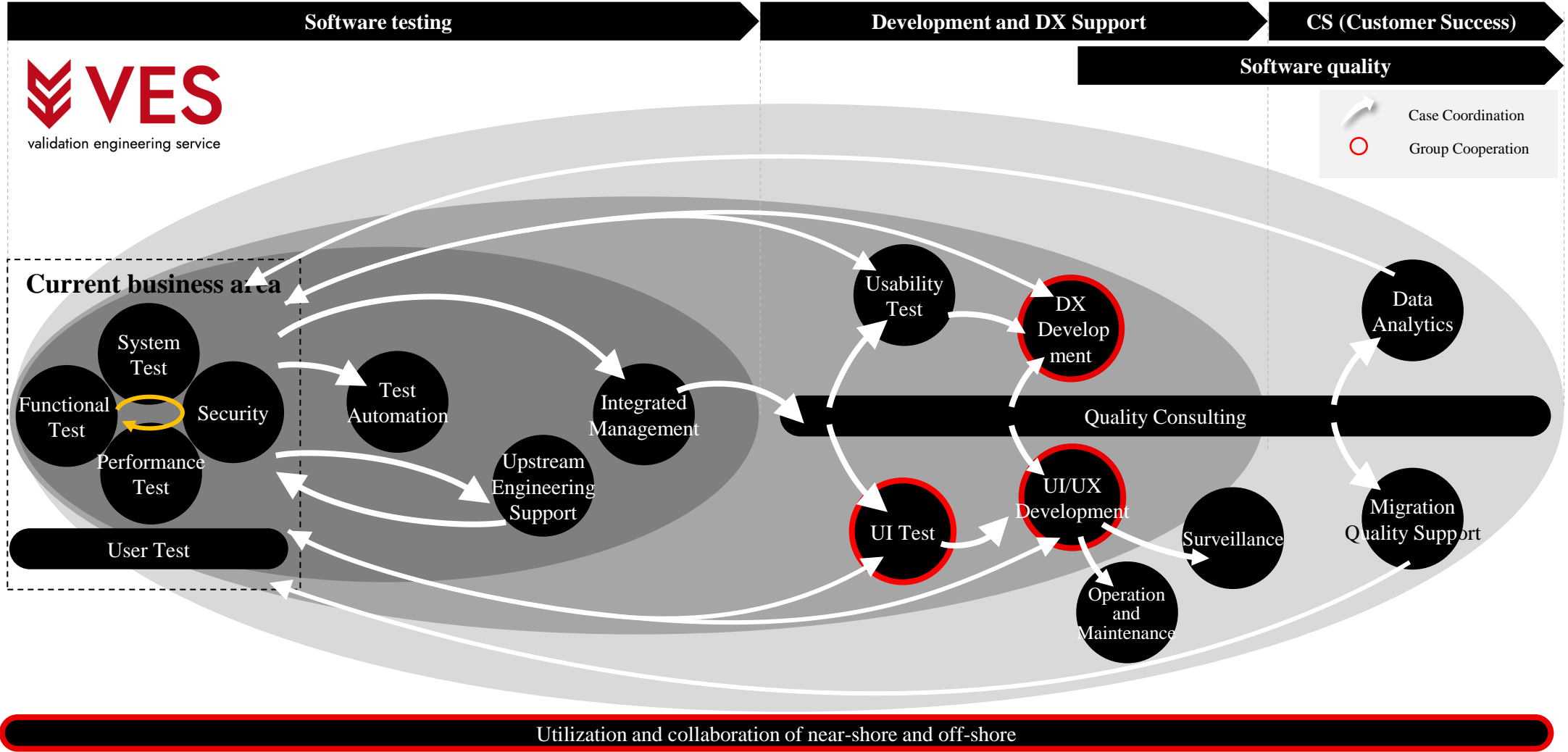
● **Embedded Verification Services**
 Various tests are conducted to verify that the embedded control software operates correctly and achieves its objectives



● **EC/Web Verification Services**
 One-stop, speed-oriented verification from test planning to implementation for customers developing web services

VES / Business Strategy

Starting from software testing, expanding to DX and CS areas to become an expert in software quality.



Expand our service area to become “Software Quality Experts”

VES / Business Strategy

Aiming to grow to 10 billion yen in sales by leveraging the resources of the ORCHESTRA Group. STEP 1 has been on progress by expanding upstream services and development capabilities through mid-career recruitment and M&A of A&B Computer (see page 54).

FY2023

FY2028

	Step0 Existing state	Step1 Upstream + development	Step2 Offshore Utilization	Step3 In-house development	Step4 Expansion into new areas	Step5 Customer Success Deployment
Objective	Stable profitability through the establishment of a business foundation	Increase revenue by expanding the range of requests handled	Near-shore and off-shore utilization to Strengthening Cost Competitiveness	Reinforcement of Implementation Capability Expansion of Earnings	Reinforcement of Implementation Capability Expansion of Earnings	Cyclical Response to Fixation Expansion of Earnings
Business development						
Estimated sales	1.54 billion yen	2.40 billion yen (YonY 156.3%)	3.50 billion yen (YonY 145.6%)	4.91 billion yen (YonY 140.2%)	7.01 billion yen (YonY 142.6%)	10.03 billion yen (YonY 143.1%)
Number of engineers	223 people (Full-time employee 71.3%)	261 people (Full-time employee 67.0%)	317 people (Full-time employee 62.7%)	358 people (Full-time employee 58.4%)	485 people (Full-time employee 54.2%)	614 people (Full-time employee 49.9%)
Point	<ul style="list-style-type: none"> Deployment of automation, security, and other areas around test validation Improvement of PM and PL delivery skills to stabilize service delivery 	<ul style="list-style-type: none"> Test Verification area aims to expand from adaptation to loyal customers Hiring upstream process skills & experience 	<ul style="list-style-type: none"> Offshore expansion through SIV utilization Acquisition of global projects Become a client of a major local company (Takizawa TC model → 2nd TC development) 	<ul style="list-style-type: none"> Capability of development Provide collaborative solutions with upstream and testing areas Provide quality assurance 	<ul style="list-style-type: none"> Quality expertise (compliance with laws, regulations, standards, etc.), not just IT consulting DX and operational monitoring works with seasonal products 	<ul style="list-style-type: none"> Establishing a position as a quality control

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Others



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Other Businesses

Raising the next core businesses

Major businesses within other business segments:

SaaS Business



- ✓ An SaaS skill management system
- ✓ Supporting skill management and development with the latest technology



- ✓ Introduction in major manufacturing companies is accelerating

Platform Business




- ✓ An iPhone/Android app for fortune telling chat consultations by more than 1000 fortune tellers throughout Japan
- ✓ Cumulative number of consultations exceeded 1.3 million.

IT Human Resources Business




- ✓ Acquired "R-Stone", a recruiting firm specializing in IT engineers and creators in 2021.
- ✓ Operates "TechReach", a project and job information site for freelance engineers.

SaaS Business / Business Overview

Developing "Skill Navi" with strength in skills management

- Strengths in visualization and management of skills
- Accelerating adoption by major manufacturing companies that require detailed skills management
- Can also be used for re-skilling and job-based work styles



スキルナビ

スキルマネジメントシステムのパイオニア
最新のテクノロジーでスキル管理や育成を支援



スキルマネジメントシステムとして、スキル管理から教育連動、業務との紐づけや分析、人事機能まで活用することで人事システムをスキルナビで完結も可能

スキルマネジメントシステム

人事機能

スキル管理

マルチ多階層にスキル管理や補正、評価者のコメント、研修等の紐づけなど多種多様な機能あり

資格管理

保有資格の管理全般
有効期限管理（アラート機能）や
資格証明書の管理も可能

研修・試験管理

研修・試験結果の管理、
スキルとの連動による研修の
有効性検証などにも対応

従業員データ
各種従業員データの
保有や管理、
人事システムとの連携
なども可能

従業員サーベイ
従業員サーベイや
エンゲージメント分析

キャリアモデル

志望キャリアの登録から現在の
スキルや保有資格とのマッチ度の
可視化や適応率が見える

分析・比較

個人、部署、自由なグループでの
比較、複雑な分析まで可能

異動シミュレーション

あらゆるパターンのシミュレーショ
ンが可能。保存機能、能力視点、
育成視点、サクセッションプラン等

評価機能
スキル評価以外に
人事評価、コンピテン
シー評価など各評価制度
に対応

面談履歴
面談履歴、
1on1の管理など

従業員検索

複雑な要件検索が可能になるため、
業務やプロジェクトアサインでの
活用も

スキルナビフォーム

自由なフォーマットを作成し、
業務管理からスキルや経験値との
連動まで、幅広い活用が可能

スキルナビBI

人的資本の情報開示に向けた
パッケージ機能
必要項目を簡単にダッシュボード化

SaaS Business / Business Overview

What is skills management?

By effectively utilizing skills-based data Maximize organizational performance through training, education, optimal allocation, and organizational visualization, and contribute to improved employee engagement.



SaaS Business / Business Overview

The Need for a Skills Management System

In addition to the DX trend, the need for skill management systems is increasing, from productivity improvement to human capital management.

Work site

■ Limitations of Excel operation

- Linkage with training plan is complicated and difficult to manage.
- Visualization/analysis is difficult.
- The number of items to be managed has increased, making on-site operations and audit responses more complicated.

■ Formalization of operations

- Efforts are made on a site-by-site basis and are not thoroughly operated or managed.

■ Existing system cannot meet the requirements

- The company-wide HR system in place does not meet the requirements and continues to be analog.

Management

■ Visualization of organizational status, including organizational management and human capital perspective

- In many cases, each work site is managed in an analog manner, which does not lead to visualization of the organization or the company as a whole.

SaaS Business / Business Overview

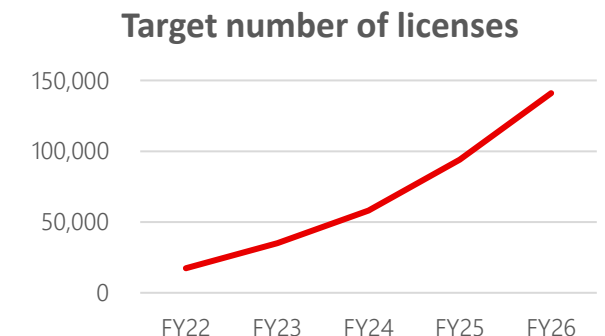
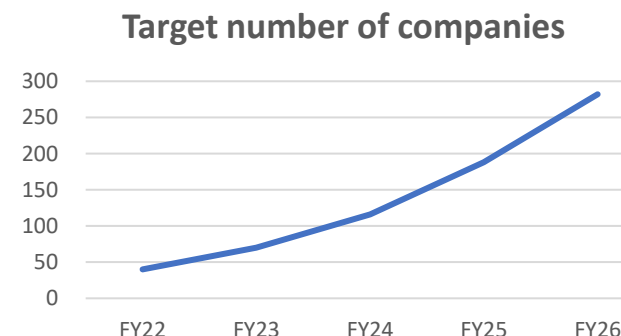
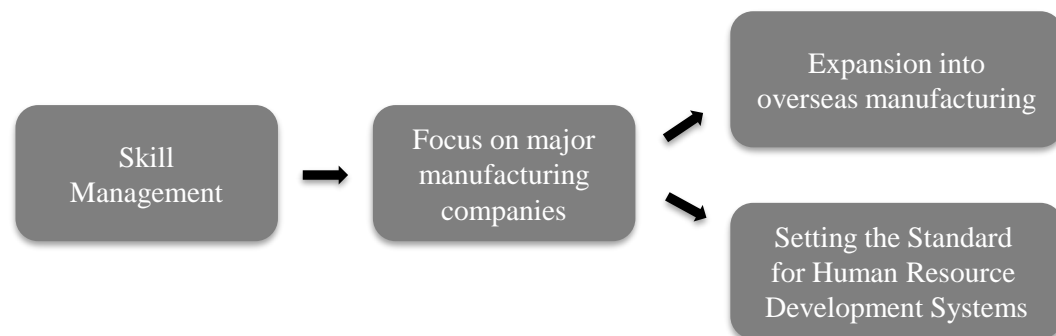
Skill Navi growth strategy

As the working-age population continues to decline, there is an increasing need to build human resource management systems in order to "maximize human capital," "improve productivity," and "reskilling".

Among these, Skill Navi's competitive advantage of visualizing skills and managing the implementation and effectiveness verification of necessary training programs in real time is expected to be needed by many companies, and we aim for significant growth in this field.

Of the human resource management systems, we focus on "skill management," which is the most important aspect of building a framework for human resource development. We aim to increase the number of companies that have adopted the system, particularly in the manufacturing industry, which requires more detailed skills management.

Few competitors focus on skills management, and because of the competitive advantage of its functions, Skill Navi has recently been adopted by major manufacturing companies. In the future, we plan to further expand its business overseas and establish a de facto standard for building a framework for human resource development in the manufacturing industry.



SaaS Business / Business Overview

Skill Navi Major Installation Results

The number of companies introducing Skill Navi is increasing

IT Human Resources Business / Business Overview

- Acquired R-Stone, a recruitment agency specializing in the IT field, through M&A in FY2021
- Operates "TechReach", an IT recruiting and project introduction media
- Supports the recruitment for group companies, contributing to the reduction of recruitment costs at the group level.

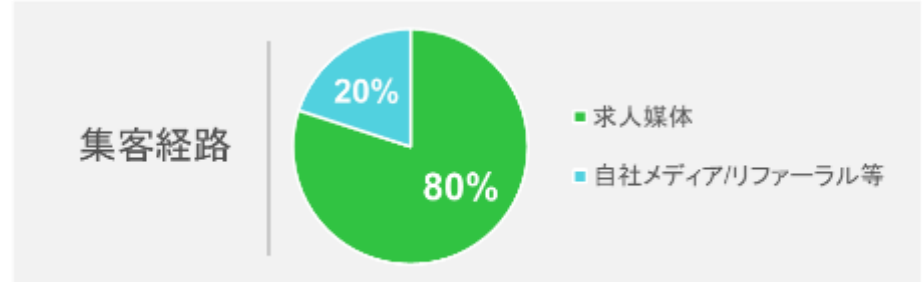


人材紹介サービスについて

クリエイター・エンジニアに特化したコンサルタントが採用活動をサポート

主なターゲット層	年齢	希望勤務地	現在年収
	20代後半～40代後半	東京	350～1000万円台

月間登録者数	エンジニア	クリエイター
	120名	80名



- Specialized in freelance
 - Engineer
 - Creator
 - PM・PMO...
- Strength of TechReach
 - 80% are end/main contractor direct projects
 - 15 days payment cycle

Corporate Venture Capital Investments

Five investees achieved IPO on the Tokyo Stock Exchange

IPO July 2020



HR

IPO Nov. 2020



Marketing

IPO Dec. 2020



Fraudulent
order detection

IPO Sept. 2021



Payments

IPO Mar. 2022



Health care



Point mall



Electricity retailing



Cosplay



AI



Fintech



MEO



Real estate



Con-tech



Project
Management



Smart homes



P2C



HR



Health care



HR



04 Growth Strategy

Medium- to Long-term Growth Strategies

Medium- to long-term growth strategy formulated, with a commitment to growth in the next fiscal year and beyond, bottoming out in FY2023.

Based on the growth of 2 main businesses, aim for EBITDA of 5 billion yen in 5 years and 15 billion yen in 10 years through M&A and contribution from new businesses.

New business

New business under development is growing steadily and will contribute significantly to the Group's earnings in the future.

M&A

Accelerate growth of existing businesses by expanding business scale and service areas through M&A

Organic growth in two main businesses

Digital Marketing Business

Steadily capture market growth and drive overall growth

Digital Transformation Business

Sharing Innovations will return to profitability in the second half of the year due to progress in structural reforms, and will be on a revenue and profit growth path from the next fiscal year. VES aims to grow its software testing business to 10 billion yen in sales over the next five years.

15
(EBITDA billion yen)

10

5

0

2023

2028

2033

EBITDA
15 billion yen

EBITDA
5 billion yen

New Business

M&A

Organic Growth

Future Outlook and Initiatives



Future Outlook and Initiatives for Each Business

Digital Marketing Business	Sustain 10-20% annual growth through organic growth + M&A and drive overall group growth by strengthening the new customer acquisition system, strengthening cross-selling by leveraging the group's customer base, and maximizing return on investment by using generative AI.
Digital Transformation Business	<p>【Sharing Innovations, Inc.】 Completed structural reform of the Cloud Integration business and entered a phase of renewed growth.</p> <p>【VES, Inc.】 Utilizing the resources of the ORCHESTRA Group, the company will expand its organizational structure and service areas, aiming to grow to 10 billion yen in sales over the next five years. (See p.32-33) M&A of A&B Computer Corp. (see p.54) expanded upstream process and development capabilities, and plans are progressing smoothly.</p>
New business	<p>【Skill Navi】 Focusing on "skill management," the most important aspect of building a framework for human resource development. The company is expanding its introduction mainly among major manufacturing companies that require detailed skill management. In the future, the company aims to become the de facto standard for overseas development in the manufacturing industry and for building a framework for human resource development. (See p.36-40)</p> <p>【IT Human Resources Business】 Continued annual growth of 20-30%. TechReach, the recruitment media is expected to be profitable on a monthly basis within this fiscal year and resulting in a significant improvement in profits. In addition, by recruiting IT personnel through in-house HR agency, we can reduce recruiting costs significantly at the Group level (See p.41).</p>

Growth Strategy

Strength

01

Compete in a growing market

Strength

02

Active utilizations of M&A

Strength

03

Cultivate new business

Growth Strategy: Market Selection

Focusing on growth market

DX business

Japan's IT professional shortage will become even worse

Forecast **a shortage of as much as 790,000** in 2030 ^{*1}

^{*1} Source: "IT Personnel Supply and Demand Survey" conducted for Ministry of Economy, Trade and Industry

Japan's market for cloud services is expected to expand

at an average annual rate of **17.9%** between 2022 and 2027.

The market size in 2027 is projected to be **13,257 billion yen, 2.3 times larger** than in 2022. ^{*2}

^{*2} Source: International Data Corporation Japan "Domestic Cloud Market Forecast, 2023 - 2027"

The domestic software industry market is growing steadily.

Among them, the software testing market size is estimated to account for

more than 30%, or **6 trillion yen**. ^{*3,4}

^{*3} Source: Ministry of Economy 「Basic Survey of Information and Communication Industry」

^{*4} Source: IPA 「Software Development Data White Paper」

Digital Marketing business

The increasing speed of the digitalization of society is fueling growth of the internet advertising market. The programmatic advertising market, a key strength of Orchestra

Holdings, recorded **growth of 10.9%** in 2023 ^{*5}

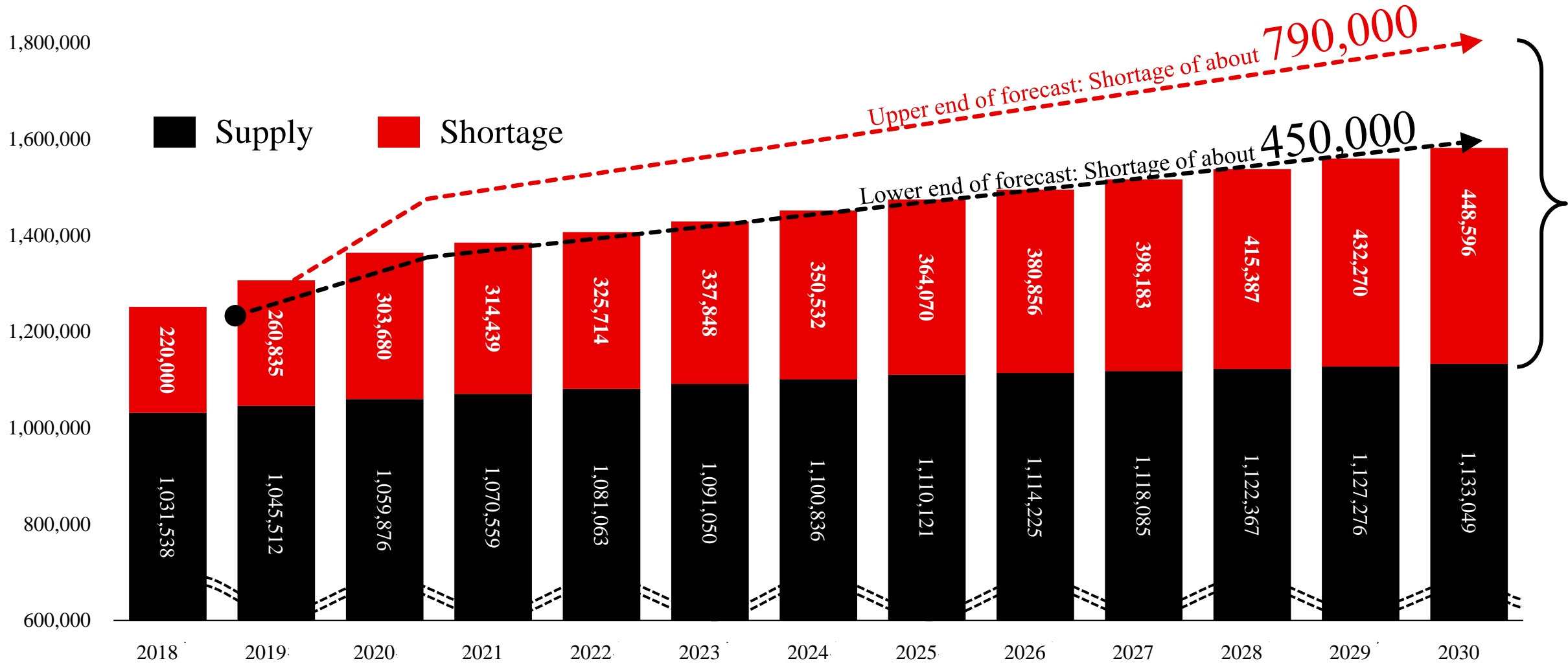
^{*5} Source: Dentsu Inc. "2023 Advertising Expenditures in Japan"

Market Data: Projected Shortage of IT Professionals in Japan



Forecast a shortage of up to 790,000 in 2030

Demand for IT professionals is expected to increase steadily

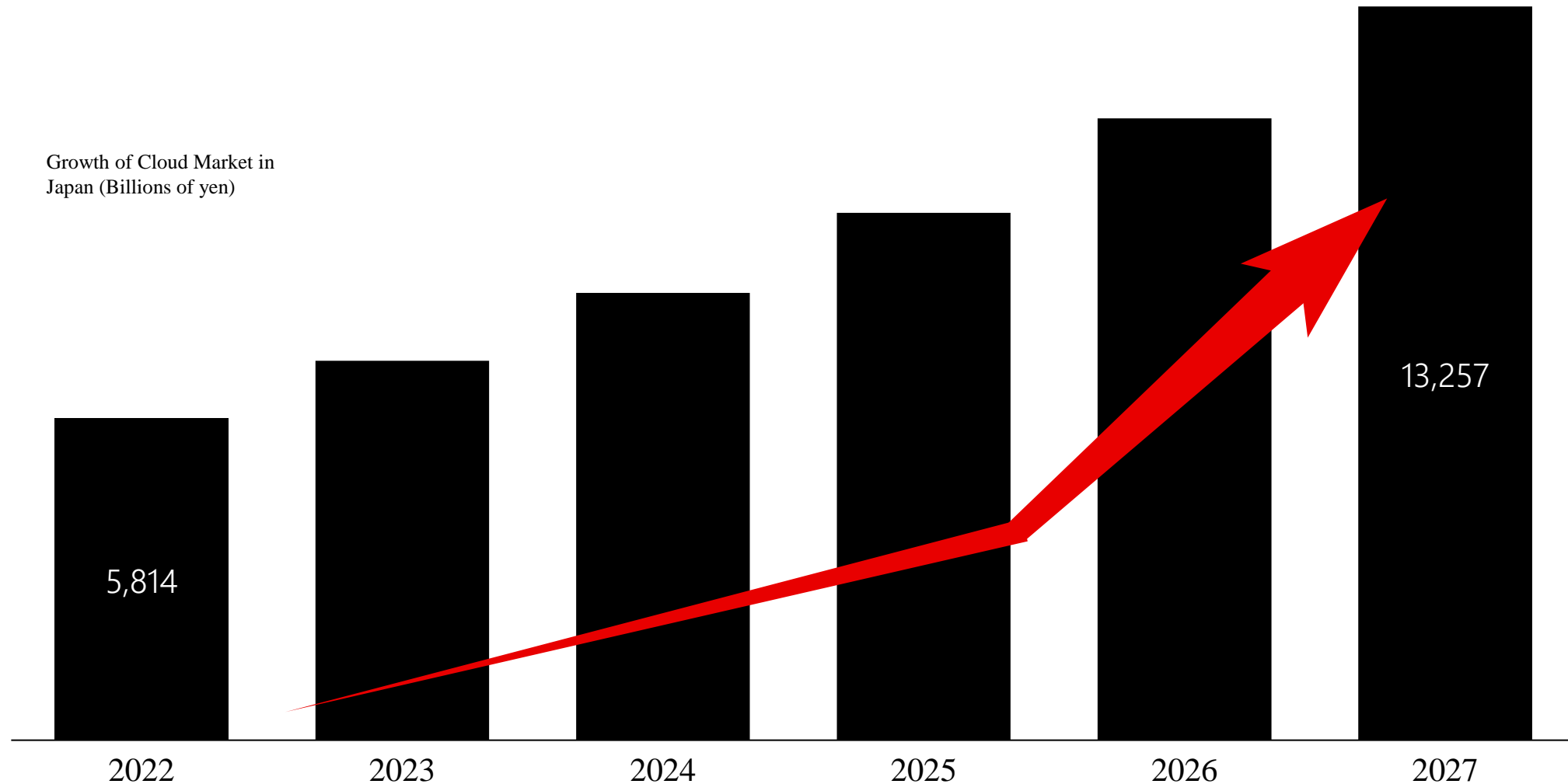


Source: "IT Personnel Supply and Demand Survey" conducted for the Ministry of Economy, Trade and Industry

Market Data: Growth of the Cloud Market in Japan

Average annual growth rate of 17.9% from 2022 to 2027.

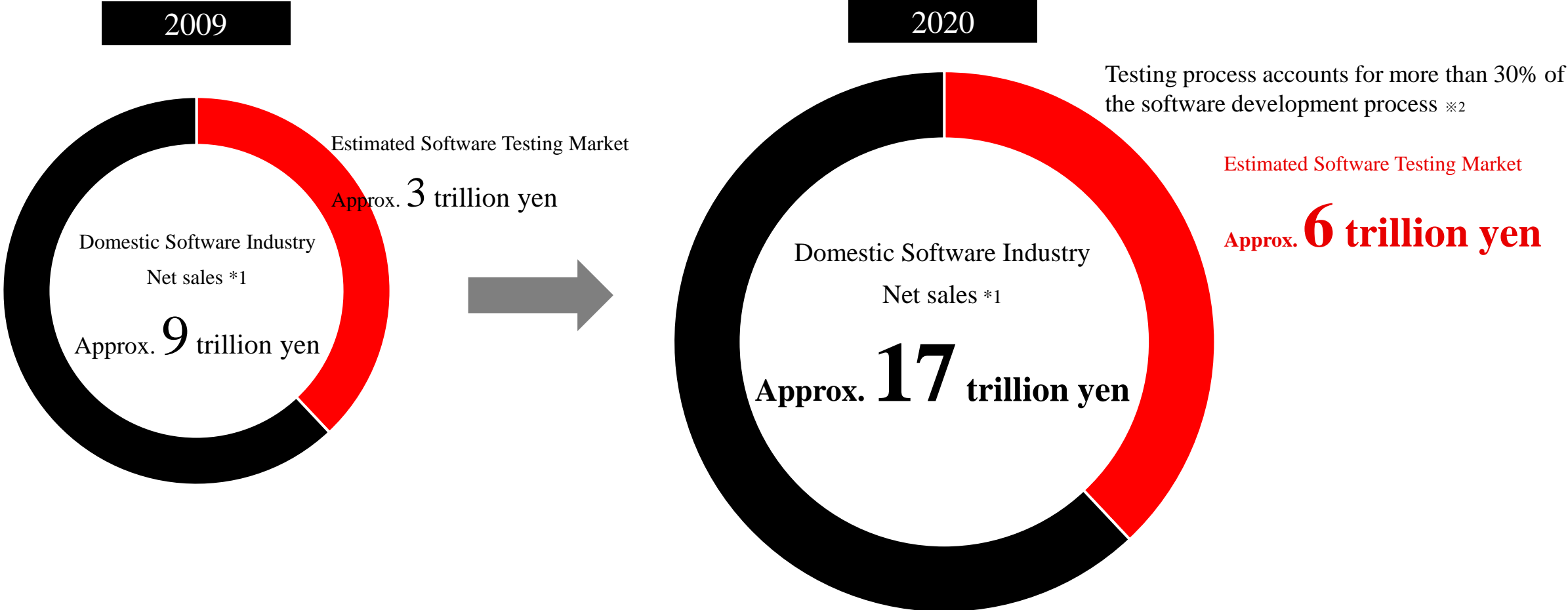
The market size in 2027 is projected to be 13,257 billion yen, 2.3 times larger than in 2022.



Market Data: Software Testing Market in Japan



New entry into the approximately 6 trillion yen software testing market through M&A of VES, Inc.



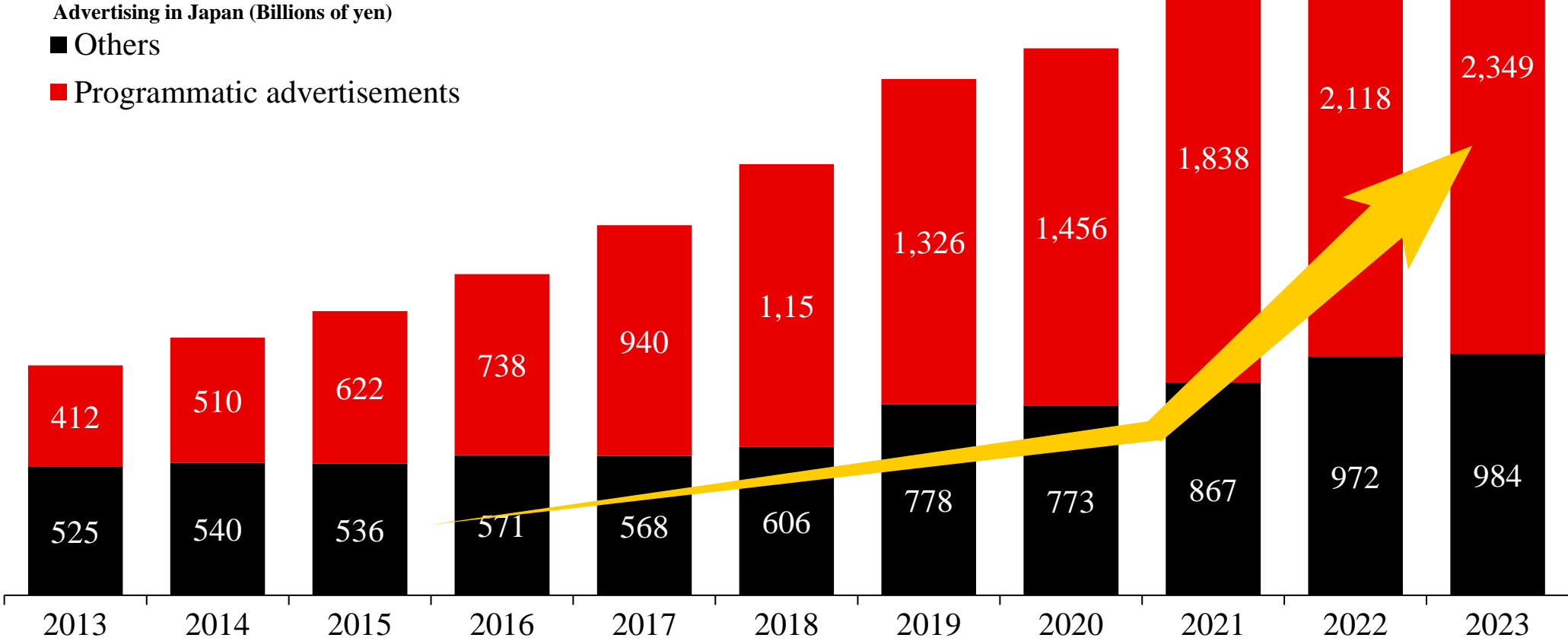
*1 Source: Ministry of Economy [Basic Survey of Information and Communication Industry]

*2 Source: IPA [Software Development Data White Paper] Refer to the percentage of the 5 development processes in the new development, including the integration test and comprehensive test processes.

Market Data: Internet Advertising Market in Japan



The Internet advertising market has grown significantly due to the accelerating digitalization of society. The managed advertising market, in which we are strong, grew 10.9% YonY.



Source: Publicly announced advertising data since 2012 using “Advertising Expenditures in Japan” by Dentsu Inc.

Growth Strategy

Strength

01

Compete in a growing market

Strength

02

Active utilization of M&A

Strength

03

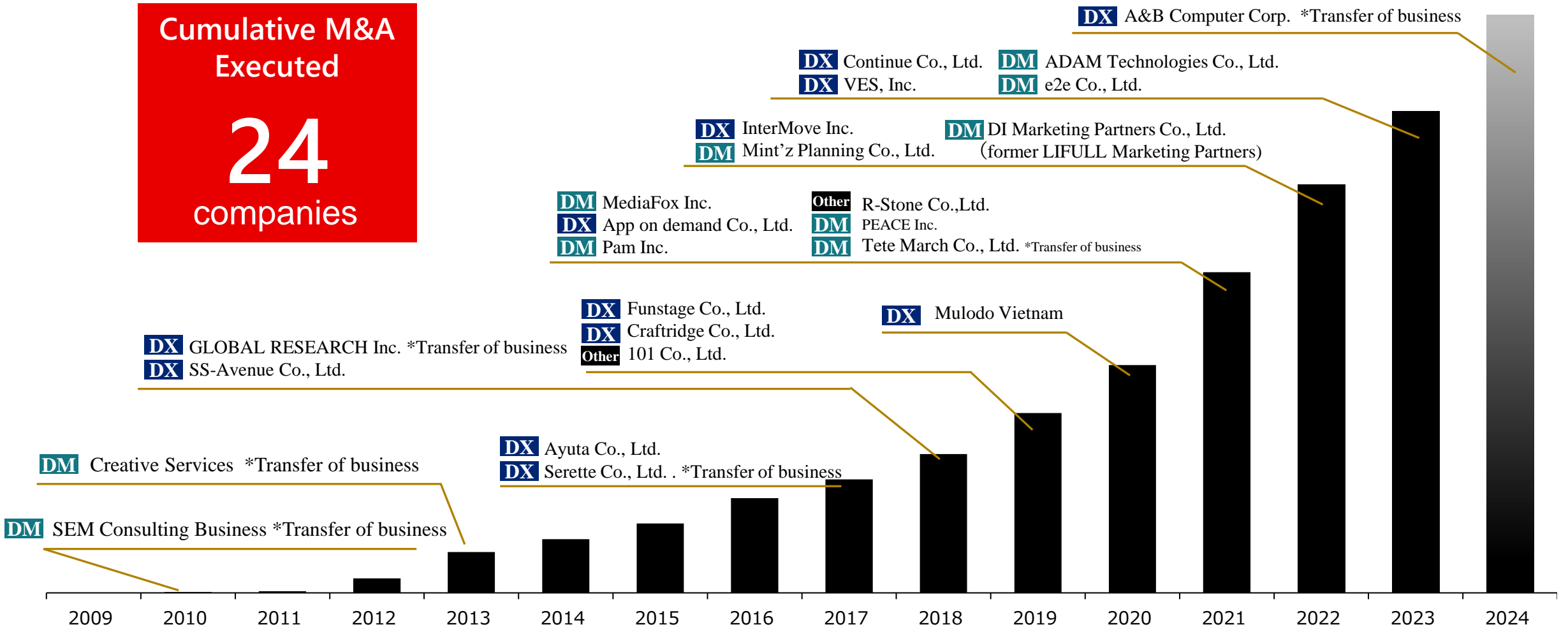
Cultivate new business

Growth Strategy: Active Utilization of M&A / History



Since its establishment, the company has read market trends and conducted M&A. We will continue to carefully select M&A projects and conduct M&A strategically.

Cumulative M&A Executed
24
companies



Growth Strategies: Active Utilization of M&A

One business acquisition was made during the period.



In April 2024, our consolidated subsidiary VES, Inc. acquired the system engineering services of A&B Computer Corp.

With the participation of A&B Computer Corp., which has highly skilled engineers at the project manager and project leader level and has handled many projects for major clients, we will build a system that can provide a full range of services from system development, testing, and maintenance to operation, This will accelerate growth toward VES, Inc.'s goal of becoming an “Software quality experts”.

Growth Strategies: Active Utilization of M&A

Accelerate the speed of growth in each business through the use of M&A and expand business domains by entering adjacent markets where growth is expected.

Segment	Domain	Track record	M&A Strategies and Objectives	Market scale
Digital Marketing	AD/SEO Creative SNS Marketing Started Jun 2009	    LIFULL Marketing Partners	<ul style="list-style-type: none"> • Expand business scale through roll-up strategy Expanding our service lineup, customer base, and human resources through M&A with multiple companies in the same industry 	Approx. 3 trillion yen ※1
DX	System Solutions Started Jun 2017	  *M&A and integration of 10 companies in the DX area	<ul style="list-style-type: none"> • Expand TAM (*4) by expanding into adjacent markets Utilizing the knowledge gained in the digital marketing business, we entered the marketing DX centered on Salesforce • Expand business scale through roll-up strategy Expanding our service lineup, customer base, and human resources through M&A with multiple companies in the same industry 	Approx. 16 trillion yen ※2
	Cloud Integration Started Jan 2019			
	Software testing Started May 2023		<ul style="list-style-type: none"> • Expand TAM (*4) by expanding into adjacent markets Expect synergies with existing DX businesses 	of which Approx. 6 trillion yen ※3

*1 Source: Dentsu "Advertising Expenditures in Japan" *2 Source: Ministry of Economy, Trade and Industry, "Basic Survey of Information and Communication Industry" (calculated from software industry sales)

*3 Source: Information-technology Promotion Agency, Japan (IPA) "Software Development Analysis Data Collection" *4 TAM=Total Addressable Market

Growth Strategy

Strength

01

Compete in a growing market

Strength

02

Active utilizations of M&A

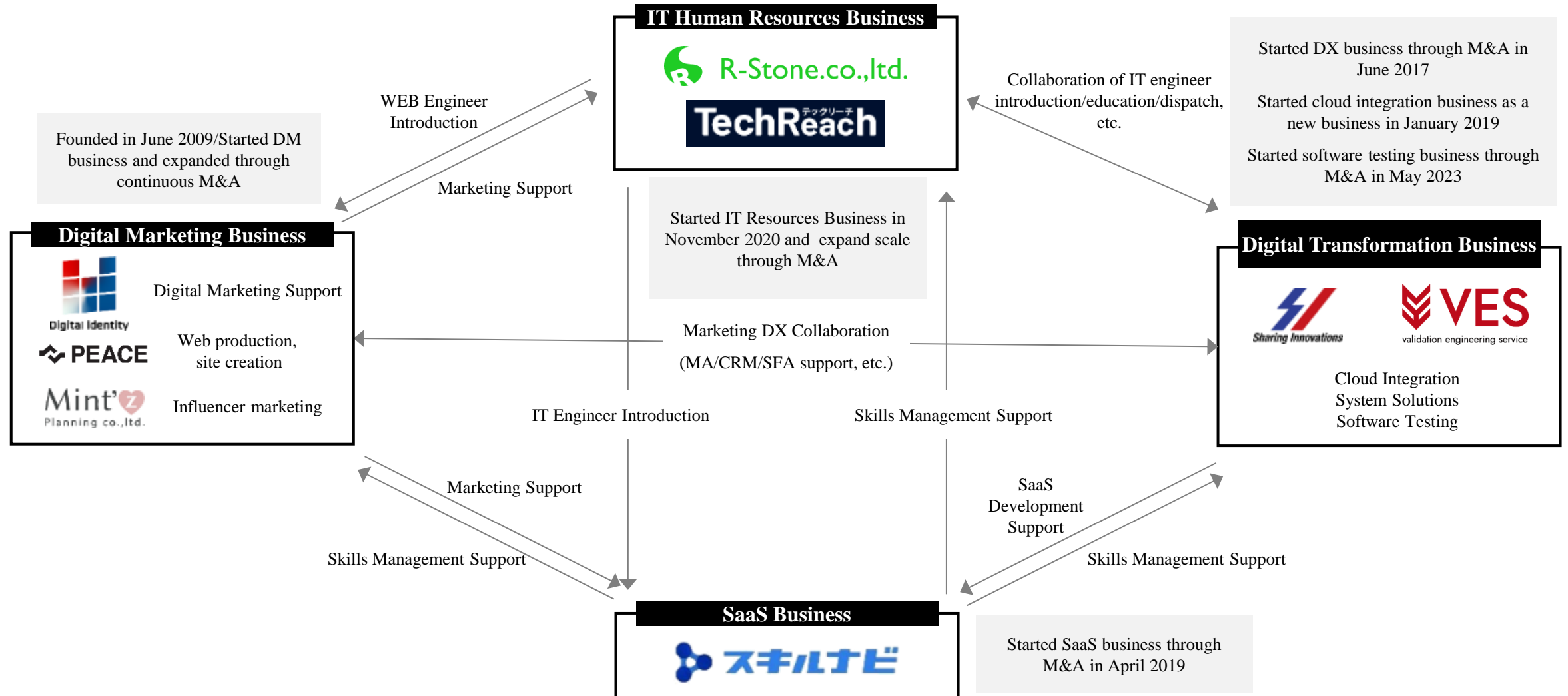
Strength

03

Cultivate new business

Cultivate new businesses

Aim to develop and expand new businesses, focusing on business areas where synergies can be created.





05 ESG Activities

Basic Sustainability Policy

We believe that contributing to the resolution of social issues through our business activities contributes to the creation of a sustainable society, which in turn leads to the sustainable growth of our group and enhancement of our corporate value.

To this end, we will set materiality issues and promote sustainability activities through our business activities, taking into consideration various factors such as the business environment surrounding our group, our business situation, and the stage of our business.

Environment



Social



Governance



Materiality Initiatives

Environment

Realization of office ecology through support for corporate DX

The Group will contribute to paperless, energy-saving and CO2 reductions by supporting the DX of companies through salesforce implementation support and its consulting services, by promoting the computerization, streamlining of internal procedures and the reform of work styles through teleworking, etc.

Social

IT Human Resource Development

The group will promote the development of IT human resources in order to address the increasingly serious shortage of IT personnel, contribute to the realization of an efficient and affluent society by addressing the digitization of society, which is expected to become even more prominent in the future.

Promoting Diversity and Diverse Work Styles

The Group does not tolerate discrimination on the basis of race, nationality, gender, age, religion or political ideology, disability, marital status, child status, sexual orientation, gender identity, etc., in its corporate activities. The Group provides equal opportunities to all people and respects their human rights to the fullest extent.

Respect for human rights

In accordance with the "Orchestra Holdings Human Rights Policy, we will contribute to the development of a sustainable society by respecting human rights in all aspects of our operations.

Governance

Strengthening the Governance System

The Group recognizes that strengthening and enhancing corporate governance is an important management issue in order to maintain and improve its competitiveness over the long term. We will implement measures such as the establishment of various committees, further appointment of outside directors, and evaluation of the effectiveness of the Board of Directors.

Environment



Initiatives in Business Activities

Digitization of operations by supporting companies' DX



DXing Support



- Complicated workflow
- Face-to-face meetings and contracts
- Exchange of paper forms

- Increase in operational efficiency
- Reduction of transportation and logistics
- Reduction of paper

Supporting companies' DX will not only increase operational efficiency, but also reduce the movement of people/things and the use of paper.

In-house Activities

Utilization of remote work

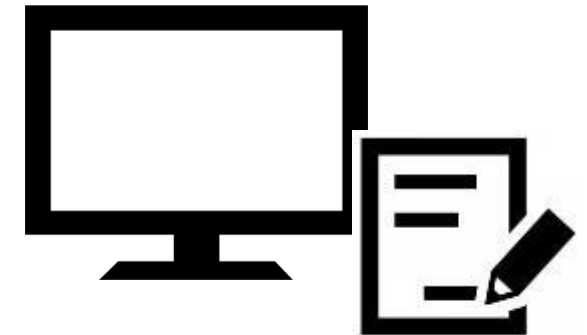


We have already introduced a hybrid work system that combines remote work and office work.

By using different types of work depending on the nature of the business and operations, we have been able to control the movement of people without reducing operational efficiency.

Using remote work reduces traffic and CO2 emissions.

Digitization of documents

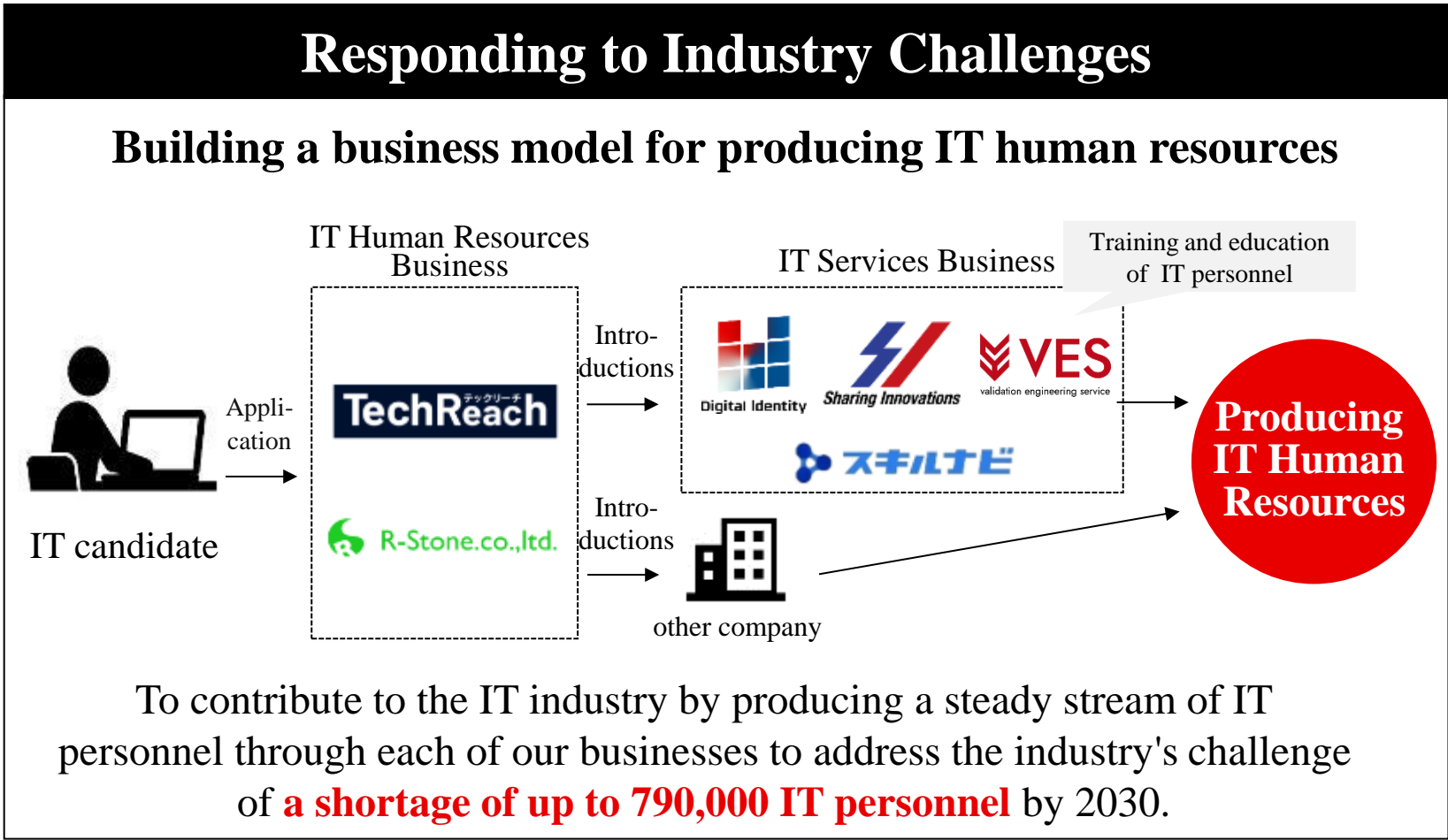


< Documents that have been digitized >

- Contracts (with electronic signatures)
- Human resource documents (HR software installed)
- Meeting documents (monitors installed in meeting rooms)

The paperless workflow is being promoted through the construction of a workflow that involves as little paper as possible.

Social



Diversity

Promotion of women's activities

The Group's Percentage of women among all employees

35.3%

The Group's Percentage of women on the board of directors

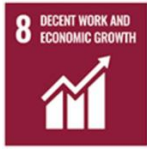
21.6%

The Group's Percentage of women in management positions

17.7%

(As of June 30, 2024)

Creating an internal environment in which women can play an active role to ensure sustainable growth.



Governance Features

① Corporate Governance Structure

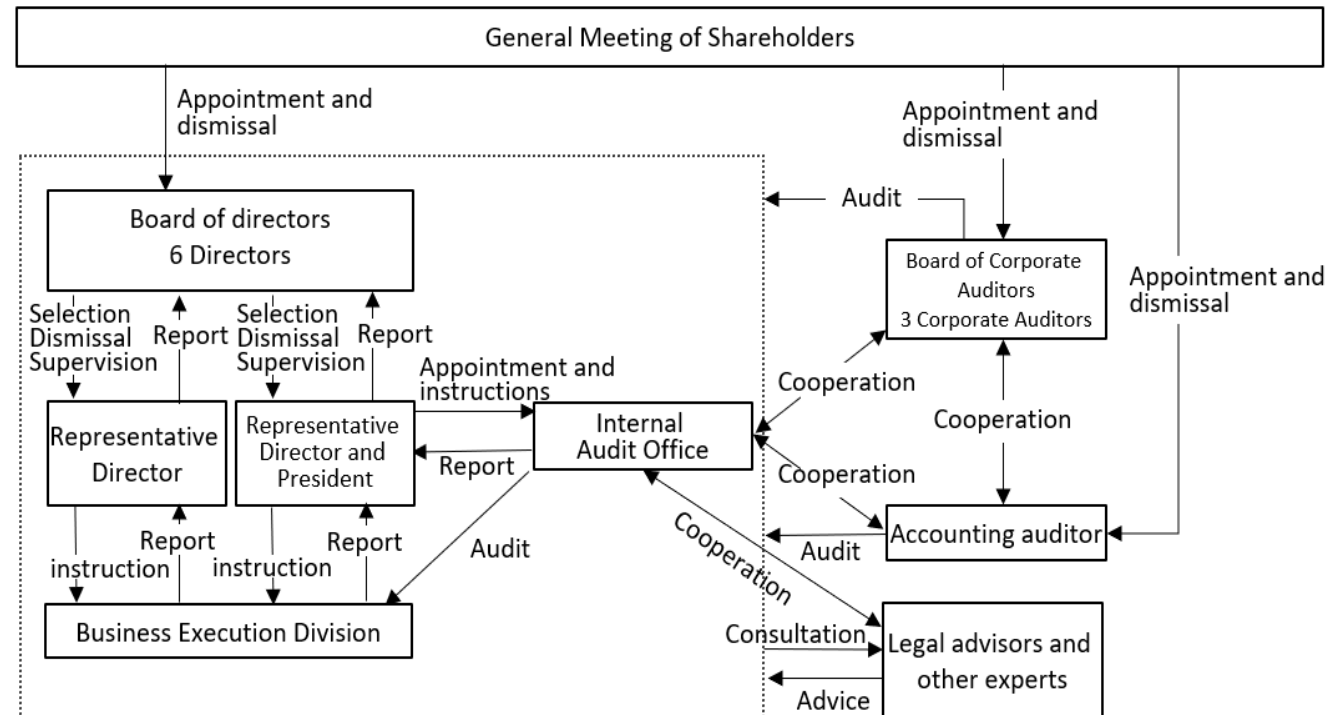
As a company with a board of auditors, we have established a corporate governance system centered on the board of directors, board of auditors, and accounting auditors.

Two of the six directors on the Board of Directors are outside directors, and all three members of the Board of Corporate Auditors are outside corporate auditors, who make management decisions while incorporating objective opinions, and supervise and audit from a standpoint independent of the Board of Directors.

② Maintenance of Internal Controls

In order to ensure transparency and fairness in corporate management, the Company has established an Internal Audit Office to check and determine whether various rules and regulations have been established and are functioning properly.

In cooperation with the accounting auditor, the Internal Audit Office conducts regular internal audits of each division and each company in our group in accordance with the "Internal Audit Regulations."



Vision

The Chain of Creation



ORCHESTRA HOLDINGS

Precautions concerning forward-looking statements

- This presentation includes forward-looking statements that are based on current outlooks, forecasts and assumptions concerning risk factors. Actual results of operations may be different because these statements incorporate uncertainties. These risk factors and uncertainties include, but are not limited to, changes involving industries and markets and the Japanese and global economies, such as interest rate and foreign exchange rate movements.
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ORCHESTRA HOLDINGS

Thank You!