

ORCHESTRA HOLDINGS

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

Executive Summary

FY2024 3Q	Net Sales	10,150 mil yen YonY+14.7%	EBITDA	991 mil yen YonY +16.6%
	Gross Profit	4,758 mil yen YonY+10.1%	Operating Profit	608 mil yen YonY +15.0%

Net sales reached a record high and gross profit reached a record high in 3Q, and the company acquired shares of Land Ho Co.,Ltd., a game development business, at the end of September. Despite an unbudgeted M&A brokerage fee of 80 million yen* (one-time expense) and downward pressure on performance due to budget reductions at existing large clients in the DM business and investment in human resources, sales and EBITDA were largely on budget, at 72.5% and 66.1% of the full-year forecasts, respectively. Brokerage fees: 2Q: 50 million yen, 3Q: 30 million yen

Digital Marketing（DM）Business

Performance was flat in YonY due to the impact of budget reductions at existing large clients from 2Q and the impact of human resource investments, including about 50 new graduates.

Inquiries from major companies are increasing and new large-scale projects are also on the rise.

Digital Transformation（DX）Business

3Q segment sales and profit reached new highs, with profitability improving due to the entry of relatively high-unit-price, high-earning enterprise projects by Sharing Innovations and cost optimization.

A&B Computer Corp., a business acquired by VES, Inc., also contributed to profitability.

M&A

In the DX business, Land Ho Co.,Ltd. was made a subsidiary at the end of September, and a new entry was made into the domestic game development market. P/L is scheduled to be included from 4Q. One-time M&A brokerage fee of 30 million yen was already booked in 3Q. Plans to enter the "Metaverse Marketing Business" through synergies with the DM business.

Acquisition of treasury stock

Decided to purchase treasury stock for use in strategic M&A and other purposes, taking into consideration stock price levels and financial conditions.

Type of shares to be acquired	Common stock of the Company
Total number of shares that may be acquired	150,000 Shares (upper limit)
Total acquisition cost of shares	100 million yen (upper limit)
Acquisition period	November 15, 2024 - January 31, 2025
Method of acquisition	on-the-market purchasing

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02 Earnings Forecast: FY2024

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01 Financial Overview: 3Q FY2024

3Q FY2024 Consolidated Results

Net sales reached a record high and gross profit reached 3Q high.

Two M&A deals executed during the period resulted in an unbudgeted brokerage fee of 80 million yen* (one-time expense), EBITDA increased in cumulative 3Q due to profit contribution from M&A and improved profitability of DX business.

* Brokerage commissions: 2Q 50 million yen, 3Q 30 million yen

(Millions of yen)	1-3Q/FY2024	1-3Q/FY2023	% Change	3Q/FY2024	3Q/FY2023	% Change
Net Sales	10,150	8,853	14.7%	3,419	3,066	11.5%
Gross Profit	4,758	4,323	10.1%	1,528	1,452	5.2%
SG&A expenses	4,149	3,793	9.4%	1,413	1,306	8.2%
EBITDA	991	850	16.6%	243	272	△10.7%
EBITDA margin	9.8%	9.6%	0.2%	7.1%	8.9%	△1.8%
Operating Profit	608	529	15.0%	114	145	△21.4%
Ordinary Profit	593	539	9.9%	108	145	△25.4%
Profit attributable to owners parent	295	277	6.5%	46	75	△37.7%

3Q FY2024 Segment Results

The DX business improved its profitability through cost optimization at Sharing Innovations and by entering into enterprise projects with relatively high unit prices and high profitability. A&B Computer Corp., which was acquired by VES, Inc. in the second quarter, also contributed, and EBITDA for the first three quarters increased significantly. In the DM business, although the number of inquiries from major companies is increasing due to the strengthening of sales to new customers, the impact of budget cuts by existing major customers and the impact of human resource investment have resulted in flat EBITDA for the first three quarters. In other businesses, we continued to invest in the SaaS business "Skill Navi".

* Upfront investment in Skill Navi: YTD 176million yen QTD 50million yen

Segment (Millions of yen)	1-3Q/FY2024	1-3Q/FY2023	% Change	3Q/FY2024	3Q/FY2023	% Change
Digital Transformation(DX) business						
Net sales	5,002	4,019	24.5%	1,735	1,462	18.7%
EBITDA	539	345	55.9%	196	152	29.3%
Segment profit	331	214	54.4%	126	92	36.3%
Digital Marketing business						
Net sales	4,216	4,119	2.4%	1,352	1,339	0.9%
EBITDA	1,578	1,578	0.0%	448	453	△1.0%
Segment profit	1,438	1,416	1.5%	402	396	1.4%
Other businesses						
Net sales	1,000	821	21.7%	358	310	15.7%
EBITDA	△ 9	△ 46	-	6	△ 2	-
Segment profit	△ 18	△ 55	-	3	△ 5	-

Quarterly Consolidated Results

Record high

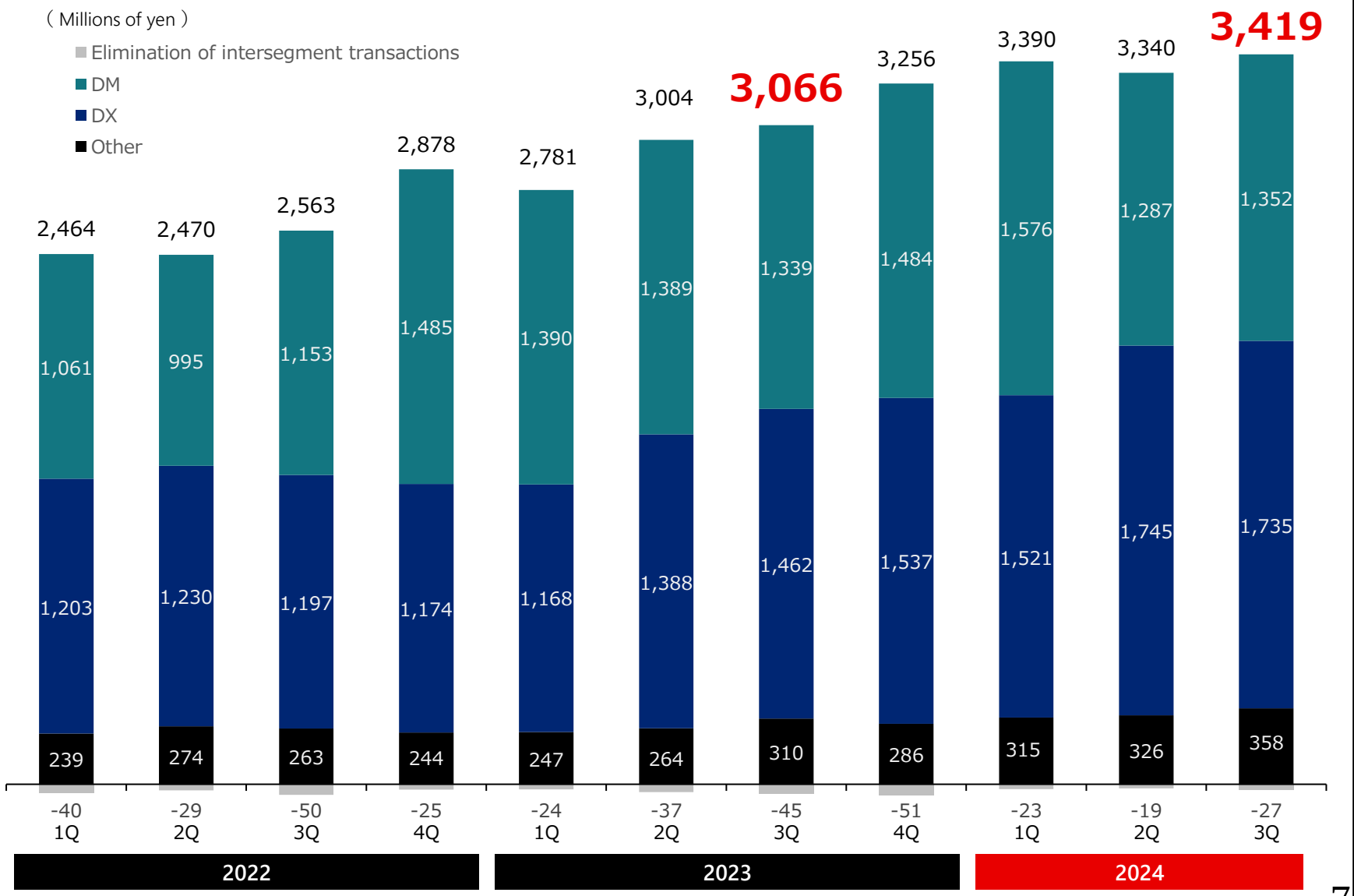
Net sales

Up 11.5% YonY

- In the DM business, although there was an impact from the reduction in advertising budgets of major customers from 2Q, the DX business grew and the contribution of M&A led to a new record 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.

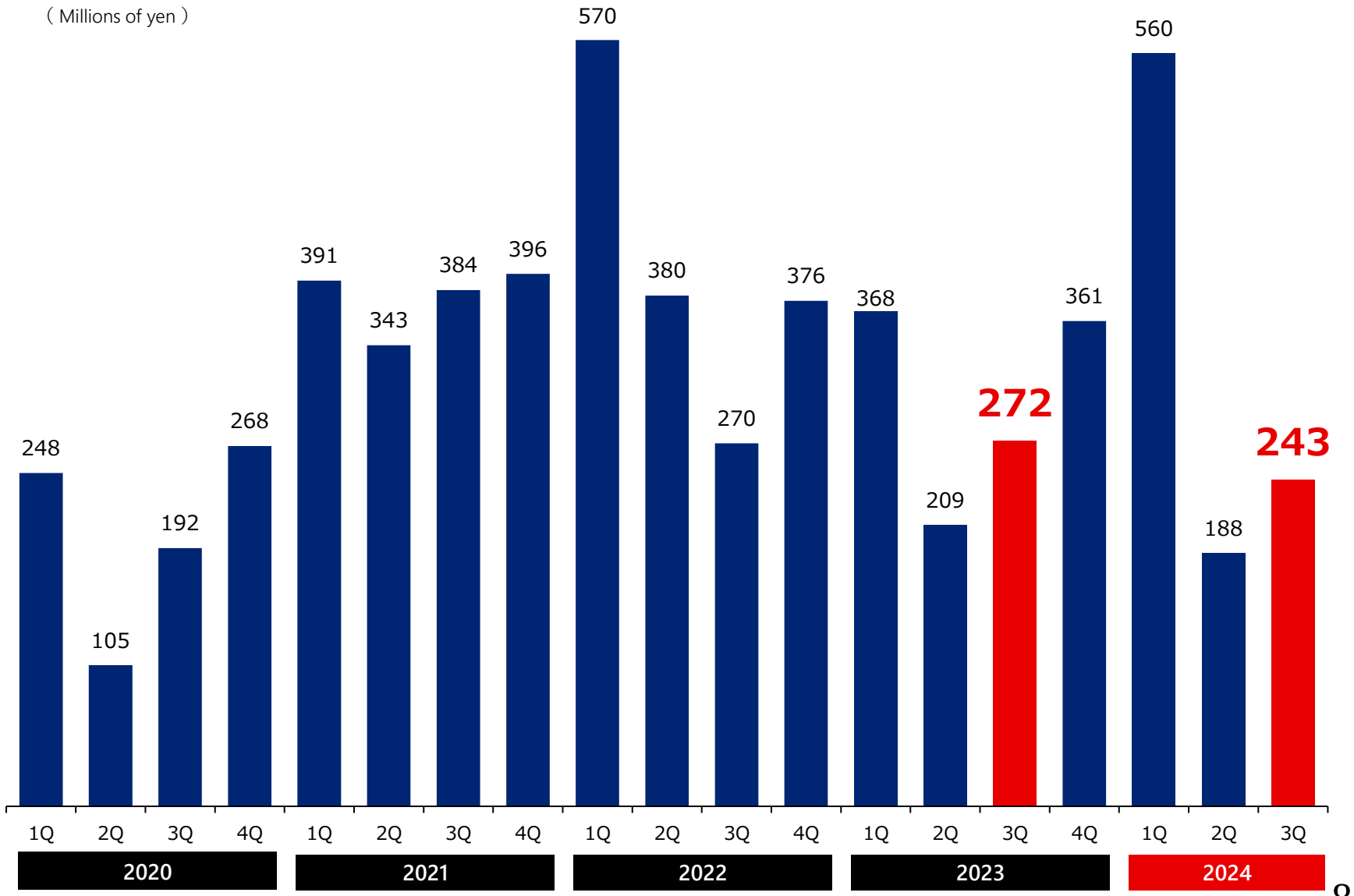


Quarterly Consolidated Results

EBITDA

Down 10.7% YonY

- In conjunction with the transfer of shares in Land Ho Co., Ltd., a one-off M&A intermediary fee of 30 million yen was incurred in 3Q.



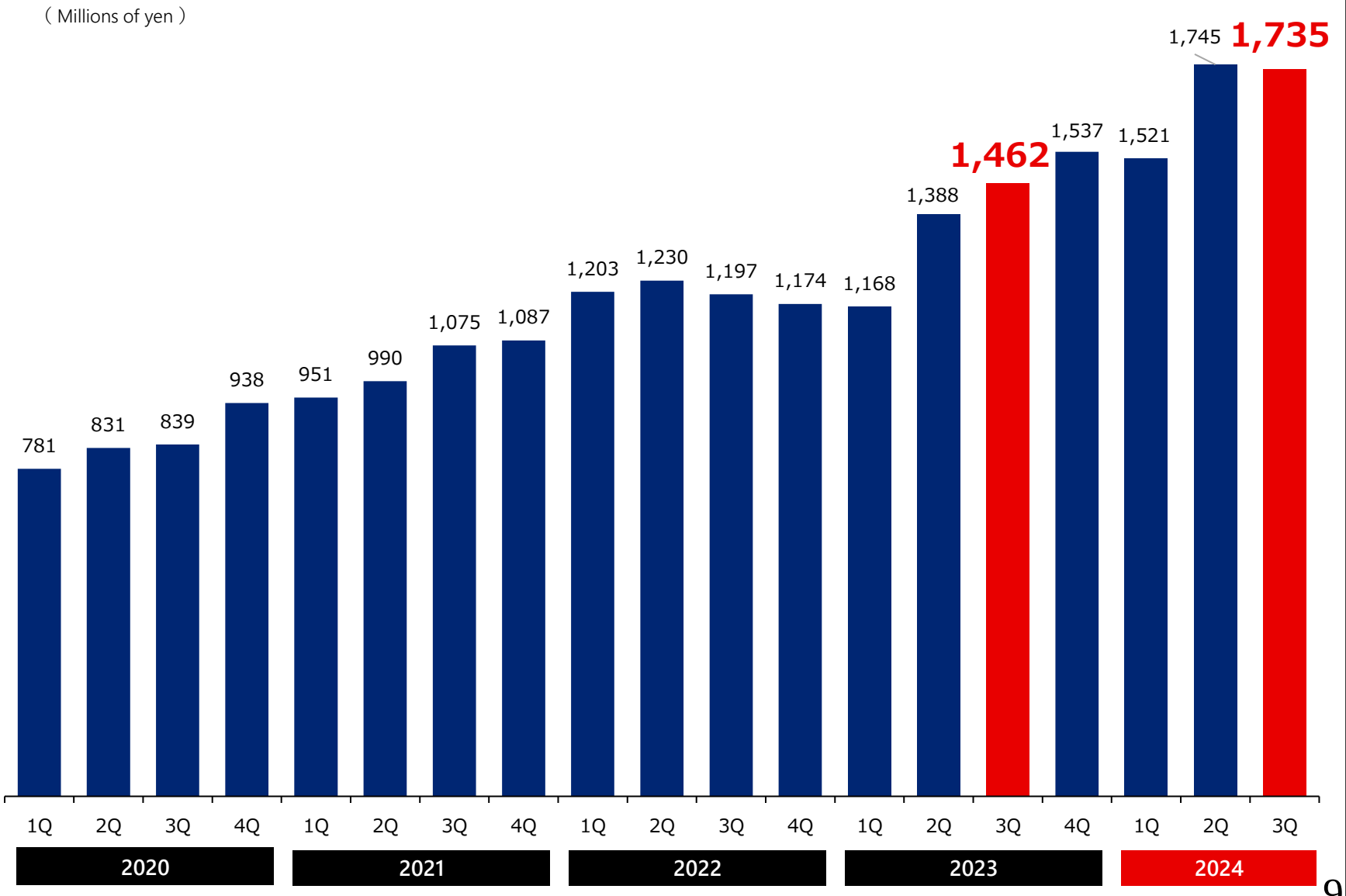
DX Business: Quarterly Results

3Q Record high

Net sales

Up 18.7% YonY

- A&B Computer Corp., which was acquired by VES, Inc. in the second quarter, contributed to earnings.
- The contribution to sales from Land Ho Co.,Ltd., which was acquired through M&A on September 30, is scheduled to begin in 4Q.



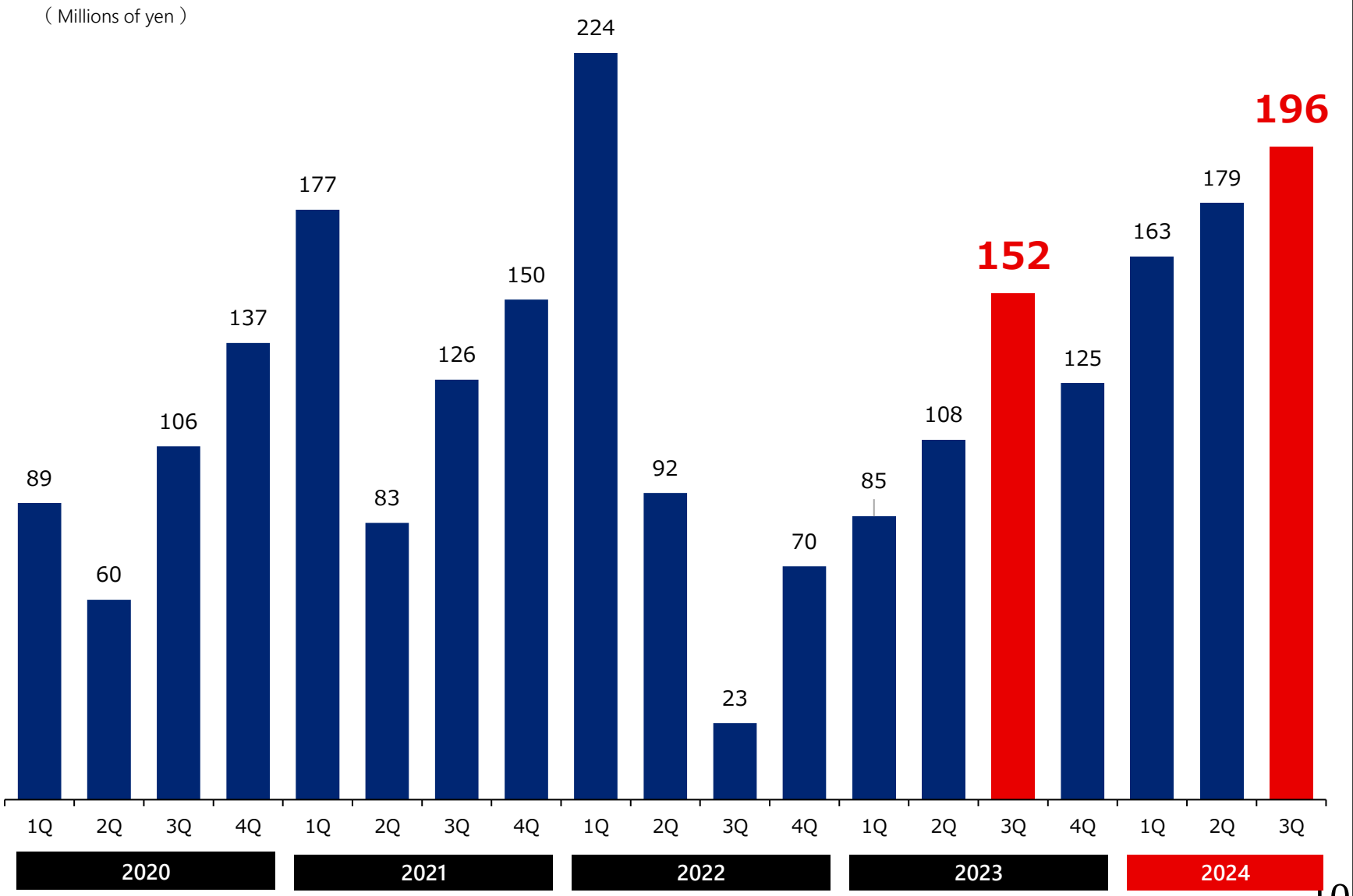
DX Business: Quarterly Results

3Q Record high

EBITDA

Up 29.3% YonY

- Profitability has improved due to cost optimization by Sharing Innovations and the company's entry into enterprise projects with relatively high unit prices and high profits.
- A&B Computer Corp., which was acquired by VES, Inc. in 2Q, contributed to profits.
- The contribution to profits from Land Ho Co.,Ltd., which was acquired through M&A on September 30, is scheduled to begin in 4Q.



Digital Marketing Business: Quarterly Results

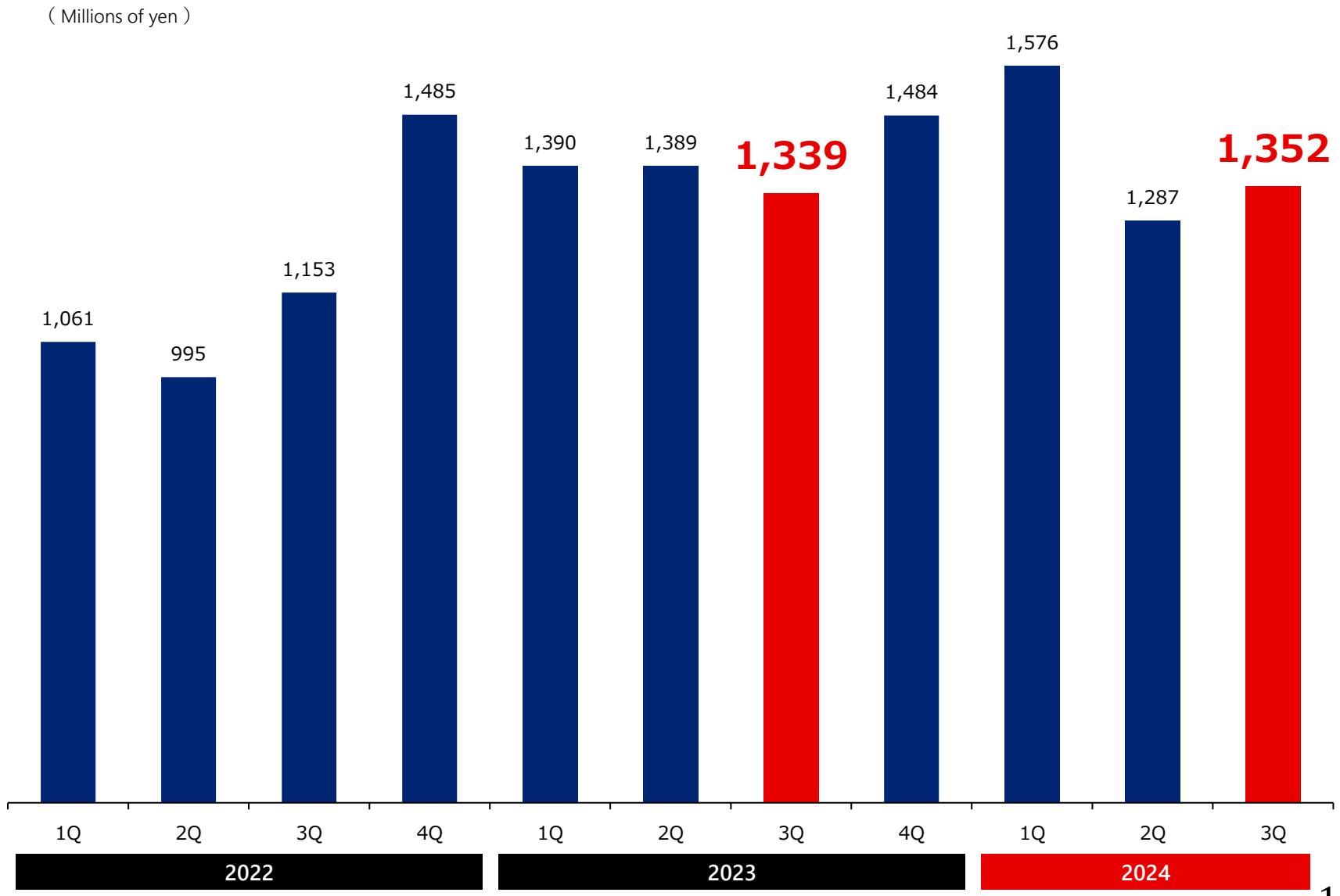
Net sales

Up 0.9% YonY

- Although the company was affected by a reduction in advertising budgets at major customers in 2Q, it has seen an increase in inquiries from major companies as a result of strengthening its sales to new customers, and there has been a slight increase YonY.

*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.

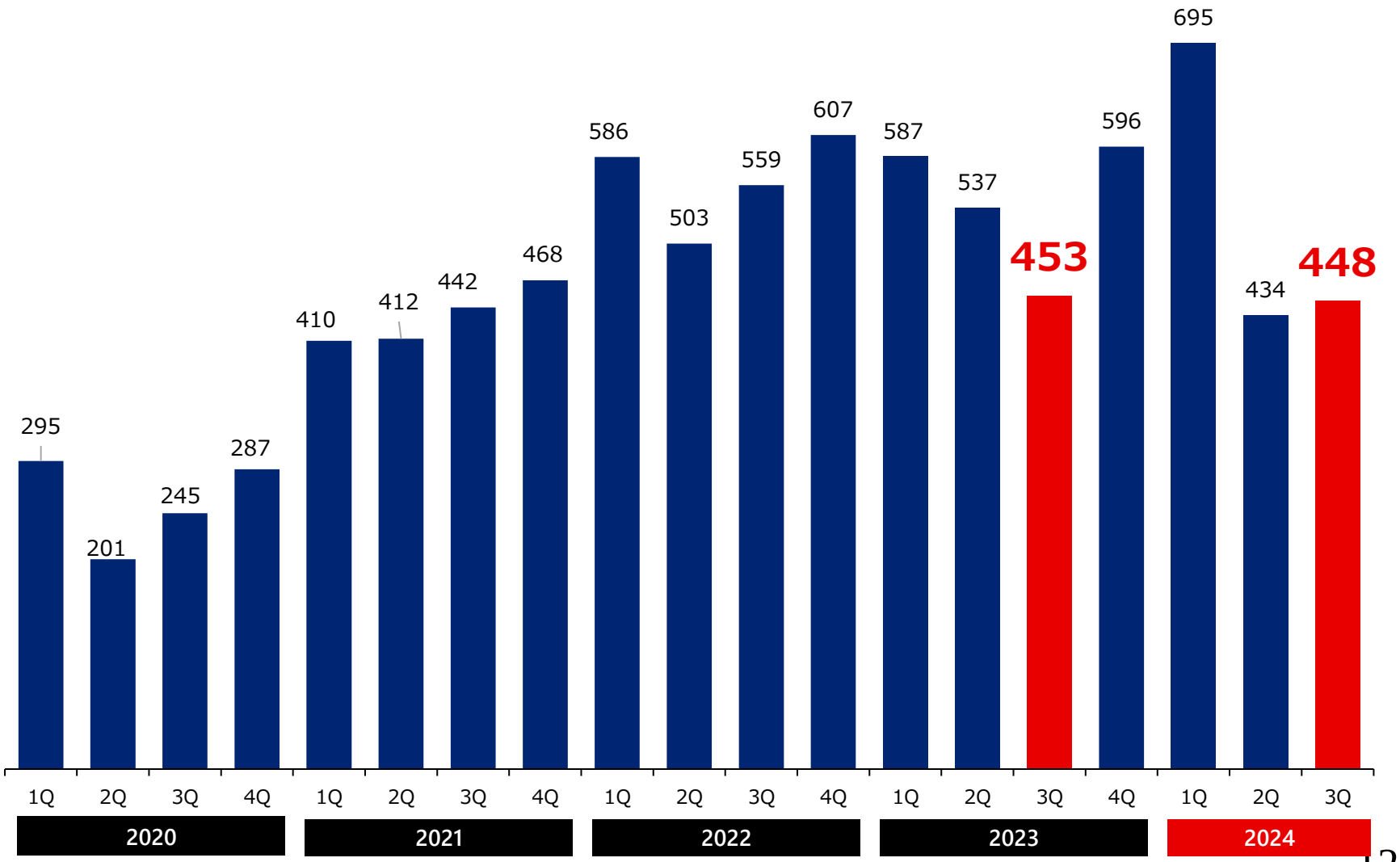


Digital Marketing Business: Quarterly Results

EBITDA

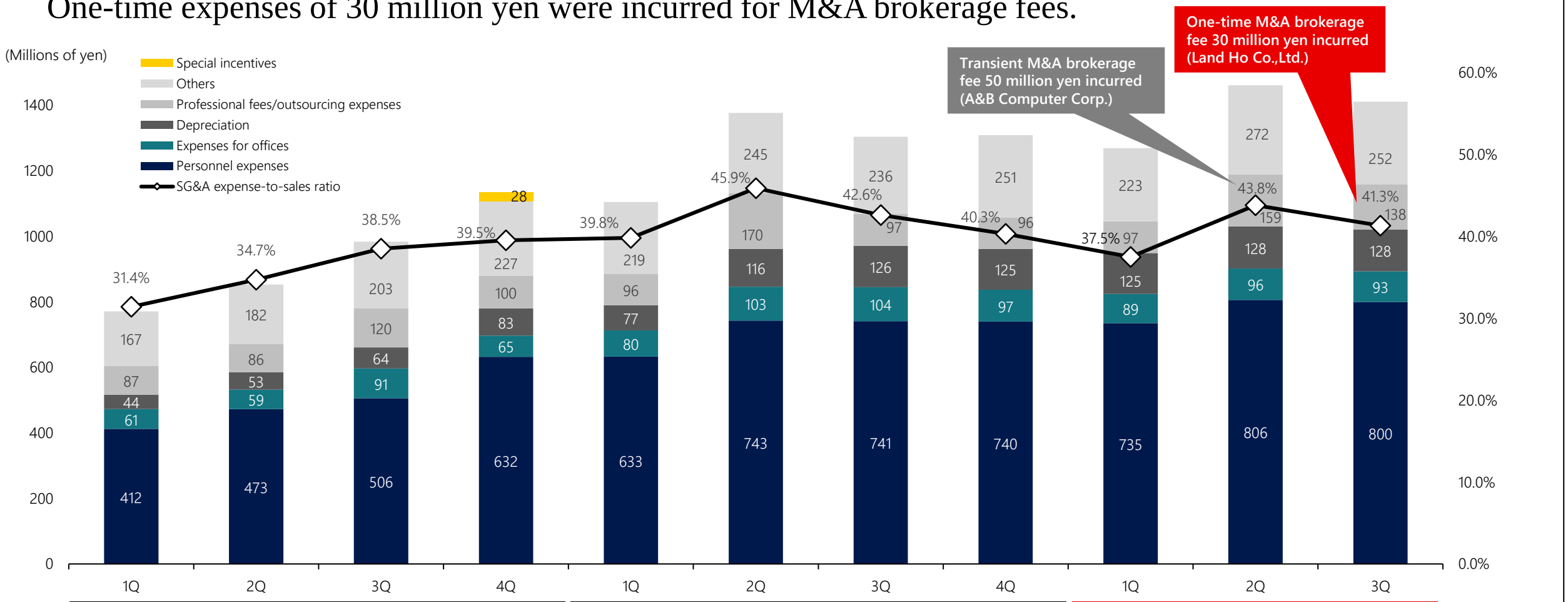
Down 1.0% YonY

- The company was affected by the reduction in advertising budgets of major customers in 2Q and by its investment in human resources (such as the hiring of 53 new graduates), and although it is strengthening its sales to new customers and inquiries from major companies are increasing, EBITDA for 3Q decreased slightly.



Changes in SG&A Expenses

SG&A expenses increased YonY due to M&A and proactive investment in human resources.
One-time expenses of 30 million yen were incurred for M&A brokerage fees.

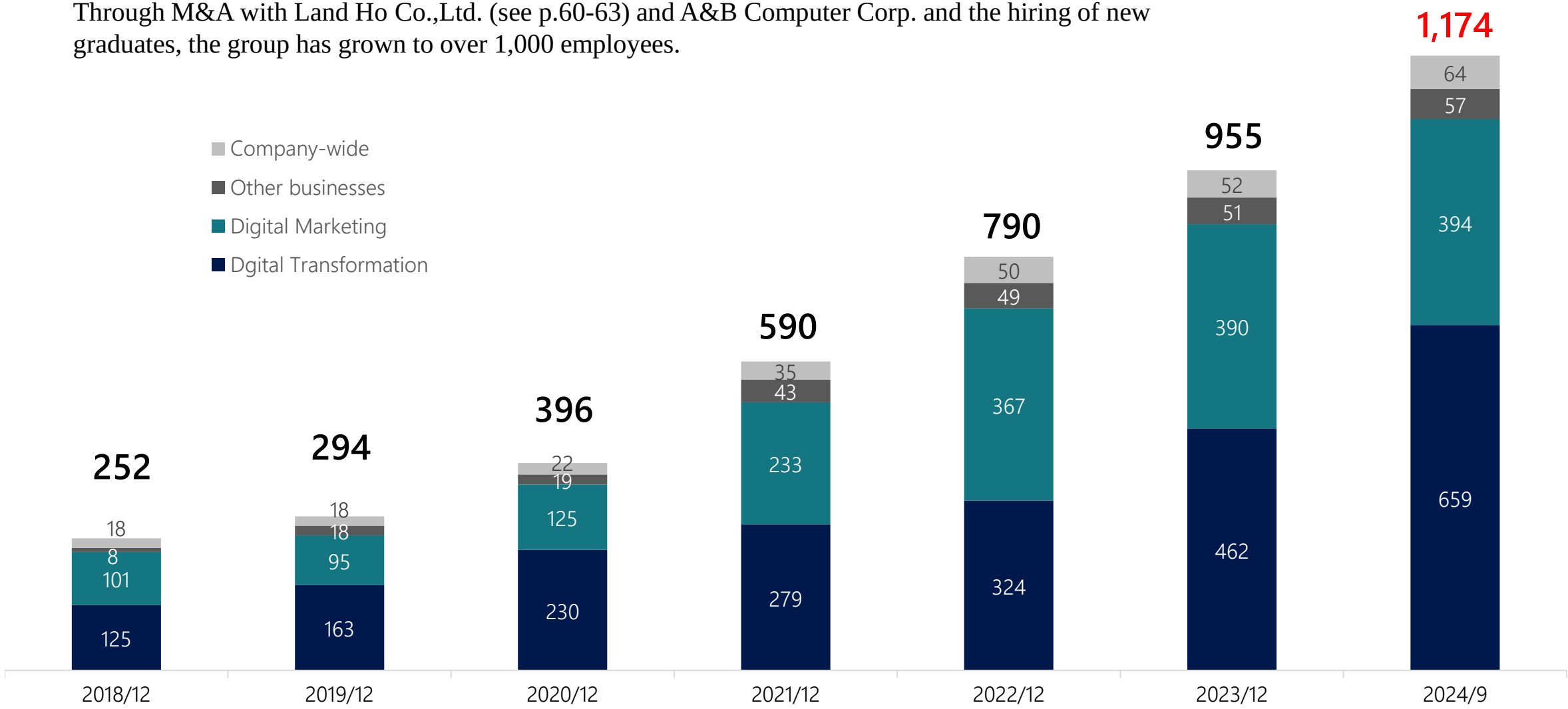


2022				2022				2024			(Millions of yen)
772	856	986	1,137	1,107	1,379	1,306	1,310	1,271	1,464	1,413	Total SG&A expenses

Changes in The Number of executives and employees

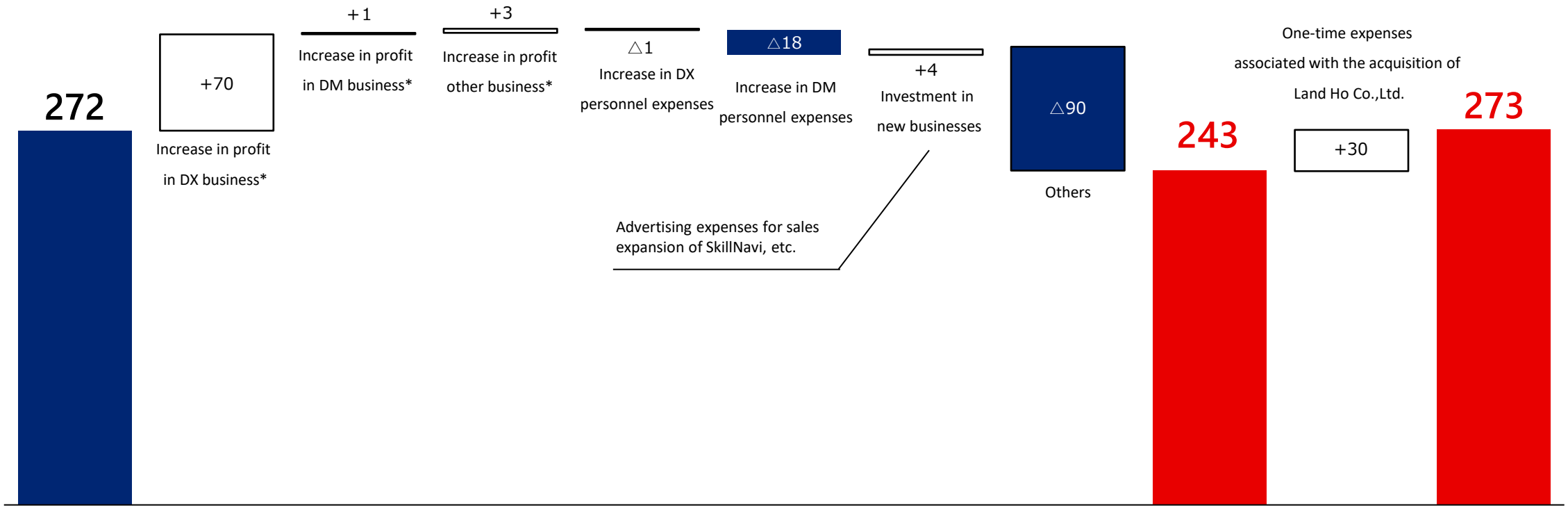
The number of executives and employees is 1,174 at the end of September 2024

Through M&A with Land Ho Co.,Ltd. (see p.60-63) and A&B Computer Corp. and the hiring of new graduates, the group has grown to over 1,000 employees.



3Q FY2024 Changes in EBITDA

Despite contributions from increased profitability at Sharing Innovations in the DX business and the M&A of A&B Computer Corp. by VES, Inc., EBITDA came to 243 million yen (YonY △10.7%) due to a reduction in advertising budgets at major customers in the DM business, personnel investment, and the one-off occurrence of 30 million yen in M&A brokerage fees. Before one-off expenses, it was 273 million yen (YonY +0.3%).



(Millions of yen)

*Changes in gross profit of each segment

3Q FY2024 Consolidated Balance Sheet

Equity ratio of 44.7%, goodwill to capital ratio of 0.6x, maintaining financial soundness while continuing to invest in growth.

(Millions of yen)	Sep.30, 2024	Dec.31, 2023	Change
Current assets	7,186	7,145	41
Non-current assets	5,657	5,567	89
Property, plant and equipment	261	528	△ 267
Intangible assets	3,987	3,653	333
Investments and other assets	1,408	1,385	23
Total assets	12,844	12,712	131
Current liabilities	4,563	4,401	161
Non-current liabilities	2,103	2,274	△ 171
Total liabilities	6,666	6,676	△ 9
Total net assets	6,177	6,036	140
Total liabilities and net assets	12,844	12,712	131

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

Increase in goodwill due to M&A.



02 Earnings Forecast: 2024

FY2024 Consolidated Forecast

Despite incurring M&A brokerage fees of 80 million yen outside the budget (50 million yen in 2Q and 30 million yen in 3Q) and being affected by budget cuts at existing major clients in the DM business, sales were 72.5% of the full-year forecast and EBITDA was 66.1% of the forecast, so performance was generally in line with the budget.

(Millions of yen)	1-3Q/FY2024 Amount	1-3Q/FY2024 Progress ratio	FY2023 Results	FY2024 Forecasts	YoY Change Amount	YoY Change %
Net sales	10,150	72.5%	12,109	14,000	1,890	15.6%
EBITDA	991	66.1%	1,212	1,500	287	23.7%
Operating profit	608	60.9%	765	1,000	234	30.6%
Ordinaly profit	593	59.3%	776	1,000	223	28.8%
Profit attributable to owners of parent	295	53.8%	474	550	75	16.0%

2024 Shareholder Distributions

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

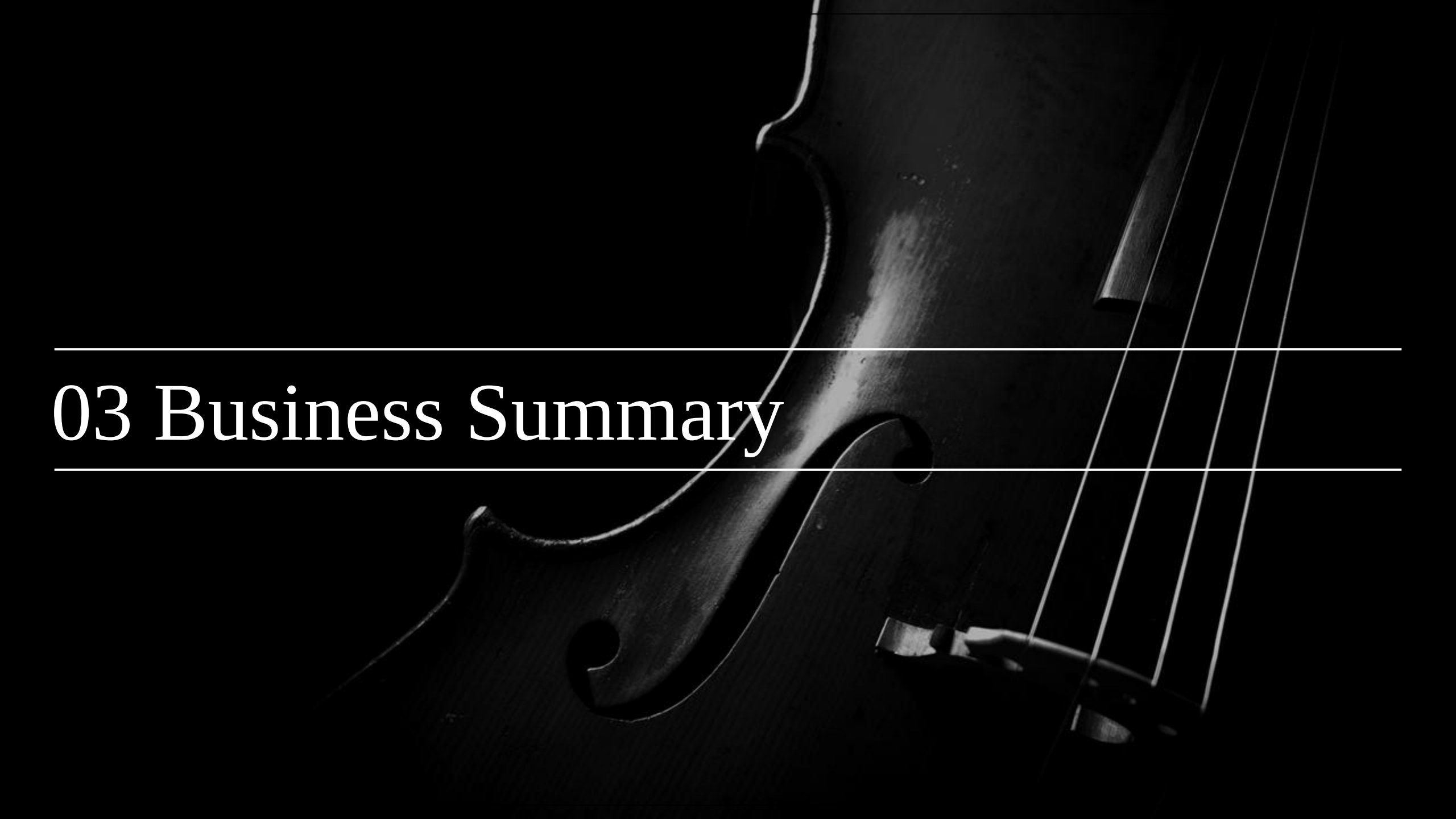
Policy for shareholder distributions

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

ORCHESTRA HOLDINGS

June 2009: Established
September 2016: Listed on TSE Mothers (currently Growth Market)
December 2018: Listed with 1st section of TSE (currently Prime Market)

Digital Marketing（DM）business

Digital Identity

Mint'Z Planning co.,ltd.

Digital Transformation（DX）business

Listed on the Growth Market

Sharing Innovations

VES validation engineering service

LANDHOT®

Others

スキルナビ

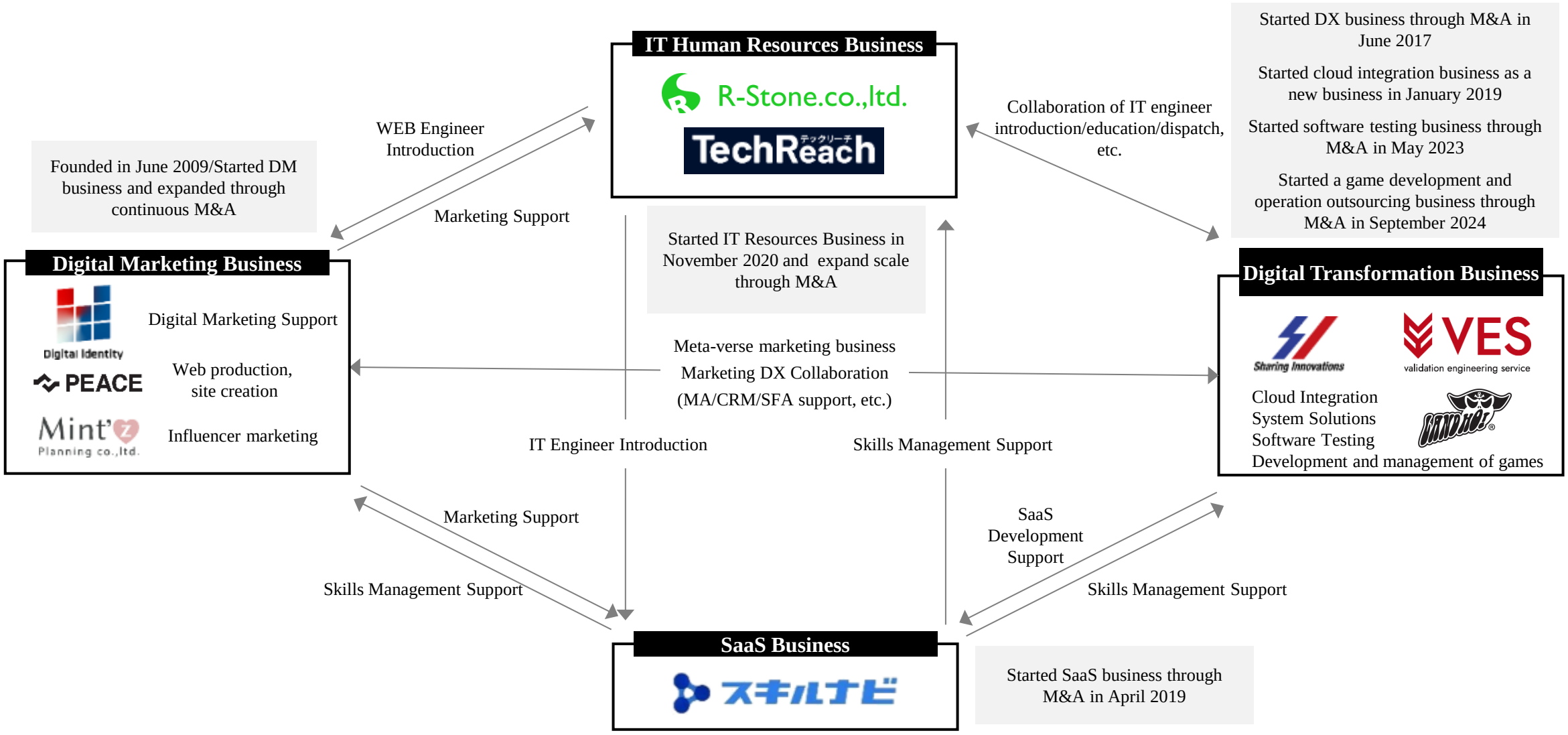
ウラーラ

R-Stone.co.,ltd.

TechReach テックリーチ

Business Synergies

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



Digital Marketing (DM) Business

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Sharing Innovations

VES validation engineering service

LAND HO!®

Others

スキルナビ

ウラーラ

R-Stone.co.,ltd.

TechReach テックリーチ

Business Overview

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

Starting with attracting customers in digital marketing business

AD Business／SEO Business

＋

To optimize the acquisition efficiency after attracting customers, started a production business centered on sites / LPs

CREATIVE Business（such as website renewal）

＋ ＋ ＋

Engine for AD performance improvement

AD CREATIVE Business

＋

Specialized in production for multi-purpose movies

Movie Business

To stay close to the customer's business

DATA Business

（Establishing BI・Analyzing）

＋

For direct and drastic contribution to customer business

MARKETING DX Business

（MA・DX Consulting）

To enhance the site's ability to attract customers and information dissemination

CONTENTS Business

＋

Boost the power of information transmission

INFLUENCER Business

Business Overview

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

Overall design and Consulting

Understanding Users

Market research	Customer journey	In-store survey
Persona development		Action roadmap
Insight development	Story Design	Contact channel

Data Driven

Data integration management	Dashboard	BI
Tag management	Statistics/analysis	RPA・AI・machine learning
Algorithm analysis	Tracking analysis	API・automatic processing

Execution of measures and promotion

Cognitive Advertising

- Tie-up
- Pure Ad
- PR
- Influencer
- Event
- In-store linkage
- Mass linkage
- Campaign

Programmatic Advertising

Listing Ad	App Ad
Display Ad	Affiliate Ad
Ad network・DSP	PMP
Social Ad	Specialized Media 例：インディード
Movie Ad	Overseas Streaming
Dynamic Ad	In-house production support
Infeed Ad	Report automation
Ad Creative	Account diagnosis

SEO

- Internal enforcement
- Keyword research
- Content production
- Media management
- External link scrutiny
- Speeding up display speed
- Backend SEO
- Mobile friendly

Creation

- Website creation
- LP
- Banner Ad
- Movie
- Email
- UI evaluation/ improvement
- Access analysis
- App creation

OTHER

- MA
- CRM
- LINE@
- SalesForce Implementation
- System development
- Chatbot
- WEB customer service tool
- Customer management tool

Highlight

Business alliance with THEMIX Data Inc.

Release URL: https://digitalidentity.co.jp/news/2024/0822-2/

As a strategic partner of THEMIX DATA CONNECT*, a financial data platform for enterprises provided by THEMIX DATA, we provide planning and support for the platform, advertising management and production as a trading desk, and negotiation with media companies, etc. In the future, we will expand its data management services and provide higher value-added marketing support through comprehensive operations, including service development, customer success, sales, and operations for THEMIX DATA CONNECT.

*"THEMIX DATA CONNECT": A financial data platform for companies that enables one-to-one communication measures by cross-referencing "identity-verified and consent-obtained financial transaction data" held by THEMIX DATA with data held by companies using "THEMIX DATA CONNECT" via a "financial data clean room" and achieving data matching in a privacy-protected environment.

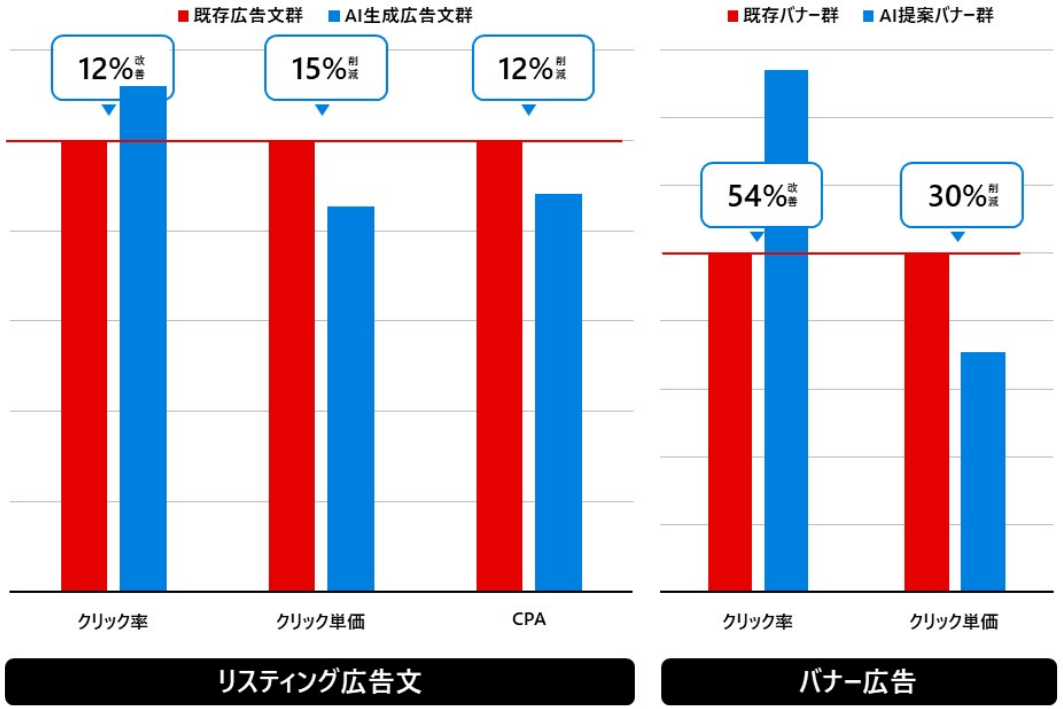


Highlight

Creative Platform Ad Effectiveness Improvement Using Generative AI

Release URL: https://digitalidentity.co.jp/news/2024/0917/

Implemented a creative production platform using generative AI for an advertising project and achieved significant improvement in results. Contributed to "improvement of ad performance", "improvement of the quality of creative proposals," and "reduction of production resources". In the future, we will further develop AI technology and promote the use of AI in all areas of marketing, including advertising creative, SEO, and digital advertising management.



AI生成クリエイティブとの成果比較



AIで生成されたクリエイティブ

Digital Transformation (DX) Business

＊Only listed main businesses

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Digital Transformation（DX）business

Listed on the Growth Market

Sharing Innovations

VES validation engineering service

LANDHO!®

Others

スキルナビ

ウラーラ

R-Stone.co.,ltd.

TechReach テックリーチ

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

DataSpider Cloud

data iku

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

CLOUD INTEGRATION

Cloud service implementation support centered on Salesforce

【Products that can be implemented】

- Sales Cloud
- Experience Cloud
- CRM Analytics
- Service Cloud
- Heroku
- Quip
- Marketing Cloud Account Engagement
- Marketing Cloud Engagement

Sharing Innovations / Business Overview

Unparalleled number of Salesforce/Tableau certifications*

*As of October 1, 2024

MARKETING

Salesforce 認定 Marketing Cloud Account Engagement コンサルタント	10 persons
Salesforce 認定 Marketing Cloud Account Engagement スペシャリスト	35 persons
Salesforce 認定 Marketing Cloud メールスペシャリスト	7 persons
Salesforce 認定 Marketing Cloud アドミニストレーター	28 persons
Salesforce 認定 Marketing Cloud デベロッパー	4 persons
Salesforce 認定 Marketing Cloud コンサルタント	3 person

ENGINEERING

Salesforce 認定 Development Lifecycle and Deployment アーキテクト	1 person
Salesforce 認定 Identity and Access Management アーキテクト	1 person
Salesforce 認定 Integration アーキテクト	1 person
Salesforce 認定 Data アーキテクト	3 persons
Salesforce 認定 上級Platformデベロッパー	7 persons
Salesforce 認定 Platformデベロッパー	16 persons
Salesforce 認定 Sharing and Visibility アーキテクト	3 persons
Salesforce 認定 Platform アプリケーションビルダー	44 persons
Salesforce 認定 アプリケーション アーキテクト	2 persons
Salesforce 認定 Heroku アーキテクト	6 persons
Salesforce 認定 JavaScript デベロッパー	3 persons
Salesforce 認定 システムアーキテクト	1 person

OPERATION

Salesforce 認定 上級アドミニストレーター	43 persons
Salesforce 認定 アドミニストレーター	153 persons
Salesforce 認定 アソシエイト	2 person
Salesforce 認定 Sales cloud コンサルタント	56 persons
Salesforce 認定 Service cloud コンサルタント	63 persons
Salesforce 認定 Experience Cloud コンサルタント	36 persons
Salesforce 認定 Field Service コンサルタント	11 persons
Salesforce 認定 AIアソシエイト	13 persons
Salesforce 認定 CRM Analytics and Einstein Discovery コンサルタント	41 persons
Salesforce 認定 Data Cloud コンサルタント	67名

Tableau

Tableau Certified Consultant	3 persons
Tableau Certified Data Analyst	1 persons
Tableau Desktop Specialist	7 persons

SALES

Salesforce 認定 セールスエキスパート	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

Takizawa Software Verification Center





Metropolitan Area Verification Lab



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.

IVEC Platinum Partner

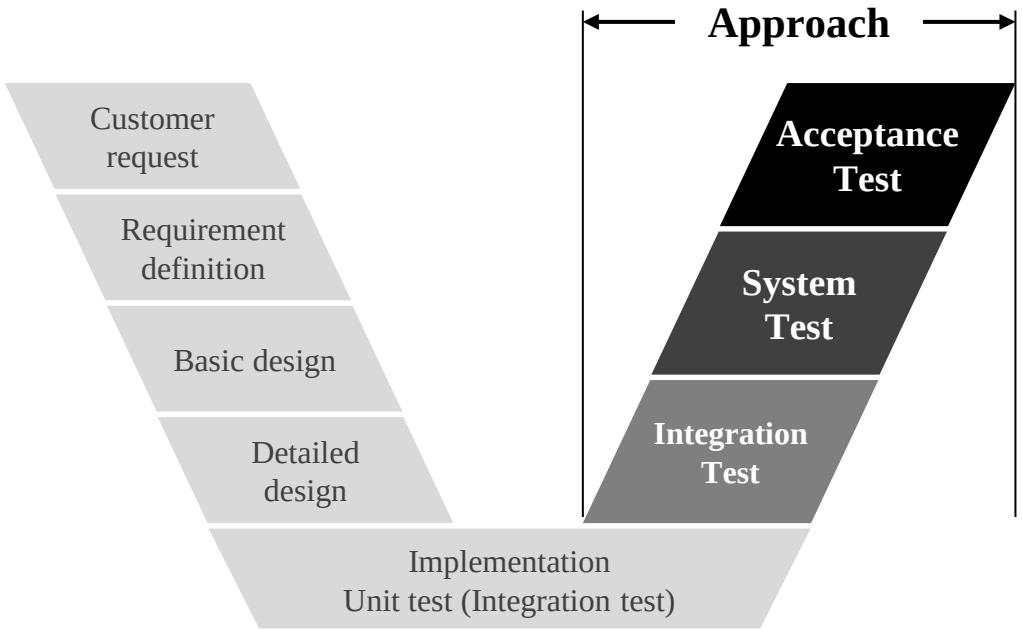
Software Testing International Certification JSTQB Gold Partner Certification

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.

ISTQB Gold Partner International Software Testing Qualifications Board

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 Services Process

Test Strategy	Test Planning	Test Design	Test Execution	Final Report
Establish testing methodology, goals, types, resources, and schedule	Develop an effective test plan in line with the assignment	Develop test cases based on test plan	Execute test cases and check results based on test design	Final report summarizing test results

Point

Conduct a review for each verification process, potential defects are efficiently eliminated.

○ Example of Documentation
- Test Plan
- Test specification
- Defect report
- Completion 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

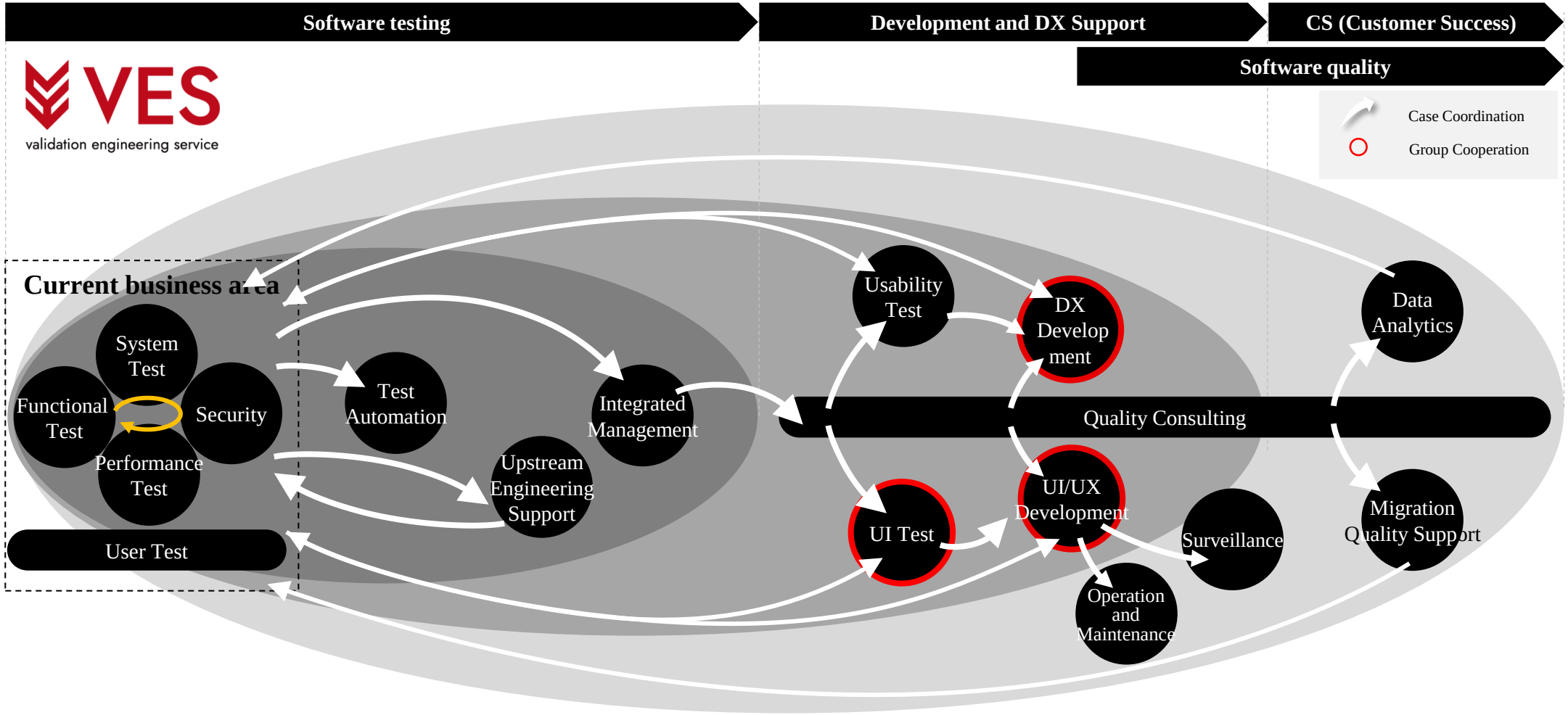
Various tests are conducted to verify that the embedded control software operates correctly and achieves its objectives

● 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.



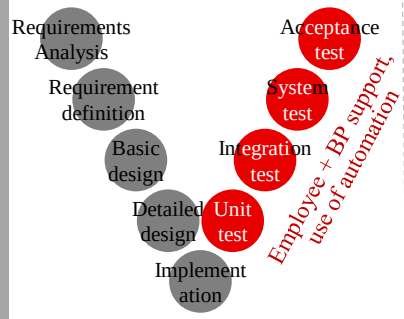
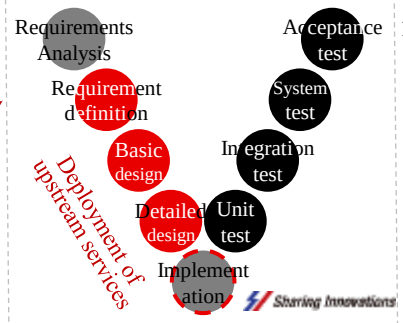
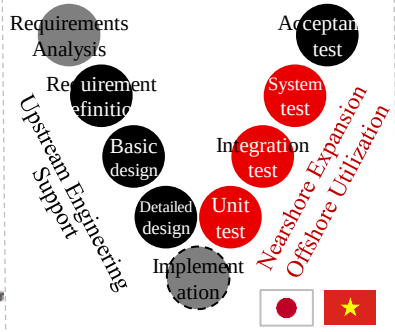
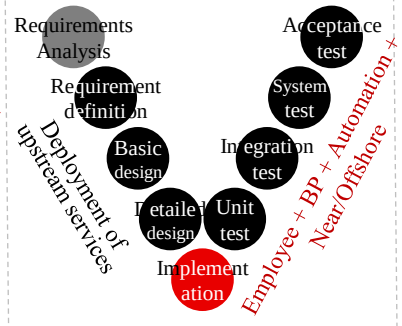
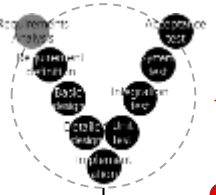
Software Quality Experts

Expand our service area to become “Software Quality Experts”

VES / Business Strategy

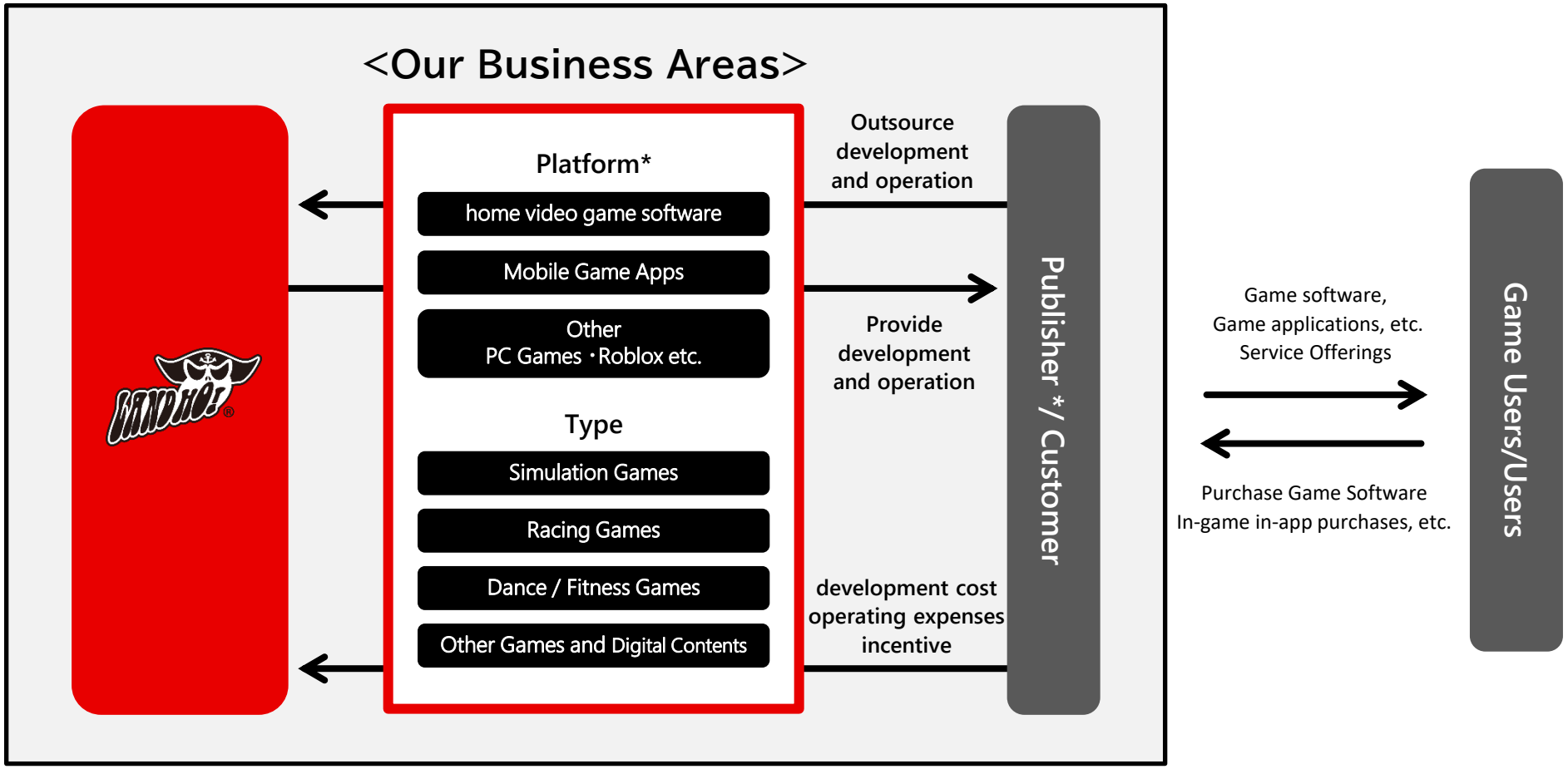
Aiming to grow to 10 billion yen in sales by leveraging the resources of the ORCHESTRA Group. STEP 1 has been on progress by expanding upstream services and development capabilities through mid-career recruitment and M&A of A&B Computer (see page 59).

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		 Development within the group or in collaboration with BP	 Development within the group or in collaboration with BP	 In-house development	Third-Party Verification Services  Quality Consulting DX Support Operation Monitoring	
Estimated sales	1.54 billion yen	2.40 billion yen (YonY 156.3%)	3.50billion 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	• Deployment of automation, security, and other areas around test validation • Improvement of PM and PL delivery skills to stabilize service delivery	• Test Verification area aims to expand from adaptation to loyal customers • Hiring upstream process skills & experience	• Offshore expansion through SIV utilization • Acquisition of global projects • Become a client of a major local company (Takizawa TC model → 2nd TC development)	• Capability of development • Provide collaborative solutions with upstream and testing areas • Provide quality assurance	• Quality expertise (compliance with laws, regulations, standards, etc.), not just IT consulting • DX and operational monitoring works with seasonal products	• Establishing a position as a quality control

Land Ho / Business Overview

Land Ho Co.,Ltd. undertakes the planning, development and operation of game software and digital content across a variety of platforms and genres.



* publisher: distributor of games. Also responsible for advertising and public relations.
* platform: hardware and online environment for playing the game

Land Ho / Business Strategy

Accelerate business growth, based on the know-how of game and digital content development and operation, utilizing the resources of the ORCHESTRA Group to enter growing markets such as DX, Metaverse, and Digital marketing.

▶DX Area

Entering the growing DX market, utilizing the UI/UX knowledge cultivated through game development. The scope of business is to be started from downstream and gradually expanded upstream.

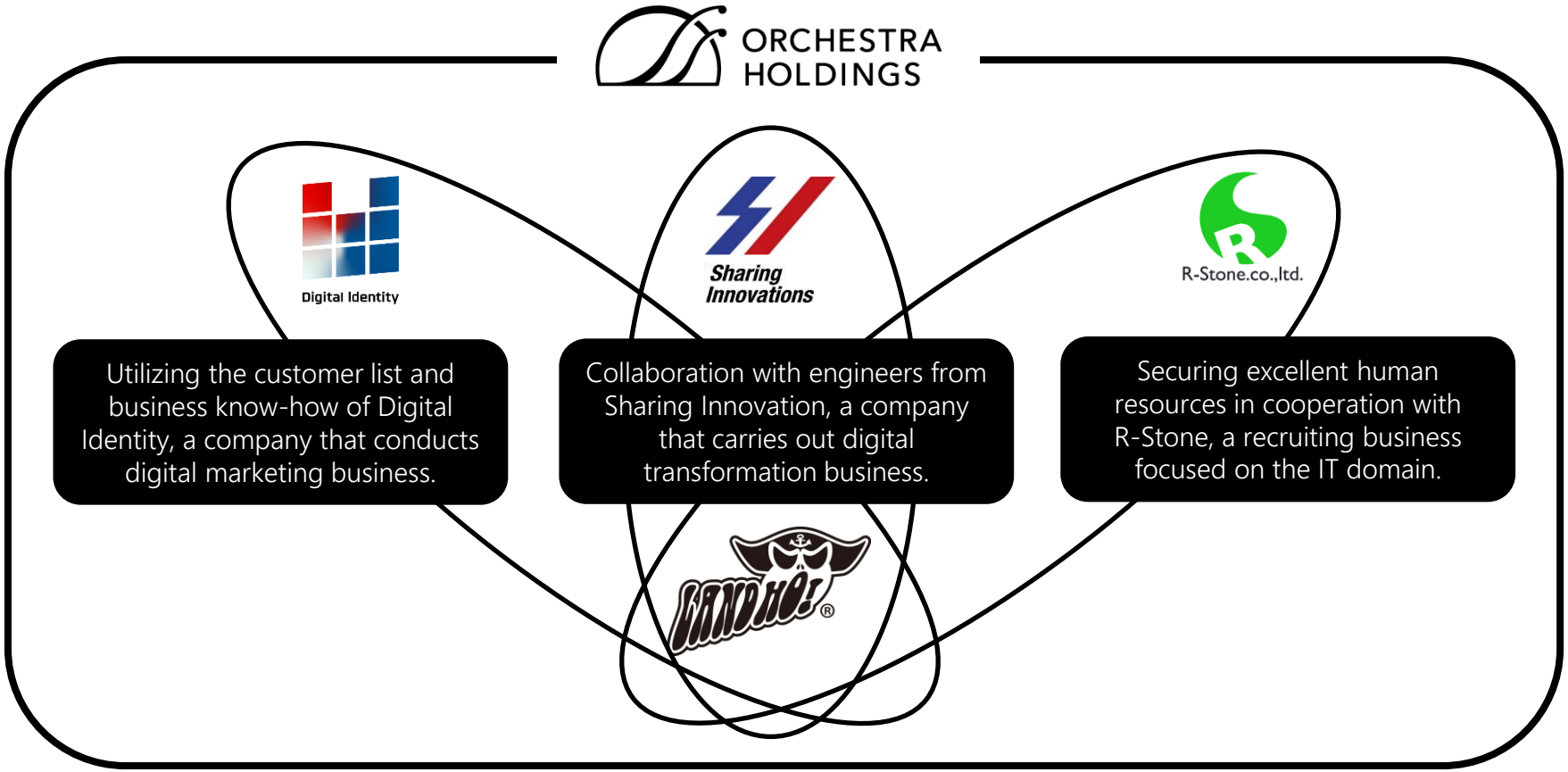
▶Metaverse x Marketing Area

Roblox, a leading metaverse platform used by approximately 80 million people* worldwide every day, is used to expand awareness and strengthen branding of a company's products, services, and brands. We offer a full range of services from planning, development, operation, and sales promotion. ※Roblox Reports Second Quarter 2024 Financial Results



Land Ho / Business Strategy

Land Ho Co.,Ltd. will leverage the strengths of ORCHESTRA Group companies based on the expertise in the development and operation of games and digital content, smoothly strengthen existing businesses and enter growing markets.



Others

＊Only listed main businesses

ORCHESTRA HOLDINGS

June 2009: Established
September 2016: Listed on TSE Mothers (currently Growth Market)
December 2018: Listed with 1st section of TSE (currently Prime Market)

Digital Marketing（DM）business

Digital Identity

Mint' Planning co.,ltd.

Digital Transformation（DX）business

Listed on the Growth Market

Sharing Innovations

VES validation engineering service

LAND HO!®

Others

スキルナビ

ウラーラ

R-Stone.co.,ltd.

TechReach テックリーチ

Other Businesses

Raising the next core businesses

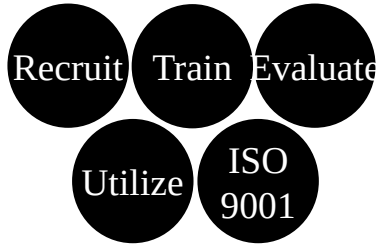
Major businesses within other business segments:

SaaS Business

Skill Navi
スキルナビ

✓ An SaaS skill management system

✓ Supporting skill management and development with the latest technology



✓ Introduction in major manufacturing companies is accelerating

Platform Business

Urala
ウラーラ



✓ 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

R-Stone.co.,ltd.

TechReach テックリーチ

✓ 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

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
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
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

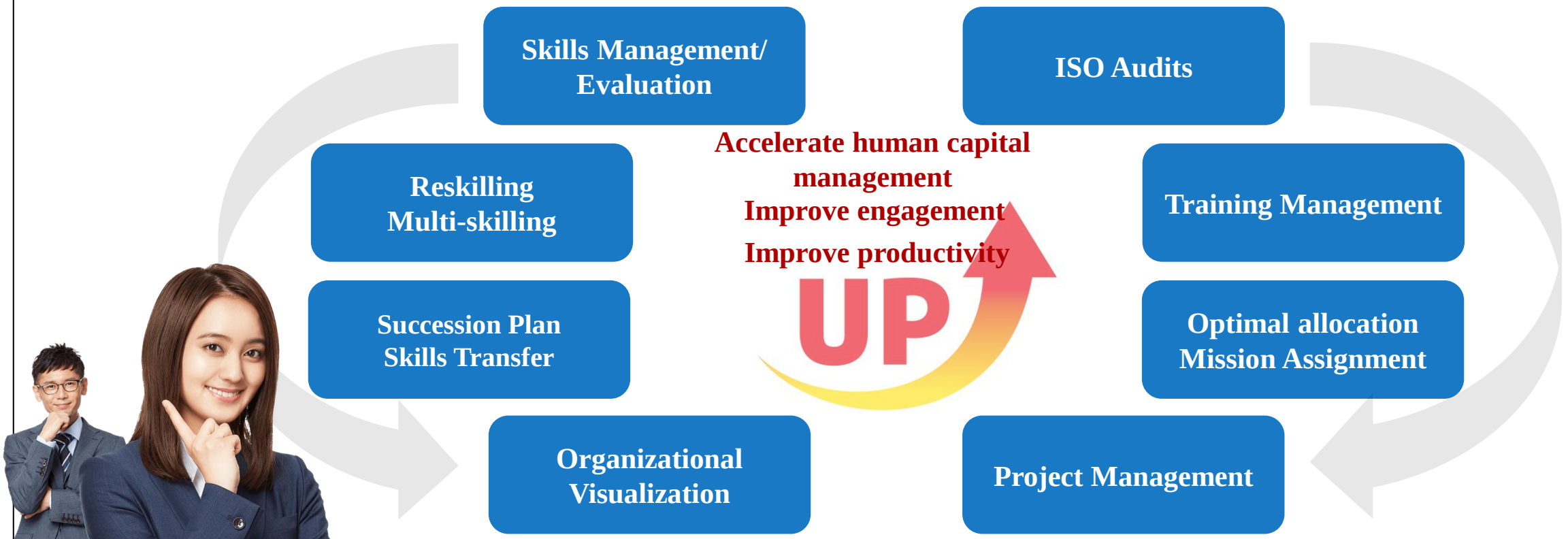
人事機能

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
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

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

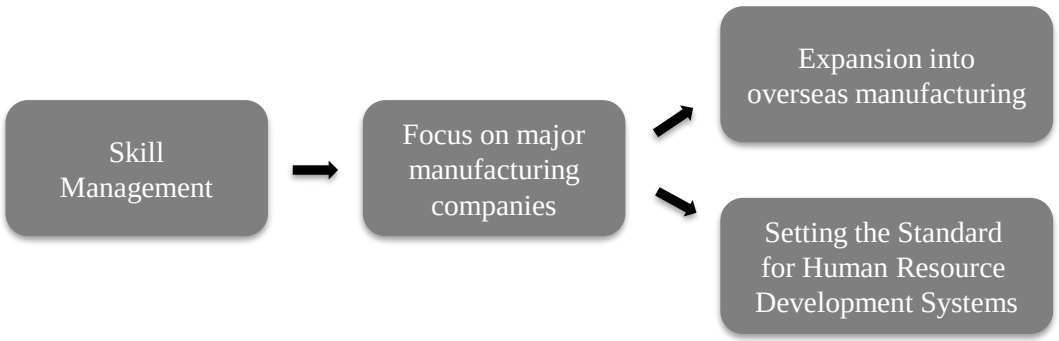
Skill Navi growth strategy スキルナビ

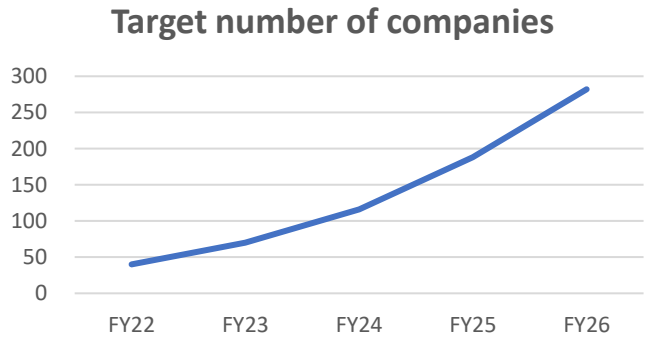
As the working-age population continues to decline, there is an increasing need to build human resource management systems in order to "maximize human capital," "improve productivity," and "reskilling".

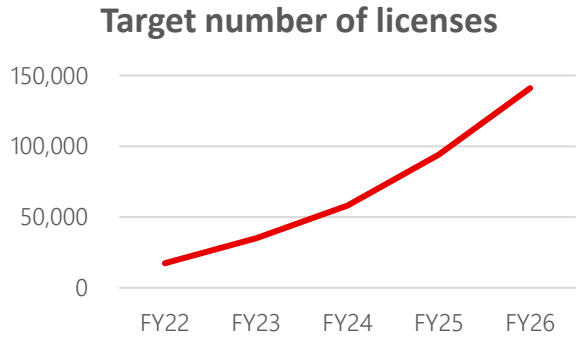
Among these, Skill Navi's competitive advantage of visualizing skills and managing the implementation and effectiveness verification of necessary training programs in real time is expected to be needed by many companies, and we aim for significant growth in this field.

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

三井住友信託銀行 SUMITOMO MITSUI TRUST BANK
OKI
ひと皿に豊かな明日を SEVEN&i Food Systems
関西電力送配電
ヤマモリ
YOKOGAWA
東京都
SAPIX
ClassNK
CENTRAL
YASKAWA 株式会社 安川ロジステック
SUMITOMO MITSUI TRUST HOLDINGS
inet
SMBC コンシューマーファイナンス
ADK
NEXCO 中日本
お仏壇の はせがわ
Tortoise Corporate
Tsukiden
Orbray
KYOWA KYOWA PRESS INDUSTRY, INC.
clc
Digital Identity
DOWA
POWER EVOLUTION YAMABISHI
NAGANO SCIENCE
N-TECH 株式会社エヌテック
一期一会 ICHIGO
WOOD TEC
NIHON KNOWLEDGE
NODAICHI 野田市グループ
深田サルベージ建設株式会社 FUKADA SALVAGE & MARINE WORKS CO., LTD.
GNT 野口精機株式会社
47 PLANNING
Polestar-ID
PEACE Inc.
supportas
株式会社ソフテム
Sharing Innovations
Progress
johso
母さんの味 ますやみそ
クロスキャット
FINETRUST
R-Stone.co.,ltd.

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.

R-Stone.co.,ltd.

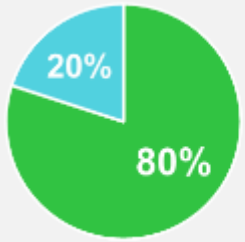
人材紹介サービスについて

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

	年齢	希望勤務地	現在年収
主なターゲット層	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 120 名　クリエイター 80 名

集客経路





TechReach



- 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
- Cosplay
- Smart homes

IPO Nov. 2020

- Marketing
- AI
- P2C

IPO Dec. 2020

- Fraudulent order detection
- Fintech
- HR

IPO Sept. 2021

- Payments
- MEO
- Health care

IPO Mar. 2022

- Health care
- Real estate
- HR

- Point mall
- Electricity retailing
- Con-tech
- Project Management



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

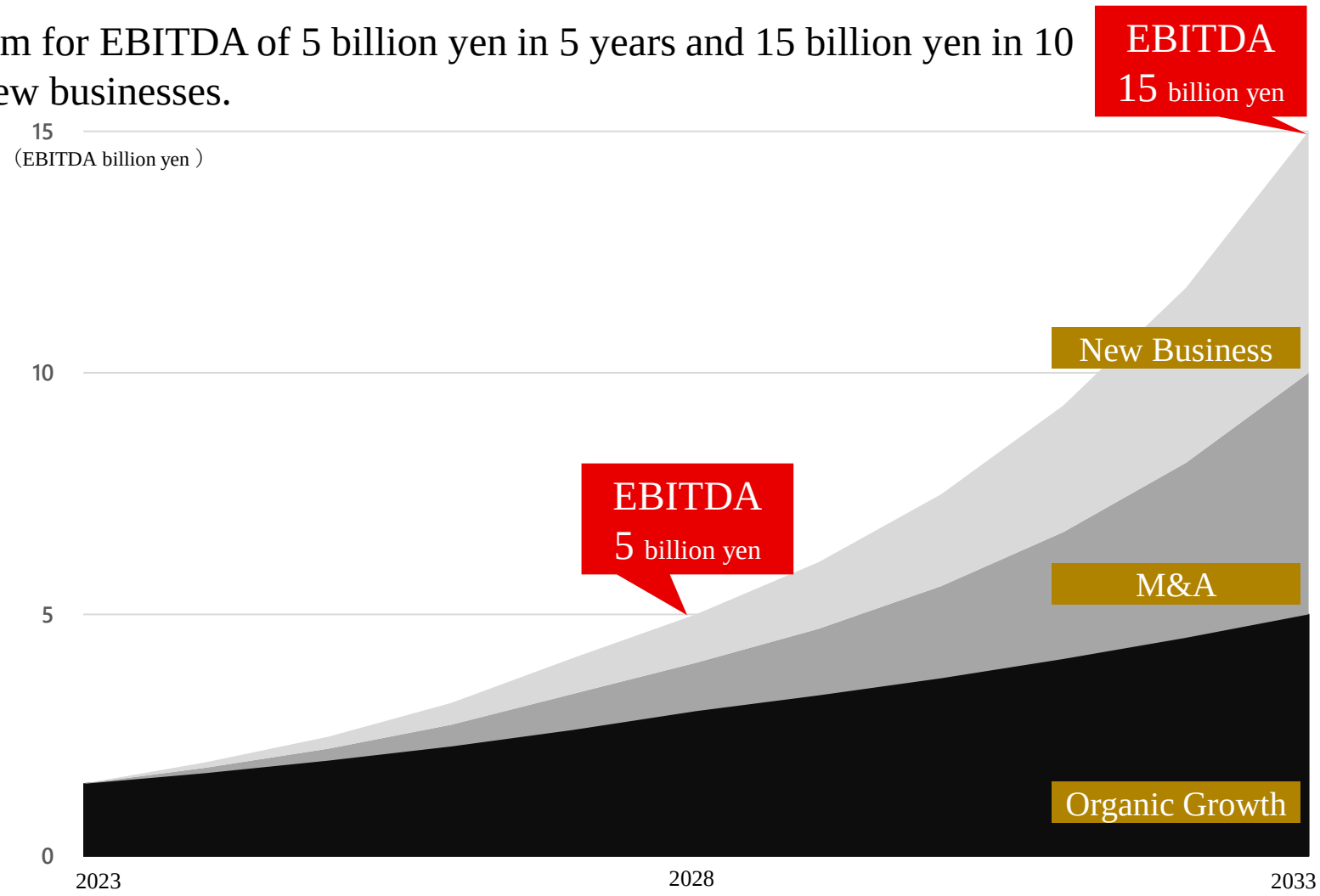
New business under development is growing steadily and will contribute significantly to the Group's earnings in the future.

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.



Future Outlook and Initiatives

Future 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	【Sharing Innovations】 Completed structural reform of the Cloud Integration business and entered a phase of renewed growth. 【VES】 The company aims to grow to 10 billion yen in sales over the next five years by utilizing the resources of the ORCHESTRA Group, expanding its organizational structure and service areas, and leveraging mergers and acquisitions. (See p.34-35). M&A of A&B Computer (See p.59) expanded upstream process and development capabilities, and the plan is progressing smoothly. 【Land Ho】 The company is utilizing the resources of the ORCHESTRA Group to strengthen its development system and improve recruiting capabilities. Also, strategically moving forward with its entry into the metaverse marketing field through collaboration with the DM business.
New Business	【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.41-45) 【IT Human Resources Business】 Continued annual growth of 20-30%. Expect a significant improvement in profitability of the recruitment media company TechReach by turning profitable in a single month during the current fiscal year. By also recruiting personnel for each group company, the company has made a significant contribution to reducing the group's recruiting costs. (See p.46).

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

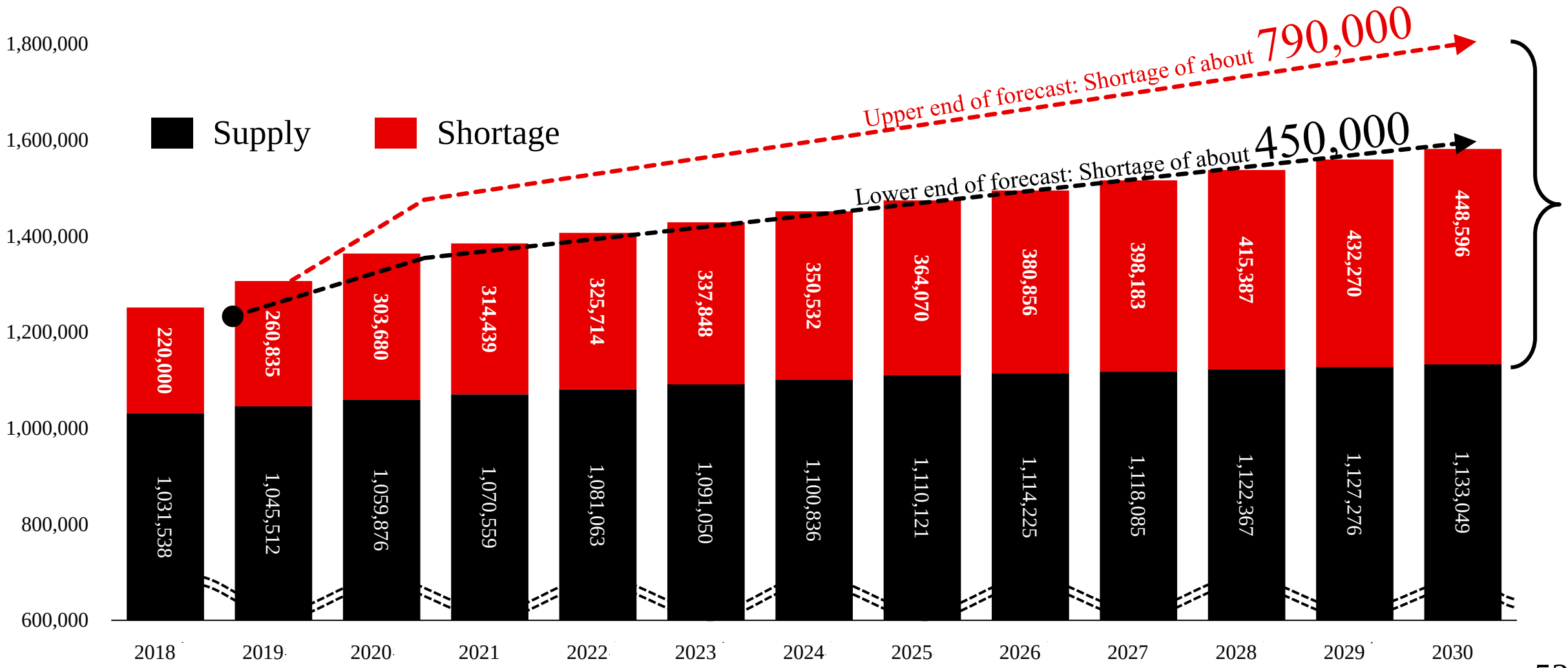
The increasing speed of the digitalization of society is fueling growth of the internet advertising market. The programmatic advertising market, a key strength of Orchestra Holdings, recorded growth of 10.9% in 2023 *5

*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

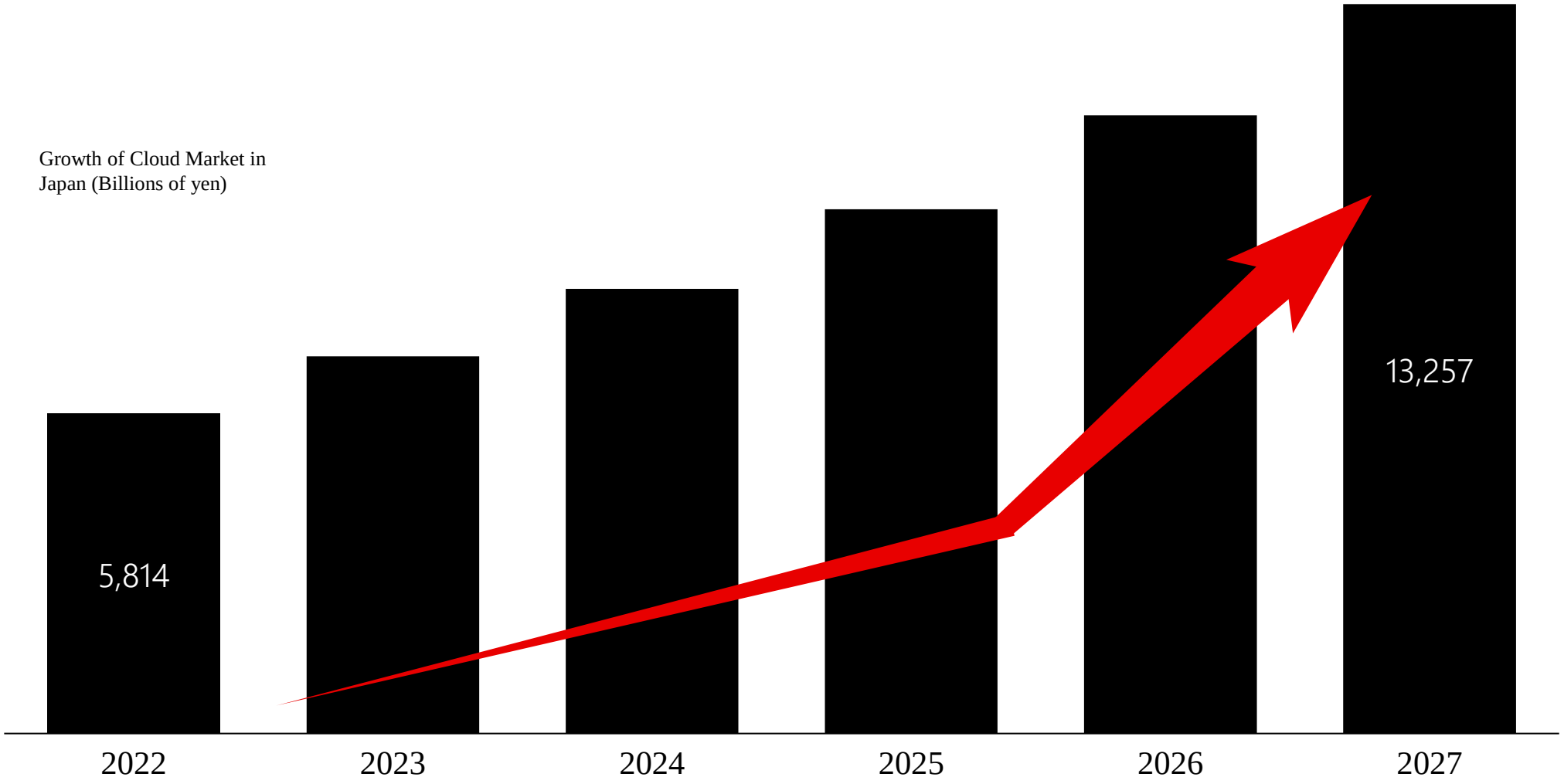
Demand for IT professionals is expected to increase steadily



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.

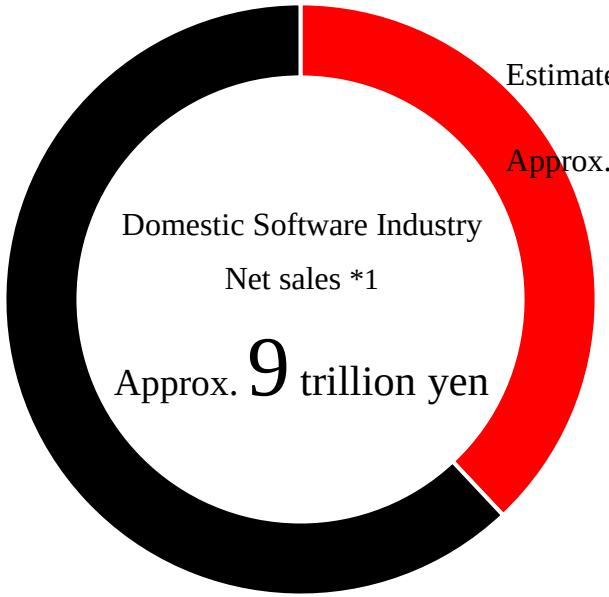


Source: International Data Corporation Japan “Domestic Cloud Market Forecast, 2023 - 2027”

Market Data: Software Testing Market in Japan

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

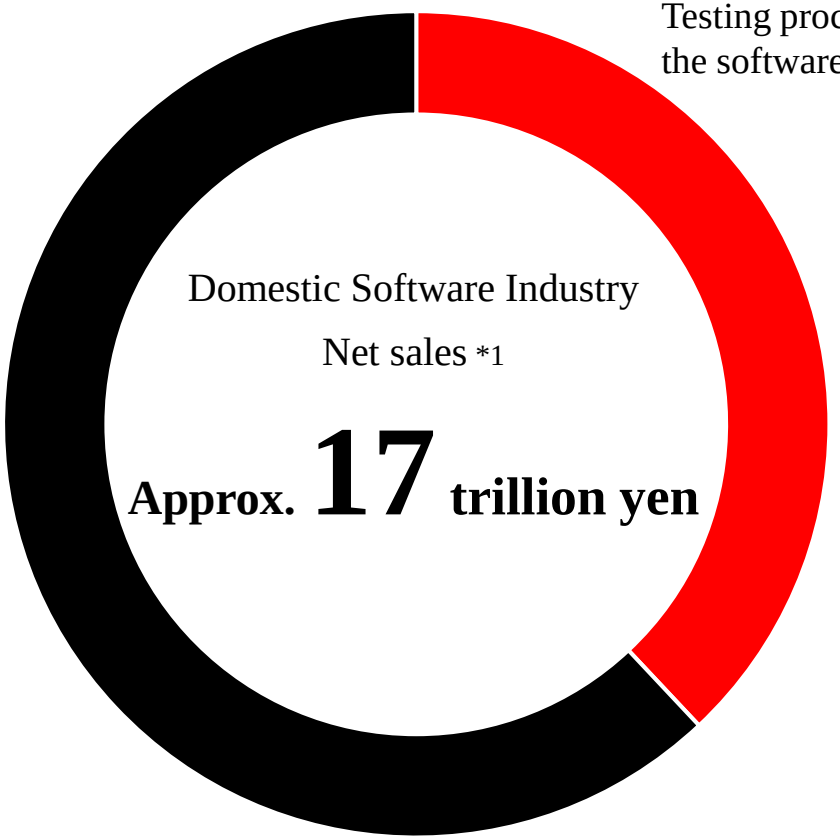
2009



Estimated Software Testing Market

Approx. 3 trillion yen

2020



Testing process accounts for more than 30% of the software development process ※2

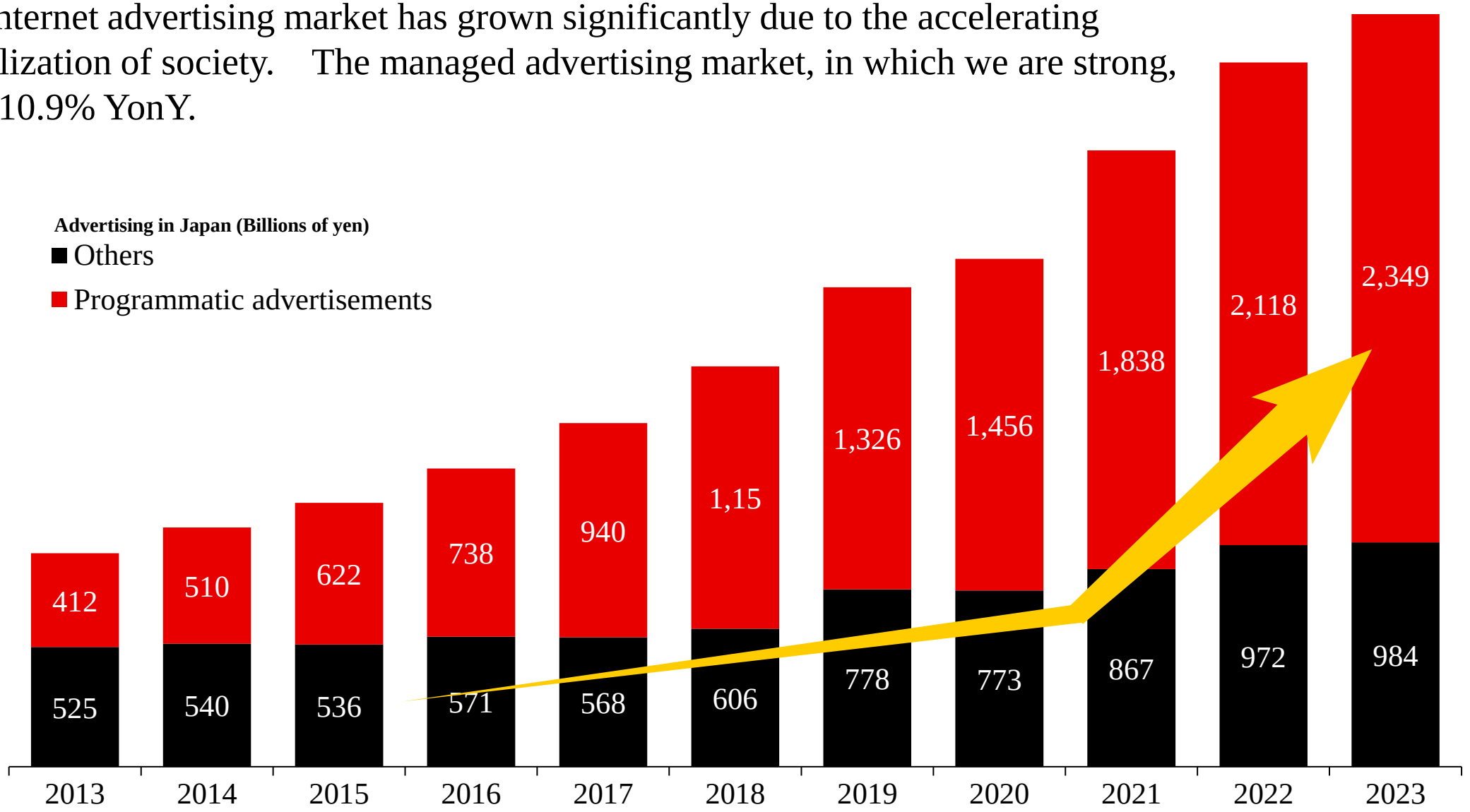
Estimated Software Testing Market

Approx. 6 trillion yen

*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

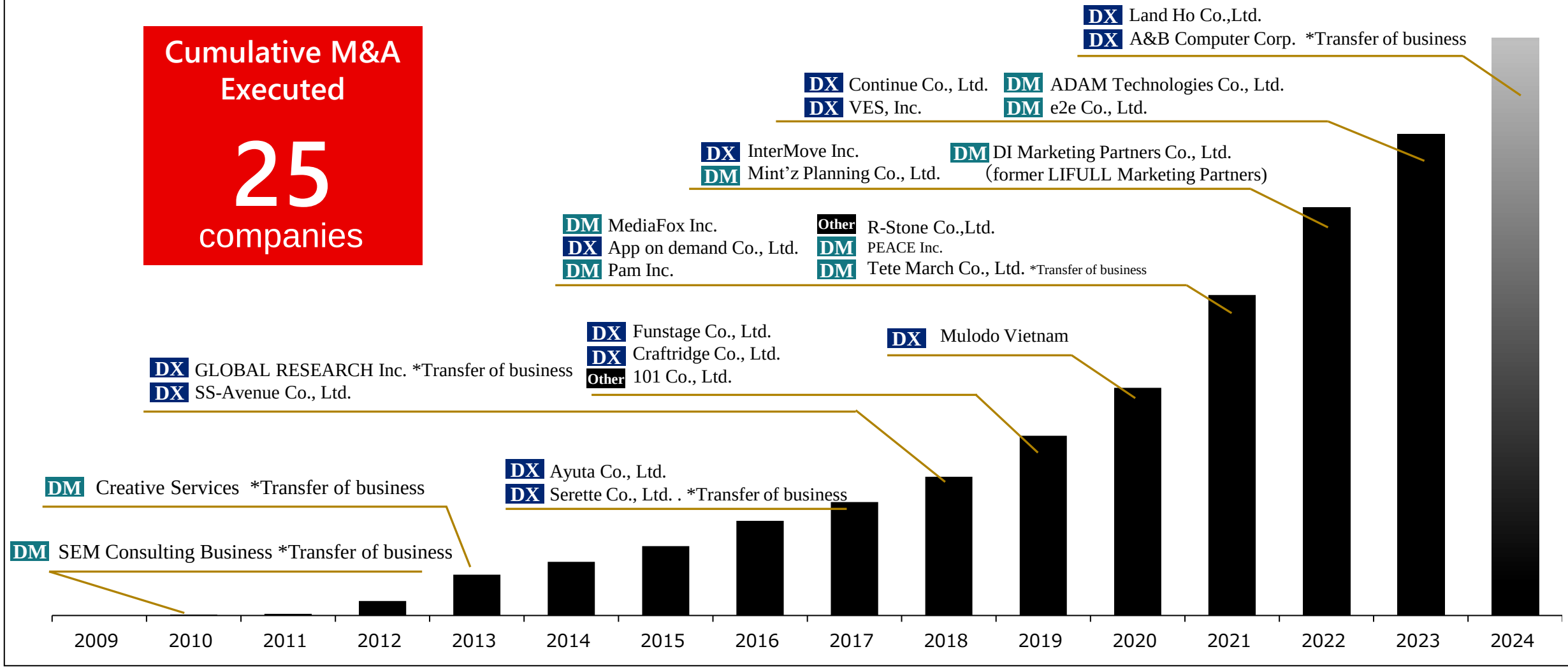
Since its establishment, the company has read market trends and conducted M&A.

We will continue to carefully select M&A projects and conduct M&A strategically.

Cumulative M&A Executed

25

companies



Growth Strategies: Active Utilization of M&A

Two mergers and acquisitions in 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”.

*Details are explained on the next slide and thereafter.

Growth Strategy: Active Use of M&A / Land Ho Co.,Ltd.

Land Ho Co.,Ltd., a game development company, joins the group

Overview of the M&A and Land Ho Co.,Ltd.

Outline of Transaction	Acquired shares	100% of Land Ho Co.,Ltd.
	Date of contract execution	September 20, 2024
	Date of share acquisition	September 30, 2024
	Acquired company	Orchestra Holdings Inc.
	Acquisition price	Approx. 640 million yen (including advisory fees, etc.)
	Acquisition funds	Cash on hand
	Impact on business performance	No change to the full-year business performance forecast as the acquisition was made during the period.
Land Ho Co.,Ltd.'s Overview	Trade name	Land Ho Co.,Ltd.
	Established	June 10, 1999
	Business Description	Game Development Business
	Number of employees	Approx. 130
	Performance	Net sales: Approx. 1.3 billion yen (FY May 2024)

Growth Strategy: Active Use of M&A / Land Ho Co.,Ltd.

New entry into the approximately 2 trillion yen domestic game market through the M&A of Land Ho Co.,Ltd.

Also, entry into the Metaverse Marketing Business. (details on next page)

Segment	Area	Track record	M&A Objectives	Market scale
Digital Marketing	AD/SEO creative SNS Marketing Started June 2009	PAM GROUP, ADAM TECHNOLOGIES, Mint'Z Planning co.,ltd., E2E EMPOWERMENT JAPAN LIFULL Marketing Partners	Expansion of business scale through roll-up strategy Through mergers and acquisitions of several peer companies, Expand service lineup, customer base, and human resources	Approx. 3 trillion yen *1
			Meta-verse × Digital Marketing	
DX	Game Development	BAND HO!	Expansion of TAM (*4) (new entry into game development market) Create synergies with existing DX business	Approx. 2 trillion yen *5
	System Solutions Started June 2017	Sharing Innovations, A&B エー・アンド・ビー・コンピュータ *10 companies in the DX area M&A, integration	Expand TAM (*4) by entering adjacent markets Leveraging our knowledge in the digital marketing business, New entry into Marketing DX based on Salesforce	Approx. 16 trillion yen *2
	Cloud integration Starts January 2019		Expansion of business scale through roll-up strategy Through mergers and acquisitions of several peer companies, Expand service lineup, customer base, and human resources	
	software testing Starts in May 2023	VES validation engineering service	Expand TAM (*4) by entering adjacent markets Synergy with existing DX business is expected, New Entry into Software Testing Business	(one's) household Approx. 6 trillion yen *3

*1 Source: Dentsu, "Advertising Expenditures in Japan" *2 Source: Ministry of Economy, Trade and Industry, "Information and Communication Industry Basic Survey" (calculated from software industry sales) *3 Source: Information-technology Promotion Agency (IPA), "Software Development Analysis Data Collection"
*4 TAM=Total Addressable Market (maximum addressable market) TAM=Total Addressable Market (maximum addressable market size) * 5 Source: XENO BRAIN, "Market Size Forecast for Game Software Makers.

Growth Strategy: Active Use of M&A / Land Ho Co.,Ltd.

Entry into Metaverse Marketing Business

By combining Land Ho Co.,Ltd.'s expertise in creating user experiences and maintaining experience value through game development with our expertise in the digital marketing business, we will provide comprehensive support for Roblox-based promotions, from development to marketing.



It is expected to expand from 4.264 trillion yen in 2021 to 78.8705 trillion yen in 2030 (*1). It is expected to be used in various fields, not just media and entertainment, but also in education, retail, and more.

*1 Source: Ministry of Internal Affairs and Communications, "2022: Summary of the Status Report on Information and Communications.

The number of active users per day is approximately 80 million (*2), Platform for a large number of Generation Z users

*2 Source: Roblox, "Report for Q2 2024.

Reference: Land Ho Co.,Ltd.'s Development Experience

Land Ho Co.,Ltd., has a service system that can handle game planning, development, and operation in a single integrated manner, and has experience in game development in a variety of genres regardless of platform, and also the one of the first companies to enter the Roblox market.

Development Examples ①

Title : Derby Stallion

Release Date : December 3, 2020

Publisher : Game Addict Co.

Compatibility : Nintendo Switch™.



Development Examples ②

Title : J-Pre High School [Test Version]

Year of production : 2024

Client : NHK Gakuen Educational Corporation

Platform : Roblox



(C)2020 ParityBit (C)2020 GAME ADDICT (C)SUGIYAMA KOBO

Growth Strategy

Strength 01

Compete in a growing market

Strength 02

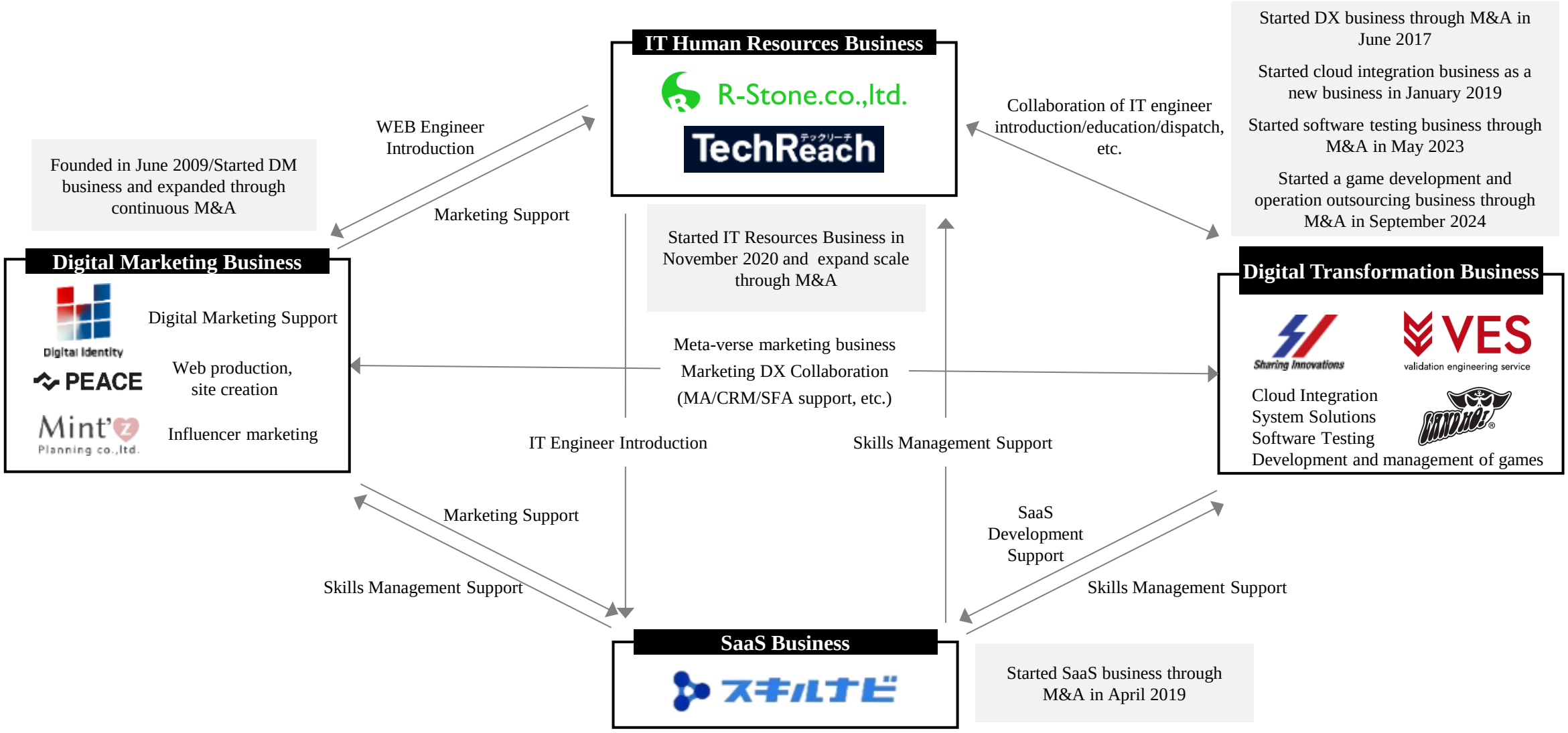
Active utilizations of M&A

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

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



ESG Activities

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.

ESG Activities

Environment

Initiatives in Business Activities

Digitization of operations by supporting companies' DX



・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

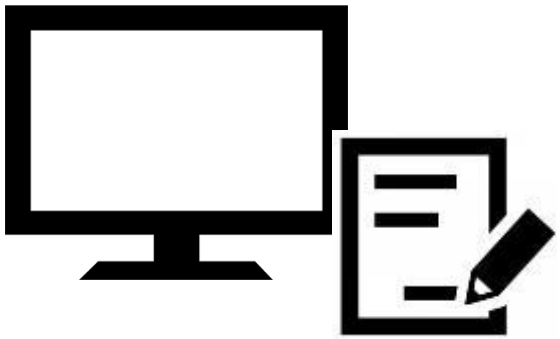


We have already introduced a hybrid work system that combines remote work and office work.

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)

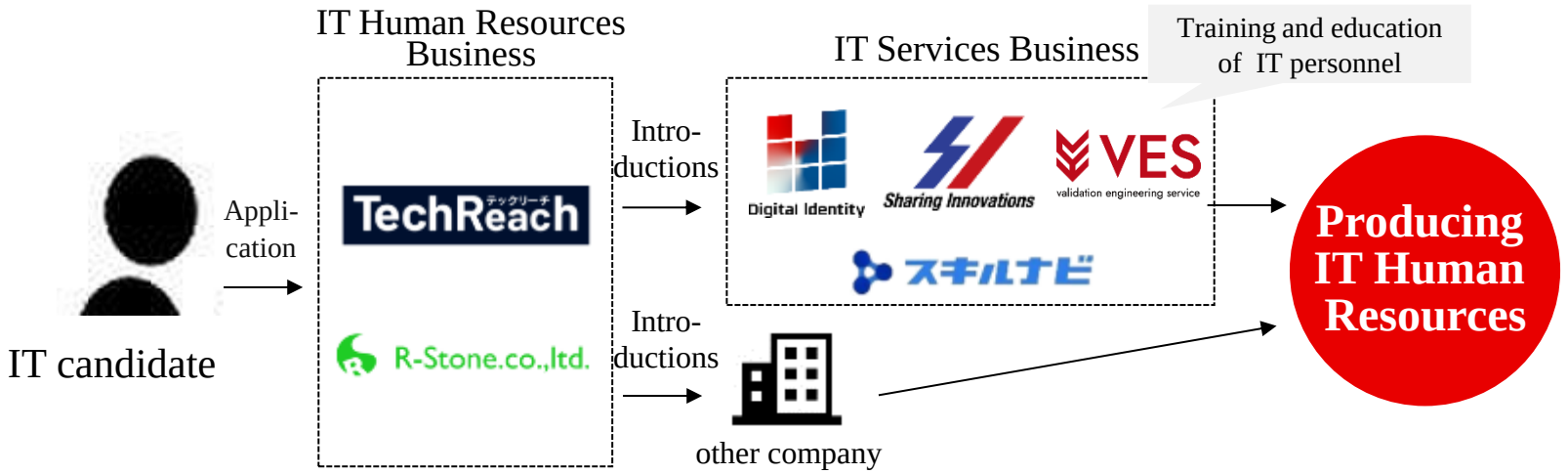
The paperless workflow is being promoted through the construction of a workflow that involves as little paper as possible.

ESG Activities

Social

Responding to Industry Challenges

Building a business model for producing IT human resources



To contribute to the IT industry by producing a steady stream of IT personnel through each of our businesses to address the industry's challenge of **a shortage of up to 790,000 IT personnel** by 2030.

Diversity

Promotion of women's activities

The Group's Percentage of women among all employees

35.2%

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

19.1%

The Group's Percentage of women in management positions

19.8%

(As of September 30, 2024)

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

ESG Activities

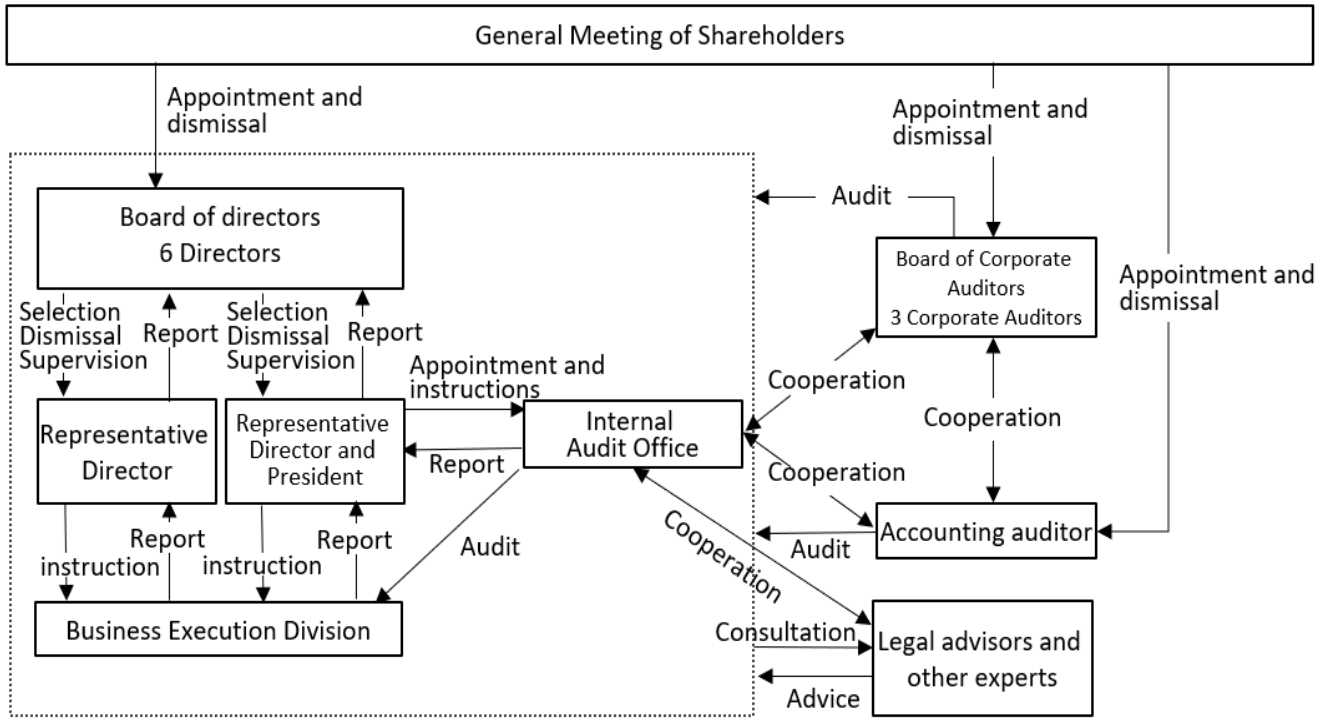
Governance

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

Disclaimer

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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Thank You!