



ORCHESTRA HOLDINGS

Results of Operations
for the First Quarter of
the Fiscal Year Ending
December 31, 2025

Executive Summary



FY2025 1Q	Net sales	4,081 mil yen YonY +20.4%	EBITDA	488 mil yen YonY Δ 12.8%
	Gross profit	1,852 mil yen YonY +8.5%	Operating income	337 mil yen YonY Δ 22.5 %
	Both net sales and gross profit reached record highs. Compared to 1Q of last year, when the DM business was particularly strong, EBITDA and operating income decreased, but progress was over 30% compared to the full-year forecast, including approximately 28 million yen in M&A brokerage fees incurred in 1Q, progress was in line with the initial business plan.			

Digital marketing (DM) Business	Digital Transformation (DX) Business	M&A	Acquisition of treasury stock										
Segment sales and profits are on a recovery trend, bottoming out in 2Q of last year when major customers reduced their advertising budgets, thanks to stronger sales efforts targeting new customers. However, sales and profits declined slightly compared to the particularly strong performance in 1Q of last year.	Segment sales reached a record high, and EBITDA reached a record high for 1Q. PMI of companies acquired by VES, Inc. through M&A progressed and contributed to business results. Sharing Innovations made progress as planned despite higher costs associated with organizational strengthening and quality improvement measures.	In the DX business (VES, Inc.), JTPRO Corporation and KHWAYz Co.,Ltd. became subsidiaries at the end of January and February, respectively, through the acquisition of shares. The company will also newly expand its services in the IoT domain and accelerate the growth of its DX business by sharing its customer base, hiring and training know-how, and development and sales resources. (see p.51-53)	We plan to acquire treasury stock for strategic M&A purposes, taking into consideration stock price levels, financial conditions, and other factors. <table><tr><td>Type of shares</td><td>Common stock of the Company</td></tr><tr><td>Total number of shares acquired</td><td>100,000 shares (upper limit)</td></tr><tr><td>Total amount of acquisition</td><td>50 million yen (upper limit)</td></tr><tr><td>Acquisition period</td><td>May 15, 2025 - June 30, 2025</td></tr><tr><td>Method of acquisition</td><td>on-the-market purchase</td></tr></table>	Type of shares	Common stock of the Company	Total number of shares acquired	100,000 shares (upper limit)	Total amount of acquisition	50 million yen (upper limit)	Acquisition period	May 15, 2025 - June 30, 2025	Method of acquisition	on-the-market purchase
Type of shares	Common stock of the Company												
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01 Financial Overview: 1Q FY2025

02 Earnings Forecast: FY2025

03 Compliance with listing maintenance criteria

04 Business Summary

05 Growth Strategy



01 Financial Overview: 1Q FY2025

1Q FY2025 Consolidated Results



Net sales and gross profit both reached record highs. In the DX business, the companies* acquired through M&A by VES, Inc. in 2Q of last year began to contribute to the results. In the DM business, the business recovered from the bottom reached in 2Q of last year, when major customers reduced their budgets. Although EBITDA decreased compared to 1Q of last year, when the DM business was particularly strong, the full-year results are in line with the forecast, including M&A brokerage fees (approximately 28 million yen).

* A&B Computer Corp. (consolidated in P/L from April 2024), JTPRO Corporation (consolidated in P/L from February 2025), KHWAYz Co.,Ltd. (consolidated in P/L from March 2025)

(Millions of yen)	1Q/FY2025	1Q/FY2024	% Change
Net Sales	4,081	3,390	20.4%
Gross Profit	1,852	1,706	8.5%
SG&A expenses	1,515	1,271	19.2%
EBITDA	488	560	△12.8%
EBITDA margin	12.0%	16.5%	△4.6%
Operating Profit	337	434	△22.5%
Ordinary Profit	326	427	△23.5%
Profit attributable to owners parent	143	235	△39.0%

1Q FY2025 Segment Results

In the DX business, although costs increased due to system enhancements and quality improvements at Sharing Innovations, significant increases in revenue and income were achieved thanks to the contribution of companies*1 that began to be included in the consolidated results in 2Q of last year following their acquisition by VES, Inc. The DM business is recovering from the bottom reached in 2Q of last year, when major customers reduced their budgets, but sales and profits declined slightly compared to the particularly strong 1Q of last year. In other businesses, we will continue to invest*2 in the SaaS business “Skill Navi.”

* A&B Computer Corp. (consolidated in P/L from April 2024), JTPRO Corporation (consolidated in P/L from February 2025), KHWAYz Co.,Ltd. (consolidated in P/L from March 2025)

*Investment in Skill Navi: 1Q Approx. 53 million yen

Segment (Millions of yen)	1Q/FY2025	1Q/FY2024	% Change
Digital Transformation(DX) business			
Net sales	1,909	1,521	25.5%
EBITDA	227	163	39.3%
Segment profit	142	95	48.6%
Digital Marketing business			
Net sales	1,525	1,576	△3.2%
EBITDA	635	695	△8.7%
Segment profit	589	649	△9.2%
Other businesses			
Net sales	680	315	116.0%
EBITDA	34	2	1193.4%
Segment profit	17	△ 0	-

Quarterly Consolidated Results



Record high

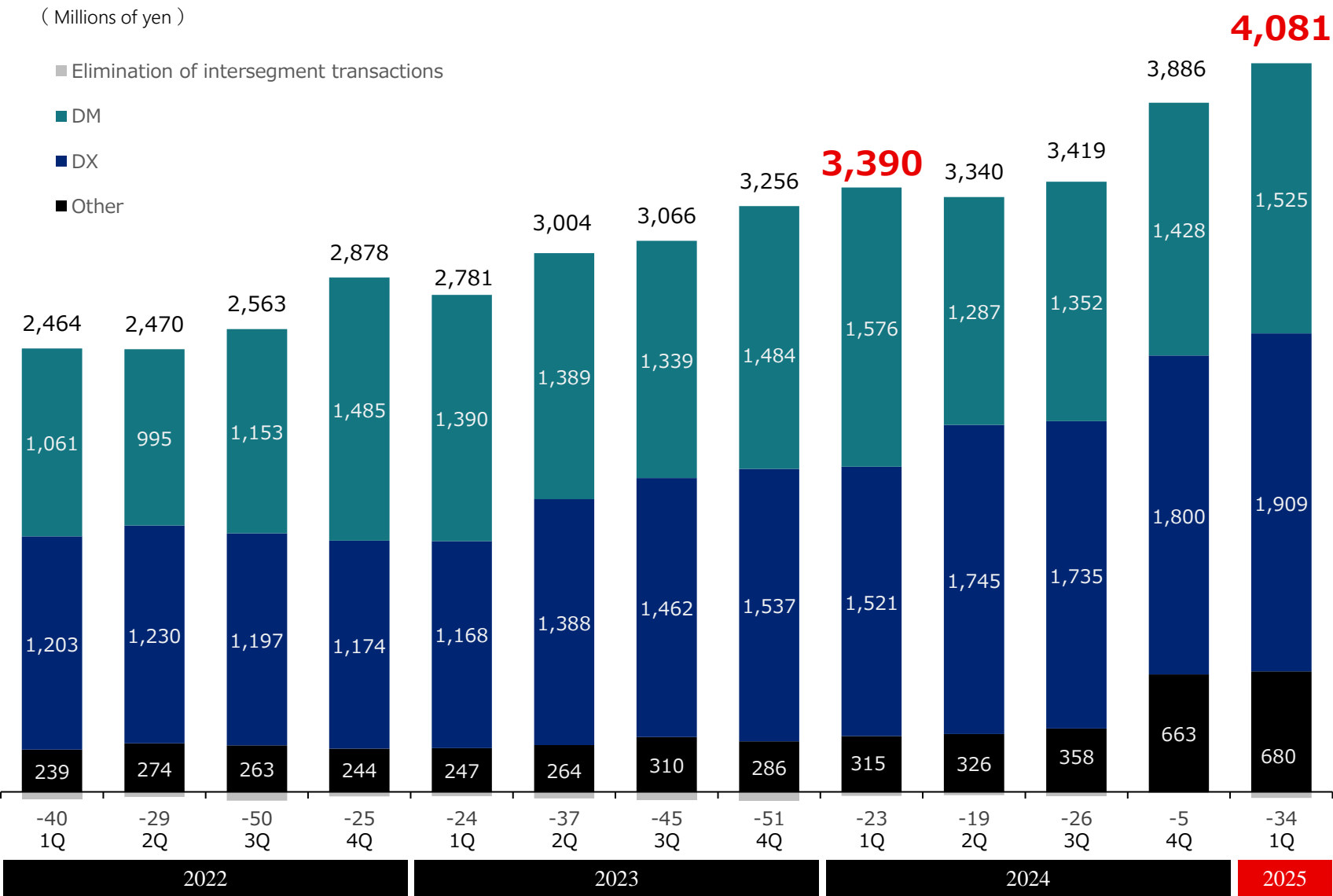
Net sales

Up 20.4% YonY

- Steady recovery in DM business, growth in DX business, and M&As helped sales reach record highs

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

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



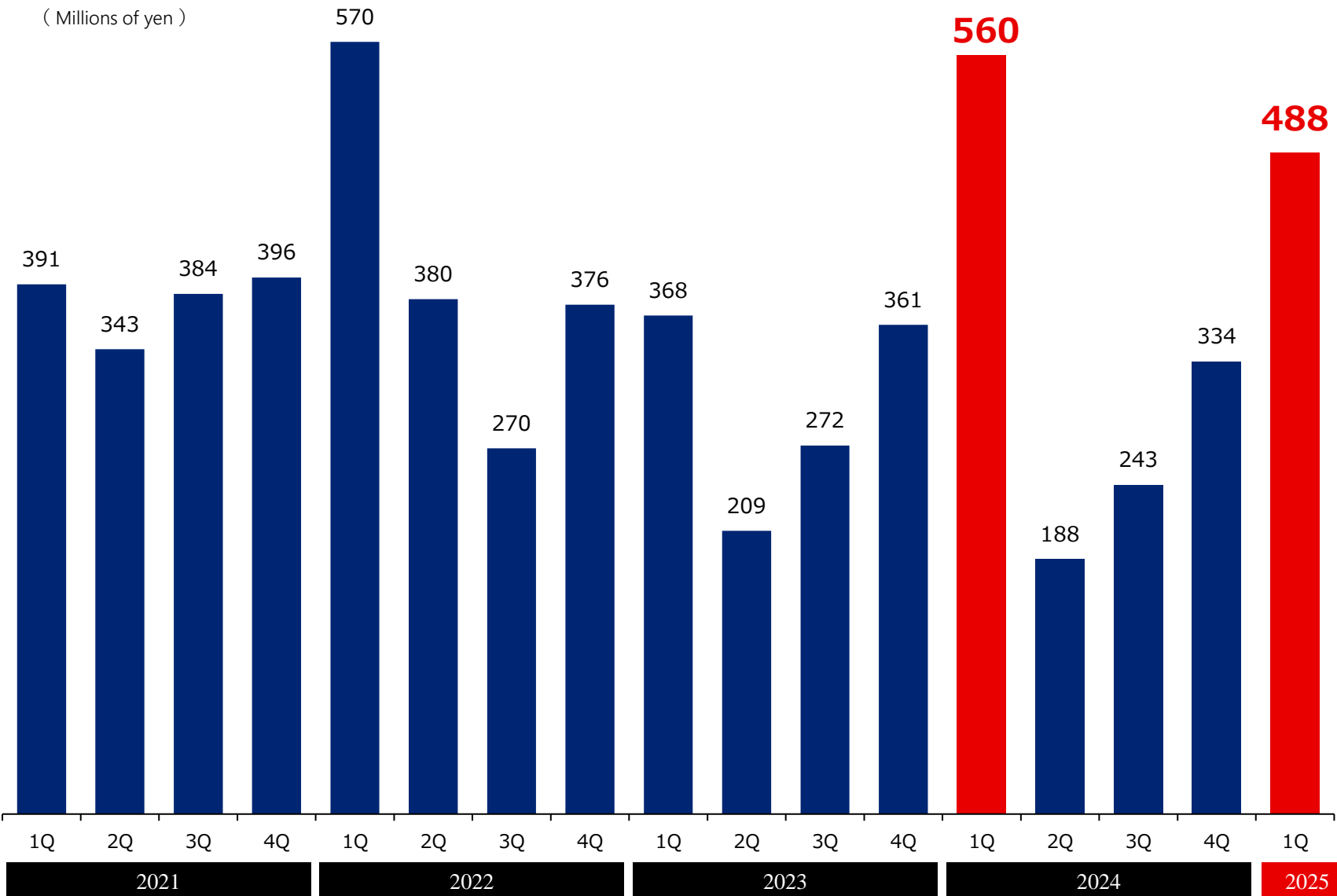
Quarterly Consolidated Results



EBITDA

Down 12.8% YonY

- Although the recovery trend continues after bottoming out in 2Q FY2024, profit declined compared to 1Q last year, when the DM business was particularly strong
- One-time expenses of approx. 28M M&A brokerage fees incurred in 1Q as a result of the acquisition of KHWAYz Co.,Ltd. shares



DX Business: Quarterly Results



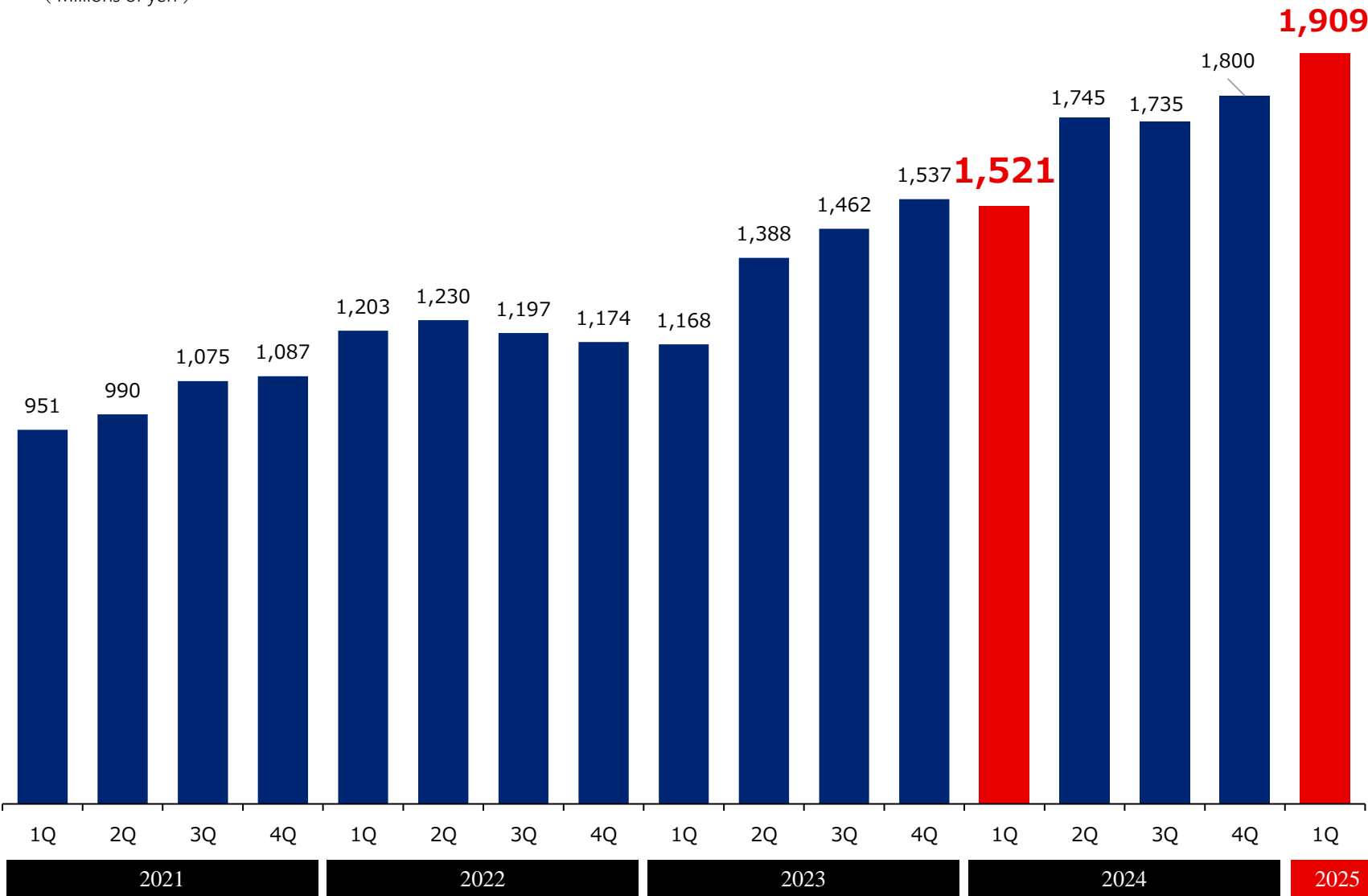
Record high

Net sales

Up 25.5% YonY

- Record highs
- VES, Inc. acquired JTPRO Corporation from 2025/2 and KHWAYz Co.,Ltd. from 2025/3, which will lead to a significant increase in revenues.

(Millions of yen)



DX Business: Quarterly Results



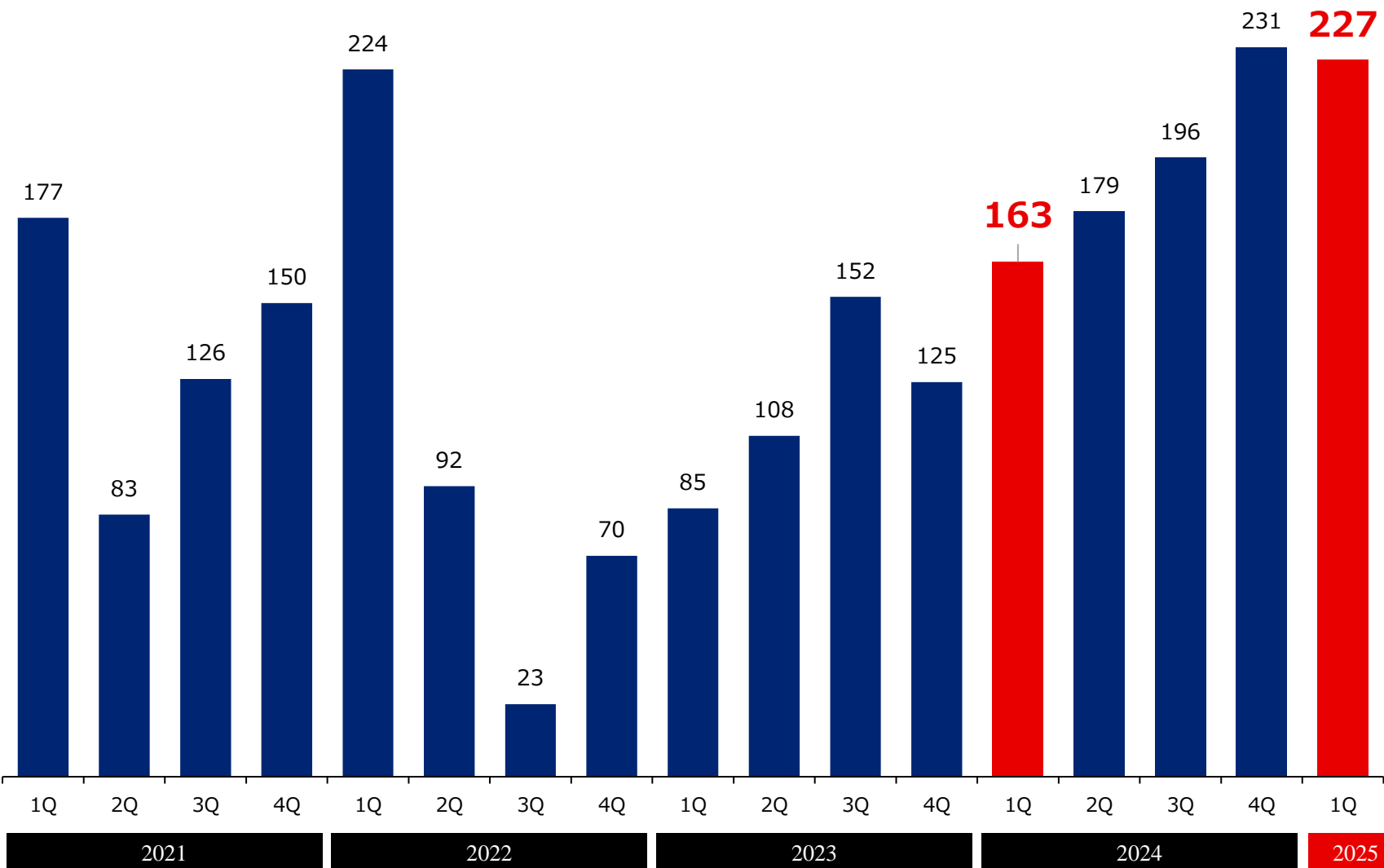
1Q Record high

EBITDA

Up 39.3% YonY

- Sharing Innovations' costs increased due to organizational restructuring and quality improvement measures, but progress in the PMI of the acquired companies led to record-high results for 1Q.
- JTPRO Corporation and KHWAYz Co.,Ltd., which VES, Inc. acquired through M&A, will start taking in P/L from 2025/2 and 2025/3, respectively, and will contribute to the company's growth.

(Millions of yen)



Digital Marketing Business: Quarterly Results

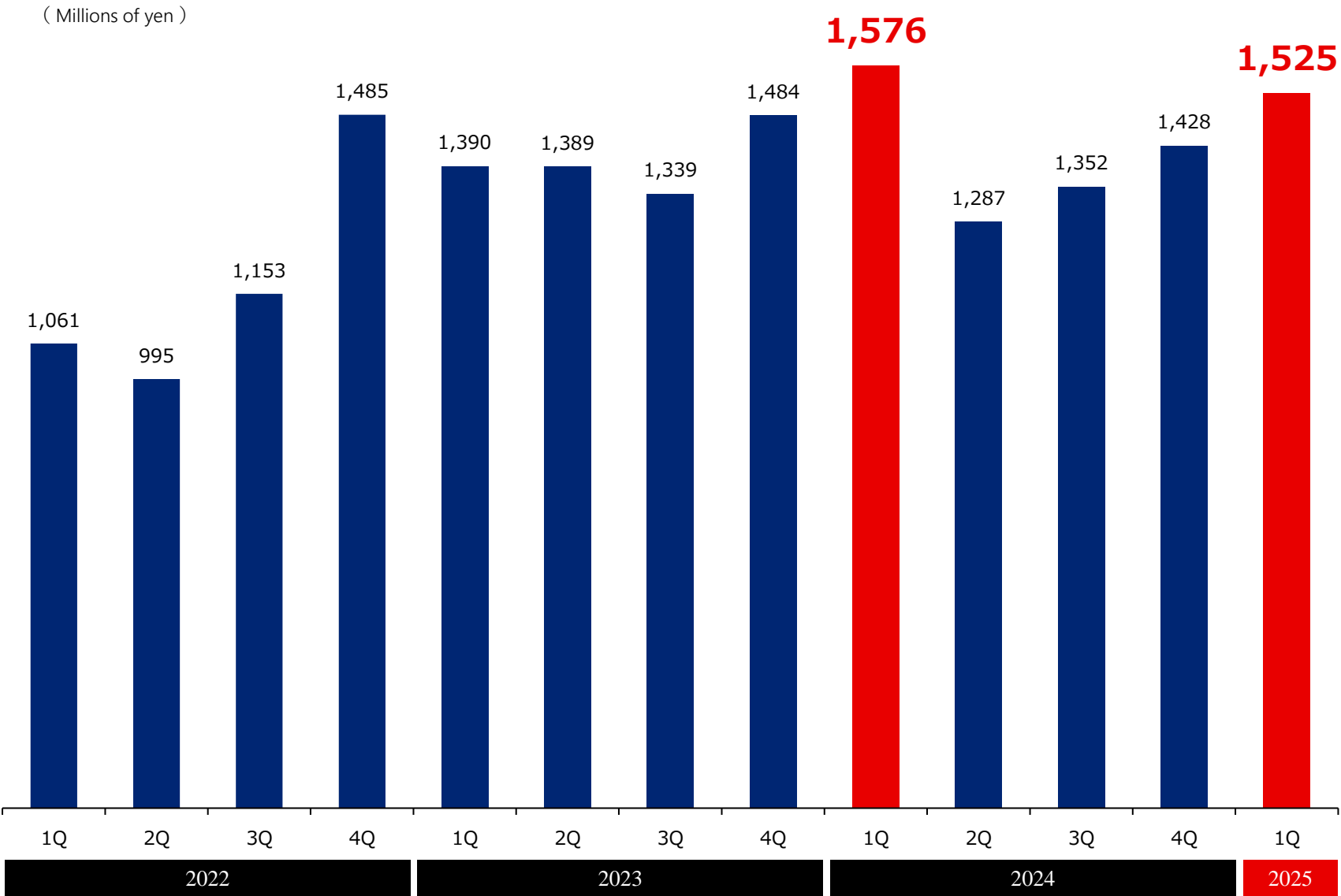


Net sales

Down 3.2% YonY

- Although there was a recovery trend after bottoming out in 2Q last year when budgets of large customers were reduced, there was a slight decrease compared to 1Q last year, which was a particularly strong quarter.

*Right graph shows sales transition after the start of application of the new revenue recognition standard.
From FY2022, due to the application of the new revenue recognition standard, a portion of sales in the digital marketing business is changed from gross to net presentation.



Digital Marketing Business: Quarterly Results

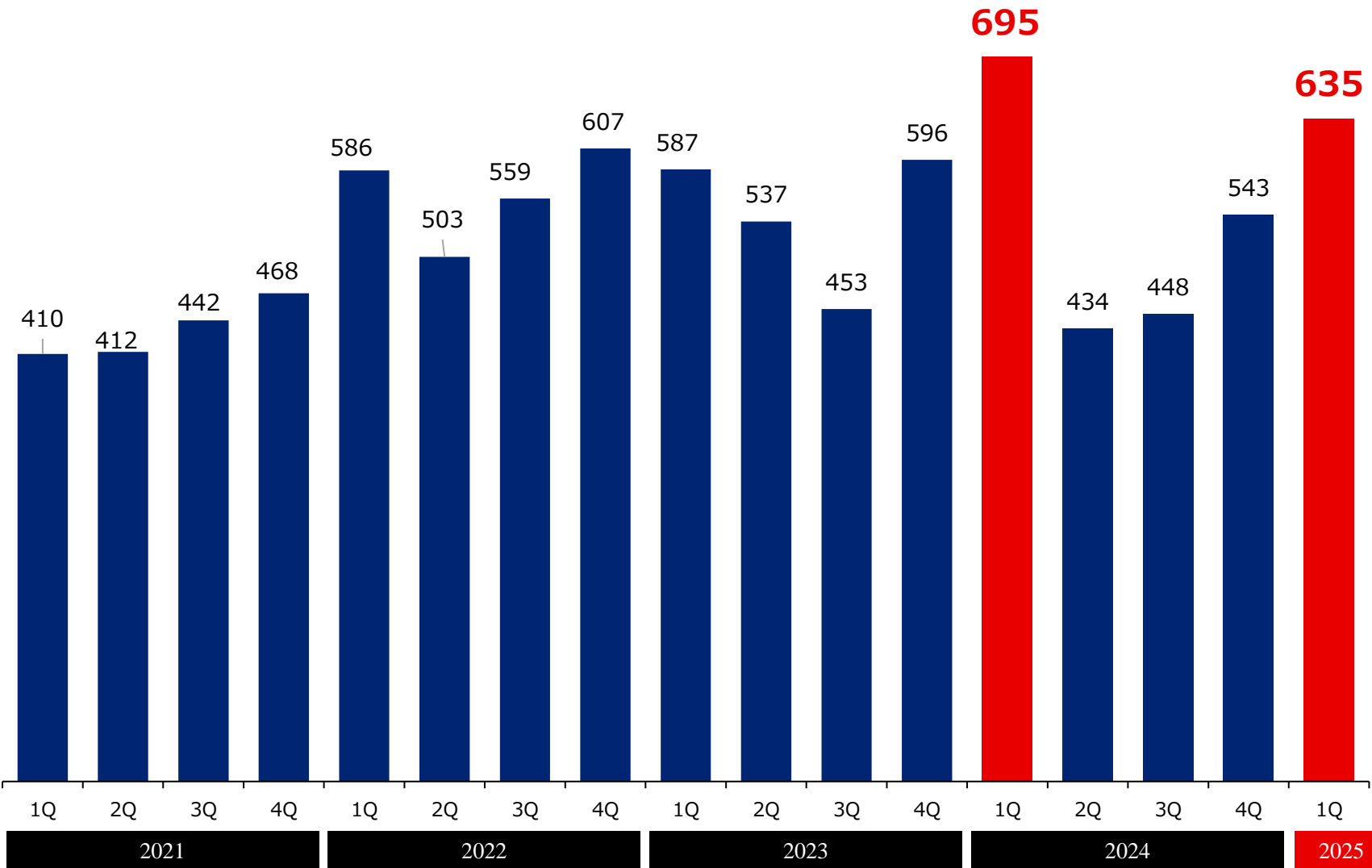


EBITDA

Down 8.7% YonY

- Although there was a recovery trend after bottoming out in 2Q last year when budgets of large customers were reduced, there was a slight decrease compared to 1Q last year, which was a particularly strong quarter.

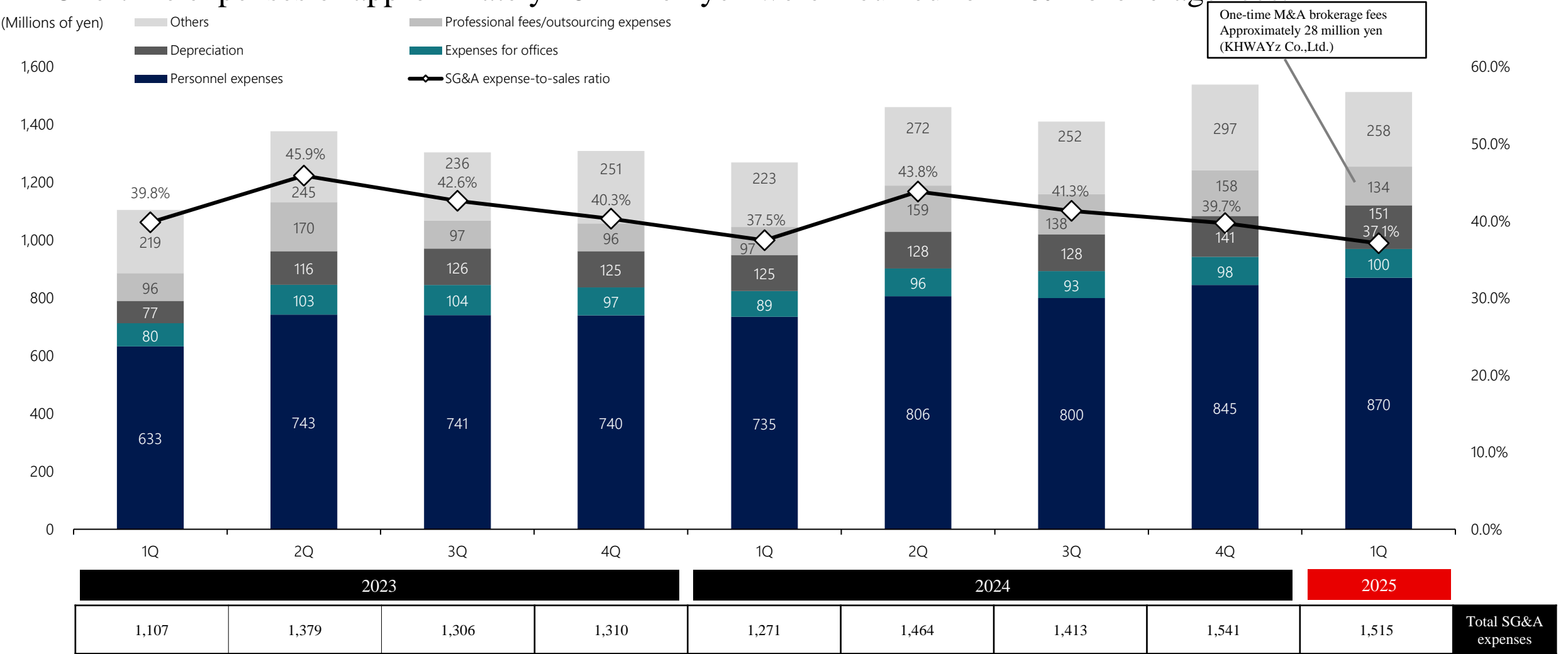
(Millions of yen)



Changes in SG&A Expenses



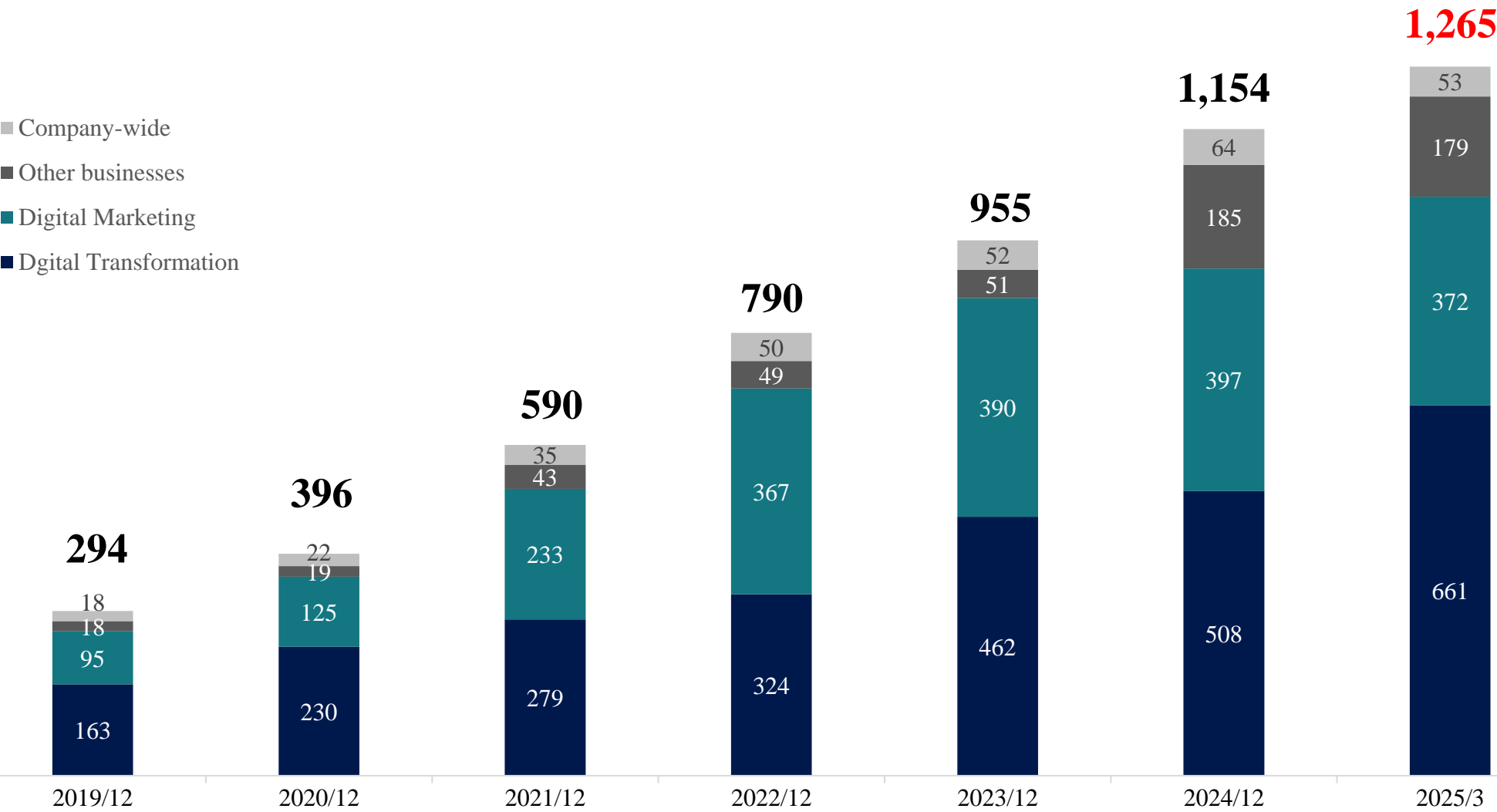
SG&A expenses increased YonY due to M&A and aggressive investment in human resources.
One-time expenses of approximately 28 million yen were incurred for M&A brokerage fees.



Changes in The Number of executives and employees



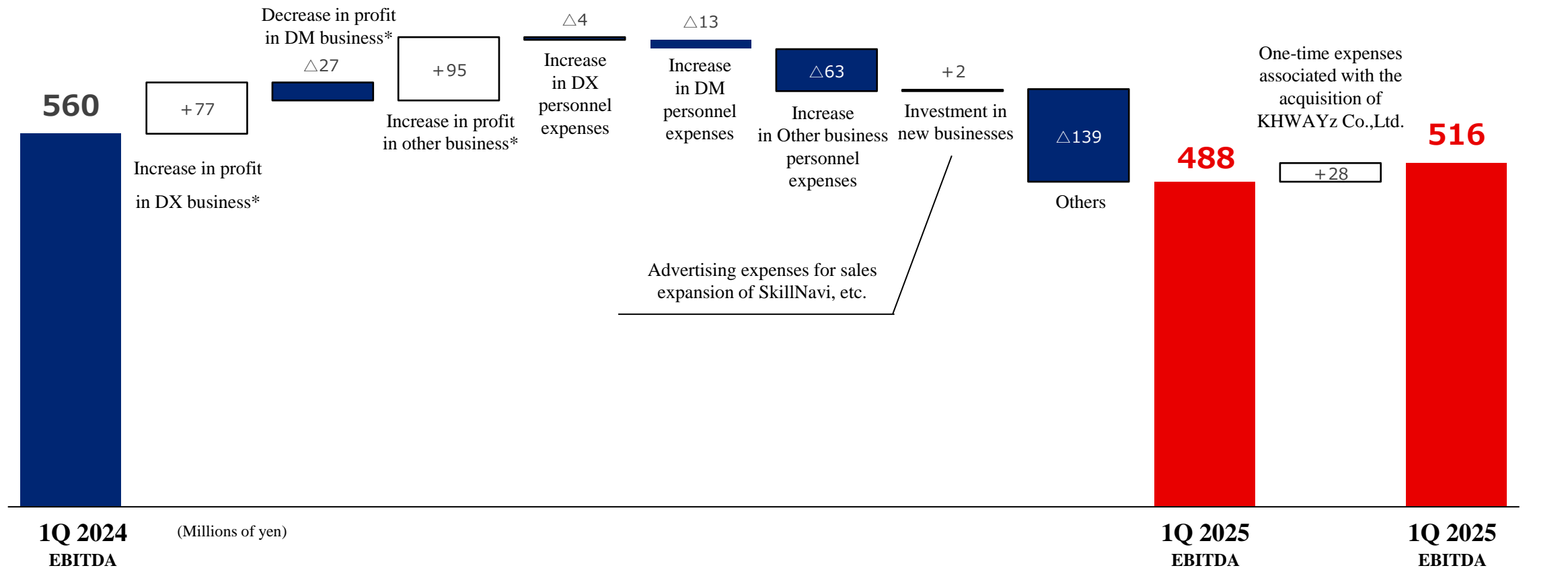
The number of executives and employees is 1,265 at the end of March 2025



1Q FY2025 Changes in EBITDA

While the companies* acquired through M&A in the DX business (VES, Inc.) contributed to the increase in income, EBITDA landed at 488 million yen ($\Delta 12.8\%$ YonY) due to factors such as a decrease in income in the DM business, which had performed well in 1Q of the previous fiscal year, and the occurrence of non-recurring M&A brokerage fees (approximately 28 million yen). Excluding one-time expenses, EBITDA was 516 million yen ($\Delta 7.8\%$ YonY).

* A&B Computer Corp. (consolidated in P/L from April 2024), JTPRO Corporation (consolidated in P/L from February 2025), KHWAYz Co.,Ltd. (consolidated in P/L from March 2025)



*Changes in gross profit of each segment

(before one-time expenses)

1Q FY2025 Consolidated Balance Sheet



The equity ratio is 40.3%, and the goodwill-to-net assets ratio is approximately 0.75, maintaining financial soundness while continuing growth investments.

(Millions of yen)	Mar.31, 2025	Dec.31, 2024	Change
Current assets	7,478	7,128	349
Non-current assets	6,632	5,692	939
Property, plant and equipment	315	311	3
Intangible assets	4,724	3,855	869
Investments and other assets	1,592	1,525	66
Total assets	14,110	12,821	1,289
Current liabilities	5,257	4,696	561
Non-current liabilities	2,709	1,999	710
Total liabilities	7,967	6,695	1,271
Total net assets	6,143	6,125	17
Total liabilities and net assets	14,110	12,821	1,289



02 Earnings Forecast: 2025

FY2025 Consolidated Forecast

In the first quarter, budget progress was strong.

While anticipating certain M&A intermediary fees and consulting fees related to the adoption of IFRS (International Financial Reporting Standards) (totaling 150 million yen), we expect a 10% to 20% increase in profits due to progress in the PMI of the DX business and further utilization of M&A.

(Millions of yen)	1Q/FY2025		FY2024	FY2025	YoY Change	
	Amount	Progress ratio	Results	Forecasts	Amount	%
Net sales	4,081	24.7%	14,036	16,500	2,463	17.5%
EBITDA	488	31.5%	1,326	1,550	223	16.9%
Operating profit	337	35.5%	801	950	148	18.6%
Ordinary profit	326	36.3%	783	900	116	14.8%
Profit attributable to owners of parent	143	36.0%	331	400	68	20.6%

2025 Shareholder Distributions



Plans to increase ordinary dividend by 1 yen to 12 yen per share

Approach to Shareholder Returns

We aim to continuously improve shareholder value through M&A and growth investments in new business areas.

We emphasize shareholder returns as one of the measures to increase shareholder value. We intend to do so while maintaining a balance with investments for growth.

Plans to increase the ordinary dividend from 11 yen to 12 yen for the fiscal year ending December 31, 2025, in light of earnings forecasts, financial position, and other factors.

	2024	2025
Dividend per share	11.0 yen (Ordinary dividend: 11.0 yen)	12.0 yen (Ordinary dividend: 12.0 yen)



03 Compliance with listing maintenance criteria

Status of compliance with Prime Market listing maintenance criteria



【Status of compliance with Listing Maintenance Criteria】

As of our most recent record date (December 31, 2024), the company did not meet the criteria for maintaining a listing on the Prime Market in terms of “Total market value of shares in circulation”.

Regarding the “Total market value of shares in circulation”, we aim to achieve the criterion of 10 billion yen by the end of December 2025.

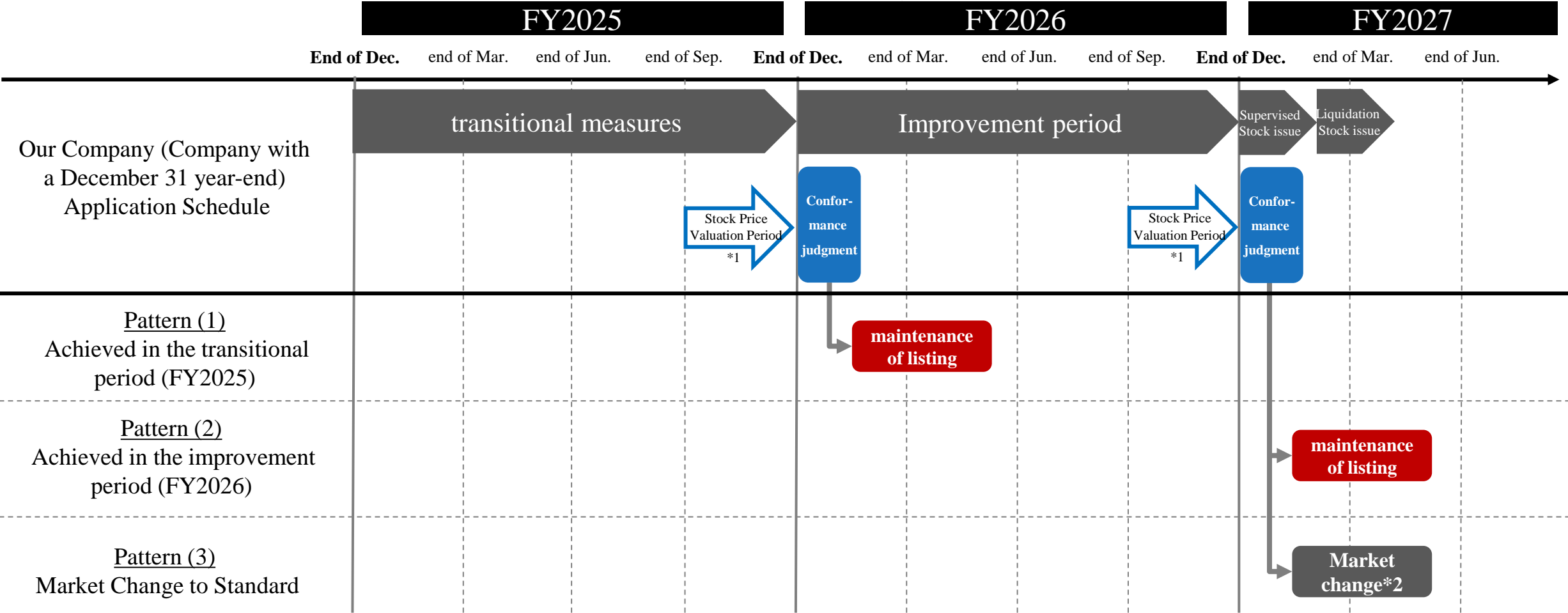
	Prime Market criteria	As of December 31, 2023	As of December 31, 2024	Compatibility status
Number of shareholders	800 people	3,352 people	3,018 people	○
Number of shares in circulation	20,000 units	37,053 units	39,233 units	○
Total market value of shares in circulation	10 billion yen	3.70 billion yen	3.28 billion yen	×
Ratio of shares in circulation	35.0%	37.7%	39.0%	○

*The total market value of shares in circulation is calculated by multiplying the average of the daily closing stock price during the stock price evaluation period (three months prior to the end of the fiscal year) by the number of shares in circulation at the end of the fiscal year.

Schedule for compliance with Prime Market maintenance criteria



During the transitional measures or improvement period, the company will aim to improve its stock price by increasing corporate value, focusing on performance improvement and shareholder returns, in order to achieve the criteria for maintaining the prime market. As a backup plan, we will also proceed with Pattern (3), “Market Change to Standard”.



*1:The market capitalization of tradable shares is calculated by multiplying the average of the daily final share price during the stock price evaluation period (three months prior to the end of the fiscal year) by the number of shares in circulation at the end of the fiscal year. *2:Application for change of market classification must be made by the end of December of FY2026.



04 Business Summary

Business Segment



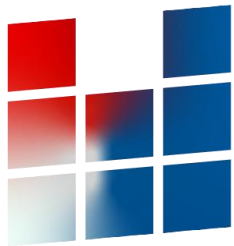
* Only listed main businesses



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.

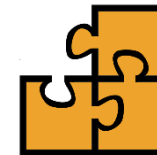
Digital Transformation (DX) Business

Listed with
Growth Market



Sharing Innovations

 **VES**
validation engineering service



JTPRO Corporation

 K H W A Y Z

Others

 ウラーラ

 スキルナビ

 R-Stone.co.,ltd.

 テックリーチ
TechReach



Digital Marketing (DM) Business



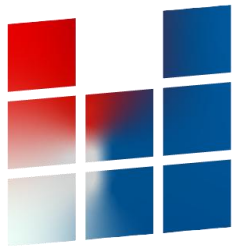
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Sharing Innovations

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validation engineering service



JTPRO Corporation

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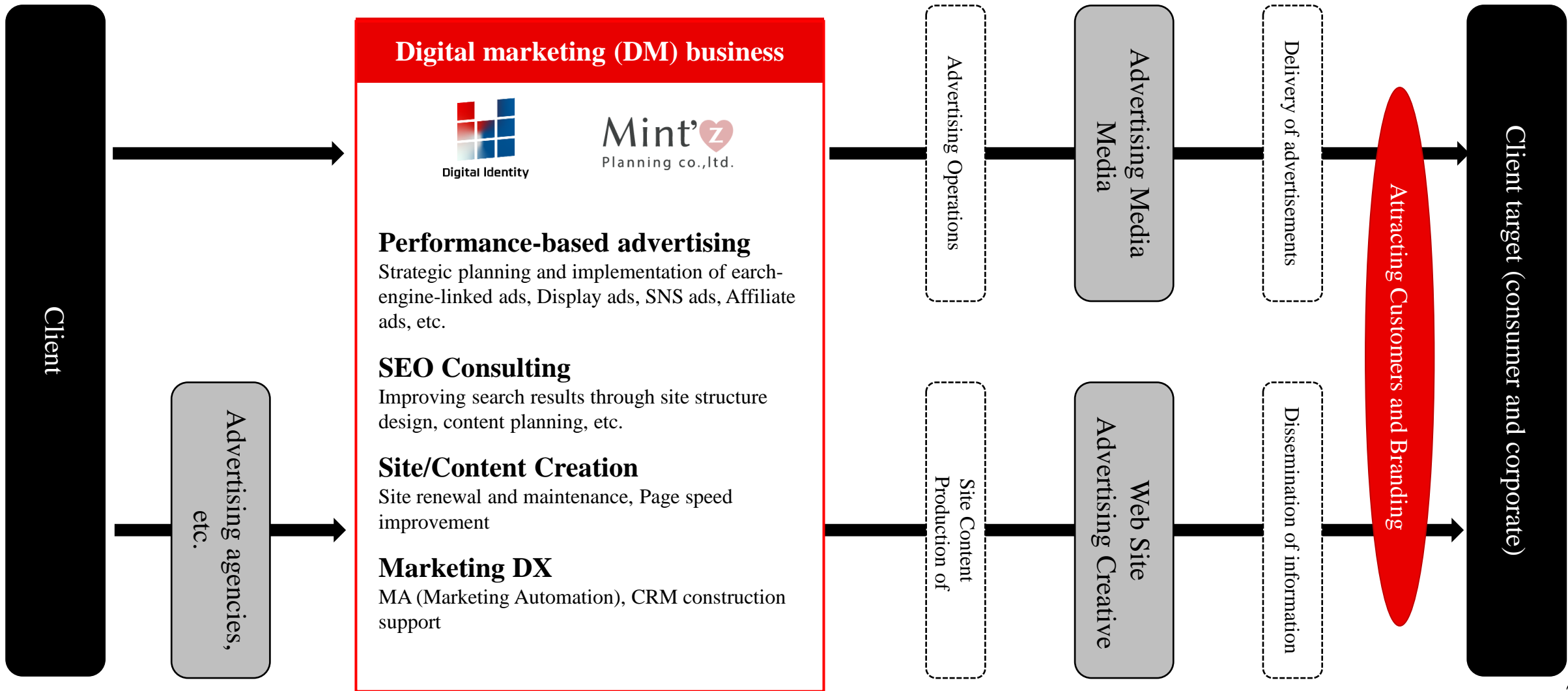
 R-Stone.co.,ltd.

 テックリーチ
TechReach



Business Model

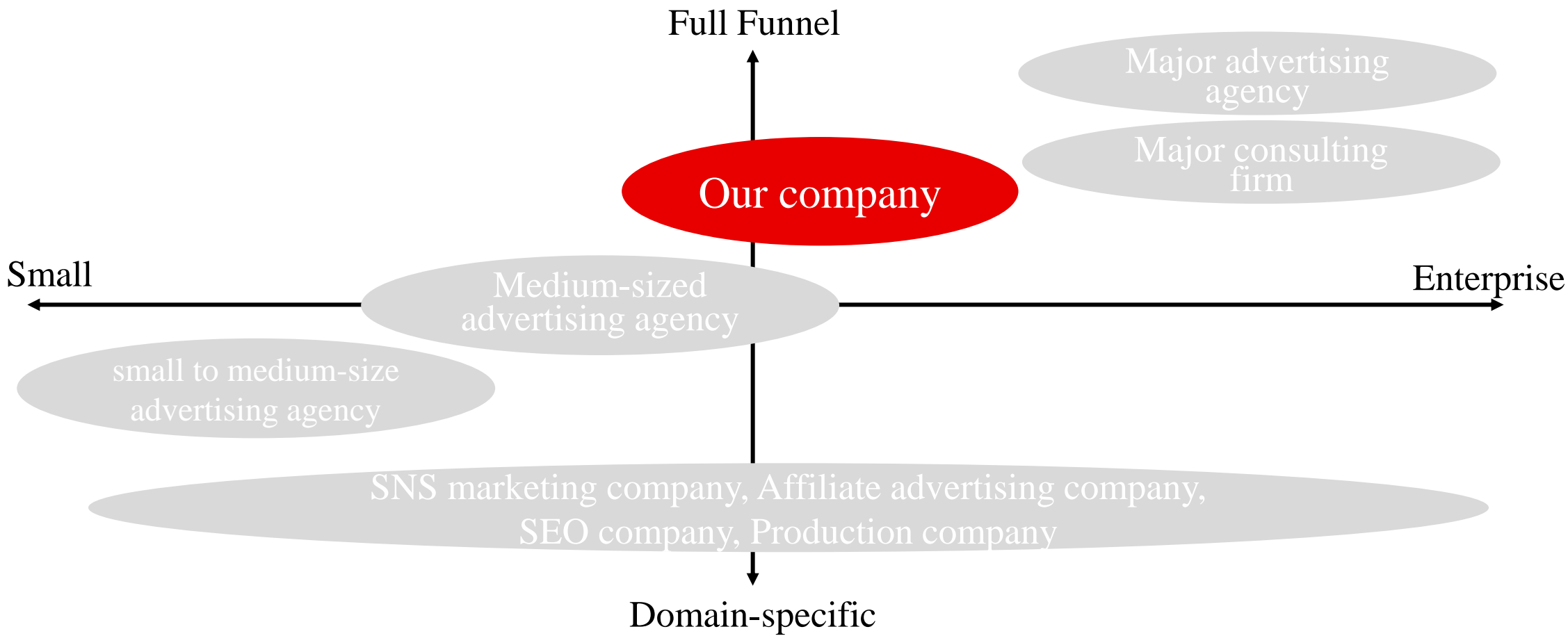
We support the optimization of the entire marketing process, from digital marketing strategy planning and proposal/execution to data analysis, and contribute to client customer acquisition and branding.



Positioning

Full Funnel × Mid-Market

By making a wealth of services available in-house, we provide consulting services for the entire digital marketing process, with all digital marketing initiatives as options (full funnel). The main target is the mid-market where major advertising agencies do not enter.

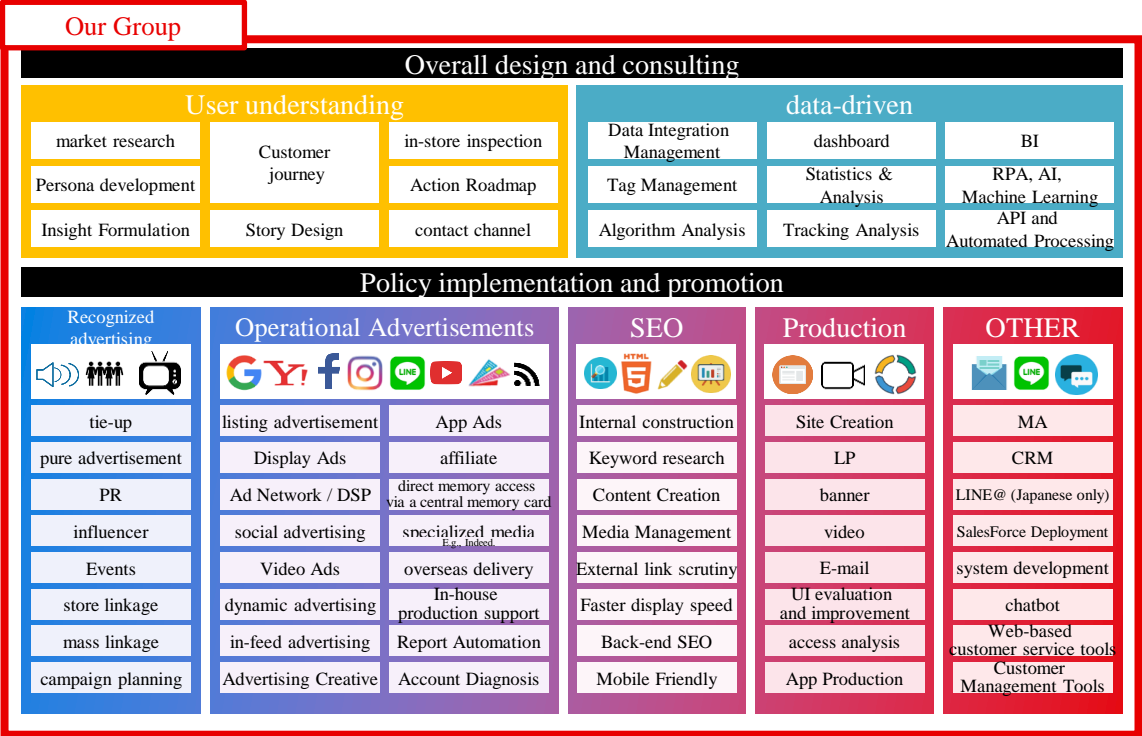


Strengths and Features with Full Funnel

Against the backdrop of digital marketing technology that is evolving day by day, the sophistication and complexity of customer needs is becoming more pronounced. In addition to high-quality services, there is a constant need for optimization of digital marketing strategies, as well as the implementation and review of flexible and agile measures. Our group has built a system that makes use of the strengths of the full funnel to enable the planning and implementation of optimal, centrally managed digital marketing strategies. This enables the provision of high-value-added services that meet customer needs.

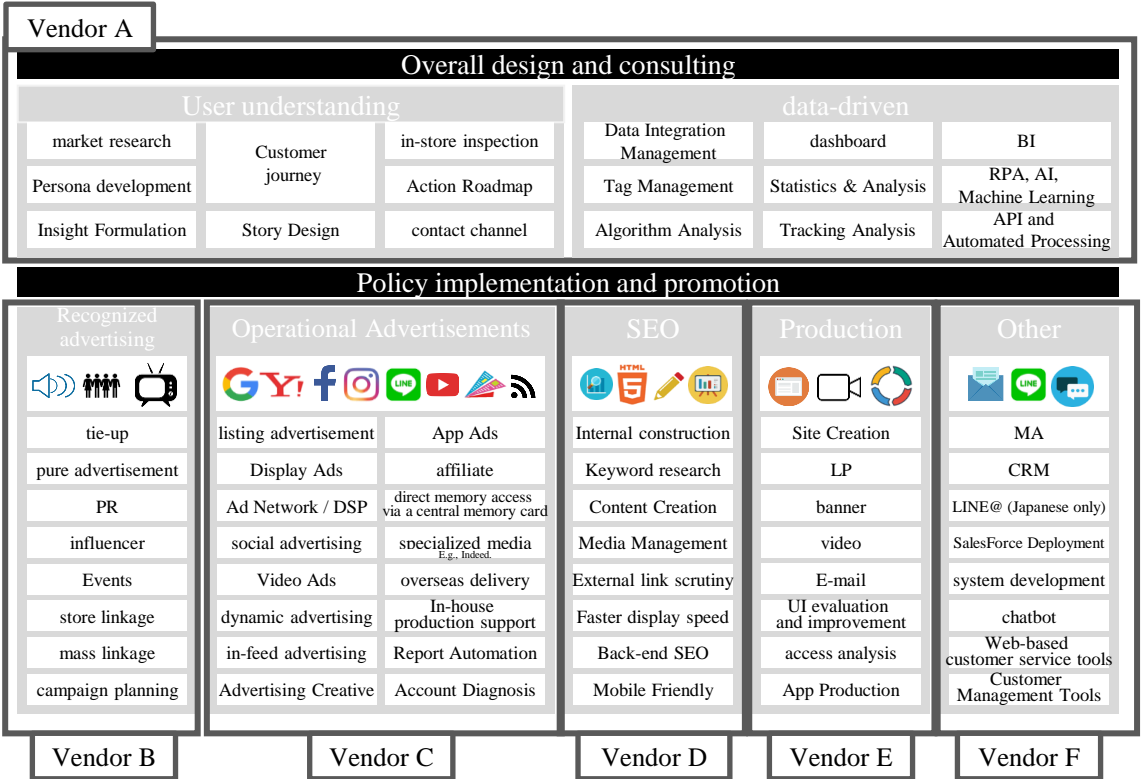
Full funnel

Capable of proposing and executing optimal digital marketing strategies centrally managed



Domain-specific

Vertical division by multiple vendors, reduced mobility, and intermediary margins



Most Recent Topic: Responding to generative AI

LLMO/AIO/AI Overviews Countermeasure Services Now Officially Available

We are launching a consulting support service to help businesses gain trust and credibility from generative AI through “LLMO (Large Language Model Optimization)/AIO (AI Optimization)/AI Overviews Countermeasure Services.”

With the widespread adoption of generative AI, users' search behaviors have undergone significant changes. Even if a website ranks highly in traditional SEO, there is a risk that the user will not find the desired information if the generative AI does not reference the company's content. As a result, many companies are urgently seeking to adapt to the AI search era. Leveraging over 15 years of experience and expertise in SEO, having supported over 1,000 companies, we are well-positioned to provide optimal support for LLMO as well.

 Digital Identity

LLMO/AIO/AI Overviews対策

サービス提供開始

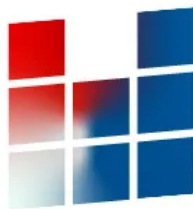
AI検索最適化で
AIにも人にも選ばれる情報発信を

Most Recent Topic: Acquired LINE Yahoo certification badge

Our company has obtained LINE Yahoo's 2025 first half certification badges, “Ads Operation Badge/Ads Policy Badge Yahoo! Ads Search Ads.”

LINE Yahoo Corporation has awarded the “Sales Partner” certification badge for the 2025 fiscal year as part of its “LINE Yahoo Partner Program,” which recognizes partners specializing in various fields such as the implementation and support of marketing solutions provided by LINE Yahoo Corporation.

Going forward, we will continue to contribute to the growth of the digital marketing market and support our clients' marketing efforts.



Digital Identity



Yahoo! 広告 検索広告

Digital Transformation (DX) Business



* Only listed main businesses



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Digital Transformation (DX) Business

Listed with
Growth Market



Sharing Innovations

VES
validation engineering service



JTPRO Corporation

K H W A Y z

Others



R-Stone.co.,ltd.

TechReach
テックリーチ



Summary

Providing value that goes beyond mere "implementation support" to maximize IT and digital performance after implementation

Client

In companies and organizations
Major issues related to IT and digital utilization

Achieve business and operational efficiencies through the use of digital technology

Cloud computing of various systems and tools

Promote the use of AI, including generative AI

Improvement and promotion of data utilization environment for data-driven management

Quality assurance and improvement in software application of products and services

Development efficiency for IT and digital implementation

Enhanced security in conjunction with digital utilization

Study on introduction and utilization of advanced technology

Secure and train professional digital human resources


Securing financial resources and budgets

Fostering a culture of digital utilization

Not just IT and digital implementation,
Failure to maximize utilization performance
(Not fully exploiting potential)




Supporter of "maximizing IT and digital performance"



Sharing Innovations

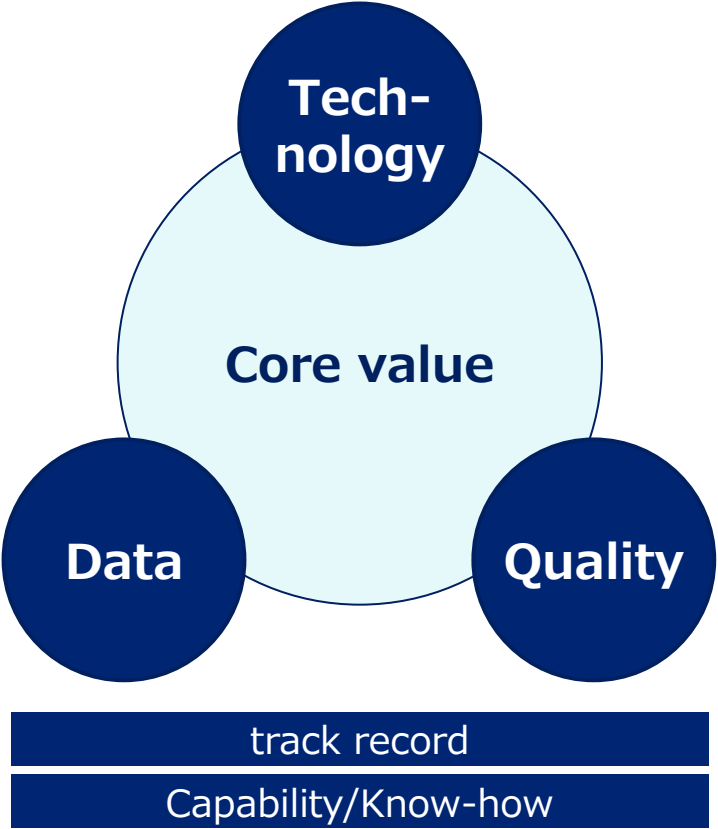
Cloud Data Utilization Specialists in

- Specialized group focused on IT and digital implementation
- R&D is also involved in the early trial and deployment of cutting-edge technologies.
- Strong support not only for implementation but also for the provision of IT personnel



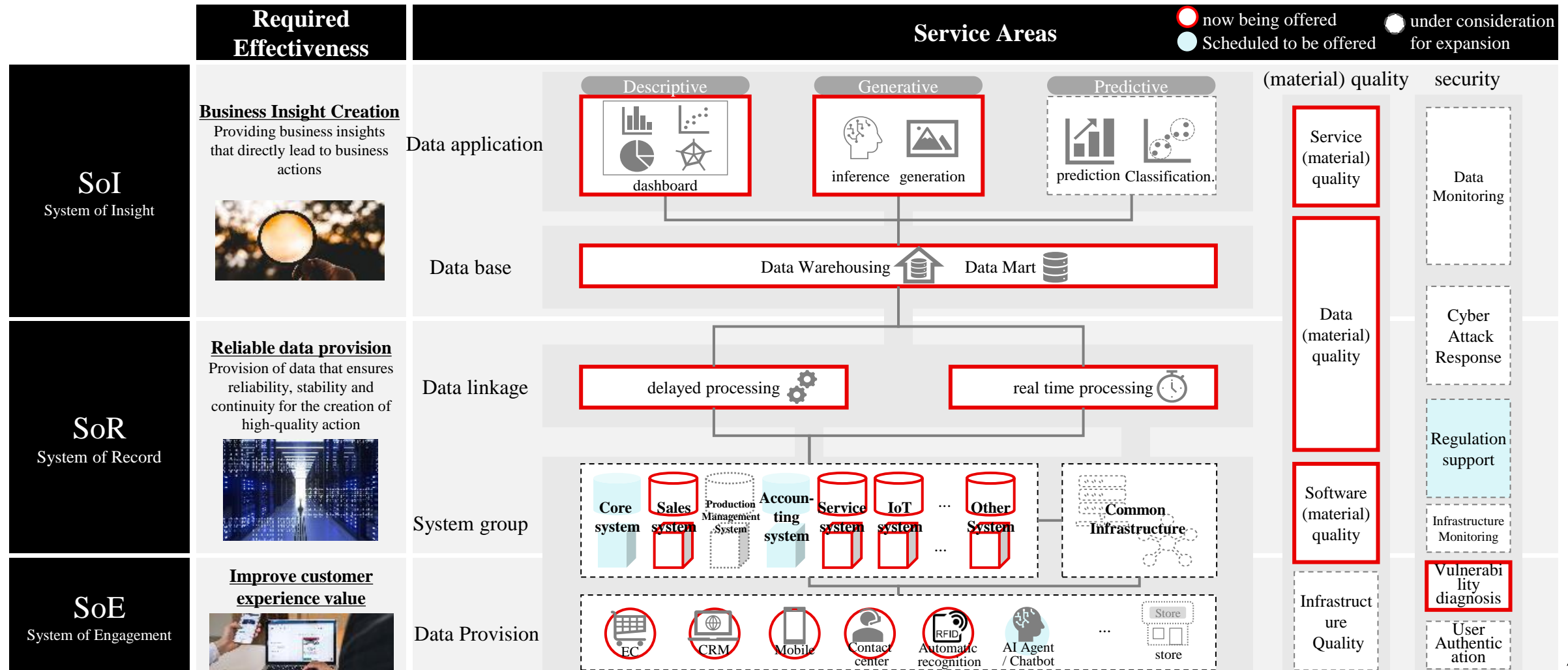
software quality Specialists in

- A group of quality experts in software utilization
- Leading the use of advanced technology to improve software quality
- Comprehensive coverage of security and other peripheral topics



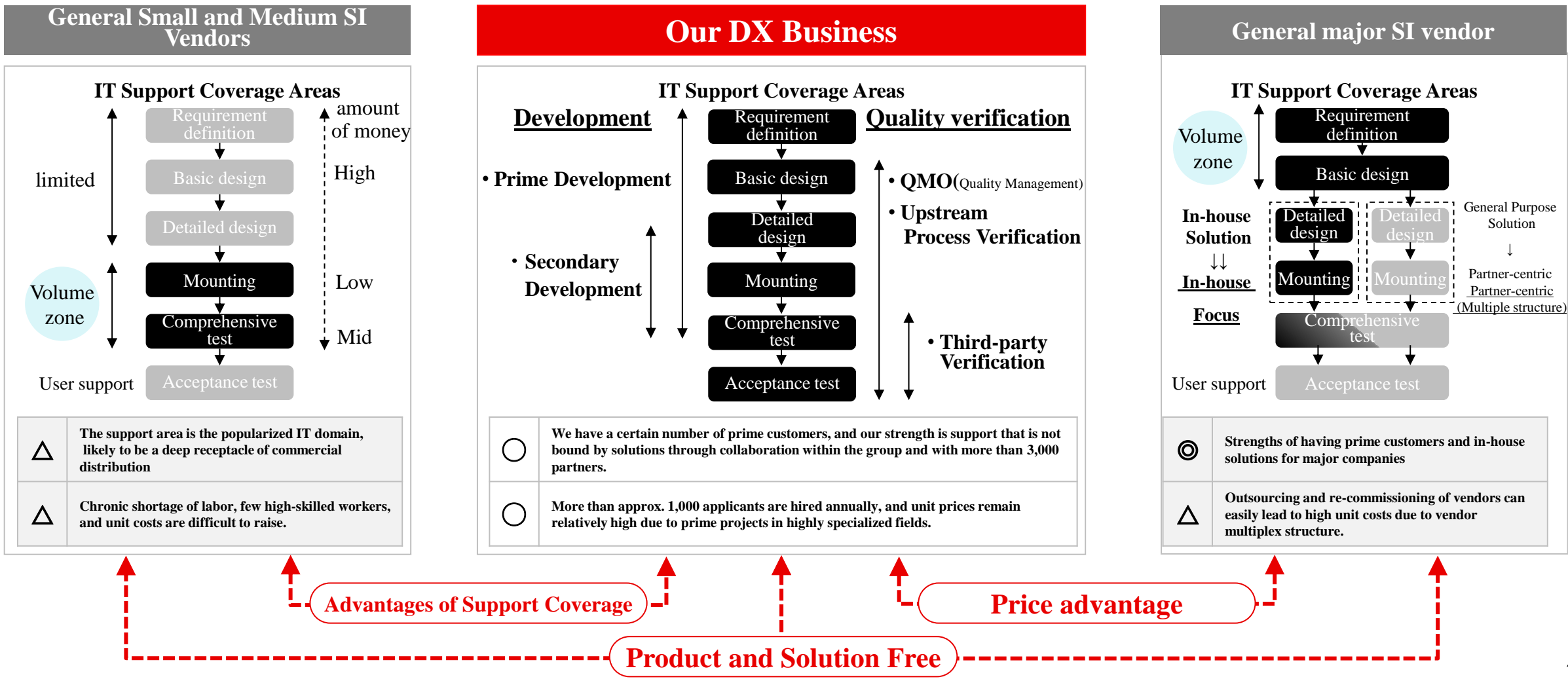
Business Model

Promoting problem-solving support centered on system and software implementation and data utilization support. Aiming to expand coverage with an eye on partner collaboration and M&A in the future, in addition to in-house services.



Strengths and characteristics compared to competitors

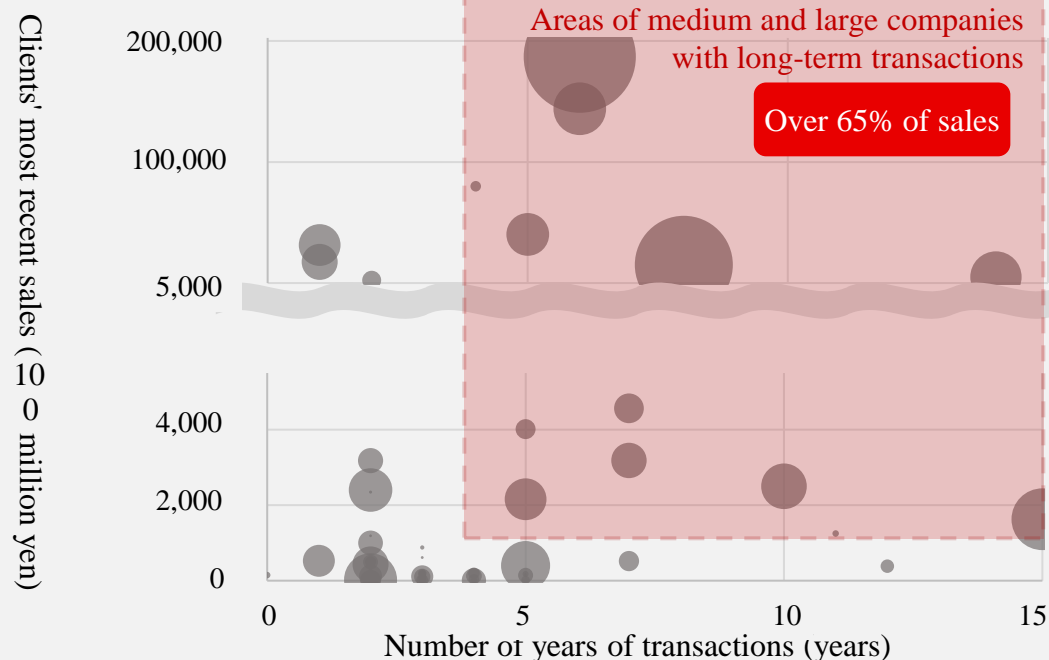
It has a price advantage over major vendors and a support range advantage over small and medium-sized vendors, and it is easy for customers to choose it because of these advantages. It is also easy for other companies in the same industry to collaborate with it because of these advantages.



Client Demographics, Industry

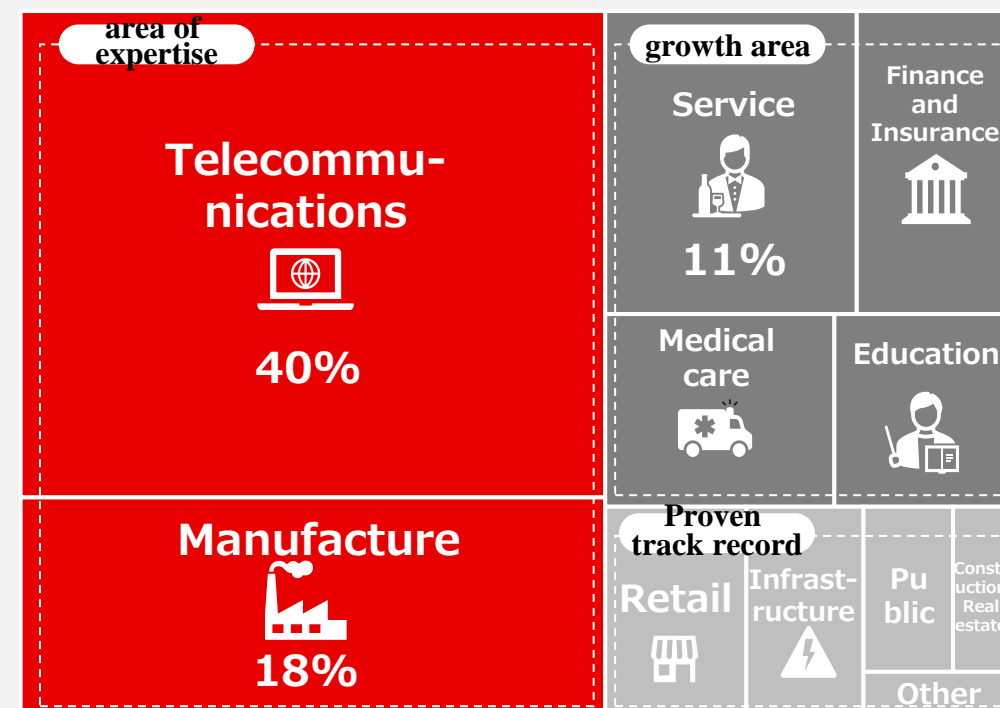
Responding to a wide range of client needs through a solid client base and a proven track record in services for the information and telecommunications and manufacturing industries, with medium- to large-sized companies with a track record of medium- to long-term transactions (5 years or more) as the main client base

client layer



- **60% of sales are** from corporate clients with **sales of 100 billion yen** or more.
- **Of the top 200 clients, approximately 20% have been doing business with us for 5 years or longer.**
Strong client base

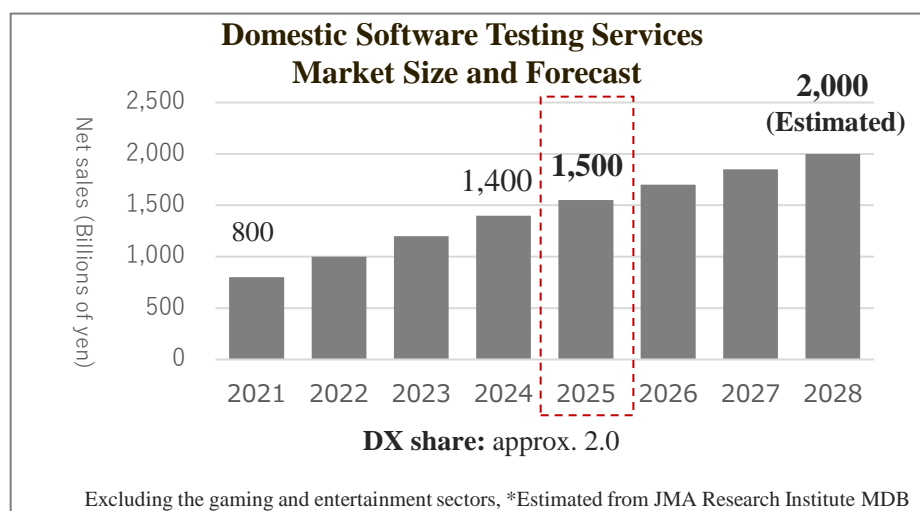
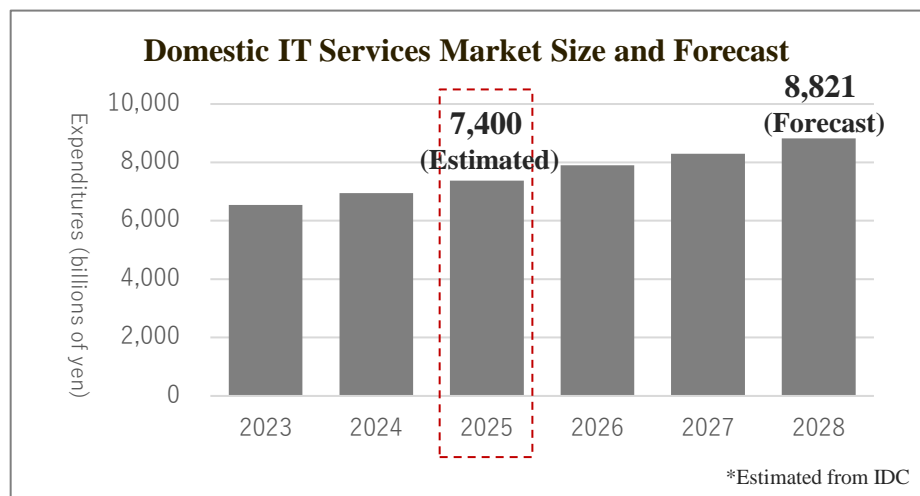
type of industry



- **Information and communication and manufacturing industries** account for **58%** of the **total**, and are the main industries in terms of revenue
- Especially **in the manufacturing industry, there are many industry-specific service achievements**, and industries to be strengthened in the future

Market Environment

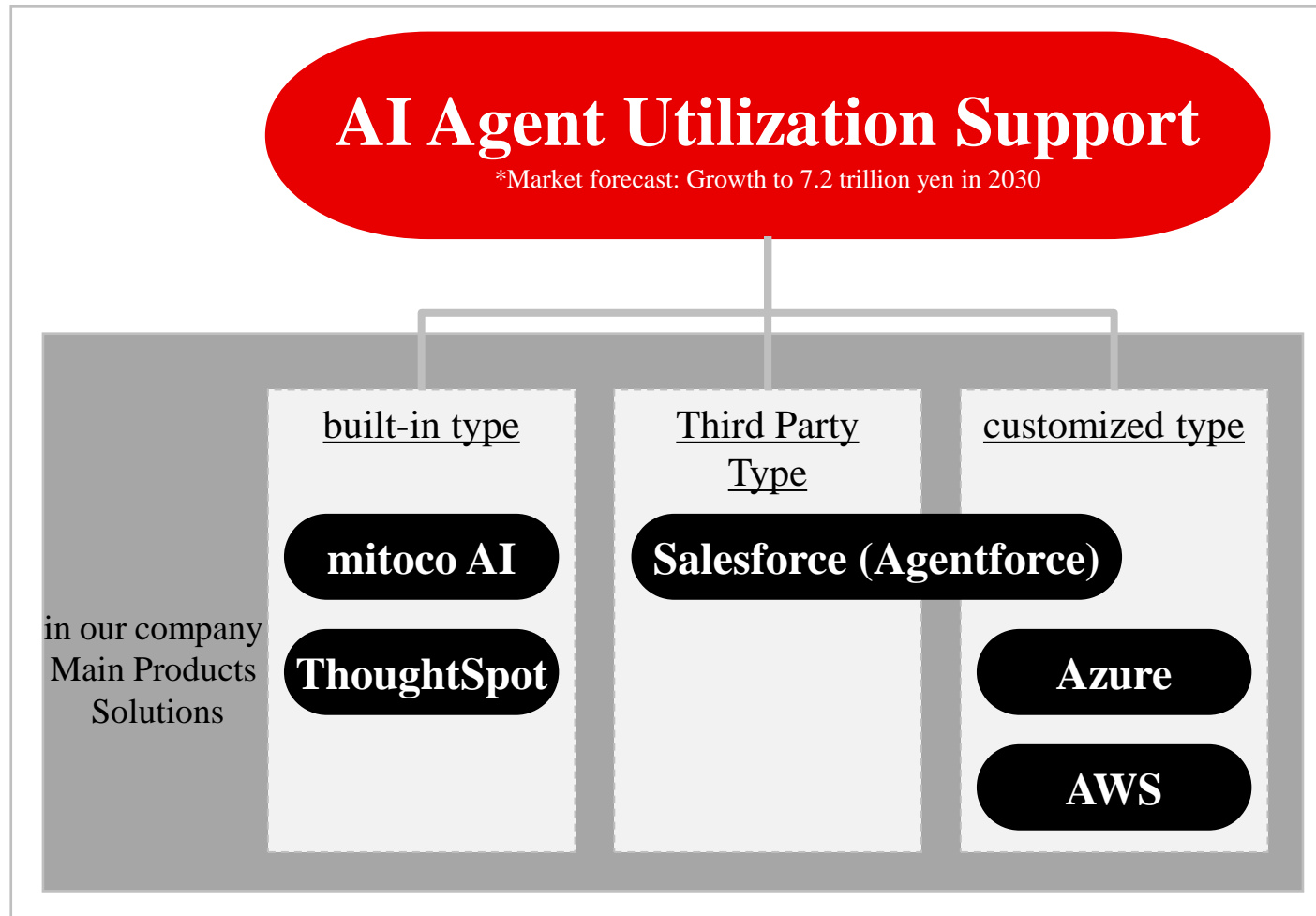
While the use of generative AI is expected to accelerate in the IT and digital market in 2025, the systems (DX) and software-related markets, which are the focus of our Group's DX business, will remain strong.



	Category	Summary	Market	Fit feel.
Whole Atten- -tion area	Software Development Market	<ul style="list-style-type: none"> Projected to expand to 7,328.7 billion in 2028 at a CAGR of 9.4%. By category, AI-related, data management, and security markets are expected to drive the domestic market. Demand for system renewal is expected to continue as the "2025 cliff" has passed the peak of special demand for legal revisions. 		
	DX Market	<ul style="list-style-type: none"> Expected to double from 2023 to 8.35 trillion yen by 2030 at a CAGR of 10.4%. Transportation/transportation/logistics, manufacturing, finance, medical care/nursing care, and local government, in that order. Areas of focus for companies are No Code > Talent Management > Electronic Decision Making/Contracts 		
	Embedded Software Development Market	<ul style="list-style-type: none"> CAGR of 5.3% from 2022 to 2027, expected to expand to 1.4 trillion yen in 2027 Market growth is expected to continue in the automotive and medical industries, as 5G usage is expected to grow. Intensifying competition for contracts with overseas developers 		
	Medical System and Device Development Market	<ul style="list-style-type: none"> Medical system development 2023~2026 CAGR is 0.6%, 500 billion yen scale Japan lags behind other countries and has room to grow, but there are concerns about its competitiveness. Growth rate is stagnant due to the introduction of electronic medical records, but expect to see medical DX such as miner insurance cards. 		
	In-vehicle Software (the) market (as a concept)	<ul style="list-style-type: none"> Projected to expand to 1 trillion yen in 2030 at a CAGR of 7.5% from 2024~2030 Projected increase in demand for automated driving software, sensors, and development simulations In 2024, the certification fraud problem will cause a ¥244.0 billion hit, including in related industries. 		
	Cyber Security Market	<ul style="list-style-type: none"> Exceeding 1 trillion yen in 2024, CAGR 7.2% forecast for 2022~2027 Scale of services is SOC > consulting > diagnostics, in that order. Active cyber legislation will also be focused on; zero-trust will become mainstream. 		
	AI-related markets	<ul style="list-style-type: none"> Projected to expand to 2,543.3 billion yen in 2028 at a CAGR of 29.9% from 2023~28 Scale of generated AI services is Finance, Banking, and Insurance > Healthcare > Consumer The development of AI is also expected to accelerate the development of virtual space (metaverse digital twin), robotics, and automated driving 		

Most Recent Topic: AI Agents

We have begun work in the "AI agent" area, the latest technology. Aiming to build a new revenue base by flexibly responding to rapidly changing market trends and leveraging the high affinity with existing solutions.



Large synergy with existing services

Salesforce implementation support

Areas of high synergy, as they require the use of traditional Salesforce core products (Salescloud, Servicecloud, etc.)

Data Infrastructure Solutions

Areas of high synergy as support is needed to build data infrastructure (e.g. Snowflake) for data utilization

Software Third-Party Verification

Area of great synergy, given the growing use of generative AI in test design and the high need for automation.

Other Businesses



* Only listed main businesses



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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 with
Growth Market



Sharing Innovations



JTPRO Corporation



Others



Business Overview

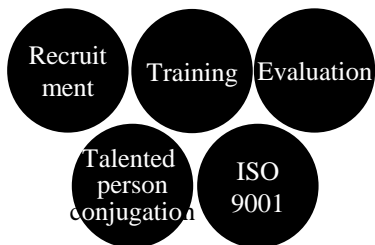
Developing new core and stable profitable businesses by leveraging the Group's foundation

*Major businesses within the Other Businesses segment

SaaS Business



- ✓ SaaS-based skills management system
- ✓ Skills management and training supported by the latest technology



- ✓ Adoption is accelerating in major manufacturing companies

Advance Investment Phase

Game Development Business



- ✓ We handle game planning, development and operation regardless of platform.
- ✓ We have entered the DX field by utilizing the UI and UX knowledge we have cultivated through game development.
- ✓ We handle everything from planning, development, operation and sales promotion to strengthen corporate branding using Roblox*.

(Metaverse × Marketing Field)

*A powerful metaverse platform used by approximately 80 million people worldwide every day.

Business expansion phase

IT Human Resources Business



- ✓ R-stone, a job placement agency specializing in IT engineers and creators, joined the company through an M&A in FY2021.
- ✓ Operates "TechReach", a project and job information site for freelance engineers

Business expansion phase

Platform Business

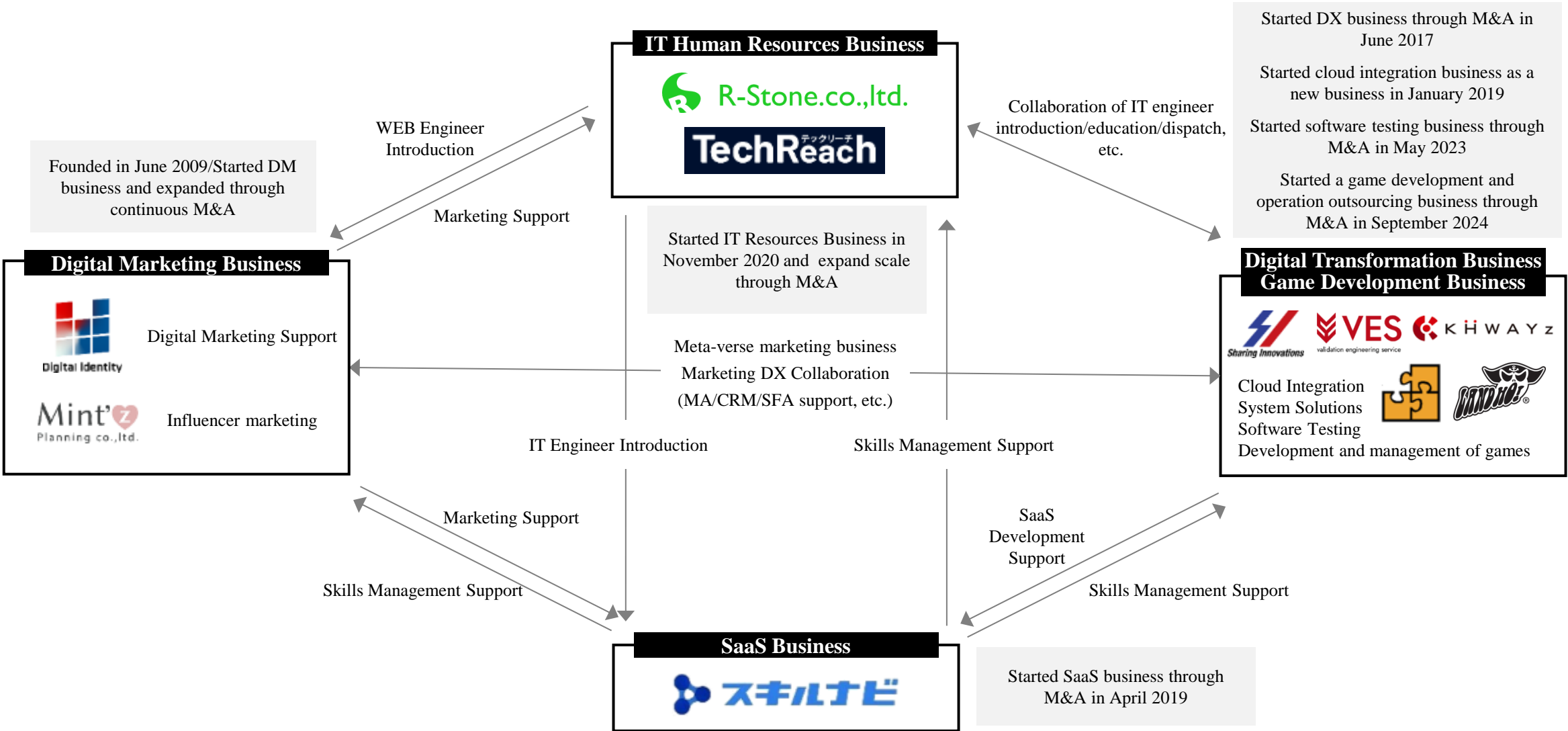


- ✓ A fortune-telling service that allows you to chat with over 1,000 fortune-tellers on your iPhone or Android.
- ✓ You can also consult by phone or email.

Stable Profitability Phase

Business Synergies

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



Corporate Venture Capital Investments

Five investees achieved IPO on the Tokyo Stock Exchange

IPO July 2020	IPO Nov. 2020	IPO Dec. 2020	IPO Sept. 2021	IPO Mar. 2022		
 <p>BRANDING ENGINEER</p>	 <p>GEO CODE</p>	 <p>cello</p>	 <p>ROBOT PAYMENT</p>	 <p>Mental Health Technologies</p>	 <p>OZVISION</p>	 <p>NEXT ONE</p>
HR	Marketing	Fraudulent order detection	Payments	Health care	Point mall	Electricity retailing
 <p>WCS</p>	 <p>Concierge U</p>	 <p>firstcard</p>	 <p>Canly</p>	 <p>W WealthPark</p>	 <p>coNoc</p>	 <p>CBT</p>
Cosplay	AI	Fintech	MEO	Real estate	Con-tech	Project Management
 <p>LiveSmart</p>	 <p>BEAUTY DOORS</p>	 <p>Fourth Valley</p>	 <p>Mealthy</p>	 <p>attuned</p>		
Smart homes	P2C	HR	Health care	HR		



05 Growth Strategies

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

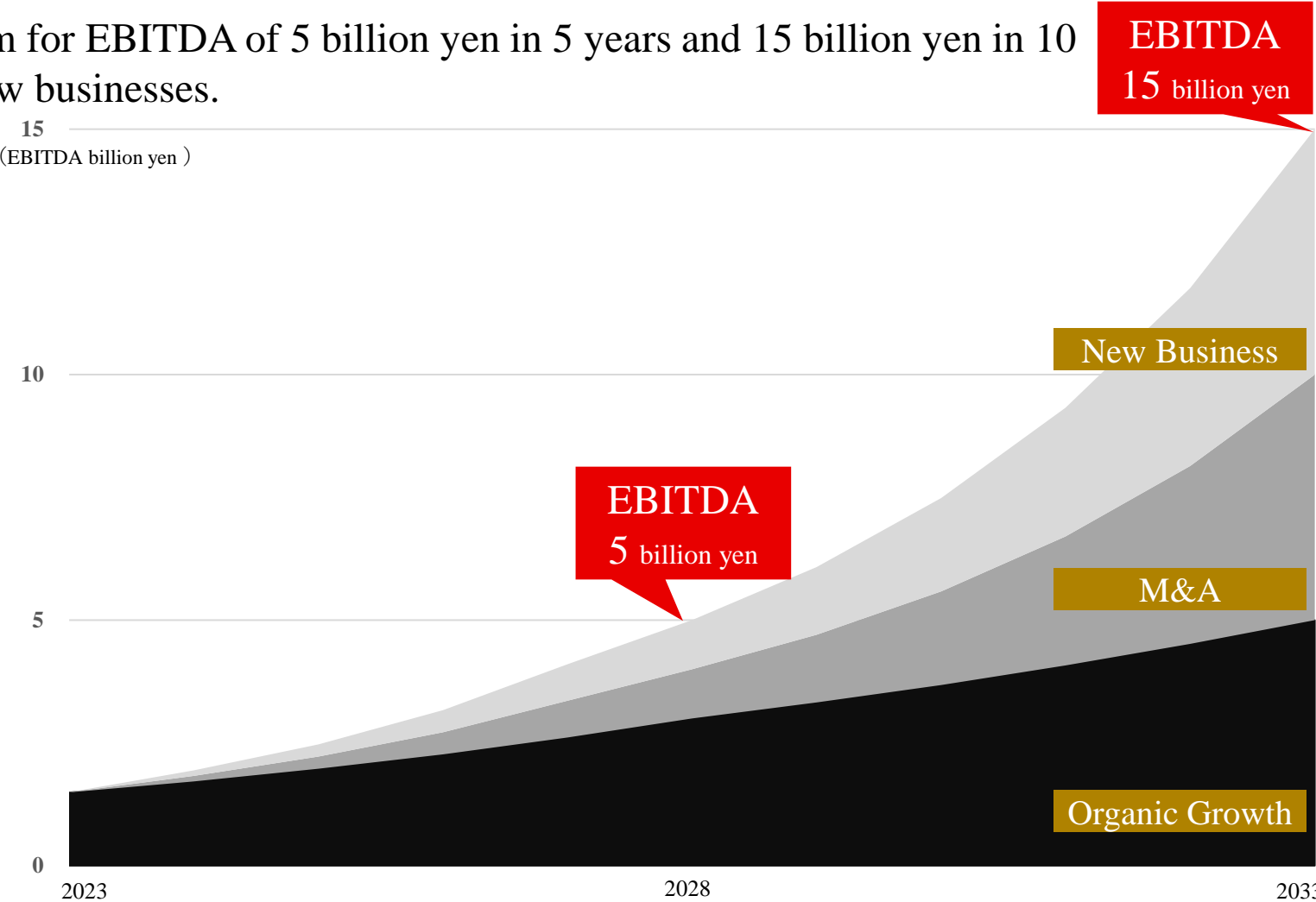
Organic growth in two main businesses

Digital Marketing Business

Steadily capture market growth and drive overall growth

Digital Transformation Business

After undergoing structural reform, Sharing Innovations is on track for increased revenue and profits.
VES, Inc.'s software testing business aims to grow to sales of 10 billion yen by FY2028.



Growth Strategy

Strength

01

Compete in a growing market

Strength

02

Active utilizations of M&A

Strength

03

Cultivate new business

Growth Strategy: Compete in a growing market

Developing business in a growing market with favorable macroeconomic conditions

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 11.1%** in 2024 ^{*5}

^{*5} Source: Dentsu Inc. "2024 Advertising Expenditures in Japan"

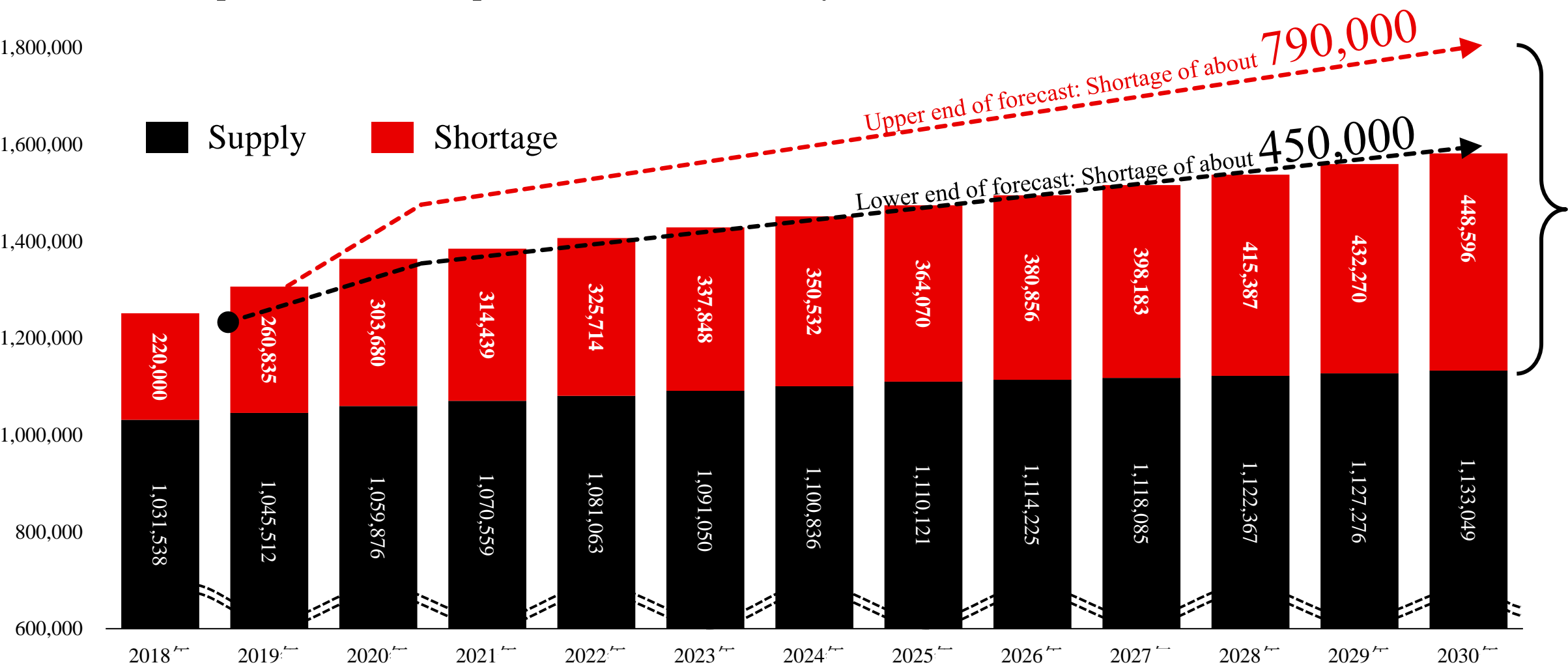
Growth Strategy: Compete in a growing market

/ 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



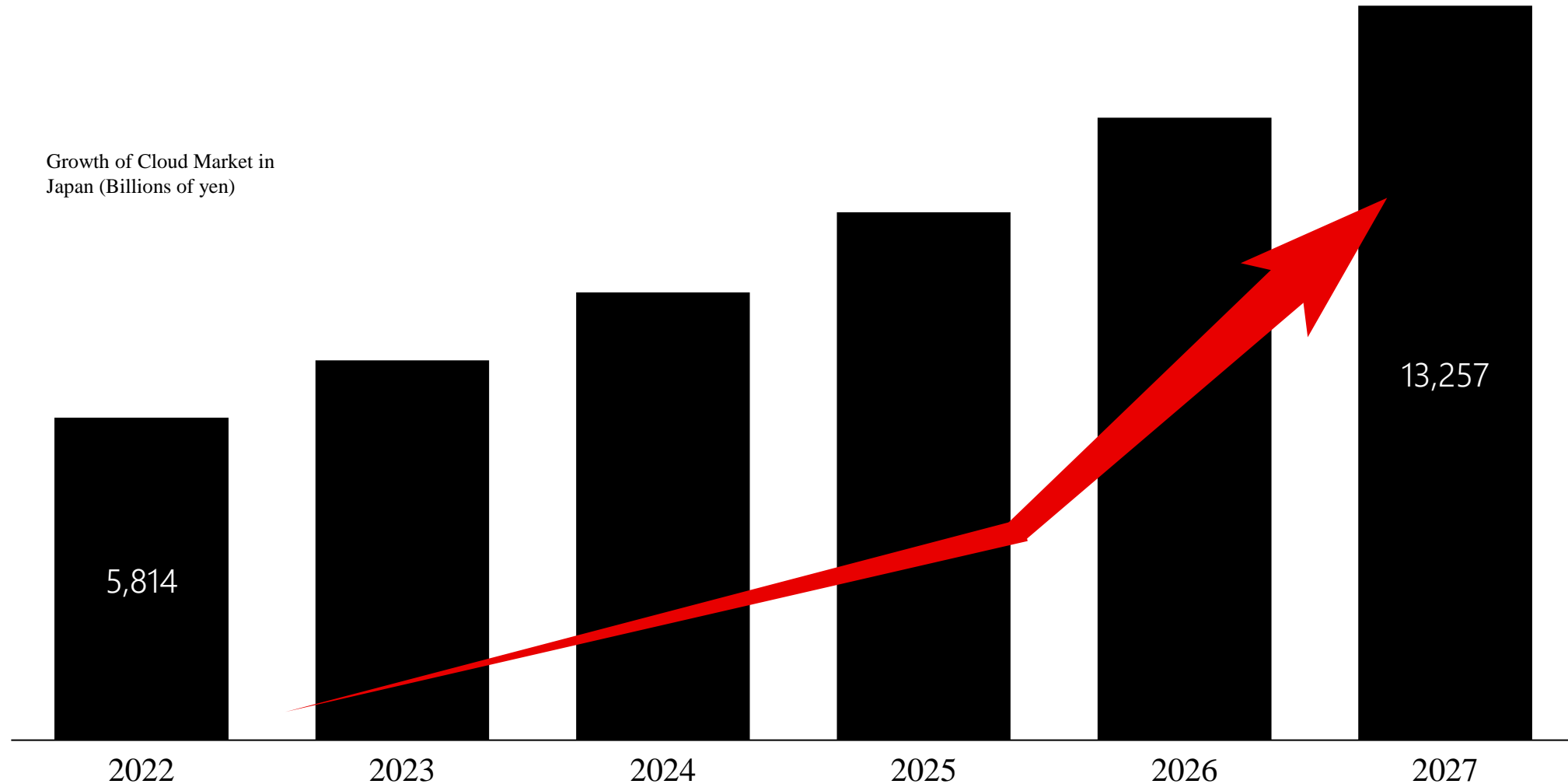
Source: "IT Personnel Supply and Demand Survey" conducted for the Ministry of Economy, Trade and Industry

Growth Strategy: Compete in a growing market

/ Growth of the Cloud Market in Japan

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

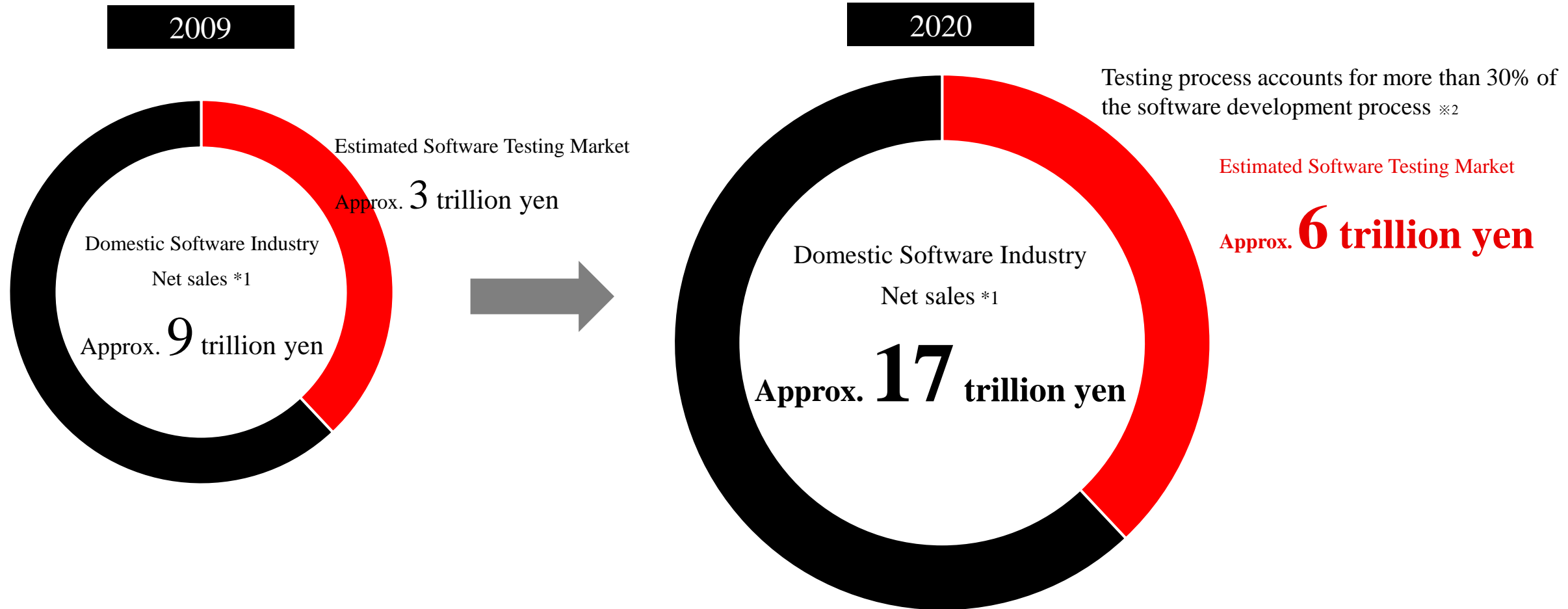
The market size in 2027 is projected to be 13,257 billion yen, 2.3 times larger than in 2022.



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

Growth Strategy: Compete in a growing market / 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」

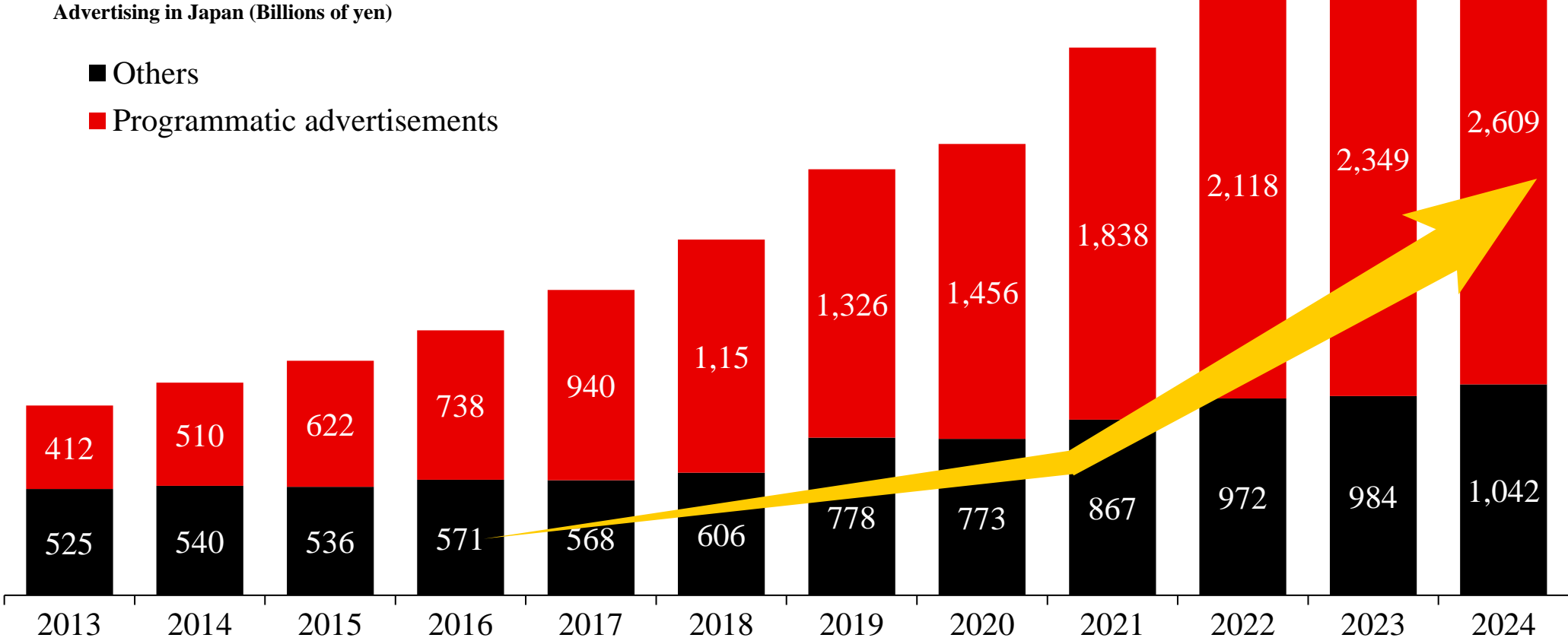
*2 Source: IPA 「Software Development Data White Paper」 Refer to the percentage of the 5 development processes in the new development, including the integration test and comprehensive test processes.

Growth Strategy: Compete in a growing market

/ 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 11.1% YonY.



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

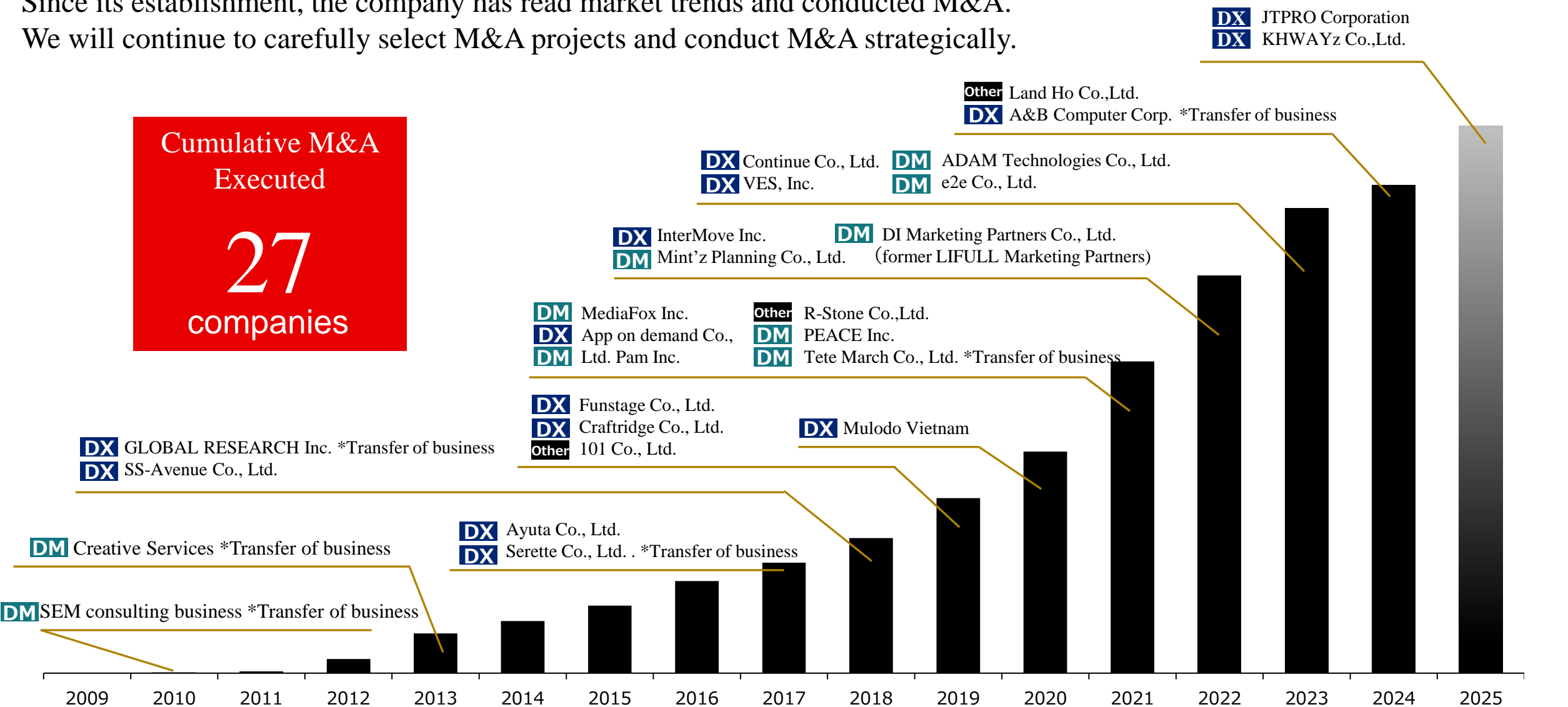
Growth Strategy: Active utilizations of M&A



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

27
companies



Growth Strategy: Active utilizations of M&A



JTPRO Corporation, a software development company, joins the group.

Outline of the M&A and JTPRO Corporation

Outline of Transaction	Shares acquired	100% of the shares of JTPRO Corporation
	Contract date	December 26, 2024
	Date of share acquisition	January 30, 2025
	Acquisition company	VES, Inc.
	Acquisition cost	Approx. 1.05 billion yen (including advisory fees, etc.)
	Impact on business	After adjustments, operating income is expected to exceed the amortization of goodwill amortization, and will be a factor in increasing operating income in the next fiscal year. The start of P/L incorporation is scheduled for 1Q of FY2025.

Outline of the Subject Company	Company name	JTPRO Corporation Corporation
	Established	June 28, 2006
	Business description	Software development business
	Number of employees	Approx. 130
	Performance	Net sales: Approx. 800 million yen (Fiscal year ending March 2024)

Group Synergies	<ul style="list-style-type: none">• By utilizing VES, Inc.'s customer base and switching the target company's second-tier and lower-tier projects to prime projects, the company expects to see a significant improvement in its profit margin.• Accelerating growth through the sharing of resources within the group (recruitment and training systems, corporate functions, etc.)
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Growth Strategy: Active utilizations of M&A













KHWAYz Co.,Ltd., a provider of automatic recognition solutions such as RFID, joins the group.

Outline of the M&A and KHWAYz Co.,Ltd.

Outline of Transaction	Shares acquired	100% of KHWAYz Co.,Ltd.
	Contract date	February 25, 2025
	Date of share acquisition	February 26, 2025
	Acquisition company	VES, Inc.
	Impact on business	Adjusted operating income (normal income) is expected to exceed goodwill amortization, resulting in an increase in operating income for the current fiscal year. The impact on the P/L will begin in March 2025.
Outline of the Subject Company	Company name	KHWAYz Co.,Ltd.
	Established	February 18, 2010
	Business description	Automatic recognition solutions
	Number of employees	Approx. 30
	Performance	Net sales: Approx. 500 million yen (Fiscal year ending December 2023)
Group Synergies	• Expansion of the IoT system domain in the DX business will broaden the range of proposals and lead to new sales opportunities.	
	• Sales in the DX business will increase through the sharing of the Group's customer base and resources.	
	• KHWAYz Co.,Ltd. will be able to accept orders that were previously turned down due to a lack of resources or outsourced.	
	• Growth will be accelerated through the sharing of all resources within the Group (recruitment and training systems, corporate functions, etc.).	

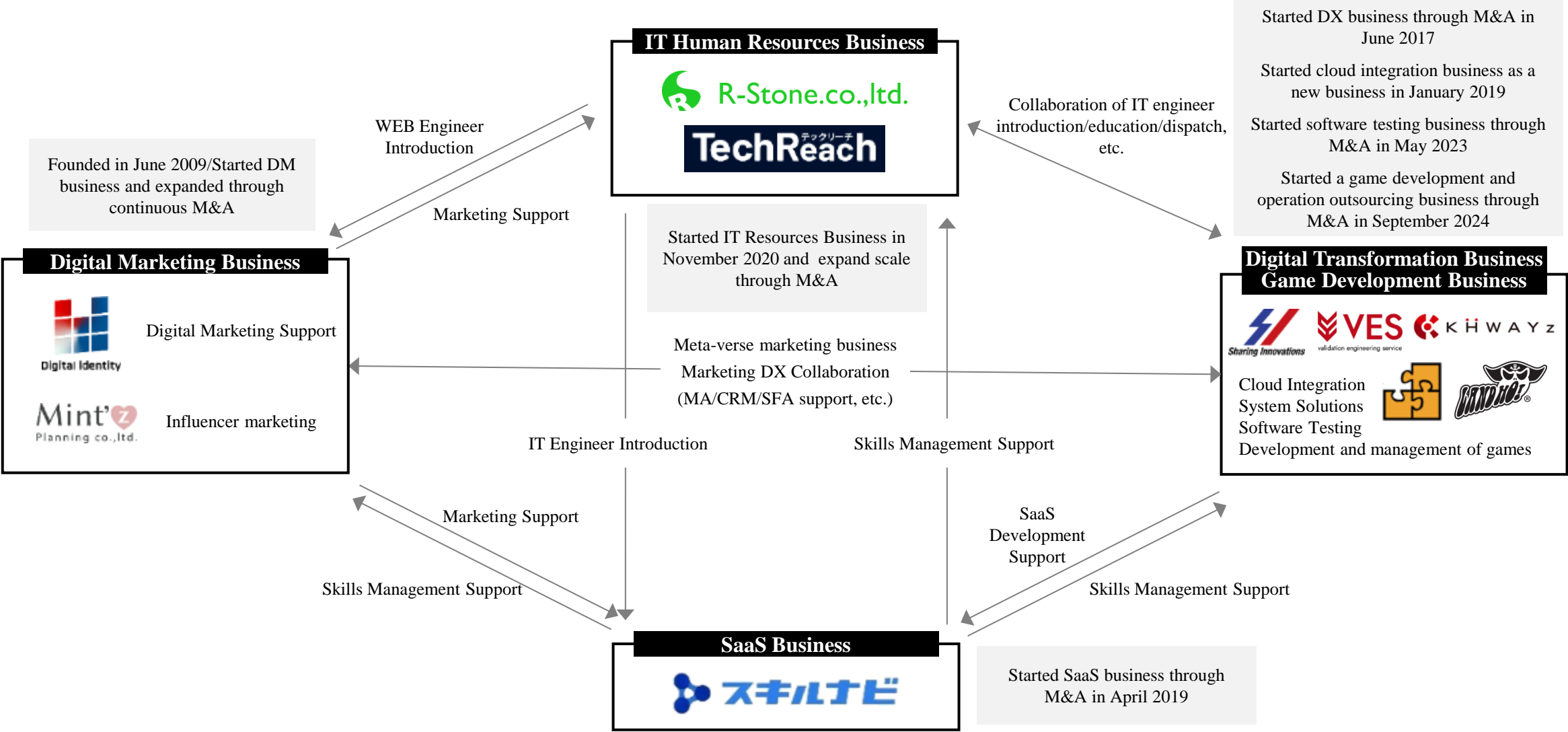
Growth Strategy: Active utilizations of M&A

Accelerate the growth of the DX business by sharing customer bases, recruitment and training know-how, and development and sales resources. Approximately 130 employees, mainly engineers, will join the company through the participation of JTPRO Corporation in the group. Expand the IoT domain in system solutions through the participation of KHWAYz Co.,Ltd. in the group.

Segment	Area	Track record	M&A Objectives	Market scale
Digital Marketing	AD/SEO creative SNS Marketing Started June 2009	    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
Others	Game Development Starts in Sep 2024		Expansion of TAM (*4) (new entry into game development market) Create synergies with existing DX business	Approx. 2 trillion yen *5
DX	System Solutions Started June 2017	 	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	  *10 companies in the DX area M&A, integration	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		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

Growth Strategy: Cultivate new businesses

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



Vision

The Chain of Creation



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Thank You!