



Consolidated Financial Results for the Fiscal Year Ended December 31, 2024

[Japanese GAAP]

February 14, 2025

Company name: Orchestra Holdings Inc.

Listing: Tokyo Stock Exchange

Stock code: 6533

URL: <https://orchestra-hd.co.jp/>

Representative: Yoshiro Nakamura, President and Representative Director

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Scheduled date of Annual General Meeting of Shareholders:

March 26, 2025

Scheduled date of payment of dividend:

March 27, 2025

Scheduled date of filing of Annual Securities Report:

March 27, 2025

Preparation of supplementary materials for financial results:

Yes

Holding of financial results meeting:

Yes (for analysts and institutional investors)

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for 2024 (January 1 to December 31, 2024)

(1) Consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
2024	14,036	15.9	1,326	9.4	801	4.7	783	0.9	331	(30.0)
2023	12,109	16.7	1,212	(24.1)	765	(43.3)	776	(44.5)	474	(44.5)

Note: Comprehensive income (millions of yen)

2024: 337 (down 12.0%) 2023: 383 (down 64.3%)

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit on total assets	Operating profit to net sales
	Yen	Yen	%	%	%
2024	33.80	33.72	5.9	6.1	5.7
2023	48.31	47.81	8.9	6.4	6.3

Reference: Equity in earnings of affiliates (millions of yen)

2024: -

2023: -

Note: EBITDA = Operating profit + Depreciation + Amortization of goodwill + Share-based payment expenses

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2024	12,821	6,125	44.3	583.66
As of Dec. 31, 2023	12,712	6,036	43.1	558.68

Reference: Shareholders' equity (millions of yen)

As of Dec. 31, 2024: 5,675

As of Dec. 31, 2023: 5,484

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
2024	1,121	(380)	(716)	3,302
2023	1,003	(2,000)	1,205	3,277

2. Dividends

	Dividends per share					Total dividends	Payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
2023	-	0.00	-	10.00	10.00	98	20.7	1.8
2024	-	0.00	-	11.00	11.00	106	32.5	1.9
2025 (forecast)	-	0.00	-	12.00	12.00		29.2	

3. Consolidated Forecast for 2025 (January 1 to December 31, 2025)

(Percentages represent year-on-year changes)

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	16,500	17.5	1,550	16.9	950	18.6	900	14.8	400	20.6	41.13

Note: Consolidated forecast for the first half of 2025 has not been disclosed.

*** Notes**

(1) Significant changes in scope of consolidation during the period: Yes

Newly added: 1 Name: Land Ho Co.,Ltd. Excluded: -

(2) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(3) Number of shares issued (common stock)

1) Number of shares issued at the end of the period (including treasury shares)

As of Dec. 31, 2024: 10,034,200 shares As of Dec. 31, 2023: 9,817,800 shares

2) Number of treasury shares at the end of the period

As of Dec. 31, 2024: 309,632 shares As of Dec. 31, 2023: 97 shares

3) Average number of shares during the period

2024: 9,814,941 shares 2023: 9,816,380 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for 2024 (January 1 to December 31, 2024)

(1) Non-consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
2024	1,151	8.0	57	(44.9)	46	(52.4)	(271)	-
2023	1,066	33.9	104	45.8	97	35.1	40	-

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
2024	(27.64)	-
2023	4.10	4.06

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2024	4,880	1,643	33.7	169.03
As of Dec. 31, 2023	5,011	2,163	40.3	205.74

Reference: Shareholders' equity (millions of yen) As of Dec. 31, 2024: 1,643 As of Dec. 31, 2023: 2,019

Reason for difference from previous year's non-consolidated financial results

Orchestra Holdings is a pure holding company, and its main business is to provide administrative services to its subsidiaries. In 2024, although the Company's net sales increased, operating profit and ordinary profit decreased from 2023 due to the optimization of a method for allocating management fee. Profit also decreased due to the recording of extraordinary losses in 2024, including a valuation loss of part of shares of some consolidated subsidiaries and a provision for allowance for doubtful accounts for receivables from subsidiaries.

* The current financial report is not subject to audit by certified public accountants or auditing firms.

* Cautionary statement with respect to forward-looking statements, and other special items

Forecasts of future performance in this document are based on assumption judged to be valid and information currently available to the Company's management, but are not promises by the Company regarding future performance. Actual results may differ materially from the forecasts for a number of reasons.

Consolidated Financial Statements and Notes**(1) Consolidated Balance Sheet**

	(Thousands of yen)	
	2023	2024
	(As of Dec. 31, 2023)	(As of Dec. 31, 2024)
Assets		
Current assets		
Cash and deposits	3,239,909	3,278,490
Notes and accounts receivable-trade, and contract assets	3,181,225	3,144,696
Work in process	13,117	11,913
Deposits paid	347,201	350,580
Other	385,198	343,577
Allowance for doubtful accounts	(21,157)	(484)
Total current assets	7,145,495	7,128,774
Non-current assets		
Property, plant and equipment		
Buildings, net	158,904	142,645
Land	332,434	143,580
Other, net	37,302	25,310
Total property, plant and equipment	528,641	311,536
Intangible assets		
Goodwill	3,566,706	3,788,815
Other	87,050	66,811
Total intangible assets	3,653,756	3,855,627
Investments and other assets		
Investment securities	943,495	970,629
Deferred tax assets	45,840	73,757
Other	404,163	489,771
Allowance for doubtful accounts	(8,411)	(8,411)
Total investments and other assets	1,385,087	1,525,747
Total non-current assets	5,567,486	5,692,911
Total assets	12,712,981	12,821,686

	(Thousands of yen)	
	2023	2024
	(As of Dec. 31, 2023)	(As of Dec. 31, 2024)
Liabilities		
Current liabilities		
Accounts payable-trade	2,081,407	1,965,285
Short-term borrowings	388,010	509,500
Current portion of long-term borrowings	516,293	526,782
Income taxes payable	240,380	315,572
Accrued consumption taxes	155,094	286,406
Other	1,020,390	1,093,118
Total current liabilities	4,401,575	4,696,665
Non-current liabilities		
Long-term borrowings	2,104,458	1,845,185
Other	170,215	153,839
Total non-current liabilities	2,274,673	1,999,024
Total liabilities	6,676,248	6,695,689
Net assets		
Shareholders' equity		
Share capital	207,431	354,060
Capital surplus	1,691,443	1,838,072
Retained earnings	3,276,890	3,510,465
Treasury shares	(102)	(300,043)
Total shareholders' equity	5,175,662	5,420,555
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	310,853	274,783
Foreign currency translation adjustment	(1,576)	(1,499)
Total accumulated other comprehensive income	309,276	273,284
Share acquisition rights	144,577	1,505
Non-controlling interests	407,216	448,652
Total net assets	6,036,733	6,125,996
Total liabilities and net assets	12,712,981	12,821,686

(2) Consolidated Statements of Income and Comprehensive Income**Consolidated Statement of Income**

(Thousands of yen)

	2023 (Jan. 1 – Dec. 31, 2023)	2024 (Jan. 1 – Dec. 31, 2024)
Net sales	12,109,488	14,036,930
Cost of sales	6,239,430	7,544,430
Gross profit	5,870,057	6,492,500
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	440,180	507,220
Salaries and allowances	1,974,417	2,189,378
Other	2,689,930	2,994,712
Total selling, general and administrative expenses	5,104,528	5,691,311
Operating profit	765,529	801,189
Non-operating income		
Interest and dividend income	223	299
Subsidy income	2,729	773
Rental income from real estate	31,762	15,735
Cashback income	12,840	11,644
Other	5,425	6,905
Total non-operating income	52,980	53,358
Non-operating expenses		
Interest expenses	18,691	24,211
Commission expenses	11,560	22,174
Depreciation	6,043	2,996
Other	5,695	3,502
Total non-operating expenses	41,990	52,885
Ordinary profit	776,520	783,662
Extraordinary income		
Gain on sale of investment securities	310,297	4,980
Gain on sale of non-current assets	10,713	13,119
Gain on reversal of share acquisition rights	-	27,027
Total extraordinary income	321,011	45,128
Extraordinary losses		
Loss on retirement of non-current assets	4,236	14,730
Impairment losses	125,287	1,939
Provision of allowance for doubtful accounts	29,524	-
Other	14,535	-
Total extraordinary losses	173,584	16,669
Profit before income taxes	923,946	812,120
Income taxes-current	407,976	449,978
Income taxes-deferred	38,770	(11,014)
Total income taxes	446,747	438,963
Profit	477,199	373,157
Profit attributable to non-controlling interests	2,978	41,404
Profit attributable to owners of parent	474,221	331,752

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	2023	2024
	(Jan. 1 – Dec. 31, 2023)	(Jan. 1 – Dec. 31, 2024)
Profit	477,199	373,157
Other comprehensive income		
Valuation difference on available-for-sale securities	(93,469)	(36,069)
Foreign currency translation adjustment	(566)	107
Total other comprehensive income	(94,035)	(35,961)
Comprehensive income	383,164	337,195
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	380,346	295,759
Comprehensive income attributable to non-controlling interests	2,817	41,435

(3) Consolidated Statement of Changes in Equity

2023 (Jan. 1 – Dec. 31, 2023)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	202,843	1,687,375	2,890,970	(102)	4,781,087
Changes during period					
Issuance of new shares-exercise of share acquisition rights	4,587	4,587			9,175
Dividends of surplus			(88,301)		(88,301)
Profit attributable to owners of parent			474,221		474,221
Change in ownership interest of parent due to transactions with non-controlling interests		(520)			(520)
Net changes in items other than shareholders' equity					-
Total changes during period	4,587	4,067	385,919	-	394,575
Balance at end of period	207,431	1,691,443	3,276,890	(102)	5,175,662

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	404,322	(1,173)	403,148	148,210	402,731	5,735,178
Changes during period						
Issuance of new shares-exercise of share acquisition rights			-			9,175
Dividends of surplus			-			(88,301)
Profit attributable to owners of parent			-			474,221
Change in ownership interest of parent due to transactions with non-controlling interests			-			(520)
Net changes in items other than shareholders' equity	(93,469)	(402)	(93,872)	(3,633)	4,485	(93,020)
Total changes during period	(93,469)	(402)	(93,872)	(3,633)	4,485	301,555
Balance at end of period	310,853	(1,576)	309,276	144,577	407,216	6,036,733

2024 (Jan. 1 – Dec. 31, 2024)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	207,431	1,691,443	3,276,890	(102)	5,175,662
Changes during period					
Issuance of new shares-exercise of share acquisition rights	146,629	146,629			293,258
Dividends of surplus			(98,177)		(98,177)
Profit attributable to owners of parent			331,752		331,752
Purchase of treasury shares				(299,941)	(299,941)
Change in ownership interest of parent due to transactions with non-controlling interests					-
Net changes in items other than shareholders' equity					-
Total changes during period	146,629	146,629	223,575	(299,941)	226,892
Balance at end of period	354,060	1,838,072	3,510,465	(300,043)	5,402,555

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	310,853	(1,576)	309,276	144,577	407,216	6,036,733
Changes during period						
Issuance of new shares-exercise of share acquisition rights			-			293,258
Dividends of surplus			-			(98,177)
Profit attributable to owners of parent			-			331,752
Purchase of treasury shares			-			(299,941)
Change in ownership interest of parent due to transactions with non-controlling interests			-			-
Net changes in items other than shareholders' equity	(36,069)	77	(35,992)	(143,071)	41,435	(137,628)
Total changes during period	(36,069)	77	(35,992)	(143,071)	41,435	89,263
Balance at end of period	274,783	(1,499)	273,284	1,505	448,652	6,125,996

(4) Consolidated Statement of Cash Flows

	(Thousands of yen)	
	2023	2024
	(Jan. 1 – Dec. 31, 2023)	(Jan. 1 – Dec. 31, 2024)
Cash flows from operating activities		
Profit before income taxes	923,946	812,120
Depreciation	64,303	67,566
Amortization of goodwill	388,534	460,344
Gain on sale of non-current assets	(10,713)	(13,119)
Loss on retirement of non-current assets	4,236	14,730
Loss (gain) on sale of investment securities	(310,297)	(4,980)
Impairment losses	125,287	1,939
Gain on reversal of share acquisition rights	-	(27,027)
Increase (decrease) in provision for bonuses	(50,642)	-
Increase (decrease) in allowance for doubtful accounts	25,082	(20,673)
Interest and dividend income	(223)	(299)
Interest expenses	18,691	24,211
Decrease (increase) in trade receivables, and contract assets	374,353	248,071
Decrease (increase) in inventories	6,553	1,089
Decrease (increase) in deposits paid	(41,500)	(16,574)
Decrease (increase) in other current assets	174,081	100,480
Increase (decrease) in trade payables	(376,987)	(151,042)
Increase (decrease) in accrued consumption taxes	(51,582)	109,837
Increase (decrease) in other current liabilities	(25,842)	(56,931)
Other, net	(6,733)	642
Subtotal	1,230,548	1,550,385
Interest and dividends received	223	299
Interest paid	(19,263)	(24,063)
Income taxes refund	405,621	29,580
Income taxes paid	(613,525)	(434,446)
Net cash provided by (used in) operating activities	1,003,604	1,121,755
Cash flows from investing activities		
Purchase of investment securities	(158,560)	(103,207)
Proceeds from sale of investment securities	331,324	24,974
Purchase of property, plant and equipment	(31,203)	(28,828)
Proceeds from sale of property, plant and equipment	132,618	244,486
Payments of leasehold and guarantee deposits	(28,414)	(53,648)
Proceeds from refund of leasehold and guarantee deposits	39,892	8,597
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(2,261,464)	(383,167)
Payments for acquisition of businesses	-	(85,000)
Other, net	(24,313)	(5,078)
Net cash provided by (used in) investing activities	(2,000,119)	(380,870)

	(Thousands of yen)	
	2023	2024
	(Jan. 1 – Dec. 31, 2023)	(Jan. 1 – Dec. 31, 2024)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	10	121,490
Proceeds from long-term borrowings	2,450,000	-
Repayments of long-term borrowings	(1,162,839)	(616,425)
Purchase of treasury shares	-	(300,840)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	5,542	177,214
Proceeds from share issuance to non-controlling shareholders	1,150	-
Dividends paid	(88,249)	(98,219)
Net cash provided by (used in) financing activities	1,205,613	(716,781)
Effect of exchange rate change on cash and cash equivalents	465	1,263
Net increase (decrease) in cash and cash equivalents	209,564	25,366
Cash and cash equivalents at beginning of period	3,067,509	3,277,073
Cash and cash equivalents at end of period	3,277,073	3,302,440

This financial report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.