This English translation is for reference purposes only. In the event a difference or inconsistency arises regarding the meaning herein, the original Japanese version shall prevail as the official version.

September 21, 2021

Company: Orchestra Holdings Inc.
Stock Code: TSE 6533
Representative: Yoshiro Nakamura, Representative Director, President
Contact: Naomi Iyogi, Director, CFO

Notice on Revisions to Earnings Forecast

Orchestra Holdings Inc. announced today that its board of directors has resolved a revision to the earnings forecast for the fiscal year ending December31, 2021, released on February 12, 2021, based on recent business performance.

1. Revisions to the earnings forecast for the fiscal year ending December 31, 2021
(January1 to December 31, 2021)

Million yen	Net sales	Operating Profit	Ordinary Profit	Profit attributable to owners of parent	Basic earnings per share
Previous Forecast (A)	14,200	870	865	540	55.16 yen
Revised Forecast (B)	15,620	1,131	1,124	702	71.69 yen
Difference (B - A)	1,420	261	259	162	-
Difference (%)	10.0	30.0	30.0	30.0	-
FY2020 Results	11,825	686	683	435	47.29 yen

2. Reasons of Revision

As the internet advertising market continues to grow, the digital marketing business received a larger volume of orders from existing customers as well as orders from new customers and accumulates profits which exceeds initial expectations.

In the digital transformation business, orders for Salesforce projects, which we are particularly focusing on, are performing well. In addition, recruitment and education activities progressed smoothly in the second quarter, so we were able to strengthen the development system at an early stage, and it is expected that the profit margin will improve more than expected.

In terms of SG&A expenses, approximately 128 million yen in stock compensation expenses related to the stock acquisition rights is scheduled to be recorded in the third quarter, which is reflected in the revised earnings forecast. This is because the consolidated operating profits expected to exceed 1 billion yen (excluding stock compensation expenses related to the stock acquisition rights), which is the condition for exercising performance-linked stock acquisition rights issued on May 30, 2019. Stock compensation expenses are expenses that do not involve cash expenditure.

As a result of the above, both sales and profits are expected to exceed the previous forecasts, so we will revise the fullyear consolidated earnings forecast upward.

※The above forecast are based on the information currently available to us and certain assumptions that we consider reasonable, however, please note that actual results may differ from these forecasts due to various factors.

End