



Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2022 (Three Months Ended March 31, 2022)

[Japanese GAAP]

May 13, 2022

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
 Contact: Naomi Iyogi, Director and CFO
 Tel: +81-3-6450-4307

Scheduled date of filing of Quarterly Report: May 13, 2022

Scheduled date of payment of dividend: -

Preparation of supplementary materials for quarterly financial results: Yes

Holding of quarterly financial results meeting: None

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

1. Consolidated Financial Results for the First Three Months of 2022 (January 1 to March 31, 2022)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended Mar. 31, 2022	2,464	-	525	43.7	530	40.9	291	18.3
Three months ended Mar. 31, 2021	3,778	32.1	365	63.9	376	69.6	245	80.1

Note: Comprehensive income (millions of yen) Three months ended Mar. 31, 2022: 480 (up 85.5%)

Three months ended Mar. 31, 2021: 259 (up 89.8%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended Mar. 31, 2022	29.71	29.08
Three months ended Mar. 31, 2021	25.12	25.04

Note: The Company has adopted "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the first quarter of the fiscal year ending December 31, 2022, and the figures for the three months ended March 31, 2022 are based on the application of the standard. The application of this standard has a significant impact on net sales, and it is not appropriate to compare it with the figures for the three months ended March 31, 2021. Accordingly, the year-on-year changes are not indicated.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Mar. 31, 2022	9,866	5,238	46.8
As of Dec. 31, 2021	10,560	4,945	40.9

Reference: Shareholders' equity (millions of yen) As of Mar. 31, 2022: 4,621 As of Dec. 31, 2021: 4,315

2. Dividends

	Dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
2021	-	0.00	-	8.00	8.00
2022	-	-	-	-	-
2022 (forecast)	-	0.00	-	9.00	9.00

Note: Revisions to the most recently announced dividend forecast: None

3. Consolidated Forecast for 2022 (January 1 to December 31, 2022)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	10,000	-	1,670	32.3	1,680	30.6	950	25.5	96.98

Note: Revisions to the latest consolidated forecast: None

Note: The Company has adopted "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the fiscal year ending December 31, 2022, and the forecasts are based on the application of the standard. The application of this standard has a significant impact on net sales, and it is not appropriate to compare it with the actual figures for the fiscal year ended December 2021. Accordingly, the year-on-year changes in net sales are not indicated. In accordance with the previous standard, for the fiscal year ending December 31, 2022, net sales were 21,000 million yen (up 26.2% year-on-year).

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in scope of consolidation): None

Newly added: - Excluded: -

(2) Application of special accounting methods for the presenting quarterly consolidated financial statements: None

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

1) Changes in accounting policies due to the revisions in accounting standards, others: Yes

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

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of shares issued (common stock)

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

As of Mar. 31, 2022:	9,796,000 shares	As of Dec. 31, 2021:	9,796,000 shares
----------------------	------------------	----------------------	------------------

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

As of Mar. 31, 2022:	97 shares	As of Dec. 31, 2021:	97 shares
----------------------	-----------	----------------------	-----------

3) Average number of shares during the period

Three months ended Mar. 31, 2022:	9,795,903 shares	Three months ended Mar. 31, 2021:	9,791,503 shares
-----------------------------------	------------------	-----------------------------------	------------------

* The current financial report is not subject to quarterly review 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.

2. Quarterly Consolidated Financial Statements and Notes**(1) Quarterly Consolidated Balance Sheet**

(Thousands of yen)

	2021 (As of Dec. 31, 2021)	First quarter of 2022 (As of Mar. 31, 2022)
Assets		
Current assets		
Cash and deposits	4,958,380	3,527,034
Notes and accounts receivable-trade, and contract assets	-	2,606,271
Notes and accounts receivable-trade	2,528,114	-
Work in process	26,445	21,130
Deposits paid	185,049	339,622
Other	158,625	200,384
Total current assets	<u>7,856,615</u>	<u>6,694,443</u>
Non-current assets		
Property, plant and equipment	619,624	632,229
Intangible assets		
Goodwill	1,139,962	1,282,785
Other	8,412	7,402
Total intangible assets	<u>1,148,375</u>	<u>1,290,187</u>
Investments and other assets	936,362	1,249,948
Total non-current assets	<u>2,704,362</u>	<u>3,172,365</u>
Total assets	<u>10,560,977</u>	<u>9,866,809</u>
Liabilities		
Current liabilities		
Accounts payable-trade	1,876,559	1,838,268
Short-term borrowings	-	90,000
Current portion of long-term borrowings	309,239	299,723
Income taxes payable	1,149,647	188,505
Accrued consumption taxes	279,957	167,038
Provision for bonuses	58,986	45,251
Other	586,403	593,562
Total current liabilities	<u>4,260,793</u>	<u>3,222,349</u>
Non-current liabilities		
Long-term borrowings	1,224,915	1,140,861
Other	129,413	264,648
Total non-current liabilities	<u>1,354,328</u>	<u>1,405,509</u>
Total liabilities	<u>5,615,122</u>	<u>4,627,859</u>
Net assets		
Shareholders' equity		
Share capital	194,637	194,637
Capital surplus	1,790,404	1,729,211
Retained earnings	2,115,627	2,328,272
Treasury shares	(102)	(102)
Total shareholders' equity	<u>4,100,567</u>	<u>4,252,018</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	214,892	370,295
Foreign currency translation adjustment	(332)	(743)
Total accumulated other comprehensive income	<u>214,560</u>	<u>369,551</u>
Share acquisition rights	154,486	154,682
Non-controlling interests	476,240	462,696
Total net assets	<u>4,945,855</u>	<u>5,238,949</u>
Total liabilities and net assets	<u>10,560,977</u>	<u>9,866,809</u>

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
(Quarterly Consolidated Statement of Income)
(For the Three-month Period)

(Thousands of yen)

	First three months of 2021 (Jan. 1 – Mar. 31, 2021)	First three months of 2022 (Jan. 1 – Mar. 31, 2022)
Net sales	3,778,889	2,464,845
Cost of sales	2,889,357	1,166,881
Gross profit	889,532	1,297,963
Selling, general and administrative expenses	524,155	772,905
Operating profit	365,377	525,058
Non-operating income		
Interest income	7	253
Subsidy income	6,736	200
Gain on adjustment of account payable	4,455	-
Rental income from real estate	-	8,768
Other	1,026	1,021
Total non-operating income	12,225	10,243
Non-operating expenses		
Interest expenses	658	1,060
Commission expenses	908	2,534
Depreciation	-	1,704
Total non-operating expenses	1,566	5,300
Ordinary profit	376,036	530,001
Profit before income taxes	376,036	530,001
Income taxes-current	125,224	175,994
Income taxes-deferred	5,232	28,206
Total income taxes	130,456	204,201
Profit	245,579	325,800
Profit (loss) attributable to non-controlling interests	(336)	34,788
Profit attributable to owners of parent	245,915	291,011

(Quarterly Consolidated Statement of Comprehensive Income)
(For the Three-month Period)

	(Thousands of yen)	
	First three months of 2021 (Jan. 1 – Mar. 31, 2021)	First three months of 2022 (Jan. 1 – Mar. 31, 2022)
Profit	245,579	325,800
Other comprehensive income		
Valuation difference on available-for-sale securities	13,818	155,402
Foreign currency translation adjustment	(293)	(567)
Total other comprehensive income	13,525	154,834
Comprehensive income	259,104	480,635
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	259,441	446,014
Comprehensive income attributable to non-controlling interests	(336)	34,620