



Consolidated Financial Results
for the Third Quarter of the Fiscal Year Ending December 31, 2023
(Nine Months Ended September 30, 2023)

[Japanese GAAP]

November 14, 2023

Company name: Orchestra Holdings Inc. Listing: Tokyo Stock Exchange
 Stock code: 6533 URL: <https://orchestra-hd.co.jp/>
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Scheduled date of filing of Quarterly Report: November 14, 2023

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 Nine Months of 2023 (January 1 to September 30, 2023)

(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	%
Nine months ended Sep. 30, 2023	8,853	18.1	529	(50.0)	539	(50.6)	277	(53.7)
Nine months ended Sep. 30, 2022	7,499	-	1,058	16.7	1,092	18.9	600	15.6

Note: Comprehensive income (millions of yen) Nine months ended Sep. 30, 2023: 262 (down 67.5%)
 Nine months ended Sep. 30, 2022: 807 (up 8.9%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended Sep. 30, 2023	28.29	27.96
Nine months ended Sep. 30, 2022	61.27	60.02

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 ended December 31, 2022. The year-on-year changes in net sales for this period are not shown.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Sep. 30, 2023	12,901	5,916	41.6
As of Dec. 31, 2022	11,410	5,735	45.4

Reference: Shareholders' equity (millions of yen) As of Sep. 30, 2023: 5,363 As of Dec. 31, 2022: 5,180

2. Dividends

	Dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
2022	-	0.00	-	9.00	9.00
2023	-	0.00	-	-	-
2023 (forecast)	-	-	-	10.00	10.00

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

3. Consolidated Forecast for 2023 (January 1 to December 31, 2023)

(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	11,500	10.8	1,150	(14.9)	1,150	(17.9)	705	(17.4)	71.81

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

*** Notes**

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

Newly added: -

Excluded: -

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

(3) 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

(4) Number of shares issued (common stock)

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

As of Sep. 30, 2023:	9,817,800 shares	As of Dec. 31, 2022:	9,811,400 shares
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2) Number of treasury shares at the end of the period

As of Sep. 30, 2023:	97 shares	As of Dec. 31, 2022:	97 shares
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3) Average number of shares during the period

Nine months ended Sep. 30, 2023:	9,815,934 shares	Nine months ended Sep. 30, 2022:	9,797,015 shares
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* 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.

Quarterly Consolidated Financial Statements**(1) Quarterly Consolidated Balance Sheet**

(Thousands of yen)

	2022 (As of Dec. 31, 2022)	Third quarter of 2023 (As of Sep. 30, 2023)
Assets		
Current assets		
Cash and deposits	3,016,381	3,362,655
Notes and accounts receivable-trade, and contract assets	3,317,823	2,960,136
Work in process	19,744	34,530
Deposits paid	319,653	365,841
Other	602,387	377,597
Total current assets	<u>7,275,989</u>	<u>7,100,762</u>
Non-current assets		
Property, plant and equipment	646,721	541,048
Intangible assets		
Goodwill	1,964,386	3,672,072
Other	78,265	71,126
Total intangible assets	<u>2,042,652</u>	<u>3,743,199</u>
Investments and other assets	<u>1,444,710</u>	<u>1,516,974</u>
Total non-current assets	<u>4,134,083</u>	<u>5,801,222</u>
Total assets	<u>11,410,073</u>	<u>12,901,985</u>
Liabilities		
Current liabilities		
Accounts payable-trade	2,397,879	2,220,817
Short-term borrowings	388,000	476,000
Current portion of long-term borrowings	297,516	560,293
Income taxes payable	321,688	195,794
Accrued consumption taxes	166,772	102,325
Provision for bonuses	25,907	9,762
Other	787,679	930,723
Total current liabilities	<u>4,385,443</u>	<u>4,495,715</u>
Non-current liabilities		
Long-term borrowings	1,023,090	2,265,172
Other	266,362	224,978
Total non-current liabilities	<u>1,289,452</u>	<u>2,490,150</u>
Total liabilities	<u>5,674,895</u>	<u>6,985,866</u>
Net assets		
Shareholders' equity		
Share capital	202,843	207,431
Capital surplus	1,687,375	1,691,443
Retained earnings	2,890,970	3,080,408
Treasury shares	(102)	(102)
Total shareholders' equity	<u>4,781,087</u>	<u>4,979,180</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	404,322	385,961
Foreign currency translation adjustment	(1,173)	(1,744)
Total accumulated other comprehensive income	<u>403,148</u>	<u>384,216</u>
Share acquisition rights	148,210	144,577
Non-controlling interests	402,731	408,145
Total net assets	<u>5,735,178</u>	<u>5,916,119</u>
Total liabilities and net assets	<u>11,410,073</u>	<u>12,901,985</u>

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

	(Thousands of yen)	
	First nine months of 2022 (Jan. 1 – Sep. 30, 2022)	First nine months of 2023 (Jan. 1 – Sep. 30, 2023)
Net sales	7,499,036	8,853,151
Cost of sales	3,824,701	4,530,147
Gross profit	3,674,334	4,323,003
Selling, general and administrative expenses	2,616,240	3,793,624
Operating profit	1,058,094	529,379
Non-operating income		
Interest and dividend income	281	48
Subsidy income	17,528	2,559
Rental income from real estate	26,402	24,806
Other	4,104	13,252
Total non-operating income	48,316	40,666
Non-operating expenses		
Interest expenses	2,870	12,613
Commission expenses	6,040	10,254
Depreciation	5,140	4,829
Other	200	2,540
Total non-operating expenses	14,252	30,238
Ordinary profit	1,092,158	539,806
Extraordinary income		
Gain on sale of non-current assets	-	10,713
Gain on sale of investment securities	-	209,925
Total extraordinary income	-	220,639
Extraordinary losses		
Impairment losses	-	125,287
Loss on valuation of investment securities	-	8,099
Loss on retirement of non-current assets	3,710	4,151
Other	-	5,789
Total extraordinary losses	3,710	143,329
Profit before income taxes	1,088,447	617,117
Income taxes-current	435,032	298,571
Income taxes-deferred	21,098	36,832
Total income taxes	456,131	335,403
Profit	632,316	281,713
Profit attributable to non-controlling interests	32,005	3,973
Profit attributable to owners of parent	600,310	277,739

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

	(Thousands of yen)	
	First nine months of 2022 (Jan. 1 – Sep. 30, 2022)	First nine months of 2023 (Jan. 1 – Sep. 30, 2023)
Profit	632,316	281,713
Other comprehensive income		
Valuation difference on available-for-sale securities	177,005	(18,361)
Foreign currency translation adjustment	(1,865)	(801)
Total other comprehensive income	175,139	(19,162)
Comprehensive income	807,456	262,550
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	775,984	258,804
Comprehensive income attributable to non-controlling interests	31,471	3,745

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.