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Consolidated Financial Statements for the Third Quarter Ended December 31, 2025 FY2026 (April 1, 2025 - March 31, 2026) [UNAUDITED]

Company name: Takara Holdings Inc.
 Stock exchange listings: Tokyo Stock Exchange (PRIME section)
 Code number: 2531
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- Notes: 1. The accompanying financial statements have been prepared in accordance with accounting principles and practices generally accepted in Japan.
 2. Amounts are rounded down to the nearest million yen.

1. Results for the Nine months ended December 31, 2025(April 1, 2025 – December 31, 2025)

(1) Consolidated operating results

Note: Percentages indicated changes from the same period of the previous fiscal year.

	Nine months ended December 31, 2025		Nine months ended December 31, 2024	
	(Millions of yen)	(%)	(Millions of yen)	(%)
Net sales	291,529	9.2	266,935	5.3
Operating income (loss)	12,632	(15.3)	14,909	(16.1)
Ordinary income (loss)	12,555	(21.8)	16,066	(14.6)
Net income (loss) attributable to owners of the parent	10,557	(18.8)	13,002	(6.7)
Net income (loss) per share (Yen)	54.59		66.59	
Fully diluted net income per share (Yen)	-		-	
Note: Comprehensive income (loss)	5,888	(40.7)	9,932	(70.9)

(2) Consolidated financial position

	As of December 31, 2025	As of March 31, 2025
	(Millions of yen)	(Millions of yen)
Total assets	497,091	477,587
Net assets	296,849	300,903
Equity ratio (%)	49.7	51.3
(Reference) Equity	246,836	245,228

2. Dividends

	Dividend per share (Yen)		
	Year ended March 31, 2025	Year ending March 31, 2026	Year ending March 31, 2026 (Forecast)
First quarter end	-	-	-
Second quarter end	-	-	-
Third quarter end	-	-	-
Year end	31.00	-	31.00
Annual	31.00	-	31.00

Note: Correction of dividend forecast from the most recent dividend forecast: No

Note: The year-end dividend for FY2026 included a 100th anniversary commemorative dividend of ¥2.00

3. Forecast for the year ending March 31, 2026 (April 1, 2025 - March 31, 2026)

Note: Percentages indicated changes from the same period of the previous fiscal year.

	Year ending March 31, 2026	
	(Millions of yen)	(%)
Net sales	392,000	8.1
Operating income (loss)	16,200	(21.3)
Ordinary income (loss)	15,700	(29.2)
Net income (loss) attributable to owners of the parent	11,100	(31.5)
Net income per share (Yen)	57.43	

Note: Correction of financial forecast from the most recent financial forecast: No

4. Others

- (1) Material changes in subsidiaries during this period
(Changes in specified subsidiaries that caused a change in the scope of consolidation): Yes
Newly included: 1 (Name) Curio Bioscience, Inc.
- (2) Accounting procedures specific to quarterly consolidated financial statements : No
- (3) Changes in accounting policies, accounting estimates and retrospective restatement
 - 1) Changes based on revisions of accounting standard: No
 - 2) Changes other than ones based on revisions of accounting standard: No
 - 3) Changes in accounting estimates: No
 - 4) Restatement: No
- (4) Number of outstanding shares (common stock)
 - 1) Number of outstanding shares at the end of each period (Treasury stocks are included):
 - As of December 31, 2025 : 197,252,043 shares
 - As of March 31, 2025 : 197,252,043 shares
 - 2) Number of treasury stocks at the end of each period:
 - As of December 31, 2025 : 4,378,161 shares
 - As of March 31, 2025 : 1,996,109 shares
 - 3) Average number of outstanding shares in each period
 - Nine months ended December 31, 2025 : 193,409,925 shares
 - Nine months ended December 31, 2024 : 195,256,263 shares

- * Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (voluntary)

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

- * Comment regarding appropriate use of earnings forecasts and other special notes
Forward-looking statements contained in this document are determined by the Takara Holdings Inc. (the “Company”) Based on information currently available to the Company and include a number of uncertainties. Actual results could differ from these forecasts due to changes in conditions that occur in the future. For information regarding the above, please refer to “1. Overview of Financial Results (3) Qualitative Information Regarding Consolidated Forecasts” on page 4 of the attached document.

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1. Overview of Financial Results

(1) Overview of Financial Results for the Period under Review

In the nine months ended December 31, 2025, net sales increased 9.2% year on year to ¥291,529 million, gross profit increased 7.7% year on year to ¥94,241 million, and SG&A expenses increased 12.4% year on year to ¥81,609 million. Operating income decreased 15.3% year on year to ¥12,632 million, and ordinary income decreased 21.8% year on year to ¥12,555 million mainly due to increases in interest expenses and foreign exchange losses. Net income attributable to owners of the parent decreased 18.8% year on year to ¥10,557 million mainly due to an increase in extraordinary loss resulting from the recording of impairment losses of ¥3,870 million on non-operating equipment for contract manufacturing and the partial reversal of deferred tax assets, despite an increase in extraordinary income mainly due to the recording of ¥6,411 million in gain on sale of investment securities.

Results by business segment were as follows.

[Takara Shuzo]

In the nine months ended December 31, 2025, net sales decreased year on year mainly due to a decrease in sales of shochu, whiskey, and other alcoholic beverages as well as raw alcohol, etc., despite an increase in sales of sake, light-alcohol refreshers, and seasonings.

As a result, net sales for Takara Shuzo decreased 1.9% year on year to ¥93,303 million. Cost of sales decreased 2.3% year on year to ¥68,854 million, and gross profit decreased 0.7% year on year to ¥24,448 million. SG&A expenses decreased 3.2% year on year to ¥18,649 million due to decreases in advertising expenses, sales promotion expenses, etc. Operating income was up 8.4% year on year to ¥5,798 million.

[Takara Shuzo International Group]

In the nine months ended December 31, 2025, net sales of the Overseas Alcoholic Beverages Business increased year on year due to continued growth in sales of whiskey. Net sales of the Japanese Food Wholesale Business in overseas markets also increased primarily due to the contributions of a company newly added to the Group in the previous fiscal year.

As a result, net sales for the Takara Shuzo International Group increased 20.0% year on year to ¥160,017 million. Cost of sales increased 20.2% year on year to ¥107,948 million, and gross profit increased 19.8% year on year to ¥52,069 million. SG&A expenses were up 24.0% year on year to ¥42,306 million, primarily due to an increase in personnel expenses, transportation costs, and amortization of goodwill, and operating income was up 4.2% year on year to ¥9,762 million.

[Takara Bio Group]

In the nine months ended December 31, 2025, sales of reagents, instruments, and gene therapy decreased year on year despite an increase in sales of CDMO.

As a result, net sales for the Takara Bio Group decreased 3.0% year on year to ¥28,392 million. Cost of sales increased 10.4% year on year to ¥14,252 million primarily due to changes in the sales mix. Gross profit decreased 13.6% year on year to ¥14,140 million. SG&A expenses were up 6.5% year on year to ¥18,995 million primarily due to expenses relating to the acquisition of Curio Bioscience, Inc. (“Curio”) and the recording of amortization of goodwill related thereto, and operating loss amounted to ¥4,855 million, compared to operating loss of ¥1,473 million in the nine months ended December 31, 2024.

[Other]

In the nine months ended December 31, 2025, net sales of the Other segment increased 3.6% year on year to ¥24,837 million primarily due to continued growth in the import and sale of wine. Cost of sales increased 1.2% year on year to ¥20,515 million, and gross profit increased 17.2% year on year to ¥4,322 million. SG&A expenses rose 0.6% year on year to ¥1,501 million primarily due to an increase in sales promotion expenses, and operating income was up 28.4% year on year to ¥2,821 million.

Breakdown of sales results by product category

Segment	Equivalent Period of Previous Fiscal Year (From April 1, 2024 to December 31, 2024)	Period under Review (From April 1, 2025 to December 31, 2025)	YoY Comparison
Product category	Amount (Millions of yen)	Amount (Millions of yen)	(%)
Shochu	25,305	23,437	(7.4)
Sake	8,688	8,727	0.5
Light-alcohol refreshers	33,105	33,941	2.5
Other alcoholic beverages	4,080	3,477	(14.8)
<i>Hon Mirin</i>	7,942	7,944	0.0
Other seasonings	7,329	7,428	1.4
Raw alcohol, etc.	8,680	8,345	(3.9)
Takara Shuzo	95,131	93,303	(1.9)
Overseas Alcoholic Beverages Business	17,133	20,175	17.8
Japanese Food Wholesales Business in overseas markets	118,033	141,807	20.1
Other	558	572	2.6
Elimination of intra-Group transaction on consolidation	(2,407)	(2,538)	—
Takara Shuzo International Group	133,316	160,017	20.0
Reagents	22,424	21,640	(3.5)
Instruments	644	589	(8.6)
CDMO	3,496	3,792	8.5
Gene therapy	2,716	2,370	(12.7)
Takara Bio Group	29,282	28,392	(3.0)
Reported segment total	257,730	281,713	9.3
Other	23,963	24,837	3.6
Segment total	281,693	306,551	8.8
Sales not allocated to business segments and intersegment transactions	(14,757)	(15,021)	—
Total	266,935	291,529	9.2

Note: Amounts include alcohol tax.

(2) Overview of Financial Position for the Period under Review

As of December 31, 2025, current assets were ¥243,149 million, a decrease of ¥2,283 million compared with that at the end of the previous fiscal year. This was primarily due to a decrease in cash and deposits of ¥22,354 million, despite increases in notes and accounts receivable-trade of ¥12,710 million, merchandise and finished goods of ¥5,226 million, and other current assets of ¥2,620 million. Noncurrent assets were ¥253,942 million, an increase of ¥21,788 million compared with that at the end of the previous fiscal year. This was primarily due to increases in property, plant and equipment of ¥5,351 million, mainly due to an increase in construction in progress, and intangible assets of ¥16,180 million mainly due to the acquisition of Curio.

As a result, total assets were ¥497,091 million, an increase of ¥19,504 million compared with that at the end of the previous fiscal year.

As of December 31, 2025, current liabilities were ¥82,915 million, an increase of ¥9,495 million compared with that at the end of the previous fiscal year. This was primarily due to increases in notes and accounts payable-trade of ¥3,386 million, current portion of bonds of ¥5,000 million, and other current liabilities of ¥7,495 million, despite a decrease in short-term loans payable of ¥5,956 million. Noncurrent liabilities were ¥117,326 million, an increase of ¥14,062 million compared with that at the end of the previous fiscal year. This was primarily due to increases of ¥9,777 million in long-term loans payable and ¥9,571 million in other noncurrent liabilities mainly due to the recognition of contingent consideration caused by the acquisition of Curio, despite a decrease of ¥5,000 million in bonds payable due to a transfer to current liabilities.

As a result, total liabilities were ¥200,241 million, an increase of ¥23,558 million compared with that at the end of the previous fiscal year.

As of December 31, 2025, total net assets were ¥296,849 million, a decrease of ¥4,053 million compared with that at the end of the previous fiscal year. This was primarily due to an increase in treasury stock of ¥2,999 million resulting from purchase thereof, and decreases in foreign currency translation adjustment of ¥2,178 million and noncontrolling interests of ¥5,661 million, despite increases in retained earnings of ¥4,504 million and valuation difference on available-for-sale securities of ¥2,296 million.

As a result, the equity ratio totaled 49.7%, compared with 51.3% at the end of the previous fiscal year.

(3) Qualitative Information Regarding Consolidated Forecasts

There are no changes to the consolidated results forecasts for the fiscal year ending March 31, 2026 published in the Consolidated Financial Statements for the Second Quarter Ended September 30, 2025 on November 11, 2025.

2. Consolidated Quarterly Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Millions of Yen)

	As of Mar. 31, 2025	As of Dec. 31, 2025
Assets		
Current assets		
Cash and deposits	83,302	60,947
Notes and accounts receivable-trade	73,319	86,029
Merchandise and finished goods	72,795	78,022
Work in process	1,727	1,883
Raw materials and supplies	7,811	7,230
Other	7,217	9,838
Allowance for doubtful accounts	(739)	(802)
Total current assets	245,433	243,149
Noncurrent assets		
Property, plant and equipment	123,610	128,961
Intangible assets		
Goodwill	25,283	29,912
Other	16,378	27,929
Total intangible assets	41,662	57,842
Investments and other assets		
Investment securities	34,467	36,721
Other	32,474	30,477
Allowance for doubtful accounts	(60)	(61)
Total investments and other assets	66,880	67,138
Total noncurrent assets	232,154	253,942
Total assets	477,587	497,091

(Millions of Yen)

	As of Mar. 31, 2025	As of Dec. 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable-trade	24,067	27,453
Short-term loans payable	12,315	6,358
Current portion of bonds	–	5,000
Income taxes payable	2,742	3,888
Provision	3,826	2,251
Other	30,468	37,963
Total current liabilities	73,419	82,915
Noncurrent liabilities		
Bonds payable	15,000	10,000
Long-term loans payable	30,689	40,467
Net defined benefit liability	8,345	8,058
Other	49,228	58,800
Total noncurrent liabilities	103,264	117,326
Total liabilities	176,683	200,241
Net assets		
Shareholders' equity		
Capital stock	13,226	13,226
Capital surplus	2,804	2,804
Retained earnings	180,449	184,954
Treasury stock	(2,103)	(5,103)
Total shareholders' equity	194,376	195,881
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	16,513	18,810
Deferred gains or losses on hedges	(4)	0
Foreign currency translation adjustment	34,204	32,025
Remeasurements of defined benefit plans	138	117
Total accumulated other comprehensive income	50,851	50,954
Noncontrolling interests	55,675	50,013
Total net assets	300,903	296,849
Total liabilities and net assets	477,587	497,091

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

(Millions of Yen)

	FY2025 (Apr. 1, 2024 – Dec. 31, 2024)	FY2026 (Apr. 1, 2025 – Dec. 31, 2025)
Net sales	266,935	291,529
Cost of sales	179,411	197,288
Gross profit	87,523	94,241
Selling, general and administrative expenses	72,614	81,609
Operating income	14,909	12,632
Nonoperating income		
Interest income	686	509
Dividends income	912	901
Other	594	521
Total nonoperating income	2,194	1,932
Nonoperating expenses		
Interest expenses	475	1,117
Other	562	890
Total nonoperating expenses	1,037	2,008
Ordinary income	16,066	12,555
Extraordinary income		
Gain on sale of investment securities	2,912	6,411
Other	894	747
Total extraordinary income	3,807	7,159
Extraordinary loss		
Impairment losses	108	3,870
Other	288	281
Total extraordinary losses	397	4,152
Income before income taxes	19,476	15,562
Income taxes-current	6,781	8,183
Income taxes-deferred	(354)	178
Total income taxes	6,427	8,362
Net income	13,049	7,199
Net income (loss) attributable to the noncontrolling interest	46	(3,358)
Net income attributable to owners of the parent	13,002	10,557

(Consolidated Statements of Comprehensive Income)

(Millions of Yen)

	FY2025 (Apr. 1, 2024 – Dec. 31, 2024)	FY2026 (Apr. 1, 2025 – Dec. 31, 2025)
Net income	13,049	7,199
Other comprehensive income		
Valuation difference on available-for-sale securities	(5,048)	2,296
Deferred gains or losses on hedges	(1)	4
Foreign currency translation adjustment	1,804	(3,581)
Remeasurements of defined benefit plans	128	(31)
Total other comprehensive income	(3,116)	(1,310)
Comprehensive income	9,932	5,888
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	9,558	10,660
Comprehensive income attributable to noncontrolling interest	374	(4,771)

(3) Notes to Consolidated Financial Statements

The consolidated quarterly financial statements have been prepared in accordance with Article 4, Paragraph 1 of Standards for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. and accounting principles generally accepted in Japan for quarterly financial statements, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards.

(Notes on Premise of Going Concern)

No items to report.

(Notes on Material Changes in Shareholders' Equity)

No items to report.

(Notes on Changes in Scope of Consolidation or Scope of Application of Equity Method)

Significant change in the scope of consolidation

During the three months ended June 30, 2025, Curio Bioscience, Inc. was included in the scope of consolidation as a result of the acquisition of shares thereof by Takara Bio USA Holdings Inc., a wholly owned subsidiary of Takara Bio Inc., which is a consolidated subsidiary of the Company.

(Notes on Segment Information, etc.)

I. Equivalent Period of Previous Fiscal Year (From April 1, 2024 to December 31, 2024)

1. Net sales and Income (Loss) by Reported Segment

	Reported segment				Other (Note: 1)	Total	Adjustment (Note: 2)	Amount recognized in consolidated quarterly statements of income (Note: 3)
	Takara Shuzo	Takara Shuzo International Group	Takara Bio Group	Subtotal				
Net sales								
External customers	94,422	133,034	29,281	256,738	10,197	266,935	-	266,935
Intersegment	708	282	0	991	13,766	14,757	(14,757)	-
Total	95,131	133,316	29,282	257,730	23,963	281,693	(14,757)	266,935
Segment income (loss)	5,350	9,372	(1,473)	13,249	2,198	15,447	(537)	14,909

Notes: 1. Other includes business segments that are not part of reported segments, such as the cargo transportation business, the wine import and sale business, and the real estate rental business.

2. The adjustment to segment income (loss) of ¥(537) million comprises intersegment eliminations of ¥(18) million and loss of the Company not allocated to business segments of ¥(519) million.

3. Segment income (loss) has been adjusted to the operating income of consolidated quarterly statements of income.

2. Information on Impairment Loss on Noncurrent Assets, Goodwill, etc. by Reportable Segment

(Significant impairment losses related to noncurrent assets)

Impairment loss of ¥108 million was recorded in the Takara Bio Group segment.

(Significant change in the amount of goodwill)

In the Takara Shuzo International Group segment, goodwill was recorded due to the acquisition of a 90% equity stake in Kagerer & Co. GmbH, a wholesaler of food ingredients near Munich, Germany. An increase in goodwill regarding this matter was ¥14,774 million for the nine months ended December 31, 2024. The above amount is calculated provisionally because the allocation of the acquisition cost has yet to be completed.

II. Period under Review (From April 1, 2025 to December 31, 2025)

1. Net sales and Income (Loss) by Reported Segment

(Millions of yen)

	Reported segment				Other (Note: 1)	Total	Adjustment (Note: 2)	Amount recognized in consolidated quarterly statements of income (Note: 3)
	Takara Shuzo	Takara Shuzo International Group	Takara Bio Group	Subtotal				
Net sales								
External customers	92,410	159,783	28,392	280,586	10,942	291,529	-	291,529
Intersegment	892	233	0	1,126	13,895	15,021	(15,021)	-
Total	93,303	160,017	28,392	281,713	24,837	306,551	(15,021)	291,529
Segment income (loss)	5,798	9,762	(4,855)	10,706	2,821	13,527	(895)	12,632

Notes: 1. Other includes business segments that are not part of reported segments, such as the cargo transportation business, the wine import and sale business, and the real estate rental business.

2. The adjustment to segment income (loss) of ¥(895) million comprises intersegment eliminations of ¥(93) million and loss of the Company not allocated to business segments of ¥(802) million.

3. Segment income (loss) has been adjusted to the operating income of consolidated quarterly statements of income.

2. Information on Impairment Loss on Noncurrent Assets, Goodwill, etc. by Reportable Segment

(Significant impairment losses related to noncurrent assets)

Impairment loss of ¥3,870 million was recorded in the Takara Bio Group segment.

(Significant change in the amount of goodwill)

In the Takara Bio Group segment, goodwill was recorded due to the acquisition of all outstanding shares of Curio Bioscience, Inc., which engages in the development, manufacturing, and sales of research reagents for spatial analysis. An increase in goodwill regarding this matter was ¥6,273 million for the nine months ended December 31, 2025. The above amount is calculated provisionally because the allocation of the acquisition cost has yet to be completed.

(Notes on Consolidated Statements of Cash Flows)

Consolidated statements of cash flows pertaining to the nine months ended December 31, 2025 have not been prepared.

Depreciation and amortization (including amortization of intangible assets except for goodwill) and amortization of goodwill for the nine months ended December 31, 2024 and 2025 are as shown below.

(Millions of Yen)

	FY2025 (Apr. 1, 2024 – Dec. 31, 2024)	FY2026 (Apr. 1, 2025 – Dec. 31, 2025)
Depreciation and amortization	7,523	9,019
Amortization of goodwill	1,040	2,341

Independent Auditor’s Report on Interim Review of Consolidated Quarterly Financial Statements

February 13, 2026

To the Board of Directors of Takara Holdings Inc.:

Deloitte Touche Tohmatsu LLC
Kyoto Office, Japan

Keiko Hishimoto
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Yuya Minobe
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Auditor’s Conclusion

We have reviewed the accompanying consolidated quarterly financial statements of Takara Holdings Inc. and its consolidated subsidiaries (collectively, the “Group”), which comprise the consolidated quarterly balance sheets as of December 31, 2025 (from October 1, 2025 to December 31, 2025) and the consolidated quarterly statements of income and the consolidated quarterly statements of comprehensive income for the nine months ended December 31, 2025 (from April 1, 2025 to December 31, 2025), and the related notes.

Based on our interim review, nothing has come to our attention that causes us to believe that the accompanying consolidated quarterly financial statements are not prepared, in all material respects, in accordance with Article 4, Paragraph 1 of Standards for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. (the “Standards”) and accounting principles for quarterly financial statements generally accepted in Japan, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards.

Basis for Auditor’s Conclusion

We conducted our interim review in accordance with interim review standards generally accepted in Japan. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Interim Review of the Consolidated Quarterly Financial Statements” section of our report. We are independent of the Group in accordance with the regulations regarding professional ethics required in Japan, including those applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities as auditor. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of Management, Audit & Supervisory Board Members, and the Audit & Supervisory Board for the Consolidated Quarterly Financial Statements

Management is responsible for the preparation and presentation of the consolidated quarterly financial statements in accordance with Article 4, Paragraph 1 of the Standards and accounting principles for quarterly financial statements generally accepted in Japan, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards. This includes the designing and operation of such internal controls as management determines is necessary to enable the preparation of consolidated quarterly financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated quarterly financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, and disclosing, as applicable, matters related to going concern in accordance with Article 4, Paragraph 1 of the Standards and accounting principles for quarterly financial statements generally accepted in Japan, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the Directors’ execution of duties relating to the design and operation of the Group’s financial reporting process.

Auditor’s Responsibilities for the Interim Review of the Consolidated Quarterly Financial Statements

Our responsibility is to express a conclusion on these consolidated quarterly financial statements from an independent standpoint based

on our interim review in our report on the interim review of consolidated quarterly financial statements.

As part of our interim review in accordance with interim review standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the review. We also:

- Make inquiries, primarily of management and persons responsible for financial and accounting matters, and apply analytical and other review procedures. An interim review is substantially less in scope than an audit for the fiscal year conducted in accordance with auditing standards generally accepted in Japan.
- Conclude, based on the evidence obtained, whether nothing has come to our attention that causes us to believe that the consolidated quarterly financial statements are not prepared in accordance with Article 4, Paragraph 1 of the Standards and accounting principles for quarterly financial statements generally accepted in Japan, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards, if a material uncertainty relating to events or conditions comes to our attention that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report on the interim review of consolidated quarterly financial statements to the related notes in the consolidated quarterly financial statements or, if such notes are inadequate, to express a qualified conclusion or an adverse conclusion. Our conclusions are based on the evidence obtained up to the date of our report on the interim review of consolidated quarterly financial statements; however, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether nothing has come to our attention that causes us to believe that the presentation and notes in the consolidated quarterly financial statements are not prepared in accordance with Article 4, Paragraph 1 of the Standards and accounting principles for quarterly financial statements generally accepted in Japan, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards.
- Obtain sufficient evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the consolidated quarterly financial statements. We are responsible for the direction, supervision and review of the audit work performed for the interim review of the consolidated quarterly financial statements. We remain solely responsible for our review conclusion.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the planned scope and timing of the interim review, and significant review findings that we identify during our review.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence in Japan, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to the acceptable levels.

Interest

Our firm and its engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Note to the Reader of Independent Auditor's Report on Review

The Independent Auditor's Report herein is an English translation of the Japanese Independent Auditor's Report on Review for the convenience of the reader.

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- Notes: 1. The original of the above report on review is stored separately by the Company disclosing the Consolidated Quarterly Financial Results (Kessan Tanshin).
2. XBRL data and HTML data are not subject to the interim review.