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February 5, 2026

Consolidated Financial Results for the Nine Months Ended December 31, 2025 (Under Japanese GAAP)



Company name: GUNZE LIMITED

Listing: Tokyo Stock Exchange

Securities code: 3002

URL: <https://www.gunze.co.jp/>

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President and Representative Director

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Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes (for analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended December 31, 2025 (from April 1, 2025 to December 31, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
December 31, 2025	99,843	(3.0)	5,641	(11.5)	5,639	(13.4)	1,324	(70.2)
December 31, 2024	102,916	1.4	6,377	3.4	6,508	7.0	4,441	11.4

Note: Comprehensive income For the nine months ended December 31, 2025: ¥ 978 million [(75.1)%]
For the nine months ended December 31, 2024: ¥ 3,925 million [(43.6)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended		
December 31, 2025	40.86	40.78
December 31, 2024	133.48	133.17

Notes: As of April 1, 2025, the Company conducted a 2-for-1 stock split of its common stock. "Basic earnings per share" and "Diluted earnings per share" have been calculated on the assumption that the said stock split had been conducted at the beginning of the fiscal year ended March 31, 2024.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
December 31, 2025	161,733	113,326	68.9	3,482.98
March 31, 2025	159,677	120,982	74.6	3,667.20

Reference: Equity

As of December 31, 2025: ¥ 111,432 million

As of March 31, 2025: ¥ 119,074 million

Note: As of April 1, 2025, the Company conducted a 2-for-1 stock split of its common stock. "Net assets per share" have been calculated on the assumption that the said stock split had been conducted at the beginning of the fiscal year ended March 31, 2024.

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended March 31, 2025	Yen -	Yen -	Yen -	Yen 390.00	Yen 390.00
Fiscal year ending March 31, 2026	-	-	-		
Fiscal year ending March 31, 2026 (Forecast)				216.00	216.00

Notes: 1. Revision to the forecast for dividends announced most recently: None

2. Breakdown of the year-end dividend for the fiscal year ended March 31, 2025:

 Ordinary dividend: 289.00 yen; Special dividend: 101.00 yen

Breakdown of the year-end dividend for the fiscal year ending March 31, 2026 (Forecast):

 Ordinary dividend: 147.00 yen; Special dividend: 69.00 yen

3. As of April 1, 2025, the Company conducted a 2-for-1 stock split of its common stock.

The figures for the fiscal years ended March 31, 2025 are the amounts of actual dividends paid out before the said stock split.

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	133,000	(3.0)	6,400	(19.2)	6,300	(23.0)	1,600	(74.5)	49.51

Note: Revisions to the financial result forecast most recently announced: Yes

* Notes

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

 Newly included: - companies()
 Excluded: 2 companies(Tsuyama Gunze Co., Ltd, Gunze Electronics USA Corp.)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: Yes
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2025	34,587,032 shares
As of March 31, 2025	34,587,032 shares

(ii) Number of treasury shares at the end of the period

As of December 31, 2025	2,593,763 shares
As of March 31, 2025	2,116,804 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2025	32,414,360 shares
Nine months ended December 31, 2024	33,274,750 shares

Note: As of April 1, 2025, the Company conducted a 2-for-1 stock split of its common stock. "Total number of issued shares at the end of the period," "Number of treasury shares at the end of the period," and "Average number of shares outstanding during the

period" have been calculated on the assumption that the said stock split had been conducted at the beginning of the fiscal year ended March 31, 2024.

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

* Proper use of earnings forecasts, and other special matters

Projections of results and future developments are based on information available to the Company at the current time, as well as certain assumptions judged by the Company to be reasonable. Various factors could cause actual results to differ materially from these projections. For the assumptions that form the basis of the projected results and notes regarding the use of projections, see

"(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information" of "1. Qualitative Information on Quarterly Financial Results for the Period under Review" on page 4 of attached materials.

(Attachment)

Table of Contents

1. Qualitative Information on Quarterly Financial Results for the Period under Review	2
(1) Explanation of Business Results	2
(2) Explanation of Financial Position	3
(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information	4
2. Quarterly Consolidated Financial Statements and Primary Notes	5
(1) Quarterly Consolidated Balance Sheet	5
(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income	7
Quarterly Consolidated Statement of Income	7
For the Nine-Month Period	7
Quarterly Consolidated Statement of Comprehensive Income	8
For the Nine-Month Period	8
(3) Notes to Quarterly Consolidated Financial Statements	9
(Notes regarding assumptions of continuing operations)	9
(Notes in the case of significant changes in shareholders' equity)	9
(Application of an accounting method specific to the preparation of quarterly consolidated financial statements)	9
(Changes in accounting policies)	9
(Changes or restatement of accounting estimates)	9
(Segment information, etc.)	10
(Notes regarding statements of cash flows)	11
(Significant subsequent events)	11
Independent Auditor's Interim Review Report on the Quarterly Consolidated Financial Statements	12

1. Qualitative Information on Quarterly Financial Results for the Period under Review

(1) Explanation of Business Results

(Overview of Results for the Period under Review)

During the nine months ended December 31, 2025 (April 1, 2025 – December 31, 2025), the Japanese economy faced situations where movements of consumers' tendency to save money and reluctance to make purchases continued, driven by the burden on households from rising prices and persistently high utility and fuel costs, although the income environment saw partial improvement owing to wage increases. In addition, the outlook for the business environment surrounding the Company remained unclear, reflecting sluggish growth in exports due to the slowdown in overseas economies and rising geopolitical risks, as well as an unstable foreign exchange environment.

Amid this operating environment, in its medium-term management plan "VISION 2030 Stage 2," launched this fiscal year, the GUNZE Group has defined this period as "three years for transformation" to continue to be the company of choice globally by advancing a sustainable business foundation, and began to strengthen and expand the functional solutions business and medical business, and restructure the apparel business and lifestyle creations business.

The GUNZE Group's operating results for the period under review are as follows:

Net sales:	¥99,843 million	(down by 3.0% year-on-year)
Operating profit:	¥5,641 million	(down by 11.5% year-on-year)
Ordinary profit:	¥5,639 million	(down by 13.4% year-on-year)
Profit attributable to owners of parent:	¥1,324 million	(down by 70.2% year-on-year)

Net sales decreased by ¥3,072 million attributable to the impact of sales of electronic components, for which operations were wound down at the end of the previous fiscal year, sluggish overseas sales of plastic films, and a decline in apparel sales at mass retailers. Operating profit decreased by ¥736 million primarily due to the increase in fixed costs for the medical business and the impact of lower sales volume and higher costs in the apparel business, and ordinary profit decreased by ¥868 million. Profit attributable to owners of parent decreased by ¥3,116 million mainly due to the recording of business restructuring expenses in the apparel business for the three months ended June 30, 2025.

(Results by Business Segment)

[Functional Solutions]

The functional solutions business recorded net sales of ¥36,112 million (down by 6.5% year-on-year) and an operating profit of ¥5,255 million (up by 1.5% year-on-year).

<Major factors in the changes>

- In plastic films, sales were affected by sluggish consumption and the downward pressure on prices in the overseas market, although sales volume increased mainly due to the rollout of new environmentally responsible products in Japan.
- In engineering plastics, products for the semiconductor market were affected by inventory adjustments in the supply chain.
- Net sales decreased by approximately ¥2,400 million due to the wind-down of the electronic components business, but operating profit improved by approximately ¥200 million.

[Medical]

The medical business recorded net sales of ¥9,833 million (up by 2.2% year-on-year) and an operating profit of ¥1,497 million (down by 16.1% year-on-year).

<Major factors in the changes>

- Expansion of sales of adhesion prevention agent and absorbable medical materials including bone fixation devices progressed in Japan.
- Sales of products in China were affected by regulations on high-cost medical care and the accelerated prioritization of domestically produced products in China amid the deterioration of Japan–China relations.
- The business was affected by the increase in fixed costs, including capital expenditures and personnel increases, aimed at the growth of the business.

[Apparel]

The apparel business recorded net sales of ¥45,751 million (down by 1.7% year-on-year) and an operating profit of ¥931 million (down by 29.5% year-on-year).

<Major factors in the changes>

- The business was affected by the impact of higher costs due to lower production volume associated with inventory reductions and higher labor and other costs, although the business structural reforms announced at the beginning of the fiscal year made strong progress.
- While expansion of apparel-related sales through direct-to-consumer channels progressed driven primarily by *Asedoron* and differentiated ladies' innerwear, sales through the existing channels, including mass retailers, were affected by the reduction in sales floor space and consumers' reluctance to make purchases, as well as sluggish sales of seasonal products due to a mild winter.

[Lifestyle Creations]

The lifestyle creation business recorded net sales of ¥8,994 million (up by 2.6% year-on-year) and an operating profit of ¥780 million (up by 23.0% year-on-year).

<Major factors in the changes>

- The real estate category performed well, as the number of visitors increased due to the effects of commercial facility renovations.
- The sports club business improved its operating profit due to the recovery of sales at existing stores and the reduction of unprofitable stores.

(2) Explanation of Financial Position

As of December 31, 2025, total assets were ¥161,733 million, an increase of ¥2,056 million compared to the end of the previous fiscal year. The main components of the increase included a ¥3,004 million increase in notes and accounts receivable - trade, and contract assets and a ¥2,915 million increase in buildings and structures, net, mainly due to the building of a new factory for engineering plastics products, while the main components of the decrease included a ¥2,636 million decrease in merchandise and finished goods and a ¥2,211 million decrease in other, net in property, plant and equipment (construction in progress, etc.).

Total liabilities were ¥48,407 million, an increase of ¥9,712 million compared to the end of the previous fiscal year. The main components of the increase included a ¥10,727 million increase in long- and short-term borrowings including commercial papers and a ¥1,563 million increase in provision for business restructuring, while the main components of the decrease included a ¥1,450 million decrease in other in current liabilities (accounts payable -

other, etc.).

Net assets were ¥113,326 million, a decrease of ¥7,655 million compared to the end of the previous fiscal year. The main components of the increase included the recording of profit attributable of owners of parent amounting to ¥1,324 million, while the main components of the decrease included dividends paid of ¥6,331 million and ¥2,061 million spent for the purchase of treasury shares.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

In light of the consolidated financial results for the period under review and the outlook, the Company has revised its consolidated financial results forecast for the fiscal year ending March 31, 2026.

In plastic films, although sales in Japan remain strong, the effects of sluggish consumption and the downward pressure on prices in the overseas market are projected to exceed expectations. In engineering plastics, the recovery of the semiconductor market is expected to be delayed. Moreover, in the medical business, concerns remain over the prolonged impact of delays in drug approval for new products in Japan, regulations on high-cost medical care affecting sales of products in China, and the accelerated prioritization of domestically produced products in China amid the deterioration of Japan–China relations. In the apparel business, although the business structural reforms announced at the beginning of the fiscal year show strong progress, performance has been affected by consumers' reluctance to make purchases, as well as sluggish sales of seasonal products due to a mild winter. Accordingly, net sales are expected to fall short of the previously announced consolidated financial results forecast.

Operating profit, ordinary profit, and profit attributable to owners of parent are also expected to fall short of the previously announced consolidated financial results forecast, mainly due to a decrease in net sales.

The forecast for dividends for the fiscal year ending March 31, 2026 remains unchanged. As announced on May 14, 2025, the Company plans to pay a dividend of ¥216 per share.

For the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Previously announced forecasts (A)	Millions of yen 140,000	Millions of yen 8,500	Millions of yen 8,300	Millions of yen 2,800	Yen 86.19
Revised forecasts (B)	133,000	6,400	6,300	1,600	49.51
Change (B - A)	(7,000)	(2,100)	(2,000)	(1,200)	-
Change (%)	(5.0)	(24.7)	(24.1)	(42.9)	-
(Reference) Actual results for the previous fiscal year (Fiscal year ended March 31, 2025)	137,117	7,921	8,180	6,279	189.70

Note: As of April 1, 2025, the Company conducted a 2-for-1 stock split of its common stock. "Basic earnings per share" have been calculated on the assumption that the said stock split had been conducted at the beginning of the fiscal year ended March 31, 2025.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	10,541	10,907
Notes and accounts receivable - trade, and contract assets	25,015	28,020
Merchandise and finished goods	24,233	21,596
Work in process	7,606	7,617
Raw materials and supplies	6,631	6,818
Other	3,969	4,326
Allowance for doubtful accounts	(23)	(28)
Total current assets	77,974	79,258
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	36,783	39,698
Machinery, equipment and vehicles, net	13,147	13,139
Land	10,205	9,971
Other, net	7,628	5,417
Total property, plant and equipment	67,764	68,226
Intangible assets	1,786	1,444
Investments and other assets		
Investment securities	3,924	3,900
Other	8,340	9,016
Allowance for doubtful accounts	(114)	(113)
Total investments and other assets	12,151	12,803
Total non-current assets	81,702	82,475
Total assets	159,677	161,733

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,138	7,336
Short-term borrowings	577	974
Commercial papers	-	12,600
Current portion of long-term borrowings	2,611	4,537
Income taxes payable	349	1,116
Provision for bonuses	1,499	490
Provision for business restructuring	96	1,659
Other	11,278	9,827
Total current liabilities	24,551	38,541
Non-current liabilities		
Long-term borrowings	5,668	1,472
Retirement benefit liability	4,133	4,071
Long-term leasehold and guarantee deposits received	3,935	3,942
Other	406	378
Total non-current liabilities	14,143	9,865
Total liabilities	38,694	48,407
Net assets		
Shareholders' equity		
Share capital	26,071	26,071
Capital surplus	6,560	6,579
Retained earnings	85,297	80,011
Treasury shares	(5,273)	(7,271)
Total shareholders' equity	112,656	105,390
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	883	1,094
Deferred gains or losses on hedges	88	480
Revaluation reserve for land	(13)	(13)
Foreign currency translation adjustment	5,194	4,334
Remeasurements of defined benefit plans	264	145
Total accumulated other comprehensive income	6,418	6,041
Share acquisition rights	110	102
Non-controlling interests	1,796	1,792
Total net assets	120,982	113,326
Total liabilities and net assets	159,677	161,733

(2)Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income
For the Nine-Month Period

(Millions of yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Net sales	102,916	99,843
Cost of sales	70,321	67,529
Gross profit	32,594	32,314
Selling, general and administrative expenses	26,216	26,672
Operating profit	6,377	5,641
Non-operating income		
Interest income	50	33
Dividend income	233	119
Rental income from non-current assets	332	411
Foreign exchange gains	-	0
Other	103	108
Total non-operating income	719	674
Non-operating expenses		
Interest expenses	59	52
Rental expenses on non-current assets	319	398
Foreign exchange losses	15	-
Share of loss of entities accounted for using equity method	-	25
Other	194	200
Total non-operating expenses	588	676
Ordinary profit	6,508	5,639
Extraordinary income		
Gain on sale of non-current assets	664	310
Gain on sale of investment securities	1,072	29
Other	135	-
Total extraordinary income	1,872	339
Extraordinary losses		
Loss on sale and retirement of non-current assets	210	250
Business restructuring expenses	1,154	3,244
Other	50	134
Total extraordinary losses	1,415	3,628
Profit before income taxes	6,965	2,349
Income taxes	2,494	963
Profit	4,471	1,386
Profit attributable to non-controlling interests	29	61
Profit attributable to owners of parent	4,441	1,324

Quarterly Consolidated Statement of Comprehensive Income
For the Nine-Month Period

(Millions of yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Profit	4,471	1,386
Other comprehensive income		
Valuation difference on available-for-sale securities	(772)	210
Deferred gains or losses on hedges	83	391
Foreign currency translation adjustment	246	(925)
Remeasurements of defined benefit plans, net of tax	(104)	(118)
Share of other comprehensive income of entities accounted for using equity method	-	33
Total other comprehensive income	(546)	(407)
Comprehensive income	3,925	978
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,845	948
Comprehensive income attributable to non-controlling interests	79	30

(3) Notes to Quarterly Consolidated Financial Statements

(Notes regarding assumptions of continuing operations)

Not applicable.

(Notes in the case of significant changes in shareholders' equity)

Not applicable.

(Application of an accounting method specific to the preparation of quarterly consolidated financial statements)

(Calculation of income tax expenses)

The Company calculates income tax expenses by reasonably estimating the effective tax rate expected to be imposed on profit before income taxes for the fiscal year ending March 31, 2026 and then multiplying profit before income taxes for the nine months ended December 31, 2025 by the effective tax rate thus estimated.

However, in cases where calculating tax expenses using the estimated effective tax rate yields a result that is notably lacking rationality, tax expenses will be calculated using the statutory effective tax rate.

(Changes in accounting policies)

(Change in the method of converting profits and expenses of overseas subsidiaries into Japanese yen)

Profits and expenses of overseas subsidiaries were previously converted into Japanese yen at the spot exchange rate prevailing on the date of account settlement of such subsidiaries; however, the method has been changed to converting them into Japanese yen based on the average exchange rate during the period, effective from the beginning of the fiscal year ending March 31, 2026.

This change was conducted in order to mitigate the impact of temporary fluctuations in exchange rates on periodic profits and losses and more appropriately reflect the profits and losses of overseas subsidiaries incurred throughout the accounting period in the consolidated financial statements, as the importance of overseas subsidiaries is expected to increase in the future as a result of the Company's global expansion.

As the impact of this change is insignificant, the change in accounting policy has not been applied retrospectively.

(Changes or restatement of accounting estimates)

Not applicable.

(Segment information, etc.)

[Segment Information]

Nine Months Ended December 31, 2024 (April 1, 2024 – December 31, 2024)

1. Information on Net Sales and Profit/Loss of Each Reportable Segment

(Millions of yen)

	Reportable segments					Adjustment (Note 1)	Consolidated (Note 2)
	Functional solutions	Medical	Apparel	Lifestyle creations	Total		
Net sales							
Sales to customers	38,153	9,624	46,410	8,727	102,916	-	102,916
Intersegment sales and transfers	450	1	138	38	628	(628)	-
Total	38,604	9,625	46,549	8,765	103,544	(628)	102,916
Segment profit	5,179	1,784	1,320	634	8,919	(2,541)	6,377

Notes:

1. The ¥(2,541) million segment profit adjustment consists of overall costs not allocated to reportable segments. Overall costs refer to SG&A expenses not allocated to reportable segments.
2. Segment profit total was adjusted to be consistent with the operating profit recorded on the Quarterly Consolidated Statements of Income.

Nine Months Ended December 31, 2025 (April 1, 2025 – December 31, 2025)

1. Information on Net Sales and Profit/Loss of Each Reportable Segment

(Millions of yen)

	Reportable segments					Adjustment (Note 1)	Consolidated (Note 2)
	Functional solutions	Medical	Apparel	Lifestyle creations	Total		
Net sales							
Sales to customers	35,436	9,833	45,614	8,959	99,843	-	99,843
Intersegment sales and transfers	675	0	136	35	848	(848)	-
Total	36,112	9,833	45,751	8,994	100,692	(848)	99,843
Segment profit	5,255	1,497	931	780	8,465	(2,823)	5,641

Notes:

1. The ¥(2,823) million segment profit adjustment consists of overall costs not allocated to reportable segments. Overall costs refer to SG&A expenses not allocated to reportable segments.
2. Segment profit total was adjusted to be consistent with the operating profit recorded on the Quarterly Consolidated Statements of Income.

(Notes regarding statements of cash flows)

The Company has not prepared the quarterly consolidated statements of cash flows for the nine months ended December 31, 2025. Depreciation (including amortization for intangible assets excluding goodwill) and amortization of goodwill for the nine months ended December 31 are as follows:

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025	(Millions of yen)
Depreciation	5,022	5,387	
Amortization of goodwill	33	33	

(Significant subsequent events)

Not applicable.

Independent Auditor's Interim Review Report on the Quarterly Consolidated Financial Statements

February 5, 2026

To the Board of Directors of
GUNZE LIMITED

Kyoritsu Audit Corporation

Osaka Office

Representative Partner, Engagement Partner	Certified public accountant	Kiyoshi Asada
Representative Partner, Engagement Partner	Certified public accountant	Tatsuya Teshima

Auditor's Conclusion

We have conducted an interim review of the quarterly consolidated financial statements of GUNZE LIMITED for the first quarter accounting period (from April 1, 2025 to December 31, 2025) and the cumulative first quarter (from April 1, 2025 to December 31, 2025) of the fiscal year from April 1, 2025 to March 31, 2026 included in the “Attachment” of the summary of quarterly consolidated results, namely, the quarterly consolidated balance sheets, quarterly consolidated statements of income, quarterly consolidated statements of comprehensive income, and notes thereto.

In the interim review that we conducted, we found no instances that would lead us to believe that the above quarterly consolidated financial statements were not prepared in all material respects in accordance with Article 4, Paragraph 1 of the Tokyo Stock Exchange's Standards for Preparation of Quarterly Financial Statements and accounting standards for quarterly financial statements that are generally accepted in Japan (however, omissions set forth in Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements apply).

Basis for Auditor's Conclusion

We conducted our interim review in accordance with the interim review standards that are generally accepted in Japan. Our responsibilities under the interim review standards are described in “Auditor's Responsibilities in Interim Review of Quarterly Consolidated Financial Statements.” Pursuant to the rules on professional ethics in Japan, including those applicable to audits of financial statements of public interest entities, we are independent from the Company and its consolidated subsidiaries, and have fulfilled our other ethical responsibilities as an auditor. We believe that we have obtained the evidence to form a basis for our conclusion.

Responsibility of Management, Corporate Auditors and the Board of Corporate Auditors with Respect to Quarterly Consolidated Financial Statements

The responsibility of management is to prepare quarterly financial statements in accordance with Article 4, Paragraph 1 of the Tokyo Stock Exchange's Standards for Preparation of Quarterly Financial Statements and accounting standards for quarterly financial statements that are generally accepted in Japan (however, omissions set forth in Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements apply). This includes designing and operating internal controls that management deems necessary in

order to prepare quarterly consolidated financial statements free of material misstatements, whether due to fraud or error.

In preparing the quarterly consolidated financial statements, management is responsible for evaluating whether it is appropriate to prepare the quarterly consolidated financial statements based on the premise of a going concern, and for disclosing matters relating to going concern if required based on Article 4, Paragraph 1 of the Tokyo Stock Exchange's Standards for Preparation of Quarterly Financial Statements and accounting standards for quarterly financial statements that are generally accepted in Japan (however, omissions set forth in Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements apply).

The Corporate Auditors and Board of Corporate Auditors are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibilities in the Interim Review of Quarterly Consolidated Financial Statements

The auditor's responsibility is to express a conclusion with respect to the quarterly consolidated financial statements from an independent standpoint in an interim review report based on the interim review it has performed.

The auditor shall exercise professional judgment throughout the interim review process in accordance with interim review standards generally accepted in Japan, and perform the following while maintaining professional skepticism:

- Primarily, make inquiries of management, persons responsible for financial and accounting matters, and others, and perform analytical procedures and other interim review procedures. Interim review procedures are limited procedures relative to audits of annual financial statements conducted in accordance with auditing standards generally accepted in Japan.
- If it is determined that there is material uncertainty regarding events or circumstances that would raise substantial doubts about factors relating to the premise of a going concern, the auditor shall conclude, based on the evidence obtained, whether there are any factors that lead the auditor to believe that the quarterly consolidated financial statements have not been prepared in accordance with Article 4, Paragraph 1 of the Tokyo Stock Exchange's Standards for Preparation of Quarterly Financial Statements and the accounting standards for quarterly financial statements that are generally accepted in Japan (however, omissions set forth in Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements apply). Moreover, if there is material uncertainty regarding the premise of a going concern, the auditor is required to call attention to the notes to the quarterly consolidated financial statements in the interim review report, or to express a qualified or negative conclusion on the quarterly consolidated financial statements if the notes to the quarterly consolidated financial statements regarding material uncertainty are not adequate. The auditor's conclusion is based on evidence obtained up to the date of the interim review report, but future events or circumstances may prevent the company from continuing as a going concern.
- Evaluate whether there are any matters that lead the auditor to believe that the presentation and notes of the quarterly consolidated financial statements have not been prepared in accordance with Article 4, Paragraph 1 of the Tokyo Stock Exchange's Standards for Preparation of Quarterly Financial Statements and accounting standards for quarterly financial statements generally accepted in Japan (however, omissions set out in Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements apply).
- Obtain evidence regarding financial information of the Company and its consolidated subsidiaries that forms the basis for expressing conclusions about the quarterly consolidated financial statements. The auditor is responsible for directing, supervising, and reviewing of the interim review of the quarterly consolidated financial statements. The auditor is solely responsible for the auditor's conclusions.

The auditor shall report to the Corporate Auditors and of Board of Corporate Auditors on the planned scope of the interim review, its timing, and any significant findings from the interim review.

The auditor shall report to the Corporate Auditors and of Board of Corporate Auditors regarding the compliance with provisions related to professional ethics in Japan regarding independence, as well as on any matters that are reasonably considered to affect the auditor's independence, and details of any measures that are taken to remove impediments, or any safeguards adopted to reduce impediments to an acceptable level.

Conflicts of Interest

There are no special interests between the audit corporation or its engagement partners and the Company or its consolidated

subsidiaries that should be disclosed in accordance with the provisions of the Certified Public Accountants Act.

End

Notes 1. The original copy of the above interim review report is kept separately by the Company (the company disclosing the quarterly consolidated financial statements).

2. XBRL data and HTML data are not included within the scope of the interim review report.