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November 6, 2025

Consolidated Financial Results for the Nine Months Ended September 30, 2025 (Under Japanese GAAP)



Company name: PILOT CORPORATION

Listing: Tokyo Stock Exchange

Securities code: 7846

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

Representative: Fumio Fujisaki

Representative Director and President

Inquiries: Harunobu Terada

Executive Officer Accounting & Finance Department General Manager

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Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: None

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

1. Consolidated financial results for the nine months ended September 30, 2025 (from January 1, 2025 to September 30, 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 September 30, 2025	94,456	(0.9)	14,266	0.2	14,620	(4.8)	10,348	(12.8)
September 30, 2024	95,304	8.0	14,241	(3.9)	15,362	(11.2)	11,861	(1.1)

Note: Comprehensive income For the nine months ended September 30, 2025: ¥ 10,942 million [(6.6)%]
For the nine months ended September 30, 2024: ¥ 11,713 million [(29.8)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended September 30, 2025	270.23	-
September 30, 2024	302.33	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2025	174,879	143,089	81.3
December 31, 2024	176,701	141,579	79.1

Reference: Equity

As of September 30, 2025: ¥ 142,151 million
As of December 31, 2024: ¥ 139,851 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2024	-	53.00	-	64.00	117.00
Fiscal year ending December 31, 2025	-	60.00	-		
Fiscal year ending December 31, 2025 (Forecast)				60.00	120.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated financial result forecasts for the fiscal year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
Full year	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	133,000	5.4	18,000	1.1	19,000	(5.5)	14,500	(4.5)	380.89

Note: Revisions to the financial result forecast most recently announced: None

The Company resolved the acquisition of treasury shares at the Board of Directors' Meeting held on May 9, 2025. The impact of the acquisition was included in "Basic earnings per share" stated above.

* Notes

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

Newly included: 1 company(PPIN Private Limited
The trade name changed to PILOT PEN & STATIONERY COMPANY
(INDIA) PRIVATE LIMITED on September 26, 2025.)
Excluded: - companies(-)

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

(Note) For details, please refer to the "2. Quarterly Consolidated Financial Statements and Primary Notes (3) Notes to Quarterly Consolidated Financial Statements, Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements" on page 9 of this report.

(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: None
- (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 September 30, 2025	40,905,200 shares
As of December 31, 2024	40,905,200 shares

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

As of September 30, 2025	3,290,621 shares
As of December 31, 2024	2,365,148 shares

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

Nine months ended September 30, 2025	38,296,001 shares
Nine months ended September 30, 2024	39,234,139 shares

(Note) The number of treasury shares at the end of the period includes the Company's shares held by the BIP (Board Incentive Plan) trust (As of September 30, 2025: 65,400 shares, As of December 31, 2024: 18,827 shares). In addition, these Company's shares are included in the treasury shares which is deducted from the number of shares outstanding when calculating the average number of shares during the period (As of September 30, 2025: 40,018 shares, As of September 30, 2024: 18,827 shares).

* 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

-The statements regarding forecast of financial results in this report are based on the information that is available to the Company, as well as certain assumptions that are deemed to be reasonable by management. Therefore, there might be cases in which actual results differ materially from forecast values due to various factors. For the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof, please refer to "1. Management Discussion and Analysis (3) Description of Consolidated Results Forecast" on page 4 of this report.

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1. Management Discussion and Analysis

(1) Result of Operations

Through the 2025-2027 medium-term management plan covering the three years from the fiscal year ending December 31, 2025, we aim to grow writing instruments, which is our mainstay business, in the global market, and create new businesses. We positioned the term as a phase in which we will reinforce the Group's management foundation for adapting to changes with the purpose of realizing the Group's "2030 Vision", and strive for ceaseless evolution.

During the nine months (January 1 to September 30, 2025) of the fiscal year under review, the economic environment in Japan saw a gradual recovery due to improvements in the income environment, although inflation caused personal consumption to stall. Overseas, the outlook for the global economy remains uncertain due to factors such as continued inflation in Europe and the U.S., the prolonged slowdown in the Chinese economy, and the effects of the U.S. tariff policies.

In this economic environment, consolidated net sales for the nine months under review totaled 94,456 million yen, down 0.9% year on year (YoY). Net sales in the Japanese market came to 20,675 million yen, down 2.2% YoY. Net sales in overseas markets were 73,780 million yen, down 0.5% YoY.

In terms of profit, the Group recorded operating profit of 14,266 million yen, up 0.2% YoY, and ordinary profit of 14,620 million yen, down 4.8% YoY. Profit attributable to owners of parent stood at 10,348 million yen, down 12.8% YoY.

Details of each segment are as follows.

Segment operating profit is profit before the elimination of intersegment transactions.

(Japan segment)

In the stationery business, sales of S20 high-end mechanical pencils, which are crafted from wood, remained strong in Japan. In addition, sales volume of the highlighter pen KIRE-NA, which marked the first anniversary in October 2025, has grown steadily. Sales of permanent marker Onamae Jouzu, featuring newly developed tips and ink also performed well. However, domestic sales were down YoY due to a decline in OEM sales of writing instruments. Furthermore, export sales have also decreased. This is mainly due to the inclusion of Pilot Pen (Malaysia) Sdn. Bhd. and PPIN Private Limited (now PILOT PEN & STATIONERY COMPANY (INDIA) PRIVATE LIMITED, trade name changed on September 26, 2025) within the scope of consolidation, as a result of which, sales for Malaysia and India, which were previously included in the Japan segment, are now included in the Asia segment.

In the toys business, sales decreased due to the continued impact of price increases implemented in April despite the solid performance of Mellchan doll series, our mainstay product.

In the industrial materials and other businesses, sales increased thanks to an increase in orders received for ceramics products, the mainstay of the industrial materials business.

A breakdown of net sales in this segment by major business is as follows: 21,660 million yen, down 6.0% YoY in the stationery business, 2,390 million yen, down 2.6% YoY in the toys business, and 2,682 million yen, up 19.0% YoY in the industrial materials and other businesses. In the stationery business, net sales of writing instruments stood at 18,839 million yen, down 7.2% YoY, and net sales of other stationery came to 2,821 million yen, up 3.3% YoY.

Segment operating profit decreased primarily due to a decline in sales to overseas major consolidated subsidiaries and an increase in depreciation and other expenses.

As a result, net sales to external customers in this segment totaled 26,733 million yen, down 3.6% YoY. Segment operating profit came to 8,636 million yen, down 13.6% YoY.

(Americas segment)

In the Americas, sales volume remained strong for G-2, our mainstay product that continues to hold the top share in the gel ink pen market in the U.S. However, net sales in this segment fell due to a decrease in sales of products other than G-2 and the impact of the yen's appreciation. Segment operating profit increased mainly due to decreases in cost of sales and advertising expenses.

As a result, net sales to external customers in this segment totaled 29,082 million yen, down 5.7% YoY. Segment operating profit came to 1,809 million yen, up 38.7% YoY.

(Europe segment)

In Europe, although personal consumption has yet to fully recover, sales of FRIXION ball+, which uses recycled plastic continued to grow particularly in France. Furthermore, sales volume of multi-color ballpoint pen FRIXION ball 4 achieved a solid growth, creating new demand in the European market. This is the first time we have launched erasable multi-color ballpoint pens in Europe. However, sales in this segment remained almost unchanged, partly due to stagnant economic conditions in several countries. Segment operating profit declined primarily due to an increase in cost of sales.

As a result, net sales to external customers in this segment totaled 21,248 million yen, up 0.4% YoY. Segment operating profit came to 1,293 million yen, down 22.2% YoY.

(Asia segment)

In Asia, although China's economy remains weak, the Juice series of gel ink pens, our mainstay product in the Chinese market, performed well. Furthermore, Pilot Pen (Malaysia) Sdn. Bhd. and PILOT PEN & STATIONERY COMPANY (INDIA) PRIVATE LIMITED are now included in the consolidated financial statements, and sales for Malaysia and India that were previously included in the Japan segment are now included in the Asia segment. Due to those factors, sales in this segment increased. Segment operating profit increased primarily due to a decrease in cost of sales.

As a result, net sales to external customers in this segment totaled 17,391 million yen, up 11.7% YoY. Segment operating profit came to 807 million yen, up 192.6% YoY.

As a result of the above, the total of segment operating profit in each region decreased to 12,546 million yen, down 5.2% YoY, but consolidated operating profit increased to 14,266 million yen, up 0.2% YoY. This is attributable to the unrealized gain related to inventories and so on, which resulted in a consolidation adjustment of 1,719 million yen (compared to 1,006 million yen in the same period in the previous fiscal year).

(2) Financial Position

Total assets at the end of the nine months under review were 174,879 million yen, a decrease of 1,822 million yen from the end of the previous fiscal year.

Current assets decreased 3,232 million yen compared to the end of the previous fiscal year, to 105,061 million yen. This is primarily due to a decrease of 3,408 million yen in cash and deposits.

Non-current assets increased 1,410 million yen compared to the end of the previous fiscal year, to 69,817 million yen. This is primarily due to an increase of 2,393 million yen in property, plant and equipment, despite a decrease of 1,102 million yen in deferred tax assets.

Liabilities decreased 3,332 million yen compared to the end of the previous fiscal year, to 31,789 million yen.

Current liabilities decreased 3,277 million yen compared to the end of the previous fiscal year, to 29,471 million yen. This is primarily due to a decrease of 2,603 million yen in income taxes payable.

Non-current liabilities decreased 55 million yen compared to the end of the previous fiscal year, to 2,317 million yen.

Net assets increased 1,510 million yen compared to the end of the previous fiscal year, to 143,089 million yen. This is primarily due to an increase of 5,668 million yen in retained earnings and an increase of 3,940 million yen in treasury shares resulting mainly from the acquisition of treasury shares pursuant to the resolution at the Board of Directors meeting held on May 9, 2025

(3) Description of Consolidated Results Forecast

The consolidated financial results forecast for the fiscal year ending December 31, 2025, announced on February 14, 2025, remains unchanged.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2024	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	39,977	36,568
Notes and accounts receivable - trade	25,766	26,017
Merchandise and finished goods	23,456	24,330
Work in process	8,793	8,483
Raw materials and supplies	4,761	4,681
Other	5,660	5,135
Allowance for doubtful accounts	(121)	(154)
Total current assets	108,294	105,061
Non-current assets		
Property, plant and equipment		
Buildings and structures	36,908	38,035
Accumulated depreciation	(17,179)	(17,855)
Buildings and structures, net	19,729	20,179
Machinery, equipment and vehicles	43,903	47,005
Accumulated depreciation	(34,466)	(35,540)
Machinery, equipment and vehicles, net	9,436	11,464
Other	21,532	22,787
Accumulated depreciation	(18,501)	(19,351)
Other, net	3,031	3,436
Land	7,517	7,517
Construction in progress	4,295	3,805
Total property, plant and equipment	44,010	46,403
Intangible assets		
Leasehold interests in land	5,355	5,355
Goodwill	1,302	1,196
Other	1,077	970
Total intangible assets	7,734	7,522
Investments and other assets		
Investment securities	8,937	8,952
Deferred tax assets	3,156	2,054
Retirement benefit asset	3,701	4,008
Other	899	886
Allowance for doubtful accounts	(32)	(9)
Total investments and other assets	16,662	15,891
Total non-current assets	68,407	69,817
Total assets	176,701	174,879

(Millions of yen)

	As of December 31, 2024	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,197	11,089
Short-term borrowings	370	300
Current portion of long-term borrowings	319	216
Accrued expenses	3,011	3,182
Income taxes payable	3,159	556
Provision for bonuses	906	1,581
Provision for bonuses for directors (and other officers)	66	46
Provision for loss on disaster	67	-
Provision for share awards for directors (and other officers)	71	-
Other	13,577	12,498
Total current liabilities	32,748	29,471
Non-current liabilities		
Long-term borrowings	166	16
Deferred tax liabilities	524	381
Provision for retirement benefits for directors (and other officers)	135	138
Provision for share awards for directors (and other officers)	-	33
Retirement benefit liability	770	837
Other	776	911
Total non-current liabilities	2,373	2,317
Total liabilities	35,122	31,789
Net assets		
Shareholders' equity		
Share capital	2,340	2,340
Capital surplus	7,887	7,885
Retained earnings	136,126	141,795
Treasury shares	(10,734)	(14,675)
Total shareholders' equity	135,620	137,346
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,534	2,085
Foreign currency translation adjustment	2,059	2,247
Remeasurements of defined benefit plans	637	473
Total accumulated other comprehensive income	4,231	4,805
Non-controlling interests	1,727	938
Total net assets	141,579	143,089
Total liabilities and net assets	176,701	174,879

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Millions of yen)

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2025
Net sales	95,304	94,456
Cost of sales	46,123	45,029
Gross profit	49,180	49,426
Selling, general and administrative expenses	34,938	35,160
Operating profit	14,241	14,266
Non-operating income		
Interest income	483	548
Dividend income	545	336
Other	359	308
Total non-operating income	1,388	1,193
Non-operating expenses		
Interest expenses	136	61
Foreign exchange losses	78	711
Other	52	66
Total non-operating expenses	267	839
Ordinary profit	15,362	14,620
Extraordinary income		
Gain on sale of non-current assets	70	40
Gain on sale of investment securities	343	114
Gain on step acquisitions	889	-
Gain on termination of retirement benefit plan	-	187
Reversal of provision for environmental measures	42	-
Total extraordinary income	1,347	342
Extraordinary losses		
Loss on sale of non-current assets	1	0
Loss on retirement of non-current assets	38	209
Impairment losses	95	-
Loss on disaster	13	-
Loss on sale of investment securities	0	-
Environmental expenses	-	1
Soil pollution expense	45	-
Total extraordinary losses	195	212
Profit before income taxes	16,514	14,750
Income taxes	4,638	4,347
Profit	11,876	10,402
Profit attributable to non-controlling interests	14	53
Profit attributable to owners of parent	11,861	10,348

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Millions of yen)

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2025
Profit	11,876	10,402
Other comprehensive income		
Valuation difference on available-for-sale securities	87	558
Foreign currency translation adjustment	(135)	145
Remeasurements of defined benefit plans, net of tax	(114)	(164)
Total other comprehensive income	(162)	539
Comprehensive income	11,713	10,942
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,694	10,937
Comprehensive income attributable to non-controlling interests	19	5

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

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

(Acquisition of treasury shares)

Based on the resolution at the Board of Directors meeting held on May 9, 2025, the Company acquired 939,200 treasury shares. As a result of this acquisition, treasury shares increased by 3,940 million yen during the nine months under review, bringing the total to 14,675 million yen at the end of the period.

(Notes on changes in scope of consolidation or scope of application of the equity method)

(Significant changes in scope of consolidation)

PPIN Private Limited (trade name changed to PILOT PEN & STATIONERY COMPANY (INDIA) PRIVATE LIMITED on September 26, 2025), which was a non-consolidated subsidiary at the end of the previous consolidated fiscal year, has been newly included in the scope of consolidation from the beginning of the nine months under review, due to its increased significance.

(Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements)

(Calculation of tax expenses)

Certain consolidated subsidiaries calculate tax expenses by reasonably estimating the effective tax rate after the application of tax effect accounting to current net income before tax for the consolidated fiscal year, including the third quarter of the fiscal year under review, and then multiplying the current net income before tax by this estimated effective tax rate. However, if the tax expenses that are calculated using this estimated effective tax rate are obviously unreasonable, these consolidated subsidiaries will calculate tax expenses by using a method that uses the statutory effective tax rate.

(Segment information, etc.)

[Segment information]

I. For the nine months ended September 30, 2024 (January 1, 2024 to September 30, 2024)

1. Information regarding net sales and profit (loss) for each reportable segment

(Millions of yen)

	Japan	Americas	Europe	Asia	Reportable segment total	Adjust- ment (Note 1)	Amount recorded in quarterly consolidated statements of income (Note 2)
Net sales							
Net sales to external customers	27,740	30,826	21,167	15,570	95,304	—	95,304
Intersegment net sales or transfers	34,132	0	—	—	34,133	(34,133)	—
Total	61,872	30,827	21,167	15,570	129,437	(34,133)	95,304
Segment profit	9,990	1,304	1,663	275	13,234	1,006	14,241

(Notes) 1. The amount of adjustment is the elimination of intersegment transactions.

2. Segment profit has been adjusted with operating profit in the quarterly consolidated statements of income.

II. For the nine months ended September 30, 2025 (January 1, 2025 to September 30, 2025)

1. Information regarding net sales and profit (loss) for each reportable segment

(Millions of yen)

	Japan	Americas	Europe	Asia	Reportable segment total	Adjust- ment (Note 1)	Amount recorded in quarterly consolidated statements of income (Note 2)
Net sales							
Net sales to external customers	26,733	29,082	21,248	17,391	94,456	—	94,456
Intersegment net sales or transfers	34,232	—	0	42	34,274	(34,274)	—
Total	60,965	29,082	21,248	17,434	128,731	(34,274)	94,456
Segment profit	8,636	1,809	1,293	807	12,546	1,719	14,266

(Notes) 1. The amount of adjustment is the elimination of intersegment transactions.

2. Segment profit has been adjusted with operating profit in the quarterly consolidated statements of income.

(Notes to statements of cash flows)

Consolidated quarterly statements of cash flows were not prepared for the nine months ended September 30, 2025. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the nine months ended September 30, 2025 are as follows:

	For the nine months ended September 30, 2024 (January 1, 2024 to September 30, 2024)	For the nine months ended September 30, 2025 (January 1, 2025 to September 30, 2025)
Depreciation	3,634 million yen	4,606 million yen
Amortization of goodwill	—	96

Interim Review Report by Independent Auditors on Quarterly Consolidated Financial Statements

November 6, 2025

To the Board of Directors
Pilot Corporation

ARK LLC

Tokyo Office

Designated Limited Liability Partner
Managing Partner

Certified public accountant Norikazu Shibuya

Designated Limited Liability Partner
Managing Partner

Certified public accountant Yuta Yamaki

Our conclusion

We have performed an interim review of the quarterly consolidated financial statements related to the third-quarter consolidated accounting period (from July 1, 2025 to September 30, 2025) and the third-quarter cumulative consolidated accounting period (from January 1, 2025 to September 30, 2025) of the consolidated fiscal year from January 1, 2025 to December 31, 2025 of the Pilot Corporation included in the Attached Materials of the quarterly financial results. Specifically, we reviewed the quarterly consolidated balance sheets, quarterly consolidated statements of income, quarterly consolidated statements of comprehensive income, and the notes to the quarterly consolidated financial statements.

In the interim review that we conducted, nothing has come to our attention that causes us to believe that the abovementioned quarterly consolidated financial statements were not prepared in all material respects in accordance with Article 4, Paragraph 1 of the Standards for Preparation for Quarterly Financial Statements of the Tokyo Stock Exchange, Inc. and accounting standards generally accepted in Japan for quarterly financial statements. (However, the omissions of statements set forth in Article 4, Paragraph 2 of the Standards for Preparation for Quarterly Financial Statements have been applied.)

Basis for Auditors' conclusion

We conducted our interim review in accordance with interim review standards generally accepted in Japan. Our responsibilities under the interim review standards are described in the "Auditors' responsibilities for the interim review of the quarterly consolidated financial statements" section. We are independent of the Company and its consolidated subsidiaries in accordance with the professional ethical regulations that are applicable in Japan, and we have fulfilled our other ethical responsibilities as auditors. We have determined that we have obtained evidence to serve as a basis for our conclusion.

Responsibilities of management and the Audit & Supervisory Committee relating to quarterly consolidated financial statements

Management has a responsibility to prepare quarterly consolidated financial statements in accordance with Article 4, Paragraph 1 of the Standards for Preparation for Quarterly Financial Statements of the Tokyo Stock Exchange, Inc. and accounting standards generally accepted in Japan for quarterly financial statements. (However, the omissions of statements set forth in Article 4, Paragraph 2 of the Standards for Preparation for Quarterly Financial Statements have been applied.) This responsibility includes establishing and operating an internal control system that management considers necessary for preparing quarterly consolidated financial statements that do not include any significant misstatements stemming from fraud or errors.

In preparing the quarterly consolidated financial statements, management is responsible for assessing whether the preparation of the quarterly consolidated financial statements based on the going concern assumption is appropriate and for disclosing, as applicable, matters relating to the going concern based on Article 4, Paragraph 1 of the Standards for Preparation for Quarterly Financial Statements of the Tokyo Stock Exchange, Inc. and accounting standards generally accepted in Japan for quarterly financial statements. (However, the omissions of

statements set forth in Article 4, Paragraph 2 of the Standards for Preparation for Quarterly Financial Statements have been applied.)

The Audit & Supervisory Committee has a responsibility to monitor the directors' performance of their duties in the establishment and operation of the financial reporting process.

Auditors' responsibilities for the interim review of the quarterly consolidated financial statements

The auditors are responsible for stating a conclusion regarding the quarterly consolidated financial statements from a position of independence in the interim review report based on the interim review that they conducted.

We exercise professional judgment and conduct the following by maintaining professional skepticism throughout the interim review in accordance with the interim review standards generally accepted in Japan.

- Make inquiries, primarily to management and persons responsible for financial and accounting matters, and apply analytical and other interim review procedures. The interim review procedure is limited compared to an audit of financial statements of the fiscal year conducted in accordance with auditing standards generally accepted in Japan.

- Conclude whether nothing has come to our attention that causes us to believe that the quarterly consolidated financial statements were not prepared in accordance with Article 4, Paragraph 1 of the Standards for Preparation for Quarterly Financial Statements of the Tokyo Stock Exchange, Inc. and accounting standards generally accepted in Japan for quarterly financial statements (although the omissions of statements set forth in Article 4, Paragraph 2 of the Standards for Preparation for Quarterly Financial Statements have been applied) based on the evidence obtained when it has been determined that material uncertainties exist related to events or conditions that may cast significant doubt on matters related to the going concern assumption. Furthermore, if a material uncertainty related to the going concern assumption is identified, we are required to draw attention to it in our interim review report to the related notes in the quarterly consolidated financial statements or, if such notes on a material uncertainty in the quarterly consolidated financial statements are inadequate, to express a limited or negative conclusion on the quarterly consolidated financial statements. Our conclusions are based on the evidence obtained up to the date of our interim review report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate whether nothing has come to our attention that causes us to believe that the presentation of the quarterly consolidated financial statements and notes have not been prepared in accordance with Article 4, Paragraph 1 of the Standards for Preparation for Quarterly Financial Statements of the Tokyo Stock Exchange, Inc. and accounting standards generally accepted in Japan for quarterly financial statements. (However, the omissions of statements set forth in Article 4, Paragraph 2 of the Standards for Preparation for Quarterly Financial Statements have been applied.)

- Obtain evidence regarding the financial information of the Company and its consolidated subsidiaries that will be the basis for the concluding statement on the quarterly consolidated financial statements. We are responsible for the direction, supervision and performance of the interim review of the quarterly consolidated financial statements.

We are solely responsible for our conclusion.

We report the planned scope and timing of the interim review and significant interim review findings to the Audit & Supervisory Committee.

We report to the Audit & Supervisory Committee regarding compliance with professional ethical regulations that are applicable in Japan regarding independence, matters that may reasonably be thought to affect our independence, and any details when countermeasures are adopted to remove the causes of the impediments or when safeguards are applied to reduce the causes of impediments to an acceptable level.

Interest

Our firm and managing partners have no interest in the Company and its consolidated subsidiaries which should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.