

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.

May 11, 2026

## Consolidated Financial Results for the Three Months Ended March 31, 2026 (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: Hideki Murata Executive Officer and General Manager of Accounting & Finance Department  
 Telephone: +81-3-3538-3700  
 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 three months ended March 31, 2026 (from January 1, 2026 to March 31, 2026)

#### (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	%
Three months ended								
March 31, 2026	31,526	8.3	4,154	(10.4)	4,582	12.0	2,677	44.2
March 31, 2025	29,118	1.1	4,634	55.5	4,090	(0.6)	1,856	(31.3)

Note: Comprehensive income For the three months ended March 31, 2026: ¥ 4,098 million [ 836.6%]  
 For the three months ended March 31, 2025: ¥ 437 million [ (91.1)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended		
March 31, 2026	74.08	-
March 31, 2025	48.16	-

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of			
March 31, 2026	172,945	137,675	79.2
December 31, 2025	179,906	146,079	80.8

Reference: Equity

As of March 31, 2026: ¥ 137,015 million  
 As of December 31, 2025: ¥ 145,444 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, 2025	-	60.00	-	60.00	120.00
Fiscal year ending December 31, 2026	-				
Fiscal year ending December 31, 2026 (Forecast)		63.00	-	21.00	-

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

The year-end dividend per share for the fiscal year ending December 31, 2026 (Forecast) has been adjusted to reflect a three-for-one stock split of common shares, effective July 1, 2026. Assuming no stock split, it is ¥63.00, and the annual dividend is ¥126.00.

**3. Consolidated financial result forecasts for the fiscal year ending December 31, 2026 (from January 1, 2026 to December 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	5.2	18,000	8.1	18,500	3.6	14,000	16.0	131.80

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

Forecast for the first two quarters of fiscal year ending June 30, 2026 has not been made.

The forecasted basic earnings per share has been adjusted to reflect a three-for-one stock split of common shares, effective July 1, 2026. Assuming no stock split, it is ¥395.41.

**\* Notes**

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - companies( - )  
Excluded: - companies( - )

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

Note: For details, please refer to "2. (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 March 31, 2026	37,405,200 shares
As of December 31, 2025	40,905,200 shares

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

As of March 31, 2026	2,325,049 shares
As of December 31, 2025	3,706,049 shares

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

Three months ended March 31, 2026	36,139,651 shares
Three months ended March 31, 2025	38,541,859 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 March 31, 2026: 65,400 shares; As of December 31, 2025: 65,400 shares). In addition, these Company's shares are included in the treasury shares deducted from the number of shares outstanding when calculating the average number of shares during the period (As of March 31, 2026: 65,400 shares; As of March 31, 2025: 17,020 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.

## Table of Contents of Attached Materials

1. Management Discussion and Analysis .....	2
(1) Result of Operations.....	2
(2) Financial Position .....	4
(3) Description of Consolidated Results Forecast.....	4
2. Quarterly Consolidated Financial Statements and Primary Notes.....	5
(1) Quarterly Consolidated Balance Sheets .....	5
(2) Quarterly Consolidated Statements of Income and Comprehensive Income .....	7
Quarterly Consolidated Statements of Income .....	7
Quarterly Consolidated Statements of Comprehensive Income .....	8
(3) Notes to Quarterly Consolidated Financial Statements .....	9
(Notes on going concern assumption) .....	9
(Notes in case of significant changes in shareholders' equity) .....	9
(Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements).....	9
(Segment information, etc.) .....	10
(Notes to statements of cash flows) .....	10
Interim Review Report by Independent Auditors on Quarterly Consolidated Financial Statements .....	11

## 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 ended 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 three months (January 1 to March 31, 2026) of the fiscal year under review, the economic environment in Japan saw a gradual recovery due to improvements in the employment and income environment amid ongoing inflation. Overseas, the outlook for the global economy remains uncertain due to factors such as the prolonged slowdown in the Chinese economy, rising resource prices caused by the situation in the Middle East, and inflation in Europe and the U.S.

In this economic environment, consolidated net sales for the three months under review totaled 31,526 million yen, up 8.3% year on year (YoY). Net sales in the Japanese market came to 7,581 million yen, up 4.5% YoY. Net sales in overseas markets were 23,944 million yen, up 9.5% YoY.

In terms of profit, the Group recorded operating profit of 4,154 million yen, down 10.4% YoY, and ordinary profit of 4,582 million yen, up 12.0% YoY. Profit attributable to owners of parent stood at 2,677 million yen, up 44.2% YoY.

Details of each segment are as follows.

Segment operating profit for each region is profit before the elimination of intersegment transactions.

#### (Japan segment)

In the stationery business, the Juice series, including new products such as Juice+, and the highlighter pen KIRENA, have been selling extremely well in Japan, in addition to the FRIXION series, which includes new products such as FRIXION SYNERGY 3 and FRIXION BALL SWITCH. Furthermore, the CUSTOM series of fountain pens and the fountain pen ink iroshizuku also performed well after price revisions, which led to an increase in domestic sales. Exports also saw sales growth, particularly to South Korea.

In the toys business, sales decreased due to a backlash from the rush demand prior to price increases implemented in April 2025, as well as the impact of inventory adjustments by some customers, despite solid performance of the Melchan doll and bath toys series, our mainstay products.

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: 7,632 million yen, up 7.1% YoY in the stationery business, 530 million yen, down 27.2% YoY in the toys business, and 981 million yen, up 3.2% YoY in the industrial materials and other businesses. In the stationery business, net sales of writing instruments stood at 6,665 million yen, up 9.5% YoY, and net sales of other stationery came to 967 million yen, down 7.3% YoY.

Segment operating profit increased due to the weak yen, despite a rise in selling, general and administrative expenses, including advertising and personnel expenses.

As a result, net sales to external customers in this segment totaled 9,145 million yen, up 3.8% YoY. Segment operating profit came to 4,057 million yen, up 53.8% YoY.

(Americas segment)

In the Americas, sales remained strong for products such as G-2, which continues to hold the top share in the gel ink pen market in the U.S., and the FRIXION series. Combined with the impact of the weak yen, the segment as a whole saw an increase in sales and profit.

As a result, net sales to external customers in this segment totaled 9,693 million yen, up 14.9% YoY. Segment operating profit came to 893 million yen, up 46.5% YoY.

(Europe segment)

In Europe, although the market recovery is taking time, sales increased due to growth in mainstay products such as the FRIXION series in Northern Europe, as well as the impact of the weak yen. However, the segment operating profit turned into a loss due to a decline in sales on a local currency basis, coupled with an increase in selling, general, and administrative expenses, including personnel expenses.

As a result, net sales to external customers in this segment totaled 6,596 million yen, up 6.9% YoY. Segment operating loss came to 19 million yen (compared to a profit of 86 million yen in the same period in the previous fiscal year).

(Asia segment)

In Asia, although China's economy remains weak, the segment as a whole saw an increase in sales, driven by the strong performance of the Juice series of gel ink pens and P-500/700, our mainstay products in the Chinese market, as well as the impact of the weak yen. On the other hand, segment operating profit declined due to an increase in selling, general and administrative expenses, including personnel expenses.

As a result, net sales to external customers in this segment totaled 6,091 million yen, up 6.8% YoY. Segment operating profit came to 251 million yen, down 31.8% YoY.

As a result of the above, the total of segment operating profit in each region increased to 5,183 million yen, up 40.0% YoY. However, consolidated operating profit decreased to 4,154 million yen, down 10.4% YoY. This is attributable to the unrealized gain on inventories and so on, which resulted in a consolidation adjustment of minus 1,028 million yen (compared to 931 million yen in the same period in the previous fiscal year).

## (2) Financial Position

Total assets at the end of the three months under review were 172,945 million yen, a decrease of 6,960 million yen from the end of the previous fiscal year.

Current assets decreased 9,350 million yen compared to the end of the previous fiscal year, to 100,894 million yen. This is primarily due to a decrease of 8,904 million yen in cash and deposits.

Non-current assets increased 2,389 million yen compared to the end of the previous fiscal year, to 72,050 million yen. This is primarily due to increases of 931 million yen in property, plant and equipment, 480 million yen in intangible assets, 376 million yen in investment securities, and 492 million yen in deferred tax assets.

Liabilities increased 1,443 million yen compared to the end of the previous fiscal year, to 35,270 million yen.

Current liabilities increased 1,249 million yen compared to the end of the previous fiscal year, to 28,543 million yen. This is primarily due to increases of 1,648 million yen in short-term borrowings, 629 million yen in provision for bonuses, and 1,255 million yen in notes payable - facilities included under other, and a decrease of 2,143 million yen in notes and accounts payable - trade.

Non-current liabilities increased 194 million yen compared to the end of the previous fiscal year, to 6,726 million yen.

Net assets decreased 8,403 million yen compared to the end of the previous fiscal year, to 137,675 million yen. This is primarily due to an increase of 1,032 million yen in foreign currency translation adjustment, a decrease of 5,920 million yen in treasury shares, and a decrease of 15,745 million yen in retained earnings.

## (3) Description of Consolidated Results Forecast

The consolidated financial results forecast for the fiscal year ending December 31, 2026, announced on February 13, 2026, remains unchanged.

Please note that our products are manufactured using plastics, solvents, and other materials derived from crude oil, and therefore the business activities of the Group may be affected by rising raw material procurement costs and procurement risks stemming from soaring crude oil prices associated with heightened geopolitical risks in the Middle East. We will closely monitor future developments and promptly disclose a revised forecast, if necessary.

## 2. Quarterly Consolidated Financial Statements and Primary Notes

### (1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of December 31, 2025	As of March 31, 2026
<b>Assets</b>		
Current assets		
Cash and deposits	39,992	31,087
Notes and accounts receivable - trade	26,426	27,036
Merchandise and finished goods	24,317	25,396
Work in process	9,123	9,091
Raw materials and supplies	4,869	5,016
Other	5,665	3,421
Allowance for doubtful accounts	(149)	(155)
Total current assets	110,245	100,894
Non-current assets		
Property, plant and equipment		
Buildings and structures	38,426	38,559
Accumulated depreciation	(18,354)	(18,707)
Buildings and structures, net	20,072	19,852
Machinery, equipment and vehicles	48,623	48,943
Accumulated depreciation	(36,608)	(37,077)
Machinery, equipment and vehicles, net	12,014	11,866
Other	23,347	23,308
Accumulated depreciation	(19,855)	(19,713)
Other, net	3,491	3,594
Land	7,550	7,568
Construction in progress	3,073	4,253
Total property, plant and equipment	46,203	47,135
Intangible assets		
Leasehold interests in land	5,355	5,355
Goodwill	1,272	1,266
Other	987	1,474
Total intangible assets	7,614	8,095
Investments and other assets		
Investment securities	8,093	8,469
Deferred tax assets	1,107	1,600
Retirement benefit asset	5,773	5,829
Other	878	930
Allowance for doubtful accounts	(10)	(10)
Total investments and other assets	15,842	16,819
Total non-current assets	69,660	72,050
Total assets	179,906	172,945

(Millions of yen)

As of December 31, 2025

As of March 31, 2026

Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,743	8,600
Short-term borrowings	582	2,231
Current portion of long-term borrowings	166	332
Accrued expenses	3,094	3,016
Income taxes payable	1,624	1,875
Provision for bonuses	931	1,561
Provision for bonuses for directors (and other officers)	77	32
Provision for environmental measures	373	372
Other	9,699	10,521
Total current liabilities	27,294	28,543
Non-current liabilities		
Long-term borrowings	4,000	3,750
Deferred tax liabilities	428	761
Provision for retirement benefits for directors (and other officers)	145	78
Provision for environmental measures	21	21
Provision for share awards for directors (and other officers)	45	42
Retirement benefit liability	869	898
Other	1,021	1,173
Total non-current liabilities	6,532	6,726
Total liabilities	33,826	35,270
Net assets		
Shareholders' equity		
Share capital	2,340	2,340
Capital surplus	8,214	8,214
Retained earnings	143,510	127,765
Treasury shares	(16,632)	(10,712)
Total shareholders' equity	137,433	127,608
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,840	2,286
Foreign currency translation adjustment	4,558	5,590
Remeasurements of defined benefit plans	1,611	1,530
Total accumulated other comprehensive income	8,010	9,406
Non-controlling interests	634	659
Total net assets	146,079	137,675
Total liabilities and net assets	179,906	172,945

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

(Millions of yen)

	For the three months ended March 31, 2025	For the three months ended March 31, 2026
Net sales	29,118	31,526
Cost of sales	13,296	15,504
Gross profit	15,822	16,022
Selling, general and administrative expenses	11,188	11,868
Operating profit	4,634	4,154
Non-operating income		
Interest income	174	221
Dividend income	8	8
Foreign exchange gains	-	176
Other	101	79
Total non-operating income	283	484
Non-operating expenses		
Interest expenses	20	46
Foreign exchange losses	797	-
Other	8	9
Total non-operating expenses	827	56
Ordinary profit	4,090	4,582
Extraordinary income		
Gain on sale of non-current assets	21	10
Gain on termination of retirement benefit plan	187	-
Total extraordinary income	209	10
Extraordinary losses		
Loss on sale of non-current assets	0	-
Loss on retirement of non-current assets	126	8
Loss on valuation of investment securities	-	274
Total extraordinary losses	126	282
Profit before income taxes	4,173	4,310
Income taxes	2,290	1,612
Profit	1,882	2,697
Profit attributable to non-controlling interests	26	20
Profit attributable to owners of parent	1,856	2,677

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

(Millions of yen)

	For the three months ended March 31, 2025	For the three months ended March 31, 2026
Profit	1,882	2,697
Other comprehensive income		
Valuation difference on available-for-sale securities	131	445
Foreign currency translation adjustment	(1,465)	1,036
Remeasurements of defined benefit plans, net of tax	(110)	(81)
Total other comprehensive income	(1,445)	1,401
Comprehensive income	437	4,098
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	476	4,073
Comprehensive income attributable to non-controlling interests	(38)	25

(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 February 20, 2026, the Company acquired 2,119,000 treasury shares on February 24, 2026. As a result of this acquisition, treasury shares increased by 10,266 million yen during the three months under review.

(Cancellation of treasury shares)

Pursuant to Article 178 of the Companies Act, the Company canceled 3,500,000 treasury shares effective March 31, 2026. As a result, retained earnings and treasury shares decreased by 16,186 million yen each during the three months under review.

As a result, retained earnings stood at 127,765 million yen and treasury shares at 10,712 million yen as of the end of the three months under review.

(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 first 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 three months ended March 31, 2025 (January 1, 2025 to March 31, 2025)

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

(Millions of yen)

	Japan	Americas	Europe	Asia	Reportable segment total	Adjustment (Note 1)	Amount recorded in quarterly consolidated statements of income (Note 2)
Net sales							
Net sales to external customers	8,810	8,437	6,168	5,702	29,118	–	29,118
Intersegment net sales or transfers	10,848	–	0	14	10,863	(10,863)	–
Total	19,659	8,437	6,168	5,716	39,982	(10,863)	29,118
Segment profit	2,637	610	86	368	3,702	931	4,634

(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 three months ended March 31, 2026 (January 1, 2026 to March 31, 2026)

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

(Millions of yen)

	Japan	Americas	Europe	Asia	Reportable segment total	Adjustment (Note 1)	Amount recorded in quarterly consolidated statements of income (Note 2)
Net sales							
Net sales to external customers	9,145	9,693	6,596	6,091	31,526	–	31,526
Intersegment net sales or transfers	13,112	–	–	17	13,129	(13,129)	–
Total	22,257	9,693	6,596	6,108	44,655	(13,129)	31,526
Segment profit (loss)	4,057	893	(19)	251	5,183	(1,028)	4,154

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

2. Segment profit (loss) 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 three months ended March 31, 2026. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the three months ended March 31, 2026 are as follows:

	For the three months ended March 31, 2025 (January 1, 2025 to March 31, 2025)	For the three months ended March 31, 2026 (January 1, 2026 to March 31, 2026)
Depreciation	1,416 million yen	1,501 million yen
Amortization of goodwill	32	37

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 first-quarter consolidated accounting period (from January 1, 2026 to March 31, 2026) and the first-quarter cumulative consolidated accounting period (from January 1, 2026 to March 31, 2026) of the consolidated fiscal year from January 1, 2026 to December 31, 2026 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 (including regulations applied to the audit of financial statements of entities with significant social impact), 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.