

Consolidated Financial Results for the Three Months Ended August 31, 2025 [Japanese GAAP]



September 29, 2025

Company name: TAKARA & COMPANY LTD.
Stock exchange listing: Tokyo Stock Exchange
Code number: 7921
URL: <https://www.takara-company.co.jp/>
Representative: AKUTSU Seiichiro, President and Representative Director
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Scheduled date of commencing dividend payments: –
Availability of supplementary briefing material on financial results: Available
Schedule of financial results briefing session: None

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Three Months Ended August 31, 2025 (June 1, 2025 to August 31, 2025)

(1) Consolidated Operating Results (cumulative) (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
August 31, 2025	9,086	8.6	1,712	3.7	1,789	4.8	1,193	4.1
August 31, 2024	8,370	(0.6)	1,651	(9.9)	1,708	(9.1)	1,146	(10.7)

(Note) Comprehensive income: Three months ended August 31, 2025: ¥1,332 million [27.7%]

Three months ended August 31, 2024: ¥1,044 million [(24.4)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
August 31, 2025	92.33	—
August 31, 2024	88.34	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of August 31, 2025	38,451	30,821	79.2
As of May 31, 2025	40,058	30,727	75.7

(Reference) Equity: As of August 31, 2025: ¥30,439 million

As of May 31, 2025: ¥30,335 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended May 31, 2025	Yen —	Yen 45.00	Yen —	Yen 75.00	Yen 120.00
Fiscal year ending May 31, 2026	—				
Fiscal year ending May 31, 2026 (Forecast)		60.00	—	60.00	120.00

(Notes) 1. Revisions to the forecast of cash dividends most recently announced: None

2. Year-end dividend for the fiscal year ended May 31, 2025: Ordinary dividend: ¥45.00, Special dividend: ¥30.00

3. Consolidated Financial Results Forecast for the Fiscal Year Ending May 31, 2026 (June 1, 2025 to May 31, 2026)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	33,000	11.2	4,400	8.7	3,100	(23.9)	240.06

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

* Notes:

(1) Significant changes in the scope of consolidation during the period: No

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: No

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

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

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

August 31, 2025: 13,153,293 shares

May 31, 2025: 13,153,293 shares

2) Total number of treasury shares at the end of the period:

August 31, 2025: 247,869 shares

May 31, 2025: 173,282 shares

3) Average number of shares during the period (cumulative from the beginning of the fiscal year):

Three months ended August 31, 2025: 12,930,323 shares

Three months ended August 31, 2024: 12,977,445 shares

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

* Explanation of the proper use of financial results forecast and other notes

(Caution regarding the forward-looking statements and others)

The earnings forecasts and other forward-looking statements herein are based on information currently available and certain assumptions that the Company regards as reasonable, and are not intended to guarantee that the

Company will achieve these targets. Actual results may, therefore, differ materially from these statements for various reasons. For details on the specific assumptions on which the forecasts are based and cautionary statements regarding the use of financial forecasts, please see “1. Overview of Operating Results, etc., (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” on page 3 of the Attachments.

(Supplementary briefing material on financial results)

Supplementary briefing material on quarterly financial results will be available on the Company’s website promptly after the earnings announcement.

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1. Overview of Operating Results, etc.

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

During the three months ended August 31, 2025, the Japanese economy showed a gradual recovery, seeing an improvement in employment and wage conditions amid sustained inbound tourism demand and robust corporate earnings. However, several worrying factors possibly weighing on capital expenditures and personal consumption have cast a shadow of uncertainty. These include still-elevated raw material and energy prices, persistent inflation, new U.S. tariff policies, and escalating tensions in the Middle East.

Under these circumstances, in the domestic stock market, which is relevant to the Disclosure-related business of the Company and its consolidated subsidiaries (the “Group”), the Nikkei Stock Average recovered to the 40,000-yen level in late June against the backdrop of the expectations for Japan’s full-blown economic recovery and the robust semiconductor stocks enjoying strong earnings growth, and has since fluctuated between the 39,000-yen and 43,000-yen levels mainly supported by hopes for an economic recovery in Japan.

In such a business environment, we believe that demand for responses to diversified and sophisticated information disclosure, including AI-driven technological innovations in disclosure support systems, as well as the digitalization and globalization of businesses, will continue to gain traction.

In the Disclosure-related business, to meet the customers’ needs that seek to increase their corporate value, we have made efforts to increase the number of companies implementing “WizLabo,” an integrated business reporting system that facilitates their financial disclosure operations. We have also continued to work on the digitization of general shareholder meeting processes, including “*Net de Shoshu* (online convocation)” and live/on-demand streaming of shareholder meetings, and the integration of AI-powered cutting-edge technologies into various products and services. Meanwhile, we doubled down on our efforts to refine our value proposition, strengthen our production system, and enhance the quality of the various services. Such services include: IR support and translation services that facilitate more proactive engagement with stakeholders and further enhance disclosure of company information to foreign investors in English, which are indispensable to adopting Japan’s revised Corporate Governance Code and implementing management that is conscious of the cost of capital; voluntary disclosure-related services such as support for preparing integrated reports in response to the demand for enhanced disclosure of non-financial information, including sustainability information; and environment-related consulting services. Additionally, we have further promoted automation and enhanced efficiency of standardized routine operations through the use of robotic process automation (RPA). As a result, we have successfully automated more than 30,000 hours of tasks annually by RPA.

In the Interpreting and Translation business, the interpreting business saw an increase in the number of customers for various types of meetings and conferences. The return of international conferences and large-scale events held in Japan, as well as stable demand for internal online meetings, which had been significantly boosted during the pandemic, contributed to an increase in customers for on-site meetings and hybrid meetings that combine face-to-face and online meetings. The translation business continued to enjoy increased orders received. While we strived to reinforce the operational structure, we also conducted research on the impact of AI in the interpreting and translation industry and made efforts to enhance our service delivery structure, including the launches of “SIMULwiz,” a translation platform, and “AI Interpreter” as new products to meet changing needs of our customers.

As a result, the Group’s net sales for the three months ended August 31, 2025 increased by ¥715 million, or 8.6%, year on year to ¥9,086 million. Operating profit increased by ¥60 million, or 3.7%, year on year to ¥1,712 million, ordinary profit increased by ¥81 million, or 4.8%, year on year to ¥1,789 million, and profit attributable to owners of parent increased by ¥47 million, or 4.1%, year on year to ¥1,193 million.

Operating results by segment are as follows.

The figures for each segment are after offsetting and eliminating intersegment sales and transfers.

(Disclosure-related business)

Net sales of the Disclosure-related business segment increased by ¥586 million, or 9.3%, year on year to ¥6,873 million, and segment profit increased by ¥63 million, or 4.4%, year on year to ¥1,503 million as the sales of shareholder meeting convocation notices and integrated reports increased, and J. Trust Co., Ltd. newly became a consolidated subsidiary of the Company.

Results by product category in the Disclosure-related business were as follows.

- Products relating to the Financial Instruments and Exchange Act

Due to the consolidation of J. Trust Co., Ltd., a provider of disclosure services related to financial instruments by asset management firms and other entities, net sales increased by ¥226 million, or 8.5%, year on year to ¥2,888 million.

- Products relating to the Companies Act

Due to an increase in the sales of shareholder meeting convocation notices, net sales increased by ¥237 million, or 14.3%, year on year to ¥1,896 million.

- Products relating to IR

Due to an increase in the sales of integrated reports, net sales increased by ¥86 million, or 5.8%, year on year to ¥1,582 million.

- Other products

Due to an increase in the sales of services to support listed companies in providing shareholders with information, such as the mailing of hard copies of timely disclosure documents, net sales increased by ¥36 million, or 7.9%, year on year to ¥507 million.

Net sales of the Disclosure-related business in the first and fourth quarters tend to be higher than in other quarters due to seasonal fluctuations associated with the concentration of our customers' fiscal year-end in March.

(Interpreting & Translation business)

Net sales of the Interpreting & Translation business segment increased by ¥128 million, or 6.2%, year on year to ¥2,212 million.

In the interpreting business, active sales activities, including follow-ups on past projects, led to an increase in inquiries about our services for large-scale events, seminars, and internal meetings. As a result, the number of customers as well as the number of orders increased year on year. In addition, net sales of the AI interpreting services launched last fiscal year have been growing: Net sales for the three months ended August 31, 2025 already exceeded net sales for the fiscal year ended May 31, 2025.

In the translation business, net sales decreased year on year due to a decrease in the number of large-scale projects, as well as diminished demand for translation in some industries and fields, including universities. Under such circumstances, we have continued to strengthen the sales of "AI translation platform SIMULwiz," for which we have built up orders since last fiscal year.

Segment profit increased by ¥54 million, or 47.6%, year on year to ¥169 million due to the increase in net sales, which more than offset an increase in outsourcing expenses, and reduced SG&A expenses attributable to increased operational efficiencies.

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

(Assets)

Current assets decreased by ¥1,818 million, or 7.0%, from the end of the previous fiscal year to ¥24,293 million. This was mainly due to decreases in notes and accounts receivable - trade of ¥2,209 million and work in process of ¥451 million, despite an increase in cash and deposits of ¥715 million.

Non-current assets increased by ¥211 million, or 1.5%, from the end of the previous fiscal year to ¥14,158 million. This was mainly due to increases in software in progress of ¥173 million and investment securities of ¥302 million, despite decreases in goodwill of ¥88 million and software of ¥97 million.

As a result, total assets decreased by ¥1,606 million, or 4.0%, from the end of the previous fiscal year to ¥38,451 million.

(Liabilities)

Current liabilities decreased by ¥1,683 million, or 22.2%, from the end of the previous fiscal year to ¥5,884 million. This was mainly due to decreases in accounts payable - trade of ¥919 million and accrued expenses of ¥1,370 million, despite an increase in provision for bonuses of ¥453 million.

Non-current liabilities decreased by ¥17 million, or 1.0%, from the end of the previous fiscal year to ¥1,745 million. This was mainly due to a decrease in deferred tax liabilities of ¥12 million.

As a result, total liabilities decreased by ¥1,701 million, or 18.2%, from the end of the previous fiscal year to ¥7,630 million.

(Net assets)

Total net assets increased by ¥94 million, or 0.3%, from the end of the previous fiscal year to ¥30,821 million. This was mainly due to an increase resulting from the recording of profit attributable to owners of parent of ¥1,193 million, despite a decrease resulting from the payment of dividends of ¥973 million.

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

There is no revision to the full-year forecasts announced on July 9, 2025.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of May 31, 2025	As of August 31, 2025
Assets		
Current assets		
Cash and deposits	19,145,987	19,861,560
Notes and accounts receivable - trade	5,544,509	3,335,445
Work in process	1,126,337	674,524
Raw materials and supplies	32,727	34,541
Other	262,806	389,801
Allowance for doubtful accounts	(850)	(2,556)
Total current assets	26,111,519	24,293,317
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,592,285	2,593,372
Accumulated depreciation	(2,024,531)	(2,036,255)
Buildings and structures, net	567,753	557,117
Machinery, equipment and vehicles	1,382,715	1,382,715
Accumulated depreciation	(1,241,607)	(1,253,866)
Machinery, equipment and vehicles, net	141,108	128,849
Land	2,338,265	2,338,265
Construction in progress	375,133	375,133
Other	1,021,341	1,038,369
Accumulated depreciation	(755,009)	(779,498)
Other, net	266,332	258,871
Total property, plant and equipment	3,688,593	3,658,236
Intangible assets		
Goodwill	2,404,118	2,316,097
Customer relationship	550,662	523,128
Software	1,579,301	1,481,612
Software in progress	244,772	417,837
Other	269,162	259,409
Total intangible assets	5,048,017	4,998,086
Investments and other assets		
Investment securities	3,206,222	3,509,161
Retirement benefit asset	1,257,641	1,212,184
Deferred tax assets	84,665	117,604
Other	663,527	665,223
Allowance for doubtful accounts	(1,854)	(2,077)
Total investments and other assets	5,210,202	5,502,096
Total non-current assets	13,946,813	14,158,418
Total assets	40,058,332	38,451,735

(Thousand yen)

	As of May 31, 2025	As of August 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	2,049,501	1,129,614
Short-term borrowings	50,000	50,000
Current portion of long-term borrowings	62,562	47,150
Income taxes payable	861,401	748,561
Accrued expenses	2,242,177	871,504
Contract liabilities	1,475,387	1,476,394
Provision for bonuses	–	453,758
Provision for bonuses for directors (and other officers)	49,161	8,418
Other	777,783	1,099,342
Total current liabilities	7,567,975	5,884,743
Non-current liabilities		
Long-term borrowings	96,328	87,342
Long-term accounts payable - other	69,377	69,377
Deferred tax liabilities	1,327,256	1,314,323
Retirement benefit liability	260,207	265,002
Other	10,010	9,259
Total non-current liabilities	1,763,178	1,745,303
Total liabilities	9,331,154	7,630,046
Net assets		
Shareholders' equity		
Share capital	2,278,271	2,278,271
Capital surplus	4,434,554	4,434,655
Retained earnings	22,221,084	22,441,458
Treasury shares	(403,886)	(658,644)
Total shareholders' equity	28,530,025	28,495,741
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	991,680	1,200,273
Foreign currency translation adjustment	32,632	26,377
Remeasurements of defined benefit plans	781,132	717,520
Total accumulated other comprehensive income	1,805,445	1,944,171
Non-controlling interests	391,707	381,775
Total net assets	30,727,178	30,821,688
Total liabilities and net assets	40,058,332	38,451,735

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income
Three Months Ended August 31

(Thousand yen)

	For the three months ended August 31, 2024	For the three months ended August 31, 2025
Net sales	8,370,196	9,086,026
Cost of sales	4,664,439	5,058,767
Gross profit	3,705,757	4,027,258
Selling, general and administrative expenses		
Promotion expenses	94,744	100,983
Freight and packing costs	51,178	48,873
Provision of allowance for doubtful accounts	(2,462)	2,341
Remuneration for directors (and other officers)	72,479	69,136
Salaries and allowances	808,620	886,753
Provision for bonuses	234,683	244,720
Provision for bonuses for directors (and other officers)	7,315	7,418
Retirement benefit expenses	(11,433)	(17,224)
Welfare expenses	186,685	198,913
Repair and maintenance expenses	29,639	59,261
Taxes and dues	77,859	79,752
Depreciation	67,795	74,723
Amortization of goodwill	52,378	88,020
Rent expenses	86,217	99,950
Other	298,327	371,294
Total selling, general and administrative expenses	2,054,029	2,314,917
Operating profit	1,651,727	1,712,340
Non-operating income		
Interest income	485	7,824
Dividend income	40,113	65,285
Foreign exchange gains	3,661	–
Commission income	4,080	4,565
Other	8,335	6,910
Total non-operating income	56,675	84,585
Non-operating expenses		
Interest expenses	280	813
Foreign exchange losses	–	6,657
Other	0	53
Total non-operating expenses	280	7,524
Ordinary profit	1,708,121	1,789,401
Extraordinary losses		
Loss on retirement of non-current assets	385	7
Loss on sale of investment securities	213	–
Total extraordinary losses	598	7
Profit before income taxes	1,707,522	1,789,394
Income taxes - current	609,348	709,883
Income taxes - deferred	(55,223)	(114,803)
Total income taxes	554,124	595,080
Profit	1,153,398	1,194,313
Profit attributable to non-controlling interests	7,008	439
Profit attributable to owners of parent	1,146,389	1,193,874

Quarterly Consolidated Statements of Comprehensive Income
Three Months Ended August 31

(Thousand yen)

	For the three months ended August 31, 2024	For the three months ended August 31, 2025
Profit	1,153,398	1,194,313
Other comprehensive income		
Valuation difference on available-for-sale securities	(62,422)	209,060
Foreign currency translation adjustment	15,304	(7,010)
Remeasurements of defined benefit plans, net of tax	(62,251)	(63,611)
Total other comprehensive income	(109,369)	138,438
Comprehensive income	1,044,029	1,332,751
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,035,731	1,332,600
Comprehensive income attributable to non-controlling interests	8,297	151

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on segment information, etc.)

1. Disclosure of net sales and profit (loss) for each reportable segment, and breakdown of revenue

For the three months ended August 31, 2024

(Thousand yen)

	Reportable segment			Adjustment (Note 1)	Amount recorded in consolidated financial statements (Note 2)
	Disclosure- related business	Interpreting & Translation business	Total		
Net sales					
Products relating to Financial Instruments and Exchange Act	2,662,094	—	2,662,094	—	2,662,094
Products relating to Companies Act	1,658,645	—	1,658,645	—	1,658,645
Products relating to IR	1,496,279	—	1,496,279	—	1,496,279
Other products	470,073	—	470,073	—	470,073
Interpreting & Translation business	—	2,083,102	2,083,102	—	2,083,102
Revenue from contracts with customers	6,287,093	2,083,102	8,370,196	—	8,370,196
Net sales to external customers	6,287,093	2,083,102	8,370,196	—	8,370,196
Transactions with other segments	—	308,745	308,745	(308,745)	—
Total	6,287,093	2,391,848	8,678,942	(308,745)	8,370,196
Segment profit	1,440,229	114,561	1,554,791	96,935	1,651,727

Notes: 1. ¥96,935 thousand of the adjustment amount for segment profit includes ¥(1,325,777) thousand of the elimination of internal transactions between the holding company (company reporting consolidated financial statements) and segments, and ¥1,422,713 thousand of profit (loss) pertaining to the holding company that is not allocated to each reportable segment.

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

For the three months ended August 31, 2025

(Thousand yen)

	Reportable segment			Adjustment (Note 1)	Amount recorded in consolidated financial statements (Note 2)
	Disclosure- related business	Interpreting & Translation business	Total		
Net sales					
Products relating to Financial Instruments and Exchange Act	2,888,474	—	2,888,474	—	2,888,474
Products relating to Companies Act	1,896,040	—	1,896,040	—	1,896,040
Products relating to IR	1,582,458	—	1,582,458	—	1,582,458
Other products	507,012	—	507,012	—	507,012
Interpreting & Translation business	—	2,212,039	2,212,039	—	2,212,039
Revenue from contracts with customers	6,873,986	2,212,039	9,086,026	—	9,086,026
Net sales to external customers	6,873,986	2,212,039	9,086,026	—	9,086,026
Transactions with other segments	197	351,070	351,267	(351,267)	—
Total	6,874,183	2,563,110	9,437,293	(351,267)	9,086,026
Segment profit	1,503,448	169,146	1,672,595	39,745	1,712,340

Notes: 1. ¥39,745 thousand of the adjustment amount for segment profit includes ¥(1,144,358) thousand of the elimination of internal transactions between the holding company (company reporting consolidated financial statements) and segments, and ¥1,184,104 thousand of profit (loss) pertaining to the holding company that is not allocated to each reportable segment.

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

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

Not applicable

(Notes on going concern assumption)

Not applicable

(Notes on statements of cash flows)

We have not prepared quarterly consolidated statements of cash flows for the three months ended August 31, 2025. The depreciation and amortization (including amortization related to intangible assets excluding goodwill) and amortization of goodwill are as follows.

(Thousand yen)

	For the three months ended August 31, 2024	For the three months ended August 31, 2025
Depreciation and amortization	248,992	271,744
Amortization of goodwill	52,378	88,020

The original Independent Auditor's Interim Review Report is in Japanese. This is an English translation of the Independent Auditor's Interim Review Report as required by the Tokyo Stock Exchange, Inc.'s Standards for the Preparation of Quarterly Financial Statements for the reader's convenience.

Independent Auditor's Interim Review Report

September 29, 2025

To the Board of Directors of TAKARA & COMPANY LTD.

Izumi Audit Co.
Shinjuku, Tokyo

Representative Partner
Managing Partner
Certified Public Accountant

OHASHI Go

Representative Partner
Managing Partner
Certified Public Accountant

YAMASHITA Satoshi

Auditor's Conclusion

We have reviewed the accompanying quarterly consolidated financial statements of TAKARA & COMPANY LTD. (the "Company") and its consolidated subsidiaries (the "Group"), which comprise the quarterly consolidated balance sheets as of August 31, 2025, the quarterly consolidated statements of income and comprehensive income for the three months ended August 31, 2025, and notes to the quarterly consolidated financial statements.

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

Basis for Auditor's Conclusion

We conducted our review in accordance with review standards for interim financial statements generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Review of the Quarterly Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements, including those applicable to the audits of financial statements of public interest entities, that are relevant to our review of the quarterly consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained provides a basis for our conclusion.

Responsibilities of Management, the Corporate Auditors and the Board of Corporate Auditors for the Quarterly Consolidated Financial Statements

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

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

The Corporate Auditors and the Board of Corporate Auditors of the Company are responsible for overseeing Directors' performance of duties in relation to the development and execution of the financial reporting process.

Auditor's Responsibilities for the Review of the Quarterly Consolidated Financial Statements

Our responsibility is to express in our review report a conclusion on these quarterly consolidated financial statements based on our review from an independent standpoint.

As part of a review in accordance with review standards for interim financial statements generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the review.

We also:

- Make inquiries, primarily of management and persons responsible for financial and accounting matters and apply analytical and other interim review procedures. A review is substantially less in scope than an audit conducted on year-end financial statements in accordance with auditing standards generally accepted in Japan.
- Conclude based on the evidence obtained whether anything has come to our attention that causes us to believe that the quarterly consolidated financial statements are not prepared in accordance with Article 4, Paragraph 1 of the Standards and accounting principles for quarterly financial statements generally accepted in Japan, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards, should we determine that a material uncertainty exists related to events or

conditions that may cast significant doubt on the Group's ability to continue as a going concern. Additionally, if we conclude that a material uncertainty exists, we are required to draw attention in our auditor's interim review report to the related disclosures in the quarterly consolidated financial statements or, if such disclosures are inadequate, to modify our conclusion. Our conclusions are based on the evidence obtained up to the date of our auditor's interim review report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether anything has come to our attention that causes us to believe that the overall presentation and disclosure of the quarterly consolidated financial statements are not prepared in accordance with Article 4, Paragraph 1 of the Standards and accounting principles for quarterly financial statements generally accepted in Japan, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards.
- Obtain evidence regarding the financial information of the entities or business activities within the Group as a basis for expressing a conclusion on the quarterly consolidated financial statements. We are responsible for the direction, supervision and review of the documentation of the interim review. We remain solely responsible for our conclusion.

We communicate with the Corporate Auditors and the Board of Corporate Auditors regarding the planned scope and timing of the review and significant review findings.

We also provide the Corporate Auditors and the Board of Corporate Auditors with a statement that we have complied with the regulations on professional ethics in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

Conflicts of Interest

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

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- Notes: 1. The original of the above interim review report is kept separately by the Company (the reporting company of the Quarterly Financial Results).
2. The associated XBRL data and HTML data are not included in the scope of the quarterly review.