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Consolidated Financial Results for the Nine Months Ended February 28, 2026 [Japanese GAAP]



March 25, 2026

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
Contact: SERI Nobuyuki, Executive Officer and General Manager of Accounting Department
Phone: +81-3-3971-3260
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 Nine Months Ended February 28, 2026 (June 1, 2025 to February 28, 2026)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended								
February 28, 2026	22,330	6.1	2,532	2.5	2,680	2.0	1,682	(1.0)
February 28, 2025	21,040	0.9	2,470	(12.2)	2,627	(9.8)	1,699	(13.5)

(Note) Comprehensive income: Nine months ended February 28, 2026: ¥2,120 million [47.9%]
Nine months ended February 28, 2025: ¥1,433 million [(29.2)%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
February 28, 2026	130.27	–
February 28, 2025	130.98	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of February 28, 2026	37,421	30,819	81.4
As of May 31, 2025	40,058	30,727	75.7

(Reference) Equity: As of February 28, 2026: ¥30,446 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
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended May 31, 2025	–	45.00	–	75.00	120.00
Fiscal year ending May 31, 2026	–	60.00	–		
Fiscal year ending May 31, 2026 (Forecast)				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 results 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):

February 28, 2026: 13,153,293 shares

May 31, 2025: 13,153,293 shares

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

February 28, 2026: 245,602 shares

May 31, 2025: 173,282 shares

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

Nine months ended February 28, 2026: 12,915,243 shares

Nine months ended February 28, 2025: 12,979,143 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 4 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 nine months ended February 28, 2026, 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 trended at high levels, breaking through the 59,000-yen for the first time in history in February, mainly supported by hopes that strong expansionary fiscal policies and growth investments would continue in the wake of the Liberal Democratic Party’s landslide win in the House of Representatives election earlier that month.

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,” an AI 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 nine months ended February 28, 2026 increased by ¥1,290 million, or 6.1%, year on year to ¥22,330 million. Operating profit increased by ¥62 million, or 2.5%, year on year to ¥2,532 million, and ordinary profit increased by ¥52 million, or 2.0%, year on year to ¥2,680 million. Profit attributable to owners of parent decreased by ¥17 million, or 1.0%, year on year to ¥1,682 million due to an increase in income tax expense.

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 ¥854 million, or 5.8%, year on year to ¥15,678 million, and segment profit increased by ¥57 million, or 3.1%, year on year to ¥1,872 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 ¥518 million, or 7.9%, year on year to ¥7,077 million.
- Products relating to the Companies Act
Due to an increase in the sales of shareholder meeting convocation notices, net sales increased by ¥312 million, or 11.0%, year on year to ¥3,145 million.
- Products relating to IR
Although the sales of integrated reports increased, due to a decrease in the sales of business reports and other documents, net sales decreased by ¥21 million, or 0.5%, year on year to ¥4,239 million.
- Other products
Due to a continued 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 ¥45 million, or 3.9%, year on year to ¥1,216 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 ¥436 million, or 7.0%, year on year to ¥6,652 million.

In the interpreting business, we continued our active sales efforts and garnered strong support from customers, which led to a high level of repeat business. As a result, the total number of customers, the number of new customers, and the number of large-scale projects increased year on year. In addition, sales of AI interpreting services also grew steadily. Net sales of the interpreting business as a whole increased year on year.

In the translation business, net sales increased year on year through various efforts, such as building up orders through the AI translation platform "SIMULwiz," entering into the entertainment field, and expanding multilingual translation services.

Segment profit increased by ¥157 million, or 44.1%, year on year to ¥515 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 ¥6,224 million, or 23.8%, from the end of the previous fiscal year to ¥19,887 million. This was mainly due to decreases in cash and deposits of ¥3,148 million and notes and accounts receivable - trade of ¥3,049 million.

Non-current assets increased by ¥3,587 million, or 25.7%, from the end of the previous fiscal year to ¥17,534 million. This was mainly due to increases in property, plant and equipment of ¥2,780 million, which resulted primarily from an acquisition of an office building, and investment securities of ¥849 million, despite decreases in goodwill of ¥264 million and software of ¥164 million.

As a result, total assets decreased by ¥2,636 million, or 6.6%, from the end of the previous fiscal year to ¥37,421 million.

(Liabilities)

Current liabilities decreased by ¥2,794 million, or 36.9%, from the end of the previous fiscal year to ¥4,773 million. This was mainly due to decreases in accounts payable - trade of ¥1,180 million and accrued expenses of ¥1,575 million, despite an increase in provision for bonuses of ¥650 million.

Non-current liabilities increased by ¥65 million, or 3.7%, from the end of the previous fiscal year to ¥1,828 million. This was mainly due to an increase in deferred tax liabilities of ¥127 million, despite a decrease in long-term borrowings of ¥74 million.

As a result, total liabilities decreased by ¥2,729 million, or 29.2%, from the end of the previous fiscal year to ¥6,602 million.

(Net assets)

Total net assets increased by ¥92 million, or 0.3%, from the end of the previous fiscal year to ¥30,819 million. This was mainly due to increases in retained earnings of ¥1,682 million, which resulted from the recording of profit attributable to owners of parent, and valuation difference on available-for-sale securities of ¥596 million, despite a decrease in retained earnings of ¥1,747 million, which resulted from the payment of dividends, an increase in treasury shares of ¥248 million, and a decrease in remeasurements of defined benefit plans of ¥188 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 February 28, 2026
Assets		
Current assets		
Cash and deposits	19,145,987	15,997,777
Notes and accounts receivable - trade	5,544,509	2,495,310
Work in process	1,126,337	788,408
Raw materials and supplies	32,727	33,110
Other	262,806	575,159
Allowance for doubtful accounts	(850)	(2,529)
Total current assets	26,111,519	19,887,237
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,592,285	4,020,395
Accumulated depreciation	(2,024,531)	(2,062,975)
Buildings and structures, net	567,753	1,957,420
Machinery, equipment and vehicles	1,382,715	1,382,715
Accumulated depreciation	(1,241,607)	(1,278,385)
Machinery, equipment and vehicles, net	141,108	104,329
Land	2,338,265	4,175,109
Construction in progress	375,133	-
Other	1,021,341	1,053,128
Accumulated depreciation	(755,009)	(821,249)
Other, net	266,332	231,878
Total property, plant and equipment	3,688,593	6,468,738
Intangible assets		
Goodwill	2,404,118	2,140,056
Customer relationship	550,662	468,062
Software	1,579,301	1,414,940
Software in progress	244,772	560,406
Other	269,162	239,830
Total intangible assets	5,048,017	4,823,296
Investments and other assets		
Investment securities	3,206,222	4,055,856
Retirement benefit asset	1,257,641	1,228,928
Deferred tax assets	84,665	175,359
Other	663,527	784,662
Allowance for doubtful accounts	(1,854)	(2,143)
Total investments and other assets	5,210,202	6,242,663
Total non-current assets	13,946,813	17,534,697
Total assets	40,058,332	37,421,935

(Thousand yen)

	As of May 31, 2025	As of February 28, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	2,049,501	869,119
Short-term borrowings	50,000	50,000
Current portion of long-term borrowings	62,562	17,824
Income taxes payable	861,401	495,232
Accrued expenses	2,242,177	666,306
Contract liabilities	1,475,387	1,306,810
Provision for bonuses	–	650,065
Provision for bonuses for directors (and other officers)	49,161	25,218
Other	777,783	693,366
Total current liabilities	7,567,975	4,773,942
Non-current liabilities		
Long-term borrowings	96,328	21,600
Long-term accounts payable - other	69,377	69,377
Deferred tax liabilities	1,327,256	1,454,552
Retirement benefit liability	260,207	274,910
Other	10,010	7,757
Total non-current liabilities	1,763,178	1,828,198
Total liabilities	9,331,154	6,602,140
Net assets		
Shareholders' equity		
Share capital	2,278,271	2,278,271
Capital surplus	4,434,554	4,435,295
Retained earnings	22,221,084	22,155,589
Treasury shares	(403,886)	(652,677)
Total shareholders' equity	28,530,025	28,216,478
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	991,680	1,587,780
Foreign currency translation adjustment	32,632	50,001
Remeasurements of defined benefit plans	781,132	592,427
Total accumulated other comprehensive income	1,805,445	2,230,209
Non-controlling interests	391,707	373,106
Total net assets	30,727,178	30,819,794
Total liabilities and net assets	40,058,332	37,421,935

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income
Nine Months Ended February 28

(Thousand yen)

	For the nine months ended February 28, 2025	For the nine months ended February 28, 2026
Net sales	21,040,130	22,330,831
Cost of sales	12,372,900	13,043,438
Gross profit	8,667,229	9,287,393
Selling, general and administrative expenses		
Promotion expenses	300,245	305,613
Freight and packing costs	164,428	110,662
Provision of allowance for doubtful accounts	6,646	2,380
Remuneration for directors (and other officers)	206,488	207,226
Salaries and allowances	2,759,237	3,035,337
Provision for bonuses	337,819	366,194
Provision for bonuses for directors (and other officers)	24,411	24,218
Retirement benefit expenses	(32,971)	(52,250)
Welfare expenses	590,200	657,959
Repair and maintenance expenses	109,070	155,639
Taxes and dues	168,171	171,216
Depreciation	214,031	230,072
Amortization of goodwill	157,135	264,062
Rent expenses	298,278	290,536
Other	894,026	986,300
Total selling, general and administrative expenses	6,197,221	6,755,170
Operating profit	2,470,008	2,532,222
Non-operating income		
Interest income	4,373	20,692
Dividend income	84,913	116,091
Commission income	13,047	13,021
Gain on investments in investment partnerships	31,285	–
Other	37,761	20,811
Total non-operating income	171,380	170,616
Non-operating expenses		
Interest expenses	859	2,197
Foreign exchange losses	12,169	15,245
Loss on investments in investment partnerships	–	4,398
Other	372	125
Total non-operating expenses	13,400	21,966
Ordinary profit	2,627,987	2,680,873
Extraordinary income		
Gain on sale of investment securities	116	23,187
Total extraordinary income	116	23,187
Extraordinary losses		
Loss on retirement of non-current assets	2,839	23,927
Loss on sale of investment securities	213	–
Total extraordinary losses	3,052	23,927
Profit before income taxes	2,625,052	2,680,134
Income taxes - current	975,616	1,129,128
Income taxes - deferred	(73,577)	(149,151)
Total income taxes	902,038	979,976
Profit	1,723,013	1,700,157
Profit attributable to non-controlling interests	23,042	17,690
Profit attributable to owners of parent	1,699,971	1,682,466

Quarterly Consolidated Statements of Comprehensive Income
 Nine Months Ended February 28

(Thousand yen)

	For the nine months ended February 28, 2025	For the nine months ended February 28, 2026
Profit	1,723,013	1,700,157
Other comprehensive income		
Valuation difference on available-for-sale securities	(108,036)	595,413
Foreign currency translation adjustment	5,552	13,834
Remeasurements of defined benefit plans, net of tax	(186,754)	(188,705)
Total other comprehensive income	(289,237)	420,542
Comprehensive income	1,433,775	2,120,699
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,409,863	2,103,798
Comprehensive income attributable to non-controlling interests	23,912	16,901

(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 nine months ended February 28, 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	6,559,014	–	6,559,014	–	6,559,014
Products relating to Companies Act	2,833,261	–	2,833,261	–	2,833,261
Products relating to IR	4,260,589	–	4,260,589	–	4,260,589
Other products	1,171,708	–	1,171,708	–	1,171,708
Interpreting & Translation business	–	6,215,556	6,215,556	–	6,215,556
Revenue from contracts with customers	14,824,573	6,215,556	21,040,130	–	21,040,130
Net sales to external customers	14,824,573	6,215,556	21,040,130	–	21,040,130
Transactions with other segments	777	769,294	770,072	(770,072)	–
Total	14,825,351	6,984,851	21,810,202	(770,072)	21,040,130
Segment profit	1,815,557	357,583	2,173,141	296,866	2,470,008

Notes: 1. ¥296,866 thousand of the adjustment amount for segment profit includes ¥(1,294,585) thousand of the elimination of internal transactions between the holding company (company reporting consolidated financial statements) and segments, and ¥1,591,451 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 nine months ended February 28, 2026

(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	7,077,382	–	7,077,382	–	7,077,382
Products relating to Companies Act	3,145,262	–	3,145,262	–	3,145,262
Products relating to IR	4,239,175	–	4,239,175	–	4,239,175
Other products	1,216,968	–	1,216,968	–	1,216,968
Interpreting & Translation business	–	6,652,041	6,652,041	–	6,652,041
Revenue from contracts with customers	15,678,789	6,652,041	22,330,831	–	22,330,831
Net sales to external customers	15,678,789	6,652,041	22,330,831	–	22,330,831
Transactions with other segments	1,154	880,427	881,581	(881,581)	–
Total	15,679,944	7,532,468	23,212,413	(881,581)	22,330,831
Segment profit	1,872,608	515,261	2,387,870	144,352	2,532,222

Notes: 1. ¥144,352 thousand of the adjustment amount for segment profit includes ¥(1,117,471) thousand of the elimination of internal transactions between the holding company (company reporting consolidated financial statements) and segments, and ¥1,261,824 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.

2. Matters concerning reportable segment assets

For the nine months ended February 28, 2026

During the three months ended February 28, 2026, the Company acquired an office building. As a result, the segment assets of the Disclosure-related business increased by ¥3,247,140 thousand from the end of the previous fiscal year.

(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 nine months ended February 28, 2026. The depreciation and amortization (including amortization related to intangible assets excluding goodwill) and amortization of goodwill are as follows.

(Thousand yen)

	For the nine months ended February 28, 2025	For the nine months ended February 28, 2026
Depreciation and amortization	784,990	829,214
Amortization of goodwill	157,135	264,062

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

March 25, 2026

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 February 28, 2026, the quarterly consolidated statements of income and comprehensive income for the nine months ended February 28, 2026, 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.