



October 22, 2024

Consolidated Summary Report for the First Quarter of the Fiscal Year Ending May 31, 2025 [Japanese GAAP]

Company Name: BOOKOFF GROUP HOLDINGS LIMITED Stock Exchange: Tokyo
Code Number: 9278 URL: <https://www.bookoffgroup.co.jp/en/>
Representative: Yasutaka Horiuchi, President and CEO
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Dividend payment date: -
Supplementary materials of quarterly financial results: Yes
Financial results briefing: None

(Amounts less than one million yen are rounded down)

1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending May 31, 2025 (June 1, 2024 – August 31, 2024)

(1) Consolidated Results of Operations (Percentage figures represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	YoY change %	Million yen	YoY change %	Million yen	YoY change %	Million yen	YoY change %
Three months ended Aug. 31, 2024	28,292	8.1	1,112	171.9	1,194	127.9	577	87.4
Three months ended Aug. 31, 2023	26,183	10.4	409	(25.8)	524	(21.0)	308	(52.7)

(Note) Comprehensive income Three months ended Aug. 31, 2024: ¥745 million (up 94.9%)
Three months ended Aug. 31, 2023: ¥382 million (down 52.4%)

	Net income per share	Fully diluted net income per share
	Yen	Yen
Three months ended Aug. 31, 2024	29.23	-
Three months ended Aug. 31, 2023	15.60	-

(2) Consolidated Financial Condition

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Aug. 31, 2024	54,527	20,759	37.5
As of May 31, 2024	54,542	20,507	37.1

(Reference) Shareholders' equity As of Aug. 31, 2024: ¥20,431 million As of May 31, 2024: ¥20,236 million

2. Dividends

	Dividend per share				
	End of 1Q	End of 2Q	End of 3Q	End of FY	Full year
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended May 31, 2024	-	0.00	-	25.00	25.00
Fiscal year ending May 31, 2025	-	-	-	-	-
Fiscal year ending May 31, 2025 (est.)	-	0.00	-	25.00	25.00

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

3. Consolidated Forecast for the Fiscal Year Ending May 31, 2025 (June 1, 2024 – May 31, 2025)

(Percentage figures represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	YoY change %	Million yen	YoY change %	Million yen	YoY change %	Million yen	YoY change %	Yen
Full year	120,000	7.5	3,500	14.7	3,800	10.2	2,100	23.2	106.22

(Notes) 1. Revisions to the most recently announced consolidated earnings forecasts: None

2. Only the full-year forecast is shown because BOOKOFF GROUP HOLDINGS manages performance on a fiscal year basis.

Notes:

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

New: - (company name)

Excluded: - (company name)

2. Application of special accounting methods for presenting quarterly consolidated financial statements: None

3. Changes in accounting policies and accounting-based estimates, and restatements

(1) Changes due to revision of accounting standards: None

(2) Changes due to other reasons: None

(3) Changes in accounting-based estimates: None

(4) Restatements: None

4. Number of shares outstanding (common shares)

(Shares)

(1) Shares outstanding (including treasury shares)	As of Aug. 31, 2024	20,547,413	As of May 31, 2024	20,547,413
(2) Treasury shares	As of Aug. 31, 2024	777,288	As of May 31, 2024	777,287
(3) Average number of shares outstanding	Three months ended Aug. 31, 2024	19,770,126	Three months ended Aug. 31, 2023	19,764,174

* Review of the attached quarterly consolidated financial statements by a certified public accountant or auditing firm: Yes
(compulsory)

* Cautionary statement regarding forecasts of operating results and special notes

(Forward-looking statements)

Forward-looking statements in these materials are based on information available to management at the time this report was prepared and assumptions that management believes are reasonable. This report is not promises by BOOKOFF GROUP HOLDINGS regarding future performance. Actual results may differ materially from those projected in the forward-looking statements due to a variety of factors.

(How to view supplementary materials for quarterly financial results)

Supplementary materials for the quarterly financial results will be disclosed today (October 22, 2024), using the Timely Disclosure network (TDnet).

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1. Overview of Results of Operations

(1) Results of Operations

Forward-looking statements in this Consolidated Summary Report are based on information available to management as of the end of the first quarter of the fiscal year ending on May 31, 2025.

Since the start of operations, the BOOKOFF Group has always been guided by the two corporate philosophies of “contributing to society through our business activities” and “the pursuit of employees’ material and spiritual wellbeing.” In addition, the Group has established the following mission for business activities in accordance with these philosophies: Be a source of an enjoyable and prosperous life for as many people as possible.

Based on this mission, we will use our strengths in the growing reuse market to become the leading reuse company. Our goal is to contribute to the establishment of a society where products and materials are recycled and be a company that can continue to grow while enabling all employees to do their jobs with confidence and enthusiasm.

The BOOKOFF Group is currently implementing medium-term management policies covering the period that will end with the fiscal year ending in May 2028. All activities are backed by the value that our operations provide, such as our strengths involving employee training programs and sustainability programs. For BOOKOFF operations in Japan, which is positioned as a business sector for exploitation, we will build on the widespread awareness of our brand to generate consistent earnings. In the premium services business, overseas business and new businesses, which are positioned as sectors for exploration, we are making investments and using our knowledge in order to create teams of highly skilled and experienced people. We plan to promote the expansion of our group’s business scale and profit growth by producing experienced domestic personnel for other businesses.

In the first quarter of the current fiscal year, consolidated net sales amounted to ¥28,292 million, an 8.1% increase from one year earlier as sales in every business were higher. Ordinary profit increased 127.9% from one year earlier to ¥1,194 million and profit attributable to owners of parent increased 87.4% to ¥577 million because of higher earnings in the BOOKOFF operations in Japan and overseas business, while personnel expenses increased as more people were added for business growth.

Business segment performance was as follows.

BOOKOFF operations in Japan

During the first quarter of the current fiscal year, three BOOKOFF stores (Jumbo Square Kashiba store, Ito-Yokado Higashimurayama store, Cha Cha Town Kokura store) were opened.

At the directly operated existing stores, sales of apparel, trading cards and hobby goods, home appliances/smart phones and several other categories were higher than one year earlier. As a result, sales in this segment increased 6.9% from one year earlier to ¥24,794 million and segment profit increased 79.2% to ¥1,431 million.

Premium services business

During the first quarter of the current fiscal year, hugall Omiya Takashimaya store and two BOOKOFF Purchasing Consultation Desks (Sakurashinmachi Ekimae store, Denenchofu store) were opened.

Sales in the first quarter of the current fiscal year increased 6.1% from one year earlier to ¥1,766 million mainly because sales at the directly operated existing stores were higher than one year earlier. Segment profit decreased 72.7% to ¥31 million because of higher expenses resulting from opening stores and adding more people for the growth of this business.

Overseas business

During the first quarter of the current fiscal year, Jalan Jalan Japan Berjaya Mega Mall store was opened in Malaysia.

Sales in the first quarter of current fiscal year were higher than one year earlier both at BOOKOFF stores in the United States and Jalan Jalan Japan stores in Malaysia because of stores opened in prior years and sales growth at existing stores. Sales in the overseas business increased 32.2% from one year earlier to ¥1,398 million and segment profit increased 62.0% to ¥269 million.

Other

During the first quarter of the current fiscal year, Japan TCG Center Naha Okiei-dori store was opened.

(2) Financial Position

(Current Assets)

Current assets at the end of the first quarter were ¥31,714 million, a decrease of ¥493 million compared with ¥32,208 million at the end of the previous fiscal year. This was mainly attributable to a ¥793 million decrease in merchandise as inventory decreased at many existing stores due to a decline in merchandise purchases, such as trading cards and hobby goods and software/media, while sales increased in the BOOKOFF operations in Japan.

(Non-current Assets)

Non-current assets at the end of the first quarter were ¥22,813 million, an increase of ¥478 million compared with ¥22,334 million at the end of the previous fiscal year. This was mainly attributable to an ¥855 million increase in property, plant and equipment due to purchase of land, new store openings and investments in store equipment in every business, while there was a ¥348 million decrease in investments and other assets mainly due to a decrease in deferred tax assets.

(Liabilities)

Liabilities at the end of the first quarter were ¥33,768 million, a decrease of ¥266 million compared with ¥34,034 million at the end of the previous fiscal year. This was mainly attributable to a decrease in borrowings due to repayment of bank loans and a decrease of income taxes payable despite issuance of bonds.

(Net Assets)

Net assets at the end of the first quarter were ¥20,759 million, an increase of ¥251 million compared with ¥20,507 million at the end of the previous fiscal year. Major components were dividend payments, the profit attributable to owners of parent and an increase in foreign currency translation adjustment.

(3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements

There are no revisions to the consolidated forecast for the fiscal year ending May 31, 2025 that was announced on October 15, 2024.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

(Unit: million yen)

	FY5/2024 (As of May 31, 2024)	First quarter of FY5/2025 (As of Aug. 31, 2024)
Assets		
Current assets		
Cash and deposits	7,180	7,185
Accounts receivable-trade	3,397	3,371
Merchandise	18,825	18,032
Other	2,803	3,125
Allowance for doubtful accounts	(0)	(0)
Total current assets	32,208	31,714
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,770	4,754
Leased assets, net	3,107	3,305
Other, net	1,976	2,648
Total property, plant and equipment	9,854	10,709
Intangible assets		
Software	2,186	2,257
Software in progress	212	114
Other	29	28
Total intangible assets	2,428	2,400
Investments and other assets		
Guarantee deposits	7,311	7,340
Other	2,802	2,424
Allowance for doubtful accounts	(60)	(60)
Total investments and other assets	10,052	9,704
Total non-current assets	22,334	22,813
Total assets	54,542	54,527

(Unit: million yen)

	FY5/2024 (As of May 31, 2024)	First quarter of FY5/2025 (As of Aug. 31, 2024)
Liabilities		
Current liabilities		
Accounts payable-trade	783	751
Short-term borrowings	6,333	5,340
Current portion of long-term borrowings	4,483	2,964
Lease liabilities	764	773
Income taxes payable	832	112
Provision for bonuses	686	348
Provision for loss on store closings	24	21
Provision for special investigation expenses	550	255
Other provisions	209	200
Other	5,883	6,463
Total current liabilities	20,551	17,230
Non-current liabilities		
Bonds payable	1,000	4,000
Long-term borrowings	7,287	7,132
Asset retirement obligations	2,484	2,503
Lease liabilities	2,514	2,707
Other	195	195
Total non-current liabilities	13,483	16,538
Total liabilities	34,034	33,768
Net assets		
Shareholders' equity		
Share capital	100	100
Capital surplus	6,863	6,863
Retained earnings	13,534	13,617
Treasury shares	(587)	(587)
Total shareholders' equity	19,909	19,993
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	78	98
Foreign currency translation adjustment	248	339
Total accumulated other comprehensive income	326	438
Non-controlling interests	271	327
Total net assets	20,507	20,759
Total liabilities and net assets	54,542	54,527

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

(For the Three-month Period)

(Unit: million yen)

	First three months of FY5/2024 (Jun. 1, 2023 – Aug. 31, 2023)	First three months of FY5/2025 (Jun. 1, 2024 – Aug. 31, 2024)
Net sales	26,183	28,292
Cost of sales	11,470	12,078
Gross profit	14,713	16,214
Selling, general and administrative expenses	14,304	15,101
Operating profit	409	1,112
Non-operating income		
Gain from installment of vending machine	33	32
Gain on sales of recycling goods	65	65
Other	68	79
Total non-operating income	166	178
Non-operating expenses		
Interest expenses	43	55
Share of loss of entities accounted for using equity method	2	3
Amortization of bond issuance costs	-	27
Other	5	10
Total non-operating expenses	51	96
Ordinary profit	524	1,194
Extraordinary income		
Gain on sale of non-current assets	0	-
Total extraordinary income	0	-
Extraordinary losses		
Provision for loss on store closings	6	12
Loss on retirement of non-current assets	5	6
Impairment losses	12	3
Total extraordinary losses	24	22
Profit before income taxes	500	1,172
Income taxes-current	76	157
Income taxes-deferred	93	399
Total income taxes	170	556
Profit	330	615
Profit attributable to non-controlling interests	21	37
Profit attributable to owners of parent	308	577

Quarterly Consolidated Statement of Comprehensive Income
 (For the Three-month Period)

(Unit: million yen)

	First three months of FY5/2024 (Jun. 1, 2023 – Aug. 31, 2023)	First three months of FY5/2025 (Jun. 1, 2024 – Aug. 31, 2024)
Profit	330	615
Other comprehensive income		
Valuation difference on available-for-sale securities	14	22
Foreign currency translation adjustment	37	109
Share of other comprehensive income of entities accounted for using equity method	(0)	(2)
Total other comprehensive income	52	129
Comprehensive income	382	745
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	356	689
Comprehensive income attributable to non-controlling interests	26	55

(3) Notes to Quarterly Consolidated Financial Statements

(Basis for Preparation of Quarterly Consolidated Financial Statements)

The quarterly consolidated financial statements are prepared in accordance with Article 4, Paragraph 1 of Standards for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. and accounting standards for quarterly financial statements that are generally accepted as fair and appropriate in Japan.

(Notes Concerning the Going-Concern Premise)

Not applicable.

(Significant Changes in Shareholders' Equity)

Not applicable.

(Notes to the Quarterly Consolidated Balance Sheet)

The Group has entered into overdraft agreements with 11 banks in order to efficiently procure working capital. The balance of unexecuted loans under these agreements is as follows:

	FY5/2024 (As of May 31, 2024)	First quarter of FY5/2025 (As of Aug. 31, 2024)
Total overdraft amount	11,850	12,100
Executed loans payable	6,250	4,460
Balance	5,600	7,640

(Notes to the Quarterly Consolidated Statement of Cash Flows)

A quarterly consolidated statement of cash flows has not been prepared for the first quarter of the current fiscal year. Depreciation (including amortization of intangible assets excluding goodwill) and amortization of goodwill for the first quarter of each fiscal year are as follows.

	First three months of FY5/2024 (Jun. 1, 2023 – Aug. 31, 2023)	First three months of FY5/2025 (Jun. 1, 2024 – Aug. 31, 2024)
Depreciation	372	517
Amortization of goodwill	10	0

(Shareholders' Equity)

I. First three months of FY5/2024 (Jun. 1, 2023 – Aug. 31, 2023)

Dividend payment

Resolution	Type of share	Source of funds	Total dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on Aug. 26, 2023	Common stock	Retained earnings	494	25	May 31, 2023	Aug. 28, 2023

II. First three months of FY5/2025 (Jun. 1, 2024 – Aug. 31, 2024)

Dividend payment

Resolution	Type of share	Source of funds	Total dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on Aug. 29, 2024	Common stock	Retained earnings	494	25	May 31, 2024	Aug. 30, 2024

(Segment Information)

I. First three months of FY5/2024 (Jun. 1, 2023 – Aug. 31, 2023)

1. Information on the amounts of net sales, profit or loss for each reportable segment and breakdown of revenue

(Unit: million yen)

	Reportable segments				Other (Note 1)	Total	Adjustment (Note 2)	Amount reported in quarterly consolidated statement of income (Note 3)
	BOOKOFF operations in Japan	Premium services business	Overseas business	Total				
Net sales								
Revenue from contracts with customers	23,201	1,664	1,057	25,923	259	26,183	-	26,183
Other revenue	-	-	-	-	-	-	-	-
Sales to external customers	23,201	1,664	1,057	25,923	259	26,183	-	26,183
Inter-segment sales and transfers	4	-	-	4	156	161	(161)	-
Total	23,206	1,664	1,057	25,928	416	26,345	(161)	26,183
Segment profit (loss)	799	114	166	1,080	(45)	1,034	(510)	524

- Notes: 1. Other segment is mainly the operation of BOOKOFF Group's directly operated Japan TCG Center stores specializing in trading cards and provision of BOOKOFF Clean-up Service to individuals for the removal from houses of items that are no longer needed.
2. The adjustment of minus ¥510 million to segment profit (loss) includes corporate expenses that are not allocated to reportable segments. Corporate expenses mainly include general and administrative expenses that cannot be attributed to reportable segments.
3. Segment profit (loss) is adjusted for consistency with ordinary profit in the quarterly consolidated financial statements.

2. Information concerning impairment loss on non-current assets, goodwill, etc. for each reportable segment

Significant impairment losses related to non-current assets

Not applicable.

Significant change in goodwill

Not applicable.

Significant gain on bargain purchase

Not applicable.

II. First three months of FY5/2025 (Jun. 1, 2024 – Aug. 31, 2024)

1. Information on the amounts of net sales, profit or loss for each reportable segment and breakdown of revenue

(Unit: million yen)

	Reportable segments				Other (Note 1)	Total	Adjustment (Note 2)	Amount reported in quarterly consolidated statement of income (Note 3)
	BOOKOFF operations in Japan	Premium services business	Overseas business	Total				
Net sales								
Revenue from contracts with customers	24,794	1,766	1,398	27,958	333	28,292	-	28,292
Other revenue	-	-	-	-	-	-	-	-
Sales to external customers	24,794	1,766	1,398	27,958	333	28,292	-	28,292
Inter-segment sales and transfers	7	0	-	7	187	194	(194)	-
Total	24,801	1,766	1,398	27,965	521	28,487	(194)	28,292
Segment profit (loss)	1,431	31	269	1,733	(51)	1,681	(486)	1,194

Notes: 1. Other segment is mainly the operation of BOOKOFF Group's directly operated Japan TCG Center stores specializing in trading cards and provision of BOOKOFF Clean-up Service to individuals for the removal from houses of items that are no longer needed.

2. The adjustment of minus ¥(486) million to segment profit (loss) includes corporate expenses that are not allocated to reportable segments. Corporate expenses mainly include general and administrative expenses.

3. Segment profit (loss) is adjusted for consistency with ordinary profit in the quarterly consolidated financial statements.

2. Information concerning impairment loss on non-current assets, goodwill, etc. for each reportable segment

Significant impairment losses related to non-current assets

Not applicable.

Significant change in goodwill

Not applicable.

Significant gain on bargain purchase

Not applicable.

(Revenue Recognition)

Information on breakdown of revenue from contracts with customers is described in Segment Information.

(Per-Share Information)

Net income per share calculations are based on the following figures.

	First three months of FY5/2024 (Jun. 1, 2023 – Aug. 31, 2023)	First three months of FY5/2025 (Jun. 1, 2024 – Aug. 31, 2024)
Net income per share	15.60	29.23
(Basis of calculation)		
Profit attributable to owners of parent (million yen)	308	577
Amount not attributable to common stockholders (million yen)	-	-
Profit attributable to owners of parent applicable to common stockholders (million yen)	308	577
Weighted average number of shares of common stock during the fiscal year (thousand shares)	19,764	19,770

Note: Diluted net income per share is not presented since BOOKOFF GROUP HOLDINGS had no outstanding dilutive securities.

(Important Subsequent Events)

Not applicable.

This financial report is solely a translation of the Company's Kessan Tanshin (including attachments) in Japanese, which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.

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

October 22, 2024

Board of Directors
BOOKOFF GROUP HOLDINGS LIMITED

Deloitte Touche Tohmatsu
Tokyo office

Kazuki Iwashita, CPA, Designated and Engagement Partner
Shinji Hatano, CPA, Designated and Engagement Partner
Hayato Otsuji, CPA, Designated and Engagement Partner

Auditor's conclusions

We have conducted a quarterly review of the quarterly consolidated financial statements of BOOKOFF GROUP HOLDINGS LIMITED (the "Company") included in the attachment of the Consolidated Summary Report for the first quarter (from June 1, 2024 to August 31, 2024) and the first three months (from June 1, 2024 to August 31, 2024) of the fiscal year beginning on June 1, 2024 and ending on May 31, 2025, which consisted of the quarterly consolidated balance sheet, quarterly consolidated statement of income, quarterly consolidated statement of comprehensive income and notes to the quarterly consolidated financial statements.

Based on our quarterly review, nothing has come to our attention that causes us to believe that the quarterly consolidated financial statements referred to above present fairly, in all material respects, the financial position of BOOKOFF GROUP HOLDINGS LIMITED and its consolidated subsidiaries as of August 31, 2024, and its operating results for the first three months ended on the same day, in accordance with Article 4, Paragraph 1 of Standards for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. and accounting standards for quarterly financial statements that are generally accepted as fair and appropriate in Japan.

Basis for auditor's conclusions

We conducted the quarterly review in accordance with quarterly review standards generally accepted as fair and appropriate in Japan. Our responsibilities under those standards are further described in the auditor's responsibilities for quarterly review on the quarterly consolidated financial statements section of this report. We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and we have fulfilled other ethical responsibilities as an auditor. We believe that we obtained evidence that forms the basis for expressing our conclusions.

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

The Company's management is responsible for the preparation and fair disclosure of the quarterly consolidated financial statements in accordance with Article 4, Paragraph 1 of Standards for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. and accounting standards for quarterly financial statements that are generally accepted as fair and appropriate in Japan. This includes the establishment and operation of internal control systems that are regarded as necessary by management to ensure the preparation and fair disclosure of the quarterly consolidated financial statements without material misstatement due to fraudulence or errors.

In preparing the quarterly consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the quarterly consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with Article 4, Paragraph 1 of Standards for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. and accounting standards for quarterly financial statements that are generally accepted as fair and appropriate in Japan.

The Audit & Supervisory Committee are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's responsibilities for quarterly review on the quarterly consolidated financial statements

Our responsibility is to express conclusions on the quarterly consolidated financial statements from an independent standpoint in a quarterly review report, based on the quarterly review.

We make professional judgment in the quarterly review process in accordance with quarterly review standards generally accepted as fair and appropriate in Japan, and perform the following while maintaining professional skepticism.

- Quarterly review procedures mainly consist of analytical procedures and questions posed to management, persons responsible for matters pertaining to finance and accounting, and other individuals. Said procedures are conducted in limited scope compared to audits of annual financial statements conducted in accordance with auditing standards generally accepted as fair and appropriate in Japan.
- In the event that it is determined that there is a significant uncertainty regarding events or circumstances that may cast significant doubt on the premise of a going concern, we conclude, based on the evidence obtained, on whether anything has come to our attention that causes us to believe that the quarterly financial statements have not been presented fairly in accordance with Article 4, Paragraph 1 of Standards for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. and accounting standards for quarterly financial statements that are generally accepted as fair and appropriate in Japan. If there is a significant uncertainty concerning the premise of a going concern, we are required to call attention to the notes to the quarterly consolidated financial statements in the quarterly review report, or if the notes to the quarterly consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a qualified or negative conclusions on the quarterly consolidated financial statements. While our conclusions are based on the evidence obtained up to the date of the quarterly review report, depending on future events or conditions, the Company may be unable to continue as a going concern.
- We evaluate whether anything has come to our attention that causes us to believe that the presentation of and notes to the quarterly financial statements have not been prepared in accordance with Article 4, Paragraph 1 of Standards for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. and accounting standards for quarterly financial statements that are generally accepted as fair and appropriate in Japan. We also evaluate the presentation, structure, and content of the quarterly consolidated financial statements, including the related notes, to determine whether there are any matters that lead the auditor to believe that the underlying transactions or accounting events are not properly presented.
- We obtain evidence regarding the financial information of the Company and its consolidated subsidiaries that forms the basis for expressing conclusions on the quarterly consolidated financial statements. We are responsible for the direction, supervision and examination of the quarterly review on the quarterly consolidated financial statements. We remain solely responsible for our conclusions.

We report to the Audit & Supervisory Committee regarding the scope and timing of implementation of the planned quarterly review, and material quarterly review findings.

We report to the Audit & Supervisory Committee regarding the observance of provisions related to professional ethics in Japan concerning independence as well as matters that are reasonably considered to have an impact on our independence, and where applicable, measures taken to eliminate inhibiting factors or apply safeguards to reduce them to an acceptable level.

Vested interests

Our firm or Engagement Partners have no vested interests in the Company and its consolidated subsidiaries that should be disclosed in accordance with the provisions of the Certified Public Accountants Act.

End

Notes: 1. The original copy of the above Quarterly Review Report is in the custody of the Company (the company that discloses the quarterly financial results).
2. The scope of the quarterly review does not include the XBRL data and HTML data.