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

November 13, 2025

Company name: STI Foods Holdings, Inc.
Listing: Tokyo Stock Exchange
Securities code: 2932
URL: <https://www.stifoods-hd.com/en/index.html>
Representative: Yutaka Jumi, President and Representative Director CEO
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Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: None
Holding of financial results briefing: None

(Amounts are rounded down to the nearest million yen)

1. Consolidated financial results for the nine months ended September 30, 2025 (from January 1, 2025 to September 30, 2025)

(1) Consolidated operating results (cumulative) (% figures show year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended September 30, 2025	28,471	8.1	2,033	(13.8)	2,059	(13.4)	1,938	22.2
Nine months ended September 30, 2024	26,346	12.3	2,360	37.4	2,378	34.9	1,586	32.6

Note: Comprehensive income
Nine months ended September 30, 2025 1,931 million yen [21.5%]
Nine months ended September 30, 2024 1,590 million yen [30.9%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended September 30, 2025	109.06	106.15
Nine months ended September 30, 2024	89.23	86.81

Note: The Company implemented a stock split at a ratio of three shares per common share on January 1, 2025. "Basic earnings per share" and "Diluted earnings per share" are calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of September 30, 2025	21,232	9,487	44.7
As of December 31, 2024	19,284	8,385	43.5

Reference: Equity capital
As of September 30, 2025 9,487 million yen
As of December 31, 2024 8,385 million yen

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2024	-	40.00	-	80.00	120.00
Fiscal year ending December 31, 2025	-	20.00	-	-	-
Fiscal year ending December 31, 2025 (Forecast)	-	-	-	20.00	40.00

(Notes)
1. Revisions to the forecast of cash dividends most recently announced: None
2. The Company implemented a stock split at a ratio of three shares per common share on January 1, 2025. The actual dividend amount before the stock split is shown for the fiscal year ended December 31, 2024.

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

(% figures show year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full-year	40,000	12.4	3,000	3.4	3,000	2.8	2,400	42.4	135.00

Note: Revisions to the forecast of financial results most recently announced: None

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

(New) Three companies

(Company names) Hamashin Corporation, Ajino-Hamato Co., Ltd., Tobei Corporation

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

Note: For details, please refer to “2. Consolidated Financial Statements and Notes (3) Notes to quarterly consolidated financial statements (Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements)” on page 8 of the attached materials.

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of September 30, 2025	17,778,900 shares	As of December 31, 2024	17,778,900 shares
As of September 30, 2025	597 shares	As of December 31, 2024	597 shares
Nine months ended September 30, 2025	17,778,303 shares	Nine months ended September 30, 2024	17,778,303 shares

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

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

Note: The Company implemented a stock split at a ratio of three shares per common share on January 1, 2025. The number of issued shares (common shares) is calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

* Review of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation:

Yes (optional)

* Explanation on the proper use of earnings forecasts, and other special matters

Forward-looking statements concerning financial results forecasts contained in these materials are based on information available to the Company when the forecasts were made and certain assumptions judged to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual results may differ significantly from the forecasts due to a variety of factors.

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1. Summary of Business Results

The forward-looking statements in this document are based on judgments made as of the end of the period under review.

(1) Summary of business results for the period under review

During the nine months ended September 30, 2025, the Japanese economy showed a moderate recovery trend due to factors such as improvements in income conditions and strong inbound demand. However, wage growth continued to lag behind rising prices, consumer tendencies toward saving-oriented and preferences for lower-priced products persisted, and signs of weakening personal consumption were seen. There are ongoing concerns about further price increases, and although tariff negotiations between Japan and the U.S. have been concluded, uncertainty in the global economy triggered by U.S. tariff policies and other factors persists, leaving the outlook for the business environment surrounding the Group uncertain.

In the food industry, product planning that responds to diversified consumer needs and a trend of thriftiness among consumers is required amid expectations of continuous increases in manufacturing costs due to persistently high raw material and material prices and higher personnel and utilities expenses caused by a weak yen.

The Group has continued to work on improving corporate value over the medium-long term and achieving sustainable growth by adopting the following basic policies: efforts for sustainable raw materials and manufacturing, efforts to reduce food loss, consideration for the environment, vertically integrated development from raw material procurement to manufacturing and sales, and home-meal replacement initiatives with an emphasis on health consciousness and fish culture. In addition, the entire Group has been working to carry out its socially important mission as a food manufacturer to continue stable production and supply for the safety and security of consumers and employees.

As a result, net sales during the nine months ended September 30, 2025 totaled 28,471 million yen (up 8.1% compared with the year-earlier period).

As to profit and loss, due to higher raw material prices mainly of fisheries such as mackerel, salmon, and octopus, during the nine months ended September 30, 2025 operating profit was 2,033 million yen (down 13.8% YoY), ordinary profit was 2,059 million yen (down 13.4% YoY), and profit attributable to owners of the parent company was 1,938 million yen (up 22.2% YoY).

Effective from the interim period under review, the method of classifying reportable segments has been changed, and comparisons and analysis for the nine months ended September 30, 2025 are based on the classification after the change.

Business results by segment are as follows.

(Food manufacturing and sales business)

In the food manufacturing and sales business, units sold increased for baked and boiled fish, which can be easily reheated, and ready-to-eat cup salad products, which meet the needs of consumers who value time performance, but sales did not reach the volume target we had set. For further growth ahead, we believe that enhancing these basic products is an issue of utmost importance, and we are working to review the standards for basic products and strengthen our development system. As a result, net sales in the food manufacturing and sales business were 26,948 million yen (up 2.3% YoY). Segment profit was 2,403 million yen (up 1.0% YoY).

(Retail business)

In the retail business, sales of seasonal gift products, such as mid-year gifts and Father's Day gifts, were strong, in addition to products sold over-the-counter sales at department stores and stores inside train stations. In addition, we are working on joint purchasing of raw materials, expansion of sales channels, etc., with the aim of realizing synergy effects with the food manufacturing and sales business. As a result, net sales in the retail business were 1,528 million yen, and segment profit was 11 million yen.

(2) Summary of financial position for the period under review

As of June 30, 2025, this data includes the effect of the business combination of Hamashin Corporation, Ajino-Hamato Co., Ltd., and Tobei Corporation.

Total assets as of September 30, 2025 increased by 1,948 million yen compared to the end of the previous fiscal year to 21,232 million yen.

The balance of current assets decreased by 1,168 million yen compared to the end of the previous fiscal year to 9,896 million yen. This was mainly due to a 1,423 million yen decrease in cash and deposits, despite a 499 million yen increase in current assets resulting from new consolidation of subsidiaries.

The balance of non-current assets increased by 3,116 million yen compared to the end of the previous fiscal year to 11,336 million yen. This was mainly due to an increase of 1,958 million yen in property, plant and equipment resulting from the new consolidation of subsidiaries and an increase of 852 million yen in investment property.

Total liabilities increased by 845 million yen compared to the end of the previous fiscal year to 11,745 million yen.

The balance of current liabilities decreased by 814 million yen compared to the end of the previous fiscal year to 6,745 million yen. This was mainly due to a 581 million yen decrease in accounts payable - trade and a 418 million yen decrease in income taxes payable, despite a 474 million yen increase in current liabilities resulting from the new consolidation of subsidiaries.

The balance of non-current liabilities increased by 1,660 million yen compared to the end of the previous fiscal year to 4,999 million yen. This was mainly due to a 1,251 million yen increase in non-current liabilities resulting from new consolidation of subsidiaries and a 505 million yen increase in long-term borrowings.

The balance of net assets increased by 1,102 million yen compared to the end of the previous fiscal year to 9,487 million yen. This was mainly due to an increase of 1,109 million yen in retained earnings resulting from the posting of 1,938 million yen in net income attributable to owners of the parent company, despite the dividend payment of 829 million yen.

As a result, the equity-to-asset ratio as of September 30, 2025 increased by 1.2 percentage points compared to the end of the previous fiscal year to 44.7%.

(3) Explanation for the forecast of consolidated financial results and other future information

There is no change in the consolidated financial results forecast for the fiscal year ending December 31, 2025 from the forecast announced on August 7, 2025.

The said forecasts are based on judgments and assumptions based on information currently available to the Company, and actual results may differ from the forecast due to various factors.

2. Consolidated Financial Statements and Notes

(1) Quarterly consolidated balance sheet

(Unit: Thousands of yen)

	Previous fiscal year (December 31, 2024)	Nine months ended September 30, 2025 (September 30, 2025)
Assets		
Current assets		
Cash and deposits	4,226,199	2,869,119
Notes and accounts receivable - trade	3,804,521	4,048,590
Merchandise and finished goods	859,293	966,507
Work in process	47,144	71,737
Raw materials and supplies	1,893,435	1,827,908
Other	234,481	113,089
Allowance for doubtful accounts	(201)	(171)
Total current assets	11,064,875	9,896,782
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,716,631	4,174,889
Machinery, equipment and vehicles, net	488,540	493,558
Leased assets, net	1,080,855	1,050,446
Land	2,059,585	3,707,325
Other, net	305,936	340,747
Total property, plant and equipment	7,651,549	9,766,966
Intangible assets	236,247	192,614
Investments and other assets		
Investment property, net	-	852,179
Other	332,080	524,323
Allowance for doubtful accounts	-	(56)
Total investments and other assets	332,080	1,376,446
Total non-current assets	8,219,877	11,336,027
Total assets	19,284,753	21,232,809

(Unit: Thousands of yen)

	Previous fiscal year (December 31, 2024)	Nine months ended September 30, 2025 (September 30, 2025)
Liabilities		
Current liabilities		
Accounts payable - trade	4,078,775	3,613,792
Short-term borrowings	-	100,000
Current portion of bonds payable	140,000	140,000
Current portion of long-term borrowings	383,431	531,502
Income taxes payable	622,377	240,130
Provision for bonuses	-	110,937
Other	2,335,453	2,008,895
Total current liabilities	7,560,036	6,745,258
Non-current liabilities		
Bonds payable	790,000	650,000
Long-term borrowings	922,956	1,722,414
Asset retirement obligations	175,397	276,845
Retirement benefit liability	770	74,883
Provision for retirement benefits for directors (and other officers)	-	47,414
Other	1,449,883	2,228,200
Total non-current liabilities	3,339,006	4,999,757
Total liabilities	10,899,042	11,745,015
Net assets		
Shareholders' equity		
Share capital	1,048,375	1,048,375
Capital surplus	948,375	948,375
Retained earnings	6,327,609	7,436,876
Treasury shares	(662)	(662)
Total shareholders' equity	8,323,699	9,432,965
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,589	11,801
Deferred gains or losses on hedges	180	1,957
Foreign currency translation adjustment	48,174	41,002
Total accumulated other comprehensive income	61,945	54,761
Share acquisition rights	66	66
Total net assets	8,385,710	9,487,793
Total liabilities and net assets	19,284,753	21,232,809

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income
(Quarterly consolidated statement of income)
(Nine months ended September 30)

(Unit: Thousands of yen)

	Nine months ended September 30, 2024 (from January 1, 2024 to September 30, 2024)	Nine months ended September 30, 2025 (from January 1, 2025 to September 30, 2025)
Net sales	26,346,007	28,471,118
Cost of sales	18,772,696	20,639,401
Gross profit	7,573,310	7,831,716
Selling, general and administrative expenses	5,213,164	5,798,049
Operating profit	2,360,146	2,033,667
Non-operating income		
Interest and dividend income	10,151	18,860
Gain on sale of goods	17,164	10,963
Rental income from buildings	6,387	21,811
Compensation income	19,468	4,413
Other	7,964	16,562
Total non-operating income	61,137	72,611
Non-operating expenses		
Interest expenses	17,679	39,712
Bond issuance costs	20,068	-
Other	4,710	7,347
Total non-operating expenses	42,458	47,060
Ordinary profit	2,378,824	2,059,218
Extraordinary income		
Insurance claim income	943	10,844
Gain on sale of non-current assets	14,304	179
Gain on bargain purchase	-	560,423
Total extraordinary income	15,248	571,447
Extraordinary losses		
Loss on sale of non-current assets	-	1,399
Loss on retirement of non-current assets	0	572
Loss on valuation of investment securities	4,274	-
Total extraordinary losses	4,274	1,972
Income before income taxes	2,389,799	2,628,694
Income taxes	803,527	689,773
Profit	1,586,271	1,938,920
Profit attributable to owners of parent	1,586,271	1,938,920

(Quarterly consolidated statement of comprehensive income)
(Nine months ended September 30)

(Unit: Thousands of yen)

	Nine months ended September 30, 2024 (from January 1, 2024 to September 30, 2024)	Nine months ended September 30, 2025 (from January 1, 2025 to September 30, 2025)
Profit	1,586,271	1,938,920
Other comprehensive income		
Valuation difference on available-for-sale securities	3,363	(1,787)
Deferred gains or losses on hedges	540	1,776
Foreign currency translation adjustment	128	(7,172)
Total other comprehensive income	4,032	(7,183)
Comprehensive income	1,590,303	1,931,737
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,590,303	1,931,737

(3) Notes to quarterly consolidated financial statements

(Changes in scope of consolidation or scope of equity method)

(Significant changes in scope of consolidation)

Effective from the interim period under review, three companies are included in the scope of consolidation due to the newly acquired shares of Hamashin Corporation and its consolidated subsidiaries, Ajino-Hamato Co., Ltd. and Tobei Corporation.

(Changes in accounting policies)

(Application of “Accounting Standard for Current Income Taxes”, etc.)

The “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the “Revised 2022 Accounting Standard”) is applied from the beginning of the third quarter of the current fiscal year. Revisions to the classification of income taxes (taxation on other comprehensive income) are in accordance with the transitional treatment stipulated in the proviso of Paragraph 20-3 of the 2022 Revised Accounting Standard, and with the transitional treatment of Paragraph 65-2 (2), “Implementation Guidance on tax rates used in applying Tax Effect Accounting” (ASBJ Statement No. 28, October 28, 2022; hereinafter referred to the “2022 Revised Implementation Guidance”). This has no impact on the quarterly consolidated financial statements.

In addition, regarding the 2022 Revised Implementation Guidance related to the revision of the treatment in consolidated financial statements of the deferral for tax purposes of gains or losses on sales of stocks in subsidiaries among consolidated companies, the Company has adopted effective from the beginning of the third quarter of the fiscal year ending December 31, 2025. This change in accounting policy has been applied retroactively. The quarterly consolidated financial statements for the third quarter of the fiscal year ended December 31, 2024 and consolidated financial statements for the previous fiscal year have been prepared retroactively. This has no impact on the quarterly consolidated financial statements of the previous third quarter of the fiscal year ended December 31, 2024 or the consolidated financial statements of the previous fiscal year.

(Notes on assumption about going concern)

Not applicable.

(Notes on significant changes in shareholders' equity)

Due to the change in scope of consolidation, retained earnings increased by 566,126 thousand yen during the three months ended September 30, 2025, and retained earnings amounted to 7,436,876 thousand yen as of September 30, 2025.

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

(Calculation of tax expenses)

Tax expenses are calculated by reasonably estimating the effective tax rate after the application of tax effect accounting to income before income taxes for the consolidated fiscal year, including the nine months ended September 30, 2025, and multiplying income before income taxes by the estimated effective tax rate.

(Additional information)

(Effect of change in income taxes rate)

The Act on Partial Revision of the Income Tax Act (Act No. 13 of 2025) was enacted by the Japanese Diet on March 31, 2025, and the Special Defense Corporation Tax will be imposed from consolidated fiscal years beginning on or after April 1, 2026.

As a result, the effective statutory tax rates used to calculate deferred tax assets and deferred tax liabilities have been changed for temporary differences expected to be eliminated in consolidated fiscal years beginning on or after January 1, 2027.

The effect of this change in the tax rate on gains or losses for the nine months ended September 30, 2025 is immaterial.

(Segment information)

[Segment information]

I Nine months ended September 30, 2024 (from January 1, 2024 to September 30, 2024)

Information on net sales, profit or loss, and revenue breakdown by reporting segment

(Unit: Thousands of yen)

	Food manufacturing and sales business	Retail business	Total	Adjustments	Amount recorded on the consolidated financial statements
Net sales					
Goods to be transferred at one point in time	26,346,007	-	26,346,007	-	26,346,007
Revenue from contracts with customers	26,346,007	-	26,346,007	-	26,346,007
Net sales to external customers	26,346,007	-	26,346,007	-	26,346,007
Intersegment net sales and transfers	-	-	-	-	-
Total	26,346,007	-	26,346,007	-	26,346,007
Segment profit	2,378,824	-	2,378,824	-	2,378,824

II Nine months ended September 30, 2025 (from January 1, 2025 to September 30, 2025)

1. Information on net sales, profit or loss, and revenue breakdown by reporting segment

(Unit: Thousands of yen)

	Food manufacturing and sales business	Retail business	Total	Adjustments (Note) 1	Amount recorded on the consolidated financial statements (Note) 2
Net sales					
Goods to be transferred at one point in time	26,942,727	1,528,391	28,471,118	-	28,471,118
Revenue from contracts with customers	26,942,727	1,528,391	28,471,118	-	28,471,118
Net sales to external customers	26,942,727	1,528,391	28,471,118	-	28,471,118
Intersegment net sales and transfers	5,387	31	5,418	(5,418)	-
Total	26,948,114	1,528,422	28,476,536	(5,418)	28,471,118
Segment profit	2,403,747	11,329	2,415,076	(355,857)	2,059,218

(Notes) 1. Adjustments to segment profit include corporate expenses of 355,857 thousand yen that are not allocated to reportable segments. Corporate expenses are mainly general and administrative expenses that do not belong to the reportable segments.

2. Segment profit is adjusted to ordinary profit in the quarterly consolidated statements of income.

2. Information on assets by reportable segment

In the interim period under review, three companies are included in the scope of consolidation due to the newly acquired shares of Hamashin Corporation and its consolidated subsidiaries, Ajino-Hamato Co., Ltd. and Tobei Corporation.

As a result, the amount of assets of reportable segments as of September 30, 2025 increased by 3,399,586 thousand yen in the retail business compared to the end of the previous consolidated fiscal year.

3. Matters related to changes in reportable segments, etc.

The Group previously had a single reportable segment, the food manufacturing and sales business. However, three companies are included in the scope of consolidation due to the April 2025 new acquisition of shares of Hamashin Corporation and its consolidated subsidiaries, Ajino-Hamato Co., Ltd. and Tobei Corporation. As a result, the Company has revised its business segment classification method and changed its reportable segments to the food manufacturing and sales business and retail business.

In addition, effective from the previous interim period, for the purpose of more accurately managing the results of each segment, a portion of expenses previously allocated to the food manufacturing and sales business are now included in Adjustments as corporate expenses that do not belong to any reportable segment.

The segment information for the nine months ended September 30, 2024 is presented based on the classification after the change.

4. Information on impairment loss on non-current assets or goodwill by reportable segment

(Significant gain on bargain purchase)

In the retail business segment, the Group has recognized a gain on bargain purchase due to the new acquisition of shares of Hamashin Corporation and its consolidated subsidiaries, Ajino-Hamato Co., Ltd. and Tobei Corporation.

The amount of gain on bargain purchase generated in this business is 560,423 thousand yen in the nine months ended September 30, 2025; however, this gain on bargain purchase is a tentatively calculated amount because the allocation of the acquisition cost has not been completed as of September 30, 2025. Gain on bargain purchase is not included in the above segment profit because it is extraordinary income.

(Revenue recognition)

Information on the breakdown of revenue from contracts with customers is presented in “Notes (Segment information)”.

(Notes on quarterly consolidated statements of cash flows)

Quarterly consolidated statements of cash flows for the nine months ended September 30, 2025 have not been prepared. In addition, depreciation (including amortization for intangible assets except goodwill) and amortization of goodwill for the nine months ended September 30, 2025 are as follows.

	Nine months ended September 30, 2024 (from January 1, 2024 to September 30, 2024)	Nine months ended September 30, 2025 (from January 1, 2025 to September 30, 2025)
Depreciation	602,380 thousand yen	766,345 thousand yen

Mid-period review report for quarterly consolidated financial statements by the independent auditor

November 13, 2025

To the Board of Directors,
STI Foods Holdings, Inc.

Tokyo Office, Gyosei & Co.

Designated Partner
Managing Partner Certified Public Accountant, Makoto Iwabuchi

Designated Partner
Managing Partner Certified Public Accountant, Naoko Shiokawa

Auditors' conclusion

This audit corporation has conducted a mid-period review of the quarterly consolidated financial statements for the Q3 consolidated accounting period (July 1, 2025 to September 30, 2025) and the Q3 consolidated cumulative period (January 1, 2025 to September 30, 2025), of the consolidated fiscal year from January 1, 2025 to December 31, 2025 at STI Foods Holdings, Inc. The financial statements appear in the "Attached Materials" of the quarterly financial results. The reviewed documents were the quarterly consolidated balance sheet, the quarterly consolidated statement of income, the quarterly consolidated statement of comprehensive income and the notes section.

During the mid-period review conducted by this audit corporation, we did not find any matters in all material aspects that would cause us to believe that the above quarterly consolidated financial statements have not been prepared in accordance with the accounting standards (however, the omission of the description prescribing Article 4, Paragraph 2 of the standards for preparation of quarterly financial statements, etc., is applied) concerning quarterly financial statements that are generally accepted as fair and appropriate in Japan and Article 4, Paragraph 1 of the standards for preparation of quarterly financial statements, etc., of Tokyo Stock Exchange, Inc.

Basis of auditors' conclusion

This audit corporation conducted the mid-period review in accordance with the mid-period review standards that are generally accepted as fair and appropriate in Japan. The responsibilities of this audit corporation in the mid-period review standards is described in the section entitled "Auditor's responsibilities for the mid-period review of the quarterly consolidated financial statements". In accordance with Japan's regulations on professional ethics, this audit corporation is independent of the Company and its consolidated subsidiaries, and is also committed to other ethical responsibilities as an auditor. This audit corporation has determined that we have obtained the evidence that supports our conclusion statement.

Responsibilities of management, the Corporate Auditors and the Board of Corporate Auditors concerning the quarterly consolidated financial statements

Management are responsible for the preparation of quarterly consolidated financial statements in accordance with the accounting standards (however, the omission of the description prescribing Article 4, Paragraph 2 of the standards for preparation of quarterly financial statements, etc., is applied) concerning quarterly financial statements that are generally accepted as fair and appropriate in Japan and Article 4, Paragraph 1 of the standards for preparation of quarterly financial statements, etc., of Tokyo Stock Exchange, Inc. This responsibility includes the establishment and operation of internal control that management deem necessary to prepare quarterly consolidated financial statements with no material misstatements due to fraud or error.

When preparing quarterly consolidated financial statements, management assess whether it is appropriate to prepare quarterly consolidated financial statements based on going concern assumptions, and if it is necessary to disclose matters relating to going concern based on accounting standards (however, the omission of the description prescribing Article 4, Paragraph 2 of the standards for preparation of quarterly financial statements, etc., is applied) concerning quarterly financial statements that are generally accepted as fair and appropriate in Japan and Article 4, Paragraph 1 of the standards for preparation of quarterly financial statements, etc., of Tokyo Stock Exchange, Inc., then management are responsible for disclosing such matters.

The Corporate Auditors and the Board of Corporate Auditors are responsible for monitoring the execution of duties by Directors in the establishment and operation of the financial reporting process.

Auditor's responsibilities for the mid-period review of the quarterly consolidated financial statements

Auditors are responsible for expressing conclusions concerning quarterly consolidated financial statements from an independent standpoint in the mid-period review report based on the mid-period review conducted by the auditors.

In accordance with the mid-period review standards that are generally accepted as fair and appropriate in Japan, the auditors make professional expert decisions throughout the mid-period review process, and perform the following duties while maintaining professional skepticism.

- Primarily interview management and people who are responsible for matters relating to financial and accounting duties, conduct analysis procedures, and perform other mid-period review procedures. Mid-period review procedures are limited procedures compared to auditing annual financial statements conducted in accordance with auditing standards that are generally accepted as fair and appropriate in Japan.
- When it has been determined that significant uncertainty is recognized regarding events or circumstances that cause significant doubt for matters on going concern assumptions, based on the obtained evidence, draw a conclusion whether any matters were found that would cause us to believe that the quarterly consolidated financial statements had not been prepared in accordance with the accounting standards (however, the omission of the description prescribing Article 4, Paragraph 2 of the standards for preparation of quarterly financial statements, etc., is applied) concerning quarterly financial statements that are generally accepted as fair and appropriate in Japan and Article 4, Paragraph 1 of the standards for preparation of quarterly financial statements, etc., of Tokyo Stock Exchange, Inc. Furthermore, when significant uncertainty is recognized relating to going concern assumptions, it is necessary to call attention to the notes of the quarterly consolidated financial statements in the mid-period review report as well as express a limited or negative conclusion for the quarterly consolidated financial statements if the notes of the quarterly consolidated financial statements relating to significant uncertainty are inadequate. The auditors' conclusions are based on evidence obtained by the date of the mid-period review report. However, future events or circumstances may result in the Company not being able to continue its business as a going concern.
- Assess whether any matters were found that would cause us to believe that the presentation and notes of the quarterly consolidated financial statements had not been prepared in accordance with the accounting standards (however, the omission of the description prescribing Article 4, Paragraph 2 of the standards for preparation of quarterly financial statements, etc., is applied) concerning quarterly financial statements that are generally accepted as fair and appropriate in Japan and Article 4, Paragraph 1 of the standards for preparation of quarterly financial statements, etc., of the Tokyo Stock Exchange, Inc.
- Obtain evidence relating to the financial information of the Company and consolidated subsidiaries to express conclusions about the quarterly consolidated financial statements. Auditors are responsible for the direction, supervision, and review of the quarterly consolidated financial statements for the mid-period review. Auditors are solely responsible for the auditors' conclusions.

Auditors report the scope of the planned mid-period review, its implementation period, and any key findings discovered during the mid-period review to the Corporate Auditors and the Board of Corporate Auditors.

Auditors report any details to the Corporate Auditors and the Board of Corporate Auditors about compliance with regulations relating to professional ethics in Japan concerning independence, matters considered to reasonably affect auditor independence, and when measures are taken to eliminate disincentives or when applying safeguards to reduce disincentives to acceptable levels.

Interested parties

There are no interested parties that should be listed based on the provisions of the Certified Public Accountants Act between the Company and its consolidated subsidiaries and this audit corporation or the Managing Partner.

End

(Notes) 1. The original copy of the above mid-period review report shall be stored separately by the Company.

2. XBRL data is not included in the mid-period review.