Consolidated Financial Summary for the First Quarter of the Fiscal Year Ending July 2025 (Japanese GAAP)

December 12, 2024

Name of listed company: Meiho Enterprise Co., Ltd. Listing exchange: Tokyo Stock Exchange
Code: 8927 URL: https://meiho-est.com
Representative: (Position) Chairman & Representative Director (Name) Mitsuru Yabuki
Contact for inquiries: (Position) Executive Officer, Head of the Management Dept. (Name) Ayako Iwasaki Tel: 03-5434-7653
Scheduled date for start of dividend payment: -
Creation of supplementary explanatory materials: None
Holding of accounts briefing meeting: None

(Amounts are rounded down to the nearest million yen)

1. Consolidated results for the first quarter of the fiscal year ending July 2025 (August 1, 2024 to October 31, 2024)

(1) Consolidated operating results (cumulative) (% figures show the rate of increase (decrease) compared with the same period of the previous fiscal year)

	Revenues		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
First quarter of fiscal year ending July 2025	7,192	46.2	737	47.9	594	58.7	384	41.9
First quarter of fiscal year ended July 2024	4,918	191.7	498	506.9	374	-	271	865.3

(Note) Comprehensive income First quarter of fiscal year ending July 2025 382 million yen (41.5%)
First quarter of fiscal year ended July 2024 270 million yen (956.5%)

	Basic earnings per share	Diluted earnings per share
	yen sen	yen sen
First quarter of fiscal year ending July 2025	13.04	-
First quarter of fiscal year ended July 2024	9.19	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	million yen	million yen	%
First quarter of fiscal year ending July 2025	26,789	8,181	30.5
Fiscal year ended July 2024	28,104	7,990	28.4

(Reference) Equity capital First quarter of fiscal year ending July 2025 8,172 million yen
Fiscal year ended July 2024 7,984 million yen

2. Dividends

	Annual dividend				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total
	yen sen	yen sen	yen sen	yen sen	yen sen
Fiscal year ended July 2024	-	4.50	-	6.50	11.00
Fiscal year ending July 2025	-				
Fiscal year ending July 2025 (Forecast)		5.50	-	5.50	11.00

(Note) Revisions to the most recent dividend forecast :None

3. Consolidated earnings forecast for the fiscal year ending July 2025 (from August 1, 2024 to July 31, 2025)

(% figures show the rate of increase (decrease) from the previous fiscal year)

	Revenues		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen sen
End of second quarter (cumulative)	12,200	12.2	920	(33.1)	610	(48.8)	430	(48.6)	14.58
Full year	29,000	41.0	2,600	11.0	2,000	5.5	1,400	1.8	47.47

(Note) Revisions to the most recent earnings forecast :None

* Explanatory notes

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

Newly included: — companies (Company name) — Excluded: — companies (Company name) —

(2) Application of accounting method specific to the preparation of quarterly consolidated financial statements : None

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

1) Changes in accounting policies with revision of accounting standards : None

2) Changes in accounting policies other than 1) : None

3) Changes in accounting estimates : None

4) Restatement : None

(4) Number of shares issued and outstanding (ordinary shares)

1) Number of shares issued and outstanding (including treasury shares) at the end of the period	First quarter of FY ending July 2025	30,539,900 shares	Fiscal year ended July 2024	30,539,900 shares
2) Number of treasury shares at the end of the period	First quarter of FY ending July 2025	1,047,160 shares	Fiscal year ended July 2024	1,047,160 shares
3) Average number of shares during the period (quarterly cumulative)	First quarter of FY ending July 2025	29,492,740 shares	First quarter of FY ended July 2024	29,492,740 shares

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

* Explanation regarding the appropriate use of earnings forecasts, and other notes

The earnings outlook and other forward-looking statements contained herein are based on information currently available and certain assumptions that are thought to be reasonable by the Company. Accordingly, actual business performance and other results may differ materially due to various factors. For the conditions forming the assumptions on which earnings forecasts are based and explanatory notes for use of earnings forecasts, etc., please see “Qualitative Information on Quarterly Financial Results (3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Information” on page 2 of the attachment.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

During the current consolidated cumulative first quarter (August 1, 2024 to October 31, 2024), the Japanese economy saw signs of a gradual economic recovery against the backdrop of the improved employment and income environment, a recovery in inbound demand, and other factors. On the other hand, the impacts on the economic environment of the prolonged situation in Ukraine and the continued high raw material and energy prices associated with the situation in the Middle East remain of concern.

In the real estate industry in which the Meiho Group operates, regarding real estate investments, mainly residential real estate, foreign investors are showing strong interest in Japanese real estate against the backdrop of the continuing low-interest rate environment and the weak yen, and both supply and demand continue to be strong. However, high real estate prices due to soaring land prices and construction costs and other situations continue to require attention.

Under these business circumstances, the Group made the following efforts in each business segment.

In the real estate sales business, the Group is proceeding to enhance its ability to procure properties by leveraging its strengths in information analysis and business planning to its fullest while strengthening its resistance to market fluctuation risks by carefully selecting locations and reducing procurement costs. In addition, in the sales activities of our main brands, EL FARO and MIJAS, we completed the delivery of ten buildings including EL FARO Nihonbashi Hamacho (Chuo-ku, Tokyo) (five buildings in the same quarter of the previous fiscal year) and the delivery of two other properties for development projects.

In the real estate leasing business, in order to maximize profits for existing owners, in addition to area marketing, we aim to eliminate vacancies by setting the optimal rent based on the AI assessment system and contract execution examples and by proposing leasing strategies utilizing our network of brokerage firms in the Tokyo metropolitan area, thereby achieving high occupancy rates in the properties managed by the Group. We have also introduced an application for information exchange with owners and continue to share and exchange information through CS surveys and other measures. For our main brands, the EL FARO and MIJAS series, the Group offers a one-stop service, from the creation of products to their management, thereby endeavoring to maintain high quality and high occupancy rates. Consequently, the series is creating synergies within the Group, with their positive recognition as highly profitable real estate investment products, triggering repeated purchases of real estate investment product series.

In the real estate brokerage business, the Group is working to increase revenues by introducing properties in line with customer needs through the use of its unique information network comprising real estate sales business and other businesses.

In the contracting business, the Group worked to increase earnings through the completion and delivery of six buildings and the construction of 14 buildings in the EL FARO and MIJAS series, along with other remodeling and renovation projects tailored to the characteristics of properties under our management.

As a result of the above, in the consolidated cumulative first quarter of the current fiscal year, revenues stood at 7,192 million yen (up 46.2% year on year), operating profit stood at 737 million yen (up 47.9% year on year), ordinary profit stood at 594 million yen (up 58.7% year on year), and profit attributable to owners of parent amounted to 384 million yen (up 41.9% year on year).

Operating results by segment are as follows.

[Real estate sales business]

In the real estate sales business, we sold nine buildings in the newly-built whole-building investment rental condominium series EL FARO and one building in the newly-built whole-building investment rental apartment series MIJAS and sold two other properties for development projects. As a result, revenues were 5,921 million yen (up 51.6% year on year), and segment profit was 832 million yen (up 44.3% year on year).

[Real estate leasing business]

In the real estate leasing business, revenues were 420 million yen (down 18.1% year on year), and segment profit was 3 million yen (down 81.6% year on year), due to property management fees and other factors.

[Real estate brokerage business]

In the real estate brokerage business, revenues were 33 million yen, and segment profit was 33 million yen (no revenues or segment profit (loss) in the same period of the previous fiscal year), reflecting real estate brokerage and other fees.

[Contracting business]

Regarding the contracting business, due to the execution of construction contracts and renovation works, revenues were 823 million yen (up 71.2% year on year), and segment loss was 66 million yen (segment loss of 62 million in the same period of the previous year).

[Other]

This section refers to business segments not included in the reportable segments. Due mainly to insurance agency services, revenues were 2 million yen (down 88.1% year on year), and segment profit was 2 million yen (down 88.4% year on year).

(2) Explanation of Financial Position

Total assets at the end of the first quarter of the current consolidated fiscal year decreased by 1,314 million yen from the end of the previous consolidated fiscal year to 26,789 million yen. This was due to a decrease of 1,177 million yen in inventories resulting from the delivery of real estate for sale, etc.

Liabilities decreased by 1,505 million yen from the end of the previous fiscal year to 18,608 million yen. This was due to a decrease of 486 million yen in long-term borrowings (including the current portion of long-term borrowings) resulting from the repayment associated with the sale of properties, etc., and decreases of 355 million yen in income taxes payable and 331 million yen in notes payable and accounts payable - trade.

Net assets increased by 190 million yen from the end of the previous consolidated fiscal year to 8,181 million yen, and the equity-to-asset ratio increased by 2.1 percentage points from the end of the previous consolidated fiscal year to 30.5%.

(3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Information

With respect to consolidated earnings forecasts, there is no change in the consolidated earnings forecast for the fiscal year ending July 31, 2025, which was announced in the “Consolidated Financial Summary for the Fiscal Year Ended July 31, 2024,” on September 12, 2024.

The business base, including the markets for the Group’s main line of businesses, remains firm, and its purchasing and sales conditions are favorable. We will work together to promote business activities to further increase profitability.

2. Quarterly Consolidated Financial Statements and Main Notes

(1) Quarterly Consolidated Balance Sheet

(Unit: thousand yen)

	Previous consolidated fiscal year (July 31, 2024)	First quarter of the current consolidated fiscal year (October 31, 2024)
Assets		
Current assets		
Cash and deposits	3,109,904	3,287,674
Accounts receivable - trade and contract assets	881,706	498,785
Real estate for sale	2,436,136	798,793
Real estate for sale in process	18,427,433	18,887,504
Current portion of long-term loans receivable	287	289
Other	446,422	423,672
Allowance for doubtful accounts	(710)	(554)
Total current assets	25,301,180	23,896,165
Non-current assets		
Property, plant and equipment	2,288,090	2,460,187
Intangible assets	20,856	20,878
Investments and other assets		
Investment securities	17,850	15,500
Long-term loans receivable	425,370	425,296
Long-term accounts receivable - other	375,440	372,950
Deferred tax assets	164,118	91,555
Other	312,034	305,225
Allowance for doubtful accounts	(800,440)	(797,950)
Total investments and other assets	494,373	412,577
Total non-current assets	2,803,321	2,893,643
Total assets	28,104,501	26,789,808

(Unit: thousand yen)

	Previous consolidated fiscal year (July 31, 2024)	First quarter of the current consolidated fiscal year (October 31, 2024)
Liabilities		
Current liabilities		
Notes payable and accounts payable - trade	1,071,826	740,731
Short-term borrowings	2,013,000	2,008,000
Current portion of long-term borrowings	5,736,857	4,670,559
Lease obligations	2,192	2,041
Income taxes payable	508,708	153,104
Provision for bonuses	173,130	34,245
Allowance for compensation for completed construction	964	964
Other	1,126,502	965,640
Total current liabilities	10,633,182	8,575,287
Non-current liabilities		
Long-term borrowings	9,148,852	9,728,468
Retirement benefits liabilities	70,072	70,524
Lease obligations	6,273	5,842
Deferred tax liabilities	106,014	105,108
Other	149,730	123,540
Total non-current liabilities	9,480,942	10,033,483
Total liabilities	20,114,125	18,608,771
Net assets		
Shareholders' equity		
Share capital	614,403	614,403
Capital surplus	2,014,814	2,011,634
Retained earnings	5,732,726	5,925,738
Treasury shares	(380,474)	(380,474)
Total shareholders' equity	7,981,471	8,171,301
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,350	1,000
Total accumulated other comprehensive income	3,350	1,000
Share acquisition rights	5,555	5,555
Non-controlling interests	-	3,180
Total net assets	7,990,376	8,181,037
Total liabilities and net assets	28,104,501	26,789,808

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income

Quarterly Consolidated Statement of Income

Consolidated cumulative first quarter

(Unit: thousand yen)

	Previous consolidated cumulative first quarter (August 1, 2023 to October 31, 2023)	Current consolidated cumulative first quarter (August 1, 2024 to October 31, 2024)
Revenues	4,918,738	7,192,337
Cost of sales	3,859,174	5,890,573
Gross profit	1,059,563	1,301,764
Selling, general and administrative expenses	560,991	564,346
Operating profit	498,571	737,418
Non-operating income		
Interest income	6,043	292
Penalty income	612	-
Insurance claim income	-	2,845
Surrender value of insurance policies	663	995
Reversal allowance for doubtful accounts	2,490	2,645
Other	280	2,106
Total non-operating income	10,089	8,885
Non-operating expenses		
Interest expenses	85,247	117,145
Commission expenses	48,748	34,643
Other	104	20
Total non-operating expenses	134,100	151,809
Ordinary profit	374,561	594,495
Extraordinary losses		
Loss on retirement of non-current assets	-	599
Total extraordinary losses	-	599
Profit before income taxes	374,561	593,895
Income taxes - current	94,575	137,524
Income taxes - deferred	8,956	71,656
Total income taxes	103,531	209,180
Profit	271,029	384,714
Profit attributable to owners of parent	271,029	384,714

Quarterly Consolidated Statement of Comprehensive Income

Consolidated cumulative first quarter

(Unit: thousand yen)

	Previous consolidated cumulative first quarter (August 1, 2023 to October 31, 2023)	Current consolidated cumulative first quarter (August 1, 2024 to October 31, 2024)
Profit	271,029	384,714
Other comprehensive income		
Valuation difference on available-for-sale securities	(800)	(2,350)
Total other comprehensive income	(800)	(2,350)
Comprehensive income	270,229	382,364
(Breakdown)		
Comprehensive income attributable to owners of parent	270,229	382,364
Comprehensive income attributable to non-controlling interests	-	-

(3) Notes to Quarterly Consolidated Financial Statements

(Notes Related to Going Concern Assumption)

Not applicable.

(Notes on Substantial Changes in Amount of Shareholders' Equity)

Previous consolidated cumulative first quarter (August 1, 2023 to October 31, 2023)

1. Dividends paid

Resolution	Class of shares	Total amount of dividends (thousand yen)	Dividend paid per share (yen)	Record date	Effective date	Source of dividends
October 26, 2023 Ordinary general meeting of shareholders	Ordinary shares	265,434	9.00	July 31, 2023	October 27, 2023	Retained earnings

2. Dividends with a record date falling in the consolidated cumulative first quarter but an effective date which comes after the end of the consolidated first quarter

Not applicable.

3. Substantial changes in the amount of shareholders' equity

Not applicable.

Current consolidated cumulative first quarter (August 1, 2024 to October 31, 2024)

1. Dividends paid

Resolution	Class of shares	Total amount of dividends (thousand yen)	Dividend paid per share (yen)	Record date	Effective date	Source of dividends
October 24, 2024 Ordinary general meeting of shareholders	Ordinary shares	191,702	6.50	July 31, 2024	October 25, 2024	Retained earnings

2. Dividends with a record date falling in the consolidated cumulative first quarter but an effective date which comes after the end of the consolidated first quarter

Not applicable.

3. Substantial changes in the amount of shareholders' equity

Not applicable.

(Segment Information, etc.)

[Segment information]

I. Previous consolidated cumulative first quarter (August 1, 2023 to October 31, 2023)

1. Information on Revenues and Profit or Loss by Reportable Segment and Revenue Disaggregation

(Unit: thousand yen)

	Reportable segment					Other (*3)	Total	Reconciliation (*1)	Amount recorded in quarterly consolidated statement of income (* 2)
	Real estate sales business	Real estate leasing business	Real estate brokerage business	Contracting business	Total				
Revenues									
MIJAS/EL FARO	3,226,782	-	-	-	3,226,782	-	3,226,782	-	3,226,782
Other	678,133	136,221	-	480,784	1,295,138	20,179	1,315,318	-	1,315,318
Revenue from contracts with customers	3,904,916	136,221	-	480,784	4,521,921	20,179	4,542,101	-	4,542,101
Other revenue	-	376,637	-	-	376,637	-	376,637	-	376,637
Net sales to external customers	3,904,916	512,858	-	480,784	4,898,558	20,179	4,918,738	-	4,918,738
Transactions with other segments	-	951	-	-	951	-	951	(951)	-
Total	3,904,916	513,809	-	480,784	4,899,509	20,179	4,919,689	(951)	4,918,738
Segment profit (loss)	576,853	20,489	-	(62,534)	534,808	20,103	554,911	(56,339)	498,571

(Note) 1. The segment profit (loss) adjustment of (56,339) thousand yen consists of the elimination of inter-segment transactions of 1,826 thousand yen and corporate expenses of (58,166) thousand yen not allocated to any reportable segment. Corporate expenses consist primarily of general and administrative expenses not attributable to the reportable segments.

2. Segment profit (loss) is adjusted to the operating profit in the quarterly consolidated statement of income.

3. The “Other” section represents business segments not included in the reportable segments and is primarily comprised of the insurance agency operations.

2. Information on Impairment Loss on Non-Current Assets or Goodwill by Reportable Segment

Not applicable.

II. Current consolidated cumulative first quarter (August 1, 2024 to October 31, 2024)

1. Information on Revenues and Profit or Loss by Reportable Segment and Revenue Disaggregation

(Unit: thousand yen)

	Reportable segment					Other (*3)	Total	Reconciliation (*1)	Amount recorded in quarterly consolidated statement of income (* 2)
	Real estate sales business	Real estate leasing business	Real estate brokerage business	Contracting business	Total				
Revenues									
MIJAS/EL FARO	4,985,890	-	-	-	4,985,890	-	4,985,890	-	4,985,890
Other	935,330	135,798	33,136	823,052	1,927,318	2,410	1,929,729	-	1,929,729
Revenue from contracts with customers	5,921,221	135,798	33,136	823,052	6,913,208	2,410	6,915,619	-	6,915,619
Other revenue	-	276,718	-	-	276,718	-	276,718	-	276,718
Net sales to external customers	5,921,221	412,516	33,136	823,052	7,189,927	2,410	7,192,337	-	7,192,337
Transactions with other segments	-	8,468	-	-	8,468	-	8,468	(8,468)	-
Total	5,921,221	420,984	33,136	823,052	7,198,395	2,410	7,200,806	(8,468)	7,192,337
Segment profit (loss)	832,597	3,760	33,103	(66,574)	802,886	2,329	805,216	(67,797)	737,418

(Note) 1. The segment profit (loss) adjustment of (67,797) thousand yen consists of corporate expenses of (67,797) thousand yen not allocated to any reportable segment. Corporate expenses consist primarily of general and administrative expenses not attributable to the reportable segments.

2. Segment profit (loss) is adjusted to the operating profit in the quarterly consolidated statement of income.

3. The “Other” section represents business segments not included in the reportable segments and is primarily comprised of the insurance agency operations.

2. Information on Impairment Loss on Non-Current Assets or Goodwill by Reportable Segment

Not applicable.

(Notes to Statement of Cash Flows)

The Quarterly Consolidated Statement of Cash Flows for the current consolidated cumulative first quarter is not prepared.

Depreciation (including amortization related to intangible assets) for the consolidated cumulative first quarter is as follows:

	Previous consolidated cumulative first quarter (August 1, 2023 to October 31, 2023)	Current consolidated cumulative first quarter (August 1, 2024 to October 31, 2024)
Depreciation	13,699 thousand yen	19,315 thousand yen

(Significant Events After Reporting Period)

Not applicable.

Interim Review Report on Quarterly Consolidated Financial Statements by Independent Auditor

December 12, 2024

Meiho Enterprise Co., Ltd.

To the Board of Directors

Johnan Audit Corporation
Shibuya-ku, Tokyo

Designated Partner Executive Member	Certified Public Accountant	Haruo Shiono
Designated Partner Executive Member	Certified Public Accountant	Takao Yamakawa

Auditor's Conclusion

We have performed an interim review of the quarterly consolidated financial statements of Meiho Enterprise Co., Ltd. in the Attachments of the quarterly financial summary, namely, the Quarterly Consolidated Balance Sheet, the Quarterly Consolidated Statement of Income, the Quarterly Consolidated Statement of Comprehensive Income, and the Notes to the Quarterly Consolidated Financial Statements, for the consolidated first quarter (August 1, 2024 to October 31, 2024) and the consolidated cumulative first quarter (August 1, 2024 to October 31, 2024) for the consolidated fiscal year from August 1, 2024 to July 31, 2025.

In our interim review, nothing has come to our attention that leads us to believe that the above-mentioned quarterly consolidated financial statements are not prepared in accordance with Article 4, paragraph 1 of the Standards for Preparation of Quarterly Financial Statements, etc. of Tokyo Stock Exchange, Inc. and the accounting standards for quarterly financial statements generally accepted in Japan (provided that the omission of description prescribed in Article 4, paragraph 2 of the Standards for Preparation of Quarterly Financial Statements, etc. is applied), in all material aspects.

Basis for the Auditor's Conclusion

We conducted our interim review in accordance with the interim review standards generally accepted in Japan. Our responsibility in regard to the interim review standards is stated in the Responsibilities of the Auditor for the Interim Review of the Quarterly Consolidated Financial Statements. In accordance with the rules of professional ethics in Japan, we are independent of the Company and its consolidated subsidiaries, and we have fulfilled our other ethical responsibilities as auditors. We have concluded that we have obtained evidence to form the basis for our conclusion.

Responsibilities of Management and the Audit and Supervisory Committee for the Quarterly Consolidated Financial Statements

It is the responsibility of management to prepare quarterly consolidated financial statements in accordance with Article 4, paragraph 1 of the Standards for Preparation of Quarterly Financial Statements, etc. of Tokyo Stock Exchange, Inc. and the accounting standards for quarterly financial statements generally accepted in Japan (provided that the omission of description prescribed in Article 4, paragraph 2 of the Standards for Preparation of Quarterly Financial Statements, etc. is applied). This includes establishing and operating the internal controls deemed necessary by management to enable the preparation of quarterly consolidated financial statements that are free of any material misstatement, whether due to fraud or error.

In preparing quarterly consolidated financial statements, management is responsible for evaluating whether it is appropriate to prepare quarterly consolidated financial statements based on the going concern assumption, and for disclosing such matters if the matters concerning a going concern need to be disclosed based on Article 4, paragraph 1 of the Standards for Preparation of Quarterly Financial Statements, etc. of Tokyo Stock Exchange, Inc. and the accounting standards for quarterly financial statements generally accepted in Japan (provided that the omission of description prescribed in Article 4, paragraph 2 of the Standards for Preparation of Quarterly Financial Statements, etc. is applied).

It is the responsibility of the Audit and Supervisory Committee to monitor the execution of duties by the Directors in the development and operation of the financial reporting process.

Responsibilities of the Auditor for the Interim Review of the Quarterly Consolidated Financial Statements

The Auditor is responsible for expressing a conclusion on the quarterly consolidated financial statements in the Interim Review Report from an independent standpoint, based on the interim review conducted by the Auditor.

The Auditor exercises professional judgment throughout the interim review process in accordance with the interim review standards generally accepted in Japan and performs the following while maintaining an attitude of professional skepticism.

- Conduct questioning, analytical procedures, and other interim review procedures primarily with management, individuals responsible for financial and accounting matters, and others. The interim review procedures are more limited procedures than annual audits of financial statements that are conducted in accordance with the auditing standards generally accepted in Japan.
- If the Auditor determines that there is material uncertainty regarding events or circumstances that may cast significant doubt on the matters of going concern assumption, conclude whether there are any matters that would lead us to believe that the quarterly consolidated financial statements are not prepared in accordance with Article 4, paragraph 1 of the Standards for Preparation of Quarterly Financial Statements, etc. of Tokyo Stock Exchange, Inc. and the accounting standards for quarterly financial statements generally accepted in Japan (provided that the omission of description prescribed in Article 4, paragraph 2 of the Standards for Preparation of Quarterly Financial Statements, etc. is applied), based on the obtained evidence. In addition, if there

is material uncertainty regarding the going concern assumption, the Auditor is required to draw attention to the Notes to the Quarterly Consolidated Financial Statements in the Interim Review Report or, if the Notes to the Quarterly Consolidated Financial Statements regarding the material uncertainty are not appropriate, to express a qualified conclusion or adverse conclusion on the quarterly consolidated financial statements. The Auditor's conclusions shall be based on evidence obtained up to the date of the Interim Review Report, but subsequent events or circumstances could potentially make it impossible for the Company to continue as a going concern.

- Evaluate whether there are any matters that would lead us to believe that the presentation and notes to the quarterly consolidated financial statements are not prepared in accordance with Article 4, paragraph 1 of the Standards for Preparation of Quarterly Financial Statements, etc. of Tokyo Stock Exchange, Inc. and the accounting standards for quarterly financial statements generally accepted in Japan (provided that the omission of description prescribed in Article 4, paragraph 2 of the Standards for Preparation of Quarterly Financial Statements, etc. is applied).
- Obtain evidence regarding the finances of the Company and its consolidated subsidiaries that would be the basis for the expression of the conclusion on the quarterly consolidated financial statements. The Auditor is responsible for directing, supervising, and reviewing the interim review of the quarterly consolidated financial statements. The Auditor has sole responsibility for the Auditor's conclusion.

The Auditor shall report to the Audit and Supervisory Committee on the scope and timing of the planned interim review and significant interim review findings.

The Auditor shall report to the Audit and Supervisory Committee regarding compliance with the Japanese rules of professional ethics regarding independence, and on matters that could reasonably be considered to affect the independence of the Auditor, and if any measures are taken to eliminate the impediments or if any safeguards are applied to reduce the impediments to an acceptable level, on details of such measures or safeguards.

Interests

The Company and its consolidated subsidiaries have no interest in us or our executive members that requires disclosure pursuant to the provisions of the Certified Public Accountant Law.

The end