Financial Results for the Six Months Ended September 30, 2026

November 2026

ZENKOKU HOSHO Co., Ltd.

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Executive Summary

Financial summary	✓ Due to the steady accumulation of outstanding guarantee exposure, **operating revenue increased (YoY +3.0%)** ✓ Due to increases in interest income, dividend income, etc., and the recording of share of profit of entities accounted for using equity method, **non-operating income increased (YoY +47.1%)** ✓ **Profit attributable to owners of parent increased year-on-year (YoY +7.0%)**
Organic growth **Inorganic growth**	✓ As a result of efforts to expand use among regional banks and shinkin banks, which are increasing their presence in the housing loan market, **the amount of new guarantees granted remained strong at 1,066.4 billion yen (YoY +17.2%)** ✓ **We made Nakanihon Sogo Shinyo Co., Ltd. an equity-method affiliate in June 2026** ✓ **We have a robust pipeline of M&A candidates among guarantee companies**, and will strive to achieve further results during the current fiscal year
Capital policy	✓ Capital is prioritized for growth investment, with unused funds flexibly allocated for share buybacks ✓ Based on the outlook for future growth investment, **we announced share buybacks of up to 8.0 billion yen** ✓ Combined with the dividend payout ratio of 50%, **the total return ratio** is expected to be **approximately 74%**

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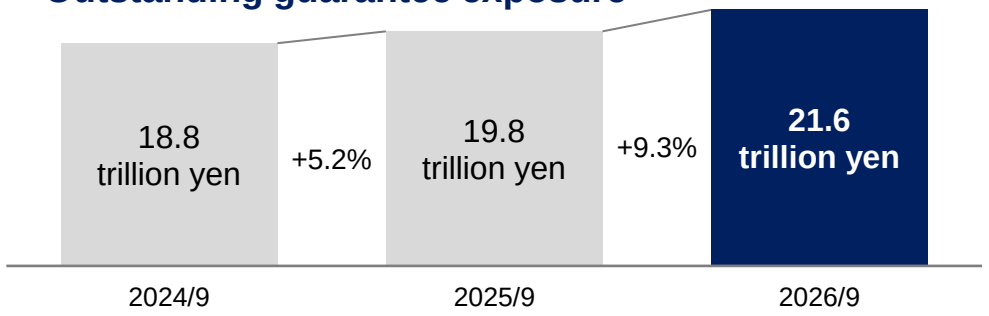
Summary of Business Results for the Six Months Ended September 30, 2026 (P/L)

✓ **Despite an increase in other operating expenses, profit increased due to increases in operating revenue and non-operating income**

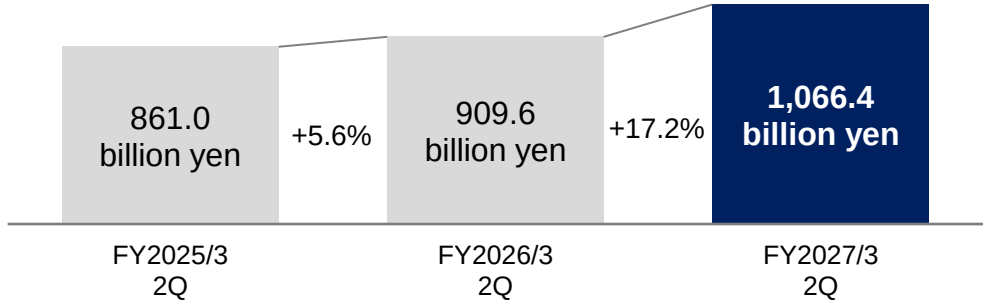
(Unit: million yen)

	FY2026/3 2Q	FY2027/3 2Q	YoY
Operating revenue	23,067	23,756	3.0%
Operating expenses	8,141	8,800	8.1%
Expenses related to credit	2,583	2,249	-12.9%
Provision for loss on guarantees	2,692	2,618	-2.7%
Provision of allowance for doubtful accounts	-109	-369	-
Salaries, allowances and bonuses	1,152	1,227	6.5%
Other	4,405	5,324	20.8%
Operating profit	14,926	14,956	0.2%
Non-operating income	2,437	3,585	47.1%
Non-operating expenses	504	548	8.8%
Ordinary profit	16,858	17,992	6.7%
Extraordinary income and loss	0	160	-
Profit attributable to owners of parent	11,674	12,487	7.0%

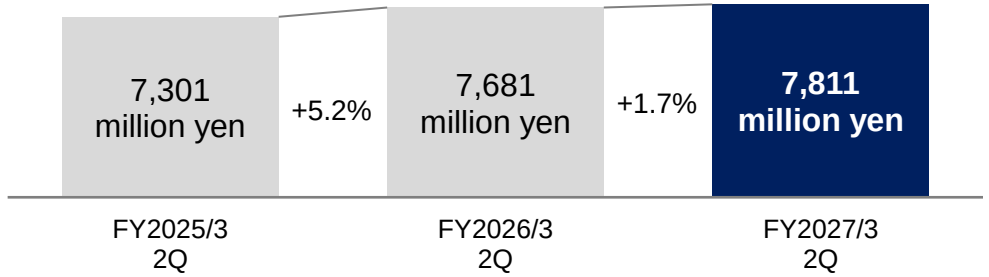
Outstanding guarantee exposure



Amount of new guarantees granted

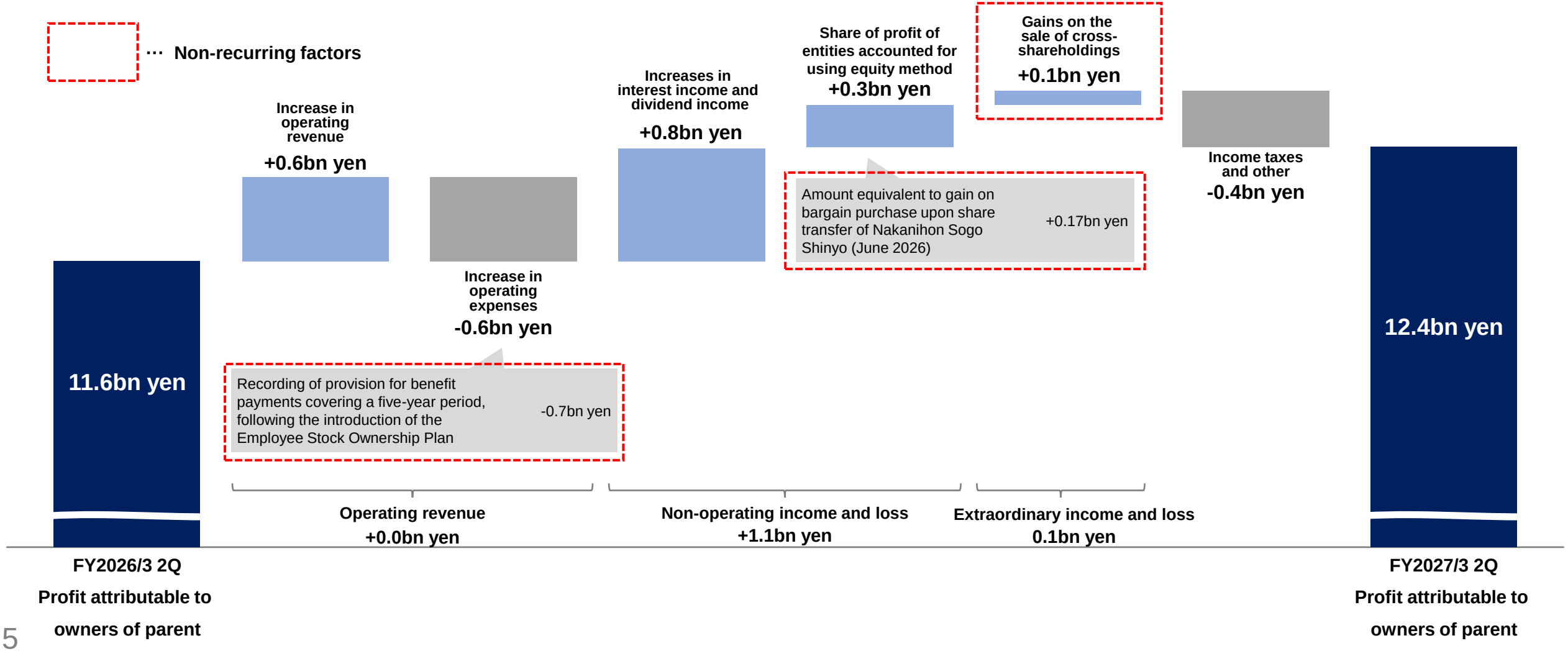


Amount repaid in subrogation



Main Factors for Changes in Profit Attributable to Owners of Parent

- ✓ **Following the introduction of the Employee Stock Ownership Plan (J-ESOP-RS), a provision was recorded in a lump sum for benefit payments covering a five-year period, resulting in an increase in operating expenses**
- ✓ **Profit increased by 0.8 billion yen year-on-year, mainly due to increases in interest income and dividend income and the recording of share of profit of entities accounted for using equity method**



Forecast of Earnings for the Fiscal Year Ending March 31, 2027 (Announced on May 8, 2026)

✓ **We plan to achieve increases in both revenue and profit through the accumulation of outstanding guarantee exposure, as well as the leveling off of the pace of increase in expenses related to credit**

(Unit: million yen)

	FY2026/3	FY2027/3	Change
Operating revenue	58,739	60,600	3.2%
Operating expenses	17,357	18,600	7.2%
Expenses related to credit	5,550	6,000	8.1%
Provision for loss on guarantees	5,983	6,200	3.6%
Provision of allowance for doubtful accounts	-433	-200	-
Salaries, allowances and bonuses	2,739	2,900	5.9%
Other	9,067	9,700	7.0%
Operating profit	41,382	42,000	1.5%
Non-operating income	6,344	6,400	0.9%
Non-operating expenses	1,145	1,200	4.8%
Ordinary profit	46,581	47,200	1.3%
Extraordinary income and loss	0	300	-
Profit attributable to owners of parent	32,526	32,700	0.5%

Assumptions of earnings forecast

	FY2026/3	FY2027/3	Change
Outstanding guarantee exposure* (unit: trillion yen)	21.4	22.5	5.0%
New guarantees granted (unit: billion yen)	1,919.4	1,960.0	2.1%
Amount repaid in subrogation (unit: billion yen)	16.5	17.0	2.8%
Collected right to reimbursement (unit: billion yen)	10.5	11.0	4.3%

* Total housing loan receivables (including some for investment purposes) backing RMBS, ABLs, and loss compensation contracts in addition to outstanding guarantee exposure of ZENKOKU HOSHO and Group companies

Key figures

	FY2026/3	FY2027/3	Change
EPS	¥243.70	Forecast ¥ 245.92	0.9%
Dividend per share	¥120	Forecast ¥123	2.5%
ROE	13.4%	Target 14%	-

(Note) As the presentation method was changed beginning with the three months ended June 30, 2026, the amounts of non-operating income, ordinary profit, and extraordinary income and loss for the fiscal year ended March 31, 2026, as well as the year-on-year changes for the fiscal year ending March 31, 2027, have been calculated using the reclassified figures reflecting this change in the presentation method.

Summary of Business Results for the Six Months Ended September 30, 2026 (B/S)

✓ **Investments and other assets increased due to the purchase of bonds and other instruments**

(Unit: million yen)

Asset	FY2026/3	FY2027/3 2Q	Change
Current assets	130,927	131,533	0.5%
Cash and deposits	72,545	69,467	-4.2%
Right to reimbursement	19,880	21,432	7.8%
Securities	44,094	47,850	8.5%
Allowance for doubtful accounts	-9,905	-10,872	-
Non-current assets	369,903	371,642	0.5%
Investments and other assets	366,959	368,989	0.6%
Investment securities	309,145	321,700	4.1%
Long-term loans receivable	23,544	18,412	-21.8%
Long-term time deposits	28,000	23,000	-17.9%
Total assets	500,831	503,175	0.5%

Liabilities	FY2026/3	FY2027/3 2Q	Change
Current liabilities	41,042	37,265	-9.2%
Unearned revenue	19,364	18,869	-2.6%
Income taxes payable	7,934	6,266	-21.0%
Provision for loss on guarantees	9,181	9,349	1.8%
Non-current liabilities	214,640	216,148	0.7%
Long-term borrowings	30,000	30,000	-
Long-term unearned revenue	183,985	185,444	0.8%
Total liabilities	255,682	253,414	-0.9%
Net assets			
Shareholders' equity	242,823	245,783	1.2%
Total accumulated other comprehensive income	2,325	3,977	71.1%
Total net assets	245,148	249,761	1.9%
Total liabilities and net assets	500,831	503,175	0.5%

Impact of Rising Interest Rates on the Company

- ✓ **Impact on expenses related to credit is limited**
- ✓ **Meanwhile, investment income is expected to increase, resulting in an overall positive impact**

		Impact on the Company (1-5 years)
Operating revenue	✓ As interest rates rise, some financial institutions are once again adopting proactive promotion policies, **increasing the needs to use ZENKOKU HOSHO** as an external guarantor ✓ As the needs for the Company's services increase, outstanding guarantee exposure will accumulate, leading to a **gradual increase in operating revenue**	**Demand is expected to increase**
Expenses related to credit	✓ Many variable interest rate housing loans are subject to the 125% rule*, **making it unlikely that the subrogation rate will increase** due to a higher burden on households ✓ Even when subrogation occurs, over 70% is recovered through property disposal, **limiting the impact on expenses related to credit**	**Limited impact**
Non-operating income/expenses	✓ The Company **manages a total of over 400 billion yen**, comprising guarantee fees (unearned revenue) and required capital, and **investment yields will rise** by replacing assets in the portfolio in line with the redemption of held-to-maturity securities ✓ Bonds held by the Company constitute a portfolio with diversified redemption terms, and continuous increase in yield can be expected.	**Positive**

* Special clauses for variable interest rate housing loans that limit the repayment amount to 1.25 times at the time of review every five years. They apply to many housing loans in Japan.

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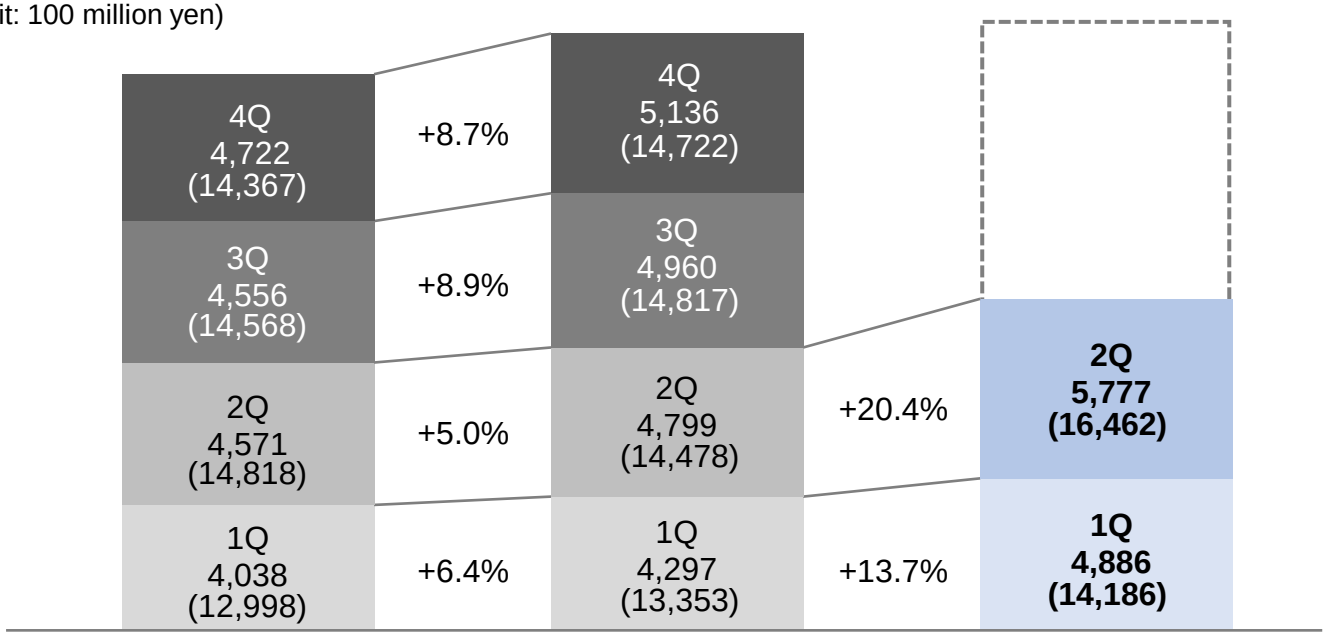
Status of New Guarantees Granted (Organic Growth)

✓ **As a result of efforts to expand use among regional banks and shinkin banks, which are increasing their presence in the housing loan market, the amount of new guarantees granted remained strong**

Amount of new guarantees granted

(Figures in parentheses indicate the number of guarantees granted)

(Unit: 100 million yen)



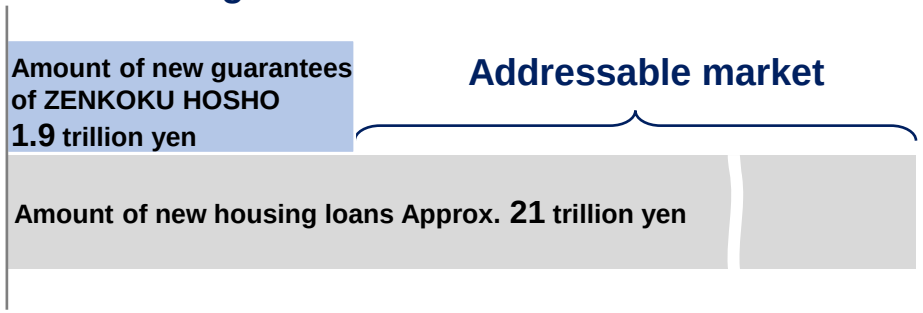
	FY2025/3		FY2026/3		FY2027/3
Annual	17,889 (56,751)	+7.3%	19,194 (57,370)	+2.1%	Plan 19,600
2Q	8,610 (27,816)	+5.6%	9,096 (27,831)	+17.2%	**10,664** **(30,648)**

Initiatives for the fiscal year ended March 31, 2027

✓ **Amount of new guarantees granted: 1,066.4 billion yen (YoY +17.2%)**

- Amid rising interest rates, regional banks and shinkin banks expanded their outstanding housing loans
- Promoted expanded use by rolling out DX services specialized for preliminary screening applications and leveraging relationships with these types of financial institutions

New housing loan market

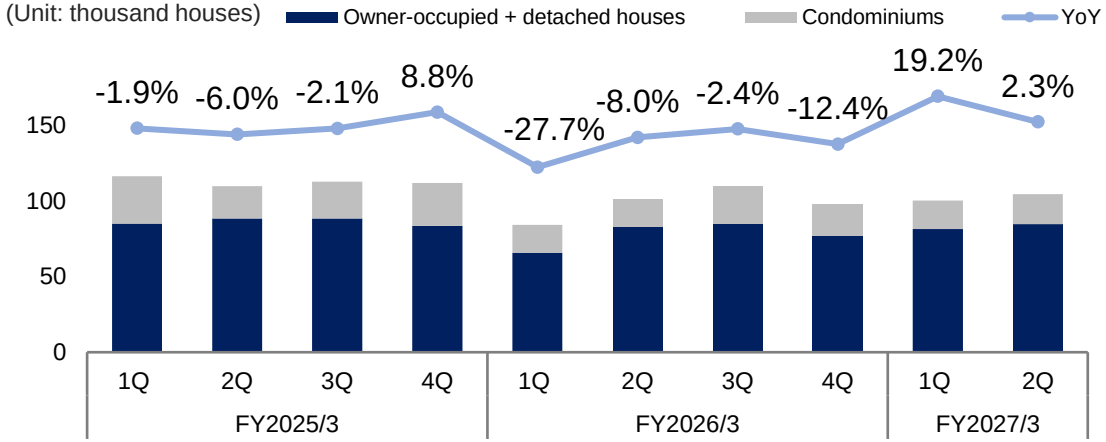


Source: Japan Housing Finance Agency “New Lending and Outstanding Amounts for Housing Loans by Lender”

The Housing Market and the Housing Loan Market

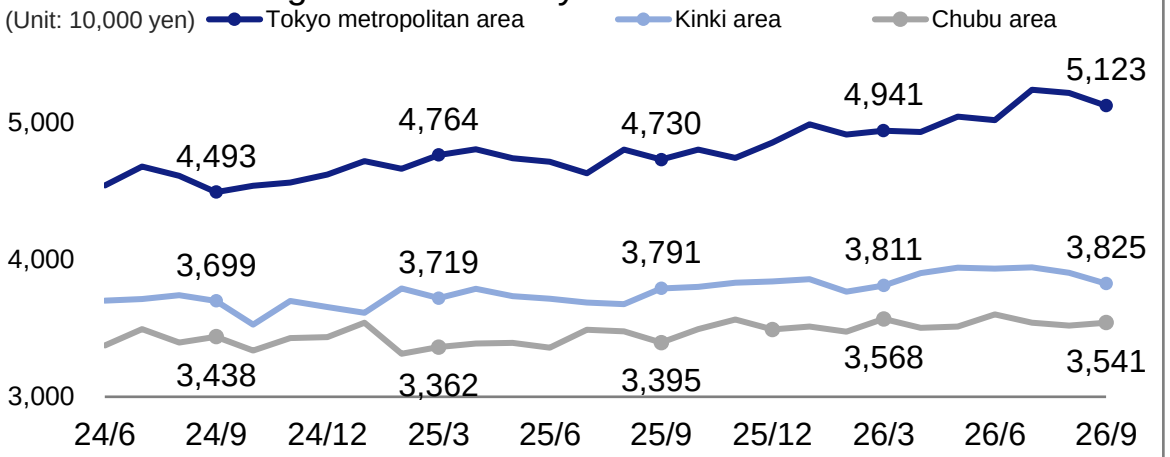
✓ **While the number of used housing transactions decreased mainly for condominiums, the number of new housing starts exceeded the previous year's level, and the housing loan market remained flat**

Number of New Housing Starts



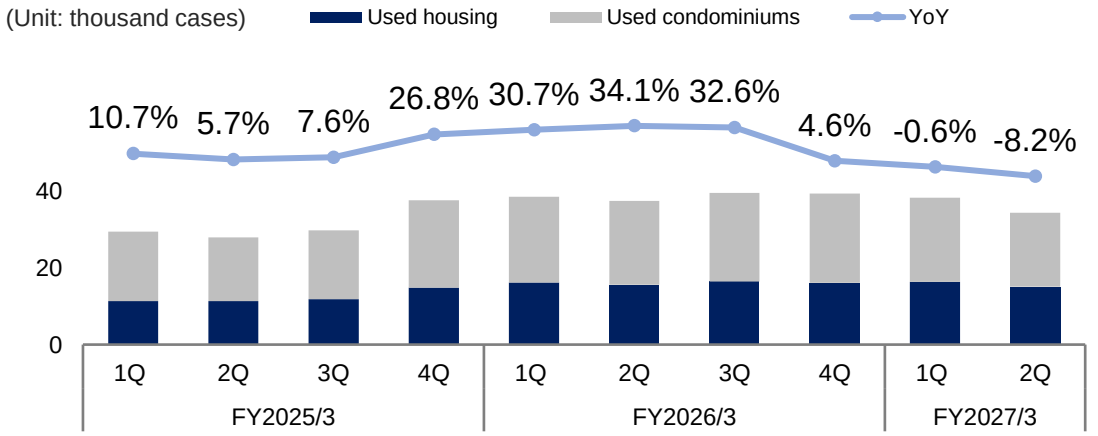
Source: Prepared by ZENKOKU HOSHO based on "Housing Starts Statistics, Owner occupied houses and detached houses for sale," Ministry of Land, Infrastructure, Transport and Tourism

Average Price of Newly Built Detached Houses



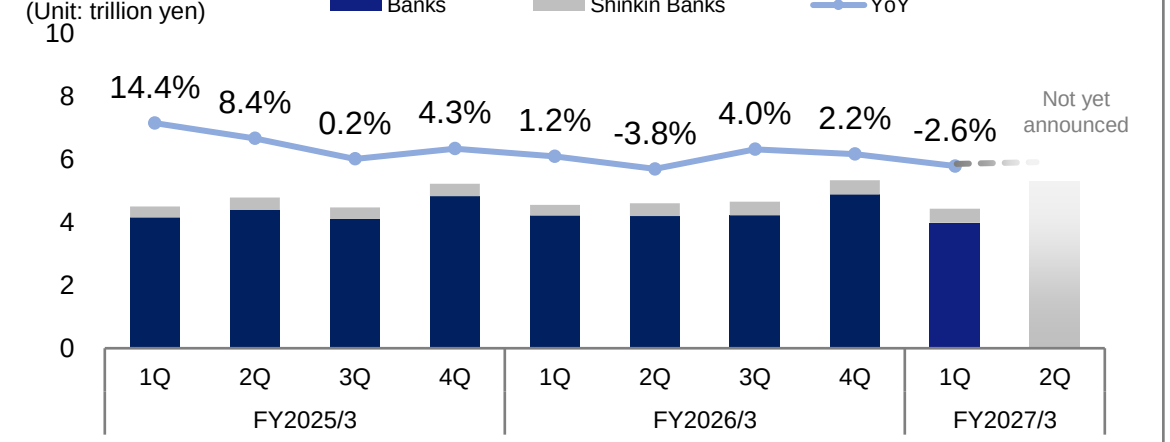
Source: Tokyo Kantei (Publication of the Property Price Index used up to the previous presentation has been postponed)

Number of Used Housing Transactions



Source: Prepared by ZENKOKU HOSHO based on "Property trends in the real estate information network system," The Real Estate Transaction Promotion Center

Amounts of New Housing Loan



Source: Prepared by ZENKOKU HOSHO based on "Loans to individuals," Bank of Japan

Acquisition of Outstanding Guarantee Exposure from the Existing Housing Loan Market (Inorganic Growth)

- ✓ **We made Nakanihon Sogo Shinyo Co., Ltd. an equity-method affiliate in June 2026**
- ✓ **We have a robust pipeline of M&A candidates, and will strive to achieve further results during the current fiscal year**

Results of acquisition of outstanding guarantee exposure from the existing housing loan market

Method	FY2025/3	FY2026/3	FY2027/3 2Q
M&A	869.5 billion yen ChibaKoginCard Service (currently Nanohana Guarantee) Mie Sogo-Shinyo Tohoku Guarantee Service	-	241.0 billion yen* Nakanihon Sogo Shinyo
ABLs, RMBS	2 cases 304.0 billion yen	4 cases 1,579.1 billion yen	-
Loss compensation	1 case 43.4 billion yen	1 case 94.5 billion yen	-
Total	**1,217.0 billion yen**	**1,673.6 billion yen**	**241.0 billion yen**

* Calculated by multiplying Nakanihon Sogo Shinyo's outstanding guarantee exposure of 625.9 billion yen by the Company's shareholding ratio of 38.5%

Initiatives for the year ended March 31, 2027

- ✓ **Made a guarantee company an equity-method affiliate (June 2026)**
  - Acquired shares of Nakanihon Sogo Shinyo Co., Ltd. (Headquarters: Nagoya-shi, Aichi Prefecture) and made it an equity-method affiliate
  - The company was established in February 1975 as a joint venture among second-tier regional banks in the Chubu region, with the aim of providing guarantee services.
- ✓ **Demand from financial institutions remains strong**
  - The existing housing loan market is immense, worth over 210 trillion yen.
  - Financial institutions continue to have strong needs for management streamlining and external transfer of risks. We have a robust pipeline of M&A candidates, and will strive to achieve further results.

Existing housing loan market



Source: Japan Housing Finance Agency "New Lending and Outstanding Amounts for Housing Loans by Lender"

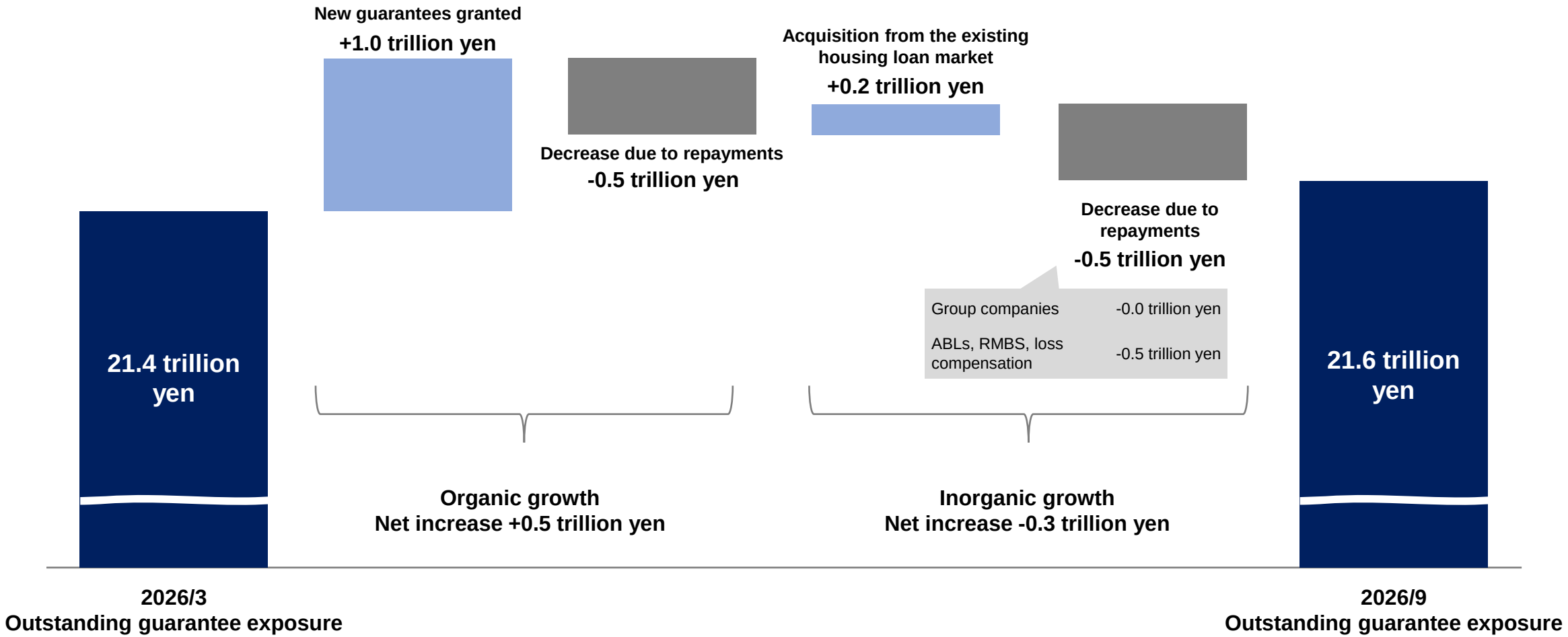
Overview of Inorganic Growth Methods

	Organic growth	Inorganic growth		
	New guarantees granted	M&As	ABLs, RMBS	Loss compensation*1
Inorganic growth: cumulative acquisitions (As of September 30, 2026)	–	7 companies 1,520.7 billion yen	19 cases 2,685.3 billion yen	3 cases 377.9 billion yen
Contents of contract	Guarantee entrustment agreement	Share transfer agreement	Risk transfer agreement	Loss compensation agreement
Average payoff period*2	15 years	15 years	ABLs: 6 years RMBS: 15 years	6 years
[FY2026/3]				
Outstanding guarantee exposure at beginning of period	17,076.6 billion yen	1,141.4 billion yen	957.6 billion yen	283.4 billion yen
Required capital*3 at beginning of period	199.1 billion yen	13.3 billion yen	4.4 billion yen	1.3 billion yen
PL	Operating revenue 55.7 billion yen Operating profit 40.0 billion yen	Operating revenue 2.3 billion yen Operating profit 0.9 billion yen	Non-operating income 0.63 billion yen Ordinary profit 0.63 billion yen	Operating revenue 0.14 billion yen Operating profit 0.14 billion yen

*1 A mechanism under which risks arising from housing loan receivables are assumed and guarantee fees are received as consideration
*2 For ABLs and loss compensation, the contract period is used.
*3 Capital required for outstanding guarantee exposure. Calculated as outstanding guarantee exposure × PD × LGD × average payoff period. PD, LGD, and average payoff period are set by the Company based on past results.

Status of Outstanding Guarantee Exposure

- ✓ **Both new guarantees granted (organic growth) and acquisition from the existing housing loan market (inorganic growth) remained strong**
- ✓ **We will strive to achieve further results toward the end of the fiscal year, when needs for external transfer of risks associated with business restructuring, etc. increase**



Detail of Outstanding Guarantee Exposure

(Unit:100 million yen)

	2024/6	2024/9	2024/12	2025/3	2025/6	2025/9	2025/12	2026/3	2026/6	2026/9
ZENKOKU HOSHO	164,982	166,756	168,667	170,766	172,469	174,507	177,144	179,173	181,538	184,486
Subsidiaries and affiliates	3,204	8,623	8,472	11,414	11,213	11,004	10,820	10,595	12,812	12,606
ABLs, RMBS	8,618	10,534	10,454	9,576	11,394	9,748	13,501	20,746	17,680	15,712
Loss compensation*	2,381	2,360	2,338	2,834	2,811	2,787	2,764	3,779	3,741	3,705
Total	**179,187**	**188,274**	**189,933**	**194,591**	**197,889**	**198,047**	**204,230**	**214,294**	**215,773**	**216,511**

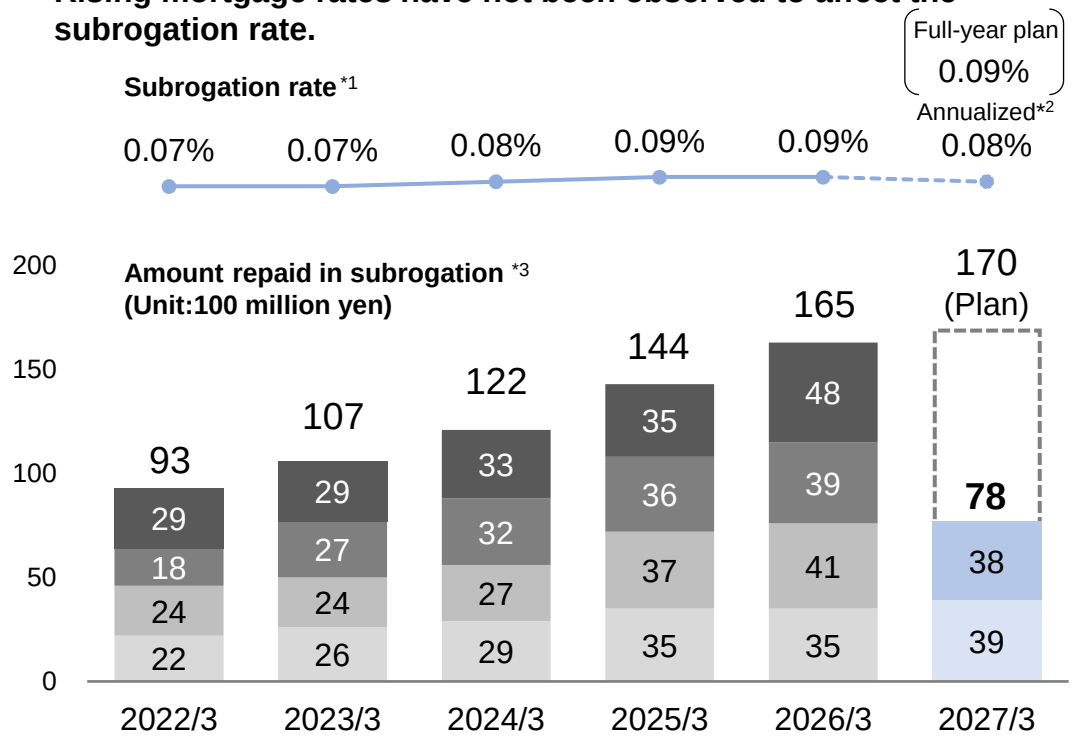
- 2024/7: ChibaKoginCard Service converted into a subsidiary (currently Nanohana Guarantee)
- 2025/2: Mie Sogo-Shinyo converted into a subsidiary
- 2025/2: Tohoku Guarantee Service converted into a subsidiary (2026/3: Merged with Tsukuba Shinyo Hosho)
- 2026/6: Nakanihon Sogo Shinyo became an equity-method affiliate

* A mechanism under which risks arising from housing loan receivables are assumed and guarantee fees are received as consideration

Status of Subrogation and Collected Right to Reimbursement

Subrogation

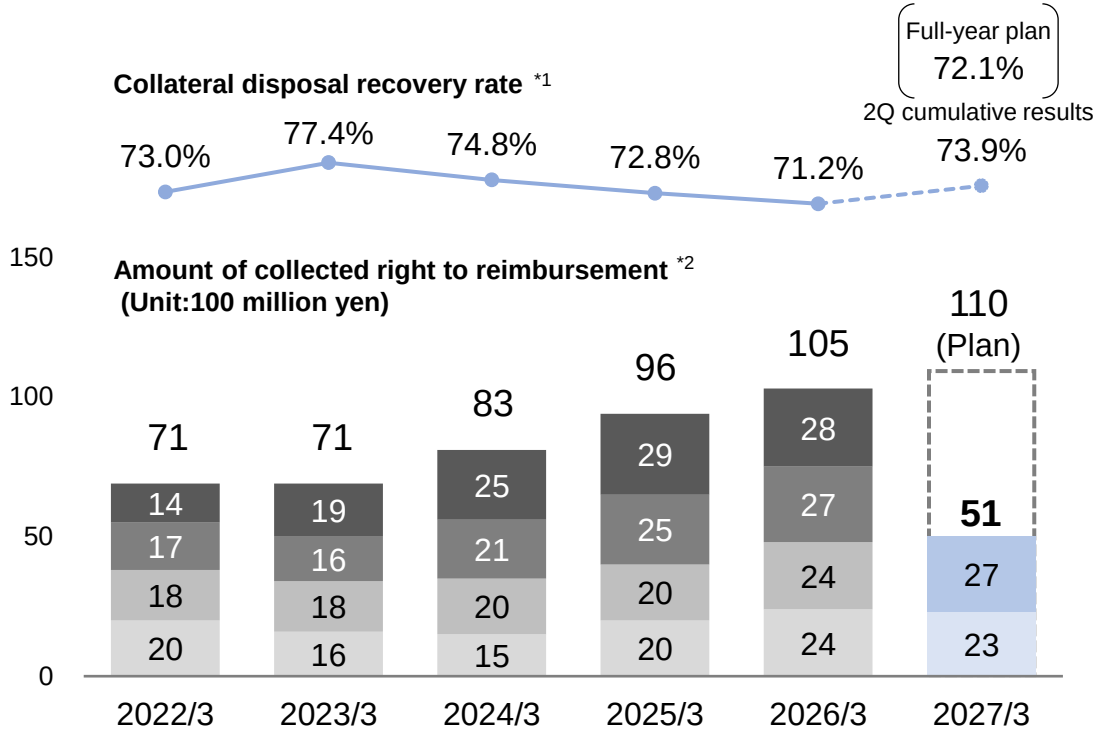
- ✓ **The amount repaid in subrogation remained at roughly the same level as the previous year, given the continued favorable employment.**
- ✓ **Rising mortgage rates have not been observed to affect the subrogation rate.**



*1 Amount repaid in subrogation / outstanding guarantee exposure at the beginning of the period (total of ZENKOKU HOSHO non-consolidated and Group companies)
*2 The subrogation rate (annualized) is calculated by doubling the amount repaid in subrogation through the second quarter
*3 Includes Group companies from the fiscal year ended March 31, 2023.

Collected right to reimbursement

- ✓ **The collateral disposal recovery rate has remained at a high level, particularly in urban areas, against the backdrop of rising property prices over the medium to long term.**

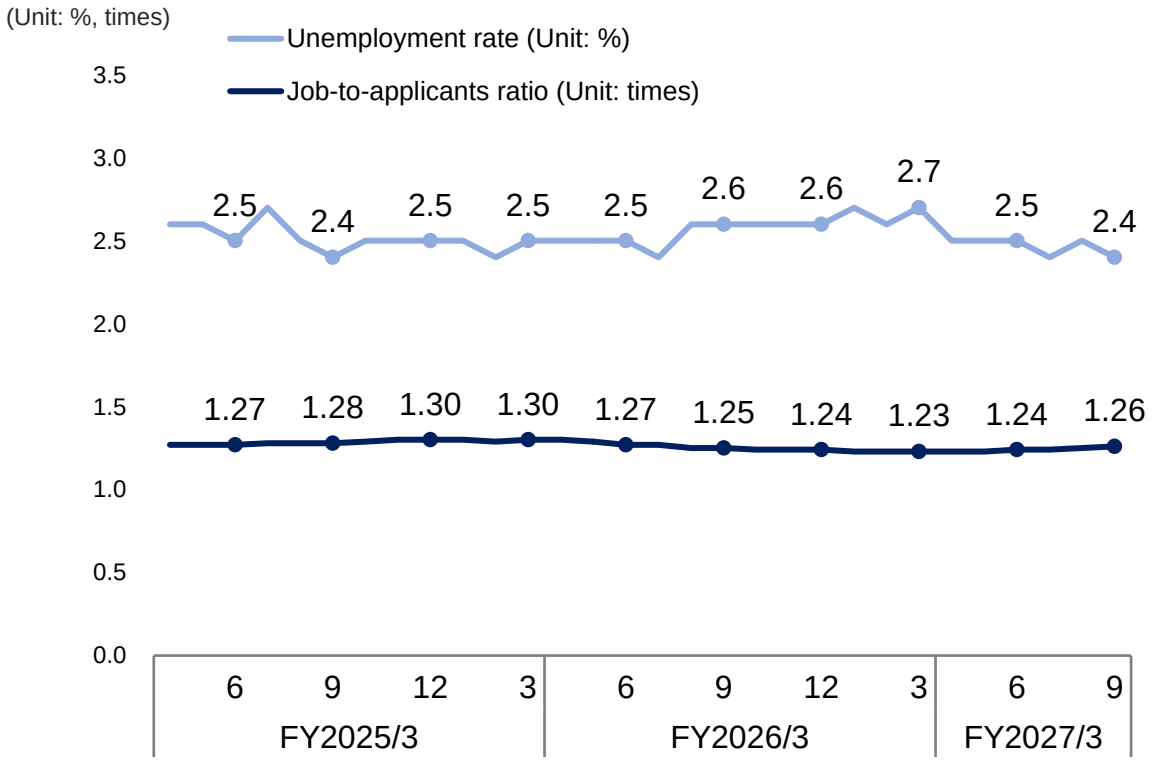


*1 Percentage of guarantees of housing loans extended by private financial institutions to individual borrowers that are recovered through the sale of properties pledged as collateral (voluntary sale or auction)
*2 Includes Group companies from the fiscal year ended March 31, 2023.

Unemployment Rate, Jobs-to-applicants Ratio, Number of Corporate Bankruptcies

Unemployment Rate / Jobs-to-applicants Ratio

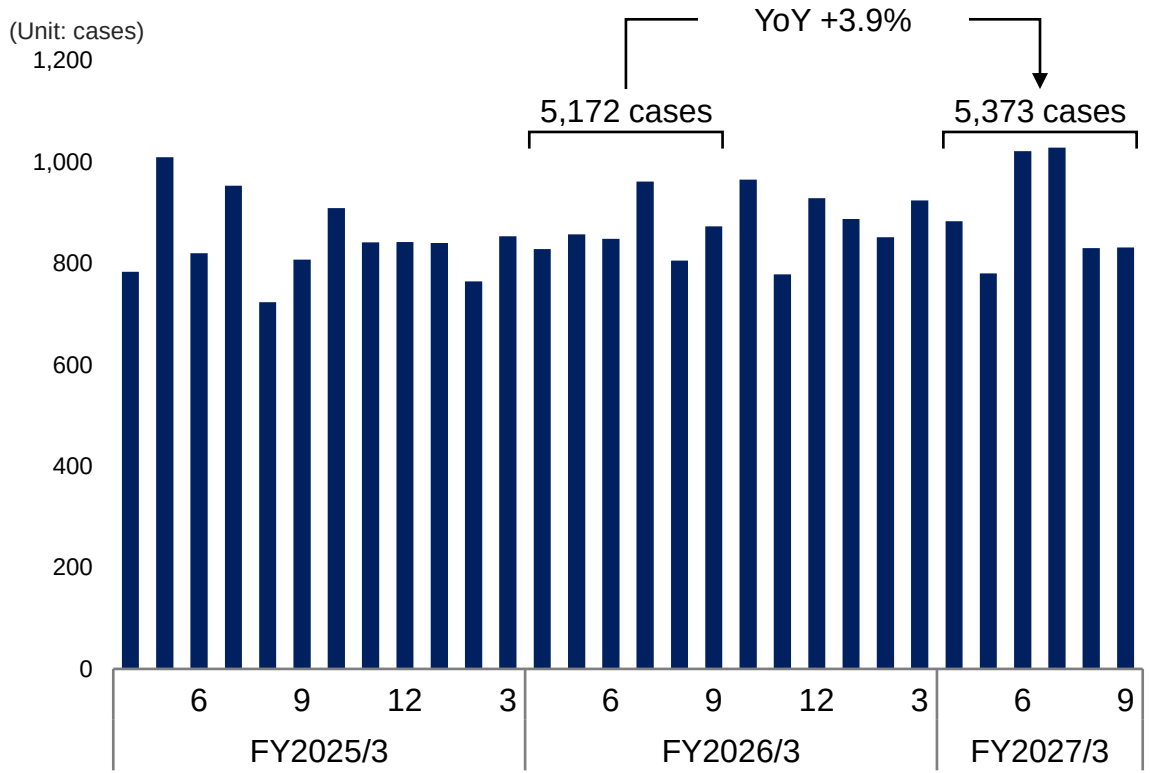
- ✓ **Labor shortages persist in the labor market, and signs of deterioration have not been observed in the unemployment rate or the job-to-applicants ratio.**



Source: Ministry of Health, Labour and Welfare. The job-to-applicants ratio does not include part-time jobs.

Number of Corporate Bankruptcies

- ✓ **The number is trending upward mainly due to sustained high prices and rising labor costs.**
- ✓ **At present, no impact from rising interest rates has been observed.**

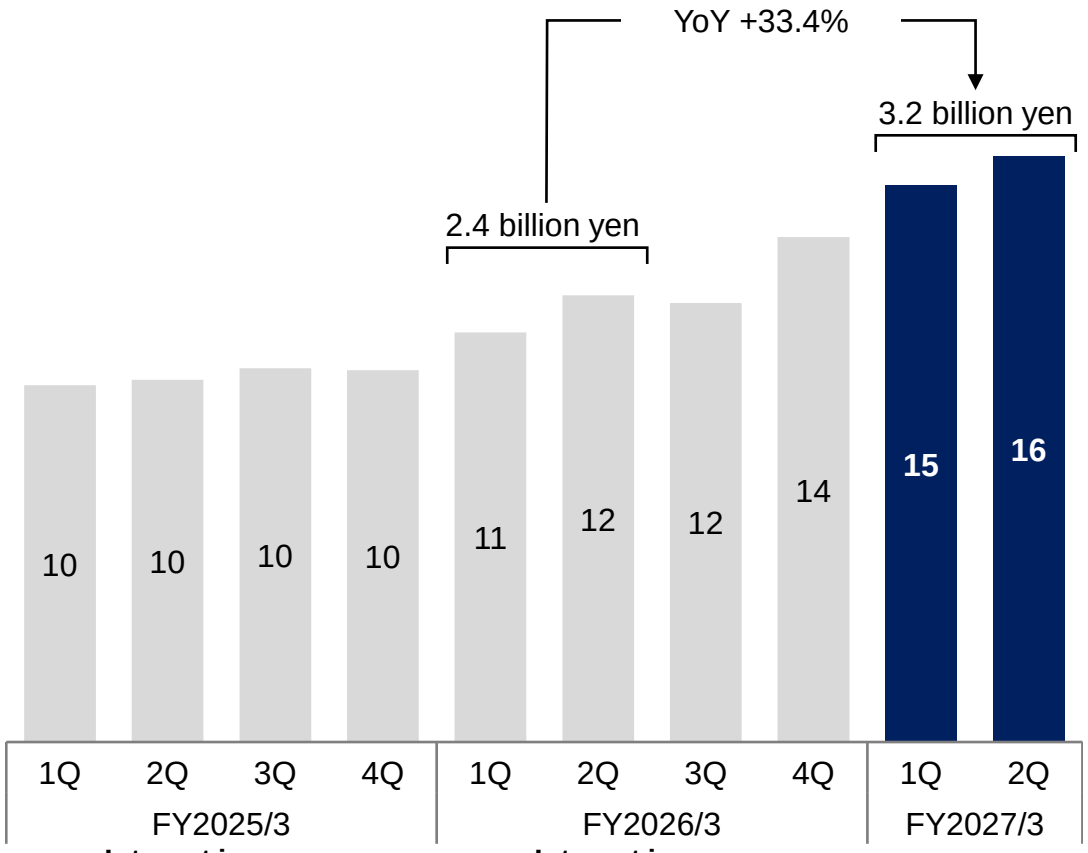


Source: TOKYO SHOKO RESEARCH, LTD.

Improvement in Asset Management Yields

- ✓ **In a world with positive interest rates, interest income and dividend income are trending upward, and yields are improving through the replacement of held-to-maturity bonds upon redemption**
- ✓ **Bonds held by the Company constitute a portfolio with diversified redemption terms, and a continuous yield improvement is expected going forward**

Trend in interest income, dividend income, etc. (Unit:100 million yen)

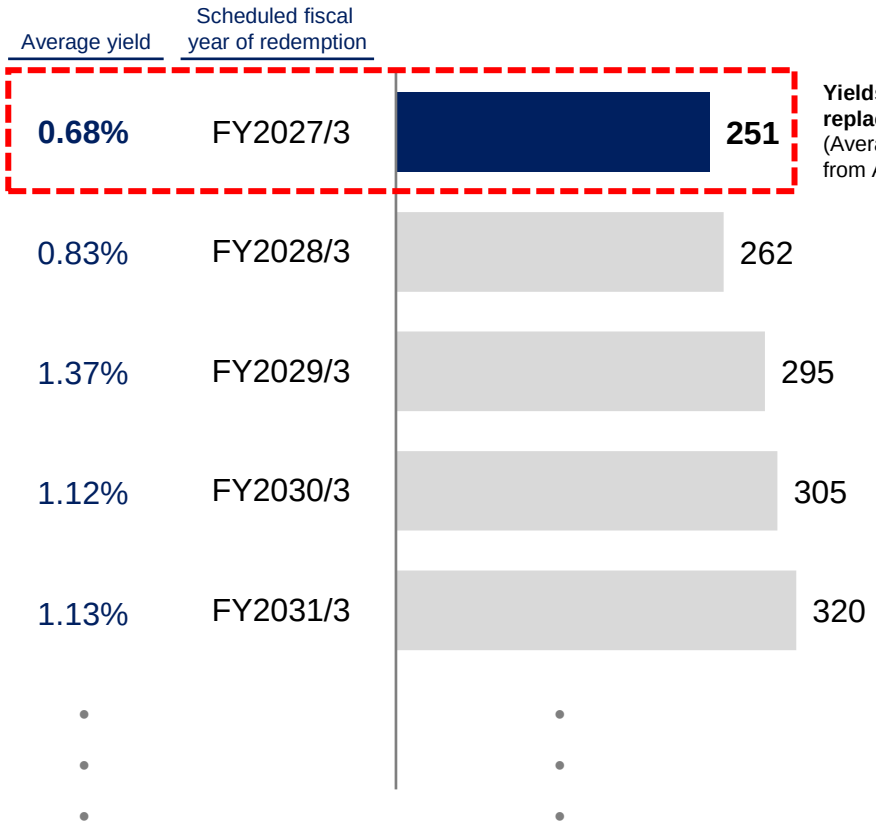


Interest income, dividend income, etc.: 4.1 billion yen

Interest income, dividend income, etc. : 5.0 billion yen

Reference: Balance of Bonds Held* by Scheduled Fiscal Year of Redemption (as of March 31, 2026)

(Unit:100 million yen)

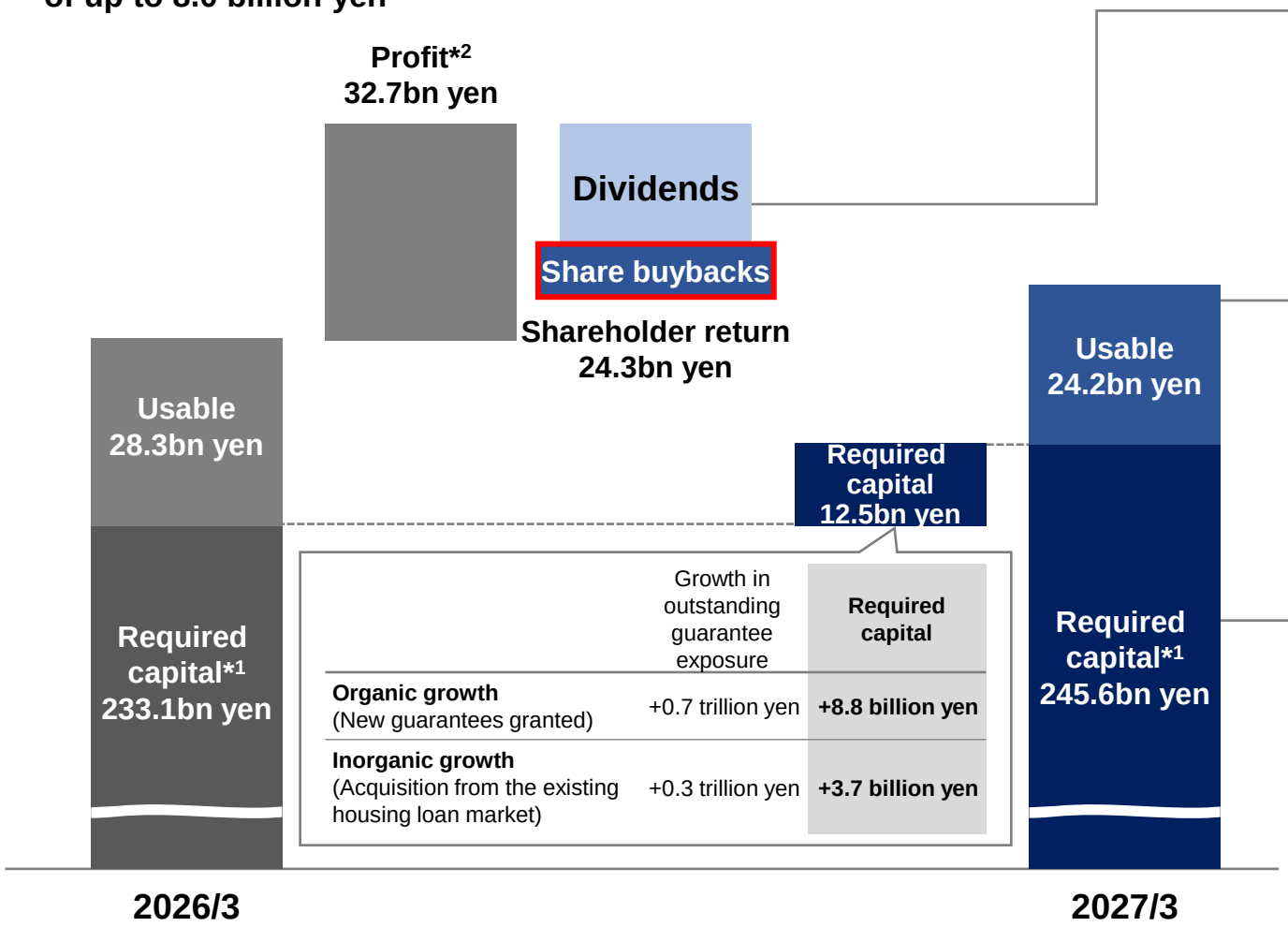


Yields improve through replacement upon redemption
(Average yield on bonds purchased from April to September 2026: 3.48%)

* Domestic bonds held by ZENKOKU HOSHO (non-consolidated) (based on face value and excluding commercial papers)

Capital Policy for the Fiscal Year Ending March 31, 2027

- ✓ **Capital is prioritized for growth investment, with unused funds flexibly allocated for share buybacks**
- ✓ **Based on the outlook for future growth investment, we announced share buybacks of up to 8.0 billion yen**



Forecast for dividends: 16.3 billion yen (FY2027/3)

- Dividend per share: 123 yen (dividend payout ratio of 50.0%)

Share buybacks: 8.0 billion yen (disclosed on November 5, 2026)

- The total return ratio is expected to be 74%

Organic and inorganic growth remained strong, and we will utilize capital for growth in outstanding guarantee exposure exceeding our initial assumptions

To be utilized for investment in housing-related fields (hurdle rate of 10% or more)

Required capital will increase following the growth in outstanding guarantee exposure

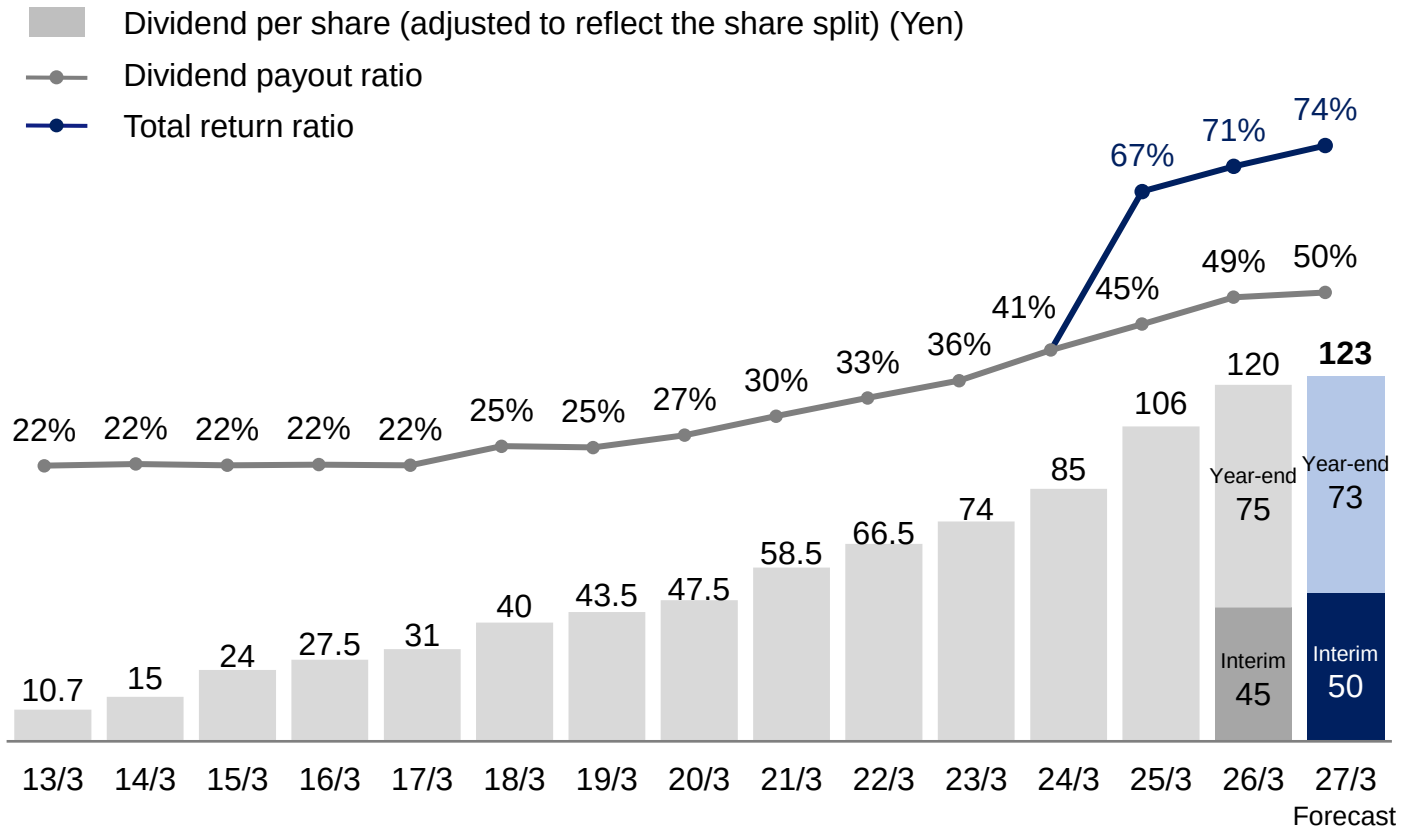
	As of March 31, 2027	
	Outstanding guarantee exposure	Required capital
ZENKOKU HOSHO	18.6 trillion yen	217.7 billion yen
Group companies	1.3 trillion yen	16.5 billion yen
ABLs, loss compensation, etc.	2.4 trillion yen	11.4 billion yen
Total	**22.5 trillion yen**	**245.6** billion yen

*1 Capital required for outstanding guarantee exposure. Calculated as outstanding guarantee exposure × PD × LGD × average payoff period. PD, LGD, and average payoff period are set by the Company based on past results.
*2 Profit attributable to owners of parent in the earnings forecast (announced on May 8, 2026)

Shareholder Returns

- ✓ **We maintained the dividend payout ratio of 50% and ensured stable and consistent shareholder returns**
- ✓ **With share buybacks of up to 8.0 billion yen, the total return ratio is expected to be approximately 74%**

Trend in Dividend per Share



Total Shareholder Returns

	FY2025/3 Results	FY2026/3 Results	FY2027/3 Forecast*
Profit attributable to owners of parent	32.0bn yen	32.5bn yen	32.7bn yen
Total dividends	14.3bn yen	15.9bn yen	16.3bn yen
Share buybacks	6.9bn yen	6.9bn yen	8.0bn yen
Total shareholder returns	**21.3bn yen**	**22.9bn yen**	**24.3bn yen**
Total return ratio	**67%**	**71%**	**74%**

* Total dividends are based on the dividend forecast (May 8, 2026), and share buybacks represent the total amount of share acquisition costs (maximum) stated in the “Notice concerning determination of matters related to acquisition of treasury shares” (November 5, 2026)

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1 Overview of Financial Results

2 Results of the Initiatives for the Fiscal Year Ending March 31, 2027

3 **Reference Materials**

Corporate Profile

Company name	ZENKOKU HOSHO Co., Ltd.
Founded	February 1981
Business activities	Credit guarantee business focusing on housing loans
Number of locations	12 locations (main branch, sales offices)
Number of employees	Consolidated: 378 / Non-consolidated: 319 (As of March 31, 2026)
Listing market and securities code	Prime Market of the Tokyo Stock Exchange: 7164 (Constituent stock of TOPIX)(Constituent stock of JPX-Nikkei Index 400)(Constituent stock of the FTSE 4Good Index Series Index) (Constituent stock of the FTSE JPX Blossom Japan Index)(Constituent stock of the FTSE JPX Blossom Japan Sector Relative Index)
Headquarters	Taisei Otemachi bldg., 2-1-1 Otemachi, Chiyoda-ku, Tokyo
Capital	10,703 million yen

Overview of Group Companies

Company name	Zenkoku Business Partner, K.K.
Headquarters	Koto-ku, Tokyo
Business activities	Contracted administrative services

Company name	AKEBONO Servicer Co., Ltd.
Headquarters	Chuo-ku, Tokyo
Business activities	Credit management and collection services

Company name	MINORI GUARANTEE Co., Ltd.
Headquarters	Chuo-ku, Tokyo
Business activities	Credit guarantee services

Company name	Tsukuba Shinyo Hosho Co., Ltd.
Headquarters	Tsukuba City, Ibaraki Prefecture
Business activities	Credit guarantee services

Company name	Nanohana Guarantee Co., Ltd.
Headquarters	Chuo-ku, Chiba City, Chiba Prefecture
Business activities	Credit guarantee services

Company name	Mie Sogo-Shinyo Co., Ltd.
Headquarters	Matsusaka City, Mie Prefecture
Business activities	Credit guarantee services

Business Model of ZENKOKU HOSHO

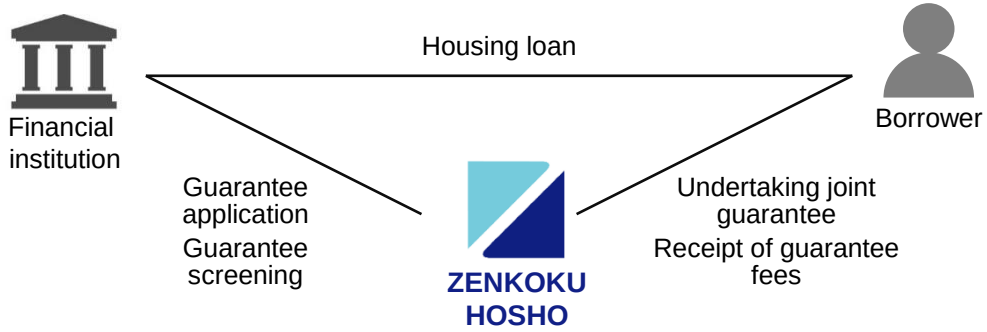
✓ **Solve various issues faced by financial institutions as the only and largest independent housing loan guarantee company in Japan**

Size of private-sector housing loan market

New loan market	Outstanding loan market
Annual new loan amount is about 21 trillion yen. (Our share is 9%) Results for the fiscal year ended March 31, 2026	Existing outstanding loans exceed 210 trillion yen. (Our share is 10%) As of March 31, 2026

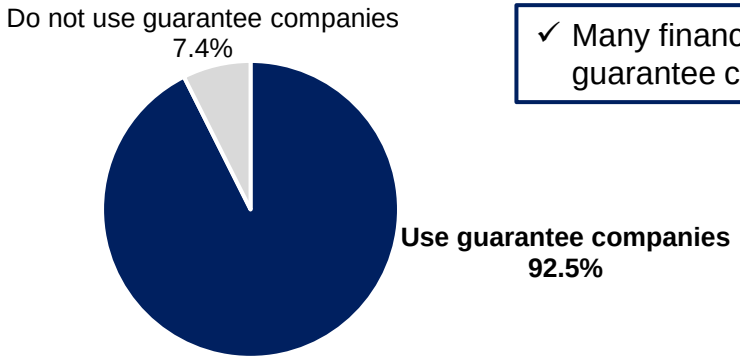
*Japan Housing Finance Agency “New Lending and Outstanding Amounts for Housing Loans by Lender”

ZENKOKU HOSHO undertakes joint guarantees for housing loan guarantees



- ✓ Receive guarantee fees in lump sum or installment based on outstanding guarantee exposure.
- ✓ Record in revenue as guarantee fee income based on outstanding guarantee exposure in each year.
- ✓ Secure stable continued revenue through accumulation of outstanding guarantee exposure.

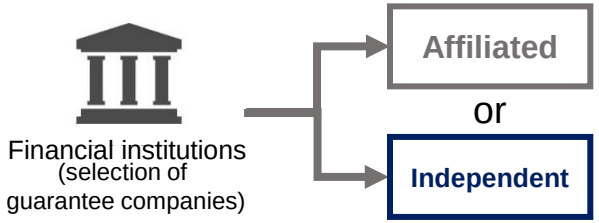
Usage status of guarantee companies



✓ Many financial institutions use guarantee companies.

*Prepared by ZENKOKU HOSHO based on Japan Housing Finance Agency “Housing Loan Lending Trends Survey”

Guarantee companies are either affiliated or independent



- ✓ Subsidiaries of financial institutions or companies established through a joint investment.
- ✓ ZENKOKU HOSHO is the only independent housing loan guarantee company.

Issues with using affiliated companies → Solve various issues as the only independent housing loan guarantee company in Japan.

*Independent guarantee company: a housing loan guarantee company that is not a subsidiary or affiliate of a financial institution

Disclaimer and Notes Regarding Future Prospects

Disclaimer

This material is prepared by ZENKOKU HOSHO Co., Ltd. (hereinafter, “Zenkoku Hosho”) with the aim of helping investors understand Zenkoku Hosho and is provided purely for reference.

The information contained in the material is prepared based on generally accepted economic and social conditions as of November 5, 2026, and on certain assumptions that Zenkoku Hosho believes to be reasonable as well as on Zenkoku Hosho’s sole judgment. However, the information may change without notice subject to fluctuations in the business environment.

Notes Regarding Future Prospects

Data and information provided in this announcement include so-called “forward-looking statements.” These are based on assumptions associated with current estimations, predictions, and risks, and include uncertainties that could cause results to be substantially different from the description.

The risks and uncertainties include general economic conditions both in Japan and overseas, such as general industrial and market situations, interest rates, and currency exchange fluctuations.

Even in the case where there is new information or are related events in the future, etc., Zenkoku Hosho shall not be obliged to update and correct any “forward-looking statements” contained in this announcement.