August 5, 2026

Consolidated Financial Results for the Three Months Ended June 30, 2026 (Under Japanese GAAP)

Company name: NOF CORPORATION
Listing: Tokyo Stock Exchange
Securities code: 4403
URL: https://www.nof.co.jp/
Representative: Koji Sawamura, President and Chief Executive Officer
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Scheduled date to commence dividend payments: –
Preparation of supplementary material on financial results: None
Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	69,007	23.1	10,695	(9.7)	11,505	(6.3)	7,571	(12.1)
June 30, 2025	56,063	1.7	11,847	(12.5)	12,274	(19.0)	8,610	(22.1)

Note: Comprehensive income For the three months ended June 30, 2026: ¥10,562 million [(7.1)%]
For the three months ended June 30, 2025: ¥11,368 million [(7.9)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	33.53	–
June 30, 2025	37.00	–

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2026	382,306	294,345	76.7
March 31, 2026	399,168	296,465	74.0

Reference: Equity
As of June 30, 2026: ¥293,250 million
As of March 31, 2026: ¥295,345 million

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 March 31, 2026	–	26.00	–	35.00	61.00
Fiscal year ending March 31, 2027	–				
Fiscal year ending March 31, 2027 (Forecast)		35.00	–	35.00	70.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated earnings forecast for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate 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
Fiscal year ending March 31, 2027	319,000	23.7	50,000	5.5	51,000	1.3	39,000	(3.8)	169.60

Note: Revisions to the earnings forecasts most recently announced: None

* **Notes**

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

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

Note: Please refer to "2. Quarterly consolidated financial statements and significant notes thereto, (3) Notes on quarterly consolidated financial statements (Notes on accounting treatment specific to the preparation of quarterly consolidated financial statements)" on page 9 of the attached document for details.

(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: None

(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 June 30, 2026	236,524,128 shares
As of March 31, 2026	236,524,128 shares

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

As of June 30, 2026	11,789,730 shares
As of March 31, 2026	10,089,463 shares

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

Three months ended June 30, 2026	225,842,207 shares
Three months ended June 30, 2025	232,728,068 shares

(Notes) The shares of the Company held by the Board Benefit Trust (BBT) are included in the number of treasury shares at the end of the period and in the number of treasury shares deducted in the calculation of the average number of shares outstanding during the period.

* Review of attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes(voluntary)

* Proper use of earnings forecasts, and other special matters

(Notes regarding forward-looking statements)

Forward-looking statements including financial results forecasts stated in this material were compiled based on information available to the Company and certain assumptions considered reasonable at the time this material was compiled, and are not meant as a guarantee of the Company achieving such results. Therefore, the actual results, etc., may differ due to various factors. For information on the assumptions of the forecast and notes on the use of the forecast, please refer to "1. Overview of operating results, etc., (3) Explanation on future forecast information including the forecast of consolidated financial results" on page 3 of the attached document.

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1. Overview of operating results, etc.

(1) Overview of operating results during the period

In the first three months of the current fiscal year (from April 1 to June 30, 2026), the outlook for the global economy deteriorated due to increased risk of a downturn and policy uncertainties in the economy caused by the turbulence in the Middle East. The outlook remains uncertain due to concerns about the impact of the continued geopolitical risks in Ukraine and the Middle East, elevated prices of raw materials and fuel, and fluctuations in the financial and capital markets. In Japan, although consumer prices are gradually increasing, the economy showed signs of picking up as the employment and income environment continued to improve.

As for the business environment surrounding the Group, even though domestic economic conditions are gradually recovering, there is ongoing monitoring of the impact surrounding the situation in the Middle East, such as a downturn risk due to elevated prices of raw materials and fuel, concerns about the supply of crude oil-derived raw materials such as naphtha.

In this business environment, under the three-year 2028 Mid-Term Management Plan started in the current fiscal year, and in keeping with the basic policy of "Transformation and Creation," we have been working to address the following challenges: (1) expanding business domains by seizing market opportunities, (2) creating new technologies and businesses, (3) improving productivity and operational efficiency, (4) pursuing safety and security, and (5) promoting CSR. We have also made repeated management efforts to develop new markets, expand sales, and reduce production costs with a view to achieving sustainable growth.

As a result of such efforts, net sales for the first three months of the current fiscal year were 69,007 million yen, up 23.1% year on year. Operating profit decreased to 10,695 million yen, down 9.7% year on year, ordinary profit decreased to 11,505 million yen, down 6.3% year on year, and profit attributable to owners of parent decreased to 7,571 million yen, down 12.1% year on year.

Results by segment are as follows.

(i) Functional Chemicals

Net sales of fatty acid derivatives increased due to firm demand related to environmental energy and a revised selling price in response to soaring prices of raw materials and fuel.
Net sales of surfactants increased due to strong demand for toiletries.
Net sales of ethylene oxide/propylene oxide derivatives increased due to strong shipments for toiletries, synthetic resin and resin processing applications.
Net sales of organic peroxides decreased due to stagnant demand in Japan and Asia.
Net sales of special anti-corrosion coatings decreased due to stagnant demand in the overseas automobile industry.
As a result, net sales of Functional Chemicals were 39,177 million yen, up 8.8% year on year, and operating profit was 7,852 million yen, up 11.0% year on year.

(ii) Pharmaceuticals, Medicals and Health

Net sales of processed edible oils and functional food materials were flat year on year as selling prices were revised due to soaring prices of raw materials and fuel, despite subdued demand for use in bread, confectionery, and processed foods.
Net sales of healthcare foods products increased as a result of increased shipments for health foods.
Net sales of biocompatible materials increased due to strong demand of MPC (2-methacryloyloxyethyl phosphorylcholine) related products.
Net sales of raw materials for DDS (drug delivery system) decreased as most shipments are expected in the second half of the fiscal year.
As a result, net sales of Pharmaceuticals, Medicals and Health were 11,244 million yen, down 17.9% year on year, and operating profit was 1,223 million yen, down 77.6% year on year.

(iii) Explosives & Propulsion

Net sales of industrial explosives declined.
Net sales of space-related products decreased due to decreased shipments for rocket products.
Net sales of defense-related products increased due to revenue recognition of certain transactions related to the initial costs for rapid acquisition.
Net sales of functional products were flat year on year.

As a result, net sales of Explosives & Propulsion were 18,411 million yen, up 197.8% year on year, and operating profit was 2,296 million yen, compared to the operating loss of 7 million yen in the same period of the previous fiscal year.

(iv) Others

Others consist of transportation and real estate. Net sales of others were 174 million yen, up 1.6% year on year, and operating profit was 163 million yen, down 1.4% year on year.

(2) Overview of financial position as of June 30, 2026

Total assets at the end of the first quarter of the current fiscal year were 382,306 million yen, a decrease of 16,861 million yen from the end of the previous fiscal year.

The breakdown of major increases (decreases) in assets includes a decrease in cash and deposits of 23,517 million yen, a decrease in trade receivables of 5,573 million yen, an increase in inventories of 5,642 million yen, a decrease in property, plant and equipment of 1,102 million yen, and an increase in investment securities of 4,091 million yen.

Liabilities decreased by 14,741 million yen to 87,961 million yen from the end of the previous fiscal year.

The breakdown of major increases (decreases) in liabilities includes an increase in trade payables of 2,990 million yen, a decrease in accounts payable of 1,744 million yen and a decrease in advances received of 3,834 million yen, which are included in other under current liabilities, and a decrease of 10,628 million yen in income taxes payable due to payment of income taxes, etc.

Net assets were 294,345 million yen, a decrease of 2,120 million yen from the end of the previous fiscal year.

The breakdown of major increases (decreases) in net assets includes profit attributable to owners of parent of 7,571 million yen, a decrease from the purchase of treasury shares of 4,686 million yen, a decrease from dividends of surplus of 7,929 million yen, and an increase in valuation difference on available-for-sale securities of 2,779 million yen.

(3) Explanation on future forecast information including the forecast of consolidated financial results

The outlook for the global economy is expected to remain uncertain, with continued geopolitical risks in Ukraine and the Middle East, including downturn risks to the economy and fluctuations in financial and capital markets. In the domestic economy, while employment and income environment is improving, concerns remain regarding soaring raw material and fuel prices, as well as the supply of crude oil-derived raw materials such as naphtha. Furthermore, the impact of continued rising prices on consumer spending is also a worry, requiring continued close monitoring as risks that could weigh down Japan’s economy.

An explanation of outlook by segment is as follows.

In Functional Chemicals, demand for cosmetic raw materials and ODM business is expected to remain firm in the cosmetics-related products. Furthermore, demand for special anti-corrosion coatings is expected to remain firm. While the impact of the situation in the Middle East on supply chains is expected to be less severe than initially anticipated, we will continue to closely monitor trends in raw material and fuel prices.

In Pharmaceuticals, Medicals and Health, we anticipate most shipments of raw materials for DDS to be in the second half of the fiscal year, taking into account our customers’ production plans. Furthermore, these shipments were already factored into the initial plan, and demand is expected to remain firm.

In Explosives & Propulsion, due to the steady progress in construction related to some transactions (contract transactions where revenue is recognized according to performance obligations) concerning initial costs for rapid acquisition, we expect revenue recognition as planned. Demand for other defense-related products is also expected to remain firm.

The above forecast is based on the information that is available to the Company as of the date of the announcement of this material. Actual results may differ from the forecast due to various factors in the future.

In addition, there is no change to the original forecast of consolidated financial results (announced on May 11, 2026) for the full year.

(4) Research and development activities

Expenses related to research and development activities for the Group in the first three months of the current fiscal year were 2,266 million yen.

There were no material changes in the conditions of the Group's research and development activities in the first three months of the current fiscal year.

(5) Main facilities

The amount of capital investment for the Group in the first three months of the current fiscal year was 9,434 million yen.

There were no significant changes in the Group's main facilities or facility plans in the first three months of the current fiscal year.

2. Quarterly consolidated financial statements and significant notes thereto

(1) Quarterly consolidated balance sheets

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	88,364	64,846
Notes and accounts receivable - trade, and contract assets	74,776	68,771
Electronically recorded monetary claims - operating	3,731	4,163
Merchandise and finished goods	32,293	35,356
Work in process	8,153	10,222
Raw materials and supplies	23,880	24,390
Other	5,881	8,951
Allowance for doubtful accounts	(254)	(239)
Total current assets	236,825	216,462
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	34,386	34,132
Land	20,645	20,638
Other, net	41,695	40,854
Total property, plant and equipment	96,726	95,624
Intangible assets		
Other	1,918	1,992
Total intangible assets	1,918	1,992
Investments and other assets		
Investment securities	46,086	50,177
Retirement benefit asset	13,054	13,091
Other	4,626	5,027
Allowance for doubtful accounts	(70)	(70)
Total investments and other assets	63,697	68,227
Total non-current assets	162,343	165,844
Total assets	399,168	382,306
Liabilities		
Current liabilities		
Notes and accounts payable - trade	21,429	24,607
Electronically recorded obligations - operating	493	306
Short-term borrowings	1,341	1,339
Current portion of long-term borrowings	1,013	859
Income taxes payable	14,690	4,062
Provision for bonuses	4,163	2,196
Other	43,109	36,421
Total current liabilities	86,241	69,793
Non-current liabilities		
Long-term borrowings	1,961	2,115
Retirement benefit liability	3,404	3,663
Other	11,096	12,389
Total non-current liabilities	16,461	18,167
Total liabilities	102,703	87,961

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Net assets		
Shareholders' equity		
Share capital	17,742	17,742
Capital surplus	15,058	15,047
Retained earnings	249,159	248,801
Treasury shares	(26,276)	(30,963)
Total shareholders' equity	255,683	250,627
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	25,271	28,050
Foreign currency translation adjustment	7,973	8,512
Remeasurements of defined benefit plans	6,417	6,059
Total accumulated other comprehensive income	39,662	42,622
Non-controlling interests	1,119	1,094
Total net assets	296,465	294,345
Total liabilities and net assets	399,168	382,306

(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income

(Quarterly consolidated statements of income)

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Net sales	56,063	69,007
Cost of sales	33,891	47,508
Gross profit	22,171	21,498
Selling, general and administrative expenses	10,324	10,803
Operating profit	11,847	10,695
Non-operating income		
Interest income	86	91
Dividend income	581	572
Foreign exchange gains	—	169
Other	130	142
Total non-operating income	798	976
Non-operating expenses		
Interest expenses	25	32
Rental expenses on real estate	17	21
Expenses for disposal of fixed assets	49	45
Foreign exchange losses	195	—
Other	82	67
Total non-operating expenses	370	166
Ordinary profit	12,274	11,505
Extraordinary income		
Gain on sale of non-current assets	0	36
Gain on revision of retirement benefit plan	58	—
Total extraordinary income	58	36
Extraordinary losses		
Loss on retirement of non-current assets	98	79
Total extraordinary losses	98	79
Profit before income taxes	12,234	11,463
Income taxes	3,624	3,862
Profit	8,610	7,600
Profit (loss) attributable to non-controlling interests	(0)	29
Profit attributable to owners of parent	8,610	7,571

(Quarterly consolidated statements of comprehensive income)

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Profit	8,610	7,600
Other comprehensive income		
Valuation difference on available-for-sale securities	4,210	2,780
Foreign currency translation adjustment	(1,365)	546
Remeasurements of defined benefit plans, net of tax	(86)	(366)
Total other comprehensive income	2,758	2,961
Comprehensive income	11,368	10,562
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,386	10,532
Comprehensive income attributable to non-controlling interests	(17)	30

(3) Notes on quarterly consolidated financial statements

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

(Calculation of tax expenses)

As for tax expenses, the effective tax rate after the application of tax effect accounting to profit before income taxes is reasonably estimated for the consolidated fiscal year, which includes the first quarter of the current fiscal year, and the amount is calculated by multiplying quarterly profit before income taxes by the estimated effective tax rate.

However, for companies whose tax expenses are significantly less reasonable if calculated using the estimated effective tax rate, the amount calculated using the statutory tax rate is recorded.

(Additional information)

For certain transactions related to defense-related equipment for rapid acquisition in Explosives & Propulsion, revenue is recognized based on the fulfillment of performance obligations over a certain period. The expenses corresponding to revenues include amounts related to the acquisition of non-current assets, and such amounts are recorded as cost of sales to correspond to revenues.

(Notes on segment information, etc.)

I. For the three months ended June 30, 2025 (from April 1, 2025, to June 30, 2025)

1. Information about the amounts of net sales and profit or loss by reportable segment

(Millions of yen)

	Reportable segment				Others (Notes) 1.	Total	Adjustment (Notes) 2.	The amount reported on the quarterly consolidated statements of income (Notes) 3.
	Functional Chemicals	Pharmaceuticals, Medicals and Health	Explosives & Propulsion	Total				
Net sales								
(1) Sales to external customers	36,020	13,689	6,183	55,892	171	56,063	–	56,063
(2) Intersegment sales or transfers	1,261	232	2	1,496	2,370	3,867	(3,867)	–
Total	37,281	13,921	6,185	57,389	2,542	59,931	(3,867)	56,063
Segment profit (loss)	7,073	5,459	(7)	12,525	166	12,691	(844)	11,847

(Notes) 1. The “Others” category consists of business that is not included in reportable segments. It includes transportation, real estate sales, and management services, etc.

2. An adjustment of negative 844 million yen in segment profit includes negative 37 million yen eliminated for intersegment transactions, and negative 807 million yen for company-wide expenses that is not allocated for each reportable segment. Company-wide expenses mainly include general and administrative expenses that are not attributable to reportable segments.

3. Segment profit (loss) is adjusted with operating income in the quarterly consolidated statements of income.

II. For the three months ended June 30, 2026 (from April 1, 2026, to June 30, 2026)

1. Information about the amounts of net sales and profit or loss by reportable segment

(Millions of yen)

	Reportable segment				Others (Notes) 1.	Total	Adjustment (Notes) 2.	The amount reported on the quarterly consolidated statements of income (Notes) 3.
	Functional Chemicals	Pharmaceuticals, Medicals and Health	Explosives & Propulsion	Total				
Net sales								
(1) Sales to external customers	39,177	11,244	18,411	68,833	174	69,007	–	69,007
(2) Intersegment sales or transfers	947	334	1	1,283	2,372	3,656	(3,656)	–
Total	40,124	11,579	18,413	70,117	2,546	72,663	(3,656)	69,007
Segment profit	7,852	1,223	2,296	11,372	163	11,536	(840)	10,695

(Notes) 1. The “Others” category consists of business that is not included in reportable segments. It includes transportation, real estate sales, and management services, etc.

2. An adjustment of negative 840 million yen in segment profit includes 61 million yen eliminated for intersegment transactions, and negative 902 million yen for company-wide expenses that is not allocated for each reportable segment. Company-wide expenses mainly include general and administrative expenses that are not attributable to reportable segments.

3. Segment profit is adjusted with operating income in the quarterly consolidated statements of income.

(Notes on substantial changes in the amount of shareholders' equity)

None applicable.

(Notes on going concern assumption)

None applicable.

(Notes on quarterly consolidated statements of cash flows)

The Company has not prepared quarterly consolidated statements of cash flows for the first three months of the current fiscal year. In addition, depreciation (including amortization related to intangible assets excluding goodwill) for the first three months of the respective fiscal years, including expenses in connection with investments in defense-related equipment for rapid acquisition in Explosives & Propulsion is as follows:

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Depreciation	2,001	10,323

(Revenue recognition)

The sales of the Group are mainly revenue recognized from contracts with customers, and the breakdown of the reportable segments of the Group by region for the first three months of the respective fiscal years is as follows:

I. For the three months ended June 30, 2025 (from April 1, 2025, to June 30, 2025)

(Millions of yen)

	Reportable segment				Others (Notes) 1.	Total
	Functional Chemicals	Pharmaceuticals, Medicals and Health	Explosives & Propulsion	Total		
Net sales						
Japan	25,346	5,523	6,159	37,028	139	37,168
Asia	7,713	371	19	8,105	31	8,137
Europe	1,672	2,497	3	4,173	–	4,173
Others	1,288	5,296	0	6,585	–	6,585
Sales to customers	36,020	13,689	6,183	55,892	171	56,063

(Notes) 1. The “Others” category consists of business that is not included in reportable segments. It includes transportation, real estate sales, and management services, etc.

2. Sales are mostly revenue recognized from contracts with customers, and revenue recognized from other sources is not presented separately as it is not material.

II. For the three months ended June 30, 2026 (from April 1, 2026, to June 30, 2026)

(Millions of yen)

	Reportable segment				Others (Notes) 1.	Total
	Functional Chemicals	Pharmaceuticals, Medicals and Health	Explosives & Propulsion	Total		
Net sales						
Japan	27,423	5,719	18,344	51,486	151	51,637
Asia	8,605	557	58	9,221	22	9,244
Europe	1,973	3,296	8	5,278	–	5,278
Others	1,175	1,671	—	2,847	–	2,847
Sales to customers	39,177	11,244	18,411	68,833	174	69,007

(Notes) 1. The “Others” category consists of business that is not included in reportable segments. It includes transportation, real estate sales, and management services, etc.

2. Sales are mostly revenue recognized from contracts with customers, and revenue recognized from other sources is not presented separately as it is not material.

(Notes on significant events after reporting period)

Purchase and cancellation of treasury shares

The Company has resolved the matters pertaining to the purchase of its treasury shares pursuant to the provisions of Article 156 of the Companies Act, applied by replacing terms pursuant to the provisions of Article 165, paragraph (3) of said Act, and the matters pertaining to the cancellation of its treasury shares pursuant to the provisions of Article 178 of the Companies Act, at the meeting of the Board of Directors held on August 5, 2026.

1. Reasons for purchase and cancellation of treasury shares

The Company recognizes the stable return of profits to its shareholders as an important managerial issue. In the Mid-Term Management Plan "NOF VISION 2030 Stage III" (FY2026 to FY2028) that was announced in May 2026, the Company maintains a basic policy of stable shareholder returns and has set a target total payout ratio of 70% or more. Based on this basic policy, the Company has decided to purchase and cancel treasury shares.

2. Details of the Board of Directors resolution regarding the purchase

(1) Class of shares to be purchased:	Common shares of the Company
(2) Total number of shares to be purchased:	2,000,000 shares (maximum)
(3) Total purchase price of shares:	5,000,000,000 yen (maximum)
(4) Period of purchase:	From August 6, 2026 through September 30, 2026
(5) Method of purchase:	Open-market purchase on the Tokyo Stock Exchange

3. Details of the Board of Directors resolution regarding the cancellation

(1) Class of shares to be cancelled:	Common shares of the Company
(2) Total number of shares to be cancelled:	10,000,000 shares
(3) Scheduled date of cancellation:	September 30, 2026
(4) Total number of outstanding shares after the cancellation:	226,524,128 shares

(For Translation Purposes Only)

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

August 5, 2026

The Board of Directors
NOF CORPORATION

Ernst & Young ShinNihon LLC
Tokyo, Japan

Takao Maruyama
Designated Engagement Partner
Certified Public Accountant

Izumi Okamoto
Designated Engagement Partner
Certified Public Accountant

Auditor's Conclusion

We have reviewed the accompanying quarterly consolidated financial statements of NOF CORPORATION and its consolidated subsidiaries (the Group), which comprise the quarterly consolidated balance sheet as at June 30, 2026, and the quarterly consolidated statements of income, comprehensive income for the three-month period ended June 30, 2026, and notes to the quarterly consolidated financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying quarterly consolidated financial statements are not prepared, in all material respects, in accordance with Article 4, Paragraph 1 of the Tokyo Stock Exchange, Inc.'s Standards for the Preparation of Quarterly Financial Statements (the Standards) and accounting principles generally accepted in Japan for interim consolidated financial statements, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards.

Basis for Auditor's Conclusion

We conducted our review in accordance with review standards for interim financial statements generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Review of the Quarterly Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our review of the quarterly consolidated financial statements in Japan, including those applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained provides a basis for our conclusion.

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

Management is responsible for the preparation of these quarterly consolidated financial statements in accordance with Article 4, Paragraph 1 of the Standards and accounting principles generally accepted in Japan for interim consolidated financial statements, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards, and for the internal controls as management determines are necessary to enable the preparation of quarterly consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the quarterly consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, including the disclosures related to matters of going concern as required by Article 4, Paragraph 1 of the Standards and accounting principles generally accepted in Japan for interim consolidated financial statements, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards.

The Audit and Supervisory Committee is responsible for overseeing the Group’s financial reporting process.

Auditor’s Responsibilities for the Review of the Quarterly Consolidated Financial Statements

Our responsibility is to express a conclusion on these quarterly consolidated financial statements based on our review.

As part of a review in accordance with review standards for interim financial statements generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the review. We also:

- Make inquiries, primarily of management and persons responsible for financial and accounting matters and apply analytical and other interim review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Japan.
- Conclude based on the evidence obtained whether anything has come to our attention that causes us to believe that the quarterly consolidated financial statements are not prepared in accordance with Article 4, Paragraph 1 of the Standards and accounting principles generally accepted in Japan for interim consolidated financial statements, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards, should we determine that a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. Additionally, if we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s interim review report to the related disclosures in the quarterly consolidated financial statements or, if such disclosures are inadequate, to modify our conclusion. Our conclusions are based on the evidence obtained up to the date of our auditor’s interim review report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether anything has come to our attention that causes us to believe that the overall presentation and disclosure of the quarterly consolidated financial statements are not prepared in accordance with Article 4, Paragraph 1 of the Standards and accounting principles generally accepted in Japan for interim consolidated financial statements, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards.
- Obtain evidence regarding the financial information of the entities or business activities within the Group as a basis for expressing a conclusion on the quarterly consolidated financial statements. We are responsible for the direction, supervision and review of the documentation of the interim review. We remain solely responsible for our conclusion.

We communicate with the Audit and Supervisory Committee regarding the planned scope and timing of the review and significant review findings.

We also provide the Audit and Supervisory Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our review of the quarterly consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

* Notes to the Readers of Independent Auditor's Report
This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.