

Consolidated Financial Statements for the First Quarter Ended June 30, 2025

FY2026 (April 1, 2025 - March 31, 2026) [UNAUDITED]

August 8, 2025

Company name: Takara Holdings Inc.
 Stock exchange listings: Tokyo Stock Exchange (PRIME section)
 Code number: 2531
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- Notes: 1. The accompanying financial statements have been prepared in accordance with accounting principles and practices generally accepted in Japan.
 2. Amounts are rounded down to the nearest million yen.

1. Results for the three months ended June 30, 2025 (April 1, 2025- June 30, 2025)

(1) Consolidated operating results

Note: Percentages indicated changes from the same period of the previous fiscal year.

	Three months ended June 30, 2025		Three months ended June 30, 2024	
	(Millions of yen)	(%)	(Millions of yen)	(%)
Net sales	93,348	9.9	84,956	4.2
Operating income (loss)	3,456	(15.0)	4,064	(42.8)
Ordinary income (loss)	3,471	(27.5)	4,791	(37.8)
Net income (loss) attributable to owners of the parent	4,145	(19.8)	5,170	4.1
Net income (loss) per share (Yen)	21.31		26.48	
Fully diluted net income per share (Yen)	-		-	
Note: Comprehensive income (loss)	(4,239)	-	11,567	3.6

(2) Consolidated financial position

	As of June 30, 2025	As of March 31, 2025
	(Millions of yen)	(Millions of yen)
Total assets	470,121	477,587
Net assets	286,798	300,903
Equity ratio (%)	49.8	51.3
(Reference) Equity	233,900	245,228

2. Dividends

	Dividend per share (Yen)		
	Year ended March 31, 2025	Year ending March 31, 2026	Year ending March 31, 2026 (Forecast)
First quarter end	-	-	-
Second quarter end	-	-	-
Third quarter end	-	-	-
Year end	31.00	-	31.00
Annual	31.00	-	31.00

Note: Correction of dividend forecast from the most recent dividend forecast: No

Note: The year-end dividend for FY2026 included a 100th anniversary commemorative dividend of ¥2.00

3. Forecast for the year ending March 31, 2026(April 1, 2025 - March 31, 2026)

Note: Percentages indicated changes from the same period of the previous fiscal year.

	Six months ending September 30, 2025		Year ending March 31, 2026	
	(Millions of yen)	(%)	(Millions of yen)	(%)
Net sales	191,000	8.2	401,000	10.6
Operating income (loss)	7,800	(25.9)	21,900	6.3
Ordinary income (loss)	8,100	(27.5)	22,200	0.1
Net income (loss) attributable to owners of the parent	7,100	(21.9)	16,300	0.6
Net income per share (Yen)	36.66		84.33	

Note: Correction of financial forecast from the most recent financial forecast: No

4. Others

- (1) Material changes in subsidiaries during this period
(Changes in specified subsidiaries that caused a change in the scope of consolidation): Yes
Newly included: 1 (Name) Curio Bioscience, Inc.
- (2) Accounting procedures specific to quarterly consolidated financial statements : No
- (3) Changes in accounting policies, accounting estimates and retrospective restatement
 - 1) Changes based on revisions of accounting standard: No
 - 2) Changes other than ones based on revisions of accounting standard: No
 - 3) Changes in accounting estimates: No
 - 4) Restatement: No
- (4) Number of outstanding shares (common stock)
 - 1) Number of outstanding shares at the end of each period (Treasury stocks are included):
 - As of June 30, 2025 : 197,252,043 shares
 - As of March 31, 2025 : 197,252,043 shares
 - 2) Number of treasury stocks at the end of each period:
 - As of June 30, 2025 : 4,378,309 shares
 - As of March 31, 2025 : 1,996,109 shares
 - 3) Average number of outstanding shares in each period
 - Three months ended June 30, 2025 : 194,493,856 shares
 - Three months ended June 30, 2024 : 195,256,355 shares

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

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. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

- * Comment regarding appropriate use of earnings forecasts and other special notes
Forward-looking statements contained in this document are determined by the Takara Holdings Inc. (the “Company”) Based on information currently available to the Company and include a number of uncertainties. Actual results could differ from these forecasts due to changes in conditions that occur in the future. For information regarding the above, please refer to “1. Overview of Financial Results for the Three Months ended June 30, 2025 (3) Explanation of Consolidated Financial Forecasts and Other Forward-looking Statements” on page 4 of the attached document.

Contents of the attached document

1. Overview of Financial Results	2
(1) Overview of Financial Results for the Period under Review	2
(2) Overview of Financial Position for the Period under Review	3
(3) Qualitative Information Regarding Consolidated Forecasts	4
2. Consolidated Quarterly Financial Statements and Primary Notes	5
(1) Consolidated Balance Sheets	5
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	7
(Consolidated Statements of Income)	7
(Consolidated Statements of Comprehensive Income)	8
(3) Notes to Consolidated Financial Statements	9
(Notes on Premise of Going Concern)	9
(Notes on Material Changes in Shareholders' Equity)	9
(Notes on Segment Information, etc.)	9
(Notes on Consolidated Statements of Cash Flows)	10
(Notes on Business Combination)	10
Independent Auditor's Report on Interim Review of Consolidated Quarterly Financial Statements.....	13
○ Supplement for the Consolidated Quarterly Financial Statements	

1. Overview of Financial Results

(1) Overview of Financial Results for the Period under Review

In the three months ended June 30, 2025, net sales increased 9.9% year on year to ¥93,348 million, gross profit increased 12.9% year on year to ¥30,898 million, and SG&A expenses increased 17.8% year on year to ¥27,441 million. Operating income decreased 15.0% year on year to ¥3,456 million, ordinary income decreased 27.5% year on year to ¥3,471 million, and net income attributable to owners of the parent decreased 19.8% year on year to ¥4,145 million.

Results by business segment were as follows.

[Takara Shuzo]

In the three months ended June 30, 2025, sales of shochu and sake decreased year on year, and sales of light-alcohol refreshers increased mainly due to an increase in sales of *Takara Shochu Highball*. Sales of seasonings increased due to an increase in sales of food seasonings, and sales of raw alcohol, etc. also increased.

As a result, net sales for Takara Shuzo decreased 2.2% year on year to ¥29,521 million. Cost of sales decreased 1.8% year on year to ¥22,126 million in line with the decrease in net sales, and gross profit decreased 3.1% year on year to ¥7,394 million. SG&A expenses increased 4.7% year on year to ¥6,399 million due to an increase in advertising expenses, etc., which were used for strategic purposes. Operating income was down 34.5% year on year to ¥995 million.

[Takara Shuzo International Group]

In the three months ended June 30, 2025, net sales of the Overseas Alcoholic Beverages Business increased year on year mainly due to continued growth in sales of whiskey as well as an increase in sales of sake, etc. Net sales of the Japanese Food Wholesale Business in overseas markets also increased primarily due to the contributions of a company newly added to the Group.

As a result, net sales for the Takara Shuzo International Group increased 19.0% year on year to ¥51,453 million. Cost of sales increased 18.1% year on year to ¥34,115 million in line with the increase in net sales, and gross profit increased 21.0% year on year to ¥17,337 million. SG&A expenses were up 28.6% year on year to ¥13,685 million, primarily due to an increase in personnel expenses and transportation costs, and operating income was down 0.9% year on year to ¥3,651 million.

[Takara Bio Group]

In the three months ended June 30, 2025, sales of reagents, CDMO, and gene therapy increased year on year despite a decrease in sales of instruments.

As a result, net sales for the Takara Bio Group increased 9.1% year on year to ¥9,266 million. Cost of sales increased 3.0% year on year to ¥4,262 million primarily due to changes in the sales mix, resulting in a 14.9% increase in gross profit year on year to ¥5,003 million. SG&A expenses were up 13.6% year on year to ¥6,800 million primarily due to expenses relating to the acquisition of Curio Bioscience, Inc. (“Curio”) and the recording of amortization of goodwill related thereto, and operating loss amounted to ¥1,796 million, compared to operating loss of ¥1,634 million in the three months ended June 30, 2024.

[Other]

In the three months ended June 30, 2025, net sales of the Other segment increased 1.3% year on year to ¥7,846 million primarily due to an increase in the import and sale of wine. Cost of sales decreased 1.2% year on year to ¥6,423 million, and gross profit increased 14.3% year on year to ¥1,423 million. SG&A expenses rose 0.1% year on year to ¥498 million, and operating income was up 23.7% year on year to ¥925 million.

Breakdown of sales results by product category

Segment		Equivalent Period of Previous Fiscal Year (From April 1, 2024 to June 30, 2024)	Period under Review (From April 1, 2025 to June 30, 2025)	YoY Comparison
	Product category	Amount (Millions of yen)	Amount (Millions of yen)	(%)
	Shochu	8,722	8,093	(7.2)
	Sake	2,110	1,989	(5.7)
	Light-alcohol refreshers	10,490	10,646	1.5
	Other alcoholic beverages	1,434	1,065	(25.7)
	<i>Hon Mirin</i>	2,408	2,402	(0.2)
	Other seasonings	2,280	2,310	1.3
	Raw alcohol, etc.	2,724	3,014	10.6
Takara Shuzo		30,170	29,521	(2.2)
	Overseas Alcoholic Beverages Business	5,603	6,892	23.0
	Japanese Food Wholesales Business in overseas markets	38,284	45,218	18.1
	Other	207	193	(6.7)
	Elimination of intra-Group transaction on consolidation	(874)	(851)	—
Takara Shuzo International Group		43,220	51,453	19.0
	Reagents	6,606	6,986	5.7
	Instruments	221	173	(21.6)
	CDMO	1,018	1,178	15.8
	Gene therapy	647	927	43.3
Takara Bio Group		8,493	9,266	9.1
Reported segment total		81,884	90,240	10.2
Other		7,745	7,846	1.3
Segment total		89,630	98,087	9.4
Sales not allocated to business segments and intersegment transactions		(4,673)	(4,738)	—
Total		84,956	93,348	9.9

Note: Amounts include alcohol tax.

(2) Overview of Financial Position for the Period under Review

As of June 30, 2025, current assets were ¥225,057 million, a decrease of ¥20,376 million compared with that at the end of the previous fiscal year. This was primarily due to a decrease in cash and deposits of ¥21,210 million. Noncurrent assets were ¥245,063 million, an increase of ¥12,909 million compared with that at the end of the previous fiscal year. This was due to an increase in intangible assets of ¥15,593 million mainly due to the acquisition of Curio, despite decreases in property, plant and equipment of ¥1,710 million and investments and other assets of ¥972 million.

As a result, total assets were ¥470,121 million, a decrease of ¥7,466 million compared with that at the end of the previous fiscal year.

As of June 30, 2025, current liabilities were ¥72,384 million, a decrease of ¥1,035 million compared with that at the end of the previous fiscal year. This was primarily due to a decrease in short-term loans payable of ¥5,362 million, despite an increase in other current liabilities of ¥4,192 million. Noncurrent liabilities were ¥110,938 million, an increase of ¥7,674 million compared with that at the end of the previous fiscal year. This was primarily due to an increase of ¥7,888 million in other noncurrent liabilities mainly due to the recognition of contingent consideration caused by the acquisition of Curio.

As a result, total liabilities were ¥183,322 million, an increase of ¥6,639 million compared with that at the end of the previous fiscal year.

As of June 30, 2025, total net assets were ¥286,798 million, a decrease of ¥14,105 million compared with that at the end of

the previous fiscal year. This was primarily due to an increase in treasury stock of ¥2,999 million, and decreases in retained earnings of ¥1,907 million, foreign currency translation adjustment of ¥6,406 million, and noncontrolling interests of ¥2,777 million.

As a result, the equity ratio totaled 49.8%, compared with 51.3% at the end of the previous fiscal year.

(3) Qualitative Information Regarding Consolidated Forecasts

There are no changes to the consolidated results forecasts for the six months ending September 30, 2025 and the fiscal year ending March 31, 2026 published in the financial statements on May 13, 2025.

2. Consolidated Quarterly Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Millions of Yen)

	As of Mar. 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	83,302	62,091
Notes and accounts receivable-trade	73,319	73,379
Merchandise and finished goods	72,795	71,771
Work in process	1,727	2,088
Raw materials and supplies	7,811	7,435
Other	7,217	9,044
Allowance for doubtful accounts	(739)	(753)
Total current assets	245,433	225,057
Noncurrent assets		
Property, plant and equipment	123,610	121,900
Intangible assets		
Goodwill	25,283	30,570
Other	16,378	26,685
Total intangible assets	41,662	57,255
Investments and other assets		
Investment securities	34,467	34,159
Other	32,474	31,809
Allowance for doubtful accounts	(60)	(60)
Total investments and other assets	66,880	65,907
Total noncurrent assets	232,154	245,063
Total assets	477,587	470,121

(Millions of Yen)

	As of Mar. 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable-trade	24,067	23,410
Short-term loans payable	12,315	6,952
Income taxes payable	2,742	2,875
Provision	3,826	4,484
Other	30,468	34,661
Total current liabilities	73,419	72,384
Noncurrent liabilities		
Bonds payable	15,000	15,000
Long-term loans payable	30,689	30,586
Net defined benefit liability	8,345	8,234
Other	49,228	57,117
Total noncurrent liabilities	103,264	110,938
Total liabilities	176,683	183,322
Net assets		
Shareholders' equity		
Capital stock	13,226	13,226
Capital surplus	2,804	2,804
Retained earnings	180,449	178,542
Treasury stock	(2,103)	(5,103)
Total shareholders' equity	194,376	189,469
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	16,513	16,490
Deferred gains or losses on hedges	(4)	1
Foreign currency translation adjustment	34,204	27,797
Remeasurements of defined benefit plans	138	141
Total accumulated other comprehensive income	50,851	44,431
Noncontrolling interests	55,675	52,897
Total net assets	300,903	286,798
Total liabilities and net assets	477,587	470,121

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

(Consolidated Statements of Income)

(Millions of Yen)

	FY2025 (Apr. 1, 2024 – June 30, 2024)	FY2026 (Apr. 1, 2025 – June 30, 2025)
Net sales	84,956	93,348
Cost of sales	57,595	62,450
Gross profit	27,360	30,898
Selling, general and administrative expenses	23,295	27,441
Operating income	4,064	3,456
Nonoperating income		
Interest income	197	199
Dividends income	462	481
Other	353	191
Total nonoperating income	1,013	872
Nonoperating expenses		
Interest expenses	155	351
Foreign exchange losses	–	360
Other	131	145
Total nonoperating expenses	287	857
Ordinary income	4,791	3,471
Extraordinary income		
Gain on sale of investment securities	1,679	2,251
Other	816	100
Total extraordinary income	2,495	2,351
Extraordinary loss		
Loss on sale and retirement of noncurrent assets	51	22
Loss on extinguishment of tie-in shares	–	24
Other	8	–
Total extraordinary losses	59	46
Income before income taxes	7,227	5,776
Income taxes-current	3,082	2,966
Income taxes-deferred	(876)	(882)
Total income taxes	2,205	2,084
Net income	5,021	3,691
Net income (loss) attributable to the noncontrolling interest	(149)	(453)
Net income attributable to owners of the parent	5,170	4,145

(Consolidated Statements of Comprehensive Income)

(Millions of Yen)

	FY2025 (Apr. 1, 2024 – June 30, 2024)	FY2026 (Apr. 1, 2025 – June 30, 2025)
Net income	5,021	3,691
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,808)	(23)
Deferred gains or losses on hedges	8	5
Foreign currency translation adjustment	8,301	(7,920)
Remeasurements of defined benefit plans	45	6
Total other comprehensive income	6,546	(7,931)
Comprehensive income	11,567	(4,239)
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	10,173	(2,275)
Comprehensive income attributable to noncontrolling interest	1,394	(1,964)

(3) Notes to Consolidated Financial Statements

The consolidated quarterly financial statements have been prepared in accordance with Article 4, Paragraph 1 of Standards for Preparation of Quarterly Financial Statements of the Tokyo Stock Exchange, Inc. and accounting principles generally accepted in Japan for quarterly financial statements, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards.

(Notes on Premise of Going Concern)

No items to report.

(Notes on Material Changes in Shareholders' Equity)

No items to report.

(Notes on Segment Information, etc.)

I. Equivalent Period of Previous Fiscal Year (From April 1, 2024 to June 30, 2024)

1. Net sales and Income (Loss) by Reported Segment

(Millions of yen)

	Reported segment				Other (Note: 1)	Total	Adjustment (Note: 2)	Amount recognized in consolidated quarterly statements of income (Note: 3)
	Takara Shuzo	Takara Shuzo International Group	Takara Bio Group	Subtotal				
Net sales								
External customers	29,906	43,117	8,493	81,517	3,438	84,956	-	84,956
Intersegment	264	103	0	367	4,306	4,673	(4,673)	-
Total	30,170	43,220	8,493	81,884	7,745	89,630	(4,673)	84,956
Segment income (loss)	1,519	3,683	(1,634)	3,568	748	4,316	(251)	4,064

Notes: 1. Other includes business segments that are not part of reported segments, such as the cargo transportation business, the wine import and sale business, and the real estate rental business.

2. The adjustment to segment income (loss) of ¥(251) million comprises intersegment eliminations of ¥16 million and loss of the Company not allocated to business segments of ¥(267) million.

3. Segment income (loss) has been adjusted to the operating income of consolidated quarterly statements of income.

2. Information on Impairment Loss on Noncurrent Assets, Goodwill, etc. by Reportable Segment

No items to report.

II. Period under Review (From April 1, 2025 to June 30, 2025)

1. Net sales and Income (Loss) by Reported Segment

	Reported segment				Other (Note: 1)	Total	Adjustment (Note: 2)	Amount recognized in consolidated quarterly statements of income (Note: 3)
	Takara Shuzo	Takara Shuzo International Group	Takara Bio Group	Subtotal				
Net sales								
External customers	29,149	51,326	9,266	89,742	3,606	93,348	-	93,348
Intersegment	371	126	0	498	4,240	4,738	(4,738)	-
Total	29,521	51,453	9,266	90,240	7,846	98,087	(4,738)	93,348
Segment income (loss)	995	3,651	(1,796)	2,850	925	3,776	(319)	3,456

Notes: 1. Other includes business segments that are not part of reported segments, such as the cargo transportation business, the wine import and sale business, and the real estate rental business.

2. The adjustment to segment income (loss) of ¥(319) million comprises intersegment eliminations of ¥(59) million and loss of the Company not allocated to business segments of ¥(259) million.

3. Segment income (loss) has been adjusted to the operating income of consolidated quarterly statements of income.

2. Information on Impairment Loss on Noncurrent Assets, Goodwill, etc. by Reportable Segment (Significant change in the amount of goodwill)

In the Takara Bio Group segment, goodwill was recorded due to the acquisition of all outstanding shares of Curio Bioscience, Inc., which engages in the development, manufacturing, and sales of research reagents for spatial analysis. An increase in goodwill regarding this matter was ¥6,525 million for the three months ended June 30, 2025. The above amount is calculated provisionally because the allocation of the acquisition cost has yet to be completed.

(Notes on Consolidated Statements of Cash Flows)

Consolidated statements of cash flows pertaining to the three months ended June 30, 2025 have not been prepared.

Depreciation and amortization (including amortization of intangible assets except for goodwill) and amortization of goodwill for the three months ended June 30, 2024 and 2025 are as shown below.

	(Millions of Yen)	
	FY2025 (Apr. 1, 2024 – June 30, 2024)	FY2026 (Apr. 1, 2025 – June 30, 2025)
Depreciation and amortization	2,476	2,949
Amortization of goodwill	340	781

(Notes on Business Combination)

Business combination by acquisition

Takara Bio USA Holdings Inc. (“TBUSH”), a wholly owned subsidiary of Takara Bio Inc., which is a consolidated subsidiary of the Company, entered into a definitive acquisition agreement with the representative shareholders of Curio Bioscience, Inc. (“Curio”) on January 15, 2025 (local U.S. time), upon which they acquired shares in Curio, thereby making it a subsidiary.

1. Overview of business combination

(1) Name and business of the acquired company

Name of the acquired company	Curio Bioscience, Inc.
Description of the company’s business	Development, manufacturing, and sales of research reagents for spatial analysis

(2) Main reason for business combination

Takara Bio Group provides research reagents, scientific instruments and contract services to biotechnology researchers in academia and industry. In particular, the scale of sales in the US has expanded in recent years by focusing on product development and sales activities for next-generation sequencing (“NGS”) reagents. Technology in the NGS field is advancing rapidly, and the growth of the NGS market is expected to shift from simple NGS analysis to single cell analysis and even spatial transcriptome analysis (“spatial analysis”). Takara Bio Group is also developing its business in line with trends in the NGS market, with the launch of a single cell analysis system in 2017 and the start of contract analysis services for spatial analysis in 2023.

Curio is a pioneering company that develops advanced spatial analysis reagents and provides reagents for high-density, high-resolution spatial analysis using its innovative DNA-barcoded beads technology.

Takara Bio Group will create a high level of synergy by combining Curio’s advanced technology for spatial analysis with Takara Bio’s genetic engineering and genetic analysis technologies. Specifically, general reagents that are compatible with various single cell analysis methods will be developed as well as high-quality products by combining Curio’s products with Takara Bio Group’s products, and the contract services of spatial analysis using them will be expanded with differentiation from competing products and services.

(3) Date of business combination

January 15, 2025 (local U.S. time)

(4) Legal form of business combination

Acquisition of shares with cash as consideration

(5) Name of the acquired company after the combination

The company name is unchanged after the business combination.

(6) Percentage of voting rights acquired

100%

(7) Main reason for deciding to acquire the company

TBUSH acquired the shares in the company with cash as consideration.

2. Period for financial results of the acquired company that are included in consolidated statements of income for the consolidated quarterly cumulative period

January 15, 2025 to March 31, 2025

3. Breakdown of the acquisition cost of the acquired company and consideration by type

Acquisition consideration	Cash	\$40.9 million
Contingent consideration (deferred portion)	(Note)	\$66.4 million
Acquisition cost		\$107.4 million

(Note) A contingent consideration agreement has been concluded, under which additional considerations up to a maximum total of \$150 million shall be paid upon completion of several development and sales milestones. The Group estimated the probability of attainment of the milestones and calculated considerations in terms of present value, and consequently has recognized \$66.4 million as a deferred consideration for acquisition.

Of the amount of change in fair value related to contingent consideration, the amount due to the fluctuation of time value is recorded under “interest expenses,” and the amount due to the fluctuation of factors other than time value is recorded under “selling, general and administrative expenses.”

4. Amount, source, amortization method and amortization period of goodwill generated

(1) The amount of goodwill generated

¥6,973 million (\$44.2 million)

(Note) The amount of goodwill is calculated provisionally according to information available at the time of writing, as the allocation of the acquisition cost has yet to be completed as of the end of the three months ended June 30, 2025.

(2) Source of goodwill

The main source is the future excess earnings power of Curio that is expected from its business operation going forward.

(3) Amortization method and amortization period

Straight-line method over 18 years

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

August 8, 2025

To the Board of Directors of Takara Holdings Inc.:

Deloitte Touche Tohmatsu LLC
Kyoto Office, Japan

Keiko Hishimoto
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Yuya Minobe
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Auditor's Conclusion

We have reviewed the accompanying consolidated quarterly financial statements of Takara Holdings Inc. and its consolidated subsidiaries (collectively, the "Group"), which comprise the consolidated quarterly balance sheets as of June 30, 2025 (from April 1, 2025 to June 30, 2025) and the consolidated quarterly statements of income and the consolidated quarterly statements of comprehensive income for the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025), and the related notes.

Based on our interim review, nothing has come to our attention that causes us to believe that the accompanying consolidated quarterly financial statements are not prepared, in all material respects, in accordance with Article 4, Paragraph 1 of Standards for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. (the "Standards") and accounting principles for quarterly financial statements generally accepted in Japan, 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 interim review in accordance with interim review standards generally accepted in Japan. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Interim Review of the Consolidated Quarterly Financial Statements" section of our report. We are independent of the Group in accordance with the regulations regarding professional ethics required in Japan, including those applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities as auditor. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of Management, Audit & Supervisory Board Members, and the Audit & Supervisory Board for the Consolidated Quarterly Financial Statements

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

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

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the Directors' execution of duties relating to the design and operation of the Group's financial reporting process.

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

Our responsibility is to express a conclusion on these consolidated quarterly financial statements from an independent standpoint based on our interim review in our report on the interim review of consolidated quarterly financial statements.

As part of our interim review in accordance with interim review standards 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 review procedures. An interim review is substantially less in scope than an audit for the fiscal year conducted in accordance with auditing standards generally accepted in Japan.
- Conclude, based on the evidence obtained, whether nothing has come to our attention that causes us to believe that the consolidated quarterly financial statements are not prepared in accordance with Article 4, Paragraph 1 of the Standards and accounting principles for quarterly financial statements generally accepted in Japan, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards, if a material uncertainty relating to events or conditions comes to our attention that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report on the interim review of consolidated quarterly financial statements to the related notes in the consolidated quarterly financial statements or, if such notes are inadequate, to express a qualified conclusion or an adverse conclusion. Our conclusions are based on the evidence obtained up to the date of our report on the interim review of consolidated quarterly financial statements; however, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether nothing has come to our attention that causes us to believe that the presentation and notes in the consolidated quarterly financial statements are not prepared in accordance with Article 4, Paragraph 1 of the Standards and accounting principles for quarterly financial statements generally accepted in Japan, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards.
- Obtain sufficient evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the consolidated quarterly financial statements. We are responsible for the direction, supervision and review of the audit work performed for the interim review of the consolidated quarterly financial statements. We remain solely responsible for our review conclusion.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the planned scope and timing of the interim review, and significant review findings that we identify during our review.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence in Japan, and 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 the acceptable levels.

Interest

Our firm and its 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.

Note to the Reader of Independent Auditor's Report on Review

The Independent Auditor's Report herein is an English translation of the Japanese Independent Auditor's Report on Review for the convenience of the reader.

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- Notes: 1. The original of the above report on review is stored separately by the Company disclosing the Consolidated Quarterly Financial Results (Kessan Tanshin).
2. XBRL data and HTML data are not subject to the interim review.