

January 30, 2025

## Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2025 [J-GAAP] (Consolidated)

Company Name: AIRPORT FACILITIES CO., LTD. (AFC)  
 Stock Exchange Listed on: Tokyo Stock Exchange (Prime Market)  
 Company Code: 8864 URL: <https://www.afc.jp/english/>  
 Representative: Shigeo Tamura, President & CEO  
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 Scheduled Date of Dividend Payment Start: —  
 Preparation of Earnings Presentation Material: No  
 Holding of Earnings Announcement: No

(Figures are rounded off to the nearest million yen.)

### 1. Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2025 (April 1, 2024 – December 31, 2024)

(1) Consolidated Business Results (Percentages are changes from the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First nine months ended								
December 31, 2024	21,016	7.9	3,591	23.3	3,694	27.4	1,697	(7.8)
December 31, 2023	19,467	2.2	2,911	12.1	2,899	19.6	1,842	(19.4)

(Note) Comprehensive income: First nine months ended December 31, 2024: 1,457 million yen (49.6%)  
 First nine months ended December 31, 2023: 2,897 million yen (28.1%)

	Basic earnings per share	Diluted earnings per share
First nine months ended	Yen	Yen
December 31, 2024	33.77	33.75
December 31, 2023	36.73	36.69

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2024	108,567	61,317	53.9	1,165.58
As of March 31, 2024	110,461	60,765	52.6	1,157.84

(Reference) Equity capital: As of December 31, 2024: 58,615 million yen As of March 31, 2024: 58,109 million yen

### 2. Dividends

	Dividends per share				
	Q1	Q2	Q3	Q4	Annual
	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2024	—	7.00	—	10.00	17.00
FY ending March 31, 2025	—	9.00	—		
FY ending March 31, 2025 (Forecasts)				11.00	20.00

(Note) Changes in the latest forecasts released: Yes

### 3. Forecast of Consolidated Earnings for the Fiscal Year Ending March 31, 2025 (April 1, 2024 - March 31, 2025)

(Percentages are changes from the previous year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full fiscal year	31,024	19.6	4,240	33.2	4,343	36.8	2,404	19.0	47.82

(Note) Changes in the latest forecasts released: Yes

**\* Notes**

(1) Significant changes in the scope of consolidation during the period: No

(2) Application of specific accounting treatments in preparing the quarterly consolidated financial statements: Yes

Note: For details, please refer to “2. Quarterly Consolidated Financial Statements and Major Notes (3) Notes on Quarterly Consolidated Financial Statements (Notes on Specific Accounting Treatments in Preparing the Quarterly Consolidated Financial Statements)” on page 9.

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

1) Changes in accounting policies with revision of accounting standards, etc.: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Restatement of revisions: No

(4) Number of issued shares (common shares)

1) Number of issued shares (including treasury stock)	As of December 31, 2024:	52,979,350 shares	As of March 31, 2024:	52,979,350 shares
2) Number of treasury stock	As of December 31, 2024:	2,690,743 shares	As of March 31, 2024:	2,791,683 shares
3) Average number of shares during the period	First nine months ended December 31, 2024:	50,263,953 shares	First nine months ended December 31, 2023:	50,148,510 shares

**\* Review of the accompanying quarterly consolidated financial statements by certified public accountants or an audit corporation: Yes (voluntary)**

**\* Explanation of the proper use of earnings forecasts and other special notes (Note on forward-looking statements)**

The statements about future described on this report such as earnings forecasts have been made based on information currently available and some conditions that we judge rational, and therefore they do not constitute a guarantee that they will be realized. Actual earnings may differ greatly from the above forecasts for various reasons. For the assumptions for earnings forecasts and cautions regarding the use of the earnings forecasts, please refer to “1. Summary of Operating Results, etc., (3) Qualitative Information on Consolidated Earnings Forecast” on page 4.

## 1. Summary of Operating Results, etc.

### (1) Summary of Operating Results for the First Nine Months Ended December 31, 2024

During the first nine months ended December 31, 2024, our business environment has been favorable supported mainly by strong inbound demand despite facing such harsh conditions as a weak yen and surging prices in the aviation industry. Meanwhile, we still need to carefully monitor a rise in logistics and labor costs due to soaring raw material costs and labor shortages, which is affecting construction costs and overall prices.

Under such conditions, the Group (the Company and its consolidated subsidiaries) recorded net sales of ¥21,016 million (up 7.9% from the same period of the previous fiscal year) mainly due to an increase in rental income, etc. as a result of the review of the lease terms of existing properties, lease income from temporary use, reallocation in the cargo area associated with the start of operation of a fresh product center and increased properties in the non-asset business, as well as an increase in water supply and drainage usage and the revision of the unit price for water supply and drainage at the public bidding in the previous year in the Water Supply & Drainage Business. Operating income was ¥3,591 million (up 23.3%) despite an increase in costs due to surging prices. Ordinary income was ¥3,694 million (up 27.4%) mainly due to increases in gain on investments in silent partnership, etc. and dividends income, but profit attributable to owners of parent was ¥1,697 million (down 7.8%) due to recognition of impairment loss related to part of the rental facilities in the Haneda Airport 1-Chome District.

Performance by business segment is as follows:

Effective April 1, 2024, the Company changed its segmentation to four segments of “Airport Real Estate Business,” “Non-Airport Real Estate Business,” “Airport Infrastructure Business,” and “Other Business” from the previous three segments of “Real Estate Business,” “Area Heating & Cooling Business,” and “Water Supply & Drainage Service and Other Business.”

#### (i) Airport Real Estate Business

Airport Real Estate Business recorded net sales of ¥12,707 million (up 6.5% from the same period of the previous fiscal year) and segment income of ¥2,874 million (up 30.4%) due to an increase in rental income, etc. as a result of the review of the lease terms of existing properties, lease income from temporary use and reallocation in the cargo area at Haneda Airport associated with the start of operation of a fresh product center.

#### (ii) Non-Airport Real Estate Business

Non-Airport Real Estate Business recorded net sales of ¥2,371 million (up 6.2% from the same period of the previous fiscal year) and segment income of ¥877 million (up 0.8%) due to an increase in rental income because of increased properties in the non-asset business.

#### (iii) Airport Infrastructure Business

Airport Infrastructure Business recorded net sales of ¥5,350 million (up 13.0% from the same period of the previous fiscal year) mainly due to increased sales of cold/heat energy supply in Area Heating & Cooling Business as well as an increase in water supply and drainage usage and the revision of the unit price of water supply and drainage described above in Water Supply & Drainage Service Business. Segment income was ¥759 million (up 13.4%).

#### (iv) Other Business

Other Business, which mainly consists of overseas businesses conducted by overseas subsidiaries, recorded net sales of ¥588 million (up 1.2% from the same period of the previous fiscal year) due to the weakening yen and segment income of ¥222 million (down 6.3%).

## **(2) Summary of Financial Position as of December 31, 2024**

### **(Assets)**

Total assets as of December 31, 2024 amounted to ¥108,567 million, a decrease by ¥1,893 million compared to March 31, 2024, mainly due to a decrease in property, plant and equipment as a result of depreciation of buildings and recording of impairment loss related to Haneda Airport 1-Chome District despite an increase in real estate for sale due to acquisition of new office buildings in the non-asset business.

### **(Liabilities)**

Total liabilities as of December 31, 2024 amounted to ¥47,250 million, a decrease by ¥2,445 million compared to March 31, 2024, mainly due to decreases in accounts payable and notes and accounts payable-trade as a result of payments related to renovation work, etc. and a decrease due to payments of long-term loans payable despite an increase due to recording of accrued expenses for annual usage fee of national property.

### **(Net assets)**

Net assets as of December 31, 2024 increased by ¥551 million compared to March 31, 2024 to ¥ 61,317 million mainly due to increases in retained earnings.

As a result, equity ratio as of December 31, 2024 increased by 1.3 points to 53.9% compared to March 31, 2024.

## **(3) Qualitative Information on Consolidated Earnings Forecast**

The consolidated earnings forecast for the fiscal year ending March 31, 2025 announced on May 10, 2024 has been revised.

Please see “Announcement on Revisions to Full-Year Consolidated Earnings Forecast and Dividend Forecast for the Fiscal Year Ending March 31, 2025” (Japanese version only) released on January 30, 2025 for details.

## 2. Quarterly Consolidated Financial Statements and Major Notes

### (1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

	FY3/24 (As of March 31, 2024)	Third quarter of FY3/25 (As of December 31, 2024)
<b>Assets</b>		
Current assets		
Cash and deposits	10,849,304	9,807,626
Accounts receivable-trade	1,410,637	1,374,138
Lease receivables and investment assets	10,951,505	10,693,143
Operating loans	3,720,272	3,270,198
Merchandise	2,723	3,797
Real estate for sale	10,831,897	13,636,282
Raw materials and supplies	13,719	15,381
Others	712,565	1,689,822
<b>Total current assets</b>	<b>38,492,624</b>	<b>40,490,391</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	42,593,894	38,800,329
Machinery, equipment and vehicles, net	5,006,369	5,599,742
Tools, furniture and fixtures, net	139,598	115,043
Land	10,803,731	10,803,731
Construction in progress	562,390	420,889
<b>Total property, plant and equipment</b>	<b>59,105,983</b>	<b>55,739,736</b>
Intangible assets		
Software	352,344	269,945
Software in progress	—	18,198
Others	34,988	34,611
<b>Total intangible assets</b>	<b>387,332</b>	<b>322,755</b>
Investments and other assets		
Investment securities	11,457,003	10,867,574
Deferred tax assets	174,873	342,780
Net defined benefit asset	264,687	236,850
Others	589,487	578,141
Allowance for doubtful accounts	(10,267)	(10,267)
<b>Total investments and other assets</b>	<b>12,475,784</b>	<b>12,015,079</b>
<b>Total non-current assets</b>	<b>71,969,101</b>	<b>68,077,571</b>
<b>Total assets</b>	<b>110,461,725</b>	<b>108,567,963</b>

(Thousands of yen)

	FY3/24 (As of March 31, 2024)	Third quarter of FY3/25 (As of December 31, 2024)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	1,968,324	1,004,538
Current portion of bonds payable	—	100,000
Short-term loans payable	3,313,450	3,427,354
Accounts payable	2,202,160	735,592
Income taxes payable	743,214	495,827
Accrued expenses	97,543	1,673,173
Unearned revenue	1,027,169	1,838,700
Provision for bonuses	144,273	80,810
Provision for bonuses for directors (and other officers)	28,850	21,637
Provision for removal cost of property, plant and equipment	111,862	40,804
Asset retirement obligations	110,000	113,000
Others	308,045	459,258
<b>Total current liabilities</b>	<b>10,054,894</b>	<b>9,990,698</b>
Non-current liabilities		
Bonds payable	6,100,000	6,000,000
Long-term loans payable	22,730,159	20,217,694
Long-term guarantee deposited	6,405,904	6,682,135
Long-term accounts payable-other	121,010	79,921
Provision for retirement benefits for directors (and other officers)	6,786	7,071
Deferred tax liabilities	51,626	50,822
Asset retirement obligations	4,225,522	4,222,522
<b>Total non-current liabilities</b>	<b>39,641,008</b>	<b>37,260,167</b>
<b>Total liabilities</b>	<b>49,695,902</b>	<b>47,250,866</b>
Net assets		
Shareholders' equity		
Capital stock	6,826,100	6,826,100
Capital surplus	6,982,890	6,985,036
Retained earnings	42,025,075	42,768,334
Treasury stock	(1,546,962)	(1,491,046)
<b>Total shareholders' equity</b>	<b>54,287,102</b>	<b>55,088,425</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,413,935	2,033,485
Foreign currency translation adjustment	1,408,697	1,493,556
<b>Total accumulated other comprehensive income</b>	<b>3,822,632</b>	<b>3,527,041</b>
Subscription rights to shares	22,923	13,022
Non-controlling interests	2,633,164	2,688,607
<b>Total net assets</b>	<b>60,765,822</b>	<b>61,317,097</b>
<b>Total liabilities and net assets</b>	<b>110,461,725</b>	<b>108,567,963</b>

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

(Thousands of yen)

	First nine months of FY3/24 (April 1, 2023 – December 31, 2023)	First nine months of FY3/25 (April 1, 2024 – December 31, 2024)
Net sales	19,467,904	21,016,768
Cost of sales	15,028,432	15,792,851
Gross profit	4,439,471	5,223,916
Selling, general, and administrative expenses		
Remuneration for directors (and other officers)	157,712	150,951
Salaries and bonuses	555,072	563,918
Provision for bonuses	63,184	58,553
Provision for bonuses for directors (and other officers)	18,232	21,637
Provision for retirement benefits for directors (and other officers)	3,069	3,069
Transportation and communication expenses	60,542	63,112
Depreciation	82,566	83,660
Taxes and dues	98,883	131,094
Others	488,493	556,167
Total selling, general, and administrative expenses	1,527,755	1,632,164
Operating income	2,911,716	3,591,752
Non-operating income		
Interest income	1	47
Dividends income	83,516	130,478
Commission fee	21,881	26,828
Gain on investments in silent partnership, etc.	59,930	150,627
Foreign exchange gains	1,795	614
Others	52,174	92,395
Total non-operating income	219,301	400,991
Non-operating expenses		
Interest expenses	203,385	236,460
Removal cost of property, plant and equipment	27,899	24,628
Others	4	37,165
Total non-operating expenses	231,290	298,255
Ordinary income	2,899,727	3,694,488
Extraordinary income		
Gain on sale of investment securities	—	124,990
Total extraordinary income	—	124,990
Extraordinary loss		
Loss on retirement of non-current assets	1,678	23,388
Loss on cancellation of golf club membership	3,000	—
Impairment loss	—	* 1,223,100
Total extraordinary loss	4,678	1,246,489
Income before income taxes	2,895,048	2,572,989
Income taxes	956,720	819,812
Total income taxes	956,720	819,812
Profit	1,938,328	1,753,176
Profit attributable to non-controlling interests	96,128	55,442
Profit attributable to owners of parent	1,842,199	1,697,734

**(Quarterly Consolidated Statement of Comprehensive Income)**

(Thousands of yen)

	First nine months of FY3/24 (April 1, 2023 – December 31, 2023)	First nine months of FY3/25 (April 1, 2024 – December 31, 2024)
Profit	1,938,328	1,753,176
Other comprehensive income		
Valuation difference on available-for-sale securities	139,651	(380,450)
Foreign currency translation adjustment	819,773	84,859
Total other comprehensive income	959,425	(295,590)
Comprehensive income	2,897,753	1,457,585
(Breakdown)		
Comprehensive income attributable to owners of parent	2,801,624	1,402,143
Comprehensive income attributable to non-controlling interests	96,128	55,442



### (3) Notes on Quarterly Consolidated Financial Statements

#### (Notes on Specific Accounting Treatments in Preparing the Quarterly Consolidated Financial Statements)

(Calculation of tax expenses)

Tax expenses are calculated as income before income taxes for the period multiplied by the estimated effective tax rate. The effective tax rate is reasonably estimated taking into consideration deferred tax accounting as the rate applicable to income before income taxes for the consolidated fiscal year including the three months ended December 31, 2024.

#### (Notes on Segment Information, etc.)

[Segment information]

#### I. First nine months ended December 31, 2023 (April 1, 2023 - December 31, 2023)

##### 1. Information on net sales and income or loss by reportable segment

(Thousands of yen)

	Reportable Segments					Adjustments (Note 1)	Carrying Amount on Quarterly Consolidated Statement of Income (Note 2)
	Airport Real Estate Business	Non- Airport Real Estate Business	Airport Infrastructure Business	Other Business	Total		
Net sales							
(1) Net sales to outside customers	11,924,340	2,231,922	4,731,028	580,613	19,467,904	—	19,467,904
(2) Intersegment sales or transfers	200,247	—	686,865	7	887,120	(887,120)	—
Total	12,124,587	2,231,922	5,417,893	580,620	20,355,024	(887,120)	19,467,904
Segment income	2,203,799	869,280	669,046	237,644	3,979,770	(1,068,054)	2,911,716

(Notes)1. The adjustment for segment income of ¥(1,068,054) thousand is corporate expenses not allocated to any reportable segments and consists mainly of general and administrative expenses that do not belong to any reportable segments.

2. Segment income is adjusted with operating income in the quarterly consolidated statement of income.

#### II. First nine months ended December 31, 2024 (April 1, 2024 – December 31, 2024)

##### 1. Information on net sales and income or loss by reportable segment

(Thousands of yen)

	Reportable Segments					Adjustments (Note 1)	Carrying Amount on Quarterly Consolidated Statement of Income (Note 2)
	Airport Real Estate Business	Non- Airport Real Estate Business	Airport Infrastructure Business	Other Business	Total		
Net sales							
(1) Net sales to outside customers	12,707,329	2,371,186	5,350,190	588,062	21,016,768	—	21,016,768
(2) Intersegment sales or transfers	202,708	—	752,574	12	955,295	(955,295)	—
Total	12,910,038	2,371,186	6,102,765	588,074	21,972,064	(955,295)	21,016,768
Segment income	2,874,098	877,092	759,206	222,521	4,732,919	(1,141,166)	3,591,752

(Notes)1. The adjustment for segment income of ¥(1,141,166) thousand is corporate expenses not allocated to any reportable segments and consists mainly of general and administrative expenses that do not belong to any reportable segments.

2. Segment income is adjusted with operating income in the quarterly consolidated statement of income.

## 2. Changes in reportable segments, etc.

Under the business portfolio strategy set out in the Medium- to Long-Term Management Plan (FY2022-FY2028), the Group has been strengthening airport-related business and expanding new business opportunities to develop a profit foundation toward further growth and create value within and outside airports with an aim to achieve sustainable growth. Accordingly, from the perspective of appropriately managing and evaluating the progress of the Medium- to Long-Term Management Plan, we changed our segmentation from April 1, 2024 to four segments of “Airport Real Estate Business,” “Non-Airport Real Estate Business,” “Airport Infrastructure Business,” and “Other Business” from the previous three segments of “Real Estate Business,” “Area Heating & Cooling Business,” and “Water Supply & Drainage Service and Other Business.”

Segment information for the first nine months ended December 31, 2023 is prepared under the new segmentation.

## 3. Information on impairment loss on non-current assets or goodwill, etc. by reportable segment (Significant impairment loss on non-current assets)

In the Airport Real Estate Business, the Group conducted an impairment test for part of the rental facilities the Group owns in the Haneda Airport 1-Chome District based on a sign of impairment, and as a result, the carrying amount of the asset group was reduced to the recoverable amount, with the reduced amount recognized as impairment loss.

The amount of impairment loss recognized for the first nine months ended December 31, 2024 was ¥1,223,100 thousand.

### (Notes on Significant Changes in Shareholders' Equity)

Not applicable.

### (Notes on Premise of Going Concern)

Not applicable.

### (Notes on Quarterly Consolidated Statement of Income)

\* Impairment loss

For the first nine months ended December 31, 2023 (April 1, 2023 to December 31, 2023)

Not applicable.

For the first nine months ended December 31, 2024 (April 1, 2024 to December 31, 2024)

The Group recorded impairment loss on the following asset group.

Location	Use	Description	Impairment loss (Thousands of yen)
Haneda Airport 1-Chome District, Ota-ku, Tokyo	Rental building, etc.	Building	1,206,554
		Machinery and equipment	16,462
		Other	83
Total			1,223,100

(Note) The Group classifies its business assets based on the categories set mainly for each airport or region that are used for management accounting purposes as the smallest unit for generating cash flows.

With regard to the assets in the Haneda Airport 1-Chome District above, in light of the partial policy decision for “Haneda Airport 1-Chome District Project” at the Board of Directors meeting held on November 28, 2024, the Group conducted an impairment test for part of the rental facilities the Group owns in the District based on a sign of impairment, and as a result, the carrying amount of the asset group was reduced to the recoverable amount, with the reduced amount recognized as impairment loss.

The recoverable amount is measured by value in use and estimated based on rent and the discount rate (2.5%).

**(Notes on Quarterly Consolidated Statement of Cash Flows)**

Quarterly consolidated statement of cash flows for the first nine months ended December 31, 2024 is not prepared. Depreciation including amortization of intangible assets for the first nine months ended December 31, 2023 and 2024 is as follows:

	(Thousands of yen)	
	First nine months ended December 31, 2023 (April 1, 2023 - December 31, 2023)	First nine months ended December 31, 2024 (April 1, 2024 - December 31, 2024)
Depreciation	3,588,614	3,637,572

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

January 30, 2025

To the Board of Directors of AIRPORT FACILITIES CO., LTD.

Crowe Toyo & Co.

Tokyo Office

Designated and Engagement Partner  
Tsugunari Yamada, Certified Public Accountant

Designated and Engagement Partner  
Takeshi Kiriya, Certified Public Accountant

## **Auditor's Conclusion**

We have reviewed the quarterly consolidated financial statements of AIRPORT FACILITIES CO., LTD. for the first nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024) included in the "Attachment" of Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2025, which comprise the quarterly consolidated balance sheets as of December 31, 2024 and the quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income for the nine months then ended, 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 quarterly consolidated financial statements referred to above are not prepared, in all material respects, in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. 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 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 Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our review of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that we have obtained evidence to provide a basis for our conclusion.

## **Responsibilities of Management and Statutory Auditors and the Board of Corporate Auditors for the Quarterly Consolidated Financial Statements**

Management is responsible for the preparation of the quarterly consolidated financial statements in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. and the 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, and for design and operation of internal control that management determines is necessary to enable the preparation of quarterly consolidated financial statements that are free from material misstatements, 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 and disclosing, as applicable, matters related to going concern in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. and the 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.

Statutory Auditors and the Board of Corporate Auditors are responsible for overseeing directors' execution of duties relating to the design and operation of the Company's financial reporting process.

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

Our objective is to express a conclusion on the quarterly consolidated financial statements from an independent standpoint in the interim review report 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 interim 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.
- If we determine that a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern, then we conclude, based on the evidence obtained, on 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 for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. 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. 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 express a qualified or adverse 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 Company 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 disclosures of the quarterly consolidated financial statements are not prepared in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. and the 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 evidence regarding the financial information of the Company and its consolidated subsidiaries as a basis for expressing a conclusion on the quarterly consolidated financial statements. We are responsible for the direction, supervision and review of the quarterly consolidated financial statements. We remain solely responsible for our conclusion.

We communicate with Statutory Auditors and the Board of Corporate Auditors regarding, among other matters, the planned scope and timing of the interim review and significant review findings.

We also provide Statutory Auditors and the Board of Corporate Auditors with a statement that we have complied with relevant ethical requirements regarding independence that are relevant to our review of the quarterly consolidated financial statements in Japan, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures taken to eliminate threats or any 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 Company and its consolidated subsidiaries which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

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- (Notes) 1. The original copy of the interim review report above is kept separately by the Company (the company disclosing the quarterly financial results).
2. XBRL data and HTML data are not subject to the interim review.