

*Note: This document is a translation of the original Japanese version and provided for reference purposes only.
In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.*

[Cover]

[Submitted Documents]	Quarterly Report
[Grounds]	Article 24-4-7, Paragraph 1 of the Financial Instruments and Exchange Act
[Submitted to]	Director General, Fukuoka Regional Finance Bureau
[Date of submission]	February 14, 2023
[Quarterly accounting period]	The third quarter of the 23rd period (from October 1, 2022, to December 31, 2022)
[Company name]	OPTiM CORPORATION
[English company name]	OPTiM CORPORATION
[Name and title of representative]	President, Shunji Sugaya
[Location of the head office]	1 Honjo-machi, Saga City, Saga Prefecture (The above is the location of the head office for registration purposes, and the actual business is conducted at the nearest contact point.)
[Phone number]	0952-41-4277
[The name of the administrative contact person]	We do not have an administrative contact as we have no administrative department.
[The nearest contact point]	1-2-20 Kaigan, Minato-ku, Tokyo
[Phone number]	03-6435-8570
[The name of the administrative contact person]	Board Director of Administration, Akihiro Hayashi
[Place for public inspection]	Tokyo Stock Exchange, Inc. (2-1, Nihonbashi Kabuto-cho, Chuo-ku, Tokyo)

Section I. Corporate Information

1. Outline of the Company

1. Changes in Major Management Indicators, etc.

Term		For the first nine months of the 22nd period	For the first nine months of the 23rd period	For the 22nd period
Accounting period		From April 1, 2021 to December 31, 2021	From April 1, 2022 to December 31, 2022	From April 1, 2021 to March 31, 2022
Net sales	(1,000 yen)	5,388,904	6,324,710	8,310,717
Ordinary profit	(1,000 yen)	734,885	703,052	1,485,545
Profit attributable to owners of parent	(1,000 yen)	436,497	399,513	943,561
Comprehensive income	(1,000 yen)	435,859	399,386	896,574
Net assets	(1,000 yen)	4,788,027	5,648,260	5,248,802
Total assets	(1,000 yen)	5,863,124	7,443,202	7,387,477
Basic earnings per share	(Yen)	7.93	7.26	17.14
Diluted earnings per share	(Yen)	7.87	7.21	17.02
Capital adequacy ratio	(%)	80.1	74.7	69.8

Term		For the first nine months of the 22nd period	For the first nine months of the 23rd period
Accounting period		From October 1, 2021 to December 31, 2021	From October 1, 2022 to December 31, 2022
Basic earnings per share	(Yen)	2.12	1.83

(Note) Since the Company prepares quarterly consolidated financial statements, trends in the major management indicators, etc., of the submitting company are not stated.

2. Details of Business

During the first nine months of the current fiscal year, there were no significant changes in the details of the businesses operated by the Group (the Company and its affiliated companies).

There were no changes in major subsidiaries and affiliates.

2. Status of Business

1. Business and Other Risks

During the first nine months of the current fiscal year, there were no new risks associated with the business, etc., or significant changes in the risks associated with the business, etc., described in the Annual Securities Report for the previous fiscal year.

2. Management's Analysis of Financial Position, Operating Results and Status of Cash Flows

The forward-looking statements in this document are based on judgments made as of the end of the third quarter of the current fiscal year.

(1) Status of financial condition and results of operations

(i) Results of operations

During the first nine months of the consolidated fiscal year, the Japanese economy recovered gradually, partly due to the effects of various policies, as the measures to combat the spread of the novel coronavirus infection (hereinafter referred to as COVID-19) progressed and society strived to live with COVID-19.

In this market environment, the Group is performing well as initially planned, mainly through license income of Optimal Biz and other products. In addition, the Group is focusing on the expansion of its existing businesses, launches of new services, improving its sales structure and license customization (*1) in order to increase license income in the next fiscal year and beyond.

Below is a specific explanation of the progress made by the Group during the first nine months of the consolidated fiscal year.

The Group has been conducting businesses by promoting two types of DX (*2), classified as Corporate DX for digitalization to improve and streamline internal operations and Industrial DX for digitalization to create businesses using digital technology, and by continuing to make aggressive investments for growth to develop new markets.

First, we would like to report on the status of Corporate DX during the first nine months of the consolidated fiscal year.

The number of licenses for Optimal Biz, which has maintained the top market share (*3) for 12 consecutive years, has been steadily increasing as a result of the continued growth of the needs for the service as customers need to manage PCs and smartphones used for teleworking and take security measures for them.

The number of licenses for our AI-based contract management service OPTiM Contract has been steadily growing, supported by our acquisition of JIIMA Certification, collaborations with various electronic contract services and an increase in the number of our sales partners. In addition, as a related service, we started providing OPTiM denshichobohozon, our new service that utilizes AI to manage bills and other documents. The collaboration of these two services enables users to manage their contracts, related bills and other national tax-related documents in accordance with the Electronic Bookkeeping Act. We have been striving to increase the number of licenses not only by enhancing the functions of OPTiM Contract, but also by enriching related services.

Next, we would like to report on the status of Industrial DX during the first nine months of the consolidated fiscal year.

Firstly, in the construction field, the number of licenses for OPTiM Geo Scan, a smartphone 3D surveying application that enables anyone to perform accurate 3D surveying easily and quickly, is steadily increasing. It has been highly evaluated by customers because it complies with the finished shape management guidelines established by the Ministry of Land, Infrastructure, Transport and Tourism and can be used throughout the overall construction process. In addition, upgraded OPTiM Geo Design, a free option for OPTiM Geo Scan, now enables its users to easily create graphic data of 2D drawings from 3D point cloud data. We are aiming to further increase the number of licenses of OPTiM Geo Scan by meeting the demands of users working on site.

In the field of agriculture, we provide the Pinpoint Time Spraying service, which enables pest control at the right time by digitally analyzing each field, in a number of areas throughout Japan, and it has received favorable comments from producers and members of agricultural groups for its contribution to significantly reducing the workload faced by agricultural workers and to improving the quality of crops. Moreover, we expect the service to continue to grow steadily in the next fiscal year as we have already received inquiries from customers who use the Pinpoint Time Spraying service about applying for the continued

use of the service for the next year and expanding the areas covered by the contract. This year again, we started selling to general consumers and wholesalers Smart Rice 2023, our new rice products produced in FY2022 in the Smart Rice series, which are safe and secure rice products grown using AI and drones with the reduced use of pesticides.

In the healthcare field, developments of large projects for which orders have been received are continuing, and sales of license customization are steadily increasing.

Furthermore, we have formed a capital and business alliance with Gurunavi, Inc., aiming at the realization of DX in the food service industry. We will develop services for the DX of restaurants and improve the Gurunavi PRO platform, a platform connecting Gurunavi, Inc. and restaurants, by taking full advantage of the synergies between us.

As a result, the consolidated operating results for the first nine months of the current fiscal year were as follows: net sales of 6,324,710,000 yen (up 17.4% year-on-year), operating profit of 797,468,000 yen (down 3.3% year-on-year), ordinary profit of 703,052,000 yen (down 4.3% year-on-year), and profit attributable to owners of parent of 399,513,000 yen (down 8.5% year-on-year).

The cost ratio increased due to a year-on-year increase in the ratio of flow-type income centered on license customization and in software amortization expenses. As a result, each of operating profit, ordinary profit and profit attributable to owners of parent decreased year on year, but we believe that this will have no impact on our full-year financial results.

On the other hand, if there is another spread of COVID-19, it is currently unclear how much of an impact this would have on the Group. In the unlikely event that COVID-19 continues to spread further, the impact this would have on the economy is unknown and may affect the Group.

In terms of the Group's sales structure, sales are heavily weighted toward the second half of the fiscal year primarily due to the fact that stock-type license income is mainly generated through sales on a monthly billing basis and that the acceptance period for flow-type customized sales tends to be concentrated in the second half of the fiscal year.

*1 License customization: Customized development based on a license of the part of the services that we have researched and developed. Development leading to the issuance of licenses in the future.

*2 DX: Digital transformation. The concept is that the penetration of IT will change people's lives for the better in all aspects, meaning that companies will use technology to fundamentally change the performance and scope of their business.

*3 Source: The following survey reports published by Deloitte Tohmatsu MIC Research Institute Co., Ltd.:

- Cloud Services Market Status and Outlook FY2013 Edition, IT Asset Management (including MDM) Market Total Sales, FY2011 to FY2012 Results (Published in 2013);
- Collaboration/Contents and Mobile Management Package Software Market Outlook FY2014 Edition, MDM Market Trends, Number of IDs of MDM Shipments (Including SaaS and ASP), FY2013 Results (Published in 2014);
- Collaboration/Contents and Mobile Management Package Software Market Outlook, MDM Market Trends, Number of IDs of MDM Shipments (Including SaaS and ASP), FY2014 to FY2017 Results (Published in 2015 to 2018); and
- Collaboration and Mobile Management Software Market Outlook, MDM Market Trends, Number of IDs of MDM Shipments (Including SaaS and ASP), FY2018 to FY2021 Results and FY2022 Forecast (Published in 2019 to 2022).

(ii) Analysis of financial position

(Assets)

The balance of assets at the end of the third quarter of the current consolidated fiscal year was 7,443,202,000 yen, an increase of 55,725,000 yen from the end of the previous consolidated fiscal year. This was mainly due to increases of 370,017,000 yen in software and 390,480,000 yen in cash and deposits, whereas there was a decrease of 656,218,000 yen in notes and accounts receivable - trade, and contract assets.

(Liabilities)

The balance of total liabilities at the end of the third quarter of the current consolidated fiscal year was 1,794,942,000 yen, a decrease of 343,732,000 yen from the end of the previous consolidated fiscal year. This was mainly due to decreases of 204,006,000 yen in notes and accounts payable-trade and 60,059,000 yen in income taxes payable.

(Net assets)

The balance of net assets at the end of the third quarter of the current consolidated fiscal year was 5,648,260,000 yen, an

increase of 399,457,000 yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 399,513,000 yen in retained earnings resulting from profit attributable to owners of parent.

(2) Management policy and strategy, etc.

During the first nine months of the current fiscal year, there were no significant changes to the management policies and strategies, etc., determined by the Group.

(3) Business and financial issues to be addressed

During the first nine months of the current fiscal year, there were no significant changes to the issues that the Group must address.

(4) Research and development activities

The total amount of our Group's research and development expenses for the first nine months of the current fiscal year was 750,613,000 yen. Note that research and development expenses under selling, general and administrative expenses totaled 683,220,000 yen. This was due to the fact that contract income related to research and development was treated as a deduction from selling, general and administrative expenses.

There were no significant changes in the status of the Group's research and development activities during the first nine months of the current fiscal year.

(5) Factors that may have a significant impact on operating results

There were no significant changes in the major factors affecting the Group's operating results during the first nine months of the current fiscal year.

(6) Analysis of sources of capital and liquidity of funds

(i) Demand for funds

The main demand for working capital in the Group's business activities is for labor and subcontracting costs for research and development investments.

(ii) Financial policy

Cash and cash equivalents at the end of the third quarter of the current fiscal year totaled 1,369,879,000 yen, or 18.4% of total assets.

The Group conducts research and development activities and capital investment mainly with funds generated from operating activities.

3. Important Contracts, etc., for Management Purposes

Significant new contracts entered into during the third quarter of the current fiscal year are as follows.

Service category	Name of the other party	Name of the contract	Contents of contract	Contract period
IoT Platform Services	Saga City	Services to Construct the Saga City Super App	Development of the Saga City Super App	From November 2022 to March 2023

3. Status of the Submitting Company

1. Status of Shares, etc.

(1) Total number of shares, etc.

(i) Total number of shares

Type	Total number of shares authorized (shares)
Common stock	195,712,000
Total	195,712,000

(ii) Number of issued shares

Type	Number of issued shares as of the end of the third quarter (shares) (As of December 31, 2022)	Number of issued shares as of the date of submission (shares) (As of February 14, 2023)	Name of listed financial instruments exchange or registered and licensed financial instruments business association	Details
Common stock	55,143,680	55,143,968	Tokyo Stock Exchange Prime Market	The number of shares per unit is 100 shares. This is the standard stock of the Company with full voting rights and no restrictions on the content of rights.
Total	55,143,680	55,143,968	—	—

(Note) The number of issued shares as of the date of submission does not include the number of shares issued upon exercise of stock acquisition rights from February 1, 2023, to the date of submission of this quarterly report.

(2) Status of stock acquisition rights, etc.

(i) Details of the stock option plan

Not applicable.

(ii) Status of other stock acquisition rights, etc.

Not applicable.

(3) Status of exercise of bonds with stock acquisition rights subject to exercise price revision, etc.

Not applicable.

(4) Changes in total number of issued shares, share capital, etc.

Period	Increase or decrease in the number of issued shares (shares)	Balance of total number of issued shares (shares)	Increase or decrease in share capital (1,000 yen)	Balance of share capital (1,000 yen)	Increase or decrease in legal capital surplus (1,000 yen)	Balance of legal capital surplus (1,000 yen)
From October 1, 2022 to December 31, 2022 (Note) 1	2,656	55,143,680	63	444,118	63	408,618

(Note) 1. The increase is due to the exercise of stock acquisition rights.

2. During the period from January 1, 2023, to January 31, 2023, the total number of issued shares increased by 288 shares, and share capital and legal capital surplus both increased by 6,000 yen respectively due to the exercise of stock acquisition rights.

(5) Status of major shareholders

As the quarterly accounting period under review is the third quarter, there is nothing to report.

(6) Status of voting rights

The status of voting rights as of the end of the third quarter of the current fiscal year is based on the shareholders' register as of the most recent record date (September 30, 2022), as the Company is unable to confirm the details of the shareholders' register and so is unable to provide the information.

(i) Number of issued shares

As of December 31, 2022

Classification	Number of shares (shares)	Number of voting rights	Details
Shares without voting rights	—	—	—
Shares with restricted voting rights (Treasury stock, etc.)	—	—	—
Shares with restricted voting rights (Other)	—	—	—
Shares with full voting rights (Treasury stock, etc.)	(Shares owned by the Company) Common stock 91,900	—	—
Shares with full voting rights (Other)	Common stock 55,017,200	550,172	—
Shares less than a basic unit	Common stock 31,924	—	Shares less than one unit (100 shares)
Total number of issued shares	55,141,024	—	—
Total number of voting rights of shareholders	—	550,172	—

(ii) Treasury stock, etc.

As of December 31, 2022

Owner's name	Owner's address	The number of shares owned under the name of the Company (shares)	The number of shares owned under the name of other companies (shares)	Total number of shares owned (shares)	Ratio of the number of shares owned to the total number of issued shares (%)
(Shares owned by the Company) OPTiM CORPORATION	1 Honjo-machi, Saga City, Saga Prefecture	91,900	—	91,900	0.17
Total	—	91,900	—	91,900	0.17

2. Status of Officers

Not applicable.

4. Status of Accounting

1. Method of preparation of quarterly consolidated financial statements

The Company's quarterly consolidated financial statements are prepared in accordance with the Regulation on the Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements (Cabinet Office Ordinance No. 64, 2007).

2. Audit certification

The Company received a quarterly review of its quarterly consolidated financial statements for the third quarter (October 1, 2022, to December 31, 2022) and the first nine months of the current fiscal year (April 1, 2022, to December 31, 2022) by Grant Thornton Taiyo LLC under the provisions of Article 193-2, paragraph 1 of the Financial Instruments and Exchange Act.

1 Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(1,000 yen)

	Fiscal year ended March 31, 2022 (As of March 31, 2022)	Third quarter of the current consolidated accounting period (As of December 31, 2022)
Assets		
Current assets		
Cash and deposits	979,399	1,369,879
Notes and accounts receivable - trade, and contract assets	2,277,485	1,621,267
Inventories	94,002	192,970
Other	181,199	205,187
Total current assets	3,532,087	3,389,305
Non-current assets		
Property, plant and equipment	404,754	458,751
Intangible assets		
Software	1,537,909	1,907,926
Software in progress	112,437	279,978
Other	10,578	5,644
Total intangible assets	1,660,924	2,193,549
Investments and other assets		
Leasehold and guarantee deposits	560,888	346,207
Deferred tax assets	512,688	454,728
Other	716,133	600,660
Total investments and other assets	1,789,710	1,401,597
Total non-current assets	3,855,390	4,053,897
Total assets	7,387,477	7,443,202
Liabilities		
Current liabilities		
Notes and accounts payable - trade	599,575	395,568
Short-term borrowings	514,550	514,550
Income taxes payable	88,783	28,724
Provision for bonuses	140,957	169,742
Other provisions	23,552	37,977
Other	632,773	509,495
Total current liabilities	2,000,191	1,656,057
Non-current liabilities		
Asset retirement obligations	138,482	138,884
Total non-current liabilities	138,482	138,884
Total liabilities	2,138,674	1,794,942
Net assets		
Shareholders' equity		
Share capital	444,018	444,118
Capital surplus	728,150	728,249
Retained earnings	4,054,056	4,453,569
Treasury shares	(75,272)	(75,401)
Total shareholders' equity	5,150,952	5,550,536
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,184	6,184
Total accumulated other comprehensive income	6,184	6,184
Non-controlling interests	91,665	91,538
Total net assets	5,248,802	5,648,260
Total liabilities and net assets	7,387,477	7,443,202

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

For the nine months

(1,000 yen)

	For the nine months ended December 31, 2021 (From April 1, 2021 to December 31, 2021)	For the nine months ended December 31, 2022 (From April 1, 2022 to December 31, 2022)
Net sales	5,388,904	6,324,710
Cost of sales	2,349,013	3,334,048
Gross profit	3,039,890	2,990,661
Selling, general and administrative expenses	2,215,498	2,193,192
Operating profit	824,392	797,468
Non-operating income		
Interest income	3	3
Insurance claim income	6,913	402
Subsidy income	269	3,296
Consumption tax gain	14,410	273
Miscellaneous income	4,058	9,204
Total non-operating income	25,656	13,180
Non-operating expenses		
Interest expenses	141	670
Foreign exchange losses	45	82
Share of loss of entities accounted for using equity method	112,008	101,465
Loss on investments in investment partnerships	164	4,105
Loss on retirement of non-current assets	2,802	900
Miscellaneous losses	-	372
Total non-operating expenses	115,162	107,597
Ordinary profit	734,885	703,052
Extraordinary losses		
Loss on valuation of investment securities	-	11,303
Total extraordinary losses	-	11,303
Profit before income taxes	734,885	691,749
Income taxes - current	264,852	220,011
Income taxes - deferred	34,173	57,959
Income taxes for prior periods	-	14,390
Total income taxes	299,025	292,362
Profit	435,859	399,386
Loss attributable to non-controlling interests	(637)	(126)
Profit attributable to owners of parent	436,497	399,513

Quarterly Consolidated Statements of Comprehensive Income

For the nine months

(1,000 yen)

	For the nine months ended December 31, 2021 (From April 1, 2021 to December 31, 2021)	For the nine months ended December 31, 2022 (From April 1, 2022 to December 31, 2022)
Profit	435,859	399,386
Comprehensive income	435,859	399,386
(Breakdown)		
Comprehensive income attributable to owners of parent	436,497	399,513
Comprehensive income attributable to non-controlling interests	(637)	(126)

[Notes]

(Additional information)

(Accounting estimate for the impact of the spread of COVID-19)

During the first nine months of the current fiscal year, there were no significant changes from the Additional Information described in the Annual Securities Report for the previous fiscal year.

(Matters related to quarterly consolidated statements of cash flows)

Consolidated statements of cash flows for the first nine months of the current fiscal year have not been prepared. Depreciation and amortization (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the first nine months of the current fiscal year are as follows.

	For the nine months ended December 31, 2021 (From April 1, 2021 to December 31, 2021)	For the nine months ended December 31, 2022 (From April 1, 2022 to December 31, 2022)
Depreciation and amortization expenses	297,119,000 yen	455,330,000 yen
Amortization of goodwill	4,934,000 yen	4,934,000 yen

(Segment information, etc.)

[Segment information]

I For the nine months ended December 31, 2021 (From April 1, 2021 to December 31, 2021)

Since the Group's only business is the license sales and maintenance support service (Optimal) business, this information is omitted.

II For the nine months ended December 31, 2022 (From April 1, 2022 to December 31, 2022)

Since the Group's only business is the license sales and maintenance support service (Optimal) business, this information is omitted.

(Matters related to revenue recognition)

Disaggregated information on revenue from contracts with major customers is as follows.

For the nine months ended December 31, 2021 (From April 1, 2021 to December 31, 2021)

(1,000 yen)

	Amount
Stock-type income	4,373,109
Flow-type income	1,015,794
Revenue from contracts with customers	5,388,904
Other revenue	—
Sales from external customers	5,388,904

For the nine months ended December 31, 2022 (From April 1, 2022 to December 31, 2022)

(1,000 yen)

	Amount
Stock-type income	4,769,251
Flow-type income	1,555,458
Revenue from contracts with customers	6,324,710
Other revenue	—
Sales from external customers	6,324,710

(Per share information)

Basic earnings per share and the basis for its calculation, as well as diluted earnings per share and the basis for its calculation, are as follows.

Item	For the nine months ended December 31, 2021 (From April 1, 2021 to December 31, 2021)	For the nine months ended December 31, 2022 (From April 1, 2022 to December 31, 2022)
(1) Basic earnings per share	7.93 yen	7.26 yen
(Basis for calculation)		
Profit attributable to owners of parent (1,000 yen)	436,497	399,513
Amount not attributable to common shareholders (1,000 yen)	–	–
Net income attributable to owners of the parent related to common stock (1,000 yen)	436,497	399,513
Average number of shares of common stock during the period (shares)	55,042,989	55,050,565
(2) Diluted earnings per share	7.87 yen	7.21 yen
(Basis for calculation)		
Adjustment to profit attributable to owners of parent (1,000 yen)	–	–
Increase in the number of common stocks (shares)	398,994	377,743
Summary of dilutive shares not included in the calculation of diluted earnings per share due to the absence of dilutive effects, but with significant changes on the end of the previous fiscal year	–	–

(Significant subsequent events)

Not applicable.

2. Other

Not applicable.

Section II. Information on the Guarantee Company, etc., of the Submitting Company

Not applicable.

Independent Auditor's Quarterly Review Report

February 14, 2023

To the Board of Directors of OPTiM CORPORATION

Grant Thornton Taiyo LLC

Tokyo Office

Designated Limited Liability Partner Certified Public Accountant Youichi Honma Seal
Corporate Executive Partner

Designated Limited Liability Partner Certified Public Accountant Motoki Ishikawa Seal
Corporate Executive Partner

Auditor's conclusion

We have conducted a quarterly review of the quarterly consolidated financial statements; namely, the quarterly consolidated balance sheet, quarterly consolidated statement of income, quarterly consolidated statement of comprehensive income and notes for the third quarter (from October 1, 2022, to December 31, 2022) and the first nine months (from April 1, 2022, to December 31, 2022) of the consolidated fiscal year from April 1, 2022, to March 31, 2023 of OPTiM CORPORATION, which are included in the section of Status of Accounting in accordance with the provisions of Article 193-2, paragraph 1 of the Financial Instruments and Exchange Act.

In the quarterly review conducted by our firm, we did not find anything in all material respects to cause us to believe that the above quarterly consolidated financial statements do not present fairly and in conformity with accounting principles for quarterly consolidated financial statements generally accepted in Japan, the financial position of OPTiM CORPORATION and its consolidated subsidiaries as of December 31, 2022, and the results of their operations for the first nine months ended December 31, 2022.

Basis for the auditor's conclusion

We have conducted our quarterly review in accordance with the quarterly review standards generally accepted in Japan. In the quarterly review standards, our responsibility is stated in the section of Responsibility of the Auditor in Quarterly Review of Quarterly Consolidated Financial Statement. We are independent of the Company and its consolidated subsidiaries in accordance with the rules of professional ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that we have obtained the evidence that forms the basis for our conclusions.

Responsibility of management, Corporate Auditors, and Board of Corporate Auditors for quarterly consolidated financial statements

The Company's management is responsible for the preparation and fair presentation of the quarterly consolidated financial statements in accordance with the standards for the preparation of quarterly consolidated financial statements generally accepted in Japan. This includes the establishment and operation of the internal control deemed necessary by management to prepare and properly present quarterly consolidated financial statements that are free from material misstatement, either due to fraud or error.

In preparing the quarterly consolidated financial statements, management evaluates whether it is appropriate to prepare quarterly consolidated financial statements based on the premise of being a going concern, and if it is necessary to disclose matters concerning being a going concern in accordance with the standards for preparing quarterly consolidated financial statements generally accepted in Japan, management is responsible for disclosing such matters.

The responsibility of the Corporate Auditors and the Board of Corporate Auditors is to monitor the execution of duties by the Directors in the preparation and operation of the financial reporting process.

Auditor's responsibility for the quarterly review of the quarterly consolidated financial statements

The auditor's responsibility is to express a conclusion on the quarterly consolidated financial statements based on the quarterly review conducted by the auditor from an independent position in the quarterly review report.

Throughout the course of the quarterly review, the auditor will exercise professional judgment in accordance with quarterly review standards generally accepted in Japan and will conduct the following with professional skepticism.

- Conduct quarterly review procedures, including questioning, analytical procedures, and other procedures primarily with respect to management and persons responsible for financial and accounting matters. Quarterly review procedures are limited procedures compared to an audit of annual financial statements performed in accordance with auditing standards generally accepted in Japan.
- In the event that the auditor determines that there is a material uncertainty regarding events or circumstances that may cast significant doubt on the Company's ability to continue as a going concern, the auditor concludes, based on the evidence available, that there is no matter that causes the auditor to believe that the quarterly consolidated financial statements are not presented fairly in conformity with the preparation standards for quarterly consolidated financial statements generally accepted in Japan. In addition, if a material uncertainty regarding the premise of being a going concern is recognized, the quarterly review report should draw readers' attention to the notes to the quarterly consolidated financial statements, or if the notes to the quarterly consolidated financial statements regarding the material uncertainty are not appropriate, a limited conclusion or a negative conclusion on the quarterly consolidated financial statements should be expressed. Although the auditor's conclusions are based on evidence obtained up to the date of the quarterly review report, it is possible that future events or circumstances may make it impossible for the entity to continue to be a going concern.
- Evaluate whether there is anything that causes us to believe that the presentation of the quarterly consolidated financial statements and the notes thereto do not conform to the standards for the preparation of quarterly consolidated financial statements generally accepted in Japan, and whether there is anything that causes us to believe that the quarterly consolidated financial statements, their presentation, their composition, and their contents, including the related notes thereto, do not present fairly the underlying transactions and accounting events.
- Obtain evidence concerning the financial information of the Company and its consolidated subsidiaries in order to express a conclusion on the quarterly consolidated financial statements. The auditor is responsible for directing, supervising and performing the quarterly review of the quarterly consolidated financial statements. The auditor shall be solely responsible for the auditor's conclusions.

The auditor shall report to the Corporate Auditors and the Board of Corporate Auditors on the scope of the planned quarterly review, the timing of the review, and any significant findings of the quarterly review.

The auditor shall report to the Corporate Auditors and the Board of Corporate Auditors on the auditor's compliance with the provisions of professional ethics in Japan regarding independence, on matters that may reasonably be considered to affect the auditor's independence, and on safeguards, if any, taken to remove or reduce disincentives.

Conflicts of interest

There are no interests between the Company or its consolidated subsidiaries and our audit firm or its executive partners that should be disclosed pursuant to the provisions of the Certified Public Accountants Law.

End

-
- (Note) 1. The above is an electronic version of the matters stated in the original quarterly review report, the original of which is kept separately by the Company (the company submitting the quarterly report).
2. XBRL data is not included in the scope of this quarterly review.

