

Disclaimer:

This financial report is solely a translation of the "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.

January 25, 2023

SB Technology Corp.
Consolidated Financial Report for the Third Quarter of Fiscal Year Ending March 31, 2023
(Nine Months Ended December 31, 2022)

[Japanese GAAP]

Company name: SB Technology Corp. (Tokyo Stock Exchange/Code No. 4726)

(URL <https://www.softbanktech.co.jp/en/>)

Representative: Shinichi Ata, President & CEO

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Scheduled date of filing of Quarterly Report: February 13, 2023

Scheduled date of payment of dividend: —

Preparation of supplementary materials for quarterly financial results: Yes

Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Nine months Ended December 31, 2022 (April 1, 2022 – December 31, 2022)

(1) Consolidated Results of Operations (Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended Dec. 31, 2022	48,231	1.3	3,541	△3.2	3,489	△3.7	2,108	△3.6
Nine months ended Dec. 31, 2021	47,626	—	3,660	—	3,622	—	2,187	—

Note: Comprehensive income (million yen)
 Nine months ended Dec. 31, 2022: 2,301 (down 33.0%)
 Nine months ended Dec. 31, 2021: 3,435 (—%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2022	105.32	104.36
Nine months ended Dec. 31, 2021	108.10	106.75

Note: Effective from the beginning of the fiscal year ended March 2022, the Company has adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29), etc., and accordingly, the consolidated results above for the fiscal year ended March 2022 is the amount after the adoption of the said accounting standard, etc.

2. Dividends

	Dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
Fiscal year ended Mar. 31, 2022	Yen —	Yen 20.00	Yen —	Yen 30.00	Yen 50.00
Fiscal year ending Mar.31, 2023	—	25.00	—		
Fiscal year ending Mar. 31, 2023 (forecast)				25.00	50.00

Note: Revisions to the most recently announced dividend forecast: None

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2023 (April 1, 2022 – March 31, 2023)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	67,000	1.2	5,400	4.8	5,380	4.8	3,400	△6.4	169.84

Note: Revisions to the most recently announced consolidated forecast: Yes

For details regarding revisions to the consolidated financial results forecasts, please refer to the press release titled “Notice on the Revision of Consolidated Financial Results Forecasts for the Fiscal Year Ending March 31, 2023” that was announced today (January 25, 2023).

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

(2) Application of special accounting for presenting quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting estimates, and restatements

- i. Changes in accounting policies due to revisions in accounting standards, others: Yes
- ii. Changes in accounting policies other than i. above: None
- iii. Changes in accounting estimates: None
- iv. Restatements: None

(4) Number of outstanding shares (common stock)

- i. Number of shares outstanding at the end of the period (including treasury shares)

As of Dec.31, 2022:	22,757,800shares	As of Mar. 31, 2022:	22,742,800shares
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- ii. Number of treasury shares at the end of the period

As of Dec.31, 2022:	2,891,430shares	As of Mar. 31, 2022:	2,484,351shares
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- iii. Average number of shares outstanding during the period

Nine months ended Dec.31, 2022:	20,019,152shares	Nine months ended Dec. 31, 2021:	20,235,495shares
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* This consolidated financial report is not subject to quarterly review procedures by a certified public accountant or audit company.

* Explanation for appropriate use of operating forecasts, and other special items

Cautionary statement with respect to forward-looking statements

Forecasts regarding future performance in this report are based on assumptions based upon valid and other reasonable information available to the Company at the time this report was created. This report is not promised by the Company regarding future performance. The actual performance may differ significantly from these forecasts for a variety of reasons.

How to view supplementary information at the financial results meeting

The Company plans to hold the financial results meeting (online) for institutional investors and analysts on Wednesday, January 25, 2023. Supplementary materials for financial results will be disclosed, using the Timely Disclosure network (TDnet), and will be available on the Company’s website (<https://www.softbanktech.co.jp/corp/ir/>).

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1 . Qualitative Information on Financial Results of the Period Under Review

(1) Explanation of Business Results

Despite the COVID-19 pandemic's lingering impact, the recovery in economic activity has gradually gathered momentum, with measures to control infections being kept in place. However, the social and economic outlook remains uncertain amid rising energy prices and inflation fueled by concerns about the world situation.

In this operating environment, companies are still under pressure to implement initiatives such as advancing digital transformation (DX), reinforcing operations using digital technologies, creating secure work-from-home environments and promoting the use of cloud computing services to address workstyle changes. As a result, Japanese corporate demand for investment in digital transformation (DX) has remained steady. Additionally, cybercrimes targeting weaknesses in security measures are on the increase. Cyber-attacks on suppliers are growing in particular as corporate supply chains continue to grow more and more complex. Under these conditions, it has become apparent that both individual companies and entire supply chains need to take cyber security measures. More companies are disclosing cyber security risks and countermeasures and are adopting cyber security measures as a key element of business continuity.

Meanwhile, in the government sector, a year has passed since the establishment of the Digital Agency and steady progress is being made on the digital transformation of government, including scrapping health insurance certificates and integrating them into My Number Cards. Progress has also been made on the development of the Government Cloud, with Microsoft Azure, which is one of the Company's areas of expertise, selected as one of the cloud services. Through such initiatives, demand for the digitalization of government has also remained robust.

The Company and other ICT-related companies are expected to respond to rapid social changes through the promotion of DX accompanied with support for security measures.

Amid this business environment, the ICT services business remained firm, and performance by solution was as follows compared to the same period in the previous fiscal year.

- Telecommunication

Sales in the Telecommunication segment fell year on year, with the shift of vendor management projects for SoftBank Corp. towards the high value added domain. However, profits for the segment rose year on year, reflecting increased efficiency and improved profit margins.

- Enterprise

Both sales and profits increased, and profit margins improved in the Enterprise segment. Contributing factors included an increase in the number of projects to build cloud systems for manufacturers and steady progress in the Company's own Managed Security Services (MSS).

- Public Sector

Sales in the Public Sector segment grew year on year, supported by projects for the additional development and application of an electronic application platform and projects preparing digital maps for the Ministry of Agriculture, Forestry and Fisheries as well as the operational launch of next-generation Local Government Information Security Cloud. However, growth in gross profit was modest due to increases in costs for dealing with faults related to next-generation Local Government Information Security Cloud and costs for activities to roll out across national government ministries.

- Consumer

Both sales and profits decreased in the Consumer segment, reflecting the impact from changes in the contract with NortonLifeLock Co., Ltd. in the business of operating e-commerce sites as an agent.

As a result, the Group's financial results for the first nine-months of the fiscal year under review were as follows.

(Millions of yen)

	Nine-month ended December 31, 2021	Nine-month ended December 31, 2022	Change (Amount)	Change (Ratio)
Net sales	47,626	48,231	605	1.3%
Gross profit	9,943	10,569	626	6.3%
Total selling, general and administrative expenses	6,282	7,028	745	11.9%
Operating income	3,660	3,541	(118)	(3.2)%
Ordinary income	3,622	3,489	(133)	(3.7)%
Profit attributable to owners of parent	2,187	2,108	(79)	(3.6)%
EBITDA(*)	4,813	4,778	(34)	(0.7)%
Net income per share	JPY108.10	JPY 105.32	JPY (2.78)	(2.6)%

*Note: EBITDA=Operating income + Amortization of goodwill + Depreciation

The Group operates in a single reportable segment of the ICT Services segment. Refer to "Segment Explanation" on page 5 for details on the content and performance of the solutions that comprise the ICT Services segment.

< Progress in the Fourth Medium-Term Management Plan >

The Company and its consolidated subsidiaries (the "Group") established the Fourth Medium-Term Management Plan covering three years from the fiscal year ending March 31, 2023 to the fiscal year ending March 31, 2025, and began implementing initiatives based on the Plan.

(i) Basic business policy

The Group's mission reads: "Information Revolution, Happiness for everyone - Technologies Design the Future-" It thus enhances its advanced technologies and creativity in an environment that supports diverse work styles and attempts in an aim to be a company that continues to offer new value to society. In line with this management philosophy, it formulated a long-term vision of becoming a leader of cloud consulting and service company to increase enterprise Japanese company's competitiveness. The Group has a management policy of creating a prosperous information society through the provision of ICT services.

Furthermore, the Group is addressing a range of social issues through its corporate activities for the realization of a sustainable society. The Group identified six material issues (important issues) as themes for advancing activities for the realization of sustainability.

Please see the Company's website for more information about sustainability and the material issues.

<https://www.softbanktech.co.jp/corp/sustainability/>

The Group has a management policy of creating a prosperous information society through the provision of ICT services.

(ii) Priority theme

Progress on the priority themes under the Fourth Medium-Term Management Plan is as follows.

< Three Priority Themes and Initiatives Based on the Themes >

- Providing security and operation services to support customer's DX
- Promote co-creation-type DX utilizing data that realizes customer transformation
- DX Consultation and IT education for the development and creation of DX human resources

Security-related sales for the first nine months of the consolidated fiscal year under review amounted to 7,768 million yen (up 17.6% year on year), due to steady progress in expanding sales of the Company's own Managed Security Services (MSS). The Company renovated its Security Operation Center (SBT-SOC) in July 2022. At SBT-SOC, full-time security analysts monitor customers' security systems and networks around the clock all year round. The Center provides MSS to customers to protect their systems and networks from cyber-attack and unauthorized access. In the latest renovation, the Company established an environment that is easy for security analysts to work in and enhanced the framework for providing security and operation services by roughly doubling the floor space, improving business efficiency and the office environment, bolstering cooperation with the Global Security Operation Center and other activities. Going forward, the Company will strengthen the framework to meet growing demand, aiming to increase the number of security analysts from 80 currently to 150 by FY2024. Furthermore, MSS for CrowdStrike Falcon was launched in December 2022 to cater to customers' security needs. The Company will strive to enhance the security services in order to contribute to customers' business continuity.

The Company has signed a business alliance agreement with Modis Ltd. in the engineer recruitment and human resource development domain. Through this, the Company plans to create a scheme for developing and recruiting the IT engineers and consulting human resources it needs in the cloud and security domains which it is focusing on.

The Company will continue working on the Three Priority Themes aiming to steadily execute the Fourth Medium-Term Management Plan.

(iii) Targeted management indicators

The Company made cloud security services a Group priority business in the Fourth Medium-Term Management Plan covering the period from the fiscal year ending March 31, 2023 to the fiscal year ending March 31, 2025. In the plan, the Company aims to expand this business and increase its value. The management indicator targets for the fiscal year ending March 31, 2025 in the final fiscal year of the Fourth Medium-Term Management Plan adopted by the Company are consolidated operating profit of 8 billion yen, consolidated operating income ratio above 9%, and cloud security service sales above 50 billion yen. The Company will advance initiatives to achieve these targets.

< Sustainability initiatives >

The SoftBank Group seeks to become a group of companies that provides the services and technologies that are most needed by people around the world based on its management policy of Information Revolution — Happiness for everyone. To be this kind of group, the SoftBank Group aims to resolve social issues of all kinds using the digital technologies it increasingly supplies to society. Another goal of the SoftBank Group is the realization of a decarbonized society. Accordingly, the SoftBank Group established the target of achieving carbon neutrality in fiscal 2030. This target means that it will reduce greenhouse gas emissions from all of its business activities to virtually zero by fiscal 2030. The Company also views initiatives regarding social issues as important management challenges that it faces. The Company will advance initiatives toward the goal of achieving carbon neutrality in fiscal 2030.

The Company believes that leveraging its strengths in cloud and security services is essential for its environmental initiatives. Regarding the material issue of contribution to the global environment through cloud services, the Company will work to contribute to the reduction of greenhouse gas emissions by advancing the highly efficient cloud services provided by data centers to reduce the amount of electricity consumed. Concerning the material issues of increasing accessibility and advancing applications for data using advanced technologies, the Company will help reduce greenhouse gas emissions and improve energy efficiency by visualizing environment-related data, such as greenhouse gas emissions and power consumption, through customers' promotion of DX and the high-safety use of data.

With the target of achieving carbon neutrality in fiscal 2030, the Company will work to reduce the Group's total greenhouse gas emissions and contribute to the realization of a decarbonized society. Moreover, the Company will achieve sustainable growth and continuously supply new value to society through efforts to promote sustainability management. In this context, the Company has set 12 key performance indicators (KPIs) to resolve the six Material issues (Materiality).

< Segment Explanation >

The Group operates in a single reportable segment of the ICT Services segment. Details and results of the main category that make up the ICT Services segment are as follows.

The Company has established project teams, provided consulting services, introduced systems and provided IT education services to address issues in markets. In advancing its Fourth Medium-Term Management Plan, the Company renamed its categories as details and core companies based on the market segments to which the customers belong in order to visualize the changes in its business portfolio and facilitate the comparison of its operating results with external conditions.

Amounts for the same period of the previous fiscal year for each segment are calculated in accordance with the current booking method.

Category	Details	Core companies
Telecommunication	<p>[For Telecommunication]</p> <ul style="list-style-type: none"> - Construction, operation and maintenance of on-premises systems (including private cloud) - Cloud consulting/Migration assistance / Construction / Operation - Security monitoring operation service, etc 	<ul style="list-style-type: none"> - SB Technology Corp. - DENEN Co. Ltd.
Enterprise	<p>[For Enterprise]</p> <ul style="list-style-type: none"> - Cloud consulting/Migration assistance / Construction / Operation / IT education service, AI/IoT Solution - Security consulting/Introduction support/Monitoring operation service, - Electronic authentication solution, etc 	<ul style="list-style-type: none"> - SB Technology Corp. - M-SOLUTIONS, Inc. - Kan Corporation - Cybertrust Japan Co., Ltd. - I/O system integration Co., LTD.
Public Sector	<p>[For Public sector]</p> <ul style="list-style-type: none"> - Cloud migration assistance/Construction/Operation/IT education service, AI/IoT Solution - Security consulting/Introduction support/Monitoring operation service, etc 	<ul style="list-style-type: none"> - SB Technology Corp. - ASORA Tech Corp. - REDEN Corp.
Consumer	<ul style="list-style-type: none"> - EC site operation Substitute such as Norton Store, - EC sales of font licenses, etc 	<ul style="list-style-type: none"> - SB Technology Corp. - Fontworks Inc.

(Millions of yen)

		Nine-month period ended December 31, 2021	Nine-month period ended December 31, 2022	Change (Amount)	Change (Ratio)
Telecommunication	Net Sales	16,839	14,512	(2,327)	(13.8)%
	Gross profit	2,311	2,409	98	4.2%
	Profit margins	13.7%	16.6%	2.9 pt.	—
Enterprise	Net Sales	21,047	22,055	1,008	4.8%
	Gross profit	5,100	5,623	523	10.3%
	Profit margins	24.2%	25.5%	1.3 pt.	—
Public Sector	Net Sales	6,678	8,745	2,066	30.9%
	Gross profit	624	728	104	16.7%
	Income margins	9.4%	8.3%	(1.1) pt.	—
Consumer	Net Sales	3,059	2,917	(142)	(4.7) %
	Gross profit	1,906	1,806	(99)	(5.2) %
	Income margins	62.3%	61.9%	(0.4) pt.	—
Total	Net Sales	47,626	48,231	605	1.3%
	Gross profit	9,943	10,569	626	6.3%
	Income margins	20.9%	21.9%	1.0 pt.	—

(2) Explanation of Financial Position

Assets, Liabilities and Net assets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022	Change
Total assets	44,365	41,116	(3,248)
Net assets	23,379	23,647	267
Shareholder's equity ratio	47.5%	51.3%	3.8 pt.

(Assets)

Total assets decreased 3,248 million yen from the end of the previous fiscal year, to 41,116 million yen at the end of the nine-month period under review.

Current assets decreased 2,702 million yen from the end of the previous fiscal year, mainly due to a decrease in Notes and accounts receivable - trade, and contract assets.

Non-current assets decreased 544 million yen, mainly due to a decrease in deferred tax assets.

(Liabilities)

Total liabilities decreased 3,516 million yen from the end of the previous fiscal year, to 17,469 million yen at the end of the nine-month period under review.

Current liabilities decreased 3,045 million yen, mainly due to decreases in accounts payable and provision for bonuses.

Non-current liabilities decreased 470 million yen, mainly attributable to decreases in long-term borrowings and contract liabilities.

(Net assets)

Net assets at the end of the first nine months under review totaled 23,647 million yen, an increase of 267 million yen from the end of the previous fiscal year, mainly due to increases in retained earnings and non-controlling interests, despite higher treasury shares.

(3) Explanation on Consolidated Forecast and Other Forward-looking Statements

Based on its recent performance, the Company has revised its consolidated financial results forecasts for the fiscal year ending March 31, 2023, announced on July 27, 2022, as presented below.

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecasts (A)	70,000	5,400	5,380	3,400	168.30
Revised forecasts (B)	67,000	5,400	5,380	3,400	169.84
Change (B – A)	(3,000)	0	0	0	—
Change Ratio(%)	(4.3)	0	0	0	—
(Reference) Actual consolidated results for the previous fiscal year (Fiscal year ended March 31, 2022)	66,183	5,152	5,133	3,630	179.39

The Company revised its full-year consolidated financial results forecasts, as net sales are projected to fall below the forecast, reflecting opportunity loss as a result of devoting personnel to deal with faults and ongoing changes in business domain from low-profitability deals to high added-value deals.

Meanwhile, the Company expects to achieve the previous forecast figures for operating income, ordinary income and profit attributable to owners of parent. Contributing factors are signs of a positive improvement in gross profit margin attributable to the shift to high added-value domains, a delay in transferring customer acquisition operations from the time intended in the contract with NortonLifeLock Co., Ltd., under which the Company will conduct only automatic updating operations in the future, and lower-than-expected selling, general and administrative expenses.

2, Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	8,762	8,903
Notes and accounts receivable - trade, and contract assets	22,290	19,071
Merchandise	66	126
Other	3,207	3,522
Allowance for doubtful accounts	△0	△0
Total current assets	34,326	31,623
Non-current assets		
Property, plant and equipment		
Buildings, net	739	703
Tools, furniture and fixtures, net	916	845
Other, net	5	420
Total property, plant and equipment	1,661	1,969
Intangible assets		
Goodwill	1,093	900
Software	2,553	2,375
Software in progress	461	727
Customer relationships	262	207
Other	116	93
Total intangible assets	4,486	4,305
Investments and other assets		
Investment securities	625	655
Deferred tax assets	1,309	722
Other	1,953	1,838
Total investments and other assets	3,888	3,216
Total non-current assets	10,036	9,491
Deferred assets		
Share issuance costs	2	1
Total deferred assets	2	1
Total assets	44,365	41,116

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	7,528	5,616
Current portion of long-term borrowings	394	318
Lease liabilities	19	17
Accounts payable - other	4,719	4,825
Income taxes payable	1,379	279
Contract liabilities	1,835	2,731
Provision for bonuses	1,876	644
Provision for bonuses for directors (and other officers)	—	71
Provision for loss on order received	403	249
Provision for defect repair	16	—
Asset retirement obligations	24	—
Other	699	1,097
Total current liabilities	18,896	15,851
Non-current liabilities		
Long-term borrowings	799	565
Lease liabilities	96	83
Deferred tax liabilities	26	18
Contract liabilities	709	485
Retirement benefit liability	53	58
Asset retirement obligations	334	336
Other	69	69
Total non-current liabilities	2,088	1,617
Total liabilities	20,985	17,469
Net assets		
Shareholders' equity		
Share capital	1,254	1,270
Capital surplus	1,567	1,615
Retained earnings	19,789	20,793
Treasury shares	△1,555	△2,600
Total shareholders' equity	21,055	21,079
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2	5
Foreign currency translation adjustment	4	6
Total accumulated other comprehensive income	7	11
Share acquisition rights	279	305
Non-controlling interests	2,037	2,251
Total net assets	23,379	23,647
Total liabilities and net assets	44,365	41,116

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

(For the Nine-month Period)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	47,626	48,231
Cost of sales	37,683	37,661
Gross profit	9,943	10,569
Selling, general and administrative expenses	6,282	7,028
Operating profit	3,660	3,541
Non-operating income		
Interest income	0	0
Dividend income	0	2
Share of profit of entities accounted for using equity method	5	3
Subsidy income	10	—
Miscellaneous income	5	15
Total non-operating income	21	22
Non-operating expenses		
Interest expenses	11	6
Donations	10	10
Foreign exchange losses	17	25
Commission expenses	—	20
Miscellaneous losses	19	12
Total non-operating expenses	58	74
Ordinary profit	3,622	3,489
Extraordinary income		
Gain on sale of investment securities	5	—
Compensation income	—	16
Gain on reversal of share acquisition rights	—	17
Subsidiaries directors' retirement allowance repayment gain	18	—
Total extraordinary income	24	34
Extraordinary losses		
Impairment losses	4	—
Subsidiary company head office transfer cost	5	—
Salaries and allowance for prior periods	17	—
Total extraordinary losses	27	—
Profit before income taxes	3,619	3,523
Income taxes - current	844	647
Income taxes - deferred	432	578
Total income taxes	1,276	1,226
Profit	2,342	2,297

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit attributable to		
Profit attributable to owners of parent	2,187	2,108
Profit attributable to non-controlling interests	155	188
Other comprehensive income		
Valuation difference on available-for-sale securities	1,092	2
Foreign currency translation adjustment	0	2
Total other comprehensive income	1,092	4
Comprehensive income	3,435	2,301
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,280	2,112
Comprehensive income attributable to non-controlling interests	155	189

(3) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

Purchase of treasury stock

The Company purchases treasury stock from the market as per the provisions of Article 156 of the Companies Act that is applied in an alternative interpretation of Article 165, Section 3 of the Companies Act.

The purchase of treasury stock that was decided at the Board of Directors meeting held on May 13, 2022, has ended with the purchases of up to September 30, 2022.

(1) Types of shares purchased	Common Stock
(2) Number of shares purchased	469,000 shares
(3) Total amount of purchase	¥1,093,932,100
(4) Purchase period	May 16 – September 30, 2022 (contract basis)
(5) Purchase method	Market purchase on the Tokyo Stock Exchange

Changes in accounting policies

The Company decided to start applying the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, June 17, 2021; hereinafter the "Fair Value Measurement Implementation Guidance") at the beginning of the first quarter, while also implementing the new accounting policy stipulated in the Fair Value Measurement Implementation Guidance according to the provisional treatment provided for in Paragraph 27-2 of the Fair Value Measurement Implementation Guidance into the future. There is no impact on the quarterly consolidated financial statements.

Reclassifications

(Quarterly Consolidated Statements of Income and Comprehensive Income)

Dividend income, which was included in interest and dividend income in the third quarter of the previous fiscal year, is presented separately beginning from the first quarter under review because its significance in terms of value has increased. To reflect this change in presentation, quarterly consolidated financial statements for the third quarter of the previous fiscal year have been adjusted.

As a result, the 0 million yen presented as interest and dividend income under the non-operating income category in the Quarterly Consolidated Statements of Income and Comprehensive Income for the third quarter of the previous fiscal year has been adjusted to interest income of 0 million yen and dividend income of 0 million yen.

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