



Consolidated Financial Results for the First Six Months of FY 3/2025 (Interim Period)
[Japanese GAAP]

November 7, 2024

Company Name NISSO HOLDINGS Co., Ltd. Stock Exchange Listing: Tokyo
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 President & CEO
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 Scheduled date of filing Scheduled date of
 Semi-annual Report November 13, 2024 payment of dividend —
 Preparation of supplementary
 materials for financial results: (Scheduled to be posted on the Company's website on November 7, 2024 (Thu.))
 Yes
 Holding of financial results (Scheduled to be held for institutional investors and analysts on November 11, 2024
 briefing: Yes (Mon.))

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

1. Consolidated Financial Results for the First Six Months of the Fiscal Year Ending March 31, 2025
(Interim Period) (April 1, 2024 – September 30, 2024)

(1) Consolidated operating results (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First six months ended								
September 30, 2024	50,174	—	1,479	—	1,466	—	872	—
September 30, 2023	—	—	—	—	—	—	—	—

(Note) Comprehensive income For the first six months ended September 30, 2024: 871 Million yen (—%)
 For the first six months ended September 30, 2023: — Million yen (—%)

	Net income per share	Diluted net income per share
First six months ended	Yen	Yen
September 30, 2024	26.62	—
September 30, 2023	—	—

(Note) 1. Since the Company was established on October 2, 2023 through a single share transfer, there are no results for the corresponding interim period of the previous consolidated fiscal year.
 2. Diluted net income per share is not listed because there are no dilutive shares.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Million yen	Million yen	%
September 30, 2024	30,158	15,543	50.7
September 30, 2023	31,354	15,333	48.0

(Reference) Equity capital As of September 30, 2024: 15,281 Million yen
 As of March 31, 2024: 15,057 Million yen

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended					
March 31, 2024	—	—	—	20.50	20.50
Fiscal year ending					
March 31, 2025	—	0.00			
Fiscal year ending					
March 31, 2025			—	22.00	22.00
(Forecast)					

(Note) 1. Revisions to the most recently announced dividend forecast: None

2. Since the Company was established on October 2, 2023 through a single share transfer, there are no results up to the second quarter of the previous consolidated fiscal year.

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

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	106,000	9.4	3,800	24.3	3,800	24.3	2,400	22.9	73.25

(Note) Revisions to the most recently announced consolidated earnings forecast: None

※ Notes

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

Newly added: (Co. name) , Excluded: (Co. name)

(2) Application of special accounting methods for the preparation of interim consolidated financial statements: None

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

- | | |
|--|------|
| ① Changes in accounting policies due to revisions in accounting standards, etc.: | Yes |
| ② Changes in accounting policies other than ① above: | None |
| ③ Changes in accounting estimates: | None |
| ④ Restatements: | None |

(4) Number of outstanding shares (Common stock)

① Number of shares outstanding at the end of the period (including treasury shares)	As of Sep. 30, 2024	34,024,720 Shares	As of Mar. 31, 2024	34,024,720 Shares
② Number of treasury shares at the end of the period	As of Sep. 30, 2024	1,226,759 Shares	As of Mar. 31, 2024	1,260,745 Shares
③ Average number of shares during the period (Interim period)	First six months ended Sep. 30, 2024	32,775,303 Shares	First six months ended Sep. 30, 2023	— Shares

(Note) Since the Company was established on October 2, 2023 through a single share transfer, there are no results for the corresponding interim period of the previous consolidated fiscal year.

※ The semi-annual financial statement is not subject to the review procedures of certified public accountants or auditing corporations

※ Cautionary statement on the appropriate use of earning forecasts, and other special items
(Notes on forward-looking statements, etc.)

Earnings forecasts regarding future performance and other forward-looking statements in this material are based on certain assumptions judged to be valid and on information that is currently available to the Company, and do not represent promises by the Company that these figures will be achieved. In addition, actual results may differ significantly due to a variety of factors. For prerequisite conditions used as the assumptions for the earnings forecast and notes, etc., on the use of earnings forecast, please refer to "1. Overview of Operating Results, (4) Description of Future Forecast Information such as Consolidated Forecasts, etc." on P. 5 of the attachments.

(Supplementary materials for financial results and method of obtaining content for financial results briefing)

The Company plans to hold a briefing session for institutional investors and analysts on Monday, November 11, 2024. (In Japanese only)

The Financial Results Briefing Materials for the First Six Months of FY 3/2025 (Interim Period) to be used on that day will be posted on the Company's website on the day of the announcement of financial results (Thursday, November 7, 2024).

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1. Overview of Operating Results

NISSO HOLDINGS Co., Ltd. (hereinafter, the "Company") was established on October 2, 2023 as the wholly owning parent company of NISSO CORPORATION through a single share transfer. However, since there has been no substantial change in the scope of consolidation, items for which comparisons are made with the corresponding period of the previous consolidated fiscal year have been compared with the interim consolidated accounting period of FY 3/2024 (April 1, 2023 to September 30, 2023) of NISSO CORPORATION.

(1) Overview of Operating Results for the Interim Period

During the current interim consolidated accounting period (hereinafter, the "period under review"), the Japanese economy showed signs of recovery, although some of its private consumption and corporate production activities remained sluggish. As for the outlook, although a moderate recovery is expected to continue, downside risks in overseas economies, such as concerns about the outlook of the economies of the United States, Europe, and China, pose risks.

In such a business environment, based on its mission of "Creating opportunities and hopes for people to work", the Nisso Group (hereinafter, the "Group") is promoting initiatives "To transform into a corporate group with high-growth potential" with the aim of providing services that can respond to social changes and changes in industrial structures, while creating workplaces where workers can feel motivated and grow through Human Resources Solution Services that support the growth of companies and people.

The Group defines materiality (key issues) for the realization of its mission as "Creation of a comfortable workplace", "Responding to social changes and changes in industrial structures", and "Strengthening of governance". The Group aims to enhance corporate value by creating new value through co-creation with all stakeholders and strengthening its management system and internal controls.

The results of operations for the period under review are as follows: net sales amounted to 50,174 million yen (up 5.9% year-on-year), operating profit amounted to 1,479 million yen (up 53.3% year-on-year), ordinary profit amounted to 1,466 million yen (up 46.8% year-on-year), and profit attributable to owners of parent amounted to 872 million yen (up 39.4% year-on-year).

Net sales increased year-on-year due to an increase in billing unit-costs for the Group's mainstay General Human Resources Services, as well as a significant increase in the number of enrolled staff in the highly profitable Engineering Human Resources Services, and the gross profit margin improved by 1.1 percentage points year-on-year to 16.8%. On the other hand, SG&A expenses increased by 0.2 percentage points year-on-year due to increased investment in employee recruitment expenses and the promotion of the company's website, as well as the recording of expenses for employee stock incentives. However, the increase in revenue exceeded the increase in costs, resulting in an increase in operating profit year-on-year. As a result, the operating profit margin improved by 0.9 percentage points year-on-year to 2.9%.

Furthermore, from the period under review, the results of TSUNAGU GROUP HOLDINGS Inc., which became an equity-method affiliate of the Company, are included in consolidated results.

The various initiatives taken during the period under review were as follows:

(General Human Resources Services)

Net sales of the General Human Resources Services during the period under review amounted to 48,633 million yen (up 6.1% year-on-year), and gross profit was 8,247 million yen (up 13.8% year-on-year).

① Manufacturing • Production Human Resources Services

Manufacturing • Production Human Resources Services are mainly classified into manufacturing dispatching and manufacturing contracting.

Net sales of the Manufacturing • Production Human Resources Services during the period under review amounted to 39,000 million yen (up 3.4% year-on-year).

The number of enrolled manufacturing • production staff at the end of the period was 14,627 (down 134 year-on-year) On the other hand, as a result of continued activities to improve the workplace environment, the monthly turnover rate was 3.8% (down 0.1 percentage points year-on-year). In addition, due to an increase in the billing unit-costs of manufacturing staff, the average monthly net sales per capita amounted to 438 thousand yen (up 10 thousand yen year-on-year). As a result, net

sales of the Manufacturing・Production Human Resources Services increased year-on-year, and the gross profit margin was 17.2% (up 1.0 percentage point year-on-year).

② Engineering Human Resources Services

Engineering Human Resources Services are classified into the manufacturing area, IT-related engineer dispatching, and SES (System Engineering Service).

Net sales of the Engineering Human Resources Services during the period under review amounted to 5,436 million yen (up 25.9% year-on-year).

The number of enrolled engineers at the end of the period was 1,848 (up 369 year-on-year), an increase from the corresponding period of the previous fiscal year. In addition, the Company continued its unique "Human Resources Development Model" that utilizes education and training facilities, and the turnover rate per month improved to 1.6% (down 0.6 percentage points year-on-year). Furthermore, due to the recovery in operations among clients in the Semiconductor Industry, the average monthly net sales per engineering employee amounted to 529 thousand yen (up 44 thousand yen year-on-year). As a result, net sales of the Engineering Human Resources Services increased significantly year-on-year, and the gross profit margin was 21.3% (up 3.4 percentage points year-on-year), the highest level by service.

③ Administrative Human Resources Services

Administrative Human Resources Services are classified into general office work dispatching and BPO (Business Process Outsourcing).

Net sales of the Administrative Human Resources Services during the period under review amounted to 1,138 million yen (up 5.8% year-on-year).

The number of enrolled administrative dispatched staff was 554 (down 1 year-on-year). Net sales increased year-on-year, partly due to an increase in net sales for employment placement dispatching (temp-to-perm).

④ Other Human Resources Services

Other Human Resources Services are classified into human resources dispatching for senior employees and light work contracting for employees with disabilities.

Net sales of the Other Human Resources Services during the period under review amounted to 3,058 million yen (up 10.9% year-on-year).

In order to build a workplace model that enables senior employees to flourish, the Company is working to develop and secure employment opportunities and build a structure that supports the active participation of senior employees and allows them to continue working. The number of Prime employees (senior employees) during the period under review was 719.

In order to build a workplace model that enables people with disabilities to flourish, the Company strives to coexist with local communities, including school officials, support organizations, and the government, while promoting independent activities that make the most of each individual's characteristics, such as accepting contracts for light work from general companies, rather than simply employing people with disabilities in-house. The number of employees with disabilities during the period under review was 244.

Achievements of Industry Strategy for Expansion of General Human Resources Services

The Group aims to expand its Manufacturing・Production Human Resources Services and Engineering Human Resources Services by meeting the human resource needs of each industry, centered on Japan's leading Automotive (automobile manufacturing・EV-related manufacturing industry), Semiconductor (semiconductor manufacturing industry), and Electronics (electronic equipment manufacturing industry) Industries.

Net sales in the Industry Strategy area for the period under review totaled 32,449 million yen (up 7.0% year-on-year), accounting for 64.7% of consolidated net sales.

In the Automotive Industry, despite the impact of the suspension of operations due to natural disasters, billing unit-costs increased, and net sales for the period under review amounted to 20,403 million yen (up 5.4% year-on-year).

In the Semiconductor Industry, although production activities at manufacturers have not yet fully recovered, net sales for the period under review amounted to 6,517 million yen (up 4.6% year-on-year), partly due to the recovery trend in memory.

In the Electronics Industry, due in part to the recovery trend in production activities and the expansion of sales channels, net sales for the period under review were 5,528 million yen (up 16.5% year-on-year).

(Nursing Care • Welfare Services)

Nursing Care • Welfare Services are classified into facility nursing care and home-based nursing care.

Net sales of the Nursing Care • Welfare Services during the period under review amounted to 1,541 million yen (up 1.2% year-on-year), and gross profit was 162 million yen (down 4.8% year-on-year).

In facility nursing care, which is the core of this service, the number of residents of nursing care facilities during the period under review was 380 (up 2 year-on-year) as a result of activities to attract customers with the aim of contributing to society through compassionate nursing care rooted in the local community. In addition, the occupancy rate at the facilities remained at a high level of 94.5% (up 0.5 percentage points year-on-year). On the other hand, due in part to the increase in recruitment costs for nursing care staff and soaring utility costs, gross profit for this service decreased year-on-year.

(Nisso Group's Human Resources Development Strategy)

In order to meet the human resources needs required by each industry, the Group will further promote the establishment of new education and training facilities and collaboration between industry-government-academia.

The total number of people who received training during the period under review was 11,584.

In terms of education for engineering human resources, in order to meet the need of human resources, especially equipment technology engineers who support MONOZUKURI (manufacturing), the Group worked to expand training opportunities, and as a result, the total number of people trained was 991 (up 209 year-on-year).

In terms of education for manufacturing • production human resources, the Group has established an education and training facility equipped with actual equipment such as semiconductor manufacturing equipment, and provided pre-assignment training to employees using unique education programs developed in accordance with client needs, bringing the total number of people trained to 7,388.

In terms of education for other human resources in the General Human Resources Services, the Group provided regular compliance education, career support training, qualification (enhancement) training, etc., and the total number of people trained reached 1,578.

In terms of education for human resources who provide Nursing Care • Welfare Services, the Group recognizes that education for newly hired nursing care staff is important for improving the quality of services in facility nursing care, and by establishing a system that allows it to conduct not only OJT but also regular Off-JT, the total number of people trained reached 1,627.

In addition, the Group offers the "NISSO HR Development Service," an entrusted education service. In order to address the issues that many of the Group's business partners have raised, such as the shortage of instructors who are responsible for education, a lack of practical skills training due to the inability to conduct OJT using actual production lines and on-site operations as a result of busy schedules, and a shortage of educational programs for inexperienced people, the Group, which has education and training facilities nationwide and a track record of developing many training curriculums, is positioned as a service that can assist in resolving these issues by providing employee training on behalf of the client. During the period under review, a total of 168 people were provided with external employee training (entrusted), and the need for such training is steadily growing.

(2) Overview of Financial Position for the Interim Period

(Assets)

Current assets at the end of the period under review amounted to 18,966 million yen, which was a decrease of 2,932 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease of 3,888 million yen in cash and deposits.

Non-current assets at the end of the period under review amounted to 11,191 million yen, which was

an increase of 1,736 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 1,410 million yen in investment securities included in "Other" of investments and other assets due to the acquisition of shares of TSUNAGU GROUP HOLDINGS Inc.

As a result, total assets amounted to 30,158 million yen, which was a decrease of 1,195 million yen from the end of the previous consolidated fiscal year.

(Liabilities)

Current liabilities at the end of the period under review amounted to 12,183 million yen, which was a decrease of 1,176 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease of 267 million yen in accrued expenses.

Non-current liabilities at the end of the period under review amounted to 2,431 million yen, which was a decrease of 229 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease of 256 million yen in long-term loans payable.

As a result, total liabilities amounted to 14,615 million yen, which was a decrease of 1,406 million yen from the end of the previous consolidated fiscal year.

(Net assets)

Total net assets at the end of the period under review amounted to 15,543 million yen, which was an increase of 210 million yen from the end of the previous consolidated fiscal year. This was mainly due to the 872 million yen in profit attributable to owners of parent, and 671 million yen in dividends of surplus.

As a result, the equity ratio was at 50.7% (which was at 48.0% at the end of the previous consolidated fiscal year).

(3) Description of Cash Flows for the Interim Period

Cash and cash equivalents at the end of the period under review decreased by 3,888 million yen from the end of the previous consolidated fiscal year to 5,752 million yen.

The status of each cash flow for the period under review and their factors thereof are as follows:

(Cash flows from operating activities)

Cash flows from operating activities amounted to expenditures of 998 million yen, as expenditures such as an increase in notes and accounts receivable of 996 million yen due to the non-implementation of discounts on electronically recorded monetary claims (operating) and income taxes paid of 785 million yen were not fully absorbed by profit before income taxes of 1,443 million yen.

(Cash flows from investing activities)

Cash flows from investing activities amounted to expenditures of 1,942 million yen, mainly due to expenditures of 1,468 million yen for purchase of securities.

(Cash flows from financing activities)

Cash flows from financing activities amounted to expenditures of 947 million yen, mainly due to repayments of long-term loans payable of 256 million yen and cash dividends paid of 671 million yen.

(4) Description of Future Forecast Information such as Consolidated Forecasts, etc.

Regarding the consolidated earnings forecast, there are no changes to the Consolidated Forecast for the full year announced in the "Consolidated Financial Results for FY 3/2024" on May 9, 2024.

2. Semi-annual Consolidated Financial Statements and Notes

(1) Semi-annual Consolidated Balance Sheet

(Unit: Million yen)

	FY 3/24 (As of Mar. 31, 2024)	FY 3/25 (As of Sep. 30, 2024)
Assets		
Current assets		
Cash and deposits	9,641	5,752
Notes and accounts receivable - trade	11,238	12,235
Other	1,025	982
Allowance for doubtful accounts	(5)	(4)
Total current assets	21,899	18,966
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,857	2,041
Land	2,771	2,771
Other, net	442	507
Total property, plant and equipment	5,072	5,321
Intangible assets		
Goodwill	1,033	963
Other	577	544
Total intangible assets	1,611	1,507
Investments and other assets		
Other	2,790	4,368
Allowance for doubtful accounts	(18)	(4)
Total investments and other assets	2,771	4,363
Total non-current assets	9,455	11,191
Total assets	31,354	30,158

(Unit: Million yen)

	FY 3/24 (As of Mar. 31, 2024)	FY 3/25 (As of Sep. 30, 2024)
Liabilities		
Current liabilities		
Current portion of long-term loans payable	512	512
Accrued expenses	6,553	6,286
Income taxes payable	795	693
Contract liabilities	212	198
Provision for bonuses	1,479	1,595
Provision for directors' bonuses	-	13
Provision for shareholder benefit program	121	9
Other	3,684	2,873
Total current liabilities	13,360	12,183
Non-current liabilities		
Long-term loans payable	1,550	1,294
Net defined benefit liability	713	789
Other	396	347
Total non-current liabilities	2,660	2,431
Total liabilities	16,021	14,615
Net assets		
Shareholders' equity		
Capital stock	2,016	2,016
Capital surplus	2,367	2,368
Retained earnings	11,587	11,788
Treasury shares	(1,031)	(1,003)
Total shareholders' equity	14,939	15,169
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	118	112
Total accumulated other comprehensive income	118	112
Non-controlling interests	275	261
Total net assets	15,333	15,543
Total liabilities and net assets	31,354	30,158

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income
(Semi-annual Consolidated Statement of Income)

(Unit: Million yen)

	First six months of FY 3/25 (Apr. 1, 2024 - Sep. 30, 2024)
Net sales	50,174
Cost of sales	41,765
Gross profit	8,409
Selling, general and administrative expenses	6,929
Operating profit	1,479
Non-operating income	
Interest income	2
Subsidy income	24
House rent income	19
Other	9
Total non-operating income	55
Non-operating expenses	
Interest expenses	4
Share of loss of entities accounted for using equity method	38
Rent expenses	9
Other	16
Total non-operating expenses	68
Ordinary profit	1,466
Extraordinary losses	
Loss on valuation of investment securities	22
Total extraordinary losses	22
Profit before income taxes	1,443
Income taxes - current	666
Income taxes - deferred	(99)
Total income taxes	566
Profit	877
Profit attributable to non-controlling interests	4
Profit attributable to owners of parent	872

(Semi-annual Consolidated Statement of Comprehensive Income)

(Unit: Million yen)

	First six months of FY 3/25 (Apr. 1, 2024 - Sep. 30, 2024)
Profit	877
Other comprehensive income	
Remeasurements of defined benefit plans, net of tax	(6)
Total other comprehensive income	(6)
Comprehensive income	871
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	866
Comprehensive income attributable to non-controlling interests	4

(3) Semi-annual Consolidated Statement of Cash Flows

(Unit: Million yen)

	First six months of FY 3/25 (Apr. 1, 2024 - Sep. 30, 2024)
Cash flows from operating activities	
Profit before income taxes	1,443
Depreciation	138
Amortization of goodwill	70
Increase (decrease) in allowance for doubtful accounts	(15)
Increase (decrease) in provision for directors' bonuses	13
Increase (decrease) in provision for bonuses	116
Decrease (increase) in net defined benefit asset	(14)
Increase (decrease) in net defined benefit liability	76
Increase (decrease) in provision for shareholder benefit program	(112)
Interest and dividend income	(2)
Interest expenses	4
Share of (profit) loss of entities accounted for using equity method	38
Decrease (increase) in notes and accounts receivable - trade	(996)
Decrease (increase) in lease and guarantee deposits	6
Increase (decrease) in accrued expenses	(267)
Increase (decrease) in accrued consumption taxes	(351)
Other, net	(388)
Subtotal	(240)
Interest and dividend income received	1
Interest expenses paid	(4)
Income taxes refund	30
Income taxes paid	(785)
Net cash provided by (used in) operating activities	(998)
Cash flows from investing activities	
Purchase of securities	(1,468)
Purchase of property, plant and equipment	(336)
Purchase of intangible assets	(15)
Other, net	(121)
Net cash provided by (used in) investing activities	(1,942)
Cash flows from financing activities	
Repayments of long-term loans payable	(256)
Purchase of treasury shares	(0)
Cash dividends paid	(671)
Dividends paid to non-controlling interests	(18)
Other, net	(0)
Net cash provided by (used in) financing activities	(947)
Effect of exchange rate change on cash and cash equivalents	-
Net increase (decrease) in cash and cash equivalents	(3,888)
Cash and cash equivalents at beginning of period	9,641
Cash and cash equivalents at end of period	5,752

(4) Notes to Semi-annual Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

Not applicable.

(Changes in Accounting Policies)

(Application of "Accounting Standards for Corporate Tax, Inhabitant Tax, Enterprise Tax, etc.")

"Accounting Standards for Corporate Tax, Inhabitant Tax, Enterprise Tax, etc." (Accounting Standards (ASBJ) No. 27 October 28, 2022. Hereinafter referred to as "2022 Revised Accounting Standards") has been applied from the beginning of the period under review.

Regarding the revisions of the classification of income taxes (taxation on other comprehensive income), the Company follows the transitional treatment stipulated in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standards and the transitional treatment stipulated in the proviso to paragraph 65-2 (2) of the "Guidelines for the Application of Accounting Standards for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022. Hereinafter referred to as the "2022 Revised Application Guidelines"). Furthermore, the changes in the accounting policies have no impact on the current interim consolidated financial statements.

In addition, with regard to the revisions related to the review of the treatment in the consolidated financial statements in the case of deferral for tax purposes of gains and losses arising from the sale of shares, etc., of subsidiaries between consolidated companies, the Company has applied the 2022 Revised Application Guidelines from the beginning of the period under review. The changes in the accounting policies have been applied retroactively, and the consolidated financial statements for the previous consolidated fiscal year have been retroactively applied. Furthermore, the changes in accounting policies have no impact on the consolidated financial statements for the previous consolidated fiscal year.