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Consolidated Financial Results for the Nine Months Ended December 31, 2023 [Japanese GAAP]

January 30, 2024

Company name: EIKEN CHEMICAL CO.,LTD.	
Stock exchange listing: Tokyo	
Code number: 4549	
URL: https://www.eiken.co.jp	
Representative: Tsugunori Notomi	President & CEO
Contact: Hajime Watari	Senior Vice President & Executive Officer
Phone: +81-3-5846-3379	
Scheduled date of filing quarterly securities report: Fe	bruary 9, 2024
Scheduled date of commencing dividend payments: -	
Availability of supplementary briefing material on qua	rterly financial results: Yes
Schedule of quarterly financial results briefing session	: No

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2023 (April 1, 2023 to December 31, 2023) (1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

(1) Consondated Operating Re	(70 m				is changes non	n uie previe	us correspond	ing period.)
	Net sales		Operating profit		Ordinary profit		Profit attrib owners of	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2023	30,493	(9.9)	3,417	(51.2)	3,497	(50.8)	2,571	(52.0)
December 31, 2022	33,860	6.4	6,999	5.4	7,107	5.4	5,361	6.5
(Note) Comprehensive income	: Nine mo	nths ended	December 31,	2023: ¥	2,59	94 million	[(51.3)%]
	Nine mo	nths ended	December 31,	2022: ¥	5,32	25 million	[4.7%]

	Basic earnings per share	Diluted earnings per share	
Nine months ended	Yen	Yen	
December 31, 2023	69.37	68.79	
December 31, 2022	145.04	143.85	

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2023	65,195	50,271	76.6	1,345.44
March 31, 2023	66,275	49,535	74.2	1,327.47
(Reference) Equity: As of	December 31, 2023:	¥ 49,913	million	

¥

(Reference) Equity: As of December 31, 2023:

As of March 31, 2023:

49,154 million

2. Dividends

		Annual dividends						
	lst quarter-end	Year-end Lota						
	Yen	Yen	Yen	Yen	Yen			
Fiscal year ended March 31, 2023	-	24.00	-	27.00	51.00			
Fiscal year ending March 31, 2024	-	25.00	-					
Fiscal year ending March 31, 2024 (Forecast)				26.00	51.00			

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the 3rd quarter dividend for the fiscal year ending March 31, 2024 :

Commemorative dividend	-	yen
Special dividend	-	yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024(April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

)

	Net sale	s	Operating	profit	Ordinary j	orofit	Profit attribution owners of		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	40,500	(6.4)	4,040	(45.8)	4,130	(45.4)	3,040	(47.0)	82.45

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Changes in sig	nificant	subsidiaries during the nine months ended December 31, 2023	;
(changes in sp	ecified	subsidiaries resulting in changes in scope of consolidation):	No
New	-	(Company name:	
Exclusion:	-	(Company name:	

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

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

- 1) Changes in accounting policies due to the revision of accounting standards: No
- 2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

December 31, 2023:	41,041,438 shares
March 31, 2023:	43,541,438 shares

2) Number of treasury shares at the end of the period:					
December 31, 2023:	3,943,508 shares				
March 31, 2023:	6,512,625 shares				

3) Average number of shares outstanding during the period: Nine months ended December 31, 2023: 37,071,051 shares Nine months ended December 31, 2022: 36,964,574 shares

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1. Qualitative Information on the Third Quarter of the Fiscal Year Ending March 31, 2024

(1) Qualitative Information Regarding Consolidated Operating Results

During the nine months ended December 31, 2023, the Japanese economy progressed toward normalized economic activities and gradually recovered owing to the reclassification of COVID-19 to a Class 5 infectious disease under the Act on the Prevention of Infectious Diseases and Medical Care for Patients with Infectious Diseases. Meanwhile, overseas economies remained unstable due to surging global resource prices and the continued yen depreciation against a backdrop of geopolitical uncertainty, including the protracted situation in Ukraine as well as growing tensions in the Middle East.

The business environment became increasingly severe in the clinical diagnostics industry due to measures to cap medical expenses and rising costs such as for logistics and raw material procurement, etc., on account of yen depreciation and high crude oil prices. Corporations are being forced to focus on greater cost competitiveness and to actively expand overseas.

In the context of this business environment, the Eiken Group is implementing key measures focused on the three key business fields of "Contribution to cancer prevention and treatment," "Contribution to the eradication and control of infectious diseases," and "Provision of products and services useful for health care" and striving to achieve sustainable growth and steadily enhance profitability for the Group as a whole, in accordance with the Medium-term Management Plan established based on the Group's management framework "EIKEN ROAD MAP 2030."

In addition, as a Group with a mission to protect the health of people worldwide, the Eiken Group is addressing issues not only in "Medical" but also in the "Environment," "Society," and "Governance." Through this, we strive to further enhance our corporate value and achieve a sustainable society.

The net sales for the nine months ended December 31, 2023 declined to 30,493 million yen (down 9.9% year-on-year) due to sales of COVID-19 genetic testing reagents using the LAMP method decreasing significantly following limited demand for genetic testing in response to the reclassification of COVID-19 under the Act on the Prevention of Infectious Diseases and Medical Care for Patients with Infectious Diseases. For net sales by product class and type, sales of microbiological testing reagents increased to 3,339 million yen (up 9.6% year-on-year) due to a substantial recovery of products related to infectious diseases other than COVID-19, particularly rapid diagnosis kits and drug sensitivity testing reagents. As for urinalysis reagents, sales were 3,222 million yen (up 3.9% year-on-year), with the domestic hospital market and the medical examination market having recovered to pre-COVID-19 pandemic levels. Sales for immunological and serological reagents were 16,935 million yen (up 5.6% year-on-year) due to fecal immunochemical test reagents recovering to pre-COVID-19 pandemic levels in the domestic market, together with significantly increased sales in overseas markets. Sales for clinical chemistry reagents were 454 million yen (down 2.3% year-on-year). Sales for the equipment and culture medium for food and environment related category amounted to 1,489 million yen (down 9.6% year-on-year). Sales in other category (medical devices, genetic-related products, etc.) fell to 5,053 million yen (down 47.2% year-on-year) due to a significant decrease in sales for COVID-19 detection reagents.

Overseas sales were 7,696 million yen (up 16.8% year-on-year) as sales for fecal immunochemical test reagents increased significantly.

Regarding profit, operating profit was 3,417 million yen (down 51.2% year-on-year) due to decreases in sales of high-profit COVID-19 detection reagent products and income from patent rights for the LAMP method. Ordinary profit was 3,497 million yen (down 50.8% year-on-year) while profit attributable to owners of parent was 2,571 million yen (down 52.0% year-on-year).

(2) Qualitative Information Regarding Consolidated Financial Position

The financial position at the end of the third quarter of the consolidated accounting period under review was as follows.

When compared to the end of the previous consolidated fiscal year, total assets decreased by 1,080 million yen, liabilities decreased by 1,816 million yen, and net assets increased by 735 million yen.

Major increases and decreases in the category of assets include a decrease of 591 million yen in cash and deposits and an increase of 1,505 million yen in notes and accounts receivable - trade, and contract assets. In addition, long-term time deposits declined by 1,100 million yen.

In the category of liabilities, income taxes payable decreased by 807 million yen and provision for bonuses decreased by 445 million yen. In addition, other in current liabilities decreased by 803 million yen due to investment in facilities, etc.

In the category of net assets, capital surplus decreased by 183 million yen and the deduction of treasury shares decreased by 1,221 million yen in line with the cancellation of treasury shares. In addition, despite having recorded profit attributable to owners of parent, retained earnings decreased by 302 million yen due to the payment of dividends and cancellation of treasury shares.

As a result of the above, the equity ratio increased to 76.6% from 74.2% at the end of the previous consolidated fiscal year.

(3) Qualitative Information Regarding Forecasts for Consolidated Business Performance

For the consolidated financial results forecasts for the full year ending March 31, 2024, please refer to "Notice of Revision to Financial Results Forecasts" announced on January 30, 2024.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

		(Millions of yen)
	As of March 31, 2023	As of December 31, 2023
ssets		
Current assets		
Cash and deposits	18,317	17,726
Notes and accounts receivable - trade, and contract assets	11,122	12,627
Merchandise and finished goods	4,739	4,632
Work in process	1,940	1,916
Raw materials and supplies	1,733	1,893
Other	1,370	886
Allowance for doubtful accounts	(6)	(7)
Total current assets	39,217	39,674
Non-current assets		
Property, plant and equipment		
Buildings and structures	25,367	25,564
Accumulated depreciation	(13,117)	(13,576
Buildings and structures, net	12,249	11,987
Machinery, equipment and vehicles	7,155	7,358
Accumulated depreciation	(5,765)	(5,971)
Machinery, equipment and vehicles, net	1,390	1,386
Tools, furniture and fixtures	5,027	5,239
Accumulated depreciation	(3,950)	(4,225
Tools, furniture and fixtures, net	1,076	1,013
Land	1,928	1,928
Leased assets	329	295
Accumulated depreciation	(154)	(127
Leased assets, net	174	168
Construction in progress	382	426
Total property, plant and equipment	17,202	16,912
Intangible assets	1,054	860
Investments and other assets	,	
Long-term time deposits	4,900	3,800
Other	3,936	3,971
Allowance for doubtful accounts	(34)	(23
Total investments and other assets	8,802	7,748
Total non-current assets	27,058	25,520
Total assets	66,275	65,195

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,685	4,516
Electronically recorded obligations - operating	2,933	3,318
Income taxes payable	827	19
Provision for bonuses	766	321
Other	3,230	2,427
Total current liabilities	12,443	10,603
Non-current liabilities		
Bonds payable	3,000	3,000
Asset retirement obligations	34	35
Other	1,261	1,285
Total non-current liabilities	4,296	4,321
Total liabilities	16,740	14,924
Net assets		
Shareholders' equity		
Share capital	6,897	6,897
Capital surplus	8,076	7,892
Retained earnings	36,865	36,563
Treasury shares	(3,095)	(1,874)
Total shareholders' equity	48,743	49,478
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	28	31
Foreign currency translation adjustment	268	298
Remeasurements of defined benefit plans	115	104
Total accumulated other comprehensive income	411	434
Share acquisition rights	380	358
Total net assets	49,535	50,271
Total liabilities and net assets	66,275	65,195

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

Nine months ended December 31, 2023

Net sales 33,860 30, Cost of sales 17,312 17, Gross profit 16,547 13, Selling, general and administrative expenses 9,548 9, Operating profit 6,999 3, Non-operating income 13 11 Interest income 13 13 Compensation income for damage 38 6 Compensation income 6 0 Compensation income 9 5 Subsidy income 10 6 Other 24 0 Total non-operating income 128 0 Non-operating expenses 11 11 Interest expenses 11 11 Compensation expenses 6 0 Interest expenses 11 128 Non-operating expenses 11 11 Compensation expenses 6 0 Interest expenses 11 11 Condin on-operating expenses 20 0			(Millions of yen)	
Cost of sales 17,312 17, Gross profit 16,547 13, Selling, general and administrative expenses 9,548 9, Operating profit 6,999 3, Non-operating income 13 17,312 Interest income 13 13 Dividend income 3 13 Compensation income for damage 38 10 Compensation income 6 13 Outsourcing service income 9 5 Subsidy income 10 10 Foreign exchange gains 9 0 Other 24 10 Interest expenses 11 11 Interest expenses 11 11 Interest expenses 11 11 Compensation expenses 11 11 Interest expenses 11 11 Compensation expenses 11 11 Compensation expenses 10 11 Other 2 11 11 <tr< th=""><th></th><th></th><th>For the nine months ended December 31, 2023</th></tr<>			For the nine months ended December 31, 2023	
Gross profit 16,547 13, Selling, general and administrative expenses 9,548 9, Operating profit 6,999 3, Non-operating income 13 13 Interest income 13 13 Dividend income 3 13 Compensation income for damage 38 16 Outsourcing service income 9 9 Subsidy income 10 10 Foreign exchange gains 9 0 Other 24 10 Foreign exchange senses 11 11 Interest expenses 11 11 Comperating expenses 11 11 Interest expenses 11 11 Interest expenses 11 11 11 Compensation expenses 11 11 11 11 Compensation expenses 11 11 11 11 11 11 11 11 11 11 11 11 11 11	Net sales	33,860	30,493	
Selling, general and administrative expenses $9,548$ $9,$ Operating profit $6,999$ $3,$ Non-operating income 13 Interest income 13 Dividend income 3 Rental income 13 Compensation income for damage 38 Compensation income 6 Outsourcing service income 9 Subsidy income 10 Foreign exchange gains 9 Other 24 Total non-operating income 11 Compensation expenses 11 Interest expenses 11 Compensation expenses 6 Other 20 Total non-operating expenses 6 Other 20 Total non-operating expenses 56 Total on sale of non-current assets $-$ Gain on sale of non-current assets $-$ Total extraordinary income 56 Extraordinary losses 6 Profit before income taxes $7,157$ Income taxes $7,157$ Profit $5,361$ $2,$	Cost of sales	17,312	17,425	
Operating profit6,9993,Non-operating income13Interest income13Dividend income3Rental income13Compensation income for damage38Compensation income6Outsourcing service income9Subsidy income10Foreign exchange gains9Other24Total non-operating income11Compensation expenses11Interest expenses11Compensation expenses20Ordinary profit7,107Cain on sale of non-current assets-Gain on sale of non-current assets56Total extraordinary losses6Profit before income taxes6Profit before income taxes7,157Profit7,195Profit5,361Profit5,361Ordinary profit7,195	Gross profit	16,547	13,068	
Non-operating income13Interest income13Dividend income3Rental income13Compensation income for damage38Compensation income6Outsourcing service income9Subsidy income10Foreign exchange gains9Other24Total non-operating income11Compensation expenses11Interest expenses11Compensation expenses20Ordiary profit7,107Cain on sale of non-current assets56Total extraordinary income56Extraordinary losses6Profit before income taxes6Profit before income taxes6Profit7,157Profit5,361Profit5,361Profit5,361Profit5,361Profit5,361Profit5,361Profit5,361Profit5,361Profit5,361Compensation profit5,361Cain case1,795	Selling, general and administrative expenses	9,548	9,650	
Interest income13Dividend income3Rental income13Compensation income for damage38Compensation income6Outsourcing service income9Subsidy income10Foreign exchange gains9Other24Total non-operating income128Non-operating expenses6Other2Interest expenses11Compensation expenses6Other2Total non-operating expenses6Other20Ordinary profit7,107Gain on sale of investment sectrities56Total extraordinary income56Extraordinary income56Extraordinary income56Total extraordinary income56Fortil extraordinary losses6Profit before income taxes7,1573,Income taxes7,1573,Income taxes7,1573,Income taxes7,1573,Income taxes1,795	Operating profit	6,999	3,417	
Dividend income 3 Rental income 13 Compensation income for damage 38 Compensation income 6 Outsourcing service income 9 Subsidy income 10 Foreign exchange gains 9 Other 24 Total non-operating income 128 Non-operating expenses 11 Interest expenses 11 Compensation expenses 6 Other 20 Total non-operating expenses 6 Other 20 Ordinary profit 7,107 Gain on sale of non-current assets - Gain on sale of non-current assets - Total extraordinary income 56 Stardinary income 56 Total extraordinary income 56 Extraordinary income 56 Total extraordinary losses 6 Profit before income taxes 7,157 3, Income taxes 7,157 3, Income taxes 1,795	Non-operating income			
Rental income 13 Compensation income for damage 38 Compensation income 6 Outsourcing service income 9 Subsidy income 10 Foreign exchange gains 9 Other 24 Total non-operating income 11 Non-operating expenses 11 Interest expenses 11 Compensation expenses 6 Other 2 Total non-operating expenses 6 Other 2 Total non-operating expenses 6 Other 20 Ordinary profit 7,107 Cain on sale of non-current assets - Gain on sale of non-current assets - Gain on sale of non-current assets - Total extraordinary income 56 Extraordinary losses 6 Profit before income taxes 7,157 Total extraordinary losses 6 Profit before income taxes 7,157 Profit before income taxes 1,795 <td>Interest income</td> <td>13</td> <td>6</td>	Interest income	13	6	
Compensation income for damage38Compensation income6Outsourcing service income9Subsidy income10Foreign exchange gains9Other24Total non-operating income128Non-operating expenses11Interest expenses6Other2Total non-operating expenses6Other20Ordinary profit7,107Gain on sale of investment securities56Total extraordinary income56Extraordinary income56Extraordinary income6Profit before income taxes7,157And networks6Total extraordinary losses6Profit before income taxes7,157Profit5,3612,	Dividend income	3	4	
Compensation income6Outsourcing service income9Subsidy income10Foreign exchange gains9Other24Total non-operating income128Non-operating expenses11Interest expenses6Other2Total non-operating expenses6Other2Interest expenses11Compensation expenses6Other20Total non-operating expenses20Ordinary profit7,107Gain on sale of non-current assets-Gain on sale of investment securities56Total extraordinary income56Extraordinary income6Profit before income taxes6Total extraordinary losses6Profit before income taxes7,157Profit5,3612,	Rental income	13	14	
Outsourcing service income9Subsidy income10Foreign exchange gains9Other24Total non-operating income128Non-operating expenses11Interest expenses6Other2Total non-operating expenses6Other20Total non-operating expenses20Ordinary profit7,107Subtraordinary income56Gain on sale of non-current assets56Total extraordinary income56Extraordinary income56Profit before income taxes6Profit before income taxes7,157Profit1,795Profit5,3612,	Compensation income for damage	38	-	
Subsidy income10Foreign exchange gains9Other24Total non-operating income128Non-operating expenses11Interest expenses6Other2Total non-operating expenses6Other2Total non-operating expenses6Other20Total non-operating expenses20Ordinary profit7,107Sutraordinary income56Total extraordinary income56Extraordinary income56Extraordinary losses6Profit before income taxes6Profit before income taxes7,157Profit5,3612,	Compensation income	6	4	
Foreign exchange gains9Other24Total non-operating income128Non-operating expenses11Interest expenses6Other2Total non-operating expenses6Other2Total non-operating expenses20Ordinary profit7,107Gain on sale of non-current assets-Gain on sale of investment securities56Total extraordinary income56Extraordinary losses6Profit before income taxes6Profit1,795Profit5,3612,	Outsourcing service income	9	10	
Other24Total non-operating income128Non-operating expenses11Interest expenses11Compensation expenses6Other2Total non-operating expenses20Ordinary profit7,107Sextraordinary income-Gain on sale of non-current assets-Gain on sale of investment securities56Total extraordinary income56Extraordinary losses6Profit before income taxes6Profit7,1573,Income taxes1,795Profit5,3612,	Subsidy income	10	10	
Total non-operating income128Non-operating expenses11Compensation expenses6Other2Total non-operating expenses20Ordinary profit7,107Straordinary income-Gain on sale of non-current assets-Gain on sale of non-current assets-Total extraordinary income56Extraordinary income6Profit before income taxes6Profit7,157Profit1,795Profit5,361Ordinary operation5,361Ordinary income5,361	Foreign exchange gains	9	19	
Non-operating expenses11Interest expenses11Compensation expenses6Other2Total non-operating expenses20Ordinary profit7,107Staraordinary income-Gain on sale of non-current assets-Gain on sale of non-current assets56Total extraordinary income56Extraordinary losses6Loss on sale and retirement of non-current assets6Profit before income taxes7,1573,Income taxes1,795Profit5,3612,	Other	24	25	
Interest expenses11Compensation expenses6Other2Total non-operating expenses20Ordinary profit7,107Straordinary income7,107Gain on sale of non-current assets-Gain on sale of investment securities56Total extraordinary income56Extraordinary income6Extraordinary income6Profit before income taxes6Profit1,795Profit5,361Profit5,361	Total non-operating income	128	95	
Compensation expenses6Other2Total non-operating expenses20Ordinary profit7,107Straordinary income7,107Gain on sale of non-current assets-Gain on sale of investment securities56Total extraordinary income56Extraordinary losses6Loss on sale and retirement of non-current assets6Total extraordinary losses6Profit before income taxes7,157Income taxes1,795Profit5,361Composition2	Non-operating expenses			
Other2Total non-operating expenses20Ordinary profit7,107Staraordinary income7,107Gain on sale of non-current assets-Gain on sale of investment securities56Total extraordinary income56Extraordinary losses6Loss on sale and retirement of non-current assets6Total extraordinary losses6Profit before income taxes7,157Income taxes1,795Profit5,361Profit2,361	Interest expenses	11	12	
Total non-operating expenses20Ordinary profit7,1073,Extraordinary incomeGain on sale of non-current assets-Gain on sale of investment securities56Total extraordinary income56Extraordinary lossesLoss on sale and retirement of non-current assets6Total extraordinary losses6Profit before income taxes7,1573,Income taxes1,795Profit5,3612,	Compensation expenses	6	-	
Ordinary profit7,1073,Extraordinary income-Gain on sale of non-current assets-Gain on sale of investment securities56Total extraordinary income56Extraordinary losses-Loss on sale and retirement of non-current assets6Total extraordinary losses6Profit before income taxes7,157Income taxes1,795Profit5,361Description2,	Other	2	3	
Extraordinary incomeGain on sale of non-current assets-Gain on sale of investment securities56Total extraordinary income56Extraordinary losses-Loss on sale and retirement of non-current assets6Total extraordinary losses6Profit before income taxes7,157Income taxes1,795Profit5,3612,	Total non-operating expenses	20	15	
Gain on sale of non-current assets-Gain on sale of investment securities56Total extraordinary income56Extraordinary losses6Total extraordinary losses6Total extraordinary losses6Profit before income taxes7,157Income taxes1,795Profit5,3612,	Ordinary profit	7,107	3,497	
Gain on sale of investment securities56Total extraordinary income56Extraordinary losses56Loss on sale and retirement of non-current assets6Total extraordinary losses6Profit before income taxes7,157Income taxes1,795Profit5,3612,	Extraordinary income			
Total extraordinary income56Extraordinary lossesLoss on sale and retirement of non-current assets6Total extraordinary losses6Profit before income taxes7,157Income taxes1,795Profit5,3612,	Gain on sale of non-current assets	-	1	
Extraordinary lossesLoss on sale and retirement of non-current assets6Total extraordinary losses6Profit before income taxes7,157Income taxes1,795Profit5,3612,	Gain on sale of investment securities	56	-	
Loss on sale and retirement of non-current assets6Total extraordinary losses6Profit before income taxes7,157Income taxes1,795Profit5,3612,	Total extraordinary income	56	1	
Total extraordinary losses6Profit before income taxes7,1573,Income taxes1,795Profit5,3612,	Extraordinary losses			
Profit before income taxes 7,157 3, Income taxes 1,795 Profit 5,361 2,	Loss on sale and retirement of non-current assets	6	66	
Income taxes 1,795 Profit 5,361 2,	Total extraordinary losses	6	66	
Profit 5,361 2,	Profit before income taxes	7,157	3,432	
	Income taxes	1,795	860	
Profit attributable to non-controlling interests -	Profit	5,361	2,571	
	Profit attributable to non-controlling interests	-	-	
Profit attributable to owners of parent 5,361 2,	Profit attributable to owners of parent	5,361	2,571	

Quarterly Consolidated Statements of Comprehensive Income Nine months ended December 31, 2023

		(Millions of yen)
	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Profit	5,361	2,571
Other comprehensive income		
Valuation difference on available-for-sale securities	(8)	3
Foreign currency translation adjustment	(14)	29
Remeasurements of defined benefit plans, net of tax	(13)	(10)
Total other comprehensive income	(36)	22
Comprehensive income	5,325	2,594
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,325	2,594
Comprehensive income attributable to non-controlling interests	-	-

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity) Not applicable.

(Accounting policies adopted particularly for the preparation of quarterly consolidated financial statements) (Tax expense calculation)

Tax expenses on profit before income taxes are calculated by multiplying profit before income taxes by the reasonably estimated effective tax rate for the consolidated fiscal year including the third quarter of the consolidated accounting period under review after applying tax effect accounting.

(Significant subsequent events)

(Purchase and retirement of treasury stock)

At a meeting of the Board of Directors held on January 30, 2024, the Company resolved matters pertaining to the purchase of treasury shares in accordance with Article 156 of the Companies Act as applied pursuant to Article 165, Paragraph 3 of the same act, and also resolved to retire treasury shares in accordance with Article 178 of the Companies Act.

1. Reasons for the purchase and retirement of treasury stock

We will purchase and retire treasury shares in a flexible manner to improve capital efficiency and to further return profits to shareholders, taking into consideration opportunities for investment in growth, capital conditions, and market environment, including recent stock prices.

2. Details of the Board of Directors' resolution on the purchase of treasury shares

(1) Type of shares to be purchased	Common shares of the Company	
(2) Total number of shares that may be purchased	2,700,000 shares (maximum) (Ratio to the total number of issued shares, excluding treasury shares: 7.28%)	
(3) Total purchase cost	5,400,000,000 yen (maximum)	
(4) Purchase period	January 31, 2024 to June 30, 2024	
(5) Purchase method	 (a) Purchases through the Tokyo Stock Exchange Trading Network Off-Auction Own Share Repurchase Trading System (ToSTNeT-3) (b) Market purchase on the Tokyo Stock Exchange 	

3. Details of the Board of Directors' resolution on the retirement of treasury shares

(1) Type of shares to be retired	Common shares of the Company
	All treasury shares purchased through 2. above
(2) Total number of shares to be retired	(Ratio to the total number of issued shares before
	retirement: 6.58%)
	February 9, 2024: 1,000,000 shares; the month
	following the month in which the purchase is
(3) Scheduled date of retirement	completed for the number of shares obtained by
	deducting 1,000,000 shares from the total number of
	shares to be purchased in accordance with 2. above