

**Consolidated financial results for the 6 months
of the fiscal year ending March 31, 2025 (Japan GAAP - Unaudited)**

Company name: CAPCOM Co., Ltd.

Code number: 9697

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Holding of financial results briefing :

Yes (For institutional investors)

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Stock listing: Tokyo

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Note: Numbers are rounded down to the nearest 1 million yen.

1. Results for 6 months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)

(1) Financial results

Note: Percentage represents change from the same period of the previous fiscal year.

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	million yen	%	million yen	%	million yen	%	million yen	%
6 months ended September 30, 2024	56,402	(24.7)	20,726	(38.7)	20,706	(42.7)	15,275	(39.6)
6 months ended September 30, 2023	74,934	52.7	33,835	54.5	36,164	57.3	25,287	56.7

Note: Comprehensive income: 6 months ended September 30, 2024 12,952 million yen (-56.5%) 6 months ended September 30, 2023 29,752 million yen (44.5%)

	Earnings per share	Diluted earnings per share
	yen	yen
6 months ended September 30, 2024	36.52	—
6 months ended September 30, 2023	60.46	—

Note: With an effective date of April 1, 2024, Capcom (the "Company") performed a 2-for-1 split of its common stock.

The Company calculated "Earnings per share", assuming that the stock split was implemented with an effective date of April 1, 2023.

(2) Financial position

	Total assets	Net assets	Shareholders' equity ratio
	million yen	million yen	%
6 months ended September 30, 2024	245,782	198,907	80.9
Year ended March 31, 2024	243,476	195,081	80.1

Reference: Shareholders' equity: 6 months ended September 30, 2024 : 198,897 million yen Year ended March 31, 2024 : 195,081 million yen

2. Dividends

Record date	Dividend per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Annual
	yen	yen	yen	yen	yen
Year ended March 31, 2024	—	27.00	—	43.00	70.00
Year ending March 31, 2025	—	18.00			
Year ending March 31, 2025 (Forecast)			—	18.00	36.00

Note: 1. Changes in dividends forecast during the 6 months ended September 30, 2024 : No

2. With an effective date of April 1, 2024, the Company performed a 2-for-1 split of its common stock.

For dividends for the year ended March 31, 2024, the above dividends paid were the actual amounts before the stock split.

3. Earnings forecast for the fiscal year ending March 31, 2025 (From April 1, 2024 to March 31, 2025)

Note: Percentage represents change from the same period of the previous fiscal year.

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Year ending March 31, 2025	165,000	8.3	64,000	12.1	63,000	6.0	46,000	6.1	109.98

Note: Changes in earnings forecast during the 6 months ended September 30, 2024 : No

Notes

(1) Significant changes in the scope of consolidation during the period:				Yes
Newly included: 2 companies (Company name) Leostar Co., Ltd., and Minimum Studios Co., Ltd.				
(2) Application of simplified methods in accounting principle for quarterly consolidated financial statements:				Yes
Note: Please refer to "2. Summary of consolidated financial statements (4) Notes to consolidated financial statements (Application of special accounting treatment for preparation of quarterly financial statements)" on page 10 for more details.				
(3) Changes in accounting principles, accounting estimates and retrospective restatement for consolidated financial statements				
① Changes in accounting principles resulting from amendment of the accounting standard:				No
② Changes in accounting principles other than ①:				No
③ Changes in accounting estimates:				No
④ Retrospective restatement:				No
(4) Number of shares outstanding (Common stock):				
① Number of shares outstanding (including treasury stock)				
6 months ended September 30, 2024 :	533,011,246	Year ended March 31, 2024 :		533,011,246
② Number of treasury stock				
6 months ended September 30, 2024 :	114,755,967	Year ended March 31, 2024 :		114,772,206
③ Average number of shares outstanding				
6 months ended September 30, 2024 :	418,246,776	6 months ended September 30, 2023 :		418,228,670

Note: 1. The number of treasury stock at 6 months ended September 30, 2024 and the number of treasury stock deducted when calculating the average number of shares outstanding at 6 months ended September 30, 2024 include the Company's shares held by the Stock Grant ESOP trust.
 2. With an effective date of April 1, 2024, the Company performed a 2-for-1 split of its common stock. The Company calculated "Number of shares outstanding", "Number of treasury stock" and "Average number of shares outstanding", assuming that the stock split was implemented with an effective date of April 1, 2023.

(Explanation about the appropriate usage of business prospects and other special notes)

- The above-mentioned business forecasts were based on the information available as of the date of the release of this report.
- Future events may cause the actual results to be significantly different from the forecasts.
- Please refer to "1. Operating results overview (3) Qualitative information regarding the consolidated business forecasts" on page 4 for more details.

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1. Operating results overview

(1) Operating results for the period under review

In the six months ended September 30, 2024, Capcom Co., Ltd. (the “Company,” together with its subsidiaries, the “Group”) actively pursued investments for growth focused on the ongoing enhancement of digital sales in order to further evolve and expand within the global market. In addition, as part of its human resources investment strategy, which is one of the Group’s top priorities, the Company continued to invest in human capital toward securing and fostering human resources who will support the future, with the aim of stable and sustainable growth. With these kinds of management policies, the Company has been working to continue strengthening its development and technological capabilities, including through the acquisition of a 3DCG production company with strengths in animation production for consumer game development as a subsidiary. Furthermore, with regard to the remuneration system for directors, in order to link remuneration for directors more closely to business performance and maintain a common point of view with shareholders, the Company implemented measures aimed at continuously increasing corporate value over the medium to long term, such as by introducing a performance-linked stock remuneration system.

Regarding business conditions, during the six months ended September 30, 2024, in addition to the release of popular series titles, sales were dominated by catalog sales of major titles released in previous fiscal years in the core Digital Contents business due to the timing of new title sales in the fiscal year under review being weighted to the second half of the fiscal year. As a result, the Company sold 246 titles in 220 countries and regions, contributing to enhancing the value of the Company’s brands and achieving unit sales of 20.02 million units. While down from the 22.6 million units in the same period of the previous fiscal year when *Street Fighter 6* was released, thanks to efforts to promote digital sales, catalog title unit sales were 18.95 million units, up from 17.6 million units in the same period of the previous fiscal year.

The Company also worked to increase earnings through efficient operation of amusement arcades and the promotion of store openings in new store formats in Arcade Operations, as well as through the continued introduction of smart pachislo machines and the utilization of the Group’s popular intellectual properties (IPs) in Amusement Equipments. In addition to such activities, the Company utilized its highly popular brands in film and television productions, licensed merchandise, and esports.

As a result, earnings for the six months ended September 30, 2024 made favorable progress, with consolidated net sales of 56,402 million yen (down 24.7% year-over-year), operating income of 20,726 million yen (down 38.7% year-over-year), ordinary income of 20,706 million yen (down 42.7% year-over-year), and net income attributable to owners of the parent of 15,275 million yen (down 39.6% year-over-year).

Status of business by operating segment

① Digital Contents business

In the Digital Contents business, *Kunitsu-Gami: Path of the Goddess* (for Xbox Series X|S, Xbox One, PlayStation 5, PlayStation 4, and PC), a new IP, was released in July and received critical acclaim. In addition, *Ace Attorney Investigations Collection* (for Nintendo Switch, PlayStation 4, Xbox One, and PC), *Dead Rising Deluxe Remaster* (for PlayStation 5, Xbox Series X|S, and PC), and *MARVEL vs. CAPCOM Fighting Collection: Arcade Classics* (for Nintendo Switch, PlayStation 4, and PC) were released in September and garnered solid support from series fans.

Regarding catalog titles, sales of *Monster Hunter World: Iceborne* and *Monster Hunter Rise* continued to grow, contributing to the improvement of the brand, with cumulative sales of the series surpassing 100 million units worldwide, in the lead-up to the release of the latest title, *Monster Hunter Wilds*, in February 2025. In addition, the Company conducted proactive promotional campaigns to gain wider recognition of its IPs and acquire new fans, focusing primarily on series title sales, such as *Resident Evil 4* and *Dragon’s Dogma 2*. Furthermore, the Company pursued wider brand recognition and an expanded user base for *Street Fighter 6*, the major new title in our flagship series released in the previous fiscal year, by strengthening collaboration with esports activities.

Consequently, progress toward achieving the full-year plan was generally in line with the plan, though sales volume for the six months ended September 30, 2024, decreased compared with the same period of the previous fiscal year when *Street Fighter 6* was released.

In Mobile Contents, cumulative downloads of *Monster Hunter Now*, which was released in the previous fiscal year, exceeded 15 million, continuing to gain in popularity among many users and contribute to greater brand penetration. In addition, *Monster Hunter Puzzles: Felyne Isles* (for iOS and Android), released globally in June, surpassed 1 million cumulative downloads.

Furthermore, *Monster Hunter Wilds* won the most honors at the Gamescom Awards 2024 during Gamescom, held in August in Germany, one of the largest European game award events, taking home a total of four awards. Additionally, the Company's booth at Tokyo Game Show 2024, held in September, drew large crowds of people looking to try demos of upcoming titles. The Japan Game Awards: 2024 was also held during the show, at which *Street Fighter 6* won an Award for Excellence and Special Award, while *Dragon's Dogma 2* won an Award for Excellence, all in the Games of the Year Division. At the same time, *Monster Hunter Wilds* won an Award in the Future Division, providing momentum for future sales.

As a result, the segment earned net sales of 39,775 million yen (down 35.1% year on year), and operating income of 20,640 million yen (down 40.2% year on year).

② Arcade Operations business

In Arcade Operations, in addition to increased tourism after the COVID-19 pandemic, consumers have returned to their previous lifestyles. As such, the Company strived to increase the number of visitors while improving earnings through efficient operation of existing stores and store openings in new store formats. Moreover, the Company worked to maximize the appeal of our brick-and-mortar stores by holding events and creating synergies with other businesses.

During the six months ended September 30, 2024, the Company opened Plaza Capcom Oyabe (Toyama Prefecture) in April, and opened a new area at Plaza Capcom Ikebukuro (Tokyo) in May, bringing the total number of stores to 51.

As a result, the segment earned net sales of 10,991 million yen (up 19.9% year on year), and operating income of 1,667 million yen (up 47.8% year on year).

③ Amusement Equipments business

In Amusement Equipments, the pachislo market remained solid, driven by customer demand for smart pachislo machines. Sales of 5 thousand units of the new smart pachislo model *Street Fighter V Chosensha no Michi*, which was released in June, and 11 thousand units of the new smart pachislo model *Onimusha 3*, which began operating in halls on October 6th, contributed to earnings. Sales of *Strike the Blood*, which was released in March, also contributed.

As a result, the segment earned net sales of 3,176 million yen (up 22.2% year on year), and operating income of 1,587 million yen (down 10.9% year on year).

④ Other Businesses

In Other Businesses, the Company bolstered its structure by integrating internal organizations to accelerate collaboration between esports and the licensing business, with the aim of improving the brand value of its titles.

With this structure in place, the Company utilized its popular title *Street Fighter 6* and kicked off the global Capcom Pro Tour 2024 in June, while also holding the team-league Street Fighter League: Pro-JP 2024 in Japan from August, leading to heated battles unfolding across these various competitions. Moreover, the Company worked to further promote its esports tournaments, announcing that, continuing from the previous season, it will offer a grand prize of \$1 million USD at Capcom Cup 11, the championship tournament for the Capcom Pro Tour 2024. In addition to expanding the esports

fan base on a global scale, the Company will also hold the championship tournaments for the 2024 season at the *Ryogoku Kokugikan* arena in Japan to contribute to the domestic spread of esports as well.

Additionally, the Company focused on promoting various events and collaborations in conjunction with the 20th anniversary of the *Monster Hunter* series, as well as focusing on movie and television adaptations of its major IPs and developing character merchandise for its popular titles.

As a result, the segment earned net sales of 2,459 million yen (up 30.1% year on year), and operating income of 1,195 million yen (up 94.7% year on year).

(2) Overview of the consolidated financial position for the period under review

Total assets as of the end of the second quarter increased by 2,305 million yen from the end of the previous fiscal year to 245,782 million yen. The primary increases were 10,228 million yen in work in progress for game software, 1,272 million yen in raw materials and supplies, 806 million yen in cash on hand and in banks, as well as 735 million yen in current assets, other and 493 million yen in merchandise and finished goods due to an increase in prepaid expenses, etc. The primary decrease was 11,624 million yen in accounts receivable - trade.

Total liabilities as of the end of the second quarter decreased by 1,520 million yen from the end of the previous fiscal year to 46,874 million yen. The primary increases were 2,660 million yen in notes and accounts payable - trade, and 1,528 million yen in current liabilities, other, due to an increase in accrued expenses, etc. The primary decrease was 5,754 million yen in accrued bonuses.

Net assets as of the end of the second quarter increased by 3,825 million yen from the end of the previous fiscal year to 198,907 million yen. The primary increase was 15,275 million yen in net income attributable to owners of the parent. The primary decreases were 9,163 million yen in dividends from retained earnings, and 2,309 million yen in cumulative translation adjustments.

(3) Qualitative information regarding the consolidated business forecasts

The forecast for the consolidated business results for the current fiscal year ending March 31, 2025, remains the same as what was projected at the financial results announcement on May 9, 2024.

2. Summary of consolidated financial statements

(1) Consolidated balance sheets

(million yen)

	Previous fiscal year (March 31, 2024)	Current fiscal year (September 30, 2024)
Assets		
Current assets		
Cash on hand and in banks	125,191	125,997
Notes receivable - trade	—	268
Accounts receivable - trade	25,383	13,759
Merchandise and finished goods	1,692	2,185
Work in progress	1,222	1,292
Raw materials and supplies	847	2,120
Work in progress for game software	39,035	49,263
Other	4,456	5,191
Allowance for doubtful accounts	(2)	(2)
Total current assets	197,826	200,076
Fixed assets		
Tangible fixed assets, net of accumulated depreciation		
Buildings and structures, net	10,938	10,689
Other, net	19,529	19,856
Total tangible fixed assets	30,468	30,545
Intangible assets	1,444	1,699
Investments and other assets		
Other	13,760	13,483
Allowance for doubtful accounts	(23)	(23)
Total investments and other assets	13,737	13,460
Total fixed assets	45,650	45,706
Total assets	243,476	245,782

(million yen)

	Previous fiscal year (March 31, 2024)	Current fiscal year (September 30, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,603	5,264
Electronically recorded monetary liabilities	1,730	1,264
Short-term borrowings	3,591	3,591
Current portion of long-term borrowings	626	325
Accrued income taxes	5,454	5,886
Accrued bonuses	8,388	2,633
Deferred income	683	614
Other	10,135	11,664
Total current liabilities	33,213	31,244
Long-term liabilities		
Long-term borrowings	3,000	3,053
Liabilities for retirement benefits for employees	4,379	4,586
Provision for share awards	2,074	2,628
Other	5,727	5,361
Total long-term liabilities	15,181	15,630
Total liabilities	48,394	46,874
Net assets		
Shareholders' equity		
Common stock	33,239	33,239
Capital surplus	30,259	30,259
Retained earnings	172,615	178,727
Treasury stock	(50,012)	(49,985)
Total shareholders' equity	186,100	192,240
Accumulated other comprehensive income		
Cumulative translation adjustments	9,197	6,888
Accumulated adjustments for retirement benefits, net of tax	(216)	(230)
Total accumulated other comprehensive income	8,980	6,657
Non-controlling interests	—	9
Total net assets	195,081	198,907
Total liabilities and net assets	243,476	245,782

(2) Consolidated statements of income and comprehensive income
Consolidated statements of income

(million yen)

	Previous 6 months April 1, 2023 to September 30, 2023	Current 6 months April 1, 2024 to September 30, 2024
Net sales	74,934	56,402
Cost of sales	29,078	23,057
Gross profit	45,855	33,345
Selling, general and administrative expenses	12,019	12,618
Operating income	33,835	20,726
Non-operating income		
Interest income	537	574
Dividend income	12	0
Exchange gain, net	1,832	376
Other	46	71
Total non-operating income	2,430	1,022
Non-operating expenses		
Interest expense	29	37
Social contribution activity-related expenses (*)	—	940
Other	70	65
Total non-operating expenses	100	1,043
Ordinary income	36,164	20,706
Special gains		
Gain on sales of fixed assets	1	143
Total special gains	1	143
Special losses		
Loss on sales and /or disposal of fixed assets	0	2
Total special losses	0	2
Net income before income taxes	36,165	20,847
Income taxes	10,878	5,571
Net income	25,287	15,275
Net income attributable to owners of the parent	25,287	15,275

Consolidated statements of comprehensive income

	(million yen)	
	Previous 6 months April 1, 2023 to September 30, 2023	Current 6 months April 1, 2024 to September 30, 2024
Net income	25,287	15,275
Other comprehensive income		
Net unrealized gain or loss on securities, net of tax	226	—
Cumulative translation adjustments	4,216	(2,309)
Adjustments for retirement benefits, net of tax	21	(14)
Total other comprehensive income	4,464	(2,323)
Comprehensive income	29,752	12,952
Comprehensive income attributable to:		
Owners of the parent	29,752	12,952
Non-controlling interests	—	—

(3) Consolidated statements of cash flows

(million yen)

	Previous 6 months April 1, 2023 to September 30, 2023	Current 6 months April 1, 2024 to September 30, 2024
Cash flows from operating activities		
Net income before income taxes	36,165	20,847
Depreciation and amortization	1,905	2,143
Amortization of goodwill	—	17
Increase (decrease) in allowance for doubtful accounts	1	(0)
Increase (decrease) in accrued bonuses	(745)	(3,180)
Increase (decrease) in provision for share awards	533	553
Interest and dividend income	(550)	(574)
Interest expense	29	37
Exchange (gain) loss, net	(884)	(236)
Loss (Gain) on sales or disposal of fixed assets	(1)	(141)
Decrease (increase) in notes and accounts receivable - trade	13,448	11,350
Decrease (increase) in inventories	(1,127)	(1,845)
Decrease (increase) in work in progress for game software	(2,123)	(10,222)
Increase (decrease) in notes and accounts payable - trade	(1,591)	2,221
Increase (decrease) in deferred revenue	(4,429)	(68)
Other	(2,280)	(2,433)
Subtotal	38,348	18,467
Interest and dividends received	510	586
Interest paid	(30)	(35)
Income taxes paid	(11,601)	(4,923)
Net cash provided by operating activities	27,226	14,094
Cash flows from investing activities		
Payments into time deposits	(13,294)	(16,430)
Proceeds from withdrawal of time deposits	13,294	16,430
Payments for acquisitions of tangible fixed assets	(2,878)	(1,178)
Proceeds from sales of tangible fixed assets	1	338
Payments for acquisitions of intangible fixed assets	(207)	(258)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(122)	(154)
Other	(43)	(240)
Net cash used in investing activities	(3,250)	(1,493)
Cash flows from financing activities		
Repayments of long-term borrowings	(313)	(313)
Payments for repurchase of treasury stock	(0)	(2)
Dividends paid by parent company	(8,516)	(9,156)
Other	(551)	(628)
Net cash used in financing activities	(9,380)	(10,099)
Effect of exchange rate changes on cash and cash equivalents	3,785	(958)
Net change in cash and cash equivalents	18,380	1,542
Cash and cash equivalents at beginning of year	89,470	109,091
Cash and cash equivalents at end of quarter	107,851	110,634

(4) Notes to consolidated financial statements

(Going concern assumptions)

Not applicable

(Changes in the scope of consolidation)

Leostar Co., Ltd., newly established on April 1, 2024, has been included in the scope of consolidation from the beginning of the consolidated fiscal year. Also, on July 1, 2024, the Company acquired two-thirds of the total issued shares of Minimum Studios Co., Ltd., which is included in the scope of consolidation from the first half of the consolidated fiscal year. Since its deemed acquisition date was Sep. 30, 2024, only the balance sheet was consolidated at the first half of the consolidated fiscal year.

(Application of special accounting treatment for preparation of quarterly financial statements)

(Calculation of income taxes)

Income taxes are calculated by multiplying the net income before income taxes by the forecasted effective tax rate, which is computed by matching the forecasted yearly income taxes with the forecasted yearly income before taxes.

(Consolidated statements of income)

* Social contribution activity-related expenses

The breakdown of "Social contribution activity-related expenses" is "2025 Osaka Expo-related expenses" of 910 million yen and "Donations" of 30 million yen.

(Segment Information)

I Previous 6 months (From April 1, 2023 to September 30, 2023)

Information on net sales and operating income (loss)

(million yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Consolidated total (Note 3)
	Digital Contents	Arcade Operations	Amusement Equipments	Total				
Net sales								
(1) Customers	61,275	9,169	2,598	73,042	1,891	74,934	—	74,934
(2) Inter-segment	—	—	—	—	—	—	—	—
Total	61,275	9,169	2,598	73,042	1,891	74,934	—	74,934
Operating income (loss)	34,503	1,128	1,781	37,413	614	38,027	(4,192)	33,835

(Note) 1. "Other" incorporates operations not included in reportable segments, including the Character Contents business etc.

2. Adjustments of operating income (loss) of -4,192 million yen include unallocated corporate operating expenses of -4,192 million yen.

The corporate operating expenses, which do not belong to any reportable segments, mainly consist of administrative expenses.

3. Operating income (loss) for segments are adjusted on operating income of the consolidated statements of income.

II Current 6 months (From April 1, 2024 to September 30, 2024)

Information on net sales and operating income (loss)

(million yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Consolidated total (Note 3)
	Digital Contents	Arcade Operations	Amusement Equipments	Total				
Net sales								
(1) Customers	39,775	10,991	3,176	53,943	2,459	56,402	—	56,402
(2) Inter-segment	—	—	—	—	—	—	—	—
Total	39,775	10,991	3,176	53,943	2,459	56,402	—	56,402
Operating income (loss)	20,640	1,667	1,587	23,895	1,195	25,091	(4,364)	20,726

(Note) 1. "Other" incorporates operations not included in reportable segments, including the Character Contents business etc.

2. Adjustments of operating income (loss) of -4,364 million yen include unallocated corporate operating expenses of -4,364 million yen.

The corporate operating expenses, which do not belong to any reportable segments, mainly consist of administrative expenses.

3. Operating income (loss) for segments are adjusted on operating income of the consolidated statements of income.

(Material changes in shareholders' equity)

Not applicable

(Additional Information)

(Establishment of Stock Grant ESOP Trust)

In June 2022, the Company established a Stock Grant ESOP trust as an employee incentive plan (the Plan, below) for its permanent employees (excludes employees not living in Japan; eligible employees, below).

1. Overview

The Company established the Plan with the aim of increasing employee motivation and interest in contributing to the enhancement of earnings.

Under the Plan, the Company established a Stock Grant ESOP (Employee Stock Ownership Plan) trust (the "ESOP trust", below).

The ESOP trust is an employee incentive plan similar to ESOP plans in the U.S. and will grant the Company's stock that has been acquired by the ESOP trust to eligible employees who have satisfied certain requirements, based on predetermined stock transfer rules.

Further, the Company will provide all funds for acquisition of the aforementioned stock by the ESOP trust, so none of the cost falls upon the eligible employees.

The Company anticipates that by establishing the ESOP trust eligible employees will be able to reap the economic benefits of increases in the value of the Company's stock, resulting in increasing workplace motivation while at the same time enhancing work performance.

Further, voting rights for the Company's stock held in the ESOP trust will be exercised within a structure that reflects the will of eligible employees who are candidate beneficiaries, and is an effective way to improve corporate value by promoting participation in management planning.

2. The Company's Stock that Remains in the Trust

The Company's stock that remains in the trust is recorded as treasury stock in net assets based on the book value in the trust (excluding associated expenses). Total book value and the number of shares at the end of the previous fiscal year and at the first half of the consolidated fiscal year are 13,791 million yen and 7,983,640 shares, and 13,762 million yen and 7,966,701 shares, respectively.

With an effective date of April 1, 2024, the Company performed a 2-for-1 split of its common stock. The Company calculated "Number of treasury stock", assuming that the stock split was implemented with an effective date of April 1, 2023.