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Consolidated Financial Statements for the Second Quarter Ended September 30, 2023 FY2024 (April 1, 2023 - March 31, 2024) [UNAUDITED]

Company name: Takara Holdings Inc.
Stock exchange listings: Tokyo Stock Exchange (PRIME section)
Code number: 2531
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Quarterly statement filing date(as planned): November 13, 2023

- Notes: 1. The accompanying financial statements have been prepared in accordance with accounting principles and practices generally accepted in Japan.
2. Amounts are rounded down to the nearest million yen.

1. Results for the six months ended September 30, 2023 (April 1, 2023 – September 30, 2023)

(1) Consolidated operating results

Note: Percentages indicated changes from the same period of the previous fiscal year.

	Six months ended September 30, 2023		Six months ended September 30, 2022	
	(Millions of yen)	(%)	(Millions of yen)	(%)
Net sales	163,172	(0.7)	164,279	16.3
Operating income (loss)	12,464	(36.5)	19,614	(9.3)
Ordinary income (loss)	13,032	(34.7)	19,972	(8.7)
Net income (loss) attributable to owners of the parent	8,043	(26.0)	10,873	8.2
Net income (loss) per share (Yen)	40.69		55.00	
Fully diluted net income per share (Yen)	-		-	
Note: Comprehensive income (loss)	26,272	(13.0)	30,213	43.5

(2) Consolidated financial position

	As of September 30, 2023	As of March 31, 2023
	(Millions of yen)	(Millions of yen)
Total assets	420,865	399,174
Net assets	272,071	255,318
Equity ratio (%)	52.2	51.1
(Reference) Equity	219,688	203,951

2. Dividends

	Dividend per share (Yen)		
	Year ended March 31, 2023	Year ending March 31, 2024	Year ending March 31, 2024 (Forecast)
First quarter end	-	-	-
Second quarter end	-	-	-
Third quarter end	-	-	-
Year end	38.00	-	27.00
Annual	38.00	-	27.00

Note: Correction of dividend forecast from the most recent dividend forecast: No

3. Forecast for the year ending March 31, 2024 (April 1, 2023 - March 31, 2024)

Note: Percentages indicated changes from the same period of the previous fiscal year.

	Year ending March 31, 2024	
	(Millions of yen)	(%)
Net sales	341,000	(2.8)
Operating income (loss)	21,700	(42.8)
Ordinary income (loss)	22,500	(41.9)
Net income (loss) attributable to owners of the parent	15,000	(29.3)
Net income per share (Yen)	75.87	

Note: Correction of financial forecast from the most recent financial forecast: Yes

4. Others

- (1) Material changes in subsidiaries during this period
(Changes in specified subsidiaries that caused a change in the scope of consolidation): No
- (2) Accounting procedures specific to quarterly consolidated financial statements : No
- (3) Changes in accounting policies, accounting estimates and retrospective restatement
 - 1) Changes based on revisions of accounting standard: No
 - 2) Changes other than ones based on revisions of accounting standard: No
 - 3) Changes in accounting estimates: No
 - 4) Restatement: No
- (4) Number of outstanding shares (common stock)
 - 1) Number of outstanding shares at the end of each period (Treasury stocks are included):
 - As of September 30, 2023 : 199,699,743 shares
 - As of March 31, 2023 : 199,699,743 shares
 - 2) Number of treasury stocks at the end of each period:
 - As of September 30, 2023 : 1,995,673 shares
 - As of March 31, 2023 : 1,995,612 shares
 - 3) Average number of outstanding shares in each period
 - Six months ended September 30, 2023 : 197,704,122 shares
 - Six months ended September 30, 2022 : 197,704,145 shares

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1. Qualitative Information for the Six Months Ended September 30, 2023

(1) Consolidated Financial Results

In the six months ended September 30, 2023, net sales decreased 0.7% year on year to ¥163,172 million, gross profit decreased 4.2% year on year to ¥55,459 million, and SG&A expenses increased 12.4% year on year to ¥42,995 million. Operating income decreased 36.5% year on year to ¥12,464 million, ordinary income decreased 34.7% year on year to ¥13,032 million, and net income attributable to owners of the parent decreased 26.0% year on year to ¥8,043 million.

Results by business segment were as follows.

[Takara Shuzo]

In the six months ended September 30, 2023, although sales of light-alcohol refreshers and raw alcohol increased year on year, shochu, sake, and *Hon Mirin* decreased.

As a result, net sales for Takara Shuzo decreased 1.0% year on year to ¥61,190 million. Cost of sales decreased 5.3% year on year to ¥45,216 million, mainly due to a change in the sales mix, despite the continued impact of rising raw material prices. Gross profit increased 13.6% year on year to ¥15,974 million. SG&A expenses were in line with the equivalent period of the previous fiscal year, increasing 0.2% year on year to ¥12,021 million. Operating income was up 91.9% year on year to ¥3,952 million.

[Takara Shuzo International Group]

In the six months ended September 30, 2023, net sales of the Overseas Alcoholic Beverages Business increased year on year mainly due to continued growth in sales of whiskey in the U.S. and U.K. as well as an increase in sales of sake. Net sales of the Japanese Food Wholesale Business in overseas markets also increased as the eating and drinking establishment market continued to perform well, with the development of new business bases also contributing positively.

As a result, net sales for the Takara Shuzo International Group increased 21.1% year on year to ¥77,164 million. Cost of sales increased 20.7% year on year to ¥52,786 million in line with the increase in net sales. Consequently, gross profit increased 22.0% year on year to ¥24,377 million. SG&A expenses were up 26.5% year on year to ¥18,120 million, primarily due to an increase in personnel expenses and transportation costs, and operating income was up 10.6% year on year to ¥6,256 million.

[Takara Bio Group]

In the six months ended September 30, 2023, sales of testing-related reagents decreased due to changes in the legal categorization of COVID-19. As a result, net sales for the Takara Bio Group decreased 41.3% year on year to ¥19,116 million. Cost of sales decreased 45.3% year on year to ¥5,772 million, mainly due to a decrease in net sales. Consequently, gross profit decreased 39.4% year on year to ¥13,343 million. SG&A expenses were up 7.0% year on year to ¥11,933 million, primarily due to increases in personnel expenses and R&D expenses. Operating income decreased 87.0% year on year to ¥1,410 million.

[Other]

In the six months ended September 30, 2023, net sales of the Other segment decreased 4.6% year on year to ¥14,866 million due to decreased sales in the transportation business and the printing business. Cost of sales decreased 5.0% year on year to ¥12,729 million. Consequently, gross profit decreased 2.2% year on year to ¥2,136 million. SG&A expenses increased 0.2% year on year to ¥943 million, and operating income was down 4.0% year on year to ¥1,193 million.

Breakdown of sales results by product category

Segment		Equivalent Period of Previous Fiscal Year (From April 1, 2022, to September 30, 2022)	Period under Review (From April 1, 2023, to September 30, 2023)	YoY Comparison
	Product category	Amount (Millions of yen)	Amount (Millions of yen)	(%)
Takara Shuzo				
	Shochu	19,998	17,469	(12.6)
	Sake	4,697	4,252	(9.5)
	Light-alcohol refreshers	20,525	21,782	6.1
	Other alcoholic beverages	2,823	2,750	(2.6)
	<i>Hon Mirin</i>	4,710	4,546	(3.5)
	Other seasonings	4,321	4,447	2.9
	Raw alcohol, etc.	4,743	5,941	25.2
Total		61,820	61,190	(1.0)
Takara Shuzo International Group				
	Overseas Alcoholic Beverages Business	8,287	10,262	23.8
	Japanese Food Wholesales Business in overseas markets	56,421	68,084	20.7
	Other	2,812	215	(92.4)
	Elimination of intra-Group transaction on consolidation	(3,791)	(1,397)	—
Total		63,730	77,164	21.1
Takara Bio Group				
	Reagents	27,565	14,949	(45.8)
	Instruments	694	411	(40.7)
	CDMO	3,183	2,702	(15.1)
	Gene therapy	1,144	1,052	(8.0)
Total		32,587	19,116	(41.3)
Reported segment total		158,138	157,471	(0.4)
Other		15,577	14,866	(4.6)
Segment total		173,715	172,338	(0.8)
Sales not allocated to business segments and intersegment transactions		(9,435)	(9,165)	—
Total		164,279	163,172	(0.7)

Note: 1. Amounts include alcohol tax.

(2) Consolidated Financial Position

As of September 30, 2023, current assets were ¥240,349 million, a decrease of ¥1,164 million compared with that at the end of the previous fiscal year. This was primarily due to a decrease in cash and deposits of ¥7,453 million, despite increases in notes and accounts receivable-trade and merchandise and finished goods of ¥1,646 million and ¥3,189 million, respectively.

Noncurrent assets were ¥180,516 million, an increase of ¥22,855 million compared with that at the end of the previous fiscal year. This was primarily due to increases in property, plant and equipment of ¥11,856 million, mainly due to increases in buildings and structures and construction in progress, intangible assets of ¥1,048 million, and investments and other assets of ¥9,950 million due to an increase in the market valuation of investment securities.

As a result, total assets were ¥420,865 million, an increase of ¥21,691 million compared with that at the end of the previous fiscal year.

As of September 30, 2023, current liabilities were ¥76,847 million, an increase of ¥9,392 million compared with that at the end of the previous fiscal year. This was primarily due to increases in short-term loans payable of ¥5,160 million, current portion of bonds of ¥5,000 million, and accrued alcohol tax of ¥3,458, despite a decrease in other under current liabilities of

¥4,698 million due to decreases in accrued payments. Noncurrent liabilities were ¥71,946 million, a decrease of ¥4,454 million compared with that at the end of the previous fiscal year. This was primarily due to decreases in bonds payable of ¥5,000 million and long-term loans payable of ¥4,703 million, despite an increase in other under noncurrent liabilities of ¥5,303 million.

As a result, total liabilities were ¥148,794 million, an increase of ¥4,938 million compared with that at the end of the previous fiscal year.

As of September 30, 2023, total net assets were ¥272,071 million, an increase of ¥16,753 million compared with that at the end of the previous fiscal year. This was primarily due to increases in valuation difference on available-for-sale securities of ¥4,688 million and foreign currency translation adjustment of ¥10,416 million due to the ongoing weakening of the yen.

As a result, the equity ratio totaled 52.2%, compared with 51.1% at the end of the previous fiscal year.

In the six months ended September 30, 2023, net cash provided by operating activities increased ¥7,691 million year on year to ¥14,922 million primarily due to income before income taxes of ¥12,984 million, depreciation and amortization of ¥4,796 million, an increase in accrued alcohol tax of ¥3,458 million, a decrease in other current liabilities of ¥2,453 million, and ¥3,319 million in income taxes paid.

Net cash used in investing activities resulted in expenditure of ¥15,796 million, an increase in expenditure of ¥6,243 million compared to the same period of the previous fiscal year primarily due to purchase of property, plant and equipment and intangible assets of ¥14,540 million.

Net cash used in financing activities resulted in expenditure of ¥9,711 million, a decrease in expenditure of ¥11,913 million compared to the same period of the previous fiscal year primarily due to cash dividends paid of ¥7,497 million.

As a result, cash and cash equivalents as of September 30, 2023, including effect of exchange rate change on cash and cash equivalents, stood at ¥84,446 million, down ¥7,339 million from the previous fiscal year-end.

(3) Qualitative Information Regarding Consolidated Forecasts

The Company has revised the full-year consolidated results forecasts published on May 11, 2023 in consideration of recent performance trends.

With regard to the outlook for each segment for the full year ending March 31, 2024, we expect to fall short of our previous forecast owing to lower than expected sales volumes of *Hon Mirin*, raw alcohol, etc., for Takara Shuzo. With regard to operating income, although net sales will not meet our targets, we expect to exceed our previous forecast owing to efforts to decrease our SG&A expenses in spite of improvements we have made in terms of advertising expenses which we have achieved through efforts to keep a lid on rising costs and through efficient use of sales promotion expenses.

With regard to the Takara Shuzo International Group, we expect that net sales will fall short of our previous forecast owing to an ongoing slowdown of consumer spending in response to inflation. We also expect operating income to fall short of our previous forecasts owing to a predicted failure to meet our targets for gross profit as a result of a drop in net sales.

With regard to net sales of the Takara Bio Group, we expect that sales from the business for reagents and instruments and the CDMO business (genetic analysis) will fall short of our previous forecast owing to a slump in the global life sciences R&D market in response to prolonged inflation and an economic downturn and because of increased price competition for products and services. We also expect operating income to fall short of our previous forecasts owing to a predicted failure to meet our targets for gross profit as a result of a drop in net sales.

As a result of the above, net sales, operating income, and ordinary income are all expected to fall short of our previous forecasts. We have not made any changes to our previous forecast for net income attributable to owners of the parent as extraordinary income will be recorded due to sales of cross-shareholdings. The details of the consolidated results forecasts and the results forecasts for each segment are described on pages 10/15-13/15 in “Supplement for the Consolidated Financial Statements.”

Note: Today (November 9, 2023), the Company subsidiary Takara Bio Inc. (listed on the Prime Market of the Tokyo Stock Exchange with securities code number 4974) also revised its consolidated results forecasts for the full-year consolidated results forecast ending March 31, 2024, published in the financial statements on May 11, 2023.

(Full-Year Consolidated Results Forecasts for the fiscal year ending March 31, 2024)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share
Previous forecast (A) (Published May 11, 2023)	(Millions of yen) 355,000	(Millions of yen) 26,300	(Millions of yen) 26,800	(Millions of yen) 15,000	(Yen) 75.87
Revised forecast (B)	341,000	21,700	22,500	15,000	75.87
Difference (B – A)	(14,000)	(4,600)	(4,300)	—	—
Difference (%)	(3.9)	(17.5)	(16.0)	—	—
Reference : Business results for previous fiscal year (Ended March 31, 2023)	350,665	37,945	38,706	21,206	107.26

2. Consolidated Quarterly Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Millions of Yen)

	As of Mar. 31, 2023	As of Sept. 30, 2023
Assets		
Current assets		
Cash and deposits	96,820	89,367
Notes and accounts receivable-trade	69,717	71,363
Merchandise and finished goods	57,812	61,002
Work in process	1,718	2,132
Raw materials and supplies	7,372	7,577
Other	8,765	9,589
Allowance for doubtful accounts	(694)	(684)
Total current assets	241,513	240,349
Noncurrent assets		
Property, plant and equipment	88,890	100,747
Intangible assets		
Goodwill	10,668	11,505
Other	5,262	5,474
Total intangible assets	15,931	16,980
Investments and other assets		
Investment securities	30,573	37,373
Other	22,328	25,478
Allowance for doubtful accounts	(64)	(63)
Total investments and other assets	52,838	62,789
Total noncurrent assets	157,661	180,516
Total assets	399,174	420,865

	As of Mar. 31, 2023	As of Sept. 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable-trade	21,775	22,126
Short-term loans payable	4,919	10,079
Current portion of bonds	—	5,000
Accrued alcohol tax	5,815	9,274
Accrued expenses	6,368	6,019
Income taxes payable	2,220	2,824
Provision	3,622	3,488
Other	22,733	18,035
Total current liabilities	67,454	76,847
Noncurrent liabilities		
Bonds payable	20,000	15,000
Long-term loans payable	15,186	10,482
Net defined benefit liability	8,925	8,872
Other	32,288	37,591
Total noncurrent liabilities	76,401	71,946
Total liabilities	143,856	148,794
Net assets		
Shareholders' equity		
Capital stock	13,226	13,226
Capital surplus	1,994	1,994
Retained earnings	163,825	164,356
Treasury stock	(1,682)	(1,682)
Total shareholders' equity	177,363	177,893
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,974	17,663
Deferred gains or losses on hedges	286	290
Foreign currency translation adjustment	13,686	24,103
Remeasurements of defined benefit plans	(359)	(261)
Total accumulated other comprehensive income	26,588	41,795
Noncontrolling interests	51,366	52,382
Total net assets	255,318	272,071
Total liabilities and net assets	399,174	420,865

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

(Consolidated Statements of Income)

(For the Six Months Ended September 30, 2023 and 2022)

(Millions of Yen)

	FY2022 (Apr. 1, 2022 – Sept. 30, 2022)	FY2023 (Apr. 1, 2023 – Sept. 30, 2023)
Net sales	164,279	163,172
Cost of sales	106,400	107,713
Gross profit	57,879	55,459
Selling, general and administrative expenses	38,264	42,995
Operating income	19,614	12,464
Nonoperating income		
Dividends income	445	496
Other	452	551
Total nonoperating income	898	1,048
Nonoperating expenses		
Interest expenses	149	184
Share of loss of entities accounted for using equity method	113	—
Foreign exchange losses	113	—
Provision for loss on litigation	—	109
Other	163	185
Total nonoperating expenses	539	480
Ordinary income	19,972	13,032
Extraordinary income		
Gain on sale of noncurrent assets	252	28
Gain on sale of investment securities	—	8
Insurance claim income	652	—
National subsidies	63	—
Total extraordinary income	967	36
Extraordinary loss		
Loss on sale and retirement of noncurrent assets	45	84
Loss on tax purpose reduction entry of noncurrent assets	63	—
Other	16	—
Total extraordinary losses	125	84
Income before income taxes	20,815	12,984
Income taxes-current	5,405	4,290
Income taxes-deferred	580	(337)
Total income taxes	5,985	3,953
Net income	14,829	9,031
Net income attributable to the noncontrolling interest	3,956	988
Net income attributable to owners of the parent	10,873	8,043

(Consolidated Statements of Comprehensive Income)
(For the Six Months Ended September 30, 2023 and 2022)

(Millions of Yen)

	FY2022 (Apr. 1, 2022 – Sept. 30, 2022)	FY2023 (Apr. 1, 2023 – Sept. 30, 2023)
Net income	14,829	9,031
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,113)	4,688
Deferred gains or losses on hedges	372	3
Foreign currency translation adjustment	16,041	12,436
Remeasurements of defined benefit plans	82	111
Total other comprehensive income	15,383	17,240
Comprehensive income	30,213	26,272
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	22,835	23,250
Comprehensive income attributable to noncontrolling interest	7,377	3,022

(3) Consolidated Statements of Cash Flows

(Millions of Yen)

	FY2022 (Apr. 1, 2022 – Sept. 30, 2022)	FY2023 (Apr. 1, 2023 – Sept. 30, 2023)
Net cash provided by (used in) operating activities		
Income before income taxes	20,815	12,984
Depreciation and amortization	4,336	4,796
Amortization of goodwill	472	544
Increase (decrease) in provision	(297)	(231)
Interest and dividends income	(531)	(650)
Interest expenses	149	184
Loss (gain) on sale and retirement of noncurrent assets	(206)	56
Insurance claim income	(652)	—
Decrease (increase) in notes and accounts receivable-trade	(3,541)	941
Decrease (increase) in inventories	(2,429)	1,663
Increase (decrease) in notes and accounts payable-trade	(1,131)	(1,181)
Increase (decrease) in accrued alcohol tax	(116)	3,458
Increase (decrease) in accrued consumption taxes	1,371	(1,639)
Increase (decrease) in other current liabilities	(3,103)	(2,453)
Other, net	203	(702)
Subtotal	15,338	17,771
Interest and dividends income received	541	683
Interest expenses paid	(177)	(213)
Income taxes paid	(9,123)	(3,319)
Proceeds from insurance income	652	—
Net cash provided by (used in) operating activities	7,231	14,922
Net cash provided by (used in) investing activities		
Payments into time deposits	(6,001)	(1,696)
Proceeds from withdrawal of time deposits	1,270	2,596
Purchase of property, plant and equipment and intangible assets	(5,093)	(14,540)
Proceeds from sale of property, plant and equipment and intangible assets	—	(2,160)
Subsidies received	32	—
Other, net	238	2
Net cash provided by (used in) investing activities	(9,553)	(15,796)
Net cash provided by (used in) financing activities		
Proceeds from long-term borrowings	—	456
Redemption of bonds	(10,000)	—
Cash dividends paid	(7,300)	(7,497)
Dividends paid to noncontrolling interests	(1,563)	(1,999)
Repayments of lease obligations	(369)	(492)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(1,551)	—
Other, net	(840)	(178)
Net cash provided by (used in) financing activities	(21,625)	(9,711)
Effect of exchange rate change on cash and cash equivalents	4,208	3,246
Net increase (decrease) in cash and cash equivalents	(19,738)	(7,339)
Cash and cash equivalents at beginning of period	75,729	91,785
Cash and cash equivalents at end of period	55,991	84,446

(4) Notes to Consolidated Financial Statements**(Notes on Premise of Going Concern)**

No items to report.

(Notes on Material Changes in Shareholders' Equity)

No items to report.

(Segment Information)**I. Equivalent Period of Previous Fiscal Year (From April 1, 2022 to September 30, 2022)****1. Net sales and Income (Loss) by Reported Segment**

(Millions of yen)

	Reported Segment				Other (Note: 1)	Total	Adjustment (Note: 2)	Amount recognized in consolidated quarterly statements of income (Note: 3)
	Takara Shuzo	Takara Shuzo International Group	Takara Bio Group	Subtotal				
Net sales								
External customers	61,337	63,608	32,584	157,530	6,749	164,279	-	164,279
Intersegment	483	121	2	608	8,827	9,435	(9,435)	-
Total	61,820	63,730	32,587	158,138	15,577	173,715	(9,435)	164,279
Segment income (loss)	2,059	5,658	10,870	18,588	1,243	19,831	(216)	19,614

Notes: 1. Other includes business segments that are not part of reported segments, such as the real estate rental business, the transportation business, and the wine import and sale business.

2. The adjustment to segment income (loss) of ¥(216) million comprises intersegment eliminations of ¥14 million and loss of the Company not allocated to business segments of ¥(231) million.

3. Segment income has been adjusted to the operating income of consolidated quarterly statements of income.

2. Information on Impairment Loss on Noncurrent Assets, Goodwill, etc. by Reportable Segment

No items to report.

II. Period under Review (From April 1, 2023, to September 30, 2023)**1. Net sales and Income (Loss) by Reported Segment**

(Millions of yen)

	Reported Segment				Other (Note: 1)	Total	Adjustment (Note: 2)	Amount recognized in consolidated quarterly statements of income (Note: 3)
	Takara Shuzo	Takara Shuzo International Group	Takara Bio Group	Subtotal				
Net sales								
External customers	60,704	76,881	19,116	156,702	6,470	163,172	-	163,172
Intersegment	486	282	0	768	8,396	9,165	(9,165)	-
Total	61,190	77,164	19,116	157,471	14,866	172,338	(9,165)	163,172
Segment income (loss)	3,952	6,256	1,410	11,619	1,193	12,812	(348)	12,464

Notes: 1. Other includes business segments that are not part of reported segments, such as the real estate rental business, the transportation business, and the wine import and sale business.

2. The adjustment to segment income (loss) of ¥(348) million comprises intersegment eliminations of ¥(5) million and loss of the Company not allocated to business segments of ¥(343) million.

3. Segment income has been adjusted to the operating income of consolidated quarterly statements of income.

2. Information on Impairment Loss on Noncurrent Assets, Goodwill, etc. by Reportable Segment
No items to report.

(Significant Subsequent Events)

(Acquisition and cancellation of treasury stock)

The meeting of the Company's Board of Directors held on November 9, 2023, approved the acquisition of treasury stock based on the provisions for Article 156 of the Companies Act described in Article 165 (3) of the same act and the cancellation of treasury stock based on the provision of Article 178 of the Companies Act.

1. Reasons for the acquisition and cancellation of treasury stock
The Company will acquire treasury stock in order to execute an agile capital policy that aligns with shareholder returns and the business environment. In conjunction with this, the Company will also cancel treasury stock in accordance with its policy on ownership of treasury stock.
2. Details of acquisition of treasury stock

(1) Classification of stock to be acquired	Common stock of the Company
(2) Number of shares to be acquired	3.0 million shares (upper limit) (1.52% of total number of shares issued and outstanding (excluding treasury stock))
(3) Total cost of acquisition	¥3.0 billion (upper limit)
(4) Period of acquisition	November 13, 2023 to February 20, 2024
(5) Method of acquisition	Open market purchase through the Tokyo Stock Exchange
3. Details of cancellation of treasury stock

(1) Classification of stock to be cancelled	Common stock of the Company
(2) Number of shares to be cancelled	Total number of shares acquired in Item 2 above (1.50% of total number of shares issued and outstanding before cancellation (if 3.0 million shares (upper limit) are acquired))
(3) Scheduled cancellation date	February 29, 2024