

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



First Quarter,  
Fiscal Year Ending March 31, 2023

# Results Briefing

August 10, 2022  
Morinaga & Co., Ltd.

#### About forward-looking statements

This material includes forward-looking statements, such as forecasts, plans, and targets for the Company and its consolidated subsidiaries. These statements are based on judgments and assumptions on the basis of information that the Company has obtained and may be different from actual results and developments in the future.

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

森永製菓株式会社

Copyright (C) Morinaga & Co., Ltd. All rights reserved.

Hello everyone. My name is Tetsuya Takagi and I'm the Chief Financial Officer at Morinaga. Thank you very much for taking time out of your busy schedules to attend our financial results briefing for the first quarter of the fiscal year ending March 31, 2023.

Starting from this fiscal year, in addition to our usual first-half and full-year results briefings, we will also be disclosing materials and holding results briefings for the first and third quarters. We will be making every effort to enhance the content of our disclosures, so your continued support will be much appreciated.

In the first quarter of this fiscal year, the Japanese government continued to pursue a policy of balancing preventive measures with economic activity as repeated waves of COVID-19 infections came and went. Meanwhile, soaring global raw material and energy costs caused primarily by Russia's invasion of Ukraine had a considerable impact on our earnings.

To begin, I will provide an overview of our financial results for the first quarter, and then discuss the progress of our business strategies and the key points of our main initiatives for the second quarter onwards.

## Consolidated Results for 1Q FY2023/3

Net sales: Up on continued strong performance of "in-" Business, Direct Marketing Business, and U.S. Business  
 Profit: Down on soaring costs for raw materials and energy, along with aggressive investments in advertising

(Billion yen)	1Q FY2023/3	Y/Y change	
<b>Net sales</b>	<b>46.8</b>	<b>+2.3</b>	<b>105.0%</b>
<b>Gross profit</b> (gross profit margin)	<b>19.5</b> (41.8%)	<b>(0.2)</b> [(2.4ppt)]	<b>99.4%</b>
<b>Operating income</b> (operating income margin)	<b>4.6</b> (9.9%)	<b>(1.6)</b> [(4.1ppt)]	<b>74.2%</b>
<b>Ordinary income</b>	<b>4.8</b>	<b>(1.9)</b>	<b>71.6%</b>
<b>Profit attributable to owners of parent</b>	<b>3.4</b>	<b>(1.4)</b>	<b>70.6%</b>
<b>EBITDA*1</b>	<b>7.0</b>	<b>(1.6)</b>	<b>81.8%</b>

森永製菓株式会社

\*1 Simplified EBITDA: operating income + depreciation and amortization

Copyright (C) Morinaga & Co., Ltd. All rights reserved. 3

First, here are our results for the first quarter.

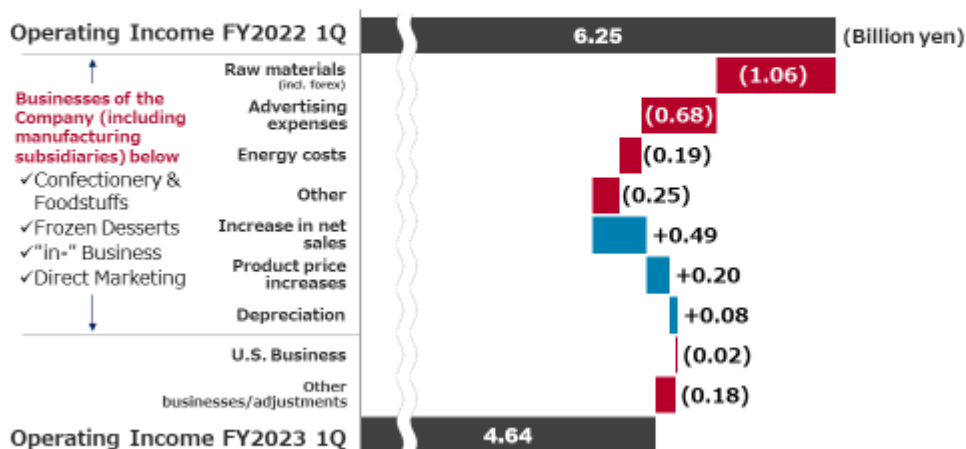
Net sales increased JPY 2.3 billion year on year, or 5.0%, to JPY 46.8 billion. Of the businesses that we positioned as focus domains in the 2030 Business Plan, the "in-" business, the Direct Marketing business, and the U.S. business in particular were the drivers of net sales growth, following on from brisk results last fiscal year and partly reflecting the benefits of strategic investments.

Next, operating income came to JPY 4.6 billion. This represents a year-on-year decline of JPY 1.6 billion. The operating income margin was 9.9%. Operating income was significantly affected by the soaring prices of raw materials and energy, along with the impact of yen depreciation. Also, our ongoing strategic investments in advertising, centering on the growth areas of the "in-" business and the Direct Marketing business, were a factor that weighed down operating income.

Profit attributable to owners of the parent decreased JPY 1.4 billion year on year to JPY 3.4 billion. These results were slightly below our forecasts announced at the start of the fiscal year.

## 1Q FY2023/3 Results: Factors in Change in Consolidated Operating Income

Despite improvements in profitability from higher net sales and price revisions, operating income declined on skyrocketing raw material prices (including forex impacts) and energy costs, as well as investments in advertising targeting future growth.



森永製菓株式会社

Copyright (C) Morinaga & Co., Ltd. All rights reserved. 4

Next, here are the factors driving change in operating income.

The negative factors are in red and the positive factors in blue. Firstly, the cost of raw materials, which includes the impact of the weak yen, increased by JPY 1.06 billion. We factored costs of around JPY 4.3 billion into our full-year results forecast at the start of the fiscal year, so the first quarter figure means that about 25% of that amount has already materialized.

Also, the impact of higher energy costs came to JPY 0.19 billion. The impact of these soaring costs is slightly higher than what we expected. It is unclear what kind of impact soaring raw material prices and energy costs, as well as fluctuations in exchange rates, will have on earnings going forward, so it is likely that the challenging conditions will continue for the time being.

To combat rising costs, we successively carried out price revisions from the end of May. They boosted operating income by approximately JPY 0.2 billion. I'll discuss the price revisions in more detail in a few moments.

At the same time, we increased our investments in advertising mainly in the growth domains of the "in-" business and the Direct Marketing business. In the former, we invested in branding with the aim of strengthening the foundation of the "in-" business. In the latter, we sought to accelerate efforts to gain direct marketing subscription customers. As a result of all the factors just mentioned, operating income declined by JPY 1.6 billion year on year.

## 1Q FY2023/3 Results: Summary by Business

In Japan, the increase in net sales was driven by the "in-" Business and the Direct Marketing Business. Operating income was hit by weaker profit in the Confectionery & Foodstuffs and Frozen Desserts Businesses. Overseas, sales growth continued in the United States Business. Consolidated income was flat year on year in each region.

(Billion yen)	Net sales			Operating income		
	1Q FY2023/3	Y/Y change		1Q FY2023/3	Y/Y change	
Confectionery & Foodstuffs <sup>*1</sup>	16.1	(0.2)	98.9%	0.3	(0.6)	37.5%
Frozen Desserts	11.5	(0.1)	99.1%	1.3	(0.8)	63.0%
"in-" Business <sup>**</sup>	8.1	+0.9	112.5%	1.8	+0.0	100.2%
Direct Marketing	2.5	+0.4	118.8%	0.1	(0.0)	80.9%
Operating Subsidiaries	3.4	+0.3	109.7%	0.2	+0.1	132.4%
Other	0.3	+0.0	104.1%	0.0	(0.1)	46.1%
Domestic Total	42.1	+1.3	103.3%	4.0	(1.4)	73.8%
United States <sup>**</sup>	2.8	+0.7	134.5%	0.3	(0.0)	94.4%
China, Taiwan, Exports, etc.	1.7	+0.1	110.3%	0.2	+0.0	108.0%
Overseas Total	4.6	+0.9	124.1%	0.6	(0.0)	99.5%
Consolidated Total	46.8	+2.3	105.0%	4.6	(1.6)	74.2%

森永製菓株式会社 \*1 Sugar confectionery, chocolates, and other products under the "in" brand are included in Confectionery & Foodstuffs

\*2 Includes income from exports to the US from China and Taiwan

Copyright (C) Morinaga & Co., Ltd. All rights reserved. 5

Next we have net sales and operating income by business segment.

First, in Japan the increase in net sales was driven by the "in-" business and the Direct Marketing business with growth of more than 10%. Operating income was more or less flat because we carried out strategic investments in advertising. Net sales in the Confectionery & Foodstuffs and Frozen Desserts businesses were mostly flat, but operating income was dented by the impact of skyrocketing raw material prices.

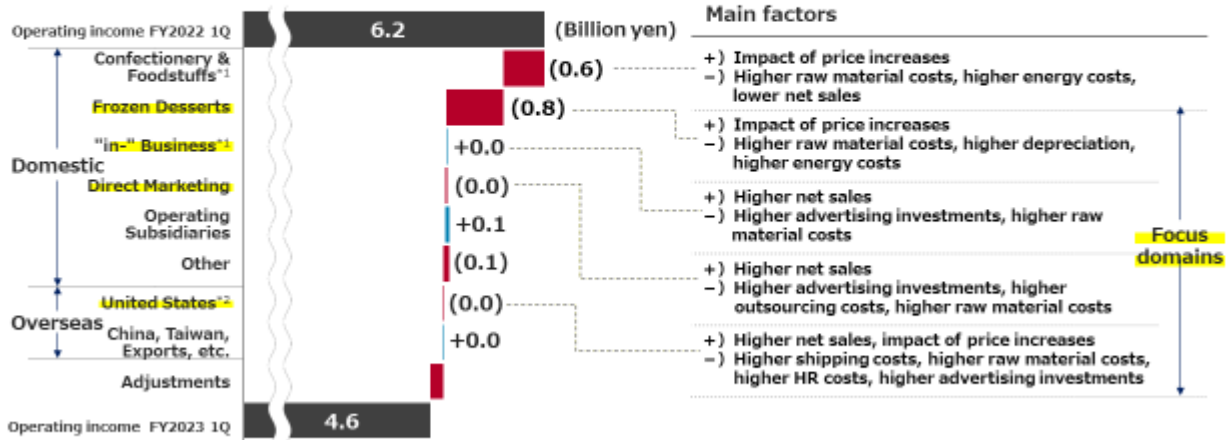
Overseas, net sales came to JPY 4.6 billion on strong year-on-year growth of 24.1%. This was notably driven by the U.S. business, thanks to 34.5% year-on-year growth in net sales. Even on a local currency basis after stripping out the impact of the weak yen, growth in the U.S. was 28.1%.

On the other hand, operating income was flat mainly because of the impact of higher raw material prices, a temporary jump in shipping costs, and advertising investments. As a result of these factors, the ratio of overseas sales to consolidated net sales nearly hit double digits, rising to 9.9%.

## 1Q FY2023/3 Results: Change in Operating Income by Business

Even with strategic investments in "in-" Business, Direct Marketing Business, and United States Business, operating income was on par with year-earlier levels.

Confectionery & Foodstuffs Business affected by higher raw material costs, Frozen Desserts Business particularly affected by higher raw material costs and depreciation and amortization, resulting in a decline in operating income.



森永製菓株式会社 \*1 Sugar confectionery, chocolates, and other products under the "in" brand are included in Confectionery & Foodstuffs

\*2 Includes income from exports to the US from China and Taiwan

This slide shows a graph of changes in operating income by business segment.

As a result of ongoing strategic investments aimed at realizing sustained growth, the "in-" business, the Direct Marketing business, and the U.S. business generated operating income on a par with year-earlier levels. In contrast, the Confectionery & Foodstuffs business and Frozen Desserts business were affected by higher raw material costs, while the latter was also impacted by higher depreciation and amortization. As a result, operating income declined in these businesses.

## Product Price Revisions: June Sales Report

Bottom line for assessing successor failure is year-on-year growth in net sales. Sales trends over a certain period will bear watching.

		SRI		
		①	②	③
		Sales <b>value</b>	Average <b>unit price</b>	Per-store sales <b>volume</b>
		Y/Y <b>rise?</b>	Y/Y <b>increase?</b>	Y/Y <b>growth?</b>
Confectionery	<i>12-piece Milk Caramel</i>	○	○	○
	<i>Morinaga Biscuits (5 types)</i>	×	○	×
Frozen Desserts	<i>Choco Monaka Jumbo</i>	○	○	△
	<i>Vanilla Monaka Jumbo</i>	○	○	×
	<i>ICEBOX (Grapefruit)</i>	◎	○	◎
	<i>Ita Choco Ice</i>	○	○	×
	<i>Multipacks</i>	×	○	×

Key: ◎ = Surpassed previous year, △ = Underperformed previous year

森永製菓株式会社 Source: intage SRI+ data

Copyright (C) Morinaga & Co., Ltd. All rights reserved. 7

I'd now like to discuss price revisions.

In response to skyrocketing costs of raw materials, we successively carried out price revisions from the end of May. They boosted operating income by approximately JPY 0.2 billion. The slide shows sales value, unit price, and sales volume based on SRI data for the products for which we revised prices in succession starting at the end of May. These price revisions have mostly achieved the targeted increase in sales value, but we still only have one month of data from June to look at.

As for biscuits, sales were impacted by tight supply and demand stemming from the planned halt to manufacturing in order to add more production line capacity, so we consider there to be no change in consumer buying behavior.

As customers tend to refrain from purchasing products immediately after a price increase, and given that sales can be affected by the weather, the actions of rival companies, and other factors, we think a certain period of time is needed in order to assess whether our price revisions have been successful, so going forward we will have to keep a close eye on consumption trends and the like.

## 1Q FY2023/3 Results: Balance Sheet

(Billion yen)	End-1Q FY2023/3	vs. end- FY2022/3	Main factors
Current assets	100.1	(11.9)	·Cash and deposits (16.2) ·Merchandise and finished goods +1.7
Noncurrent assets	101.3	(0.9)	·Machinery, equipment and vehicles (0.8) ·Investment securities (0.9)
Total assets	201.4	(12.9)	—
Current liabilities	61.6	(8.5)	·Income taxes payable (9.2) ·Notes and accounts payable—trade +2.5
Long-term liabilities	13.6	+0.7	·Deferred tax liabilities +0.3
Total liabilities	75.2	(7.9)	—
Shareholders' equity	115.9	(5.1)	·Treasury stock (4.0) ·Retained earnings (1.1)
Accumulated other comprehensive income	8.9	(0.0)	·Valuation difference on available-for-sale securities (0.6)
Non-controlling interests	1.2	+0.1	—
Total net assets	126.1	(5.0)	—
Total liabilities and net assets	201.4	(12.9)	—
Shareholders' equity ratio	62.0%	+1.3pt	—

森永製菓株式会社

Copyright (C) Morinaga & Co., Ltd. All rights Reserved. 8

Next, our balance sheet at the end of June 2022.

Total assets decreased JPY 12.9 billion from the end of the previous fiscal year to JPY 201.4 billion. This is mainly attributable to a decline of JPY 16.2 billion in the balance of cash and deposits.

The decline in cash and deposits was partially due to a JPY 9.2 billion decrease in income taxes payable following the payment of taxes, even though taxes payable were recorded in connection with the sale of Morinaga Milk shares as part of a reduction in cross-shareholdings carried out last fiscal year.

The other major reason was shareholder return measures; namely, dividend payments worth JPY 4.5 billion, and JPY 4.0 billion in treasury stocks.

As a result, the shareholders' equity ratio increased 1.3 percentage points from the end of the previous fiscal year to 62.0%.

## Domestic: "in-" Business



- Brisk sales since last fiscal year, but operating income was flat due to the impacts of strategic advertising investments and higher raw material costs
- Aiming to generate further growth by building the "in" brand and working to attract and retain fresh users of the brand

### 1Q initiatives and results

### Initiatives for 2Q onward



#### • in Jelly: Y/Y net sales +22%

- Entrenchment of new consumption settings in response to lifestyle changes during COVID-19
- Consumption settings have expanded and purchase rate continues to grow. In particular, sales from female customers have increased



#### • Retain fresh users and secure more users overall

- Market the products to a wide range of customer segments by promoting various consumption settings and aim to expand purchase rate



#### • in Bar: Y/Y net sales -23%

- Protein consumption methods are diversifying and competition is intensifying

#### • Launch of protein bar aiming for No. 1

- Aim to improve user satisfaction with a quality product that offers not only protein, but also great taste and substantiality

#### • "in" brand building measures

- "in" brand TV commercials and newspaper advertisements
- Tying the corporate and "in" brands together and reinforcing the sports image of the "in" brand



Now I'd like to discuss business strategies and the key points of our main initiatives for the second quarter onwards.

Following on from brisk results last fiscal year, *in Jelly*—the core focus of the "in-" business—continues to grow steadily, with sound progress being made on expanding target customers and consumption settings. We will continue to set our sights on further growth by implementing measures aimed at expanding target customers and consumption settings.



## Domestic: Direct Marketing



- Subscription customer numbers are steadily increasing following price revisions to reflect enhanced value from product renewals
- Aiming to continually attract new customers by effective advertising investment with a view to further solidify the foundations of the business

### 1Q initiatives and results

### Initiatives for 2Q onward



森永製菓株式会社

#### ● Morinaga Collagen Drink

- Y/Y net sales +**19%**
- Prices revised to reflect product renewals
- Steady growth in subscription customers: up 3% from end-FY2022/3
- Increase in digital reach by advertising investment in online media

#### ● Morinaga Aojiru

- Ongoing development of a product as a second pillar candidate
- Steady sales growth

#### ● Hizakaru Collagen (powdered collagen)

- Further expanding the rollout of collagen as a health product and reinforcing the association between collagen and Morinaga
- Offline advertising (TV shopping) for a certain period to cultivate product appeal

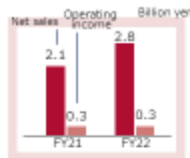
#### ● Advance efforts to gain new customers through advertising investment

- Run TV, radio, and internet advertisements
- Aim to secure new customers and increase subscription customers whilst scrutinizing cost of gaining subscriptions in each media channel
- Progress is being made towards the building of a new system (scheduled for within FY23)

Copyright (C) Morinaga & Co., Ltd. All rights reserved. 11

The strong momentum in the Direct Marketing business last fiscal year was sustained in the first quarter and we were able to steadily increase the number of new subscription customers. This business remains in good shape, as highlighted by the health of indicators that measure how efficient we are at gaining customers when compared to advertisement spending. From the second quarter onwards, we will again look to further shore up the foundations of this business by undertaking appropriate business management.

## Overseas: United States



**HI-CHEW performs well even after price revisions / Operating income generation was at previous year's level amid soaring raw material prices and shipping costs**  
**Aiming for further business growth by strengthening initiatives to expand brand**

### 1Q initiatives and results

### Initiatives for 2Q onward



森永製菓株式会社

#### ● HI-CHEW

- Price revisions successively implemented since December 2021
- Store turnover increased in all regions of the US even after the price revisions, and sales outpaced market growth
- Health-focused lineup expanded to meet wide-ranging needs of consumers
- Promotions aimed at boosting brand recognition were carried out, such as seasonal events and partnerships



#### ● Initiatives for further increasing store turnover

- New partnership initiatives for boosting brand recognition and increasing brand loyalty



#### ● Chargel

- Full-fledged start of trying to create a jelly drinks market as a second pillar
- Launched own e-commerce site in February 2022 and commenced sales at brick-and-mortar outlets in March
- Internet advertising started
- Sampling started at sports events



#### ● Accelerate measures aimed at expanding sales channels and brand touchpoints

- Continue to negotiate new sales channels
- Expand brand touchpoints mainly through partnerships and social media exposure

Copyright (C) Morinaga & Co., Ltd. All rights reserved. 12

The momentum seen thus far in the U.S. business has continued with brisk sales of *HI-CHEW*. Along with sustained growth in the ratio of stores stocking our products throughout the United States, store turnover is also growing sharply in all regions. After overcoming the rollout of price revisions that started in December last year, sales volume has increased, which suggests that the product value of *HI-CHEW* is steadily being accepted by customers.

In addition, we have started selling, although only on a small scale so far, a health-focused lineup of *HI-CHEW* products, as previously planned, to accommodate the broad-ranging needs of customers. We will continue to leverage aggressive sales promotions to communicate the *HI-CHEW* value and brand to as many customers as possible and grow the U.S. business with a view to generating sustainable growth by increasing the ratio of stores stocking *HI-CHEW* nationwide.

We will also undertake and accelerate efforts aimed at developing sales channels and brand touchpoints in order to cultivate a market for *Chargel*, our new jelly drink.

## Domestic: Frozen Desserts



- Brisk sales in the market even after price revisions / Operating income declined on higher raw material and energy prices and increased depreciation and amortization
- Targeting sales growth in the 2Q peak demand season with *Choco Monaka Jumbo* and other differentiated products

### 1Q initiatives and results

### Initiatives for 2Q onward



森永製菓株式会社

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>● <b>Jumbo Group:</b> Y/Y net sales <b>+5%</b> <ul style="list-style-type: none"> <li>- New <i>Choco Monaka</i> 50<sup>th</sup> anniversary commercial aired to encourage buying</li> <li>- Sales volume on par with year-earlier level even after June price hike</li> </ul> </li> <li>● <b>Ita Choco Ice:</b> Y/Y net sales <b>-32%</b> <ul style="list-style-type: none"> <li>- Third year of year-round sales. Despite a collaboration with popular anime title, sales fell short of the high year-earlier hurdle</li> </ul> </li> <li>● <b>The Crepe</b> <ul style="list-style-type: none"> <li>- Previously sold only in winter, year-round sales started in April</li> </ul> </li> <li>● <b>ICEBOX:</b> Y/Y net sales <b>+5%</b> <ul style="list-style-type: none"> <li>- Due to development of promotions tailored to the target market, sales have been strong since April, and have continued to be strong since the June price revision</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>● <b>Intermittent 50<sup>th</sup> anniversary promotions</b> <ul style="list-style-type: none"> <li>- Stimulate buying across all generations by communicating via different types of media</li> </ul> </li> <li>● <b>Target chocolate lovers in summer</b> <ul style="list-style-type: none"> <li>- Target confectionery chocolate users by highlighting product value and expand purchase rate</li> </ul> </li> <li>● <b>Initiatives for entrenching year-round sales</b> <ul style="list-style-type: none"> <li>- Aim to tap demand for chilled desserts, enhance product value, and run promotions</li> </ul> </li> <li>● <b>Target peak demand season using various approaches</b></li> </ul> |
|--|---|

The following errors were corrected on September 1, 2022. FY21 Net sales in the graph: 11.4→11.6

Copyright (C) Morinaga & Co., Ltd. All rights reserved. 13

Now the Frozen Desserts business.

Our strong point in this business is our lineup of highly differentiated products that leverage confectionery technology. *Choco Monaka Jumbo* is a classic example of this. Sales got off to a brisk start this fiscal year partly thanks to aggressive sales promotions commemorating the product's 50<sup>th</sup> anniversary. However, sales were weak for *Ita Choco Ice*, which is now in its third year of year-round sales.

I believe we can stay ahead of the competition by accurately drawing the attention of consumers to the value of our highly differentiated products, including *The Crepe*, for which we launched year-round sales this fiscal year. In the peak demand season of the second quarter, we will aim to grow sales proportionate to profit growth by ensuring the success of price revisions through aggressive sales promotions.

## Domestic: Confectionery & Foodstuffs (1/2 – sugar confectionery/biscuits)



- Soaring raw material prices, energy costs squeeze profit / Sales of high-margin sugar confectionery were brisk, while biscuits struggled for a time
- Prices raised successfully for confectionery business earnings pillars due to effective promotions

### 1Q initiatives and results

### Initiatives for 2Q onward



### Biscuits



森永製菓株式会社

- **HI-CHEW:** Y/Y net sales **+15%**
  - Recovery from the impact of COVID-19 thanks to new texture products
  - Lineup of various textures helped consumers meet the need to alleviate stress
- **Morinaga Ramune:** Y/Y net sales **+16%**
  - Sales remained brisk despite challenging tablet candy market conditions
  - Tapped new demand for Otsubu Ramune with a new texture product
- **Morinaga Milk Caramel**
  - The success of a marketing promotion helped lift sales volume above the year-earlier level even after a price hike
- **HI-CHEW Day (Aug 12):** Enhancement of products and promotions
  - Price revisions in July
  - Aim to spur buying with HI-CHEW Day initiatives
- **Deeper academic marketing and entrenchment of new texture products**
  - Price revisions in July
  - Approach different target customers by highlighting product functions and texture
- **Morinaga Biscuits:** Y/Y net sales **-16%**
  - Stable growth from established consumption settings when working from home
  - Planned halt to manufacturing in order to add more production line capacity for further growth in the future
  - ➔ Tight supply/demand meant new product launches/store promotions could not be carried out
- **Going on the offensive as new production line comes on stream**
  - Aim to stimulate buying behavior after the June price hike by rolling out new products from the end of August and bolstering store promotions and other various other marketing measures

Copyright (C) Morinaga & Co., Ltd. All rights reserved. 14

The Confectionery & Foodstuffs business.

HI-CHEW sales are gaining momentum after a sluggish recovery from COVID-19. A catchy sales promotion campaign carried out for HI-CHEW day on August 12 should bring the July 1 price revisions to a successful conclusion.

We will aim to chalk up stable growth in Morinaga Biscuits by stepping up store promotions and other sales campaigns starting with new products scheduled to be launched in succession from the end of August.

## Domestic: Confectionery & Foodstuffs (2/2 – chocolate/foodstuffs)



- Profit squeezed due to raw material costs, energy prices
- Aiming to strengthen brand value and improve profitability by prices revisions and continually employing cost-cutting measures

### 1Q initiatives and results

### Initiatives for 2Q onward

#### Chocolate



- **Carré de chocolat:** Y/Y net sales **-1%**
  - Targeting snacking scenarios as a fine quality chocolate product
- **Deliver greater value as a top brand of genuine, fine quality chocolate**
  - Price revisions in July
  - Expand premium line and stimulate buying behavior with promotions



- **DARS:** Y/Y net sales **-4%**
  - Growth in purchase rate due to promotions targeting generation Z
  - Signs of a rebound in primarily mainstay products due to changes in the 2021 autumn strategy
- **Further enhance value in line with target needs**
  - Develop unique product value and strengthen value communication via a mix of media



- **Chocoball:** Y/Y net sales **-4%**
  - Purchasing encouraged by promotions in step with the times
- **Strengthen the fun aspects**
  - Price revisions in July

#### Foodstuffs



森永製菓株式会社

- **Morinaga Amazake:** Y/Y net sales **-12%**
- **Morinaga Cocoa:** **-8%**
  - Product expansion and promotion of consumption settings with a view to strengthening these products as health brands
- **Efforts to encourage regular consumption as accessible health drinks**
  - Price revisions for some products in July



Copyright (C) Morinaga & Co., Ltd. All rights reserved. 15

In the categories of chocolate and foodstuffs, we will aim to improve profitability by not only strengthening brand value, but also by revising prices and continually employing cost-cutting measures.

That ends my discussion about the key points of our main initiatives for the second quarter onwards.

Our initial results forecast for the fiscal year ending March 31, 2023 that we announced on May 13 of this year remains unchanged. That said, it remains to be seen how earnings will be affected by skyrocketing raw material prices and energy costs, as well as forex movements. If revisions to our forecasts are warranted, we will disclose them as quickly as possible.

Thank you for your attention.

**Cautionary statement regarding forward-looking statements**

This material includes forward-looking statements, such as forecasts, plans, and targets for the Company and its consolidated subsidiaries. These statements are based on judgments and assumptions on the basis of information that the Company has obtained and may be different from actual results and developments in the future.