

Consolidated Financial Results for the 1st Quarter ended June 30, 2023 (Japanese Generally Accepted Accounting Principles)



July 28, 2023

Name of company	Yakult Honsha Co., Ltd.		
Stock exchange listing	Prime Market in Tokyo Stock Exchange		
Code number	2267		
URL	https://www.yakult.co.jp		
Representative	President and Representative Director	Hiroshi Narita	
Contact person	Managing Executive officer	Shuichi Watanabe	TEL +81-3-6625-8960
Scheduled date of filing Statutory quarterly financial report	August 9, 2023		
Scheduled date of payment of dividends	—		
Preparation of support documentation of results	: Yes		
Holding of briefing for analysts and institutional investors	: Yes		

(Figures less than 1 million yen have been rounded down)

1. Consolidated financial results for the 1st quarter of FY2023, ended June 30, 2023 (April 1, 2023 - June 30, 2023)

(1) Consolidated Financial Results (Accumulated)

(Percentage figures presents year-on-year changes)

	Net Sales		Operating Profit		Ordinary Profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
1Q FY2023	122,155	13.1	16,981	15.0	20,859	13.0	13,111	14.5
1Q FY2022	107,983	12.0	14,770	27.2	18,460	12.1	11,451	(2.5)

(Note) Comprehensive income for 1Q FY2023 29,320 million yen{(21.4)%} 1Q FY2022 37,286 million yen{67.0%}

	Basic earnings per Share	Diluted earnings per Share
	yen	yen
1Q FY2023	84.01	—
1Q FY2022	73.03	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity to Asset Ratio
	million yen	million yen	%
1Q FY2023	763,990	567,785	67.7
FY2022	749,419	545,496	66.5

(Ref.) Equity for 1Q FY2023 517,219 million yen FY2022 498,659 million yen

2. Dividends

	Dividends per Share				
	1st Qtr.	2nd Qtr.	3rd Qtr.	Year End	Total
	yen	yen	yen	yen	yen
FY2022	—	45.00	—	45.00	90.00
FY2023	—	—	—	—	—
FY2023 (Forecast)	—	55.00	—	28.00	—

(Note) Revision of the latest dividend forecast : Yes

(Note) The Company resolved at a meeting of its Board of Directors held today to implement a 2-for-1 stock split of shares of common stock with an effective date of October 1, 2023. For this reason, the year-end dividend per share (projected) for the fiscal year ending March 31, 2024 is presented in an amount that takes the impact of this stock split into account. The year-end dividend per share (projected) for the fiscal year ending March 31, 2024 without considering the stock split would be 56 yen. For details, please refer to the “Notification Regarding Stock Split and Related Partial Amendment to Articles of Incorporation, Revision of Dividend Forecast, and Shareholder Benefit Program” released today.

3. Forecast for consolidated financial results for FY2023 (April 1, 2023 - March 31, 2024)

(Percentage figures presents year-on-year changes)

	Net Sales		Operating Profit		Ordinary Profit		Profit attributable to owners of parent		Basic earnings per Share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
2nd Qtr.	261,500	12.3	37,000	4.8	44,500	6.0	27,500	2.2	176.20
Annual	531,000	9.9	75,500	14.3	91,000	16.7	58,500	15.5	187.42

(Note) Revision of the latest financial forecast : No

(Note) The impact of the stock split has been taken into account in the basic earnings per share in the forecast for consolidated financial results for FY2023 (full year). The forecast for basic earnings per share for FY2023 without considering the stock split would be 374.83 yen.

*Notes

- (1) Changes of important subsidiaries during the period : No
(Change in specified subsidiary with change in scope of consolidation)
- (2) Special Accounting Treatment for Preparation of the Quarterly Consolidated Financial Statements : Yes
(Note) Details are stated on pg. 9 under “Notes on Quarterly Consolidated Financial Statements.”
- (3) Change in accounting policies and estimates, correction of prior period errors
- | | |
|--|----|
| (a) Change in accounting policy with revision of accounting standard : | No |
| (b) Change in account policy other than (a) : | No |
| (c) Change in accounting estimates : | No |
| (d) Correction of prior period errors : | No |
- (4) Shares issued (common stock)
- | | |
|--|-------------|
| (a) Number of shares issued (including treasury stocks) | |
| 1Q FY2023 | 171,045,418 |
| FY2022 | 171,045,418 |
| (b) Number of treasury stocks | |
| 1Q FY2023 | 14,975,095 |
| FY2022 | 14,975,095 |
| (c) Weighted average of number of shares (cumulative figure for quarter) | |
| 1Q FY2023 | 156,070,323 |
| 1Q FY2022 | 156,801,236 |

* This financial report is not included in quarterly reviews by our external auditors.

* Explanation for the appropriate use of the financial forecast and other comments

Note concerning statements about the future, etc.

The statements about the future, including earnings projections, contained in this report are based on information currently available as well as certain assumptions considered reasonable. Actual results may vary considerably from these projections owing to a range of factors.

Assumptions upon which the forecast is based and notes on the use of the forecast are stated on pg. 4 under “Disclaimer on Future Outlook Including Consolidated Financial Results Forecast.”

Procedure for obtaining supplementary information on financial results

We plan to hold a conference call for analysts and institutional investors on July 28, 2023.

Materials used in the conference call will be posted on the company’s website.

Table of Contents

1. Qualitative Information Regarding Quarterly Consolidated Financial Results	2
(1) Business Performance Overview.....	2
(2) Financial Position	4
(3) Disclaimer on Future Outlook Including Consolidated Financial Results Forecast	4
2. Quarterly Consolidated Financial Statements and Notes.....	5
(1) Quarterly Consolidated Balance Sheet.....	5
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	7
Quarterly Consolidated Statement of Income.....	7
Quarterly Consolidated Statement of Comprehensive Income.....	8
(3) Notes on Quarterly Consolidated Financial Statements	9
(Notes Related to Going Concern Assumption)	9
(Special Accounting Treatment for Preparation of the Quarterly Consolidated Financial Statements).....	9
(Segment Information).....	10
(Significant Subsequent Events).....	12

1. Qualitative Information Regarding Quarterly Consolidated Financial Results

(1) Business Performance Overview

1 Performance Overview

During the first quarter of the fiscal year ending March 31, 2024, despite a gradual recovery in economic conditions, partly as the result of the effects of various policies, the Japanese economy remained susceptible to downward risks due to global monetary tightening and other factors and to the impacts of rises in the cost of living and other factors.

Against this background, the Yakult Group worked to build awareness and understanding of the probiotics that constitute the bedrock of our operations, while striving to communicate the superiority of our products. Guided by our long-term vision, Yakult Group Global Vision 2030, we pursued business activities and sought to improve our performance with the aim of evolving into a healthcare company that continues to contribute to the health of people around the world.

Following these efforts, consolidated net sales for the three months of this fiscal year rose 13.1% from the same period of the previous year to 122,115 million yen. Operating profit increased 15.0% to 16,981 million yen, while ordinary profit increased 13.0% to 20,859 million yen. Profit attributable to owners of parent increased 14.5% to 13,111 million yen.

2 Overview by Segment

Food and Beverages (Japan)

In dairy products, Yakult focused on broadening recognition of the science behind its proprietary living *Lactobacillus casei* strain Shirota¹ and *Bifidobacterium breve* strain Yakult by utilizing evidence to conduct grassroots value dissemination initiatives.

In our home delivery channel, we implemented initiatives to encourage customers to drink the fermented milk drinks *Yakult 1000* and the *Yakult 400W*, linking them to the roll-out of advertising. To strengthen our home delivery organization, we pressed ahead with efforts to conduct recruitment activities and create convenient working conditions for Yakult Ladies.

As for the retail store channel, we worked to improve visibility in store, focusing on the fermented milk drinks *Yakult 1000* and the *New Yakult* series, in our efforts to increase revenue.

In product-specific initiatives, we addressed rising demand for *Yakult 1000* and *Y1000* by increasing production capacity for both products. We will continue taking action to ensure stable supply going forward.

In other beverages, in April, we expanded the sales regions of *Kan Fine*, a food with functional claims that contains an effective quantity of anthocyanin derived from purple sweet potato and that assists with lowering the level of the enzymes, AST and γ -GTP, related to liver function, and worked to increase sales.

As a result of these efforts, consolidated net sales for the Food and Beverages (Japan) segment increased 14.5% from the same period of the previous fiscal year, totaling 63,887 million yen.

Food and Beverages (Overseas)

Yakult's operations outside Japan commenced in March 1964 with the establishment of Yakult Taiwan Co., Ltd., and now the manufacture and sale of *Yakult* outside of Japan spans 39 countries and regions centered around 29 companies and one research center, with average daily bottle sales of approximately 30.57 million bottles in June 2023.

a. The Americas

In the Americas, *Yakult* and other products are manufactured and sold by Yakult S/A Ind. E Com. (Brazil), Yakult S.A. De C.V. (Mexico), and Yakult U.S.A. Inc.

At Yakult U.S.A. Inc., boosting support for sales through publicity campaigns and other initiatives, as well as making efforts to increase the number of stores stocking our products resulted in a steady increase in sales figures.

In other regions within the Americas, we strived to increase revenue by reinforcing the sales networks for both the home delivery and retail store sales channels.

As a result of these efforts, consolidated net sales in the Food and Beverages (The Americas) segment increased

¹ Classified as *Lactocaseibacillus paracasei* strain Shirota as of April 2020.

34.4% from the same period of the previous year to 18,652 million yen.

b. Asia and Oceania

In Asia and Oceania, *Yakult* and other products are manufactured and sold by Hong Kong Yakult Co., Ltd.; Yakult (Singapore) Pte. Ltd.; PT. Yakult Indonesia Persada; Yakult Australia Pty. Ltd.; Guangzhou Yakult Co., Ltd.; Yakult (Malaysia) Sdn. Bhd.; Shanghai Yakult Co., Ltd.; Beijing Yakult Co., Ltd.; Yakult (China) Corporation; Yakult Vietnam Co., Ltd.; and Yakult Danone India Pvt. Ltd.; among others. In addition, Yakult Middle East FZCO imports *Yakult* and other products for sale.

At Yakult Vietnam Co., Ltd., as the result of efforts to enhance the home delivery organization and increase the number of stores stocking our products, the monthly average number of bottles sold per day in April was the highest on record.

Yakult (China) Corporation established the Xuzhou Branch in Xuzhou, Jiangsu Province and began selling *Yakult*, *Yakult Light*, and *Yakult 50 Billion Light* in the retail store channel in June. This brought the number of sales location in China to 51.

As a result of the above, consolidated net sales in the Food and Beverages (Asia and Oceania) segment rose 8.7% from the same period of the previous year to 31,827 million yen.

c. Europe

In Europe, *Yakult* and other products are manufactured by Yakult Europe B.V., and sold by Yakult Nederland B.V., Yakult Belgium N.V./S.A., Yakult Europe B.V., Yakult UK Ltd., Yakult Deutschland GmbH, Yakult Oesterreich GmbH, and Yakult Italia S.r.l.

In this region, taking advantage of heightened health consciousness, we aimed for sustainable growth by conducting sales activities tailored to each individual country's market.

Yakult UK Ltd. began selling *Yakult Plus* in the retail store channel in April.

Meanwhile, the prolongation of the conflict between Russia and Ukraine means that, although we do not operate in either country, we will continue to pay close attention to the impact of the conflict on Europe as a whole.

As a result of these efforts, consolidated net sales in the Food and Beverages (Europe) segment increased 2.5% from the same period of the previous year to 2,638 million yen.

Others

This segment encompasses Yakult's cosmetics manufacturing and sales, pharmaceuticals manufacturing and sales, and its professional baseball team operations.

In our cosmetics operations, we worked to help customers realize their internal and external beauty, and to increase the number of regular users of our cosmetics by focusing on initiatives to disseminate the value of our proprietary moisturizing agent S.E. (Shirota Essence), which is the result of our extensive research on lactic acid bacteria since the Company's foundation.

As specific examples of such activities, in the *Lactdew* series of basic skin care products, we released a revamped version of *Lactdew S.E. Lotion 1*, which offers a lightly moisturized feel. We also rolled out a brand-boosting campaign for our *Parabio* series of high-performance basic skin care products in an effort to encourage regular use of the products in the series.

In our pharmaceuticals operations, we promoted awareness and the proper use of our products, particularly those specializing in oncology and related fields. Regarding our mainstay, the antineoplastic drug *Elplat*, while medical institutions are increasingly switching to available generic versions in line with government policy, we leveraged our ability to provide relevant information about it, a Company strength as the developer of the original drug.

However, our revenue was impacted by revisions to National Health Insurance drug prices in April 2023, which reduced prices for most of Yakult's pharmaceutical products.

In our professional baseball operations, we improved the various fan service engagements at Jingu Stadium and disseminated a range of information in our efforts to increase attendance and revenue.

As a result of the above factors, consolidated net sales in the Others segment fell 12.9% from the same period of the previous year to 8,281 million yen.

(2) Financial Position

Total assets at the fiscal quarter-end amounted to 763,990 million yen, an increase of 14,570 million yen compared to the previous fiscal year-end, three months prior.

Net assets increased 22,288 million yen from the previous fiscal year-end to 567,785 million yen. The main factors were an increase in foreign currency translation adjustments due to a weaker yen and an increase in retained earnings due to quarterly profit attributable to owners of parent.

The equity to asset ratio was 67.7%, an increase of 1.2 percentage point from the previous fiscal year-end.

(3) Disclaimer on Future Outlook Including Consolidated Financial Results Forecast

The aforementioned forecast is based on the information available to management at the time of announcement. Actual operating results may differ from these projections due to various factors in the future.

We have made no changes to our financial results forecasts from those announced on May 12, 2023.

2. Quarterly Consolidated Financial Statements and Notes**(1) Quarterly Consolidated Balance Sheet**

(Millions of yen)

	Fiscal year 2022 As of March 31, 2023	Fiscal year 2023 As of June 30, 2023
Assets		
Current Assets		
Cash and Deposits	241,185	234,581
Notes and accounts receivable-trade	60,139	65,170
Merchandises and Finished goods	10,383	11,071
Work in process	2,578	2,370
Raw materials and supplies	23,741	25,007
Others	16,452	19,427
Allowance for doubtful accounts	(285)	(310)
Total current assets	354,195	357,318
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	93,771	93,896
Others, net	131,351	135,906
Total Property, plant and equipment	225,122	229,802
Intangible assets		
Software	2,269	2,434
Others	3,300	3,338
Total intangible assets	5,570	5,773
Investments and other assets		
Investment securities	66,000	72,379
Shares of subsidiaries and associates	79,673	79,060
Others	18,942	19,739
Allowance for doubtful accounts	(85)	(84)
Total investments and other assets	164,531	171,095
Total non-current assets	395,224	406,671
Total assets	749,419	763,990

Yakult Honsha Co., Ltd. (2267) Financial Report for the 1st Quarter of FY2023 ended June 30, 2023

(Millions of yen)

	Fiscal year 2022 As of March 31, 2023	Fiscal year 2023 As of June 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable-trade	28,958	25,563
Short-term loans payable	3,208	3,314
Current portion of long-term loans payable	45,839	45,814
Income taxes payable	11,539	5,827
Provision for bonuses	6,784	4,180
Others	51,315	53,383
Total current liabilities	147,645	138,084
Non-current liabilities		
Long-term loans payable	14,559	13,243
Provision for directors' retirement benefits	360	220
Net defined benefit liability	4,279	4,331
Asset retirement obligations	1,693	1,694
Others	35,384	38,630
Total non-current liabilities	56,277	58,120
Total liabilities	203,922	196,204
Net assets		
Shareholders' equity		
Capital stock	31,117	31,117
Capital surplus	41,572	41,572
Retained earnings	484,243	490,331
Treasury shares	(81,927)	(81,927)
Total shareholders' equity	475,006	481,094
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	20,417	24,841
Foreign currency translation adjustment	3,991	11,995
Remeasurements of defined benefit plans	(756)	(711)
Total accumulated other comprehensive income	23,652	36,124
Non-controlling interests	46,837	50,565
Total net assets	545,496	567,785
Total liabilities and net assets	749,419	763,990

(2) Quarterly Consolidated Statement of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

(Millions of yen)

	Previous period From April 1, 2022 to June 30, 2022	Current period From April 1, 2023 to June 30, 2023
Net sales	107,983	122,115
Cost of sales	42,531	49,425
Gross profit	65,452	72,689
Selling, general and administrative expenses	50,681	55,708
Operating profit	14,770	16,981
Non-operating income		
Interest income	1,078	2,426
Dividend income	980	1,030
Share of profit of entities accounted for using equity method	850	412
Others	1,178	550
Total non-operating income	4,088	4,419
Non-operating expenses		
Interest expenses	177	152
Foreign exchange losses	-	158
Others	220	231
Total non-operating expenses	398	542
Ordinary profit	18,460	20,859
Extraordinary income		
Gain on sales of non-current assets	128	49
Others	30	-
Total extraordinary income	158	49
Extraordinary losses		
Loss on sales of non-current assets	1	1
Loss on retirement of non-current assets	61	37
Others	0	0
Total extraordinary losses	63	39
Profit before income taxes	18,555	20,869
Income taxes	5,952	6,393
Profit	12,602	14,475
Profit attributable to non-controlling interests	1,151	1,364
Profit attributable to owners of parent	11,451	13,111

Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	Previous period From April 1, 2022 to June 30, 2022	Current period From April 1, 2023 to June 30, 2023
Profit	12,602	14,475
Other comprehensive income		
Valuation difference on available-for-sale securities	925	4,420
Foreign currency translation adjustment	23,801	9,899
Remeasurements of defined benefit plans, net of tax	57	48
Share of other comprehensive income of entities accounted for using equity method	(100)	477
Total other comprehensive income	24,684	14,845
Comprehensive income	37,286	29,320
Comprehensive income attributable to:		
Owners of parent	32,349	25,583
Non-controlling interests	4,937	3,737

(3) Notes on Quarterly Consolidated Financial Statements

(Notes Related to Going Concern Assumption)

None.

(Special Accounting Treatment for Preparation of the Quarterly Consolidated Financial Statements)

Calculation of Tax Expenses

Tax expenses for the Company and its consolidated subsidiaries in Japan are calculated by multiplying income before income taxes for the third quarter under review by the reasonably estimated effective tax rate after applying tax effect accounting to the income before income taxes for the current consolidated fiscal year, including the third quarter under review.

In addition, income taxes—deferred are included in income taxes.

(Segment Information)

I The first quarter of FY2022 (April 1 to June 30, 2022)

1. Net sales, profit (loss), and disaggregated revenue in each reportable segment

(Millions of yen)

	Food and Beverages			
	Japan	The Americas	Asia and Oceania	Europe
Net sales				
Revenue from contracts with customers	53,297	13,878	29,282	2,574
Other revenues	—	—	—	—
Net sales to external customers	53,297	13,878	29,282	2,574
Intersegment net sales or transfers	2,514	—	—	—
Total	55,812	13,878	29,282	2,574
Segment profit (loss)	10,484	3,778	3,795	98

	Others	Adjustments	Consolidated results
Net sales			
Revenue from contracts with customers	8,949	—	107,983
Other revenues	—	—	—
Net sales to external customers	8,949	—	107,983
Intersegment net sales or transfers	558	(3,072)	—
Total	9,507	(3,072)	107,983
Segment profit (loss)	1,177	(4,564)	14,770

Notes: 1. Adjustments are as follows.

The (4,564) million yen adjustment in segment profit (loss) includes (2,799) million yen of corporate expenses not allocated to specific reportable segments. Corporate expenses include those of administrative divisions of the Company, such as the general affairs department, that cannot be attributed to any specific reportable segments.

2. Segment profits are adjusted with operating profit under the quarterly consolidated statement of income.

3. Countries / regions in each geographic segment outside Japan.

- (1) The Americas Mexico, Brazil, The United States of America
- (2) Asia and Oceania Hong Kong, China, Indonesia, Singapore, Malaysia, Australia, India, Vietnam, The United Arab Emirates, Myanmar
- (3) Europe The Netherlands, The United Kingdom, Germany, Belgium, Austria, Italy

II The third quarter of FY2023 (April 1 to June 30, 2023)

Net sales, profit (loss), and disaggregated revenue in each reportable segment

(Millions of yen)

	Food and Beverages			
	Japan	The Americas	Asia and Oceania	Europe
Net sales				
Revenue from contracts with customers	61,299	18,652	31,827	2,638
Other revenues	—	—	—	—
Net sales to external customers	61,299	18,652	31,827	2,638
Intersegment net sales or transfers	2,587	—	—	—
Total	63,887	18,652	31,827	2,638
Segment profit (loss)	13,438	5,180	3,049	(79)

	Others	Adjustments	Consolidated results
Net sales			
Revenue from contracts with customers	7,696	—	122,115
Other revenues	—	—	—
Net sales to external customers	7,696	—	122,115
Intersegment net sales or transfers	585	(3,173)	—
Total	8,281	(3,173)	122,115
Segment profit (loss)	218	(4,825)	16,981

Notes: 1. Adjustments are as follows.

The (4,825) million yen adjustment in segment profit (loss) includes (2,946) million yen of corporate expenses not allocated to specific reportable segments. Corporate expenses include those of administrative divisions of the Company, such as the general affairs department, that cannot be attributed to any specific reportable segments.

2. Segment profits are adjusted with operating profit under the quarterly consolidated statement of income.
3. Countries / regions in each geographic segment outside Japan.

- (1) The Americas Mexico, Brazil, The United States of America
- (2) Asia and Oceania Hong Kong, China, Indonesia, Singapore, Malaysia, Australia, India, Vietnam, The United Arab Emirates, Myanmar
- (3) Europe The Netherlands, The United Kingdom, Germany, Belgium, Austria, Italy

2. Changes to reportable segments, etc.

From this first quarter of the current fiscal year, we have changed the presentation of the Pharmaceuticals business, which had previously been presented as a reportable segment, to include it in the Others segment. This was due to the decline in the financial significance of the pharmaceuticals business.

Segment information for the first quarter of the previous fiscal year has been prepared according to the segment categories after the change.

(Significant Subsequent Events)

(Stock Split and Related Partial Amendment to Articles of Incorporation)

The Company resolved at a meeting of its Board of Directors held on July 28, 2023 to carry out a stock split and related partial amendment to the Articles of Incorporation.

1. Stock Split

(1) Purpose of stock split

The purpose of the stock split is to reduce the amount of investment unit of the Company's stock thereby increasing its liquidity and making it easier for investors to invest in the Company.

(2) Outline of stock split

(i) Method of stock split

The Company will implement a 2-for-1 share split of shares in its common stock owned by shareholders listed or recorded in the closing register of shareholders as of the record date of Saturday, September 30, 2023.

(ii) Increase in the number of shares due to stock split

Total number of shares issued prior to stock split:	171,045,418 shares
Increase in shares from this stock split:	171,045,418 shares
Total number of shares issued following stock split:	342,090,836 shares
Total number of shares authorized to be issued following stock split:	1,300,000,000 shares

(iii) Schedule for stock split

Public notice of record date:	Wednesday, September 13, 2023
Record date:	Saturday, September 30, 2023
	*Friday, September 29, 2023, in effect
Effective date:	Sunday, October 1, 2023

(iv) Effect on information per share

The respective figures in the information per share on the assumption that this share split had been conducted at the beginning of the previous fiscal year are as follows.

	1st quarter of previous fiscal year (From April 1, 2022 to June 30, 2022)	1st quarter of current fiscal year (From April 1, 2023 to June 30, 2023)
Quarterly basic earnings per share	yen 36.52	yen 42.00

(v) Other

There will be no change in the amount of capital stock on the occasion of this stock split.

As the effective date of this stock split will be October 1, 2023, the interim dividend for the fiscal year ending March 31, 2024, which has a record date of September 30, 2023, will be carried out based on the number of shares prior to the stock split.

2. Partial Amendment to the Articles of Incorporation Related to Stock Split

(1) Reason for the amendment

Along with the stock split, the Company shall change the number of shares it is authorized to issue stipulated in Article 6 of its Articles of Incorporation as of October 1, 2023, in accordance with the provisions of Article 184, Paragraph 2 of the Companies Act.

(2) Details of the amendment

The details of the amendment are as follows.

(The amended parts are underlined.)

Current Articles of Incorporation	Proposed amendment
(Total number of shares authorized to be issued) Article 6 The total number of shares the Company is authorized to issue shall be <u>700,000,000</u> shares.	(Total number of shares authorized to be issued) Article 6 The total number of shares the Company is authorized to issue shall be <u>1,300,000,000</u> shares.

(3) Schedule of the amendment

Effective date: Sunday, October 1, 2023