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November 5, 2026

Consolidated Results for 1st and 2nd Quarter Fiscal 2026: April 1, 2026 – September 30, 2026

(All figures in millions of yen, rounded to the nearest million, unless otherwise specified)

I. Summary of Consolidated Results

1. Operating results (percent change from previous year in brackets)

	Q1-Q2 2026	Q1-Q2 2025
Net sales	1,689,609 [+13.7%]	1,486,368 [-0.3%]
Operating income	165,441 [+54.0%]	107,454 [-1.3%]
Ordinary income	161,380 [+52.1%]	106,068 [+2.3%]
Net income attributable to owners of the parent	102,198 [+54.2%]	66,266 [+10.0%]
Net income per share*	75.94	48.79
Diluted net income per share*	—	—

* Yen

Note:

• Comprehensive income was ¥70,379 million during Q1-Q2 2026, and ¥71,515 million during Q1-Q2 2025.

2. Financial position

At end of	September 2026	March 2026
Total assets	4,411,478	4,137,943
Net assets	2,165,965	2,165,647
Net worth/total assets	47.3%	50.5%
Net worth per share*	1,563.40	1,539.66

* Yen

Notes:

• Net worth consists of shareholders' equity and accumulated other comprehensive income.

• Net worth was ¥2,085,271 million as of September 30, 2026, and ¥2,088,458 million as of March 31, 2026.

II. Cash Dividends

Fiscal year	Cash dividends per share*				
	Q1	Q2	Q3	Q4	Total annual
2025	—	20.00	—	22.00	42.00
2026	—	24.00			
2026 (forecast)			—	24.00	48.00

* Yen

Note: The cash dividend forecast has been revised.

III. Forecast for Fiscal 2026 (April 1, 2026 – March 31, 2027)

1. Latest forecasts (percent change from results in year-ago period in brackets)

	For the fiscal year
Net sales	3,422,000 [+11.3%]
Operating income	290,000 [+25.4%]
Ordinary income	283,000 [+22.8%]
Net income attributable to owners of the parent	173,000 [+8.9%]
Net income per share*	129.12

* Yen

Notes:

• Performance forecasts are based on the best information available at this time, but actual results may diverge from these forecasts due to a variety of factors which cannot be foreseen.

• The forecast for fiscal 2026 announced on July 31, 2026, has been revised.

IV. Other Information

1. Significant changes in the scope of consolidation during the period

   6 companies added:
   Aicuris Anti-infective Cures AG and 5 subsidiaries

2. Special accounting methods for preparation of the consolidated financial statements

   Income tax expenses: A reasonable estimate of the effective tax rate after applying tax-effect accounting for the current fiscal year is made, and interim income before income taxes is multiplied by the corresponding effective tax rate. When calculation using reasonably estimated annual effective tax rate causes irrational results, income tax amount is calculated based on the legal tax rate.

3. Changes in accounting policies, changes in accounting estimates, and retroactive restatement: None

4. Notable changes in shareholders' equity:

   Based on a resolution of the Board of Directors on November 5, 2025, a repurchase of 22,859,400 shares of stock was performed. As a result, treasury stock increased by ¥40,000 million during Q1–Q2 fiscal 2026. Treasury stock at the end of Q2 fiscal 2026 was ¥49,876 million.

5. Number of shares outstanding

	Q1-Q2 2026	FY 2025
Number of shares outstanding at end of period	1,365,751,932	1,365,751,932
Number of shares of treasury stock at end of period	31,946,261	9,311,227
Average number of shares outstanding during period	1,345,853,368	1,358,153,098 *

* Q1-Q2 2025

V. Consolidated Financial Statements

1. Balance sheets

	At end of March 2026	At end of September 2026
Assets		
Current assets		
Cash and deposits	377,023	355,853
Notes, accounts receivable–trade, and contract assets	513,807	539,697
Merchandise and finished goods	369,639	450,001
Work in process	226,280	239,735
Raw materials and supplies	197,806	210,619
Other	184,611	174,624
Allowance for doubtful accounts	(3,809)	(3,789)
Total current assets	1,865,357	1,966,740
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	681,618	694,144
Accumulated depreciation	(364,121)	(371,153)
Buildings and structures, net	317,497	322,990
Machinery, equipment and vehicles	1,613,963	1,640,332
Accumulated depreciation	(1,350,876)	(1,369,893)
Machinery, equipment and vehicles, net	263,087	270,439
Land	80,067	79,431
Lease assets	18,504	17,926
Accumulated depreciation	(7,904)	(8,065)
Lease assets, net	10,600	9,861
Construction in progress	212,828	261,701
Other	232,932	240,339
Accumulated depreciation	(155,930)	(169,225)
Other, net	77,003	71,113
Subtotal	961,081	1,015,535
Intangible assets		
Goodwill	383,805	400,492
Technology assets	294,854	406,664
Other	239,205	227,889
Subtotal	917,865	1,035,045
Investments and other assets		
Investment securities	140,241	140,118
Long-term loans receivable	10,521	10,297
Long-term advance payments–trade	23,378	22,378
Net defined benefit asset	108,909	109,918
Deferred tax assets	53,921	56,160
Other	57,528	55,755
Allowance for doubtful accounts	(859)	(468)
Subtotal	393,640	394,158
Total noncurrent assets	2,272,586	2,444,738
Total assets	4,137,943	4,411,478

	At end of March 2026	At end of September 2026
Liabilities		
Current liabilities		
Notes and accounts payable–trade	195,002	214,461
Short-term loans payable	99,926	184,959
Commercial paper	—	82,000
Current portion of bonds payable	30,000	30,000
Lease obligations	9,333	9,714
Accrued expenses	196,823	180,869
Income taxes payable	19,696	46,188
Advances received	104,722	111,485
Provision for grant of shares	243	—
Provision for periodic repairs	5,103	7,014
Provision for product warranties	4,892	4,936
Provision for removal cost of property, plant and equipment	3,654	2,949
Other	123,748	102,713
Total current liabilities	793,143	977,288
Noncurrent liabilities		
Bonds payable	250,000	307,500
Long-term loans payable	587,618	571,019
Lease obligations	34,344	34,746
Deferred tax liabilities	58,482	93,693
Provision for grant of shares	735	1,417
Provision for periodic repairs	6,554	4,411
Provision for removal cost of property, plant and equipment	26,207	23,006
Net defined benefit liability	107,980	109,794
Long-term guarantee deposits	22,971	23,484
Other	84,263	99,156
Total noncurrent liabilities	1,179,153	1,268,225
Total liabilities	1,972,296	2,245,513
Net assets		
Shareholders' equity		
Capital stock	103,389	103,389
Capital surplus	80,319	80,319
Retained earnings	1,294,711	1,366,997
Treasury stock	(10,140)	(49,876)
Total shareholders' equity	1,468,278	1,500,829
Accumulated other comprehensive income		
Net unrealized gain on other securities	13,674	15,782
Deferred gains (losses) on hedges	(24)	(14)
Foreign currency translation adjustment	519,234	486,479
Remeasurements of defined benefit plans	87,295	82,195
Total accumulated other comprehensive income	620,180	584,442
Non-controlling interests	77,189	80,693
Total net assets	2,165,647	2,165,965
Total liabilities and net assets	4,137,943	4,411,478

2. Statements of income and statements of comprehensive income

1) Statements of income

	Q1-Q2 2025	Q1-Q2 2026
Net sales	1,486,368	1,689,609
Cost of sales	1,002,728	1,109,220
Gross profit	483,639	580,388
Selling, general and administrative expenses	376,185	414,947
Operating income	107,454	165,441
Non-operating income		
Interest income	5,227	6,292
Dividends income	1,222	1,196
Equity in earnings of affiliates	2,637	3,416
Other	5,141	3,834
Total non-operating income	14,227	14,738
Non-operating expenses		
Interest expense	5,849	8,282
Other	9,764	10,517
Total non-operating expenses	15,614	18,799
Ordinary income	106,068	161,380
Extraordinary income		
Gain on sales of investment securities	23,208	2,984
Gain on sales of noncurrent assets	337	416
Settlement income	4,381	—
Gain on sale of shares of subsidiaries and associates	7,718	—
Gain on reversal of provision for noncurrent assets removal cost	—	2,693
Total extraordinary income	35,644	6,093
Extraordinary loss		
Loss on valuation of investment securities	429	794
Loss on disposal of noncurrent assets	2,880	2,834
Impairment loss	1,175	76
Loss on cancellation of power contract	4,367	—
Business structure improvement expenses	36,231	2,755
Total extraordinary loss	45,082	6,459
Income before income taxes	96,630	161,014
Total income taxes	27,325	54,611
Net income	69,305	106,403
Net income attributable to non-controlling interests	3,039	4,205
Net income attributable to owners of the parent	66,266	102,198

2) Statements of comprehensive income

	Q1-Q2 2025	Q1-Q2 2026
Net income	69,305	106,403
Other comprehensive income		
Net increase (decrease) in unrealized gain on other securities	(9,493)	1,953
Deferred gains (losses) on hedges	(52)	10
Foreign currency translation adjustment	14,802	(33,293)
Remeasurements of defined benefit plans	(2,955)	(5,087)
Share of other comprehensive income of affiliates accounted for using equity method	(92)	392
Total other comprehensive income	2,210	(36,024)
Comprehensive income	71,515	70,379
Comprehensive income attributable to:		
Owners of the parent	67,672	66,461
Non-controlling interests	3,843	3,918

3. Statements of cash flows

	Q1-Q2 2025	Q1-Q2 2026
Cash flows from operating activities		
Income before income taxes	96,630	161,014
Depreciation and amortization	79,153	88,073
Impairment loss	1,175	76
Amortization of goodwill	16,323	19,049
Increase (decrease) in provision for grant of shares	81	439
Increase (decrease) in provision for periodic repairs	(6,913)	(232)
Increase (decrease) in provision for product warranties	36	62
Increase (decrease) in provision for removal cost of property, plant and equipment	16,881	(3,908)
Increase (decrease) in net defined benefit liability	(1,588)	(1,800)
Interest and dividend income	(6,449)	(7,487)
Interest expense	5,849	8,282
Equity in (earnings) losses of affiliates	(2,637)	(3,416)
(Gain) loss on sales of investment securities	(23,208)	(2,984)
(Gain) loss on valuation of investment securities	429	794
(Gain) loss on sale of property, plant and equipment	(337)	(416)
(Gain) loss on disposal of noncurrent assets	2,880	2,834
(Gain) loss on sale of shares of subsidiaries and associates	(7,718)	—
(Increase) decrease in notes, accounts receivable–trade, and contract assets	16,698	(16,942)
(Increase) decrease in inventories	(56,445)	(110,960)
Increase (decrease) in notes and accounts payable–trade	(7,206)	18,874
Increase (decrease) in accrued expenses	1,384	(14,951)
Increase (decrease) in advances received	26,430	13,728
Other, net	5,828	(27,514)
Subtotal	157,276	122,617
Interest and dividend income, received	7,099	7,835
Interest expense paid	(5,725)	(8,070)
Income taxes (paid) refund	(23,878)	(27,431)
Net cash provided by (used in) operating activities	134,771	94,951
Cash flows from investing activities		
Payments into time deposits	(1,301)	(1,250)
Proceeds from withdrawal of time deposits	2,239	2,983
Purchase of property, plant and equipment	(79,582)	(107,694)
Proceeds from sales of property, plant and equipment	646	913
Purchase of intangible assets	(8,385)	(10,086)
Purchase of investment securities	(1,635)	(635)
Proceeds from sales of investment securities	27,637	7,430
Purchase of shares in subsidiaries resulting in change in scope of consolidation	—	(131,681)
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	37,446	—
Payments of loans receivable	(6,091)	(6,080)
Collection of loans receivable	2,915	2,655
Other, net	571	(251)
Net cash provided by (used in) investing activities	(25,538)	(243,696)

	Q1-Q2 2025	Q1-Q2 2026
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(71,020)	80,642
Increase (decrease) in commercial paper	(64,000)	82,000
Proceeds from long-term loans payable	82,644	45,000
Repayment of long-term loans payable	(53,130)	(56,814)
Proceeds from issuance of bonds payable	—	57,500
Redemption of bonds	(10,000)	—
Repayments of lease obligations	(5,094)	(5,791)
Purchase of treasury stock	(4)	(40,067)
Proceeds from disposal of treasury stock	219	271
Cash dividends paid	(27,193)	(29,912)
Proceeds from share issuance to non-controlling interests	18,000	—
Cash dividends paid to non-controlling interests	(1,802)	(924)
Other, net	(297)	(161)
Net cash provided by (used in) financing activities	(131,675)	131,743
Effect of exchange rate change on cash and cash equivalents	7,460	(2,333)
Net increase (decrease) in cash and cash equivalents	(14,982)	(19,334)
Cash and cash equivalents at beginning of period	390,035	372,068
Increase (decrease) in cash and cash equivalents resulting from changes in scope of consolidation	0	—
Cash and cash equivalents at end of period	375,053	352,735