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**Consolidated Results for 1st and 2nd Quarter Fiscal 2024:
April 1, 2024 – September 30, 2024**

(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 2024	Q1-Q2 2023
Net sales	1,490,334 [+10.7%]	1,345,924 [-0.4%]
Operating income	108,915 [+94.9%]	55,887 [-34.9%]
Ordinary income	103,707 [+99.2%]	52,049 [-39.8%]
Net income attributable to owners of the parent	60,248 [+95.3%]	30,841 [-40.4%]
Net income per share*	43.46	22.25
Diluted net income per share*	—	—

* Yen

Note:

- Comprehensive income was ¥-18,973 million during Q1-Q2 2024, and ¥177,548 million during Q1-Q2 2023.

2. Financial position

At end of	September 2024	March 2024
Total assets	3,788,489	3,662,730
Net assets	1,803,448	1,848,625
Net worth/total assets	46.6%	49.5%
Net worth per share*	1,274.74	1,308.20

* Yen

Notes:

- Net worth consists of shareholders' equity and accumulated other comprehensive income.
- Net worth was ¥1,767,109 million as of September 30, 2024, and ¥1,813,391 million as of March 31, 2024.

II. Cash Dividends

Fiscal year	Cash dividends per share*				
	Q1	Q2	Q3	Q4	Total annual
2023	—	18.00	—	18.00	36.00
2024	—	18.00			
2024 (forecast)			—	18.00	36.00

* Yen

Note: The cash dividend forecast has not been revised.

III. Forecast for Fiscal 2024 (April 1, 2024 – March 31, 2025)

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

	For the fiscal year
Net sales	3,071,000 [+10.3%]
Operating income	195,000 [+38.5%]
Ordinary income	190,000 [+110.8%]
Net income attributable to owners of the parent	110,000 [+151.1%]
Net income per share*	79.90

* 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 2024 announced on July 31, 2024, has been revised.

IV. Other Information

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

12 companies added:
ODC Construction, LLC and 5 subsidiaries
Calliditas Therapeutics AB 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 quarterly 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: None

5. Number of shares outstanding

	Q1-Q2 2024	FY 2023
Number of shares outstanding at end of period	1,393,932,032	1,393,932,032
Number of shares of treasury stock at end of period	7,679,323	7,761,893
Average number of shares outstanding during period	1,386,204,133	1,386,112,693 *

* Q1-Q2 2023

V. Consolidated Financial Statements

1. Balance sheets

	At end of March 2024	At end of September 2024
Assets		
Current assets		
Cash and deposits	338,108	340,999
Notes, accounts receivable–trade, and contract assets	485,941	463,581
Merchandise and finished goods	317,397	330,050
Work in process	171,645	180,938
Raw materials and supplies	189,794	187,649
Other	150,030	129,935
Allowance for doubtful accounts	(2,877)	(1,440)
Total current assets	1,650,037	1,631,710
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	669,119	674,368
Accumulated depreciation	(366,214)	(368,462)
Buildings and structures, net	302,906	305,906
Machinery, equipment and vehicles	1,621,333	1,618,052
Accumulated depreciation	(1,351,326)	(1,359,792)
Machinery, equipment and vehicles, net	270,007	258,260
Land	72,750	76,119
Lease assets	13,936	14,428
Accumulated depreciation	(7,010)	(6,787)
Lease assets, net	6,926	7,641
Construction in progress	132,051	155,843
Other	211,763	211,990
Accumulated depreciation	(143,113)	(145,099)
Other, net	68,650	66,891
Subtotal	853,289	870,660
Intangible assets		
Goodwill	360,676	528,650
Other	394,052	362,819
Subtotal	754,728	891,469
Investments and other assets		
Investment securities	188,288	182,591
Long-term loans receivable	17,198	8,754
Long-term advance payments–trade	26,692	25,692
Net defined benefit asset	41,876	43,126
Deferred tax assets	84,557	90,468
Other	46,638	44,532
Allowance for doubtful accounts	(574)	(513)
Subtotal	404,676	394,650
Total noncurrent assets	2,012,693	2,156,779
Total assets	3,662,730	3,788,489

	At end of March 2024	At end of September 2024
Liabilities		
Current liabilities		
Notes and accounts payable—trade	213,252	194,347
Short-term loans payable	178,091	382,343
Commercial paper	83,000	—
Current portion of bonds payable	30,000	20,000
Lease obligations	7,815	7,752
Accrued expenses	151,577	147,688
Income taxes payable	17,827	32,147
Advances received	88,415	98,999
Provision for grant of shares	70	—
Provision for periodic repairs	4,805	7,874
Provision for product warranties	4,369	4,333
Provision for removal cost of property, plant and equipment	6,511	8,363
Other	128,838	105,859
Total current liabilities	914,572	1,009,706
Noncurrent liabilities		
Bonds payable	200,000	190,000
Long-term loans payable	425,926	520,871
Lease obligations	30,729	27,638
Deferred tax liabilities	20,184	20,564
Provision for grant of shares	545	787
Provision for periodic repairs	7,924	5,031
Provision for removal cost of property, plant and equipment	15,843	13,649
Net defined benefit liability	133,434	135,412
Long-term guarantee deposits	23,295	23,540
Other	41,654	37,845
Total noncurrent liabilities	899,534	975,336
Total liabilities	1,814,106	1,985,042
Net assets		
Shareholders' equity		
Capital stock	103,389	103,389
Capital surplus	80,272	80,385
Retained earnings	1,135,533	1,170,525
Treasury stock	(7,316)	(7,227)
Total shareholders' equity	1,311,878	1,347,071
Accumulated other comprehensive income		
Net unrealized gain on other securities	51,269	46,113
Deferred gains (losses) on hedges	(14)	(31)
Foreign currency translation adjustment	417,391	342,216
Remeasurements of defined benefit plans	32,867	31,740
Total accumulated other comprehensive income	501,513	420,038
Non-controlling interests	35,234	36,339
Total net assets	1,848,625	1,803,448
Total liabilities and net assets	3,662,730	3,788,489

2. Statements of income and statements of comprehensive income

1) Statements of income

	Q1-Q2 2023	Q1-Q2 2024
Net sales	1,345,924	1,490,334
Cost of sales	956,710	1,020,324
Gross profit	389,215	470,010
Selling, general and administrative expenses	333,328	361,095
Operating income	55,887	108,915
Non-operating income		
Interest income	2,633	5,095
Dividends income	1,788	1,827
Equity in earnings of affiliates	—	1,528
Other	3,043	3,472
Total non-operating income	7,465	11,922
Non-operating expenses		
Interest expense	3,287	3,774
Equity in losses of affiliates	26	—
Foreign exchange loss	563	6,922
Other	7,426	6,434
Total non-operating expenses	11,303	17,130
Ordinary income	52,049	103,707
Extraordinary income		
Gain on sales of investment securities	3,860	7,253
Gain on sales of noncurrent assets	156	218
Insurance income	2,016	1,246
Gain on business transfer	2,986	—
Total extraordinary income	9,018	8,718
Extraordinary loss		
Loss on valuation of investment securities	475	680
Loss on disposal of noncurrent assets	3,051	3,469
Impairment loss	3	1,089
Loss on product compensation	—	1,800
Business structure improvement expenses	3,571	8,264
Total extraordinary loss	7,100	15,302
Income before income taxes	53,967	97,123
Total income taxes	21,590	34,708
Net income	32,377	62,415
Net income attributable to non-controlling interests	1,536	2,166
Net income attributable to owners of the parent	30,841	60,248

2) Statements of comprehensive income

	Q1-Q2 2023	Q1-Q2 2024
Net income	32,377	62,415
Other comprehensive income		
Net increase (decrease) in unrealized gain on other securities	9,514	(5,069)
Deferred gains (losses) on hedges	(150)	(17)
Foreign currency translation adjustment	134,576	(74,664)
Remeasurements of defined benefit plans	(834)	(1,124)
Share of other comprehensive income of affiliates accounted for using equity method	2,065	(514)
Total other comprehensive income	145,171	(81,388)
Comprehensive income	177,548	(18,973)
Comprehensive income attributable to:		
Owners of the parent	175,100	(21,227)
Non-controlling interests	2,449	2,254

3. Statements of cash flows

	Q1-Q2 2023	Q1-Q2 2024
Cash flows from operating activities		
Income before income taxes	53,967	97,123
Depreciation and amortization	74,310	72,857
Impairment loss	3	1,089
Amortization of goodwill	14,453	15,722
Increase (decrease) in provision for grant of shares	196	171
Increase (decrease) in provision for periodic repairs	(4,423)	175
Increase (decrease) in provision for product warranties	200	13
Increase (decrease) in provision for removal cost of property, plant and equipment	(746)	(338)
Increase (decrease) in net defined benefit liability	1,883	(1,566)
Interest and dividend income	(4,421)	(6,922)
Interest expense	3,287	3,774
Equity in (earnings) losses of affiliates	26	(1,528)
(Gain) loss on sales of investment securities	(3,860)	(7,253)
(Gain) loss on valuation of investment securities	475	680
(Gain) loss on sale of property, plant and equipment	(156)	(218)
(Gain) loss on disposal of noncurrent assets	3,051	3,469
(Gain) loss on business transfer	(2,986)	—
(Increase) decrease in notes, accounts receivable–trade, and contract assets	(13,625)	23,959
(Increase) decrease in inventories	(3,591)	(28,919)
Increase (decrease) in notes and accounts payable–trade	6,943	(22,720)
Increase (decrease) in accrued expenses	(12,387)	(5,683)
Increase (decrease) in advances received	8,323	11,077
Other, net	19,158	(8,529)
Subtotal	140,081	146,433
Interest and dividend income, received	7,479	8,009
Interest expense paid	(3,030)	(3,599)
Income taxes (paid) refund	(10,618)	283
Net cash provided by (used in) operating activities	133,911	151,126
Cash flows from investing activities		
Payments into time deposits	(2,127)	(967)
Proceeds from withdrawal of time deposits	1,898	2,475
Purchase of property, plant and equipment	(81,908)	(101,607)
Proceeds from sales of property, plant and equipment	531	477
Purchase of intangible assets	(11,551)	(7,052)
Purchase of investment securities	(7,193)	(3,678)
Proceeds from sales of investment securities	9,061	8,400
Purchase of shares in subsidiaries resulting in change in scope of consolidation	—	(188,431)
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	—	1,809
Proceeds from business transfer	7,320	—
Payments of loans receivable	(7,615)	(3,031)
Collection of loans receivable	3,294	10,681
Other, net	730	1,605
Net cash provided by (used in) investing activities	(87,560)	(279,320)

	Q1-Q2 2023	Q1-Q2 2024
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(31,993)	178,111
Increase (decrease) in commercial paper	(15,000)	(83,000)
Proceeds from long-term loans payable	65,840	149,457
Repayment of long-term loans payable	(12,216)	(26,804)
Redemption of bonds	(20,000)	(20,000)
Repayments of lease obligations	(4,433)	(5,929)
Purchase of treasury stock	(5)	(6)
Proceeds from disposal of treasury stock	122	122
Cash dividends paid	(24,981)	(24,981)
Cash dividends paid to non-controlling interests	(245)	(2,751)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(166)	(325)
Other, net	0	(435)
Net cash provided by (used in) financing activities	(43,078)	163,460
Effect of exchange rate change on cash and cash equivalents	24,384	(31,194)
Net increase (decrease) in cash and cash equivalents	27,656	4,072
Cash and cash equivalents at beginning of period	247,903	333,498
Increase (decrease) in cash and cash equivalents resulting from changes in scope of consolidation	—	134
Cash and cash equivalents at end of period	275,560	337,704