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**Consolidated Results for 1st Quarter Fiscal 2023:
April 1, 2023 – June 30, 2023**

(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 2023	Q1 2022
Net sales	650,739 [-2.9%]	670,441 [+14.9%]
Operating income	21,791 [-55.9%]	49,361 [-18.4%]
Ordinary income	21,378 [-58.5%]	51,535 [-20.9%]
Net income attributable to owners of the parent	9,591 [-67.8%]	29,831 [-35.7%]
Net income per share*	6.92	21.50
Diluted net income per share*	—	—

* Yen

Note: Comprehensive income was ¥116,803 million during Q1 2023, and ¥160,652 million during Q1 2022.

2. Financial position

At end of	June 2023	March 2023
Total assets	3,605,127	3,453,900
Net assets	1,786,709	1,695,382
Net worth/total assets	48.6%	48.1%
Net worth per share*	1,263.45	1,197.85

* Yen

Notes:

- Net worth consists of shareholders' equity and accumulated other comprehensive income.
- Net worth was ¥1,751,226 million as of June 30, 2023, and ¥1,660,295 million as of March 31, 2023.
- Calculation of total assets as of March 31, 2023, previously based on provisional accounting treatment related to business combinations, has been finalized.

II. Cash Dividends

Fiscal year	Cash dividends per share*				Total annual
	Q1	Q2	Q3	Q4	
2022	—	18.00	—	18.00	36.00
2023	—				
2023 (forecast)		18.00	—	18.00	36.00

* Yen

Note: The cash dividend forecast has not been revised.

III. Forecast for Fiscal 2023 (April 1, 2023 – March 31, 2024)

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

	For Q1–Q2	For the fiscal year
Net sales	1,345,000 [−0.5%]	2,865,000 [+5.1%]
Operating income	46,000 [−46.4%]	160,000 [+25.3%]
Ordinary income	42,500 [−50.8%]	165,000 [+36.5%]
Net income attributable to owners of the parent	22,000 [−57.5%]	100,000 [—]
Net income per share*	15.87	72.15

* 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 Q1–Q2 fiscal 2023 announced on May 10, 2023, has been revised.
- The forecast for fiscal 2023 announced on May 10, 2023, is unchanged; it is scheduled to be reviewed when Q1–Q2 results are announced.
- As provisional accounting treatment related to business combinations has been finalized, results for the year-ago period were revised accordingly for comparison purposes.

IV. Other Information

1. Changes in significant subsidiaries which affected scope of consolidation during the period: None

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 2023	FY 2022
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	7,866,724	7,864,299
Average number of shares outstanding during period	1,386,066,399	1,387,290,500 *

* Q1 2022

V. Consolidated Financial Statements

1. Balance sheets

	At end of March 2023	At end of June 2023
Assets		
Current assets		
Cash and deposits	251,181	307,924
Notes, accounts receivable–trade, and contract assets	442,692	439,773
Merchandise and finished goods	310,380	309,403
Work in process	162,255	169,164
Raw materials and supplies	169,918	180,005
Other	154,335	149,647
Allowance for doubtful accounts	(2,567)	(3,074)
Total current assets	1,488,195	1,552,842
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	663,642	675,816
Accumulated depreciation	(347,877)	(354,701)
Buildings and structures, net	315,765	321,116
Machinery, equipment and vehicles	1,611,495	1,640,646
Accumulated depreciation	(1,313,694)	(1,339,916)
Machinery, equipment and vehicles, net	297,801	300,730
Land	69,232	69,946
Lease assets	12,017	12,884
Accumulated depreciation	(6,457)	(6,925)
Lease assets, net	5,560	5,959
Construction in progress	120,299	133,614
Other	188,994	197,410
Accumulated depreciation	(125,950)	(129,941)
Other, net	63,045	67,469
Subtotal	871,701	898,834
Intangible assets		
Goodwill	348,561	370,941
Other	387,597	406,065
Subtotal	736,158	777,005
Investments and other assets		
Investment securities	212,611	227,597
Long-term loans receivable	8,466	12,295
Long-term advance payments–trade	28,267	28,089
Net defined benefit asset	25,836	26,506
Deferred tax assets	45,916	43,927
Other	37,248	38,552
Allowance for doubtful accounts	(498)	(520)
Subtotal	357,846	376,446
Total noncurrent assets	1,965,705	2,052,285
Total assets	3,453,900	3,605,127

	At end of March 2023	At end of June 2023
Liabilities		
Current liabilities		
Notes and accounts payable–trade	180,560	159,476
Short-term loans payable	196,032	209,077
Commercial paper	124,000	171,000
Current portion of bonds payable	40,000	20,000
Lease obligations	6,766	7,344
Accrued expenses	147,163	118,966
Income taxes payable	17,491	16,473
Advances received	72,948	75,918
Provision for grant of shares	80	121
Provision for periodic repairs	8,410	8,838
Provision for product warranties	4,240	4,588
Provision for removal cost of property, plant and equipment	3,788	4,543
Other	110,683	115,710
Total current liabilities	912,163	912,053
Noncurrent liabilities		
Bonds payable	170,000	170,000
Long-term loans payable	409,424	465,978
Lease obligations	28,526	30,507
Deferred tax liabilities	27,767	27,453
Provision for grant of shares	339	615
Provision for periodic repairs	4,309	4,393
Provision for removal cost of property, plant and equipment	15,910	15,087
Net defined benefit liability	128,708	130,017
Long-term guarantee deposits	22,703	22,767
Other	38,671	39,547
Total noncurrent liabilities	846,355	906,365
Total liabilities	1,758,517	1,818,418
Net assets		
Shareholders' equity		
Capital stock	103,389	103,389
Capital surplus	79,841	80,286
Retained earnings	1,141,690	1,126,299
Treasury stock	(7,426)	(7,428)
Total shareholders' equity	1,317,493	1,302,546
Accumulated other comprehensive income		
Net unrealized gain on other securities	52,310	60,193
Deferred gains or losses on hedges	72	(42)
Foreign currency translation adjustment	265,022	363,528
Remeasurements of defined benefit plans	25,397	25,000
Total accumulated other comprehensive income	342,802	448,680
Non-controlling interests	35,087	35,483
Total net assets	1,695,382	1,786,709
Total liabilities and net assets	3,453,900	3,605,127

2. Statements of income and statements of comprehensive income

1) Statements of income

	Q1 2022	Q1 2023
Net sales	670,441	650,739
Cost of sales	464,487	464,295
Gross profit	205,954	186,444
Selling, general and administrative expenses	156,592	164,653
Operating income	49,361	21,791
Non-operating income		
Interest income	508	1,134
Dividends income	1,646	1,508
Equity in earnings of affiliates	1,600	—
Other	1,508	2,064
Total non-operating income	5,262	4,706
Non-operating expenses		
Interest expense	957	1,501
Equity in losses of affiliates	—	321
Other	2,131	3,296
Total non-operating expenses	3,088	5,118
Ordinary income	51,535	21,378
Extraordinary income		
Gain on sales of investment securities	2,240	746
Gain on sales of noncurrent assets	572	93
Total extraordinary income	2,811	839
Extraordinary loss		
Loss on valuation of investment securities	1,033	—
Loss on disposal of noncurrent assets	1,155	1,319
Impairment loss	40	1
Loss on fire at plant facilities	1,633	—
Business structure improvement expenses	889	1,916
Total extraordinary loss	4,750	3,236
Income before income taxes	49,596	18,981
Total income taxes	19,648	8,805
Net income	29,948	10,176
Net income attributable to non-controlling interests	117	585
Net income attributable to owners of the parent	29,831	9,591

2) Statements of comprehensive income

	Q1 2022	Q1 2023
Net income	29,948	10,176
Other comprehensive income		
Net increase (decrease) in unrealized gain on other securities	(278)	7,960
Deferred gains or losses on hedges	167	(114)
Foreign currency translation adjustment	128,007	97,470
Remeasurements of defined benefit plans	366	(403)
Share of other comprehensive income of affiliates accounted for using equity method	2,442	1,714
Total other comprehensive income	130,704	106,627
Comprehensive income	160,652	116,803
Comprehensive income attributable to:		
Owners of the parent	159,780	115,469
Non-controlling interests	872	1,334

3. Statements of cash flows

	Q1 2022	Q1 2023
Cash flows from operating activities		
Income before income taxes	49,596	18,981
Depreciation and amortization	32,615	36,618
Impairment loss	40	1
Amortization of goodwill	8,488	7,043
Increase (decrease) in provision for grant of shares	—	317
Increase (decrease) in provision for periodic repairs	1,007	513
Increase (decrease) in provision for product warranties	199	254
Increase (decrease) in provision for removal cost of property, plant and equipment	(2,208)	(72)
Increase (decrease) in net defined benefit liability	(566)	950
Interest and dividend income	(2,153)	(2,642)
Interest expense	957	1,501
Equity in (earnings) losses of affiliates	(1,600)	321
(Gain) loss on sales of investment securities	(2,240)	(746)
(Gain) loss on valuation of investment securities	1,033	—
(Gain) loss on sale of property, plant and equipment	(572)	(93)
(Gain) loss on disposal of noncurrent assets	1,155	1,319
(Increase) decrease in notes, accounts receivable–trade, and contract assets	1,116	17,959
(Increase) decrease in inventories	(51,698)	(1,213)
Increase (decrease) in notes and accounts payable–trade	8,889	(29,191)
Increase (decrease) in accrued expenses	(25,349)	(32,031)
Increase (decrease) in advances received	3,827	1,603
Other, net	(21,977)	13,213
Subtotal	559	34,605
Interest and dividend income, received	7,269	5,812
Interest expense paid	(736)	(1,218)
Income taxes (paid) refund	(47,202)	(9,041)
Net cash provided by (used in) operating activities	(40,110)	30,158
Cash flows from investing activities		
Payments into time deposits	(653)	(587)
Proceeds from withdrawal of time deposits	587	588
Purchase of property, plant and equipment	(33,566)	(45,606)
Proceeds from sales of property, plant and equipment	2,544	1,360
Purchase of intangible assets	(5,274)	(8,393)
Purchase of investment securities	(1,360)	(2,643)
Proceeds from sales of investment securities	2,572	821
Purchase of shares in subsidiaries resulting in change in scope of consolidation	(42,237)	—
Payments of loans receivable	(4,998)	(1,968)
Collection of loans receivable	351	1,088
Other, net	(93)	257
Net cash provided by (used in) investing activities	(82,127)	(55,085)

	Q1 2022	Q1 2023
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	61,550	511
Increase (decrease) in commercial paper	59,000	47,000
Proceeds from long-term loans payable	40,000	65,500
Repayment of long-term loans payable	(230)	(1,178)
Redemption of bonds	—	(20,000)
Repayments of lease obligations	(1,155)	(1,907)
Purchase of treasury stock	(1)	(2)
Proceeds from disposal of treasury stock	0	—
Cash dividends paid	(23,593)	(24,981)
Proceeds from share issuance to non-controlling interests	509	—
Cash dividends paid to non-controlling interests	(536)	(237)
Purchase of shares in subsidiaries not resulting in change in scope of consolidation	—	(166)
Other, net	194	213
Net cash provided by (used in) financing activities	135,737	64,752
Effect of exchange rate change on cash and cash equivalents	20,080	16,789
Net increase (decrease) in cash and cash equivalents	33,580	56,615
Cash and cash equivalents at beginning of period	242,948	247,903
Increase (decrease) in cash and cash equivalents resulting from changes in scope of consolidation	212	—
Cash and cash equivalents at end of period	276,739	304,518