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November 7, 2023

**Consolidated Results for 1st and 2nd Quarter Fiscal 2023:
April 1, 2023 – September 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-Q2 2023	Q1-Q2 2022
Net sales	1,345,924 [-0.4%]	1,351,231 [+14.4%]
Operating income	55,887 [-34.9%]	85,808 [-24.2%]
Ordinary income	52,049 [-39.8%]	86,394 [-27.5%]
Net income attributable to owners of the parent	30,841 [-40.4%]	51,720 [-43.3%]
Net income per share*	22.25	37.28
Diluted net income per share*	—	—

* Yen

Note: Comprehensive income was ¥177,548 million during Q1-Q2 2023, and ¥244,583 million during Q1-Q2 2022.

2. Financial position

At end of	September 2023	March 2023
Total assets	3,618,418	3,453,900
Net assets	1,847,598	1,695,382
Net worth/total assets	50.0%	48.1%
Net worth per share*	1,306.44	1,197.85

* Yen

Notes:

- Net worth consists of shareholders' equity and accumulated other comprehensive income.
- Net worth was ¥1,810,962 million as of September 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*				
	Q1	Q2	Q3	Q4	Total annual
2022	—	18.00	—	18.00	36.00
2023	—	18.00			
2023 (forecast)			—	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 the fiscal year
Net sales	2,822,000 [+3.5%]
Operating income	140,000 [+9.6%]
Ordinary income	133,000 [+10.0%]
Net income attributable to owners of the parent	85,000 [—]
Net income per share*	61.32

* 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 2023 announced on August 3, 2023, has been revised.
- 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-Q2 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	7,755,534	7,864,299
Average number of shares outstanding during period	1,386,112,693	1,387,358,834 *

* Q1-Q2 2022

V. Consolidated Financial Statements

1. Balance sheets

	At end of March 2023	At end of September 2023
Assets		
Current assets		
Cash and deposits	251,181	279,255
Notes, accounts receivable–trade, and contract assets	442,692	476,762
Merchandise and finished goods	310,380	321,134
Work in process	162,255	161,634
Raw materials and supplies	169,918	181,502
Other	154,335	122,227
Allowance for doubtful accounts	(2,567)	(3,174)
Total current assets	1,488,195	1,539,340
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	663,642	689,371
Accumulated depreciation	(347,877)	(357,455)
Buildings and structures, net	315,765	331,917
Machinery, equipment and vehicles	1,611,495	1,657,298
Accumulated depreciation	(1,313,694)	(1,352,143)
Machinery, equipment and vehicles, net	297,801	305,155
Land	69,232	70,933
Lease assets	12,017	12,847
Accumulated depreciation	(6,457)	(6,675)
Lease assets, net	5,560	6,171
Construction in progress	120,299	135,637
Other	188,994	200,258
Accumulated depreciation	(125,950)	(132,669)
Other, net	63,045	67,589
Subtotal	871,701	917,401
Intangible assets		
Goodwill	348,561	374,720
Other	387,597	406,144
Subtotal	736,158	780,864
Investments and other assets		
Investment securities	212,611	229,064
Long-term loans receivable	8,466	13,452
Long-term advance payments–trade	28,267	27,912
Net defined benefit asset	25,836	27,057
Deferred tax assets	45,916	44,494
Other	37,248	39,389
Allowance for doubtful accounts	(498)	(554)
Subtotal	357,846	380,813
Total noncurrent assets	1,965,705	2,079,078
Total assets	3,453,900	3,618,418

	At end of March 2023	At end of September 2023
Liabilities		
Current liabilities		
Notes and accounts payable–trade	180,560	197,694
Short-term loans payable	196,032	183,076
Commercial paper	124,000	109,000
Current portion of bonds payable	40,000	40,000
Lease obligations	6,766	7,401
Accrued expenses	147,163	139,867
Income taxes payable	17,491	16,720
Advances received	72,948	82,981
Provision for grant of shares	80	—
Provision for periodic repairs	8,410	3,106
Provision for product warranties	4,240	4,559
Provision for removal cost of property, plant and equipment	3,788	3,074
Other	110,683	108,350
Total current liabilities	912,163	895,828
Noncurrent liabilities		
Bonds payable	170,000	150,000
Long-term loans payable	409,424	450,186
Lease obligations	28,526	29,914
Deferred tax liabilities	27,767	28,037
Provision for grant of shares	339	615
Provision for periodic repairs	4,309	5,190
Provision for removal cost of property, plant and equipment	15,910	15,884
Net defined benefit liability	128,708	130,926
Long-term guarantee deposits	22,703	22,890
Other	38,671	41,350
Total noncurrent liabilities	846,355	874,991
Total liabilities	1,758,517	1,770,820
Net assets		
Shareholders' equity		
Capital stock	103,389	103,389
Capital surplus	79,841	80,272
Retained earnings	1,141,690	1,147,550
Treasury stock	(7,426)	(7,309)
Total shareholders' equity	1,317,493	1,323,901
Accumulated other comprehensive income		
Net unrealized gain on other securities	52,310	61,847
Deferred gains or losses on hedges	72	(78)
Foreign currency translation adjustment	265,022	400,715
Remeasurements of defined benefit plans	25,397	24,576
Total accumulated other comprehensive income	342,802	487,060
Non-controlling interests	35,087	36,637
Total net assets	1,695,382	1,847,598
Total liabilities and net assets	3,453,900	3,618,418

2. Statements of income and statements of comprehensive income

1) Statements of income

	Q1-Q2 2022	Q1-Q2 2023
Net sales	1,351,231	1,345,924
Cost of sales	948,432	956,710
Gross profit	402,799	389,215
Selling, general and administrative expenses	316,991	333,328
Operating income	85,808	55,887
Non-operating income		
Interest income	1,144	2,633
Dividends income	2,138	1,788
Equity in earnings of affiliates	2,292	—
Other	2,606	3,043
Total non-operating income	8,180	7,465
Non-operating expenses		
Interest expense	2,134	3,287
Equity in losses of affiliates	—	26
Other	5,460	7,989
Total non-operating expenses	7,594	11,303
Ordinary income	86,394	52,049
Extraordinary income		
Gain on sales of investment securities	2,194	3,860
Gain on sales of noncurrent assets	998	156
Insurance income	1,843	2,016
Gain on business transfer	—	2,986
Total extraordinary income	5,035	9,018
Extraordinary loss		
Loss on valuation of investment securities	1,443	475
Loss on disposal of noncurrent assets	3,283	3,051
Impairment loss	45	3
Loss on fire at plant facilities	4,053	—
Business structure improvement expenses	1,881	3,571
Total extraordinary loss	10,704	7,100
Income before income taxes	80,725	53,967
Total income taxes	28,309	21,590
Net income	52,416	32,377
Net income attributable to non-controlling interests	696	1,536
Net income attributable to owners of the parent	51,720	30,841

2) Statements of comprehensive income

	Q1-Q2 2022	Q1-Q2 2023
Net income	52,416	32,377
Other comprehensive income		
Net increase (decrease) in unrealized gain on other securities	(524)	9,514
Deferred gains or losses on hedges	505	(150)
Foreign currency translation adjustment	189,254	134,576
Remeasurements of defined benefit plans	774	(834)
Share of other comprehensive income of affiliates accounted for using equity method	2,157	2,065
Total other comprehensive income	192,166	145,171
Comprehensive income	244,583	177,548
Comprehensive income attributable to:		
Owners of the parent	243,237	175,100
Non-controlling interests	1,345	2,449

3. Statements of cash flows

	Q1-Q2 2022	Q1-Q2 2023
Cash flows from operating activities		
Income before income taxes	80,725	53,967
Depreciation and amortization	66,781	74,310
Impairment loss	45	3
Amortization of goodwill	18,099	14,453
Increase (decrease) in provision for grant of shares	(208)	196
Increase (decrease) in provision for periodic repairs	74	(4,423)
Increase (decrease) in provision for product warranties	181	200
Increase (decrease) in provision for removal cost of property, plant and equipment	(2,397)	(746)
Increase (decrease) in net defined benefit liability	(1,708)	1,883
Interest and dividend income	(3,282)	(4,421)
Interest expense	2,134	3,287
Equity in (earnings) losses of affiliates	(2,292)	26
(Gain) loss on sales of investment securities	(2,194)	(3,860)
(Gain) loss on valuation of investment securities	1,443	475
(Gain) loss on sale of property, plant and equipment	(998)	(156)
(Gain) loss on disposal of noncurrent assets	3,283	3,051
(Gain) loss on business transfer	—	(2,986)
(Increase) decrease in notes, accounts receivable–trade, and contract assets	1,001	(13,625)
(Increase) decrease in inventories	(87,817)	(3,591)
Increase (decrease) in notes and accounts payable–trade	4,947	6,943
Increase (decrease) in accrued expenses	(13,243)	(12,387)
Increase (decrease) in advances received	7,792	8,323
Other, net	(11,968)	19,158
Subtotal	60,400	140,081
Interest and dividend income, received	8,419	7,479
Interest expense paid	(2,047)	(3,030)
Income taxes (paid) refund	(70,454)	(10,618)
Net cash provided by (used in) operating activities	(3,682)	133,911
Cash flows from investing activities		
Payments into time deposits	(1,336)	(2,127)
Proceeds from withdrawal of time deposits	1,231	1,898
Purchase of property, plant and equipment	(78,332)	(81,908)
Proceeds from sales of property, plant and equipment	3,695	531
Purchase of intangible assets	(7,788)	(11,551)
Purchase of investment securities	(1,987)	(7,193)
Proceeds from sales of investment securities	3,813	9,061
Purchase of shares in subsidiaries resulting in change in scope of consolidation	(42,361)	—
Proceeds from business transfer	—	7,320
Payments of loans receivable	(10,419)	(7,615)
Collection of loans receivable	2,355	3,294
Other, net	(104)	730
Net cash provided by (used in) investing activities	(131,233)	(87,560)

	Q1-Q2 2022	Q1-Q2 2023
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(18,955)	(31,993)
Increase (decrease) in commercial paper	37,000	(15,000)
Proceeds from long-term loans payable	130,641	65,840
Repayment of long-term loans payable	(16,880)	(12,216)
Redemption of bonds	—	(20,000)
Repayments of lease obligations	(1,763)	(4,433)
Purchase of treasury stock	(4)	(5)
Proceeds from disposal of treasury stock	208	122
Cash dividends paid	(23,593)	(24,981)
Proceeds from share issuance to non-controlling interests	1,094	—
Cash dividends paid to non-controlling interests	(1,270)	(245)
Purchase of shares in subsidiaries not resulting in change in scope of consolidation	(163)	(166)
Other, net	(7)	0
Net cash provided by (used in) financing activities	106,305	(43,078)
Effect of exchange rate change on cash and cash equivalents	26,808	24,384
Net increase (decrease) in cash and cash equivalents	(1,803)	27,656
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	241,357	275,560