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Consolidated Results for 1st and 2nd Quarter Fiscal 2025: April 1, 2025 – September 30, 2025

(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 2025	Q1-Q2 2024
Net sales	1,486,368 [-0.3%]	1,490,334 [+10.7%]
Operating income	107,454 [-1.3%]	108,915 [+94.9%]
Ordinary income	106,068 [+2.3%]	103,707 [+99.2%]
Net income attributable to owners of the parent	66,266 [+10.0%]	60,248 [+95.3%]
Net income per share*	48.79	43.46
Diluted net income per share*	—	—

* Yen

Note:

• Comprehensive income was ¥71,515 million during Q1-Q2 2025, and ¥(18,973) million during Q1-Q2 2024.

2. Financial position

At end of	September 2025	March 2025
Total assets	3,997,099	4,015,214
Net assets	1,974,760	1,913,944
Net worth/total assets	47.5%	46.3%
Net worth per share*	1,398.35	1,369.16

* Yen

Notes:

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

• Net worth was ¥1,899,342 million as of September 30, 2025, and ¥1,859,420 million as of March 31, 2025.

II. Cash Dividends

Fiscal year	Cash dividends per share*				
	Q1	Q2	Q3	Q4	Total annual
2024	—	18.00	—	20.00	38.00
2025	—	20.00			
2025 (forecast)			—	20.00	40.00

* Yen

Note: The cash dividend forecast has not been revised.

III. Forecast for Fiscal 2025 (April 1, 2025 – March 31, 2026)

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

	For the fiscal year
Net sales	3,080,000 [+1.4%]
Operating income	221,000 [+4.3%]
Ordinary income	217,000 [+12.2%]
Net income attributable to owners of the parent	140,000 [+3.7%]
Net income per share*	103.15

* 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 fiscal 2025 announced on July 31, 2025, has been revised.

IV. Other Information

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

   6 companies eliminated:
   Asahi Kasei Medical Co., Ltd. and 4 consolidated subsidiaries
   Nagase Diagnostics Co., Ltd.

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 2025	FY 2024	
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	7,481,185	7,683,150	
Average number of shares outstanding during period	1,358,153,098	1,386,204,133	*

* Q1-Q2 2024

V. Consolidated Financial Statements

1. Balance sheets

	At end of March 2025	At end of September 2025
Assets		
Current assets		
Cash and deposits	393,467	377,540
Notes, accounts receivable–trade, and contract assets	491,414	477,697
Merchandise and finished goods	341,531	365,431
Work in process	183,613	210,239
Raw materials and supplies	194,186	190,960
Other	169,042	177,937
Allowance for doubtful accounts	(3,805)	(3,536)
Total current assets	1,769,448	1,796,268
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	698,602	682,109
Accumulated depreciation	(373,652)	(365,431)
Buildings and structures, net	324,950	316,678
Machinery, equipment and vehicles	1,640,722	1,613,977
Accumulated depreciation	(1,368,752)	(1,340,159)
Machinery, equipment and vehicles, net	271,970	273,818
Land	81,945	80,971
Lease assets	14,839	15,439
Accumulated depreciation	(7,114)	(6,882)
Lease assets, net	7,725	8,556
Construction in progress	162,890	162,459
Other	221,775	217,573
Accumulated depreciation	(150,645)	(147,848)
Other, net	71,131	69,725
Subtotal	920,611	912,208
Intangible assets		
Goodwill	389,640	374,320
Technology assets	297,384	291,453
Other	243,529	234,023
Subtotal	930,553	899,796
Investments and other assets		
Investment securities	168,371	161,284
Long-term loans receivable	9,561	9,532
Long-term advance payments–trade	24,416	23,806
Net defined benefit asset	74,133	74,182
Deferred tax assets	69,217	69,824
Other	49,431	50,827
Allowance for doubtful accounts	(527)	(627)
Subtotal	394,602	388,827
Total noncurrent assets	2,245,766	2,200,831
Total assets	4,015,214	3,997,099

	At end of March 2025	At end of September 2025
Liabilities		
Current liabilities		
Notes and accounts payable–trade	193,583	186,923
Short-term loans payable	203,249	136,612
Commercial paper	87,000	23,000
Current portion of bonds payable	20,000	10,000
Lease obligations	8,049	8,346
Accrued expenses	180,644	180,031
Income taxes payable	18,666	21,293
Advances received	109,750	113,314
Provision for grant of shares	176	—
Provision for periodic repairs	10,297	3,281
Provision for product warranties	4,708	4,755
Provision for removal cost of property, plant and equipment	13,854	7,393
Other	114,631	120,204
Total current liabilities	964,608	815,151
Noncurrent liabilities		
Bonds payable	280,000	280,000
Long-term loans payable	567,209	593,297
Lease obligations	29,538	29,487
Deferred tax liabilities	55,608	58,646
Provision for grant of shares	611	868
Provision for periodic repairs	5,516	5,620
Provision for removal cost of property, plant and equipment	6,874	30,212
Net defined benefit liability	121,619	119,110
Long-term guarantee deposits	24,070	22,269
Other	45,618	67,678
Total noncurrent liabilities	1,136,663	1,207,188
Total liabilities	2,101,271	2,022,339
Net assets		
Shareholders' equity		
Capital stock	103,389	103,389
Capital surplus	80,319	80,319
Retained earnings	1,191,076	1,229,376
Treasury stock	(8,015)	(7,800)
Total shareholders' equity	1,366,768	1,405,284
Accumulated other comprehensive income		
Net unrealized gain on other securities	35,996	26,723
Deferred gains (losses) on hedges	78	26
Foreign currency translation adjustment	394,803	408,662
Remeasurements of defined benefit plans	61,776	58,648
Total accumulated other comprehensive income	492,652	494,058
Non-controlling interests	54,523	75,418
Total net assets	1,913,944	1,974,760
Total liabilities and net assets	4,015,214	3,997,099

2. Statements of income and statements of comprehensive income

1) Statements of income

	Q1-Q2 2024	Q1-Q2 2025
Net sales	1,490,334	1,486,368
Cost of sales	1,020,324	1,002,728
Gross profit	470,010	483,639
Selling, general and administrative expenses	361,095	376,185
Operating income	108,915	107,454
Non-operating income		
Interest income	5,095	5,227
Dividends income	1,827	1,222
Equity in earnings of affiliates	1,528	2,637
Other	3,472	5,141
Total non-operating income	11,922	14,227
Non-operating expenses		
Interest expense	3,774	5,849
Other	13,356	9,764
Total non-operating expenses	17,130	15,614
Ordinary income	103,707	106,068
Extraordinary income		
Gain on sales of investment securities	7,253	23,208
Gain on sales of noncurrent assets	218	337
Insurance income	1,246	—
Settlement income	—	4,381
Gain on sale of shares of subsidiaries and associates	—	7,718
Total extraordinary income	8,718	35,644
Extraordinary loss		
Loss on valuation of investment securities	680	429
Loss on disposal of noncurrent assets	3,469	2,880
Impairment loss	1,089	1,175
Loss on product compensation	1,800	—
Loss on cancellation of power contract	—	4,367
Business structure improvement expenses	8,264	36,231
Total extraordinary loss	15,302	45,082
Income before income taxes	97,123	96,630
Total income taxes	34,708	27,325
Net income	62,415	69,305
Net income attributable to non-controlling interests	2,166	3,039
Net income attributable to owners of the parent	60,248	66,266

2) Statements of comprehensive income

	Q1-Q2 2024	Q1-Q2 2025
Net income	62,415	69,305
Other comprehensive income		
Net increase (decrease) in unrealized gain on other securities	(5,069)	(9,493)
Deferred gains (losses) on hedges	(17)	(52)
Foreign currency translation adjustment	(74,664)	14,802
Remeasurements of defined benefit plans	(1,124)	(2,955)
Share of other comprehensive income of affiliates accounted for using equity method	(514)	(92)
Total other comprehensive income	(81,388)	2,210
Comprehensive income	(18,973)	71,515
Comprehensive income attributable to:		
Owners of the parent	(21,227)	67,672
Non-controlling interests	2,254	3,843

3. Statements of cash flows

	Q1-Q2 2024	Q1-Q2 2025
Cash flows from operating activities		
Income before income taxes	97,123	96,630
Depreciation and amortization	72,857	79,153
Impairment loss	1,089	1,175
Amortization of goodwill	15,722	16,323
Increase (decrease) in provision for grant of shares	171	81
Increase (decrease) in provision for periodic repairs	175	(6,913)
Increase (decrease) in provision for product warranties	13	36
Increase (decrease) in provision for removal cost of property, plant and equipment	(338)	16,881
Increase (decrease) in net defined benefit liability	(1,566)	(1,588)
Interest and dividend income	(6,922)	(6,449)
Interest expense	3,774	5,849
Equity in (earnings) losses of affiliates	(1,528)	(2,637)
(Gain) loss on sales of investment securities	(7,253)	(23,208)
(Gain) loss on valuation of investment securities	680	429
(Gain) loss on sale of property, plant and equipment	(218)	(337)
(Gain) loss on disposal of noncurrent assets	3,469	2,880
(Gain) loss on sale of shares of subsidiaries and associates	—	(7,718)
(Increase) decrease in notes, accounts receivable–trade, and contract assets	23,959	16,698
(Increase) decrease in inventories	(28,919)	(56,445)
Increase (decrease) in notes and accounts payable–trade	(22,720)	(7,206)
Increase (decrease) in accrued expenses	(5,683)	1,384
Increase (decrease) in advances received	11,077	26,430
Other, net	(8,529)	5,828
Subtotal	146,433	157,276
Interest and dividend income, received	8,009	7,099
Interest expense paid	(3,599)	(5,725)
Income taxes (paid) refund	283	(23,878)
Net cash provided by (used in) operating activities	151,126	134,771
Cash flows from investing activities		
Payments into time deposits	(967)	(1,301)
Proceeds from withdrawal of time deposits	2,475	2,239
Purchase of property, plant and equipment	(101,607)	(79,582)
Proceeds from sales of property, plant and equipment	477	646
Purchase of intangible assets	(7,052)	(8,385)
Purchase of investment securities	(3,678)	(1,635)
Proceeds from sales of investment securities	8,400	27,637
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	37,446
Payments of loans receivable	(3,031)	(6,091)
Collection of loans receivable	10,681	2,915
Other, net	1,605	571
Net cash provided by (used in) investing activities	(279,320)	(25,538)

	Q1-Q2 2024	Q1-Q2 2025
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	178,111	(71,020)
Increase (decrease) in commercial paper	(83,000)	(64,000)
Proceeds from long-term loans payable	149,457	82,644
Repayment of long-term loans payable	(26,804)	(53,130)
Redemption of bonds	(20,000)	(10,000)
Repayments of lease obligations	(5,929)	(5,094)
Purchase of treasury stock	(6)	(4)
Proceeds from disposal of treasury stock	122	219
Cash dividends paid	(24,981)	(27,193)
Proceeds from share issuance to non-controlling interests	—	18,000
Cash dividends paid to non-controlling interests	(2,751)	(1,802)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(325)	—
Other, net	(435)	(297)
Net cash provided by (used in) financing activities	163,460	(131,675)
Effect of exchange rate change on cash and cash equivalents	(31,194)	7,460
Net increase (decrease) in cash and cash equivalents	4,072	(14,982)
Cash and cash equivalents at beginning of period	333,498	390,035
Increase (decrease) in cash and cash equivalents resulting from changes in scope of consolidation	134	0
Cash and cash equivalents at end of period	337,704	375,053