

FY2024 First Half Financial Results

November 12, 2024



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1. Financial Results and Forecast

Forecast for full-year consolidated net income revised upward to 116.0 billion yen, a figure higher than the previous year's result

FY2024 First Half Financial Results

- Consolidated revenues slightly increased. Operating income, ordinary income, and net income decreased YoY mainly due to lower profits at the parent company and at overseas subsidiaries and affiliates.
- Non-consolidated revenues and income declined. Despite the steady performance of the civil engineering business, revenues and income decreased in the building construction business YoY, mainly due to fewer revenues in large-scale construction projects.
- Overseas subsidiary and affiliate profits declined, mainly due to a decrease in gains on sales of real estate development projects. Five properties were sold in the U.S. distribution warehouse development business. This number was lower than in the same period of the previous year, when property sales were concentrated.

FY2024 Forecast

- Consolidated revenues and income are expected to exceed the previous forecast, mainly due to an increase in revenues and income from steady construction progress in the non-consolidated civil engineering business and improved profitability in the domestic real estate development business.
- The consolidated net income forecast has been revised upward by 11.0 billion yen from the previous forecast to 116.0 billion yen, a figure higher than the previous year's result.
- Although the real estate sales business at overseas subsidiaries and affiliates is expected to accelerate from the 3Q, revenues and income are anticipated to fall short of the previous forecast due to sales of some projects being rescheduled to the next fiscal year or later.

FY2024 First Half Financial Results

1. Results and Forecast

Consolidated and non-consolidated net income decreased, despite a slight increase in consolidated revenues

Billions of yen

	Consolidated		
	FY2023 1H Result	FY2024 1H Result	YoY Change
Revenues	1,305.8	1,321.6	+15.8
Operating Income	66.4	48.0	-18.3
Ordinary Income	72.8	48.9	-23.8
Net Income Attributable to Owners of the Parent	50.0	35.1	-14.8
Construction Contract Awards	1,411.6	1,240.4	-171.1

Exchange rate per US\$= ¥144.99 ¥161.07
Rate as of : June 30, 2023 June 30, 2024

Non-Consolidated			Domestic Subsidiaries and Affiliates			Overseas Subsidiaries and Affiliates		
FY2023 1H Result	FY2024 1H Result	YoY Change	FY2023 1H Result	FY2024 1H Result	YoY Change	FY2023 1H Result	FY2024 1H Result	YoY Change
792.9	693.9	-98.9	168.3	164.8	-3.4	402.6	517.1	+114.5
52.6	36.9	-15.6	7.6	6.6	-1.0	6.2	4.8	-1.3
60.8	44.9	-15.9	10.2	8.8	-1.4	7.3	1.6	-5.7
45.7	35.4	-10.2	7.5	6.4	-1.0	2.5	(0.3)	-2.8
825.6	751.2	-74.4	104.8	113.7	+8.9	520.9	418.0	-102.9

¥144.99 ¥161.07
June 30, 2023 June 30, 2024

- Consolidated revenues increased due to higher construction business revenues at overseas subsidiaries and affiliates, but operating income, ordinary income, and net income were lower YoY, mainly due to lower profits at the parent company and at overseas subsidiaries and affiliates.
- Non-consolidated revenues and net income declined mainly due to a decrease in revenues and gross profit margin in the construction business.
- Overseas subsidiaries and affiliates recorded lower operating income, ordinary income, and net income, mainly due to lower gains on sales in the real estate development business.
- Although construction contract awards were lower YoY, they remained at a high level due to multiple orders for large construction projects in both Japan and overseas.

FY2024 Forecast

1. Results and Forecast

Forecasts for consolidated revenues, operating income, ordinary income, and net income have been revised upward. Net income is forecasted at 116.0 billion yen, a figure higher than the previous year's result.

Billions of yen

	Consolidated		
	FY2023 Result	FY2024 Updated Forecast	Change from Initial Forecast
Revenues	2,665.1	2,800.0	+20.0
Operating Income	136.2	140.0	+8.0
Ordinary Income	150.1	144.0	+7.0
Net Income Attributable to Owners of the Parent	115.0	116.0	+11.0
Construction Contract Awards	2,927.2	2,470.0	+290.0

Exchange rate per US\$= ¥141.83 ¥142.73
 Rate as of : December 31, 2023 September 30, 2024

Non-Consolidated			Domestic Subsidiaries and Affiliates			Overseas Subsidiaries and Affiliates		
FY2023 Result	FY2024 Updated Forecast	Change from Initial Forecast	FY2023 Result	FY2024 Updated Forecast	Change from Initial Forecast	FY2023 Result	FY2024 Updated Forecast	Change from Initial Forecast
1,552.9	1,520.0	+50.0	368.9	360.0	+0.0	859.7	1,040.0	-40.0
95.0	102.0	+12.0	24.0	18.0	+1.0	17.3	21.0	-5.0
114.9	113.0	+12.0	29.2	22.5	+1.5	21.0	18.0	-7.0
90.1	95.0	+15.0	22.7	16.0	+1.0	16.4	15.0	-5.0
1,807.0	1,650.0	+290.0	207.7	200.0	+0.0	990.5	700.0	+0.0

¥141.83 ¥142.73
 December 31, 2023 September 30, 2024

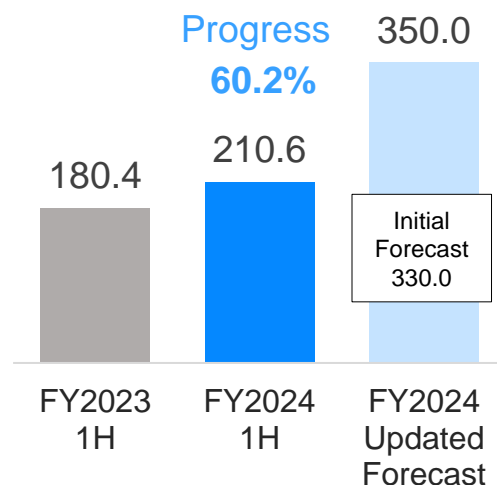
- Consolidated revenue and net income is expected to exceed the previous forecast, mainly due to the improvement in non-consolidated performance.
- Forecasts for non-consolidated revenues and income have been revised upward due to construction business performance improvement driven by increased revenues in the civil engineering business and increased profitability in the real estate development business.
- An increase in net income at domestic subsidiaries and affiliates is expected due to the steady progress anticipated especially in the construction business.
- At overseas subsidiaries and affiliates, revenues and income are expected to fall short of the previous forecast due to sales of some properties in the real estate development business in the U.S. and Southeast Asia being rescheduled to the next fiscal year or later, in anticipation of favorable sales conditions.
- The full-year contract award forecast has been revised upward in light of strong orders in the non-consolidated civil engineering and building construction businesses.

Segment Performance | Civil Engineering (Kajima Corp.)

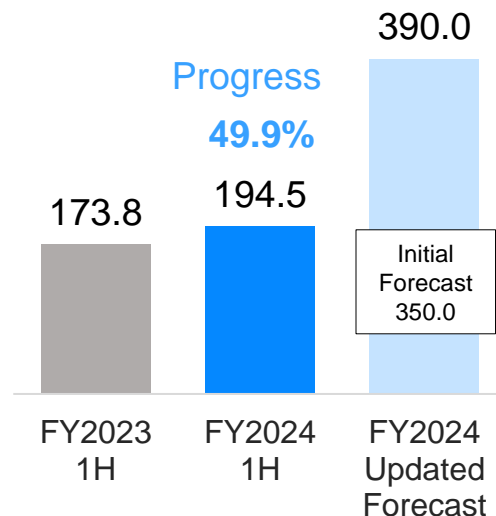
1. Results and Forecast

Billions of yen

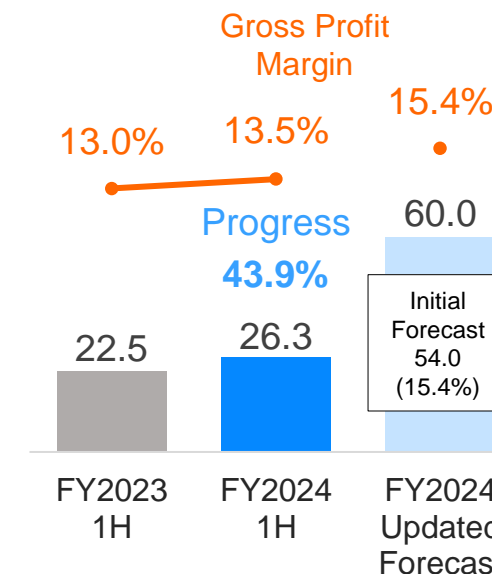
Contract awards



Revenues



Gross profit



FY2024 1H Result

- Contract awards increased YoY due to orders for large-scale construction projects and additional change contracts.
- Revenues were up YoY due to steady progress, mainly on large-scale construction projects.
- Gross profit margin steadily improved from the 12.9% recorded in the 1Q, and gross profit increased YoY.

FY2024 Updated Forecast

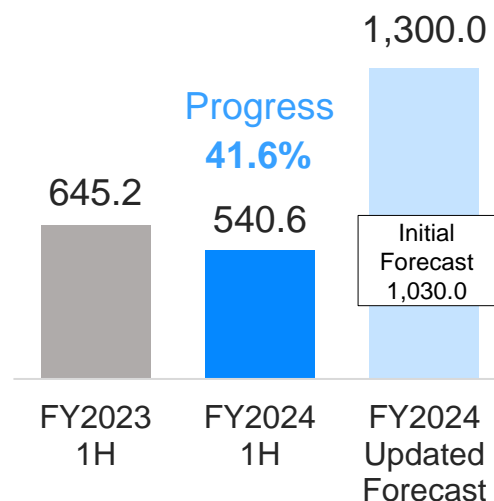
- In light of 1H progress, contract awards are expected to increase over the previous forecast by 20.0 billion yen.
- Due to the acquisition of additional change contracts and steady improvement in the large construction project, an increase in revenue and steady improvement in the gross profit margin are anticipated, with revenues expected to rise by 40.0 billion yen and gross profit by 6.0 billion yen.

Segment Performance | Building Construction (Kajima Corp.)

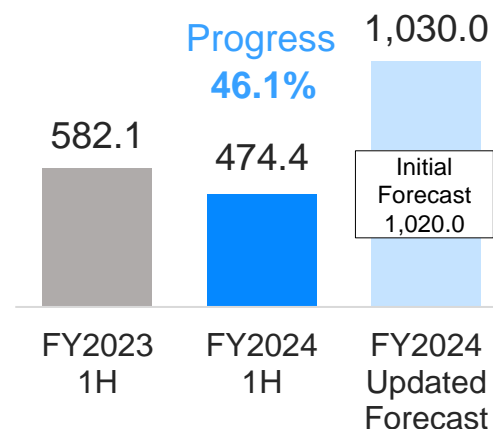
1. Results and Forecast

Billions of yen

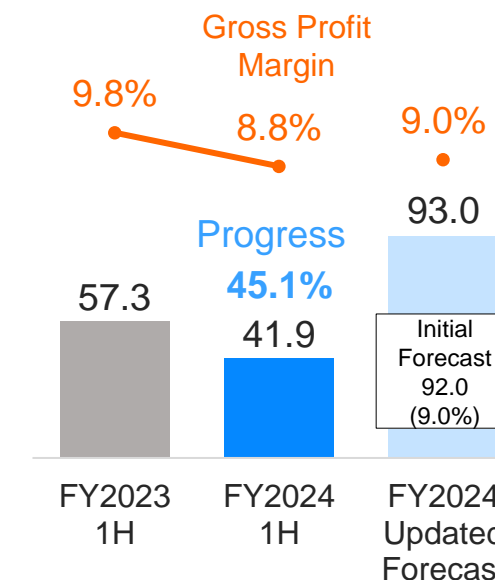
Contract awards



Revenues



Gross profit



FY2024 1H Result

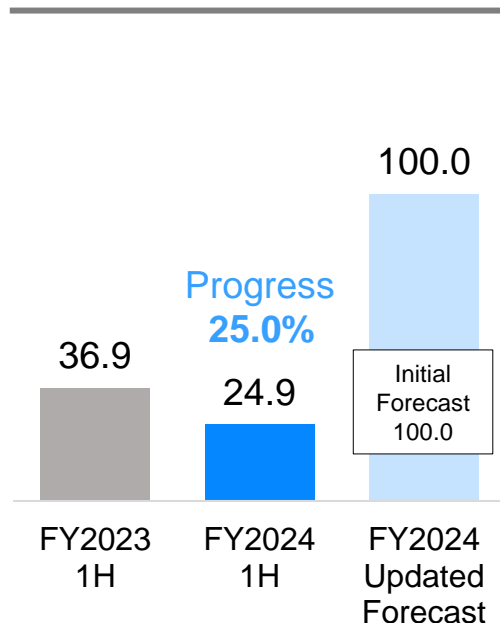
- Contract awards decreased YoY, but stayed above 500 billion yen.
- Revenues decreased YoY due to the relatively large number of large-scale construction projects in the initial stage of construction compared to the same period of the previous fiscal year.
- The gross profit margin decreased YoY, mainly due to a new provision for losses on construction recorded for some construction projects.

FY2024 Updated Forecast

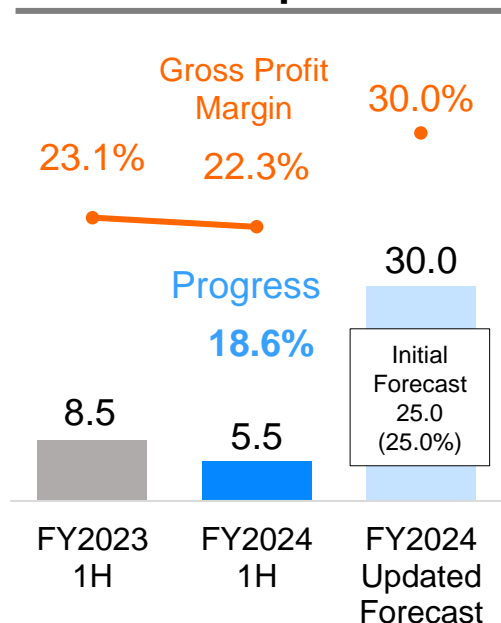
- Contract awards are expected to increase by 270 billion yen over the initial forecast due to strong construction demand and multiple large-scale construction projects scheduled to be awarded.
- Revenues and gross profit are expected to increase over the previous forecast as the impact of rising construction costs remains within the range anticipated at the start of the fiscal year and higher profitability is anticipated toward the end of the fiscal year.

Billions of yen

Revenues

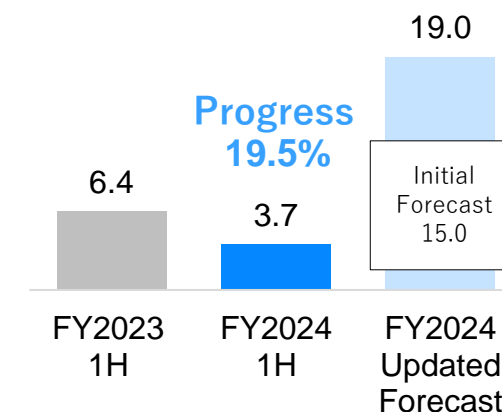


Gross profit



Domestic real estate development business net income*

* Business management figure obtained by combining net income of Kajima Corporation's real estate development business and that of its real estate development-related domestic subsidiaries and affiliates



FY2024 1H Result

- Both revenues and gross profit were lower than the same period of the previous fiscal year, when office projects sales were recorded.

FY2024 Updated Forecast

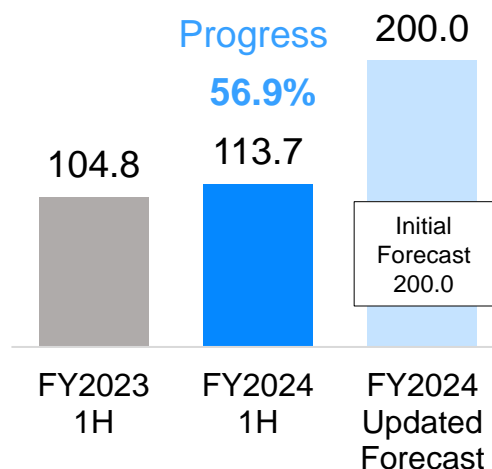
- Sales are expected to achieve the full-year forecast due to the scheduled 4Q delivery of office projects and large condominiums.
- Gross profit is expected to increase by 5.0 billion yen over the previous forecast due to higher profitability of large condominiums and other sales.
- Net income in the domestic real estate development business is expected to increase by 4.0 billion yen over the previous forecast.

Segment Performance | Domestic Subsidiaries and Affiliates

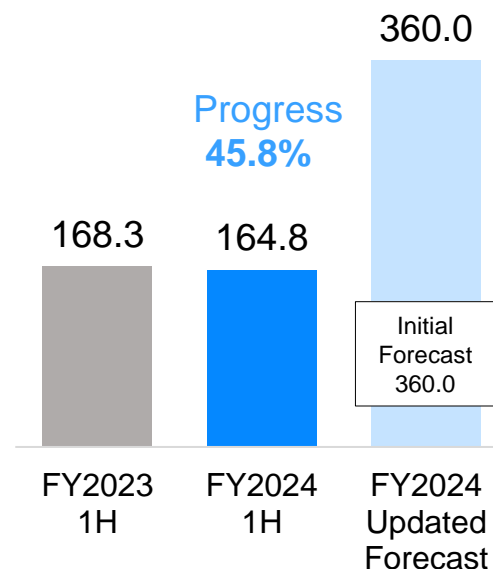
1. Results and Forecast

Billions of yen

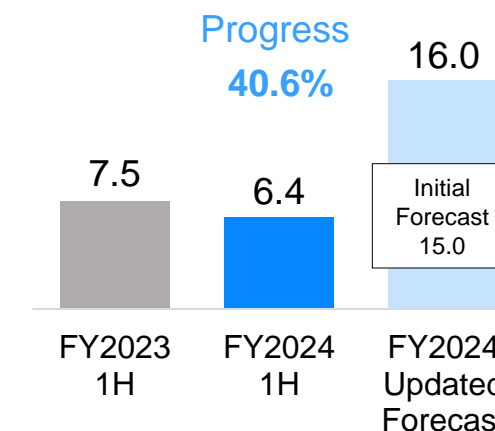
Contract awards



Revenues



Net income



FY2024 1H Result

- Contract awards, revenues, and net income were largely unchanged YoY, maintaining stable performance.

FY2024 Updated Forecast

- Stable performance is expected to continue in the 3Q onward, mainly in the construction business, and net income is expected to increase by 1.0 billion yen from the previous forecast.

Segment Performance | Overseas Subsidiaries and Affiliates

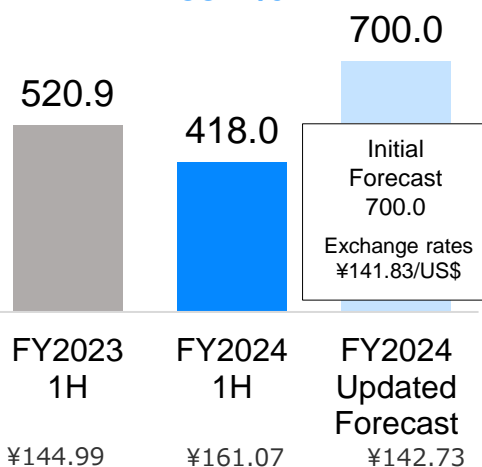
1. Results and Forecast

Billions of yen

Contract awards

Progress

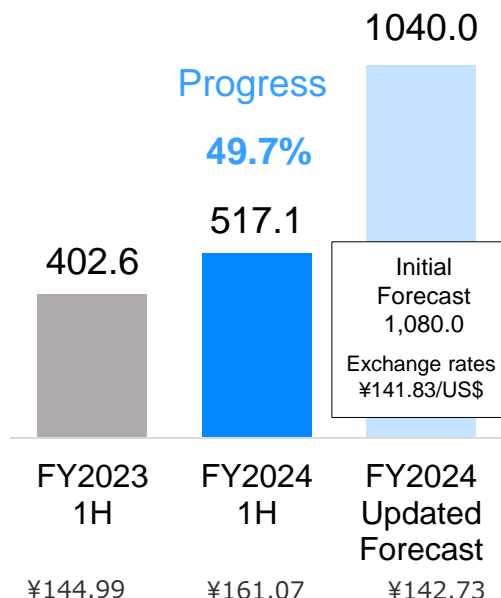
59.7%



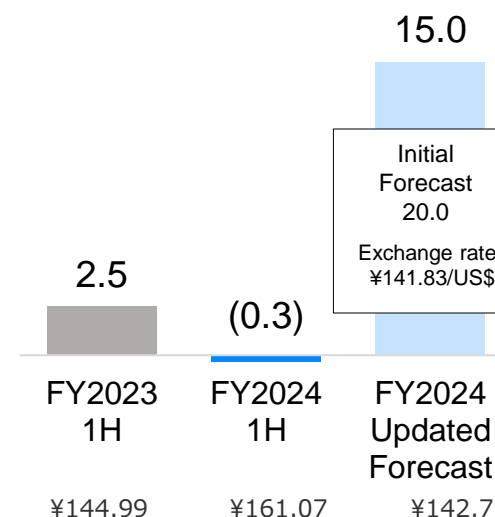
Revenues

Progress

49.7%



Net income



FY2024 1H Result

- Construction contract awards were below the high recorded in the same period of the previous fiscal year, but several large construction contract awards were acquired for projects in the U.S. and Oceania.
- Revenues increased YoY due to the acquisition of a construction company in the U.S.
- Net income declined YoY, mainly due to a decrease in gains on sales in the real estate development business.

FY2024 Updated Forecast

- Although an increase in sales of properties in the development business is expected starting in the 3Q, revenues and income are expected to fall short of the previous forecast due to the sale of some projects being rescheduled to the next fiscal year or later in anticipation of more favorable sales conditions.

Segment Performance | Overseas Subsidiaries and Affiliates

1. Results and Forecast

Results Highlights — Breakdown by construction and real estate development segments

*Figures for each business segment are before inter-segment transaction adjustments

	Construction and Other					Real Estate				
	FY2023 1H Result	FY2024 1H Result	FY2023 Result	FY2024 Updated Forecast	Change from Initial Forecast	FY2023 1H Result	FY2024 1H Result	FY2023 Result	FY2024 Updated Forecast	Change from Initial Forecast
Revenues	339.2	470.2	748.7	905.3	(26.5)	68.4	52.1	121.9	152.7	(18.9)
Gross Profit	11.1	17.7	33.1	40.9	(3.1)	20.3	15.3	37.1	39.8	0.8
	3.3%	3.8%	4.4%	4.5%	-0.2pp	29.8%	29.5%	30.4%	26.1%	+3.4pp
Operating Income	(2.7)	0.3	1.4	3.8	(3.5)	10.6	5.1	18.6	19.4	(1.7)
Nonoperating Income	1.1	2.4	3.0	2.5	2.1	1.3	(3.8)	3.9	(1.4)	(3.7)
Equity in Earnings of Partnership	0.0	0.0	0.0	0.0	(-)	2.0	1.4	5.5	4.3	(1.1)
Ordinary Income	(1.5)	2.8	4.4	6.4	(1.4)	12.0	1.2	22.6	18.0	(5.4)
Extraordinary Income	0.0	0.1	0.1	0.0	0.0	(0.0)	0.2	5.3	4.9	0.6
Net Income Attributable to Noncontrolling Interests	(2.4)	2.5	1.8	5.6	0.4	7.8	(0.8)	19.6	14.3	(4.8)
Exchange rate per US\$=	¥144.99	¥161.07	¥141.83	¥142.73		¥144.99	¥161.07	¥141.83	¥142.73	
Rate as of :	June 30, 2023	June 30, 2024	December 31, 2023	September 30, 2024		June 30, 2023	June 30, 2024	December 31, 2023	September 30, 2024	

- In the construction and other business, higher revenues and income were recorded in the 1H thanks to contributions from of a U.S. construction company acquired in the 1Q and a recovery in gross profit in Southeast Asia. The Group will steadily increase revenues and income in each region in the 3Q onward.
- In the real estate development business, both revenues and income declined in the 1H, mainly due to a decrease in property sales. Although a revitalization of the real estate market is expected to begin in the 3Q due to lower policy interest rates, full-year net income is still expected to fall short of the previous forecast due to the rescheduling of the sale of some properties in the U.S. and Southeast Asia.

Stockholder Returns

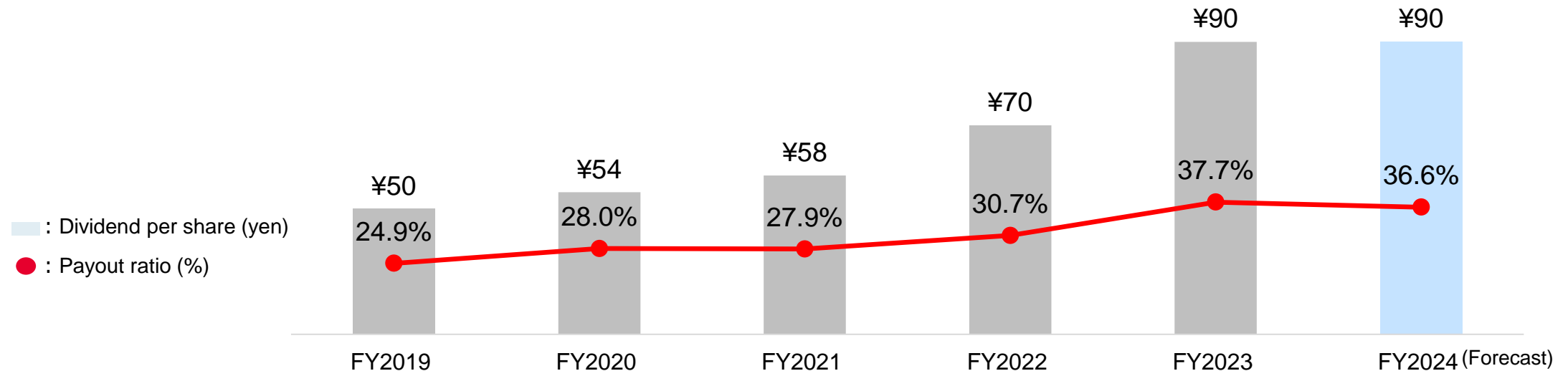
1. Results and Forecast

Dividend per share is 90 yen as initially forecasted, with an interim dividend of 45 yen to be paid in December.

Policy on Stockholder Returns

The basic policy is to strive for [a dividend payout ratio of 40%](#), as well as to [flexibly contribute to stockholder returns by acquiring own shares and other means](#) with consideration of business performance, financial condition and business environment.

Dividend per Share and Payout Ratio



Basic net income per share	¥200.99	¥193.13	¥208.00	¥227.98	¥238.76	¥245.70
Acquisition of own shares	10.0bil.	10.0bil.	20.0bil.	10.0bil.	10.0bil.	30.0bil.
Total payout ratio	34.6%	38.1%	47.1%	39.6%	46.4%	62.5%

Reduction of Strategic Shareholdings

1. Results and Forecast

Sales of strategic shareholdings have progressed as planned at the start of the fiscal year.

Medium-Term Business Plan (FY2024–2026) Reduction Policy

Reduce the balance of cross-shareholdings to **less than 20% of consolidated net assets by the end of FY2026** by **selling at least 50 billion yen over the next three years**, and continue to reduce the balance even after reaching the goal.

Sales Result	FY2024 1H Result
Amount of sales	¥6.3bil.
Number of stocks sold (including partial sales)	15 ※About 30planned for the full year

Holding Status	FY2023 End
Balance sheet value (ratio to consolidated net assets)	¥316.1 bil (25.8%)
Number of stocks (listed stocks)	291 (113)



FY2024 1H END
¥275.3 bil. (22.4%)
284 (107)

Ref: Sales during the previous medium-term business plan period (2021–2023)

	FY2021 Result	FY2022 Result	FY2023 Result
Amount of Sales	14.8 bil. yen	10.0 bil. yen	28.4 bil. yen
Number of Stocks Sold	17 stocks	17 stocks	27 stocks

2. Progress on Kajima Group Medium-Term Business Plan (FY2024–2026)

Overview of the Medium-Term Business Plan

Our Goals

Kajima Group Medium-Term Business Plan (FY2024-2026) Further Strengthening the Core Business and Building the Future

As a technology-based company, we will further strengthen our construction and real estate development businesses in Japan and overseas and create new value by expanding our value chain and promoting R&D and innovation.

Strategies for growth



Business environment

Politics / Economics

- Geopolitical risks
- Price and interest rate increases

Environment

- Carbon neutrality, circular economy, nature positivity
- Greater frequency and severity of natural disasters

Society

- Human capital management, changes in personal values
- Labor shortages, overtime work limits

Technology

- Advances in digital technology
- Transformation in mobility, communications, and logistics

Consolidated net income

Target for FY2026

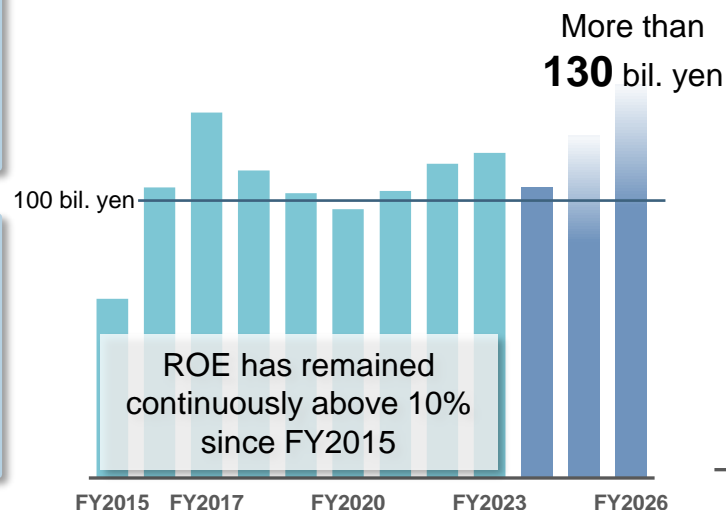
More than **130 bil. yen**

ROE

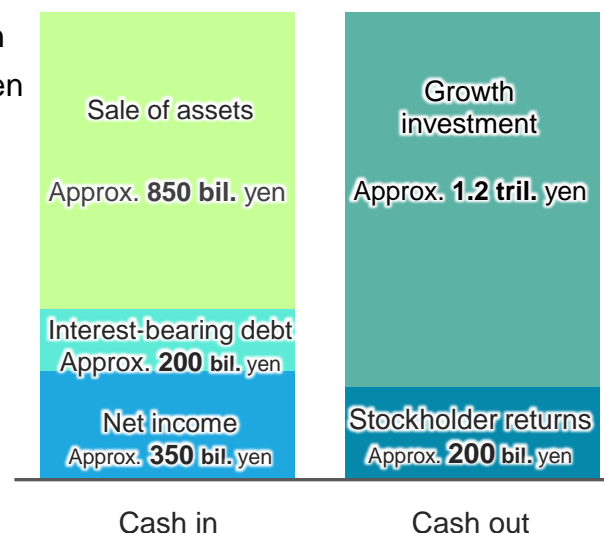
Continuously

above **10 %**

Consolidated net income



Cash allocation Cumulative total for FY2024-2026



Growth investment

Approx. **1.2 tril. yen**

Stockholder returns

Pay dividends with a

target payout ratio of **40 %**

Acquired **30 bil. yen of own shares**
In FY2024

(Continue with flexible own share acquisitions going forward)

* Assumed exchange rate is about 142 yen/1USD.

Progress on Growth Strategies

I Enhance Domestic Construction Business

2. Progress on MTBP

Steady progress made on orders and construction in priority fields, such as production facilities and energy-related areas

Recorded multiple large-scale production facility projects

Manufacturing industry contract awards

FY2023 1H results
¥125.5 bil.

FY2024 1H results
¥215.7 bil.



Construction of
KOSÉ Corporation
Minami-Alps Plant
(Yamanashi)

Accumulated experience and know-how in the energy field

FY2024 1H completion
Onshore wind power
3units

Construction of wind farm
at Rusutsu (Hokkaido)



Safety and productivity improvements made through further advances in A⁴CSEL[®] (automated construction technology)

A⁴CSEL for Dams

Now under construction in Akita Prefecture, the Naruse Dam is expediting efficiency and labor savings with 14 automated construction machines (three types) in operation during the peak season



A⁴CSEL for Tunnels

Completed automation of six steps of excavation work in mountain tunnel construction; going forward, will continue to apply automated technology to actual construction projects, aiming for zero accidents and improved underground work productivity

(1) Drilling

Computer jumbo (Face Drill Rig)



(2) Charging/Blasting

Automated explosives loader



(3) Mucking

Automated wheel loader



(6) Rock bolting

Automated rock bolting machine



(5) Shotcreting

Automated shotcreting machine



(4) Scaling

Automated breaker



Domestic Real Estate Development Business

Developed diverse assets and expanded profit opportunities

FY2024 Completed Projects



Sale and delivery scheduled in FY 2024

Condominium

World Tower Residence (Tokyo)



Office/Commercial

Sapporo 4-Chome Project (tentative name)
construction project (Hokkaido)



Distribution warehouse

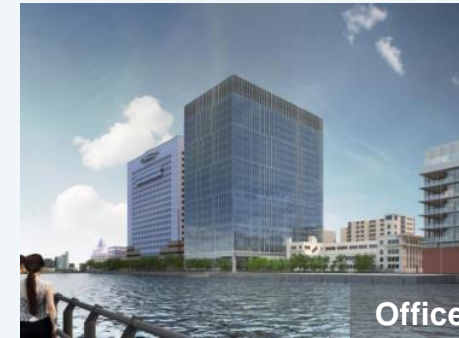
Kajima Minami Rokugo Logistics Center
(tentative name) (Tokyo)



Distribution warehouse

Kajima Tomiya Logistics Center
(tentative name) (Miyagi)

Newly Launched Projects



Office

Yokohama Naka-ku Kaigandori
Project (A-1 District) (tentative name)
(Kanagawa)



Office, Commercial, etc.

Yaesu 2-Chome Naka District
Type 1 Urban Redevelopment
Project (Tokyo)

Business Overview

- Create high added-value projects by combining construction technology and real estate development know-how
- Increase medium- to long-term profits and improve investment efficiency through the timely sales of assets based on plans and external financing

Overseas Real Estate Development Business

Pursued investments and recovery based on market and financial trends

U.S.: Steadily sold properties while assessing the business environment



Rider Business Center (California, USA)

Core5 Industrial Partners:
Distribution warehouse development business

46 projects under development/operation
(as of June 30, 2024)

FY2024 1H sales results: **5** projects

Flournoy Development Group:
Rental apartment development business

15 projects under development/operation
(as of June 30, 2024)

FY2024 1H sales results: **1** project



Amberleigh Shores II (North Carolina, USA)

Europe: Steadily expanded the business portfolio



Rotterdam (Netherlands)

Distribution warehouse development business

17 projects under development/operation
(as of June 30, 2024)

Scheduled to sell properties in 2H

Renewable energy business

18 projects under development/plan
(as of June 30, 2024)

Scheduled to sell properties in 2H



Sztum (Poland)

Asia: Strengthened industrial real estate platform



Core5 Haiphong (Vietnam)

Indochina Kajima's warehouse and rental factory development business under the Core5 brand has made progress, with three properties operating and two now obtaining permits (one of the operating properties sold partial interest in 2024).

Business Overview

- Policy interest rates in Europe and the U.S. have shifted to a phase of lowering interest rates for the first time in four years
- Revitalization of the real estate sales market is expected
- Seeking favorable sales conditions in FY2024 2H and in FY2025

Promoted further dissemination and rollout of CO₂-SUICOM, a concrete that hardens through CO₂ absorption

Expanding applications



Road boundary blocks



Large block retaining wall



Highway bridge piers

*Applied to buried formwork

Combining with external advanced technology



* Direct Air Capture: Technology that collects CO₂ from the atmosphere

Started joint research to adsorb and fixate CO₂ collected from the atmosphere into concrete using Kawasaki Heavy Industries' DAC

Joint research with Kanazawa Institute of Technology



Combining 3D printing technology and CO₂-SUICOM, a complex-shaped bench was created and installed in a park

► Contributing to carbon neutrality in 2050

New company established in Singapore, strengthening global technology distributor functions

Launched **The GEAR by Kajima Pte Ltd.**
(established August 2024)

Operates technology marketing business to identify customers who need Kajima Group's technologies

Open Innovation Hub

Aims to discover business seeds and generate ideas



The GEAR,
a new base in Asia
(Singapore)

R&D Center

Leverages five labs to promote cutting-edge demonstrations that meet society's needs

► Developing new sources of revenue by leveraging the Group's proprietary technologies

Global Environment

Launched “Forest Asset,” a new service that contributes to increased productivity and added value in forest management

Forest Asset Overview

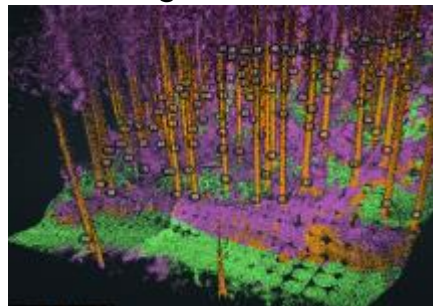
No. of contracts: **11** (including Kajima Group-owned forests)

Use of drones



- Deep Forestry's drones fly autonomously through forests
- More than 30 times more labor-saving than existing methods

Digitalization



- High-precision analysis of tree data
- Visualization in digital space

Forest Asset’s planned forestation and utilization of forest resources contribute to restoring nature, recycling resources, and decarbonization.

Human Resources, Compliance, and Respect for Human Rights

Established new DEI*¹ targets *1 Diversity, equity & inclusion

New Target Overview

- 1 Percentage of career-track employees who are women hired Increase to **30%***² by FY2028
- 2 Percentage of managers who are women (section manager and higher) Achieve **10%** by FY2028
- 3 Percentage of eligible men taking childcare leave **100%***³ (50% taking 30 days or more)
- 4 Foster a goal-oriented corporate culture

*2 Percentage varies by function; 30% is not the upper limit.

*3 The percentage of eligible men taking childcare leave includes leave for child rearing purposes (spouse maternity leave).

Create an environment where each and every employee of diverse background and personality can perform to their full potential

Progress on Investment Plan

2. Progress on MTBP

Steady progress has been made with the investment plan set out in the medium-term business plan

The exchange rate applied is the rate at the time of planning MTBP
Exchange rate per US\$= ¥141.83 (rate as of December 31, 2023)

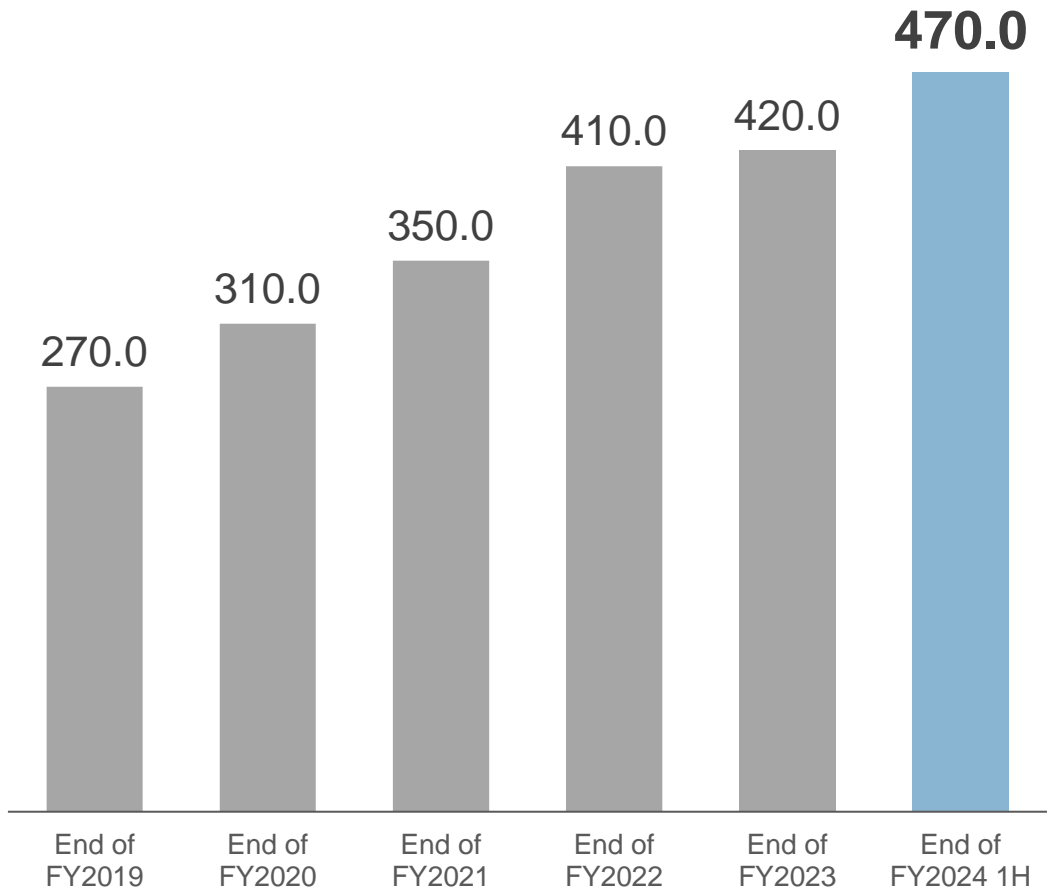
Medium-Term Business Plan (2024–2026)		FY2024 1H Result	FY2024 Full-Year Forecast
R&D investment	60.0 bil.	9.0 bil.	20.0 bil.
Digital investment	50.0 bil.	8.0 bil.	17.0 bil.
Strategic investment framework	80.0 bil.	6.0 bil.	10.0 bil.
Other capex	60.0 bil.	7.0 bil.	22.0 bil.
Domestic real estate development	320.0 bil.	59.0 bil.	149.0 bil.
Recoup of investment	170.0 bil.	5.0 bil.	42.0 bil.
Net investment	150.0 bil.	54.0 bil.	107.0 bil.
Overseas real estate development	630.0 bil.	83.0 bil.	181.0 bil.
Recoup of investment	520.0 bil.	24.0 bil.	139.0 bil.
Net investment	110.0 bil.	59.0 bil.	42.0 bil.
Total	1200.0 bil.	172.0 bil.	399.0 bil.
Net investment	510.0 bil.	143.0 bil.	218.0 bil.

3. Supplementary Materials

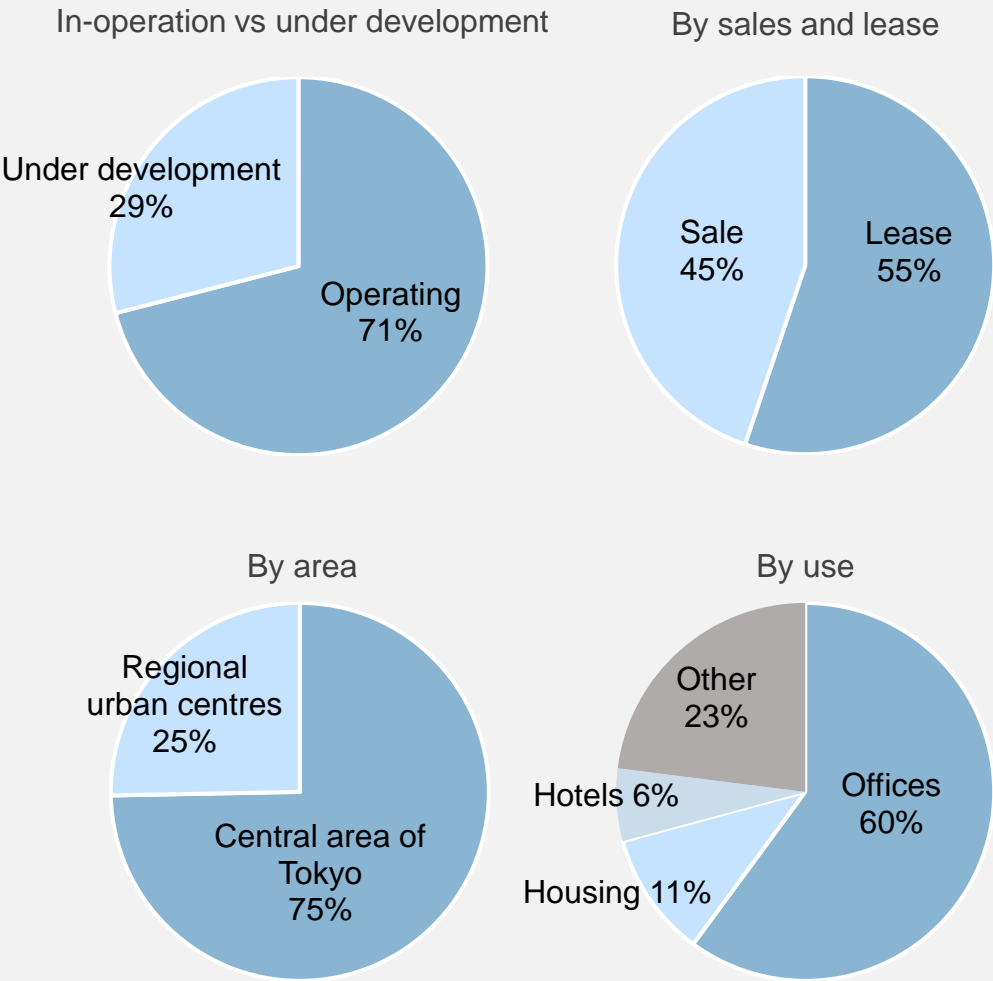
Current Situation and Changes in the Domestic Real Estate Development Business

Assets

Billions of yen



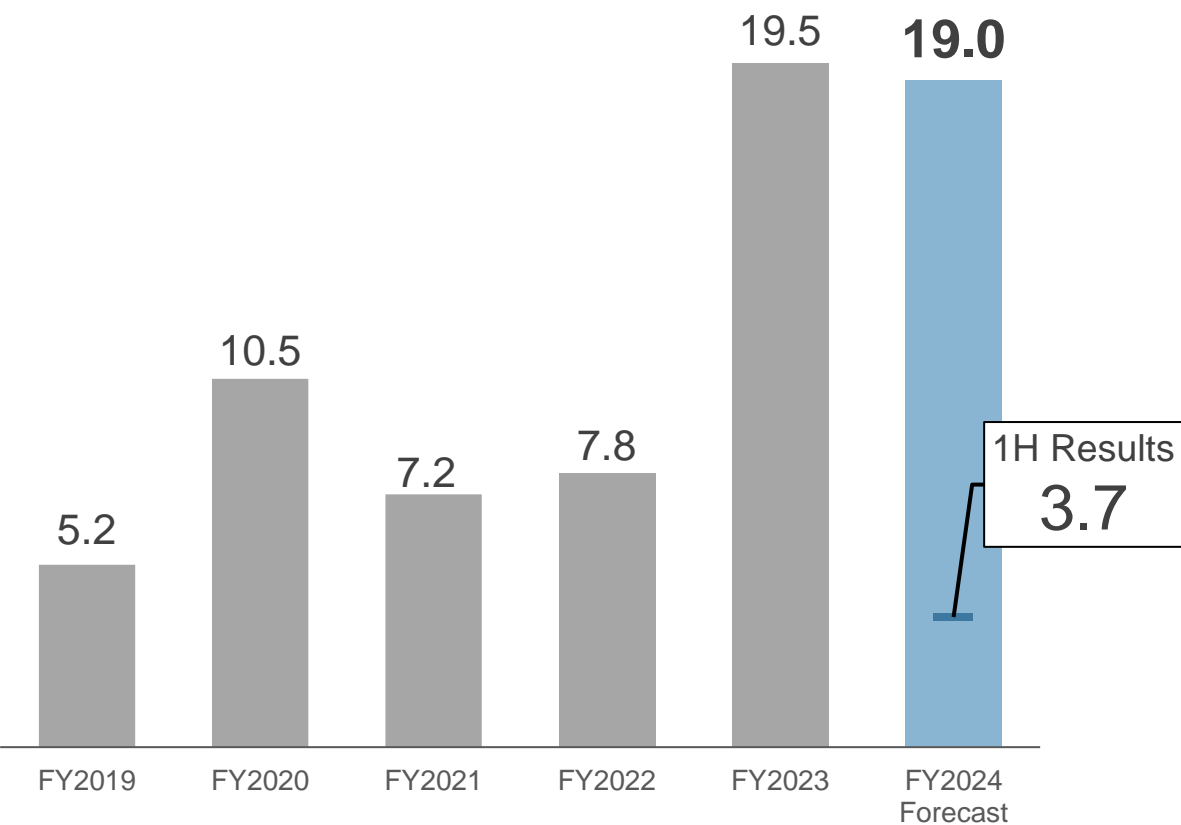
Breakdown of assets as of the end of FY2024



Current Situation and Changes in the Domestic Real Estate Development Business

Net Income

Billions of yen

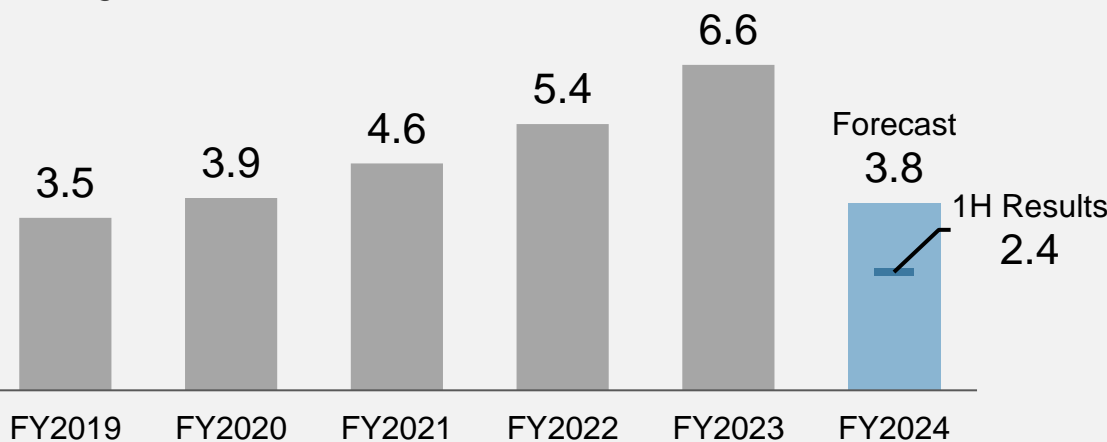


Figures are the (total) net income of Kajima Corporation's development business and its development-related domestic subsidiaries and affiliates.

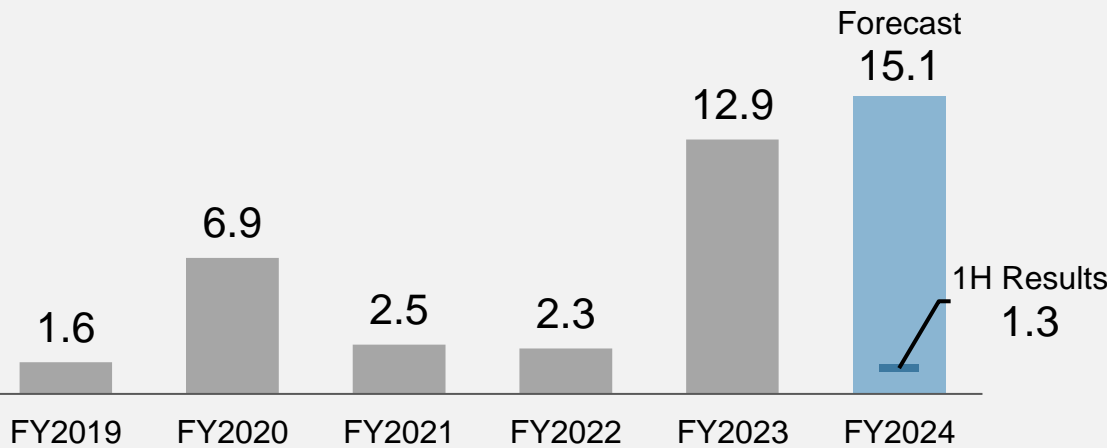
Breakdown by Business Segment

Billions of yen

Leasing Business



Sales Business

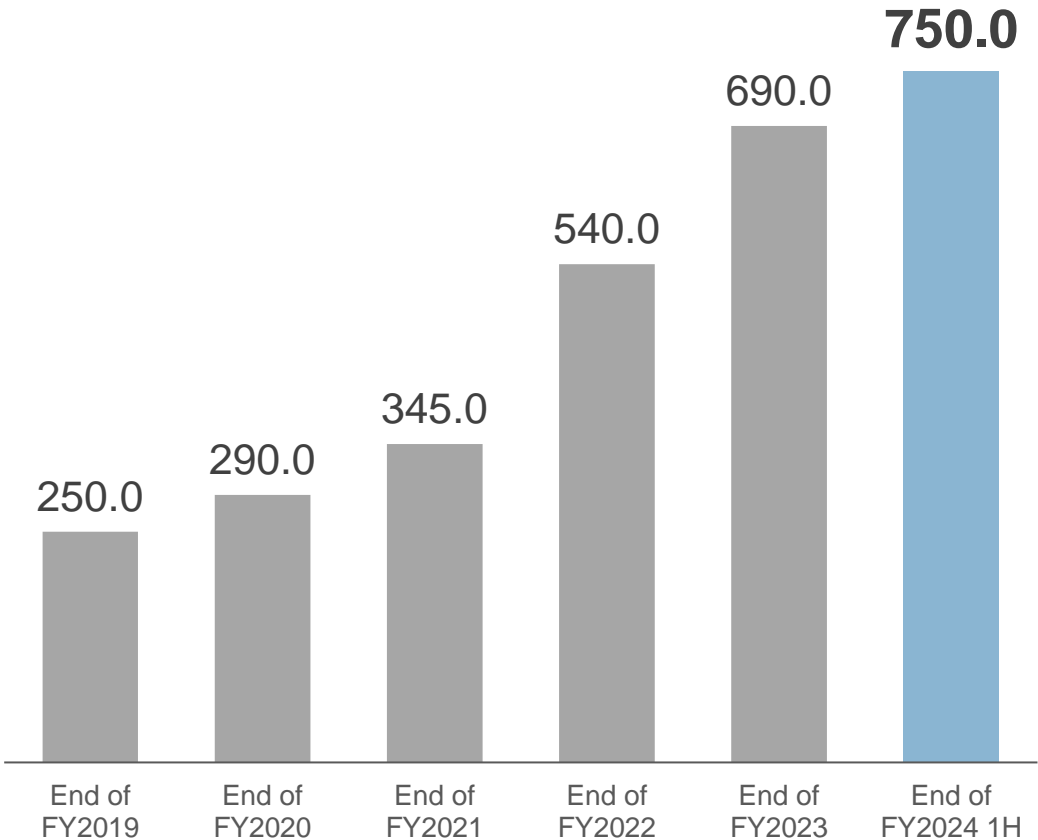


Current Situation and Changes in the Overseas Real Estate Development Business

Assets

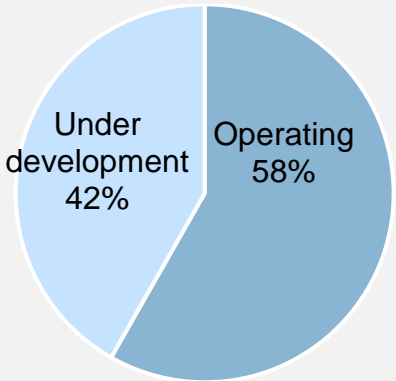
Billions of yen

The exchange rate at the end of the FY2024 1H is the rate at the time of planning MTBP
Exchange rate per US\$= ¥141.83 (rate as of December 31, 2023)

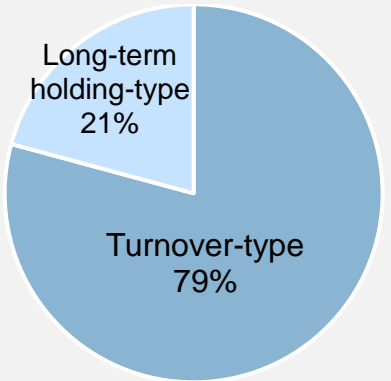


Breakdown of assets at the end of FY2024

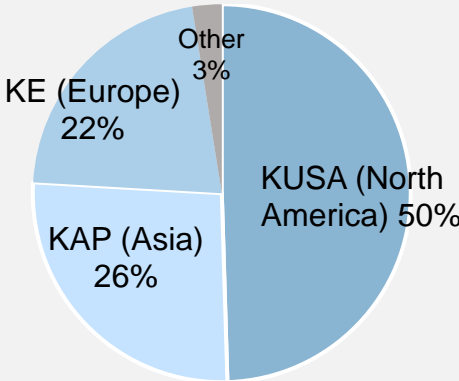
In-operation vs under development



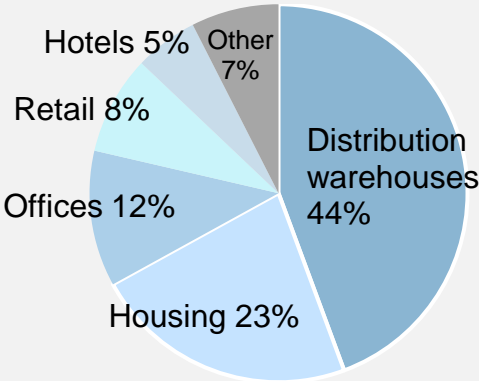
By holding period



By area



By use

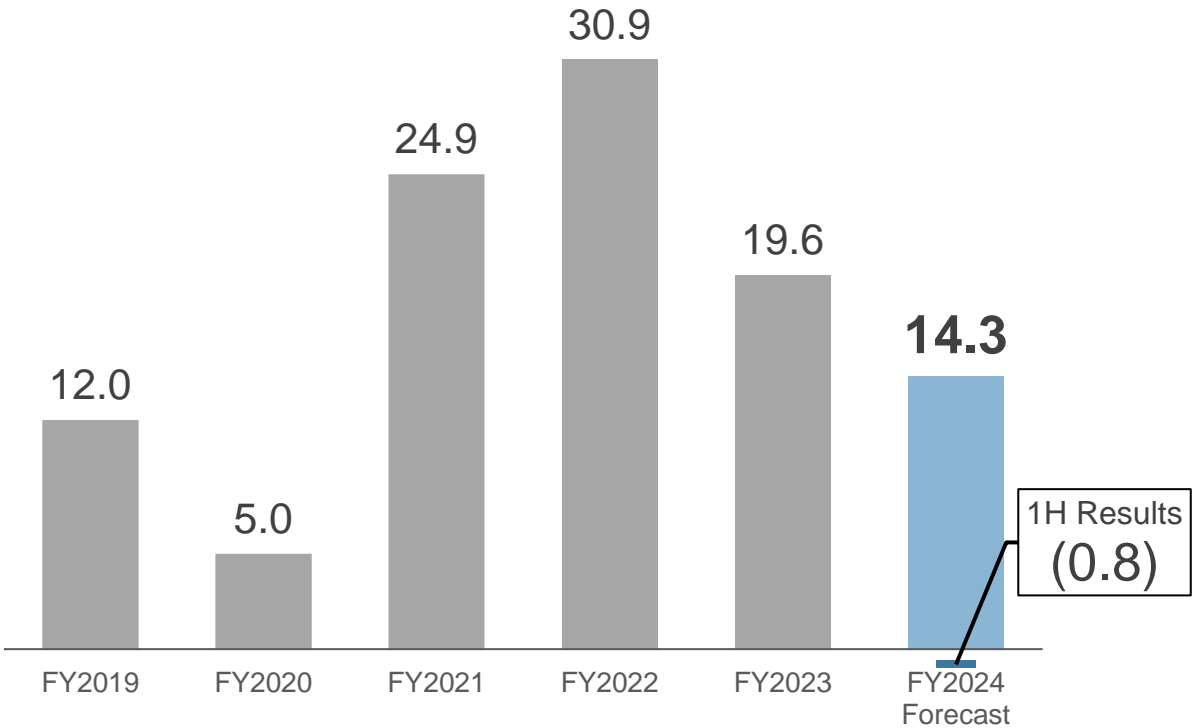


Current Situation and Changes in the Overseas Real Estate Development Business

Net Income

Billions of yen

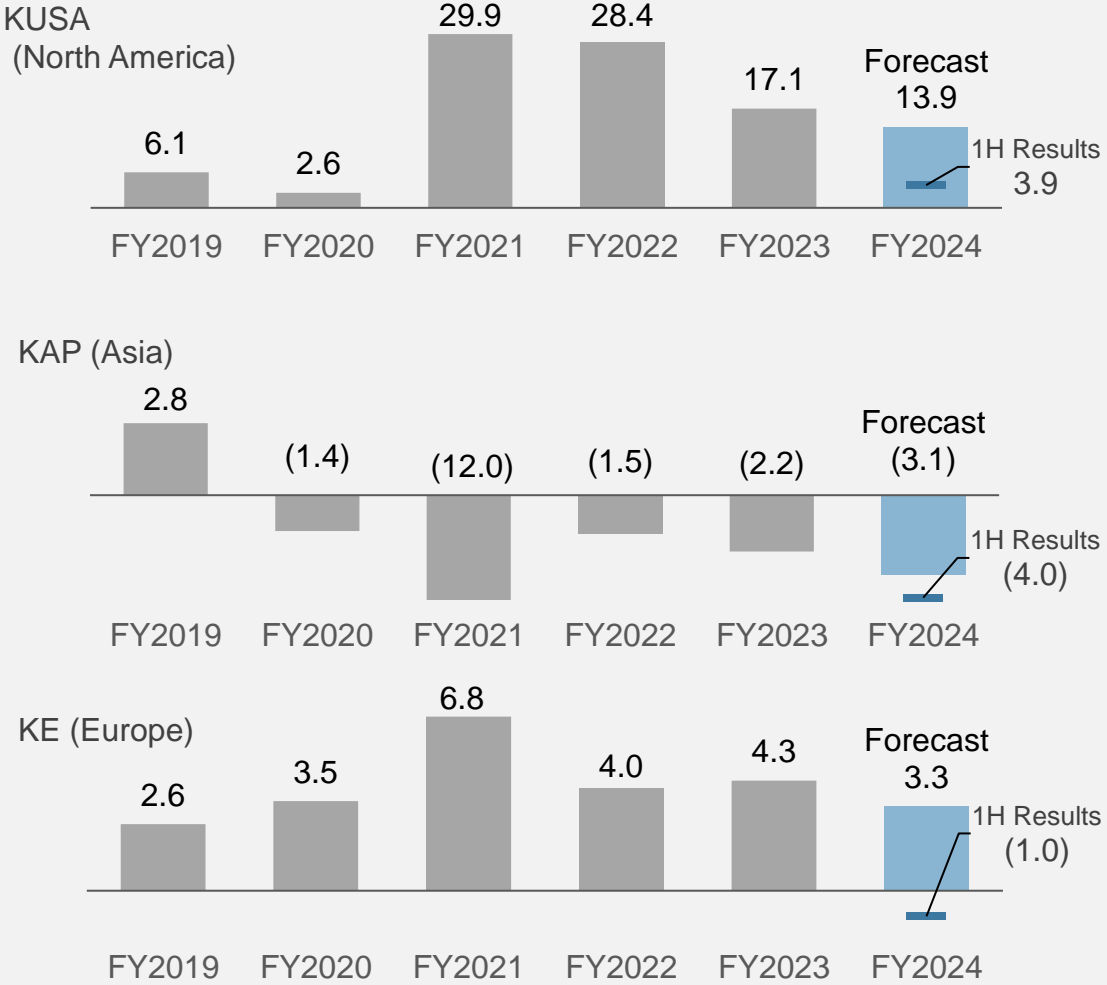
Exchange rate for FY2024 1H results: 1US\$= ¥161.07 (rate as of the end of June 2024)
Exchange rate for FY2024 forecast: 1US\$= ¥142.73 (rate as of September 30, 2024)



Total of net income from real estate development business of each overseas subsidiary
(before adjustment for internal transactions, etc.)

Breakdown by Major Overseas Subsidiaries

Billions of yen





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Department

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Disclaimer: All financial information has been prepared in accordance with generally accepted accounting principles in Japan. While every attempt has been made to ensure the accuracy of information, forecasts contained in this slides are based on the judgments made with information available on November 12, 2024, and are subject to risks and uncertainties that may cause the actual results to vary.