

# Sumitomo Heavy Industries, Ltd.

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## 2Q CONSOLIDATED FINANCIAL REPORT

For the Six-Month Period from April 1 to September 30, 2008

*All financial information has been prepared in accordance with generally accepted accounting principles in Japan. This document has been translated from the Japanese original as a guide to non-Japanese investors and contains forward-looking statements that are based on management's estimates, assumptions, and projections at the time of publication. A number of factors could cause actual results to differ materially from expectations. Amounts shown in this financial statement have been rounded to the nearest million yen.*

**Summary of Consolidated Financial Results**  
**For the Second Quarter Ended September 30, 2008**  
 Presented November 4, 2008

## Sumitomo Heavy Industries, Ltd.

Listed exchanges	Tokyo Stock Exchange, Osaka Securities Exchange
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Scheduled reporting date for quarterly report	November 13, 2008
Scheduled date of dividend payment	December 9, 2008

### 1. FY 2008 2Q Consolidated Results (April 1, 2008, to September 30, 2008)

#### (1) Business Results

(Units: millions of yen)

	Second Quarter April 1 to September 30, 2008		Previous Second Quarter April 1 to September 30, 2007	
		% change		% change
Net sales	340,774	--	305,098	11.6
Operating income	34,367	--	34,956	30.6
Ordinary income	33,952	--	35,013	26.4
Net income	19,777	--	20,161	20.7
Net income per share (yen)	32.77		33.39	
Fully diluted net income per share	--		--	

#### (2) Financial Position

(Units: millions of yen)

	End of Second Quarter As of September 30, 2008	End of Previous Full Year As of March 31, 2008
Total assets	689,578	678,634
Shareholders' equity	257,845	246,371
Equity ratio (%)	36.0	34.9
Net assets per share (yen)	411.23	392.80

Note: Equity:  
Fiscal quarter ended September 30, 2008: 248,174 million yen

Fiscal year ended March 31, 2008: 237,084 million yen

## 2. Dividends

(Units: yen)

	Year Ended March 31, 2008	Year Ended March 31, 2009	Year Ended March 31, 2009 (forecast)
Annual dividends per share			
First quarter	--	--	--
Second quarter	5.00	6.00	--
Third quarter	--	--	--
End of term	5.00	--	6.00
Annual dividends	10.00	--	12.00

Note: Changes to dividend forecast for current quarter: None

## 3. FY 2009 Consolidated Forecasts (April 1, 2008, to March 31, 2009)

(Units: millions of yen)

	Full Year April 1, 2008, to March 31, 2009	% change
Net sales	720,000	9.0
Operating income	70,000	(10.0)
Ordinary income	66,500	(11.9)
Net income	31,000	(27.9)
Projected net income per share (yen)	51.37	

Note: Changes to consolidated forecasts for current quarter: Yes

## 4. Additional Notes

- (1) Transfers of important subsidiaries during the fiscal period (transfer of a specific subsidiary due to change in scope of consolidation): None
- Newly consolidated: 0 companies
- Excluded from consolidation: 0 companies

- (2) Application of concise accounting procedures and special accounting procedures for preparing consolidated balance sheets: Yes

Note: For further details, refer to p. 7 Qualitative Information, Financial Statements, etc., 4. Other

- (3) Changes in principles, procedures, and presentation of accounting treatment in preparing quarterly consolidated financial statements (list of changes to the basis for presenting quarterly consolidated financial statements)

(i) Changes resulting from revisions to accounting standards, etc.: Yes

(ii) Changes other than (i): None

Note: For further details, refer to p. 7 Qualitative Information, Financial Statements, etc., 4. Other

(4) Number of shares issued (common shares)

(i) Number of shares issued at end of fiscal period (including treasury stock):

As of September 30, 2008	605,726,394 shares
As of March 31, 2008	605,726,394 shares

(ii) Number of treasury stock at end of fiscal period

As of September 30, 2008	2,237,783 shares
As of March 31, 2008	2,144,702 shares

(iii) Average number of shares during fiscal period (cumulative quarterly period)

As of September 30, 2008	603,538,780 shares
As of September 30, 2007	603,769,736 shares

\*Explanation of proper use of earnings forecast and other special instructions

1. This material reflects revisions to the full-year results contained in the consolidated forecast released on May 13, 2008.
2. From the current consolidated financial year, quarterly consolidated financial statements will be prepared using ASBJ Statement No.12 "Accounting Standard for Quarterly Financial Reporting" and ASBJ Guidance No. 14 "Guidance on Accounting Standard for Quarterly Financial Reporting." These will also be prepared following the stipulations of quarterly consolidated financial statement principles.
3. Forecasts of future operating results represent the Company's rational judgment based on information available as of the date of release. Consequently, actual results may differ from the forecasts because of changes in various factors. For further details regarding the forecast of future operating results and for notes on their use, refer to p. 6 Qualitative Information, Financial Statements, etc., 3. Qualitative Information Concerning Forecast Consolidated Results.

## Qualitative Information, Financial Statements, etc.

### 1. Qualitative Information Concerning Consolidated Operating Results

As an overview of the Japanese economy during the second-quarter consolidated cumulative period (from April 1, 2008 through September 30, 2008), the corporate sector's performance was affected by rising prices of oil, steel, and other raw materials, and there are more and more signs of a slowdown in the overall economy. Furthermore, the deteriorating overseas economy due to the collapse of U.S. financial institutions poses a serious concern, and there is a growing uncertainty over the economy in China and other emerging countries.

Under this economic environment, however, our business operation went smoothly in line with the Group's mid-term management plan called "Global 21", which started in the current consolidated fiscal year.

As a result, the amount of orders received was up for all the segments, especially for the Ship, Steel Structure & Other Specialized Equipment Segment and the Environmental Protection Facilities, Plants and Others Segment, reaching 422.5 billion yen, up 23% from the same period last year. Sales were 340.8 billion yen, up 12% from the same period last year, reflecting increases in all the segments except the Industrial Machinery Segment.

Turning to the aspect of profit/loss, while sales increased, owing in part to rising costs of raw materials, operating income was 34.4 billion yen, down 2% from the same period last year, current income was 34.0 billion yen, down 3% from the same period last year, and net income was 19.8 billion yen, down 2% from the same period last year.

Performance of the respective segments is as summarized below.

#### (1) Mass-Produced Machinery Segment

Orders received in the power transmission and controls business were at a level exceeding those for the same period last year while it was affected by the deterioration of domestic and U.S. market conditions. Orders received in the plastic injection molding machine business exceeded those for the same period last year, owing to the fact that the performance of overseas subsidiaries acquired in the previous fiscal year was enough to make up for the decrease due to the deterioration of market conditions of electronic devices. Orders received for the other types of machinery decreased due to the deterioration in the market conditions of semiconductors and electronic devices, but the amount of orders increased for the whole segment. Sales exceeded those for the same period last year, owing to the impact of overseas subsidiaries in the plastic injection molding machine business as is the case with the orders. Operating income was affected by goodwill amortization in respect of the overseas subsidiaries, and worsened. As a result, the amount of orders received was 132.4 billion yen (up 9% from the same period last year), sales were 125.1 billion yen (up 13% from the same period last year), and operating income was 9.9 billion yen.

#### (2) Environmental Protection Facilities, Plants and Others Segment

Orders received in the energy-related plant business performed favorably, reflecting, among others, orders for industrial power boilers and air pollution control devices in the emerging countries. In addition, sales exceeded the level for the same period last year, due to favorable progress in processing order backlog. As a result, the amount of orders received was 60.0 billion yen (up 39% from the same period last year), sales were 39.9 billion yen (up 13% from the same period last year), and operating income was 3.7 billion yen.

#### (3) Ships, Steel Structures & Other Specialized Equipment Segment

In the shipbuilding business, orders for seven medium-sized tankers have been received, increased by five tankers from the same period last year, and as for sales, four medium-sized tankers have been delivered, increased by one tanker from the same period last year. In addition, the high profitability was successfully maintained due to the effect of cost reduction through continuous production. As for the other types of machinery, while orders for pressure vessels for petroleum and chemical plants decreased, sales increased because the orders received during the previous fiscal year were good. As a result, the amount of orders received was 70.5 billion yen (up 96% from the same period last year), sales were 39.2 billion yen (up 26% from the same period last year), and operating income was 7.3 billion yen.

#### (4) Industrial Machinery Segment

The turbine and pump business performed favorably in the amount of orders received in biomass power facilities and energy-related customers overseas, and the material handling system business received orders steadily where orders received from steel manufacturing companies were enough to make up for a drop in those for shipbuilders. Sales were slightly below those for the same period last year. As a result, the amount of orders received was 62.1 billion yen (up 28% from the same period last year), sales were 35.9 billion yen (down 7% from the same period last year), and operating income was 5.5 billion yen.

#### (5) Construction Machinery Segment

As for the hydraulic excavator business, although there were significant decreases in the Japanese and European markets in addition to the sluggish market in North America, there was a favorable trend in the demand in the Chinese market, and orders received increased from the same period last year. Partly owing to the increase in respect of China, sales increased from the same period last year. As for profit/loss, operating income decreased, partly due to rising prices of raw materials. As for the mobile crane business, because the infrastructure-related demand in North America continued to be favorable, both the amount of orders received and sales increased. As a result, the amount of orders received was 97.5 billion yen (up 3% from the same period last year), sales were 100.7 billion yen (up 12% from the same period last year), and operating income was 7.8 billion yen.

## 2. Qualitative Information Concerning Financial Condition

Total assets were 689.6 billion yen, increased by 10.9 billion yen from the same period last year. This reflects a decrease of notes and accounts receivable by 11.0 billion yen on the one hand, and an increase of inventories by 17.4 billion yen and an increase of tangible fixed assets by 6.5 billion yen on the other hand.

Total debt was 431.7 billion yen, decreased by 0.5 billion yen from the same period last year. This reflects an increase of advances received by 13.2 billion yen on the one hand, and a decrease of interest-bearing debt to 83.1 billion yen, down 6.5 billion yen from the same period last year, and a decrease of notes payable and accounts payable by 2.3 billion yen on the other hand.

Net assets were 257.8 billion yen, increased by 11.5 billion yen from the same period last year, reflecting an increase of retained earnings by 16.3 billion yen from the same period last year.

As a result of the foregoing, the capital ratio was 36%, 1 percentage point up from the same period last year.

## 3. Qualitative Information Concerning Forecast Consolidated Results

The forecast consolidated results for the Fiscal Year ending March 2009, which were publicly announced on May 13, 2008, have been modified as indicated below.

	Sales (in million yen)	Operating Income (in million yen)	Current Income (in million yen)	Net Income (in million yen)	Net Income per Share (in yen)
Forecast as previously announced (A)	740,000	75,000	72,000	41,000	67.93
Forecast as modified (B)	720,000	70,000	66,500	31,000	51.37
Amount Change (B-A)	(20,000)	(5,000)	(5,500)	(10,000)	(16.56)
Percentage Change (%)	(2.7)	(6.7)	(7.6)	(24.4)	(24.4)
Results for the previous fiscal year	660,769	77,790	75,469	42,974	71.19

With respect to the results for the second-quarter consolidated cumulative period, in the difficult business environment, sales were below the forecast, but the operating income, current income, and net income surpassed the forecasts thereof.

As for the future prospects, however, in view of the rapidly spreading global financial crisis and given the growing concern for a worldwide recession, the real economy is expected to be affected, and it is also expected that uncertainty over the factors such as currency movements may lead to a tougher environment.

Under such circumstances, in light of the decrease in sales and loss from write-down of investment in securities, the initial forecasts have been modified. Incidentally, as the primary foreign exchange rates for the third- and fourth-consolidated quarterly accounting periods, it is assumed that one (1) U.S. dollar will be 100 yen, and one (1) Euro will be 140 yen.

#### **4. Other**

(1) Significant change to the subsidiaries during the current period (change to the specified subsidiaries resulting in modification of the scope of consolidation)

Not applicable.

(2) Application of simplified accounting methods and special accounting methods for the preparation of consolidated quarterly financial statements

(i) Simplified accounting methods:

- Method of calculation of estimated bad debt write-offs in respect of general receivables

The ratio of bad debt write-offs used as of the end of the previous fiscal year is used.

- Method of valuation of inventories

With regard to the calculation of inventories as of the end of the second-quarter consolidated cumulative period, physical inventory has been omitted, and calculations have been performed in a reasonable manner on the basis of the results of physical inventory for the previous consolidated fiscal year.

- Method of calculation of unrealized profit/loss in respect of inventories

The profit/loss ratio used at the end of the previous consolidated fiscal year has been used.

- Method of calculation of depreciation on fixed assets

As for the assets for which the declining-balance method is adopted, calculations have been made by prorating the amount of depreciation for the consolidated fiscal year.

- Method of calculation for deferred and accrued accounts

Estimates obtained by using a reasonable calculation method are recorded.

- Method of calculation of corporate income tax, etc., as well as deferred tax assets and deferred tax liability

Tax payments for corporate income tax are calculated in such way that adding and subtracting items and tax deductions to be taken into consideration are limited to significant ones only.

In determining the collectability of deferred tax assets, where no substantial change has been found in the operational environment since the end of the previous consolidated fiscal year, or the status of incidents such as temporary differences, forecasts for future results used for the previous consolidated fiscal year and tax planning are used for calculation.

(ii) Special accounting methods for the preparation of consolidated quarterly financial statements:

Not applicable.

(3) Changes to accounting principles, procedures, presentation methods, etc., for the preparation of consolidated quarterly financial statements

- (i) Effective from the first-quarter consolidated accounting period, "Accounting Standards for Quarterly Financial Statements" (Corporate Accounting Standards No. 12 of March 14, 2007) and "Guidelines for Accounting Standards for Quarterly Financial Statements" (Corporate Accounting Standard Application Guidelines No. 14 of March 14, 2007) have been adopted. The consolidated quarterly financial statements have been prepared in accordance with "Rules for Consolidated Quarterly Financial Statements".
- (ii) With regard to inventories held for ordinary sale purposes, the gross average cost method was mainly used in the past, but effective from the first-quarter consolidated accounting period, the gross average cost method (for amounts in the balance sheet, the cost accounting method by reducing the book value based on declining profitability) has been used for calculation as a result of the application of "Accounting Standards for Valuation of Inventories" (Corporate Accounting Standards No. 9 of July 5, 2006).

Consequently, in comparison to those under the previous method, operating income, current income, and quarterly net income before tax for the second-quarter consolidated cumulative period, respectively decreased by 1,722 million yen.

- (iii) Effective from the first-quarter consolidated accounting period, "Tentative Treatment Concerning Accounting for Overseas Subsidiaries in Preparing Consolidated Financial Statements" (Practical Solution No. 18 of May 17, 2006) has been adopted, and necessary amendments are being made for the purpose of consolidated financial settlement.

The impact of this change on the profit/loss for the second-quarter consolidated cumulative period is minimal.



## 5. Quarterly Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheets

(Units: millions of yen)

	End of Second Quarter As of September 30, 2008	End of Previous Fiscal Year As of March 31, 2008
	Amount	Amount
<b>Assets</b>		
Cash and deposits	34,170	30,256
Notes and accounts receivable	174,904	185,912
Inventories	147,875	130,450
Other	30,495	36,164
Allowance for doubtful accounts	(893)	(836)
<b>Current assets</b>	<b>386,550</b>	<b>381,946</b>
Land	116,522	116,536
Other (net)	94,435	87,918
Total tangible assets	210,957	204,454
Amortization of goodwill	6,833	7,873
Other	7,587	7,889
Total intangible assets	14,419	15,762
Investment securities	49,261	53,905
Other	29,879	24,127
Allowance for doubtful accounts	(1,489)	(1,560)
Total investments and other assets	77,651	76,471
<b>Fixed assets</b>	<b>303,028</b>	<b>296,688</b>
<b>Total assets</b>	<b>689,578</b>	<b>678,634</b>

(Units: millions of yen)

	End of Second Quarter As of September 30, 2008	End of Previous Fiscal Year As of March 31, 2008
	Amount	Amount
<b>Liabilities</b>		
Notes and accounts payable	164,751	167,008
Short-term bank loans	13,092	16,932
Commercial paper	16,000	18,000
Long-term loans due within one year	3,019	2,724
Accrued corporate tax, etc.	9,901	14,523
Allowance	6,411	6,550
Other	95,773	84,443
<b>Current liabilities</b>	<b>308,947</b>	<b>310,181</b>
Bond	10,000	10,000
Long-term debt due after one year	40,996	41,911
Employees' severance and retirement benefits	34,041	32,748
Allowance	266	285
Deferred income taxes on revaluation	32,306	32,306
Other	5,177	4,831
<b>Long-term liabilities</b>	<b>122,785</b>	<b>122,082</b>
<b>Total liabilities</b>	<b>431,733</b>	<b>432,263</b>
<b>Net assets</b>		
Common stock	30,872	30,872
Capital surplus	20,523	20,524
Retained earnings	158,331	142,053
Treasury stock	(1,486)	(1,425)
<b>Stockholders' equity</b>	<b>208,239</b>	<b>192,024</b>
Unrealized gains on securities	1,538	4,224
Profit/loss on deferred hedge	1,586	2,459
Adjustment regarding pension obligations of consolidated overseas subsidiaries	(870)	(999)
Revaluation reserve for land	40,477	40,477
Foreign currency translation adjustments	(2,797)	(1,101)
<b>Appraisal and translation differences</b>	<b>39,934</b>	<b>45,060</b>
<b>Minority interests</b>	<b>9,671</b>	<b>9,287</b>
<b>Total net assets</b>	<b>257,845</b>	<b>246,371</b>
<b>Liabilities and net assets</b>	<b>689,578</b>	<b>678,634</b>

**(2) Quarterly Consolidated Income Statements**

(Units: millions of yen)

	Present Second Quarter April 1, 2008, to September 30, 2008
	Amount
Net sales	340,774
Cost of sales	263,674
Gross income	77,101
Selling, general & administrative expenses	42,734
Operating income	34,367
Non-operating income	
Interest income	97
Dividend income	692
Equity method investment gains	915
Other (net)	1,273
Total non-operating income	2,977
Non-operating expenses	
Interest expense	819
Other (net)	2,573
Total non-operating expenses	3,392
Ordinary income	33,952
Extraordinary losses	
Value of investment securities	150
Total extraordinary losses	150
Income before income taxes	33,802
Corporate income tax current	13,245
Corporate income tax deferred	(15)
Total corporate income taxes	13,230
Minority interests	(795)
Net income	19,777

From the first quarter consolidated accounting period, consolidated financial statements are prepared using ASBJ Statement No. 12, *Accounting Standard for Quarterly Financial Reporting*, and ASBJ Guidance No. 14, *Guidance on Accounting Standard for Quarterly Financial Reporting*, both issued on March 14, 2007. These are also prepared following the stipulations of quarterly consolidated financial statements principles.

### (3) Notes on Premise of a Going Concern

There are no applicable items.

### (4) Segment Information

#### 1. Segment Information by Business

**Current Second Quarter (April 1, 2008, to September 30, 2008)**

(Units: millions of yen)

Item	Segment						Total	F	Consolidation
		A	B	C	D	E			
Net sales									
(1) Sales to external customers		125,097	39,928	39,211	35,858	100,680	340,774	--	340,774
(2) Internal sales or exchanges between segments		1,666	1,192	329	113	27	3,328	(3,328)	--
<b>Total</b>		<b>126,763</b>	<b>41,120</b>	<b>39,540</b>	<b>35,971</b>	<b>100,707</b>	<b>344,102</b>	<b>(3,328)</b>	<b>340,774</b>
Operating income		9,896	3,705	7,348	5,529	7,783	34,260	107	34,367

Business segments:

- A: Mass-produced machinery
- B: Environmental protection facilities, plants & others
- C: Ship, steel structure & other specialized equipment
- D: Industrial machinery
- E: Construction machinery
- F: Cancellation or general

- Notes: 1. Business segments are based on sales total segments  
2. The main products of each business segment are given in the following table:

Business Segment	Main Products
Mass-produced machinery	Power transmission & control, plastics machinery, laser processing systems, cryogenic equipment, precision XY stages, ion accelerators, plasma coating system for FPDs, precision forgings, control components, defense equipment
Environmental protection facilities, plants & others	Power generation systems, industrial waste treatment facilities, water and sewage treatment systems, real estate, software
Ship, steel structure & other specialized equipment	Ships, pressure vessels, bridges
Industrial machinery	Forging machines, material handling systems, logistics systems, automated parking systems, turbines, pumps
Construction machinery	Hydraulic excavators, mobile cranes, road machinery

**2. Segment Information by Geographical Area**
**Current Second Quarter (April 1, 2008, to September 30, 2008)**

(Units: millions of yen)

Item	Segment	Japan	North America	Others	Total	Cancellation or General	Consolidation
Net sales							
(1) Sales to external customers		259,938	44,041	36,795	340,774	--	340,774
(2) Internal sales or exchanges between segments		21,182	593	6,752	28,527	(28,527)	--
Total		281,119	44,635	43,547	369,301	(28,527)	340,774
Operating income		27,189	4,829	2,060	34,079	288	34,367

- Notes: 1. Countries and regions classified by geographical proximity  
 2. Countries and regions belonging to each classification:  
     North America: USA, Canada  
     Others: UK, Germany, Singapore, China

**3. Overseas Sales**
**Current Second Quarter (April 1, 2008, to September 30, 2008)**

(Units: millions of yen)

	North America	Asia	Others	Total
I. Overseas sales	58,138	60,643	68,617	187,397
II. Consolidated sales				340,774
III. Overseas sales ratio (%)	17.1	17.8	20.1	55.0

- Notes: 1. Countries and regions classified by geographical proximity  
 2. Countries and regions belonging to each classification:  
     North America: USA, Canada  
     Asia: China, Singapore  
     Others: Germany, UK  
 3. Sales figures are from the Company's and its subsidiaries' sales in countries and regions other than Japan.

**(5) Notes in Case of Significant Fluctuation in Shareholders' Total Equity**

There are no applicable items.

## Reference Material

### Financial Statements for Previous Second Quarter

#### (1) Quarterly Consolidated Income Statements (Summary)

(Units: millions of yen)

	Previous Second Quarter April 1, 2007, to September 30, 2007
	Amount
Net sales	305,098
Cost of sales	232,712
Gross income	72,387
Selling, general & administrative expenses	37,430
Operating income	34,956
Non-operating income	3,228
Interest income	137
Dividend income	530
Equity method investment gains	1,356
Other (net)	1,204
Non-operating expenses	3,171
Interest expense	704
Other (net)	2,468
Ordinary income	35,013
Extraordinary gains	-
Extraordinary losses	2,222
Settlement payment	1,038
Headquarters relocation expenses	743
Impairment losses on fixed assets	442
Income before income taxes	32,790
Corporate income tax current	13,113
Corporate income tax deferred	(897)
Minority interest	(413)
Net income	20,161

**(2) Segment Information**
**1. Segment Information by Business**
**Previous Second Quarter (April 1, 2007, to September 30, 2007)**

(Units: millions of yen)

Item \ Segment	A	B	C	D	E	Total	F	Consolidation
Net sales								
(1) Sales to external customers	110,224	35,306	31,081	38,544	89,943	305,098	--	305,098
(2) Internal sales or exchanges between segments	1,254	1,288	182	145	3	2,871	(2,871)	--
<b>Total</b>	<b>111,477</b>	<b>36,594</b>	<b>31,263</b>	<b>38,689</b>	<b>89,946</b>	<b>307,969</b>	<b>(2,871)</b>	<b>305,098</b>
Operating income	12,700	1,904	5,747	5,506	8,973	34,830	126	34,956

Business segments:

- A: Mass-produced machinery
- B: Environmental protection facilities, plants & others
- C: Ship, steel structure & other specialized equipment
- D: Industrial machinery
- E: Construction machinery
- F: Cancellation or general

**2. Segment Information by Geographical Area**
**Previous Second Quarter (April 1, 2007, to September 30, 2007)**

(Units: millions of yen)

Item \ Segment	Japan	North America	Others	Total	Cancellation or General	Consolidation
Net sales						
(1) Sales to external customers	240,619	42,212	22,268	305,098	--	305,098
(2) Internal sales or exchanges between segments	20,269	567	6,151	26,986	(26,986)	--
<b>Total</b>	<b>260,887</b>	<b>42,778</b>	<b>28,419</b>	<b>332,084</b>	<b>(26,986)</b>	<b>305,098</b>
Operating income	27,610	5,273	2,480	35,364	(407)	34,956

**3. Overseas Sales**
**Previous Second Quarter (April 1, 2007, to September 30, 2007)**

(Units: millions of yen)

	North America	Asia	Others	Total
I. Overseas sales	57,281	52,317	49,349	158,947
II. Consolidated sales				305,098
III. Overseas sales ratio (%)	18.8	17.1	16.2	52.1

**(3) Orders, Sales, and Balance of Orders by Segment**
**Orders Received**

(Units: millions of yen)

Business Segment	Second Quarter April 1, 2008, to September 30, 2008		Previous Second Quarter April 1, 2007, to September 30, 2007		Y / Y Change	Previous Fiscal Year April 1, 2007, to March 31, 2008	
	Amount	%	Amount	%	%	Amount	%
Mass-produced machinery	132,379	31.3	121,447	35.3	9.0	247,356	34.5
Environmental protection facilities, plants & others	59,995	14.2	43,137	12.6	39.1	91,764	12.8
Ship, steel structure & other specialized equipment	70,499	16.7	35,985	10.5	95.9	90,712	12.7
Industrial machinery	62,122	14.7	48,634	14.1	27.7	98,848	13.8
Construction machinery	97,487	23.1	94,597	27.5	3.1	187,701	26.2
Total	422,483	100.0	343,800	100.0	22.9	716,382	100.0

**Sales**

(Units: millions of yen)

Business Segment	Second Quarter April 1, 2008, to September 30, 2008		Previous Second Quarter April 1, 2007, to September 30, 2007		Y / Y Change	Previous Fiscal Year April 1, 2007, to March 31, 2008	
	Amount	%	Amount	%	%	Amount	%
Mass-produced machinery	125,097	36.7	110,224	36.1	13.5	232,592	35.2
Environmental protection facilities, plants & others	39,928	11.7	35,306	11.6	13.1	91,250	13.8
Ship, steel structure & other specialized equipment	39,211	11.5	31,081	10.2	26.2	76,393	11.6
Industrial machinery	35,858	10.5	38,544	12.6	(7.0)	81,163	12.3
Construction machinery	100,680	29.6	89,943	29.5	11.9	179,370	27.1
Total	340,774	100.0	305,098	100.0	11.7	660,769	100.0



**Balance of Orders Received**

(Units: millions of yen)

Business Segment	Second Quarter April 1, 2008, to September 30, 2008		Previous Fiscal Year April 1, 2007, to March 31, 2008		Y / Y Change	Previous Second Quarter April 1, 2007, to September 30, 2007	
	Amount	%	Amount	%	%	Amount	%
Mass-produced machinery	106,150	16.9	98,868	18.1	7.4	88,169	17.2
Environmental protection facilities, plants & others	109,155	17.4	89,087	16.3	22.5	86,827	17.0
Ship, steel structure & other specialized equipment	248,994	39.7	217,706	39.9	14.4	208,291	40.7
Industrial machinery	124,732	19.9	98,467	18.1	26.7	91,122	17.8
Construction machinery	38,097	6.1	41,290	7.6	(7.7)	37,613	7.3
<b>Total</b>	<b>627,128</b>	<b>100.0</b>	<b>545,419</b>	<b>100.0</b>	<b>15.0</b>	<b>512,023</b>	<b>100.0</b>