

# **Sumitomo Heavy Industries, Ltd.**

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## **3Q CONSOLIDATED FINANCIAL REPORT**

**For the Nine-Month Period from April 1 to December 31, 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 Third Quarter Ended December 31, 2008  
Presented January 30, 2009**

**Sumitomo Heavy Industries, Ltd.**

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Scheduled reporting date for quarterly report	February 12, 2009

**1. FY 2008 3Q Consolidated Results (April 1, 2008, to December 31, 2008)**

**(1) Business Results**

(Units: millions of yen)

	Third Quarter April 1 to December 31, 2008	Previous Third Quarter April 1 to December 31, 2008
	% change	% change
Net sales	495,620	-- 465,524
Operating income	45,298	-- 53,325
Ordinary income	41,930	-- 53,387
Net income	18,150	-- 30,521
Net income per share (yen)	30.07	50.56
Fully diluted net income per share	--	--

**(2) Financial Position**

(Units: millions of yen)

	End of Third Quarter As of December 31, 2008	End of Previous Full Year As of March 31, 2008
Total assets	694,599	678,634
Shareholders' equity	252,708	246,371
Equity ratio (%)	34.9	34.9
Net assets per share (yen)	402.17	392.80

Note: Equity:

Fiscal quarter ended December 31, 2008: 242,701 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	--	--
Annual dividends	10.00	--	--

Note: Changes to dividend forecast for current quarter: Yes

Forecast annual dividend is undecided.

## 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	645,000	(2.4)
Operating income	49,000	(37.0)
Ordinary income	44,000	(41.7)
Net income	11,500	(73.2)
Projected net income per share (yen)	19.06	

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 and Financial Statements, 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 and Financial Statements, 4. Other

## (4) Number of shares issued (common shares)

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

As of December 31, 2008	605,726,394 shares
As of March 31, 2008	605,726,394 shares

## (ii) Number of treasury shares at end of fiscal period

As of December 31, 2008	2,245,275 shares
As of March 31, 2008	2,144,702 shares

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

As of December 31, 2008	603,524,035 shares
As of December 31, 2007	603,720,485 shares

## Explanation of proper use of earnings forecast and other special instructions

1. The Company has left the forecast year-end dividend undecided at this time. Information pertaining to this will be released immediately following a decision being taken. For further details regarding this point, please refer to "Notice Regarding Revisions to Consolidated Earnings Forecast and Year-End Dividend," released today.
2. The Forecast Consolidated Results released on November 4, 2008 are subject to revision. For further details regarding this point, please refer to "Notice Regarding Revisions to Consolidated Earnings Forecast and Year-End Dividend Forecast," released today.
3. From the current consolidated financial year, quarterly 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*. These are also prepared following the stipulations of quarterly consolidated financial statement principles.
4. 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. 7 Qualitative Information and Financial Statements, 3. Qualitative Information Regarding Forecast Consolidated Results.

## Qualitative Information and Financial Statements

### 1. Qualitative Information Regarding Consolidated Business Results

Japan's economy in the third quarter of the current financial year (from April 1, 2008 through December 31, 2008) was affected by a fast-sinking underlying economy, arising primarily from price volatility in raw materials such as oil and steel and a continuing sharp appreciation of the yen adversely affecting most businesses. A collapse of several leading U.S. financial institutions during this period also triggered a wave of negative results on the real economy, causing a subsequent ripple effect on the global economy and leading to a growing sense of uncertainty over developing economies – not least of which was the state of China's economy.

In this current financial situation, despite increases in the Environmental Protection Facilities, Plants and Others and Industrial Machinery segments, orders fell in all of the Company's other segments, leading to a 1% drop in orders on the same period in the last financial year to 535.2 billion yen. Sales were more robust, however, experiencing across the board increases with the exception of the Industrial Machinery segment, culminating in a 6% increase on the same period in the last financial year to 495.6 billion yen.

Turning to the Company's actual income for this period, increased sales were not reflected in increased profits, offset by a sharp rise in the cost of raw materials and the impact of exchange rates, so that operating income fell 15% from the same period in the last financial year to 45.3 billion yen, while ordinary income dropped 21% to 41.9 billion yen. Quarterly net income saw a 41% fall on the same period in the last financial year, down to 18.1 billion yen.

The performance of each segment is outlined below.

#### (1) Mass-Produced Machinery

Orders for the power transmission and control business were affected by the deteriorating domestic and North American markets, falling below the level attained in the same period in the last financial year. The plastics machinery business also witnessed a decline in orders due to decreasing demand from automobile and electronics businesses, but these were offset by the performance of overseas subsidiaries purchased last year to bring about an increase on the same period in the last financial year. Orders also declined for other equipment due to an adverse impact from the semiconductor and electronic device markets, with orders declining across the board in all areas.

In a similar manner to orders, sales exceeded those in the same period in the last financial year owing to the impact of overseas subsidiaries in the plastics machinery business. Operating income was affected however by the impact of goodwill amortization related to acquisition of overseas subsidiaries. This led to orders received for the entire segment falling 6% on the same period in the last financial year to 172.9 billion yen, while sales rose 8% to 180.4 billion yen, and operating income stood at 11.5 billion yen.

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

Orders in the energy plant business were buoyed by demand for industrial power boilers and air pollution control plants, but the market in private sector demand remained depressed. With backlogs of orders remaining high, sales exceeded the level for the same period in the last financial year. This resulted in orders coming to 79.0 billion yen (up 20% on the same period in the last financial year), while sales rose to 63.5 billion yen (up 11% on the same period in the last financial year), and operating income stood at 6.5 billion yen.

### (3) Ship, Steel Structure and Other Specialized Equipment

The shipbuilding business secured orders for seven medium-sized tankers, down one from the same period in the last financial year. The business also booked sales of six tankers, an increase of one over the same period in the last financial year. Cost reduction effects from continuous production also led to the business maintaining its high profitability. The downturn in the global shipping market from October 2008, however, has had a severe effect on the shipbuilding business.

Other machinery experienced increased sales on the same period in the last financial year due to robust orders, despite a fall in orders for reactor vessels for petroleum and chemical plants. This led to orders for this segment falling from the same period in the last financial year by 11% to 74.2 billion yen, while sales increased 13% to 58.5 billion yen, with operating income at 9.6 billion yen.

### (4) Industrial Machinery

In addition to orders from turbine pumps from biomass power facilities and energy-related customers overseas, orders remained robust for cranes for steel manufacturers, leading to rising orders through the current financial period. Orders for the whole segment rose to 82.6 billion yen (up 11% from the same period in the last financial year), while sales fell to 54.6 billion (down 5% on the same period in the last financial year), and operating income came to 8.4 billion yen.

### (5) Construction Machinery

Orders for the hydraulic excavator business had already entered a corrective phase in the North American, European, and Japanese markets, with orders experiencing a pronounced slump. A slowdown in developing markets, most notably in China, in the autumn exacerbated this and orders were down on the same period in the last financial year. In terms of sales, in addition to a price revision, these rose on the same period in the last financial year due to increased sales in China. However, a fall in production units and the impact of a surge in raw material costs led to a fall in operating income. The construction crane business continued its strong performance in the North American market due to robust infrastructure-related demand, with both orders and sales increasing. Accordingly, orders received for the entire segment fell to 126.5 billion yen (down 7% on the same period in the last financial year), sales increased 5% to 138.5 billion yen, and operating income amounted to 9.1 billion yen.

## 2. Qualitative Information Regarding Consolidated Financial Position

Total assets increased 16.0 billion yen on the same period in the last financial year to 694.6 billion yen due to a 29.4 billion yen increase in inventory and 7.4 billion yen from property, plant, and equipment offsetting a 20.2 billion yen decrease from notes and accounts receivable.

Total liabilities rose 9.6 billion yen on the same period in the last financial year to 441.9 billion yen due to a 19.4 billion yen increase on the same period in the last financial year in interest bearing debt to 108.9 billion yen outstripping a 6.6 billion yen fall in bills payable and accounts payable.

Net assets increased by 6.3 billion yen on the same period in the last financial year to 252.7 billion yen thanks to a 11.0 billion yen increase in retained earnings over the same period in the last financial year offsetting a 3.7 billion yen fall in net unrealized gain on securities.

This led to the Company's capital adequacy ratio standing at 35.0% at the end of the current financial period.

### **3. Qualitative Information Regarding Forecast Consolidated Results**

Forecast consolidated results for the financial year ending March 2009, announced on November 4, 2008, have been revised as follows:

	Sales (in millions of yen)	Operating Income (in millions of yen)	Ordinary Income (in millions of yen)	Net Income (in millions of yen)	Net Income per Share (in yen)
Previous forecast (A)	720,000	70,000	66,500	31,000	51.37
Revised forecast (B)	645,000	49,000	44,000	11,500	19.06
Net difference (B-A)	(75,000)	(21,000)	(22,500)	(19,500)	(32.31)
% Difference	(10.4%)	(30.0%)	(33.8%)	(62.9%)	(62.9)
Previous year results for reference purposes (fiscal year ended March 2008)	660,769	77,790	75,469	42,974	71.19

The outlook for the future indicates that the financial crisis that was triggered in the United States will continue to have a significant impact on the real economy and worsening economic conditions are expected to continue to spread globally. Further, the economies of emerging countries, in particular China, are showing increased signs of uncertainty. As such, there is lingering concern that there will be a prolonged worsening of the business climate that the Company operates within for the expected future.

Against this backdrop, the Company anticipates reduced sales in the mass-produced machinery and construction machinery segments. Further, operating income is impacted negatively by the aforementioned reduction in sales as well as currency fluctuations. Net income for the current period is also revised downwards in view of losses relating to restructuring efforts made during the fiscal year.

Please note that for the fourth quarter, the exchange rates for major currencies to be utilized for financial closing is anticipated to be USD1 = JPY90 and EUD1 = JPY120.

### **4. Other**

- (1) Changes involving important subsidiaries during the quarter (changes involving specific subsidiaries as the scope of consolidation changed): None
- (2) Application of concise method on accounting procedure and special accounting procedures for preparing consolidated balance sheet
  - (i) Concise method on accounting procedure
    - This method uses a loan loss ratio used in the calculation method at the end of the previous consolidated financial year for estimated credit losses of general claims.
    - The figures for inventory assets at the end of the third quarter of the assessment method for inventory assets are not based on physical stocktaking, but are estimated on the basis of actual inventory for the end of the previous consolidated fiscal year in performing a rational calculation.
    - This method uses a loan loss ratio used in the calculation method at the end of the previous consolidated financial year for unrealized gain and loss of inventory assets.
    - Assets subject to declining balance method for calculating depreciation costs for fixed assets are calculated using a method that divides the amount from depreciation costs for the consolidated financial year.
    - The calculation method for items of accrued accounts uses a rational method to determine an estimated amount.

- Addition of addition-subtraction items and tax credit items in calculating corporation tax, deferred income tax assets, and deferred tax liabilities to determine amount of corporation tax etc. to be paid, is limited only to important items.

- Calculating recovery potential of deferred income tax assets shall be determined using tax planning and forecasts used in the previous consolidated financial year if no significant changes have been identified either in the management environment or in temporary differences arising after the end of the previous consolidated financial year.

(ii) Special accounting procedures used in preparing the quarterly consolidated financial statement: None

(3) Changes in principles, procedures, and presentation of accounting treatment in preparing the consolidated financial statements

(i) From the first quarter consolidated accounting period, quarterly 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 statement principles.

(ii) Inventory assets held for the purpose of normal retail activity have traditionally been subject to the cost accounting method based on the periodic average method. From the first quarter consolidated accounting period, however, these shall be calculated mainly using the cost accounting method based on the periodic average method (calculation based on reduction of book value of profitability of balance sheet) following implementation of ASBJ Statement No. 9, *Accounting Standard for Measurement of Inventories*, issued on July 5, 2006.

Consequently, when compared to traditional accounting methods, third quarter consolidated accumulative operating income, ordinary income, and net income before tax and others will see a reduction of approximately 1,808 million yen each.

(iii) Beginning from the first quarter consolidated accounting period, the *Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements* (ASBJ PITF No. 18; May 17, 2006) will be used and necessary revisions made to consolidated accounting.

These changes will have little impact on consolidated accumulative profit and loss for the third quarter.

## 5. Quarterly Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheets

(Units: millions of yen)

	End of Third Quarter As of December 31, 2008	End of Previous Fiscal Year As of March 31, 2008
	Amount	Amount
<b>Assets</b>		
Cash and deposits	39,285	30,256
Notes and accounts receivable	165,703	185,912
Inventories	159,898	130,450
Other	34,840	36,164
Allowance for doubtful accounts	(959)	(836)
<b>Current assets</b>	<b>398,767</b>	<b>381,946</b>
Land	116,182	116,536
Other (net)	95,714	87,918
Total tangible assets	211,895	204,454
Amortization of goodwill	6,429	7,873
Other	7,161	7,889
Total intangible assets	13,590	15,762
Investment securities	42,144	53,905
Other	29,650	24,127
Allowance for doubtful accounts	(1,447)	(1,560)
Total investments and other assets	70,347	76,471
<b>Fixed assets</b>	<b>295,832</b>	<b>296,688</b>
<b>Total assets</b>	<b>694,599</b>	<b>678,634</b>

(Units: millions of yen)

	End of Third Quarter As of December 31, 2008	End of Previous Fiscal Year As of March 31, 2008
	Amount	Amount
<b>Liabilities</b>		
Notes and accounts payable	160,417	167,008
Short-term bank loans	38,666	16,932
Commercial paper	16,000	18,000
Long-term loans due within one year	2,842	2,724
Accrued corporate tax, etc.	2,849	14,523
Allowance	6,327	6,550
Other	92,996	84,443
<b>Current liabilities</b>	<b>320,097</b>	<b>310,181</b>
Bond	10,000	10,000
Long-term debt due after one year	41,432	41,911
Employees' severance and retirement benefits	32,677	32,748
Allowance	259	285
Deferred income taxes on revaluation	32,306	32,306
Other	5,120	4,831
<b>Long-term liabilities</b>	<b>121,794</b>	<b>122,082</b>
<b>Total liabilities</b>	<b>441,891</b>	<b>432,263</b>
<b>Net assets</b>		
Common stock	30,872	30,872
Capital surplus	20,503	20,524
Retained earnings	153,064	142,053
Treasury stock	(1,470)	(1,425)
<b>Stockholders' equity</b>	<b>202,969</b>	<b>192,024</b>
Unrealized gains on securities	531	4,224
Profit/loss on deferred hedge	4,642	2,459
Adjustment regarding pension obligations of consolidated overseas subsidiaries	(1,168)	(999)
Revaluation reserve for land	40,498	40,477
Foreign currency translation adjustments	(4,771)	(1,101)
Appraisal and translation differences	39,732	<b>45,060</b>
<b>Minority interests</b>	<b>10,008</b>	<b>9,287</b>
<b>Total net assets</b>	<b>252,708</b>	<b>246,371</b>
<b>Liabilities and net assets</b>	<b>694,599</b>	<b>678,634</b>



**(2) Quarterly Consolidated Income Statements**

(Units: millions of yen)

	Present Third Quarter April 1, 2008, to December 31, 2008
	Amount
Net sales	495,620
Cost of sales	385,936
Gross income	109,684
Selling, general & administrative expenses	64,386
Operating income	45,298
Non-operating income	
Interest income	174
Dividend income	881
Equity method investment gains	1,072
Other (net)	1,238
Total non-operating income	3,366
Non-operating expenses	
Interest expense	1,219
Exchange rate losses	1,508
Other (net)	4,007
Total non-operating expenses	6,734
Ordinary income	41,930
Extraordinary losses	
Value of investment securities	5,886
Total extraordinary losses	5,886
Income before income taxes	36,045
Corporate income tax current	14,756
Corporate income tax deferred	1,959
Total corporate income taxes	16,715
Minority interests	(1,180)
Net income	18,150

From the first quarter consolidated accounting period, quarterly 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 statement principles.



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

There are no applicable items.

### **(4) Segment Information**

#### **1. Segment Information by Business**

**Current Third Quarter (April 1, 2008, to December 31, 2008)**

(Units: millions of yen)

Item	Segment	A	B	C	D	E	Total	F	Consolidation
Net sales									
(1) Sales to external customers		180,437	63,513	58,528	54,635	138,507	495,620	--	495,620
(2) Internal sales or exchanges between segments		2,882	1,564	473	154	30	5,102	(5,102)	--
Total		183,318	65,077	59,001	54,789	138,536	500,721	(5,102)	495,620
Operating income		11,537	6,490	9,595	8,437	9,128	45,186	112	45,298

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 Third Quarter (April 1, 2008, to December 31, 2008)**

(Units: millions of yen)

Item	Segment	Japan	North America	Others	Total	Cancellation or General	Consolidation
Net sales							
(1) Sales to external customers		375,613	66,427	53,579	495,620	--	495,620
(2) Internal sales or exchanges between segments		32,856	822	10,476	44,153	(44,153)	--
Total		408,469	67,249	64,055	539,773	(44,153)	495,620
Operating income		35,080	7,181	2,519	44,780	518	45,298

- 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 Third Quarter (April 1, 2008, to December 31, 2008)**

(Units: millions of yen)

	North America	Asia	Others	Total
I. Overseas sales	86,277	85,862	95,174	267,314
II. Consolidated sales				495,620
III. Overseas sales ratio (%)	17.4	17.3	19.2	53.9

- 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 Third Quarter

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

(Units: millions of yen)

	Previous Third Quarter April 1, 2007, to December 31, 2007
	Amount
Net sales	465,524
Cost of sales	355,580
Gross income	109,944
Selling, general & administrative expenses	56,619
Operating income	53,325
Non-operating income	4,610
Interest income	176
Dividend income	763
Equity method investment gains	1,549
Other (net)	2,122
Non-operating expenses	4,547
Interest expense	884
Other (net)	3,663
Ordinary income	53,387
Extraordinary gains	--
Extraordinary losses	3,225
Settlement payment	1,038
Amortization of transitional obligations of accounting standards for retirement benefits of newly consolidated subsidiaries	980
Headquarters relocation expenses	765
Impairment losses on fixed assets	442
Income before income taxes	50,163
Tax expense	19,327
Minority interest	(315)
Net income	30,521

## (2) Segment Information

### 1. Segment Information by Business

**Previous Third Quarter (April 1, 2007, to December 31, 2007)**

(Units: millions of yen)

Item	Segment	A	B	C	D	E	Total	F	Consoli-dation
Net sales									
(1) Sales to external customers		167,720	57,062	51,674	57,631	131,437	465,524	--	465,524
(2) Internal sales or exchanges between segments		1,968	2,011	639	259	5	4,882	(4,882)	--
Total		169,688	59,074	52,313	57,890	131,441	470,406	(4,882)	465,524
Operating income		19,909	3,028	8,755	8,580	12,853	53,124	201	53,325

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



### (3) Orders, Sales, and Balance of Orders by Segment

#### Orders Received

(Units: millions of yen)

Business Segment	Third Quarter April 1, 2008, to December 31, 2008		Previous Third Quarter April 1, 2007, to December 31, 2007		Y / Y Change	Previous Fiscal Year April 1, 2007, to March 31, 2008	
	Amount	%	Amount	%		Amount	%
Mass-produced machinery	172,913	32.3	183,364	33.8	(5.7)	247,356	34.5
Environmental protection facilities, plants & others	78,991	14.8	65,869	12.1	19.9	91,764	12.8
Ship, steel structure & other specialized equipment	74,204	13.9	83,736	15.4	(11.4)	90,712	12.7
Industrial machinery	82,620	15.4	74,432	13.7	11	98,848	13.8
Construction machinery	126,501	23.6	135,528	25.0	(6.7)	187,701	26.2
Total	535,229	100.0	542,931	100.0	(1.4)	716,382	100.0

#### Sales

(Units: millions of yen)

Business Segment	Third Quarter April 1, 2008, to December 31, 2008		Previous Third Quarter April 1, 2007, to December 31, 2007		Y / Y Change	Previous Fiscal Year April 1, 2007, to March 31, 2008	
	Amount	%	Amount	%		Amount	%
Mass-produced machinery	180,437	36.4	167,720	36.0	7.6	232,592	35.2
Environmental protection facilities, plants & others	63,513	12.8	57,062	12.3	11.3	91,250	13.8
Ship, steel structure & other specialized equipment	58,528	11.8	51,674	11.1	13.3	76,393	11.6
Industrial machinery	54,635	11.0	57,631	12.4	(5.2)	81,163	12.3
Construction machinery	138,507	28.0	131,437	28.2	5.4	179,370	27.1
Total	495,620	100.0	465,524	100.0	6.5	660,769	100.0

#### Balance of Orders Received

(Units: millions of yen)

Business Segment	Third Quarter April 1, 2008, to December 31, 2008		Previous Fiscal Year April 1, 2007, to March 31, 2008		Y / Y Change	Previous Third Quarter April 1, 2007, to December 31, 2007	
	Amount	%	Amount	%		Amount	%
Mass-produced machinery	91,661	15.6	99,184	18.2	(7.6)	92,590	16.5
Environmental protection facilities, plants & others	104,565	17.9	89,087	16.3	17.4	97,380	17.4
Ship, steel structure & other specialized equipment	233,382	39.9	217,706	39.9	7.2	235,450	42.0
Industrial machinery	126,452	21.6	98,467	18.0	28.4	97,834	17.5
Construction machinery	29,284	5.0	41,290	7.6	(29.1)	37,051	6.6
Total	585,344	100.0	545,735	100.0	7.3	560,304	100.0