

# Sumitomo Heavy Industries, Ltd.

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## 2Q CONSOLIDATED FINANCIAL REPORT

For the Six-Month Period from April 1 to September 30, 2009

*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, 2009

Presented November 4, 2009

### Sumitomo Heavy Industries, Ltd.

Listed exchanges	Tokyo Stock Exchange, Osaka Securities Exchange
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Scheduled reporting date for quarterly report	November 13, 2009
Scheduled date of payment of cash dividends	--

#### 1. FY 2009 2Q Consolidated Results (April 1, 2009, to September 30, 2009)

##### (1) Business Results

(Units: millions of yen)

	Second Quarter April 1 to September 30, 2009		Previous Second Quarter April 1 to September 30, 2008	
		% change		% change
Net sales	251,651	(26.2)	340,774	--
Operating income	8,218	(76.1)	34,367	--
Ordinary income	7,253	(78.6)	33,952	--
Net income	1,320	(93.3)	19,777	--
Net income per share (yen)	2.19		32.77	
Fully diluted net income per share (yen)	--		--	

##### (2) Financial Position

(Units: millions of yen)

	End of Second Quarter As of September 30, 2009	End of Previous Full Year As of March 31, 2009
Total assets	601,687	657,436
Shareholders' equity	244,240	238,697
Equity ratio (%)	39.0	34.8
Net assets per share (yen)	388.72	378.78

Note: Equity:  
Fiscal quarter ended September 30, 2009: 234,570 million yen  
Fiscal year ended March 31, 2009: 228,581 million yen

## 2. Dividends

(Units: yen)

	Year Ended March 31, 2009	Year Ended March 31, 2010	Year Ended March 31, 2010 (forecast)
Annual dividends per share			
First quarter	--	--	
Second quarter	6.00	0.00	
Third quarter	--		--
End of term	0.00		3.00
Annual dividends	6.00		3.00

Note: Changes to dividend forecast for current quarter: Yes

## 3. FY 2010 Consolidated Forecasts (April 1, 2009, to March 31, 2010)

(Units: millions of yen)

	Full Year April 1, 2009, to March 31, 2010	
		% change
Net sales	520,000	(19.1)
Operating income	19,000	(66.6)
Ordinary income	16,000	(68.2)
Net income	5,000	(63.4)
Projected net income per share (yen)	8.29	

Note: Changes to consolidated forecasts for current quarter: Yes

#### 4. Additional Notes

- (1) Transfers of important subsidiaries during the fiscal period (moves of specific subsidiaries due to change in scope of consolidation): Yes

Newly consolidated: 1 company; Sumitomo Construction Machinery (Tangshan) Co., Ltd.

Excluded from consolidation: 1 company; Sumitomo (S.H.I.) Construction Machinery Manufacturing Co., Ltd.

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

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

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

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

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

(ii) Changes other than (i): None

\* For further details, refer to p. 7, Qualitative Information and Financial Statements, 4. Other Notes.

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

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

As of September 30, 2009 605,726,394 shares

As of March 31, 2009 605,726,394 shares

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

As of September 30, 2009 2,286,685 shares

As of March 31, 2009 2,259,483 shares

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

As of September 30, 2009 603,453,904 shares

As of September 30, 2008 603,538,780 shares

#### \*Explanations and Other Special Items in Regard to the Pertinent Reasons for the Earnings Forecast

1. The notice regarding revisions to earnings forecast announced on July 31, 2009 has been revised. For further details regarding the revision, please refer to the "Notice Regarding Differences in Second Quarter (Cumulative Basis) Earnings Forecast for Period Ending March 2010 and Revisions to Full-Year Earnings Forecast and Dividend Forecast" published today.
2. The earnings forecast and outlook concerning future financial results contained in this report are believed to be reasonable based on information available at the time of publication. Actual financial results may vary from the above forecast and outlook due to a variety of factors. For assumptions that form the basis of the earnings forecast and items to note regarding the use of earnings forecasts, refer to p. 7, Qualitative Information and Financial Statements, 3. Qualitative Information on the Earnings Forecast.

## Qualitative Information and Financial Statements

### 1. Qualitative Information on Consolidated Business Results

The second quarter of the consolidated cumulative fiscal period (April 1, 2009 to September 30, 2009) saw economic activity in Japan continue to remain at a low level despite the beginnings of a recovery after the rapid economic decline of last fall. Further, the consensus is that this economic malaise will continue to run its course for the time being with no specific end in sight. In the overseas arena, with the exception of China where the positive effects of a stimulus package can be seen, most economies around the world continue to show signs of deeper economic decline with only a glimmer of hope for long-term recovery.

Set against this economic backdrop, the Group took on business activities appropriate to the current management environment including the implementation of cost-cutting measures to prevent a downward movement in financial performance and the acceleration of global expansion with a focus on the Chinese market.

Despite these efforts, orders decreased across all divisions to end at ¥179.7 billion, a 57% decline as compared to the same quarter from the previous year (hereinafter, the “previous term”). In terms of sales, there was an increase in the areas of Ships, Steel Structures and Other Specialized Equipment and Industrial Machinery, but other segments showed weaker sales as compared to the previous term. As a result, total sales finished at ¥251.7 billion, a 26% decline as compared to the previous term.

Turning to Group income, a decrease in sales compounded with the worsening economy resulted in operating income of ¥8.2 billion, a 76% decline from the previous term, ordinary income of ¥7.3 billion, a 79% decline from the previous term, and quarterly net income of ¥1.3 billion, a 93% decline from the previous term.

Results for each of the Group's segments are as follows:

#### 1. Mass-Produced Machinery

The global economic meltdown negatively impacted orders and sales in the power transmission business. As a result, the numbers for almost all of the product lines in the business showed a decline as compared to the previous term. Similar conditions were prevalent in the plastics machinery business as the global economic meltdown also impacted sales and orders negatively in this business. Unsurprisingly, orders and sales in other business areas were also sluggish as the semiconductor and electronics sectors continued to remain in economic decline. As a result, orders and sales figures for the whole segment declined as compared to the previous term, as did the operating income for the segment. In actual figures, the segment received orders totaling ¥77.2 billion (a 45% decline from the previous term), with sales coming to ¥80.1 billion (a 36% decline from the previous term), generating an operating loss of ¥5.0 billion.

#### 2. Environmental Protection Facilities, Plants, and Others

Orders along with sales for industrial power generation boilers in the energy-related plant business fell mainly due to the low level of economic activity in Japan. In actual figures, the segment as a whole received orders totaling ¥29 billion (a 52% decline from the previous term), with sales coming to ¥32.8 billion (an 18% decline from the previous term), generating an operating income of ¥2.6 billion.

#### 3. Ships, Steel Structures and Other Specialized Equipment

As compared to the previous term, where the shipbuilding business received orders for seven medium-sized tankers, no orders were received for the current quarter under review. In regard to sales, five ships were delivered during the current quarter under review, an increase of one ship from the previous term. In regard to other models, orders for reactor vessels used in petroleum and chemical plant equipment fell, and as a result sales also fell. This led to received orders for the segment as a whole totaling ¥7.7 billion (an 89% decline from the previous term), with sales coming to ¥42.3 billion (an 8% increase from the previous term), generating an operating income of ¥3.2 billion.

#### **4. Industrial Machinery**

Orders for turbines and pumps fell as a result of the low level of capital expenditures made by overseas clients in the resources and energy sectors. In addition, orders for products in the materials handling business fell sharply as demand from the shipbuilding and steelmaking sectors wavered. Fortunately, sales increased in the segment as compared to the previous term due to the high number of orders outstanding. In actual figures, the segment as a whole received orders totaling ¥24.2 billion (a 61% decline from the previous term), with sales coming to ¥45.8 billion (a 28% increase from the previous term), generating an operating income of ¥7.6 billion.

#### **5. Construction Machinery**

Despite a slight improvement in the Chinese market for hydraulic excavators, in overall terms the business saw a sharp fall in demand for its products in almost all markets with the exception of China. As a result, both orders and sales figures suffered, putting downward pressure on profitability. Activity in the construction crane business also remained low during the current quarter because of worsening conditions in the North American market, affecting both orders and sales figures negatively. In actual figures, the segment as a whole received orders totaling ¥46.6 billion (a 52% decline from the previous term), with sales coming to ¥50.6 billion (a 50% decline from the previous term), leading to an operating loss of ¥300 million.

## **2. Qualitative Information on the Group's Consolidated Financial Position**

Total assets for the current quarter (ended September 30, 2009) fell to ¥601.7 billion, down ¥55.7 billion as compared to the level recorded at the end of the previous term. This decrease was mainly due to falls of ¥39.4 billion in the levels of trade notes and accounts receivable, ¥9.1 billion in inventories, and ¥8.6 billion in investments and other assets, which exceeded the rise in the level of tangible fixed assets, totaling ¥8.8 billion.

Total liabilities fell to ¥357.4 billion, down ¥61.3 billion as compared to the level recorded at the end of the previous term. This decrease was mainly due to falls in the levels of trade notes and accounts payable and interest-bearing liabilities, totaling ¥39.6 billion and ¥13.4 billion, respectively.

Net assets rose to ¥244.2 billion, up ¥5.5 billion as compared to the level recorded at the end of the previous term. This increase was mainly due to the rise in the levels of retained earnings, totaling ¥1.3 billion, and gains on other marketable securities of ¥2.2 billion.

As a result of the foregoing, the capital adequacy ratio was 39.0%, up 4.2 points from the end of the previous term.

#### **Cash Flow Condition**

Cash flow from operating activities totaled ¥23.2 billion for the current period, a fall of ¥5.1 billion from the same period last year. Specifically, while cash flow from inventories, accounts receivable, and corporate tax and other payments all increased on the same period last year, these were offset by a decrease in amounts of net income before taxes and other adjustments and notes and accounts payable.

Cash flow for investing activities totaled ¥9.3 billion, a decrease of ¥4.7 billion from the same period last year. This was due to a decrease in cash expenses arising from the acquisition of fixed assets and payment of contributed capital to affiliated companies.

Cash flow for financing activities totaled ¥17.1 billion, an increase of ¥7.1 billion from the previous year, mainly due to efforts in repayment of interest-bearing liabilities.

As a result of the foregoing, the balance of cash and cash equivalents at the end of the consolidated second quarter totaled ¥42.1 billion, a decrease of ¥300 million from the end of the previous term.

### 3. Qualitative Information on the Earnings Forecast

In contrast to the previous forecast, during the second quarter consolidated accounting period the market downturn in the Mass-Produced Machinery segment came to an end, and the effect from higher prices for steel materials on the Ships, Steel Structures and Other Specialized Equipment segment and Industrial Machinery segment was not as material as initially assumed. Based on these conditions, the Company revised upward from the previous estimates its forecasts for operating income, ordinary income, and quarterly net income.

With regard to the full year, although the management environment surrounding the SHI Group is uncertain and the Company remains concerned about the future direction of the economy, based on its operating results for the second quarter of the consolidated period under review, the Company also revised its operating income, ordinary income, and net income forecast.

Please note that from the third quarter, the exchange rates for major currencies are anticipated to be US\$1 = ¥90 and €1 = ¥125.

The full-year consolidated earnings forecast that was announced as part of the first quarter consolidated earnings forecast on July 31, 2009, has been modified as indicated below.

(Full Year Ending March 2010)

(Units: millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income for the Current Period	Net Income per Share for the Current Period (yen)
Previous forecast (A)	520,000	14,000	10,000	3,500	5.80
Revised forecast (B)	520,000	19,000	16,000	5,000	8.29
Net difference (B-A)	-	5,000	6,000	1,500	-
% difference	-	35.7	60.0	42.9	-
Previous year results for reference purposes (fiscal year ended March 2009)	642,918	56,940	50,275	13,649	22.62

### 4. Other Notes

(1) Changes Involving Important Subsidiaries During the Quarter (Changes to Specific Subsidiaries Accompanying a Scope of Consolidation Change):

Due to the increasing importance of Sumitomo Construction Machinery (Tangshan) Co., Ltd., the Company has decided to include the results of this subsidiary in the first quarter consolidated financial statements. Also, due to Sumitomo (S.H.I.) Construction Machinery Manufacturing Co., Ltd.'s merger with Sumitomo (S.H.I.) Construction Machinery Co., Ltd., the Company has decided to exclude the former from the scope of the first quarter consolidated accounting period.

(2) The Application of Simplified Accounting Methods and Special Accounting Procedures Used to Prepare the Quarterly Consolidated Balance Sheet

I. Simplified Accounting Methods

- Method of calculating estimated bad debt write-offs in respect of general receivables  
The ratio of bad debt write-offs used at the end of the previous fiscal year has been used.
- Valuation method for inventories

With regard to the calculation of inventories at the end of the first quarter, 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 calculating 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 calculating depreciation on fixed assets

For assets that are depreciated using the declining-balance method, calculations have been made by prorating the amount of depreciation for the consolidated fiscal year.

- Method of calculating deferred and accrued accounts

Estimates obtained by using a reasonable calculation method have been recorded.

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

Tax payments on corporate income tax are calculated in such a way that addition-subtraction items and tax deduction items to be included are limited to important items only.

In determining the collectability of deferred tax assets, where no substantial changes have been identified in the management environment or in temporary differences arising after the end of the previous consolidated fiscal year, forecasts used for the previous consolidated fiscal year and tax planning have been used for calculation.

## II. Special Accounting Methods Used to Prepare the Consolidated Quarterly Financial Statements:

Not applicable

### (3) Changes to Accounting Principles, Procedures, Presentation Methods, etc., for the Preparation of Consolidated Quarterly Financial Statements

In regard to the accounting of revenues associated with contract works, historically the percentage of completion method was used only for large-scale construction projects that met a certain standard, while the construction completion method was used for other construction projects. Starting from the first quarter consolidated accounting period, the "Accounting Standard for Construction Contracts" (Accounting Standard No. 15 of the Financial Accounting Standards Foundation dated December 27, 2007) and the "Guidance on Accounting Standard for Construction Contracts" (Guidance No. 18 of the Financial Accounting Standards Foundation dated December 27, 2007) have been applied to certain contract works. As such, any contract works that commenced during the current second quarter consolidated accounting period and had a degree of progress which can be calculated with a certain level of accuracy at the end of such quarter was accounted for using the percentage of completion method (the cost ratio method was used to calculate contract work completion rate). For other contract works, the construction completion method continues to be used.

The effect on net sales or profit and loss as a result of this accounting standards change for the current second quarter consolidated accounting 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, 2009	End of Previous Fiscal Year As of March 31, 2009
	Amount	Amount
<b>Assets</b>		
Cash and deposits	42,932	44,685
Notes and accounts receivable	116,258	155,664
Products	40,988	43,260
Works in progress	78,090	84,826
Raw materials and stock	21,222	21,294
Other	25,189	31,576
Allowance for doubtful accounts	(1,114)	(1,012)
<b>Current assets</b>	<b>323,565</b>	<b>380,293</b>
Land	115,997	115,909
Other (net)	106,863	98,119
Total tangible assets	222,860	214,028
Other	7,113	6,392
Total intangible assets	7,113	6,392
Other	49,792	58,187
Allowance for doubtful accounts	(1,643)	(1,464)
Investments and other assets	48,149	56,722
<b>Fixed assets</b>	<b>278,122</b>	<b>277,143</b>
<b>Total assets</b>	<b>601,687</b>	<b>657,436</b>

(Units: millions of yen)

	End of Second Quarter As of September 30, 2009	End of Previous Fiscal Year As of March 31, 2009
	Amount	Amount
<b>Liabilities</b>		
Notes and accounts payable	96,504	136,090
Short-term bank loans	35,042	34,176
Commercial paper	5,000	24,000
Long-term loans due within one year	8,119	1,136
Corporate bonds redeemable within one year	10,000	10,000
Allowance	7,588	7,938
Other	80,030	89,045
<b>Current liabilities</b>	<b>242,283</b>	<b>302,385</b>
Long-term debt due after one year	38,746	41,027
Employees' severance and retirement benefits	34,548	34,808
Allowance	250	237
Deferred income taxes on revaluation	32,211	32,211
Other	9,410	8,071
<b>Long-term liabilities</b>	<b>115,164</b>	<b>116,353</b>
<b>Total liabilities</b>	<b>357,447</b>	<b>418,738</b>
<b>Net assets</b>		
Common stock	30,872	30,872
Capital surplus	20,503	20,503
Retained earnings	149,990	148,725
Treasury stock	(1,481)	(1,471)
<b>Stockholders' equity</b>	<b>199,884</b>	<b>198,629</b>
Unrealized gains on securities	1,620	(547)
Profit/loss on deferred hedge	2,666	1,945
Adjustment regarding pension obligations of consolidated overseas subsidiaries	(2,687)	(3,008)
Revaluation reserve for land	40,386	40,360
Foreign currency translation adjustments	(7,299)	(8,798)
<b>Appraisal and translation differences</b>	<b>34,686</b>	<b>29,952</b>
<b>Minority interests</b>	<b>9,670</b>	<b>10,116</b>
<b>Total net assets</b>	<b>244,240</b>	<b>238,697</b>
<b>Liabilities and net assets</b>	<b>601,687</b>	<b>657,436</b>

**(2) Quarterly Consolidated Income Statements**

(Units: millions of yen)

	Previous Second Quarter April 1, 2008, to September 30, 2008	Present Second Quarter April 1, 2009, to September 30, 2009
	Amount	Amount
Net sales	340,774	251,651
Cost of sales	263,674	204,170
Gross income	77,101	47,480
Selling, general & administrative expenses	42,734	39,262
Operating income	34,367	8,218
Non-operating income		
Interest income	97	59
Dividend income	692	518
Other	2,189	1,523
Total non-operating income	2,977	2,099
Non-operating expenses		
Interest expense	819	932
Other	2,573	2,133
Total non-operating expenses	3,392	3,065
Ordinary income	33,952	7,253
Extraordinary gains		
Revenues from grants and subsidies	--	896
Total extraordinary gains	--	896
Extraordinary loss		
Loss on revaluation of investments in securities	150	1,098
Total extraordinary loss	150	1,098
Income before income taxes	33,802	7,050
Corporate income tax, current	13,245	4,568
Corporate income tax, deferred	(15)	694
Total corporate income taxes	13,230	5,262
Minority interests	795	469
Net income	19,777	1,320

**(3) Consolidated Cash Flow Statement**

(Units: millions of yen)

	Previous Second Quarter April 1, 2008, to September 30, 2008	Present Second Quarter April 1, 2009, to September 30, 2009
<b>Cash flow from operating activities</b>		
Income before income taxes	33,802	7,050
Depreciation	8,228	9,562
Interest and dividend income	(789)	(577)
Interest expenses	819	932
(Increase) decrease in notes and accounts receivable	23,672	37,181
(Increase) decrease in inventories	(19,030)	12,550
Increase (decrease) in notes and accounts payable	(1,441)	(42,413)
Other	328	3,645
<b>Subtotal</b>	<b>45,589</b>	<b>27,929</b>
Interest and dividends received	1,248	1,165
Interest expenses	(832)	(890)
Payments for income taxes	(17,698)	(5,023)
<b>Net cash provided by operating activities</b>	<b>28,307</b>	<b>23,181</b>
<b>Cash flow from investing activities</b>		
(Increase) decrease in time deposits	9	1,978
(Increase) decrease in securities	--	1,500
Payments for purchases of property, plant and equipment	(15,265)	(12,656)
Proceeds from sale of securities	1,031	31
Expenditures relating to the payment of contributed capital to affiliated companies	(3,981)	--
(Increase) decrease in short-term loans receivable	4,158	272
Other	16	(452)
<b>Net cash used in investing activities</b>	<b>(14,033)</b>	<b>(9,327)</b>
<b>Cash flow from financing activities</b>		
Net increase (decrease) in short-term loans	(3,944)	(1,740)
Net increase (decrease) in commercial paper	(2,000)	(19,000)
Proceeds from long-term debt	1,512	5,500
Repayments for long-term debt	(2,133)	(819)
Cash dividends paid	(3,007)	(11)
Payment of dividends for minority stockholders	(381)	(657)
Other	(62)	(403)

	Previous Second Quarter April 1, 2008, to September 30, 2008	Present Second Quarter April 1, 2009, to September 30, 2009
<b>Net cash used in financing activities</b>	(10,015)	(17,130)
Effect of exchange rate changes on cash and cash equivalents	(310)	1,008
Net increase (decrease) in cash and cash equivalents	3,949	(2,268)
<b>Cash and cash equivalents at beginning of year</b>	<b>29,879</b>	<b>42,414</b>
Increase due to new consolidated company	--	1,942
Net decrease from the change in consolidated companies	(38)	--
Increase due to merger and acquisition	14	17
<b>Cash and cash equivalents at end of year</b>	<b>33,804</b>	<b>42,105</b>

**(4) Notes on Premise of a Going Concern**

There are no applicable items.

**(5) Segment Information**
**1. Segment Information by Business**
**Previous Second Quarter (April 1, 2008, to September 30, 2008)**

(Units: millions of yen)

Item	Segment	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 between segments or exchanges		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

**Current Second Quarter (April 1, 2009, to September 30, 2009)**

(Units: millions of yen)

Item	Segment	Segment					Total	F	Consolidation
		A	B	C	D	E			
Net sales									
(1) Sales to external customers		80,075	32,798	42,331	45,827	50,620	251,651	--	251,651
(2) Internal sales between segments or exchanges		1,271	1,103	579	76	4	3,033	(3,033)	--
<b>Total</b>		<b>81,345</b>	<b>33,901</b>	<b>42,910</b>	<b>45,903</b>	<b>50,624</b>	<b>254,683</b>	<b>(3,033)</b>	<b>251,651</b>
Operating income (losses)		(4,999)	2,621	3,233	7,552	(315)	8,092	126	8,218

Segments:

- A: Mass-Produced Machinery
- B: Environmental Protection Facilities, Plants & Others
- C: Ships, Steel Structures & Other Specialized Equipment
- D: Industrial Machinery
- E: Construction Machinery
- F: Cancellation or general

- Notes: 1. Business segment depends on sales total segment  
2. Main products of each business segment

Businesses	Main Products
Mass-Produced Machinery	Power transmission & control, plastic injection molding machines, laser processing systems, cryogenic equipment, precision XY stages, ion accelerators, plasma coating systems 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
Ships, Steel Structures & 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 Geographic Area

Previous Second Quarter (April 1, 2008, to September 30, 2008)

(Units: millions of yen)

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

Current Second Quarter (April 1, 2009, to September 30, 2009)

(Units: millions of yen)

Item	Segment	Geographic Area			Total	Cancellation or general	Consolidation
		Japan	North America	Others			
Net sales							
(1) Sales to external customers		199,910	27,820	23,921	251,651	--	251,651
(2) Internal sales between segments or exchanges		13,305	483	4,066	17,854	(17,854)	--
<b>Total</b>		<b>213,215</b>	<b>28,302</b>	<b>27,987</b>	<b>269,504</b>	<b>(17,854)</b>	<b>251,651</b>
Operating income (losses)		9,059	1,702	(2,832)	7,929	289	8,218

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

### 3. Overseas Sales

#### Previous 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

#### Current Second Quarter (April 1, 2009, to September 30, 2009)

(Units: millions of yen)

	North America	Asia	Others	Total
I. Overseas sales	33,695	44,332	50,013	128,040
II. Consolidated sales				251,651
III. Overseas sales ratio (%)	13.4	17.6	19.9	50.9

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

#### (6) Notes in Case of Significant Fluctuation in Shareholders' Total Equity

There are no applicable items.



## 6. Other information

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

#### Orders Received

(Units: millions of yen)

Businesses	Previous Second Quarter April 1, 2008, to September 30, 2008		Second Quarter April 1, 2009, to September 30, 2009		Y / Y Change	Previous Fiscal Year April 1, 2008, to March 31, 2009	
	Amount	%	Amount	%	%	Amount	%
Mass-Produced Machinery	132,379	31.3	72,220	40.2	(45.4)	200,803	33.4
Environmental Protection Facilities, Plants & Others	59,995	14.2	28,956	16.1	(51.7)	84,240	14.0
Ships, Steel Structures & Other Specialized Equipment	70,499	16.7	7,747	4.3	(89.0)	78,080	13.0
Industrial Machinery	62,122	14.7	24,237	13.5	(61.0)	98,752	16.5
Construction Machinery	97,487	23.1	46,571	25.9	(52.2)	138,783	23.1
Total	422,483	100.0	179,730	100.0	(57.5)	600,658	100.0

#### Sales

(Units: millions of yen)

Businesses	Previous Second Quarter April 1, 2008, to September 30, 2008		Second Quarter April 1, 2009, to September 30, 2009		Y / Y Change	Previous Fiscal Year April 1, 2008, to March 31, 2009	
	Amount	%	Amount	%	%	Amount	%
Mass-Produced Machinery	125,097	36.7	80,075	31.8	(36.0)	227,226	35.3
Environmental Protection Facilities, Plants & Others	39,928	11.7	32,798	13.1	(17.9)	92,625	14.4
Ships, Steel Structures & Other Specialized Equipment	39,211	11.5	42,331	16.8	8.0	79,602	12.4
Industrial Machinery	35,858	10.5	45,827	18.2	27.8	84,310	13.1
Construction Machinery	100,680	29.6	50,620	20.1	(49.7)	159,154	24.8
Total	340,774	100.0	251,651	100.0	(26.2)	642,918	100.0

**Balance of Orders Received**

(Units: millions of yen)

Businesses	Previous Fiscal Year April 1, 2008, to March 31, 2009		Second Quarter April 1, 2009, to September 30, 2009		Y / Y Change	Previous Second Quarter April 1, 2008, to September 30, 2008	
	Amount	%	Amount	%	%	Amount	%
Mass-Produced Machinery	72,717	14.8	64,862	15.5	(10.8)	106,150	16.9
Environmental Protection Facilities, Plants & Others	81,532	16.6	77,690	18.5	(4.7)	109,155	17.4
Ships, Steel Structures & Other Specialized Equipment	216,184	43.9	181,600	43.2	(16.0)	248,994	39.7
Industrial Machinery	106,047	21.6	84,457	20.1	(20.4)	124,732	19.9
Construction Machinery	15,427	3.1	11,378	2.7	(26.2)	38,097	6.1
<b>Total</b>	<b>491,907</b>	<b>100.0</b>	<b>419,987</b>	<b>100.0</b>	<b>(14.6)</b>	<b>627,128</b>	<b>100.0</b>