

Sumitomo Heavy Industries, Ltd.

1Q CONSOLIDATED FINANCIAL REPORT

For the Three-Month Period from April 1 to June 30, 2010

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 First Quarter Ended June 30, 2010

Presented July 30, 2010

Sumitomo Heavy Industries, Ltd.

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Scheduled reporting date for quarterly report	August 6, 2010
Scheduled date of payment of cash dividends	--
Availability of supplementary explanations for quarterly financial statement	None
Holding of meeting to explain quarterly financial statement	None

1. FY 2010 1Q Consolidated Results (April 1, 2010, to June 30, 2010)

(1) Business Results

(Units: millions of yen)

	First Quarter April 1 to June 30, 2010		Previous First Quarter April 1 to June 30, 2009	
		% change		% change
Net sales	109,145	(13.9)	126,826	(17.3)
Operating income	4,596	53.6	2,993	(80.7)
Ordinary income	3,888	40.2	2,774	(82.8)
Net income	1,592	93.4	823	(91.3)
Net income per share (yen)	2.64		1.36	
Fully diluted net income per share (yen)	--		--	

(2) Financial Position

(Units: millions of yen)

	End of First Quarter As of June 30, 2010	End of Previous Full Year As of March 31, 2010
Total assets	589,520	610,087
Shareholders' equity	252,303	254,153
Equity ratio (%)	41.1	40.0
Net assets per share (yen)	401.52	404.73

Note: Equity:
 Fiscal quarter ended June 30, 2010: 242,191 million yen
 Fiscal year ended March 31, 2010 244,221 million yen

2. Dividends

(Units: yen)

	Year Ended March 31, 2010	Year Ended March 31, 2011	Year Ended March 31, 2011 (forecast)
Annual dividends per share			
First quarter	--	--	
Second quarter	0.00		0.00
Third quarter	--		--
End of term	4.00		5.00
Annual dividends	4.00		5.00

Note: Changes to dividend forecast for current quarter: None

3. FY 2010 Consolidated Forecasts (April 1, 2010, to March 31, 2011)

(Units: millions of yen)

	Second Quarter (Cumulative) April 1, 2010, to Sept. 31, 2010		Full Year April 1, 2010, to March 31, 2011	
		% change		% change
Net sales	245,000	(2.6)	540,000	4.6
Operating income	11,000	33.8	36,000	27.4
Ordinary income	8,500	17.2	32,000	21.5
Net income	3,000	127.4	16,500	24.2
Projected net income per share (yen)	4.97		27.35	

Note: Changes to consolidated forecasts for current quarter: None

4. Additional Notes

(For further details, please see 2. *Other Notes* in the Supplementary Materials on page 8.)

(1) Transfers of important subsidiaries during the fiscal period: None

Newly consolidated: None

Excluded from consolidation: None

Note: Refers to movements of specified subsidiaries that have resulted from any changes to the range of consolidated entities during the current quarterly accounting period.

(2) Application of concise method on accounting procedure and special accounting procedures: Yes

Note: Refers to whether any special accounting treatment or any simplified accounting treatment was used during the development of the quarterly consolidated financial statements.

(3) Changes in principles, procedures, and presentation of accounting treatment

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

(ii) Changes other than (i): None

Note: Refers to changes to general rules and procedures, as well as to denotation methods for accounting treatment in relation to the development of current quarter consolidated financial statements as referenced in the section entitled, "Changes to Important Items that Form the Basis of the Development of the Quarterly Consolidated Financial Statements".

(4) Number of shares issued (common shares)

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

As of June 30, 2010 605,726,394 shares

As of March 31, 2010 605,726,394 shares

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

As of June 30, 2010 2,540,165 shares

As of March 31, 2010 2,315,778 shares

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

As of June 30, 2010 603,260,882 shares

As of June 30, 2009 603,461,351 shares

Recording of Implementation Conditions regarding Quarterly Review Procedures

This quarterly financial summary does not fall within the scope of the Quarterly Review Procedures referenced in the Financial Instruments and Exchange Act. At the time of disclosure of the quarterly financial summary, the Group was in the process of implementing the quarterly review procedures for its quarterly financial statements.

Explanations and Other Special Items regarding the Pertinent Reasons for the Earnings Forecast

Earnings forecasts and outlooks concerning future financial results 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 information on the assumptions that form the basis of the earnings forecast and items to note concerning the use of earnings forecasts, please see (3) *Qualitative Information regarding Consolidated Earnings Forecast* in the Supplementary Materials on page 8.

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1. Qualitative Information regarding Current Quarterly Consolidated Business Performance

(1) Qualitative Information on Consolidated Business Performance

The Japanese economy during the first quarter of the current fiscal year saw a gentle recovery as exports to emerging markets improved, especially to China, and the impact of measures to boost the economy took hold. At the same time, emerging economies such as China continued their strong performance, further enhancing their presence on the global stage. On the other hand, the developed economies of Europe and North America remained unstable due to the financial uncertainty in Europe and the late recovery of markets in the United States.

Set against this economic backdrop, the Group adapted to changes in the operating environment by carrying out efforts such as the acceleration of global growth with a focus on the ever-expanding emerging markets. As a result, orders increased across all segments of the Group to end at JPY118.2 billion, a 39% increase as compared to the same quarter from the previous year (hereinafter referred to as the “previous term”). In terms of sales, there was an increase in the Precision Machinery and Construction Machinery segments, but other segments posted weaker results. Consequently, the Group posted total sales of JPY109.1 billion, a 14% decrease as compared to the previous term.

Turning to income, despite a decline in sales, cost-cutting efforts took hold, and as a result, the Group posted an operating income of JPY4.6 billion, an increase of 54% from the previous term, ordinary income of JPY3.9 billion, an increase of 40% from the previous term, and a quarterly net income of JPY1.6 billion, an increase of 93% from the previous term.

Conditions in each business segment are provided below:

Please note that from the current first quarter, the Group has adopted the “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information”. As a result, segment definitions have been amended from the past. For further details, please refer to section (5) *Segment Information* on page 14. In addition, values for the previous term have been reclassified and displayed according to the new segment categories.

1. Machinery Components

Orders across the entire segment improved as compared to the previous term as emerging markets, with a particular focus on China, recovered, and demand for gear speed reducers designed for precision controls, as well as other devices, trended well in the domestic market. Consequently, the segment received orders worth JPY18 billion (an increase of 19% from the previous term), and posted sales of JPY16.2 billion (a decrease of 4% from the previous term). Operating income for the segment totaled JPY400 million.

2. Precision Machinery

Both orders and sales of plastic injection molding machines increased as markets in East Asia, in particular China, recovered. In other product areas, demand for medical devices forged ahead while devices designed for the semiconductor and electronics sectors exhibited a recovering trend. As a result, the segment as a whole was able to exceed the figures posted in the previous term for both orders and sales. In actual figures, the segment received orders worth JPY37.1 billion (an increase of 100% from the previous term), and posted sales of JPY25.4 billion (an increase of 25% from the previous term). On a negative note, the segment also posted an operating loss of JPY500 million.

3. Construction Machinery

The hydraulic excavator business saw an increase in both orders and sales primarily as a result of the rapid expansion of Chinese markets. Profitability conditions also improved in this area. On the other hand, the late recovery of the US market continued to weigh heavily on the construction crane business as both orders and sales waned. Consequently, the segment received orders worth JPY31.6 billion (an increase of 21% from the previous term), and posted sales of JPY28.8 billion (an increase of 10% from the previous term). Operating income for the segment totaled JPY1.1 billion.

4. Industrial Machinery

Orders for turbines and pumps trended positively as the level of capital improvements made by overseas customers in the resources and energy sectors recovered. At the same time, demand for materials handling products from electricity companies increased and this development had a positive impact on orders. Despite this, sales figures declined mainly because of the weak order figures from the previous term. Consequently, the segment received orders worth JPY15.5 billion (an increase of 22% from the previous term), and posted sales of JPY15 billion (a decrease of 31% from the previous term). Operating income for the segment totaled JPY2.6 billion.

5. Ships

Recovery in the ship market has been slow, and as a result, no new orders were received during the first quarter of the consolidated fiscal year. In regard to sales, one vessel was handed over during the first quarter, a decline of two vessels as compared to the previous term. Consequently, the segment received orders worth JPY1.1 billion (an increase of 65% from the previous term), and posted sales of JPY8.8 billion (a decrease of 59% from the previous term). Operating income for the segment totaled JPY1.0 billion.

6. Environmental Facilities & Plants

Although the domestic market for industrial power generation boilers in the energy plant business did not show signs of improvement, orders increased as demand for coke oven machinery was robust. On the other hand, sales figures declined mainly due to the weak order figures from the previous term. Consequently, the segment received orders worth JPY12.8 billion (an increase of 31% from the previous term), and posted sales of JPY13.3 billion (a decrease of 28% from the previous term). The segment also posted an operating loss of JPY200 million.

7. Others

Orders and sales both declined as compared to the previous term. In actual figures, the segment received orders worth JPY1.9 billion (a decrease of 8% from the previous term), and posted sales of JPY1.7 billion (a decrease of 16% from the previous term). The segment also posted an operating loss of JPY200 million.

(2) Qualitative Information on the Group's Consolidated Financial Position

Total assets at the end of the current quarter (ended June 30, 2010) amounted to JPY589.5 billion, a decrease of JPY20.6 billion as compared to the end of the previous consolidated fiscal year. This was mainly due to the JPY14.9 billion decrease in cash and deposits, the JPY700 million decrease in tangible fixed assets, the JPY14 billion decrease in trade notes and accounts receivable, and the JPY5.4 billion decrease in investments and other assets.

Total liabilities also fell and amounted to JPY337.2 billion, a decrease of JPY18.7 billion as compared to the end of the previous consolidated fiscal year. This was mainly due to the JPY10.3 billion decrease in interest-bearing liabilities surpassing the JPY900 million increase in trade notes and accounts payable.

Net assets amounted to JPY252.3 billion, a decrease of JPY1.8 billion as compared to the end of the previous consolidated fiscal year as retained earnings fell by JPY800 million and the loss on other marketable securities totaled JPY1.9 billion.

Cash Flow Condition

Although the level of quarterly net income before taxes and other adjustments as well as accounts payable rose, the level of accounts receivable along with the level of inventory fell. In addition, payments of corporate and other taxes rose. As a result, cash flow from operating activities totaled JPY3.5 billion, a decrease of JPY13 billion from the previous term.

Cash flow used for investing activities totaled JPY5.7 billion, an increase of JPY100 million from the previous term. Specifically, there was a decrease in cash used to acquire fixed assets, while there was an increase in the cash used to acquire shares of subsidiaries that resulted in a change to their consolidated status.

Cash flow used for financing activities totaled JPY13.2 billion, an increase of JPY11.3 billion from the previous term, as dividend payments were made and borrowings decreased.

As a result of the foregoing, the balance of cash and cash equivalents at the end of first quarter of the consolidated fiscal year totaled JPY46.4 billion, a decrease of JPY15.1 billion as compared to the end of the previous consolidated fiscal year.

(3) Qualitative Information regarding Consolidated Earnings Forecast

No changes have been made to consolidated earnings forecast for the fiscal year ending March 2011 that was published with the Summary of Consolidated Financial Results on May 10, 2010.

2. Other Notes

(1) Changes Involving Important Subsidiaries

There are no applicable items.

(2) Application of Simplified Accounting Methods and Special Accounting Procedure

I. Simplified Accounting Methods

- Method of calculating estimated bad debt write-offs in respect to 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) Summary of Changes to Accounting Treatment Principles, Procedures, Presentation Methods, and Other Items

- #### **I. Adoption of the "Accounting Standard for Equity Method Accounting of Investments" and the "Practical Solution for the Unification of Accounting Policies Applied to Associated Companies Accounted for Using the Equity Method"**

As of the first quarter of the current consolidated fiscal year, the Group has adopted the Accounting Standard for Equity Method Accounting of Investments (Statement No. 16 of the Accounting Standards Board of Japan, dated March 10, 2008) and the Practical Solution for the Unification of Accounting Policies Applied to Associated Companies Accounted for Using the Equity Method (Practical Issues Task Force No. 24 of the Accounting Standards Board of Japan, dated March 10, 2008). There is no impact to operating income, ordinary income, or quarterly net income before taxes and other adjustments as a result of this change.

II. Adoption of the “Accounting Standard for Asset Retirement Obligations”

As of the first quarter of the current consolidated fiscal year, the Group has adopted the Accounting Standard for Asset Retirement Obligations (Statement No. 18 of the Accounting Standards Board of Japan, dated March 31, 2008) and the Implementation Guidance on the Accounting Standard for Asset Retirement Obligations (Implementation Guidance No. 21 of the Accounting Standards Board of Japan, dated March 31, 2008). Although the impact on operating income, ordinary income, and segment information is minimal, the Group posted an extraordinary loss in the amount of JPY480 million for the first quarter as a result of applying the Accounting Standard for Asset Retirement Obligations.

III. Adoption of the “Accounting Standard for Business Combinations”

As of the first quarter of the current consolidated fiscal year, the Group has adopted the Accounting Standard for Business Combinations (Statement No. 21 of the Accounting Standards Board of Japan, dated December 26, 2008), the Accounting Standard for Consolidated Financial Statements (Statement No. 22 of the Accounting Standards Board of Japan, dated December 26, 2008), the Partial Amendments to the Accounting Standard for Research and Development Costs (Statement No. 23 of the Accounting Standards Board of Japan, dated December 26, 2008), the Revised Accounting Standard for Business Divestitures (Statement No. 7 of the Accounting Standards Board of Japan, with a revision date of December 26, 2008), the Revised Accounting Standard for Equity Method of Accounting for Investments (Statement No. 16 of the Accounting Standards Board of Japan, with a revision date of December 26, 2008), and the Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (Guidance No. 10 of the Accounting Standards Board of Japan, with a revision date of December 26, 2008).

(4) Summary of Key Events Related to the Premises of a Going Concern

There are no applicable items.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Units: millions of yen)

	End of First Quarter As of June 30, 2010	End of Previous Fiscal Year As of March 31, 2010
	Amount	Amount
Assets		
Cash and deposits	47,661	62,511
Notes and accounts receivable	117,906	131,893
Inventory assets	137,139	123,416
Other	24,058	23,032
Allowance for doubtful accounts	(1,132)	(1,073)
Current assets	325,632	339,780
Land	116,061	115,971
Other (net)	99,683	100,506
Total tangible assets	215,744	216,477
Other	7,064	7,308
Total intangible assets	7,064	7,308
Other	42,692	48,096
Allowance for doubtful accounts	(1,613)	(1,574)
Investments and other assets	41,079	46,523
Fixed assets	263,887	270,308
Total assets	589,520	610,087

(Units: millions of yen)

	End of First Quarter As of June 30, 2010	End of Previous Fiscal Year As of March 31, 2010
	Amount	Amount
Liabilities		
Notes and accounts payable	108,950	108,018
Short-term bank loans	20,205	30,524
Long-term loans due within one year	12,436	10,438
Income tax payable	1,391	6,759
Allowance	6,982	7,807
Other	70,270	71,409
Current liabilities	220,234	234,954
Bonds	10,000	10,000
Long-term debt due after one year	34,679	36,698
Employees' severance and retirement benefits	31,512	32,426
Allowance	237	235
Deferred income taxes on revaluation	32,211	32,211
Other	8,343	9,411
Long-term liabilities	116,982	120,981
Total liabilities	337,216	355,935
Net assets		
Common stock	30,872	30,872
Capital surplus	20,503	20,503
Retained earnings	161,129	161,951
Treasury stock	(1,605)	(1,494)
Stockholders' equity	210,899	211,831
Unrealized gains on securities	149	2,003
Profit (loss) on deferred hedge	1,460	1,125
Adjustment regarding pension obligations of consolidated overseas subsidiaries	(1,769)	(1,753)
Revaluation reserve for land	40,386	40,386
Foreign currency translation adjustments	(8,934)	(9,370)
Appraisal and translation differences	31,292	32,390
Minority interests	10,113	9,931
Total net assets	252,303	254,153
Liabilities and net assets	589,520	610,087

(2) Quarterly Consolidated Income Statements

(Units: millions of yen)

	Previous First Quarter April 1, 2009, to June 30, 2009	Present First Quarter April 1, 2010, to June 30, 2010
	Amount	Amount
Net sales	126,826	109,145
Cost of sales	104,104	86,343
Gross income	22,722	22,802
Selling, general & administrative expenses	19,729	18,206
Operating income	2,993	4,596
Non-operating income		
Interest income	38	22
Dividend income	489	696
Profit on currency exchange	383	—
Other	485	501
Total non-operating income	1,394	1,219
Non-operating expenses		
Interest expense	460	408
Exchange losses	—	484
Other	1,153	1,035
Total non-operating expenses	1,613	1,927
Ordinary income	2,774	3,888
Extraordinary gains		
Revenues from grants and subsidies	432	—
Total extraordinary gains	432	—
Extraordinary losses		
Financial impact due to the application of the accounting standard for asset retirement obligations	—	480
Total extraordinary losses	—	480
Income before income taxes	3,206	3,408
Corporate income tax, current	1,451	599
Corporate income tax, deferred	781	1,033
Total corporate income taxes	2,232	1,632
Quarterly net income before income or loss adjustments on minority interests	974	1,776
Minority interests	151	184
Net income	823	1,592

(3) Consolidated Cash Flows Statement

(Units: millions of yen)

	Previous First Quarter April 1, 2009, to June 30, 2009	Present First Quarter April 1, 2010, to June 30, 2010
Cash flows from operating activities		
Income before income taxes	3,206	3,408
Depreciation	4,691	4,357
Interest and dividend income	(527)	(718)
Interest expenses	460	408
(Increase) decrease in notes and accounts receivable	30,486	17,174
(Increase) decrease in inventories	3,514	(9,995)
Increase (decrease) in notes and accounts payable	(22,137)	(571)
Other	519	(5,118)
Subtotal	20,213	8,945
Interest and dividends received	1,039	704
Interest expenses	(287)	(367)
Payments for income taxes	(4,508)	(5,801)
Net cash provided by operating activities	16,456	3,482
Cash flows from investing activities		
(Increase) decrease in time deposits	2,036	(229)
(Increase) decrease in securities	1,500	—
Payments for purchases of property, plant, and equipment	(9,587)	(3,467)
Proceeds from sale of securities	0	358
Payments for acquisition of subsidiaries' stock accompanying changes in scope of consolidation	—	(2,608)
Other	403	202
Net cash used in investing activities	(5,648)	(5,745)
Cash flows from financing activities		
Net increase (decrease) in short-term loans	(2,615)	(10,520)
Net increase (decrease) in commercial paper	(4,000)	—
Proceeds from long-term debt	5,000	—
Repayments for long-term debt	(9)	(9)
Cash dividends paid	(4)	(2,130)
Payment of dividends for minority stockholders	(50)	(1)
Other	(189)	(520)
Net cash used in financing activities	(1,866)	(13,179)

	Previous First Quarter April 1, 2009, to June 30, 2009	Present First Quarter April 1, 2010, to June 30, 2010
Effect of exchange rate changes on cash and cash equivalents	675	341
Net increase (decrease) in cash and cash equivalents	9,616	(15,101)
Cash and cash equivalents at beginning of year	42,414	61,452
Increase due to new consolidated companies	1,942	—
Increase due to merger and acquisition	17	—
Cash and cash equivalents at end of year	53,990	46,351

(4) Notes on Premise of a Going Concern

There are no applicable items.

(5) Segment Information

1. Summary of Reporting Segments

The Group's reporting segments are based on those units within the Group where separate financial information is available and where the Board of Directors of the Group periodically deliberates over matters such as the distribution of management resources and the financial performance of such segments.

The Group formulates a comprehensive international and domestic strategy for individual products and services for the head office and for each consolidated subsidiary, and executes such strategies at the operating level. Consequently, the Group comprises segments that are split by categories of products and services offered by the head office and consolidated subsidiaries. More specifically, the six reporting segments of the Group are "Machinery Components", "Precision Machinery", "Construction Machinery", "Industrial Machinery", "Ships", and "Environmental Facilities & Plants".

Businesses	Main Products
Machinery Components	Power transmission and control
Precision Machinery	Plastic injection molding machines, film forming machines, semiconductor production equipment, laser processing systems, cryogenic equipment, precision XY stages, ion accelerators, plasma coating systems for FPDs, precision forgings, control components, defense equipment, machining tools
Construction Machinery	Hydraulic excavators, mobile cranes, road machinery
Industrial Machinery	Forging machines, material handling systems, logistics systems, automated parking systems, turbines, pumps
Ships	Ships
Environmental Facilities & Plants	Boilers, industrial waste treatment facilities, water and sewage treatment systems, paper machines, pressure vessels, bridges
Others	Real estate, software

2. Information Regarding Net Sales and Profit (Loss) Conditions by Reporting Segment
Current First Quarter (April 1, 2010, to June 30, 2010)

(Units: millions of yen)

Item \ Segment	A	B	C	D	E	F	Subtotal	Other	Total	G	H
Net sales											
(1) Sales to external customers	16,183	25,371	28,841	14,968	8,764	13,274	107,403	1,742	109,145	—	109,145
(2) Internal sales between segments or exchanges	409	267	2	23	19	250	971	524	1,495	(1495)	—
Total	16,592	25,638	28,843	14,991	8,784	13,525	108,374	2,267	110,640	(1495)	109,145
Segment profit (loss)	407	(471)	1,121	2,626	951	(214)	4,419	164	4,583	13	4,596

Segments:

- A: Machinery Components
- B: Precision Machinery
- C: Construction Machinery
- D: Industrial Machinery
- E: Ships
- F: Environmental Facilities & Plants
- G: Adjustments*
- H: Value included on the quarterly consolidated income statement

*Mainly due to the deletion of intersegment transactions

3. Information on Impairment Losses Relating to Fixed Assets and Goodwill by Reporting Segment

There are no items of importance to note for the consolidated first quarter figures.

Additional Information

As of the current first quarter consolidated fiscal period, the Group has adopted the Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (Statement No. 17 of the Accounting Standards Board of Japan, dated March 27, 2009) and the Implementation Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (Implementation Guidance No. 20 of the Accounting Standards Board of Japan, dated March 21, 2008).

Reference Information

The table below provides a summary of the values from the first quarter of the previous consolidated fiscal year for all business segments as if they were displayed using the reporting segments used during the first quarter of the current consolidated fiscal year.

Previous First Quarter (April 1, 2009, to June 30, 2009)

(Units: millions of yen)

Item \ Segment	Segment						Subtotal	Other	Total	G	H
	A	B	C	D	E	F					
Net sales											
(1) Sales to external customers	16,888	20,343	26,287	21,552	21,212	18,471	124,753	2,072	126,826	—	126,826
(2) Internal sales between segments or exchanges	718	293	3	38	40	130	1,222	556	1,778	(1,778)	—
Total	17,606	20,637	26,290	21,590	21,252	18,601	125,975	2,628	128,604	(1,778)	126,826
Segment profit (loss)	(922)	(2,651)	72	3,455	1,386	1,311	2,651	256	2,907	86	2,993

Segments:

- A: Machinery Components
- B: Precision Machinery
- C: Construction Machinery
- D: Industrial Machinery
- E: Ships
- F: Environmental Facilities & Plants
- G: Adjustments*
- H: Value included on the quarterly consolidated income statement

*Mainly due to the deletion of intersegment transactions.

(6) Notes regarding Significant Fluctuations to Shareholders' Equity

There are no applicable items.

4. Supplementary Information

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

Orders Received

(Units: millions of yen)

Businesses	Previous First Quarter April 1, 2009, to June 30, 2009		First Quarter April 1, 2010, to June 30, 2010		Y / Y Change		Previous Fiscal Year April 1, 2009, to March 31, 2010	
	Amount	%	Amount	%	Amount	%	Amount	%
Machinery Components	15,167	17.8	18,033	15.3	2,866	18.9	61,421	15.2
Precision Machinery	18,547	21.8	37,147	31.4	18,600	100.3	106,085	26.3
Construction Machinery	26,173	30.7	31,634	26.8	5,461	20.9	100,531	24.9
Industrial Machinery	12,783	15.0	15,547	13.2	2,763	21.6	59,834	14.8
Ships	679	0.8	1,122	0.9	443	65.3	4,290	1.1
Environmental Facilities & Plants	9,776	11.5	12,796	10.8	3,020	30.9	62,550	15.5
Other	2,079	2.4	1,910	1.6	(168)	(8.1)	8,726	2.2
Total	85,203	100.0	118,189	100.0	32,986	38.7	403,437	100.0

Sales

(Units: millions of yen)

Businesses	Previous First Quarter April 1, 2009, to June 30, 2009		First Quarter April 1, 2010, to June 30, 2010		Y / Y Change		Previous Fiscal Year April 1, 2009, to March 31, 2010	
	Amount	%	Amount	%	Amount	%	Amount	%
Machinery Components	16,888	13.3	16,183	14.8	(705)	(4.2)	69,040	13.4
Precision Machinery	20,343	16.0	25,371	23.3	5,028	24.7	105,191	20.4
Construction Machinery	26,287	20.7	28,841	26.4	2,555	9.7	102,650	19.9
Industrial Machinery	21,552	17.0	14,968	13.7	(6,584)	(30.5)	85,637	16.6
Ships	21,212	16.7	8,764	8.0	(12,448)	(58.7)	62,927	12.2
Environmental Facilities & Plants	18,471	14.6	13,274	12.2	(5,196)	(28.1)	81,884	15.8
Other	2,072	1.7	1,742	1.6	(330)	(15.9)	8,835	1.7
Total	126,826	100.0	109,145	100.0	(17,681)	(13.9)	516,165	100.0

Balance of Orders Received

(Units: millions of yen)

Businesses	End of Previous Fiscal Year As of March 31, 2010		End of First Quarter As of June 30, 2010		Change		End of Previous First Quarter As of June 30, 2009	
	Amount	%	Amount	%	Amount	%	Amount	%
Machinery Components	18,080	4.8	19,930	5.2	1,850	10.2	24,481	5.4
Precision Machinery	47,044	12.5	58,820	15.2	11,776	25.0	45,404	10.0
Construction Machinery	13,067	3.5	15,859	4.1	2,792	21.4	16,147	3.6
Industrial Machinery	78,813	20.9	79,391	20.6	578	0.7	97,660	21.6
Ships	142,720	37.9	135,077	35.0	(7,643)	(5.4)	180,824	40.0
Environmental Facilities & Plants	75,130	20.0	74,652	19.4	(478)	(0.6)	85,935	19.0
Other	1,619	0.4	1,787	0.5	168	10.4	1,735	0.4
Total	376,472	100.0	385,516	100.0	9,044	2.4	452,186	100.0