

Financial Summary for FY2020 and Projections for FY2021 “Medium-Term Management Plan 2023”

May 2021



Sumitomo Heavy Industries, Ltd.

I N D E X

01

**Financial Summary for FY2020
and Projections for FY2021**

02

**“Medium-Term
Management Plan 2023”**

01

Financial Summary for FY2020 and Projections for FY2021

01

Financial Summary for FY2020

■ Main Points

(1) Orders

- Decreased for all segments excluding Environmental Facilities & Plants.
- Precision Machinery in particular recorded a significant decrease.
- This is because the COVID-19 pandemic dampened economic activities and demand for machinery.

(2) Sales

- Declined in Machinery Components, Precision Machinery and Construction Machinery from the previous fiscal year.
- Construction Machinery in particular recorded a significant decrease.
- Demand decreased due to the Covid-19 pandemic, greatly affecting mass-produced machinery in particular, whose lead time is short.

(3) Operating profit

- Declined in Machinery Components, Construction Machinery and Ships from the previous fiscal year.

(4) Extraordinary profit or loss

- Recorded an impairment loss in Ships and other segments.

(5) Dividends

- The dividends forecast of JPY54 as of January 2021 was revised upward by JPY11 to distribute a dividend of JPY65 per share.

Unit: JPY billion

	FY2019	FY2020	Change
Orders	826.2	813.9	(12.4)
Net Sales	864.5	849.1	(15.4)
Operating profit	56.8	51.3	(5.5)
Operating profit Ratio	6.6%	6.0%	(0.5%)
Ordinary profit	52.7	49.5	(3.1)
Ordinary profit Ratio	6.1%	5.8%	(0.3%)
Extra Ordinary profit or Loss	-	(5.8)	(5.8)
Current Profit before Tax Adjustments	52.7	43.8	(8.9)
Current Profit	32.8	26.8	(6.0)
Current Profit Ratio	3.8%	3.1%	(0.6%)
Dividend Per Share	JPY91	JPY65	(JPY26)
Currency exchange rate (US dollars)	JPY108	JPY106	(JPY2)



01 Operating Profit by Segment

Unit: JPY billion

■ Comparison with Previous Fiscal Year

<Machinery components>

- The COVID-19 pandemic dampened demand, leading to reduced sales and profit.

<Precision machinery>

- For plastics machinery, sales decreased but profit increased due to a change in model configuration.
- For semiconductor-related products, profit increased due to the strong market.

<Construction machinery>

- For hydraulic excavators, sales decreased and quality costs were incurred; this led to significant profit decreases. For mobile cranes, decreased sales led to lower profits.

<Industrial machinery>

- Profit increased due mainly to increased sales of material handling systems.

<Ships>

- Operating loss continued because the market for ships was stagnant.

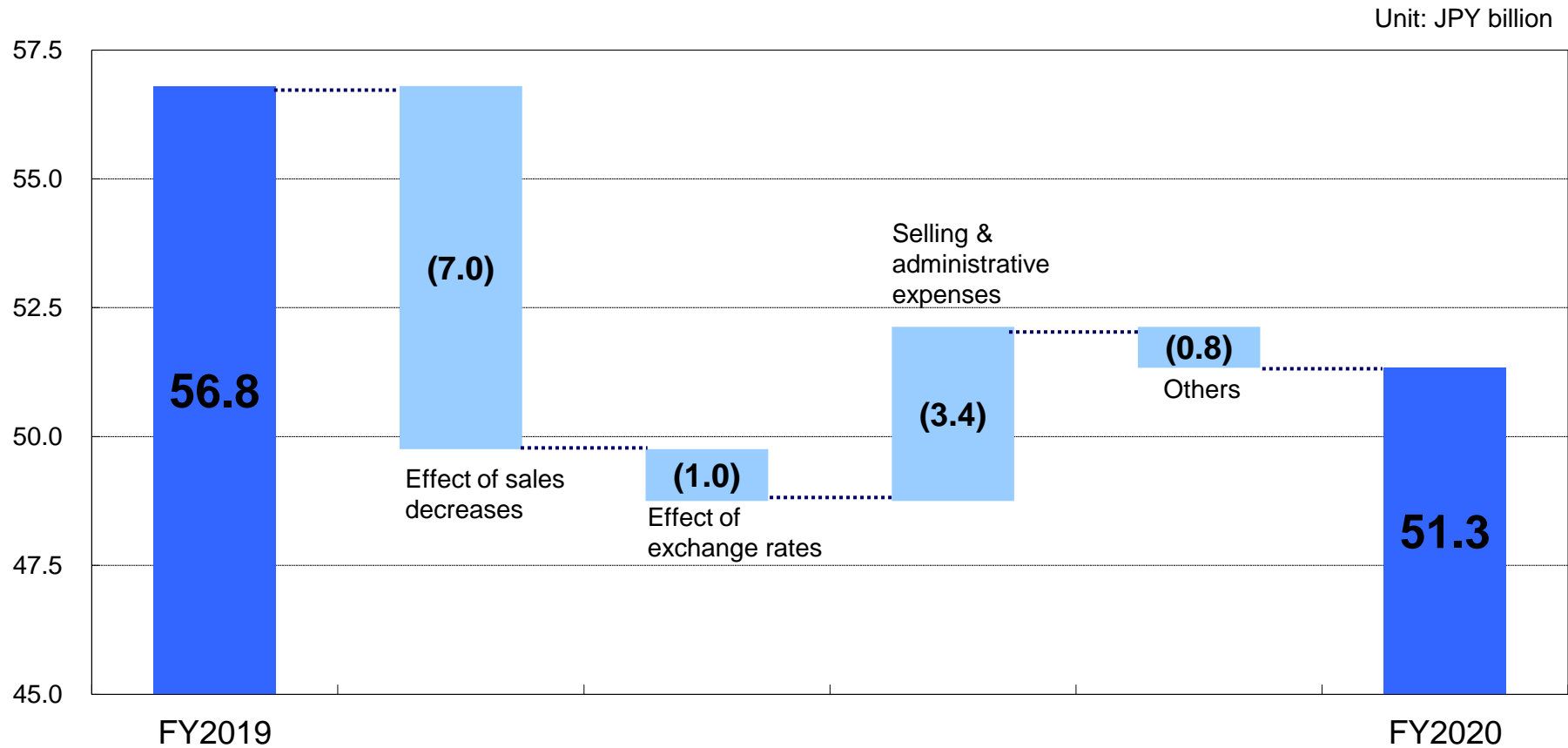
<Environmental facilities & plants>

- Profit increased due to increased sales of energy plants and water treatment plants.

	FY2019	FY2020	Change
Machinery Components	5.5	2.2	(3.3)
Precision Machinery	14.9	17.1	2.2
Construction Machinery	17.1	6.1	(11.0)
Industrial Machinery	7.1	8.5	1.4
Ships	(2.1)	(2.7)	(0.6)
Environmental Facilities & Plants	11.9	18.1	6.2
Other	2.4	2.1	(0.3)
Total	56.8	51.3	(5.5)

01

Analysis of Changes in Operating profit



01

Consolidated Balance Sheet

Unit: JPY billion

	March 2020	March 2021	Change
Current Assets	592.8	613.6	20.8
Cash and deposits	87.1	99.5	12.5
Notes and accounts receivable	271.4	282.9	11.5
Inventories	201.0	200.2	(0.8)
Others	33.3	31.0	(2.3)
Fixed Assets	403.3	417.1	13.7
Tangible assets	268.1	275.8	7.7
Intangible assets	74.1	76.8	2.7
Investments and other assets	61.2	64.5	3.3
Total	996.1	1030.7	34.6

	March 2020	March 2021	Change
Liabilities	518.5	525.8	7.3
Notes and accounts payable - trade	158.5	160.3	1.8
Interest bearing debts	124.7	124.4	(0.2)
Others	235.3	241.1	5.8
Net Assets	477.6	504.9	27.3
Common equity	423.1	446.2	23.1
Total accumulated other comprehensive income	41.4	44.5	3.2
Minority interests	13.2	14.2	(1.0)
Total	996.1	1030.7	34.6
Net ratio of interest-bearing debts	3.8%	2.4%	(1.4%)
Shareholders' equity ratio	46.6%	47.6%	1.0%



01 Consolidated Cash Flow Statement

- Working capital decreased, improving operating cash flows
- Despite continuation of high-level investments, FCF increased by JPY20.4 billion

Unit: JPY billion

Category	FY2019	FY2020	Change
Operating Activities	36.3	64.1	27.9
Profit before income taxes	52.7	43.8	(8.9)
Depreciation	27.9	29.7	1.8
Working capital	(27.7)	(11.6)	16.1
Others (taxes, etc.)	(16.6)	2.2	18.8
Investing Activities	(57.8)	(43.7)	14.0
(Free Cash Flow)	(21.5)	20.4	41.9
Financing Activities	36.0	(8.0)	(43.9)
Change in Cash and Cash Equivalents	13.9	11.7	(2.1)
Cash and cash equivalents at end of fiscal term	83.6	96.2	12.6

01 Performance Forecast for FY2021

- Sales increased from the previous fiscal year with profit remaining unchanged.
- The annual dividends forecast is JPY70 with 32% of dividend payout ratio.

Unit: JPY billion

	Actual FY2019	Actual FY2020	Forecast FY2021
Orders	826.2	813.9	880.0
Net Sales	864.5	849.1	870.0
Operating Profit	56.8	51.3	50.0
Operating Profit Ratio	6.6%	6.0%	5.7%
Ordinary Profit	52.7	49.5	46.0
Ordinary Profit Ratio	6.1%	5.8%	5.3%
Extraordinary Income / Loss	—	(5.8)	(2.0)
Profit Attributable to Owners of Parent	32.8	26.8	27.0
Profit Attributable to Owners of Parent Ratio	3.8%	3.1%	3.1%
Dividend Per Share	JPY91	JPY65	JPY70
Dividend Payout Ratio	34.0%	29.8%	31.8%
ROIC (after Tax)	7.3%	6.1%	5.6%
[Ref.] ROE	7.1%	5.6%	5.4%
Projected Currency Exchange rate (US dollars)	JPY108 (record)	JPY106 (record)	JPY105



01

Change in Fiscal Year-End

The fiscal year-end (the last day of the financial year) will be changed, subject to approval of the “Partial Amendment of the Articles of Incorporation” at the 126th Ordinary General Meeting of Shareholders to be held in June 2022.

- **As the globalization of business activities accelerates, unifying the accounting periods will strengthen global management base and enable to understand and disclose business performance in a timely manner.**
- **The last day of a fiscal year is currently March 31 of each year and will be changed to December 31 of each year.**
- **In FY2022 which is a transitional period for the change in fiscal year-end, the following events are planned.**
 - **Accounts will be settled for a 9-month period from April 1, 2022 to December 31, 2022.**
 - **The earnings forecast will be announced along with financial results for the fiscal year ending March 2022 (planned to be disclosed in May 2022).**

Ref.

Financial Summary by Former Segment (Orders, Sales and Operating Profit)

		FY2019 (Apr. - Mar.)				FY2020 (Apr. - Mar.)				FY2021 (Apr. - Mar.)(FORECAST)			
		Orders	Net Sales	Operating Profit	Operating Profit Ratio	Orders	Net Sales	Operating Profit	Operating Profit Ratio	Orders	Net Sales	Operating Profit	Operating Profit Ratio
Machinery Components		126.5	130.5	5.5	4.2%	124.1	122.2	2.2	1.8%	145.0	136.0	6.5	4.8%
	Plastic Machinery	83.4	91.5			88.5	83.6			93.0	92.0		
	Precision and Other Equipment	106.4	93.5			73.8	93.3			89.0	88.0		
Precision Machinery		189.8	185.0	14.9	8.1%	162.3	176.9	17.1	9.7%	182.0	180.0	11.5	6.4%
	Hydraulic Excavators	179.6	191.8			180.7	174.5			205.0	194.0		
	Mobile Cranes	79.9	81.0			73.1	74.2			70.0	70.0		
Construction Machinery		259.5	272.8	17.1	6.3%	253.7	248.7	6.1	2.5%	275.0	264.0	11.5	4.4%
Industrial Machinery		88.4	87.0	7.1	8.1%	86.3	93.2	8.5	9.1%	85.0	77.0	4.0	5.2%
Ships		30.1	32.9	(2.1)	(6.4%)	29.3	34.0	(2.7)	(8.0%)	31.0	35.0	0.0	0.0%
Environmental Facilities & Plants		124.7	149.0	11.9	8.0%	152.4	168.0	18.1	10.8%	157.0	173.0	14.5	8.4%
Others		7.1	7.2	2.4	33.0%	5.9	6.0	2.1	34.5%	5.0	5.0	2.0	39.8%
Total		826.2	864.5	56.8	6.6%	813.9	849.1	51.3	6.0%	880.0	870.0	50.0	5.7%

Ref. Overseas Sales by Regional Segment

Unit: JPY billion

	Total				Hydraulic Excavators			
	FY2019 (April - March)		FY2020 (April - March)		FY2019 (April - March)		FY2020 (April - March)	
	Sales	Sales Ratio	Sales	Sales Ratio	Sales	Sales Ratio	Sales	Sales Ratio
North America	135.1	15.6%	118.5	14.0%	44.2	23.1%	29.9	17.1%
Europe	90.5	10.5%	78.0	9.2%	12.7	6.6%	10.0	5.7%
Asia (Excluding China)	93.0	10.8%	95.3	11.2%	18.6	9.7%	16.9	9.7%
China	87.0	10.1%	90.4	10.6%	42.5	22.2%	37.3	21.4%
Others	26.5	3.1%	26.1	3.1%	10.3	5.4%	10.1	5.8%
Ships	30.1	3.5%	28.8	3.4%				
Japan	402.4	46.4%	411.9	48.4%	63.4	33.0%	70.4	40.3%
Total Sales	864.5	100%	849.1	100%	191.8	100%	174.5	100%

* currency exchange rate (US dollars) FY2019: ¥108 FY2020: ¥106

02

Medium-Term Management Plan 2023

02

From Medium-Term Management Plan 2019 to Medium-Term Management Plan 2023

Medium-Term Management Plan 2019

Execution of corporate mission

- Focus on quality
- Management based on roles
- Active promotion of CSR

<Changes in external environment>

- ✓ Rapid progress in ESG movement
- ✓ Dispute between the US and China
- ✓ Coping with Chinese manufacturers
- ✓ Enhanced information value
- ✓ Prolonged COVID-19 pandemic
- ✓ Expansion of other external risks
- ✓ Response to the post-coronavirus world

Medium-Term Management Plan 2023

Enhance corporate value in a sustainable manner by solving social issues through products and services

- Enhance corporate value and social value
 - Promotion of CSV
 - Long-term direction
- Sustainable growth
 - Robust entity
 - = Balance between quality and quantity
 - Selection and concentration

* CSV = Creating Shared Value

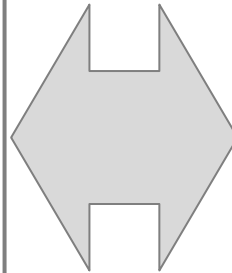
02

Basic Policy for the Medium-Term Management Plan 2023

2030: Social issues to be solved; ideal state of the Sumitomo Heavy Industries (SHI) Group

**Realization of sustainable SHI Group
(Enhancement of corporate value)**

1. Developing a robust entity
2. Reformation for improving the corporate value
3. Transforming into a company with a comfortable work environment



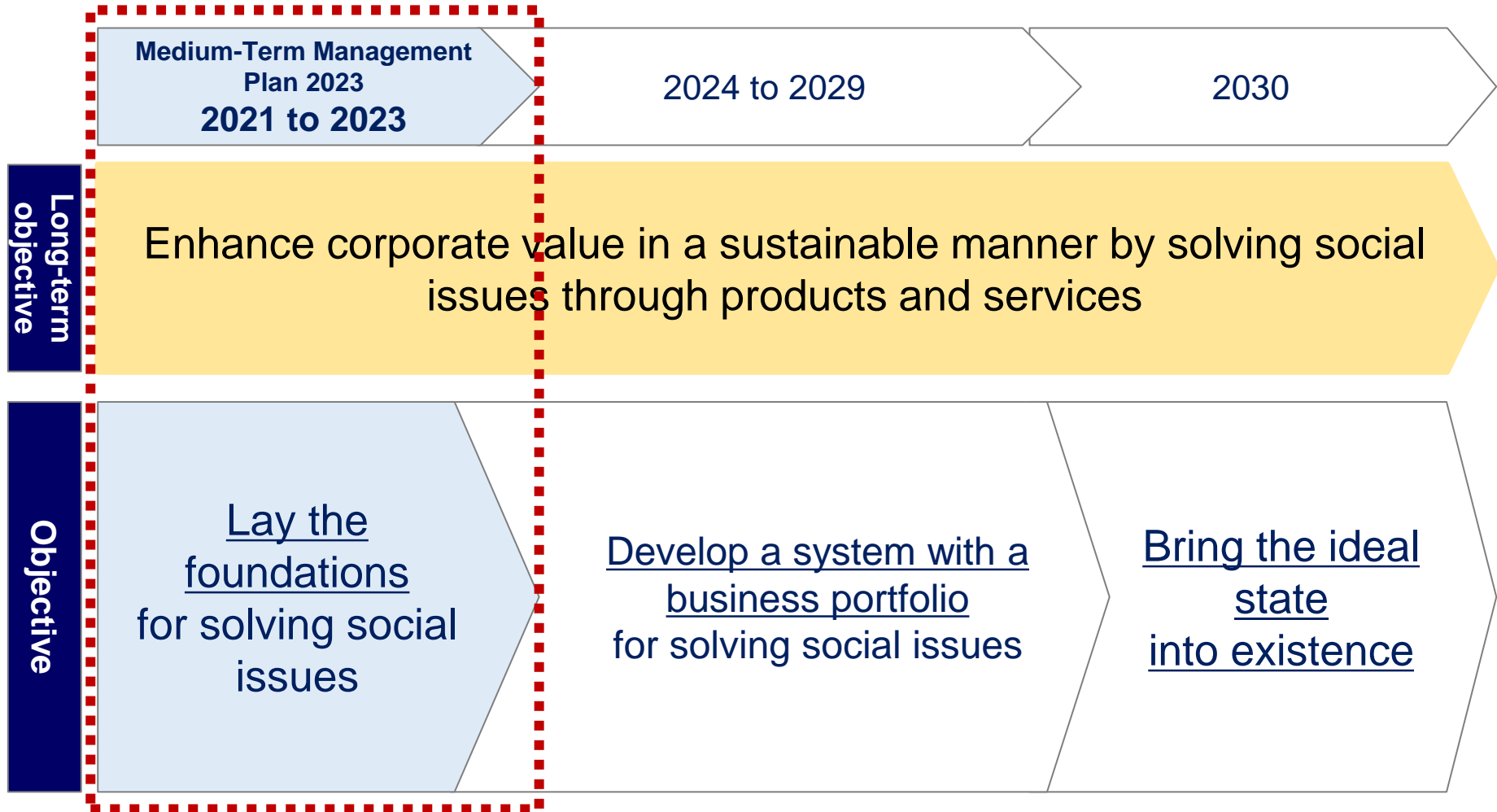
**Contribution to society through
promotion of CSV
(Enhancement of social value)**

4. Contributing to SDG movement through products and services
5. Reducing environmental burdens through business activities

Strike a balance between corporate value and social value

02

Positioning of the Medium-Term Management Plan 2023: Starting point of reformation



Continue the ROIC management to meet the expectations of all stakeholders and enhance corporate value in a sustainable manner.

- Endeavor to improve financial performance by promoting the ROIC management
 - Ensure a sufficient spread in relation to WACC (Weighted Average Cost of Capital)
 - Improve capital efficiency to increase profits
- Growth investment
 - Continue to make high-level investments to the extent that operating cash flow permits
- Shareholder return
 - Dividend payout ratio of 30% or more
 - Aim to improve the dividend payout ratio in a step-wise manner while improving revenues

02 Financial Targets of the Medium-Term Management Plan 2023

■ Financial targets

Unit: JPY billion

	Actual FY2020	Forecast FY2021	FY2023 Target
Orders	813.9	880.0	1000.0
Net Sales	849.1	870.0	970.0
Operating Profit	51.3	50.0	70.0
Operating Profit Ratio	6.0%	5.7%	7.2%
ROIC	6.1%	5.6%	7.5%
Exchange Rate (US dollars)	JPY106 (Record)	JPY105	JPY100
[Reference] ROE	5.6%	5.4%	8.0%

■ Investment plan

Unit: JPY billion

	Capital investment	R&D expense	M&A, new business
Key point	Focus on core businesses and informatization investment	Enhance our products strength for growth	Identify growth projects
3-year cumulative results	100.0	74.0	40.0

02 Points for Formulation of the Medium-Term Management Plan 2023

(i) Aim to strike a “balance between corporate value and social value”

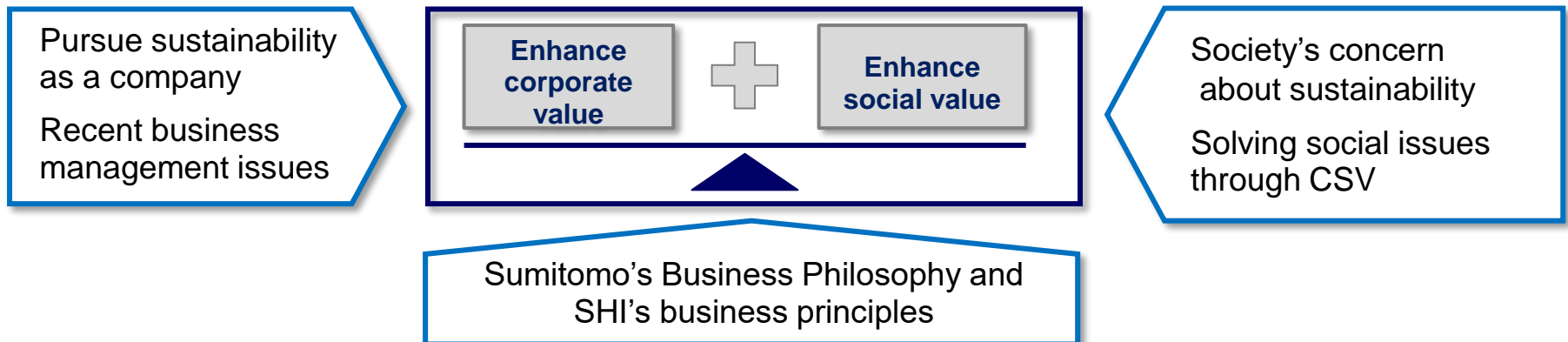
- ✓ Focus on provision of not only financial value but also ESG-based value
- ✓ Adopt a CSV approach to solving social issues through corporate activities

(ii) Determine a long-term direction by “backcasting”

- ✓ Identify tasks to achieve the long-term goal of solving social issues in ten years time
- ✓ Position the Medium-Term Management Plan 2023 in line with recent business management issues

(iii) Review the “business portfolio” to maximize value

- ✓ Review segments with a focus on common features of businesses in order to solve social issues
- ✓ Plan to achieve new forms of growth through synergy within new segments



02

Social Issues Identified from the Viewpoint of MegaTrends and the Group's Technologies

Megatrends

- ✓ Rapid urbanization
- ✓ Climate changes/Resource scarcity
- ✓ Change in demographic structure
- ✓ Shift of economic powers
- ✓ Evolution of technologies
- ✓ Information network revolution

Source: PwC Japan's website
"Megatrends – five megatrends and their potential impact"

Social issues to be solved

Improving labor productivity

Improving energy efficiency

Improving convenience through application of cutting-edge technology

Responding to climate changes

Responding to infrastructure upgrading

Taking on challenges to circular economy

Bringing well-being to life

Targeted development areas of the SHI Group

Environment/energy

Drive solutions

Applications based on cutting-edge physics

Robotics actuators

Advanced material processing solutions

Automation/digitalization

Renewable energy systems

Machinery with electric/autonomous operation mechanism

Resource regeneration/new material solutions

Cutting-edge logistics solutions

Our product line

Move/transport

Change a shape

Support the lives of people

02

Targeted Development Areas in the Medium-Term Management Plan 2023

Targeted area	Development target
Environment	Develop environmental conservation technologies necessary for sustainable industries (Waste water/waste treatment technologies)
Energy	Develop futuristic technologies towards a decarbonized society (Technologies to use carbon dioxide and waste heat; plant failure diagnosis/operation-support technologies)
Automation	Introduce intelligent/advanced moving objects and robot products; promote development towards production technology innovation
Digitalization	Improve intelligent technology and information infrastructure technology and implement various intelligent functions in products and services

02

Efforts to Promote Sustainability

Medium-Term Management Plan 2019
& FY2020 (2017 to 2020)

Medium-Term Management Plan 2023
(2021 to 2023)

2024 to 2030

Aim to strike a “balance between corporate value and social value” and promote the following actions:

- ✓ **Solve social issues through products and services**
- ✓ **Enhance capabilities to respond to environmental and climate change issues**
- ✓ **Apply the TCFD framework in the management of climate-related risks and opportunities and disclose information**

Understand social needs

- Determining the overall image of CSR activities of the SHI Group
- Identifying company-wide material issues
- Expanding the scope of disclosure of environment-related information

Penetrate material issues within the SHI group

- Formulating value creation stories
- Deployment of issues
- Enhancing capabilities to respond to environmental issues

Publish and communicate the value creation stories

Pursue sustainability of the SHI Group and society as a whole by solving social issues

02 Reviewing the Business Portfolio

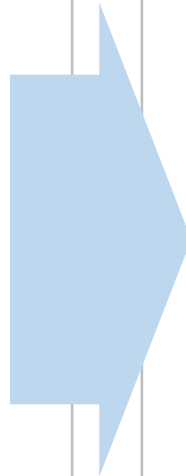
Conventional Medium-Term Management Plan: **Focus on quality**

<Certain achievements under a business department system>

- Clarifying earnings responsibility
- Prioritizing growth of existing businesses
- Ensuring ROIC management in business departments

<Emerging issues>

- Fragmented management resources
- Limited activities to explore new businesses
- Delay in response to major environmental changes



Medium-Term Management Plan 2023: **Take on challenges to maximize value**

- (i) Enhance and pursue the exploration capabilities
 - Take on challenges to solve issues, thereby improving social value
 - Explore new businesses taking CSV into consideration
- (ii) Achieve new cultivation capabilities
 - Combination of core competences
 - Economies of scale and integration of various personnel



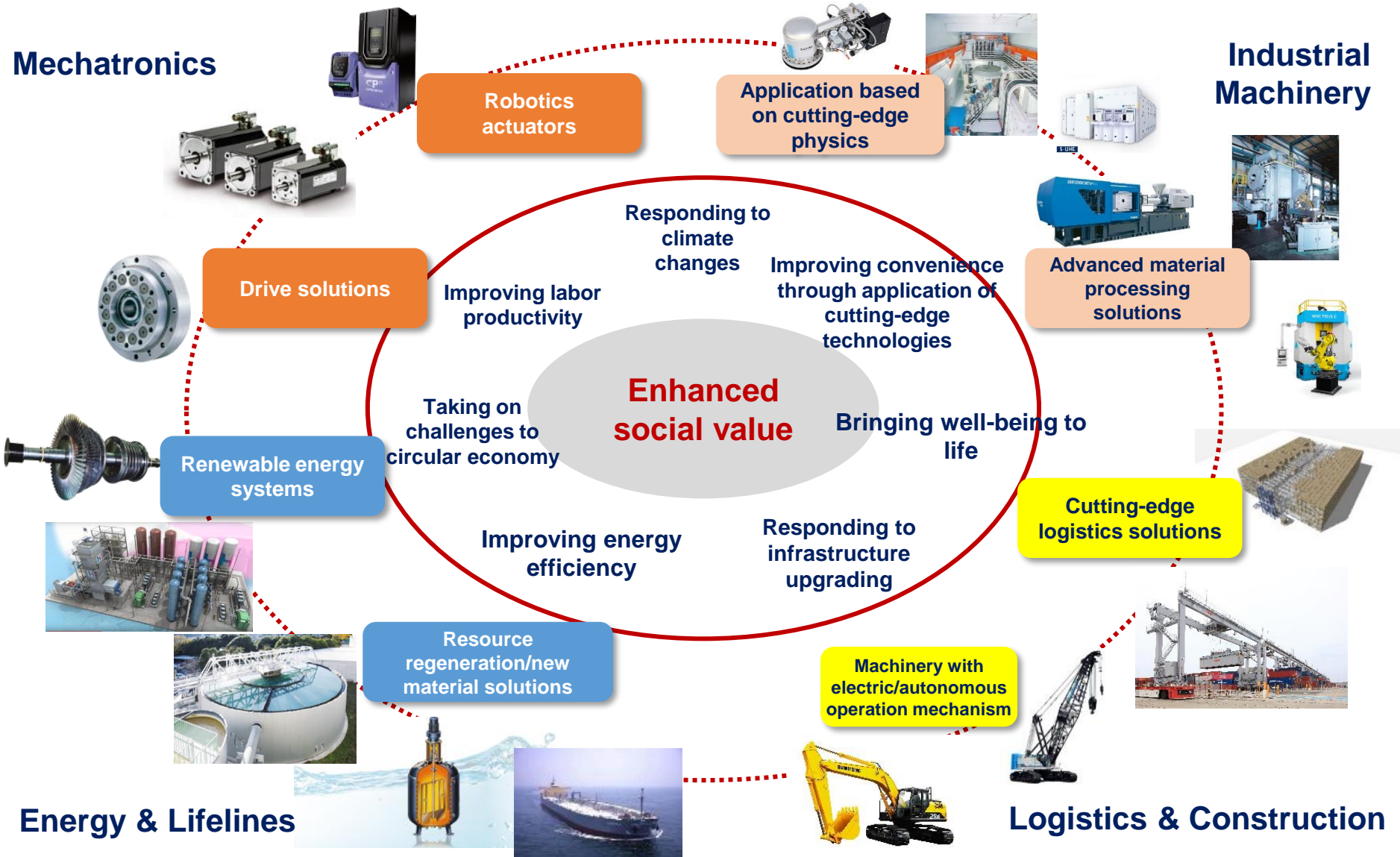
First step:

Review of “published segments”

- Thorough selection and concentration
- Growth through the realization of synergies within the segment

02

New Segments and Business Exploration Direction



02

Model Configuration of New Segments

[Currently published segments]

Segment name	Product
Machinery Components	Power transmission & control equipment, motors, inverters
Precision Machinery	Plastics machinery, cryogenic equipment, precision parts, semiconductor production equipment, laser processing systems, precision positioning equipment, machining tools, defense equipment
Construction Machinery	Hydraulic excavators, road machinery, mobile cranes
Industrial Machinery	Material handling systems, turbines, pumps, quantum equipment, accelerators, forging presses, forklifts
Ships	Ships
Environmental Facilities & Plants	Energy environmental equipment, water treatment systems, pressure vessels, chemical instruments, food processing machinery, industrial/environmental equipment
Others	Real estate, software

[Segments published after revision]

Segment name	Product
Mechatronics	Power transmission & control equipment, motors, inverters, precision positioning equipment
Industrial Machinery	Plastics machinery, cryogenic equipment, precision parts, semiconductor production equipment, quantum equipment, accelerators, forging presses, industrial/environmental equipment, machining tools, defense equipment
Logistics & Construction	Hydraulic excavators, road machinery, mobile cranes, material handling systems, forklifts
Energy & Lifelines	Energy environmental equipment, water treatment systems, turbines, pumps, pressure vessels, chemical instruments, food processing machinery, ships
Others	Real estate, software

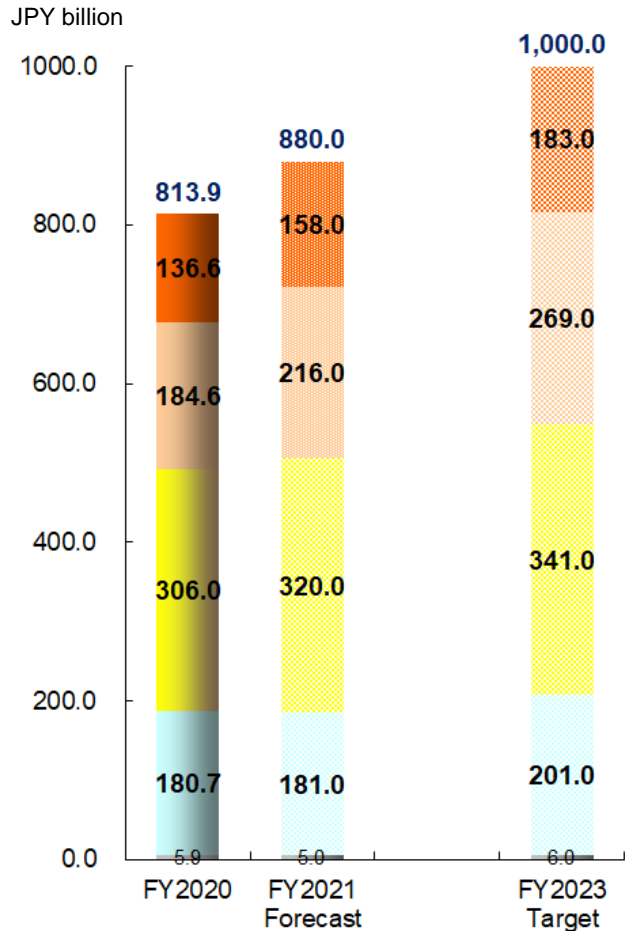


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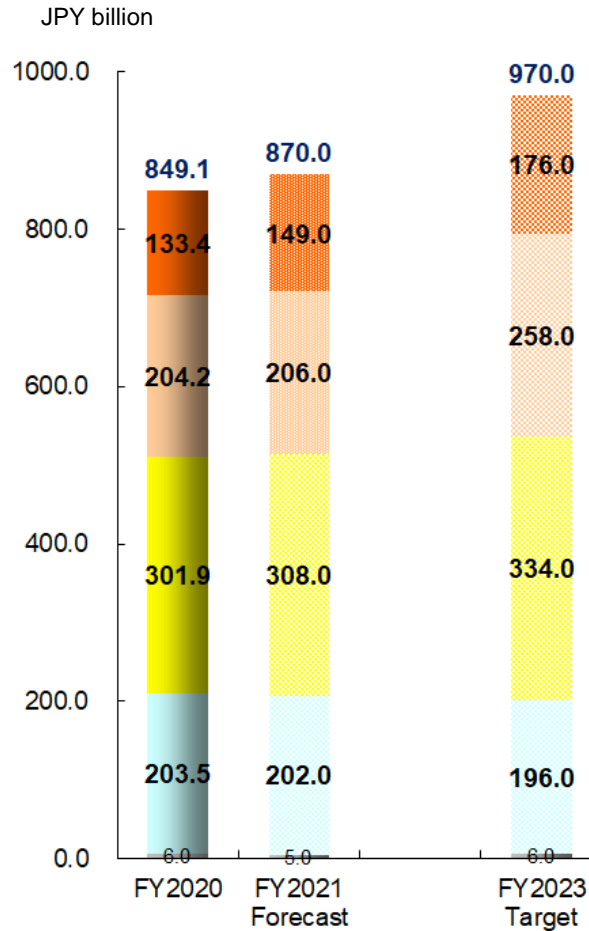
Orders, Sales and Operating Profit by New Segment

■ Mechatronics
 ■ Industrial Machinery
 ■ Logistics & Construction
 ■ Energy & Lifeline
 ■ Others

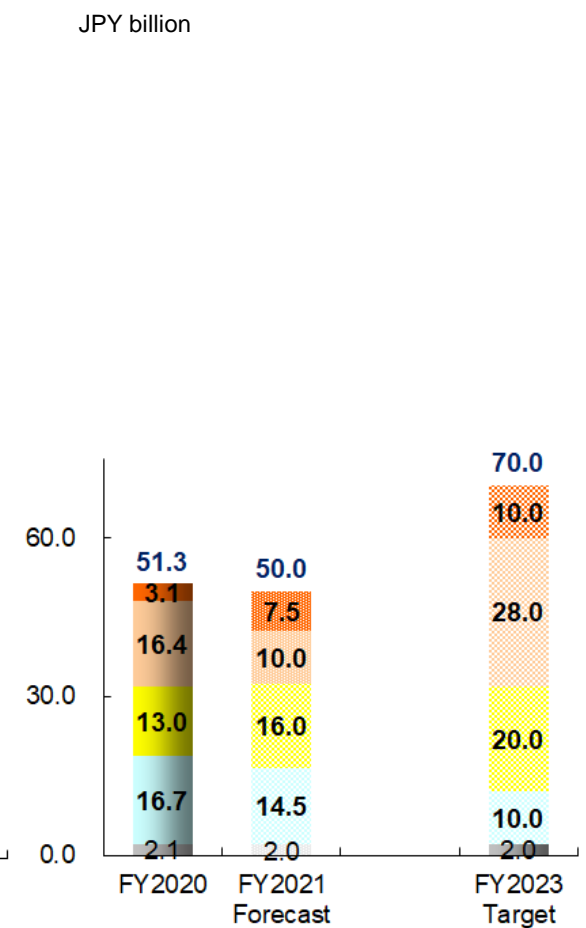
Orders



Net Sales



Operating Profit



02

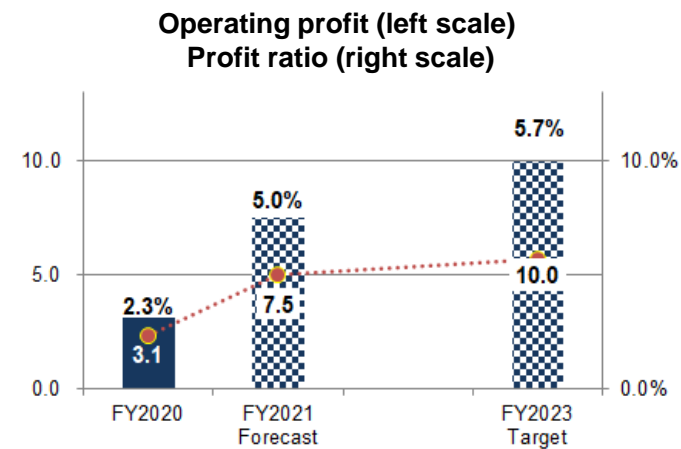
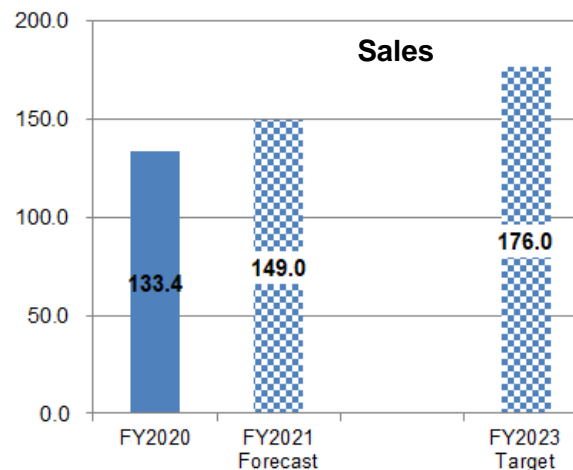
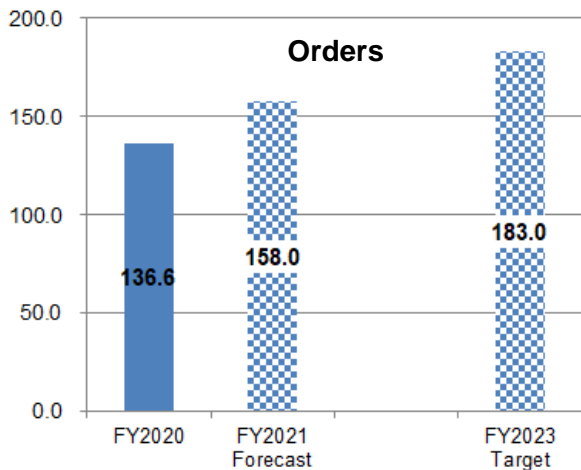
Mechatronics Segment

Circumstances in FY2021

Recovery from the COVID-19 pandemic has prompted a global economic upturn. Both orders and sales are expected to increase from the previous fiscal year due to an increase in demand for power transmission and control.

Direction until FY2023

- ✓ **Drive growth of the motion control device business**
- ✓ **Launch a drive solution business that incorporates robotics elements**
- ✓ **“Service reformation” through a condition monitoring system**



02 Industrial Machinery Segment

Circumstances in FY2021

<Plastics machinery>

Both orders and sales are projected to increase from the previous fiscal year because demand from the electric and electronic sector in China and demand from the US and Europe are expected to continue to be strong and recovery of demand in Japan is also expected.

<Others>

Overall, markets are on a recovery trend and orders will increase from the previous fiscal year. However, sales are expected to be sluggish and decrease from the previous fiscal year in segments related to semiconductors, automobiles, etc. because orders were at low levels in the previous fiscal year.

Direction until FY2023

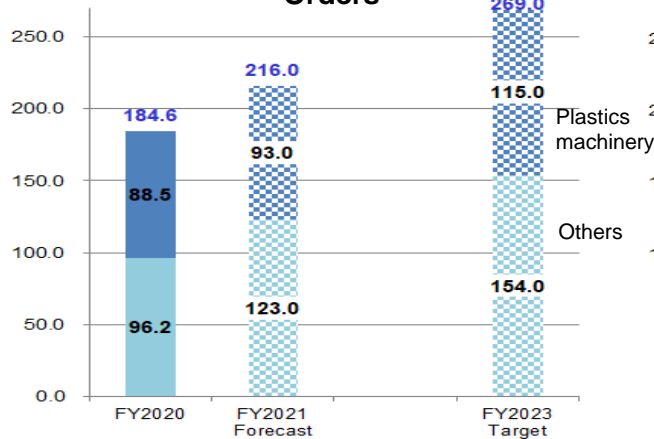
<Plastics machinery>

- ✓ Promote development of environmentally-friendly technologies such as environmentally-friendly resin and recycled resin
- ✓ Promote strengthening of global cooperation and region-specific strategies

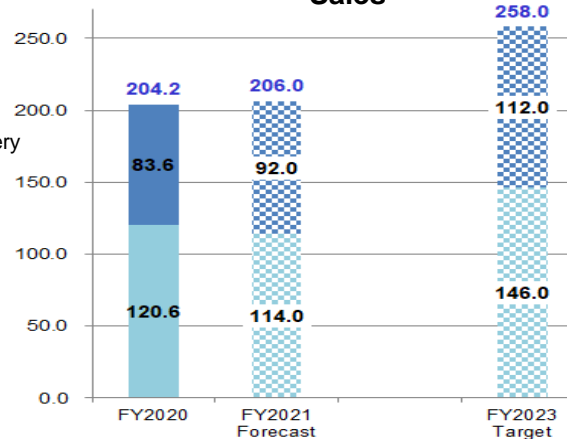
<Others>

- ✓ Secure a competitive advantage in the field of specific semiconductor production equipment
- ✓ Expand the automobile-related business in line with electrification
- ✓ Grow a business in the advanced medical field

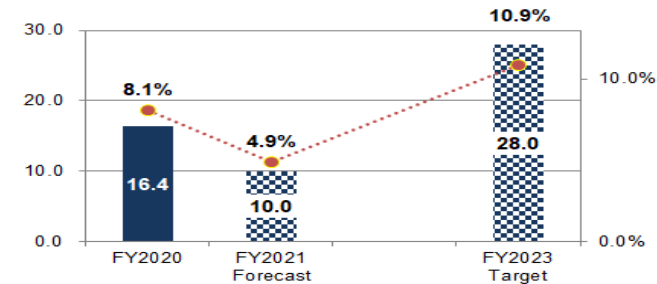
Orders



Sales



Operating profit (left scale)
Profit ratio (right scale)



02

Logistics & Construction Segment

Circumstances in FY2021

<Hydraulic excavators>

Both orders and sales are projected to increase from the previous fiscal year because Japanese and Chinese markets are expected to continue to be strong and recovery of demand in North America is also expected.

<Others>

For mobile cranes, the market is on a recovery trend, but full recovery will take time. As such, both orders and sales will increase slightly from the previous fiscal year. In the material handling business, sales are expected to decrease due to reduced orders in the current and previous fiscal years.

Direction until FY2023

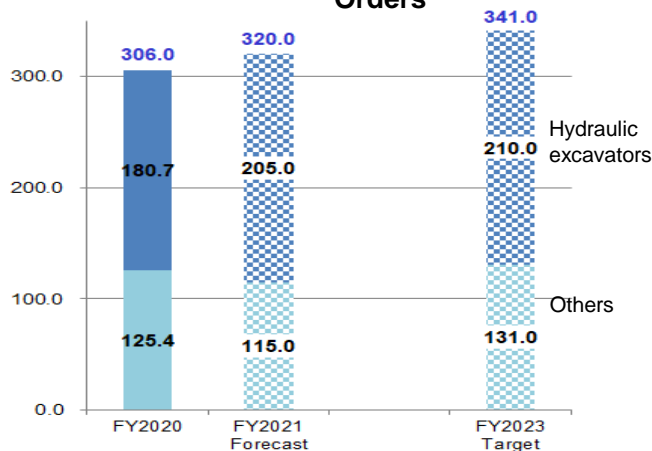
<Hydraulic excavators>

- ✓ Develop electric excavators
- ✓ Develop advanced ICT construction machines and expand their introduction
- ✓ Respond to high-level exhaust gas regulations
- ✓ Expand service and parts businesses

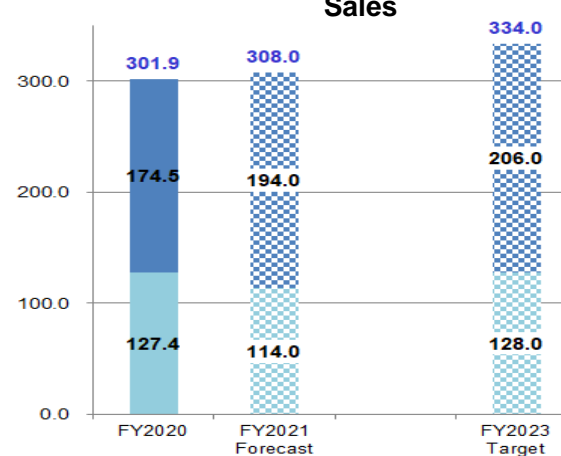
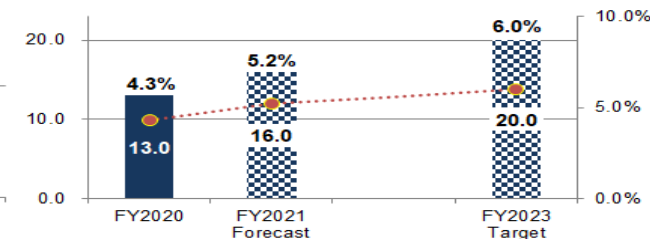
<Others>

- ✓ Automatize and remotely control port cranes
- ✓ Introduce electric mobile cranes and respond to high-level exhaust gas regulations
- ✓ Take global measures

Orders



Sales

Operating profit (left scale)
Profit ratio (right scale)

02

Energy & Lifelines Segment

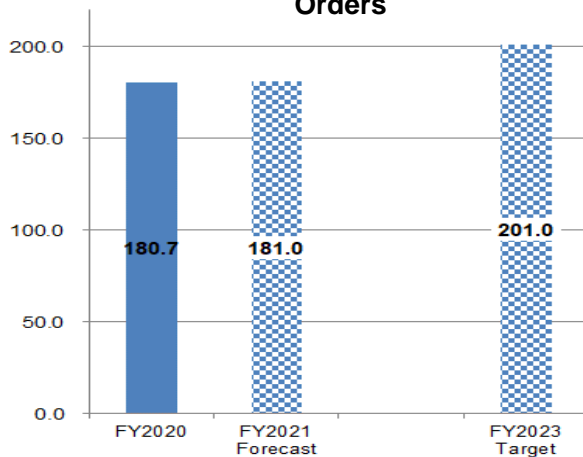
Circumstances in FY2021

The market is generally on a recovery trend but in the energy plant business, orders are expected to decrease due mainly to a year-on-year decline in orders for large-scale projects for biomass-fueled power generation plants in Japan. However, sales are expected to increase because of a backlog of orders. In addition, in other businesses, orders will increase but sales are expected to decrease due partly to transfer of the domestic waste incineration business.

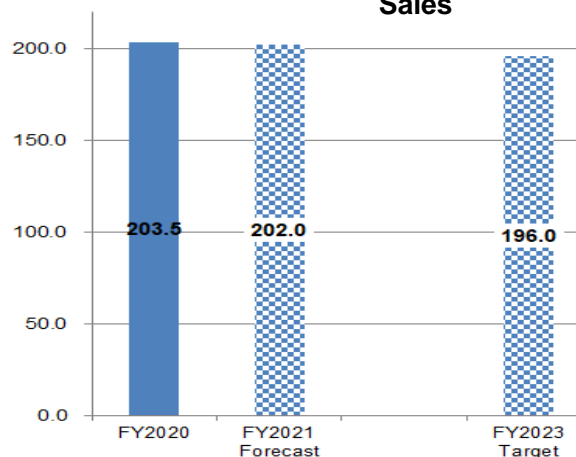
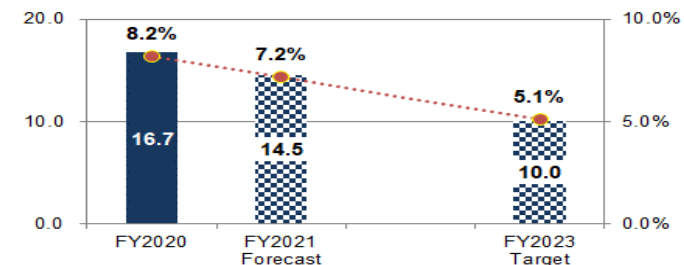
Direction until FY2023

- ✓ Promote commercialization of Liquid Air Energy Storage (LAES), etc. in the renewable energy market
- ✓ Develop region-specific businesses using biomass, etc.
- ✓ Develop a waste water and liquid recycling business
- ✓ Labor saving in operation management through implementation of IoT and ICT elements
- ✓ Roll out bioreactors with an eye to decarbonization trends
- ✓ Strengthen service businesses globally

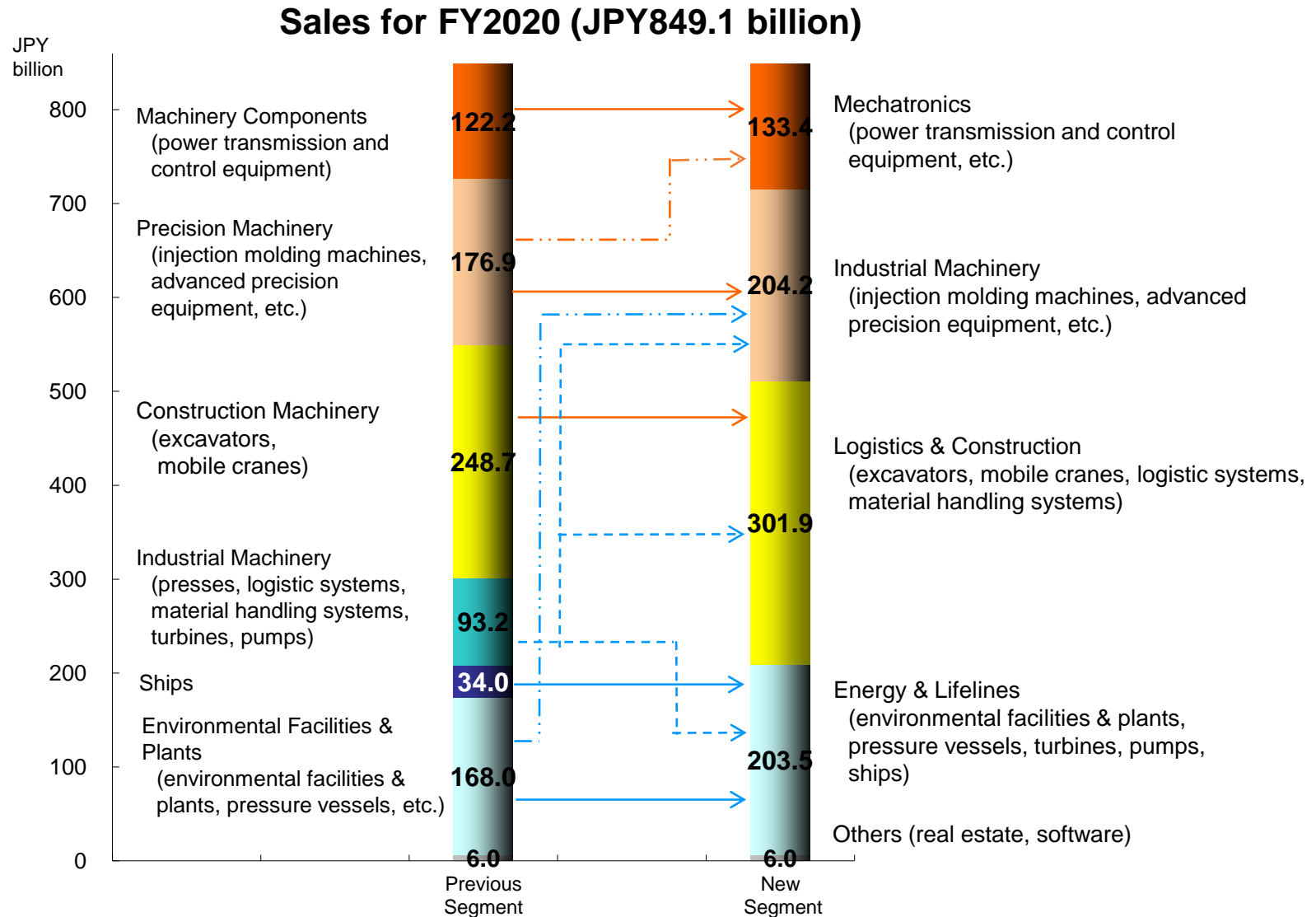
Orders



Sales

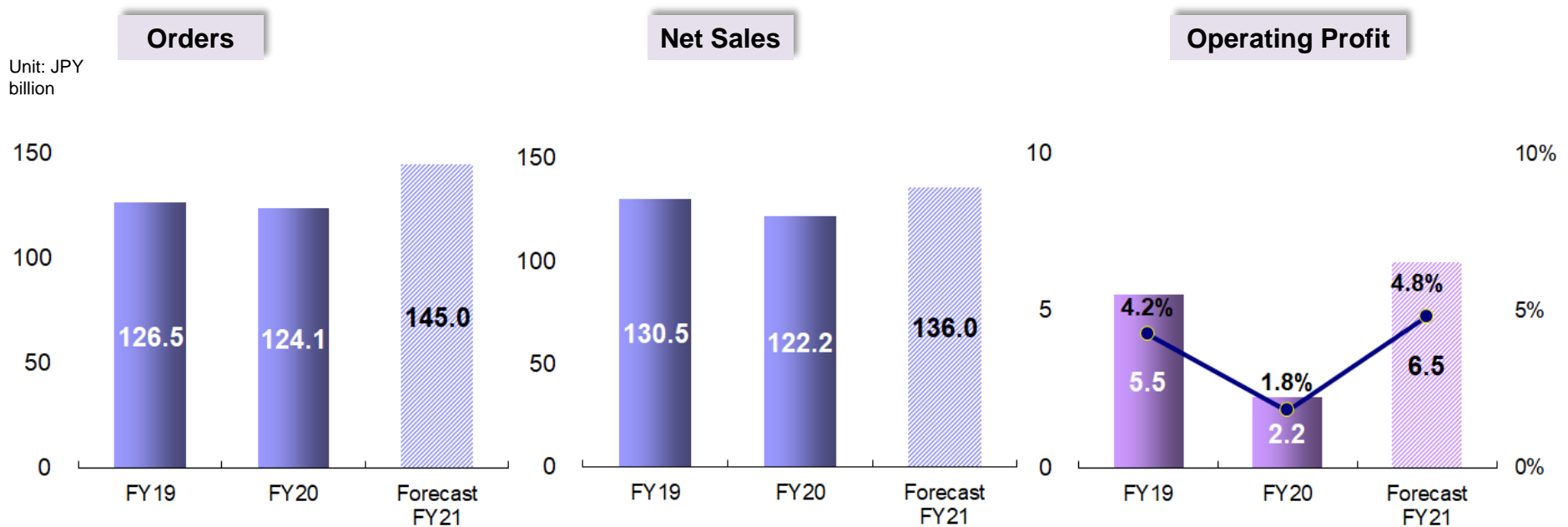
Operating profit (left scale)
Profit ratio (right scale)

Ref. Segment Re-configuration



Ref. <Former Segment> Machinery Components

FY2020: Orders, sales and operating profit all decreased as the impact of spread of COVID-19 infections was seen all around the world.



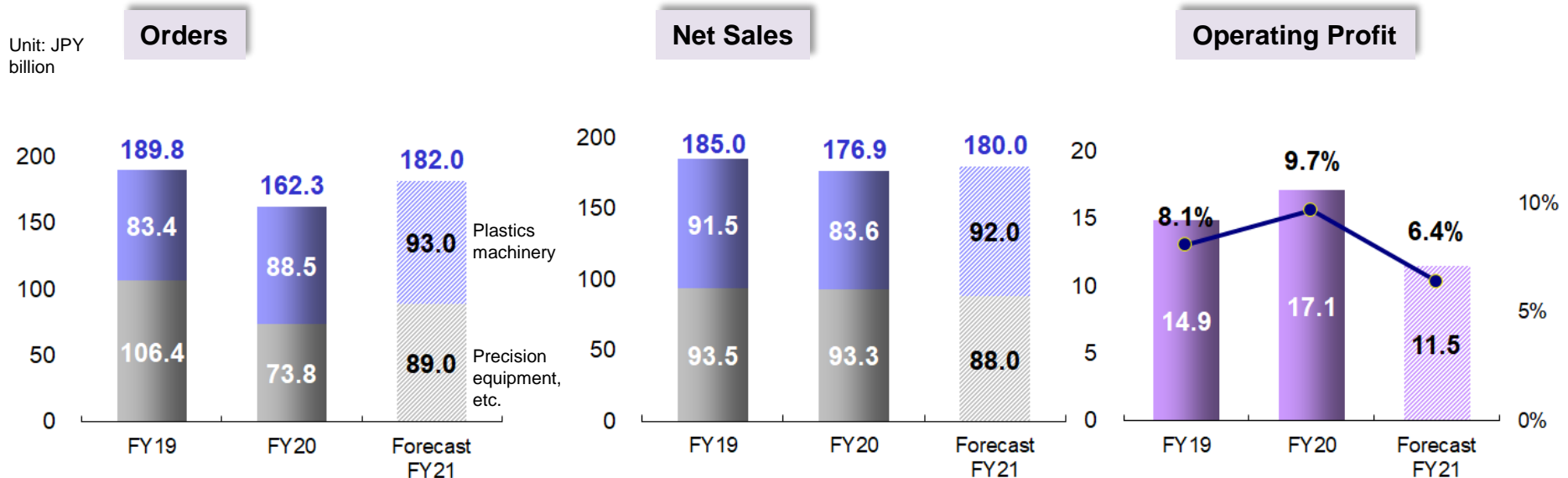
Ref. <Former Segment> Precision Machinery

<Plastic Machinery>

FY2020 : Orders increased due to recovery in demand from the electric and electronic sector in China and an increase in demand from the US and Europe. However, sales decreased due to a lead time from order receipt to sales. Meanwhile, a change in the model configuration resulted in an increase in operating profit.

< Precision Equipment and Others >

FY2020 : Although orders decreased because demand for semiconductor-related products entered an adjustment phase, sales remained unchanged from the previous fiscal year and operating profit increased due to a backlog of orders.



Ref. <Former Segment> Construction Machinery

<Hydraulic Excavators>

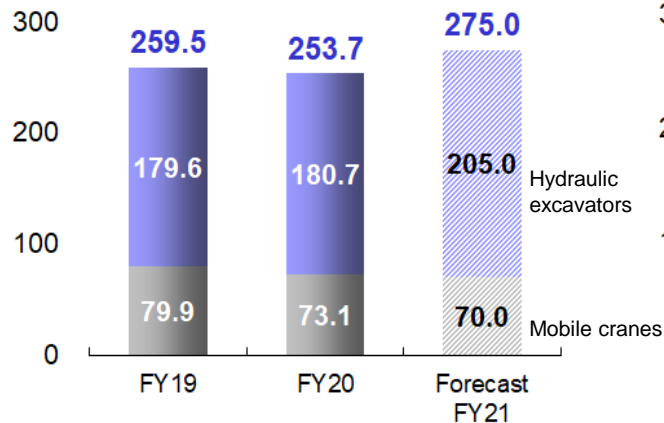
FY2020 : Orders increased due to the strong market in Japan and recovery in demand from the North America region. However, sales decreased due to a lead time from order receipt to sales and operating profit also decreased because of incurrence of quality costs in addition to a decrease in sales.

<Mobile Cranes>

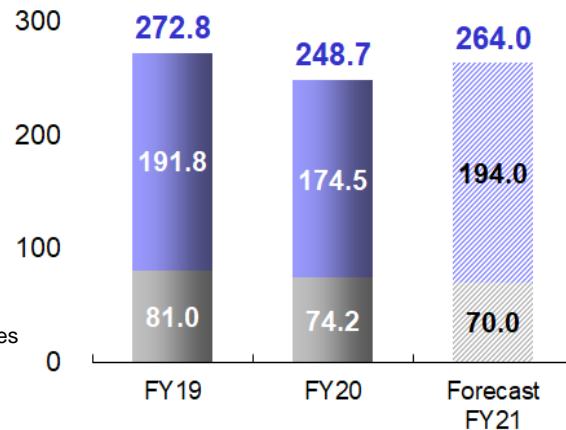
FY2020 : Demand was recovering in the North America region but the spread of Covid-19 infections impacted the business, prompting a drop in demand generally. As a result, orders, sales and operating profit all decreased.

Unit: JPY
billion

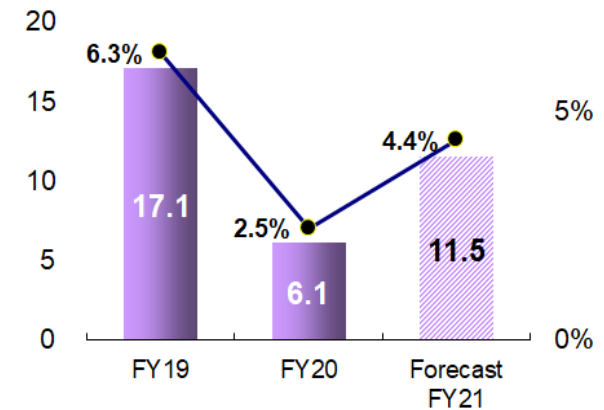
Orders



Net Sales

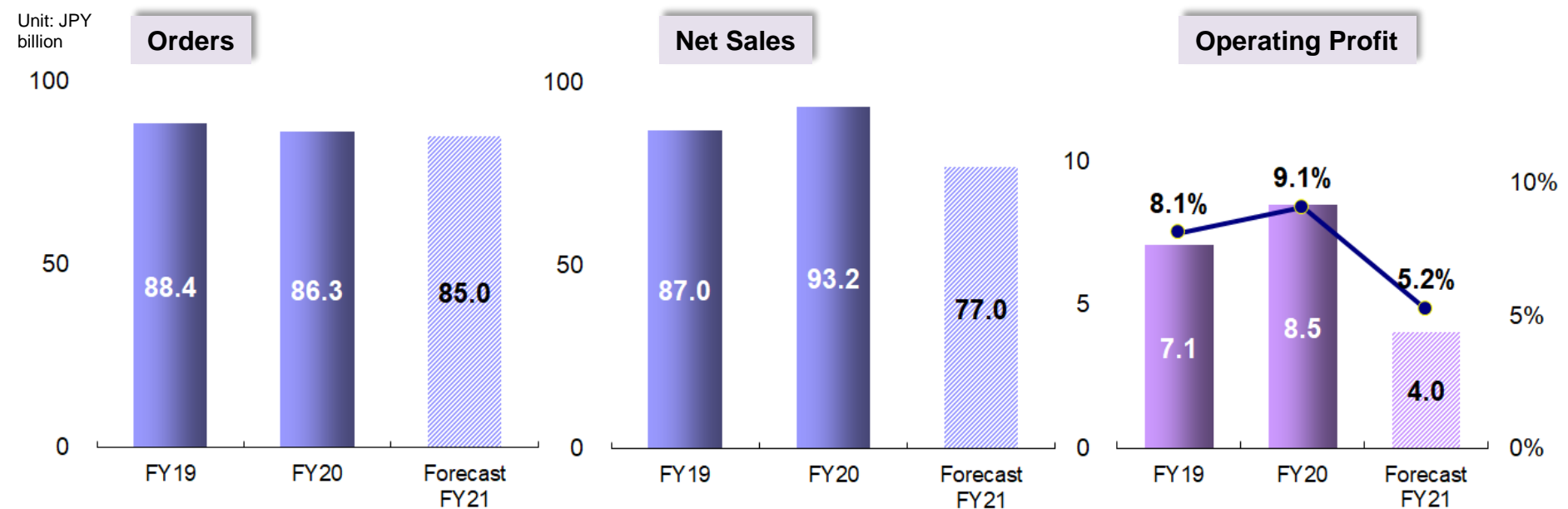


Operating Profit



Ref. <Former Segment> Industrial Machinery

FY2020 : With regard to the material handling business, orders increased as demand for products related to electricity and ports as well as logistics systems was strong, and both sales and operating profit increased because of a backlog of orders. For other product areas, all of orders, sales and operating profit decreased due to the spread of COVID-19 infections.

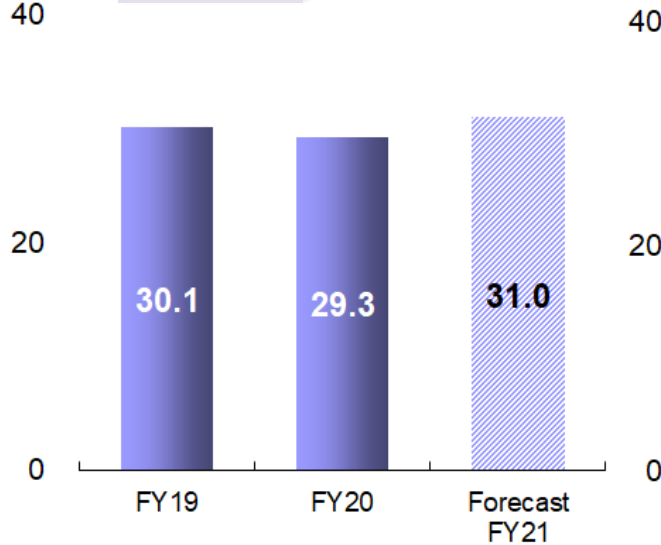


Ref. <Former Segment> Ships

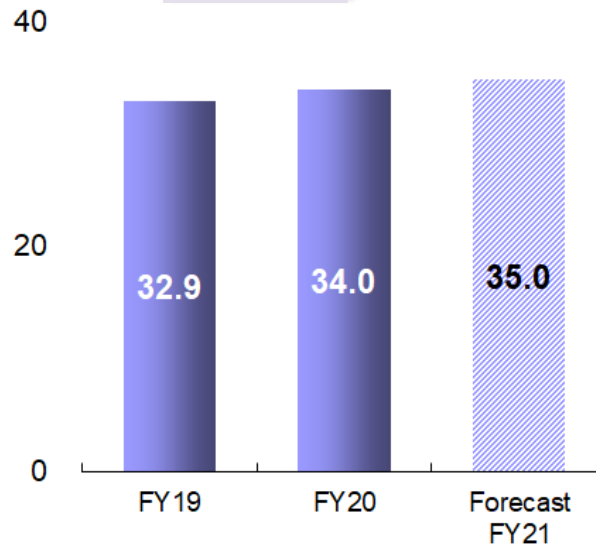
FY2020 : Amid the continuing sluggish market for the fiscal year under review, the segment booked an order for three new vessels as in the previous fiscal year. The segment delivered four vessels as in the previous fiscal year, resulting in increased sales, but operating loss was recorded as in the previous fiscal year.

Unit: JPY
billion
40

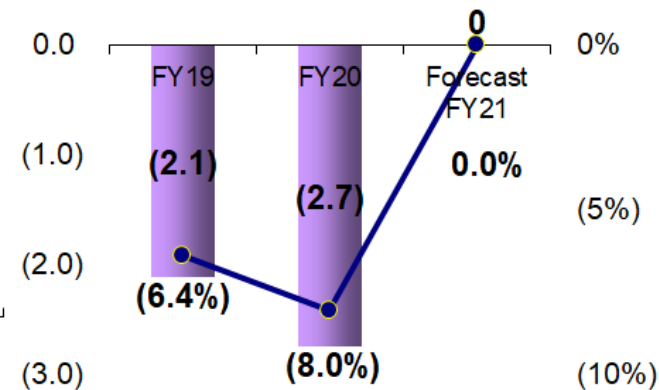
Orders



Net Sales



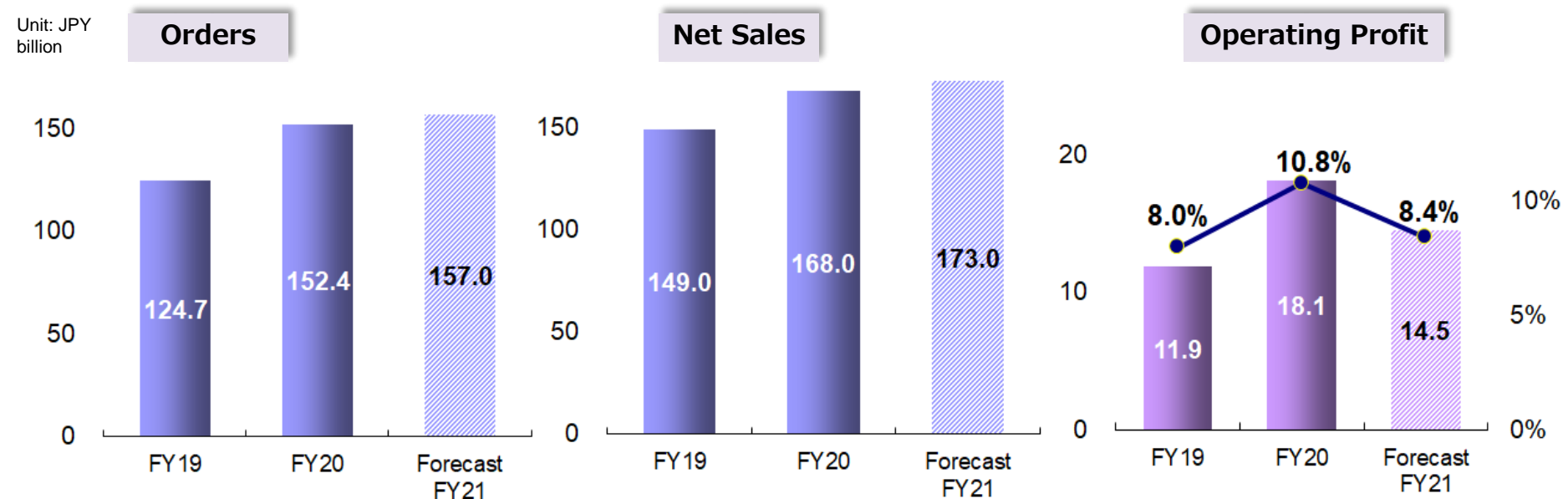
Operating Profit



Ref. <Former Segment> Environmental Facilities and Plants

FY2020 : In the energy plant business, orders increased partly because we won large-scale projects for biomass-fueled power generation plants in Japan and Europe. Both sales and operating profit increased due mainly to a backlog of orders in Japan.

In the water treatment plant business, orders decreased due partly to a year-on-year decrease in projects for waste water treatment facilities, but sales and operating profit increased due to a backlog of orders.





All forward-looking statements regarding the company's future performance are based on information currently available to Sumitomo Heavy Industries and determined subjectively. Future performance is not guaranteed and all information related to future performance contained herein is subject to changes in business environments.