CONSOLIDATED FINANCIAL REPORT

For the Full Year Ended March 31, 2022

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 Full Year Ended March 31, 2022

Presented May 10, 2022

Sumitomo Heavy Industries, Ltd.

Listed exchanges	Tokyo Stock Exchange
Stock code	6302
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Scheduled date of ordinary shareholders' meeting	June 29, 2022
Scheduled date of payment of cash dividends	June 30, 2022
Scheduled date of securities report filing	June 29, 2022
Availability of supplementary explanatory materials for financial statement	Yes
Holding of meeting to explain financial statement	Yes (for institutional investors and analysts)

1. FY 2021 Consolidated Results (April 1, 2021 to March 31, 2022)

(1) Business Results

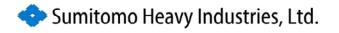
			(Units: m	llions of yen)
	Current Full April 1, 20 to March 31,	021	Previous Fu April 1, 2 to March 31	020
	(% change		% change
Net sales	943,979	11.2	849,065	(1.8)
Operating profit	65,678	27.9	51,342	(9.6)
Ordinary profit	64,847	30.9	49,544	(5.9)
Profit attributable to owners of parent	44,053	64.6	26,764	(18.4)
Profit per share attributable to owners of parent (yen)	359	.61	218.	46
Fully diluted profit attributable to owners of parent ratio		_		_
Return on equity (ROE, %)		8.5	Ę	5.6
Return on assets (%)		6.1	4	1.9
Ordinary income to net sales (%)		7.0	(3.0

Note: Comprehensive income:

Fiscal year ended March 31, 2022: 74,024 million yen, (130.2%) Fiscal year ended March 31, 2021: 32,162 million yen, (17.5%)

Reference: Equity method investment profit and loss:

Fiscal year ended March 31, 2022: 207 million yen gain Fiscal year ended March 31, 2021: 119 million yen gain



(2) Financial Position

		(Units: millions of yen)
	End of Current Full Year March 31, 2022	End of Previous Full Year March 31, 2021
Total assets	1,094,930	1,030,684
Total net assets	566,843	504,928
Equity ratio (%)	50.4	47.6
Net assets per share (yen)	4,501.11	4,005.43

Reference: Equity:

Fiscal year ended March 31, 2022: 551,387 million yen Fiscal year ended March 31, 2021: 490,697 million yen

(3) Cash Flows

		(Units: millions of yen)
	Current Full Term April 1, 2021 to March 31, 2022	Previous Full Term April 1, 2020 to March 31, 2021
Cash flows from operating activities	61,679	64,131
Cash flows from investing activities	(49,678)	(43,729)
Cash flows from financing activities	(28,106)	(7,959)
Cash and cash equivalents at end of period	84,992	96,242

2. Dividends

			(Unit: yen)
	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ending December 31, 2022 (forecast)
Annual dividends per share			
First quarter	—	—	_
Second quarter	9.00	35.00	45.00
Third quarter	—	—	—
End of term	56.00	80.00	45.00
Annual dividends	65.00	115.00	90.00
Total dividends (million yen)	7,963	14,088	
Payout ratio (consolidated, %)	29.8	32	36.8
Net assets dividend yield (consolidated, %)	1.6	2.6	_

(Note) Changes from the most recent dividend forecast: Yes

3. FY 2022 Consolidated Forecasts (April 1, 2022 to December 31, 2022)

		(Units: millions of yen)
	April 1, 2022 t	Year o December 31,)22
		% change
Net sales	850,000	-

Operating profit	51,000		-
Ordinary profit	49,000		-
Profit attributable to owners of parent	30,000		-
Profit per share attributable to owners of parent (yen)		244.90	

(Note) The Company is planning to change the closing date from March 31 to December 31 starting from the fiscal year 2022 on the condition that the "Proposal for a Partial Change to the Articles of Incorporation" is approved at the 126th Ordinary General Meeting of Shareholders that is scheduled for June 29, 2022. With regard to the fiscal year ending December 31, 2022, a transition period for the change of the closing date, estimated values are stated with a consolidation period being set to be nine months from April 1, 2022 to December 31, 2022 in the case of the Company and its subsidiaries whose fiscal year ends in March and being set to be twelve months from January 1, 2022 to December 31, 2022 in the case of its subsidiaries whose fiscal year ends in December. Therefore, year-on-year change rates are not described in this document.

Additional Notes

(1) Transfers of important subsidiaries during the fiscal period (moves of specific subsidiaries due to change in scope of consolidation): None

Newly consolidated:	None
Excluded from consolidation:	None

(2) Changes to accounting policies, changes to accounting estimates, and retrospective restatements

(i) Changes to accounting policies due to revisions to accounting standards:	Yes
(ii) Changes to accounting policies not otherwise stated in (i):	None
(iii) Changes to accounting estimates:	None
(iv) Retrospective restatements:	None

- (3) Number of shares issued (common shares)
 - (i) Number of shares issued at end of fiscal period (including treasury shares):

As of March 31, 2022	122,905,481 shares
As of March 31, 2021	122,905,481 shares

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

As of March 31, 2022	405,110 shares
As of March 31, 2021	397,425 shares

(iii) Average number of shares during fiscal period:

As of March 31, 2022	122,503,539 shares
As of March 31, 2021	122,511,716 shares

Reference

- 1. FY2021 Non-Consolidated Results (April 1, 2021, to March 31, 2022)
- (1) Non-Consolidated Business Results

(Units: m					
	April 1, 20	Current Full Term April 1, 2021 to March 31, 2022		ull Term 2020 1, 2021	
	(% change		% change	
Net sales	231,478	(2.9)	238,511	17.0	
Operating profit	20,052	68.4	11,911	129.0	
Ordinary profit	38,024	11.9	33,994	159.3	
Profit attributable to owners of parent	30,139	(13.0)	34,650	175.9	

(Units: millions of yen)

Profit per share attributable to owners of parent (yen)	246.02	282.83
Fully diluted profit attributable to owners of parent ratio	—	_

(2) Non-Consolidated Financial Position

	End of Current Full Year March 31, 2022	End of Previous Full Year March 31, 2021
Total assets	576,452	560,518
Total net assets	202,976	184,504
Equity ratio (%)	35.2	32.9
Net assets per share (yen)	1,656.95	1,506.05

Reference: Equity:

Fiscal year ended March 31, 2022: 202,976 million yen Fiscal year ended March 31, 2021: 184,504 million yen

* The financial summary is not subject to the Review by a Certified Public Accountant or an Independent Auditor.

* 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 refer to the *Summary of Operating Performance for the Current Period Under Review* in the *Supplementary Materials* section beginning on page 7, and the section entitled *Future Outlook* on Page 9.

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I. Summary of Operating Performance

1. Summary of Operating Performance for the Period Under Review

(1) Summary of Economic Climate during the Consolidated Fiscal Year

As for the business environment surrounding the Group during the consolidated fiscal year under review, there were signs of recovery in capital investments mainly in the manufacturing sector in Japan, although the impact of the spread of COVID-19 infections still remained. Turning to overseas regions, recovery of capital investments was seen due to an economic upturn in the US, Europe, etc. These factors resulted in a global uptick in demand for machinery. On the other hand, in some regions and sectors that were still affected by the spread of COVID-19 infections, the pace of recovery was slow, indicating a polarized gap in the global economy. Also, uncertainty over the global economy remained mainly due to higher prices of raw materials and procured products, strains in their supply-demand conditions, escalation of trade disputes between the US and China, ongoing geopolitical risks, fluctuations in oil prices and their slump in addition to the aforementioned factors.

In this business environment, the Group formulated the "Medium-Term Management Plan 2023," aimed to increase corporate value in a sustainable manner by solving social issues through products and services, and moved forward with measures, such as constructing a robust entity, making changes for improvement of corporate value, expanding contribution to SDGs and strengthening initiatives for reducing environmental burdens.

As a result, the Group's orders and net sales increased to JPY1,075.3 billion and JPY944.0 billion, respectively.

In terms of profitability, the Group posted operating profit of JPY65.7 billion and ordinary profit of JPY64.8 billion. Profit attributable to owners of parent for the consolidated fiscal year under review came to JPY44.1 billion. Finally, the ROIC* ended at 7.3%.

* ROIC is an abbreviation for Return on Invested Capital, and it measures the amount of profit generated from invested capital (the sum of shareholders' equity and interest-bearing liabilities) as well as profitability as compared to the cost of capital.

(2) Group Results by Segment

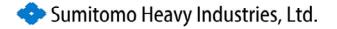
Taking into consideration the policy set forth in the "Medium-Term Management Plan 2023," we have decided to make changes in reporting segments starting from the consolidated fiscal year under review. As a result, the reporting segments of the Group were changed from "Machinery Components," "Precision Machinery," "Construction Machinery," "Industrial Machinery," "Ships" and "Environmental Facilities & Plants" to "Mechatronics," "Industrial Machinery," "Logistics & Construction" and "Energy & Lifelines."

(i) Mechatronics

Orders, sales and operating profit all increased due to a rise in demand for small-to-medium sized gear reducers, precision gears for robot articulations and motors in Japan, Europe, and the US. As a result, orders increased by 42% as compared to the previous fiscal year to finish at JPY194.5 billion, while sales increased by 21% as compared to the previous fiscal year to finish at JPY161.0 billion. Further, the segment posted operating profit of JPY6.4 billion (up 106% from the previous fiscal year).

(ii) Industrial Machinery

For the Plastic machinery business, orders, sales and operating profit all increased due to a rise in demand in China for electrical and electronics-related products and high demand from Europe. For other product areas, orders and sales increased due to an increase in demand for semiconductor-related products, but a change in the model configuration related to sales resulted in reduced operating profit. As a result, orders increased by 56% as compared to the previous fiscal year to finish at JPY289.0 billion, sales came to JPY230.6 billion, up 13% from the previous fiscal year, and operating profit increased by 22% as compared to the previous fiscal year to finish at JPY19.3 billion.



(iii) Logistics & Construction

With regard to the hydraulic excavator business, orders, sales and operating profit all increased because the Japanese market was strong and demand increased in the North America region. Turning to other businesses, the mobile crane business saw increases in all of orders, sales and operating profit as demand was recovering in Japan and the North America region. However, in the material handling system business, all of orders, sales and operating profit decreased due partly to a delay in recovery of demand related to shipbuilding and steel products. As a result of the above, orders across the segment increased by 31% as compared to the previous fiscal year to finish at JPY400.1 billion, while sales increased by 13% as compared to the previous fiscal year.

(iv) Energy & Lifelines

Orders in the energy plant business decreased because orders for large-scale projects for biomass fueled power generation plants in Japan were reduced as compared to the previous fiscal year. However, both sales and operating profit increased due to a backlog of orders. For other product areas, orders increased but both sales and operating profit decreased. As a result of the above, orders across the segment increased by 3% as compared to the previous fiscal year to finish at JPY185.6 billion, while sales increased by 1% as compared to the previous fiscal year to finish at JPY205.1 billion. The segment posted an operating profit of JPY18.2 billion, a 9% increase as compared to the previous fiscal year.

(v) Others

Orders increased by 4% to JPY6.1 billion, sales decreased by 1% to JPY6.0 billion, and operating profit increased by 17% to JPY2.4 billion from the previous fiscal year, respectively.

2. Summary of Financial Condition for the Fiscal Year Under Review

Total assets increased by JPY64.2 billion to JPY1,094.9 billion from the end of the previous consolidated fiscal year. This was mainly due to increases of JPY32.0 billion in inventory assets, JPY25.2 billion in tangible fixed assets and JPY11.8 billion in notes and accounts receivable - trade and contract assets.

Total liabilities rose to JPY528.1 billion, an increase of JPY2.3 billion as compared to the end of the previous consolidated fiscal year. This was partly attributable to an increase of JPY12.4 billion in notes and accounts payable-trade while interestbearing liabilities decreased by JPY13.2 billion.

Net assets amounted to JPY566.8 billion, an increase of JPY61.9 billion as compared to the end of the previous consolidated fiscal year. This was because foreign currency translation adjustments increased by JPY22.6 billion, while retained earnings increased by JPY32.8 billion.

As a result of the above, the shareholders' equity ratio increased by 2.7 points from the previous consolidated fiscal year to finish at 50.4%.

3. Summary of Cash Flow Conditions during the Fiscal Year Under Review

Cash and cash equivalent balance of the consolidated fiscal year under review came to JPY85.0 billion, a decrease of JPY11.3 billion from the previous consolidated fiscal year. Cash flows and the factors contributing to increases or decreases in cash flows are as follows.

(Cash Flow from Operating Activities)

Cash flow from operating activities increased by JPY61.7 billion during the consolidated fiscal year under review and decreased by JPY2.5 billion from the previous consolidated fiscal year. This is partly because the pace of increase in inventory assets accelerated, while profit before income taxes increased.

(Cash Flow from Investing Activities)

Cash flow from investing activities decreased by JPY49.7 billion during the consolidated fiscal year under review and cash outflow increased by JPY5.9 billion from the previous consolidated fiscal year. This is partly attributable to an increase in expenses for acquiring tangible and intangible fixed assets.

(Cash Flow from Financing Activities)

Cash flow from financing activities decreased by JPY28.1 billion during the consolidated fiscal year under review and cash outflow increased by JPY20.1 billion from the previous consolidated fiscal year. This is partly because interest-bearing liabilities decreased.

Trends in the Group's cash flow indices are provided below:

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Shareholders' equity ratio (%)	48.2	47.5	46.6	47.6	50.4
Shareholders' equity ratio on a market price basis (%)	55.3	46.0	24.0	36.5	31.5
Redemption period (years)	0.9	1.3	3.4	1.9	1.8
Interest coverage ratio (multiples)	72.5	51.2	30.5	66.2	81.8

Shareholders' equity ratio = shareholders' equity / total assets

Shareholders' equity ratio on market price basis = total market value of shares / total assets

Redemption period = outstanding interest-bearing debt / operating cash flow

Interest coverage ratio = operating cash flow / interest expense

4. Future Outlook

The Company is planning to change the closing date from March 31 to December 31 starting from the fiscal year 2022 on the condition that the "Proposal for a Partial Change to the Articles of Incorporation" is approved at the 126th Ordinary General Meeting of Shareholders that is scheduled for June 29, 2022. With regard to the fiscal year ending December 31, 2022, a transition period for the change of the closing date, estimated values are stated with a consolidation period being set to be nine months from April 1, 2022 to December 31, 2022 in the case of the Company and its subsidiaries whose fiscal year ends in March and being set to be twelve months from January 1, 2022 to December 31, 2022 in the case of its subsidiaries whose fiscal year ends in December.

As of now, forecasts for earnings results of the fiscal year ending December 31, 2022 are as follows. Note that since the fiscal year is a transition period for the change of the closing date, year-on-year change rates are not described in this document.

[Consolidated results]



Net sales	JPY850.0 billion
Operating profit	JPY51.0 billion
Ordinary profit	JPY49.0 billion
Profit attributable to owners of parent	JPY30.0 billion

(Assumed exchange rates are: JPY120 per US dollar, and JPY130 per euro.)

*Earnings forecasts and outlooks concerning future financial results mentioned above 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.

Note that since the fiscal year ending December 31, 2022 is a transition period for the change of the closing date, yearon-year change rates are not described in this document.

5. Basic Policy on Earnings Appropriation and Dividend for the Consolidated Fiscal Year Under Review as well as the Fiscal Year Ending December 31, 2022

The Group's basic stance on profit sharing is to pay a dividend amount commensurate to the income earned during the period, and to keep that amount as high as possible. However, the decision on the actual amount of the dividend is made after making considerations for the level of retained earnings necessary to ensure that the Group is able to sustain a stable business model in the long term. During the period of the "Medium-Term Management Plan 2023," the Group basically aims to maintain at least 30% as the dividend payout ratio.

Dividends for the fiscal year ended March 2022 will be JPY115 per share including an interim dividend of JPY35 per share. For details, please see "Notice on Dividends of Surplus" announced today (May 10, 2022)

For the fiscal year ending December 31, 2022, the Group is forecasting a dividend of JPY90 per share.



II. Selection of Accounting Standards

The Group plans to continue utilizing Japanese accounting standards for the foreseeable future. With regard to the use of international accounting standards in the future, the Group will take into account the situation across various domestic and international markets and take appropriate action if deemed necessary.

(Units: millions of yen)

III. Consolidated Financial Statements and Key Explanatory Notes

1. Consolidated Balance Sheets

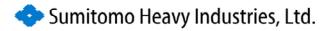
		(Onits: minions of yer	
	End of Full Year As of March 31, 2021	End of Full Year As of March 31, 2022 Amount	
	Amount		
Assets			
Current assets			
Cash and deposits	99,518	88,782	
Notes and accounts receivable	282,928	_	
Notes and accounts receivable - trade and contract assets	—	294,771	
Products	80,272	89,262	
Works in progress	77,721	83,536	
Raw materials and stock	42,163	59,342	
Other	34,276	35,897	
Allowance for doubtful accounts	(3,258)	(3,487)	
Total current assets	613,620	648,102	
Fixed assets			
Tangible fixed assets			
Buildings and structures	183,375	201,472	
Accumulated depreciation	(118,975)	(124,122)	
Buildings and structures (net)	64,400	77,350	
Machinery and transportation tools	221,183	240,170	
Accumulated depreciation	(155,723)	(168,768)	
Machinery and transportation tools (net)	65,461	71,402	
Land	108,305	109,438	
Construction in progress	13,825	18,278	
Other	69,111	73,379	
Accumulated depreciation	(45,298)	(48,832)	
Other (net)	23,813	24,547	
Total tangible fixed assets	275,804	301,014	
Intangible fixed assets			
Goodwill	29,364	31,054	
Other	47,432	46,500	
Total intangible fixed assets	76,796	77,554	
Investments and other assets			

	End of Full Year As of March 31, 2021	End of Full Year As of March 31, 2022
	Amount	Amount
Investment securities	22,812	21,913
Long-term loans	2,658	3,057
Deferred income taxes	25,456	25,870
Defined benefit assets	4,591	8,836
Other	12,505	11,937
Allowance for doubtful accounts	(3,556)	(3,354)
Total investments and other assets	64,465	68,260
Total Fixed assets	417,064	446,828
Total assets	1,030,684	1,094,930

End of Full Year End of Full Year As of March 31, 2022 As of March 31, 2021 Amount Amount Liabilities Current liabilities Notes and accounts payable 160,260 172,615 Short-term loans payable 31,698 19,198 Current portion of bonds payable 10,000 ____ Current portion of long-term loans 3,270 7,745 payable **Commercial Papers** 6,000 8,008 Income tax payable 6,615 Advance payments received on 57,676 contracts 55,952 Contract liabilities 18,192 Provision for construction warranties 15,267 Provision for loss on construction 2,857 2,714 orders Other 60,595 69,324 Total current liabilities 341,162 366,823 Non-current Liabilities 50,000 40,000 Bonds payable 39,471 Long-term debt due after one year 28,307 Defined benefit liability 51,662 46,911 Deferred income taxes on revaluation 20,437 20,479 Provision for other 151 153 Other 22,873 25,414 Total non-current liabilities 184,594 161,265 **Total liabilities** 525,756 528,087 Net assets Shareholders' equity Share capital 30,872 30,872 26,071 26,071 Capital surplus 390,336 423,104 Retained earnings Treasury shares (1, 100)(1, 123)Total Shareholders' equity 446,179 478,923

(Units: millions of yen)

	End of Full Year As of March 31, 2021	End of Full Year As of March 31, 2022
	Amount	Amount
Accumulated other comprehensive income		
Valuation difference on available-for- sale securities	5,030	4,763
Deferred gains or losses on hedges	(834)	(1,363)
Revaluation reserve for land	40,342	40,442
Foreign currency translation adjustments	1,016	23,601
Remeasurements of defined benefit plans	(1,035)	5,022
Total accumulated other comprehensive income	44,518	72,464
Non-controlling interests	14,230	15,456
Total net assets	504,928	566,843
Total liabilities and net assets	1,030,684	1,094,930



2. Consolidated Income Statements and Consolidated Statement of Comprehensive Income

Consolidated Income Statements

		(Units: millions of yen)	
	Previous Full Year April 1, 2020 to March 31, 2021	Current Full Year April 1, 2021 to March 31, 2022	
	Amount	Amount	
Net sales	849,065	943,979	
Cost of sales	663,616	732,022	
Gross income	185,449	211,957	
Selling, general and administrative expenses	134,106	146,279	
Operating profit	51,342	65,678	
Non-operating profit			
Interest income	899	787	
Foreign exchange profit	640	431	
Dividend income	_	1,155	
Other	3,371	3,088	
Total non-operating profit	4,910	5,461	
Non-operating expenses			
Interest expenses	954	748	
Foreign exchange loss	575	_	
Patent related expenses	1,012	1,232	
Expenses for soil contamination countermeasures	_	1,138	
Other	4,167	3,175	
Total non-operating expenses	6,708	6,293	
Ordinary profit	49,544	64,847	
Extraordinary losses			
Impairment loss	5,769	2,494	
Total extraordinary losses	5,769	2,494	
Profit before income taxes	43,775	62,353	
Corporate income tax current	16,399	17,660	
Corporate income tax deferred	(1,265)	(555)	
Total corporate income taxes	15,133	17,105	
Net profit	28,642	45,248	
Profit attributable to no-controlling interests	1,877	1,195	
Profit attributable to owners of parent	26,764	44,053	



Consolidated Statement of Comprehensive Income

		(Units: millions of yen)	
	Previous Full Year April 1, 2020 to March 31, 2021	Current Full Year April 1, 2021 to March 31, 2022	
	Amount	Amount	
Net profit	28,642	45,248	
Other comprehensive income			
Valuation difference on available-for-sale securities	2,617	(264)	
Deferred gains or losses on hedges	(306)	(532)	
Foreign currency translation adjustments	(3,806)	23,523	
Remeasurements of defined benefit plans	5,004	6,034	
Share of other comprehensive income of entities accounted for using equity method	10	16	
Total other comprehensive income	3,520	28,776	
Comprehensive income	32,162	74,024	
(Breakdown)			
Comprehensive income attributable to owners of parent	30,201	71,899	
Comprehensive income attributable to non-controlling interests	1,961	2,125	

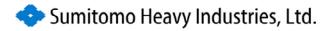
3. Consolidated Statements of Changes to Stockholders' Equity

Previous Full Year April 1, 2020 to March 31, 2021

				(Units	: millions of yen
	Stockholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total Stockholde rs' equity
Balance at beginning of period	30,872	26,070	367,229	(1,080)	423,091
Fluctuation in the period					
Dividends			(5,391)		(5,391)
Profit attributable to owners of parent			26,764		26,764
Acquisition of treasury shares				(21)	(21)
Disposal of treasury shares			0	1	1
Difference from transfer of revaluation reserve for land			284		284
Changes to parent company equity due to transactions with non-controlling shareholders		0			0
Adjustment to retained earnings due to revision of the US tax system			1,450		1,450
Fluctuations other than stockholders' equity in the period (net)					
Total fluctuation in the period		0	23,107	(20)	23,088
Balance at end of period	30,872	26,071	390,336	(1,100)	446,179

(Units: millions of yen)

	Ad	cumulat)					
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at beginning of period	2,410	(532)	40,626	4,911	(6,049)	41,366	13,191	477,648
Fluctuation in the period								
Dividends								(5,391)
Profit attributable to owners of parent								26,764
Acquisition of treasury shares								(21)
Disposal of treasury shares								1
Difference from transfer of revaluation reserve for land								284
Changes to parent company equity due to transactions with non- controlling shareholders								0
Changes in scope of consolidation								1,450
Fluctuations other than stockholders' equity in the period (net)	2,620	(303)	(284)	(3,895)	5,014	3,152	1,040	4,192
Total fluctuation in the period	2,620	(303)	(284)	(3,895)	5,014	3,152	1,040	27,280
Balance at end of period	5,030	(834)	40,342	1,016	(1,035)	44,518	14,230	504,928

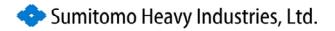


Current Full Year April 1, 2021 to March 31, 2022

				(Units	: millions of yer				
	Stockholders' equity								
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total Stockholde rs' equity				
Balance at beginning of period	30,872	26,071	390,336	(1,100)	446,179				
Cumulative effects of changes to accounting policies			(38)		(38)				
Balance at beginning of period that reflects changes to accounting policies	30,872	26,071	390,298	(1,100)	446,141				
Fluctuation in the period									
Dividends			(11,148)		(11,148)				
Profit attributable to owners of parent			44,053		44,053				
Acquisition of treasury shares				(25)	(25)				
Disposal of treasury shares		0		1	1				
Difference from transfer of revaluation reserve for land			(99)		(99)				
Fluctuations other than stockholders' equity in the period (net)									
Total fluctuation in the period	_	0	32,806	(23)	32,782				
Balance at end of period	30,872	26,071	423,104	(1,123)	478,923				

(Units: millions of yen)

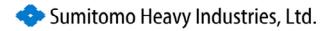
	A	Accumula	e					
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at beginning of period	5,030	(834)	40,342	1,016	(1,035)	44,518	14,230	504,928
Cumulative effects of changes to accounting policies								(38)
Balance at beginning of period that reflects changes to accounting policies	5,030	(834)	40,342	1,016	(1,035)	44,518	14,230	504,889
Fluctuation in the period								
Dividends								(11,148)
Profit attributable to owners of parent								44,053
Acquisition of treasury shares								(25)
Disposal of treasury shares								1
Difference from transfer of revaluation reserve for land								(99)
Fluctuations other than stockholders' equity in the period (net)	(267)	(529)	99	22,585	6,057	27,946	1,225	29,171
Total fluctuation in the period	(267)	(529)	99	22,585	6,057	27,946	1,225	61,953
Balance at end of period	4,763	(1,363)	40,442	23,601	5,022	72,464	15,456	566,843



4. Consolidated Cash Flows Statement

		(Units: millions of y
	Previous Full Year April 1, 2020 to March 31, 2021	Current Full Year April 1, 2021 to March 31, 2022
Cash flows from operating activities		
Profit before income taxes	43,775	62,35
Depreciation	29,746	30,93
Impairment loss	5,769	2,49
Interest and dividend income	(1,539)	(1,21
Interest expenses	954	74
Increase (decrease) in reserve amount	3,096	(3,84
(Increase) decrease in notes and accounts receivable	(10,942)	
(Increase) decrease in notes and accounts receivable and contract assets	—	(2,01
(Increase) decrease in inventories	(4,093)	(26,41
Increase (decrease) in notes and accounts payable	966	4,17
Other	11,343	11,3 <i>1</i>
ubtotal	79,077	78,52
Interest and dividends received	1,557	1,38
Interest expenses	(969)	(75
Payments for income taxes	(15,534)	(17,47
et cash provided by operating activities	64,131	61,67
ash flows from investing activities		
Cash outflow due to the acquisition of tangible and intangible fixed assets	(39,841)	(45,63
Cash flow from the sale of tangible and intangible fixed assets	490	55
Expenses associated with the acquisition of shares in subsidiaries to change consolidation status	(2,112)	(2,58
Expenses associated with the acquisition of shares in affiliated companies	(18)	(16
Proceeds from the sale of shares in affiliated companies	—	6
Proceeds from the sale of investment securities	864	84
(Increase) decrease in short-term loans	96	3
Payments of loans receivable	(944)	(1,21
Cash flow from loan recoveries	509	91
Payments of contingent consideration for shares in subsidiaries	—	(1,56
Payments for transfer of business	(2,300)	-
Other	(474)	(93
et cash used in investing activities	(43,729)	(49,67
ash flows from financing activities		
Net increase (decrease) in short-term loans	3,410	(14,04
Increase (decrease) in commercial papers	(35,000)	6,00
Proceeds from long-term debt	16,067	1,73
Repayments for long-term debt	(5,291)	(8,99

	Previous Full Year April 1, 2020 to March 31, 2021	Current Full Year April 1, 2021 to March 31, 2022
Proceeds from the issuance of corporate bonds	20,000	—
Cash dividends paid	(5,403)	(11,144)
Payment of dividends to non-controlling stockholders	(921)	(900)
Other	(821)	(764)
Net cash used in financing activities	(7,959)	(28,106)
Effect of exchange rate changes on cash and cash equivalents	(734)	4,856
Net increase (decrease) in cash and cash equivalents	11,709	(11,250)
Cash and cash equivalents at beginning of year	83,630	96,242
Increase in cash and cash equivalents resulting from new consolidation	903	_
Cash and cash equivalents at end of year	96,242	84,992



5. Items of Special Note Concerning the Consolidated Financial Statements

(Significant Events or Conditions that Question the Premise of a Going Concern)

There are no applicable items.

(Changes to Accounting Policies)

(Application of the Accounting Standard for Revenue Recognition)

The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29 of March 31, 2020; hereinafter referred to as the "Accounting Standard for Revenue Recognition"), etc. has been applied since the beginning of the consolidated fiscal year under review. Due to this, when promised goods or services are transferred to customers, revenue is to be recognized in an amount which we expect to receive in exchange for those goods or services.

Sales incentives and late payment charges arising in the course of performance of contracts were previously recorded as "cost of goods sold," "selling, general and administrative expenses" or "non-operating expenses" but as a result of the application mentioned above, we have changed the method so that those incentives and charges are deducted from sales and are recognized as variable consideration or consideration paid to customers, taking into account the actual state of transactions.

Furthermore, previously, the percentage-of-the-completion method was applied to construction contracts for which outcomes for a portion completed are deemed certain and the completed-contract method was applied to other construction contracts. However, we have changed the methods so that with regard to obligations that are fulfilled over a certain period, the progress of work related to fulfillment of the obligations is estimated and revenue is recognized based on such estimate of the progress over that certain period. In the case of obligations that are not fulfilled over a certain period, revenue is recognized when obligations are fully fulfilled with such obligations deemed to be fulfilled at a certain point in time.

The application of the Accounting Standard for Revenue Recognition, etc. is subject to the transitional treatment set forth in the proviso to Paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect of retrospectively applying the new accounting policy prior to the beginning of the consolidated fiscal year under review was added to or subtracted from the beginning balance of retained earnings of the consolidated fiscal year under review, and thus the new accounting policy was applied from such beginning balance. However, the new accounting policy was not retrospectively applied to contracts where almost all amounts of revenue prior to the beginning of the consolidated fiscal year under fiscal year under fiscal year under review were recognized in accordance with the previous treatment, by applying the method set forth in Paragraph 86 of the Accounting Standard for Revenue Recognition.

The effect of this change on profits and losses and the beginning balance of retained earnings of the consolidated fiscal year under review is minor.

Due to the application of the Accounting Standard for Revenue Recognition, etc., "Notes and accounts receivable - trade" which were included in "Current assets" in the consolidated balance sheets for the previous consolidated fiscal year, are included in "Notes and accounts receivable - trade and contract assets" and "Advance payments received on contracts" which were included in "Current liabilities" in such balance sheets are included in "Contract liabilities" from the consolidated fiscal year under review. However, in accordance with the transitional treatment set forth in Article 89-2 of the Accounting Standard for Revenue Recognition, figures for the previous consolidated fiscal year have not been restated in accordance with the new approach to presentation.

The effect of this change on per share Information under review is minor.

(Application of the Accounting Standard for Fair Value Measurement)

The Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30 of July 4, 2019; hereinafter referred to as the "Accounting Standard for Fair Value Measurement"), etc. has been applied since the beginning of the consolidated fiscal year under review. In accordance with the transitional treatment set forth in Paragraph 19 of the Accounting Standard for Fair Value Measurement and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10 of July 4, 2019), the new accounting policy set forth in the Accounting Standard for Fair Value Measurement, etc. is to be applied going forward. Note that this change has no effect on financial statements of the consolidated fiscal year under review.

(Changes in presentation methods)

(Related to Consolidated Balance Sheets)

"Provision for loss on operation transfers" and "Provision for loss on product liability claims" of "Non-current liabilities," which were separately stated in the previous consolidated fiscal year, are included in "Other" of "Non-current liabilities" starting from the consolidated fiscal year under review, taking into account the decreased monetary impact of such provisions to the financial statements. To reflect this change in presentation methods, consolidated financial statements for the previous consolidated fiscal year nestated.

As a result, JPY115 million and JPY36 million, which were stated in "Provision for loss on operation transfers" and "Provision for loss on product liability claims" of "Non-current liabilities," respectively, in the Consolidated Balance Sheet for the previous consolidated fiscal year, are restated in "Other."

(Related to Consolidated Income Statements)

"Insurance income" of "Non-operating profit," which was separately stated in the previous consolidated fiscal year, is included in "Other" of "Non-operating profit" starting from the consolidated fiscal year under review, taking into account the decreased monetary impact of such income to the financial statements. To reflect this change in presentation methods, consolidated financial statements for the previous consolidated fiscal year have been restated.

As a result, JPY1,076 million and JPY2,295 million, which were stated in "Insurance income" and "Other," respectively, of "Non-operating profit" in the Consolidated Balance Sheet for the previous consolidated fiscal year, are restated as JPY3,371 million in "Other."

(Segment Information)

1. Matters Related to Changes in Reporting Segments, etc.

Taking into consideration the policy set forth in the "Medium-Term Management Plan 2023," we have decided to make changes in reporting segments starting from the consolidated fiscal year under review. As a result, the reporting segments of the Group were changed from "Machinery Components," "Precision Machinery," "Construction Machinery," "Industrial Machinery," "Ships" and "Environmental Facilities & Plants" to "Mechatronics," "Industrial Machinery," "Logistics & Construction" and "Energy & Lifelines."

Note that segment information for the previous consolidated fiscal year is stated after being reclassified into each new segment category.

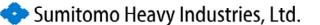
2. Summary of Reporting Segments

The Group's reporting segments are based on those units within the Group where separate financial information is available and where the Group's Board of Directors periodically deliberates over such matters 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 four reporting segments of the Group are "Mechatronics", "Industrial Machinery", "Logistics & Construction", and "Energy & Lifelines".

Businesses	Main Products
Mechatronics	Gear reducers, motors, inverters, laser processing systems, precision positioning equipment, control components
Industrial Machinery	Plastics machinery, film forming machines, cryogenic equipment, precision forgings, semiconductor production equipment, ion accelerators, medical machines and equipment, forging press machines, machining tools, air-conditioning equipment, defense equipment
Logistics & Construction	Hydraulic excavators, mobile cranes, road machinery, material handling systems, logistics systems, automated parking systems
Energy & Lifelines	Private power generation facilities, boilers, air pollution control equipment, water and sewage treatment systems, industrial waste treatment facilities, turbines, pumps, process equipment, pressure vessels, mixing vessels, food processing machinery, ships



3. Information Regarding Net Sales, Profits, Assets, Liabilities, and Other Items by Reporting Segment

As described in "Changes to Accounting Policies," the Accounting Standard for Revenue Recognition, etc. has been applied since the beginning of the consolidated fiscal year under review and accounting methods related to revenue recognition have been changed. Therefore, the calculation method for profits and losses in the business segments has been changed accordingly. The effect of this change on consolidated financial statements for the consolidated fiscal year under review is minor.

Previous Full Year (April 1, 2020, to March 31, 2021)

(Units: millions of									llions of yen)
Segment	A	в	С	D	Subtotal	Other ¹	Total	E ²	F
Net sales									
(1) Sales to external customers	133,446	204,177	301,870	203,529	843,022	6,043	849,065	_	849,065
(2) Internal sales between segments or exchanges	2,069	1,036	894	922	4,920	3,485	8,406	(8,406)	_
Total	135,515	205,213	302,764	204,451	847,943	9,528	857,471	(8,406)	849,065
Segment profit ³	3,106	15,869	13,577	16,710	49,263	1,978	51,241	101	51,342
Segment assets	209,050	225,683	310,342	198,008	943,082	60,996	1,004,079	26,605	1,030,684
Other categories									
Depreciation expense	8,217	6,633	9,932	4,304	29,085	661	29,746	_	29,746
Amortization of goodwill	1,304	146	67	621	2,137	_	2,137	_	2,137
Impairment loss	_	772	_	4,991	5,763	6	5,769	_	5,769
Investment in affiliates accounted for by the equity method	278	_	2,609	_	2,888	_	2,888	_	2,888
Increase in tangible and intangible assets	11,010	12,850	13,826	4,166	41,851	1,738	43,589	_	43,589

Segments:

- A: Mechatronics
- **B:** Industrial Machinery
- C: Logistics & Construction
- D: Energy & Lifelines
- E: Adjustments
- F: Value included on the consolidated income statement

Notes:

- 1. "Other" represents businesses that are not included in the reporting segments. This includes the Group's realestate businesses, software-related business, and other businesses.
- 2. The segment profit adjustment of JPY101 million is due to the deletion of intersegment transactions.
- 3. Segment profit have been adjusted as compared to the operating profit recorded in the Consolidated Income Statement.



Current Full Year (April 1, 2021, to March 31, 2022)

(Units: millions of y											
Segment	A	В	с	D	Subtotal	Other ¹	Total	E ²	F		
Net sales											
(1) Sales to external customers	160,986	230,600	341,360	205,061	938,006	5,973	943,979	_	943,979		
(2) Internal sales between segments or exchanges	1,718	1,296	348	834	4,197	3,602	7,798	(7,798)	_		
Total	162,704	231,896	341,708	205,895	942,203	9,575	951,778	(7,798)	943,979		
Segment profit or loss ³	6,392	19,314	19,333	18,199	63,236	2,465	65,702	(23)	65,678		
Segment assets	239,082	250,799	320,603	211,131	1,021,61 5	54,756	1,076,371	18,559	1,094,930		
Other categories											
Depreciation expense	8,693	7,563	10,310	3,743	30,309	621	30,930	_	30,930		
Amortization of goodwill	1,917	195	_	662	2,774	_	2,774	_	2,774		
Impairment loss	2,057	64	_	374	2,494	_	2,494	_	2,494		
Investment in affiliates accounted for by the equity method	72	_	2,702	_	2,774	_	2,774	_	2,774		
Increase in tangible and intangible assets	17,722	14,679	13,609	3,358	49,369	1,607	50,976	_	50,976		

Segments:

A: Mechatronics

B: Industrial Machinery

C: Logistics & Construction

D: Energy & Lifelines

- E: Adjustments
- F: Value included on the consolidated income statement

Notes:

- 1. "Other" represents businesses that are not included in the reporting segments. This includes the Group's realestate businesses, software-related business, and other businesses.
- 2. The segment profit adjustment of minus JPY23 million is due to the deletion of intersegment transactions.
- 3. Segment profits have been adjusted as compared to the operating profit recorded in the Consolidated Income Statement.



(Per Share Information)

	Previous Full Year April 1, 2020 to March 31, 2021	Current Full Year April 1, 2021 to March 31, 2022
Net assets per share	4,005.43 yen	4,501.11 yen
Profit per share attributable to owners of parent	218.46 yen	359.61 yen

Notes:

- 1. The diluted profit per share attributable to owners of parent is not listed because there are no dilutive shares.
- 2. The basis for calculating the profit per share attributable to owners of parent is outlined below:

Item	Previous Full Year April 1, 2020 to March 31, 2021	Current Full Year April 1, 2021 to March 31, 2022
Profit attributable to owners of parent	26,764 million yen	44,053 million yen
Value not attributable to common stockholders	_	_
Profit attributable to owners of parent applicable to common stock	26,764 million yen	44,053 million yen
Average number of outstanding shares for the term	122,512 thousand shares	122,504 thousand shares

(Subsequent Events of Significant Importance)

There are no applicable items.

IV. Supplemental Information

Orders Received, Sales, and Balance of Orders Received, by Segment

As described in "I. 1. Summary of Operating Performance for the Period Under Review," the reporting segments have been changed from the consolidated fiscal year under review.

(1) Orders Received

					(Units: n	nillions of yen)	
Segment		2020 to 30, 2021		2021 to 60, 2022	Y/Y Change		
	Amount	%	Amount	%	Amount	%	
Mechatronics	136,594	16.8	194,461	18.1	57,867	42.4	
Industrial Machinery	184,811	22.7	289,043	26.9	104,232	56.4	
Logistics & Construction	305,868	37.6	400,088	37.2	94,220	30.8	
Energy & Lifelines	180,724	22.2	185,569	17.2	4,845	2.7	
Others	5,867	0.7	6,101	0.6	234	4.0	
Total	813,863	100.0	1,075,262	100.0	261,398	32.1	

(2) Sales

(Units: millions of yen)

Segment		April 1, 2020 to March 30, 202 1		2021 to 60, 2022	Y/Y Change		
	Amount	%	Amount	%	Amount	%	
Mechatronics	133,446	15.7	160,986	17.1	27,540	20.6	
Industrial Machinery	204,177	24.0	230,600	24.4	26,422	12.9	
Logistics & Construction	301,870	35.6	341,360	36.2	39,490	13.1	
Energy & Lifelines	203,529	24.0	205,061	21.7	1,532	0.8	
Others	6,043	0.7	5,973	0.6	(70)	(1.2)	
Total	849,065	100.0	943,979	100.0	94,914	11.2	

(3) Balance of Orders Received

(Units: millions of yen)						
Segment	End of Full Year As of March 31, 2021		End of Full Year As of March 31, 2022		Y/Y Change	
	Amount	%	Amount	%	Amount	%
Mechatronics	47,105	8.8	80,580	12.0	33,475	71.1
Industrial Machinery	85,762	16.0	144,205	21.6	58,443	68.1
Logistics & Construction	126,909	23.6	185,637	27.8	58,728	46.3
Energy & Lifelines	276,067	51.4	256,575	38.4	(19,492)	(7.1)
Others	1,120	0.2	1,248	0.2	128	11.4
Total	536,963	100.0	668,245	100.0	131,282	24.4