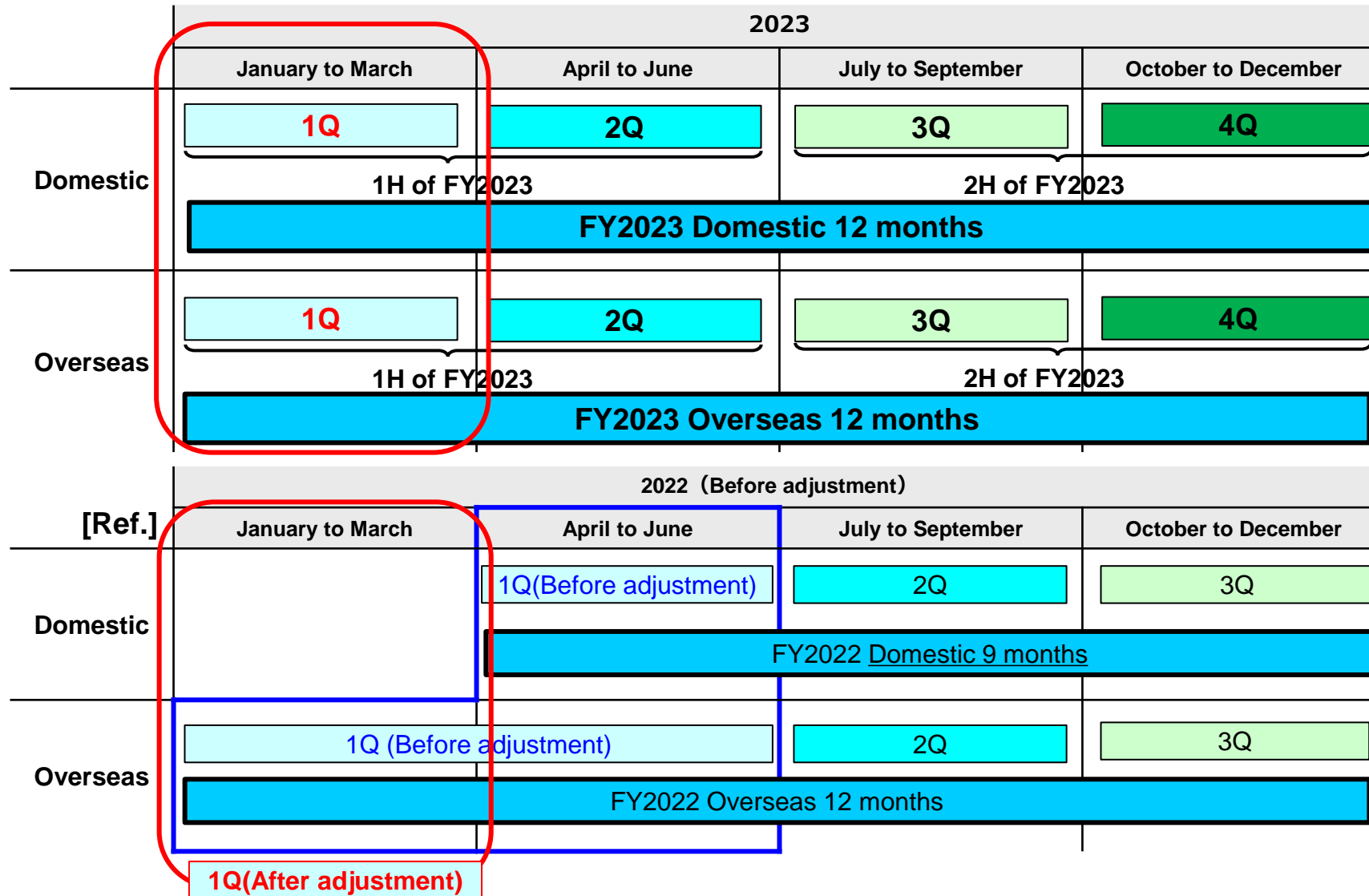


Financial Summary for FY2023-1Q

2023/5/12



Change in Fiscal Year End of FY 2022 (Financial Year End)



Financial Summary for FY2023-1Q

<p style="text-align: center;">Actual FY2023-1Q /Same period of previous fiscal year (after adjustment), (change)</p>	<p>Orders : 260.0 billion / 281.6 billion (21.6) billion</p> <hr style="border-top: 1px dashed black;"/> <p>Net sales : 248.2 billion / 247.3 billion 0.9 billion</p> <hr style="border-top: 1px dashed black;"/> <p>Operating profit : 16.2 billion / 17.0 billion (0.8) billion</p>
<p style="text-align: center;">Year-on-year comparison</p>	<ul style="list-style-type: none"> - Orders: For Mechatronics and Logistics & Construction, increased against a backdrop of recovery in capital investment in Japan and the US. For Industrial Machinery, decreased due to softening of the semiconductor market. For Energy & Lifelines, decreased YoY due to a reduction in projects. - Net sales: Remained unchanged from the same period of the previous fiscal year because the order backlog led to sales increases in segments excluding Energy & Lifelines although a reduction was observed due to a difference in construction work progress in Energy & Lifelines. - Operating profit: Decreased due to reduced sales in Energy & Lifelines and declining profit margins for individual projects in Europe.

Financial Summary for FY2023-1Q

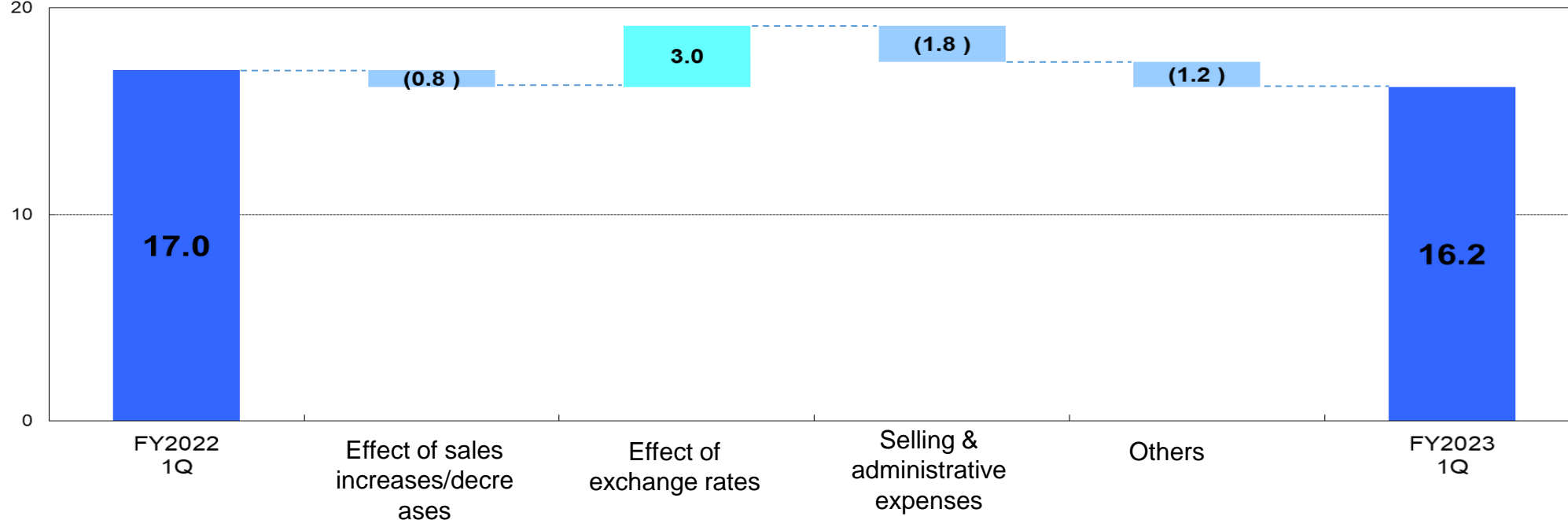
	FY2022-1Q (After adjustment) Actual (2022.1-2022.3)	FY2023-1Q Actual (2023.1-2023.3)	Year-on-year change	(Reference) Forecast FY2023 (As of February 2023) (2023.1-2023.12)
Unit: JPY billion				
Orders	281.6	260.0	(21.6)	1,080.0
Net sales	247.3	248.2	0.9	1,050.0
Operating profit	17.0	16.2	(0.8)	64.0
Operating profit ratio	6.9%	6.5%	-	6.1%
Ordinary profit	17.9	16.4	(1.6)	60.0
Ordinary profit ratio	7.2%	6.6%	-	5.7%
Extraordinary loss	(2.1)	(0.1)	(2.0)	(2.0)
Current profit	10.9	10.8	(0.1)	38.0
Current profit ratio	4.4%	4.4%	-	3.6%
Currency exchange rate (US dollars)	¥129	¥132	-	¥ 125

Performance by Segment for FY2023-1Q

	Orders			Net sales			Operating profit					
	FY2022-1Q (After adjustment) Actual	FY2023-1Q Actual	Change	FY2022-1Q (After adjustment) Actual	FY2023-1Q Actual	Change	FY2022-1Q (After adjustment) Actual /Operating profit ratio (%)		FY2023-1Q Actual /Operating profit ratio (%)		Change	
Unit: JPY billion												
Mechatronics	51.3	51.8	0.5	44.6	53.2	8.6	1.2	2.8	3.2	6.0	1.9	
(Plastics machinery)	25.5	22.0	(3.5)	22.9	25.8	2.9						
(Others)	63.1	48.4	(14.6)	37.5	42.6	5.1						
Industrial Machinery	88.6	70.5	(18.1)	60.4	68.4	8.0	4.9	8.1	7.1	10.4	2.2	
(Hydraulic excavators)	57.3	61.8	4.5	48.9	54.8	5.9						
(Others)	39.2	36.6	(2.6)	36.0	33.0	(3.0)						
Logistics & Construction	96.5	98.4	1.9	84.9	87.8	2.8	4.9	5.7	6.0	6.8	1.1	
Energy & Lifelines	43.8	37.7	(6.1)	55.9	37.4	(18.5)	5.3	9.5	(0.5)	(1.4)	(5.8)	
Others	1.4	1.6	0.2	1.5	1.5	(0.0)	0.7	-	0.5	-	(0.2)	
Total	281.6	260.0	(21.6)	247.3	248.2	0.9	17.0	6.9	16.2	6.5	(0.8)	

Analysis of Changes in Operating Profit for 2023-1Q

Unit: JPY billion



<Effect of sales increases/decreases by segment>

Unit: JPY billion

Mechatronics	1.3
Industrial Machinery	1.0
Logistics & Construction	0.1
Energy & Lifelines	(3.2)

<Selling & administrative expenses>

- Increases in personnel costs, travel expenses resulting from resumption of economic activity, etc.

<Others>

- Difference between the effect of price increases of raw materials and procured products and the effect of improvement through cost pass-through: increase of JPY3.0 billion
- Decrease in sales of energy plants, declining profit margins for individual projects in Europe: decrease of JPY2.0 billion
- Deterioration in business performance of other departments: decrease of JPY2.0 billion, etc.

Consolidated Balance Sheet

Unit: JPY billion	December 2022	March 2023	Change	Unit: JPY billion	December 2022	March 2023	Change
Current Assets	711.4	729.8	18.5	Liabilities	571.9	584.9	13.0
Cash and deposits	97.5	96.8	(0.7)	Notes and accounts payable - trade	186.3	181.7	(4.6)
Notes and accounts receivable	300.3	292.8	(7.5)	Interest-bearing debts	160.8	170.3	9.6
Inventories	275.5	299.3	23.8	Others	224.9	232.9	8.0
Others	38.1	40.9	2.8	Net Assets	576.9	587.8	10.9
Non-current Assets	437.5	442.9	5.4	Shareholders' equity	468.5	473.9	5.4
Property, plant and equipment	320.1	324.0	3.9	Accumulated other comprehensive income	100.8	105.6	4.8
Intangible assets	56.6	57.2	0.6	Non-controlling interests	7.7	8.3	0.7
Investments and other assets	60.8	61.7	0.9	Total liabilities and net assets	1,148.9	1,172.7	23.9
Total	1,148.9	1,172.7	23.9	Net interest-bearing debts ratio	5.5%	6.3%	0.8%
				Shareholders' equity ratio	49.5%	49.4%	(0.1)%

Mechatronics

FY2023-1Q: Orders, sales and operating profit all increased due to strong demand for small-to-medium-sized gear reducers and inverters in Japan, Europe and the US.

Unit: JPY billion	FY2022-1Q (After adjustment) Actual (2022.1-2022.3)	FY2023-1Q Actual (2023.1-2023.3)	Year-on-year change	(Reference) Forecast FY2023 (As of February 2023) (2023.1-2023.12)
Orders	51.3	51.8	0.5	220.0
Net sales	44.6	53.2	8.6	215.0
Operating profit	1.2	3.2	1.9	9.5
Operating profit ratio (%)	2.8	6.0	-	4.4
Backlog of orders	109.1	107.7	(1.4)	

Industrial Machinery

<Plastics machinery>

FY2023-1Q: Orders decreased due to a slowdown in demand for electrical and electronics-related products in China and sluggish investments in Japan and Europe.

Sales and operating profit increased due to a backlog of orders.

<Others>

FY2023-1Q: Orders decreased due partly to inventory adjustment and investment postponement by customers as a result of softening of the semiconductor market.

Sales and operating profit increased because of a huge backlog of orders.

	FY2022-1Q (After adjustment) Actual (2022.1-2022.3)	FY2023-1Q Actual (2023.1-2023.3)	Year-on-year change	(Reference) Forecast FY2023 (As of February 2023) (2023.1-2023.12)
Unit: JPY billion				
Plastics machinery	25.5	22.0	(3.5)	109.0
Others	63.1	48.4	(14.6)	197.0
Orders	88.6	70.5	(18.1)	306.0
Plastics machinery	22.9	25.8	2.9	110.0
Others	37.5	42.6	5.1	183.0
Net sales	60.4	68.4	8.0	293.0
Operating profit	4.9	7.1	2.2	29.5
Operating profit ratio (%)	8.1	10.4	-	10.1
Backlog of orders	191.4	193.5	2.1	

Logistics & Construction

<Hydraulic excavators>

FY2023-1Q: Orders, sales and operating profit all increased because of strong demand for construction in Japan, although a slowdown in demand for construction in China caused the market to contract.

<Others>

FY2023-1Q: Orders for mobile cranes increased due to strong demand from North America.

Sales and operating profit decreased due to production constraints resulting from shortages of parts.

Regarding orders for material handling systems, large-scale projects decreased from the previous fiscal year. Sales and operating profit increased due to a huge backlog of orders.

	FY2022-1Q (After adjustment) Actual (2022.1-2022.3)	FY2023-1Q Actual (2023.1-2023.3)	Year-on-year change	(Reference) Forecast FY2023 (As of February 2023) (2023.1-2023.12)
Unit: JPY billion				
Hydraulic excavators	57.3	61.8	4.5	217.0
Others	39.2	36.6	(2.6)	146.0
Orders	96.5	98.4	1.9	363.0
Hydraulic excavators	48.9	54.8	5.9	230.0
Others	36.0	33.0	(3.0)	137.0
Net sales	84.9	87.8	2.8	367.0
Operating profit	4.9	6.0	1.1	16.5
Operating profit ratio (%)	5.7	6.8	-	4.5
Backlog of orders	248.1	258.7	10.6	

Energy & Lifelines

FY2023-1Q: Orders in the energy plant business increased because of a rise in service projects.

Sales decreased due in part to impact from projects which the percentage-of-the-completion method was applied.

Operating profit also decreased due to declining profit margins for individual projects in Europe. For other businesses, orders and sales decreased partly because the general waste treatment business was split off and transferred in the previous fiscal year.

Unit: JPY billion	FY2022-1Q (After adjustment) Actual (2022.1-2022.3)	FY2023-1Q Actual (2023.1-2023.3)	Year-on-year change	(Reference) Forecast FY2023 (As of February 2023) (2023.1-2023.12)
Orders	43.8	37.7	(6.1)	182.0
Net sales	55.9	37.4	(18.5)	172.0
Operating profit	5.3	(0.5)	(5.8)	8.0
Operating profit ratio (%)	9.5	(1.4)	-	4.6
Backlog of orders	259.4	259.7	0.3	

Ref. Reference information on each segment [1]

<Mechatronics>

-Gear reducer business : Sales contribution ratio by model (approximate numbers)

	Gear motor (middle size)	Gear box (large size)	For use in precision equipment (MCD)	Service	Electric control	Total
FY2023 1Q	40%	20%	10%	10%	20%	100%
FY2022	40%	20%	10%	10%	20%	100%
FY2021	40%	20%	10%	10%	20%	100%

<Industrial Machinery>

-Sales mix of injection molding machines by segment (approximate numbers)

	Electric and electronic product- related	Automobile	Medical care, foods, containers, miscellaneous goods	Others	Total
FY2023 1Q	20%	20%	50%	10%	100%
FY2022	20%	15%	50%	15%	100%
FY2021	25%	15%	45%	15%	100%

- Business performance for semiconductor production equipment (ion implanters) (approximate numbers)

	Actual FY2021	FY2022			FY2023 1Q	Forecast FY2023
		1Q (After adjustment)	Actual (22.4-22.12)	Actual (22.1-22.12)		
Unit: JPY billion						
Orders	38.0	24.0	43.0	66.0	16.0	51.0
Sales	24.0	12.0	38.0	50.0	10.0	51.0

Ref. Reference information on each segment [2]

<Logistics & Construction>

- Hydraulic excavators: demand by region/changes in sales (approximate numbers)

*Only foreign capital

Unit: 10,000 units (upper row)/ JPY billion (lower row)		North America	Europe	Asia (Excluding China)	China*	Japan	Others	Total	
FY2023	Demand forecast	4.1	3.8	2.5	1.5	2.7	-		
	Net sales	1Q	15.6	4.8	6.3	1.7	22.3	4.0	54.8
FY2022	Demand	4.2	4.3	2.6	2.2	2.6	-		
	Net sales	1Q (After adjustment)	11.8	2.8	7.0	3.9	19.4	4.1	48.9
		Full year	53.3	13.9	30.4	13.4	54.3	12.7	178.0
FY2021	Demand	4.0	4.8	2.4	4.9	2.7	-		
	Net sales	Full year	41.6	12.3	24.2	31.8	56.1	11.1	177.3

- Industrial cranes: order mix by segment (approximate numbers)

	Electricity	Steel	Shipbuilding	Ports	Others	Total
FY2023 1Q	1%	15%	25%	0%	60%	100%
FY2022	20%	30%	30%	10%	10%	100%
FY2021	40%	25%	15%	10%	10%	100%

- Mobile crane business: (Domestic) business performance (approximate numbers)

Unit: JPY billion	Actual FY2021	FY2022			FY2023 1Q	Forecast FY2023
		1Q (After adjustment)	Actual (22.4-22.12)	Actual (22.1-22.12)		
Orders	30.0	6.0	30.0	36.0	9.0	39.0
Sales	21.0	10.0	24.0	34.0	8.0	41.0

Ref. Sales by Regional Segment

<Exchange rate: JPY132 per US dollar> Unit: JPY billion	Actual FY2023-1Q (2023.1-2023.3)							
	North America	Europe	Asia (Excluding China)	China	Others	Overseas total	Japan	Total sales
Mechatronics	10.1	13.8	4.4	4.1	3.6	36.0	17.2	53.2
(Plastics machinery)	2.9	7.3	3.2	7.0	1.5	21.8	4.0	25.8
Industrial Machinery	6.3	11.0	9.3	16.6	1.6	44.7	23.7	68.4
(Hydraulic excavators)	15.6	4.8	6.3	1.7	4.0	32.4	22.3	54.8
Logistics & Construction	28.7	5.0	7.6	1.7	4.3	47.3	40.5	87.8
Energy & Lifelines	2.4	4.6	3.6	0.2	2.9	13.6	23.9	37.4
Others	-	-	-	0.0	-	0.0	1.5	1.5
Total / Sales ratio (%)	47.5 19	34.3 14	24.9 10	22.5 9	12.3 5	141.5 57	106.7 43	248.2
<Exchange rate: JPY129 per US dollar> Unit: JPY billion	Actual FY2022-1Q(After adjustment) (2022.1-2022.3)							
	North America	Europe	Asia (Excluding China)	China	Others	Overseas total	Japan	Total sales
Mechatronics	8.8	10.1	3.9	3.4	2.4	28.6	16.0	44.6
(Plastics machinery)	2.5	6.3	4.5	4.5	0.8	18.6	4.3	22.9
Industrial Machinery	5.1	8.5	9.1	10.6	1.0	34.4	26.0	60.4
(Hydraulic excavators)	11.8	2.8	7.0	3.9	4.1	29.5	19.4	48.9
Logistics & Construction	24.3	3.0	8.8	3.9	4.3	44.3	40.6	84.9
Energy & Lifelines	4.1	4.0	4.2	0.6	5.3	18.1	37.7	55.9
Others	-	-	-	0.0	-	0.0	1.5	1.5
Total / Sales ratio (%)	42.3 17	25.6 10	26.0 11	18.5 7	13.0 5	125.4 51	121.9 49	247.3



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.