

Financial Summary for Q1 FY2024

2024/4/26



Financial Summary for FY2024-1Q

**Actual
FY2024-1Q**
/Same period of
previous fiscal year
(change)

Orders : JPY 221.1 billion / 260.0 billion (38.9) billion

Net sales : JPY 254.8 billion / 248.2 billion 6.6 billion

Operating profit : JPY 18.4 billion / 16.2 billion 2.3 billion

**Year-on-year
comparison**

- **Market environment** : While demand from North America was strong, the domestic market showed a gradual recovery but with weakening in some areas. Slowdowns persisted in Europe and China.
- **Orders** : Decreased due to inventory adjustment in hydraulic excavators, a drop in demand for semiconductor-related products, and other factors.
- **Net sales** : Increased year on year because backlog of orders led to sales increases in Energy & Lifeline and Logistics & Construction, although reductions were observed in Mechatronics and Industrial Machinery.
- **Operating profit** : Increased year on year due to an increase in sales and foreign exchange profit.

Financial Summary for FY2024-1Q

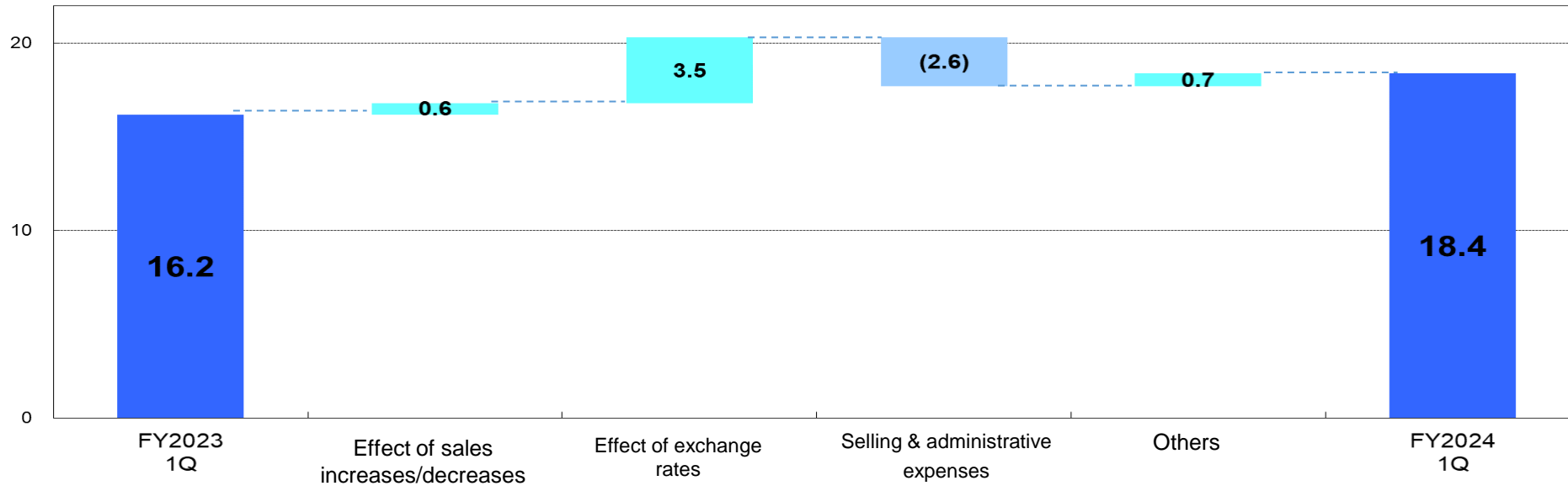
	FY2023-1Q Actual (2023.1-2023.3)	FY2024-1Q Actual (2024.1-2024.3)	Year-on- year change	FY2023 Actual (2023.1-2023.12)	Forecast FY2024 (2024.1-2024.12) (As of February 2024)
Unit: JPY billion					
Orders	260.0	221.1	(38.9)	1,008.7	1,120.0
Net sales	248.2	254.8	6.6	1,081.5	1,110.0
Operating profit	16.2	18.4	2.3	74.4	70.0
Operating profit ratio	6.5%	7.2%	-	6.9%	6.3%
Ordinary profit	16.4	18.8	2.4	70.2	66.0
Ordinary profit ratio	6.6%	7.3%	-	6.5%	5.9%
Extraordinary loss	(0.1)	(0.2)	(0.0)	(18.8)	(5.0)
Current profit	10.8	13.6	2.8	32.7	41.0
Current profit ratio	4.4%	5.3%	-	3.0%	3.7%
Currency exchange rate (US dollars)	¥132	¥150	-	¥139	¥135

Performance by Segment for FY2024-1Q

	Orders			Net sales			Operating profit					
	1Q FY2023 Actual	1Q FY2024 Actual	Change	1Q FY2023 Actual	1Q FY2024 Actual	Change	1Q FY2023 Actual /Operating profit ratio (%)		1Q FY2024 Actual /Operating profit ratio (%)		Change	
Unit: JPY billion												
Mechatronics	51.8	47.2	(4.5)	53.2	49.4	(3.8)	3.2	6.0	1.7	3.4	(1.5)	
(Plastics machinery)	22.0	20.7	(1.3)	25.8	20.3	(5.5)						
(Others)	48.4	41.8	(6.6)	42.6	46.2	3.6						
Industrial Machinery	70.5	62.5	(7.9)	68.4	66.5	(1.9)	7.1	10.4	6.2	9.3	(0.9)	
(Hydraulic excavators)	61.8	39.2	(22.6)	54.8	55.1	0.3						
(Others)	36.6	45.5	8.9	33.0	39.4	6.4						
Logistics & Construction	98.4	84.7	(13.6)	87.8	94.5	6.7	6.0	6.8	9.2	9.8	3.3	
Energy & Lifeline	37.7	25.0	(12.8)	37.4	42.9	5.4	(0.5)	(1.4)	0.9	2.0	1.4	
Others	1.6	1.6	0.1	1.5	1.6	0.2	0.5	-	0.5	-	0.0	
Total	260.0	221.1	(38.9)	248.2	254.8	6.6	16.2	6.5	18.4	7.2	2.3	

Analysis of Changes in Operating Profit for 2024-1Q

Unit: JPY billion



<Effect of changes in sales by segment>

Unit: JPY billion

Mechatronics	(1.0)
Industrial Machinery	0.6
Logistics & Construction	1.4
Energy & Lifeline	(0.4)

<Selling & administrative expenses>

- Costs related to personnel, research and development and the resumption of economic activities all increased.

Consolidated Balance Sheet

Unit: JPY billion	December 2023	March 2024	Change
Current Assets	748.3	789.8	41.6
Cash and deposits	104.5	118.4	13.9
Notes and accounts receivable	289.9	287.3	(2.6)
Inventories	321.1	347.6	26.5
Others	32.9	36.6	3.7
Non-current Assets	452.6	464.2	11.7
Property, plant and equipment	330.0	340.7	10.7
Intangible assets	45.6	46.9	1.3
Investments and other assets	77.0	76.6	(0.3)
Total	1,200.9	1,254.1	53.2

Unit: JPY billion	December 2023	March 2024	Change
Liabilities	573.4	604.9	31.5
Notes and accounts payable - trade	180.8	174.7	(6.2)
Interest-bearing debts	162.2	203.6	41.4
Others	230.3	226.7	(3.7)
Net Assets	627.5	649.1	21.7
Shareholders' equity	488.5	493.2	4.7
Accumulated other comprehensive income	131.3	147.6	16.3
Non-controlling interests	7.7	8.4	0.7
Total liabilities and net assets	1,200.9	1,254.1	53.2
Net interest-bearing debts ratio	4.8%	6.8%	2.0%
Shareholders' equity ratio	51.6%	51.1%	(0.5%)

Mechatronics

1Q FY2024: Orders, sales, and operating profit all decreased due to a continuing slowdown in the Chinese market for small-to-medium sized gear reducers and lower demand for motors and inverters attributable to inventory adjustments by customers in Europe.

Unit: JPY billion	Actual 1Q FY2023 (2023.1-2023.3)	Actual 1Q FY2024 (2024.1-2024.3)	Year-on-year change	Actual FY2023 (2023.1-2023.12)	Forecast FY2024 (2024.1-2024.12)
Orders	51.8	47.2	(4.5)	197.8	221.0
Net sales	53.2	49.4	(3.8)	220.0	213.0
Operating profit	3.2	1.7	(1.5)	12.4	10.0
Operating profit ratio (%)	6.0	3.4	-	5.6	4.7
Backlog of orders	107.7	90.3	-	92.5	

Industrial Machinery

<Plastics machinery>

1Q FY2024 : Orders, sales and operating profit all decreased due to a slowdown in demand centering on electric and electronics-related products in China and continuing sluggish investment in Europe.

<Others>

1Q FY2024 : Orders decreased due in part to inventory adjustment and postponement of investment by customers resulting from softening of the semiconductor market. However, both sales and operating profit increased partly because there was a huge backlog of orders.

Unit: JPY billion	1Q FY2023 Actual (2023.1-2023.3)	1Q FY2024 Actual (2024.1-2024.3)	Year-on-year change	FY2023 Actual (2023.1-2023.12)	Forecast FY2023 (2024.1-2024.12)
Plastics machinery	22.0	20.7	(1.3)	89.3	102.5
Others	48.4	41.8	(6.6)	175.6	184.5
Orders	70.5	62.5	(7.9)	265.0	287.0
Plastics machinery	25.8	20.3	(5.5)	97.1	95.0
Others	42.6	46.2	3.6	182.8	190.0
Net sales	68.4	66.5	(1.9)	279.8	285.0
Operating profit	7.1	6.2	(0.9)	25.6	26.0
Operating profit ratio (%)	10.4	9.3	-	9.1	9.1
Backlog of orders	193.5	177.6	-	181.5	

Logistics & Construction

<Hydraulic excavators>

1Q FY2024 : Orders decreased due to a decline in response to a significant number of advance orders in Japan during the previous fiscal year and inventory adjustments in the US.

Sales were largely unchanged from the previous year, while operating profit increased in part due to price revisions in Japan.

<Others>

1Q FY2024 : Mobile cranes saw increases in all of orders, sales, and operating profit because demand remained strong in North America.

For industrial cranes, orders increased due to large-scale projects for iron manufacture and shipbuilding, but sales and operating profit decreased because there were few projects that could be factored into sales in the current fiscal year.

Unit: JPY billion	1Q FY2023 Actual (2023.1-2023.3)	1Q FY2024 Actual (2024.1-2024.3)	Year-on-year change	FY2023 Actual (2023.1-2023.12)	Forecast FY2024 (2024.1-2024.12)
Hydraulic excavators	61.8	39.2	(22.6)	212.5	260.0
Others	36.6	45.5	8.9	181.1	159.0
Orders	98.4	84.7	(13.6)	393.6	419.0
Hydraulic excavators	54.8	55.1	0.3	242.4	271.0
Others	33.0	39.4	6.4	151.0	157.0
Net sales	87.8	94.5	6.7	393.4	428.0
Operating profit	6.0	9.2	3.3	28.1	31.5
Operating profit ratio (%)	6.8	9.8	-	7.1	7.4
Backlog of orders	258.7	248.2	-	257.9	

Energy & Lifeline

1Q FY2024: For energy plants, orders decreased due to a reduction in service projects in Europe. However, variations in the progress of construction work led to an increase in sales, and operating profit remained unchanged from the previous fiscal year. For other businesses, order decreased partly as a result of the suspension of new shipbuilding orders from FY2024 onward. Sales and operating profit increased because of a backlog of orders.

Unit: JPY billion	1Q FY2023 Actual (2023.1-2023.3)	1Q FY2024 Actual (2024.1-2024.3)	Year-on-year change	FY2023 Actual (2023.1-2023.12)	Forecast FY2024 (2024.1-2024.12)
Orders	37.7	25.0	(12.8)	146.3	189.0
Net sales	37.4	42.9	5.4	182.2	181.0
Operating profit	(0.5)	0.9	1.4	6.3	1.0
Operating profit ratio (%)	(1.4)	2.0	-	3.5	0.6
Backlog of orders	259.7	210.4	-	228.3	

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
FY2024 1Q	40%	25%	5%	10%	20%	100%
FY2023	40%	20%	5%	10%	25%	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
FY2024 1Q	15%	20%	50%	15%	100%
FY2023	15%	20%	55%	10%	100%

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

	FY2023		FY2024	
	Actual 1Q (23.1-23.3)	Actual (23.1-23.12)	Actual 1Q	Forecast
Unit: JPY billion				
Orders	16.0	55.0	9.0	50.0
Sales	10.0	51.0	16.0	54.0

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
FY2024	Demand forecast		4.4	3.2	2.3	1.3	2.7	-	
	Net sales	1Q	19.2	4.1	7.2	1.1	21.5	2.1	55.1
FY2023	Demand		4.3	4.0	2.3	1.0	2.5	-	
	Net sales	1Q	15.6	4.8	6.3	1.7	22.3	4.0	54.8
		Full year	80.8	24.2	28.3	6.1	86.0	16.9	242.4

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

	Electricity	Steel	Shipbuilding	Ports	Others	Total
FY2024 1Q	0%	70%	30%	0%	0%	100%
FY2023	0%	20%	10%	60%	10%	100%

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

Unit: JPY billion	FY2023		FY2024	
	Actual 1Q (23.1-23.3)	Actual (23.1-23.12)	Actual 1Q	Forecast
Orders	9.0	45.0	8.0	40.0
Sales	8.0	43.0	9.0	45.0

Ref. Sales by Regional Segment

<Exchange rate: JPY150 per US dollar> Unit: JPY billion	Actual 1Q FY2024 (2024.1-2024.3)							
	North America	Europe	Asia (Excluding China)	China	Others	Overseas total	Japan	Total sales
Mechatronics	9.7	11.3	5.1	3.1	4.4	33.7	15.7	49.4
(Plastics machinery)	2.0	4.5	2.2	4.8	1.4	14.9	5.4	20.3
Industrial Machinery	6.0	7.6	9.2	15.4	1.5	39.7	26.8	66.5
(Hydraulic excavators)	19.2	4.1	7.2	1.1	2.1	33.6	21.5	55.1
Logistics & Construction	38.0	4.9	9.2	1.1	2.7	56.0	38.4	94.5
Energy & Lifeline	3.6	8.1	3.7	0.1	3.4	18.9	23.9	42.9
Others	-	-	-	0.0	-	0.0	1.6	1.6
Total / Sales ratio (%)	57.5 23	32.0 13	27.2 11	19.8 8	12.0 5	148.3 58	106.5 42	254.8
<Exchange rate: JPY132 per US dollar> Unit: JPY billion	Actual 1Q FY2023 (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 & Lifeline	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



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.