

Financial Summary for Q1 FY2026

2026/4/28



Financial Summary at a Glance

Actual
FY2026-1Q

/Same period of previous fiscal year
(change)

1	Orders	:	JPY318.4 billion /	260.2 billion (58.2) billion
2	Net sales	:	JPY255.6 billion /	241.5 billion (14.0) billion
3	Operating profit	:	JPY13.4 billion /	11.2 billion (2.2) billion

Year-on-year
comparison

Market
environment

In Japan, both capital investment and exports remained firm. North America also stayed strong, while Europe continued its gradual recovery. Demand in China remained sluggish. The overall economic outlook is uncertain due to the deteriorating situation in the Middle East.

Orders

Increased across all segments excluding Industrial Machinery.

Net sales

Increased mainly in Mechatronics and Logistics & Construction.

Operating
profit

Increased, driven by higher sales mainly in Mechatronics and an improved gross profit margin.

Financial Summary

	Actual FY2025-1Q	Actual FY2026-1Q	Year-on-year comparison change	Actual FY2025	Forecast FY2026
Unit: JPY billion					
Orders	260.2	318.4	58.2	1,158.4	1,120.0
Net sales	241.5	255.6	14.0	1,066.9	1,090.0
Operating profit	11.2	13.4	2.2	51.5	60.0
Operating profit ratio	4.6%	5.2%	0.6pt	4.8%	5.5%
Ordinary profit	8.7	11.0	2.3	47.3	55.0
Ordinary profit ratio	3.6%	4.3%	0.7pt	4.4%	5.0%
Extraordinary loss	1.2	2.2	0.9	(2.5)	(5.0)
Current profit	6.5	7.9	1.4	30.9	34.0
Current profit ratio	2.7%	3.1%	0.4pt	2.9%	3.1%
Currency exchange rate(USD/JPY)	¥153	¥157	-	¥150	¥145

Financial Summary by Segment

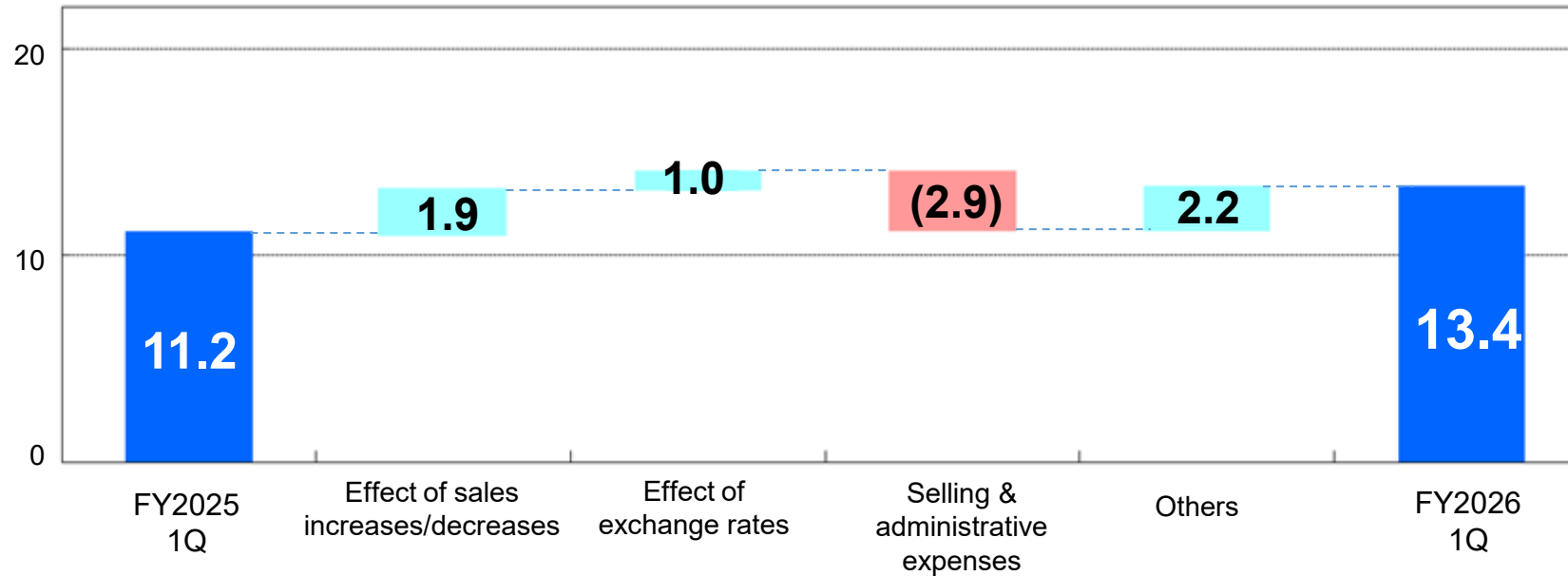
- **Orders** : Increased across all segments excluding Industrial Machinery.
- **Net sales** : Increased mainly in Mechatronics and Logistics & Construction.
- **Operating profit**: Increased, driven by higher sales mainly in Mechatronics and an improved gross profit margin.

Unit: JPY billion	Orders			Net sales			Operating profit				
	Actual FY2025-1Q	Actual FY2026-1Q	Change	Actual FY2025-1Q	Actual FY2026-1Q	Change	Actual FY2025-1Q /Operating profit ratio (%)		Actual FY2026-1Q /Operating profit (%)		Change
Mechatronics	67.3	78.2	10.9	64.5	72.4	7.9	4.8	7.4	6.8	9.4	2.1
Industrial Machinery	54.4	47.9	(6.6)	48.6	49.4	0.8	(0.4)	(0.9)	0.6	1.1	1.0
Logistics & Construction	95.4	110.2	14.8	81.5	90.0	8.5	3.3	4.1	2.1	2.4	(1.2)
Energy & Lifeline	41.4	80.5	39.1	44.9	41.8	(3.1)	3.0	6.6	3.2	7.7	0.3
Others	1.7	1.6	(0.0)	1.9	1.9	(0.1)	0.5	-	0.6	-	0.1
Total	260.2	318.4	(58.2)	241.5	255.6	14.0	11.2	4.6	13.4	5.2	2.2

The breakdown of orders and sales for strategic business units (SBUs) in each segment is provided from page 12

Analysis of Changes in Operating Profit for FY2026-1Q

Unit: JPY billion



Effect of sales increases/decreases by segment

Unit: JPY billion

● Mechatronics	1.4
● Industrial Machinery	(0.2)
● Logistics & Construction	1.3
● Energy & Lifeline	(0.6)
Total	1.9

Consolidated Balance Sheet

Unit: JPY billion

	December 2025	March 2025	Change
Current Assets	786.8	794.3	7.5
Cash and deposits	111.1	124.5	13.4
Notes and accounts receivable	313.7	291.4	(22.3)
Inventories	328.8	342.2	13.4
Others	33.3	36.2	2.9
Non-current Assets	533.7	533.8	0.1
Property, plant and equipment	373.2	374.8	1.6
Intangible assets	33.1	33.0	(0.1)
Investments and other assets	127.4	126.1	(1.4)
Total	1,320.5	1,328.1	7.6

	December 2025	March 2025	Change
Liabilities	634.3	638.6	4.3
Notes and accounts payable- trade	146.4	126.8	(19.6)
Interest-bearing debts	252.7	277.4	24.6
Others	235.2	234.5	(0.7)
Net Assets	686.2	689.5	3.3
Shareholders' equity	488.4	485.1	(3.2)
Accumulated other comprehensive income	193.3	199.7	6.5
Non-controlling interests	4.6	4.6	0.0
Total liabilities and net assets	1,320.5	1,328.1	7.6
Net interest-bearing debts ratio	10.7%	11.5%	0.8pt
Shareholders' equity ratio	51.6%	51.6%	(0.1pt)

Mechatronics

Actual FY2026-1Q (year-on-year changes)

Orders

JPY 78.2 billion (+10.9 billion)

Orders for gear reducers and motors & inverters increased due to strong demand from Japan, the United States and Europe. Cryocoolers also saw an increase driven by semiconductor-related demand.

Net sales

JPY 72.4 billion (+7.9 billion)

Gear reducers, motors & inverters, and cryocoolers saw an increase due to higher orders.

Operating profit

JPY 6.8 billion (+2.1 billion)

Increased due to increased sales.

Unit: JPY billion	Actual FY2025-1Q	Actual FY2026-1Q	Year-on-year change	Actual FY2025	Forecast FY2026
Orders	67.3	78.2	10.9	275.3	289.0
Net sales	64.5	72.4	7.9	271.2	288.0
Operating profit	4.8	6.8	2.1	19.0	22.0
Operating profit ratio (%)	7.4	9.4	-	7.0	7.7
Backlog of orders	99.4	104.8	-	98.9	

Industrial Machinery

Actual FY2026-1Q (year-on-year changes)

Orders	JPY 47.9 billion (-6.6 billion)	Decreased as customers for semiconductor manufacturing equipment postponed and revised their investment plans, although orders for plastics machinery increased.
Net sales	JPY 49.4 billion (+0.8 billion)	Increased slightly, led primarily by plastics machinery.
Operating profit	JPY 0.6 billion (+1.0 billion)	Increased due to increased sales.

Unit: JPY billion	Actual FY2025-1Q	Actual FY2026-1Q	Year-on-year change	Actual FY2025	Forecast FY2026
Orders	54.4	47.9	(6.6)	225.1	224.0
Net sales	48.6	49.4	0.8	222.6	228.0
Operating profit	(0.4)	0.6	1.0	4.2	8.0
Operating profit ratio (%)	(0.9)	1.1	-	1.9	3.5
Backlog of orders	149.0	147.3	-	148.8	

Logistics & Construction

Actual FY2026-1Q (year-on-year changes)

Orders

JPY 110.2 billion (+14.8 billion)

Industrial crane orders saw a pullback following the previous year's increase, but orders for hydraulic excavators increased in the United States and Europe.

Net sales

JPY 90.0 billion (+8.5 billion)

Hydraulic excavators saw an increase in Europe, and industrial cranes also posted growth due to a backlog of orders.

Operating profit

JPY 2.1 billion (-1.2 billion)

Decreased partly due to higher tariff costs in the United States, although sales increased.

Unit: JPY billion	Actual FY2025-1Q	Actual FY2026-1Q	Year-on-year change	Actual FY2025	Forecast FY2026
Orders	95.4	110.2	14.8	399.1	399.0
Net sales	81.5	90.0	8.5	388.9	398.0
Operating profit	3.3	2.1	(1.2)	14.0	19.0
Operating profit ratio (%)	4.1	2.4	-	3.6	4.8
Backlog of orders	216.1	237.1	-	217.0	

Energy & Lifeline

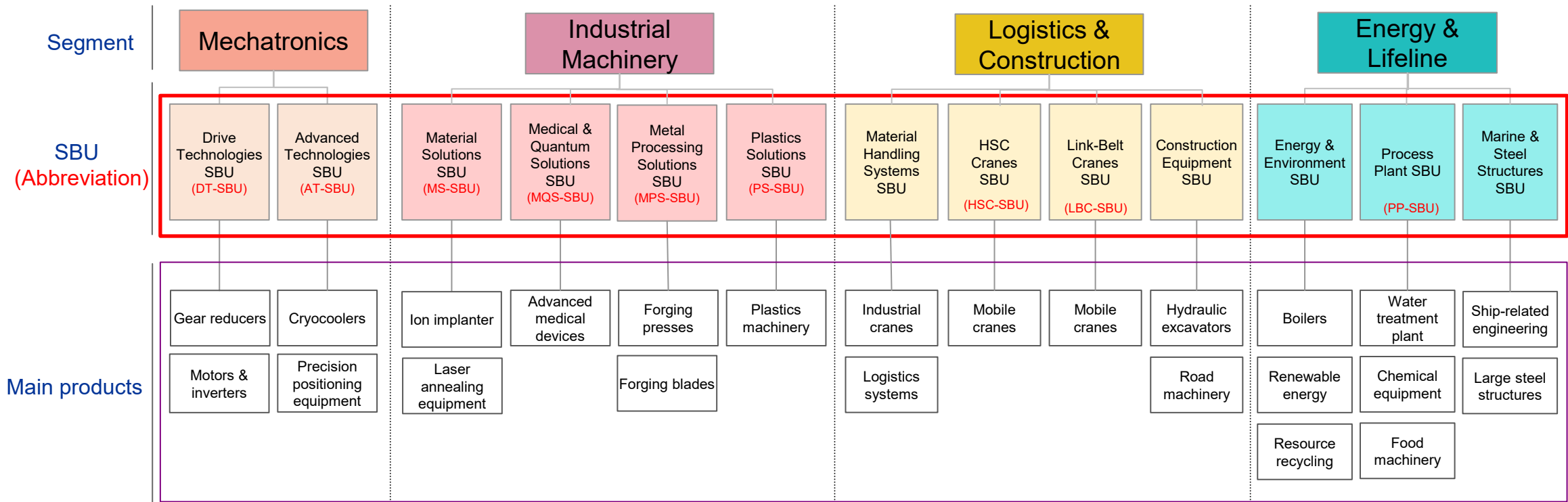
Actual FY2026-1Q (year-on-year changes)

Orders	JPY 80.5 billion (+39.1 billion)	Increased, driven by biomass power generation plant orders in Europe, as well as orders for water treatment equipment and marine structures.
Net sales	JPY 41.8 billion (-3.1 billion)	Decreased due to a smaller number of biomass power generation plants and marine contributing to sales during the period under review.
Operating profit	JPY 3.2 billion (+0.3 billion)	Remained unchanged year-on-year, driven by improved project profitability, while sales decreased.

Unit: JPY billion	Actual FY2025-1Q	Actual FY2026-1Q	Year-on-year change	Actual FY2025	Forecast FY2026
Orders	41.4	80.5	39.1	252.7	202.0
Net sales	44.9	41.8	(3.1)	177.6	170.0
Operating profit	3.0	3.2	0.3	12.1	8.0
Operating profit ratio (%)	6.6	7.7	-	6.8	4.7
Backlog of orders	267.4	305.9	-	267.2	

Ref. Strategic Business Unit (SBU) and Key Models

- In January 2026, we abolished the current business unit system that forms the basis of the segment structure, and establish a strategic business unit (SBU) system that drives value creation from a market perspective and serves as the new organizational framework for the segment structure.
- Promote enhanced synergy and operational efficiency by coordinating customer bases and technologies, create new businesses that will form future growth pillars, and accelerate further growth.



* Only SBU listed

Ref.

Key Figures by Strategic Business Unit (SBU) [1]

Unit: JPY billion	Orders			Net sales			Operating profit					
	Actual FY2025-1Q	Actual FY2026-1Q	Year-on-year change	Actual FY2025-1Q	Actual FY2026-1Q	Year-on-year change	Actual FY2025-1Q	Actual FY2026-1Q	Year-on-year change			
Drive Technologies	51.6	56.7	5.1	49.4	55.0	5.6						
Advanced Technologies	16.3	22.3	6.0	16.3	18.3	2.0						
Other businesses, deductions, adjustments, etc.	(0.6)	(0.8)	(0.2)	(1.2)	(0.9)	0.3						
Mechatronics	67.3	78.2	10.9	64.5	72.4	7.9	4.8	7.4%	6.8	9.4%	2.1	—
Material Solutions	8.1	2.7	(5.4)	8.0	8.2	0.1						
Medical & Quantum Solutions	6.5	3.8	(2.7)	5.9	4.9	(1.0)						
Metal Processing Solutions	6.6	6.2	(0.4)	5.3	5.7	0.4						
Plastics Solutions	22.7	25.0	2.3	21.5	22.2	0.7						
Other businesses, deductions, adjustments, etc.	10.4	10.2	(0.2)	7.9	8.5	0.5						
Industrial Machinery	54.4	47.9	(6.6)	48.6	49.4	0.8	(0.4)	(0.9%)	0.6	1.1%	1.0	—

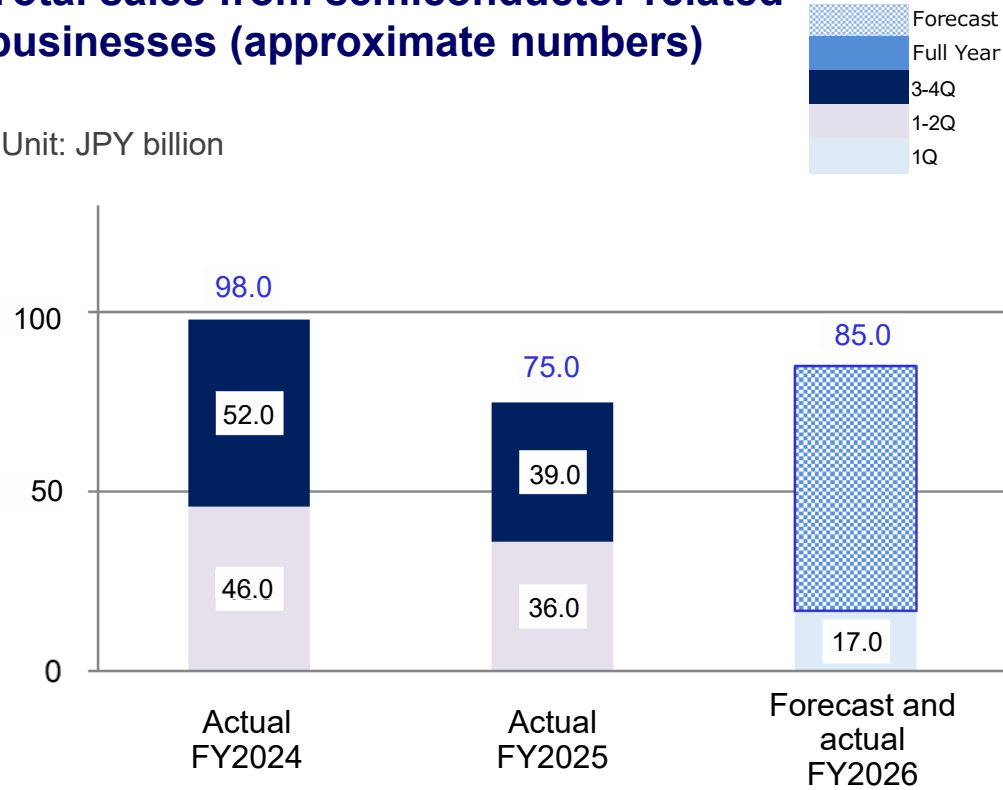
Ref. Key Figures by Strategic Business Unit (SBU) [2]

	Orders			Net sales			Operating profit					
	Actual FY2025-1Q	Actual FY2026-1Q	Year-on- year change	Actual FY2025-1Q	Actual FY2026-1Q	Year-on- year change	Actual FY2025-1Q	Actual FY2026-1Q	Year-on-year change			
Unit: JPY billion												
Material Handling Systems	19.6	12.2	(7.4)	15.0	18.0	3.1						
HSC Cranes	11.7	7.9	(3.7)	8.9	7.2	(1.7)						
Link-Belt Cranes	20.3	22.7	2.4	19.4	20.9	1.5						
Construction Equipment	46.7	69.7	23.0	41.9	46.4	4.4						
Other businesses, deductions, adjustments, etc.	(2.9)	(2.4)	0.5	(3.6)	(2.5)	1.1						
Logistics & Construction	95.4	110.2	14.8	81.5	90.0	8.5	3.3	4.1%	2.1	2.4%	(1.2)	—
Energy & Environment	14.5	30.0	15.6	16.1	13.4	(2.7)						
Process Plant	16.7	29.7	13.0	16.5	17.1	0.6						
Marine & Steel Structures	6.0	16.5	10.4	10.0	8.2	(1.8)						
Other businesses, deductions, adjustments, etc.	4.2	4.3	0.1	2.3	3.0	0.8						
Energy & Lifeline	41.4	80.5	39.1	44.9	41.8	(3.1)	3.0	6.6%	3.2	7.7%	0.3	—
Others	1.7	1.6	(0.0)	1.9	1.9	(0.1)	0.5	—	0.6	—	0.1	—
Total	260.2	318.4	58.2	241.5	255.6	14.0	11.2	4.6%	13.4	5.2%	2.2	—

Ref. Sales of the Semiconductor Related Product Business

Total sales from semiconductor-related businesses (approximate numbers)

Unit: JPY billion



The Company's components, equipment and key technologies in the semiconductor field

	Product	Segment	SBU	Key technologies		
				Beam control	Ultracold	Vacuum
Component	4KGM Cryocooler/ Cryopump	Mechatronics	Advanced Technologies		◎	◎
	Vacuum robot					◎
Equipment	Laser annealing equipment	Industrial Machinery	Material Solutions	◎		
	Ion implanter			◎		○
	Ion irradiation business			◎		○
	Superconducting magnet for MCZ		Medical & Quantum Solutions		◎	○

Relationship with key technologies (◎: Close ○: Moderate)

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
FY2026-1Q	40%	20%	10%	10%	20%	100%
FY2025	40%	20%	10%	10%	20%	100%

<Industrial Machinery>

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

	Electric and electronic product-related	Automobile	foods, containers, miscellaneous goods	Others	Total
FY2026-1Q	30%	15%	40%	15%	100%
FY2025	20%	15%	50%	15%	100%

Ref.

Reference information on each segment [2]

<Logistics & Construction>

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

		*Only foreign capital				
Unit: 10,000 units		North America	Europe	Asia (Excluding China)	China*	Japan
FY2026	Demand forecast	3.8	3.5	2.9	1.4	1.9
FY2025	Demand	4.0	3.3	3.6	1.3	1.9

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

	Electricity	Steel	Shipbuilding	Ports	Others	Total
FY2026-1Q	0%	0%	100%	0%	0%	100%
FY2025 Cumulative	0%	20%	50%	10%	20%	100%

Ref. Sales by Regional Segment

<Exchange rate: JPY157 per US dollar> Unit: JPY billion	Actual FY2026-1Q														
	North America	Europe	Asia (Excluding China)	China	Others	Overseas total	Japan	Total sales							
Mechatronics	16.5	16.7	8.6	8.1	5.1	55.0	17.4	72.4							
Industrial Machinery	3.8	6.5	6.9	8.7	1.6	27.6	21.8	49.4							
Logistics & Construction	32.1	8.3	9.9	1.7	2.2	54.2	35.8	90.0							
Energy & Lifeline	2.5	6.1	4.1	0.0	3.8	16.5	25.3	41.8							
Others	-	0.0	-	0.0	-	0.0	1.9	1.9							
Total / Sales ratio (%)	54.9	21	37.6	15	29.6	12	18.6	7	12.7	5	153.4	60	102.1	40	255.6

<Exchange rate: JPY153 per US dollar> Unit: JPY billion	Actual FY2025-1Q														
	North America	Europe	Asia (Excluding China)	China	Others	Overseas total	Japan	Total sales							
Mechatronics	14.0	13.2	8.7	6.5	4.5	46.9	17.6	64.5							
Industrial Machinery	3.7	5.2	4.8	11.7	1.5	26.8	21.8	48.6							
Logistics & Construction	29.6	2.4	9.2	1.8	2.3	45.3	36.2	81.5							
Energy & Lifeline	2.0	6.8	3.8	0.5	3.1	16.3	28.6	44.9							
Others	-	-	-	0.0	-	0.0	1.9	1.9							
Total / Sales ratio (%)	49.2	20	27.6	11	26.6	11	20.6	9	11.4	5	135.5	56	106.1	44	241.5



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.