Financial Summary for Q2 FY2026 and Performance Forecast for FY2026

2026/8/4

Sumitomo Heavy Industries, Ltd.

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01 Financial Summary for Q2 FY2026

01 Financial Summary at a Glance

Actual FY2026-Q2
/Same period of previous fiscal year (change)

1	**Orders**	:	**607.1 billion** /	535.5 billion (71.6 billion)
2	**Net sales**	:	**554.2 billion** /	494.6 billion (59.5 billion)
3	**Operating profit**	:	**37.4 billion** /	21.7 billion (15.8 billion)

Year-on-year comparison

Market environment	In Japan, both capital investment and exports remained firm. North America also stayed strong, while Europe recovered gradually. Demand in China remained sluggish. The economic outlook is uncertain due to the situation in the Middle East, U.S. tariffs, and other factors.
Orders	Increased across all segments excluding Industrial Machinery.
Net sales	Increased across all segments.
Operating profit	Increased across all segments due to higher sales.

01 Financial Summary

Unit: JPY billion	FY2025			FY2026			Year-on-year change
	Actual Q1	Actual Q2	Actual 1H	Actual Q1	Actual Q2	Actual 1H	
Orders	260.2	275.3	535.5	318.4	**288.7**	**607.1**	**71.6**
Net sales	241.5	253.1	494.6	255.6	**298.6**	**554.2**	**59.5**
Operating profit	11.2	10.5	21.7	13.4	**24.1**	**37.4**	**15.8**
Operating profit ratio	4.6%	4.1%	4.4%	5.2%	**8.1%**	**6.8%**	**2.4pt**
Ordinary profit	8.7	10.2	18.9	11.0	**23.1**	**34.1**	**15.2**
Ordinary profit ratio	3.6%	4.0%	3.8%	4.3%	**7.7%**	**6.2%**	**2.3pt**
Extraordinary income (loss)	1.2	(0.8)	0.5	2.2	**(2.7)**	**(0.5)**	**(1.0)**
Profit attributable to owners of parent	6.5	5.9	12.4	7.9	**14.1**	**22.0**	**9.6**
Profit ratio attributable to owners of parent	2.7%	2.3%	2.5%	3.1%	**4.7%**	**4.0%**	**1.5pt**
Currency exchange rate (USD/JPY)	-	-	¥ 148	-	**-**	**¥ 158**	**-**

01 Financial Summary: Segment Performance

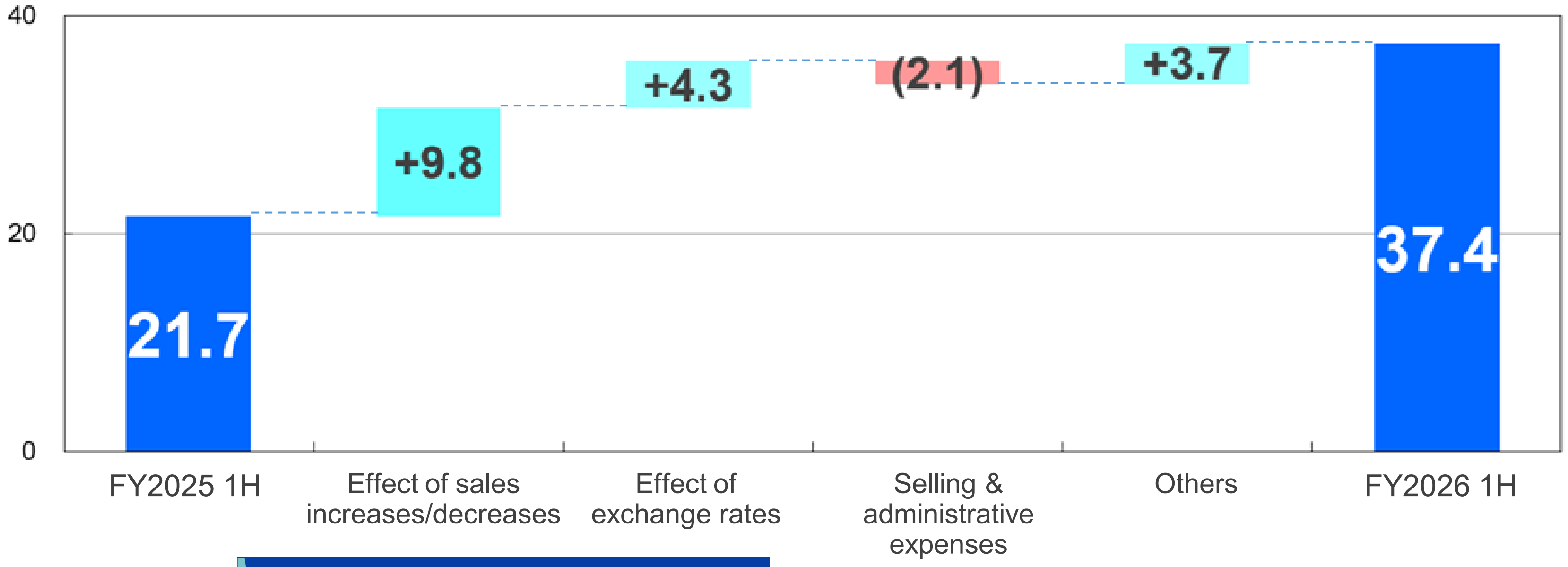
Orders : Increased across all segments excluding Industrial Machinery.
Net sales : Increased across all segments.
Operating profit : Increased across all segments due to higher sales.

Unit: JPY billion	Orders			Net sales			Operating profit				
	Actual FY2025-1H	**Actual FY2026-1H**	Change	Actual FY2025-1H	**Actual FY2026-1H**	Change	Actual FY2025-1H		**Actual FY2026-1H**		Change
Mechatronics	132.8	**160.1**	27.2	129.4	**148.5**	19.1	8.6	6.7%	**13.6**	**9.2%**	5.0
Industrial Machinery	114.6	**107.9**	(6.7)	98.2	**101.7**	3.6	(3.0)	(3.1)%	**2.2**	**2.1%**	5.2
Logistics & Construction	193.6	**213.6**	20.0	175.4	**208.2**	32.7	7.9	4.5%	**12.5**	**6.0%**	4.6
Energy & Lifeline	91.1	**122.0**	30.9	88.3	**92.6**	4.3	7.0	8.0%	**8.2**	**8.9%**	1.2
Others	3.4	**3.6**	0.2	3.4	**3.2**	(0.2)	1.1	-	**1.0**	**-**	(0.1)
Total	535.5	**607.1**	71.6	494.6	**554.2**	59.5	21.7	4.4%	**37.4**	**6.8%**	15.8

The breakdown of orders and sales for strategic business units (SBUs) in each segment is provided on pages 30 and 31.

01 Analysis of Changes in Operating Profit for FY2026-Q2

Unit: JPY billion



Unit: JPY billion

Effect of sales increases/decreases by segment	
● **Mechatronics**	**3.2**
● **Industrial Machinery**	**0.6**
● **Logistics & Construction**	**5.7**
● **Energy & Lifeline**	**0.3**
Total	**9.8**

01 Consolidated Balance Sheet

Unit: JPY billion	End-Dec 2025	End-Jun 2026	Change
Current Assets	**786.8**	**807.0**	**20.2**
Cash and deposits	111.1	133.1	22.0
Notes and accounts receivable	313.7	302.4	(11.2)
Inventories	328.8	340.2	11.4
Others	33.3	31.3	(2.0)
Non-current Assets	**533.7**	**540.1**	**6.3**
Property, plant and equipment	373.2	378.6	5.4
Intangible assets	33.1	33.1	0.0
Investments and other assets	127.4	128.4	0.9
Total assets	**1,320.5**	**1,347.1**	**26.6**

	End-Dec 2025	End-Jun 2026	Change
Liabilities	**634.3**	**640.1**	**5.7**
Notes and accounts payable - trade	146.4	124.4	(22.0)
Interest-bearing debts	252.7	271.6	18.9
Others	235.2	244.0	8.9
Net Assets	**686.2**	**707.0**	**20.8**
Shareholders' equity	488.4	495.8	7.4
Accumulated other comprehensive income	193.3	206.6	13.3
Non-controlling interests	4.6	4.6	0.1
Total liabilities and net assets	**1,320.5**	**1,347.1**	**26.6**
Net interest-bearing debt ratio	**10.7%**	**10.3%**	**(0.5)pt**
Equity ratio	**51.6%**	**52.1%**	**0.5pt**

01 Consolidated Statements of Cash Flows

Unit: JPY billion

Item	FY2025 1H	FY2026 1H	Change
Operating Activities	46.6	**36.6**	(10.0)
Profit before income taxes	19.4	33.6	14.2
Depreciation	18.6	20.7	2.1
Working capital	23.0	(6.0)	(29.0)
Others (such as taxes)	(14.3)	(11.7)	2.6
Investing Activities	(30.9)	**(17.3)**	13.6
(Free Cash Flows)	15.8	**19.3**	3.6
Financing Activities	(6.7)	**0.4**	7.1
Change in cash and cash equivalents	5.4	**22.5**	17.2
Cash and cash equivalents at end of period	113.0	**130.8**	17.7

	FY2022	FY2023	FY2024	FY2025	FY2026 1H
Free cash flow (JPY billion)	(15.9)	22.1	(35.4)	4.3	**19.3**
Debt repayment period (years) *1	7.5	2.5	18.7	4.0	
Interest coverage ratio (x) *2	20.0	27.1	3.4	16.8	

*1 Interest-bearing debt / Operating cash flow
*2 Operating cash flow / Interest paid

02 Performance Forecast for FY2026

02 Performance Forecast for FY2026: Summary

Forecast FY2026
/Previous forecast (as of February 2026), (change)

1	**Orders**	:	**1,180.0 billion** /	1,120.0 billion	(60.0 billion)
2	**Net sales**	:	**1,120.0 billion** /	1,090.0 billion	(30.0 billion)
3	**Operating profit**	:	**68.0 billion** /	60.0 billion	(8.0 billion)
4	**ROIC**	:	**5.3%** /	4.8%	(0.5pt)

Change from previous forecast

Orders	Increase in Mechatronics and Logistics & Construction.
Net sales	Increase in Mechatronics and Logistics & Construction.
Operating profit	Increase due to higher sales.

Topics and market conditions

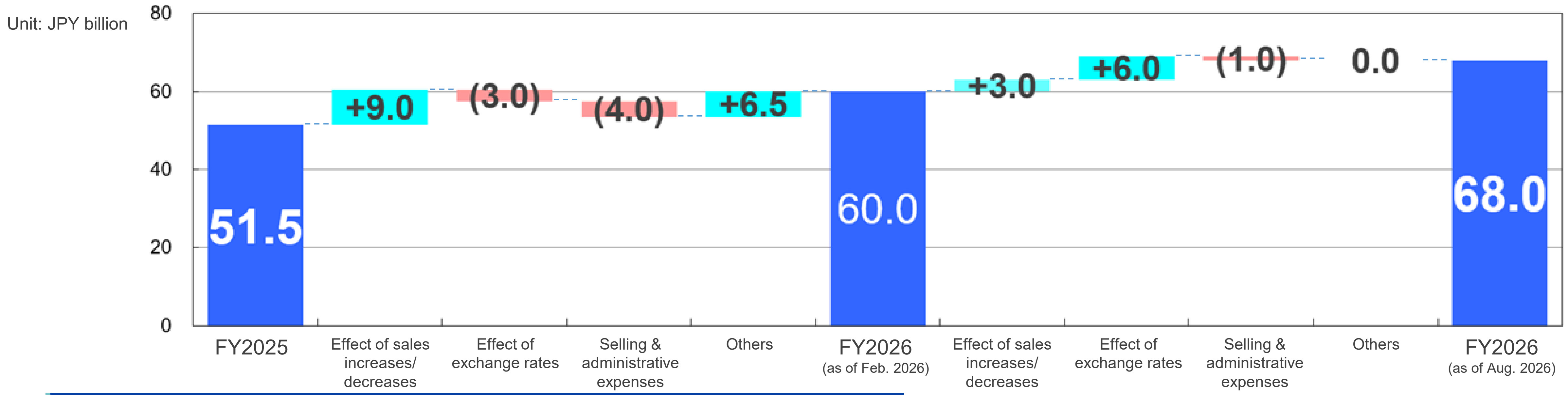
- Overall, the order environment is improving. Orders for semiconductor manufacturing equipment increased year on year, but a full recovery has yet to take hold.
- Operating profit is expected to increase, partly due to the effects of structural reforms, including personnel measures, despite rising costs driven by the situation in the Middle East.

02 Performance Forecast for FY2026

Unit: JPY billion	Actual 1H	Forecast 2H	**Forecast FY2026**	Previous forecast (Feb. 2026)	Change from previous forecast	Actual 1H	Actual 2H	(Reference) Actual FY2025
Orders	607.1	572.9	**1,180.0**	1,120.0	60.0	535.5	622.9	1,158.4
Net sales	554.2	565.8	**1,120.0**	1,090.0	30.0	494.6	572.3	1,066.9
Operating profit	37.4	30.6	**68.0**	60.0	8.0	21.7	29.8	51.5
Operating profit ratio	6.8%	5.4%	**6.1%**	5.5%	0.6pt	4.4%	5.2%	4.8%
Ordinary profit	34.1	27.9	**62.0**	55.0	7.0	18.9	27.0	45.9
Ordinary profit ratio	6.2%	4.9%	**5.5%**	5.0%	0.5pt	3.8%	4.7%	4.3%
Extraordinary income (loss)	(0.5)	(5.5)	**(6.0)**	(5.0)	(1.0)	0.5	(1.6)	(1.1)
Profit attributable to owners of parent	22.0	13.0	**35.0**	34.0	1.0	12.4	18.5	30.9
Profit ratio attributable to owners of parent	4.0%	2.3%	**3.1%**	3.1%	0.0pt	2.5%	3.2%	2.9%
Dividend per share	JPY 70	JPY 75	**JPY 145**	JPY145	JPY 0	JPY60	JPY65	JPY125
Total payout ratio	-	-	**74.7%**	76.2%	(1.5)pt	-	-	48.6%
ROIC (after-tax)	-	-	**5.3%**	4.8%	0.5pt	-	-	4.2%
[Ref.] ROE	-	-	**5.0%**	5.0%	0.0pt	-	-	4.7%
Currency exchange rate (U.S. dollars)	¥ 158	¥ 155	**-**	¥ 145	-	¥ 148	-	¥ 150

02

Analysis of Changes in Operating Profit for FY2025/2026



Effect of sales increases/decreases by segment

Unit: JPY billion

	Previous forecast (Feb. 2026)	Latest forecast (Aug. 2026)	Change
● **Mechatronics**	**5.0**	**7.0**	**2.0**
● **Industrial Machinery**	**3.0**	**3.0**	**0.0**
● **Logistics & Construction**	**3.0**	**6.0**	**3.0**
● **Energy & Lifeline**	**(2.0)**	**(4.0)**	**(2.0)**
Total	**9.0**	**12.0**	**3.0**

Performance Forecast for FY2026 by Segment

Unit: JPY billion

	Orders				Net sales				Operating profit						
	Actual FY2026-1H	Forecast FY2026 (as of Feb. 2026)	**Forecast FY2026 (as of Aug. 2026)**	Change (Feb. - Aug.)	Actual FY2026-1H	Forecast FY2026 (as of Feb. 2026)	**Forecast FY2026 (as of Aug. 2026)**	Change (Feb. - Aug.)	Actual FY2026-1H		Forecast FY2026 (as of Feb. 2026)		**Forecast FY2026 (as of Aug. 2026)**		Change (Feb. - Aug.)
Mechatronics	160.1	289.0	**312.0**	23.0	148.5	288.0	**306.0**	18.0	13.6	9.2%	22.0	7.7%	**26.5**	**8.7%**	4.5
Industrial Machinery	107.9	224.0	**224.0**	0.0	101.7	228.0	**228.0**	0.0	2.2	2.1%	8.0	3.5%	**8.0**	**3.5%**	0.0
Logistics & Construction	220.7 213.6*	399.0	**446.0 426.0***	47.0 27.0*	215.3 208.2*	398.0	**430.0 413.0***	32.0 15.0*	12.8 12.5*	5.9% 6.0%*	19.0	4.8%	**22.5 21.3***	**5.2% 5.2%***	3.5 2.3*
Energy & Lifeline	114.9 122.0*	202.0	**196.0 216.0***	(6.0) 14.0*	85.4 92.6*	170.0	**153.0 170.0***	(17.0) 0.0*	7.9 8.2*	9.3% 8.9%*	8.0	4.7%	**9.0 10.2***	**5.9% 6.0%***	1.0 2.2*
Others	3.6	6.0	**2.0**	(4.0)	3.2	6.0	**3.0**	(3.0)	1.0	-	3.0	-	**1.9**	**-**	(1.0)
Total	607.1	1,120.0	**1,180.0**	60.0	554.2	1,090.0	**1,120.0**	30.0	37.4	6.8%	60.0	5.5%	**68.0**	**6.1%**	8.0

•Reclassification of businesses comprising the segments (Figures in the lower row are before the reclassification)
: Sumitomo Heavy Industries Process Equipment Co., Ltd. was transferred from Energy & Lifeline to Logistics & Construction on July 1, 2026

The breakdown of orders and sales for strategic business units (SBUs) in each segment is provided on pages 30 and 31.

02 Mechatronics

■ Actual FY2026-1H (year-on-year changes)

Orders

160.1 billion (+27.2 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

148.5 billion (+19.1 billion)

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

Operating profit

13.6 billion (+5.0 billion)

Increased due to higher sales.

■ Forecast FY2026 (Previous forecast (as of February 2026), change)

Orders

312.0 billion (+23.0 billion)

Increase due to revisions to our exchange rate assumptions, as well as strong demand for cryocoolers from the semiconductor-related market.

Net sales

306.0 billion (+18.0 billion)

Increase due to increased orders.

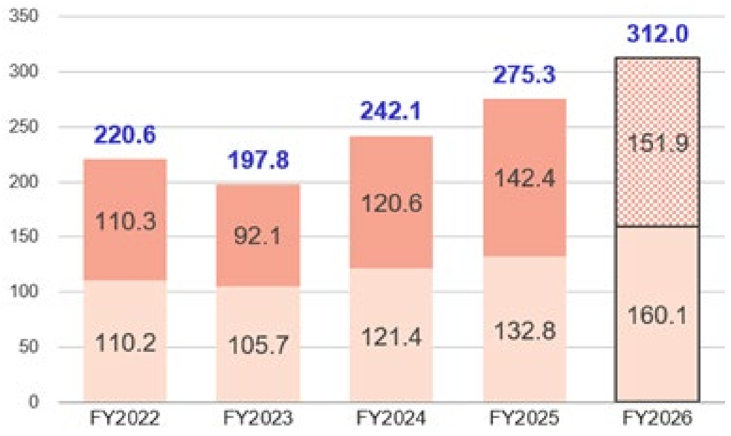
Operating profit

26.5 billion (+4.5 billion)

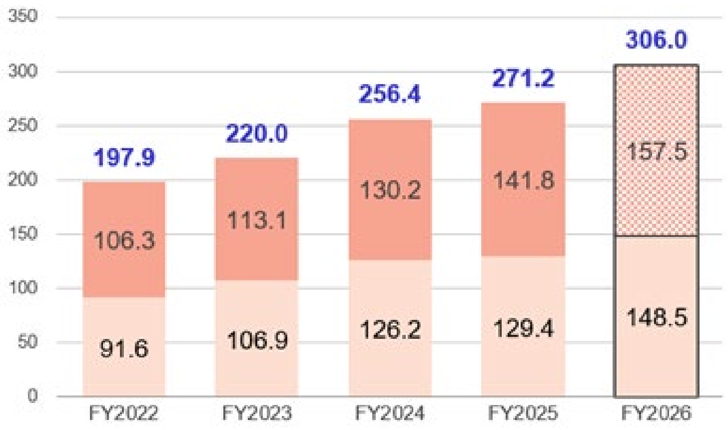
Increase due to higher sales.

Unit: JPY billion

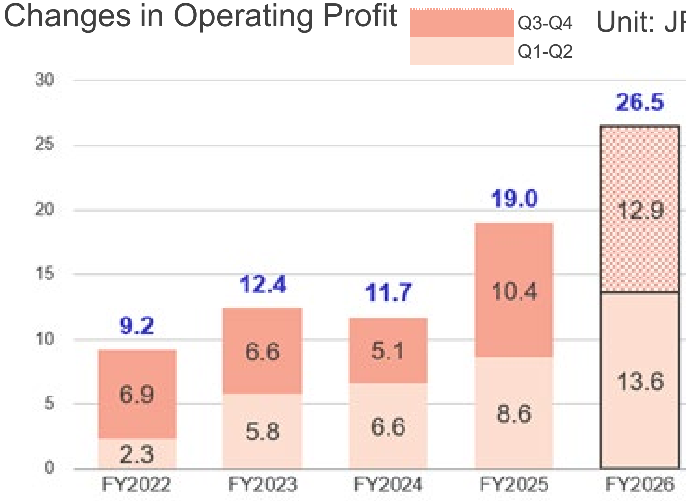
■ Changes in Orders



■ Changes in Sales



■ Changes in Operating Profit



02 Industrial Machinery

■ Actual FY2026-1H (year-on-year changes)

Orders

107.9 billion (-6.7 billion)

Decreased due to lower orders for advanced medical devices, etc., despite higher orders for semiconductor manufacturing equipment.

Net sales

101.7 billion (+3.6 billion)

Increased, primarily in semiconductor manufacturing equipment, reflecting a large order backlog.

Operating profit

2.2 billion (+5.2 billion)

Increased, driven by higher sales and improved profitability in plastics machinery.

■ Forecast FY2026 (Previous forecast (as of February 2026), change)

Orders

224.0 billion (0.0 billion)

Orders for semiconductor manufacturing equipment are expected to decrease due to customers postponing and revising their investment plans, while orders for other products are expected to increase.

Net sales

228.0 billion (0.0 billion)

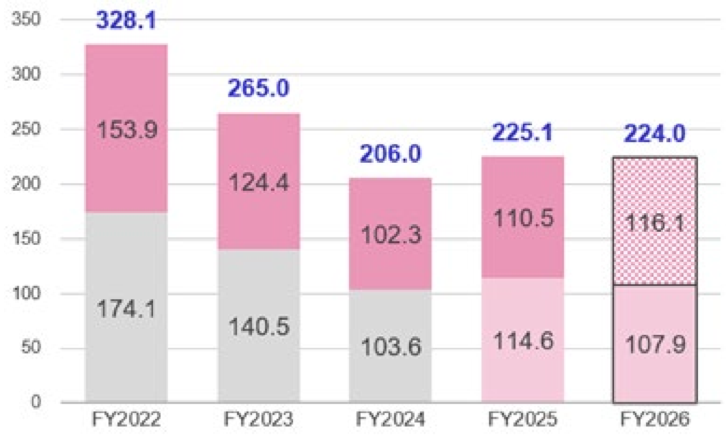
While sales will vary by model, overall sales are expected to remain in line with the previous forecast.

Operating profit

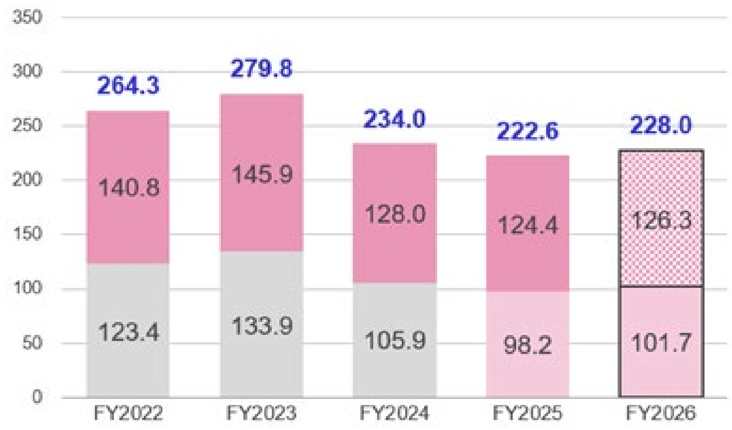
8.0 billion (0.0 billion)

As previously forecasted.

■ Changes in Orders



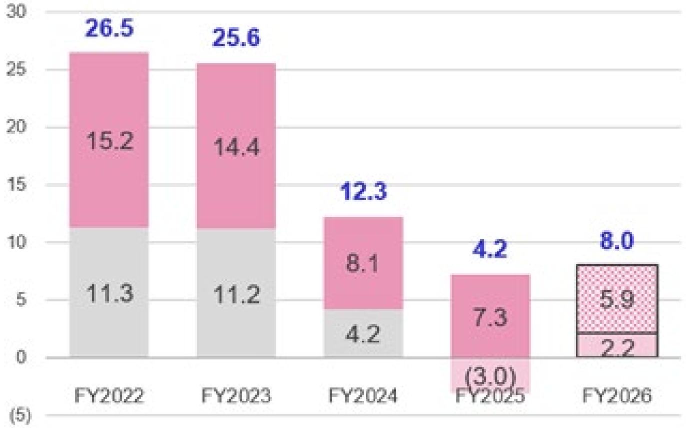
■ Changes in Sales



■ Changes in Operating Profit

Q3-Q4
Q1-Q2

Unit: JPY billion



02 Logistics & Construction

■ Actual FY2026-1H (year-on-year changes)

Orders

213.6 billion (+20.0 billion)

Orders for industrial cranes declined, reflecting the solid level of orders secured in the previous year, but orders increased for hydraulic excavators in the United States and Europe, and for mobile cranes in the United States.

Net sales

208.2 billion (+32.7 billion)

Increased due to increased orders.

Operating profit

12.5 billion (+4.6 billion)

Increased due to higher sales.

■ Forecast FY2026 (Previous forecast (as of February 2026), change)

Orders

446.0 billion (+47.0 billion)

Increase due to higher demand for hydraulic excavators in the United States and Europe, and for industrial cranes, as well as reclassification of businesses within the segments.

Net sales

430.0 billion (+32.0 billion)

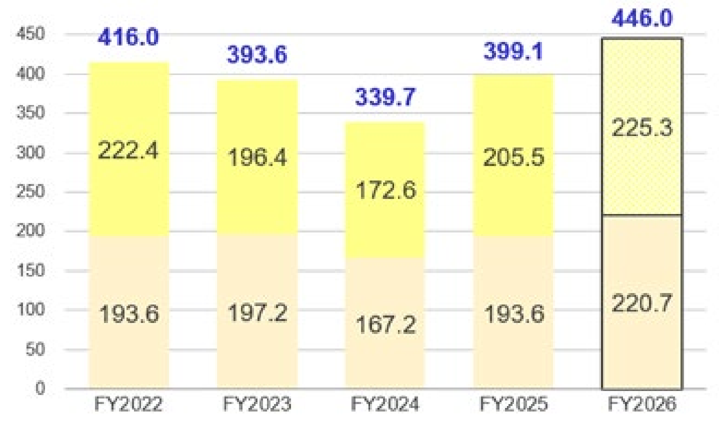
Increase due to increased orders.

Operating profit

22.5 billion (+3.5 billion)

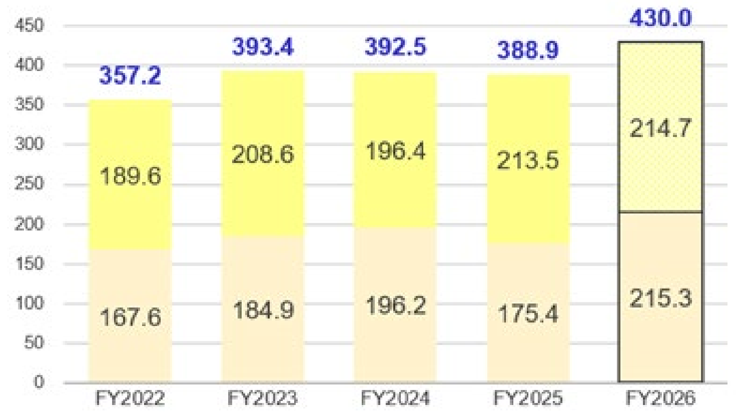
Increase due to higher sales.

■ Changes in Orders



(After reclassification)*

■ Changes in Sales



(After reclassification)*

■ Changes in Operating Profit

Unit: JPY billion

(After reclassification)*

*The graphs show figures after the reclassification of businesses comprising the segments
: Sumitomo Heavy Industries Process Equipment Co., Ltd. was transferred from Energy & Lifeline to Logistics & Construction on July 1, 2026

02 Energy & Lifeline

■ Actual FY2026-1H (year-on-year changes)

Orders

122.0 billion (+30.9 billion)

Increased due to the acquisition of large orders for water treatment equipment and marine structures.

Net sales

92.6 billion (+4.3 billion)

Increased due to a larger number of water treatment equipment orders contributing to sales during the period under review.

Operating profit

8.2 billion (+1.2 billion)

Increased due to higher sales.

■ Forecast FY2026 (Previous forecast (as of February 2026), change)

Orders

196.0 billion (-6.0 billion)

Overall orders are expected to decrease due to the reclassification of segment businesses, while orders for marine structures are expected to grow.

Net sales

153.0 billion (-17.0 billion)

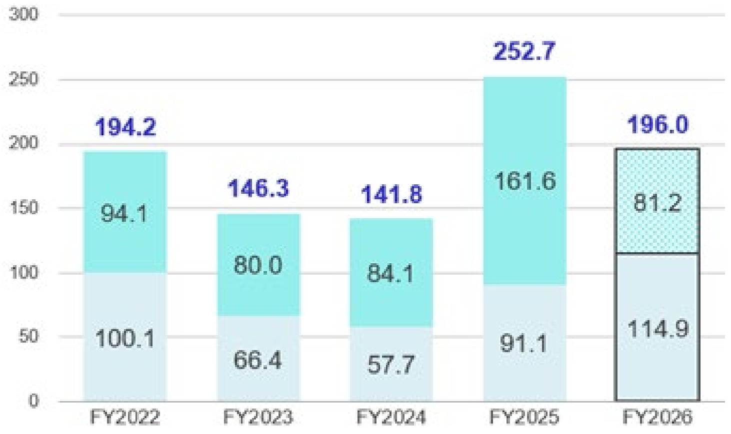
Decrease due to the reclassification of segment businesses.

Operating profit

9.0 billion (+1.0 billion)

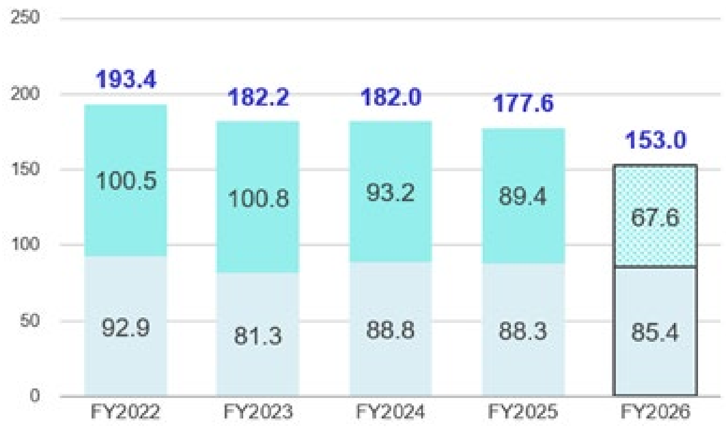
Increase due to improved profitability in each project, despite the negative impact from the reclassification of segment businesses.

■ Changes in Orders



(After reclassification)*

■ Changes in Sales

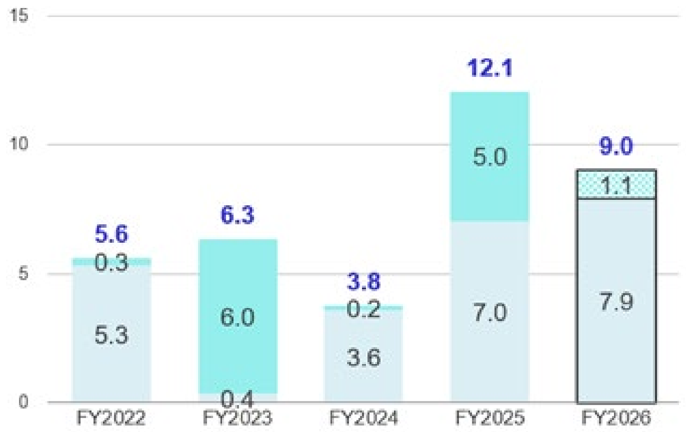


(After reclassification)*

■ Changes in Operating Profit

Q3-Q4
Q1-Q2

Unit: JPY billion



(After reclassification)*

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03 Direction of the Medium-Term Management Plan 2029 (MTMP29)

MTMP29: Key Considerations for Formulating Plan

01 **Prioritize improving quality over expanding scale to achieve higher profitability and greater capital efficiency**

02 **Set a primary target of achieving 10% ROE within three years, while implementing a flexible capital policy**

03 **Define a new term, "driver business," and preferentially allocate management resources to driver and service businesses**

03 MTMP29: Basic Policy

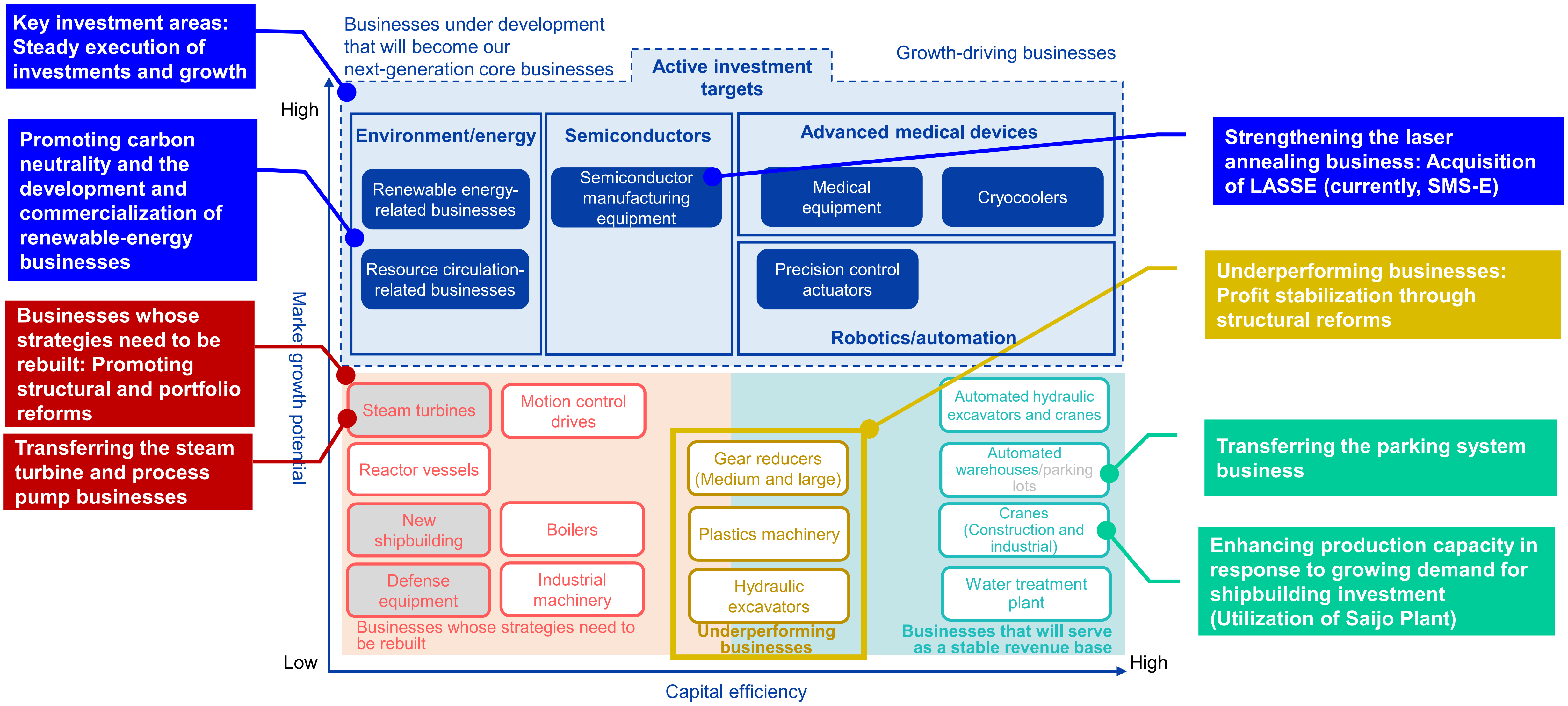
Basic policy	**Concentrate management resources on growth-driving businesses and service businesses to achieve high profitability and capital efficiency**
Key issues	Strengthen profitability through driver businesses / Reduce invested capital in low-efficiency businesses / Strengthen service businesses
Corporate and business strategies	**Corporate strategies** • Advance portfolio reforms • Strengthen the management foundation (DX, human capital, and governance) **Segment strategies** • Enhance the growth and profitability of driver businesses • Improve capital efficiency across businesses and implement restructuring • Promote life-cycle solutions

Sustainable growth and corporate value enhancement of SHI-G (Sustainability)

03 MTMP29: Performance Targets (Financial Targets)

	Current status of MTMP26 (Estimated results for FY2026)	MTMP29 targets (FY2029 targets)	Long-term vision (FY2035 targets)
	Insufficient investment in key investment areas and delayed responses to changes in the external environment	**Rather than pursuing scale, we will narrow our business focus, concentrating on driver and service businesses to pursue management focused on quality**	**Building on the solid foundation, we aim for even higher levels of profitability and capital efficiency**
Operating profit ratio	6.1%	**10%**	15%
ROE	5.0%	**10%**	15%
ROIC	5.3%	**8%**	15%

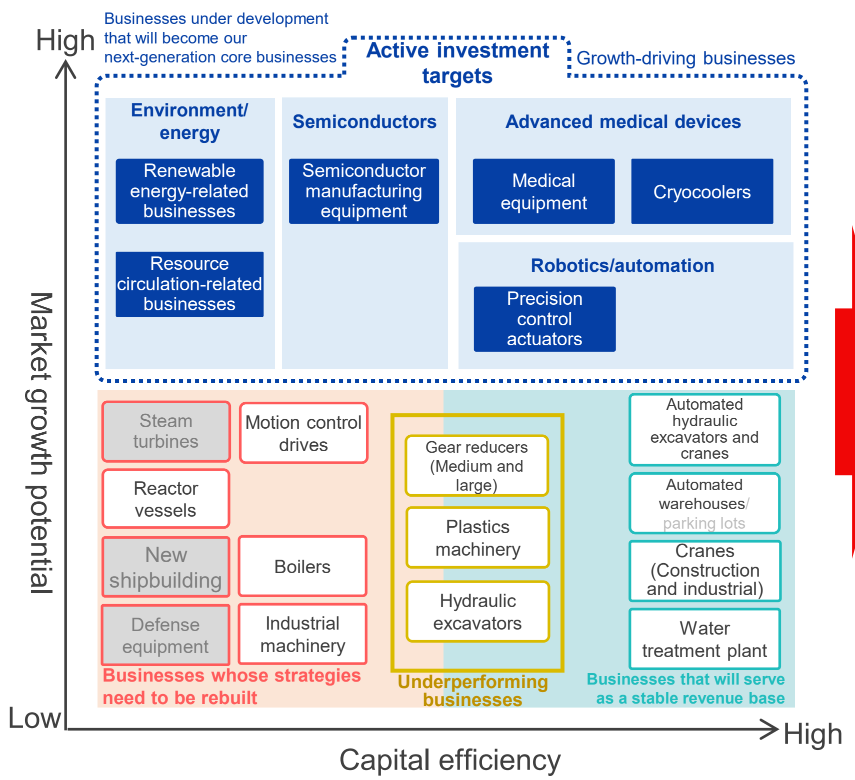
03 MTMP29: Business Portfolio (Current Status) and Issues to Be Addressed



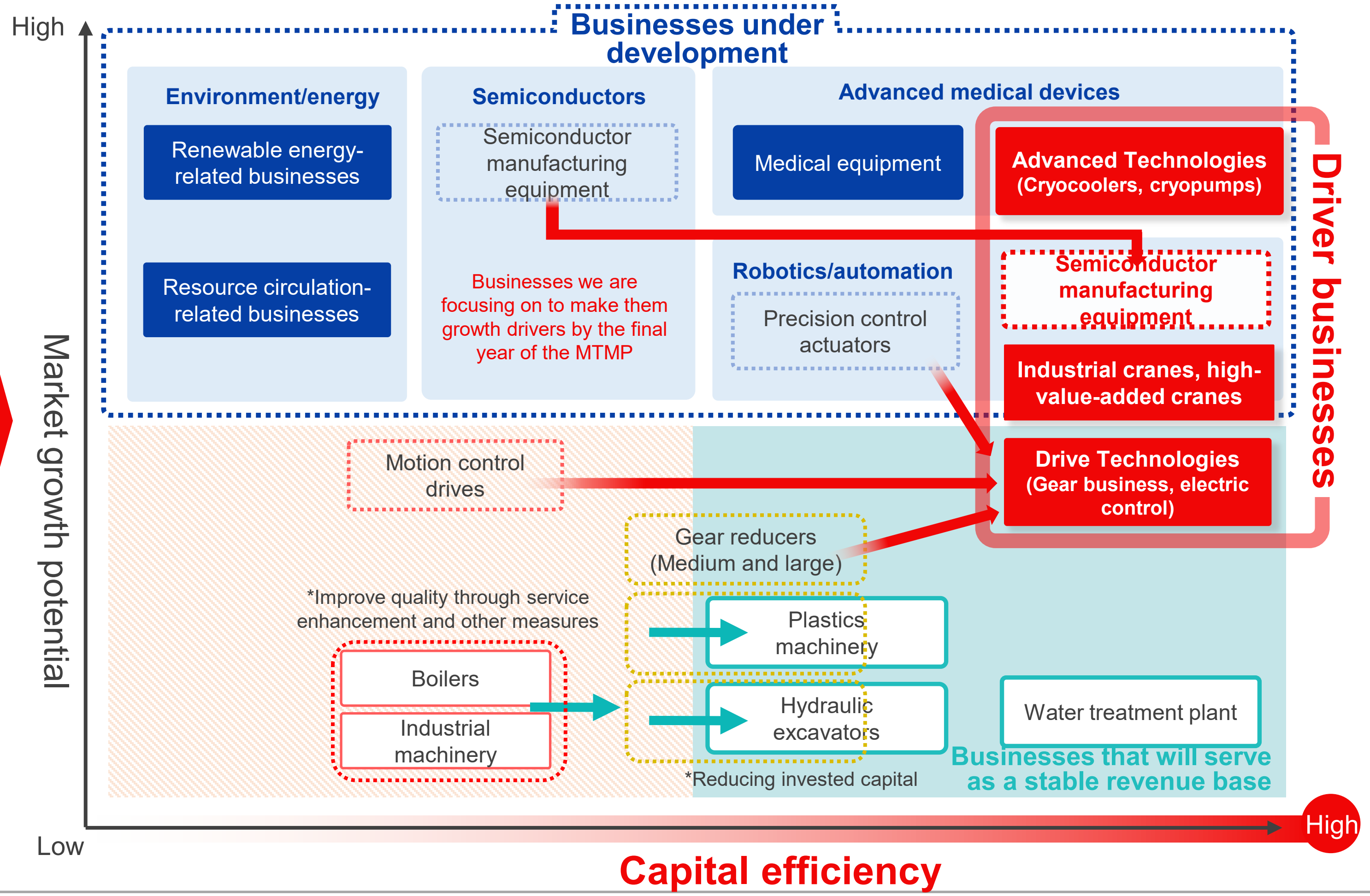
LASSE: Laser Systems & Solutions of Europe SASU
SMS-E: Sumitomo (SHI) Material Solutions Europe SASU

03 MTMP29: Business Portfolio (Goals of MTMP29)

Current status in 2026



MTMP29



03 MTMP29: Strengthening Profitability through Driver Businesses

Driver businesses: Businesses that serve as high-growth, high-profitability drivers of the Group's future growth, to which resources, including investment, are allocated on a priority basis

- [Condition 1] Businesses that target growth markets and aim to be No. 1 or No. 2 in market share
- [Condition 2] Businesses that aim to achieve an operating progit ratio of 15% or higher and net sales of JPY100 billion or more by 2035

	Condition 1: Growth market, competitive advantage	Condition 2: Target scale and profitability for 2035
Drive Technologies SBU (DT)	• Integration of gears, electrical equipment, and control technologies will increase customer value and proposal capabilities, enabling stronger competitiveness in targeted applications	• Expanding sales scale and improving profitability through global expansion, integrated product promotion, and service enhancement
Advanced Technologies SBU (AT)	• We can establish a competitive advantage by leveraging our core technologies in vacuum robots, cryopumps, stages, and other products	• By capturing growth in the semiconductor market, we can expand the scale toward 2035
Cranes SBU (planned)	• In addition to growing demand for shipbuilding investment in Japan, we have a strong position in the domestic industrial crane market.	• By capturing domestic demand and expanding our service business, we can transform it into a highly profitable business

Under MTMP29, we aim to increase operating profit for the driver businesses to more than 1.5 times the current level

03 MTMP29: Strengthening the Industrial Crane Business

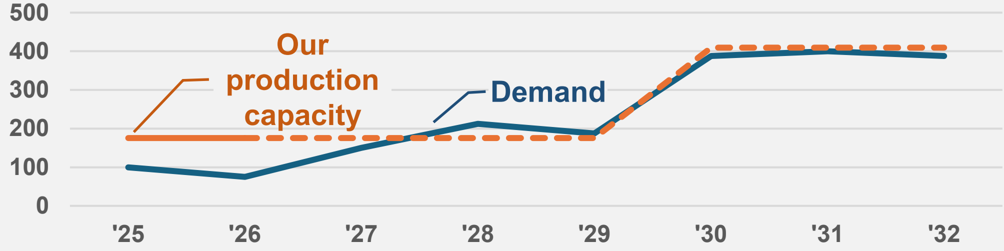
Shipbuilding business revitalization roadmap

The government has formulated a roadmap to double annual shipbuilding output by 2035 from the current level. Effective public-private investment measures are currently under consideration

Jib crane

Goliath crane

Projected shipbuilding demand (2025 = 100)



Note: Demand expected is based on our order backlog and information obtained independently by us

The Company holds a dominant market share in cranes for shipbuilding

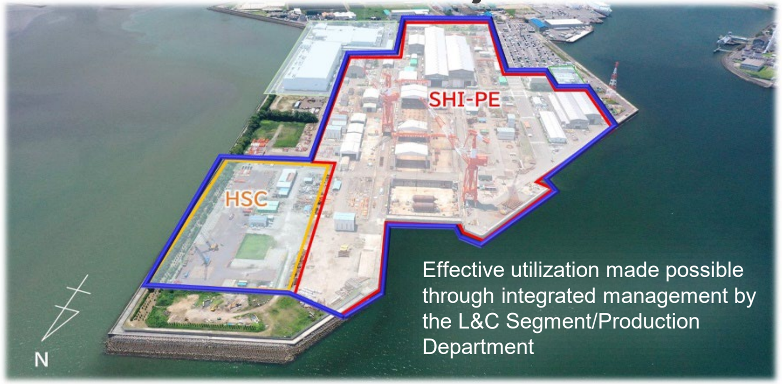
Expectations for the Company from the government and the shipbuilding industry are extremely high, but current production capacity is a bottleneck

We will implement the following measures to strengthen the business:

(1) Invest in equipment at Saijo Plant and Niihama Plant to significantly increase production capacity

(2) Integrate the business with the construction mobile crane business to enhance our ability to respond through the optimal allocation of human resources

Effective utilization of Saijo Plant

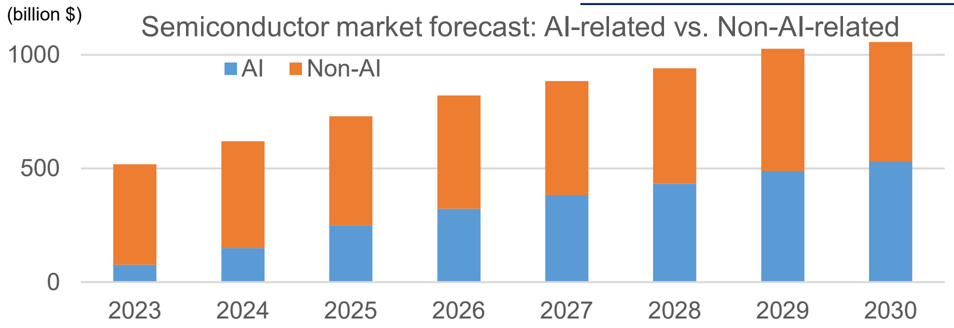


Annual production capacity target for each model 2030 (vs. current)

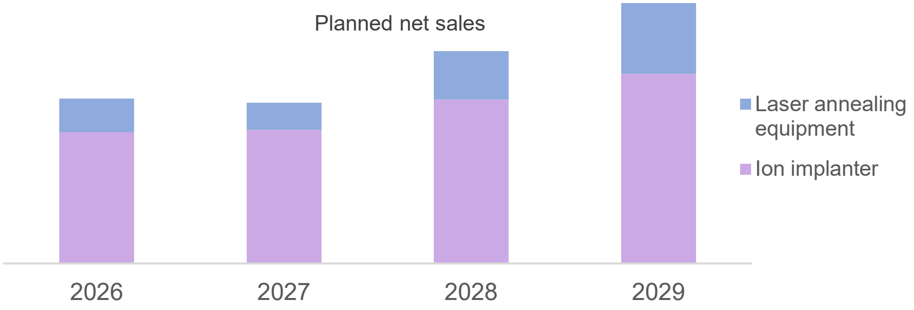
Jib crane (JC)	: 2.0x
Goliath crane (GC)	: 1.5x
Overhead cranes for shipbuilding (OHC)	: 3.3x

MTMP29: Initiatives for the Semiconductor Manufacturing Equipment Business

Semiconductor market and growth potential



* Prepared by the Company based on external materials



Ion implanter (SAion)

Laser annealing equipment (LT3100)

External environment

- The growth driver has shifted toward advanced AI logic and memory
- Demand in traditional applications such as PCs and smartphones is recovering
- Power semiconductors face short-term adjustment despite medium-to-long-term growth
- Capital investment in China is slowing, while domestic incentives are accelerating

Internal environment (issues)

Ion implanter: Limited customer base and areas of market entry (Delays in acquiring new customers and entering new markets)

Laser annealing equipment: Developing a system for mass-production

MTMP29	Initiative
Common	Strategic sales expansion (Steady execution and expansion of cross-selling initiatives, development of untapped customer segments, and entry into new markets)
Ion implanter	Promoting new product and advanced equipment development (Strengthening marketing)
	Strengthening organizational capabilities, including the development of strategic talent
Laser annealing equipment	Accelerating the development of a mass-production system for the laser annealing business

Under MTMP29, we will unite as a company to make the semiconductor equipment business a growth driver

04 Appendix

04 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 established 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.**

Segment	SBU (Abbreviation)	Main products
Mechatronics	Drive Technologies SBU (DT-SBU)	Gear reducers; Motors & inverters
Mechatronics	Advanced Technologies SBU (AT-SBU)	Cryocoolers; Precision positioning equipment
Industrial Machinery	Material Solutions SBU (MS-SBU)	Semiconductor manufacturing equipment; Laser annealing equipment
Industrial Machinery	Medical & Quantum Solutions SBU (MQS-SBU)	Advanced medical devices
Industrial Machinery	Metal Processing Solutions SBU (MPS-SBU)	Forging presses; Forging blades
Industrial Machinery	Plastics Solutions SBU (PS-SBU)	Plastics machinery
Logistics & Construction	Material Handling Systems SBU	Industrial cranes; Logistics systems
Logistics & Construction	HSC Cranes SBU (HSC-SBU)	Mobile cranes
Logistics & Construction	Link-Belt Cranes SBU (LBC-SBU)	Mobile cranes
Logistics & Construction	Construction Equipment SBU	Hydraulic excavators; Road machinery
Energy & Lifeline	Energy & Environment SBU	Boilers; Renewable energy; Resource recycling
Energy & Lifeline	Process Plant SBU (PP-SBU)	Water treatment plant; Food machinery
Energy & Lifeline	Marine & Steel Structures SBU	Ship-related engineering; Large steel structures

*Only SBUs are listed

*In August 2026, the Industrial Machinery Material Solutions SBU (MS-SBU) was reorganized into the headquarters-directly controlled Semiconductor Equipment Division

*Sumitomo Heavy Industries Process Equipment Co., Ltd. was transferred from Energy & Lifeline Process Plant SBU to Logistics & Construction in July 2026

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

Unit: JPY billion	Orders				Net sales				Operating profit							
	Actual FY2026-1H	Forecast FY2026 (as of Feb. 2026)	**Forecast FY2026 (as of Aug. 2026)**	Change (Feb. - Aug.)	Actual FY2026-1H	Forecast FY2026 (as of Feb. 2026)	**Forecast FY2026 (as of Aug. 2026)**	Change (Feb. - Aug.)	Actual FY2026-1H		Forecast FY2026 (as of Feb. 2026)		**Forecast FY2026 (as of Aug. 2026)**		Change (Feb. - Aug.)	
Drive Technologies	117.8	224.0	**234.0**	10.0	112.2	222.0	**231.0**	9.0								
Advanced Technologies	43.9	68.0	**81.0**	13.0	38.2	71.0	**81.0**	10.0								
Other businesses, deductions, adjustments, etc.	(1.7)	(3.0)	(3.0)	0.0	(2.0)	(5.0)	**(6.0)**	(1.0)								
Mechatronics	160.1	289.0	**312.0**	23.0	148.5	288.0	**306.0**	18.0	13.6	9.2%	22.0	7.7%	**26.5**	**8.7%**	4.5	-
Material Solutions	17.4	45.0	**36.0**	(9.0)	19.8	50.0	**46.0**	(4.0)								
Medical & Quantum Solutions	9.7	25.0	**23.0**	(2.0)	8.7	20.0	**20.0**	0.0								
Metal Processing Solutions	12.5	30.0	**35.0**	5.0	12.4	29.0	**30.0**	1.0								
Plastics Solutions	50.7	93.0	**95.0**	2.0	44.9	95.0	**97.0**	2.0								
Other businesses, deductions, adjustments, etc.	17.5	31.0	**35.0**	4.0	16.0	34.0	**35.0**	1.0								
Industrial Machinery	107.9	224.0	**224.0**	0.0	101.7	228.0	**228.0**	0.0	2.2	2.1%	8.0	3.5%	8.0	3.5%	0.0	-

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

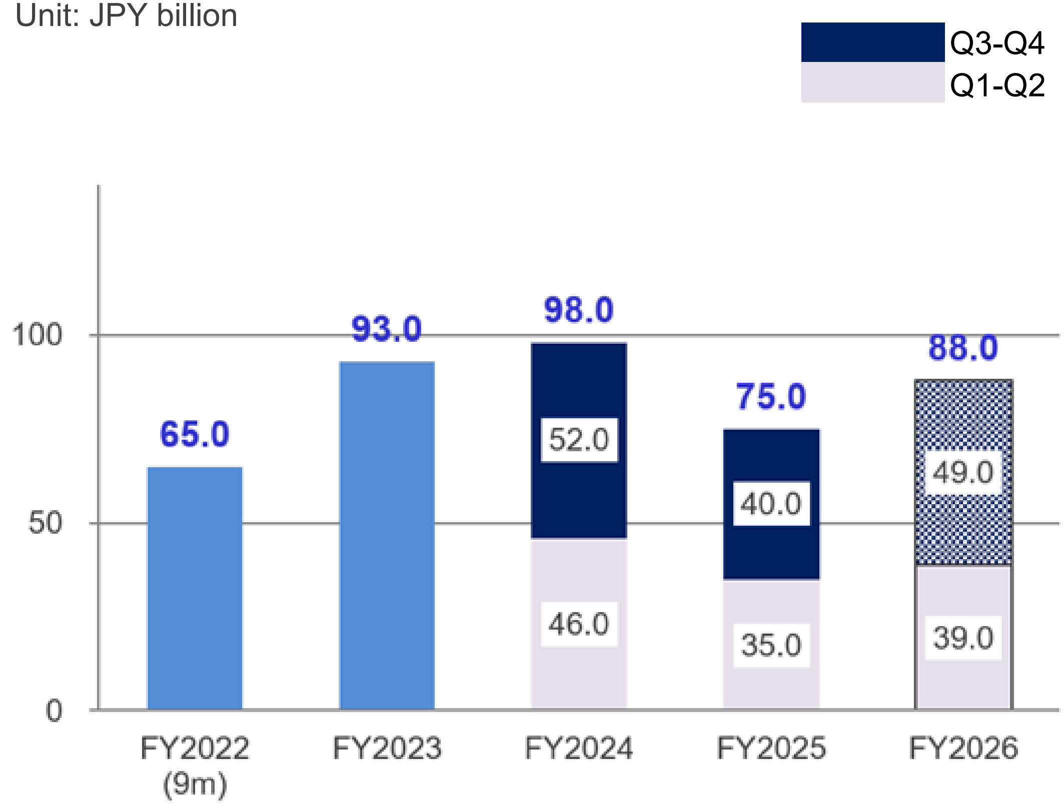
Unit: JPY billion	Orders				Net sales				Operating profit							
	Actual FY2026-1H	Forecast FY2026 (as of Feb. 2026)	**Forecast FY2026 (as of Aug. 2026)**	Change (Feb. - Aug.)	Actual FY2026-1H	Forecast FY2026 (as of Feb. 2026)	**Forecast FY2026 (as of Aug. 2026)**	Change (Feb. - Aug.)	Actual FY2026-1H		Forecast FY2026 (as of Feb. 2026)		**Forecast FY2026 (as of Aug. 2026)**		Change (Feb. - Aug.)	
Material Handling Systems	27.2	60.0	69.0	9.0	33.3	62.0	**62.0**	0.0								
HSC Cranes	17.9	33.0	33.0	0.0	18.3	37.0	**37.0**	0.0								
Link-Belt Cranes	52.6	100.0	104.0	4.0	48.9	97.0	**100.0**	3.0								
Construction Equipment	124.0	216.0	235.0	19.0	113.9	215.0	**228.0**	13.0								
Other businesses, deductions, adjustments, etc.	(0.9) (8.1)*	(10.0)	**5.0** **(15.0)***	15.0 (5.0)*	1.0 (6.2)*	(13.0)	**3.0** **(14.0)***	16.0 (1.0)*								
Logistics & Construction	220.7 213.6*	399.0	**446.0** **426.0***	47.0 27.0*	215.3 208.2*	398.0	**430.0** **413.0***	32.0 15.0*	12.8 12.5*	5.9% 6.0%	19.0	4.8%	**22.5** **21.3***	**5.2%** **5.2%***	3.5 2.3*	-
Energy & Environment	37.0	83.0	**82.0**	(1.0)	33.7	70.0	**70.0**	0.0								
Process Plant	37.7 44.8*	72.0	**57.0** **77.0***	(15.0) 5.0*	23.0 30.2*	57.0	**42.0** **59.0***	(15.0) 2.0*								
Marine & Steel Structures	31.4	40.0	**49.0**	9.0	20.2	34.0	**35.0**	1.0								
Other businesses, deductions, adjustments, etc.	8.8	7.0	**8.0**	1.0	8.5	9.0	**6.0**	(3.0)								
Energy & Lifeline	114.9 122.0*	202.0	**196.0** **216.0***	(6.0) 14.0*	85.4 92.6*	170.0	**153.0** **170.0***	(17.0) 0.0*	7.9 8.2*	9.3% 8.9%	8.0	4.7%	**9.0** **10.2***	**5.9%** **6.0%***	1.0 2.2*	-
Others	3.6	6.0	**2.0**	(4.0)	3.2	6.0	**3.0**	(3.0)	1.0	-	3.0	-	**1.9**	-	(1.0)	-
Total	607.1	1,120.0	**1,180.0**	60.0	554.2	1,090.0	**1,120.0**	30.0	37.4	6.8%	60.0	5.5%	**68.0**	**6.1%**	8.0	-

*Reclassification of businesses comprising the segments (Figures in the lower row are before the reclassification) : On July 1, 2026, the chemical equipment and other businesses were reclassified from Process Plant SBU to "Other businesses, deductions, adjustments, etc." within Logistics & Construction

04 Sales of the Semiconductor-Related Product Business

Total sales from semiconductor-related businesses (approximate numbers)

Unit: JPY billion



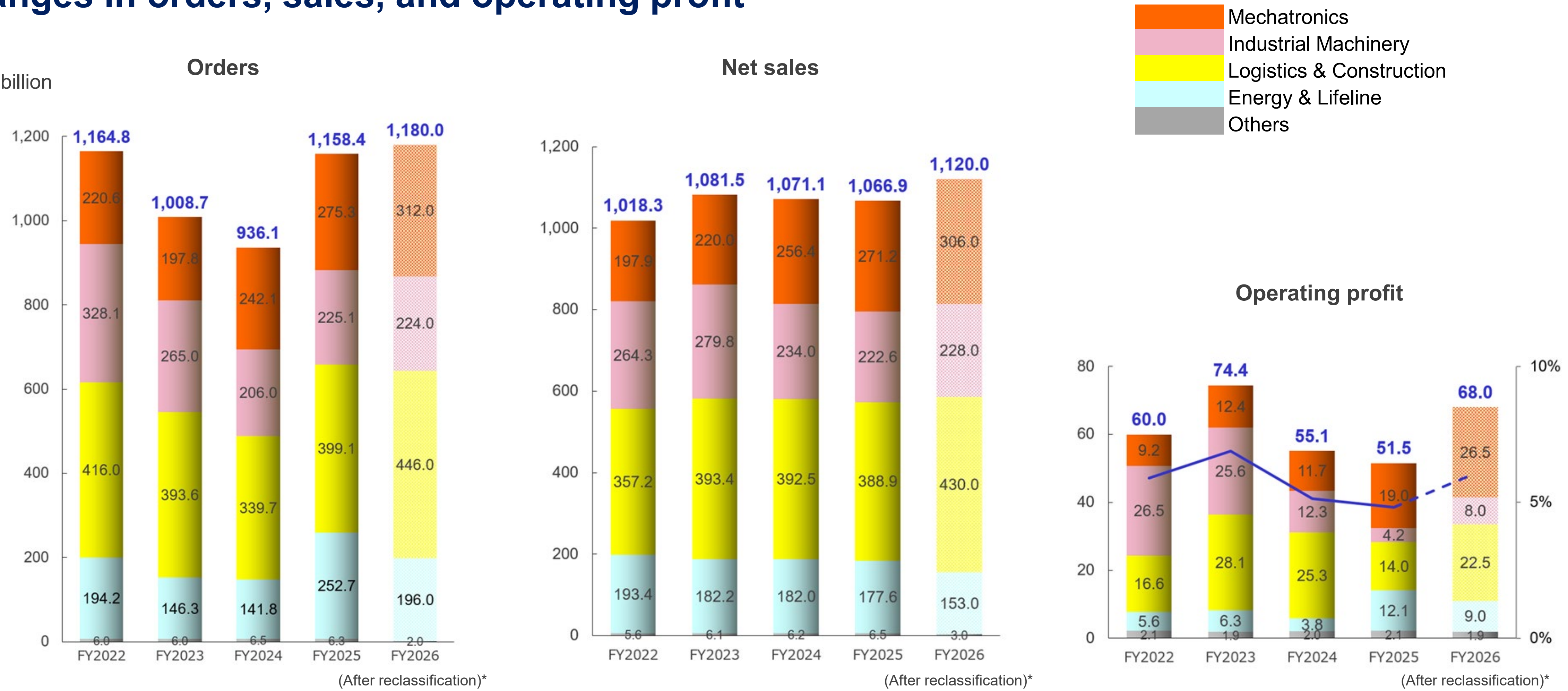
The Company's components, equipment and key technologies in the semiconductor field

	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)

Changes in orders, sales, and operating profit

Unit: JPY billion



* Reclassification of businesses comprising the segments: Sumitomo Heavy Industries Process Equipment Co., Ltd. was transferred from Energy & Lifeline to Logistics & Construction on July 1, 2026

04 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)	Motion control drives (MCD)	Service	Electric control	Total
FY2026 1H	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)

	Electrical and electronic product-related	Automobile	Foods, containers, miscellaneous goods	Others	Total
FY2026 1H	20%	10%	50%	20%	100%
FY2025	20%	15%	50%	15%	100%

<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	4.0	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 1H	0%	50%	50%	0%	0%	100%
FY2025 Cumulative	0%	20%	50%	10%	20%	100%

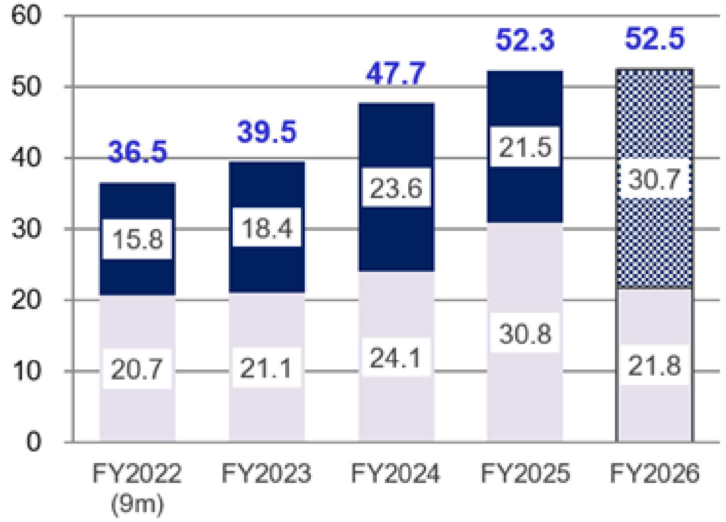
04 Capital Investment, Depreciation Cost, Research & Development Cost, Personnel, Forex Sensitivity

Unit: JPY billion

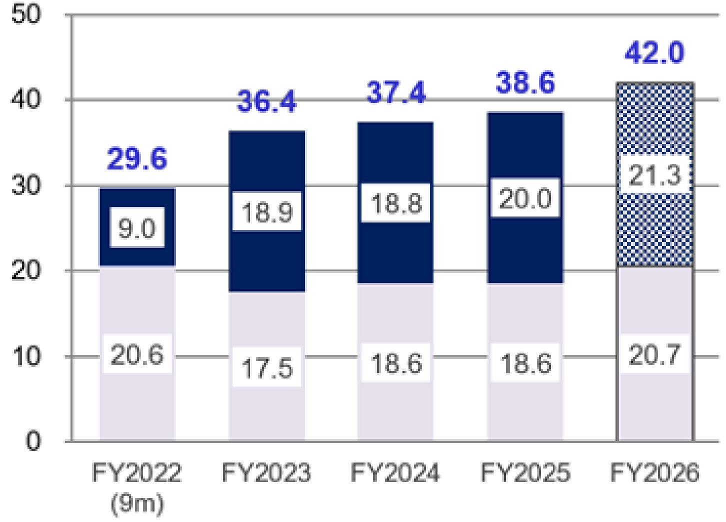
Q3-Q4
Q1-Q2

Capital investment*

*Actual figures are based on cash outflows, while forecasts are based on the budget

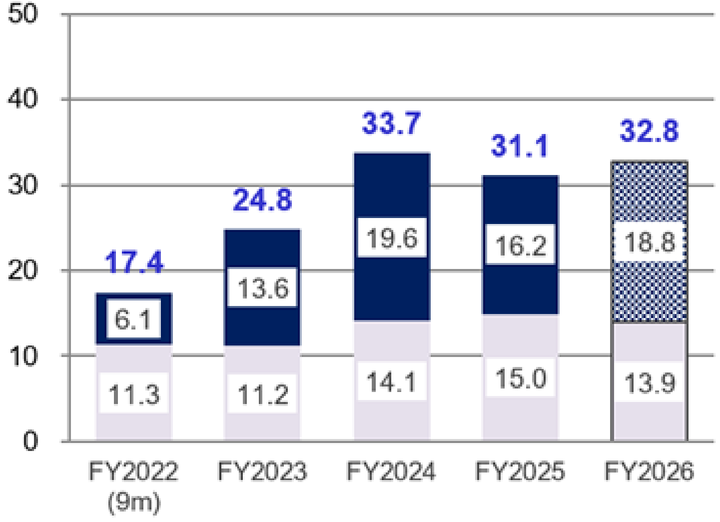


Depreciation



Research & development cost*

*Actual figures are based on the P&L, while forecasts are based on the budget



Personnel (as of end of each fiscal year)

Unit: Persons	FY2023	FY2024	FY2025	End-June 2026
Consolidated total	25,303	25,337	25,123	24,720

Forex sensitivity (FY2026 forecast)

Unit: JPY billion	US dollar	Euro	Total
Effect of a 1-yen change on operating profit*	0.27	0.15	0.42

*The assumed exchange rates for 2H of FY2026 are JPY155 per US dollar and JPY180 per euro

04 Sales by Regional Segment

<Exchange rate: JPY158 per US dollar> Unit: JPY billion	Actual FY2026-1H							
	North America	Europe	Asia (excluding China)	China	Others	Overseas total	Japan	Total sales
Mechatronics	**35.3**	**33.9**	**18.3**	**16.8**	**10.3**	**114.6**	**33.8**	**148.5**
Industrial Machinery	**6.3**	**13.4**	**14.9**	**20.5**	**3.1**	**58.2**	**43.6**	**101.7**
Logistics & Construction	**81.7**	**17.0**	**23.8**	**3.9**	**6.9**	**133.3**	**74.9**	**208.2**
Energy & Lifeline	**8.7**	**15.5**	**11.3**	**0.1**	**8.4**	**44.0**	**48.6**	**92.6**
Others	**-**	**0.0**	**-**	**0.0**	**-**	**0.0**	**3.2**	**3.2**
Total / Sales ratio (%)	**132.0** **24**	**79.7** **14**	**68.3** **12**	**41.4** **7**	**28.8** **5**	**350.1** **63**	**204.1** **37**	**554.2**

<Exchange rate: JPY148 per US dollar> Unit: JPY billion	Actual FY2025-1H							
	North America	Europe	Asia (excluding China)	China	Others	Overseas total	Japan	Total sales
Mechatronics	28.6	27.1	16.9	14.0	8.4	95.1	34.3	129.4
Industrial Machinery	7.1	11.2	13.6	21.6	2.5	56.1	42.1	98.2
Logistics & Construction	65.4	6.2	22.3	3.6	4.9	102.3	73.1	175.4
Energy & Lifeline	6.7	12.4	9.5	0.8	3.1	32.5	55.8	88.3
Others	-	-	-	0.0	-	0.0	3.4	3.4
Total / Sales ratio (%)	107.9 22	56.9 12	62.2 13	40.0 8	18.9 4	286.0 58	208.6 42	494.6

Sumitomo Heavy Industries, Ltd.

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.