Sumitomo Heavy Industries, Ltd.

CONSOLIDATED FINANCIAL REPORT

For the Six-Month Period from January 1 to June 30, 2024

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.

Sumitomo Heavy Industries, Ltd.

Summary of Consolidated Financial Results
For the Six-Month Period from January 1 to June 30, 2024 (Interim)
Presented August 7, 2024

Sumitomo Heavy Industries, Ltd.

Listed exchanges	Tokyo Stock Exchange
Stock code	6302
Head office	Tokyo
President	Shinji Shimomura
URL	www.shi.co.jp
Inquiries	Yoshitaka Shimamura General Manager, Corporate Communications Dept.
Telephone	+81 3 6737 2332
Scheduled date for submitting semi-annual report	August 8, 2024
Scheduled date of payment of cash dividends	September 2, 2024
Availability of supplementary explanations for financial statement	Yes
Holding of meeting to explain financial statement	Yes

1. FY2024 Second Quarter (Interim) Consolidated Results *(January 1, 2024 to June 30,2024)*
(1) Business Results

(Units: millions of yen)

	1st half of fiscal year ending December 31, 2024		1st half of fiscal year ended December 31, 2023	
		% change		% change
Net sales	520,353	2.0	510,059	—
Operating profit	33,330	8.7	30,655	—
Ordinary profit	33,858	2.9	32,889	—
Profit attributable to owners of parent	23,509	4.6	22,476	—
Profit attributable to owners of parent ratio (yen)	193.26		183.49	
Fully diluted profit attributable to owners of parent ratio	—		—	

Note 1: Comprehensive income:
1st half of fiscal year ending December 31, 2024 59,533 million yen, (22.0 %)
1st half of fiscal year ended December 31, 2023 48,786 million yen, (— %)

Note 2: The Company has changed the closing date from March 31 to December 31 starting from the fiscal year ended December 31, 2022.Due to this, a consolidation period differs between the first half of the fiscal year ended December 31, 2023 and the first half of the fiscal year ended December 31, 2022. Therefore, year-on-year change rates for the first half of the fiscal year ended December 31, 2023 are not presented in this document.

(2) Financial Position

(Units: millions of yen)

	First half of fiscal year ending December 31, 2024	End of Previous Full Year December 31, 2023
Total assets	1,256,801	1,200,857
Total net assets	667,407	627,464
Equity ratio (%)	52.5	51.6

Reference: Equity:
First half of fiscal year ending December 31, 2024 660,278 million yen
Fiscal year ended December 31, 2023: 619,771 million yen

2. Dividends

(Unit: yen)

	Year Ended December 31, 2023	Year Ending December 31, 2024	Year Ending December 31, 2024 (forecast)
Annual dividends per share			
First quarter	—	—	
Second quarter	60.00	60.00	
Third quarter	—		—
End of term	60.00		65.00
Annual dividends	120.00		125.00

Note: Changes from the most recent dividend forecast: No

3. FY2024 Consolidated Forecasts (January 1, 2024 to December 31, 2024)

(Units: millions of yen)

	Full Year January 1, 2024 to December 31, 2024	
		% change
Net sales	1,070,000	(1.1)
Operating profit	65,000	(12.6)
Ordinary profit	61,000	(13.2)
Profit attributable to owners of parent	38,000	16.1
Profit attributable to owners of parent ratio (yen)		316.18

Note 1: Changes from the most recent dividend forecast: Yes

Note 2: At the Board of Directors meeting held on February 14, 2024, the Company passed a resolution regarding the acquisition of treasury shares. “Profit attributable to owners of parent ratio (yen)” in the Consolidated Forecasts section reflects the impact of the acquisition of treasury shares.

Additional Notes

(1) Significant changes in the scope of consolidation during the first half under review: Yes

Newly consolidated: —

Excluded from consolidation: One company: (Company name) Sumitomo Heavy Industries PTC Sales Co., Ltd.

(2) Special accounting measures applied in the interim consolidated financial report: Applicable

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

(i) Changes to accounting policies due to revisions to accounting standards: None

(ii) Changes to accounting policies not otherwise stated in (i): None

(iii) Changes to accounting estimates: None

(iv) Retrospective restatements: None

(4) Number of shares issued (share capital)

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

First half of fiscal year ending December 31, 2024	122,905,481 shares
As of December 31, 2023	122,905,481 shares

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

First half of fiscal year ending December 31, 2024	2,723,457 shares
As of December 31, 2023	418,174 shares

(iii) Average number of shares during fiscal period (interim) :

First half of fiscal year ending December 31, 2024	121,644,244 shares
First half of fiscal year ended December 31, 2023	122,493,313 shares

*Treasury stock that is deducted to calculate the number of term-end treasury stock and the average number of shares during the fiscal period includes shares of the Company held in the trust account related to the share delivery trust established for the stock compensation plan for directors and others.

Summary of Financial Results for the Second Quarter (Interim) is not subject to review by a Certified Public Accountant or an Independent Auditor

* 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 *Explanation of the Consolidated Earnings Forecast and Other Forward-Looking Estimates* in the *Supplementary Materials* section beginning on page 9.

Supplementary Materials – Table of Contents

I. Qualitative Information regarding Current Interim Consolidated Business Performance 6

1. Explanation of Business Performance 6

2. Explanation of the Group's Consolidated Financial Position 7

3. Explanation of the Consolidated Earnings Forecast and Other Forward-Looking Estimates 9

II. Interim Consolidated Financial Statements and Key Explanatory Notes 10

1. Interim Consolidated Balance Sheets 10

2. Interim Consolidated Income Statements and Interim Consolidated Statement of Comprehensive Income 13

Interim Consolidated Income Statements 13

Interim Consolidated Statement of Comprehensive Income 14

3. Interim Consolidated Cash Flows Statement 14

4. Items of Special Note Concerning the Interim Consolidated Financial Statements 16

(Significant Events or Conditions that Question the Premise of a Going Concern) 16

(Application of Accounting Procedures Specific to Preparation of Interim Consolidated Financial Statements) 16

(Notes regarding Significant Fluctuations to Shareholders' Equity) 16

(Segment Information) 16

(Subsequent Events of Significant Importance) 18

III. Supplemental Information 19

I. Qualitative Information regarding Current Interim Consolidated Business Performance

1. Explanation of Business Performance

Regarding the economic environment surrounding the Group for the first half under review, in Japan, capital investment was on a gradual recovery trend mainly in the manufacturing industry, while some sectors showed a lack of strength, such as signs of hesitancy observed in the semiconductor market's recovery. Turning to overseas regions, the US economy saw strong capital investment; however, Europe experienced an economic slowdown due to monetary tightening, and mainly the UK and German economies continued to show signs of weakness. The Chinese economy experienced a continued slowdown, triggered by a worsening real estate market. The recovery in production and consumption was weak, and demand remained sluggish, impacting even Southeast Asia. In addition, risks (such as the issue between Russia and Ukraine and the situation in the Middle East) persisted in the geopolitical landscape. Due primarily to these reasons, the economic outlook remained uncertain.

In this business environment, according to the "Medium-Term Management Plan 2026," the Group aimed to increase corporate value in a sustainable manner by solving social issues through products and services. Also, we moved forward with measures, such as expanding contribution to SDGs and strengthening initiatives for reducing negative environmental impacts, as well as improving our earning capacity and capital efficiency and strengthening our efforts to explore new businesses in order to develop a robust entity.

As a result, the Group's orders amounted to JPY453.1 billion (down 12% from the same period of the previous fiscal year) and sales increased by 2% as compared to the same period of the previous fiscal year to finish at JPY520.4 billion. In terms of profitability, the Group posted operating profit of JPY 33.3 billion (up 9% from the same period of the previous fiscal year) and ordinary profit of JPY 33.9 billion (up 3% from the same period of the previous fiscal year) and interim profit attributable to owners of parent came to JPY 23.5 billion (up 5% from the same period of the previous fiscal year).

The situation by segment is described below.

(i) Mechatronics

For small-to-medium-sized gear reducers, the Chinese market continued to be sluggish. Regarding motors and inverters, demand declined due to the impact from inventory adjustment by customers in Europe. Therefore, orders, sales and operating profit all decreased.

As a result, orders decreased by 7% as compared to the same period of the previous fiscal year to finish at JPY98.7 billion, while sales decreased by 6% as compared to the same period of the previous fiscal year to finish at JPY101.0 billion. Further, the segment posted operating profit of JPY1.8 billion (down 68% from the same period of the previous fiscal year).

(ii) Industrial Machinery

For the plastics machinery business, orders, sales and operating profit all decreased due to a slowdown in demand for electrical and electronics-related products in China and a continuation of sluggish investment in Europe.

For other businesses, orders decreased due to inventory adjustment and investment postponement by customers as a result of a slowdown in the semiconductor market. However, both sales and operating profit increased partly because of a significant backlog of orders.

As a result, orders decreased by 10% as compared to the same period of the previous fiscal year to finish at JPY126.4 billion, sales came to JPY131.1 billion, down 2% from the same period of the previous fiscal year , and operating profit decreased by 19% as compared to the same period of the previous fiscal year to finish at JPY9.1 billion.

(iii) Logistics & Construction

In the hydraulic excavator business, orders decreased due partly to the absence of the previous fiscal year's surge in orders before the price revisions in Japan, and a reactionary drop from advanced orders in the US in the previous fiscal year. However, sales increased partly due to foreign exchange gains, and operating profit also rose, due partly to the impact of price revisions in Japan.

Turning to other businesses, the mobile crane business saw increases in orders, sales and operating profit due to strong demand from both North America and Japan. Meanwhile, for the material handling system business, orders increased due to large-scale projects for iron production and shipbuilding, but sales and operating profit remained unchanged year on year because there was a limited number of projects that could be factored into sales in the current fiscal year.

As a result , orders across the segment decreased by 15% as compared to the same period of the previous fiscal year to finish at JPY167.2 billion, while sales increased by 6% as compared to the same period of the previous fiscal year to finish at JPY196.2 billion. The segment posted an operating profit of JPY18.0 billion, a 46% increase as compared to the same period of the previous fiscal year .

(iv) Energy & Lifeline

The energy plant business experienced a decline in orders due to fewer large-scale modification projects for power generation facilities in Europe. However, variations in the progress of construction work led to an increase in sales, and operating profit slightly decreased due to a rise in development costs.

For other businesses, orders decreased due partly to withdrawal from new shipbuilding business from FY2024, and sales also decreased because there were few projects that could be factored into sales in the current fiscal year. However, operating profit saw an uptick, because of improved profit margins for individual projects.

As a result, orders across the segment decreased by 13% as compared to the same period of the previous fiscal year to finish at JPY57.7 billion, while sales increased by 9% as compared to the same period of the previous fiscal year to finish at JPY88.8 billion. The segment posted an operating profit of JPY3.6 billion, a 860% increase as compared to the same period of the previous fiscal year.

(v) Others

Orders increased by 7% as compared to the same period of the previous fiscal year to finish at JPY3.1 billion, sales increased by 7% as compared to the same period of the previous fiscal year to finish at JPY3.3 billion, and operating profit decreased by 1% to JPY0.9 billion from the same period of the previous fiscal year.

2. Explanation of the Group's Consolidated Financial Position

1. Condition of Assets, Liabilities, and Net Assets

Total assets at the end of the first half of the current consolidated fiscal year under review (ended June 30, 2024) amounted to JPY1,256.8 billion, an increase of JPY55.9 billion as compared to the end of the previous consolidated fiscal year. This was mainly due to increases of JPY43.0 billion in inventory assets and JPY19.9 billion in tangible fixed assets as compared to the end of the previous consolidated fiscal year, while notes and accounts receivable - trade and contract assets decreased by JPY13.4 billion.

Total liabilities came to JPY589.4 billion, an increase of JPY16.0 billion as compared to the end of the previous consolidated fiscal year. This was partly because interest-bearing liabilities increased by JPY33.4 billion, while notes and accounts payable - trade decreased by JPY10.9 billion.

Net assets amounted to JPY667.4 billion, an increase of JPY39.9 billion as compared to the end of the previous consolidated fiscal year. This was mainly due to increases of JPY35.5 billion and JPY16.2 billion in foreign currency translation adjustments and retained earnings, respectively, while net assets decreased by JPY10.0 billion due to the acquisition of treasury shares.

As a result of the above, the shareholders' equity ratio increased by 0.9 point from the end of the previous consolidated fiscal year to finish at 52.5%.

2. Cash Flow Condition

Cash and cash equivalents at the end of the first half of the current consolidated fiscal year came to JPY100.3 billion, an increase of JPY0.1 billion from the end of the previous consolidated fiscal year. Cash flows for the first half of the current consolidated fiscal year 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 JPY11.7 billion during the first half of the current consolidated fiscal year, and declined by JPY9.2 billion year on year. This was mainly attributable to an expansion in the decrease of notes and accounts payable and an increase in payments for income taxes, while an increase in inventory assets slowed down.

(Cash Flow from Investing Activities)

Cash flow from investing activities decreased by JPY23.8 billion during the first half of the current consolidated fiscal year, and declined by JPY2.4 billion year on year. This was partly due to an increase in expenses for acquisition of tangible and intangible fixed assets.

(Cash Flow from Financing Activities)

Cash flow from financing activities increased by JPY8.6 billion during the first half of the current consolidated fiscal year, and rose by JPY16.5 billion year on year. This was partly due to an increase in expenses for the acquisition of treasury shares and an increase in interest-bearing debt.

3. Explanation of the Consolidated Earnings Forecast and Other Forward-Looking Estimates

As indicated below, we have revised the consolidated earnings forecast for the fiscal year ending December 31, 2024 that was announced in the financial report dated February 14, 2024.

(Full fiscal year ending December 31, 2024)

(Units: millions of yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Profit attributable to owners of parent ratio (yen)
Previous forecast (A)	1,110,000	70,000	66,000	41,000	334.73
Revised forecast (B)	1,070,000	65,000	61,000	38,000	316.18
Difference (B-A)	(40,000)	(5,000)	(5,000)	(3,000)	—
% Change	(3.6)	(7.1)	(7.6)	(7.3)	—
(Reference) Results for previous fiscal year	1,081,533	74,367	70,250	32,742	267.30

Taking into account the impact of inventory adjustments by customers in North America and Europe, as well as a more-than-expected delay in the recovery of semiconductor-related market conditions, we have decided to revise downward our previous forecasts for net sales, operating profit, ordinary profit, and profit attributable to owners of the parent company.

For main exchange rates for the first half of the current consolidated fiscal year and onwards, we assume that 1 dollar = 145 yen and 1 euro = 160 yen.

II. Interim Consolidated Financial Statements and Key Explanatory Notes

1. Interim Consolidated Balance Sheets

(Units: millions of yen)

	End of Full Year As of December 31, 2023	End of Present First Half As of June 30, 2024
	Amount	Amount
Assets		
Current assets		
Cash and deposits	104,458	103,904
Notes and accounts receivable - trade and contract assets	289,861	276,462
Inventory assets	321,086	364,109
Other	35,280	37,495
Allowance for doubtful accounts	(2,400)	(2,270)
Total current assets	748,285	779,700
Fixed assets		
Tangible fixed assets		
Land	111,169	112,382
Other (net)	218,837	237,571
Total tangible fixed assets	330,007	349,953
Intangible fixed assets		
Goodwill	19,312	20,332
Other	26,300	28,083
Total intangible fixed assets	45,612	48,415
Investments and other assets		
Other	84,862	86,691
Allowance for doubtful accounts	(7,909)	(7,957)
Total investments and other assets	76,953	78,734
Total Fixed assets	452,572	477,101
Total assets	1,200,857	1,256,801

(Units: millions of yen)

	End of Full Year As of December 31, 2023	End of Present First Half As of June 30, 2024
	Amount	Amount
Liabilities		
Current liabilities		
Notes and accounts payable - trade	180,822	169,962
Short-term loans payable	63,258	68,651
Current portion of bonds payable	10,000	10,000
Current portion of long-term loans payable	9,741	3,524
Provision for bonuses	7,753	7,079
Provision for construction warranties	12,164	12,516
Other provision amount	3,036	2,220
Other	129,555	119,771
Total current liabilities	416,329	393,723
Fixed Liabilities		
Bonds payable	40,000	60,000
Long-term debt due after one year	39,231	53,407
Defined benefit liability	33,836	36,534
Deferred income taxes on revaluation	20,408	20,408
Provision amount	161	168
Other	23,428	25,154
Total fixed liabilities	157,064	195,671
Total liabilities	573,393	589,394
Net assets		
Shareholders' equity		
Capital stock	30,872	30,872
Capital surplus	25,203	25,203
Retained earnings	433,579	449,735
Treasury shares	(1,177)	(11,200)
Total Shareholders' equity	488,476	494,610
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,951	7,973
Deferred gains or losses on hedges	(956)	(2,158)
Revaluation reserve for land	40,307	40,307
Foreign currency translation adjustments	72,163	107,693

	End of Full Year As of December 31, 2023	End of Present First Half As of June 30, 2024
	Amount	Amount
Remeasurements of defined benefit plans	12,831	11,854
Total accumulated other comprehensive income	131,295	165,668
Non-controlling interests	7,693	7,130
Total net assets	627,464	667,407
Total liabilities and net assets	1,200,857	1,256,801

2. Interim Consolidated Income Statements and Interim Consolidated Statement of Comprehensive Income

Interim Consolidated Income Statements

(Units: millions of yen)

	Previous First Half January 1, 2023 to June 30, 2023	Present First Half January 1, 2024 to June 30, 2024
	Amount	Amount
Net sales	510,059	520,353
Cost of sales	392,474	391,216
Gross income	117,584	129,138
Selling, general and administrative expenses	86,929	95,808
Operating profit	30,655	33,330
Non-operating profit		
Interest income	667	773
Dividend income	333	763
Foreign exchange profit	2,870	1,376
Proceeds from sale of investment securities	72	838
Other	1,431	1,160
Total non-operating profit	5,372	4,910
Non-operating expenses		
Interest expenses	1,061	1,745
Patent related expenses	628	720
Other	1,449	1,916
Total non-operating expenses	3,139	4,381
Ordinary profit	32,889	33,858
Extraordinary losses		
Impairment loss	304	375
Total extraordinary losses	304	375
Profit before income taxes	32,584	33,482
Income taxes	9,900	9,102
Profit	22,685	24,380
Interim profit attributable to non-controlling interests	208	871
Interim profit attributable to owners of parent	22,476	23,509

Interim Consolidated Statement of Comprehensive Income

(Units: millions of yen)

	Previous First Half January 1, 2023 to June 30, 2023	Present First Half January 1, 2024 to June 30, 2024
	Amount	Amount
Profit	22,685	24,380
Other comprehensive income		
Valuation difference on available-for-sale securities	1,887	1,016
Deferred gains or losses on hedges	(969)	(1,202)
Foreign currency translation adjustments	25,876	36,314
Adjustment to retirement benefits	(696)	(981)
Share of other comprehensive income of entities accounted for using equity method	4	6
Total other comprehensive income	26,101	35,153
Comprehensive income	48,786	59,533
(Breakdown)		
Interim comprehensive income attributable to owners of parent	48,052	57,882
Interim comprehensive income attributable to non-controlling interests	733	1,651

3. Interim Consolidated Cash Flows Statement

(Units: millions of yen)

	Previous First Half January 1, 2023 to June 30, 2023	Present First Half January 1, 2024 to June 30, 2024
Cash flows from operating activities		
Profit before income taxes	32,584	33,482
Depreciation	17,542	18,644
Impairment loss	304	375
Valuation profit on investment securities	(72)	(838)
Interest and dividend income	(1,000)	(1,536)
Interest expenses	1,061	1,745
Increase (decrease) in reserve amount	(1,160)	(3,019)
(Increase) decrease in notes and accounts receivable and contract assets	14,231	20,811
(Increase) decrease in inventories	(33,428)	(21,593)
Increase (decrease) in notes and accounts payable	(11,527)	(22,159)
Other	5,123	(2,597)
Subtotal	23,659	23,315

	Previous First Half January 1, 2023 to June 30, 2023	Present First Half January 1, 2024 to June 30, 2024
Interest and dividends received	878	1,102
Interest expenses	(1,157)	(1,902)
Payments for income taxes	(2,459)	(10,815)
Net cash provided by operating activities	20,922	11,699
Cash flows from investing activities		
Cash outflow due to the acquisition of tangible and intangible fixed assets	(21,110)	(24,077)
Cash flow from the sale of tangible and intangible fixed assets	701	56
Expenses associated with the acquisition of shares in affiliated companies	(199)	—
Purchase of investment securities	(104)	(4)
Proceeds from the sale of investment securities	176	1,106
(Increase) decrease in short-term loans	(37)	(81)
Payments of loans receivable	(517)	(3,853)
Cash flow from loan recoveries	552	2,694
Other	(887)	349
Net cash used in investing activities	(21,426)	(23,811)
Cash flows from financing activities		
Net increase (decrease) in short-term loans	6,978	1,206
Increase (decrease) in commercial papers	(10,000)	—
Proceeds from long-term debt	15,785	16,424
Repayments for long-term debt	(3,334)	(8,974)
Proceeds from the issuance of corporate bonds	—	20,000
Cash outflow due to redemption of corporate bonds payable	(10,000)	—
Cash dividends paid	(5,521)	(7,336)
Payment of dividends to non-controlling stockholders	(171)	(1,133)
Acquisition of treasury shares	(17)	(10,027)
Other	(1,601)	(1,584)
Net cash used in financing activities	(7,882)	8,575
Effect of exchange rate changes on cash and cash equivalents	1,338	3,612
Net increase (decrease) in cash and cash equivalents	(7,048)	77
Cash and cash equivalents at beginning of year	93,727	100,235
Cash and cash equivalents at end of year	86,679	100,312

4. Items of Special Note Concerning the Interim Consolidated Financial Statements

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

There are no applicable items.

(Application of Accounting Procedures Specific to Preparation of Interim Consolidated Financial Statements)

(Calculation of tax expenses)

The effective tax rate expected to be imposed on pretax profit (after tax effect accounting) applicable to the consolidated fiscal year in which the interim period under review is included was estimated based on reasonable assumptions, and tax expenses were calculated by multiplying the interim pretax profit by the estimated effective tax rate.

(Notes regarding Significant Fluctuations to Shareholders' Equity)

(Acquisition of Treasury Shares)

According to a resolution adopted at the Board of Directors meeting held on February 14, 2024, the Company acquired 2,300,800 shares of treasury stock. As a result, the value of treasury shares rose by JPY10,022 million during the first half of the current consolidated fiscal year, reaching JPY11,200 million at the end of the period. This increase also accounts for factors such as changes in value due to the acquisition of fractional shares.

In addition, the acquisition of treasury shares based on such resolution was completed on June 20, 2024 (contractual basis).

*Treasury stock as of the end of the first half of the current consolidated fiscal year includes shares of the Company held in the trust account related to the share delivery trust established for the stock compensation plan for directors and others.

(Segment Information)

1. 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 & Lifeline".

Businesses	Main Products
Mechatronics	Power transmission, control equipment, 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 & Lifeline	Private power generation facilities, boilers, air pollution control equipment, water and sewage treatment systems, turbines, pumps, pressure vessels, mixing vessels, food processing machinery, ships

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

The first half of the previous consolidated fiscal year (January 1, 2023 to June 30, 2023)

(Units: millions of yen)

Item \ Segment	A	B	C	D	Subtotal	Other[1]	Total	E[2]	F[3]
Net sales									
Sales to external customers	106,909	133,885	184,868	81,348	507,010	3,048	510,059	—	510,059
Internal sales between segments or exchanges	932	790	214	352	2,289	1,615	3,904	(3,904)	—
Total	107,841	134,675	185,082	81,700	509,299	4,664	513,962	(3,904)	510,059
Segment profit	5,834	11,208	12,331	371	29,744	900	30,644	12	30,655

Segments:

A: Mechatronics

B: Industrial Machinery

C: Logistics & Construction

D: Energy & Lifeline

E: Adjustments

F: Value included on the Interim Consolidated Income Statement

Notes:

1. “Other” represents businesses that are not included in the reporting segments. This includes the Group’s real-estate businesses, software-related business, and other businesses.
2. The segment profit adjustment of JPY12 million is due to the deletion of intersegment transactions.
3. Segment profits have been adjusted as compared to the operating profit recorded in the Interim Consolidated Income Statement.

The first half of the current consolidated fiscal year (January 1, 2024 to June 30, 2024)

(Units: millions of yen)

Item \ Segment	A	B	C	D	Subtotal	Other[1]	Total	E[2]	F[3]
Net sales									
Sales to external customers	101,022	131,096	196,199	88,774	517,092	3,262	520,353	—	520,353
Internal sales between segments or exchanges	933	726	192	274	2,125	1,732	3,857	(3,857)	—
Total	101,955	131,822	196,391	89,048	519,216	4,994	524,210	(3,857)	520,353
Segment profit or loss	1,838	9,051	17,978	3,559	32,426	951	33,377	(47)	33,330

Segments:

A: Mechatronics

B: Industrial Machinery

C: Logistics & Construction

D: Energy & Lifeline

E: Adjustments

F: Value included on the Interim Consolidated Income Statement

Notes:

1. “Other” represents businesses that are not included in the reporting segments. This includes the Group’s real-estate businesses, software-related business, and other businesses.
2. The segment profit adjustment of minus JPY47 million is due to the deletion of intersegment transactions.
3. Segment profits have been adjusted as compared to the operating profit recorded in the Interim Consolidated Income Statement.

(Subsequent Events of Significant Importance)

There are no applicable items.

III. Supplemental Information

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

(1) Orders Received

(Units: millions of yen)

Segment	Previous First Half January 1, 2023 to June 30, 2023		Present First Half January 1, 2024 to June 30, 2024		Y/Y Change	
	Amount	%	Amount	%	Amount	%
Mechatronics	105,705	20.6	98,712	21.8	(6,993)	(6.6)
Industrial Machinery	140,510	27.4	126,373	27.9	(14,136)	(10.1)
Logistics & Construction	197,168	38.5	167,187	36.9	(29,980)	(15.2)
Energy & Lifeline	66,360	12.9	57,714	12.7	(8,645)	(13.0)
Others	2,929	0.6	3,147	0.7	217	7.4
Total	512,671	100.0	453,134	100.0	(59,537)	(11.6)

(2) Sales and operating profit/loss

(Units: millions of yen)

Segment	Previous First Half January 1, 2023 to June 30, 2023		Present First Half January 1, 2024 to June 30, 2024		Y/Y Change	
	Amount	%	Amount	%	Amount	%
Mechatronics	106,909	21.0	101,022	19.4	(5,887)	(5.5)
Industrial Machinery	133,885	26.3	131,096	25.2	(2,789)	(2.1)
Logistics & Construction	184,868	36.2	196,199	37.7	11,331	6.1
Energy & Lifeline	81,348	15.9	88,774	17.1	7,426	9.1
Others	3,048	0.6	3,262	0.6	214	7.0
Total	510,059	100.0	520,353	100.0	10,295	2.0

(3) Balance of Orders Received

(Units: millions of yen)

Segment	End of As of December 31, 2023		End of Present First Half As of June 30, 2024		Y/Y Change	
	Amount	%	Amount	%	Amount	%
Mechatronics	95,353	12.4	93,043	13.2	(2,310)	(2.4)
Industrial Machinery	184,161	23.8	179,438	25.4	(4,723)	(2.6)
Logistics & Construction	261,421	33.8	232,410	32.9	(29,011)	(11.1)
Energy & Lifeline	230,402	29.8	199,342	28.3	(31,060)	(13.5)
Others	1,647	0.2	1,532	0.2	(115)	(7.0)
Total	772,984	100.0	705,765	100.0	(67,219)	(8.7)