Summary of Consolidated Financial Results
For the Six-Month Period from January 1 to June 30, 2026

Presented August 4, 2026

Company name	Sumitomo Heavy Industries, Ltd.	Listed exchanges	Tokyo Stock Exchange
Stock code	6302	URL	https://www.shi.co.jp/english/index.html

Representative (Job title) Representative Director and President (Name) Toshiro Watanabe
Inquiries (Job title) General Manager, Corporate Communications Dept. (Name) Atsushi Nakanishi (TEL) 03-6737-2332

Scheduled date for submitting semi-annual report: August 7, 2026
Scheduled date of payment of cash dividends: September 1, 2026
Availability of supplementary explanatory materials for financial statement : Yes
Holding of meeting to explain financial statement : Yes (for institutional investors, analysts, and the media)

(Rounded to the nearest million yen)

1. FY2026 Second Quarter (Interim) Consolidated Results (January 1, 2026 to June 30, 2026)

(1) Business Results
(Percentages indicate changes from the first half of the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
1st half of fiscal year ending December 31, 2026	554,176	12.0	37,449	72.9	34,122	80.6	22,040	77.8
1st half of fiscal year ended December 31, 2025	494,627	(4.9)	21,655	(35.0)	18,892	-	12,400	(47.3)

Note 1: Comprehensive income: 1st half of fiscal year ending December 31, 2026 35,525million yen, (- %) 1st half of fiscal year ended December 31, 2025 (7,856)million yen, (-%)

	Earnings per share (yen)	Diluted earnings per share (yen)
	Yen	Yen
1st half of fiscal year ending December 31, 2026	184.40	-
1st half of fiscal year ended December 31, 2025	103.17	-

Note 2: The presentation method has been changed since the first half of the fiscal year ending December 31, 2026. Accordingly, ordinary profit for the first half of the fiscal year ended December 31, 2025 is presented using restated figures reflecting this change. As a result, percent changes from the first half of the previous fiscal year are not described in this document. For details, please refer to "4. Items of Special Note Concerning the Interim Consolidated Financial Statements (Notes on Changes in Presentation Methods) in II. Interim Consolidated Financial Statements and Key Explanatory Notes."

(2) Financial Position

	Total assets	Total net assets	Equity ratio (%)
	Millions of yen	Millions of yen	%
1st half of fiscal year ending December 31, 2026	1,347,089	707,036	52.1
End of previous full year December 31, 2025	1,320,527	686,223	51.6

Reference: Equity 1st half of fiscal year ending December 31, 2026 702,429million yen Fiscal year ended December 31, 2025 681,666million yen

2. Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal Year Ended December 31, 2025	-	60.00	-	65.00	125.00
Fiscal Year Ending December 31, 2026	-	70.00			
Fiscal Year Ending December 31, 2026 (forecast)			-	75.00	145.00

Note: Changes from the most recent dividend forecast : No

3. FY2026 Consolidated Forecasts (January 1, 2026 to December 31, 2026)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share (yen)
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full Year	1,120,000	5.0	68,000	32.1	62,000	35.0	35,000	13.1	294.45

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

Note 2: The presentation method has been changed since the first half of the fiscal year ending December 31, 2026. Accordingly, year-on-year percentage changes in ordinary profit have been calculated using restated figures reflecting this change.

Additional Notes

(1) Significant changes in the scope of consolidation during the first half under review : None

Newly consolidated: — Excluded from consolidation: —

(2) Application of accounting procedures specific to preparation of interim consolidated financial statements : Yes

(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 issued shares (common share)

(i) Number of issued shares at end of fiscal period (including treasury shares):	First half of fiscal year ending December 31, 2026	122,905,481 shares	Fiscal year ended December 31, 2025	122,905,481 shares
(ii) Number of treasury shares at end of fiscal period:	First half of fiscal year ending December 31, 2026	4,040,725 shares	Fiscal year ended December 31, 2025	2,724,082 shares
(iii) Average number of outstanding shares for the term (interim):	First half of fiscal year ending December 31, 2026	119,525,846 shares	First half of fiscal year ended December 31, 2025	120,183,654 shares

* Treasury stock that is deducted to calculate the amount of term-end treasury stock and the average number of outstanding shares for the term 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.

* Explanation on the proper use of earnings forecasts, and other special remarks

Earnings 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 4.

Supplementary Materials – Table of Contents

I. Summary of Operating Performance

1. Summary of Operating Performance during the First Half under Review

During the first half under review, the economic environment surrounding the Group remained uncertain due to the worsening situation in the Middle East and rising oil prices. In Japan, however, capital investment and exports have remained firm. Turning to overseas regions, the U.S. economy remained strong, and Europe experienced a gradual recovery. Meanwhile, demand in China remained sluggish.

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 came to JPY607.1 billion (up 13% year on year), while net sales amounted to JPY554.2 billion (up 12% year on year). In terms of profitability, the Group posted operating profit of JPY37.4 billion (up 73% year on year), ordinary profit of JPY34.1 billion (up 81% year on year) and interim profit attributable to owners of parent of JPY22.0 billion (up 78% year on year).

The situation by segment is described below.

(i) Mechatronics

Orders increased for gear reducers due to strong demand in Japan and abroad. Motor and inverters orders also rose on the back of increasing demand from customers in Europe. In addition, cryocoolers experienced an increase in orders, fueled by a surge in semiconductor-related demand in the United States and China. Sales and operating profit also increased due to a rise in orders.

As a result, in year-on-year terms, orders increased by 21% to JPY160.1 billion, sales grew by 15% to JPY148.5 billion, and operating profit rose by 58% to JPY13.6 billion.

(ii) Industrial Machinery

While orders for semiconductor manufacturing equipment increased, orders for advanced medical devices and other items were limited. As a result, overall orders decreased. Sales increased mainly in semiconductor manufacturing equipment due to a large order backlog. Operating profit also rose, supported by higher sales and improved profitability in plastics machinery.

As a result, in year-on-year terms, orders decreased by 6% to JPY107.9 billion, sales increased by 4% to JPY101.7 billion, and operating profit came to JPY2.2 billion.

(iii) Logistics & Construction

Overall orders increased, supported by stronger demand for hydraulic excavators in North America and Europe and robust demand for mobile cranes in North America, although orders for material handling systems declined, reflecting the solid level of orders secured in the previous year. Sales and operating profit also increased due to a rise in orders.

As a result, in year-on-year terms, orders increased by 10% to JPY213.6 billion, sales grew by 19% to JPY208.2 billion, and operating profit rose by 57% to JPY12.5 billion.

(iv) Energy & Lifeline

Orders increased due to the acquisition of large orders for water treatment equipment and marine structures. Sales and operating profit also increased due to a larger number of water treatment equipment contributing to sales during the period under review.

As a result, in year-on-year terms, orders increased by 34% to JPY122.0 billion, sales grew by 5% to JPY92.6 billion, and operating profit rose by 17% to JPY8.2 billion.

(v) Others

Orders increased by 5% to JPY3.6 billion, sales decreased by 6% to JPY3.2 billion, and operating profit declined by 12% to JPY1.0 billion.

2. Summary of Financial Condition for the First Half under Review

(i) Condition of Assets, Liabilities, and Net Assets

Total assets at the end of the first half of the current consolidated fiscal year (ended June 30, 2026) amounted to JPY1,347.1 billion, an increase of JPY26.6 billion as compared to the end of the previous consolidated fiscal year. This was mainly due to an increase of JPY22.0 billion in cash and deposits and an increase of JPY11.4 billion in inventory assets, while notes and accounts receivable - trade and contract assets decreased by JPY11.2 billion as compared to the end of the previous consolidated fiscal year.

Total liabilities came to JPY640.1 billion, an increase of JPY5.7 billion as compared to the end of the previous consolidated fiscal year. This was partly because interest-bearing liabilities increased by JPY18.9 billion and contract liabilities rose by JPY8.9 billion, while notes and accounts payable - trade decreased by JPY22.0 billion.

Net assets amounted to JPY707.0 billion, an increase of JPY20.8 billion as compared to the end of the previous consolidated fiscal year. This was mainly due to an increase of retained earnings of JPY14.3 billion and an increase of JPY12.8 billion in foreign currency translation adjustments.

As a result of the above, the equity ratio rose by 0.5 percentage points from the end of the previous consolidated fiscal year to 52.1%.

(ii) Cash Flow Condition

Cash and cash equivalents at the end of the first half of the current consolidated fiscal year came to JPY130.8 billion, an increase of JPY23.1 billion from the end of the previous consolidated fiscal year. Cash flows for the consolidated first half under review and the factors contributing to increases or decreases in cash flows are as follows.

(Cash Flow from Operating Activities)

In the consolidated first half under review, cash flow from operating activities resulted in a JPY36.6 billion increase in cash. This represented a JPY10.0 billion year-on-year decrease in inflow. This was mainly due to a narrower decrease in notes and accounts receivable – trade and contract assets and a decrease in notes and accounts payable, despite an increase in profit before income taxes for the first half under review.

(Cash Flow from Investing Activities)

In the consolidated first half under review, cash flow from investing activities resulted in a JPY17.3 billion decrease in cash. This represented a JPY13.6 billion year-on-year decrease in outflow. This was due to decreased spending on property, plant and equipment and intangible assets, as well as spending on the acquisition of shares in subsidiaries, which resulted in a change in the scope of consolidation, during the previous fiscal year.

(Cash Flow from Financing Activities)

In the consolidated first half under review, cash flow from financing activities resulted in a JPY0.4 billion increase in cash. This represented a JPY7.1 billion year-on-year increase in inflow. This was mainly due to an increase in interest-bearing debts, despite an increase in expenses for the acquisition of treasury shares.

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, 2026 that was announced in the financial report dated February 10, 2026.

(Full fiscal year ending December 31, 2026)

	Net sales (Millions of yen)	Operating profit (Millions of yen)	Ordinary profit (Millions of yen)	Profit attributable to owners of parent (Millions of yen)	Earnings per share (Yen)
Previous forecast (A)	1,090,000	60,000	55,000	34,000	282.91
Revised forecast (B)	1,120,000	68,000	62,000	35,000	294.45
Difference (B-A)	30,000	8,000	7,000	1,000	-
% Change	2.8	13.3	12.7	2.9	-
(Reference) Results for previous fiscal year	1,066,881	51,482	45,932	30,937	257.42

Taking into account our revised exchange-rate assumptions and the general improvement in the order environment, mainly in the Mechatronics and Logistics & Construction segments, we have decided to revise upward our previous forecasts for net sales, operating profit, ordinary profit, and profit attributable to owners of parent.

For main exchange rates for the consolidated first half under review and onwards, we assume that 1 dollar = 155 yen and 1 euro = 180 yen.

The presentation method has been changed since the first half of the fiscal year ending December 31, 2026. Accordingly, ordinary profit for the previous fiscal year has been restated to reflect this change.

II. Interim Consolidated Financial Statements and Key Explanatory Notes

1. Interim Consolidated Balance Sheets

(Unit: millions of yen)

	End of Full Year As of December 31, 2025	End of Present First Half As of June 30, 2026
Assets		
Current assets		
Cash and deposits	111,072	133,104
Notes and accounts receivable - trade and contract assets	313,661	302,415
Inventories	328,776	340,215
Others	35,462	33,642
Allowance for doubtful accounts	(2,188)	(2,362)
Total current assets	786,782	807,013
Non-current assets		
Property, plant and equipment		
Land	112,606	113,116
Other (net)	260,631	265,504
Total property, plant and equipment	373,237	378,620
Intangible assets		
Goodwill	11,045	8,823
Others	22,037	24,263
Total intangible assets	33,083	33,086
Investments and other assets		
Others	132,661	134,182
Allowance for doubtful accounts	(5,236)	(5,812)
Total investments and other assets	127,425	128,371
Total non-current assets	533,745	540,076
Total assets	1,320,527	1,347,089
Liabilities		
Current liabilities		
Notes and accounts payable - trade	146,422	124,382
Short-term loans payable	88,882	90,040
Current portion of long-term loans payable	8,457	10,828
Commercial Paper	23,000	40,000
Income taxes payable	7,833	9,856
Provision for bonuses	9,135	7,925
Provision for construction warranties	12,583	12,890
Other provision amount	2,252	1,516
Others	110,952	118,122
Total current liabilities	409,516	415,561
Non-current liabilities		
Bonds payable	60,000	60,000
Long-term loans payable	72,364	70,771
Defined benefit liability	34,709	35,121
Deferred tax liabilities for land revaluation	20,854	20,854
Other provision amount	51	53
Others	36,811	37,694
Total non-current liabilities	224,788	224,492
Total liabilities	634,304	640,053

(Unit: millions of yen)

	End of Full Year As of December 31, 2025	End of Present First Half As of June 30, 2026
Net Assets		
Shareholders' equity		
Capital stock	30,872	30,872
Capital surplus	24,060	24,060
Retained earnings	444,590	458,931
Treasury shares	(11,146)	(18,054)
Total shareholders' equity	488,376	495,809
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,011	10,920
Deferred gains or losses on hedges	(591)	(117)
Revaluation reserve for land	39,392	39,392
Foreign currency translation adjustments	104,338	117,120
Remeasurements of defined benefit plans	41,139	39,305
Total accumulated other comprehensive income	193,290	206,621
Non-controlling interests	4,557	4,607
Total net assets	686,223	707,036
Total liabilities and net assets	1,320,527	1,347,089

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

Interim Consolidated Statements of Income

(Unit: millions of yen)

	Previous First Half January 1, 2025 to June 30, 2025	Present First Half January 1, 2026 to June 30, 2026
Net sales	494,627	554,176
Cost of sales	372,565	409,639
Gross profit	122,062	144,537
Selling, general and administrative expenses	100,407	107,088
Operating profit	21,655	37,449
Non-operating income		
Interest income	928	833
Dividend income	970	359
Others	1,926	2,635
Total non-operating income	3,824	3,827
Non-operating expenses		
Interest expenses	1,753	2,241
Foreign exchange loss	1,713	1,741
Patent-related expenses	652	759
Others	2,469	2,414
Total non-operating expenses	6,587	7,154
Ordinary profit	18,892	34,122
Extraordinary income		
Gain on sale of investment securities	1,345	2,240
Total extraordinary income	1,345	2,240
Extraordinary losses		
Business restructuring expenses	422	2,337
Impairment loss	466	428
Total extraordinary losses	887	2,765
Profit before income taxes	19,350	33,597
Income taxes	6,745	11,547
Profit	12,605	22,050
Profit attributable to non-controlling interests	205	10
Profit attributable to owners of parent	12,400	22,040

Interim Consolidated Statements of Comprehensive Income

(Unit: millions of yen)

	Previous First Half January 1, 2025 to June 30, 2025	Present First Half January 1, 2026 to June 30, 2026
Profit	12,605	22,050
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,160)	1,910
Deferred gains or losses on hedges	779	474
Revaluation reserve for land	(596)	-
Foreign currency translation adjustments	(18,185)	12,924
Adjustment to retirement benefits	(1,297)	(1,823)
Share of other comprehensive income of entities accounted for using equity method	(2)	(10)
Total other comprehensive income	(20,461)	13,475
Comprehensive income	(7,856)	35,525
(Breakdown)		
Interim comprehensive income attributable to owners of parent	(7,914)	35,371
Interim comprehensive income attributable to non-controlling interests	58	154

3. Interim Consolidated Statements of Cash Flows

(Unit: millions of yen)

	Previous First Half January 1, 2025 to June 30, 2025	Present First Half January 1, 2026 to June 30, 2026
Cash flows from operating activities		
Profit before income taxes	19,350	33,597
Depreciation	18,592	20,657
Impairment loss	466	428
Business restructuring expenses	422	2,337
Gain on sale of investment securities	(1,345)	(2,240)
Interest and dividend income	(1,898)	(1,192)
Interest expenses	1,753	2,241
Increase (decrease) in reserve amount	(1,185)	(1,241)
(Increase) decrease in notes and accounts receivable and contract assets	37,756	24,258
(Increase) decrease in inventories	(14,836)	(5,754)
Increase (decrease) in notes and accounts payable	59	(24,492)
Others	(6,120)	(5,315)
Subtotal	53,013	43,283
Interest and dividends received	1,727	1,226
Interest expenses	(1,608)	(2,267)
Payments for income taxes	(6,500)	(5,630)
Cash flows from operating activities	46,633	36,611
Cash flows from investing activities		
Cash outflow due to the acquisition of property, plant and equipment and intangible assets	(30,830)	(21,796)
Cash flow from the sale of property, plant and equipment and intangible assets	1,179	357
Cash outflow due to the acquisition of shares in subsidiaries that results in change in scope of consolidation	(3,047)	-
Purchase of investment securities	(12)	(454)
Proceeds from the sale of investment securities	1,724	2,520
(Increase) decrease in short-term loans	(26)	(134)
Payments of loans receivable	(5,272)	(4,839)
Cash flow from loan recoveries	5,150	5,966
Others	270	1,116
Cash flows from investing activities	(30,865)	(17,265)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(6,957)	(568)
Net increase (decrease) in commercial paper	(12,000)	17,000
Proceeds from long-term loans payable	4,336	2,300
Repayments of long-term loans payable	(2,580)	(1,764)
Proceeds from issuance of bonds	20,000	-
Cash dividends paid	(7,799)	(7,806)
Dividends paid to non-controlling interests	(97)	(104)
Acquisition of treasury shares	(7)	(7,019)
Others	(1,575)	(1,663)
Cash flows from financing activities	(6,679)	376
Effect of exchange rate change on cash and cash equivalents	(3,730)	2,807
Net increase (decrease) in cash and cash equivalents	5,359	22,530
Cash and cash equivalents at the beginning of the period	107,542	107,622
Increase in cash and cash equivalents due to merger with non-consolidated subsidiaries	-	605
Increase in cash and cash equivalents due to newly consolidated subsidiaries	243	-
Decrease in cash and cash equivalents due to deconsolidation	(135)	-
Cash and cash equivalents at the end of the first half	113,009	130,757

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, after application of tax effect accounting, applicable to profit before income taxes for the consolidated fiscal year in which the first half under review is included was estimated based on reasonable assumptions, and tax expenses were calculated by multiplying profit before income taxes for the first half by the estimated effective tax rate.

(Notes on Changes in Presentation Methods)

(Related to Consolidated Statements of Income)

“Gain on sale of investment securities,” which was included in “Non-operating income” in the first half of the previous consolidated fiscal year, is presented in “extraordinary income” starting from the consolidated first half under review, taking into account the increased monetary impact of such gain to the financial statements. To reflect this change in presentation, consolidated financial statements for the first half of the previous consolidated fiscal year have been restated.

As a result, JPY1,345 million of “Gain on sale of investment securities,” which was stated in “Non-operating income” in the Consolidated Statements of Income for the first half of the previous consolidated fiscal year, is restated as an entry of JPY1,345 million of “Gain on sale of investment securities” under “Extraordinary income.” Consequently, “Ordinary profit” and “Extraordinary income” came to JPY18,892 million and JPY1,345 million, respectively.

(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 10, 2026, the Company acquired 1,347,700 treasury shares. As a result, the value of treasury shares rose by JPY6,908 million during the consolidated first half under review, reaching JPY18,054 million at the first half's end. This increase also accounts for factors such as changes in value due to the acquisition of fractional shares.

The number of treasury shares at the end of the first half of the current consolidated fiscal year includes shares of the Company held by a trust account under the board benefit trust established for a share-based compensation system for Directors, etc.

(Notes on Segment Information, etc.)

(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	Gear reducers, motors, inverters, cryocoolers, precision positioning equipment
Industrial Machinery	Plastics machinery, film forming machines, precision forgings, semiconductor manufacturing equipment, accelerators, medical machines and equipment, forging presses, air-conditioning equipment, defense equipment
Logistics & Construction	Hydraulic excavators, mobile cranes, road machinery, material handling systems, logistics systems, automated parking systems
Energy & Lifeline	Power generation equipment (such as boilers), air pollution control equipment, water and sewage treatment systems, turbines, pumps, mixing vessels, food processing machinery, ships, marine structures

2. Information on Sales, Profit, and Loss Amounts by Reporting Segment

The first half of the previous consolidated fiscal year (January 1, 2025 to June 30, 2025)

(Unit: millions of yen)

	Reporting Segment					Other (Note 1)	Total	Adjustments (Note 2)	Carrying Amount on the Interim Consolidated Statements of Income (Note 3)
	Mechatronics	Industrial Machinery	Logistics & Construction	Energy & Lifeline	Subtotal				
Net sales									
Sales to external customers	129,350	98,176	175,424	88,263	491,213	3,414	494,627	-	494,627
Internal sales between segments or exchanges	1,123	573	304	1,376	3,376	1,724	5,100	(5,100)	-
Subtotal	130,473	98,749	175,728	89,638	494,589	5,138	499,727	(5,100)	494,627
Segment profit (loss)	8,607	(3,033)	7,928	7,039	20,542	1,117	21,659	(3)	21,655

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 (loss) adjustment of minus JPY3 million is due to the deletion of intersegment transactions.
3. Segment profits (losses) have been adjusted as compared to the operating profit recorded in the Interim Consolidated Statements of Income.

The first half of the current consolidated fiscal year (January 1, 2026 to June 30, 2026)

(Unit: millions of yen)

	Reporting Segment					Other (Note 1)	Total	Adjustments (Note 2)	Carrying Amount on the Interim Consolidated Statements of Income (Note 3)
	Mechatronics	Industrial Machinery	Logistics & Construction	Energy & Lifeline	Subtotal				
Net sales									
Sales to external customers	148,469	101,734	208,158	92,594	550,954	3,222	554,176	-	554,176
Internal sales between segments or exchanges	1,392	763	105	492	2,752	1,688	4,440	(4,440)	-
Subtotal	149,861	102,496	208,262	93,086	553,706	4,910	558,616	(4,440)	554,176
Segment profit	13,608	2,160	12,482	8,224	36,474	979	37,453	(4)	37,449

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 (loss) adjustment of minus JPY4 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 Statements of Income.

(Notes on Significant Subsequent Events)

Pursuant to a share transfer agreement entered into with Torishima Pump Mfg. Co., Ltd. on February 10, 2026 concerning Shin Nippon Machinery Co., Ltd., a consolidated subsidiary of the Company, the Company completed the transfer of all shares in Shin Nippon Machinery Co., Ltd. on July 1, 2026.

As a result of this share transfer, a loss of approximately JPY4 billion on the sale of shares of subsidiaries and associates is expected to be recorded in the third-quarter financial results for the fiscal year ending December 31, 2026.

III. Supplemental Information

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

(1) Orders Received

(Unit: millions of yen)

Segment	Previous First Half January 1, 2025 to June 30, 2025	Present First Half January 1, 2026 to June 30, 2026	Y/Y Change	
	Amount	Amount	Amount	%
Mechatronics	132,833	160,079	27,246	20.5
Industrial Machinery	114,609	107,903	(6,706)	(5.9)
Logistics & Construction	193,593	213,565	19,972	10.3
Energy & Lifeline	91,107	122,005	30,898	33.9
Others	3,383	3,567	185	5.5
Total	535,524	607,119	71,595	13.4

(2) Sales

(Unit: millions of yen)

Segment	Previous First Half January 1, 2025 to June 30, 2025	Present First Half January 1, 2026 to June 30, 2026	Y/Y Change	
	Amount	Amount	Amount	%
Mechatronics	129,350	148,469	19,119	14.8
Industrial Machinery	98,176	101,734	3,557	3.6
Logistics & Construction	175,424	208,158	32,734	18.7
Energy & Lifeline	88,263	92,594	4,331	4.9
Others	3,414	3,222	(192)	(5.6)
Total	494,627	554,176	59,549	12.0

(3) Balance of Orders Received

(Unit: millions of yen)

Segment	End of Full Year As of December 31, 2025	End of Present First Half As of June 30, 2026	Y/Y Change	
	Amount	Amount	Amount	%
Mechatronics	102,009	113,619	11,610	11.4
Industrial Machinery	149,410	155,579	6,170	4.1
Logistics & Construction	217,476	222,884	5,408	2.5
Energy & Lifeline	267,615	297,026	29,411	11.0
Others	1,677	2,022	345	20.6
Total	738,187	791,131	52,943	7.2