

Details by Segment

- Precision Machinery & Robot -

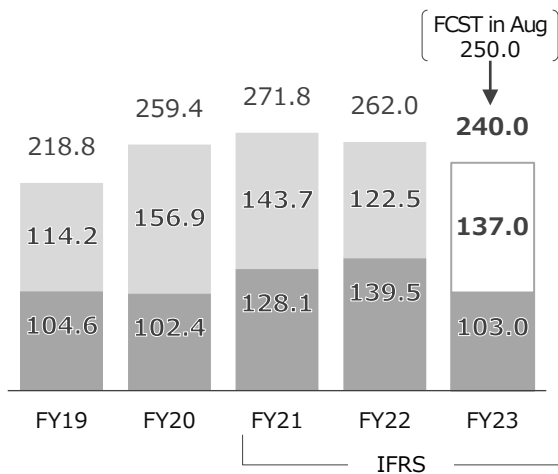
FY2023.Q2 (vs. FY2022.Q2)

Orders received	↓	Decreased due to a decrease in hydraulic components for construction machinery market in China and in robots for semiconductors
-¥36.4 bil.		
Revenue	↓	Same as above
-¥14.6 bil.		
Business profit	↓	Decrease due to revenue decrease and reduced operation
-¥10.1 bil.		

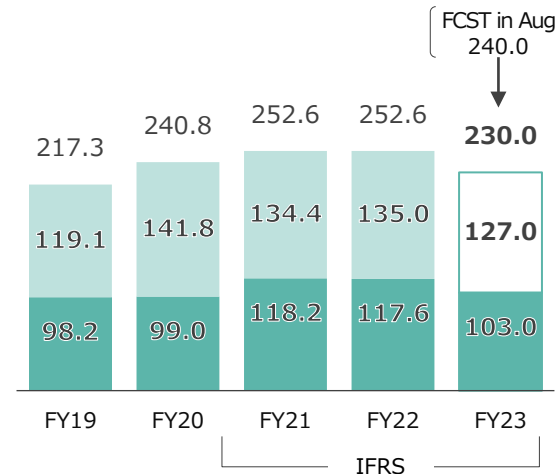
FY2023 forecast (vs. Forecast in Augst)

Orders received	↓	Revised down due to decrease in hydraulic equipment for the construction machinery market in China and robots for semiconductors
-¥10.0 bil.		
Revenue	↓	Same as above
-¥10.0 bil.		
Business profit	↓	Revised down due to revenue decrease
-¥3.0 bil.		

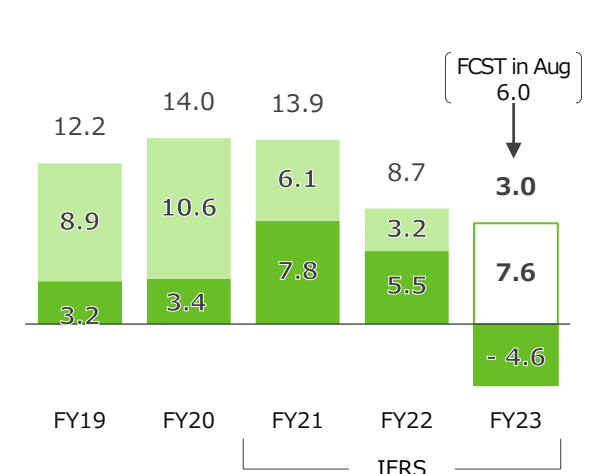
Orders received (billion yen)



Net Sales or Revenue (billion yen)



Operating Profit or Business Profit (billion yen)



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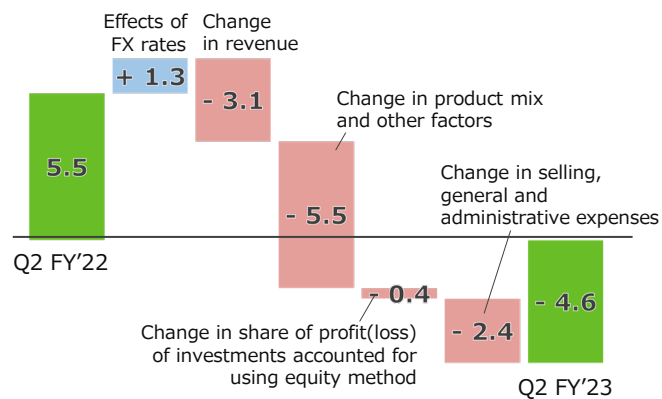
- Precision Machinery & Robot -

(Billion Yen)

	FY2022	FY2023		FY2022	FY2023 Forecast				
	Q2 Actual	Q2 Actual	Change	Actual	Old FCST	New FCST	Chg. Vs. FY22	Chg. Vs. Old FCST	Q3-4 FCST
Orders Received	139.5	103.0	- 36.4	262.0	250.0	240.0	- 22.0	- 10.0	137.0
Hydraulic Components & Systems	80.7	67.5	- 13.1	154.6	145.0	140.0	- 14.6	- 5.0	72.5
Robotics	58.8	35.5	- 23.2	107.4	105.0	100.0	- 7.4	- 5.0	64.5
Revenue	117.6	103.0	- 14.6	252.6	240.0	230.0	- 22.6	- 10.0	127.0
Hydraulic Components & Systems	69.3	66.9	- 2.4	153.0	145.0	140.0	- 13.0	- 5.0	73.1
Robotics	48.2	36.1	- 12.1	99.6	95.0	90.0	- 9.6	- 5.0	53.9
Business Profit (Loss)	5.5	- 4.6	- 10.1	8.7	6.0	3.0	- 5.7	- 3.0	7.6
[Margin]	[4.7%]	[- 4.5%]	[- 9.1pt]	[3.5%]	[2.5%]	[1.3%]	[- 2.1pt]	[- 1.2pt]	[6.0%]
Share of profit (loss) of investments accounted for using equity method	- 1.0	- 1.4	- 0.4	- 2.7	- 2.0	- 2.0	+ 0.7	-	- 0.6

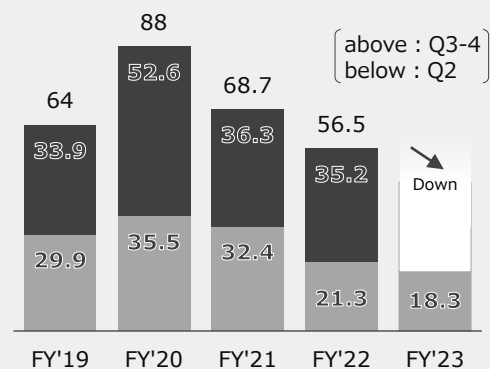
Details of change in Business Profit(Loss)

(billion yen)



Appendix

Revenue of hydraulic components to China (billion yen)



Revenue of robots by segment* (billion yen)

	FY'22	FY'23	Change
Automobile assembly and painting	13.9	15.4	+1.4
Semiconductor	22.3	11.1	-11.0
General robots for industrial use and others	17.0	12.6	-4.3
Total	53.3	39.2	-14.0
	110.6	(FCST)103.5	-7.1

*Including intercompany revenue

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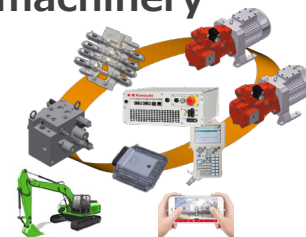
Market Overview

- Construction machinery
 - Weak demand due to prolonged real estate recession, etc
 - Demand outside China remains solid
 - Electrification will be promoted due to the environmental regulations
 - Automation and autonomy will be promoted due to a shortage of skilled workers
- Robots
 - General purpose robots
Slower growth, but potentially higher demand for automation due to rising labor costs
 - Robots for semiconductors
Demand has been stagnating at this moment due to the decline in the semiconductor memory market and the U.S.-China economic friction, but new demand for semiconductors is emerging, such as AI-related and green investment-related demand
 - Supply chain risk
Electronic components shortage and logistics disruption are improving but the prices of electronic components and materials keep rising

Specific Efforts

✓ Developing electrification and automation technology for construction machinery

- Support customer development of future construction equipment by developing and supplying the latest hydraulic equipment and systems for electrification and automation



✓ Developing hydrogen-related products for decarbonization

- Launch of energy-saving hydraulic hydrogen compressors for hydrogen stations
 - Hydrogen gas compression control technology
 - Rotation control pumps system "ECO SERVO"



Hydrogen Station image

✓ Initiatives for A Safe and Secure Remotely-Connected Society

- Successor-G® remote controlled grinder robot system delivered to Murase Ironworks Co. (Hakodate, Japan)
 - Grinding and deburring can be done remotely
 - Combining and integrating our technologies to realize A Safe and Secure Remotely-Connected Society
 - Technology of robot
 - Know-How from ES&M Company
 - Software of Corporate Technology Division

