

CONSOLIDATED FINANCIAL RESULTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022
[IFRS]

February 14, 2023

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 Stock exchange listings: Tokyo
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Scheduled date of General Meeting of Shareholders: March 29, 2023
 Scheduled date for dividend payment: March 30, 2023
 Scheduled date of submission of annual securities report: March 30, 2023

Preparing supplementary material on financial results: Yes
 Holding financial results presentation meeting: Yes (for institutional investors and analysts)
 (Monetary amounts are rounded down to the nearest million yen)

1. Consolidated Results for the Fiscal Year Ended December 31, 2022

(1) Consolidated Financial Results

(% represents percentage change from a comparable previous period)

Millions of yen

	Revenue		Operating Profit		Profit before Tax		Profit	
Fiscal Year Ended December 31, 2022	680,870	12.9%	70,572	15.0%	69,481	15.2%	52,705	13.5%
Fiscal Year Ended December 31, 2021	603,213	15.5%	61,372	63.4%	60,302	68.6%	46,428	78.9%

	Profit Attributable to Owners of Parent		Total Comprehensive Income		Basic Earnings per Share (Yen)	Basic Earnings per Share, Diluted (Yen)
Fiscal Year Ended December 31, 2022	50,488	15.8%	68,602	22.5%	548.61	547.34
Fiscal Year Ended December 31, 2021	43,616	80.0%	56,020	118.9%	463.44	462.09

	Return on Equity Attributable to owners of Parent (%)	Profit Before Income Tax to Total Assets (%)	Operating Profit to Revenue (%)
Fiscal Year Ended December 31, 2022	15.0	9.0	10.4
Fiscal Year Ended December 31, 2021	14.5	8.8	10.2

Note: Share of profit (loss) of investments accounted for using the equity method: Fiscal year ended December 31, 2022; 714 million yen
 Fiscal year ended December 31, 2021; 1,200 million yen

(2) Consolidated Financial Position

Millions of yen

	Total Assets	Total Equity	Total Equity Attributable to Owners of Parent	Ratio of Equity Attributable to Owners of Parent (%)	Total Equity Attributable to Owners of Parent per Share (Yen)
As of December 31, 2022	828,049	369,725	359,966	43.5	3,910.07
As of December 31, 2021	719,736	321,655	312,310	43.4	3,395.50

(3) Consolidated Cash Flows

Millions of yen

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Year
Fiscal Year Ended December 31, 2022	37,070	(38,324)	(23,749)	116,137
Fiscal Year Ended December 31, 2021	72,858	(31,361)	(29,489)	136,488

2. Dividends

	Dividends per Share (Yen)					Total Dividend Payment (Millions of Yen)	Payout Ratio (Consolidated) (%)	Dividend to Equity Attributable to Owners of the Parent (Consolidated) (%)
	1 st Quarter	2 nd Quarter	3 rd Quarter	Year-End	Annual			
Fiscal Year Ended December 31, 2021	—	50.00	—	113.00	163.00	15,127	35.2	5.1
Fiscal Year Ended December 31, 2022	—	85.00	—	108.00	193.00	17,765	35.2	5.3
Fiscal Year Ending December 31, 2023 (Forecast)	—	97.50	—	97.50	195.00		34.5	

3. Forecast of Financial Results for the Fiscal Year Ending December 31, 2023

% represents percentage change from the previous fiscal year

Millions of yen

	Revenue		Operating Profit		Profit before Tax		Profit		Profit Attributable to Owners of Parent		Basic Earnings per Share (Yen)
		%		%		%		%		%	
Six Months Ending June 30, 2023	383,500	22.8%	37,200	36.8%	37,300	32.4%	26,200	36.0%	25,400	40.6%	275.90
Fiscal Year Ending December 31, 2023	753,000	10.6%	71,000	0.6%	71,200	2.5%	54,200	2.8%	52,300	3.6%	568.10

4. Other Information

- (1) Changes in significant subsidiaries during the fiscal year under review (Changes in specified subsidiaries involving changes in scope of consolidation): None

Included: — (—)

Excluded: — (—)

- (2) Changes in accounting policies and changes in accounting estimates

(i) Changes in accounting policies required by IFRS: None

(ii) Changes in accounting policies other than (i) above: None

(iii) Changes in accounting estimates: None

- (3) Number of shares outstanding (Common Shares)

(i) Number of common shares (Including treasury shares)	As of December 31, 2022	92,086,015	As of December 31, 2021	95,513,633
(ii) Number of treasury shares	As of December 31, 2022	24,422	As of December 31, 2021	3,536,073
(iii) Average number of common shares	Fiscal Year Ended December 31, 2022	92,029,256	Fiscal Year Ended December 31, 2021	94,114,609

(Reference Information)

1. Non-Consolidated Results for the Fiscal Year Ended December 31, 2022

(1) Financial Results

(% represents percentage change from a comparable previous fiscal year)

Millions of yen

	Net Sales		Operating Income		Ordinary Income		Net Income	
Fiscal Year Ended December 31, 2022	292,333	10.4%	24,202	51.6%	47,925	24.6%	42,724	19.8%
Fiscal Year Ended December 31, 2021	264,707	14.6%	15,960	474.6%	38,451	55.1%	35,654	53.3%

	Net Income per Share (Yen)	Net Income per Share, Diluted (Yen)
Fiscal Year Ended December 31, 2022	464.25	463.17
Fiscal Year Ended December 31, 2021	378.84	377.73

(2) Financial Position

Millions of yen

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share (Yen)
As of December 31, 2022	549,421	301,546	54.8	3,270.49
As of December 31, 2021	494,785	276,851	55.8	3,003.62

Note: Shareholders' Equity (Net assets excluding subscription rights to shares):

As of December 31, 2022; 301,086 million yen

As of December 31, 2021; 276,266 million yen

Note:

Reasons for Difference in Non-Consolidated Financial Results from the Previous Fiscal Year

Net sales increased from the previous fiscal year mainly due to an increase in sales in the Precision Machinery Company.

This financial result is exempt from auditing by certified public accountants or accounting firms.

Explanation of the Appropriate Use of Performance Forecast and Other Related Matters

1. The forecast of performance and other forward-looking statements contained in this report are based on information that was available to the Company as of the time of the issuance of this report and on certain assumptions about uncertainties that may have an impact on the Group's performance. Actual performance may differ substantially from these forecast owing to a wide range of factors. For further information on the assumptions made in the preparation of the forecast of performance, please refer to "Explanation of Forecast of Consolidated Financial Results" on page 12. Readers are cautioned not to place undue reliance on these forward-looking statements which are valid only as of the date thereof.
2. This report has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated report and the Japanese original, the original shall prevail. Also, the Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

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1. Qualitative Information Regarding Consolidated Financial Results

(1) Explanation of Financial Results

Millions of yen

	Fiscal Year Ended December 31, 2021	Fiscal Year Ended December 31, 2022	Change	Change Ratio (%)
Orders Received	771,483	815,218	43,735	5.7
Revenue	603,213	680,870	77,656	12.9
Operating Profit	61,372	70,572	9,199	15.0
Operating Profit on Revenue Ratio (%)	10.2	10.4	—	—
Profit Attributable to Owners of Parent	43,616	50,488	6,871	15.8
Basic Earnings per Share (Yen)	463.44	548.61	85.17	18.4

During the fiscal year ended December 31, 2022, the global economy showed signs of recovery due to the gradual relaxation of countermeasures against COVID-19 and the normalization of economic activity. In the Japanese economy as well, capital investment showed signs of picking up as normalization of COVID-19 measures and economic activities advanced. Meanwhile, the outlook for the domestic and overseas economies remained uncertain due to factors such as soaring raw material prices, lacks of semiconductors, Ukraine situation impact on resource prices, and exchange rate fluctuations.

In the construction equipment market and the oil and gas market, which are the major markets of our group, demand recovered due to the mitigation of countermeasures against COVID-19. On the other hand, some investment projects were delayed due to inflationary concerns and the prolonged situation in Ukraine. In the semiconductor market, overall demand for semiconductors and capital investment by customers remained at high levels, while the recent decline in memory prices and the strengthening of export regulations against China by the U.S. sees the postponement of capital investment in some areas. In addition, public investment related to national resilience continued to be firm.

Under these circumstances, orders received for the fiscal year under review fell below the previous fiscal year in the Environmental plant ("EP") business, but were offset by stable result of the Fluid Machinery & Systems ("FMS") Business and the Precision Machinery ("PM") Business. As a result, orders received for the entire company increased from the previous fiscal year. Revenues increased in all three business compared to the previous fiscal year. In the FMS business, steady progress in improving sales prices and capturing demand for services and support led to steady revenue growth both domestically and overseas. In the EP business, revenue increased from the previous fiscal year due to steady development in EPC sales by the percentage-of-completion method. In the PM business, although material shortages and shipment delay continue, strengthened personnel structure, increased production capacity and response to customer's high level plant operations lead to revenue growth for both products and services & support.

Operating profit as a whole increased from the previous fiscal year due to higher revenue and improved profitability in the FMS and PM business, as well as the positive contribution of the yen's depreciation, despite the impact of soaring raw material prices and negative factors resulting from increased fixed costs, mainly personnel expenses.

As a result, in the Fiscal Year ended December 31, 2022, consolidated orders received amounted to ¥815,218 million (an increase of 5.7% year-on-year), revenue amounted to ¥680,870 million (an increase of 12.9% year-on-year), operating profit amounted to ¥70,572 million (an increase of 15.0% year-on-year), profit attributable to owners of parent amounted to ¥50,488 million (an increase of 15.8% year-on-year). All of them replaced the past highest records.



Operating Results by Business Segment

Millions of yen




Segment	Orders Received			Revenue			Segment Profit		
	Fiscal Year Ended December 31, 2021	Fiscal Year Ended December 31, 2022	Change Ratio (%)	Fiscal Year Ended December 31, 2021	Fiscal Year Ended December 31, 2022	Change Ratio (%)	Fiscal Year Ended December 31, 2021	Fiscal Year Ended December 31, 2022	Change Ratio (%)
Fluid Machinery & Systems	354,810	406,488	14.6	336,980	383,393	13.8	24,793	32,038	29.2
Environmental Plants	129,496	105,810	(18.3)	71,824	73,738	2.7	5,632	3,669	(34.9)
Precision Machinery	285,401	301,551	5.7	192,791	222,259	15.3	28,035	36,183	29.1
Segment Total	769,708	813,849	5.7	601,596	679,391	12.9	58,461	71,890	23.0
Others	1,775	1,368	(22.9)	1,617	1,478	(8.6)	1,168	(1,216)	—
Adjustment	—	—	—	—	—	—	1,743	(101)	—
Total	771,483	815,218	5.7	603,213	680,870	12.9	61,372	70,572	15.0

Outline of Business Environment and Situation by Business Segment

Segment	Business Environment	Business Situation and the Trend of Orders Received (Note 1)	
Fluid Machinery & Systems	Pumps	<p>(In overseas market)</p> <ul style="list-style-type: none"> • In the oil and gas market, the market situation improved compared to the previous year and large-scale projects began mainly in Saudi Arabia and Qatar. On the other hand, in China, planned projects such as ultra-large petrochemical complex and the integration and improvement of an old-fashioned small-scale refinery have been delayed due to adjustment of CO2 emissions. • Water infrastructure market is recovering with projects progressing in China and Southeast Asia. In North America, renovation projects of deteriorated facilities resumed while price competition is severe • In the construction equipment market, investment is in slow trend mainly due to soaring raw material prices. In China, demand recovery is slow even after the termination of the zero-corona policy <p>(In domestic market (Japan))</p> <ul style="list-style-type: none"> • In the construction equipment market, the number of new construction starts is on a recovery trend. • Investment in renovation and maintenance for social infrastructure is stable. 	<p>(In overseas market)</p> <ul style="list-style-type: none"> • Oil and gas related orders received exceeded that of the last year. • The volume of orders received for the water infrastructure declined that of the last year. • The volume of orders received for construction equipment exceeded that of the last year. <p>(In domestic market (Japan))</p> <ul style="list-style-type: none"> • The volume of orders received for construction equipment exceeded that of the last year. • In the public sector, the volume of orders received declined from the previous fiscal year, when there were orders for large-scale projects, despite positive effects of measures such as comprehensive evaluation projects and expand orders for after-sales services.
	Compressors & Turbines	<ul style="list-style-type: none"> • In the new product market, there have been movements in projects such as the petrochemical market in the Middle East, and in North America, there have been moves in some projects, despite the impact of the situation in Ukraine and inflation. China has been sluggish due to growing uncertainty about the economic outlook. • In the service market, demand for maintenance, repair, and parts is generally firm. • In the LNG market (cryogenic pump) is recovering as some projects are starting to move. 	<ul style="list-style-type: none"> • The volume of orders received for products declined that of the last year due to a review of the timing of orders for some project. • The volume of orders received for service fields exceeded that of the last year due to the easing of transfer restrictions.
	Chillers	<ul style="list-style-type: none"> • In Japan, investment is recovering in the construction market as well, following the industry-related market. • In China, investment is activating in anticipation of the decarbonization regulatories, but there are concerns about power shortages and disruptions in logistics as well as the continuing steep rise in raw material prices. 	<ul style="list-style-type: none"> • In Japan, the volume of orders received exceeded that of the last year. • In China, the volume of orders received exceeded that of the last year due to steady orders for products.

Segment	Business Environment	Business Situation and the Trend of Orders Received (Note 1)
Environmental Plants (Note 2)	<ul style="list-style-type: none"> •Demand for new constructions of waste incineration facilities for the public sector ran at about the same level as in a typical year. •The volume of O&M orders placed for existing facilities ran at about the same level as in a typical year. •Construction demand for power generation facilities with woody biomass fuel for private companies and industrial waste incineration facilities for plastic waste, etc. continued at a certain level. 	<ul style="list-style-type: none"> •The volume of orders received declined that of the last year despite large-scale projects received seven orders, an increase from the previous fiscal year, when the scale of projects per project was large. (Overview of major orders received) <ul style="list-style-type: none"> •EPC project of public-sector waste treatment facilities (1 project)  •DBO project of waste incineration facilities for the public sector (1project) •Long-term comprehensive agreement for the public sector (3 order) •Core improvement project of for the public sector (2 orders)
Precision Machinery	<ul style="list-style-type: none"> •Against the backdrop of the lack of semiconductors, semiconductor manufacturers are actively investing. The semiconductor manufacturing equipment market was larger than the scale of the previous fiscal year, but recently there have been some delays in capital investment due to the fall in memory prices and the strengthening of export regulations against China by U.S. 	<ul style="list-style-type: none"> •Despite a slowdown in investment by some semiconductor manufacturers, the overall market remained strong, and orders were up from the previous fiscal year due to the impact of increased investment by Chinese customers. 

Note 1: Arrows indicate a year-on-year increase/decrease in orders received:

 in the case of +5% or more increase  in the case of -5% or greater decrease  in the case of movement within the -5% and +5% range

Note 2: O&M The operation and maintenance of plants

DBO (Design, Build, and Operate) The contract for operation and maintenance after construction for a certain period of time, in addition to the engineering, procurement, and construction for plants

(2) Explanation of Financial Position

(i) Assets

Total assets as of December 31, 2022 were ¥828,049 million, ¥108,313 million higher than as of December 31, 2021. Principal changes are an increase of ¥59,947 million in inventories, ¥21,543 million in trade and other receivables, and ¥20,128 million in goodwill and intangible assets.

(ii) Liabilities

Total liabilities as of December 31, 2022 were ¥458,323 million, ¥60,243 million higher than as of December 31, 2021. Principal changes are included an increase of ¥32,833 million in trade and other payables, ¥13,396 million in contract liabilities, and ¥7,168 million in other current liabilities.

(iii) Equity

Equity as of December 31, 2022 amounted to ¥369,725 million, ¥48,069 million higher than as of December 31, 2021. Principal changes are dividends paid of ¥18,216 million, profit attributable to owners of parent of ¥50,488 million, and an increase of ¥14,134 million in exchange differences on translation of foreign operations.

Total equity attributable to owners of parent amounted to ¥359,966 million, and the ratio of equity attributable to owners of parent was 43.5%.

(3) Overview of Cash Flows

Net cash provided by operating activities amounted to a net inflow of ¥37,070 million for the fiscal year ended December 31, 2022, a decrease of ¥35,788 million compared to the previous year. This is primarily due to outflow by increase in inventories of ¥54,411 million while operating profit was robust

Net cash used in investing activities amounted to a net outflow of ¥38,324 million for the fiscal year ended December 31, 2022, an outflow increase of ¥6,962 million compared to the previous year. This is primarily due to the acquisition of fixed assets of ¥24,347 million, and purchase of shares of subsidiaries resulting in change in scope of consolidation of ¥14,675million.

Free cash flow, the sum of cash flows from operating and investing activities, amounted to a net outflow of ¥1,254 million for the fiscal year ended December 31, 2022, a decrease of ¥42,751 million in net inflow compared to the previous year.

Net cash used in financing activities amounted to a net outflow of ¥23,749 million for the fiscal year ended December 31, 2022, a decrease of ¥5,739 million in net outflow compared to the previous year. This is primarily due to a net decrease of ¥8,029 million in short-term loans payable and long-term loans payable and cash dividends paid of ¥18,216 million.

As a result, cash and cash equivalents as of December 31, 2022 amounted to ¥116,137 million, ¥20,351 million decrease compared to the previous year.

(Reference) Recent trends in cash flow indicators are as follows:

	Fiscal Year Ended December 31, 2020	Fiscal Year Ended December 31, 2021	Fiscal Year Ended December 31, 2022
Ratio of Equity Attributable to Owners of Parent (%)	44.9	43.4	43.5
Ratio of Equity Attributable to Owners of Parent at Market Value (%)	49.9	84.8	52.5
Years to Repay Debt (Year)	1.4	1.5	3.2
Interest Coverage Ratio (Times)	49.2	53.2	18.8

- * Ratio of Equity Attributable to Owners of Parent: $\text{Equity Attributable to Owners of Parent} / \text{Total assets}$
- * Ratio of Equity Attributable to Owners of Parent at Market Value: $\text{Stock market capitalization} / \text{Total assets}$
- * Years to Repay Debt: $\text{Interest-bearing debt} / \text{Operating cash flow}$
- * Interest Coverage Ratio: $\text{Operating cash flow} / \text{Interest expenses paid}$

Notes:

1. All indicators in the table above were computed with consolidated financial data.
2. Stock market capitalization was computed by multiplying the closing stock price at the end of the period by the number of shares outstanding (minus treasury shares) at the end of the period
3. Operating cash flow is “Net cash provided by operating activities” displayed in the Consolidated Statements of Cash Flows. Interest expenses are the amounts displayed in the item “Interest expenses paid” in the Consolidated Statements of Cash Flows.
4. Since the Company has optionally adopted IFRS from the fiscal year ended December 31, 2021, as the transition date January 1, 2020, the figures for the period in and before the fiscal year ended December 31, 2019, when the Company adopted Japanese GAAP, are not shown.

(4) Forecast of Performance

The business environment is expected to remain uncertain due to concerns such as soaring raw material prices, lacks of semiconductors, the impact on resource prices associated with the prolonged situation in Ukraine, and exchange rate fluctuations. However, our business is expected to remain firm, supported by long-term growth in demand for semiconductors and stable demand for social infrastructure.

Amid these conditions, the Group has set the objective reaching orders received of ¥788,000 million, revenues of ¥753,000 million, operating income of ¥71,000 million, profit before taxes of ¥71,200 million, and profit attributable to owners of parent of ¥52,300 million for the next fiscal year.

Assumptions regarding foreign currency exchange rates forecast are as follows: US\$1 = ¥130, EUR1 = ¥137, RMB1 = ¥19.5.

Actual performance may differ from these forecasts owing to factors such as changing market environment.

Forecast for the Fiscal Year Ending December 31, 2023

	Billions of yen	
	Six Months Ending June 30, 2023	Fiscal Year Ending December 31, 2023
Orders Received	405.5	788.0
Revenue	383.5	753.0
Operating Profit	37.2	71.0
Profit Before Tax	37.3	71.2
Profit Attributable to Owners of Parent	25.4	52.3

At the meeting of the Board of Directors held on August 12, 2022, the Board of Directors resolved to change the current three business segments of "Fluid Machinery & Systems", "Environmental Plant" and "Precision Machinery" from the first quarter of the fiscal year ending December 31, 2023, to the five business segments of "Building Service & Industrial", "Energy", "Infrastructure", "Environmental Solutions" and "Precision Machinery".

The revised financial forecast by business segment is as follows.

Forecast of Financial Results for the Fiscal Year Ending December 31, 2023 by Business Segment

Six Months Ending June 30, 2023

	Billions of yen		
Segment	Orders Received	Revenue	Operating Profit
Building Service & Industrial	105.0	97.0	5.5
Energy	83.0	73.0	3.3
Infrastructure	24.0	33.0	4.3
Environmental Solutions	48.0	32.5	2.0
Precision Machinery	145.0	147.5	22.5
Others, Adjustment	0.5	0.5	(0.4)
Total	405.5	383.5	37.2

Fiscal Year Ending December 31, 2023

Billions of yen

Segment	Orders Received	Revenue	Operating Profit
Building Service & Industrial	220.0	206.0	11.8
Energy	150.0	155.0	11.5
Infrastructure	49.0	50.0	3.0
Environmental Solutions	90.0	71.0	5.0
Precision Machinery	278.0	270.0	40.5
Others, Adjustment	1.0	1.0	(0.8)
Total	788.0	753.0	71.0

Forecast of Business Environment by Business Segment

Segment	Business Environment
Building Service & Industrial	<p>(Domestic market (Japan))</p> <ul style="list-style-type: none"> • In the construction equipment market, demand is slowing as construction costs are soaring due to the persistently high prices of materials in the condominium-related field. However, capital investment is expected to continue to pick up in the buildings, factories, and logistics facilities fields, and the market as a whole is expected to maintain the same level as in 2022. • In some area of the industrial market, a temporary slowdown in demand is expected and there are concerns about revisions and postponements to capital investment plans. However, the overall market is expected to continue to see a recovery in demand for capital investment and other items. <p>(Overseas market)</p> <ul style="list-style-type: none"> • China's economy is expected to recover due to the termination of the zero-corona policy, but the pace of recovery is expected to be moderate. • In the U.S. and Europe, the slowdown in capital investment is expected to continue due to inflation, disruptions in the supply chain, and the prolonged situation in Ukraine.
Energy	<p>(Oil and gas market)</p> <ul style="list-style-type: none"> • In the new product market, demand is expected for oil refining and petrochemicals in India and the Middle East. In China, the policy for countermeasures against the Covid19 has been changed, and it is necessary to closely monitor future economic trends. In North America, shale gas-related products are expected to move in LNG marketplace. • In the service market, demand for maintenance and repair is expected to pause from brisk activity and return to a normal level. • In the decarbonisation-related market, there is a gradual move on projects on the recovery, storage, and effective use of hydrogen, ammonia, and carbon dioxide. <p>(Electricity market)</p> <ul style="list-style-type: none"> • In Japan, projects for the mixed-burning of ammonia at coal-fired thermal power plants are expected to start, and it is anticipated to gradually expand overseas, particularly in Asia.
Infrastructure	<p>(Domestic market (Japan))</p> <ul style="list-style-type: none"> • In the Fifth Priority Plan for Social Infrastructure Development released by the Ministry of Land, Infrastructure, Transport and Tourism, intensifying and frequent natural disasters and accelerating aging of infrastructures are being taken up as changes in the social situation, and investment for the renewal and repair of related social infrastructures is expected to remain firm. <p>(Overseas market)</p> <ul style="list-style-type: none"> • Public investment is also expected to be restrained by global inflation and economic slowdown, but demand for water due to population increase is firm, mainly in Asia and Africa. In addition, flood damage is increasing year by year in various parts of the world due to global warming and extreme weather, and it is expected that a certain level of demand will continue for river drainage pumps, drainage pumping vehicles, etc.
Environmental Solutions	<ul style="list-style-type: none"> • New construction demand of waste incineration facilities for the public sector is expected to run at about the same level as in a typical year. • Construction demand of power generation facilities with woody biomass fuel for private companies and industrial waste incineration facilities for plastic waste etc. is expected to continue. • O&M demand for existing facilities is expected to run at about the same level as in a typical year.
Precision Machinery	<ul style="list-style-type: none"> • The semiconductor market and the semiconductor manufacturing equipment market are expected to enter a short-term adjustment phase against the rapid growth in recent years because of due to continued concerns about production and supply systems due to material procurement difficulties, memory price trends, the strengthening of U.S. export restrictions on China and concerns about a slowdown in the macroeconomy. Over the long term, however, the company expects ICAC5 (IoT, Cloud, AI, Car (autonomous driving) and 5G) and DX, GX demand to continue growing.

(5) Basic Policy for Shareholder Return for the Fiscal Years Ended December 31, 2022 and Ending December 31, 2023

The Company regards returning a portion of its income to its shareholders as one of its most important management policies. Regarding shareholder return, the Company's policy is linking dividends to performance and aimed for a consolidated payout ratio of 35.0%. We will also flexibly consider acquisition of treasury shares.

For the fiscal year ended December 31, 2022, the Company is scheduled to pay its annual cash dividend of ¥193.00 per share (including an interim cash dividend of ¥85.00 per share).

We plan to pay an annual dividend of ¥195.00 per share (including an interim dividend of ¥97.50) in the next fiscal year.

2. Basic Approach to Selection of Accounting Standards

The Group has optionally adopted IFRS from the three months ended March 31, 2021 for its consolidated financial statements in consideration of the need for international comparability of consolidated financial statements in the capital market.

3. Condensed Consolidated Financial Statements and Primary Notes

(1) Condensed Consolidated Statement of Financial Position

	Millions of yen	
	As of December 31, 2021	As of December 31, 2022
Assets		
Current assets		
Cash and cash equivalents	136,488	116,137
Trade and other receivables	130,121	151,665
Contract assets	86,887	100,420
Inventories	121,389	181,337
Income taxes receivable	605	1,137
Other financial assets	3,267	3,540
Other current assets	21,173	26,456
Total current assets	499,934	580,694
Non-current assets		
Property, plant and equipment	161,392	165,715
Goodwill and intangible assets	23,204	43,333
Investments accounted for using the equity method	7,153	7,153
Deferred tax assets	12,665	13,720
Other financial assets	6,241	6,783
Other non-current assets	9,144	10,648
Total non-current assets	219,801	247,354
Total assets	719,736	828,049

Millions of yen

	As of December 31, 2021	As of December 31, 2022
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	162,558	195,391
Contract liabilities	49,771	63,168
Bonds, borrowings and lease liabilities	56,578	46,772
Income taxes payable	6,337	6,140
Provisions	14,769	12,760
Other financial liabilities	98	432
Other current liabilities	37,243	44,411
Total current liabilities	327,357	369,078
Non-current liabilities		
Bonds, borrowings and lease liabilities	55,467	72,560
Retirement benefit liability	8,413	8,380
Provisions	2,488	2,647
Deferred tax liabilities	402	2,435
Other financial liabilities	123	144
Other non-current liabilities	3,829	3,076
Total non-current liabilities	70,723	89,245
Total liabilities	398,080	458,323
Equity		
Share capital	79,643	79,804
Capital surplus	76,566	76,806
Retained earnings	171,720	184,995
Treasury shares	(20,189)	(294)
Other components of equity	4,569	18,655
Total equity attributable to owners of parent	312,310	359,966
Non-controlling interests	9,345	9,758
Total equity	321,655	369,725
Total liabilities and equity	719,736	828,049

(2) Condensed Consolidated Statement of Income and Condensed Consolidated Statement of Comprehensive Income

Condensed Consolidated Statement of Income

For the Fiscal Year Ended December 31, 2021 and 2022

Millions of yen

	Fiscal Year Ended December 31, 2021	Fiscal Year Ended December 31, 2022
Revenue	603,213	680,870
Cost of sales	424,571	469,694
Gross profit	178,641	211,175
Selling, general and administrative expenses	120,553	137,784
Other income	4,131	1,107
Other expenses	847	3,925
Operating profit	61,372	70,572
Finance income	416	957
Finance costs	2,687	2,762
Share of profit (loss) of investments accounted for using the equity method	1,200	714
Profit before tax	60,302	69,481
Income tax expense	13,873	16,775
Profit	46,428	52,705
Profit attributable to		
Owners of parent	43,616	50,488
Non-controlling interests	2,812	2,217
Earnings per share		
Basic earnings per share	463.44	548.61
Basic earnings per share, diluted	462.09	547.34

Condensed Consolidated Statement of Comprehensive Income

For the Fiscal Year Ended December 31, 2021 and 2022

Millions of yen

	Fiscal Year Ended December 31, 2021	Fiscal Year Ended December 31, 2022
Profit	46,428	52,705
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	2,758	1,512
Net change in fair value of financial assets designated as measured at fair value through other comprehensive income	47	(44)
Share of other comprehensive income of investments accounted for using the equity method	86	(9)
Total of items that will not be reclassified to profit or loss	2,893	1,458
Items that may be reclassified to profit or loss		
Cash flow hedges	94	(59)
Exchange differences on translation of foreign operations	6,602	14,497
Total of items that may be reclassified to profit or loss	6,697	14,437
Total other comprehensive income, net of tax	9,591	15,896
Total comprehensive income	56,020	68,602
Comprehensive income attributable to		
Owners of parent	52,529	66,019
Non-controlling interests	3,490	2,582

(3) Condensed Consolidated Statement of Changes in Equity
For the Fiscal Year Ended December 31, 2021

Millions of yen

	Equity attributable to owners of parent							
	Share capital	Capital surplus	Retained earnings	Treasury shares	Exchange differences on translation of foreign operations	Other components of equity		
						Net change in fair value of financial assets designated as measured at fair value through other comprehensive income	Cash flow hedges	Remeasurements of defined benefit plans
As of January 1, 2021	79,451	75,987	136,629	(178)	(1,746)	(520)	(56)	—
Changes during the period								
Comprehensive income								
Profit	—	—	43,616	—	—	—	—	—
Other comprehensive income	—	—	—	—	5,926	77	94	2,814
Total comprehensive income	—	—	43,616	—	5,926	77	94	2,814
Transactions with owners								
Dividends	—	—	(10,455)	—	—	—	—	—
Purchase of treasury shares	—	—	(88)	(20,010)	—	—	—	—
Disposal of treasury shares	—	0	—	0	—	—	—	—
Share-based payment transactions	191	578	—	—	—	—	—	—
Change in scope of consolidation	—	—	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	2,018	—	—	795	—	(2,814)
Total transactions with owners	191	578	(8,525)	(20,010)	—	795	—	(2,814)
As of December 31, 2021	79,643	76,566	171,720	(20,189)	4,179	351	38	—

Millions of yen

	Equity attributable to owners of parent		Total equity attributable to owners of parent	Total non-controlling interests	Total equity
	Equity attributable to owners of parent	Total other components of equity			
As of January 1, 2021		(2,324)	289,564	7,312	296,877
Changes during the period					
Comprehensive income					
Profit		—	43,616	2,812	46,428
Other comprehensive income		8,912	8,912	678	9,591
Total comprehensive income		8,912	52,529	3,490	56,020
Transactions with owners					
Dividends		—	(10,455)	(1,458)	(11,914)
Purchase of treasury shares		—	(20,099)	—	(20,099)
Disposal of treasury shares		—	0	—	0
Share-based payment transactions		—	770	—	770
Change in scope of consolidation		—	—	—	—
Transfer from other components of equity to retained earnings		(2,018)	—	—	—
Total transactions with owners		(2,018)	(29,784)	(1,458)	(31,242)
As of December 31, 2021		4,569	312,310	9,345	321,655

For the Fiscal Year Ended December 31, 2022

Millions of yen

	Equity attributable to owners of parent							
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity			
					Exchange differences on translation of foreign operations	Net change in fair value of financial assets designated as measured at fair value through other comprehensive income	Cash flow hedges	Remeasurements of defined benefit plans
As of January 1, 2022	79,643	76,566	171,720	(20,189)	4,179	351	38	—
Hyperinflation adjustment	—	—	(539)	—	—	—	—	—
Adjusted beginning balance	79,643	76,566	171,180	(20,189)	4,179	351	38	—
Changes during the period								
Comprehensive income								
Profit	—	—	50,488	—	—	—	—	—
Other comprehensive income	—	—	—	—	14,134	(46)	(59)	1,502
Total comprehensive income	—	—	50,488	—	14,134	(46)	(59)	1,502
Transactions with owners								
Dividends	—	—	(18,216)	—	—	—	—	—
Purchase of treasury shares	—	—	—	(8)	—	—	—	—
Disposal of treasury shares	—	0	—	0	—	—	—	—
Cancellation of treasury shares	—	(0)	(19,902)	19,903	—	—	—	—
Share-based payment transactions	160	245	—	—	—	—	—	—
Change in scope of consolidation	—	—	—	—	—	—	—	—
Acquisition of non controlling interests	—	(4)	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	1,445	—	—	57	—	(1,502)
Total transactions with owners	160	240	(36,674)	19,894	—	57	—	(1,502)
As of December 31, 2022	79,804	76,806	184,995	(294)	18,314	362	(21)	(0)

Millions of yen

	Equity attributable to owners of parent	Total equity attributable to owners of parent	Total non-controlling interests	Total equity
	Total other components of equity			
As of January 1, 2022	4,569	312,310	9,345	321,655
Hyperinflation adjustment	—	(539)	—	(539)
Adjusted beginning balance	4,569	311,770	9,345	321,116
Changes during the period				
Comprehensive income				
Profit	—	50,488	2,217	52,705
Other comprehensive income	15,531	15,531	365	15,896
Total comprehensive income	15,531	66,019	2,582	68,602
Transactions with owners				
Dividends	—	(18,216)	(2,167)	(20,383)
Purchase of treasury shares	—	(8)	—	(8)
Disposal of treasury shares	—	0	—	0
Cancellation of treasury shares	—	—	—	—
Share-based payment transactions	—	406	—	406
Change in scope of consolidation	—	—	0	0
Acquisition of non controlling interests	—	(4)	(2)	(7)
Transfer from other components of equity to retained earnings	(1,445)	—	—	—
Total transactions with owners	(1,445)	(17,823)	(2,169)	(19,993)
As of December 31, 2022	18,655	359,966	9,758	369,725

(4) Condensed Consolidated Statement of Cash Flows

Millions of yen

	Fiscal Year Ended December 31, 2021	Fiscal Year Ended December 31, 2022
Cash flows from operating activities		
Profit before tax	60,302	69,481
Depreciation and amortization	21,435	24,068
Impairment loss	198	1,848
Interest and dividend income	(387)	(613)
Interest expenses	1,298	2,326
Foreign exchange loss (gain)	5,148	1,919
Share of loss (profit) of investments accounted for using the equity method	(1,200)	(714)
Loss (gain) on sales of fixed assets	(2,991)	(92)
Decrease (increase) in trade and other receivables	(862)	(17,189)
Decrease (increase) in contract assets	(5,968)	(10,470)
Decrease (increase) in inventories	(14,224)	(54,411)
Increase (decrease) in trade and other payables	17,757	27,159
Increase (decrease) in contract liabilities	6,691	11,402
Increase (decrease) in provisions	15	(2,049)
Increase / decrease in retirement benefit assets and liabilities	(425)	539
Other	(2,121)	2,895
Subtotal	84,665	56,098
Interest income received	363	592
Dividend income received	1,122	713
Interest expenses paid	(1,369)	(1,965)
Income taxes paid	(11,923)	(18,370)
Net cash provided by operating activities	72,858	37,070
Cash flows from investing activities		
Payments into time deposits	(4,092)	(4,934)
Proceeds from withdrawal of time deposits	3,958	5,165
Purchase of investment securities	(20)	(325)
Proceeds from sales and redemption of investment securities	3,085	194
Purchase of property, plant and equipment, and intangible assets	(25,755)	(24,347)
Proceeds from sale of property, plant and equipment	1,575	557
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(10,375)	(14,675)
Other	263	41
Net cash used in investing activities	(31,361)	(38,324)

Millions of yen

	Fiscal Year Ended December 31, 2021	Fiscal Year Ended December 31, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	8,752	(12,654)
Proceeds from long-term borrowings	5,191	11,138
Repayments of long-term borrowings	(6,362)	(6,513)
Repayments of lease liabilities	(5,058)	(5,321)
Proceeds from issuance of bonds	—	20,000
Proceeds from issuance of common shares	0	0
Redemption of bonds	—	(10,000)
Purchase of treasury shares	(20,099)	(8)
Dividends paid	(10,455)	(18,216)
Dividends paid to non-controlling interests	(1,458)	(2,167)
Payments for acquisition of interests in subsidiaries from non-controlling interests	—	(7)
Other	0	1
Net cash used in financing activities	(29,489)	(23,749)
Effect of exchange rate changes on cash and cash equivalents	3,936	4,742
Hyperinflation adjustment	—	(89)
Net increase (decrease) in cash and cash equivalents	15,944	(20,351)
Cash and cash equivalents at beginning of period	120,544	136,488
Cash and cash equivalents at end of period	136,488	116,137

(5) Notes to Condensed Consolidated Financial Statements

(Note for the Assumption of Going Concern)

None

(Segment Information)

Fiscal Year Ended December 31, 2021

Millions of yen

	Reportable segments				Others (Note 1)	Total	Adjustment (Note 2,3)	Consolidated (Note 4)
	Fluid Machinery & Systems	Environmental Plants	Precision Machinery	Total				
Revenue								
External customers	336,980	71,824	192,791	601,596	1,617	603,213	—	603,213
Intersegment and transfers	739	55	3	798	2,355	3,154	(3,154)	—
Total	337,719	71,880	192,794	602,394	3,973	606,368	(3,154)	603,213
Segment profit (loss)	24,793	5,632	28,035	58,461	1,168	59,629	1,743	61,372
Finance income								416
Finance costs								2,687
Share of profit (loss) of investments accounted for using the equity method								1,200
Profit before tax								60,302
Segment assets	360,986	55,062	181,140	597,189	34,733	631,923	87,813	719,736
Other items								
Depreciation amortization And amortization	10,930	806	6,981	18,717	2,739	21,457	(21)	21,435
Impairment loss	72	0	70	143	54	198	—	198
Capital expenditures	9,949	762	5,608	16,321	6,481	22,803	(44)	22,758
Affiliates Accounted for by Equity Method Amount invested	—	7,153	—	7,153	—	7,153	—	7,153

Notes 1: The “Others” item in the table above is the business segment for operations that are not included among reportable segments. It contains business support services and other activities.

2: The “Adjustment” item for segment profit (loss) shows eliminations of intersegment transactions.

Reconciliations of segment assets are corporate assets of ¥88,582 million and elimination of intersegment transactions of ¥(769) million that are not allocated to the reportable segments. Corporate assets consist primarily of our cash and cash equivalents, certain investments in securities and deferred tax assets.

3: The adjustments of Other Items are the elimination of intersegment transactions.

4: Segment profit (loss) is adjusted with operating profit in the condensed consolidated statement of income.

Fiscal Year Ended December 31, 2022

Millions of yen

	Reportable segments				Others (Note 1)	Total	Adjustment (Note 2,3)	Consolidated (Note 4)
	Fluid Machinery & Systems	Environmental Plants	Precision Machinery	Total				
Revenue								
External customers	383,393	73,738	222,259	679,391	1,478	680,870	—	680,870
Intersegment and transfers	665	102	7	775	2,287	3,062	(3,062)	—
Total	384,058	73,841	222,267	680,167	3,765	683,933	(3,062)	680,870
Segment profit (loss)	32,038	3,669	36,183	71,890	(1,216)	70,674	(101)	70,572
Finance income								957
Finance costs								2,762
Share of profit (loss) of investments accounted for using the equity method								714
Profit before tax								69,481
Segment assets	429,517	64,656	228,975	723,149	43,507	766,657	61,391	828,049
Other items								
Depreciation amortization And amortization	11,942	843	7,385	20,170	3,920	24,091	(23)	24,067
Impairment loss	1,512	0	306	1,819	29	1,848	(0)	1,848
Capital expenditures	10,994	2,013	6,328	19,336	8,290	27,627	(30)	27,597
Affiliates Accounted for by Equity Method Amount invested	—	7,153	—	7,153	—	7,153	—	7,153

Notes 1: The “Others” item in the table above is the business segment for operations that are not included among reportable segments. It contains business support services and other activities.

2: The “Adjustment” item for segment profit shows eliminations of intersegment transactions.

Reconciliations of segment assets are corporate assets of ¥62,271 million and elimination of intersegment transactions of ¥(879) million that are not allocated to the reportable segments. Corporate assets consist primarily of our cash and cash equivalents, certain investments in securities and deferred tax assets.

3: The adjustments of Other Items are the elimination of intersegment transactions.

4: Segment profit is adjusted with operating profit in the condensed consolidated statement of income.

(Per Share Data of Common Shares)

1. Computation of Basic earnings per Share

	Fiscal Year Ended December 31, 2021	Fiscal Year Ended December 31, 2022
Profit attributable to owners of parent (Millions of yen)	43,616	50,488
Weighted average number of common shares outstanding (in thousands)	94,114	92,029
Basic earnings per share (Yen)	463.44	548.61

2. Computation of Diluted earnings per Share

	As of December 31, 2021	As of December 31, 2022
Profit attributable to owners of parent (Millions of yen)	43,616	50,488
Adjustment to net income (Millions of yen)	—	—
Net income used to calculate diluted earnings per share (millions of yen)	43,616	50,488
Weighted average number of common shares outstanding (in thousands)	94,114	92,029
Adjusted number of shares related to stock options (Thousands of shares)	275	213
Weighted average number of diluted common shares outstanding (in thousands)	94,390	92,243
Diluted earnings per share (yen)	462.09	547.34

(NOTE)None were excluded from the calculation of the average number of diluted common shares outstanding during the period as anti-dilutive.

(Significant Subsequent Events)

None

(Additional Information)

The spread of COVID-19 continues worldwide. It is still a major threat, and the situation remains unpredictable. On the other hand, the trend toward the coexistence of infectious prevention and economic activities, called “with Corona”, is becoming more active, and demand for social and industrial infrastructures is recovering.

In the previous fiscal year, our accounting estimates were based on the assumption that the business environment maintains its stability with limited impact of COVID-19 to the Group's business. There are no major changes to this assumption.

However, if the impact of the spread of COVID-19 diverges from this assumption, the Group's financial position and financial results may be affected.

4. Others

(1) Litigation and Others

(Progress of Dispute Regarding Fire Accident at Bulky Waste Treatment Facility at the Gifu City Eastern Clean Center)

On October 23, 2015, a fire broke out at the bulky waste treatment facility at the Gifu City Eastern Clean Center, which is located in the Akutami section of Gifu City in Gifu Prefecture, when Ebara Environmental Plant Co., Ltd. (“EEP”), the Company’s consolidated subsidiary, was making repairs on the facility. EEP is responsible for the operation and management of a waste incinerating facility that is located adjacent to the bulky waste treatment facility where the fire occurred.

Regarding this incident, while the Company had been discussing with Gifu City the compensation for related damages, a lawsuit against EEP was filed by Gifu City at the Gifu District Court on January 31, 2019 claiming compensation for damages of ¥4,362 million and late charges for such compensation. Afterwards, Gifu City amended its amount of the compensation claim for damages to ¥4,474 million and late charges for such compensation on July 22, 2019 (received on July 25, 2019).

On July 17, 2020, the amount of the compensation claim for damages was amended to ¥4,582 million and late charges for such compensation (received on July 20, 2020), and on August 10, 2021, the compensation claim for damages was amended to ¥4,692 million and late charges for such compensation (received on August 25, 2021).

At this time, it is not possible to make a reasonable estimate of the effect of this incident on the Group’s consolidated financial results.

(2) Changes of Directors and Executive Officers

Please refer to the "Notice of Changes of Directors and Executive Officers" announced today.

(3) Segment Information

Business Segment

FMS = Fluid Machinery & Systems, EP = Environmental Plants, PM = Precision Machinery

(i) Actual Results and Forecast of Orders Received, Revenue, Operating Profit, and Backlog of Orders Received by Business Segment

Billions of yen

	Fiscal Year Ended December 31, 2021	Fiscal Year Ended December 31, 2022		
	Actual	Actual	Change	Change Ratio (%)
Orders Received				
Pumps	197.7	227.4	29.7	15.1
Compressors & Turbines	104.7	111.0	6.3	6.1
Chillers	40.2	48.5	8.3	20.7
Others	12.1	19.3	7.2	59.7
Total of FMS	354.8	406.4	51.6	14.6
EP	129.4	105.8	(23.6)	(18.3)
PM	285.4	301.5	16.1	5.7
Others	1.7	1.3	(0.4)	(22.9)
Total	771.4	815.2	43.7	5.7
Revenue				
Pumps	191.5	209.0	17.4	9.1
Compressors & Turbines	91.2	111.7	20.5	22.5
Chillers	40.7	48.6	7.9	19.5
Others	13.5	13.9	0.4	3.3
Total of FMS	336.9	383.3	46.4	13.8
EP	71.8	73.7	1.9	2.7
PM	192.7	222.2	29.4	15.3
Others	1.6	1.4	(0.1)	(8.6)
Total	603.2	680.8	77.6	12.9
Operating Profit				
Pumps	14.1	16.0	1.8	13.4
Compressors & Turbines	8.8	13.2	4.4	50.2
Chillers	1.6	1.6	0.0	1.0
Others & Adjustment	0.1	1.0	0.9	568.7
Total of FMS	24.7	32.0	7.2	29.2
EP	5.6	3.6	(1.9)	(34.9)
PM	28.0	36.1	8.1	29.1
Others & Adjustment	2.9	(1.3)	(4.2)	—
Total	61.3	70.5	9.1	15.0
Backlog of Orders Received				
Pumps	101.4	130.1	28.7	28.3
Compressors & Turbines	101.2	112.0	10.7	10.7
Chillers	13.7	14.2	0.4	3.6
Others	7.8	13.2	5.4	69.1
Total of FMS	224.3	269.7	45.4	20.2
EP	285.2	317.4	32.2	11.3
PM	141.7	230.8	89.0	62.8
Others	0.1	0.0	(0.1)	(61.8)
Total	651.5	818.1	166.6	25.6

	Six Months Ended September 30, 2022	Fiscal Year Ended December 31, 2022	Six Months Ending June 30, 2023	Fiscal Year Ending December 31, 2023
	Actual	Actual	forecast	forecast
Orders Received				
Building Service & Industrial	103.4	206.4	105.0	220.0
Energy	59.2	148.0	83.0	150.0
Infrastructure	25.1	51.9	24.0	49.0
Environmental Solutions	46.2	105.8	48.0	90.0
Precision Machinery	164.6	301.5	145.0	278.0
Others, Adjustment	0.7	1.3	0.5	1.0
Total	399.4	815.2	405.5	788.0
Revenue				
Building Service & Industrial	90.6	195.1	97.0	206.0
Energy	64.0	143.6	73.0	155.0
Infrastructure	24.4	44.6	33.0	50.0
Environmental Solutions	36.4	73.7	32.5	71.0
Precision Machinery	96.0	222.2	147.5	270.0
Others, Adjustment	0.6	1.4	0.5	1.0
Total	312.4	680.8	383.5	753.0
Operating Profit				
Building Service & Industrial	5.0	11.9	5.5	11.8
Energy	4.1	16.5	3.3	11.5
Infrastructure	3.5	3.4	4.3	3.0
Environmental Solutions	0.9	3.6	2.0	5.0
Precision Machinery	13.9	36.1	22.5	40.5
Others, Adjustment	(0.4)	(1.3)	(0.4)	(0.8)
Total	27.1	70.5	37.2	71.0
Backlog of Orders Received				
Building Service & Industrial		63.9	71.9	77.9
Energy		147.5	157.5	142.5
Infrastructure		58.3	49.3	57.3
Environmental Solutions		317.4	332.9	336.4
Precision Machinery		230.8	228.3	238.8
Others, Adjustment		0.0	0.0	0.0
Total		818.1	840.1	853.1

At the meeting of the Board of Directors held on August 12, 2022, the Board of Directors resolved to change the current three business segments of "Fluid Machinery & Systems", "Environmental Plant" and "Precision Machinery" from the first quarter of the fiscal year ending December 31, 2023, to the five business segments of "Building Service & Industrial", "Energy", "Infrastructure", "Environmental Solutions" and "Precision Machinery".

(ii) Actual Results and Forecast of Orders Received and Revenue in the Precision Machinery Business Segment

Billions of yen

	Fiscal Year Ended December 31, 2021	Fiscal Year Ended December 31, 2022			Six Months Ending June 30, 2023	Fiscal Year Ending December 31, 2023
	Actual	Actual	Change	Change Ratio (%)	Forecast	Forecast
Orders Received						
Components	101.7	116.2	14.5	14.3	50.0	100.0
CMP Systems	176.7	179.2	2.5	1.4	90.0	170.0
Others	6.9	6.0	(0.9)	(13.5)	5.0	8.0
Total of PM	285.4	301.5	16.1	5.7	145.0	278.0
Revenue						
Components	82.4	101.4	19.0	23.1	55.0	105.0
CMP Systems	103.6	115.7	12.0	11.6	90.0	160.0
Others	6.6	5.0	(1.5)	(24.0)	2.5	5.0
Total of PM	192.7	222.2	29.4	15.3	147.5	270.0

(4) Area Information

(i) Geographical Segment . . . Compiled on the basis of the geographical location of the company reporting the revenue

Billions of yen

	Fiscal Year Ended December 31, 2021		Fiscal Year Ended December 31, 2022		
	Actual	Composition (%)	Actual	Composition (%)	Change
Revenue					
Japan	328.5	54.5	340.2	50.0	11.6
North America	88.2	14.6	120.5	17.7	32.3
Asia (except Japan)	142.8	23.7	162.4	23.9	19.5
Others	43.5	7.2	57.6	8.5	14.1
Total	603.2	100.0	680.8	100.0	77.6
Operating Profit					
Japan	22.2	36.3	35.3	50.1	13.1
North America	15.1	24.7	14.2	20.2	(0.9)
Asia (except Japan)	19.9	32.5	19.0	26.9	(0.9)
Others	4.8	7.9	7.5	10.7	2.6
Adjustment	(0.8)	(1.4)	(5.5)	(7.9)	(4.7)
Total	61.3	100.0	70.5	100.0	9.1

(ii) Regional Segment . . . Compiled on the basis of the geographical location where the goods are sold

Billions of yen

	Fiscal Year Ended December 31, 2021		Fiscal Year Ended December 31, 2022		
	Actual	Composition (%)	Actual	Composition (%)	Change
Revenue					
Japan	247.4	41.0	253.8	37.3	6.3
China	111.3	18.5	110.3	16.2	(1.0)
Other Asia	121.7	20.2	137.1	20.1	15.4
North America	44.2	7.3	57.6	8.5	13.4
Europe	35.9	6.0	56.8	8.4	20.9
Middle East	22.5	3.7	35.8	5.3	13.3
Others	19.9	3.3	29.1	4.3	9.2
Total	603.2	100.0	680.8	100.0	77.6

(5) Employees

	As of December 31, 2021	As of December 31, 2022	
	Numbers	Numbers	Change
Employees			
FMS	11,870	12,142	272
EP	2,714	2,727	13
PM	2,789	3,151	362
Others & Corporate	999	1,075	76
Total	18,372	19,095	723
Ebara Corporation	4,103	4,287	184
Domestic Consolidated Subsidiaries	3,937	4,039	102
Overseas Consolidated Subsidiaries	10,332	10,769	437