

# Financial Highlights

SUMITOMO HEAVY INDUSTRIES, LTD. and Consolidated Subsidiaries

	Millions of yen					Thousands of U.S. dollars (Note 1)
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2006
<b>Summary of Income (For the year):</b>						
Net sales	¥481,289	¥482,765	¥521,310	¥551,339	¥600,256	\$5,086,918
Mass-produced machinery	153,228	184,489	205,091	218,798	222,906	1,889,032
Environmental protection facilities, plants & others	100,310	87,691	87,937	82,740	79,397	672,852
Ship, steel structure & other specialized equipment	85,598	63,438	65,288	67,372	69,491	588,909
Industrial machinery	46,758	45,988	54,008	56,054	68,286	578,697
Construction machinery	95,393	101,158	108,985	126,375	160,177	1,357,429
Operating income	17,213	40,231	48,773	47,505	64,224	544,275
Mass-produced machinery	14,358	26,046	30,415	29,338	28,844	244,439
Environmental protection facilities, plants & others	3,820	4,567	7,094	4,277	4,494	38,080
Ship, steel structure & other specialized equipment	(3,416)	1,547	478	(479)	6,714	56,902
Industrial machinery	(485)	2,908	4,834	5,847	9,527	80,736
Construction machinery	2,969	5,150	5,961	8,533	14,396	122,000
Elimination	(32)	13	(9)	(10)	250	2,117
Operating Income Margin	3.6	8.3	9.4	8.6	10.7	
EBITDA (Note 2)	29,322	50,344	58,055	56,577	74,873	634,517
Net income	2,688	16,262	22,792	29,742	37,352	316,538

## Cash Flows (For the year):

Cash flows from operating activities	¥ 29,499	¥ 75,775	¥ 45,451	¥ 50,023	¥ 56,789	\$ 481,262
Cash flows from investing activities	(1,074)	(7,929)	(6,087)	(7,024)	(12,461)	(105,601)
Free cash flows (Note 3)	28,425	67,846	39,364	42,999	44,328	375,661
Cash flows from financing activities	(22,116)	(56,666)	(46,490)	(48,812)	(41,193)	(349,092)

Notes: 1. The U.S. dollar amounts have been translated, for convenience only, at ¥118=\$1, the prevailing exchange rate on the Tokyo Foreign Exchange Market as of March 31, 2007.

2. EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) = Operating income + Depreciation and amortization

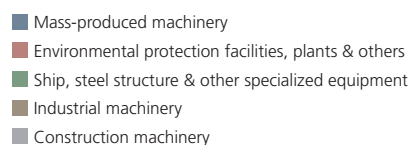
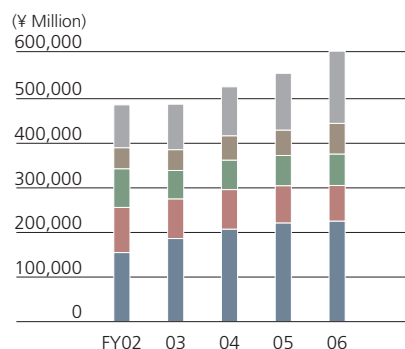
3. Free cash flows = Cash flows from operating activities + Cash flows from investing activities

4. Net income per share of common stock is based on the weighted average number of shares outstanding in each year.

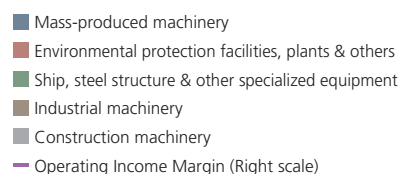
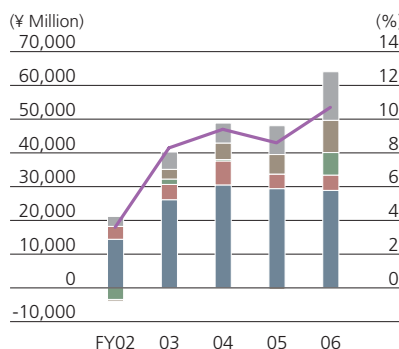
5. ROIC (Return on Invested Capital) =  $\frac{\text{Operating income} + \text{Interest and dividend received}}{\text{Average of stockholders' equity} + \text{Average of interest-bearing debt}} \times 55\%$  (= 1 - Effective tax rate)

6. Net assets are presented following enforcement of the new Japanese Corporate Law in 2006. Net assets comprise shareholders' equity as previously defined, plus minority interests and share subscription rights.

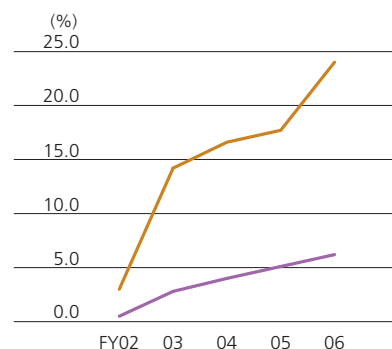
## ● Net Sales



## ● Operating Income, Operating Income Margin



## ● ROA, ROE

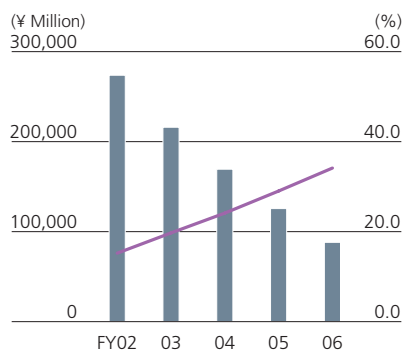


	Millions of yen					Thousands of U.S. dollars (Note 1)
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2006
<b>Financial Position (At year-end):</b>						
Total assets	¥588,010	¥580,291	¥569,771	¥579,233	¥600,890	\$5,092,287
Interest-bearing debt	273,544	215,807	169,228	125,504	88,045	746,149
Stockholders' equity	89,331	114,526	137,157	167,740	—	—
Total net assets (Note 6)	—	—	—	—	206,010	1,745,847

	Yen					U.S. dollars (Note 1)
	FY2002	FY2003	FY2004	FY2005	FY2006	FY2006
<b>Amounts Per Share:</b>						
Net income (Note 4)	¥ 4.57	¥ 27.01	¥ 37.80	¥ 49.45	¥ 61.99	\$0.53
Stockholders' equity	151.86	190.25	227.90	279.02	338.95	2.87
Cash dividends	—	—	3.00	5.00	7.00	0.06

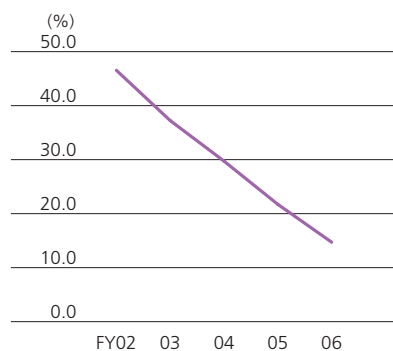
	%				
<b>Financial Indexes:</b>					
EBITDA margin	6.1	10.4	11.1	10.3	12.5
Stockholders' equity ratio	15.2	19.7	24.1	29.0	34.1
ROA (Return on assets)	0.5	2.8	4.0	5.1	6.2
ROE (Return on equity)	3.0	14.2	16.6	17.7	24.0
Interest-bearing debt ratio	46.5	37.2	29.7	21.7	14.7
ROIC (Note 5)	2.6	6.5	8.5	8.8	12.2

### ● Stockholders' Equity Ratio, Interest-Bearing Debt



■ Interest-Bearing Debt  
— Stockholders' Equity Ratio (Right scale)

### ● Interest-Bearing Debt Ratio



### ● Free Cash Flows

