



March 30, 2009

To Whom It May Concern

Company Name Sumitomo Heavy Industries, Ltd.
Representative Yoshinobu Nakamura, President
Security code 6302 (Tokyo and Osaka Stock
Exchanges)
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Notice Regarding Merger of Subsidiary

At a meeting of the Board of Directors held on March 30, 2009 Sumitomo Heavy Industries, Ltd. (hereinafter “the Company”) resolved to absorb and merge with SHI Plastics Machinery, Ltd. (hereinafter “SPM”), a wholly owned subsidiary of the Company, on July 1, 2009 as set out below. As this is a simple merger of a consolidated subsidiary company, the following is a partly abridged disclosure.

1. Objectives of Merger

The Company established SPM in July 1995 with the objective of integrating and ensuring flexible management of its domestic injection molding machine sale and service businesses. Since late last year however demand has dropped dramatically and customers are increasingly shifting offshore, rendering any major domestic recovery unlikely. Accordingly, the Company has decided to review its injection molding machine sale and service operations.

Integrating SPM with the Company’s plastics machinery division will allow for combined management of domestic and foreign plastic injection molding machine sale and service operations.

2. Outline of Merger

(1) Timetable

March 30, 2009	Meeting of the Board of Directors to approve the Merger Agreement
March 30, 2009	Execution of Merger Agreement
July 1, 2009	Scheduled date of merger

July 1, 2009 Scheduled date of merger registration

※ As this merger is a simple merger within the definition of Article 796, paragraph 3 of the Companies Act the Company will not be seeking approval of the Merger Agreement at the General Meeting of Shareholders.

(2) Method of Merger

The absorption and merger method will be used under which the Company is the surviving company and SPM is dissolved.

(3) Other

As Sumitomo Heavy Industries, Ltd. owns all shares of SHI Plastics Machinery, Ltd., there will be no newly issued shares or merger payments associated with this transaction.

3. Overview of the Companies to be Merged (Current as of September 30, 2008)

(1) Trading Name	Sumitomo Heavy Industries, Ltd. (Surviving Company)	SHI Plastics Machinery, Ltd. (Company to be Dissolved)
(2) Business	Manufacture and sale of all types of industrial machinery, from general industrial machinery to precision machinery	Sale and service of plastic molding machines and peripheral parts
(3) Date of Establishment	November 1, 1934	July 1, 1995
(4) Headquarters	2-1-1 Osaki, Shinagawa-ku, Tokyo	2-1-1 Osaki, Shinagawa-ku, Tokyo
(5) Representative	Representative Director Yoshinobu Nakamura	Representative Director Shoichi Karatani
(6) Capital	30,872 million yen	300 million yen
(7) No. of Shares on Issue	605,726,000 shares	6,000,000 shares
(8) Net Assets	257,845 million yen	1,571 million yen
(9) Total Assets	689,578 million yen	9,340 million yen
(10) Fiscal Year	March 31	March 31
(11) No. of Employees	14,705	97
(12) Major suppliers/customers	Sumitomo Corporation, ITOCHU Corporation and others	Wise Corporation, Daiichi Jitsugyo Co., Ltd. and others
(13) Major shareholders and percentage of shares held	Japan Trustee Services Bank, Ltd. 11.6% The Master Trust Bank of Japan, Ltd. 7.6%	Sumitomo Heavy Industries, Ltd. 100%
(14) Primary banks	Mitsui Sumitomo Banking Corporation The Sumitomo Trust & Banking Co. Ltd. and others	Mitsui Sumitomo Banking Corporation
(15) Relationships	Capital	SHI Plastics Machinery, Ltd. is a 100% subsidiary of the Company
	Personnel	The surviving company has posted 2 full-time directors, 2 part-time directors, and 1 part-time auditor to the company to be dissolved.
	Transactional	The surviving company sells plastic molding machines and parts to the company to be dissolved.

(16) Financial Results for the Past 3 Fiscal Periods

(Millions of Yen)

Fiscal Period	Sumitomo Heavy Industries, Ltd. (Surviving Company)			SHI Plastics Machinery, Ltd. (Company to be Dissolved)		
	March 2006	March 2007	March 2008	March 2006	March 2007	March 2008
Sales	551,339	600,256	660,769	18,292	20,018	16,939
Operating profit	47,505	64,224	77,790	523	591	126
Ordinary profit	47,585	65,341	75,469	528	657	194
Net profit	29,742	37,352	42,974	322	376	99
Net profit per share (yen)	49.45	61.99	71.19	53.81	62.73	16.65
Dividends per share (yen)	5.00	7.00	10.00	8.33	33.33	6.66
Net assets per share (yen)	279.20	338.95	392.80	232.32	261.72	270.04

4. Post Merger Status

- (1) Trading name Sumitomo Heavy Industries, Ltd.
- (2) Business Manufacture and sales of all types of industrial machinery, from general industrial machinery to precision machinery
- (3) Headquarters 2-1-1 Osaki, Shinagawa-ku, Tokyo
- (4) Representative President and CEO Yoshinobu Nakamura
- (5) Capital There will be no increase in capital resulting from the merger.
- (6) Fiscal Year March 31
- (7) Future Outlook The impact of the merger on financial results is expected to be very slight.