

December 21, 2012

To Whom It May Concern

Company : Sumitomo Heavy Industries, Ltd.  
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### Notice Regarding the Overbilling of Ministry of Defence Contracts

As previously announced, the Company has been under special investigation by the Ministry of Defense (MOD) as a result of the overbilling of fees relating to MOD contracts. Further investigations regarding the repayment amount have been progressing and today, the MOD publically announced the overbilled figure.

We deeply regret the inconvenience this incident has caused, and offer our most sincere apologies to those involved. To ensure that this type of incident is not repeated in the future, we have implemented preventative measures and are fully committed to increasing the level of compliance within the Company.

The impact of this incident on the financial results of the Company remains unclear at this time as the penalty amount has not yet been determined. This information will be announced as soon as further details come to light.

#### Details of the Announcement

##### Breakdown of Overbilled Charges

Units: billions of yen

	Overbilled Amount
Sumitomo Heavy Industries, Ltd.	1 . 2
Sumiju Tokki Service Co., Ltd.	1 . 2
Total	2 . 4

END