

January 31, 2013

To whom it may concern:

Company : Sumitomo Heavy Industries,
Ltd.
Representative : Yoshinobu Nakamura
President and Chief
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Announcement Regarding Merger with Subsidiary Company

We hereby announce that a resolution was reached at the meeting of the Board of Directors of Sumitomo Heavy Industries Co., Ltd., (hereinafter referred to as "SHI") on January 31, 2013, to merge by absorption Sumitomo Heavy Industries Techno-Fort Co., Ltd., our wholly owned subsidiary (hereinafter referred to as "SHI Techno-Fort").

1. Purpose of merger

SHI Techno-Fort is engaged in the industrial machinery business, handling such products as press machinery, etc., as our wholly owned subsidiary. It was decided that this function should be consolidated at SHI and the business integrated into the Quantum Equipment Division, as a part of structural reforms in machinery business operations at SHI. The Quantum Equipment Division focused on large medical equipment, such as cancer diagnostic and treatment equipment, as their principal offerings and numerous technologies that they have in common with SHI Techno-Fort, such as design, manufacture and installation construction work of large equipment. It was decided to enhance the efficiency and organizational capabilities of both business operations through this merger.

2. Summary of merger

(1) Schedule of merger

Merger contract approved by the Board of Directors : January 31, 2013

Merger contract execution date : January 31, 2013

Merger contract approved by the General Meeting of Shareholders

SHI Since this is a Small Scale Merger, as stipulated by Section 3 under Article 796 of the Corporation Law, no meeting of shareholders will be held at SHI for the purpose of approving the merger contract.

SHI Techno-Fort Since this is a Short Form Merger, as stipulated by Section 1 under Article 784 of the Corporation Law, no meeting of shareholders will be held at SHI Techno-Fort for the purpose of approving the merger contract.

Merger date (effective date) : April 1, 2013 (planned)

(2) Method of merger

The merger will take place as an absorption type merger, with SHI as the surviving company, whereas SHI Techno-Fort will be liquidated.

(3) Descriptions of allotments resulting from merger

Since this merger will occur with a wholly owned subsidiary, new shares will not be issued and funds will not be delivered, due to the merger.

(4) Handling of new share subscription rights and bonds with share option of liquidated company

SHI Techno-Fort has not issued any new share subscription rights or bonds with share options.

(5) Summary of merging companies (current as of March 31, 2012)

(1) Business name	Sumitomo Heavy Industries Co., Ltd., (surviving corporation)	Sumitomo Heavy Industries Techno-Fort Co., Ltd. , (liquidated corporation)
(2) Business description	Manufacture and sale of various types of industrial machinery, ranging from general industrial machinery to precision control systems.	Design, manufacture and sale of industrial machinery, such as press machines.
(3) Establishment date	November 1, 1934	March 4, 2002
(4) Head office location	2-1-1 Osaki, Shinagawa-ku, Tokyo, Japan	5-2 Sobirakicho, Niihama City, Ehime Prefecture, Japan
(5) Representative officer	Yoshinobu Nakamura, President and CEO	Kazuto Kaneshige, President and CEO
(6) Capital	JPY30,872 million	JPY480 million
(7) Total number of outstanding shares	614,527,405 shares	8,000 shares
(8) Fiscal year end	March 31	March 31
(9) Major shareholders and shareholding ratios	Japan Trustee Services Bank, Ltd., (trust account) 7.5% The Master Trust Bank of Japan, Ltd., (trust account) 7.0% Japan Trustee Services Bank, Ltd., (trust accounts 9) 4.2% Sumitomo Life Insurance Company 3.5% Sumitomo Mitsui Banking Corporation 2.5%	Sumitomo Heavy Industries Co.,Ltd. 100%
(10) Operating results and financial status		
	Sumitomo Heavy Industries Co., Ltd., (consolidated)	Sumitomo Heavy Industries Techno-Fort Co., Ltd.
Net assets	JPY282,145 million	JPY5,894 million
Total assets	JPY691,841 million	JPY13,019 million
Net assets per share	JPY454.43	JPY669,786.02
Net sales	JPY624,100 million	JPY16,413 million
Operating profit and loss	JPY47,135 million	JPY2,016 million
Ordinary profit and loss	JPY44,619 million	JPY2,022 million
Current net income	JPY19,492 million	JPY1,165 million
Current net income per share	JPY31.75	JPY132,348.98

3. Situation following merger

(1) The corporate name, address, as well as names and titles of the representative officers or business descriptions, capital and fiscal term ending date, will not change due to the merger.

(2) Impact on business performance

This merger will occur with a consolidated subsidiary and as such no impact will be felt on the consolidated business performance arising from this merger.

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