



July 31, 2013

To Whom It May Concern:

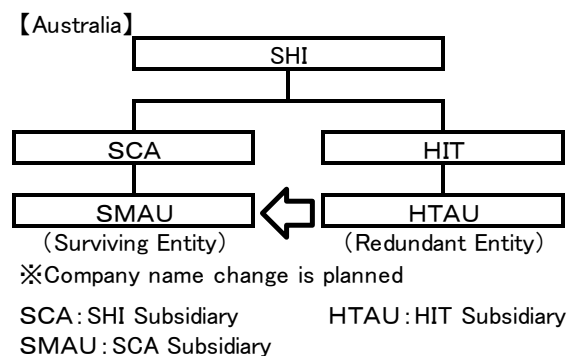
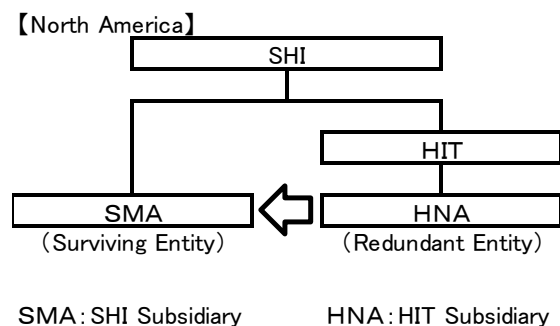
Company : Sumitomo Heavy Industries, Ltd.
Representative : Shunsuke Betsukawa
President and Chief Executive Officer
Code : 6302
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General Manager, Corporate
Communications Department
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Notice Regarding the Merger of Certain Subsidiaries

On July 31, 2013, the Board of Directors of Sumitomo Heavy Industries, Ltd. (hereinafter referred to as "SHI" or the "Company") passed a resolution to merge two gear-reducer related subsidiary companies in the United States and Australia, respectively. The details of this decision are provided below:

1. Purpose of the Merger

Despite acquiring Belgium-based Hansen Industrial Transmissions NV (hereinafter referred to as "HIT") in March 2011, the Company has maintained separate global sales offices for SHI and HIT. Through this resolution, the Company has decided to merge the respective subsidiaries in the North America and Australia regions to increase the efficiency of the sales channel and to improve the convenience level of its services for customers.



2. Merger Schedule (Proposed)

North America: August 5, 2013

Australia: October 1, 2013

3. Profile of Companies to be Merged (as of March 31, 2013)

[North America]

(1) Company Name	Sumitomo Machinery Corporation of America (Surviving Entity)	Hansen Transmissions Inc. (Redundant Entity)
(2) Business Description	Manufacturing, sale and after-sale service of industrial gear reducers and gear motors	Assembly, sale and after-sale service of industrial gear reducers
(3) Date Established	June 30, 1966	June 10, 1974
(4) Head Office Location	4200 Holland Boulevard, Chesapeake, VA 23323, USA	33 Lakeview Court Verona, VA 24482, USA
(5) Representative	Ronald J. Smith	Brandan Sommerfield
(6) Capital	USD12,423,000	USD10,564,000
(7) Total Number of Shares Outstanding	914	500
(8) Month of Fiscal Year End	December	March
(9) Major Shareholder and Shareholding	Sumitomo Heavy Industries, Ltd. – 100%	Hansen Industrial Transmissions NV (Wholly-Owned Subsidiary of SHI) – 100%
(10) Operating Results and Financial Condition)		
	For the Fiscal Year Ended December 31, 2012	For the Fiscal Year Ended March 31, 2013
Sales	USD148,864,000	USD27,245,000

[Australia]

(1) Company Name	SM Cyclo (Australia) Pty Limited (Surviving Entity)	Hansen Transmission Pty Ltd (Redundant Entity)
(2) Business Description	Assembly, sale and after-sale service of industrial gear reducers and gear motors	Assembly, sale and after-sale service of industrial gear reducers
(3) Date Established	April 26, 1995	September 1970
(4) Head Office Location	9 Holbeche Road Arndell Park, NSW 2148, Australia	Unit 2/88 Henderson Road Rowville, VIC 3178, Australia
(5) Representative	Robert Proietti	Steve Wightman
(6) Capital	AUD4,000,000	AUD50,000
(7) Total Number of Shares Outstanding	4,000,000	50,000
(8) Month of Fiscal Year End	December	March
(9) Major Shareholder and Shareholding	Sumitomo (SHI) Cyclo Drive Asia Pacific Pte. Ltd. (Wholly-Owned Subsidiary of SHI) – 100%	Hansen Industrial Transmissions NV (Wholly-Owned Subsidiary of SHI) – 100%
(10) Operating Results and Financial Condition		
	For the Fiscal Year Ended December 31, 2012	For the Fiscal Year Ended March 31, 2013
Sales	AUD14,029,000	AUD16,825,000

4. Profile Upon Completion of Merger

[North America]

(1) Company Name	Sumitomo Machinery Corporation of America
(2) Business Description	Manufacturer, sale and after-sale service of gear reducers and gear motors
(3) Date Established	June 30, 1966
(4) Head Office Location	4200 Holland Boulevard Chesapeake, VA 23323, USA
(5) Representative	Ronald J. Smith
(6) Capital	Approximately USD23,200,000
(7) Total Number of Shares Outstanding	914
(8) Month of Fiscal Year End	December
(9) Major Shareholder and Shareholding	Sumitomo Heavy Industries, Ltd. – 100%

[Australia]

(1) Company Name	To be determined
(2) Business Description	Assembly, sale and after-sale service of industrial gear reducers and gear motors
(3) Date Established	April 26, 1995
(4) Head Office Location	9 Holbeche Road Arndell Park, NSW 2148, Australia
(5) Representative	Steve Wightman
(6) Capital	AUD13,300,000
(7) Total Number of Shares Outstanding	13,300,000
(8) Month of Fiscal Year End	December
(9) Major Shareholder and Shareholding	Sumitomo (SHI) Cyclo Drive Asia Pacific Pte. Ltd. (Wholly-Owned Subsidiary of SHI) – 100%

5. Impact of Financial Results

As this is a merger between two consolidated subsidiaries, there will be no impact to the consolidated financial results.

END