

Summary of Consolidated Financial Results

For the Full Year Ended March 31, 2010 Presented May 10, 2010

Sumitomo Heavy Industries, Ltd.

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Listed exchanges	Tokyo Stock Exchange, Osaka Securities Exchange
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Scheduled date of ordinary shareholders' meeting	June 29, 2010
Scheduled date of payment of cash dividends	June 30, 2010
Scheduled date of securities report filing	June 29, 2010

1. FY 2010 Consolidated Results (April 1, 2009 to March 31, 2010)

(1) Business Results

(Units: millions of yen)

	Current Full April 1, 20 to March 31,	09	Previous Ful April 1, 20 to March 31,	800
	9	% change	(% change
Net sales	516,165	(19.7)	642,918	(2.7)
Operating income	28,254	(50.4)	56,940	(26.8)
Ordinary income	26,333	(47.6)	50,275	(33.4)
Net income	13,280	(2.7)	13,649	(68.2)
Net income per share (yen)	22.01		22.62	
Fully diluted net income per share				
Return on equity (ROE, %)	5.6		5.9	
Return on assets (%)	4.2		7.5	
Ordinary income to net sales (%)	5.5		8.9	

Note: Equity method investment profit and loss:

Fiscal year ended March 31, 2010: (22 million yen) Fiscal year ended March 31, 2009: 755 million yen

(2) Financial Position

(Units: millions of yen)

	End of Current Full Year As of March 31, 2010	End of Previous Full Year As of March 31, 2009
Total assets	610,087	657,436
Net assets	254,153	238,697
Equity ratio (%)	40.0	
Net assets per share (yen)	404.73	

Note: Equity:

Fiscal year ended March 31, 2010: 244,221 million yen Fiscal year ended March 31, 2009: 228,581 million yen

(3) Cash Flows

(Units: millions of yen)

	Current Full Year April 1, 2009 to March 31, 2010	Previous Full Year April 1, 2008 to March 31, 2009
Cash flows from operating activities	57,513	34,676
Cash flows from investing activities	(13,954)	(35,924)
Cash flows from financing activities	(26,686)	
Cash and cash equivalents at period end	61,452 4	

2. Dividends

(Units: yen)

	Year Ended March 31, 2009	Year Ended March 31, 2010	Year Ended March 31, 2011 (forecast)
Annual dividends per share			
First quarter			
Second quarter	6.00	0.00	0.00
Third quarter			
End of term	0.00	4.00	5.00
Annual dividends	6.00	4.00	5.00
Total dividends (millions of yen)	3,621	2,414	
Payout ratio (consolidated, %)	26.5	18.2	18.3
Net assets dividend yield (consolidated, %)	1.6	1.0	

3. FY 2011 Consolidated Forecasts (April 1, 2010 to March 31, 2011)

(Units: millions of yen)

	Second Quarter (April 1, 2010 to S		Full Y April 1, 2010 t 201	o March 31,
	'	% change		% change
Net sales	245,000	(2.6)	540,000	4.6
Operating income	11,000	33.8	36,000	27.4
Ordinary income	8,500	17.2	32,000	21.5
Net income	3,000	127.4	16,500	24.2
Projected net income per share (yen)	4.97		27.34	

4. Additional Notes

(1) Transfers of important subsidiaries during the fiscal period (moves of specific subsidiaries due to change in scope of consolidation):

Yes

Newly consolidated: Sumitomo Construction Machinery (Tangshan) Co., Ltd. and one additional company

Excluded from consolidation: Sumitomo (S.H.I.) Construction Machinery Manufacturing Co., Ltd.

(2) Changes in principles, procedures, and presentation of accounting treatment in preparing consolidated financial statements (list of changes to the basis for presenting consolidated financial statements)

(i) Changes resulting from revisions to accounting standards, etc.: Yes

(ii) Changes other than (i):

(3) Number of shares issued (common shares)

(i) Number of shares issued at end of fiscal period (including treasury stock):

As of March 31, 2010 605,726,394 shares As of March 31, 2009 605,726,394 shares

(ii) Number of treasury shares at end of fiscal period:

As of March 31, 2010 2,315,778 shares As of March 31, 2009 2,259,483 shares

IV. Consolidated Financial Statements

1. Consolidated Balance Sheets

	End of Full Year As of March 31, 2009	End of Full Year As of March 31, 2010
	Amount	Amount
Assets		
Cash and deposits	44,685	62,511
Notes and accounts receivable	155,664	131,893
Products	43,260	34,408
Works in progress	84,826	70,071
Raw materials and stock	21,294	18,937
Deferred income taxes	7,631	8,632
Other	23,945	14,400
Allowance for doubtful accounts	(1,012)	(1,073)
Current assets	380,293	339,780
Buildings and structures (net)	49,987	53,072
Machinery and transportation tools (net)	36,344	38,166
Land	115,909	115,971
Construction in progress	3,864	1,450
Other (net)	7,925	7,818
Tangible assets	214,028	216,477
Intangible assets	6,392	7,308
Investment securities	28,227	30,398
Long-term loans	145	79
Deferred income taxes	11,940	9,886
Other	17,875	7,733
Allowance for doubtful accounts	(1,464)	(1,574)
Investments and other assets	56,722	46,523
Fixed assets	277,143	270,308
Total assets	657,436	610,087

	End of Full Year As of March 31, 2009	End of Full Year As of March 31, 2010
	Amount	Amount
Liabilities		
Notes and accounts payable	136,090	108,018
Short-term bank loans	34,176	30,524
Commercial paper	24,000	
Long-term loans due within one year	1,136	10,438
Corporate bonds redeemable within one year	10,000	
Income tax payable	4,810	6,759
Advance payments received on contracts	49,977	40,971
Allowance for guaranteed construction	5,661	5,218
Other allowances	2,277	2,589
Other	34,258	30,438
Current liabilities	302,385	234,954
Bonds	-	10,000
Long-term debt due after one year	41,027	36,698
Employees' severance and retirement benefits	34,808	32,426
Other allowances	237	235
Deferred income taxes on revaluation	32,211	32,211
Other	8,071	9,411
Long-term liabilities	116,353	120,981
Total liabilities	418,738	355,935
Net assets		
Common stock	30,872	30,872
Capital surplus	20,503	20,503
Retained earnings	148,725	161,951
Treasury stock	(1,471)	(1,494)
Stockholders' equity	198,629	211,831



	End of Full Year As of March 31, 2009	End of Full Year As of March 31, 2010
	Amount	Amount
Unrealized gains on securities	(547)	2,003
Loss on deferred hedge	1,945	1,125
Adjustment regarding pension obligations of consolidated overseas subsidiaries	(3,008)	(1,753)
Revaluation reserve for land	40,360	40,386
Foreign currency translation adjustments	(8,798)	(9,370)
Appraisal and translation differences	29,952	32,390
Minority interests	10,116	9,931
Total net assets	238,697	254,153
Liabilities and net assets	657,436	610,087

2. Consolidated Income Statements

	Previous Full Year April 1, 2008 to March 31, 2009	Current Full Year April 1, 2009 to March 31, 2010
	Amount	Amount
Net sales	642,918	516,165
Cost of sales	503,072	412,751
Gross income	139,847	103,414
Selling, general & administrative expenses	82,907	75,160
Operating income	56,940	28,254
Non-operating income		
Interest income	268	183
Dividend income	912	1,039
Exchange gains		933
Other	2,627	2,395
Total non-operating income	3,806	4,550
Non-operating expenses		
Interest expenses	1,611	1,940
Exchange losses	1,941	
Other	6,919	4,530
Total non-operating expenses	10,471	6,471
Ordinary income	50,275	26,333



	Previous Full Year April 1, 2008 to March 31, 2009	Current Full Year April 1, 2009 to March 31, 2010
	Amount	Amount
Extraordinary gains		
Gain on sale of securities		1,581
Income from subsidies		863
Total extraordinary gains		2,444
Extraordinary losses		
Loss on devaluation of marketable securities	6,043	1,000
Loss on contracts		1,000
Environmental protection expenses		503
Goodwill amortization amount	4,932	
Business restructuring expenses	2,019	
Loss on impaired assets	1,904	
Loss relating to violations of antitrust laws	1,638	
Total extraordinary losses	16,536	2,503
Income before income taxes	33,739	26,274
Corporate income tax current	17,711	11,502
Corporate income tax deferred	979	382
Total corporate income taxes	18,690	11,884
Minority interests	1,400	1,109
Net income	13,649	13,280

3. Consolidated Statements of Changes to Stockholders' Equity

	Previous Full Year April 1, 2008 to March 31, 2009	Current Full Year April 1, 2009 to March 31, 2010
Stockholders' equity		
Capital stock		
Balance at end of previous period	30,872	30,872
Fluctuation in the period		
Total fluctuation in the period		
Balance at end of period	30,872	30,872
Capital surplus		
Balance at end of previous period	20,524	20,503

	Previous Full Year April 1, 2008 to March 31, 2009	Current Full Year April 1, 2009 to March 31, 2010
Fluctuation in the period		
Disposal of treasury stock	(21)	-
Total fluctuation in the period	(21)	
Balance at end of period	20,503	20,503
Earned surplus		
Balance at end of previous period	142,053	148,725
Increase or decrease based on changes to accounting standards for foreign-domiciled subsidiaries	(409)	
Fluctuation in the period		
Dividends	(6,639)	
Net income	13,649	13,280
Disposal of treasury stock	(3)	(2)
Difference from transfer of revaluation reserve for land	117	(26)
Increase from addition of consolidated subsidiaries accompanying changes in scope of consolidation		578
Decrease from addition of consolidated subsidiaries accompanying changes in scope of consolidation		(605)
Decrease from reduction of consolidated subsidiaries accompanying changes in scope of consolidation	(44)	
Total fluctuation in the period	7,081	13,225
Balance at end of period	148,725	161,951
Treasury stock		
Balance at end of previous period	(1,425)	(1,471)
Fluctuation in the period		
Acquisition of treasury stock	(112)	(28)
Disposal of treasury stock	66	4
Total fluctuation in the period	(46)	(24)
Balance at end of period	(1,471)	(1,494)
Stockholders' equity		
Balance at end of previous period	192,024	198,629
Increase or decrease based on changes to accounting standards for	(409)	

	Previous Full Year April 1, 2008 to March 31, 2009	Current Full Year April 1, 2009 to March 31, 2010
foreign-domiciled subsidiaries		
Fluctuation in the period		
Dividends	(6,639)	
Net income	13,649	13,280
Acquisition of treasury stock	(112)	(28)
Disposal of treasury stock	42	3
Difference from transfer of revaluation reserve for land	117	(26)
Increase from addition of consolidated subsidiaries accompanying changes in scope of consolidation		578
Decrease from addition of consolidated subsidiaries accompanying changes in scope of consolidation		(605)
Decrease from reduction of consolidated subsidiaries accompanying changes in scope of consolidation	(44)	
Total fluctuation in the period	7,014	13,202
Balance at end of period	198,629	211,831
Appraisal and translation differences		
Unrealized holding gains on other securities		
Balance at end of previous period	4,224	(547)
Fluctuation in the period		
Fluctuations other than stockholders' equity in the period (net)	(4,771)	2,549
Total fluctuation in the period	(4,771)	2,549
Balance at end of period	(547)	2,003
Loss on deferred hedge		
Balance at end of previous period	2,459	1,945
Fluctuation in the period		

	Previous Full Year April 1, 2008 to March 31, 2009	Current Full Year April 1, 2009 to March 31, 2010
Fluctuations other than stockholders' equity in the period (net)	(515)	(820)
Total fluctuation in the period	(515)	(820)
Balance at end of period	1,945	1,125
Adjustment regarding pension obligations of consolidated overseas subsidiaries		
Balance at end of previous period	(999)	(3,008)
Fluctuation in the period		
Fluctuations other than stockholders' equity in the period (net)	(2,009)	1,255
Total fluctuation in the period	(2,009)	1,255
Balance at end of period	(3,008)	(1,753)
Difference from transfer of revaluation reserve for land		
Balance at end of previous period	40,477	40,360
Fluctuation in the period		
Fluctuations other than stockholders' equity in the period (net)	(117)	26
Total fluctuation in the period	(117)	26
Balance at end of period	40,360	40,386
Foreign exchange translation adjustments		
Balance at end of previous period	(1,101)	(8,798)
Fluctuation in the period		
Fluctuations other than stockholders' equity in the period (net)	(7,696)	(572)
Total fluctuation in the period	(7,696)	(572)
Balance at end of period	(8,798)	(9,370)
Total appraisal and translation differences		
Balance at end of previous period	45,060	29,952
Fluctuation in the period		
Fluctuations other than stockholders' equity in the period (net)	(15,108)	2,438
Total fluctuation in the period	(15,108)	2,438

	Previous Full Year April 1, 2008 to March 31, 2009	Current Full Year April 1, 2009 to March 31, 2010
Balance at end of period	29,952	32,390
Minority interests		
Balance at end of previous period	9,287	10,116
Fluctuation in the period		
Fluctuations other than stockholders' equity in the period (net)	829	(185)
Total fluctuation in the period	829	(185)
Balance at end of period	10,116	9,931
Total net assets		
Balance at end of previous period	246,371	238,697
Increase or decrease based on changes to accounting standards for foreign-domiciled subsidiaries	(409)	
Fluctuation in the period		
Dividends	(6,639)	
Net income	13,649	13,280
Acquisition of treasury stock	(112)	(28)
Disposal of treasury stock	42	3
Difference from transfer of revaluation reserve for land	117	(26)
Increase from addition of consolidated subsidiaries accompanying changes in scope of consolidation		578
Decrease from addition of consolidated subsidiaries accompanying changes in scope of consolidation		(605)
Decrease from reduction of consolidated subsidiaries accompanying changes in scope of consolidation	(44)	
Fluctuations other than stockholders' equity in the period (net)	(14,279)	2,254
Total fluctuation in the period	(7,265)	15,455
Balance at end of period	238,697	254,153

4. Consolidated Cash Flows Statement

	(Office: Hillions of y				
	Previous Full Year April 1, 2008 to March 31, 2009	Current Full Year April 1, 2009 to March 31, 2010			
Cash flows from operating activities					
Income before income taxes	33,739	26,274			
Depreciation	18,320	19,725			
(Gain) loss on sale of marketable securities	(9)	(1,581)			
(Gain) loss on valuation of marketable securities	6,043	1,000			
Goodwill amortization amount	4,932				
Interest and dividend income	(1,179)	(1,222)			
Interest expenses	1,611	1,940			
(Increase) decrease in notes and accounts receivable	30,033	15,652			
(Increase) decrease in inventories	(19,021)	27,977			
Increase (decrease) in notes and accounts payable	(25,368)	(29,282)			
Other	13,287	6,529			
Subtotal	62,387	67,012			
Interest and dividend received	1,712	1,785			
Interest expenses	(1,615)	(1,869)			
Payments for income taxes	(27,807)	(9,415)			
Net cash provided by operating activities	34,676	57,513			
Cash flows from investing activities					
(Increase) decrease in time deposits	55	1,713			
(Increase) decrease in securities		1,500			
Acquisition costs associated with tangible and intangible fixed assets	(28,073)	(20,004)			
Proceeds from sale of securities	1,045	1,485			
Expenditures relating to the payment of contributed capital to affiliated companies	(4,511)	(22)			
(Increase) decrease in short-term loans receivable	3,137	778			
Payments for acquisition of subsidiaries' stock accompanying changes in scope of consolidation	(7,921)				
Other	344	597			
Net cash used in investing activities	(35,924)	(13,954)			

	Previous Full Year April 1, 2008 to March 31, 2009	Current Full Year April 1, 2009 to March 31, 2010
Cash flows from financing activities		
Net increase (decrease) in short-term loans	19,643	(5,754)
Net increase (decrease) in commercial paper	6,000	(24,000)
Proceeds from long-term debt	384	6,099
Repayments for long-term debt	(2,857)	(1,137)
Income from the issuance of bonds		10,000
Costs associated with the redemption of bonds		(10,000)
Cash dividends paid	(6,628)	(22)
Payment of dividends to minority stockholders	(382)	(1,004)
Other	(535)	(868)
Net cash used in financing activities	15,625	(26,686)
Effect of exchange rate changes on cash and cash equivalents	(1,818)	205
Net increase (decrease) in cash and cash equivalents	12,560	17,079
Cash and cash equivalents at beginning of year	29,879	42,414
Increase due to new consolidated companies		1,942
Net decrease from the change in consolidated companies	(38)	
Increase due to mergers and acquisitions	14	17
Cash and cash equivalents at end of year	42,414	61,452



Orders Received, Sales, and Balance of Orders Received, by Segment

Orders Received

(Units: millions of yen)

Segment		2008 to 31, 2009	April 1, 2009 to March 31, 2010		Y/Y Change	
	Amount	%	Amount	%		
Mass-Produced Machinery	200,803	33.4	167,506	41.5	(33,297)	(16.6)
Environmental Protection Facilities, Plants & Others	84,240	14.0	64,041	15.9	(20,199)	(24.0)
Ship, Steel Structure & Other Specialized Equipment	78,080	13.0	11,525	2.9	(66,555)	(85.2)
Industrial Machinery	98,752	16.5	59,834	14.8	(38,918)	(39.4)
Construction Machinery	138,783	23.1	100,531	24.9	(38,251)	(27.6)
Total	600,658	100.0	403,437	100.0	(197,221)	(32.8)

Sales

(Units: millions of yen)

Segment	April 1, 2008 t March 31, 200				Y/Y Change	
	Amount	%	Amount	%		
Mass-Produced Machinery	227,226	35.3	174,231	33.7	(52,995)	(23.3)
Environmental Protection Facilities, Plants & Others	92,625	14.4	77,195	15.0	(15,430)	(16.7)
Ship, Steel Structure & Other Specialized Equipment	79,602	12.4	76,452	14.8	(3,151)	(4.0)
Industrial Machinery	84,310	13.1	85,637	16.6	1,327	1.6
Construction Machinery	159,154	24.8	102,650	19.9	(56,504)	(35.5)
Total	642,918	100.0	516,165	100.0	(126,753)	(19.7)

Balance of Orders Received

Segment	April 1, 2008 to March 31, 2009		April 1, 2009 to March 31, 2010		Y/Y Change	
	Amount	%	Amount	%		
Mass-Produced Machinery	71,850	14.7	65,125	17.3	(6,725)	(9.4)
Environmental Protection Facilities, Plants & Others	81,366	16.6	68,212	18.1	(13,154)	(16.2)
Ship, Steel Structure & Other Specialized Equipment	216,184	44.2	151,256	40.2	(64,927)	(30.0)
Industrial Machinery	104,616	21.4	78,813	20.9	(25,804)	(24.7)
Construction Machinery	15,427	3.1	13,308	3.5	(2,119)	(24.7)
Total	489,443	0.0	376,714	100.0	(112,728)	(23.0)