



December 26, 2019

To Whom It May Concern:

Company: Sumitomo Heavy Industries, Ltd.
Representative: Shinji Shimomura
Representative Director & President
(Listed on TSE 1st Section under Code No.
6302)
Contact: Michiko Watanabe, General Manager,
Corporate Communications Department
(Telephone: 03-6737-2333)

Notice of an absorption-type merger with a consolidated subsidiary

This is to notify that at a Board of Directors meeting of Sumitomo Heavy Industries, Ltd. (hereinafter referred to as “SHI” or the “Company”) held today, a resolution was passed to carry out an absorption-type merger of Sumiju Plant Engineering Co., Ltd., a wholly-owned SHI subsidiary. The effective date of the merger is expected to be April 1, 2020. As this move is considered to be a simplified absorption-type merger of a consolidated SHI subsidiary, certain matters and content are omitted from this disclosure.

DETAILS

1. Purpose of Merger

The SHI Group actively promotes its circulating fluidized bed (CFB) boiler and environmental equipment business globally through the Environmental Facilities & Plants Group. Through the absorption-type merger of Sumiju Plant Engineering Co., Ltd., and integration into the Energy & Environment Group, the Company aims to consolidate management resources and further strengthen the product competitiveness of its CFB boilers and environmental equipment.

2. Outline of Merger

(1) Merger Schedule

Date of Board of Directors Meeting to Approve Merger Contract	December 26, 2019
Date of Finalizing Merger Agreement	December 26, 2019
Estimated Day of Merger (Effective Date)	April 1, 2020

* Note - This company merger falls under the category of a simplified merger under Article 796, Paragraph 2 of the Companies Act, and an abbreviated merger under Article 784, Paragraph 1 of the Companies Act. Accordingly, the merger is carried out without obtaining approval for the merger agreement at a general shareholders’ meeting to be held at each of the surviving company and the non-surviving company.

(2) Merger Methodology

This is an absorption-type merger whereby the Company becomes the surviving company while Sumiju Plant Engineering Co., Ltd. is dissolved.

(3) Share Allotments Associated with Merger

This is a merger by the Company with its wholly-owned subsidiary and therefore no new shares will be issued and no cash payment will be made.

(4) Treatment of Stock Options or Convertible Bonds if Applicable in the Merger

Not applicable

3. Profiles of Companies Involved in Merger (as of September 30, 2019)

(1) Trade Name	Sumitomo Heavy Industries, Ltd. (Surviving Company)	Sumiju Plant Engineering Co., Ltd. (Non-Surviving Company)
(2) Description of Business Operations	Manufacture and sales of diverse sorts of industrial machines ranging from general industrial machinery to precision control machinery	Design, manufacture, sales, alteration, repair, inspection and maintenance of chemical equipment, environmental equipment and general industrial machinery
(3) Date of Establishment	November 1, 1934	October 1, 1986
(4) Address of Head Office	1-1 Osaki 2-Chome, Shinagawa-ku, Tokyo, Japan	25-9 Nishi-Gotanda 7-Chome, Shinagawa-ku, Tokyo, Japan
(5) Representative	Shinji Shimomura, Representative Director & President	Shiro Matsumura, Representative Director & President
(6) Capital	JPY30,872 million	JPY50 million
(7) Number of Shares Issued	122,905,481 shares	1,001 shares
(8) Fiscal Year End	March 31	March 31
(9) Total Number of Employees	22,543	79
(10) Major Shareholders and Shareholding Ratios	The Master Trust Bank of Japan, Ltd. (Trust Account) (8.2%); Japan Trustee Services Bank, Ltd. (Trust Account) (5.3%); NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST (3.9%); Sumitomo Life Insurance Company (3.5%); NORTHERN TRUST CO. (AVFC) RE U. S. TAX EXEMPTED PENSION FUNDS (2.4%).	Sumitomo Heavy Industries, Ltd. (100%).
(11) The Financial Condition and the Earnings of the Immediately Preceding Business Year (Ended March 2019)		
Net Assets	JPY465,001 million (consolidated basis)	JPY6,217 million
Total Assets	JPY954,051 million (consolidated basis)	JPY8,394 million
Net Assets Per Share	JPY3,701.01 (consolidated basis)	JPY6,210,869.95
Sales	JPY903,051 million (consolidated basis)	JPY8,843 million
Operating Income (or Loss)	JPY75,244 million (consolidated basis)	JPY1,699 million
Ordinary Income (or Loss)	JPY72,623 million (consolidated basis)	JPY1,704 million
Net Income for the Fiscal Year	JPY45,650 million (consolidated basis)	JPY1,123 million
Net Income Per Share for the Fiscal Year	JPY372.56 (consolidated basis)	JPY1,122,070.46

4. Post-Merger Condition

SHI's trade name, address, name and position of representative, description of business operations, capital, and fiscal year end date will not change as a result of the merger.

5. Impact on Financial Results

The merger is a merger between the Company and its consolidated subsidiary and therefore it will not affect the Company's consolidated earnings.

END