



August 28, 2020

To whom it may concern

Listed company Sumitomo Heavy Industries, Ltd.
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Notification of consolidated forecasts and dividend forecast

At the August 28 2020 board meeting, a decision about the FY 2020 consolidated forecasts and dividend forecasts, which were undetermined on the Consolidated Financial Report for the 1st Quarter of FY 2020, published on July 31, 2020 was made as follows.

1. FY 2020 Consolidated Forecasts (April 1, 2020 to March 31, 2021)

(Rounded to the nearest million yen)

	Net sales (millions of yen)	Operating profit (millions of yen)	Ordinary profit (millions of yen)	Profit attributable to owners of parent (millions of yen)	Profit per share for current period (yen)
Previous forecast (A)	—	—	—	—	—
Corrected forecast (B)	790,000	26,000	21,500	7,500	61.22
Difference (B-A)	—	—	—	—	—
% difference	—	—	—	—	—
(Reference) Last year's result (Year ended March 2020)	864,490	56,821	52,657	32,807	267.77

(Explanation of consolidated forecasts)

Forecasts for consolidated results for the fiscal year ending March 31, 2021 were previously undetermined due to difficulties in making reasonable estimates as a result of the impact of the global COVID-19 pandemic. As economic activity resumes in each country, these consolidated forecasts have now been compiled on the basis of the information available at the time of publication.

At the time of making these forecasts, the impact of the COVID-19 pandemic is significant, particularly for the Machinery Components, Precision Machinery and Construction Machinery segments, which have short lead times after the receipt of orders. It is expected that there will be a gradual recovery during the second half of the fiscal year.

(The estimated exchange rates used in these forecasts are USD1 to JPY105 and EUR1 to JPY120.)

2. Dividend Forecast

(Unit: yen)

	End of the 1st quarter	End of the 2nd quarter	End of the 3rd quarter	End of year	Total
Previous forecast (A)	—	—	—	—	—
Corrected forecast (B)	—	9.00	—	10.00	19.00
(Reference) Last year's result (Year ended March 2020)	—	56.00	—	35.00	91.00

(Explanation of dividend forecast)

In principle, we aim to distribute profit by offering and improving dividend as per periodic profit. The dividend is determined after taking all factors into account including internal reserve for long-term and steady business development. Our consolidated dividend payout ratio is aimed at 30%. (The publication of the Medium-Term Management Plan has been postponed until around May 2021; the dividend policy from the previous Medium-Term Management Plan continues to be in effect.)

As was the case for the consolidated forecasts, the dividend forecast for the current fiscal year was previously undetermined. However, the above revisions have been made based on our dividend policy and current FY 2020 consolidated forecasts.

(Note) The above forecasts concerning future financial results are believed to be reasonable based on information available at the time of publication. Actual financial results may vary from the above forecasts due to a variety of factors.

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