January 30, 2025

To whom it may concern:

Company name:
Sumitomo Heavy Industries, Ltd.
Representative:
President and CEO Shinji Shimomura
(Securities code: 6302 TSE Prime)
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Notice Regarding the Recording of Extraordinary Losses and Revision of the Earnings Forecast

Sumitomo Heavy Industries, Ltd. hereby announces that the following extraordinary losses are expected to be recorded in its financial results for the fiscal year ended December 31, 2024 (January 1, 2024 to December 31, 2024) and it has accordingly revised its consolidated earnings forecast for the full year ended December 31, 2024, announced on October 31, 2024, as shown below.

1. Regarding the Recording of Extraordinary Losses

In June 2018, the Company acquired all outstanding shares of Lafert S.p.A (hereinafter referred to as "Lafert") to enhance its motor business. With regard to the sales proceeds anticipated at the time of acquiring Lafert, we have determined that it will be difficult to achieve them, given the continued uncertainties in the business environment caused by the economic downturn in Europe. Resultingly, 23.2 billion yen (141 million euros) in fixed assets including goodwill for Lafert will be recorded as impairment losses under extraordinary losses. Furthermore, in addition to the case detailed above, we will also record 1.7 billion yen in impairment losses pertaining to business assets and other assets.

2. Regarding the Revision of the Consolidated Earnings Forecast for the Full Year Ended December 31, 2024

(January 1, 2024 to December 31, 2024)

(Amounts are rounded to the nearest 1 million yen)

	Sales	Operating profit	Ordinary profit	Net profit attributable to owners of parent	Net profit per share
Previously released forecast (A)	Millions of yen 1,070,000	Millions of yen 65,000	Millions of yen 61,000	Millions of yen 38,000	Yen 316.18
Revised forecast (B)	1,070,000	54,000	48,000	6,000	49.93
Change (B−A)	0	(11,000)	(13,000)	(32,000)	-
Change (%)	0	(16.9)	(21.3)	(84.2)	-

(Reference) Actual results last period (period ended December 31, 2023)	1,081,533	74,367	70,250	32,742	267.30

3. Rationale for Revising the Earnings Forecast

For the outlook for the full year, compared with the previous forecast (released on October 31, 2024), sales are expected to meet the full-year target, while operating profit is projected to decrease in the Logistics & Construction segment and other areas. Consequently, ordinary profit is also anticipated to decrease. In addition, we will record impairment and other losses pertaining to Lafert and other companies under extraordinary losses. As a result of the above, we decided to revise the previous forecast in regard to sales, operating profit, ordinary profit, and net profit.

For the expected year-end dividend, we are planning to pay a year-end dividend of 65 yen per share (annual dividend of 125 yen per share) and there is no change to the previous forecast.

Note: Since an audit of extraordinary losses stated in each item of this document has currently not yet been completed by the accounting auditor, actual losses may differ from the forecasted figures.
In addition, the above forecasts were prepared based on information that was available at the time of publishing this announcement. Actual results may differ from the forecasted figures due to a variety of factors.

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