



November 30, 2022

To whom it may concern,

Company name: Sumitomo Heavy Industries, Ltd.
Representative: Shinji Shimomura, President and CEO
(Code No. 6302 Tokyo Stock Exchange Prime)
Inquiry: Yoshitaka Shimamura, General Manager,
Corporate Communications Dept.
(TEL. 03-6737-2333)

Notice Concerning Additional Acquisition of Shares in a Consolidated Subsidiary to Make it a Wholly Owned Subsidiary

We hereby announce that our Board of Directors has resolved, at a meeting held on November 29, 2022, to acquire additional shares of our consolidated subsidiary, Sumitomo Heavy Industries Construction Cranes Co., Ltd., in order to make it our wholly owned subsidiary.

1. Reason for acquisition of shares

We and Hitachi Construction Machinery Co., Ltd. (hereinafter, "HCM") merged the crawler crane businesses of the two companies in 2002 to establish what was then called Hitachi Sumitomo Heavy Industries Construction Crane Co., Ltd. ("HSC") and which is currently Sumitomo Heavy Industries Construction Cranes Co., Ltd. In March 2017, we acquired a portion of the shares of Sumitomo Heavy Industries Construction Cranes owned by HCM, and since then we have focused on developing the crawler crane business.

Meanwhile, competition in the industry has become increasingly severe, as competing manufacturers in Japan and overseas continue to pursue new mergers and acquisitions. In addition, the trend toward increased lifting capacity and technological innovations specific to cranes, such as improvements in transportability, self-assembly, and work performance, have made it even more important to invest in product differentiation.

As part of our business strategy, we have entered into a share transfer agreement with HCM to acquire all of the shares of HSC held by HCM and make it our wholly owned subsidiary. The purpose is to grow and strengthen the construction crane business, to reinforce cooperation related to the lifting business within our group, and to solidify our Logistics & Construction Segment business, which includes the construction machinery business.

2. Outline of the subsidiary to be wholly owned

(1) Name	Sumitomo Heavy Industries Construction Cranes Co., Ltd.
(2) Location	9-3 Higashiueno 6-chome, Taito-ku, Tokyo

(3) Representative's title and name	President Michikazu Okada		
(4) Description of business	Manufacture, repair and sale of construction machinery such as crawler cranes and related machinery and equipment. All incidental and related businesses.		
(5) Capital	4 billion yen		
(6) Date of establishment	July 1, 2002		
(7) Major shareholders and shareholding ratios	Sumitomo Heavy Industries, Ltd. ("the Company") 66% Hitachi Construction Machinery Co., Ltd. 34%		
(8) Relationship between the Company and Sumitomo Heavy Industries Construction Cranes	Capital relationship	The Company has a 66% stake in Sumitomo Heavy Industries Construction Cranes.	
	Personnel relationship	One director and one corporate auditor have been appointed from the Company.	
	Business relationship	There is a product sales relationship with Link-Belt Construction Cranes.	
(9) Financial results and financial position of Sumitomo Heavy Industries Construction Cranes for the last three years			
Fiscal year	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2022
Net assets	18,871 million yen	18,996 million yen	19,315 million yen
Total assets	29,196 million yen	27,955 million yen	28,545 million yen
Net assets per share	235,888.92 yen	237,456.05 yen	241,432.47 yen
Sales	36,380 million yen	31,475 million yen	36,479 million yen
Operating profit	2,787 million yen	1,303 million yen	912 million yen
Ordinary profit	2,788 million yen	1,314 million yen	934 million yen
Net profit	1,978 million yen	914 million yen	687 million yen
Net profit per share	24,659.33 yen	11,425.31 yen	8,585.38 yen
Dividends per share	9,750 yen	4,500 yen	3,375 yen

3. Outline of the counterparty to the share acquisition

(1) Name	Hitachi Construction Machinery Co., Ltd.
(2) Location	16-1, Higashiueno 2-chome, Taito-ku, Tokyo
(3) Representative's title and name	Representative Executive Officer, President & CEO Kotaro Hirano
(4) Description of business	Manufacture, sale, rental, and after-sales service of construction machinery, transportation machinery, environment-related products, etc.
(5) Capital	81,576.59 million yen
(6) Date of establishment	October 1, 1970
(7) Net assets	380,067 million yen
(8) Total assets	752,197 million yen
(9) Major shareholders and shareholding ratios	HCJI Holdings, Ltd. 26.00% Hitachi, Ltd. 25.42%

	The Master Trust Bank of Japan, Ltd. (trust account) 16.01%	
(10) Relationship between the Company and Hitachi Construction Machinery	Capital relationship	Not applicable
	Personnel relationship	Not applicable
	Business relationship	Not applicable
	Status of related parties	Not applicable

4. Number of shares to be acquired, acquisition price, and status of shares held before and after acquisition

(1) Number of shares held before the acquisition	52,800 shares (Number of voting rights: 52,800) (Percentage of voting rights ownership: 66.0 %)
(2) Number of shares to be acquired	27,200 shares (Number of voting rights: 27,200)
(3) Acquisition price	7,322 million yen
(4) Number of shares held after the acquisition	80,000 shares (Number of voting rights: 80,000) (Percentage of voting rights ownership: 100.0%)

5. Schedule

(1) Date of resolution at the Board of Directors meeting	November 29, 2022
(2) Date of signing of the share transfer agreement	November 30, 2022
(3) Date of share acquisition	December 31, 2022 (planned)

6. Future forecasts

We expect this matter to have a negligible effect on our consolidated financial results, but will promptly announce any significant impact should it become known.