May 26, 2017

To Whom It May Concern:

Company	:	Sumitomo Heavy Industries, Ltd.
Representative	:	Shunsuke Betsukawa President and Chief Executive Officer
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Notice Regarding the Non-Continuation (Termination) of Countermeasures against Large Scale Acquisition Actions of Company Shares

Approval was first granted to implement countermeasures against large-scale acquisition actions associated with the shares of Sumitomo Heavy Industries, Ltd. (hereinafter referred to as "SHI" or the "Company") at the 112st Ordinary General Shareholders Meeting held on June 27, 2008. Subsequently, at the 115th Ordinary General Shareholders Meeting held on June 29, 2011 and the 118th Ordinary General Shareholders Meeting held on June 27, 2014, required changes were made to the countermeasures against large-scale acquisition actions associated with the shares of the Company and the majority of the shareholders approved the continuation of such countermeasures (hereinafter referred to as the "Countermeasure Plan").

The timeframe to execute the Countermeasure Plan expires at the end of the 121st Ordinary General Shareholders Meeting to be held on June 29, 2017. At a Board of Directors meeting held today, the board members agreed not to continue the Countermeasure Plan after the expiry of the current execution time frame.

DETAILS

Since the continuation of the Countermeasure Plan in 2014, the Company has been deliberating over the topic of further continuation from the perspective of increasing corporate value as well as ensuring income for shareholders. Various considerations have been taking into account including changes to society and economic conditions, and trends surrounding recent discussions on anti-takeover measures.

As a result, in the current operating environment, the Company felt that to ensure a stable income for shareholders and to increase corporate value, the focus had to be on the steady implementation of measures aimed at achieving the objectives set forth in the Medium Term Management Plan 2019 as well as further improvements and enhancements to corporate governance. Through such actions, SHI will not only be able to ensure sustainable growth, but also gain the trust of all stakeholders including shareholders, capital markets and the broader society. With this in mind, the Company decided that the continuation of the Countermeasure Plan was no longer necessary and the board members passed a resolution to discontinue such Plan after the expiry of the current implementation period at a board meeting held today.

Moreover, after the expiry of the current implementation period of the Countermeasure Plan, there may be a situation where an entity or person attempts to take a large-scale acquisition action on the Company's shares. If such event occurs, from the standpoint of ensuring corporate value and shareholder income, the Company will adhere to any relevant laws, and take the necessary steps to allow shareholders to have enough time and information to deliberate on the action. Such steps will include the disclosure of necessary and sufficient information regarding the pros and cons of the large-scale acquisition action to enable shareholders to make an appropriate judgment, and the sharing of the opinions of SHI board members.

END