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**Editorial Policy**

This report is intended to present our stakeholders with an organized summary of the measures and conceptual approaches taken by Sumitomo Heavy Industries Group in our environmental activities and social contribution activities.

We have concluded the 3rd Medium-Term Environmental Plan (FY2011-2013) and started the new, 4th Medium-Term Environmental Plan (FY2014-2016).

We hope to give our readers an understanding of an overview of the 4th Medium-Term Environmental Plan. To that end, we have sought to make the report accessible by using plain and concise language and by making frequent use of graphs, illustrations and photographs.

Further, when issuing this report, we consulted the Environmental Reporting Guidelines (2012) and the Environmental Accounting Guidelines (2005) from the Ministry of the Environment.

**Scope of the report**

Sumitomo Heavy Industries, Ltd. and its group companies

**Period covered by this report**

April 01, 2014 – March 31, 2015

Previous issue: August 2014

Current issue: October 2015

Next issue: August 2016

**Disclaimer**

This report contains not only facts relating to the past and present of Sumitomo Heavy Industries Group but also plans, forecasts, and projections based on management plans and management policy at the time of publication. These plans, forecasts and projections are assumptions and judgments based on available information at the time of writing, and results or matters pertaining to future business activities may differ materially from the descriptions due to changing conditions.

Additionally, further examination of past data may lead to results that differ from values given in past Environmental Sustainability Reports.

# With our foundation in the Sumitomo Business Spirit, we will go on providing “first-class products” and services that contribute to the realization of a sustainable society.

I would like to say thank you to all our stakeholders: Your long-standing support and understanding of our Group's corporate activity are greatly appreciated.

The Sumitomo Heavy Industries Group initiated the Medium-Term Management Plan 2016 (FY2014-2016) in the previous fiscal year, so the plan is now in its second fiscal year. The business strategy of the Medium-Term Management Plan 2016 declares these objectives:

- Steady growth for the purpose of creating the foundation for sustained growth
- Return to higher levels of profitability
- Persistent efforts for operational quality improvements

Our aim is to be a corporation that continues to provide "first-class products."

One of these persistent efforts for operational quality improvements is compliance.

As I understand compliance, it is not enough just to follow legal statutes, or to follow in-house regulations or social norms. I think compliance is responding to the societal demands that are in the background of those statutes, regulations, and norms. In the current fiscal year, therefore, we have defined the following thematic areas and are taking action accordingly:

- Return to our starting point and engage seriously in initiatives to improve operational quality.
- Engage in steady activity that mobilizes all our employees to act together in promoting improvement.

The societal demands faced by corporations, including the Sumitomo Heavy Industries Group, are undergoing change from moment to moment. However, the environmental programs we have been pursuing in the Sumitomo Heavy Industries Group, including our activities to prevent global warming, have consistently responded to important societal demands and have always been in accord with the "Sumitomo Business Spirit."

Last fiscal year we started our 4th Medium-Term Environmental Plan (FY2014-2016) based on the Medium-Term Management Plan 2016. The 4th Medium-Term Environmental Plan includes the following basic policies:

- Promote environmental risk management
- Contribute to achievement of a low-carbon society
- Realize a resource-recycling society
- Contribute to local communities and take measures for biodiversity

Pursuing these policies, we will take steps to further promote environmental activities at Group companies, including those in other countries.

I myself have a very keen awareness of the importance of environmental activities. The top management in each business division and every Group company as well as all Group employees will conscientiously and steadfastly engage in specific implementation of these activities.

In this implementation, we will place the greatest priority on autonomous activities undertaken by each business division and Group company to achieve the targets of the 4th Medium-Term Environmental Plan.

Also of importance, as I see it, is for all the individual employees who do the work of the various business divisions and Group companies to learn with each other and from each other as they pursue environmental activities.

The Sumitomo Heavy Industries Group will continue listening attentively to our stakeholders and taking them seriously. We will constantly pursue the effort to reform ourselves, without ever stopping, as we steadily move toward realization of the Group goals.

We appreciate your opinions and advice, and we will be very pleased to draw on them for our future initiatives.



President and CEO  
**Shunsuke Betsukawa**

*S. Betsukawa*