

## Purpose

# Enhance society and those within it with compassion through our ownership and vision

The Sumitomo Heavy Industries (SHI) Group has evolved along with the development of society and industry since it was established in 1888 as a machinery production and repair shop for the Besshi Copper Mine, the founding business of the Sumitomo Group. We firmly maintain the Sumitomo Business Philosophy that has been passed down as the principle shared across the Sumitomo Group companies. We are also committed to the SHI Group's Business Principle to achieve sustainable growth and greater corporate value, thereby meeting stakeholders' expectations.

## THE SUMITOMO BUSINESS PHILOSOPHY

### Business Principles

#### Article 1

Sumitomo shall achieve strength and prosperity by placing prime importance on integrity and sound management in the conduct of its business.

#### Article 2

Sumitomo shall manage its activities with foresight and flexibility in order to cope effectively with the changing times. Under no circumstances, however, shall it pursue easy gains or act imprudently.

Fundamental idea and philosophy

Our reason for existence

## PURPOSE

The Sumitomo Heavy Industries Group defined its reason for existence by unveiling its Purpose in January 2024.

We view our Purpose as a guide in management, bringing together the group's collective strengths for future growth. <https://www.shi.co.jp/english/company/purpose/index.html>

## BUSINESS PRINCIPLE

### Corporate Mission Statement

We will aim to become a machinery manufacturer that continues to provide excellent products and services to the world. With integrity being a key principle in the Group, we will contribute towards society by gaining high respect and confidence from all stakeholders.

### Our Values

#### Customer First

We exceed customer expectations by providing sophisticated efficient products and services, giving the utmost consideration to their needs and requirements.

#### Embrace Changes

We will continue to drive and embrace changes without accepting the status quo.

#### Commit to Technology and Innovation

We are passionate about contributing to society by further developing our unique, in-house technologies.

#### Respect People

We will nurture an organizational climate that fosters mutual respect, tolerance and learning for growth.

Our mission

Approach to the mission

## Our Ideal State in 2030 and Medium-Term Management Plan 2026

### Our Ideal State in 2030

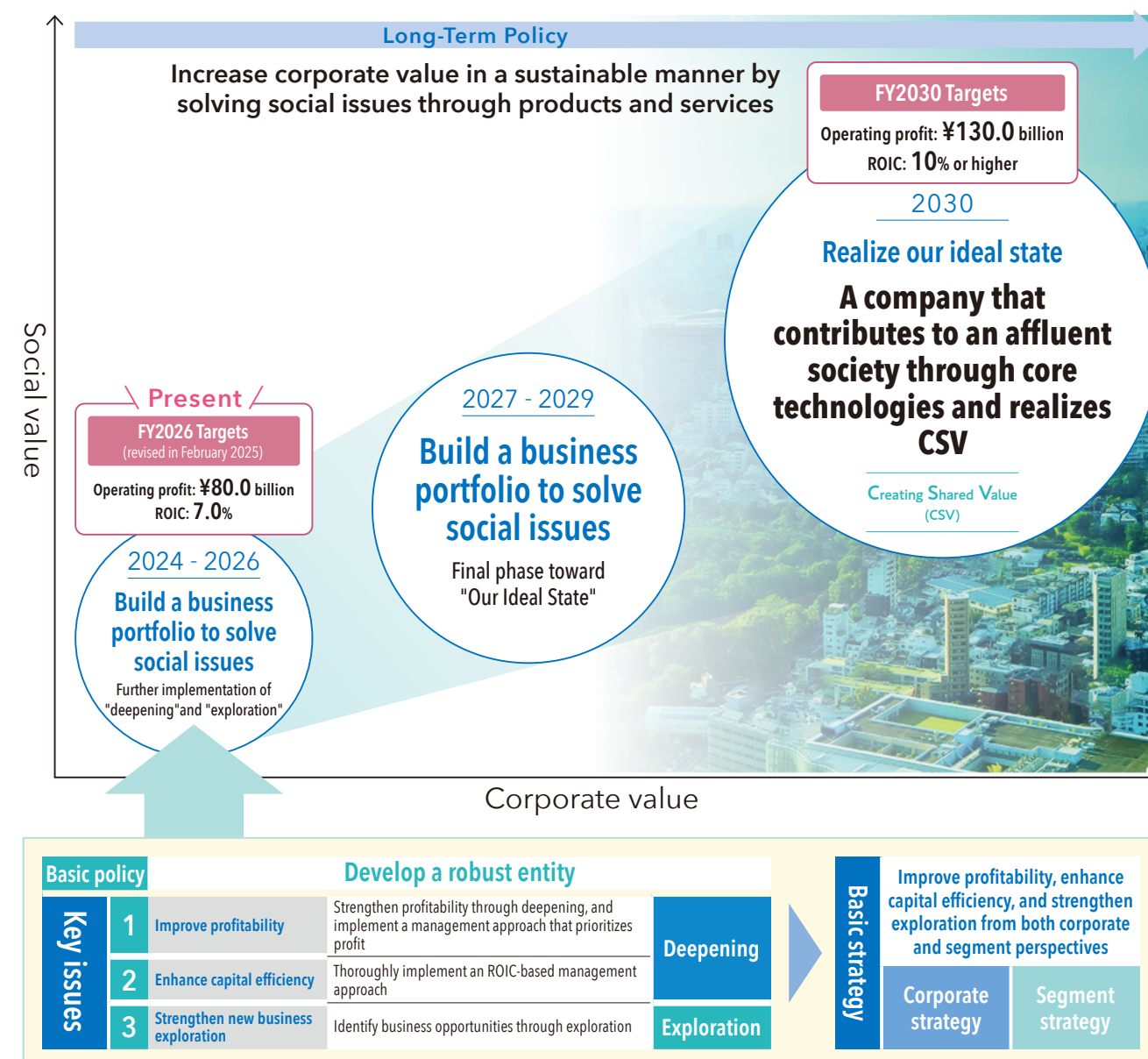
We established our Purpose in January 2024. We have also defined our ideal state we should achieve by 2030 as "a company that contributes to an affluent society through core technologies and realizes CSV." We have set financial and non-financial targets in line with this vision. To achieve the financial targets, we have set up four key investment areas based on our core technologies, while strengthening the revenue bases for our existing businesses.

### Purpose Enhance society and those within it with compassion through our ownership and vision

While strengthening the revenue bases for the existing businesses, we will achieve growth in the following key investment areas based on core technologies in the four segments, thereby aiming to create new value and improve corporate value.

[Key investment areas] ♦ Robotics / automation ♦ Semiconductors ♦ Advanced medical devices ♦ Environment / energy

Financial and non-financial targets are established to maximize our corporate and social values. The financial targets are set to achieve profitability that continuously surpasses capital costs.



Introduction by Representative Directors

The Sumitomo Heavy Industries Group enhances society and those within it with compassion through our ownership and vision



Representative Director,  
Chairman of the Board  
Tetsuya Okamura



Representative Director,  
President and CEO  
Shinji Shimomura

Upon Publication of Integrated Report 2025

The Sumitomo Heavy Industries Group published its first annual report in the 1970s. Since 2017, we have been publishing an integrated report. With each publication, we have endeavored to ensure that the report serves as an effective tool for communicating with stakeholders and helping them understand who we are and what we do as a company. We have not only incorporated the opinions and requests we received from shareholders and investors into our management but have also used them to enhance our information disclosure.

Currently, based on the Purpose established in January 2024, we are working to advance the business operation geared to achieving the goals set in the Medium-Term Management Plan 2026 ("MTMP 2026"), which has been developed through backcasting from our ideal state in 2030, which is our long-term vision. Integrated Report 2025 illustrates our progress toward the vision, and why we have revisited the targets set in MTMP 2026 and what new measures have been added, taking into consideration the changing business environment. It also presents our aspirations to achieve the goals, along with the details of our business strategies. Moreover, it describes the various sustainability activities that we engage in to improve our social value, as well as the state that we are currently in and our future outlook. In particular, from our Integrated Report 2024 onwards, we would like to communicate the financial and social value we aim to achieve by strengthening our disclosure of how our material issues of sustainability are linked to the business strategies and performance of each segment, as well as the status of implementation of measures on both fronts.

We hope that this report will help deepen your understanding of the SHI Group.

Editorial Policy and Contents

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Editorial Policy

The Sumitomo Heavy Industries Group (SHI Group) published an Integrated Report for FY2017 in lieu of the Annual Report that it had published since the 1970s. Integrated Report 2025 contains reports on financial information as well as the SHI Group's unique strengths and the sources of its medium- to long-term growth with the aim of deepening understanding among stakeholders, including shareholders and investors. Please refer to our website for detailed information and figures related to financial data (including Securities Reports) and non-financial data (such as sustainability data).

■ Scope of Report

This report covers Sumitomo Heavy Industries, Ltd. and 141 consolidated subsidiaries (36 in Japan, 105 overseas). Context changes are duly noted in the text.

■ Timeline

This report covers FY2024(January 1, 2024~December 31, 2024), with the exception of one overseas subsidiary. Some content makes references to dates outside of this time period.

Reference Guidelines



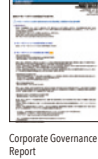

- "International Integrated Reporting Framework," IFRS Foundation
- GRI Standards
- "WICI Intangibles Reporting Framework Version 1.0," World Intellectual Capital Initiative
- "Guidance for Collaborative Value Creation," METI of Japan

Cautionary Note Concerning Forward-Looking Statements

This report includes forward-looking statements regarding the future performance of Sumitomo Heavy Industries, Ltd. These forward-looking statements are based on information currently available to the Company and determined subjectively. All information contained herein is subject to changes in actual business performance.

Positioning of Integrated Report 2025

Corporate Information			Sumitomo Heavy Industries Technical Review
Financial	Non-Financial	Technical	
Integrated Report 2025			
Securities Reports			
Interim Business Report "To Our Shareholders"	Corporate Governance Report		
Website "Investor Relations"	Website "Sustainability"		





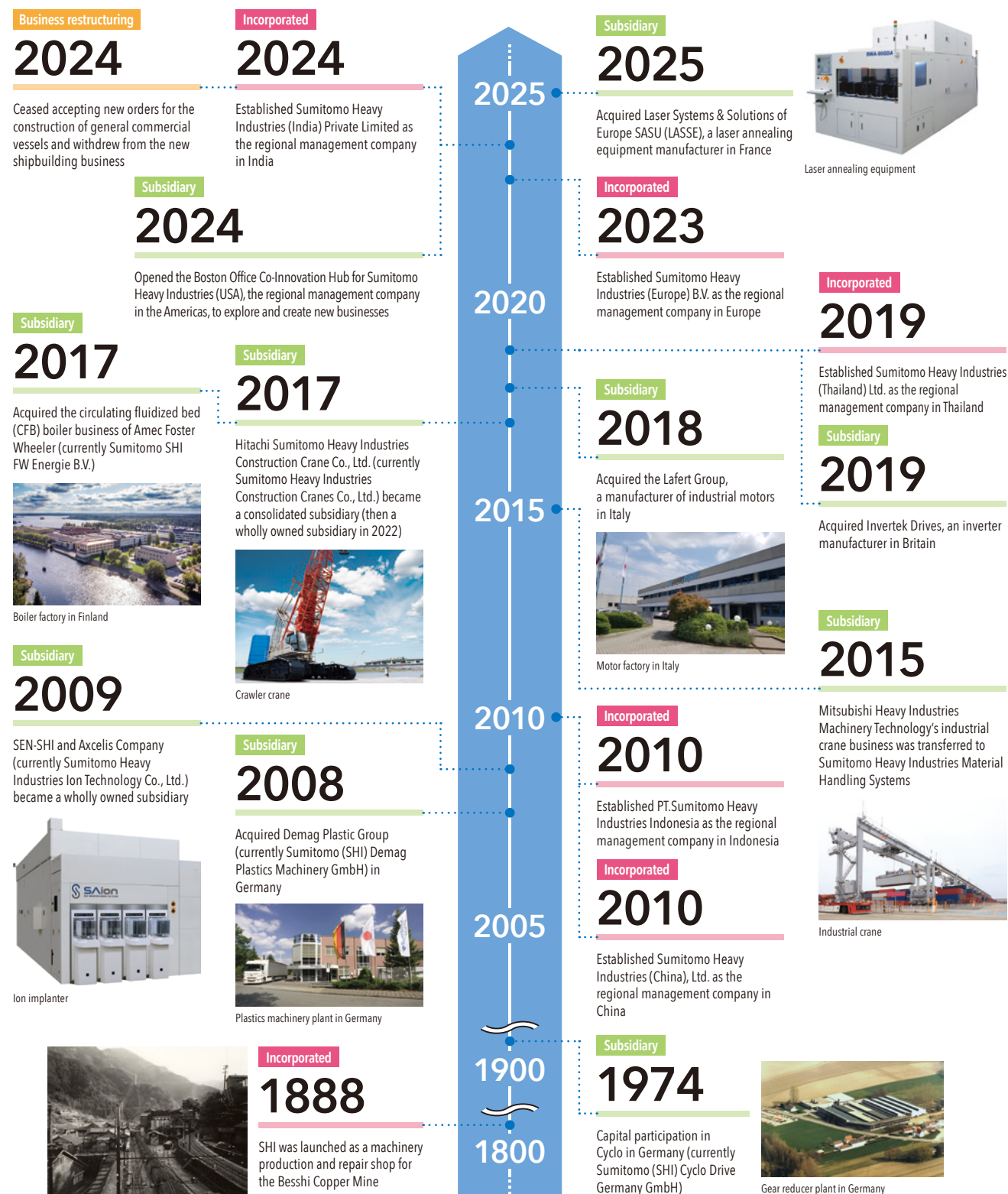
**SUSTAINABLE  
DEVELOPMENT  
GOALS**





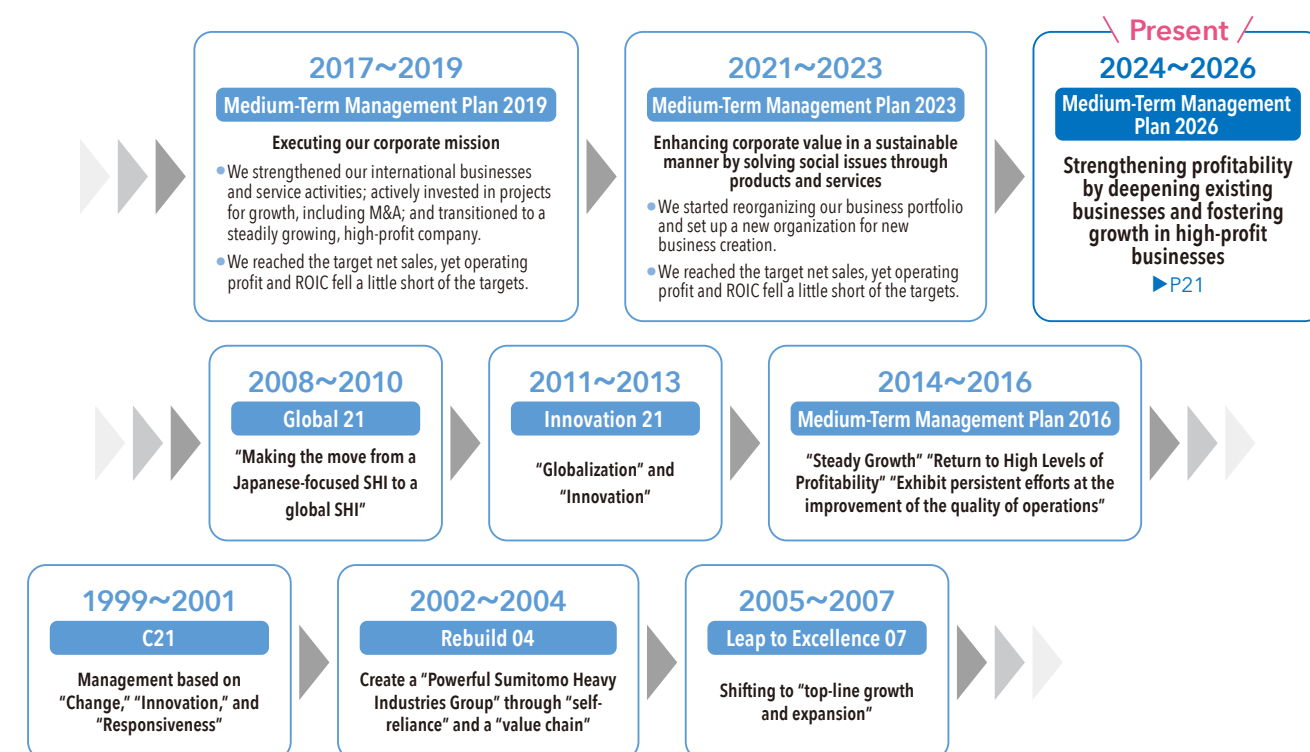
## Timeline of Our Business Portfolio

The SHI Group has addressed customer and societal challenges through its products and services, building on its heritage as a core manufacturing company of the Sumitomo Group. We have set out to reform our business portfolio in accordance with the Medium-Term Management Plan 2026 that started in FY2024, allocating our management resources mostly to the four key investment areas in order to expand our businesses. We will also implement drastic measures to improve the profitability of businesses experiencing a profit slump, while reforming the structures of businesses that need rebuilding of their strategies.



## History of Our Medium-Term Management Plan

Consolidated net sales of the SHI Group have been on a growing trend, setting new record highs, while operating profit and ROIC have been showing little growth. The current medium-term plan focuses on strengthening our profitability to implement an ROIC-based management approach that prioritizes profit and to explore business opportunities. We plan to continue the efforts into the next medium-term plan as we work toward the ideal state we want to achieve by 2030.



## Changes in Consolidated Net Sales, Operating Profit, ROIC, and Market Capitalization

