Eleven-Year Summary and Key Financial Data

Sumitomo Heavy Industries, Ltd. and Consolidated Subsidiaries

	(Unit)		FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 *8	FY2022 (Jan. to Dec.) Reference values *9	FY2023	FY2024	FY2025
Summary of Income (for the financial year)	(million yen)	Net sales	700,838	674,328	791,025	903,051	864,490	849,065	943,979	854,093	1,018,261	1,081,533	1,071,126	**1,066,881**
		R&D expenses	12,299	11,276	14,805	16,836	18,753	19,434	20,181	17,431	—	24,800	33,682	**31,147**
		Operating profit	50,568	48,431	69,921	75,244	56,806	51,342	65,678	44,803	59,950	74,367	55,103	**51,482**
		EBITDA *1	70,289	68,742	92,925	101,219	84,758	81,089	96,609	74,437	—	110,741	92,480	**90,078**
		Ordinary profit	49,131	48,274	67,466	72,623	52,642	49,544	64,847	43,253	58,837	70,250	49,184	**47,311**
		Profit attributable to owners of parent	33,133	33,613	34,660	45,650	32,807	26,764	44,053	5,782	16,259	32,742	7,721	**30,937**
Cash Flows (for the financial year)	(million yen)	Cash flows from operating activities	18,315	38,158	71,111	55,173	36,263	64,131	61,679	21,366	—	65,370	12,763	**63,666**
		Cash flows from investing activities	(15,350)	(25,852)	(37,810)	(54,973)	(57,752)	(43,729)	(49,678)	(37,279)	—	(43,271)	(49,482)	**(59,357)**
		Free cash flows *2	2,965	12,306	33,301	199	(21,489)	20,402	12,000	(15,913)	—	22,099	(36,719)	**4,309**
		Cash flows from financing activities	(23,789)	(17,809)	(10,146)	(13,314)	35,964	(7,959)	(28,106)	21,677	—	(17,207)	41,908	**(7,145)**
		Cash and cash equivalents at the end of the period	68,625	61,017	85,503	69,776	83,630	96,242	84,992	93,727	—	100,235	107,542	**107,622**
Financial Position (at financial year-end)	(million yen)	Total assets	782,859	796,484	894,835	954,051	996,111	1,030,684	1,094,930	1,148,870	—	1,200,857	1,260,242	**1,320,527**
		Interest-bearing debt	68,232	60,460	64,181	73,311	124,669	124,439	111,251	160,765	—	162,230	238,620	**252,703**
		Net interest-bearing debt *3	(2,572)	(3,360)	(24,052)	(278)	37,602	24,921	22,468	63,289	—	57,772	127,488	**141,632**
		Total net assets	382,817	409,171	444,964	465,001	477,648	504,928	566,843	576,922	—	627,464	646,418	**686,223**
Amounts per Share of Common Stock *4	(yen)	Earnings *5	54.06	54.85	282.83	372.56	267.77	218.46	359.61	47.20	—	267.30	63.86	**257.42**
		Net assets	614.51	650.47	3,517.33	3,701.01	3,790.99	4,005.43	4,501.11	4,647.20	—	5,059.88	5,331.01	**5,671.98**
		Cash dividends	16.00	16.00	85.00	112.00	91.00	65.00	115.00	90.00	—	120.00	125.00	**125.00**
Financial Indexes	(%)	Operating profit ratio	7.2	7.2	8.8	8.3	6.6	6.0	7.0	5.2	5.9	6.9	5.1	**4.8**
		EBITDA ratio	10.0	10.2	11.7	11.2	9.8	9.6	10.2	8.7	—	10.2	8.6	**8.4**
		R&D expenses ratio to net sales	1.8	1.7	1.9	1.9	2.2	2.3	2.1	2.0	—	2.3	3.1	**2.9**
		Return on assets (ROA)	4.2	4.2	3.9	4.8	3.3	2.6	4.0	0.5	1.4	2.7	0.6	**2.3**
		Return on equity (ROE)	9.0	8.7	8.4	10.3	7.1	5.6	8.5	1.0	3.0	5.5	1.2	**4.7**
		Stockholders' equity ratio	48.1	50.0	48.2	47.5	46.6	47.6	50.4	49.5	—	51.6	50.8	**51.6**
		Interest-bearing debt ratio	8.7	7.6	7.2	7.7	12.5	12.1	10.2	14.0	—	13.5	18.9	**19.1**
		D/E ratio (times)	0.2	0.2	0.1	0.2	0.3	0.3	0.2	0.3	—	0.3	0.4	**0.4**
		ROIC *6	7.6	7.3	10.3	10.5	7.3	6.1	7.3	4.6	6.2	7.0	4.8	**4.2**
Investment in Plant and Equipment and Others	(million yen)	Capital expenditures *7	23,721	27,539	30,432	33,713	39,435	39,885	46,729	44,629	—	42,502	46,784	**58,053**
		Depreciation	19,720	20,311	23,003	25,975	27,953	29,746	30,930	29,634	—	36,374	37,377	**38,596**

*1. EBITDA (Earnings before Interest, Taxes, Depreciation) = Operating profit + Depreciation
*2. Free cash flows = Cash flows from operating activities + Cash flows from investing activities
*3. Net interest-bearing debt = Interest-bearing debt – (Cash and deposits + Securities)
*4. The Company carried out a 5-to-1 reverse stock split for its common stock with an effective date of October 1, 2017. Amounts per share of common stock was calculated, under the assumption that such share consolidation was conducted at the beginning of FY2017.
*5. Earnings per share of common stock are based on the weighted average number of shares outstanding in each year.
*6. ROIC (Return on invested capital) = $\frac{\text{(Operating profit + Interest and dividend income) x (1 – Effective tax rate*)}}{\text{(FY average of stockholders' equity + FY average of interest-bearing debt)}}$

* Effective tax rate = 35% for FY2015 and FY2016, 31% from FY2017

*7. Capital expenditures are capitalized and recorded as assets.
*8. Due to a change in our accounting period, FY2022 will be a nine-month accounting period from April 2022 to December 2022.
*9. To compare our FY2022 results to past accounting periods, the FY2022 (nine-month accounting period) results have been converted to figures for the period from January to December.

Non-Financial Key Data

Supplementary note on the period covered: Although the accounting period for FY2022 is the nine-month period from April to December, the 12-month period from January to December is included for the purpose of ensuring comparability.

Supplementary note on the coverage: "Consolidated coverage ratio" refers to the percentage of net sales within the covered scope relative to total consolidated net sales.

Supplementary note on the coverage: The consolidated coverage ratio for "non-consolidated" (parent company) social data is approximately 17.5%, while that for "Japanese consolidated" is approximately 52.5% (both based on FY2025 actual results, calculated on a headcount basis).

Environment

Addressing Climate Change

		Unit	2021	2022	2023	2024	2025
GHG Emissions (Scope 1)	Total	t-CO_2	★ 37,418	★ 38,419	★ 36,272	★ 31,601	★ 32,885
	Consolidated Coverage	%	92.6	91.1	92.3	99.9	99.9
GHG Emissions (Scope 2)	Total *1	t-CO_2	★ 156,518	★ 151,681	★ 120,631	★ 101,003	★ 92,238
	Consolidated Coverage	%	92.6	91.1	92.3	99.9	99.9
GHG Emissions (Scope 1, 2 total)	Total *1	t-CO_2	★ 193,936	★ 190,100	★ 156,903	★ 132,604	★ 125,123
	Consolidated Coverage	%	92.6	91.1	92.3	99.9	99.9
GHG Emissions (Scope 3)	Cat-01 Raw Materials *2	t-CO_2	★ 351,365	★ 406,638	★ 1,095,515	★ 1,295,085	★ 2,477,920
	Cat-02 Capital Goods	t-CO_2	★ 154,343	★ 147,464	★ 140,793	★ 151,381	★ 195,837
	Cat-03 Energy-Related Activities	t-CO_2	★ 21,349	★ 26,955	★ 26,712	★ 26,158	★ 26,372
	Cat-04 Upstream Logistics	t-CO_2	★ 11,082	★ 11,045	★ 10,160	★ 8,899	★ 8,178
	Cat-05 Operational Waste	t-CO_2	★ 5,578	★ 5,355	★ 5,405	★ 5,030	★ 5,238
	Cat-06 Business Travel	t-CO_2	★ 3,761	★ 3,277	★ 3,289	★ 3,294	★ 3,266
	Cat-07 Employee Commuting	t-CO_2	★ 11,138	★ 11,322	★ 12,264	★ 10,210	★ 10,798
	Cat-08 Upstream Leased Assets	t-CO_2	0	0	0	0	0
	Cat-09 Downstream Logistics	t-CO_2	0	—	—	—	—
	Cat-10 Processing of Sold Products	t-CO_2	0	—	—	—	—
	Cat-11 Use of Sold Products	t-CO_2	★ 136,614,107	★ 79,946,933	★ 75,463,187	★ 65,887,134	★ 113,004,957
	Cat-12 Product End-of-Life	t-CO_2	0	—	—	—	—
	Cat-13 Downstream Leased Assets	t-CO_2	0	—	—	—	—
	Cat-14 Franchises	t-CO_2	—	—	—	—	—
	Cat-15 Investments	t-CO_2	2,422	2,873	3,780	3,048	172,728
	Total	t-CO_2	137,175,145	80,561,862	76,761,104	67,390,239	115,905,294
	Cat-11Consolidated Coverage	%	96.5	94.6	94.6	91.8	93.6
CO_2 Emission Intensity	Intensity	t-CO_2/ million yen	0.21	0.22	0.15	0.12	0.12
	Consolidated Coverage	%	92.6	91.1	92.3	99.9	99.9
Energy Consumption	Fuel Consumption	MWh	192,766	196,579	174,657	★ 160,538	★ 169,938
	Electricity Consumption	MWh	303,676	307,192	309,077	★ 302,547	★ 308,457
	Chilled and Hot Water	MWh	10,249	9,306	10,686	★ 11,407	★ 9,250
	Total	MWh	506,691	513,077	494,421	★ 474,493	★ 487,646
	Consolidated Coverage	%	92.6	91.1	92.3	99.9	99.9
Renewable Energy Consumption	Total	MWh	1,298	14,203	72,617	★ 90,963	★ 117,975
	Consolidated Coverage	%	92.6	91.1	92.3	99.9	99.9

*1 Scope 2 emissions in Japan are calculated using the market-based method. *2 Scope expanded since FY2023; accuracy improved through intensity-based allocation since FY2025. ★: Third-party assurance

Environmental Management

		Unit	2021	2022	2023	2024	2025
ISO 14001 Certification	Number of Certified Sites	Instances	58	57	61	62	57
	Certification Rate	%	79.4	75.2	79.8	86.1	80.3
Serious Violations of Environmental Laws and Regulations *3	Number of Cases	Instances	0	0	0	0	0
	Of which, number of violations related to wastewater	Instances	0	0	0	0	0
	Consolidated Coverage	%	79.4	75.2	79.8	86.1	82.7

*3 Cases with fines and penalties of US$10,000 or higher

Waste Management

		Unit	2021	2022	2023	2024	2025
Total Waste Generated =Ⓐ+Ⓑ+Ⓒ	①Waste Generation	t	44,390	40,386	38,741	35,666	31,423
	②Final Disposal Amount	t	1,273	960	731	881	633
	③Total Volume of Recycled Waste (Japan Only)	t	7,925	7,131	7,567	6,905	6,217
	Consolidated Coverage	%	80.3	82.2	83.9	82.1	83.5
ⒶVolume of Waste Disposed (Excl.Ⓑ)	①Waste Generation	t	10,381	9,439	9,827	8,750	8,004
	②Final Disposal Volume	t	28	32	7	4	7
	③Amount Recycled (Total Amount of Recovered and Reused Waste, etc.)	t	7,556	6,693	7,092	6,437	5,823
	Amount of Waste Incinerated with Energy Recovery	t	2,573	2,327	2,265	1,969	1,859
	Amount of Waste Incinerated without Energy Recovery	t	224	386	463	339	316
ⒷVolume of Hazardous Waste Disposed	①Waste Generation	t	708	692	650	737	638
	②Final Disposal Volume	t	0.1	0.2	0.2	14.5	0.2
	③Recycled Volume (Total Amount of Recovered and Reused Waste, etc.)	t	369	438	475	468	395
	Amount of Waste Incinerated with Energy Recovery	t	222	208	145	157	150
	Amount of Waste Incinerated without Energy Recovery	t	118	46	30	98	93
Applicable to both Ⓐ and Ⓑ	Data Coverage Ratio	%	47.7	44.4	50.9	49.2	48.6
	Scope		Japanese production sites				Japanese production sites
ⒸVolume of Overseas Waste Disposed	①Waste Generation	t	33,301	30,255	28,264	26,179	22,781
	②Final Disposal Volume	t	1,245	927	724	862	626
	Data Coverage Ratio	%	32.6	37.8	33.0	32.9	34.9
Volume of Waste Diverted from Disposal (Valuable Recyclables)	Recycled Volume	t	15,380	14,809	16,354	12,978	14,233
	Data Coverage Ratio	%	47.7	44.4	50.9	49.2	48.6
	Scope		Japanese production sites				Japanese production sites

Water Resources Conservation

			Unit	2021	2022	2023	2024	2025
Water Withdrawals	Municipal Water Supply	Tap Water	thousand m^3	737	736	698	★ 718	★ 710
		Industrial Water	thousand m^3	618	613	604	★ 615	★ 618
	Surface Water		thousand m^3	0	0	0	★ 0	★ 0
	Groundwater		thousand m^3	185	161	135	★ 195	★ 189
	Total		thousand m^3	1,541	1,510	1,436	★ 1,529	★ 1,517
	Consolidated Coverage		%	76.5	80.2	82.0	78.3	81.3
Wastewater Discharge	Total		thousand m^3	460	434	934	★ 970	★ 902
	Consolidated Coverage		%	47.5	43.6	49.3	49.2	48.6
	Surface Water		thousand m^3	—	—	—	112.0	101.0
	Groundwater		thousand m^3	—	—	—	0.0	0.0
	Seawater		thousand m^3	—	—	—	690.0	626.0
	Water Discharged to Other Organizations		thousand m^3	—	—	—	168.0	175.0
	Scope			—	—	—	Japanese production sites	Japanese production sites

★: Third-party assurance

Pollution Prevention

			Unit	2021	2022	2023	2024	2025
Volume of Volatile Organic Compounds (VOCs)	Total		t	623	636	544	703	670
	Consolidated Coverage		%	86.0	87.2	86.6	84.3	85.3
	Breakdown in Japan	Toluene	t	100	91	69	63	70
		Xylene	t	258	280	211	251	252
		Ethylbenzene	t	149	154	163	247	229
NOx Emissions	Total		t	3.3	3.9	2.5	15.9	10.9
	Consolidated Coverage		%	45.3	43.8	49.3	47.4	46.6
SOx Emissions	Total		t	0.18	0.15	0.15	1.49	1.21
	Consolidated Coverage		%	45.3	43.8	49.3	47.4	46.6
Discharges to Water Bodies	COD		t	1.5	1.5	1.4	1.6	1.3
	Total Nitrogen (T-N)		t	6.2	5.6	4.9	4.6	6.3
	Total Phosphorus (T-P)		t	0.5	0.5	0.4	0.4	0.4
	Total		t	8.1	7.6	6.6	6.6	8.0
	Consolidated Coverage		%	47.5	43.6	49.3	47.4	46.6

Social

Employee Data

		Unit	2021	2022	2023	2024	2025
Employees (consolidated)	Male	Number of employees	—	20,138	21,256	21,152	20,874
	Female	Number of employees	—	4,120	4,228	4,185	4,249
	Ratio of Women	%	—	17.0	16.6	16.5	16.9
	Total	Number of employees	24,584	24,258	25,484	25,337	25,123
Employees (SHI)	Male	Number of employees	2,965	3,350	3,497	3,774	3,749
	Female	Number of employees	405	499	536	636	651
	Ratio of Women	%	12.0	13.0	13.3	14.4	14.8
	Total	Number of employees	3,370	3,849	4,033	4,410	4,400
Managers	Male	Number of employees	916	3,290	3,355	3,504	3,648
	Female	Number of employees	22	220	247	251	270
	Ratio of Women	%	2.3	6.3	6.9	6.7	6.9
	Total	Number of employees	938	3,510	3,602	3,755	3,918
	Scope		Non-consolidated	Consolidated			Consolidated
Assistant Managers	Male	Number of employees	—	1,786	1,850	2,075	2,019
	Female	Number of employees	—	174	183	218	226
	Ratio of Women	%	—	8.9	9.0	9.5	10.1
	Total	Number of employees	—	1,960	2,033	2,293	2,245
	Scope		—	Consolidated			Consolidated
Employees by Age Group	Under 30	Number of employees	529	4,452	4,622	4,349	4,131
	30~39	Number of employees	869	6,868	7,136	6,989	6,901
	40~49	Number of employees	839	5,835	6,144	6,239	6,183
	50~59	Number of employees	872	5,049	5,414	5,542	5,607
	Above 60	Number of employees	261	2,054	2,168	2,218	2,301
	Total	Number of employees	3,370	24,258	25,484	25,337	25,123
	Scope		Non-consolidated	Consolidated			Consolidated
Average Length of Service by Gender	Male	Years	16.6	14.4	14.5	14.6	14.6
	Female	Years	12.1	10.5	11.2	10.6	10.7
	Total	Years	16.1	14.2	14.1	14.1	14.1
	Scope		Non-consolidated	Japanese consolidated			Japanese consolidated
Employment Ratio of Disabled People	Total	%	2.36	2.39	2.52	3.04	3.06
	Scope		Non-consolidated			Non-consolidated (Incl. special subsidiaries)	Non-consolidated (Incl. special subsidiaries)
Percentage of Employees Covered by Collective Bargaining Agreements	Total	%	60.4	63.4	63.9	63.6	64.7
	Scope		Non-consolidated				Japanese consolidated
Rounds of Collective Bargaining (Labor-Management Consultations) with Labor Unions	Total	Rounds	106	74	103	102	500
	Scope		Non-consolidated				Japanese consolidated
New Graduate Hires	Male	Number of employees	119	236	262	258	238
	Female	Number of employees	31	35	46	46	66
	Ratio of Women	%	20.7	12.9	14.9	15.1	21.7
	Total	Number of employees	150	271	308	304	304
	Scope		Non-consolidated	Japanese consolidated			Japanese consolidated

		Unit	2021	2022	2023	2024	2025
Career Hires	Male	Number of employees	90	299	386	413	241
	Female	Number of employees	8	40	52	45	43
	Ratio of Women	%	8.2	11.8	11.9	9.8	15.1
	Total	Number of employees	98	339	438	458	284
	Ratio of Mid-career Hires to Full-time Workers	%	39.5	55.6	58.7	60.1	48.3
	Scope		Non-consolidated	Japanese consolidated			Japanese consolidated
Wage Difference Between Men and Women *4	Full-Time Employees	%	—	70.6	72.8	71.5	72.0
	Non-Full-Time Employees	%	—	66.3	69.8	66.7	75.9
	All Workers	%	—	68.6	70.2	69.6	70.8
	Scope		—	Non-consolidated			Non-consolidated
Total Turnover Rate	Male	%	2.4	2.7	3.7	3.3	3.5
	Female	%	4.2	3.1	3.3	4.3	3.4
	Total	%	2.6	2.7	3.7	3.4	3.4
	Scope		Non-consolidated	Japanese consolidated			Japanese consolidated
Turnover Rate for Personal Reasons	Male	%	2.1	2.0	3.0	2.7	2.6
	Female	%	3.0	2.3	2.7	3.6	2.9
	Total	%	2.2	2.0	3.0	2.8	2.7
	Scope		Non-consolidated	Japanese consolidated			Japanese consolidated
Working Hours Per Year	Total	Hours	1,987	1,972	1,972	1,930	1,924
	Scope		Non-consolidated (general employees)	Japanese consolidated (general employees)			Japanese consolidated (general employees)
Employee Awareness Survey Results	Percentage of Highly Engaged Employees	%	—	48	—	48	49
	Scope		—	SHI and 30 consolidated subsidiaries	—	SHI and 29 consolidated subsidiaries *5	SHI and 28 consolidated subsidiaries *5
Percentage of Employees Taking Paid Vacations	Total	%	68.6	75.3	79.0	80.2	81.7
	Scope		Non-consolidated (general employees)	Japanese consolidated (general employees)			Japanese consolidated (general employees)
Childcare Leave Utilization Ratio	Male	%	68.9	69.2	85.5	88.8	89.0
	Female	%	100	100	97.7	97.7	100.0
	Total	%	72.0	71.9	87.1	90.0	90.2
	Scope		Non-consolidated	Japanese consolidated			Japanese consolidated
Average Number of Days of Childcare Leave Taken by Male Employees	Total	Days	33.3	23.1	30.8	35.6	45.8
	Scope		Non-consolidated	Japanese consolidated			Japanese consolidated
Employees Utilizing Shortened Working Hours for Employees with Childcare Needs	Male	Number of employees	—	7	7	10	22
	Female	Number of employees	—	82	89	83	106
	Total	Number of employees	—	89	96	93	128
	Scope		—	Japanese consolidated			Japanese consolidated
Annual Training Hours Per Employee *6	Total	Hours	4.2	11.1	10.9	28.6	33.8
	Scope		Japanese consolidated				Japanese consolidated
Annual Training Expenses Per Employee	Total	Yen	79,228	53,222	69,305	75,532	78,785
	Scope		Non-consolidated	Japanese consolidated			Japanese consolidated

*4 Female wages as a % of male wages
*5 Consolidated coverage is approximately 54.7% (based on headcount)
*6 Data for FY2023 covers only training programs organized by the headquarters. From FY2024, programs by business divisions are also included.

Occupational Health and Safety / Health Management

		Unit	2021	2022	2023	2024	2025
Fatalities	Total	Number of employees	0	0	0	0	0
	Scope		Non-consolidated	Consolidated			Consolidated
Occupational Accident Frequency Rate (employees)	Frequency Rate	%	0.3	0.4	0.7	0.9	0.1
	Scope		Non-consolidated				Non-consolidated
Occupational Accident Frequency Rate (employees and contract workers)	Frequency Rate	%	0.6	0.5	0.7	0.8	0.2
	Scope		Non-consolidated				Non-consolidated
Percentage of Companies with ISO 45001 Certification	Total	%	50.0	66.6	66.6	83.3	83.3
	Scope		Japanese Main Works				Japanese Main Works
Percentage of Smokers	Total	%	26.6	23.1	23.4	25.0	23.3
	Scope		Non-consolidated				Non-consolidated

Social Contribution Activities

		Unit	2021	2022	2023	2024	2025
Social Contribution Expenditures	Total	million yen	33	26	156	267	270
	Scope		Non-consolidated			Japanese consolidated and eight overseas affiliates	Japanese consolidated and eight overseas affiliates

Supply Chain Management

		Unit	2021	2022	2023	2024	2025
Supplier Status by Region (procurement amount ratio)	Japan	%	68.9	62.2	67.3	64.7	63.6
	China	%	12.1	12.0	9.3	10.6	10.7
	South Korea	%	2.4	2.4	2.7	2.7	2.6
	Taiwan	%	0.3	0.3	0.4	0.2	0.2
	Asia, etc.	%	6.3	8.3	7.1	8.1	8.2
	North America and Latin America	%	3.4	6.9	5.4	6.9	8.0
	Europe	%	6.6	7.7	7.7	6.6	6.7
	Other Areas	%	0.0	0.0	0.1	0.1	0.1
Suppliers	Number of Tier 1 Suppliers	Companies	7,481	6,230	5,658	5,825	5,773
Supplier Survey	Number of Surveyed Companies *7	Companies	—	—	—	702	—
	Number of Responding Companies *8	Companies	409	—	—	573	—
	Response Rate	%	—	—	—	81.6	—
	Number of Companies Audited On-Site (Japan) *9	Companies	—	—	7	8	5
	Number of Companies Audited On-Site (Overseas) *10	Companies	—	—	1	10	4
% of Purchasing Division Employees Who Received Sustainable Procurement Training		%	—	9.5	89.8	85.0	100.0
	Scope		—	SHI and 9 consolidated subsidiaries	SHI and 16 consolidated subsidiaries		SHI and 16 consolidated subsidiaries

*7 Number of Tier 1 suppliers accounting for the top 80% of the SHI Group's total procurement value
*8 Conducted for non-substitutable suppliers in 2019 and 2021
*9 Implemented for 24 suppliers designated for priority follow-up, based on the employment status of foreign workers, etc. (through 2026).
*10 Implemented for targets selected through the global supply chain risk analysis under the Human Rights Risk Project.

Product Safety and Product Quality

	Unit	2021	2022	2023	2024	2025
ISO 9001 Certification Acquisition Rate of Major Production and Business Divisions	%	—	93	94	96	96
Number of Serious Legal Violations Related to Product	Instances	0	0	0	0	0

Governance

Corporate Governance

		Unit	2021	2022	2023	2024	2025	2026
Composition of Directors *11	Total Number	Number of employees	9	9	11	11	11	9
	Executive Directors	Number of employees	6	6	7	7	7	5
	Non-executive Directors	Number of employees	3	3	4	4	4	4
	Outside Directors	Number of employees	3	3	4	4	4	4
	Female Directors	Number of employees	0	0	1	2	2	2
	Non-Japanese Directors	Number of employees	0	0	0	0	0	0
Average Attendance Rate at Board of Directors Meetings	Average	%	98.5	96.6	100	99.4	98.7	—
Average Tenure of Directors *11	Average	Years	4.7	3.8	3.7	3.9	4.9	4.1
Composition of Corporate Auditors *11	Total Number	Number of employees	4	4	4	4	5	5
	Outside Corporate Auditors	Number of employees	2	2	2	2	3	3
	Female Corporate Auditors	Number of employees	1	1	1	1	1	1
	Non-Japanese Corporate Auditors	Number of employees	0	0	0	0	0	0
Average Attendance Rate at Board of Corporate Auditors Meetings	Average	%	100	100	100	100	100	—

*11 Information that was current as of the end of the General Meeting of Shareholders for each year is shown

Business Ethics

		Unit	2021	2022	2023	2024	2025
Compliance Education by E-learning *12	Total	Number of employees	14,489	—	15,997	15,885	16,162
	Completion Rate	%	97.3	—	99.1	99.5	99.5
	Scope		Japanese consolidated	—	Japanese consolidated		Japanese consolidated
	Implementation Rate (% of all employees who have completed the program)	%	58.9	—	62.8	62.7	64.3
	Scope		Consolidated	—	Consolidated		Consolidated
Employees Who Submitted the Compliance Pledge *13	Total	Number of employees	3,213	3,211	3,392	3,460	3,533
	Submission Rate (% of all employees who submitted the pledge)	%	13.1	13.2	13.3	13.7	14.1
	Scope		3,217	3,218	3,397	3,472	3,547
Number of Cases Reported to Ethics Hotline	Total	Instances	156	136	349	253	274
	Breakdown: Harassment	Instances	71	61	151	116	120
	Breakdown: HR and Labor	Instances	38	41	131	48	76
	Breakdown: Violations of Company Regulations and Rules	Instances	13	14	16	15	39
	Breakdown: Other Matters	Instances	34	20	51	74	39
	Cases for Which Corrections Were Made	Instances	71	41	114	95	104
Number of Significant Compliance Violations	Total	Instances	—	—	—	1 *14	1 *15
Amount of Political Donations	Total	¥ million	1.5	1.5	1.5	1.7	1.7
	Scope		Non-consolidated				Non-consolidated

*12 Target participants: Employees in Japan, China, and the ASEAN region
*13 Employees in management positions in Japan are eligible to submit the application
*14 Violations of the Subcontract Act by affiliated companies
*15 Antimonopoly Act violation by an affiliate (received cease-and-desist and surcharge payment orders)

Corporate Data (As of March 31, 2026)

Corporate Data

Company Name	Sumitomo Heavy Industries, Ltd.
Head Office	1-1, Osaki 2-chome, Shinagawa-ku, Tokyo 141-6025, Japan
TEL	03-6737-2000
URL	https://www.shi.co.jp
Stock Exchange Listing	Prime Market of the Tokyo Stock Exchange
Founded	1888
Incorporated	November 1, 1934
Paid-In Capital	¥30,871,651,300

Domestic Offices

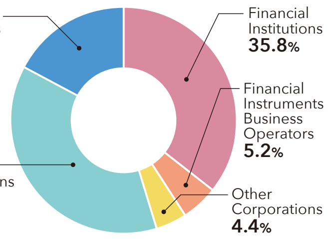
https://www.shi.co.jp/english/company/base/domestic/index.html

Stock-Related Information (As of December 31, 2025)

Basic Information

Total number of authorized shares	360,000,000
Total number of issued shares	122,905,481
Number of shareholders	42,747

Breakdown of Shares Held by Shareholders



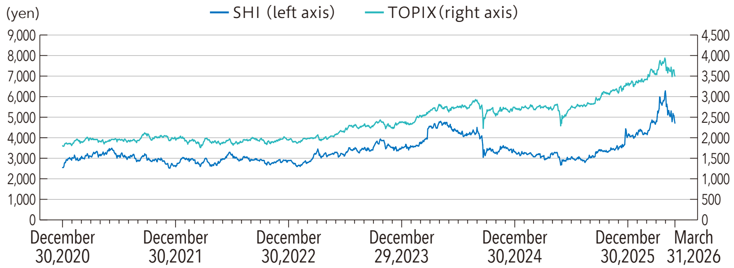
Note: Treasury shares were 2,588,382 shares, which are included in "Individuals and Others".

Major Shareholders

Name of shareholder	Number of shares held (shares)	Percentage of number of shares held(%)
The Master Trust Bank of Japan, Ltd. (Trust account)	20,011,800	16.6
Custody Bank of Japan, Ltd. (Trust account)	10,923,500	9.1
STATE STREET BANK AND TRUST COMPANY 505001	6,775,801	5.6
NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	5,272,000	4.4
Sumitomo Life Insurance Company	4,333,128	3.6
Sumitomo Heavy Industries, Ltd. Kyoeikai	3,454,900	2.9
NORTHERN TRUST CO. (AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS	3,062,290	2.5
NORTHERN TRUST CO. (AVFC) RE NON TREATY CLIENTS ACCOUNT	2,129,905	1.8
Sumitomo Heavy Industries Employee Stock Ownership Association	1,997,349	1.7
STATE STREET BANK AND TRUST COMPANY 505223	1,868,016	1.6
Total	59,828,689	49.8

Note: In addition to the above, we have 2,588,382 shares of treasury shares.

Share Price Chart



Total Shareholder Return (TSR)

Investment Period	1 Year December 2024 ~ December 2025	2 Years December 2023 ~ December 2025	3 Years December 2022 ~ December 2025
Sumitomo Heavy Industries	31.7%	23.7%	70.9%
TOPIX	25.5%	51.5%	93.8%
TOPIX Sector Index (Machinery)	31.0%	60.9%	118.2%
Relative to TOPIX	6.2%	−27.8%	−22.9%
Relative to TOPIX Sector Index (Machinery)	0.7%	−37.2%	−47.3%

Note: The Company changed its fiscal year-end from March 31 to December 31 starting with the 127th fiscal year (fiscal year ended December 2022). Figures for fiscal years prior to the fiscal year ended March 2022 are based on the share price as of the end of March.

Stock Valuation

	Unit	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Stock price at end of term	(Yen)	2,818	2,644	3,555	3,245	4,149
PBR	(Times)	0.6	0.6	0.7	0.6	0.7
ROE	(%)	8.5	1.0	5.5	1.2	4.7
PER	(Times)	7.8	56.0	13.3	50.8	16.1
Dividend yield	(%)	4.1	3.4	3.4	3.9	3.0
DOE (Dividend on equity)	(%)	3.2	2.3	3.1	3.1	3.2
Market capitalization	(Billions of yen)	345.2	324.1	435.7	390.2	509.9

Note: Market capitalization is calculated based on the number of shares issued, excluding treasury shares. For fiscal years up to and including FY2021, the fiscal year-end was March 31. DOE (Dividend on Equity) is calculated by dividing the annual dividend increase by shareholders' equity.

External Evaluation

(As of end of June 2026)

FTSE Blossom Japan Index

2025 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

MSCI Nihonkabu ESG Select Leaders Index

SOMPO Sustainability Index

CDP

DX-Certification by METI

NIKKEI Sustainable Management Survey - SDGs Edition

FTSE Blossom Japan Sector Relative Index

S&P/JPX Carbon Efficient Index

EcoVadis

"Platinum Kurumin" certification by MHLW

PRIDE Index Gold Rating

NIKKEI Sustainable Management Survey - Smart Work Edition