



June 29, 2026

To whom it may concern:

Company: Sumitomo Heavy Industries, Ltd.
Representative: Toshiro Watanabe
President and CEO
(Securities code: 6302 TSE Prime)
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Notice of Merger of Consolidated Subsidiaries

We hereby announce that our Board of Directors has resolved today to merge our wholly owned subsidiaries, Sumitomo Heavy Industries Material Handling Systems Co., Ltd. and Sumitomo Heavy Industries Construction Cranes Co., Ltd. effective January 1, 2027. As this merger is a simple absorption-type merger of the consolidated subsidiaries, some of the items and details for disclosure have been omitted.

Particulars

1. Aims of the Merger

Beginning in FY2026, the Group established a strategic business unit (SBU) system that drives value creation from a market perspective and serves as the organizational framework for the segment structure. As a result, the Material Handling Systems SBU (managed by Sumitomo Heavy Industries Material Handling Systems Co., Ltd.) of the Logistics & Construction segment engages in the industrial cranes business and the logistics systems business, while the HSC Cranes SBU (managed by Sumitomo Heavy Industries Construction Cranes Co., Ltd.) of the same segment operates the mobile crane business globally. To consolidate management resources into the Company and strengthen its earning capacity and business competitiveness, the Company has decided to merge Sumitomo Heavy Industries Material Handling Systems Co., Ltd. and Sumitomo Heavy Industries Construction Cranes Co., Ltd. into the Company through an absorption-type merger, integrating both companies' businesses into the Cranes SBU (tentative name) to be established within the Company.

2. Overview of the Merger

(1) Schedule of the Merger

June 29, 2026: Board of Directors meeting to approve the merger agreement

June 29, 2026: Conclusion of the merger agreement

January 1, 2027: Scheduled date of merger (effective date)

*Since this merger is a simplified merger as stipulated in Article 796, Paragraph 2 of the Companies Act and a short-form merger as stipulated in Article 784, Paragraph 1 of the Companies Act, it will be conducted without obtaining the approval of the general meeting of stockholders of the surviving and absorbed companies concerning the merger agreement.

(2) Form of the Merger

The merger will be an absorption-type merger with the Company becoming the surviving company, while Sumitomo Heavy Industries Material Handling Systems Co., Ltd. and Sumitomo Heavy Industries Construction Cranes Co., Ltd. are due to be dissolved.

(3) Details of Allotment in Relation to the Merger

The merger is with wholly owned subsidiaries; henceforth, no new shares will be issued or money granted.

(4) Handling of Stock Acquisition Rights and Bonds with Stock Acquisition Rights in Connection with the Merger There are no applicable items.

3. Outline of the Parties to the Merger (as of December 31, 2025)

(1) Trade name	Sumitomo Heavy Industries, Ltd. (Surviving company)	Sumitomo Heavy Industries Material Handling Systems Co., Ltd. (Non-surviving company)	Sumitomo Heavy Industries Construction Cranes Co., Ltd. (Non-surviving company)
(2) Description of business	Manufacture and sale of various types of industrial machinery, from general industrial machinery to precision control machinery	Engineering, design, manufacture, installation, and sale of material handling systems, logistics machinery, parking systems, inspection equipment, etc., as well as modification, repair, inspection, testing, adjustment, and maintenance services for such systems, machinery, and equipment	Manufacture, repair, and sale of crawler cranes and other construction machinery, as well as related machinery and equipment. In addition, any and all businesses incidental or related thereto
(3) Date of establishment	November 1, 1934	April 1, 1978	July 1, 2002
(4) Location of head office	2-1-1 Osaki, Shinagawa-ku, Tokyo	1-1-1 Nishi-shinagawa, Shinagawa-ku, Tokyo	1-1-1 Nishi-shinagawa, Shinagawa-ku, Tokyo
(5) Representative	Shinji Shimomura, President and CEO	Representative Director & President Shinya Saito	Representative Director & President Kazuhisa Ishida
(6) Capital	JPY 30,872 million	JPY 480 million	JPY 4,000 million
(7) Number of issued shares	122,905,481	11,601	80,000
(8) End of fiscal year	December 31	December 31	December 31
(9) Number of employees	25,123 (consolidated)	907	566
(10) Major shareholders and shareholding ratio	The Master Trust Bank of Japan, Ltd. (trust account) 16.6% Custody Bank of Japan, Ltd. (trust account) 9.1% STATE STREET BANK AND TRUST COMPANY 505001 5.7% NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST 4.4% Sumitomo Life Insurance Company 3.6%	Sumitomo Heavy Industries, Ltd. 100%	Sumitomo Heavy Industries, Ltd. 100%
(11) Financial position and operating results for the immediately preceding fiscal year (FYE December 2025)			
Net assets	JPY 686,223 million(consolidated)	JPY 32,720 million	JPY 20,433 million
Total assets	JPY 1,320,527 million (consolidated)	JPY 51,916 million	JPY 27,941 million

Net assets per share	JPY 5,671.98 (consolidated)	JPY 2,820,407.60	JPY 255,423.13
Net sales	JPY 1,066,881 million (consolidated)	JPY 61,171 million	JPY 41,059 million
Operating profit	JPY 51,482 million (consolidated)	JPY 5,732 million	JPY 801 million
Ordinary profit	JPY 47,311 million (consolidated)	JPY 5,510 million	JPY 480 million
Profit attributable to owners of parent	JPY 30,937 million (consolidated)	JPY 3,920 million	JPY 392 million
Current net profit per share	JPY 257.42 (consolidated)	JPY 337,903.55	JPY 4,901.34

(Note) At Sumitomo Heavy Industries, Ltd., Toshiro Watanabe assumed the position of Representative Director, President and CEO effective January 1, 2026.

4. Post-merger Status

No changes shall be made to SHI's trade name, address, representative's position or name, description of business, share capital or fiscal year-end as a result of this merger.

5. Impact on Earnings Results

Since this merger is with consolidated subsidiaries of the Company, there will be no impact on the Company's consolidated earnings results.

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