

Dear business partners,

November 11, 2022

Sumitomo Precision Products Co., Ltd.  
Representative Director and President  
Hideaki Takahashi

## **Tender Offer for the Company's Shares by SUMITOMO CORPORATION**

SUMITOMO CORPORATION, a major shareholder and the largest shareholder of the Company, announced today that it will conduct a tender offer (the "Tender Offer") and a series of subsequent procedures (the "Transaction") with the aim of privatizing the Company and making it its wholly owned subsidiary.

At the same time, at a meeting of the Board of Directors held today, the Company also resolved to approve the Tender Offer by SUMITOMO CORPORATION and recommend that our shareholders tender their shares in the Tender Offer. We would like to inform our business partners of the outline of the Transaction in this document.

### 1. Outline of the Transaction

The purpose of the Tender Offer by SUMITOMO CORPORATION for all of the outstanding common shares of the Company is to privatize the Company's shares and to make the Company a wholly owned subsidiary.

Therefore, if the Tender Offer is successful, through a series of subsequent procedures, the Company's shares will be delisted from the Standard Market established by the Tokyo Stock Exchange, Inc., as they fulfil the delisting criteria.

### 2. Background and Process

#### 1) Medium- to long-term management strategy of the Company

The Company was established in January 1961 as a successor company to Sumitomo Metal Industries, Ltd. (currently Nippon Steel Corporation) when the aerospace equipment business was spun off from Sumitomo Metal Industries, Ltd. At present, in the three business segments of "Aerospace Business," "Industrial Equipment Business," and "ICT Business," we are contributing to solving social issues with our one and only precision technology based on Sumitomo's business spirit and corporate philosophy, aiming to achieve corporate management that meets the expectations of all stakeholders.

In formulating the Mid-Term Business plan for FY 2021-23, we have organized the roles expected of each product in the "Aerospace Business," "Industrial Equipment Business," and "ICT Business" segments, and developed a business portfolio. Based on this business portfolio, we have designated the "Aerospace Field," "Thermal Management Field," "Precision Hydraulic Equipment Field," and "ICT Field" as our four business fields of our profit base, with the "Thermal Management Field" and

“ICT Field” positioned as our business expansion and strategic fields. In FY 2021, the first year of our Mid-Term Business plan, we began shifting our business foundation to these business expansion and strategic fields and have been promoting the development of technologies and new products in these areas. We intend to accelerate our efforts to achieve “sustainable growth” and “medium- to long-term enhancement of corporate value” by making greater use of our domestic and overseas networks, human resources, and funds than ever before.

2) Reasons for the Company’s endorsement of the Tender Offer

The Company has determined that becoming a wholly owned subsidiary of SUMITOMO CORPORATION is the best way for the Company to enhance its corporate value. This will enable the following five objectives to be achieved: (i) explore new products and technologies through SUMITOMO CORPORATION’s global network and utilize SUMITOMO CORPORATION’s marketing capabilities; (ii) make various investments to accelerate growth backed by SUMITOMO CORPORATION’s capital injection; (iii) strengthen the Company’s management and the capabilities of officers and employees through mutual exchange of personnel with SUMITOMO CORPORATION and the injection of corporate governance knowledge from SUMITOMO CORPORATION; (iv) consider and execute a portfolio shift from a medium- to long-term perspective; and (v) reduce costs and operational burdens dedicated to maintaining the Company’s listing and thereby transfer management resources to business divisions (to accelerate business growth).

3. Management Policy after the Transaction

Even after the Transaction, SUMITOMO CORPORATION and the Company will continue to achieve the Mid-Term Business plan that is currently in progress, under the basic policy that the Company will manage itself autonomously and independently with maintaining the current management system. The entire management team will be more aware than ever of their roles and responsibilities, and will lead the way for the growth of the Group.

The publicity and social credibility that the Company has enjoyed as a result of listing will be maintained even after delisting, and delisting will not impede our future business operations. The Company does not expect major changes in the commercial distribution channel due to this Transaction.

We believe that the Transaction will provide an opportunity for the development and expansion of our business, and we would like to ask all of our business partners for your continued support.

Sincerely