

Dear business partners,

March 20, 2023

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

### **Re: Acquisition by SUMITOMO CORPORATION**

On November 11, 2022, we have announced that SUMITOMO CORPORATION, a major shareholder and the largest shareholder of us, would conduct a tender offer (the “Tender Offer”) and a series of subsequent procedures with the aim of privatizing us and making us its wholly owned subsidiary. As a result of the Tender Offer, SUMITOMO CORPORATION came to own our common shares equivalent to 83.40 percent of all voting rights on January 4, 2023. In addition, our extraordinary shareholders meeting held on February 16, 2023 resolved the reverse stock split to be effective on March 24, 2023 as a part of squeeze-out procedure where SUMITOMO CORPORATION becomes our sole shareholder.

After the series of procedures, we will become a wholly owned subsidiary of SUMITOMO CORPORATION and our common shares will be delisted on March 22, 2023.

We were 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.

In light of above, we have determined that becoming a wholly owned subsidiary of SUMITOMO CORPORATION is the best way for us 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 our 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 our listing and thereby transfer management resources to business divisions (to accelerate business growth).

Even after the acquisition by SUMITOMO CORPORATION, SUMITOMO CORPORATION and we will continue to achieve the Mid-Term Business plan that is currently in progress, under the basic policy that we 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 our group.

The publicity and social credibility that we have enjoyed as a result of listing will be maintained even after delisting, and delisting will not impede our future business operations. We do not expect major changes in the commercial distribution channel due to this acquisition by SUMITOMO CORPORATION.

We believe that the acquisition by SUMITOMO CORPORATION 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