

[Note]

This document is a summary translation of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the Japanese original shall prevail.

(Securities code: 7224)

June 12, 2020

ShinMaywa Industries, Ltd.

1-1, Shinmeiwa-cho,
Takarazuka-shi, Hyogo, Japan

Notice of the 96th Annual General Meeting of Shareholders

Dear Shareholders:

Please be informed that the 96th Annual General Meeting of Shareholders of ShinMaywa Industries, Ltd. (the “Company”) will be held as follows.

Gathering in a large number at the meeting venue has the risk of group infection of coronavirus disease (COVID-19). In order to prevent the spread of COVID-19, we request our shareholders to refrain from attending the meeting on the day, review the reference materials attached hereto and exercise your voting rights in advance in writing or via the Internet in accordance with “Guidance on Methods for Exercise of Voting Rights” on page 3.

Very truly yours,

Tatsuyuki Isogawa

President and Chief Executive Officer

1. Date and Time Monday, June 29, 2020 at 10:00 a.m. (JST)

2. Location Main Conference Room, on the 5th floor of
ShinMaywa Industries, Ltd. Head Office
1-1, Shinmeiwa-cho, Takarazuka-shi, Hyogo

3. Agenda

Matters to Be Reported

1. Report on the Business Report, the Consolidated Financial Statements and the Non-Consolidated Financial Statements for the 96th Business Term (from April 1, 2019 to March 31, 2020)
2. Report on the audit results of the Consolidated Financial Statements for the 96th Business Term (from April 1, 2019 to March 31, 2020) by the Accounting Auditors and the Audit & Supervisory Board

**Matters to Be
Resolved**

- | | |
|-------------------|---|
| Item No. 1 | Appropriation of Retained Earnings |
| Item No. 2 | Election of Nine (9) Directors, Members of the Board |
| Item No. 3 | Election of Two (2) Audit & Supervisory Board Members |
| Item No. 4 | Payment of Bonuses to Directors, Members of the Board |
| Item No. 5 | Revision of Compensation Amounts for Directors, Members of the Board |
| Item No. 6 | Determination of Compensation for Granting Shares with Restriction on Transfer to Directors, Members of the Board (Excluding Outside Directors, Members of the Board) |

-
- ◎ 5. Development of Systems Necessary to Ensure the Properness of Operations in the Business Report, and the Consolidated Statement of Changes in Equity, the Non-Consolidated Statement of Changes in Equity, the Notes to the Consolidated Financial Statements and the Notes to the Non-Consolidated Financial Statements, four of the documents to be provided to shareholders in conjunction with this notice, are provided via the Internet on the Company's website (<https://www.shinmaywa.co.jp/>) in accordance with the provision of Article 16 of the Company's Articles of Incorporation as well as the provisions of laws and regulations. Therefore, they have not been included in the documents appended to this notice.
- ◎ In the event the Business Report, the Consolidated Financial Statements, the Non-Consolidated Financial Statements and the Reference Materials for General Meeting of Shareholders need to be modified, the Company will post such modification on its website (<https://www.shinmaywa.co.jp/>).
- ◎ If you are attending the meeting, please present the enclosed Form for Exercise of Voting Rights (hereinafter the "Form") to the receptionist on arrival.

Guidance on Methods for Exercise of Voting Rights

The following methods are available for exercising your voting rights. Please review the reference materials from page 4 before exercising your voting rights.

1. Methods for exercise of voting rights

If you are attending the meeting

Please present the enclosed Form to the receptionist.

Date and time of the meeting: 10:00 a.m. on Monday, June 29, 2020 (JST)

If you are exercising your vote in writing

Please indicate your approval or disapproval for the proposals on the enclosed Form, and return it by postal mail.

Voting deadline: The Form must arrive by 5:00 p.m. on Friday, June 26, 2020 (JST)

If you are exercising your vote via the Internet

Please access the website for exercising your votes designated by the Company (<https://evote.tr.mufg.jp>), and enter your approval or disapproval for the proposals.

Voting deadline: No later than 5:00 p.m. on Friday, June 26, 2020 (JST)

2. For institutional investors

In addition to exercising voting rights via the Internet as described above, institutional investors may also use the “Electronic Proxy Voting Platform” operated by ICJ, Inc., if they have applied in advance.

3. If voting rights are exercised redundantly

- (1) If you exercise your voting rights both in writing and via the Internet, only the vote submitted via the Internet shall be valid.
- (2) If you exercise your voting rights multiple times via the Internet, only the last vote shall be valid.

Reference Materials for General Meeting of Shareholders

Matters to be Resolved and References

Item No. 1: Appropriation of Retained Earnings

The proposed appropriation of retained earnings for the 96th Business Term is described as follows:

1. Appropriation of Retained Earnings

To enable the execution of flexible capital policy in response to future changes in the management environment, the Company proposes to reverse the entire amount of the general reserve and transfer it to retained earnings brought forward as follows.

- (1) Item and amount of retained earnings to be decreased
 - General reserve 22,050,000,000 yen
- (2) Item and amount of retained earnings to be increased
 - Retained earnings brought forward 22,050,000,000 yen

2. Year-end Dividend

Under the ongoing Medium-term Management Plan “Change for Growing, 2020,” the Company has established a dividend payout ratio of 40-50% on a consolidated basis as a basic policy, considering an appropriate level of shareholder return, business investment for the future, and the retention of sufficient internal reserves to maintain the management foundation.

Based on this policy, the year-end dividend for this fiscal year will be 21 yen per share.

Including the interim dividend (21 yen per share) and the commemorative dividend for the 100th anniversary (45 yen per share), the total annual dividend for this fiscal year will therefore be 87 yen per share.

- (1) Allocation of the asset distributed as dividend to shareholders and the total amount thereof
 - Dividend per Share of Common Stock: 21 yen
 - Total Amount: 1,380,647,163 yen
- (2) Dividend Effective Date
 - June 30, 2020

(Reference) Change of Dividend and Payout Ratio

| | 93rd Fiscal year ended March 31, 2017 | 94th Fiscal year ended March 31, 2018 | 95th Fiscal year ended March 31, 2019 | 96th Fiscal year ended March 31, 2020 |
|----------------------------------|--|--|--|--|
| Dividend per share (Yen) | 14 | 23 | 45 | 87 |
| Interim (Yen) | 7 | 7 | 18 | 66 |
| Year-end (Yen) | 7 | 16 | 27 | 21 |
| Consolidated payout ratio (%) | 15.0 | 31.0 | 58.9 | 76.9 |

(Note) The amount of interim dividend for the 96th Business Term includes the commemorative dividend for the 100th anniversary (45 yen per share).

Item No. 2: Election of Nine (9) Directors, Members of the Board

The term of office for all nine (9) Directors, Members of the Board expires at the close of this Annual General Meeting of Shareholders. Accordingly, the Company proposes that nine (9) Directors, Members of the Board, be elected.

The detailed information of the candidates for Directors, Members of the Board are as described on pages 6 to 17:

| No. | Name | Category of Candidates | Current position in the Company | Attendance at Meetings of the Board of Directors (Attendance Ratio) | Term of Office of Director, Member of the Board | Gender |
|-----|-------------------|---|--|---|---|--------|
| 1 | Tatsuyuki Isogawa | Reappointment | Representative Director, President and Chief Executive Officer | 12/12 (100%) | 5 years | Male |
| 2 | Kanji Ishimaru | Reappointment | Director, Member of the Board, Deputy Chief Executive Officer | 12/12 (100%) | 8 years | Male |
| 3 | Katsuyuki Tanuma | Reappointment | Director, Member of the Board, Senior Managing Executive Officer | 12/12 (100%) | 4 years | Male |
| 4 | Atsushi Itami | Reappointment | Director, Member of the Board, Managing Executive Officer | 12/12 (100%) | 3 years | Male |
| 5 | Akira Nishioka | Reappointment | Director, Member of the Board, Managing Executive Officer | 10/10 (100%) | 1 year | Male |
| 6 | Toshiki Kume | Reappointment | Director, Member of the Board, Managing Executive Officer | 10/10 (100%) | 1 year | Male |
| 7 | Yoshifumi Kanda | Reappointment Outside Independent | Outside Director, Member of the Board | 12/12 (100%) | 2 years | Male |
| 8 | Nobuya Hideshima | Reappointment Outside Independent | Outside Director, Member of the Board | 12/12 (100%) | 2 years | Male |
| 9 | Seiko Nagai | Reappointment Outside Independent | Outside Director, Member of the Board | 10/10 (100%) | 1 year | Female |

Reappointment

Candidate for Director, Member of the Board to be reappointed

Outside

Candidate for Outside Director, Member of the Board

Independent

Candidate for Independent Director as prescribed by the Tokyo Stock Exchange, Inc.

(Note) The attendance at meetings of the Board of Directors (attendance ratio) of Mr. Akira Nishioka, Mr. Toshiki Kume and Ms. Seiko Nagai present the attendance thereof after they each assumed the office of Director, Member of the Board on June 21, 2019.

| No. | Name | Category of Candidates | Date of Birth (Age) | Gender |
|--|-------------------|------------------------|--------------------------------|--------|
| 1 | Tatsuyuki Isogawa | Reappointment | Jul. 2, 1959 (60 years old) | Male |
| Number of Shares Owned | | 14,900 | | |
| Term of Office of Director, Member of the Board Served at the Close of This Annual General Meeting of Shareholders | | 5 years | | |
| Attendance at Meetings of the Board of Directors (attendance ratio) | | 12/12 (100%) | | |
| Special Interests between the Candidate and the Company | | None | | |
| Career Summary, Position and Responsibility at the Company, and Important Concurrent Positions Apr. 1983 Joined the Company Apr. 2012 Executive Officer of the Company Deputy General Manager, Parking Systems Div. of the Company Managing Director, TOKYO ENGINEERING SYSTEMS CORPORATION (currently ShinMaywa Parking Technologies, Ltd.) Apr. 2014 President, Parking Systems Div. of the Company Apr. 2015 Managing Executive Officer of the Company Jun. 2015 Director, Member of the Board of the Company Apr. 2016 Senior Managing Executive Officer of the Company Apr. 2017 Representative Director of the Company (up to present) President and Chief Executive Officer of the Company (up to present) | | | | |
| Reasons for Selection as Candidate for Director, Member of the Board Having held important posts in the Parking Systems divisions, etc., Mr. Tatsuyuki Isogawa has the knowledge and experience for accurately, justly and effectively making important management decisions as well as supervising execution of duties by Directors, Members of the Board and Executive Officers. He is currently taking on a central role in the management of the Company as Representative Director as well as President and Chief Executive Officer. Therefore, the Company expects his continuous efforts to share information with other Directors, Members of the Board and strengthen decision-making functions as a constituting member of the Board of Directors. | | | | |
| Other Special Matters None | | | | |

| No. | Name | Category of Candidates | Date of Birth (Age) | Gender |
|--|----------------|------------------------|---------------------------------|--------|
| 2 | Kanji Ishimaru | Reappointment | Sep. 20, 1957 (62 years old) | Male |
| Number of Shares Owned | | 4,800 | | |
| Term of Office of Director, Member of the Board Served at the Close of This Annual General Meeting of Shareholders | | 8 years | | |
| Attendance at Meetings of the Board of Directors (attendance ratio) | | 12/12 (100%) | | |
| Special Interests between the Candidate and the Company | | None | | |
| Career Summary, Position and Responsibility at the Company, and Important Concurrent Positions Apr. 1982 Joined the Company Apr. 2011 Executive Officer of the Company General Manager, International Business Management Div. and Aircraft Div. of the Company Apr. 2012 Managing Executive Officer of the Company General Manager, Aircraft Div. of the Company Jun. 2012 Director, Member of the Board of the Company (up to present) Apr. 2014 Senior Managing Executive Officer of the Company Aug. 2018 Deputy Chief Executive Officer of the Company (up to present) Vice President, Corporate Planning Div. of the Company (up to present) [Responsibility at the Company] Management of Research & Development and CSR Responsible for Aircraft business, Corporate Planning Div. and Research & Development Dept. | | | | |
| Reasons for Selection as Candidate for Director, Member of the Board Having held important posts such as in the Aircraft, International Business Management and Corporate Planning divisions, Mr. Kanji Ishimaru has the knowledge and experience for accurately, justly and effectively making important management decisions as well as supervising execution of duties by Directors, Members of the Board and Executive Officers. He is currently taking on a role in the management of the Company as Director, Member of the Board and Deputy Chief Executive Officer. Therefore, the Company expects his continuous efforts to share information with other Directors, Members of the Board and strengthen decision-making functions as a constituting member of the Board of Directors. | | | | |
| Other Special Matters None | | | | |

| No. | Name | Category of Candidates | Date of Birth (Age) | Gender |
|--|------------------|------------------------|--------------------------------|--------|
| 3 | Katsuyuki Tanuma | Reappointment | Mar. 5, 1956 (64 years old) | Male |
| Number of Shares Owned | | 4,000 | | |
| Term of Office of Director, Member of the Board Served at the Close of This Annual General Meeting of Shareholders | | 4 years | | |
| Attendance at Meetings of the Board of Directors (attendance ratio) | | 12/12 (100%) | | |
| Special Interests between the Candidate and the Company | | None | | |
| Career Summary, Position and Responsibility at the Company, and Important Concurrent Positions | | | | |
| Apr. 1974 Joined the Company | | | | |
| Apr. 2015 Executive Officer of the Company Deputy General Manager, Special Purpose Truck Div. of the Company | | | | |
| Apr. 2016 Managing Executive Officer of the Company President, Special Purpose Truck Div. of the Company | | | | |
| Jun. 2016 Director, Member of the Board of the Company (up to present) | | | | |
| Apr. 2017 Senior Managing Executive Officer of the Company (up to present) | | | | |
| [Responsibility at the Company] Management of Quality Assurance and Manufacturing, Responsible for Special Purpose Truck business | | | | |
| Reasons for Selection as Candidate for Director, Member of the Board | | | | |
| Having fulfilled his duties for a long time as a person responsible for the Special Purpose Truck divisions, etc., Mr. Katsuyuki Tanuma has the knowledge and experience for accurately, justly and effectively making important management decisions as well as supervising execution of duties by Directors, Members of the Board and Executive Officers. He is currently taking on a role in the management of the Company as Director, Member of the Board and Senior Managing Executive Officer. Therefore, the Company expects his continuous efforts to share information with other Directors, Members of the Board and strengthen decision-making functions as a constituting member of the Board of Directors. | | | | |
| Other Special Matters | | | | |
| None | | | | |

| No. | Name | Category of Candidates | Date of Birth (Age) | Gender |
|--|---------------|------------------------|--------------------------------|--------|
| 4 | Atsushi Itami | Reappointment | Aug. 22 1956 (63 years old) | Male |
| Number of Shares Owned | | 24,500 | | |
| Term of Office of Director, Member of the Board Served at the Close of This Annual General Meeting of Shareholders | | 3 years | | |
| Attendance at Meetings of the Board of Directors (attendance ratio) | | 12/12 (100%) | | |
| Special Interests between the Candidate and the Company | | None | | |
| Career Summary, Position and Responsibility at the Company, and Important Concurrent Positions Apr. 1979 Joined the Company Apr. 2014 Executive Officer of the Company Vice President, Sales & Marketing Dept., Special Purpose Truck Div. of the Company (up to present) Apr. 2015 Senior Vice President, Special Purpose Truck Div. of the Company (up to present) Apr. 2017 Managing Executive Officer of the Company (up to present) Jun. 2017 Director, Member of the Board of the Company (up to present) [Responsibility at the Company] Management of Sales | | | | |
| Reasons for Selection as Candidate for Director, Member of the Board Having held important posts such as in the Special Purpose Truck divisions, Mr. Atsushi Itami has the knowledge and experience for accurately, justly and effectively making important management decisions as well as supervising execution of duties by Directors, Members of the Board and Executive Officers. He is currently taking on a role in the management of the Company as Director, Member of the Board and Managing Executive Officer. Therefore, the Company expects his continuous efforts to share information with other Directors, Members of the Board and strengthen decision-making functions as a constituting member of the Board of Directors. | | | | |
| Other Special Matters None | | | | |

| No. | Name | Category of Candidates | Date of Birth (Age) | Gender |
|-----|----------------|------------------------|---------------------------------|--------|
| 5 | Akira Nishioka | Reappointment | Feb. 24, 1958 (62 years old) | Male |

| | |
|--|--------------|
| Number of Shares Owned | 6,800 |
| Term of Office of Director, Member of the Board Served at the Close of This Annual General Meeting of Shareholders | 1 year |
| Attendance at Meetings of the Board of Directors (attendance ratio) | 10/10 (100%) |
| Special Interests between the Candidate and the Company | None |

Career Summary, Position and Responsibility at the Company, and Important Concurrent Positions

Apr. 1982 Joined the Company

Apr. 2013 Executive Officer of the Company
 General Manager, Human Resources & General Affairs Dept. of the Company
 (up to present)

Jun. 2014 Representative Director, President and Chief Executive Officer, ShinMaywa Shoji, Ltd. (up to present)

Apr. 2017 Managing Executive Officer of the Company (up to present)

Jun. 2019 Director, Member of the Board of the Company (up to present)

[Responsibility at the Company]
Management of Human Resources
Responsible for Human Resources & General Affairs Dept. and Legal Dept.

[Important concurrent positions]
Representative Director, President and Chief Executive Officer, ShinMaywa Shoji, Ltd.

Reasons for Selection as Candidate for Director, Member of the Board

Having held important posts such as in the Human Resources & General Affairs divisions, Mr. Akira Nishioka has the knowledge and experience for accurately, justly and effectively making important management decisions as well as supervising execution of duties by Directors, Members of the Board and Executive Officers. He is currently taking on a role in the management of the Company as Director, Member of the Board and Managing Executive Officer. Therefore, the Company expects his continuous efforts to share information with other Directors, Members of the Board and strengthen decision-making functions as a constituting member of the Board of Directors.

Other Special Matters

The attendance at meetings of the Board of Directors (attendance ratio) of Mr. Akira Nishioka presents the attendance thereof after he assumed the office of Director, Member of the Board on June 21, 2019.

| No. | Name | Category of Candidates | Date of Birth (Age) | Gender |
|--|--------------|------------------------|---------------------------------|--------|
| 6 | Toshiki Kume | Reappointment | Jan. 27, 1967 (53 years old) | Male |
| Number of Shares Owned | | 5,500 | | |
| Term of Office of Director, Member of the Board Served at the Close of This Annual General Meeting of Shareholders | | 1 year | | |
| Attendance at Meetings of the Board of Directors (attendance ratio) | | 10/10 (100%) | | |
| Special Interests between the Candidate and the Company | | None | | |
| Career Summary, Position and Responsibility at the Company, and Important Concurrent Positions Apr. 1989 Joined the Company Apr. 2014 General Manager, Finance & Accounting Dept. of the Company (up to present) Apr. 2017 Executive Officer of the Company Apr. 2019 Managing Executive Officer of the Company (up to present) Jun. 2019 Director, Member of the Board of the Company (up to present) [Responsibility at the Company] Management of Finance & Accounting, Responsible for Finance & Accounting Dept. | | | | |
| Reasons for Selection as Candidate for Director, Member of the Board Having held important posts such as in the Finance & Accounting divisions, Mr. Toshiki Kume has the knowledge and experience for accurately, justly and effectively making important management decisions as well as supervising execution of duties by Directors, Members of the Board and Executive Officers. He is currently taking on a role in the management of the Company as Director, Member of the Board and Managing Executive Officer. Therefore, the Company expects his continuous efforts to share information with other Directors, Members of the Board and strengthen decision-making functions as a constituting member of the Board of Directors. | | | | |
| Other Special Matters The attendance at meetings of the Board of Directors (attendance ratio) of Mr. Toshiki Kume presents the attendance thereof after he assumed the office of Director, Member of the Board on June 21, 2019. | | | | |

| No. | Name | Category of Candidates | Date of Birth (Age) | Gender |
|---|-----------------|---|---------------------------------|--------|
| 7 | Yoshifumi Kanda | Reappointment Outside Independent | Mar. 10, 1952 (68 years old) | Male |
| Number of Shares Owned | | 0 | | |
| Term of Office of Director, Member of the Board Served at the Close of This Annual General Meeting of Shareholders | | 2 years | | |
| Attendance at Meetings of the Board of Directors (attendance ratio) | | 12/12 (100%) | | |
| Special Interests between the Candidate and the Company | | None | | |
| Career Summary, Position and Responsibility at the Company, and Important Concurrent Positions | | | | |
| Apr. 1974 Joined Hitachi, Ltd. | | | | |
| Apr. 2002 Deputy General Manager, Kansai Area Operation, Hitachi, Ltd. | | | | |
| Apr. 2004 General Manager, Government & Public Corporation Information Systems Sales Management Division, Information & Telecommunications Group, Hitachi, Ltd. | | | | |
| Jan. 2006 Executive, Hitachi, Ltd. | | | | |
| Dec. 2008 General Manager, Chugoku Area Operation, Hitachi, Ltd. | | | | |
| Apr. 2011 Vice President and Executive Officer, Hitachi, Ltd. | | | | |
| General Manager, Power Management Marketing Division, Hitachi, Ltd. | | | | |
| Apr. 2012 Deputy General Manager, Corporate Sales & Marketing Group, and General Manager, Domestic Division, and General Manager, CS Promotion Center, and General Manager, Power Management Division, Power Systems Company, Power Systems Group, Hitachi, Ltd. | | | | |
| Apr. 2015 Executive Vice President and Executive Officer, Hitachi Systems Power Services, Ltd. | | | | |
| Mar. 2017 Retired from Hitachi Systems Power Services, Ltd. | | | | |
| Apr. 2017 Adviser, Corporate Sales & Marketing Group, Hitachi, Ltd. | | | | |
| Jun. 2017 Outside Audit & Supervisory Board Member of the Company Outside Director, Member of the Board, RENESAS EASTON Co., Ltd. (currently Glosel Co., Ltd.) (up to present) | | | | |
| Mar. 2018 Retired from Hitachi, Ltd. | | | | |
| Jun. 2018 Outside Director, Member of the Board of the Company (up to present) | | | | |
| [Important concurrent positions] Outside Director, Member of the Board, Glosel Co., Ltd. | | | | |

Reasons for Selection as Candidate for Outside Director, Member of the Board

Mr. Yoshifumi Kanda has held various important posts at corporations, including Vice President and Executive Officer, Hitachi, Ltd. and Outside Director, Member of the Board, Glosel Co., Ltd. Thus, he possesses a high level of knowledge in management based on his abundant hands-on experience related to corporate management. Heretofore, he has expressed useful opinions regarding management and engaged in appropriate supervision of business execution by Directors, Members of the Board, based on his knowledge. Therefore, the Company believes that he will continue to provide supervision and advice on business execution by Directors, Members of the Board of the Company from his objective position, which will promote the improvement of corporate governance of the Company and the activation of the Board of Directors.

Independence of Outside Director, Member of the Board

There are no special interests including business relationships between the Company and Glosel Co., Ltd.

The Company has registered Mr. Yoshifumi Kanda with the Tokyo Stock Exchange, Inc. as an independent director. If he is re-appointed as Director, Member of the Board at this Annual General Meeting of Shareholders, the Company will continue to register him with the said exchange as an independent director.

Limited Liability Agreement

The Company has entered into an agreement with Mr. Yoshifumi Kanda that provides a limit on liability for damages under Article 423, paragraph 1 of the Companies Act pursuant to the provisions of the Articles of Incorporation of the Company. The limit on liability under the agreement is the minimum amount of liability stipulated by Article 425, paragraph 1 of the Companies Act. If Mr. Yoshifumi Kanda is re-appointed as Director, Member of the Board at this Annual General Meeting of Shareholders, the Company intends to maintain the limited liability agreement with him.

Other Special Matters

None

| No. | Name | Category of Candidates | Date of Birth (Age) | Gender |
|---|------------------|---|--------------------------------|--------|
| 8 | Nobuya Hideshima | Reappointment Outside Independent | Jan. 9, 1954 (66 years old) | Male |
| Number of Shares Owned | | 0 | | |
| Term of Office of Director, Member of the Board Served at the Close of This Annual General Meeting of Shareholders | | 2 years | | |
| Attendance at Meetings of the Board of Directors (attendance ratio) | | 12/12 (100%) | | |
| Special Interests between the Candidate and the Company | | None | | |
| Career Summary, Position and Responsibility at the Company, and Important Concurrent Positions | | | | |
| Apr. 1978 Joined Yamaha Motor Co., Ltd. | | | | |
| Mar. 2009 Officer; General Manager, Procurement Dept., Yamaha Motor Co., Ltd. | | | | |
| Mar. 2010 Senior Officer; General Manager, Procurement Dept., Yamaha Motor Co., Ltd. | | | | |
| Mar. 2011 Director, Member of the Board; Senior Officer; General Manager, Procurement Dept., Yamaha Motor Co., Ltd. | | | | |
| Mar. 2013 Director, Member of the Board; Executive Officer; General Manager, Procurement Dept., Yamaha Motor Co., Ltd. | | | | |
| Jan. 2014 Director, Member of the Board; Executive Officer; Manager, Engine Unit and General Manager, CS Dept., Yamaha Motor Co., Ltd. | | | | |
| Dec. 2016 Trustee, the Graduate School for the Creation of New Photonics Industries (up to present) | | | | |
| Mar. 2017 Adviser, Yamaha Motor Co., Ltd. | | | | |
| Jun. 2017 Outside Director, Fujibo Holdings, Inc. (up to present) | | | | |
| Jun. 2018 Outside Director, Member of the Board of the Company (up to present) | | | | |
| Jun. 2019 Outside Director, Nippon Thompson Co., Ltd. (up to present) | | | | |
| Mar. 2020 Retired from Yamaha Motor Co., Ltd. | | | | |
| [Important concurrent positions] | | | | |
| Outside Director, Fujibo Holdings, Inc. | | | | |
| Outside Director, Nippon Thompson Co., Ltd. | | | | |
| Trustee, the Graduate School for the Creation of New Photonics Industries | | | | |

Reasons for Selection as Candidate for Outside Director, Member of the Board

After having served as important posts such as Director, Member of the Board, Executive Officer of Yamaha Motor, Co., Ltd., Mr. Nobuya Hideshima has held various important posts at corporations and educational institutions, including Outside Director, Fujibo Holdings, Inc. and Trustee, the Graduate School for the Creation of New Photonics Industries. Thus, he possesses a high level of knowledge in management based on his abundant hands-on experience. Heretofore, he has expressed useful opinions regarding management and engaged in appropriate supervision of business execution by Directors, Members of the Board, based on his knowledge. Therefore, the Company believes that he will continue to provide supervision and advice on business execution by Directors, Members of the Board of the Company from his objective position, which will promote the improvement of corporate governance of the Company and the activation of the Board of Directors.

Independence of Outside Director, Member of the Board

There are no special interests including business relationships between the Company and each of Fujibo Holdings, Inc., Nippon Thompson Co., Ltd. and the Graduate School for the Creation of New Photonics Industries.

The Company has registered Mr. Nobuya Hideshima with the Tokyo Stock Exchange, Inc. as an independent director. If he is re-appointed as Director, Member of the Board at this Annual General Meeting of Shareholders, the Company will continue to register him with the said exchange as an independent director.

Limited Liability Agreement

The Company has entered into an agreement with Mr. Nobuya Hideshima that provides a limit on liability for damages under Article 423, paragraph 1 of the Companies Act pursuant to the provisions of the Articles of Incorporation of the Company. The limit on liability under the agreement is the minimum amount of liability stipulated by Article 425, paragraph 1 of the Companies Act. If Mr. Nobuya Hideshima is re-appointed as Director, Member of the Board at this Annual General Meeting of Shareholders, the Company intends to maintain the limited liability agreement with him.

Other Special Matters

None

| No. | Name | Category of Candidates | Date of Birth (Age) | Gender |
|-----|-------------|---|---------------------------------|--------|
| 9 | Seiko Nagai | Reappointment Outside Independent | Jun. 22, 1960 (59 years old) | Female |

| | |
|--|--------------|
| Number of Shares Owned | 0 |
| Term of Office of Director, Member of the Board Served at the Close of This Annual General Meeting of Shareholders | 1 year |
| Attendance at Meetings of the Board of Directors (attendance ratio) | 10/10 (100%) |
| Special Interests between the Candidate and the Company | None |

| | |
|--|---|
| Career Summary, Position and Responsibility at the Company, and Important Concurrent Positions | |
| Apr. 1983 | Joined Japan Airlines Co., Ltd. |
| Apr. 1995 | Cabin attendants training instructor, Japan Airlines Co., Ltd. |
| Apr. 1997 | Qualified as Senior cabin attendant for domestic routes, Japan Airlines Co., Ltd. |
| Apr. 1998 | Qualified as Senior cabin attendant (Chief Purser) for international routes, Japan Airlines Co., Ltd. |
| Oct. 2002 | Responsible for product planning for In-flight Sales Group, Japan Airlines Co., Ltd. |
| Dec. 2006 | Manager, Cabin Attendants, Japan Airlines Co., Ltd. |
| Apr. 2008 | Manager, In-flight Sales Group, Japan Airlines Co., Ltd. |
| Apr. 2012 | Manager, Passenger Cabin Dept., JAL Express Co., Ltd. |
| Oct. 2014 | Manager, Cabin Attendants Section 4, Haneda Airport, Japan Airlines Co., Ltd. |
| Apr. 2015 | Professor, College of Foreign Studies, Kansai Gaidai University (up to present) |
| Jun. 2019 | Outside Director, Member of the Board of the Company (up to present) |

[Important concurrent positions]
Professor, College of Foreign Studies, Kansai Gaidai University

Reasons for Selection as Candidate for Outside Director, Member of the Board

As well as her work at Japan Airlines Co., Ltd. as Chief Purser for international routes, Manager of Cabin Attendants and Manager, Cabin Attendants Section 4, Haneda Airport, Ms. Seiko Nagai also serves as Professor (responsible for hospitality) at the College of Foreign Studies, Kansai Gaidai University, guiding and training her juniors. Thus, she possesses a high level of knowledge in the application of hospitality to corporate activities, based on her abundant hands-on experience. Heretofore, she has expressed useful opinions regarding management and engaged in appropriate supervision of business execution by Directors, Members of the Board, based on her knowledge. Therefore, the Company believes that she will continue to provide supervision and advice on business execution by Directors, Members of the Board of the Company from her objective position, as well as contribute to a more gender diverse Board of Directors, which will promote the improvement of corporate governance of the Company and the activation of the Board of Directors.

Although she has never been involved in corporate management other than serving as Outside Director, Member of the Board, for the reasons given above, the Company expects her to appropriately carry out her duties as Outside Director, Member of the Board.

Independence of Outside Director, Member of the Board

There are no special interests including business relationships between the Company and Kansai Gaidai University.

The Company has registered Ms. Seiko Nagai with the Tokyo Stock Exchange, Inc. as an independent director. If she is re-appointed as Director, Member of the Board at this Annual General Meeting of Shareholders, the Company will continue to register her with the said exchange as an independent director.

Limited Liability Agreement

The Company has entered into an agreement with Ms. Seiko Nagai that provides a limit on liability for damages under Article 423, paragraph 1 of the Companies Act pursuant to the provisions of the Articles of Incorporation of the Company. The limit on liability under the agreement is the minimum amount of liability stipulated by Article 425, paragraph 1 of the Companies Act. If Ms. Seiko Nagai is re-appointed as Director, Member of the Board at this Annual General Meeting of Shareholders, the Company intends to maintain the limited liability agreement with her.

Other Special Matters

The attendance at meetings of the Board of Directors (attendance ratio) of Ms. Seiko Nagai presents the attendance thereof after she assumed the office of Director, Member of the Board on June 21, 2019.

Item No. 3: Election of Two (2) Audit & Supervisory Board Members

The term of office for Audit & Supervisory Board Members Shouichi Kanaida and Shunsaku Yagi expires at the close of this Annual General Meeting of Shareholders. Accordingly, the Company proposes that two (2) Audit & Supervisory Board Members, be elected.

As for the proposal, the consent of the Audit & Supervisory Board has been obtained.

The candidates for Audit & Supervisory Board Members are as described on pages 19 to 21.

| No. | Name | Category of Candidates | Current position in the Company | Attendance at Meetings of the Board of Directors (Attendance Ratio) | Attendance at Meetings of the Audit & Supervisory Board (Attendance Ratio) | Term of Office of Audit & Supervisory Board Member | Gender |
|-----|-----------------|-------------------------------|---------------------------------|---|--|--|--------|
| 1 | Hiroichi Sano | New | - | - | - | - | Male |
| 2 | Fumihiko Kimura | New Outside Independent | - | - | - | - | Male |

New

Outside

Independent

Candidate for Audit & Supervisory Board Member to be newly appointed

Candidate for Outside Audit & Supervisory Board Member

Candidate for Independent Audit & Supervisory Board Member as prescribed by the Tokyo Stock Exchange, Inc.

| No. | Name | Category of Candidates | Date of Birth (Age) | Gender |
|--|---------------|------------------------|---------------------------------|--------|
| 1 | Hiroichi Sano | New | Mar. 11, 1955 (65 years old) | Male |
| Number of Shares Owned | | 6,000 | | |
| Term of Office of Audit & Supervisory Board Member Served at the Close of This Annual General Meeting of Shareholders | | - | | |
| Attendance at Meetings of the Board of Directors (Attendance Ratio) | | - | | |
| Attendance at Meetings of the Audit & Supervisory Board (Attendance Ratio) | | - | | |
| Special Interests between the Candidate and the Company | | None | | |
| Career Summary, Position at the Company, and Important Concurrent Positions | | | | |
| Apr. 1980 Joined ShinMaywa Engineering, Ltd. (currently Parking Systems Div. of the Company) | | | | |
| Jun. 2007 Director, ShinMaywa Engineering, Ltd. | | | | |
| Jun. 2009 Executive Officer of the Company General Manager, Maintenance Service Dept., Parking Systems Div. of the Company | | | | |
| Apr. 2010 Managing Executive Officer of the Company General Manager, Parking Systems Management Div. of the Company | | | | |
| Jun. 2012 Director, Member of the Board of the Company General Manager, Parking Systems Div. of the Company | | | | |
| Jun. 2015 Representative Director, President and Chief Executive Officer, TOKYO ENGINEERING SYSTEMS CORPORATION (currently ShinMaywa Parking Technologies, Ltd.) | | | | |
| Jun. 2019 Adviser, ShinMaywa Parking Technologies, Ltd. (up to present) | | | | |
| Reasons for Selection as Candidate for Audit & Supervisory Board Member | | | | |
| Mr. Hiroichi Sano has fulfilled his duties for a long time as a person responsible for the Parking Systems business, and has held various important posts, including Director, Member of the Board and Managing Executive Officer of the Company, General Manager, Parking Systems Management Division of the Company, President and Chief Executive Officer, TOKYO ENGINEERING SYSTEMS CORPORATION (currently ShinMaywa Parking Technologies, Ltd.), assuming heavy management responsibilities. He is familiar with laws and regulations related to corporate management, and has a broad range of knowledge and experience. Therefore, the Company believes that he will contribute to the further improvement of the Company's audit functions and the corporate governance. | | | | |
| Limited Liability Agreement | | | | |
| If Mr. Hiroichi Sano is elected as Audit & Supervisory Board Member at this Annual General Meeting of Shareholders, the Company will enter into an agreement with him that provides a limit on liability for damages under Article 423, paragraph 1 of the Companies Act pursuant to the provisions of the Articles of Incorporation of the Company. The limit on liability under the agreement is the minimum amount of liability stipulated by Article 425, paragraph 1 of the Companies Act. | | | | |
| Other Special Matters | | | | |
| Mr. Hiroichi Sano will resign from the office of Adviser, ShinMaywa Parking Technologies, Ltd. at the close of the annual general meeting of shareholders of the same company to be held on June 19, 2020. | | | | |

| No. | Name | Category of Candidates | Date of Birth (Age) | Gender |
|---|-----------------|-------------------------------|--------------------------------|--------|
| 2 | Fumihiko Kimura | New Outside Independent | Nov. 3, 1953 (66 years old) | Male |
| Number of Shares Owned | | 0 | | |
| Term of Office of Audit & Supervisory Board Member Served at the Close of This Annual General Meeting of Shareholders | | - | | |
| Attendance at Meetings of the Board of Directors (Attendance Ratio) | | - | | |
| Attendance at Meetings of the Audit & Supervisory Board (Attendance Ratio) | | - | | |
| Special Interests between the Candidate and the Company | | None | | |
| Career Summary, Position at the Company, and Important Concurrent Positions Nov. 1976 Joined Tohmatsu Awoki & Co. (currently Deloitte Touche Tohmatsu LLC) Mar. 1980 Registered as certified public accountant May 1992 Partner, Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC) Jun. 2015 Auditor, The Kyoto University Foundation (up to present) Dec. 2018 Retired from Deloitte Touche Tohmatsu LLC Jan. 2019 Director, Fumihiko Kimura Certified Public Accountant Office (up to present) Jun. 2019 Outside Audit & Supervisory Board Member, KATSUYAMA KIKAI, LTD. (up to present) [Important concurrent positions] Auditor, The Kyoto University Foundation Outside Audit & Supervisory Board Member, KATSUYAMA KIKAI, LTD. Director, Fumihiko Kimura Certified Public Accountant Office | | | | |
| Reasons for Selection as Candidate for Outside Audit & Supervisory Board Member Mr. Fumihiko Kimura has a high level of accounting knowledge based on his abundant hands-on experience as a certified public accountant. As he is also familiar with situation that surrounds corporate accounting in Japan from serving in important positions such as Auditor, The Kyoto University Foundation and Outside Audit & Supervisory Board Member, KATSUYAMA KIKAI, LTD., the Company concluded that he will perform objective and fair audits and provide valuable opinions to the Board of Directors primarily from the accounting viewpoints. Although he has never been involved in corporate management other than serving as Outside Audit & Supervisory Board Member, for the reasons given above, the Company expects him to appropriately carry out his duties as Outside Audit & Supervisory Board Member. | | | | |
| Independence of Outside Audit & Supervisory Board Member Although the Company and KATSUYAMA KIKAI, LTD. have a business relationship pertaining to procurement of materials, the ratio of the annual transaction amount to sales of the Company and KATSUYAMA KIKAI, LTD. is less than 1%. Therefore, there are no special interests that affects the independence as Outside Audit & Supervisory Board Member. In addition, there are no special interests including business relationships between the Company and The Kyoto University Foundation and Fumihiko Kimura Certified Public Accountant Office. If Mr. Fumihiko Kimura is elected as Audit & Supervisory Board Member at this Annual General Meeting of Shareholders, the Company will register him with the Tokyo Stock Exchange Group, Inc. as an Independent Audit & Supervisory Board Member. | | | | |
| Limited Liability Agreement If Mr. Fumihiko Kimura is elected as Audit & Supervisory Board Member at this Annual General Meeting of Shareholders, the Company will enter into an agreement with him that provides a limit on liability for damages under Article 423, paragraph 1 of the Companies Act pursuant to the provisions of the Articles of Incorporation of the Company. The limit on liability under the agreement is the minimum amount of liability stipulated by Article 425, paragraph 1 of the | | | | |

| |
|--------------------------------------|
| Companies Act. |
| Other Special Matters None |

Item No. 4: Payment of Bonuses to Directors, Members of the Board

It is proposed that, taking into consideration the business performance of the Company during the fiscal year ended March 31, 2020 and other factors, a total of 89,800,000 yen (4,800,000 yen for Outside Directors, Members of the Board) be paid to nine (9) Directors, Members of the Board (three (3) of whom are Outside Directors, Members of the Board) who held office at the end of the said fiscal year. It is also proposed that the Board of Directors shall decide the specific amounts to be paid to each Director, Member of the Board, timing of payment, and other details of the bonuses.

The Company's "Nomination and Compensation Committee," which is comprised of a majority of Outside Directors, Members of the Board, is consulted prior to a decision on the total amount and allocation of bonuses to Directors, Members of the Board, ensuring the transparency and appropriateness of compensation decisions.

Item No. 5: Revision of Compensation Amounts for Directors, Members of the Board

The compensation of Directors, Members of the Board of the Company is comprised of monthly compensation (fixed compensation) and bonuses (performance-based compensation). With regard to monthly compensation, approval was given at the 88th Annual General Meeting of Shareholders held on June 26, 2012 for a monthly amount of compensation not exceeding 25 million yen (including up to 2 million yen for Outside Directors, Members of the Board, but not including compensation received in the capacity of employee by Directors, Members of the Board concurrently serving as employees). These limits still apply at present. It is proposed to amend these limits on monthly compensation to limits on yearly compensation, and revise the total amount of compensation for Directors, Members of the Board, including bonuses, to an amount not exceeding 520 million yen per year (including up to 60 million yen per year for Outside Directors, Members of the Board, to whom bonuses shall not be paid, but not including compensation received in the capacity of employee by Directors, Members of the Board concurrently serving as employees).

There are presently nine (9) Directors, Members of the Board of the Company, including three (3) Outside Directors, Members of the Board. If Item No. 2 “Election of Nine (9) Directors, Members of the Board” is approved and passed as proposed, there will be nine (9) Directors, Members of the Board of the Company, including three (3) Outside Directors, Members of the Board.

Item No. 6: Determination of Compensation for Granting Shares with Restriction on Transfer to Directors, Members of the Board (Excluding Outside Directors, Members of the Board)

If Item No. 5 “Revision of Compensation Amounts for Directors, Members of the Board” is approved and passed as proposed, the yearly compensation limit for Directors, Members of the Board of the Company, including bonuses, will be 520 million yen per year (including up to 60 million yen per year for Outside Directors, Members of the Board, to whom bonuses shall not be paid, but not including compensation received in the capacity of employee by Directors, Members of the Board concurrently serving as employees).

As part of a review of the directors’ compensation system, the Company requests approval to provide compensation for granting shares with restriction on transfer to Directors, Members of the Board (excluding Outside Directors, Members of the Board; hereinafter the “Eligible Directors”), separately from the compensation framework above, with the aim of providing Eligible Directors with incentives for achieving sustainable improvement of the Company’s corporate value, as well as promoting further sharing of the value with all shareholders.

Compensation for granting shares with restriction on transfer under this proposal shall be provided to Eligible Directors in the form of monetary claims (hereinafter the “Monetary Compensation Claims”), the total amount of which will be a yearly amount of up to 50 million yen (not including compensation received in the capacity of employee by Directors, Members of the Board concurrently serving as employees), which is deemed an appropriate amount in view of the purposes described above. The Board of Directors shall determine the specific timing and allocation of compensation to each Eligible Director. However, compensation for granting shares with restriction on transfer shall not be provided to Outside Directors, Members of the Board.

There are presently nine (9) Directors, Members of the Board of the Company, including three (3) Outside Directors, Members of the Board. If Item No. 2 “Election of Nine (9) Directors, Members of the Board” is approved and passed as proposed, there will be nine (9) Directors, Members of the Board of the Company, including three (3) Outside Directors, Members of the Board.

Eligible Directors will pay in the whole amount of the Monetary Compensation Claims to be provided under this proposal, based on a resolution of the Board of Directors, as property contributed in kind and receive common shares of the Company to be issued or disposed of by the Company. The total number of common shares issued or disposed of by the Company in this way will be up to 75,000 shares per year. However, should the Company’s common shares undergo a share split (including allotment of the Company’s common shares without contribution), consolidation of shares, or other cause necessitating adjustment to the total number of common shares to be issued or disposed of as shares with restriction on transfer, on or after the date of the approval and passing of this Item, the total number of common shares shall be adjusted as necessary within a reasonable range.

The amount to be paid in per share will be determined by the Board of Directors, based on the closing price of the Company’s common shares on the Tokyo Stock Exchange on the last business day before the date of the resolution of the Board of Directors (if trading is not effected on that date, the closing price on the last trading day of the Company’s shares preceding that date) within a range that is not particularly favorable to the Eligible Directors receiving the common shares. When issuing or disposing of the Company’s common shares under this arrangement, an agreement for allotment of shares with restriction on transfer (hereinafter the “Allotment Agreement”) that includes the content below, shall be concluded between the Company and the Eligible Directors.

(1) Transfer restriction period

An Eligible Director shall not transfer, pledge or otherwise dispose of common shares of the Company allotted under the Allotment Agreement (hereinafter the "Allotted Shares"), for the period (hereinafter the "Transfer Restriction Period") beginning from the day when the shares were allotted under the Allotment Agreement, and concluding immediately after the Eligible Director retires or resigns from the office of Director, Member of the Board, Executive Officer, Executive, Specialist Officer, Audit & Supervisory Board Member, employee, Advisor, Counselor or equivalent office of the Company or its Group companies. These restrictions are hereinafter referred to as the "Transfer Restrictions".

(2) Treatment at the time of retirement or resignation

Where an Eligible Director retires or resigns from the office of Director, Member of the Board, Executive Officer, Executive, Specialist Officer, Audit & Supervisory Board Member, employee, Advisor, Counselor or equivalent office of the Company or its Group companies, except where due to the expiration of the Eligible Director's term of office or other proper cause, the Company shall rightfully acquire the Allotted Shares free of charge.

(3) Removal of the Transfer Restrictions

Notwithstanding the provisions of (1) above, the Company shall remove the Transfer Restrictions on all of the Allotted Shares at the conclusion of the Transfer Restriction Period, conditional upon the Eligible Director having served continuously in the office of Director, Member of the Board, Executive Officer, Executive, Specialist Officer, Audit & Supervisory Board Member, employee, Advisor, Counselor or equivalent office of the Company or its Group companies, for the entire duration of the Transfer Restriction Period. However, where the Eligible Director retires or resigns with proper cause from the office of Director, Member of the Board, Executive Officer, Executive, Specialist Officer, Audit & Supervisory Board Member, employee, Advisor, Counselor or equivalent office of the Company or its Group companies, after the commencement of the Transfer Restriction Period and before the expiration of the period prescribed by the Company's Board of Directors, the number of the Allotted Shares for which the Transfer Restrictions will be removed, and the timing of this removal, shall be reasonably adjusted, as necessary. The Company shall rightfully acquire, free of charge, the remaining Allotted Shares for which the Transfer Restrictions have not been removed, immediately subsequent to the removal of the Transfer Restrictions in accordance with the provisions above.

(4) Treatment of organizational restructuring etc.

Notwithstanding the provisions in (1) above, where a merger agreement with the Company as the non-surviving company, a share exchange agreement or a share transfer plan where the Company becomes a wholly-owned subsidiary, or another matter concerning an organizational restructuring etc. is approved by the Company's General Meeting of Shareholders (or the Company's Board of Directors, for organizational restructuring etc. that does not require the approval of the General Meeting of Shareholders) during the Transfer Restriction Period, the Transfer Restrictions may be removed before the effective date of the organizational restructuring etc. by resolution of the Board of Directors, for a number of the Allotted Shares to be determined reasonably based upon the length of the period from the day when the Transfer Restriction Period commenced to the day when the organizational restructuring etc. was approved. The Company shall rightfully acquire, free of charge, the remaining Allotted Shares for which the Transfer Restrictions have not been removed immediately subsequent to the removal of the Transfer Restrictions in accordance with the provisions above.

(5) Other matters

Other matters concerning the Allotment Agreement shall be determined by the Company's Board of Directors.

(End of document)