

[Note]

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(Securities code: 7224)

June 4, 2021

## **ShinMaywa Industries, Ltd.**

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

### **Notice of the 97th Annual General Meeting of Shareholders**

Dear Shareholders:

Please be informed that the 97th Annual General Meeting of Shareholders of ShinMaywa Industries, Ltd. (the “Company”) will be held as follows.

**In order to prevent the spread of COVID-19, we request our shareholders to refrain from attending the meeting in person, and, instead, 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.**

**This year, the meeting will be streamed on the Internet. Please refer to “Information on Streaming of the Meeting on the Internet” on page 5 (Japanese original) and view the meeting.**

Very truly yours,

Tatsuyuki Isogawa

President and Chief Executive Officer

**1. Date and Time** Thursday, June 24, 2021 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 97th Business Term (from April 1, 2020 to March 31, 2021)
2. Report on the audit results of the Consolidated Financial Statements for the 97th Business Term (from April 1, 2020 to March 31, 2021) by the Accounting Auditors and the Audit & Supervisory Board

**Matters to Be  
Resolved**

- |                   |  |
|-------------------|--|
| <b>Item No. 1</b> | Appropriation of Retained Earnings                   |
| <b>Item No. 2</b> | Election of Nine (9) Directors, Members of the Board |
| <b>Item No. 3</b> | Election of One (1) Audit & Supervisory Board Member |

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- ◎ 6. 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, five 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 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 Wednesday, June 23, 2021 (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 Wednesday, June 23, 2021 (JST)

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 Thursday, June 24, 2021 (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 97th Business Term is described as follows:

##### Year-end Dividend

The Company's basic policy on dividends during the period covered by the Medium-term Management Plan "Change for Growing, 2020" is to maintain a dividend payout ratio of 40-50% on a consolidated basis, 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, which is the final year covered by the Medium-term Management Plan, will be 19 yen per share.

Including the interim dividend (19 yen per share), the total annual dividend for this fiscal year will therefore be 38 yen per share.

- (1) Allocation of the asset distributed as dividend to shareholders and the total amount thereof

Dividend per Share of Common Stock: 19 yen

Total Amount: 1,249,142,593 yen

- (2) Dividend Effective Date

June 25, 2021

##### (Reference) Change of Dividend and Payout Ratio

	94th Fiscal year ended March 31, 2018	95th Fiscal year ended March 31, 2019	96th Fiscal year ended March 31, 2020	97th Fiscal year ended March 31, 2021
Dividend per share (Yen)	23	45	87	38
Interim (Yen)	7	18	66	19
Year-end (Yen)	16	27	21	19
Consolidated payout ratio (%)	31.0	58.9	76.9	45.5

(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 7 to 18:

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%)	6 years	Male
2	Kanji Ishimaru	Reappointment	Director, Member of the Board, Deputy Chief Executive Officer	12/12 (100%)	9 years	Male
3	Katsuyuki Tanuma	Reappointment	Director, Member of the Board, Senior Managing Executive Officer	12/12 (100%)	5 years	Male
4	Atsushi Itami	Reappointment	Director, Member of the Board, Managing Executive Officer	12/12 (100%)	4 years	Male
5	Akira Nishioka	Reappointment	Director, Member of the Board, Managing Executive Officer	12/12 (100%)	2 years	Male
6	Toshiki Kume	Reappointment	Director, Member of the Board, Managing Executive Officer	12/12 (100%)	2 years	Male
7	Yoshifumi Kanda	Reappointment Outside Independent	Outside Director, Member of the Board	12/12 (100%)	3 years	Male
8	Nobuya Hideshima	Reappointment Outside Independent	Outside Director, Member of the Board	12/12 (100%)	3 years	Male
9	Seiko Nagai	Reappointment Outside Independent	Outside Director, Member of the Board	12/12 (100%)	2 years	Female

Reappointment

Outside

Independent

Candidate for Director, Member of the Board to be reappointed

Candidate for Outside Director, Member of the Board

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

Note: The Company has entered into a directors and officers liability insurance contract (D&O insurance), as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company. Each candidate for Director will become the insured under the D&O insurance, if they are elected as Director. The D&O insurance policy is outlined below and the Company intends to renew it in June 2021 with the same content.

1) Outline of insured events

Damages and litigation expenses up to 2 billion yen in the event that the insured is liable to the Company or a third party for damages arising from execution of their duties

2) Period of the policy

1 year

3) Ratio of the premium substantially borne by the insured

The insurance premiums for all the insured are fully borne by the Company.

4) Measures not to impair appropriateness of execution of duties by the insured

Under the contract with the insurance company, liability for damages to be assumed by the insured arising from wrongful execution of duties by the insured is exempt from the insurance coverage, such as a claim for damages arising from the insured receiving personal advantage or benefit illegally, a claim for damages arising from a criminal act of the insured, or a claim for damages arising from a decision or act by the insured that was outside the scope of the authority with which he or she was endowed by the Company, so as not to impair appropriateness of execution of duties by the insured.

No.	Name	Category of Candidates	Date of Birth (Age)	Gender
1	Tatsuyuki Isogawa	Reappointment	Jul. 2, 1959 (61 years old)	Male
Number of Shares Owned		16,400		
Term of Office of Director, Member of the Board Served at the Close of This Annual General Meeting of Shareholders		6 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 (63 years old)	Male
Number of Shares Owned		5,200		
Term of Office of Director, Member of the Board Served at the Close of This Annual General Meeting of Shareholders		9 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 (65 years old)	Male
Number of Shares Owned		4,100		
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. 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				
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 (64 years old)	Male
Number of Shares Owned		24,600		
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. 1979    Joined the Company				
Apr. 2014    Executive Officer of the Company Vice President, Sales & Marketing Dept., Special Purpose Truck Div. of the Company				
Apr. 2015    Senior Vice President, Special Purpose Truck Div. of the Company				
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 (63 years old)	Male
Number of Shares Owned		7,900		
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		
<b>Career Summary, Position and Responsibility at the Company, and Important Concurrent Positions</b> 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. 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.				
<b>Reasons for Selection as Candidate for Director, Member of the Board</b> 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.				
<b>Other Special Matters</b> None				

No.	Name	Category of Candidates	Date of Birth (Age)	Gender
6	Toshiki Kume	Reappointment	Jan. 27, 1967 (54 years old)	Male
Number of Shares Owned		6,100		
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. 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				
None				

No.	Name	Category of Candidates	Date of Birth (Age)	Gender
7	Yoshifumi Kanda	Reappointment Outside Independent	Mar. 10, 1952 (69 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		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. 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 and Expected Role**

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. Based on his experience and knowledge, the Company mainly expects him to supervise the Company's management, provide advice concerning management from an objective standpoint independent from the management team, and provide broad and diverse perspectives to assist the Company to achieve enhancement of medium- to long-term corporate value and sustainable growth.

**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 (67 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		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. 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				
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.				
Nov. 2020    Retired from the Graduate School for the Creation of New Photonics Industries				
[Important concurrent positions]				
Outside Director, Fujibo Holdings, Inc.				
Outside Director, Nippon Thompson Co., Ltd.				

**Reasons for Selection as Candidate for Outside Director, Member of the Board and Expected Role**

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. Based on his experience and knowledge, the Company mainly expects him to supervise the Company's management, provide advice concerning management from an objective standpoint independent from the management team, and provide broad and diverse perspectives to assist the Company to achieve enhancement of medium- to long-term corporate value and sustainable growth.

**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. and Nippon Thompson Co., Ltd.

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 (60 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			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. 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 and Expected Role**

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. Based on her experience and knowledge, the Company mainly expects her to supervise the Company's management, provide advice concerning management from an objective standpoint independent from the management team, and provide broad and diverse perspectives to assist the Company to achieve enhancement of medium- to long-term corporate value and sustainable growth.

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 believes that she will 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**

Ms. Seiko Nagai is a candidate for Outside Director of Oji Holdings Corporation and if she is elected as an Outside Director at its Ordinary General Meeting of Shareholders to be held on June 29, 2021, she will assume the office of Outside Director of Oji Holdings Corporation. There are no special interests including business relationships between the Company and Oji Holdings Corporation.

### [Reference] Directors' Experience, Skills, and Specialty

If this proposal is approved, the composition of the Board of Directors and experience, skills, and specialty of each Director will be as presented in the table below.

	Management experience	Experience of multiple businesses	Finance / accounting / capital policy	Legal affairs / compliance	Risk management	Corporate strategy (Corporate planning)	Human resources / labor affairs / human resource development
Tatsuyuki Isogawa	•	•				•	
Kanji Ishimaru	•	•			•	•	
Katsuyuki Tanuma	•					•	
Atsushi Itami	•	•				•	
Akira Nishioka	•	•		•	•	•	•
Toshiki Kume	•	•	•			•	
Yoshifumi Kanda	•	•				•	
Nobuya Hideshima	•	•				•	•
Seiko Nagai							•

	Manufacturing / procurement / production technology / quality assurance	Sales / CS / service / marketing	Engineering / R&D	Hospitality	International experience	ESG / sustainability	Digital / ICT
Tatsuyuki Isogawa		•	•				
Kanji Ishimaru			•		•	•	•
Katsuyuki Tanuma	•		•				
Atsushi Itami		•					
Akira Nishioka						•	
Toshiki Kume							
Yoshifumi Kanda		•			•		•
Nobuya Hideshima	•	•	•		•		
Seiko Nagai		•		•	•		

### **Item No. 3: Election of One (1) Audit & Supervisory Board Member**

Audit & Supervisory Board Member Hiroichi Sano passed away on December 17, 2020 and retired from office. Accordingly, in order to maintain the audit & supervisory system, the Company proposes that one (1) Audit & Supervisory Board Member be elected.

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

The detailed information of the candidate for Audit & Supervisory Board Member is as described on page 21.

Note: The Company has entered into a directors and officers liability insurance contract (D&O insurance), as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company. The candidate for Audit & Supervisory Board Member will become the insured under the D&O insurance, if he is elected as Audit & Supervisory Board Member. The D&O insurance policy is outlined below and the Company intends to renew it in June 2021 with the same content.

1) Outline of insured events

Damages and litigation expenses up to 2 billion yen in the event that the insured is liable to the Company or a third party for damages arising from execution of their duties

2) Period of the policy

1 year

3) Ratio of the premium substantially borne by the insured

The insurance premiums for all the insured are fully borne by the Company.

4) Measures not to impair appropriateness of execution of duties by the insured

Under the contract with the insurance company, liability for damages to be assumed by the insured arising from wrongful execution of duties by the insured is exempt from the insurance coverage, such as a claim for damages arising from the insured receiving personal advantage or benefit illegally, a claim for damages arising from a criminal act of the insured, or a claim for damages arising from a decision or act by the insured that was outside the scope of the authority with which he or she was endowed by the Company, so as not to impair appropriateness of execution of duties by the insured.

Name	Category of Candidates	Date of Birth (Age)	Gender
Tadahiro Shimasaka	New	Oct. 11, 1957 (63 years old)	Male

<b>Number of Shares Owned</b>	2,300
<b>Special Interests between the Candidate and the Company</b>	None
<b>Career Summary, Position at the Company, and Important Concurrent Positions</b> Apr. 1980    Joined the Company Apr. 2010    Deputy General Manager, Industrial Machinery Sales & Marketing Dept., Corporate Sales & Marketing Div. of the Company Apr. 2012    Deputy General Manager, Fluid Div.; General Manager, Sales & Marketing Dept., Fluid Div. of the Company Apr. 2014    Deputy General Manager, Fluid Div.; General Manager, Business Planning Dept., Fluid Div. of the Company Jun. 2014    Representative Director, President and Chief Executive Officer, ShinMaywa Aqua Technology Service, Ltd. (up to present) Apr. 2015    Deputy General Manager, Fluid Div. of the Company	
<b>Reasons for Selection as Candidate for Audit &amp; Supervisory Board Member</b> Mr. Tadahiro Shimasaka has fulfilled his duties for a long time as a person responsible for sales & marketing and service and maintenance at the Fluid business, and has held various important posts, including Deputy General Manager, Fluid Div. and General Manager, Sales & Marketing Dept., Fluid Div. of the Company, and Representative Director, President and Chief Executive Officer, ShinMaywa Aqua Technology Service, 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 enhancement of the Company's audit functions and the improvement of corporate governance.	
<b>Limited Liability Agreement</b> If Mr. Tadahiro Shimasaka 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.	
<b>Other Special Matters</b> Mr. Tadahiro Shimasaka will retire from the office of Representative Director, President and Chief Executive Officer of ShinMaywa Aqua Technology Service, Ltd. at the close of the annual general meeting of shareholders of the same company to be held on June 22, 2021 upon expiration of his term of office.	

**[Reference] Audit & Supervisory Board Members' Experience, Skills, and Specialty**

If this proposal is approved, the composition of the Audit & Supervisory Board and experience, skills, and specialty of each Audit & Supervisory Board Member will be as presented in the table below.

	Management experience	Experience of multiple businesses	Finance / accounting / capital policy	Legal affairs / compliance	Risk management	Corporate strategy (Corporate planning)	Human resources / labor affairs / human resource development
Koji Nishida			•		•		
Tadahiro Shimasaka	•	•				•	
Tomosaburo Kinda	•	•	•	•	•	•	•
Eri Sugiyama				•			
Fumihiko Kimura			•		•		

	Manufacturing / procurement / production technology / quality assurance	Sales / CS / service / marketing	Engineering / R&D	Hospitality	International experience	ESG / sustainability	Digital / ICT
Koji Nishida							
Tadahiro Shimasaka		•					
Tomosaburo Kinda						•	
Eri Sugiyama							
Fumihiko Kimura							

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