

June 7, 2022

To shareholders,

Company name: ShinMaywa Industries, Ltd.
Representative: Tatsuyuki Isogawa, President and Chief Executive Officer
(Code number: 7224; Tokyo Stock Exchange, Prime Market)
Head office: 1-1 Shinmeiwa-cho, Takarazuka-shi, Hyogo
Contact: Takayuki Yamanishi, Manager, Legal Affairs Section,
Legal Department (TEL: +81-798-56-5004)

Supplement to Item No. 4 of the 98th Annual General Meeting of Shareholders

We express our deep gratitude for your continued cooperation.

Regarding Item No. 4 “Election of Two (2) Audit & Supervisory Board Members,” which is included in the matters for resolution that are to be proposed at the 98th annual general meeting of shareholders of ShinMaywa Industries, Ltd. (the “Company”) to be held on June 24, 2022, the Company obtained information that Institutional Shareholders Services, Inc. (“ISS”; an advisory company on the exercise of voting rights) is recommending that shareholders oppose the appointment of candidate No. 1, Mr. Tomosaburo Kinda (the “Candidate”). The reason for the opposition is that the Candidate’s independence as an Audit & Supervisory Board Member is not sufficiently maintained.

In response, the Company provides supplementary explanations regarding the independence of the Candidate, as set forth below.

We would be grateful if shareholders would read the supplementary explanations and vote in favor of the appointment of the Candidate.

1. Supplementary explanations regarding independence of the Candidate
 - (1) As stated on page 22 and 23 of the “Notice of the 98th Annual General Meeting of Shareholders,” the Candidate was working at Sumitomo Mitsui Banking Corporation, from which the Company is borrowing money; however, more than 18 years have passed since he retired from the bank in March 2004.
 - (2) After retiring from the bank, the Candidate worked at Noritz Corporation and Noritz Capital Corporation for 11 years from March 2004 to March 2015. During that period, he assumed important offices, including those of: an Audit & Supervisory Board Member, as well as a Director, Managing Executive Officer and General Manager of the Administrative Division, of Noritz Corporation; and President and Representative Director of Noritz Capital Corporation. Thereafter, for three years from May 2015 to May 2018, he assumed the office of Standing Director and Secretary General of Kobe Association of Corporate Executives.
 - (3) In light of the elapse of time and the Candidate’s career history as stated above, the Company has determined that there is no special relationship between the Candidate and Sumitomo Mitsui Banking Corporation; and that there is no issue concerning the independence of the Candidate as an Outside Audit & Supervisory Board Member.

2. Reference: “Notice of the 98th Annual General Meeting of Shareholders” page 22
Item No. 4: Election of Two (2) Audit & Supervisory Board Members

| No. | Name | Category of Candidates | Date of Birth (Age) | Gender |
|-----|------------------|---|--------------------------------|--------|
| 1 | Tomosaburo Kinda | Reappointment Outside Independent | Jan. 2, 1952 (70 years old) | Male |

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|--|---|
| Number of Shares Owned | 0 |
| Term of Office of Audit & Supervisory Board Member 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%) |
| Attendance at Meetings of the Audit & Supervisory Board (attendance ratio) | 12/12 (100%) |
| Career Summary, Position at the Company, and Important Concurrent Positions | |
| Apr. 1974 | Joined Taiyo-Kobe Bank Limited (currently Sumitomo Mitsui Banking Corporation) |
| Oct. 1994 | Manager, Utajimabashi Branch, The Sakura Bank, Limited (currently Sumitomo Mitsui Banking Corporation) |
| Jan. 1996 | Deputy Manager, Kansai Investigation Dept., The Sakura Bank, Limited (currently Sumitomo Mitsui Banking Corporation) |
| Apr. 2001 | Manager, Dojima Corporate Business Second Office, Sumitomo Mitsui Banking Corporation |
| Oct. 2002 | Manager, Dojima Corporate Business First Office, Sumitomo Mitsui Banking Corporation |
| Dec. 2003 | Provisional Auditor, Noritz Corporation |
| Mar. 2004 | Full-time Audit & Supervisory Board Member, Noritz Corporation Retired from Sumitomo Mitsui Banking Corporation |
| Mar. 2009 | Director, Managing Executive Officer General Manager, Administrative Division, Noritz Corporation President and Representative Director, Noritz Capital Corporation |
| Jan. 2014 | Retired from Noritz Capital Corporation |
| Sep. 2014 | Director (in charge of Governance), Noritz Corporation |
| Mar. 2015 | Retired from Noritz Corporation |
| May 2015 | Standing Director Secretary General, Kobe Association of Corporate Executives |
| May 2018 | Retired from Kobe Association of Corporate Executives |
| Jun. 2018 | Outside Audit & Supervisory Board Member of the Company (up to present) |
| Sep. 2020 | Certified Fraud Examiner |

Reasons for Selection as Candidate for Outside Audit & Supervisory Board Member

Mr. Tomosaburo Kinda has held various important posts, including Manager, Dojima Corporate Business First Office, Sumitomo Mitsui Banking Corporation and Audit & Supervisory Board Member and Director, Managing Executive Officer, etc., Noritz Corporation as well as Standing Director Secretary General, Kobe Association of Corporate Executives. Thus, he possesses a high level of knowledge in corporate management based on his abundant hands-on experience. In addition, he is a Certified Fraud Examiner. Therefore, the Company believes that he will perform objective and fair audits and provide valuable opinions to the Board of Directors.

Independence of Outside Audit & Supervisory Board Member

The Company is borrowing money from Sumitomo Mitsui Banking Corporation where Mr. Tomosaburo Kinda used to work. However, 18 years or more have passed since he retired from the said bank in March 2004 and his relationship with the said bank has diluted, and therefore, it does not have any impact on his independence as Outside Audit & Supervisory Board Member.

The Company has registered Mr. Tomosaburo Kinda with the Tokyo Stock Exchange, Inc. as an independent auditor. If he is re-appointed as Audit & Supervisory Board Member at this Annual General Meeting of Shareholders, the Company will continue to register him with the said exchange as an independent auditor.

Limited Liability Agreement

The Company has entered into an agreement with Mr. Tomosaburo Kinda 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. Tomosaburo Kinda is re-appointed as Audit & Supervisory Board Member at this Annual General Meeting of Shareholders, the Company intends to maintain the limited liability agreement with him.

Other Special Matters

None