

May 25, 2023

[Updated] Notice on Change of Accounting Auditor

Company name: **SMC Corporation**
Stock exchange listing: Tokyo Stock Exchange, Prime Market
Security code: 6273
URL: <https://www.smcworld.com/ir/en/>
Representative: Yoshiki Takada, President
Contact person: Akinori Kato, General Manager of Corporate Communications Office
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SMC Corporation hereby announces that its Board of Corporate Auditors held on May 23, 2023, resolved to change its Accounting Auditor, who performs the audit certification set forth in the Article 193-2, paragraphs (1) and (2) of the Financial Instruments and Exchange Act, and its Board of Directors also resolved to submit a proposal as “Appointment of Accounting Auditor” to the 64th Annual General Meeting of Shareholders scheduled on June 29, 2023.

1. Scheduled date of change

June 29, 2023 (scheduled date of the 64th Annual General Meeting of Shareholders)

2. Overview of incoming and retiring Accounting Auditors

(1) Overview of incoming Accounting Auditor

(a) Name	Ernst & Young ShinNihon LLC
(b) Location	1-1-2 Yurakucho, Chiyoda-ku, Tokyo Midtown Hibiya, Hibiya Mitsui Tower, Tokyo
(c) Name of engagement partners	Hirofumi Harashina, Mamoru Wakino
(d) Registration status of the Registration System for Auditors of Listed Companies under the provisions of the Certified Public Accountants Act	Deemed to have registered pursuant to Article 3, Paragraph 3 of the Supplementary Provisions of the Revised Certified Public Accountants Act.

(2) Overview of retiring Accounting Auditor

(a) Name	Seiyo Audit Corporation
(b) Location	1-22-10 Nishi-Shimbashi, Minato-ku, Tokyo Nishi-Shimbashi Annex Building 2F
(c) Name of engagement partners	Takashi Saito, Takahiro Otofujii, Naoto Nakayama

3. Reason for selecting the party stated in 2. (1) as a candidate for Accounting Auditor

The Board of Corporate Auditors has selected Ernst & Young ShinNihon LLC as a candidate for Accounting Auditor because, in consideration of the length of consecutive auditing years of the current accounting auditor, the appointment of Ernst & Young ShinNihon LLC is expected to provide a fresh perspective on audit.

In addition, the Board of Corporate Auditors has determined that the expertise, independence, quality control system, and global audit system of Ernst & Young ShinNihon LLC are suitable for Accounting Auditor, based on the review criteria established by the Board of Corporate Auditors.

4. Date of original appointment of retiring Accounting Auditor

June 29, 2011

* The date of appointment of CPA Oh-Yu Kyodo-Office, the previous form of Seiyo Audit Corporation, was June 28, 1985.

5. Opinions on audit reports and other documents prepared by the retiring Accounting Auditor over the last three years

Not applicable

6. Reason and background for determining or leading to change

The term of office of Seiyo Audit Corporation, our accounting auditor, will expire at the conclusion of the 64th Annual General Meeting of Shareholders to be held on June 29, 2023.

The Board of Corporate Auditors considers that the current accounting auditor has sufficient systems in place to ensure that accounting audits are conducted appropriately and properly. However, in consideration of the length of consecutive auditing years of the current accounting auditor, the Board of Corporate Auditors has considered a review of the accounting auditor, assuming an audit response and business expansion appropriate to the nature of our business.

As a result of receiving proposals from several audit firms including the current accounting auditor and reviewing their proposals, Ernst & Young ShinNihon LLC was selected as a candidate for our accounting auditor for the reasons stated in 3. above.

7. Opinion for reason and background described in 6. above

(1) Opinion of retiring Accounting Auditor

We received a response stating that there were no special comments.

(2) Opinion of the Board of Corporate Auditors

The Board of Corporate Auditors determines that is in accordance with the review process and results conducted by them, so it is appropriate.

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