

March 4, 2021

Company Name: ShinMaywa Industries, Ltd.

Representative: Tatsuyuki Isogawa, President and Chief Executive Officer
(Code number: 7224; Tokyo Stock Exchange, 1st Section)

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Notice Regarding Acquisition of Additional Shares in TurboMAX Co., Ltd.
(Acquisition of Subsidiary)

ShinMaywa Industries, Ltd. (the “Company”) hereby announces that it has decided to acquire additional shares in TurboMAX Co., Ltd. (“TM”), a South Korean company that designs, manufactures and sells a single stage air-foil bearing turbo blower.

1. Purpose of Acquisition of Additional Shares

The relationship between the Company and TM commenced in 2012 when a distributorship agreement was concluded between the two companies for the single stage air-foil bearing turbo blower (“Turbo Blower”).

Turbo Blower is a product that is used as an aeration device, mainly in waste water treatment equipment for facilities such as sewage treatment plants. It is installed to infuse air into waste water for the purpose of accelerating improvement of the water quality.

The Company’s Fluid Division handles various types of facilities and equipments related to water treatment. For some time, the Company has focused on TM’s Turbo Blower, which has outstanding energy-saving, low-maintenance and low-noise qualities, and it has been the exclusive distributor of TM’s Turbo Blower in Japan to date.

In 2018, the Company acquired part of the shares in TM with the aim of strengthening the relationship between the two companies. By combining TM’s core technology with the Company’s technology, new business development will be undertaken going forward, and further overseas business expansion is expected through sales using the global markets sales channels developed by both companies. For these reasons, the Company has decided to make TM a subsidiary of the Company by acquiring additional shares in TM.

2. Outline of TurboMAX Co., Ltd.

Name	TurboMAX Co., Ltd.
Address	12-27, Jugamdowon-ro, Hyeondo-myeon, Seowon-gu, Cheongju-si, Chungcheongbuk-do, Republic of Korea
Name and title of representative	Sang-kee Lee (Representative Director)
Main business	Design, manufacturing and sale of Turbo Blower
Number of employees	63 (as of November 2020)
Capital	KRW 200,000,000
Date of establishment	February 2007

* The current representative, Sang-kee Lee, is expected to assume the office of advisor at TM after the acquisition of the shares in TM.

3. Number of Additional Shares to be Acquired, and Status of Shareholding Before and After Acquisition of the Additional Shares

Number of shares held before the acquisition	2,185 (Number of voting rights: 2,185) (Ratio of voting rights held: 5.9%)
Number of additional shares to be acquired	27,673 (Number of voting rights: 27,673)
Number of shares held after acquisition of the additional shares	29,858 (Number of voting rights: 29,858) (Ratio of voting rights held: 81.0%)

4. Schedule: Date of conclusion of share purchase agreement - March 2021 (planned)
Date of completion of share transfer - May 2021 (planned)

5. Impact on Consolidated Financial Results:

This matter will have a negligible impact on the Company's consolidated financial results.

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