

INTEGRATED REPORT 2025

We envision a society where “make tomorrow smoother” has taken a concrete shape. Our corporate principles and management philosophy are the bases we rely on when determining what remains unchanged through time and what needs to be changed with the times.

The four spirits set forth in the corporate principles have supported us since their establishment in 1964. Our management philosophy shows the reason for ShinMaywa Group’s existence, purpose, and mission. In this society that is rapidly changing and fluctuating in a wide range, we believe that it is one of our missions to communicate how we are pursuing these principles to our stakeholders through this report.

For more details, visit: ▶

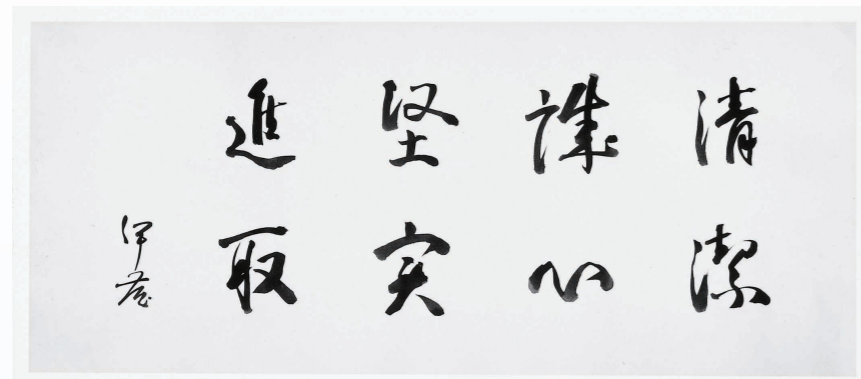
<https://www.shinmaywa.co.jp/english/company/philosophy.html>



The ShinMaywa Group Philosophy

We are committed to the following philosophy.

Corporate principles



Established in 1964.

The sense of value that ShinMaywa Group has cherished for many years along with our basic principles, which will never change.

Management philosophy

ShinMaywa Group will contribute to the overall well-being of humanity, bringing unstinting innovation for a stable society and positive living environment.

Established in 2020.

The basic way of thinking about management that shows the reason for ShinMaywa Group’s existence, purpose, and mission, which is never shaken even when the surrounding environment changes.

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Contribution to SDGs

Sustainable Development Goals (SDGs)

The ShinMaywa Group aims to contribute to the achievement of the Sustainable Development Goals (SDGs) through its business activities.



Editorial Policy

The ShinMaywa Group manages its business with an aspiration to achieve the corporate principles and management philosophy shown on pages 1 and 2. Currently, we are pushing on with the Long-Term Management Plan, SG-Vision 2030, ending in 2030, with focus on promoting business strategies that take into account changes in external environment and strengthening management foundations. The Integrated Report 2025 targets all stakeholders and primarily presents the various activities of the ShinMaywa Group undertaken in FY2024 in its effort to enhance corporate value with a long-term view. We hope that this report will help readers understand the current state, outlook and challenges concerning our business activities from which we record earnings, as well as our efforts to strengthen management foundations that promote such activities and keep risks from materializing.

Period

April 1, 2024, to March 31, 2025

(Some information on activities that took place before or after the reporting period are included)

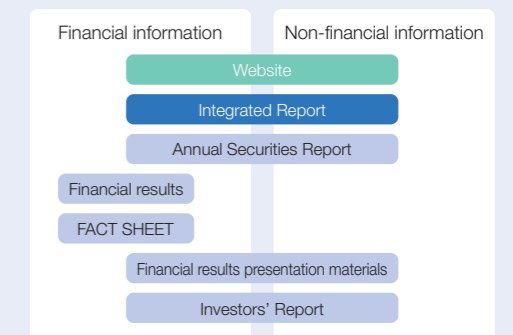
Scope

ShinMaywa Industries, Ltd. and its subsidiaries and affiliates

Note on Forward-Looking Statements

The future plans, prospects, strategies, and other forward-looking statements in this report are based on certain assumptions that the Company deemed reasonable as of the time of disclosure. Actual business performance and other results may differ materially from those projected due to various factors.

Disclosure Map



Links



Top page

<https://www.shinmaywa.co.jp/english/index.html>



Sustainability information

<https://www.shinmaywa.co.jp/english/sustainability/>



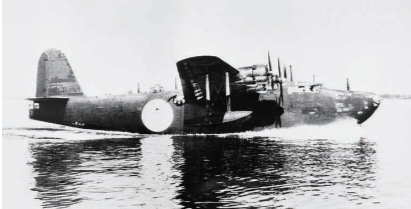
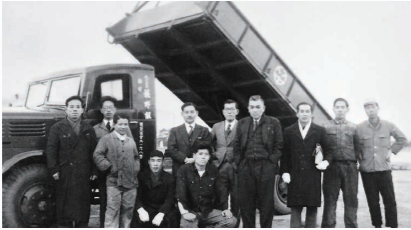


Investor relations (IR) information



<https://www.shinmaywa.co.jp/english/ir/>

History

The history of ShinMaywa Industries began in 1920.

At its founding, the Company operated as Kawanishi Machinery Company, manufacturing aircraft. However, after the war, it faced a period during which it could not produce aircraft. Utilizing its existing technology, the Company began manufacturing goods essential for national reconstruction. This initiative became the origin of its current five businesses.

- **February 1920** Established Kawanishi Machinery Company
 - **November 1928** Established Kawanishi Aircraft Company, Ltd.
 - **December 1940** **Completed Kawanishi Type2 Flying Boat**
- 
- **December 1941** Established Takarazuka Manufacturing Plant
 - **February 1942** Established Konan Manufacturing Plant
 - **December 1943** Completed Shiden Kai, a local defense fighter
 - **July 1946** Established Kawanishi Motor Service Dept.
 - **July 1947** Changed company name from Kawanishi Aircraft Company, Ltd. to Meiwa Industry Company Limited
 - **September 1949** **Completed the first dump body and tipping gear**
- 
- **November** Established Shin Meiwa Industry Company Limited (Share capital: 70 million yen)
 - **June 1951** Began production of fuel tanks
 - **May 1954** **Completed the first self-priming pump**
- 
- **July 1955** Began production of tail gate lifters
 - **August** Began aircraft overhaul
 - **December** Deliver the first concrete mixer truck
 - **February 1956** Established First Manufacturing Plant
 - **September** **Completed the first automatic wire stripping machine**
 - **January 1957** Established Aircraft Manufacturing Plant
- 

- **May 1960** Became part of Hitachi, Ltd.
 - **September** Changed company name to ShinMaywa Industries, Ltd.
 - **September** Started cooperative production of the YS-11 medium transport aircraft
 - **March 1962** Established Hiroshima Plant
 - **August** Listed on the Second Section of the Tokyo Stock Exchange and Osaka Securities Exchange
 - **October** Started production of refuse compactors
 - **January 1964** Established corporate principles: "Clean, Sincere, Steady, and Enterprising"
 - **March** **Developed ShinMaywa Parking Tower, a rotary & vertical type car parking system**
- 
- **June** Technical alliance with a Swedish partner for the manufacture of electric submersible pumps
 - **June 1966** Established Samukawa Plant
 - **August 1967** Stock reassigned to the First Section of the Tokyo Stock Exchange and Osaka Securities Exchange
 - **August 1968** **Delivered the first PX-S prototype (PS-1) to the Defense Agency (at the time)**
- 
- **February 1969** Delivered the first aircraft passenger boarding bridges to Tokyo International Airport
 - **June 1970** Established Sano Plant

- **June 1973** Developed a detachable container system
 - **March 1975** **Delivered the first US-1 STOL search and rescue amphibian prototype to the Defense Agency (at the time)**
- 
- **May 1976** Delivered first in-building refuse collecting and transporting system to Tokyo
 - **March 1979** Completed construction of refuse transfer station system in Kyoto
 - **May 1981** Named US-1 aircraft with enhanced water takeoff and landing capability "US-1A"
 - **October 1982** Delivered the first refuse storage and discharger to a commercial facility in Osaka
 - **September 1983** Transitioned to a business division system
 - **May 1985** Completed brushless DC motor
 - **November** Established Tokushima Plant
 - **September 1986** Unified the labor union
 - **February 1987** Tokyo Office Building (Tsurumi-ku, Yokohama-shi) started operation
 - **December 1988** **Established the Company's first overseas subsidiary (parts production site) in Thailand**
- 
- **June 1989** Share capital exceeded 10 billion yen
 - **January 1991** Established Harima Plant

- **April 1992** **Established the ShinMaywa logo mark**
- ## ShinMaywa
- **May** Established Ono Plant
 - **July 1993** Shipped wing-to-body fairing for first Boeing 777 aircraft
 - **January 1995** Launched lightweight submersible pump
 - **April 2003** Introduced executive officer system
 - **March 2004** Delivered the first US-1A Kai (STOL search and rescue amphibian) prototype
 - **May** Became independent of the Hitachi Group
 - **June** Shipped parts for Airbus for the first time
 - **December 2006** Shipped main wing spar for first Boeing 787 aircraft
 - **January 2013** Acquired the refuse compactor business from Fuji Heavy Industries Ltd. (currently Subaru Corporation)
 - **April 2018** Shipped wing-to-body fairing for first Boeing 777X aircraft
 - **February 2020** 100th anniversary of the founding of Kawanishi Machinery Company
 - **April** **Established the management philosophy, long-term vision, action guidelines, and code of conduct**
 - **May 2021** Formulated the long-term management plan SG-Vision 2030 and its first phase, the medium-term management plan SG-2023
 - **April 2022** Stock transferred from the First Section to the Prime Market of the Tokyo Stock Exchange
 - **May 2024** Formulated the medium-term management plan SG-2026, the second phase of SG-Vision 2030

From **1920**
Founding era

From **1960**
Toward a prosperous Japan

From **1973**
To the global world

From **1992~**
Establishment of the ShinMaywa brand



Message from the President

Addressing compliance violations and our efforts to promote sustainability management

President & CEO
Tatsuyuki Isogawa

First, I would like to share information on and apologize for the company's violation of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade.

In March 2025, we received a Cease and Desist Order and Administrative Fine Payment Order (for 55.87 million yen) from the Japan Fair Trade Commission on the grounds of violating the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade in connection with the sale of mechanical parking systems. On behalf of the Company, I would like to express our sincere remorse and apologize to all our stakeholders for damaging the trust that society places in us.

We have investigated and ascertained the background of and factors leading to the compliance violation and, in order to prevent recurrence, taken disciplinary action against the parties involved and the corresponding supervisors in accordance with our corporate regulations. In addition, three directors (the Deputy Chief Executive Officer, Senior Managing Executive Officer, and I [as of March 2025]) have voluntarily returned a portion of their remuneration. We have also had lawyers conduct compliance training for all employees (including those of our Group companies), established new rules on contact with other companies, and taken other steps to prevent recurrence.

As we reported in November 2024, we were subject to an inspection by the Japan Fair Trade Commission in relation to our Special Purpose Truck Business. As of this writing, the company has not yet received any notifications or other information from the Japan Fair Trade Commission on this matter. We will promptly provide a report as soon as the situation becomes clear.

1. Transitioning to a Company with an Audit & Supervisory Committee

Recognizing the need to incorporate growth into the process of maintaining our presence as a company and continuing to meet our stakeholders' expectations, we transitioned to a Company with an Audit & Supervisory Committee upon approval at our Ordinary General Meeting of Shareholders in June 2025. In conjunction with the transition, we also established a new management system that includes two outside directors (including directors serving on the Audit & Supervisory Committee). Under this new framework, we will work to realize our aims of:

Enhancing the effectiveness of the Board of Directors' supervisory function and strengthening the auditing system; and Ensuring swift decision-making.

As part of our efforts to strengthen our auditing system, we adopted a three-line defense model in FY2025. The model organizes our internal organization into the first line

(business [profit] divisions), second line (Head Office/ administrative divisions), and third line (Internal Audit Dept.), making each line take responsibility for each risk management. Our business divisions control risk by engaging in risk management in their day-to-day operations. The second line of defense, our Head Office and administrative divisions, provide advice and support for risk-management activities in various divisions. Our Internal Audit Dept., independent of the first and second lines, works with the Board of Directors to monitor and offer advice on whether the effectiveness of risk-management is being maintained and business activities are being conducted appropriately. Through this structure, we are determined to realize organizational operations that strengthen governance with a high level of autonomy.

2. Working to optimize the business portfolio

Efforts to maintain constant growth in the Group's corporate value hinge on measures to strengthen our management foundations, enhance our earning capacity, and increase our market capitalization. Many of our businesses have connections to social infrastructure, which fortunately helped our operations weather the COVID-19 pandemic without major setbacks. However, social conditions change rapidly. There are no guarantees that a business with a long-standing competitive edge in an existing market will be able to maintain that position in the same market conditions in the years to come. We have thus consistently evaluated our products and services through 3C analysis,* an approach that factors in market environments, our own strengths and challenges, and conditions at competitors, to provide a basis for formulating forward-looking strategies. With the medium-term management plan, SG-2026, reaching its halfway point, our goal for FY2025 and beyond is to charge forward. Based on a broader, more objective view of our products' strengths and the challenges we face, we will work to anticipate future market changes and develop and implement measures that allow us to demonstrate our competitive edge in markets across the globe.

3. Giving back to stakeholders

A company's chief mission is to sustain its presence and grow—both in its management foundations and its earning capacity. At the ShinMaywa Group, we have customers that need our technologies. We will continue to meet those demands, use the profits we gain from our business activities to give back to our shareholders, and work to benefit society as a whole. Together with all our executives, I will do everything I can to keep that cycle in constant, consistent motion.

Tripartite Discussion Among Directors

Long-term vision and prospects

- Expanding profits within a sustainability management structure -



Toshiki Kume
Director, Member of the Board,
Managing Executive Officer,
General Manager of Finance & Accounting Dept.

Tatsuyuki Isogawa
President & CEO

Koichiro Oda
Managing Executive Officer,
General Manager of Corporate
Planning Dept.

Aspiring to its long-term vision, the ShinMaywa Group is taking concrete steps forward through the long-term management plan, SG-Vision 2030. That long-term plan comprises three successive medium-term management plans, which combine to chart the course to FY2030.

Now at the midpoint of SG-Vision 2030, three officers reflect on the progress of our initiatives, the challenges we face, and the efforts on the road ahead.

Assessing current business performance

Isogawa One of our objectives in formulating SG-Vision 2030 was to set ambitious goals that are not easily within reach—targets relatively far from our current position. By doing so, we aimed to establish challenging policies and strategies that would mark a departure from past medium-term plans and thereby create a stronger sense of urgency to accomplish the aims. That mindset, we believed, would better propel transformation and renewal across the Group.

Although we formulated SG-Vision 2030 in 2021 with a ten-year horizon, we already find ourselves at the stage of mapping out concrete, realistic paths to those goals. Our efforts to reach the net sales target of 400 billion yen, roughly double the level at the time, have brought the 300 billion-yen mark into sight. Going forward, we will focus on building on that growth by pursuing strategic, synergy-maximizing M&As with companies both in Japan and abroad.

Oda Net sales provide the resources that drive all management activity, but two other components that we prioritize in our work to achieve the SG-Vision 2030 goals are profitability and capital efficiency. At first, the target of 400 billion yen in net sales felt pretty ambitious. But thanks to all the steady, tireless efforts the business segments have put in, net sales have continued to grow. Orders received have reached record levels, too.

Kume

That said, inflation is driving surges in raw material and labor costs. Profit totals may be rising, but our profit ratio remains flat. That reality poses a challenge. With inflation likely to continue for the time being, boosting our profit ratio will require us to deliver added value that meets customer expectations. As the officer in charge of finance, I anticipated the many risks the COVID-19 pandemic could pose for cash flow and made preparations accordingly. In the end, however, our strength as a company responsible for parts of the social infrastructure came through and kept us out of the scenario we were concerned might occur. While institutional investors often voice concerns about our diversified "conglomerate" model, the pandemic showed me just how much of a strength it is.

When it comes to the challenges we face on the performance side, I share Oda-san's view.

Long-term business strategy: Progress and challenges

Isogawa Each of our five business segments is working to expand sales, pursue growth, and expand, but the SG-Vision 2030 targets go beyond what they can accomplish simply by keeping their current approaches going. To do what we can to close in on those objectives, we are implementing new strategies and measures to generate earnings in ways that differ from past methods. One common thread linking the segments is a push to incorporate digital technologies into existing business areas. For our aircraft passenger

* 3C analysis: A framework for analyzing the three "Cs," which are key elements in developing business strategies: Customers, Company, and Competitors

This document is current as of August 1, 2025.

boarding bridges, for example, we have developed a system that allows the bridge to automatically dock with an aircraft at the push of a button. The feature delivers added value that allows airports, which require on-time operations, to help offset labor shortages. To expand this system in Asia, where our market share is high, we will need to build a broader track record and increase earnings—by offering it as an optional upgrade for bridges already in service, for example.

In the waste collection area, meanwhile, we aim to move beyond selling refuse compactors alone. End-to-end processes for collection, disposal, and recycling are taking shape in some countries, and we are partnering with local companies to propose integrated collection setups that incorporate the waste collection efficiency system we are now developing. If successful, these kinds of initiatives could yield high-margin strategies that also boost customer satisfaction.

Oda Alongside promoting the growth of existing businesses, the long-term strategy of SG-Vision 2030 includes cross-cutting themes like “acceleration of overseas expansion,” “strategic M&As,” and “new business creation.” While some segments have stagnated in their acceleration of overseas expansion, I believe we can still achieve long-term growth overall. Still, reaching our target of 100 billion yen in annual overseas sales is a formidable hurdle to clear. We need to move quickly to explore and implement effective measures—like introducing new business models that include DX, as the President has emphasized—that can deliver both scale and profitability.

One area where we are already moving ahead along those lines is the aircraft passenger boarding bridges we were just discussing, a category where we have a strong delivery record in Asia. We are working to go international with the long-term maintenance contracts we have sold here in Japan, for example, and we have won an order from an airport in Vietnam for our recently developed fully automated docking system. These efforts reflect our commitment to enhancing added value.

Isogawa Sales are at the source of everything. In expanding our scope and strengthening our market presence, M&A is one effective approach. With future market realignments of our main businesses, efforts to broaden lineups to meet customer demands, and other developments on the horizon, we will carefully identify suitable partners and work to integrate them into the ShinMaywa Group.



Management measures with an emphasis on capital efficiency

Kume Institutional investors have been asking more often about the soundness of our balance sheet. To realize sustainable growth, we have to achieve both higher earnings and sound finances. That is why we keep a watchful eye on our balance sheet and carefully evaluate M&A and other investments in advance against internal criteria before making our decisions—that, in short, is our mission on the management team.

There was once a time when being “debt-free” was what won companies praise. Today, though, we emphasize capital efficiency through indicators like equity ratio (aiming for around 40%) and net D/E ratio, or net debt-to-equity ratio (aiming for 0.5 or less). When we make investment decisions, we use net present value (NPV) and examine recovery plans before committing.

Last year, we obtained a rating assessment to get an objective evaluation of our financial soundness and put ourselves in position for future diversification in funding. The result—A- (“high capacity to meet financial obligations”)—was in line with our self-assessment. Having an objective confirmation of our financial soundness is definitely reassuring.

At the same time, we still have room to improve our capital efficiency. For example, we worked to help employees understand how maintaining appropriate inventory contributes to ROIC by running an article in our internal newsletter explaining the “ROIC inverse tree.” We try to avoid calling for one-size-fits-all approaches, though, since some sites face parts shortages that prevent production. Flexibility in judgment is important to us.

Oda Stock markets place substantial importance on price-to-book ratio (PBR). To maintain a stable PBR above 1.0, we also need to raise our price-to-earnings ratio (PER)—which essentially equates to convincing the market of the Group’s future value. There are no shortcuts in getting there. If we execute our long- and medium-term management plans and achieve each milestone on the way, I think we can build a stronger sense of trust in our brand and plans for the future. For now, our main focus is on meeting the goals of the medium-term plan currently in progress, SG-2026.

Kume In FY2024, our ROE rose above 8%, exceeding the prior year’s level. Going off the formula for PBR (ROE × PER), however, our PER level sits below expectations. That suggests the market has not yet priced in confidence in our future. To bring our PER to appropriate levels, we need to strengthen our investor-relations activities and release information in a timely fashion so that we can first gain better recognition in the market and then build higher expectations for future growth. Ultimately, the goal is to use these efforts to raise our market capitalization.

Isogawa While the average PER in the transportation equipment field is 14–15, ours remains around 12, which makes it hard to deny that we are undervalued.

Communication is a big factor in that, I think. Discussions with institutional investors have given me a real feel for how vital it is to convey both our vision and our actual performance. We send a message to our shareholders in the form of dividends. But to bring PER up to fair levels, our approach needs to start with laying out our vision and then continually build on that with concrete information on where we are now and how we plan on reaching our destination. If we stay diligent in pursuing those aims, we can cultivate the “credibility” that Mr. Oda mentioned and make ourselves a stock investors choose.

Oda We explain ROIC to employees through our internal newsletter and other channels, but it’s also important to translate those explanations into concrete examples so that everyone can take better ownership of it. As one way to elevate the awareness of each and every employee, we set key performance indicators (KPIs) at the division level and then roll them down into organization-specific policies. That helps establish links between ROIC and individual work.

Kume To make connections between employee behavior and ROIC, it helps to tie in incentives somehow—linking to evaluation systems, for example. From an accounting-oriented perspective, one idea would be to expand the evaluation items for sales personnel beyond just order value and volume. We could also assess performance that improves ROIC, such as success in pricing negotiations or shortening the collection period for accounts receivable.

Oda Adding ROIC-related action to evaluation items could also provide an entry point for actively incorporating DX, like making judgments based on data analysis results. That kind of on-the-job behavior could help improve customer efficiency and quality, as well. Changes in awareness can be a driving force that moves us from *monozukuri* (manufacturing) to *kotozukuri* (creating experiences and solutions).

Strengthening the management foundations: Human resources strategy

Isogawa All the core concepts for strengthening our management foundation under SG-Vision 2030 are important, but the one we put the strongest emphasis on is the human resources strategy. “Cultivating people” involves laying out a human resources portfolio with a focus on the types of talent we need, providing training to translate that portfolio into reality, and then creating places where the individuals we have cultivated can thrive.

While we develop employees in line with our own curriculum, we also enlist the help of outside experts to bolster our human resources in highly specialized fields. We sense some shortages in areas that are essential to SG-Vision 2030, such as DX and global talent, and we have received reports that some businesses are scrambling to secure licensed professionals. Every company faces talent shortages, of course. In the current environment, it will be vital for us to foster the kind of workplace environment that makes people want to choose ShinMaywa over others.

Oda In working to enhance our DX talent, we just recently completed basic training for a group of candidates that we selected internally. We believe that in the next step, it is important to match the knowledge those potential DX specialists have gained with our business strategies and help them level up by getting practice to supplement their training.

The same goes for global talent. We need to provide base-level education aligned with our business strategies and place people in environments where they can make use of their experience overseas. Matching the right talent with the right opportunities is crucial.

Isogawa For global talent, the focus used to be mainly on landing orders in individual countries. Going forward, however, we need people who can negotiate with local companies and build strong relationships. That is why, when we brought a Korean company into the Group via an M&A, we sent senior management in from the get-go to drive the post-merger integration process and help personnel on the ground develop the capabilities for better execution. I hope that more and more people gain that kind of experience and develop the skills to thrive in

leadership roles that transcend business segments, energizing and elevating Group management.

Kume We also need to boost operational efficiency through the tools we have at our disposal. On the finance side, we have significantly reduced workloads by introducing AI technologies; the benefits are palpable. Expanding the scope of these successes across the company is important. So is creating opportunities to learn. We now operate in an era where everyone—not just younger employees but even us in senior management—have to engage in reskilling.



Isogawa The process evaluation system we introduced in FY2022 is one of the initiatives that reflects the aims of SG-Vision 2030. Our approach traditionally involved evaluating performance based on goal achievement for that specific fiscal year, but we felt that would not foster a long-term mindset. For that reason, we reworked the system to incorporate “process” evaluation. Having more employees willing to tackle stretch goals and tough challenges that take time to achieve is vital for a company like us committed to sustainable growth—and we will continue to value people with that endeavoring mindset.

Oda Starting this fiscal year, we have also made process evaluation part of the annual President’s Awards. Initiatives involving DX, global talent, or new business creation—topics we have been talking about today—are normally time-intensive. We wanted to create an opportunity to evaluate and give recognition to approaches and processes. By adding that element into the President’s Awards and taking other steps along similar lines, we aim to raise motivation and engagement among employees who make up the human resources portfolio we are after.

Isogawa Together, we can give shape to a system that actively rewards people who understand the direction the company is aiming for and pursue bold endeavors to drive progress accordingly.

Strengthening the management foundations: Environmental preservation

Oda In our efforts to help prevent global warming, we are working toward a target of cutting total CO₂ emissions by 38% from FY2017 levels by FY2030. On a non-consolidated basis, we far surpassed our FY2024 target. We also now collect information on CO₂ emissions on a larger scope, including major Group companies in Japan and overseas, which allows us to disclose results on a consolidated basis.

For total waste generated, we have set a target of reducing volume by 10% from FY2020 levels by FY2030. Here, too, we met our FY2024 target.

That said, all of these targets are absolute values. As sales increase under SG-Vision 2030, emissions will naturally rise as well. Bringing emissions down on a consistent basis under those conditions will be no easy task. Still, we view the sustained pursuit of our reduction goals as part of our corporate mission.

One effective way to reduce emissions is by installing more efficient equipment. While investments of that type may weigh on ROIC, lowering our environmental impact is essential. We have thus created a framework to prioritize these investments separately from ordinary ones.

We are also reviewing parts of our materiality (key issues) to support customers in reducing their environmental burdens through the products and businesses we provide. In line with our long-term vision of “advancing urban, transportation, and environmental infrastructure,” we are incorporating approaches such as reducing environmental impact, responding to increasingly frequent natural disasters, and promoting labor saving and efficiency. These ideas are already beginning to produce concrete output.

Isogawa In 2023, we expressed our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). What we need to do in our business activities is not only view potential climate change as a risk but also see it as an opportunity—to contribute to environmental preservation through our products in ways that ultimately generate earnings. Looking at the scenarios that our business segments have drawn up, you can see just how closely our businesses are tied to social infrastructure. For example, multiple business divisions are involved in the electric vehicle (EV) market. As EV adoption spreads, our contributions to CO₂ reduction will grow.

The initiatives Mr. Oda was just explaining epitomize CSV activities (efforts to create social and economic value). We want to build a corporate group that centers on a foundation of business activities, goes beyond the narrower CSR (corporate social responsibility) perspective, and aspires to CSV.

Oda To give one example of external ESG evaluations of these activities, CDP (a UK-based NGO that operates an environmental disclosure system for companies and public bodies) gave us a rating of “B-.” The rating came in lower than we had expected because of differences in the standards for calculating Scope 3 emissions (indirect emissions not produced by the company itself). Responding to the assessment will take some time, but it is important that we share within the company how rating levels can affect factors like



borrowing interest. We also need to ensure that everyone understands the main thrust of the assessment.

FTSE (a UK-based firm that calculates and manages stock indices and provides related financial data) rated us at 2.8 in 2024, down 0.1 from 2.9 in 2023. We believe the addition of risk management as a new evaluation item affected the rating. From this result, we inferred that our risk management may have appeared insufficient from an external perspective. We are thus responding this fiscal year by reassessing key risks and working on them in coordination with our business divisions.

Looking at these external evaluations as a whole, the points that the rating agencies made all relate to elements that make up the management cycle. It will be crucial to understand how they interconnect and develop our activities accordingly.

Kume We also have a program to give awards to employees involved in these steady, relatively low-profile efforts. I want to make the most of the program to both lift motivation and give people more opportunities to see how company policies connect with these activities.

Strengthening the management foundations: Risk management

Isogawa Right now, the risk we pay the closest attention to is inflation. Rising labor costs drive up costs across the board. To ensure profitability, we need to enhance the added value of our products and services so that customers will be receptive to higher prices.

As I mentioned earlier in our discussion on human resources strategy, talent acquisition itself can also become a major risk factor. We need to keep asking ourselves whether we are a company people want to join—and want to keep working for. Fostering stronger engagement with employees is going to keep becoming more and more important.

Oda In addition to surveys and other studies by external organizations, we are seeing increasing numbers of inquiries from customers and business partners about our ESG management. Because the outcomes often influence supplier decisions, we make sure our responses clearly communicate what we are doing along those lines. These surveys also help us identify our own weaknesses, which we address with targeted countermeasures.

Isogawa In the past, a company’s credibility was defined by the quality of its products and services. Now, though, the companies that survive will be those that, on top of their business activities, can seriously engage with social issues and show improvement in those efforts.

Oda A common view linking rating agencies and business partners alike is the notion that companies capable of sustained growth are those that manage from a multifaceted perspective.

Kume One crucial risk we can never ignore is compliance violations. We deeply regret having violated Act on Prohibition of Private Monopolization and Maintenance of Fair Trade in the sale of our mechanical parking systems, and we are taking the countermeasures we announced this March to prevent the same thing from happening again.

Oda Although we have had compliance training in place, we sincerely regret that our awareness level was not where it needed to be. As the President often reminds executives, proper conduct requires both knowledge and awareness. We know full well how essential it is to cultivate both through education.

I also oversee information security. As cyberattacks grow more sophisticated by the day, we are working to update our preventive measures so that we never create problems for our customers or business partners.

For a manufacturing-centric company, quality has a direct link to trust. Given our philosophy, which focuses on “a stable society and positive living environment,” we can never allow our products to compromise that stability. We are committed to making sure that our quality management system is always fully up to date and providing quality that continuously meets the needs of the times.

Isogawa Every one of the risk responses we have discussed has a critical impact on management. We need to allocate sufficient resources as necessary and address them with determination.

Revisiting the vision for 2030

Kume For our customers, we aim to be a company that demonstrates its value in every market—never content with the status quo, always delivering new value. For our employees, we seek to create a workplace that respects diversity, foster individual growth, and cultivate a culture of open-minded dialogue. For our shareholders, we want to balance profitability and growth, operate with high transparency, and enhance shareholder value. And for local communities, we aim to contribute to social development and reduced environmental impact through business activities that meet customer needs. These are the aspirations we want to embody.

Oda The future I envision for 2030 is a corporate group that all stakeholders see as “indispensable,” a standing we achieve through management that enhances corporate value and pursues sustainable growth. Our management philosophy defines what we need to do to achieve that as a company that provides the products and services society needs: “bringing unstinting innovation for a stable society and positive

living environment.” I see this philosophy as the ultimate product of our long-term vision’s call to advance “urban, transportation, and environmental infrastructure.” By basing our decisions on that philosophy in a way that harmonizes with all of our businesses, we will drive sustainable growth.

In FY2024, we also issued our Multi-Stakeholder Declaration, affirming that both our business partners and our employees are essential stakeholders in sustaining management. Making these two groups a key focus benefits customer satisfaction, which in turn ripples outward to shareholders and local communities.

Isogawa One part of our ideal vision is to become a corporate group that the global market trusts through our businesses and services. Most of our customers are companies, but we need to remember that the ones who actually use and operate our products are individual people. I want ShinMaywa to be a company that gives them more satisfaction, as well.

I also want to prioritize engagement with the employees who we have been fortunate enough to welcome into the Group, fostering a shared sense of positive transformation as we move forward together.

For shareholders, I envision us as having a strong, wide-reaching profile as a Group that, through its IR and SR activities, inspires hopes and expectations for medium- and long-term growth and earns their continued trust and support.

And in our local communities, I hope we maintain relationships where communication is smooth and effective so that we can make the most of our healthy connections not only in everyday life but also when disasters strike.

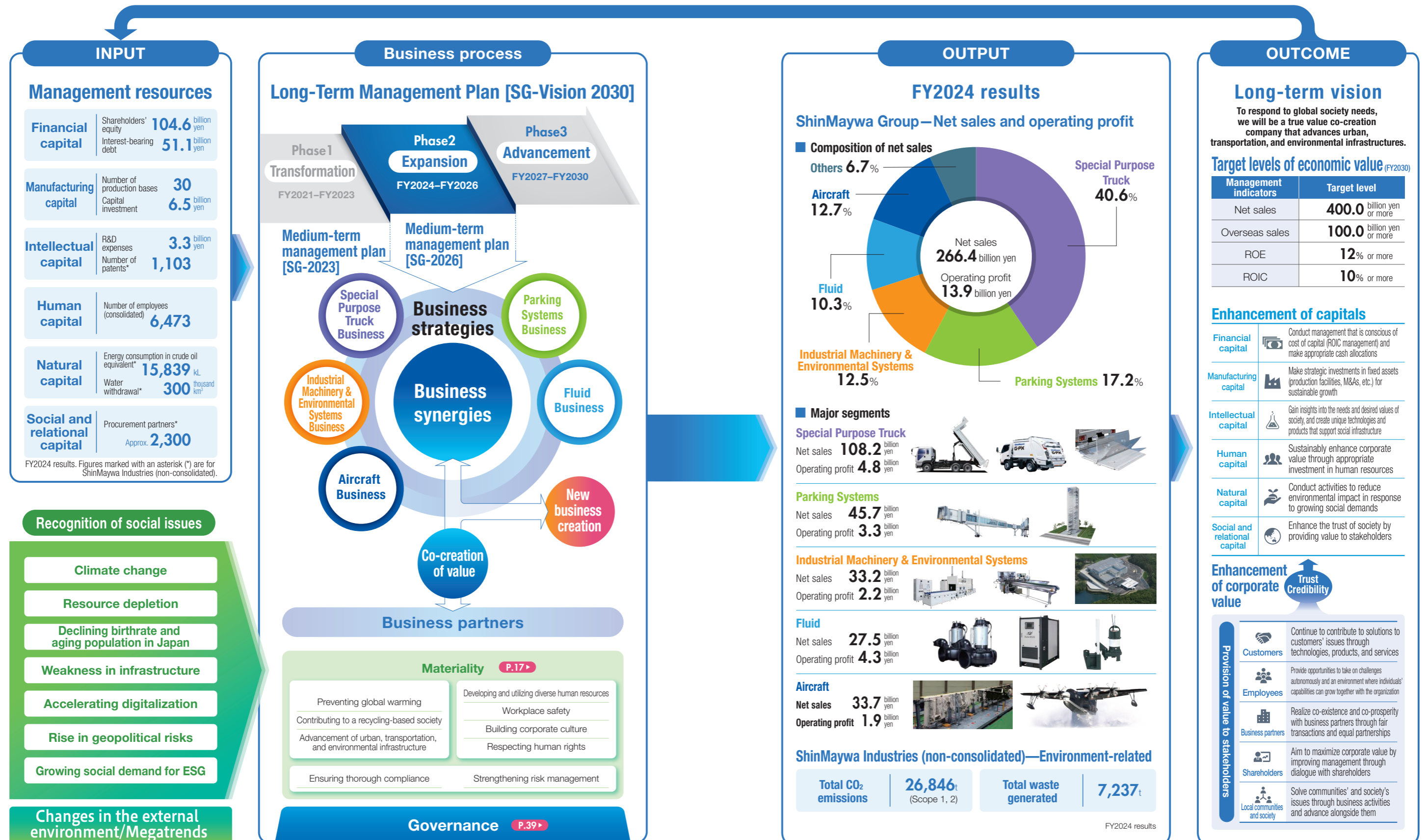
If we continue to pursue our management philosophy and embody the long-term vision that we set out in 2030, I believe society’s perception of ShinMaywa will shift—from a company that represents “stability” to one that promises “growth” and “expectations.” With that image in mind, we will move forward, step by step, toward achieving every one of our goals.



Value Creation Process

Management philosophy

ShinMaywa Group will contribute to the overall well-being of humanity, bringing unstinting innovation for a stable society and positive living environment.



Long-Term Management Plan [SG-Vision 2030]

Sustainable Growth with Vision 2030 [SG-Vision 2030]



Medium-Term Management Plan [SG-2026]

SG-2026 (FY2024 - FY2026) is Phase 2 "Expansion" of the long-term management plan, SG-Vision 2030, which has FY2030 as its goal. It is positioned as the second step toward the long-term vision, in which we will work to accelerate growth.

While steadily dealing with the issues that have already become apparent in SG-2023, we will work toward this expansion under the following six basic policies.

Basic policies	SG-2026
1	Realization of sustainable growth A) Acceleration of overseas expansion: Strengthen development in Southeast Asia, Oceania, and North America B) Strategic M&As: Make proactive use of M&As for overseas expansion and new business creation C) DX promotion: Create value and develop new business models through utilization of data D) New business creation: Create new businesses through business synergies and value co-creation with external parties
2	Business portfolio management A) Implement business portfolio management by categorizing the five businesses into "growth potential enhancement businesses" and "profitability enhancement businesses," based on ROIC. B) Aim to achieve SG-Vision 2030 through investments and new business creation based on these portfolio categories
3	Penetration and promotion of ROIC management A) Deployment of inverted ROIC tree: Increase throughput, reduce operating expenses, and significantly improve productivity in all divisions and Group companies B) Cash allocation: Increase ROIC through investment strategies in line with business portfolio strategy and procure funds with financial soundness in mind
4	Strengthening of human capital A) Recruitment and development of human resources in line with growth strategies: Digital literacy education, global human resources education, recruitment of highly specialized human resources, and strategic human resources portfolio B) Enhancement of employee engagement: D&I promotion, support for employees' career development, development of female leaders
5	Contribution to environment and society through products and services A) Environment: Extend calculations of Scope 1 and 2 for GHG emissions to Group companies and introduce Scope 3, and consider green product certification system B) Society: Enhance corporate value by expanding the value provided to stakeholders
6	Strengthening of risk management and compliance A) Risk management: Monitor business risks arising from climate change and human rights issues and implement CSR measures. BCM/BCP responses,* strengthening of information security measures, etc. B) Compliance: Continue to conduct compliance education and compliance awareness surveys, and strengthen utilization of the whistleblowing contact points

*BCM: Business continuity management
*BCP: Business continuity plan

[SG-2026] management indicators

Segment	Net sales			Operating profit		
	FY2024 (results)	FY2025 (forecast)	FY2026 [SG-2026] (target)	FY2024 (results)	FY2025 (forecast)	FY2026 [SG-2026] (target)
Special Purpose Truck	108.2 billion yen	119.2 billion yen	132.2 billion yen	4.8 billion yen	5.9 billion yen	7.3 billion yen
Parking Systems	45.7 billion yen	51.2 billion yen	58.1 billion yen	3.3 billion yen	4.1 billion yen	4.5 billion yen
Industrial Machinery & Environmental Systems	33.2 billion yen	32.1 billion yen	43.5 billion yen	2.2 billion yen	1.7 billion yen	3.4 billion yen
Fluid	27.5 billion yen	27.5 billion yen	28.0 billion yen	4.3 billion yen	4.3 billion yen	4.5 billion yen
Aircraft	33.7 billion yen	39.5 billion yen	38.9 billion yen	1.9 billion yen	2.0 billion yen	2.7 billion yen
Others	18.0 billion yen	15.5 billion yen	18.3 billion yen	1.4 billion yen	1.1 billion yen	1.0 billion yen
New businesses	-	-	1.0 billion yen	(0.4) billion yen	(0.7) billion yen	(1.8) billion yen
Adjustment	-	-	-	(3.7) billion yen	(3.3) billion yen	(3.6) billion yen
Total	266.4 billion yen	285.0 billion yen	320.0 billion yen	13.9 billion yen	15.0 billion yen	18.0 billion yen

Growth strategies: Realizing sustainable growth - Current progress

Acceleration of overseas expansion	<ul style="list-style-type: none"> Parking Systems Business: In the airport facility sector, have promoted local production in Vietnam and India—alongside existing bases in Singapore and Malaysia—while reinforcing sales collaboration with agents in Southeast Asia, India, and Taiwan. Industrial Machinery & Environmental Systems Business: Have expanded sales as a global comprehensive manufacturer of wire-harness equipment, including in-vehicle camera coaxial cable processors (in joint development with China's Wuxi Airstorm Technology Group (AST)) and testing equipment manufactured by Spain's EMDEP, and expanded operations with EV-market vacuum drying systems at the Group's company in South Korea and other offerings. Fluid Business: Have developed the market in Southeast Asia, promoted expanded sales of sewage pumps in North America, and responded to rising demand for turbo blowers in India.
Strategic M&As	<ul style="list-style-type: none"> Parking Systems Business: Have acquired a Taiwanese mechanical-parking-system manufacturer and concluded a technology-partnership agreement with a South Korean manufacturer to expand product lineups for Taiwan and Southeast Asia. Have continued to explore M&A and alliance opportunities with overseas manufacturers across all business segments Have proactively pursued industry realignment and partnerships with peer companies in the domestic market.
Acceleration of DX promotion	<ul style="list-style-type: none"> Special Purpose Truck Business: Have continued to develop a waste collection efficiency system jointly with LECIP CORPORATION. Have offered a digitally optimized operating environment with diverse functions such as optimal route guidance based on location data, visualization of workloads via loading status data, and automatic creation of work reports. Aircraft Business: Have succeeded in autonomous-flight testing of a crewed aircraft equipped with an Optionally Piloted Vehicle (OPV) system that enables switching between manual and automatic control. Have begun developing a new autonomous delivery system using AMR (Autonomous Mobile Robots) to help resolve logistics challenges arising from e-commerce growth.
New business creation	<ul style="list-style-type: none"> Special Purpose Truck Business: Have launched a subscription service for carbon-offset refuse compactors supporting decarbonization initiatives by local governments and corporations. Industrial Machinery & Environmental Systems Business: Have developed diamond-coating equipment to enhance the wear resistance of cutting tools for hard-to-machine materials. Aircraft Business: Have established JAMS Co., Ltd. jointly with Marubeni Aerospace Corporation to perform business jet maintenance, with operations beginning in April 2024 at Central Japan International Airport. Have invested in the "UMI III Decarbonization Investment Limited Partnership" established by Universal Materials Incubator Co., Ltd.

Business portfolio management

Aim for "Advancement" from FY2027 in view of the goals of SG-Vision 2030

We will promote investment strategy by categorizing the five businesses into "growth potential enhancement businesses" and "profitability enhancement businesses" based on ROIC, and at the same time, work on the creation of new businesses through synergies among the five businesses and value co-creation with external parties.



Reassessment of Materiality

The ShinMaywa Group is working to create social value through its business activities while also pursuing sustainable growth as a company, with the aim of realizing a sustainable society. In recent years, companies are faced with a rapid change in external environments brought on by a shift in social demands and other factors. The source of a company's medium- to long-term competitiveness lies in its efforts to cope appropriately with such social issues.

Under international standards of disclosure such as the GRI standards and SDGs, transparency is strongly required in the identification of key issues and the process towards it, and a greater emphasis is placed on companies' accountability. The process for identifying key issues and evaluating the validity of these issues also play an important role in terms of strengthening supervisory function of the Board of Directors and improving the quality of management's decision-making.

The Company had been driving its business activities based on the set of key issues formulated three years ago. In light of the changes in socioeconomic environments,

diversification of stakeholder expectations, and advancement in our business strategies, we conducted a materiality reassessment in FY2024. In conducting the reassessment, we first scrutinized and verified again the identification process that had been taken in the past and then held a series of discussions with relevant divisions and eventually identified new key issues, taking into account risks and opportunities with greater emphasis on medium- and long-term perspective.

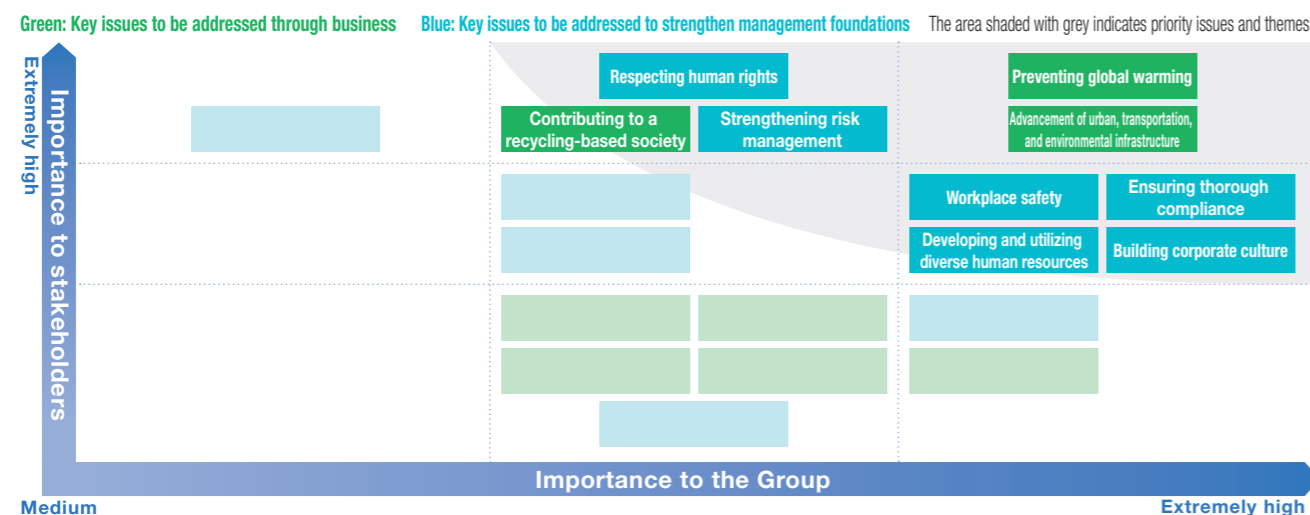
The reassessment aimed for consistency with the growth strategies of the long-term management plan, SG-Vision 2030 and the medium-term management plan, SG-2026, as well as coordination with the key policies of these plans.

This has enabled us to demonstrate the direction of our value creation in more concrete terms. We are committed to further deepening constructive dialogue with our stakeholders through this report. The key issues that have been identified, which were reported to the Executive Committee and the Board of Directors, are presented in this report as the "Key Issues (Materiality) to Be Addressed by ShinMaywa Group."

Materiality identification process (reassessment)



Materiality map



Key ESG Issues (Materiality) for FY2024 (FY2024 Results)

Key ESG Issues (Materiality)	Crucial themes	Key KPIs and Targets	FY2024 results
Preventing global warming	Reducing greenhouse gas emissions from production activities (Scope 1, 2)	<ul style="list-style-type: none"> Total CO₂ emissions from energy use*1 Reduce total CO₂ emissions by 38% in FY2030 (compared to FY2017) 42,720 t (FY2017 result) ⇒ 26,486 t (-16,234 t FY2030 target) 	26,846t-CO ₂
	Providing products and services with less environmental impact	Develop and sell energy-saving and low-carbon products and provide low-carbon services and businesses	—
Contributing to a recycling-based society	Reducing waste	<ul style="list-style-type: none"> Total waste generated*1 FY2030 target: Reduce by 10% (compared to FY2020) Total waste in FY2020 (actual): 8,111 t Total waste in FY2030 (target): 7,300 t (811 t reduction) 	7,237t
Promoting diversity and inclusion	<ul style="list-style-type: none"> ●Nurturing an organizational culture that respects and supports diversity (heterogeneity) ▷Build systems, raise awareness, improve environment ●Acquiring diversity inherent in individuals ▷Engage in human resources training, human resources development, and recruitment of diverse human resources ●Creating opportunities for individuals to make use of their diversity and "Will" ▷Improve business competitiveness (strengthen management foundations) and integrate with long-term business strategies 	<ul style="list-style-type: none"> ●Number of female managers*2 FY2023 target: 30 (2%); FY2030 target: 60 (3%) 	37 (3.2%)
		<ul style="list-style-type: none"> ●Number of women in assistant manager position or above*2 FY2023 target: 100 (4%); FY2030 target: 230 (6%) 	119 (5.2%)
		<ul style="list-style-type: none"> ●Proportion of non-Japanese managers*2 FY2023 target: 10% or more; FY2030 target: 10% or more 	10.6%
		<ul style="list-style-type: none"> ●Proportion of managers who are mid-career hires*2 FY2023 target: 28% or more; FY2030 target: 28% or more 	32.1%
		<ul style="list-style-type: none"> ●Human capital investment amount (investment per person)*1 	418,000 yen
Establishing comfortable workplace environments		<ul style="list-style-type: none"> ●DX human resources portfolio*1 •Key capabilities*3 FY2026 target: 180% relative to FY2022; FY2030 target: 240% relative to FY2022 •All-around capabilities*4 FY2026 target: 150% relative to FY2022; FY2030 target: 200% relative to FY2022 	Key capabilities: 187% All-around capabilities: 150%
		<ul style="list-style-type: none"> ●Engagement survey score*1 •Highly positive responses*5 FY2026 target: 15 points FY2030 target: 20 points •Positive responses*6 FY2026 target: 70 points FY2030 target: 80 points 	Highly positive responses: 13 points Positive responses: 66 points
		<ul style="list-style-type: none"> ●Challenge score*1 •Highly positive responses*7 FY2026 target: 20 points FY2030 target: 25 points •Positive responses FY2026 target: 75 points FY2030 target: 85 points 	Highly positive responses: 19 points Positive responses: 67 points
		Conduct employee survey (issue identification)	Conducted in July 2024
Enhancing corporate governance systems	<ul style="list-style-type: none"> ●Strengthening the supervisory function of the Board of Directors ●Ensuring legitimacy in execution of duties 	Clarify the skills and experience required of members of the Board of Directors	Reviewed the skills matrix
		Ensure the systematic development and diversity of management personnel	Implementing human resources development through the succession plan
		Instill awareness of compliance among executives and employees	Conducted awareness raising activities and awareness survey during the Ethics Month of February Conducted a training on compliance with the Antimonopoly Act for all employees
Establishing and strengthening risk management systems		Develop a risk management system that includes Group companies and monitor important risks	Finished reporting on the state of risk management system development and relevant activities
		Develop business continuity plans (BCPs) for natural disasters, infectious diseases, etc.	Created and reviewed the company-wide all-inclusive BCP chart
		Review wide area networks (WANs), reform security regulations, and strengthen incident responses	Conducted CSIRT training and issued a manual Issued the Basic Generative AI Policy
		Understand and support the status of quality control and product safety risk information, including Group companies	Continued to release the latest information and worked to raise awareness
Promoting CSR procurement	Formulate CSR requirements and build systems to execute CSR procurement rationally/effectively/continuously	Conducted supplier CSR survey (Received response from 131 out of 135 companies)	

*1: Non-consolidated figures; *2: Figures for the Group as a whole; *3-7: See pages 37-38.

Key Issues (Materiality) to Be Addressed by ShinMaywa Group

We conducted materiality reassessment in FY2024. In FY2025 and onwards, we are working in line with the new materiality shown below.

Key Issues (Materiality)	Crucial themes	Key performance indicators (KPIs), medium- to long-term targets, etc.	FY2024 results	FY2025 targets	FY2030 targets	Remarks			
Key issues to be addressed through business	Preventing global warming	Reducing greenhouse gas emissions from production activities (Scope 1, 2)	●Total CO ₂ emissions from energy use* ¹ Reduce total CO ₂ emissions by 38% in FY2030 (compared to FY2017) 42,720 t-CO ₂ (FY2017 result)⇒26,486 t-CO ₂ (-16,234 t-CO ₂ FY2030 target)	26,846t-CO ₂	32,730t-CO ₂	26,486t-CO ₂	P.51 ▶		
	Contributing to a recycling-based society	Reducing waste	●Total waste generated* ¹ Reduce total waste by 10% in FY2030 (compared to FY2020) 8,111 t (FY2020 result)⇒7,300 t (-811 t FY2030 target)	7,237t	7,705t	7,300 t	P.48 ▶		
	Advancement of urban, transportation, and environmental infrastructure	Working to reduce environmental impact Coping with increasing frequency and severity of natural disasters Promoting labor saving and efficiency improvement	Provide energy-saving and low-carbon products and services Provide products and services that contribute to disaster prevention and mitigation Provide products and services that are adapted to the aging and decline of working population	—	—	—	P.19-29 ▶		
Key issues to be addressed to strengthen management foundations	Developing and utilizing diverse human resources	●Strategically training human resources ●Strategically recruiting human resources ●Enhancing positive contribution of human resources (retention)	●Capabilities of DX human resources ^{Note 1, *1} FY2030 targets •Key capabilities: 240% relative to FY2022 •All-around capabilities: 200% relative to FY2022	187%	190%	240%	P.37-38 ▶		
			Key capabilities (compared to FY2022) All-around capabilities (compared to FY2022)	150%	150%	200%			
			●Achievement rate of regular recruitment plan* ¹ (%: actual number of hires/number of persons to be recruited) FY2030 target: 95% or more	95.5%	95% or more	95% or more			
			●Proportion of managers who are mid-career hires* ² (%: number of managers hired mid-career/total number of managers) FY2030 target: 28% or more	32.1%	28% or more	28% or more			
			●Completion rate of highly specialized human resources training* ² (%: number of participants who completed the training/number of persons subject to the training) FY2030 target: 95% or more	89.1%	95% or more	95% or more			
			●Attendance rate of career training* ² (%: actual number of attendees/number of persons subject to the training) FY2030 target: 95% or more	91.4%	95% or more	95% or more			
	Workplace safety	Eliminating serious incidents	Number of occurrences of serious accidents ^{Note 2, *2}	2	1 or less	0			
	Building corporate culture	●Fostering a corporate culture that promotes D&I ●Establishing an environment that enhances employee engagement ●Growth driven by enhanced motivation to take up challenges	Consecutively acquire certification as an Outstanding Organizations of KENKO Investment for Health	Acquired consecutive certification	Acquire consecutive certification	Acquire consecutive certification	Continue acquiring certification every fiscal year	P.56 ▶	
			Conduct employee survey	Conducted the second survey	—	Conduct the fifth survey	Conduct the survey every two years		
			●Engagement survey score ^{Note 1, *1} FY2030 targets •Highly positive responses: 20 points •Positive responses: 80 points	Highly positive responses Positive responses	13 points 66 points	— —	20 points 80 points		P.37-38 ▶
			●Challenge score ^{Note 1, *1} FY2030 targets •Highly positive responses: 25 points •Positive responses: 85 points	Highly positive responses Positive responses	19 points 67 points	— —	25 points 85 points		P.37-38 ▶
			●Proportion of male employees taking childcare leave* ¹ (%: number of male employees who took childcare leave/number of male employees who had a child born during the fiscal year) ^{Note 5} FY2030 target: 100% or more		175%	100% or more	100% or more		
			●Proportion of female new graduate hires* ¹ (%: number of female new graduate hires/total number of new graduate hires) FY2030 target: 20% or more		22.6%	20% or more	20% or more		P.54 ▶
●Number of women in assistant manager position or above* ² (%: number of women in assistant manager position or above/total number of people in assistant manager position or above) FY2030 target: 6% or more				5.2%	5% or more	6% or more			
●Voluntary turnover rate* ¹ (%: number of voluntary separations/number of regular employees) FY2030 target: below 2.0%				2.9%	below 2.5%	below 2.0%		P.55 ▶	
Respecting human rights	Implementing human rights due diligence based on Human Rights Policy	●Attendance rate of human rights training* ¹ (%: Actual number of attendees/number of persons subject to the training) FY2030 target: 95% or more	Training was not conducted	95% or more	95% or more				
Ensuring thorough compliance	Raising awareness for compliance	Number of times compliance trainings targeting all employees were held (per year)* ²	1	1 or more	1 or more				
	Detecting misconducts at an early stage and taking response measures	Number of reports made through whistleblowing system and implementation rate of response measures* ² (%: number of cases where response measures were implemented/total number of reports received)	11 100%	— 100%	— 100%	P.44 ▶			
Strengthening risk management	Enhancing resilience to natural disasters	Develop and improve effectiveness of BCP	—	—	—	P.43 ▶			
	Strengthening information security	Number of occurrences of major incidents ^{Note 3, *2}	0	0	0				
	Securing product safety and quality	Number of occurrences of serious product safety incidents ^{Note 4, *2}	0	0	0				
	Promoting CSR procurement	●Conduct a CSR survey of major suppliers* ¹ FY2030 target: 200 companies or more	131 companies	150 companies	200 companies or more	P.59-60 ▶			

Note 1) Please see pages 37-38.
 Note 2) Deaths due to occupational accidents and accidents involving injuries that require absence from work of 30 days or more.
 Note 3) Incidents that caused or are highly likely to cause actual damage to corporate management such as takeover of internal systems, data leakage, or suspension of production due to system halt.
 Note 4) Extremely serious accidents for which the Company and the Group are responsible.
 Note 5) Under the Company's scheme, the leave for childcare purposes used for the calculation can be taken until the child enters elementary school. Therefore, the employees included in the numerator may not be the same individuals as those included in the denominator.

*1: Non-consolidated figures; *2: Figures for the Group as a whole.

Special Purpose Truck Business

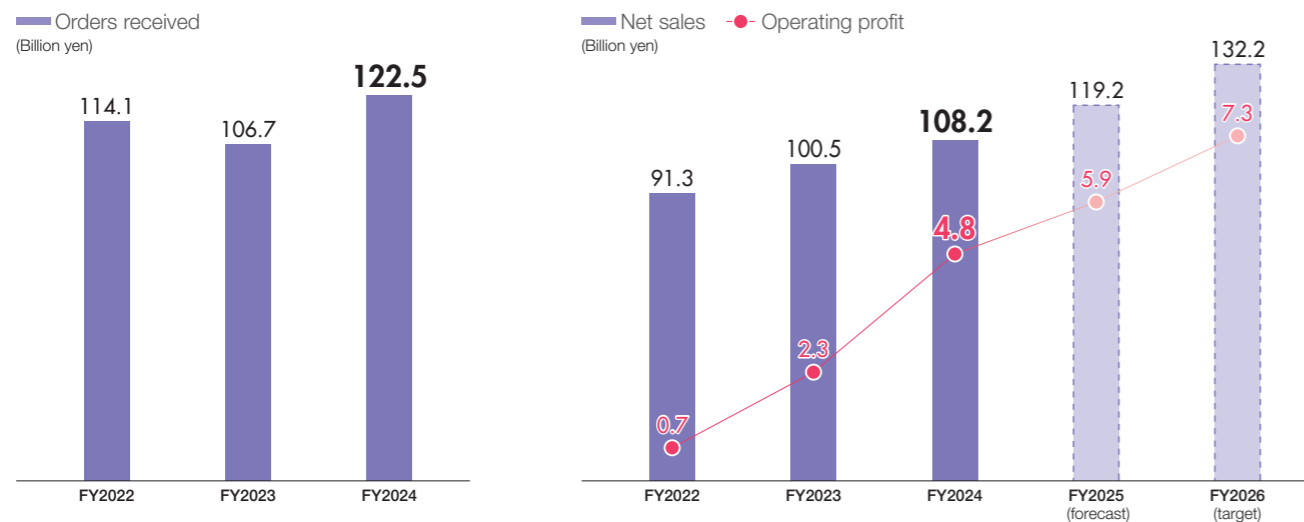
Business Overview

- The business springs from repair work done by contract for the US Forces' vehicles shortly after the Second World War. After that, the business started handling construction vehicles and special purpose trucks for environmental conservation and logistics-related purposes, and has become ShinMaywa Industries' core business.
- The business is responsible for part of social infrastructure projects needed to develop and maintain infrastructure as well as enrich people's living environment and is therefore essential.

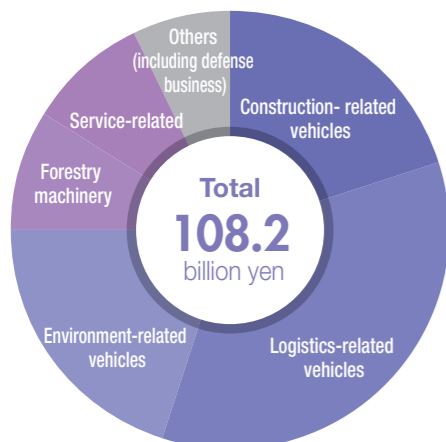
Market Environment

- **Truck market:** unit sales are expected to increase steadily until the fiscal year that ends March 31, 2028, although demand is less likely to return to pre-COVID-19 level.
- **Trailer market:** will remain stable due to the continuance of projects subsidized by the Japanese government although demand will not be boosted significantly.
- **Forestry machinery market:** the Japanese government continues its policy of promoting domestic timber use through its Basic Policy.
- **Construction machinery market:** global gross demand, which declined after reaching a peak in 2021, is expected to recover slowly after bottoming out in 2024.

Changes in Business Results



Segment Sales by Sector for FY2024



FY2024 review

- Orders received were positive overall due to increases in logistics-related vehicles, environment-related vehicles, and defense business, despite a decline in orders received at Iwafuji Industrial Co., Ltd., which handles forestry machinery and other products.
- Net sales increased mainly due to the easing of supply delays of key components and the effect of selling price revisions, which also led to a significant increase in operating profit.

Vision

By people-friendly manufacturing, we provide products (special purpose trucks, trailers, and forestry machinery) and services that help users to increase their earning power. With such attractiveness, the products and services are always selected from customers around the world.



Takeshi Masuda
Managing Executive Officer
Division President, Special
Purpose Truck Div.

[SG-2026] Business Policies

- 1 Increase profitability by strengthening production capability and adding high value
- 2 Expand business scale by strengthening overseas business
- 3 Increase profitability of stock business backed by high market share

Profitability
enhancement
business

Business Strategies

Technology strategy

- Promoting the intelligent use of element equipment and creating new added value as we have acquired manufacturing technologies for reducers, gear pumps, and other components.
- Enhancing defense business in cooperation with the Aircraft Division.
- Implementing labor saving in the forestry industry through digital twins. We will further develop remote control technology.
- Developing the first EV-compatible product or service in the special purpose truck industry. We will further expand SSC* to uncover new added value.
*ShinMaywa Smart Connect: A communication tool for the Company's special purpose trucks
- Developing new products that can directly alleviate the labor shortages and workload issues in the waste collection industry (see Topics).

Product strategy

- Enhanced penetration of value proposition business (G-SUB) has led to an increase in inquiries. In addition, repeat business indicates growing recognition of G-SUB's value. In response, we are expanding the number of vehicles handled and offering industry-specific menus to further expand the value proposition business for special purpose trucks.
- Establishing a system to increase production and improving production efficiency through capital investments.
- Improving profitability through timely selling price revisions.
- Optimizing diverse user needs and plant production requirements, and improving profitability.

Overseas strategy

- Increasing production capability by enhancing and expanding functions of Thai ShinMaywa Co., Ltd. Promoting overseas expansion and expanding sales of component products by leveraging increased supply capabilities.
- Promoting export and sale of products that meet local needs.
- Implementing M&As and strengthening alliances.

Service strategy

- Ongoing increase in maintenance contracts. In addition, providing greater safety and security than ever before with real-time monitoring of truck body conditions through SSC expansion.
- Pursuing efficiency in parts transportation in the wake of Integrated Parts Center becoming fully operational.

TOPICS

New product development in collaboration with LECIP

We are developing a waste collection efficiency system jointly with LECIP CORPORATION ("LECIP"). The system provides an operating environment that can be used by anyone, and includes a variety of features such as optimal route guidance, visualization of workloads, and automatic creation of work reports. Service is planned to be launched within FY2025, and we are aiming for 5,000 units installed by 2030. ShinMaywa and LECIP started verification tests on core functions such as the navigation function and automated creation of collection records in May 2025, and will also conduct verification of the system equipped with additional functions, including visualization of refuse loads and notification of maintenance timing in response to operating conditions, starting in the summer of 2025. Combining ShinMaywa's refuse compactor technology, which has the

largest market share in Japan, and LECIP's know-how cultivated through operating and managing buses will accelerate DX in the waste collection business and contribute to the advancement of social infrastructure. We are aiming to create new value for work vehicles that support the social infrastructure and expand medium- to long-term earnings.



Parking Systems Business

Business Overview

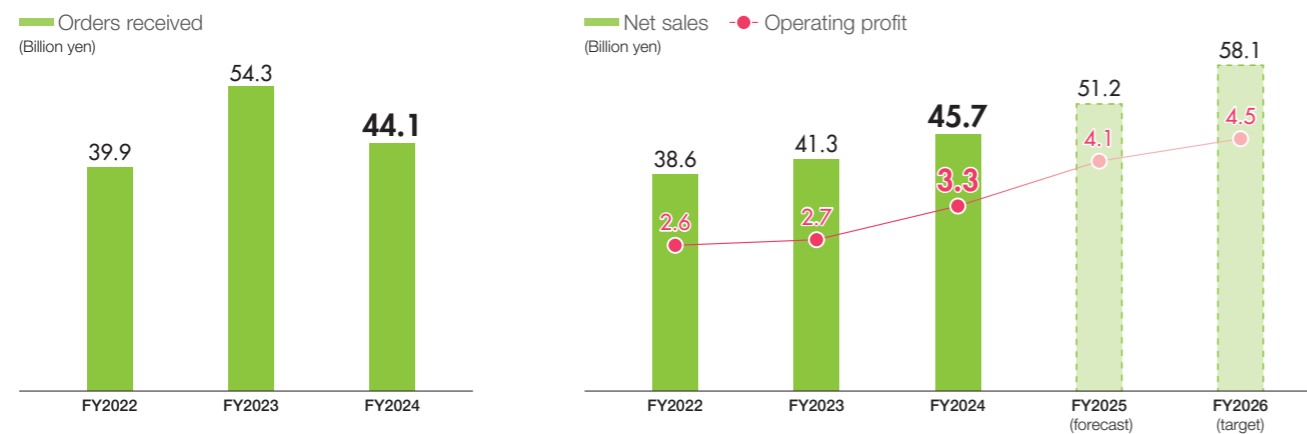
- We contribute to solving a shortage of parking lots in urban areas caused by motorization and developing global airport infrastructure through globalization.
- The Group has earned the trust of society by providing such products as mechanical car parking systems and aircraft passenger boarding bridges for about 60 years.
- We do not just sell parking systems and aircraft passenger boarding bridges but also focus on after-sales service business after the delivery of such products.

Market Environment

- The parking systems products market remains strong due to the firm construction market.
- A surge in the number of airport construction plans, especially in Asia, due to growth in the number of passengers worldwide
- Expansion of business opportunities due to diversification of needs, including needs for CASE, DX, and ZEB*
- Increasing demand for automation, labor saving, and unmanned operations to improve the efficiency of airport operations
- Expansion of the maintenance market for logistics and infrastructure systems

* ZEB: Buildings whose annual primary energy consumption is net zero or negative

Changes in Business Results



Segment Sales by Sector for FY2024



FY2024 review

- Overall orders received decreased due to lower orders for airport facilities than in the previous fiscal year, when the Company received large orders in the Southeast Asian market.
- Net sales increased due to growth in the products and service business for parking systems as well as a rise in sales from the airport facility sector overseas. As a result, operating profit also increased.

Vision

Focusing efforts on stable growth in domestic business and the expansion of global operations, aiming for sustainable growth

—Working on organizational transformation that fosters new business creation for further growth—



Kyosuke Nakano
Managing Executive Officer
Division President, Parking
Systems Div.

[SG-2026] Business Policies

- 1 **Parking systems: strengthen profitability by strengthening product competitiveness and optimizing prices**
- 2 **Airport systems: establish a foundation and expand business in the rapidly growing Asian market**
- 3 **Actively promote DX and alliances to create new businesses**

Growth potential
enhancement
business

Business Strategies

Business strategy for parking systems

- Promoting CASE via "Spasa®": Making things more convenient and comfortable
Connected: Smarter integration with users, vehicles, and apartment apps.
Autonomous: Fully automated operation of parking systems
Shared: Shared charging facilities through sharing functions
Electric: Providing large-scale EV charging as well as recharging and payment services at a variety of parking lots
- *Spasa: ShinMaywa Parking Support Application
- Actively addressing ZEB to contribute to achieving a carbon-free society.
- Improving profitability by optimizing sales prices and strengthening proposals for high value-added specifications.
- Further promoting the advancement of maintenance service using leading-edge digital technology.
- Expanding business in domestic and Southeast Asian markets through promotion of alliances.

Business strategy for airport facilities

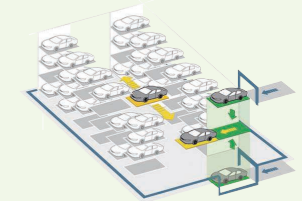
- Providing products and services that satisfy customer needs.
Expanding sales of new products that offer the world's first unmanned, automated driving.
Expanding sales of barrier-free or gutter-less products that offer substantially improved accessibility in pursuit of users' safety and comfort.
Developing new service technologies for remote monitoring and automated inspections using digital technology.
- Expanding orders by strengthening sales collaboration with agents in various countries.
- Expanding business by meeting global standards compliant with European standards and expanding sales strategic areas.
- Promoting optimum production activities in view of expanded sales in Asia (strengthen production capability at overseas bases and optimizing local production).
- **Promoting new business creation activities**
- Creating new business using unmanned hourly parking lots and data through the enhancement of "Spasa®" functions.
- Promoting diversification of maintenance service business into social infrastructure and plant equipment.
- Broadening our reach in new markets (logistics, transportation system-related, surveillance, safety systems, etc.) by leveraging our comprehensive technological and service capabilities.

TOPICS

Business expansions in Southeast Asian and Taiwanese markets

We are actively promoting alliances with overseas parking system manufacturers. Specifically, Taiwan ShinMaywa Industries Co., Ltd. acquired shares of TOP QUALITY MACHINERY CO., LTD., a manufacturer of mechanical car parking systems in Taiwan. We also entered into a cross-licensing agreement with DONGYANG PARK Co., Ltd., a Korean mechanical car parking system manufacturer.

We are having the alliance partners integrate our technology into their products to provide ShinMaywa quality, thereby developing and exploring competitive products. We will continue to actively develop products suited to overseas markets in addition to our mainstay elevator-type parking systems and promote marketing activities in various regions including Southeast Asia and Oceania. The ShinMaywa Group will work to expand its overseas business by contributing to the development of mobility society and infrastructure in each country.



Provided by DONGYANG PARK

Fluid Business

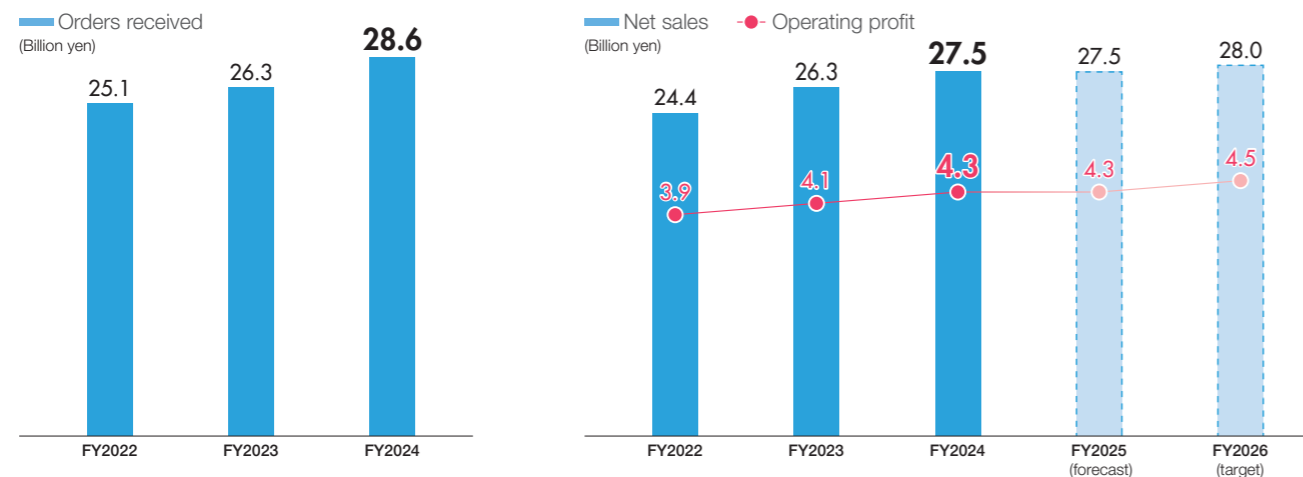
Business Overview

- This business began with the commercialization of a self-priming pump using a motorcycle engine as the underlying technology.
- The Group has been involved in the submersible pump business since the early stage of sewerage system development in Japan, thus contributing to the development of social infrastructure over many years.
- The business domain has been expanded by rolling out submersible pumps and water treatment-related equipment to other industries and overseas.

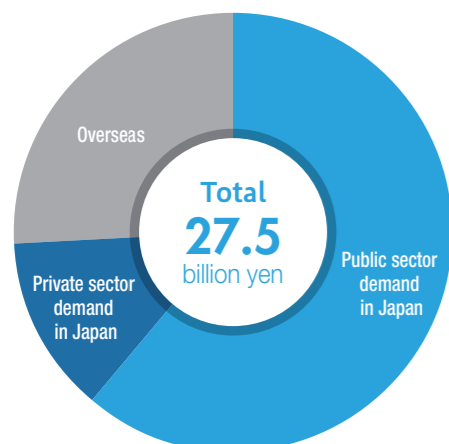
Market Environment

- **Rainwater:** increasing demand for countermeasures against torrential rain and flooding to strengthen national resilience
- **Sewage:** promotion of decarbonization and energy independence at sewage treatment plants Expanding labor saving needs and public-private partnership businesses due to personnel shortages
- **Private sector demand:** growing demand for energy-saving products to address decarbonization and soaring energy prices
- **Overseas:** increased demand for water infrastructure development in areas where sewerage systems are not widely spread (Asia and other regions). Despite growing demand for renewal in North America, where sewerage systems are widely spread, impact of additional U.S. tariffs is a concern.

Changes in Business Results



Segment Sales by Sector for FY2024



FY2024 review

- Orders received increased overall, mainly for pump-related construction, due to strong demand mainly from the domestic public sector.
- Net sales increased due to growth in sales of pumps and other products and after-sale service in Japan as well as positive results overseas. As a result, operating profit also increased.

Vision

Realizing an essential fluid segment to create social value through the optimization of water and air circulation



Koichi Tamura
Managing Executive Officer
Division President, Fluid Div.

[SG-2026] Business Policies

- 1 Sustainable growth of core businesses (submersible pumps and water treatment-related equipment)
- 2 Sustainably strengthen competitiveness and service capabilities by improving productivity and developing new products
- 3 Develop growth domain through new business creation and alliances
- 4 Create new value through co-creation-type DX in cooperation with partners

Growth potential enhancement business

Business Strategies

- **Rainwater management market strategy**
 - Expansion of sales in the torrential rain and flooding measures sector through core products and technologies.
 - Strengthening of the engineering framework through focused resource distribution.
- **Private demand market strategy**
 - Expansion of sales volume of high value-added and energy-saving products that contribute to reducing environmental impact of private-sector factories.
- **Overseas business strategy**
 - Increasing presence through continual introduction of high value-added and energy-saving products to markets.
 - Increasing profit and enhancing competitiveness by switching to in-house manufacturing of key components.
- **Sewage market strategy**
 - Continued introduction of high value-added and energy-saving products to increase sales volume.
 - Strengthening of response to public-private partnership projects, and roll-out of after-sales services and DX solution products contributing to achieving sustainable sewage infrastructure.

TOPICS

Expansion of sales in the torrential rain and flooding measures sector through core products and technologies

To response to societal issues such as torrential rain and flooding, we are focusing on the development and production of large-scale submersible pumps. We are developing new high-flow/high-head products in order to meet diverse installation needs. In response to the recent increase in construction projects in the rainwater management market, we are working to strengthen the organization of our engineering department to improve our technological capabilities and responsiveness. In terms of facilities, the Ono Plant has upgraded

its large pump operation inspection equipment, and we are systematically introducing new equipment, such as a machining center capable of processing large parts, and updating aging facilities. Furthermore, we are promoting deployment both domestically and overseas, such as by partially starting collaborations to sell rainwater drainage pumps for overseas. Through these initiatives, we are aiming to expand sales volume in torrential rain and flooding measures sectors, with a focus on core products and technologies.



Large-scale submersible pumps for road drainage systems (pump bore of 400 mm x 22 kW in power)



Large-scale horizontal-shaft submersible pump for rainwater storage facilities (pump bore of 500 mm x 11 kW in power)



Ono Plant large pump operation inspection equipment (supports pumps up to 1,200 mm in bore)

Aircraft Business



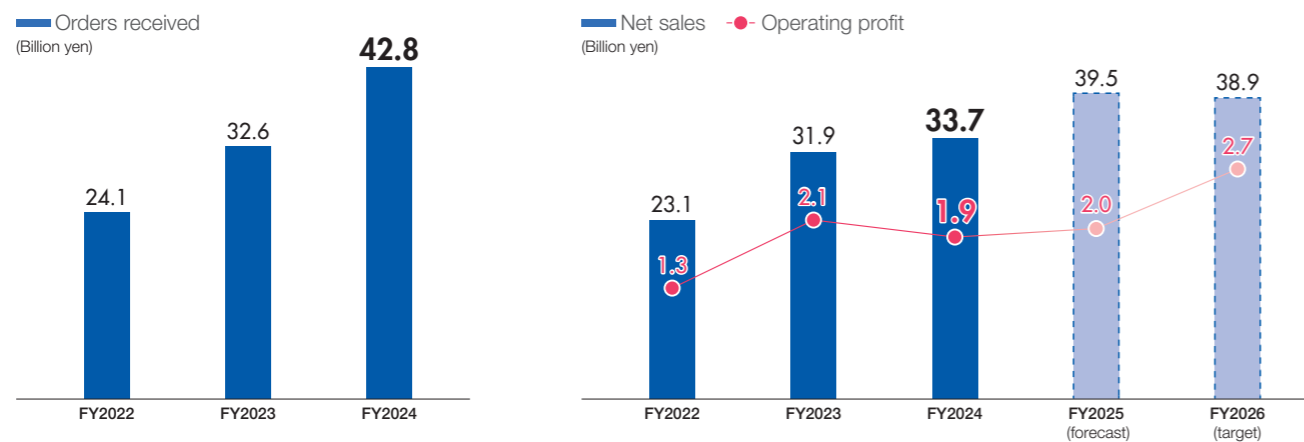
Business Overview

- Even after 100 years have passed since the founding of Kawanishi Machinery Company, the predecessor to ShinMaywa Industries, Ltd., the Aircraft Business is one of our core businesses.
- Through the development, design, manufacture, maintenance, and support for operation of STOL search and rescue amphibians and other aircraft, we work to maintain air transportation and aviation infrastructure, contributing to the development of a prosperous society.
- The Group is pursuing expansion into new domains, including the defense business as a core, commercial aircraft, research on advanced technology, and the application of aviation technology to products in other fields, contributing to society.

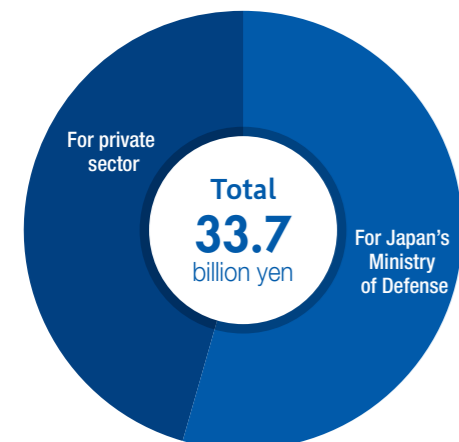
Market Environment

- The defense budget will be increased with a target of 2% of GDP in the future (a total of 43 trillion yen for five years from the fiscal year ended March 31, 2024).
- Firm commercial aircraft market in line with increased airline passenger demand
- Growth of the unmanned aircraft market and promotion of unmanned aircraft projects through public-private partnerships
- The business jet aircraft market is on the growth.

Changes in Business Results



Segment Sales by Sector for FY2024



FY2024 review

- Orders received increased overall due to growth in orders received from Japan's Ministry of Defense for STOL search and rescue amphibian repair-related work and an increase in orders received for Bombardier Global 7500 components in the private sector.
- Net sales increased mainly due to growth in sales of components for transport aircraft to Japan's Ministry of Defense, an increase in production volume for 787 aircraft and yen depreciation, despite a decrease in production volume for 777 and 777X aircraft as a result of a strike at Boeing in the private sector.
- Operating profit declined overall due to a decrease in production volume for Boeing commercial aircraft despite a foreign exchange gain.

Vision

Aiming to be a "results-producing group"

— Appreciate the worth of each other's work and let each and every person produce results as a professional in respective fields —



Hideyuki Mochida
Managing Executive Officer
Division President, Aircraft Div.

[SG-2026] Business Policies

- 1 Acquire new businesses to solve social issues and establish strong business foundations
 - 2 Create products and services using STOL amphibian and unmanned aircraft technologies
 - 3 Improve operational efficiency and expand business through collaboration and alliances with other companies
 - 4 Optimize invested capital and strengthen profitability to improve ROIC
- Profitability enhancement business**

Business Strategies

Commercial aircraft business strategy

- Increasing production of Boeing products and seize new project opportunities.
- Research into and product development for thermoplastic composites.
- Product development leveraging recycled composites through collaborations with Fuji Design Co., Ltd.
- Strengthening foundations for business jet maintenance business.

Defense business strategy

- Maintaining production base through winning continuous orders for the 10th STOL amphibian and beyond, and securing profits through cost reductions.
- Promoting efficiency through design changes and digital transformation.
- Expanding repair and spare parts business and strengthen operational support.
- Expanding business for defense product components.

Fixed-wing unmanned aircraft business strategy

- Appeal to future customers through test flights of our in-house developed fixed-wing unmanned aircraft.
- Actively participating in government-led projects.
- Advance research and development for societal implementation and promote commercialization through collaborations with other companies.

TOPICS

Expansion of defense business

The security environment surrounding Japan is becoming even more severe, and the defense budget is expected to significantly increase to drastically strengthen national defense capabilities. With STOL search and rescue amphibians as our core product, we will strengthen our defense-related business based on the technologies, products, and services we have developed in our past businesses.

Regarding STOL search and rescue amphibians (main contract), we are aiming to sign a contract for production of

the 10th model in FY2025.

In the development of new guided missiles for flying object-related (Tier N) projects, we acquired an order for components from a major customer in FY2024, and began working on designs and prototypes. Furthermore, we are aiming to begin mass production in FY2028, and are also planning the construction of a new plant. We also produce ground equipment used in guided missile vehicles in cooperation with the Special Purpose Truck Div.



STOL search and rescue amphibian



Ground equipment

Source: Japan Ground Self-Defense Force website (<https://www.mod.go.jp/gsdf/equipment/fire/index.html>)

Industrial Machinery & Environmental Systems Business

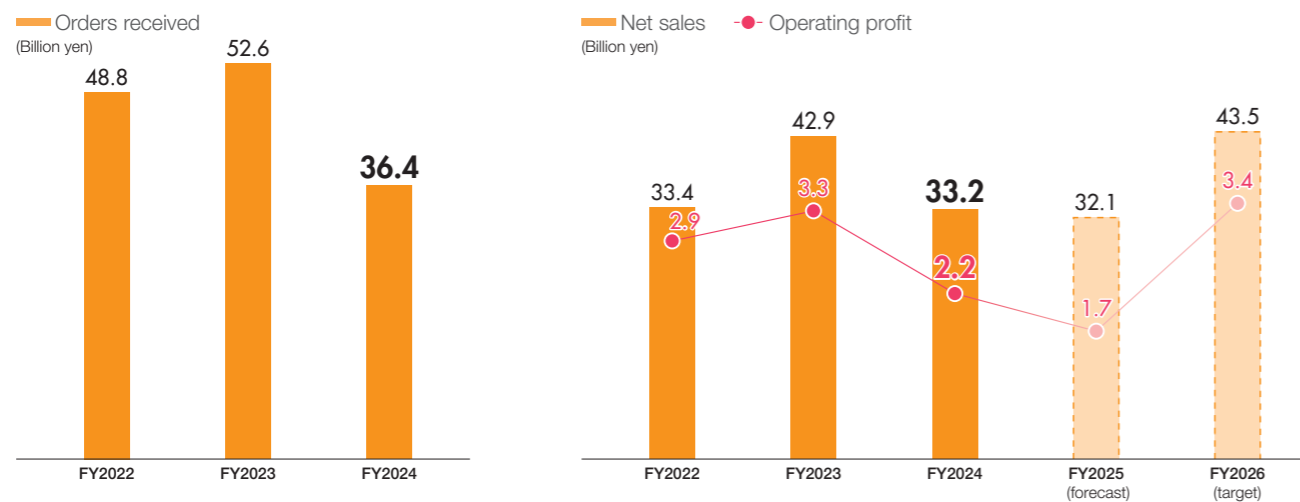
Business Overview

- In the mechatronics-related business, where automatic electrical wire processing systems, vacuum systems, and direct drive motors are key products, we globally provide production facilities required in the automotive and semiconductor manufacturing equipment-related industries in cooperation with our Group companies overseas.
- By strengthening and expanding our service system in main markets, we help customers to develop their businesses in each country.

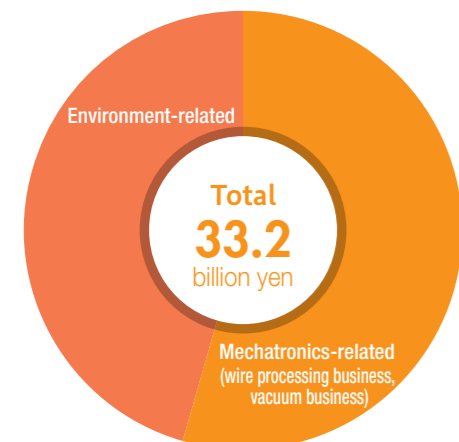
Market Environment

- In the automotive market, growth has been led by China, Southeast Asia, and India since 2024. In addition, the number of harness circuits per automobile has increased by automated driving, and demand for high-speed communication cables and connectors, in particular, has increased. Demand for automatic wire processing systems is growing due to the large number of manual work processes.
- EV market expansion is slowing down after declining EV investments, but with demand for hybrid vehicles increasing, high voltage cable demand is expected to continue growing.
- Slowing in the global EV market and excess capital investments have led to a sudden stagnation in capital investments for automotive secondary batteries in 2024, but the European EV market is expected to grow in the future, and the demand for vacuum drying systems is forecast to increase gradually.

Changes in Business Results



Segment Sales by Sector for FY2024



FY2024 review

- Orders received decreased overall as a result of a decline in orders for vacuum drying systems, which had been expanding in tandem with the growth of the EV market, in the mechatronics-related business, and a decline in orders received in the environment-related business from the previous fiscal year, when we received large orders for long-term contracted operations for plant facilities.
- Net sales decreased overall due to a fall in sales of vacuum drying systems in the mechatronics-related business in response to a decline in orders received, despite increased sales in the environment-related business due in part to growth in service business.
- Operating profit decreased overall due to a fall in profit in the mechatronics-related business resulting from the decreased sales, despite profit growth in the environment-related business due to higher sales and a difference in project mix.

Vision

To be a business segment that improves the quality of people's life in society around the world and creates a joyful future

— Embrace challenges with speed to get one step ahead. In addition to the enhancement of core businesses, create new businesses and expand global operations in growth industries (megatrends) —



Satoshi Nii
Managing Executive Officer
Division President, Industrial Machinery Systems Div.

[SG-2026] Business Policies

Wire processing business

- 1 Expand the business of automatic processing products for high-speed communication cables and special wires
- 2 Expand sales in overseas markets by strengthening alliances

Growth potential enhancement business

Vacuum business

- 3 Expand the vacuum business domain and establish new earnings base by shifting products to growth industry fields and concentrating resources

Business Strategies

Rolling out automated products for high-speed communication cable processing in the automatic electrical wire processor sector

- Concentrating development resources on new automatic processing equipment for high-speed communication cables and special wires in accordance with the widespread adoption of CASE.
- Strengthening alliances, promoting the development of products for new markets and fields, and expanding sales through market development.
- Reducing costs and streamlining new product development through design asset sharing and component standardization.
- Offering demos to customers and promoting sales expansion mainly in the Asia region. Strengthening maintenance and preventive systems globally.

Expanding business scale through new business and product creation in growth industries by leveraging vacuum technologies

- Evolving in-line vacuum drying system technologies for automotive secondary batteries, and adding value to equipment by improving them to have energy-saving drying heat sources.
- Increasing sales by developing equipment for automotive secondary batteries that use vacuum technologies not from vacuum drying systems.
- Introducing new products to the renewable energy sector that utilize vacuum deposition and sputtering technology.
- Expanding applications of diamond synthesis technologies to the power semiconductor market.
- Strengthening business foundation for motor products
- Increasing orders and sales for high-precision motor products suitable for semiconductor manufacturing equipment motors and HDD inspection air spindle precision equipment.
- Applications for renewable energy equipment (actuators for hydroelectric power generation) and special environments, such as motors for fuel valves in H3 rocket engines.
- Product development aimed at supporting the proliferation of BEVs.
- Developing new domestic and overseas customers and enhancing the ability to win orders by strengthening sales channels.

TOPICS

Developing and expanding sales of products in new areas for CASE expansion

Alongside increasing CASE adoption, demand is increasing for cables and connectors that support high-speed communications needed for cameras, sensors, and radars used in automated driving and ADAS (Advanced Driver-Assistance Systems). We are working on developing automatic processors that meet such demand.

Developing products through collaboration with alliance partners and expanding sales overseas

ShinMaywa Industries has made an alliance with China's Wuxi Airstorm Technology Co., Ltd. (the AST Group). We have been working on the development of a complex automatic machine (CMM10) that automatically processes coaxial cables and other terminals for in-vehicle cameras

compatible with high-speed communications, and launched it in August 2025. In particular, we will focus on expanding sales in Southeast Asia and North America, capturing the shift in production methods of Japanese wire harness manufacturers toward automated processing.

We will also focus on sales expansion activities as a comprehensive manufacturer of wire harness equipment including testing equipment manufactured by EMDEP Group, a leading global manufacturer of wiring harness testing equipment from Spain, with which we entered into a strategic business partnership in 2023.



Coaxial cable processor being jointly developed with AST Group (miniFAKRA connectors)

Industrial Machinery & Environmental Systems Business

Business Overview

- In the environment-related business, which principally consists of construction and operation of environmental facilities (refuse transfer station systems and refuse resources recycling centres), we contribute to society through the creation of a recycling-based society and the reduction of CO₂ emissions.



Ichiro Kuwahara
Executive Officer
Senior Vice President,
Industrial Machinery Systems
Div. and Vice President,
Environmental Systems Dept.

[SG-2026] Business Policies

Environment-related

- Increase profitability of plant and stock businesses
- Expand the environmental business scale through the establishment of wastewater treatment-related business

Growth potential
enhancement
business

Market Environment

- The Ministry of the Environment together with municipalities across Japan are promoting the formulation of long-term plans for wide-area refuse collection and transport and consolidation of refuse treatment facilities, and demand for new construction of refuse transfer station systems remains strong.
- Growing demand for renewal and large-scale renovation of environmental facilities (refuse transfer station systems and refuse resources recycling centres) to address the aging of facilities and wide-area refuse collection and transport

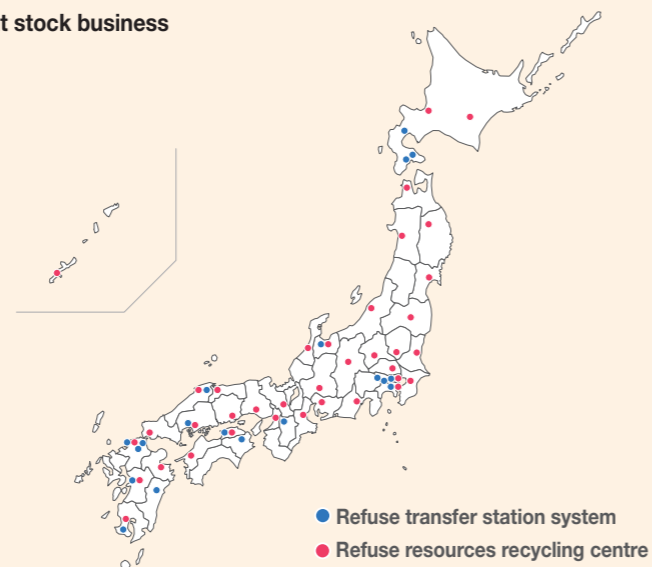
Business Strategies

- Enhancing ability to respond to the expanding plant business**
 - To prepare for increasing demand, we are enhancing organizational strength and building a production system to ensure adherence to schedules and stable quality.
 - Our original AI and IoT technologies continue to evolve. Thorough efforts are being made to expand the scope of applications, add high value, and save labor.
 - Promoting the development of products in affordable price ranges which are expecting to see growth and introduce to markets.
- Improving earnings structure through strengthening of stock business**
 - Building organizational structures and training human resources to handle the rapid increase in operational sites.
 - Maximizing operational efficiency through application of digital tools and remote monitoring functions.
- Developing products through the application of wastewater treatment-related technologies**
 - In addition to wastewater treatment facilities for refuse collecting and transporting equipment, we are developing products and researching markets to provide our proprietary wastewater and exhaust treatment technologies to private-sector factories.

TOPICS

Refuse collection and transport-related equipment stock business

To address the need for wide-area refuse collection and transport, projects for building new refuse transfer station systems are increasing. Demand for large-scale renovation associated with the aging of facilities such as refuse resources recycling centres is also increasing and we are meeting this demand. Further, we are aggressively taking on DBO* projects as they have been expanding in recent years. We are taking part in management business in addition to equipment installations. Currently, we have contracts for maintaining, operating, and managing 30 facilities with local governments nationwide (including non-DBOs). *DBO: Design Build & Operation



Facility type	No. of deliveries	Contracts
Refuse transfer station system	Over 50	16
Refuse resources recycling centre	Over 50	14

Intellectual Property Strategy

Basic policy on intellectual property

1	Positioning our intellectual property, namely the outcomes of technological development and the ShinMaywa Group brand, as key management resources, promote intellectual property activities linked to management policies, business strategies, and product development strategies.
2	To expand the business of the ShinMaywa Group and achieve sustainable growth, emphasize the protection and use of intellectual property to secure a competitive advantage.
3	Respect the intellectual property rights of other parties and work to prevent infringements.

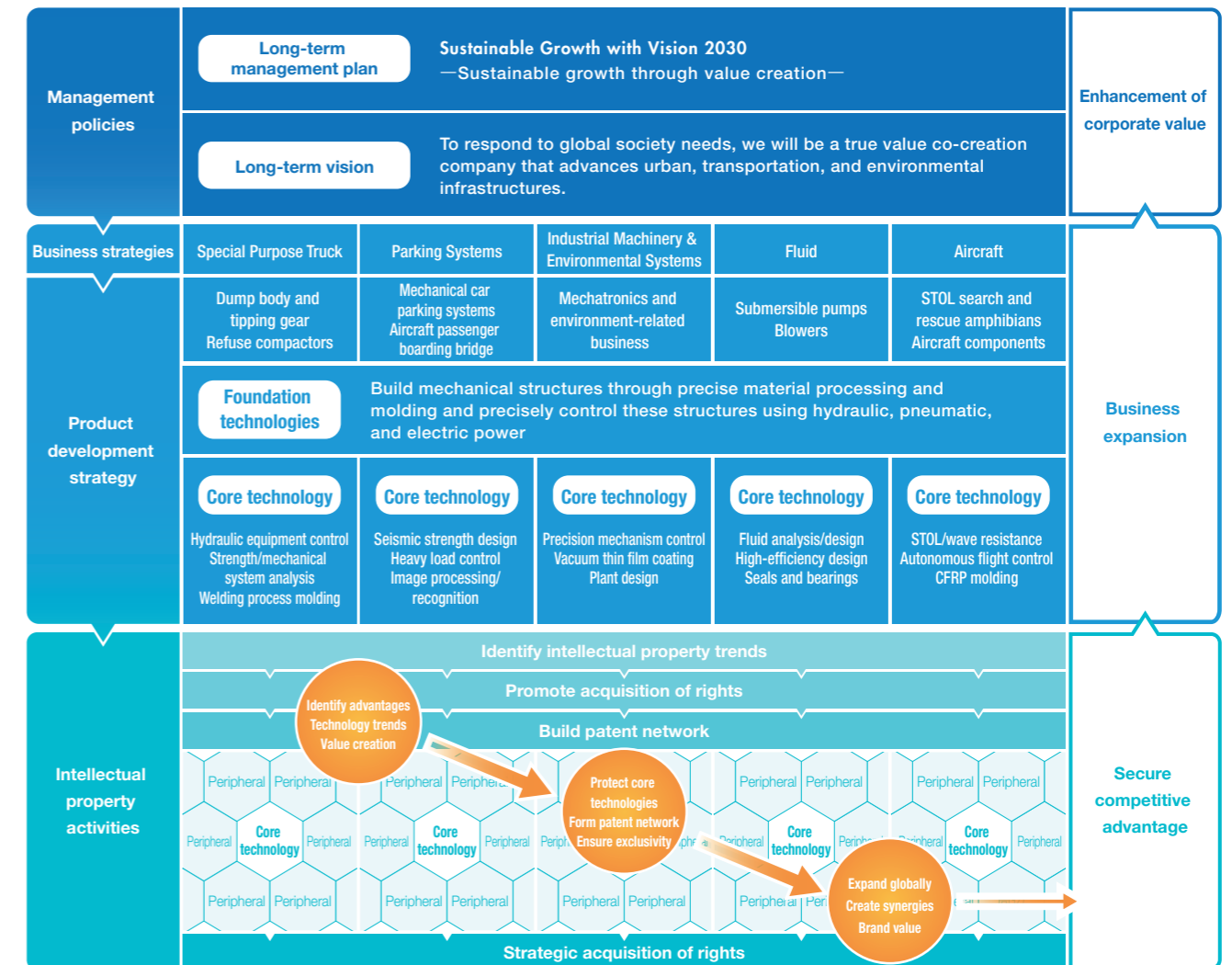
Intellectual property strategy

We will promote the effective investment and use of intellectual property to realize our future vision and enhance corporate value.

1	Promote IP landscape* activities based on management policies and business strategies.
2	Form and strengthen an intellectual property network that will realize our product development strategies.
3	Maintain and increase intellectual property awareness for sustainable intellectual property activities.

*IP landscape

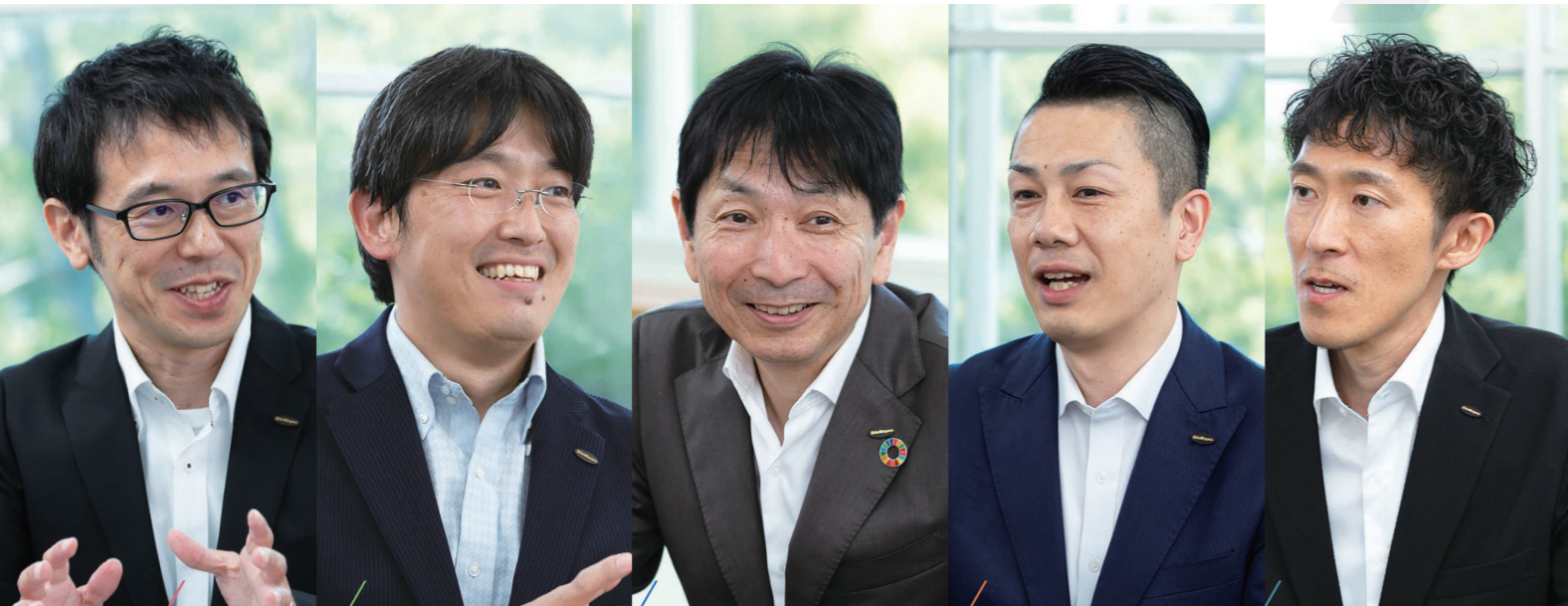
Refers to conducting analysis that incorporates intellectual property information into management and business information when formulating management strategies or business strategies, and sharing an overview of the current situation, future prospects, and other factors with management and people responsible for the businesses



Roundtable Discussion Among Engineers

At the Forefront of ShinMaywa's Commitment to "Enterprising"

The Common Thread: CASE



Manager, Group 1, Research & Development Dept.

Takashi Kunitake

Assistant Manager, Electrical Group, Development Dept., Special Purpose Truck Div.

Yoshitaka Toyama

Executive Officer, Senior Vice President, Parking Systems Div. and General Manager, Business Planning Office, Parking Systems Div.

Masahiro Namba

Manager, New Business Promotion Group, Planning Dept., Business Planning Office, Parking Systems Div.

Junichiroh Inoue

Manager, Group 1, Engineering Dept., Wire Processing Systems Dept., Industrial Machinery Systems Div.

Yoshiki Takahashi

Digital transformation (DX), aging populations and declining birthrates, and the shift toward a carbon-free society—they all reflect megatrends shaping the world today. One of the massive megatrends in the automotive and mobility sector is the acronym CASE: Connected, Autonomous, Shared & Services, and Electric.

At the ShinMaywa Group, as well, several divisions are developing technologies and new businesses with connections to the CASE concepts. These efforts have the potential to be a powerful engine that drives our core businesses in new directions.

To delve deep into these themes, we brought people from across the Group together to talk about how they are approaching the CASE context. Moderating the discussion was Executive Officer Masahiro Namba, who leads business planning in the Parking Systems Division.

CASE at ShinMaywa: Many forms, many approaches

Namba With us today are employees from our technical and business-planning organizations who play roles in CASE-related projects at ShinMaywa.

The foundations of our Group lie in products and businesses that support social infrastructure, and our offerings maintain strong, competitive positions in the markets where we operate. In recent years, however, we have seen a noticeable change in our existing activities—namely an increase in the number of projects with ties to CASE, a once-in-a-century megatrend reshaping the automotive field. I wanted to bring people who work on CASE projects together for a dialogue that, I think, will give us all a good look at our standing and accelerate our CASE initiatives.

The ShinMaywa Group, with its presence in transportation segments, handles a variety of automotive-related products.

For example, the Parking Systems Division, where I work, develops mechanical car parking systems. The Industrial Machinery Systems Division, meanwhile, manufactures and sells automatic electrical wire processing systems for the wire harnesses that vehicles depend on.

Both businesses have long histories, and they provide solutions that customers consistently need. Still, we know that falling behind in the CASE era—the kind of transformation that occurs maybe once a century—could leave us without a future. That is definitely a concern. To make our core businesses even stronger, we need to show society that ShinMaywa is taking proactive steps ahead of the curve.

So let me start with how I got involved with CASE. It was actually all the way back in around 2010, before the term itself even existed.

Around the time when Nissan Motor Co., Ltd. released LEAF, an electric vehicle, we anticipated that having more electric vehicles (EVs) on the roads would create the need for charging functionality in mechanical car parking. That led us to get to work on developing charging facilities for use in our parking systems.

My next project in the CASE area had to do with autonomous vehicles. Together with Gunma University,

we did research on mechanical car parking systems for self-driving cars. That was around the time when people first started using the term "CASE."

More recently, working with Aisin Corporation, we envisioned a scenario in the near future where self-driving vehicles would be able to park in mechanical facilities more easily. We developed a framework for that through a simple setup that links the vehicle's smartphone app with the parking-system app. I also helped develop Spasa® (a support tool for operating mechanical car parking systems), an original app that became the first in the industry to offer integrated, one-stop service—from EV charging reservations to actual charging procedures and payment.

Kunitake I joined ShinMaywa in 2006, having already worked for another manufacturer.

My role at ShinMaywa has been in the Technology Development Department at the Head Office, where I focus on robotics technologies: developing autonomous robots and automation systems. Projects have included power-assist systems, where mechanical or electrical equipment provides force to help reduce physical workload, and aircraft-testing equipment that uses industrial robots. More recently, I have also been developing technologies that detect people via image processing and AI, along with systems for automatically docking aircraft passenger boarding bridges.

All these projects have a common element: applying robotics to ease the burden on people. That is easier said than done, of course. Getting hardware to move the way you want is extremely hard to do. When we were developing the aircraft-testing system, for instance, we took shifts on site around the clock creating a calibration system to meet the robots' positional-accuracy requirements.

In the CASE area, we are also developing a general-purpose, cloud-managed operations system for various special purpose trucks. In creating the system, which utilizes data transmitted from IoT devices to the cloud, we are working to build up a broader base of technologies that could become assets for ShinMaywa—the system for sending data, the design of the cloud service itself, and the web-based applications for using data are all pathways to that kind of progress.

My recent work has also brought me into researching and developing a delivery system that leverages open-source software and employs autonomous mobile robots.

Toyama I have been part of the Development Department in the Special Purpose Truck Division since I first joined the company in 2010. Over the course of my career so far, I have worked on circuit-board design for the controller units in special purpose trucks, software development, server-side programming, and plenty more. Looking back on all those different projects as I got ready for this dialogue, I realized that everything has had a connection to CASE.

In 2020, we launched ShinMaywa Smart Connect, a communication tool that aggregates operating data from our truck bodies in the cloud and provides the results via a smartphone app. The primary targets for the app are ShinMaywa Auto Engineering Co., Ltd., a Group company responsible for maintenance, and designated service worksites. So far, about 30,000 vehicles are compatible with Smart Connect. From the initial demonstration prototyping stage on, I experienced every step firsthand—working with ShinMaywa Soft Technologies, Ltd., which boasts cutting-edge IT capabilities and handled the app development, and seeing the product through to its release on Google Play and the App Store. I was part of the effort from the very beginning to final commercialization.

We are currently working with LECIP CORPORATION, a company that specializes in systems for managing bus operations, on the joint development of

a waste collection efficiency system. Combining our technologies and expertise, we are teaming up to pave the way for more efficient and sustainable waste collection and transportation. We envision the system as something that can not only help our customers—the people who buy the products—but also benefit the general public.

Automation is another big area for us. In 2023, for example, we collaborated with a chassis maker to develop a dump body and tipping gear with an automatically lifting and lowering bed. I still remember being on site at Kobe Steel, Ltd. for the verification tests.

On the "Electric" side of the CASE field, ShinMaywa became the first company in Japan to mount a refuse compactor on an electric truck. The project gave me the chance to work on the communication technology that plays a part in supplying power from the truck's battery to the mounted equipment. For me, it was a really valuable experience.

Namba Taking stock of all these projects, I feel so proud to have gotten the opportunity to work with technologies at the leading edge of the special purpose truck sector—in other words, doing things that no other company in our field had. That sounds like quite a few firsts. As someone in the technology world, I really admire that.

There are always challenges in bringing something entirely new to market, too. When you need to do a thorough validation on something from a technical standpoint, what do you rely on?



Toyama Most of the time, I think of the development process as writing a scenario. I visualize the destination—where we want to end up—and imagine the possible paths to get there from different angles. After I discuss the approaches with colleagues, I always piece our ideas into a concrete storyline and follow that "script" as things progress.

Namba With new development, timing is everything. You can't move too early; and you can't act too late.

Looking back, I think the charging facilities for mechanical car parking systems we developed might have been a bit ahead of their time; at that point, the number of EVs had yet to really start climbing. The whole experience showed me that when you develop something, you have to constantly be on top of the latest industry information.

Inoue In 2001, I joined ShinMaywa Engineering, Ltd.—a former Group company that was later merged into ShinMaywa Industries in 2009, forming the current Parking Systems Division. I started out in design for mechanical car parking systems and, in 2013, transferred into the organization that focuses on planning for new businesses. My team is a strategic organization that works under Mr. Namba's direction, exploring possibilities for manufacturing beyond mechanical car parking systems and new businesses with the potential to be core sources of profit.

I got involved with CASE projects around the time when EVs started to emerge. Since we do a lot with mechanical car parking systems, it was big news when EVs went into mass production. All the companies in the field responded quickly, rushing to develop charging facilities to integrate with their systems. Like the purchase subsidies for EVs, there were also subsidies for charging facilities. My job was to handle paperwork for subsidy applications, among other responsibilities. The scope of the subsidy program only covered the charging facilities, however—not the parking systems—which meant we had to draw a clear distinction between the two. That was quite the challenge. But once the subsidy approval came through, our customers were so happy. I felt like we had really accomplished something.

Now, in addition to overseeing planning work for the whole division, I also serve as a committee member at Japan Parking System Manufacturers Association Incorporated. The association addresses themes that go beyond what individual companies can tackle alone, playing an active role in sharing information. It also exchanges views with the Japan Automobile Manufacturers Association on things like automated parking and safety—human-presence detection, for example—and connectivity between vehicles and parking facilities. It all aims to help enhance safety on both sides of the equation.

Takahashi I joined ShinMaywa in 2005, and my first assignment was to the Design Department of the Wire Processing Systems Division (now the Wire Processing Systems Department). Apart from the time I spent on a secondment to ShinMaywa (America), Ltd., I have spent my career here developing our automatic electrical wire processing systems for wire harnesses (sets of signal wires).

Although we have long targeted wire harness markets in both the automotive sector and consumer sector (home electronics and toys), expanding sales in the automotive market has been a special focus for us since I joined the company. It was around that time that, through our customers, I started to get a feel for what automakers—our end users—expect in terms of quality. For a new hire, I was so lucky to be working on strategic product development. But what I still remember from that experience is being amazed at how high automakers' standards were, not only for quality but also for competitive pricing.

At the time, there was an ongoing shift toward high-mix, low-volume lot production for the automotive sector. It was hard for us to adapt our machines to those production styles and cost requirements then—and around 2010 to 2012, after I had returned from my assignment in the US, the demands rose even higher.

The CASE concept originated in Europe. Daimler AG (as it was then called), a German company, was the one that proposed and started working on the idea. The whole CASE movement basically coincided with when the rise of hybrid vehicles was driving electrification, particularly among Japanese manufacturers. With electrification, though, came an increase in the number of places where electrical noise could come from inside vehicles. Advances in technologies for autonomous driving and connected vehicles also led to more and more circuits that do not do well with noise. Those factors made noise-resistant cables, namely shielded wires, more common—and that, in turn, made automating shielded-cable processing a key issue for the industry as a whole. There are several types of shielded cables. Compared with the processing machines for consumer-market applications, the equipment for automotive applications needs to meet much stricter reliability requirements and other performance benchmarks. Manufacturers across the board continue to struggle in the effort to automate the corresponding processes.

Namba Compared with wiring for home electronics, are the reliability requirements for automotive wiring really that much more demanding?

Takahashi Yes, absolutely. In addition to high-quality processing precision, we have to meet demands for adaptability, traceability, and low cost in the context of high-mix, low-volume lot production.

The processing work for multi-core electrostatic shielded cables is more complicated than the processing for most other shielded cable types. Given the complexity of the work, the processing has conventionally been done manually. But now, together with the Technology Development Department, we are working on what we believe to be the world's first automated processing approach for multi-core electrostatic shielded cables. Since there are no other products like that kind of system on the market, our current focus is on doing performance evaluations and informing factory personnel about changes in workflow—important steps as we prepare to get the product out there to users.

From tangibles to intangibles: Accumulating and utilizing data in the CASE context

Namba Mr. Kunitake, how is your department's cloud-based operations management system for special purpose trucks coming along?

Kunitake At the moment, we are verifying the data from our test vehicles and expanding the system's functionality.



Namba And in moving from development to the operational phase, the key will be how effectively you can put that data to use.

Toyama Right. The data we collect through development is essentially raw data, reflecting an engineer's perspective—which means it may not all be useful for the customer. We need to reprocess the data from the user's standpoint; only then does it have real value for the customer. Getting to that level requires repeated verification, and we still have a lot more work to do on that front.

Namba Do you actually go on site for verification?

Toyama We do. Sometimes, we take part in verification work by chassis manufacturers, and other times, we conduct our own demonstration tests in cooperation with customers.

Being on site is important—there are often differences in how we see things and how customers do, so we try to be there as much as possible.

Inoue You really do learn a lot through direct interaction. That is one big thing I got out of my many walk-in sales calls over the years.

Does the Special Purpose Truck Division have any plans to develop business models that leverage the collected data?

Toyama Yes. The waste collection efficiency system currently in

co-development with LECIP CORPORATION is exactly that kind of initiative. The goal of the project is to create a system that benefits not only our direct customers—the vehicle owners—but also the workers handling the operations and the general public as a whole.

Inoue The direct customers of our mechanical car parking systems are the facility owners, but the actual users are regular people. In the past, our product development efforts tended to concentrate mainly on developers. But when we created Spasa®, we started to focus on what the end users themselves would expect from parking systems. We considered limiting the scope of data provision to developers at first, but we shifted our approach and decided to include end users, too. In the Special Purpose Truck Division, too, I think offering data that directly benefits the people actually in the vehicles would definitely resonate with users.

Namba Spasa® was born from that dual aim—to improve user convenience while reducing management workload.

Kunitake The ability to collect and utilize data marks a major change from simply selling “vehicles” as physical, tangible things. It's like being able to see the “bloodstream” of vehicle operations—an entire picture you can see flow. I think that opens up more possibilities for contributing to process optimization across the board, streamlining the ins and outs of “working vehicles” like monitoring human health.

Namba That kind of thinking, Mr. Kunitake, is what gives shape to new business opportunities. Since many of our special purpose truck products hold market shares above 50 percent, ShinMaywa is in great position to capture truck-body data. By taking a good look at all the data we collect, I think we will start to see new possibilities.

Inoue And using the data to identify people's individual driving patterns and habits could lead to operational improvements and other benefits, too.



Toyama Doing that would require customer consent, of course—but yes, the data we already have would give us what we need to analyze driver trends.

Namba How are you using data in designing automatic electrical wire processing systems?

Takahashi We sell remote monitoring systems that track the operational status of delivered equipment and feeds that information back to customers. Over time, the systems have allowed us to pool a lot of data together. What we are trying to do now is visualize the added value that the data offers and figure out how to use those insights to drive future sales.

Inoue Are those remote monitoring systems selling well?

Takahashi Sales are still limited, but we are working hard to demonstrate the systems to clients and take other steps to expand the market. While breaking into the tier-1 level of wire harness manufacturers—the primary suppliers to automakers—is definitely a challenge, we believe there is still room to grow across the industry.

ShinMaywa's evolution amid the fuel transformation

Namba The CASE component that has taken the biggest steps forward so far is the “Electric” piece, but I feel like the pace of development in that area has been at a standstill in recent years. Part of that may be due to lingering doubts—people still question whether switching to EVs is truly eco-friendly. Still, looking at the situation from an environmental angle, I think the transition to electric vehicles is basically a foregone conclusion.

Hydrogen-powered vehicles are gaining traction, too, with development efforts in that area picking up.

Toyama In the Special Purpose Truck Division, we have already installed refuse compactors on hydrogen fuel cell trucks produced by Commercial Japan Partnership Technologies Corporation (CJPT)—a joint venture among Toyota Motor Corporation, Isuzu Motors Limited, Hino Motors, Ltd., Suzuki Motor Corporation, and Daihatsu Motor Co., Ltd. that focuses on developing CASE technologies and services for commercial vehicles. Whether it's hydrogen fuel cell vehicles or battery-electric vehicles, battery voltage differs by the chassis. By having a lineup of systems that can cover a broad voltage range, we can mount our equipment on both hydrogen fuel cell vehicles and a variety of electric vehicles.

Namba How is the Special Purpose Truck Division involved in the “Shared” side of CASE?

Toyama Well, if we got larger numbers of ShinMaywa-made special purpose trucks with “Connected” elements into the market, I think we could match providers with users when trucks are idle. Effective “Connected” functionality opens up new possibilities in the “Shared” space, as well. Going that direction could put ShinMaywa in competition with automakers, though...

Namba Competition would certainly be a possibility if we engaged directly. From my own personal perspective, I think complementary usage has a lot of potential. For example, snowplows in Hokkaido mainly run during the winter months, which means their operating rates can drop during the summer. On the other hand, dam construction and other projects along those lines tend to peak during the summer season. If we can find a nice, complementary fit for these different usage periods, we'll be able to give our customers ideas for more efficient operations.

Kunitake As self-driving vehicles become more common, the “Shared” element is likely to grow in parallel, leading to a gradual decline in private car ownership. Given Japan's aging and shrinking population, the number of privately owned special purpose trucks will probably drop, too. However, increases in the scope of self-driving functionality will also make it possible for a single person to operate multiple vehicles at once. In that kind of future, demand for special purpose trucks is bound to keep growing. We might even find ourselves in a time where vehicles “share” drivers, rather than the other way around.

Namba The “Electric” and “Autonomous” components of CASE are advancing at a dizzying pace, and I am sure a time will come when EVs will be self-driving around town. Still, it seems to me that it might take a little longer for the technologies to reach the levels that society expects.

As more and more vehicles with these kinds of capabilities make their way into the market, will we also see a rise in the number of cables for ensuring safety and self-driving functionality?

Takahashi There will be consolidation, which will bring some cables' numbers down, but we expect the total volume to keep growing.

Namba Replacing automotive wiring with wireless connections

Takahashi like Bluetooth must come with plenty of challenges. It certainly does. Wireless systems tend to pick up noise, which vehicles are particularly sensitive to. Since cars are products designed to keep people safe, a complete shift to the wireless side would be hard from a reliability standpoint.

Namba While there have also been discussions about using optical fiber as a lightweight alternative, replacing everything with fiber is no easy task if you factor in cost and reliability. Major wire harness manufacturers are still in the development stage on that front. Meanwhile, aluminum wiring is also trending up. We have been developing electrical wire processing systems for aluminum since it first came onto the scene—and since then, aluminum has become one of our strong areas.

Toyama On another topic, how is electrification going with dump bodies and tipping gear?

Toyama Chassis manufacturers are moving forward with development and commercialization in that area. Since battery weight directly reduces the amount of load the bodies can carry, though, there are disadvantages for the customers actually using the vehicles.



Namba Could switching to contactless charging be one way to help solve the battery-weight problem?

Toyama We have heard that another truck-body manufacturer has developed a contactless charging system, but actually implementing that kind of approach would require close coordination and testing with chassis manufacturers. In terms of practical use, the system still apparently has a way to go.

Our strengths in CASE

Namba As CASE takes root across the auto industry, public expectations and common practices will shift—and we will need to adapt our products accordingly.

Kunitake Of the different CASE components, I see “Connected” as most important. As vehicles continue to connect Japan, I sometimes think there is a real chance people will come to view the value of cars less as “things you ride in” and more as devices for connectivity.

Inoue If there is a shift in what a car is, people’s lives and perspectives will change with it. Cars will move from being things you privately own to things you pay for and use when you need them. The ways companies go about selling cars will undergo transformations in turn, and they will be able to make money more efficiently, too.

Namba In the Parking Systems Division, we have traditionally earned revenue by selling products and providing after-sales service to clients and owners. That guided the way we operated. But if we can build businesses that collect payment directly from the people actually using

Inoue the technology and services—and businesses that make use of data—our whole business model itself could shift. When it comes to adapting to how society is changing, ShinMaywa is in a favorable position. The company’s numerous businesses with sizeable shares in their respective markets give it a distinct advantage: the ability to gather more information and utilize more touchpoints with the market.

Namba Special purpose truck products—our core offerings—have commanding market shares, putting us in a position to take the lead when it comes to the industry’s rules around social change. I hope you keep propelling progress toward the future we envision.

Namba We are working to maintain a top share in large-scale mechanical car parking systems, as well, but we currently sit at around just 35%.

Takahashi Given the broader “Autonomous” push, do you think we will see progress in automating changeovers for automatic electrical wire processing systems—an area that still depends heavily on people doing manual work? There are fully automated changeover products for some large systems. When you look at more standard wire processing equipment, though, the area attracting the most attraction is inspection, not changeover.

Namba Wire harnesses are a mature market, but the spread of CASE has really changed the types of components used for wire-end processing in recent years. Everything from processing to inspection methods is evolving faster, creating the need for accelerated product development. From a product-development perspective, Industry 4.0—the movement complementing CASE on the technology side—has had a major impact. Places like Europe and China are responding to that shift quickly, taking steps like using AI to make design more sophisticated and faster and aligning full chains of development activities directly with customer requirements. These are the kinds of trends we need to keep an eye on. So the mindset is user-oriented.

Takahashi Exactly. When you develop with the customer and end user in mind, so much depends on speed. About 80 percent of our electrical wire processing system sales are outside Japan. To keep competing in the global market, I think there are two keys: leveraging AI and laying the groundwork for that effort by digitalizing manufacturing operations.

Namba It seems like AI is going to be a given in every line of business.

Toyama It sure does. One example is the Special Purpose Truck Division’s Smart eye motion® system, which uses AI to help detect and prevent reduce the risk of workers being caught in refuse compactors.

Namba We actually drew on the Smart eye motion® human-detection technology as a reference when developing safety functions for our mechanical car parking systems.

Toyama The first development effort was in 2019—has it evolved since then? Yes, through version upgrades.

Kunitake In the Technology Development Department, we have also been applying AI technologies to our products—object detection, for instance. We are using generative AI on a more frequent basis for program development, particularly as a tool for troubleshooting when technical issues arise.

Namba Does the Special Purpose Truck Division have any co-creation partnerships with chassis manufacturers?

Toyama We do some co-creation, yes, but it can be a struggle because the vehicle’s driving, turning, and braking systems operate separately from the control systems for the truck body.

Namba That said, we do have some projects that I would call co-creation; we co-develop with LECIP CORPORATION on an equal footing, for example.

Namba The collaboration between the Parking Systems Division and Nealle Inc. also began through that kind of partnership—using the company’s online platform for monthly parking-lot reservations and contracts. Utilizing the technologies in that project, we developed our EV charging and payment services, which in turn helped expand the functionality of Spasa®.

Inoue To this point, ShinMaywa had no direct information on the people or vehicles using our parking facilities. But with Spasa®, we now have a new connection with end users—and that just changes the picture completely. We want to keep that kind of pattern going in other areas, as well.

Opening up new horizons through CASE

Namba To wrap up, I want to hear about what goals or commitments you have for your future CASE efforts.

Takahashi I think achieving the product-development cycles that customers now expect as CASE surges ahead requires rapid modernization of our development framework—including structures and resource allocation. With more and more colleagues identifying with that kind of viewpoint, we are now getting started on expanding the modernization push to our plants and divisions across the board.

Namba By monitoring and understanding CASE-oriented changes in customer needs in real time, we will strengthen our technologies and products to compete globally and put ourselves in better position to reach 100 billion yen in overseas sales.



Inoue On-site teams are obviously always busy with their day-to-day operations. In that sense, the Parking

Systems Division is fortunate to have a department that specializes in launching new businesses.

Toyama Personally, my goal is to stay mindful of the CASE megatrend, keep a close eye on related companies and services, and continue giving shape to new business ideas that have connections with our existing operations and create value for the company.

Toyama One key issue in CASE for us in the immediate future has to do with what happens when special purpose trucks become autonomous: the body will also have to check the safety of its surroundings on its own, which means establishing effective technologies to enable that functionality. As labor shortages and diversification press on, I see the safety devices that currently provide support for self-driving developing into forms of universal design. Instead of assuming that we need to “automate everything,” I think there is room for technologies that resist that pull and intentionally keep humans involved to a degree.

Namba Since the special purpose truck sector is bound to see the rise of EVs sooner or later, we are now going to get ready to make sure that our systems can adapt to both battery-electric and fuel-cell vehicles.

Namba To go alongside the product sales and maintenance we have always offered, I hope we can find ways to turn CASE technologies into sources of revenue.

Kunitake In the Technology Development Department, “Autonomous” and “Connected” are two of our key focus areas—components that we think will help shape a better future for every ShinMaywa business. Through our products, we will continue to pursue greater convenience and added value for customers. CASE, for our Group, is now an integral part of what we do.

Namba Changes in the automotive industry—the heart of Japanese industry as a whole—have the power to transform the very way people think and the entire landscape of society. That means CASE represents both a tremendous new opportunity for us and a potential loss-making risk if we fall behind.

Namba Looking across our organization, you can see evidence of nearly every CASE-related keyword in every one of our businesses. Collaboration within the company is thus joining our efforts in the open-source field as an increasingly crucial initiative. Multiple divisions are already engaging in co-creation and starting to get results. All of you here today are leaders in developing our CASE-related technologies and establishing a stronger, broader presence for CASE throughout the company. I look forward to seeing you embody ShinMaywa’s corporate principle of being “enterprising” and blaze new trails forward.



Topics: Human Capital Management

Issues to address on the road to 2030

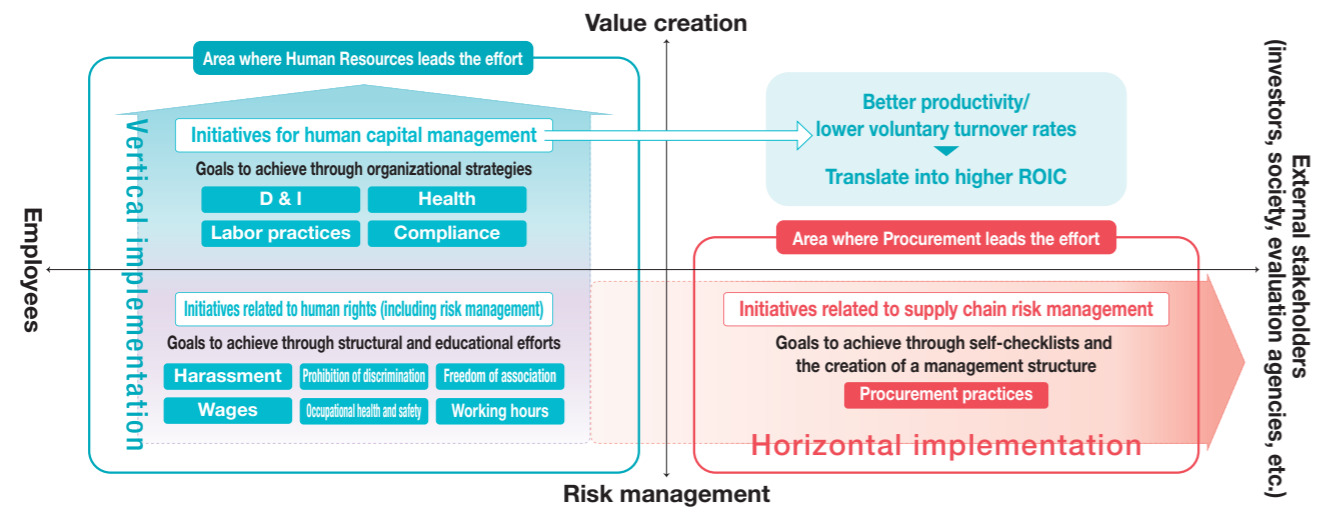
1 Putting the corporate strategy and human resources strategy in better alignment
We need to utilize our human resources portfolio (which applies a backcasting approach to define and manage the human resources needed to execute the management strategy (including DX and global human resources)) to further strengthen the linkage between our corporate strategy and human resources strategy, allowing us to secure the right personnel—in terms of both quantity and quality—for achieving the aims of the corporate strategy.

2 Promoting a virtuous cycle of practical application and disclosure
As we do with our DX human resources, we need to quantify the gap between the current conditions and targets/indicators for global human resources, disclose the results of the practical action we take, and continue to refine our approach. Doing so will involve continuing coordination and consensus among management and relevant divisions within our overall governance framework, including the Digital Strategy Committee and the Global Strategy Committee.

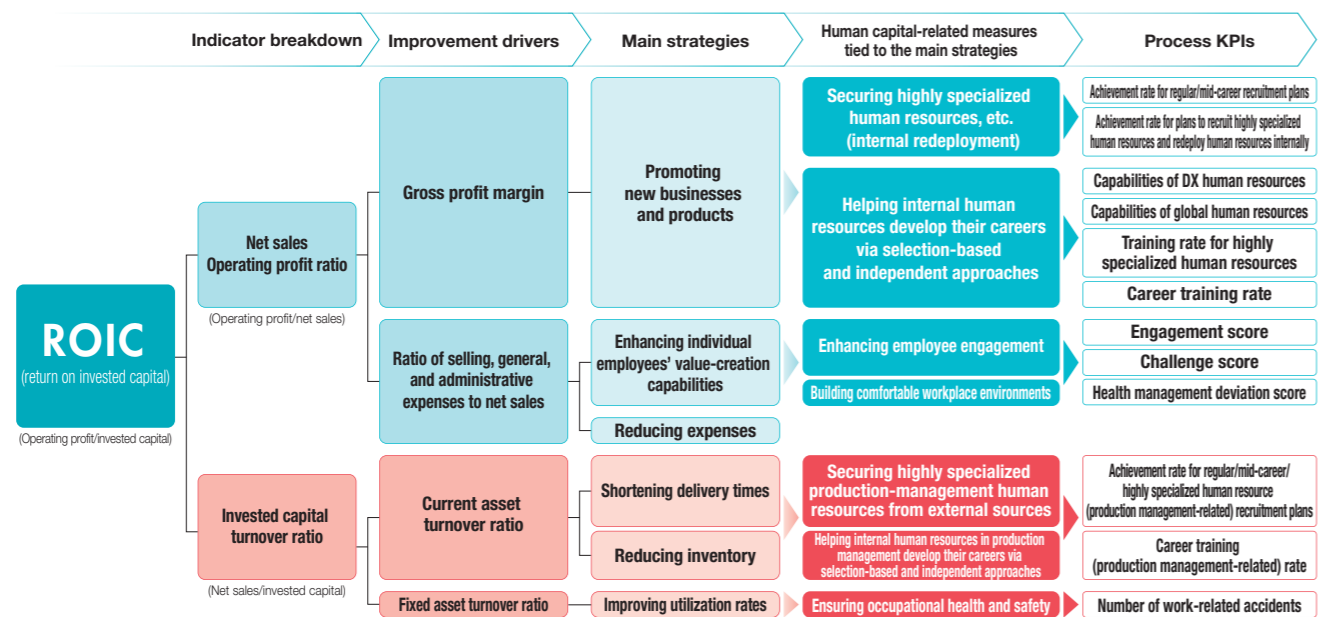
3 Strengthening human rights risk management as the foundation for human capital management
In view of the basic principles of human capital management, the foundation for enhancing corporate value is, inherently, respect for human rights. Building on our initiatives for human rights risk management, we need to reinforce those efforts to establish our human capital management initiatives as a vertical extension of that foundation while also expanding them horizontally to include our suppliers.

4 Analyzing the relationship between human capital investment and corporate value enhancement
With human resources now representing an area of investment, there will be growing demand to explain the relationship between human capital investment and corporate value. In addition to performing quantitative analyses of the correlations between human capital investment and business performance, we will also need to use logic trees and other non-quantitative tools to present stories that illustrate the rational connections between our various HR measures and outcomes such as ROIC and overall corporate value.

Implementing human rights risks management vertically and horizontally



Human capital-related measures and ROIC improvements: A step-by-step narrative of progress



Efforts, indicators, and targets to tackle issues in achieving human capital management

Based on our direction toward realizing human capital management, our efforts to bring the corporate strategy and human resources strategy into optimal alignment will focus on three core objectives.

- Clarifying the concept of human capital investment and making planned investments accordingly
- Managing our DX human resources portfolio and aligning career development (reskilling) with business strategies
- Fostering a comfortable, open workplace environment and nurturing a culture where employees share values across rank lines

We will implement the human resources strategy and support the execution of the corporate strategy, using KPIs and targets to guide the way.

(a) Human capital investment

Our human capital investment amounts for FY2024 are shown to the right. From FY2025 onward, we will also work to expand on the FY2022 per-person human capital investment amounts.

Main purpose	FY2023 results (per person)	FY2024 results (per person)
Developing human resources	197,000 yen	222,000 yen
Establishing internal environments	134,000 yen	196,000 yen
Total	331,000 yen	418,000 yen

(b) DX human resources portfolio

Defining DX human resources

At ShinMaywa Industries, "DX human resources" are defined as "human resources who have capabilities for any of the five human-resource types in the 'Digital Skill Standards for DX Promotion' published by the Ministry of Economy, Trade and Industry in December 2022." To "have" one of the capabilities stipulated in the Standards, a human resource must satisfy the requirements of "Level 4"^(*) or "Level 3"^(**) in the "Level definitions" of the "Skill Standards for IT Professionals" published by the Ministry of Economy, Trade and Industry in 2002.

(*) Able to leverage specialized skills and lead the way in identifying and developing solutions to issues
(**) Able to carry out assigned tasks independently

Setting KPIs and targets for the DX human resources portfolio

For the five human-resource types, we first set our KPIs and targets for two categories: KPIs for the bolstering capabilities in the priority human-resource types of "business architects" and "data scientists" ("key" capabilities), and KPIs for improvements in capabilities applicable to all five types ("all-around" capabilities). We then set numerical targets, which we expressed in terms of human resources per 100 FY2022 internal employees.

	KPI	FY2022 (results)	FY2024 (results)	FY2026	FY2030 (final year of the long-term vision)
Capabilities of DX human resources	Key	100%	187%	180%	240%
	All-around	100%	150%	150%	200%

(Note) We are currently exploring the possibility of reconfiguring the targets for FY2026 based on the results for FY2024.

(c) Engagement survey score

Configuring the engagement survey score

After selecting ten items from the July 2022 D&I Survey that either had direct connections to "improving engagement" or correlations with those items, we looked at the responses for each survey question^(*) and separated them into categories. Those that reflected "ideal conditions" were categorized as "highly positive responses," while those considered "affirmative" were categorized as "positive responses." We then used the average percentages of the responses in the two categories, relative to the total number of responses, as the points for our engagement survey score.

(*) Respondents were asked to select the response that best reflects the current conditions from four choices.

KPIs and targets for the engagement survey score

KPI	FY2022 (results)	FY2024 (results)	FY2026	FY2030 (final year of the long-term vision)
Highly positive responses	11 points	13 points	15 points	20 points
Positive responses	61 points	66 points	70 points	80 points

(d) Challenge score

Configuring the challenge score

In February 2024, in order to create "Fostering awareness among employees to create new value," after selecting six items from the July 2022 D&I Survey that either had direct connections to "employees' willingness to take on challenges" or correlations with those items, we looked at the responses for each survey question and separated them into categories. Those that reflected "the highest score" were categorized as "highly positive responses," while those considered "affirmative" were categorized as "positive responses." We then used the average percentages of the responses in the two categories, relative to the total number of responses, as the points for our challenge score.

KPIs and targets for the challenge score

KPI	FY2022 (results)	FY2024 (results)	FY2026	FY2030 (final year of the long-term vision)
Highly positive responses	18 points	19 points	20 points	25 points
Positive responses	67 points	67 points	75 points	85 points

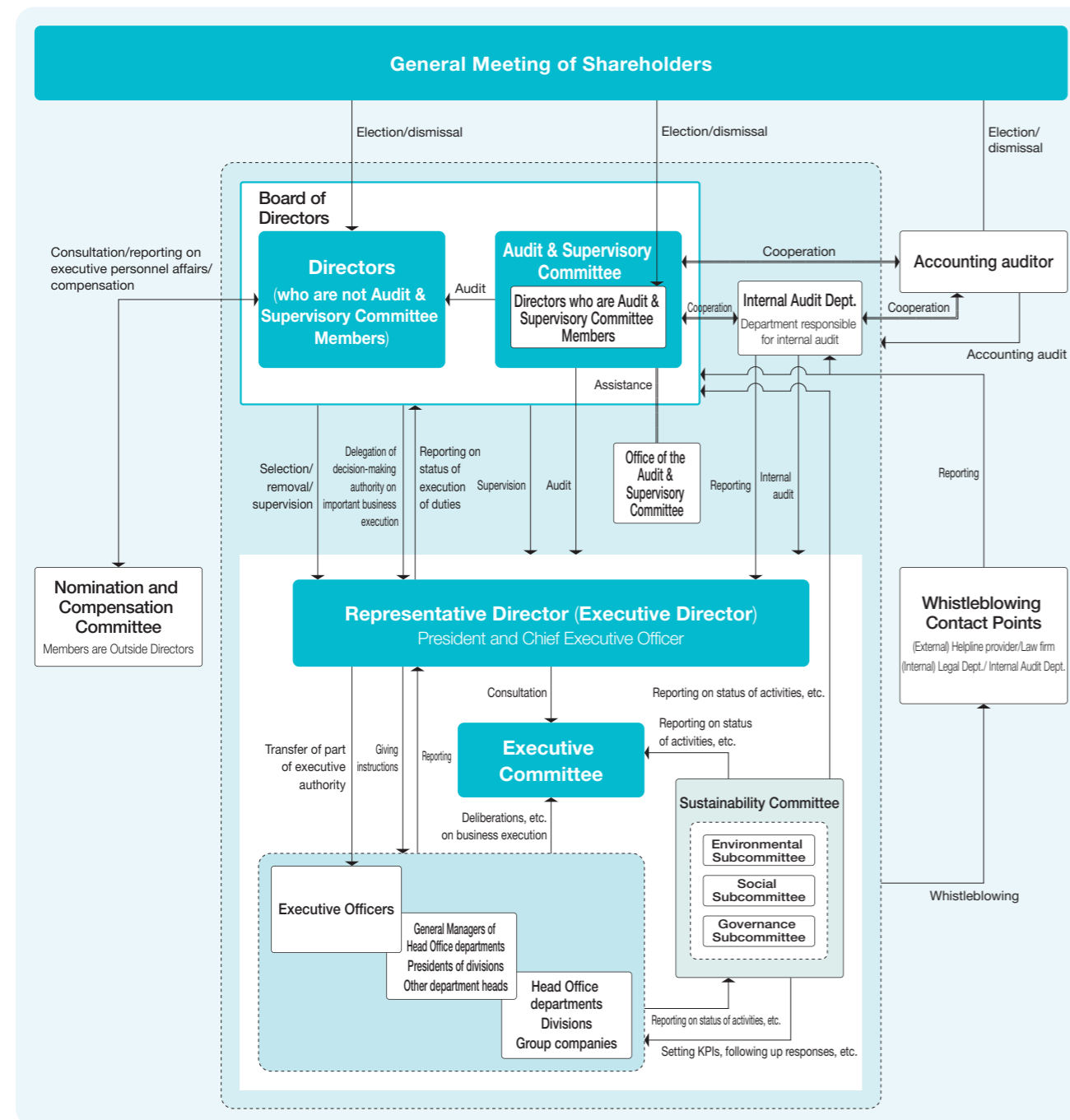
Corporate Governance

Basic policy

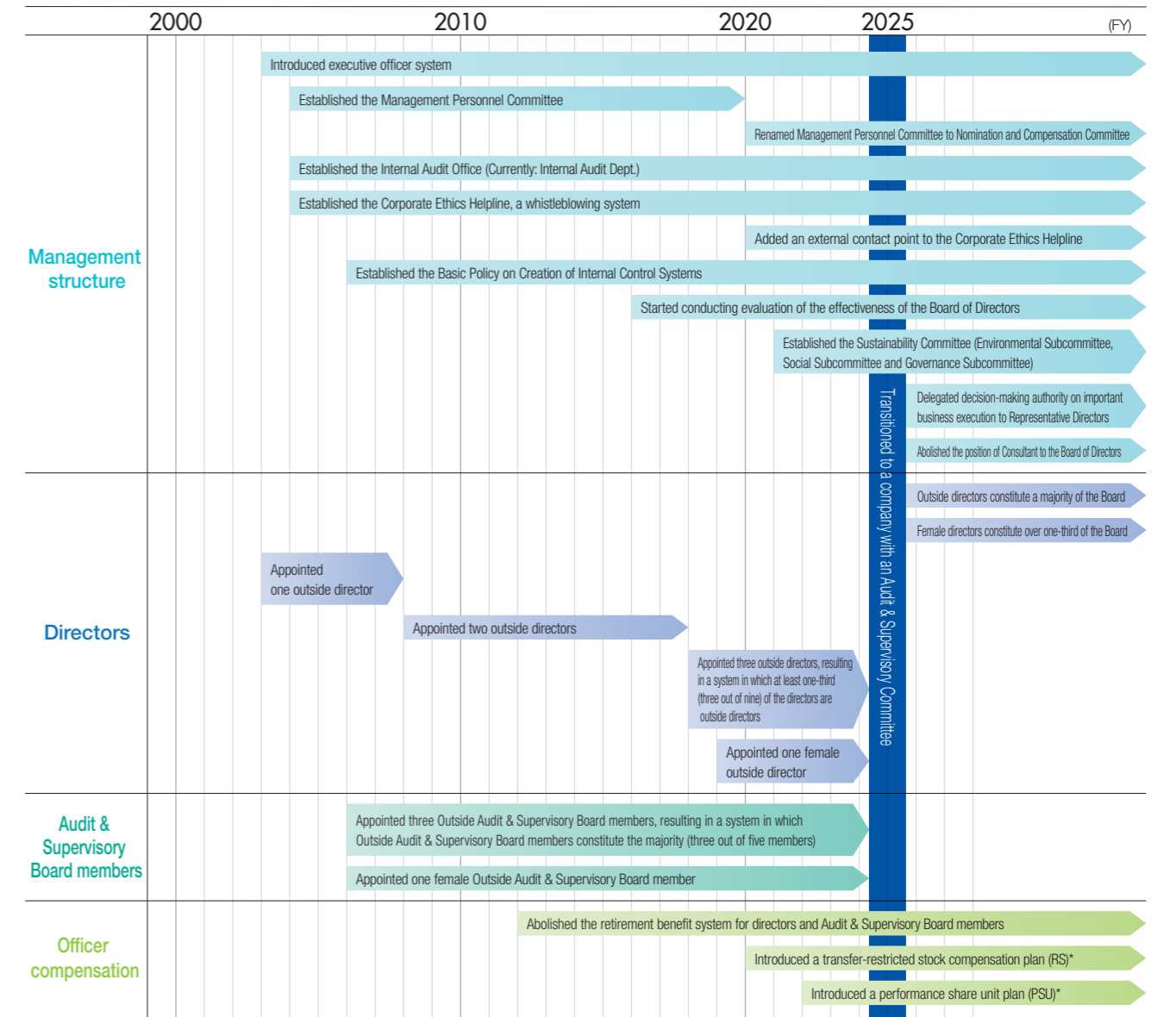
The ShinMaywa Group conducts corporate activities in accordance with relevant laws and regulations, as well as with social norms and common sense, and also ensures transparency and rationality in its management in order to

sustainably increase its corporate value. In doing so, we believe that it is vital to create and operate a corporate governance system and also to continuously review and improve that system.

Corporate governance system



Governance system timeline



Management and execution structure

With approval of the 101st Annual General Meeting of Shareholders held on June 24, 2025, the Company made a transition from a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee.

The transition, which involved the appointment of directors who are Audit & Supervisory Committee Members with voting rights at Board of Directors meetings and the establishment of an Audit & Supervisory Committee, a majority of whose members are outside directors, aimed to further improve the effectiveness of the supervisory function of the Board of Directors and to strengthen the audit system through enhanced collaboration between the Audit & Supervisory Committee and the internal audit department, as well as to speed up management decision-making and business execution under appropriate supervision of the Board of Directors through delegation of the Board's decision-making authority concerning business execution to the directors.

Board of Directors

The Board of Directors' meetings are held once a month, in principle, to discuss and consider important management issues based on the medium- and long-term management plans and to monitor the execution of duties by Board members as appropriate.

The Company currently has 10 directors (including four directors who are Audit & Supervisory Committee members), of which six are outside directors (including three directors who are Audit & Supervisory Committee members), who constitute a majority of the Board. With the appointment of four female directors (including two directors who are Audit & Supervisory Committee members), one-third or more of the Board of Directors are now women, which reflects our consideration for gender diversity in board composition.

The outside directors are mainly expected to monitor management of the Company from an objective position that is independent of the management personnel, provide advice on management and provide broad and diverse perspectives for realizing increasing corporate value and sustainable growth over the medium to long term. They are selected from among persons who have management experience and other diverse experience, skills, and expertise and are effectively independent of the Company.

Audit & Supervisory Committee

The Audit & Supervisory Committee is tasked to audit and supervise the execution of duties by directors in accordance with audit plans and to serve the audit and supervisory function in an appropriate manner through such means as the attendance of directors who are Audit & Supervisory Committee members at the meetings of the Board of Directors and other important internal meetings, hearing reports on the execution of duties of officers and employees, and going through draft proposal documents circulated for approval.

Applying their varied experience and backgrounds as lawyers, certified public accountants, and service at other companies, outside directors who are Audit & Supervisory Committee members help to ensure neutrality and effectiveness of auditing by expressing their opinions on the execution of duties by directors, mainly from the perspectives of expertise in their specialized fields.

The directors who are Audit & Supervisory Committee members meet regularly with the president and chief executive officer to receive reports on the status of management and operations, and to exchange opinions based on the status and findings of the audits. They also exchange information and opinions with directors who are not Audit & Supervisory Committee members for the purpose of enhancing discussions at the meetings of the Board of Directors.

Nomination and Compensation Committee

The Company has voluntarily established a Nomination and Compensation Committee with a view to further improving the transparency and appropriateness of personnel affairs and compensation programs concerning the management team. The Committee is consulted in advance when selecting candidates for executive positions and determining executive compensation and bonuses.

The Committee comprises exclusively of outside directors, and this ensures the independence and fairness of the Committee.

Executive Committee

The Company has established the Executive Committee as an advisory body to the president, and it meets several times a month for the purpose of discussing medium- to long-term management plans, formulating Company-wide management strategies, and deliberating and reporting on important matters related to business execution.

Accounting auditor

Grant Thornton Taiyo LLC has been appointed as the accounting auditor in accordance with the Companies Act and the Financial Instruments and Exchange Act.

Officer compensation

Directors' compensation consists of monthly compensation (fixed compensation), bonuses (performance-linked compensation), and stock compensation (non-monetary compensation). In addition, the compensation level is designed to serve as motivation for medium- to long-term performance improvement and the sustainable enhancement of corporate value based on our management philosophy and long-term vision, as well as an incentive to attract and retain excellent management personnel.

Stock compensation consists of a transfer-restricted stock compensation plan (RS), under which transfer restrictions are lifted upon retirement from the position of director, and a performance share unit plan (PSU), under which the payment rate is determined in the range of

Sustainability Committee

Aiming to sustainably enhance corporate value and create social value, the Company holds Sustainability Committee meetings twice a year. The Committee is chaired by the President and composed of members including internal directors, executive officers of the Head Office, and presidents of divisions. It works to appropriately grasp and evaluate important sustainability-related information and recommends measures for improvement.

The Committee deals with the sustainability information listed below and works to reflect them in our corporate management and to improve the quality of disclosure. It also reports results of deliberation and progress made concerning these topics to the Board of Directors and makes efforts to improve the effectiveness of sustainability management.

Sustainability information

Policies concerning sustainability management, materiality (key issues), crucial themes, as well as KPIs set for these items and status of their achievement

Results of evaluation by relevant public organizations and external agencies and other important information

Details of sustainability-related information to be disclosed on the website, integrated report, and other media

Other important information related to sustainability management in general

Internal Audit Dept.

The Internal Audit Dept. is in charge of internal audits in the ShinMaywa Group and consists of 10 members. Based on the annual audit plan, the Internal Audit Dept. verifies whether the internal control functions of the Company and its Group companies are functioning effectively, and makes proposals for improvement and streamlining based on the results. The results of internal audits are compiled into an audit report, which is presented to the Board of Directors.

The Audit & Supervisory Committee, the accounting auditor, and the Internal Audit Dept. work together and coordinate with each other to conduct efficient audits.

0% to 200% based on the achievement rate of numerical targets during a certain performance evaluation period. On the other hand, outside directors and directors who are Audit & Supervisory Committee members are paid only a monthly compensation (fixed compensation) in light of their role in supervising the Company's management from an independent and objective standpoint.

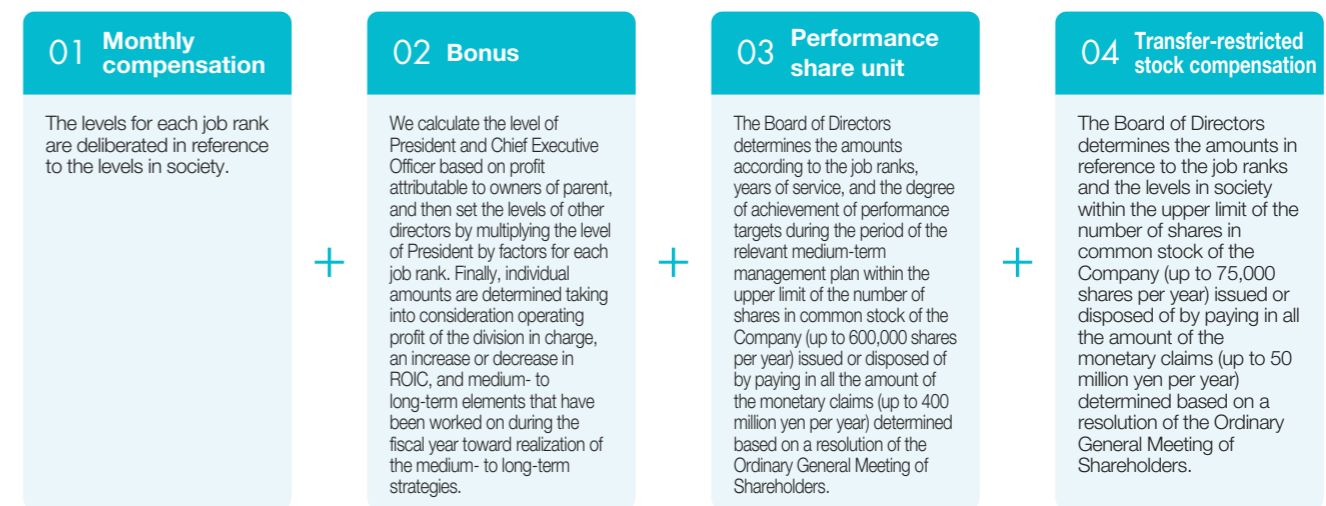
In order to enhance the transparency and appropriateness of compensation, the Nomination and Compensation Committee, which comprises exclusively of outside directors, has been established, and in determining the compensation of officers, the Committee is consulted in advance. The Board of Directors adopts a resolution based on the Committee's report.

(Note) The performance share unit plan (PSU) was introduced in June 2022.

Directors' compensation system (excluding outside directors and directors who are Audit & Supervisory Committee members)

Compensation of the Company's directors (excluding outside directors and directors who are Audit & Supervisory Committee members) is comprised of the following items, and the composition ratio of compensation paid varies for each fiscal year because the

amount of bonus (performance-linked compensation) paid differs each year and the amount of performance share unit (non-monetary compensation) paid differs based on each medium-term management plan.



Composition of compensation (Standard model)

Basic compensation	Performance-linked compensation		
	Annual bonus	RS	PSU
53%	30%	11%	6%

(Note) The share indicated for each compensation is for a standard model case (average of eligible officers) calculated based on the standard amount for when performance targets are achieved.

Amount of compensation (FY2024)

Officer category	Total compensation (million yen)	Total compensation by type (million yen)			Number of officers eligible
		Basic compensation	Bonus	Stock compensation	
Directors (outside directors)	328(28)	182(28)	88(—)	27(—)	9(3)
Audit & Supervisory Board Members (outside Audit & Supervisory Board Members)	54(18)	54(18)	—(—)	—(—)	5(3)

Details of the Board of Directors effectiveness evaluation and questionnaire survey

Every year, the Company commissions an outside organization to conduct a questionnaire survey (which uses both a 5-point scale evaluation style and a free writing style) regarding the effectiveness evaluation of the Board of Directors.

Given that the majority of opinions heard through the survey was on the positive side, we have judged that the directors and Audit & Supervisory Board members believed that the effectiveness of the Company's Board of Directors is ensured.

However, in the free-written responses to the questionnaire survey, many expressed positive opinions calling for further improvement in the effectiveness of the Board.

Based on these opinions, the Company will engage in the initiatives listed below in order to further improve the effectiveness of the Board of Directors, including by enhancing the Board's supervisory function.

① To further enhance and deepen discussions at the meetings of the Board of Directors by: clearly setting important management issues and matters to be discussed by the Board of Directors, including such topics as business portfolio management and ROIC improvement, and developing an annual agenda plan/schedule in order to conduct deliberations in a planned manner; and with regard to main points of Board discussions and issues, distributing and explaining the main points of discussions to officers, relevant divisions and others so as to ensure common understanding and thereby promote and strengthen efforts to address issues and other matters.

② To train and expand the capabilities of senior management and candidates for such positions by systemizing officer trainings, including e-learning sessions, and offering them at regular intervals and to a wider audience.

Risk Management

Basic approach

With the aim of maintaining and enhancing corporate value, the ShinMaywa Group has established rules and regulations regarding risk management based on the Basic Policy on Creation of Internal Control Systems to appropriately manage various risks associated

with corporate activities and to minimize damage in the event that risks materialize. In addition, the section on business and other risks in the Annual Securities Report describes risks that have been evaluated as particularly important.

Promotion framework

At the Group, each business division and Group company has in place a risk management framework built on its own initiative to suit the characteristics of its business and in accordance with the ShinMaywa Group Risk Management Regulations. With regard to natural disasters and other risks that are difficult to control, which we identify as major risks common to all companies, we have built a response system for strengthening preventive measures during normal time and minimizing damage in an emergency.

The Head Office has a system for monitoring the status of risk management at each division and Group company and providing support backed by professional knowledge as needed.

The major risks mentioned above are regularly brought for deliberation at the Executive Committee so that they are shared across the Group and to ensure a unified response, and reported to the Board of Directors as a way to secure effectiveness and continued improvement of the risk management framework.

Business continuity plan (BCP)

When large-scale natural disasters occur, business activities are greatly affected. In the event of a disaster, we will immediately set up a disaster response headquarters to protect the lives of our employees and ensure their safety, and to fulfill our mission of continuously providing products to our customers by working to quickly resume operation should production activities be interrupted. We have a risk management framework in place to minimize the impact on product supply based on the business continuity plan prepared by each production site.

Furthermore, we have established business continuity management (BCM), which is a comprehensive management process that involves how to disseminate the business continuity plan within the Group and how to utilize it strategically.

Based on the Group's management philosophy and sustainability management policy, BCM establishes the priorities of "putting human life first," "maintaining safety and security of surrounding communities," and "responsibility to provide products and services."

We have also introduced a Safety Confirmation System, which allows us to centrally manage the safety of employees and their families, as well as the status of damages to facilities. In order to familiarize employees with the system, we every year hold a disaster prevention (evacuation) drill once, a drill on operating the Safety Confirmation System multiple times, and, at the same time, a drill on setting up a disaster response headquarters.

Information security

Based on our code of conduct, which is grounded in our management philosophy, we have defined our basic approach to information security and the items requiring compliance. We will continue to be a company trusted by society and all stakeholders

by fostering governance and a corporate culture that enables all members of the ShinMaywa Group to recognize the importance of information security and act accordingly.

1	ShinMaywa Industries will comply with all laws, regulations, and contractual requirements related to information security.
2	ShinMaywa Industries will establish an information security management framework to ensure information security.
3	ShinMaywa Industries will establish rules, manuals, and other guidelines for information security in accordance with this Basic Policy.
4	ShinMaywa Industries will appropriately protect information systems and information assets from threats such as leakage, theft, loss, alteration, and destruction.

5	ShinMaywa Industries will provide regular information security training to those applicable as a means of raising their awareness and technical level.
6	In the event of an information security incident, ShinMaywa Industries will promptly address the incident and work toward recovery so as to minimize its impact, and also strive to prevent recurrence.
7	ShinMaywa Industries will periodically evaluate its information security measures in order to continuously improve its information security activities in response to changes in the environment and technology.
8	ShinMaywa Industries will disclose information related to information security measures in normal times and in the event of an information security incident.

Compliance

Basic approach

The ShinMaywa Group stipulates in its action guidelines and code of conduct that each officer and employee must comply with laws and regulations, and also act with high ethical standards and a sense of responsibility. The action guidelines and code

of conduct are included in the ShinMaywa Group Philosophy book and distributed and communicated to all officers and employees, who put them to practice in their daily work to ensure thorough compliance.

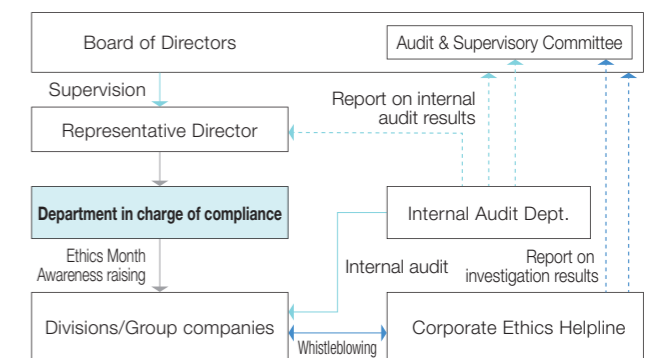
Promotion framework

We have established corporate principles, a management philosophy, code of conduct, and action guidelines as principles for all employees, including those of the Group companies, to act in accordance with laws and regulations, social norms, and common sense, and we share these with Group companies. In addition, we have designated a ShinMaywa Corporate Ethics Day and Corporate Ethics Month to promote efforts to raise compliance awareness and enable various compliance systems to take root within the organization.

The Company also requires employees to execute their duties in accordance with laws and regulations, the Articles of Incorporation, and internal rules, including the Requests for Decision Rules and the Division of Duties Rules, and conducts internal audits based in the Internal Audit Dept. to verify compliance with these requirements. As well as aiming for early detection and elimination of compliance risks, the Company strives to detect problematic events widely through such means as use of its whistleblowing contact points, which our Group companies also have access to.

On March 25, 2025, we received a Cease and Desist Order and Administrative Fine Payment Order from the Japan Fair Trade Commission on the grounds of violating, in cooperation with other businesses engaged in manufacturing and sales of mechanical parking systems, the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (order adjustment) in connection with the supply and

installation of mechanical parking systems. On November 12, 2024, the Japan Fair Trade Commission inspected our offices on suspicion of violating the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade in connection with selling price decision for truck bodies of special purpose trucks. We took the series of situations very seriously and have been working on initiatives to strengthen our compliance system, including training of officers and employees on compliance.



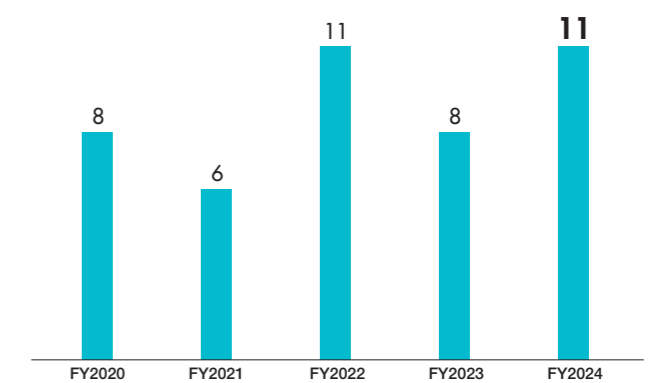
Whistleblowing system

We have established and are operating a Corporate Ethics Helpline, a whistleblowing contact point, for the purpose of early detection of compliance-related problems and elimination of risks through a self-cleansing process. In addition to the internal contact point, an external contact point (lawyers and helpline provider) independent of the management team has been established for whistleblowing, and officers and employees (including fixed-term employees, contract employees, temporary staff, part-timers, etc.) of the Company and Group companies may report incidents without revealing personally identifiable information.

The trend in reports and consultations handled by the Corporate Ethics Helpline is as shown in the figure on the right. The reports and consultations mostly concern harassments at workplace, and there have been no cases of serious violation of laws in business operations.

In addition to the Corporate Ethics Helpline, we have established and operate an Employee Help Site (for consultation on employment management and evaluation systems) and a Harassment Consultation Desk as consultation and reporting contact points for specific purposes.

Number of reports and consultations handled by the Corporate Ethics Helpline (cases)



Compliance Handbook

In March 2023, the Company distributed a Compliance Handbook to all officers and employees of Group companies in Japan. This Handbook discusses representative cases of particular note and provides plain explanations regarding respect for human rights, prohibition of offering bribe, etc. to government employees (anti-corruption), elimination of anti-social forces, and other compliance-related themes. The officers and employees can review this book from time to time, discuss compliance issues with colleagues and supervisors based on the cases addressed in this book, etc. In these ways, this Handbook is expected to contribute to raising of the compliance awareness among officers and employees of the Group and the development of a healthy organizational climate.

The handbook has been translated into English, Thai, and Chinese (traditional and simplified), and is being introduced to overseas Group companies.



Directors



President & CEO
Tatsuyuki Isogawa
 Apr. 1983 Joined the Company
 Apr. 2012 Executive Officer of the Company
 Apr. 2014 President, Parking Systems Div. of the Company
 Jun. 2015 Director, Member of the Board of the Company
 Apr. 2017 Representative Director of the Company (up to present)
 President and Chief Executive Officer of the Company (up to present)



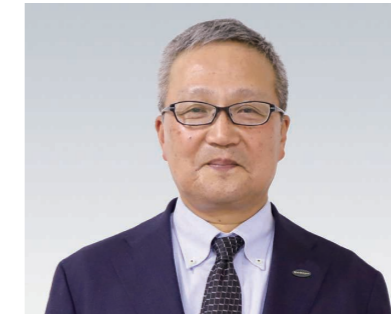
Director, Member of the Board / Managing Executive Officer
Toshiki Kume
 Apr. 1989 Joined the Company
 Apr. 2014 General Manager, Finance & Accounting Dept. of the Company (up to present)
 Apr. 2017 Executive Officer of the Company
 Apr. 2019 Managing Executive Officer of the Company (up to present)
 Jun. 2019 Director, Member of the Board of the Company (up to present)



Director, Member of the Board / Managing Executive Officer
Takashi Kuniyama
 Apr. 1985 Joined the Company
 Apr. 2012 Executive Officer of the Company
 President, Fluid Div. of the Company
 Apr. 2016 Managing Executive Officer of the Company (up to present)
 Apr. 2022 Vice President, New Business Strategic Div. of the Company (up to present)
 Jun. 2022 Director, Member of the Board of the Company (up to present)



Director, Member of the Board*
Seiko Nagai
 Apr. 1983 Joined Japan Airlines 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)
 Jun. 2021 Outside Director of the Board, Oji Holdings Corporation (up to present)



Director, Member of the Board*
Toshiyuki Umehara
 Apr. 1984 Joined Nitto Denko Corporation
 Jun. 2019 Representative Director, Senior Executive Vice President, Nitto Denko Corporation
 Jun. 2021 Outside Director, FUJI OIL HOLDINGS INC. (currently FUJI OIL CO., LTD.) (up to present)
 Jun. 2022 Outside Director, DAIICHI KIGENSO KAGAKU KOGYO CO., LTD. (up to present)
 Apr. 2023 Representative Director, JCCL, Inc. (up to present)



Director, Member of the Board*
Akiko Asami
 Apr. 1987 Joined Eastman Kodak Co., Ltd.
 Oct. 2004 Senior Manager, Business Strategy Division, Research & Development Division, Sony Corporation
 Dec. 2007 Representative Director, OKLife Co., Ltd.
 Jun. 2011 Director, OKWave, Inc.
 Oct. 2017 Advisor, Tiger Corporation
 Apr. 2019 Director, Tiger Corporation (up to present)
 Jun. 2025 Outside Director, Member of the Board of the Company (up to present)



Director, Member of the Board / Full-time Audit & Supervisory Committee Member
Koji Nishida
 Apr. 1984 Joined the Company
 Apr. 2003 General Manager, Credit Management Dept. of the Company
 Apr. 2013 General Manager, Internal Audit Office of the Company
 Jun. 2019 Full-time Audit & Supervisory Board Member of the Company
 Jun. 2025 Director, Member of the Board (Full-time Audit & Supervisory Committee Member) of the Company (up to present)



Director, Member of the Board* / Audit & Supervisory Committee Member
Eri Sugiyama
 Oct. 2001 Registered as Lawyer (Osaka Bar Association)
 Joined Habataki Law Office
 Jul. 2013 Partner, Habataki Law Office (up to present)
 Jun. 2018 Outside Audit & Supervisory Board Member of the Company
 Apr. 2022 Professor, Legal Practice, Kobe University Graduate School of Law
 Jun. 2023 Outside Executive Director, Linical Co., Ltd. (up to present)
 Jun. 2024 External Auditor, ROHTO PHARMACEUTICAL CO., LTD. (up to present)
 Jun. 2025 Outside Director, Member of the Board (Audit & Supervisory Committee Member) of the Company (up to present)



Director, Member of the Board* / Audit & Supervisory Committee Member
Fumihiko Kimura
 Nov. 1976 Joined Tohmatsu Awoki & Co. (currently Deloitte Touche Tohmatsu LLC)
 Jun. 2015 Auditor, The Kyoto University Foundation (up to present)
 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)
 Jun. 2020 Outside Audit & Supervisory Board Member of the Company
 Jun. 2025 Outside Director, Member of the Board (Audit & Supervisory Committee Member) of the Company (up to present)



Director, Member of the Board* / Audit & Supervisory Committee Member
Atsuko Suzuki
 Apr. 1986 Joined Matsushita Electric Industrial Co., Ltd. (currently Panasonic Corporation)
 Apr. 2008 Director and Manager, CSR Office, Matsushita Electric Industrial Co., Ltd.
 Apr. 2017 General Manager, CSR Division, Asahi Group Holdings, Ltd.
 Jun. 2020 Outside Director, YAMAZEN CORPORATION
 Mar. 2021 External Audit & Supervisory Board Member, Lion Corporation
 May 2021 Outside Director (Audit & Supervisory Committee Member), ASAHI CO., LTD. (up to present)
 Jun. 2025 Outside Director, Member of the Board (Audit & Supervisory Committee Member) of the Company (up to present)

* denotes an independent director.

Directors' experience, skills, and specialty (Skills matrix)

	Directors						Directors who are Audit & Supervisory Committee Members			
	Isogawa	Kume	Kuniyama	Outside Directors			Nishida	Sugiyama	Outside Directors	
				Nagai	Umehara	Asami			Kimura	Suzuki
Management experience	●	●	●		●	●				
Experience in multiple businesses	●	●			●	●				●
Finance (Accounting/ Capital policy)		●					●		●	
Legal affairs (Compliance/ Risk management)							●	●	●	
Corporate strategy (Corporate planning)	●	●			●	●				
Global			●	●	●					●
Sustainability (ESG)			●	●						●

Reasons why the Company has chosen the experience, skills, and expertise

Management experience	The Company believes that having management experience is beneficial for effective supervision of management (business execution).
Experience in multiple businesses	The Company is engaged in a diverse range of businesses, and believes that having experience in multiple businesses is beneficial for effective supervision of the Company's management.
Finance (Accounting/ Capital policy)	The Company believes that strengthening the financial base and making strategic investments, etc. will be beneficial in achieving sustainable growth and enhancing corporate value over the medium to long term.
Legal affairs (Compliance/ Risk management)	The Company believes that establishing and strengthening a fair compliance system and an appropriate risk management system will be beneficial in realizing sustainable growth and enhancing corporate value over the medium to long term.
Corporate strategy (Corporate planning)	The Company believes that accurate corporate strategy planning and flexible changes in corporate strategy in response to changing circumstances will be beneficial in realizing sustainable growth and enhancing corporate value over the medium to long term.
Global	The Company believes that strengthening the overseas business is important for achieving the goals of its medium- to long-term management plan.
Sustainability (ESG)	The Company believes that addressing and resolving ESG and other various sustainability issues will be beneficial in realizing sustainable growth and enhancing corporate value over the medium to long term.

Environment

All figures on non-consolidated basis

Basic Philosophy and Action Guidelines regarding Environmental Protection

In April 2022, the ShinMaywa Group newly established its Basic Philosophy regarding Environmental Protection and revised its Environmental Protection Action Guidelines. Going forward, all

employees will join forces to further strengthen our commitment to the environment based on the Philosophy and Guidelines, and strive for environmentally friendly corporate activities.

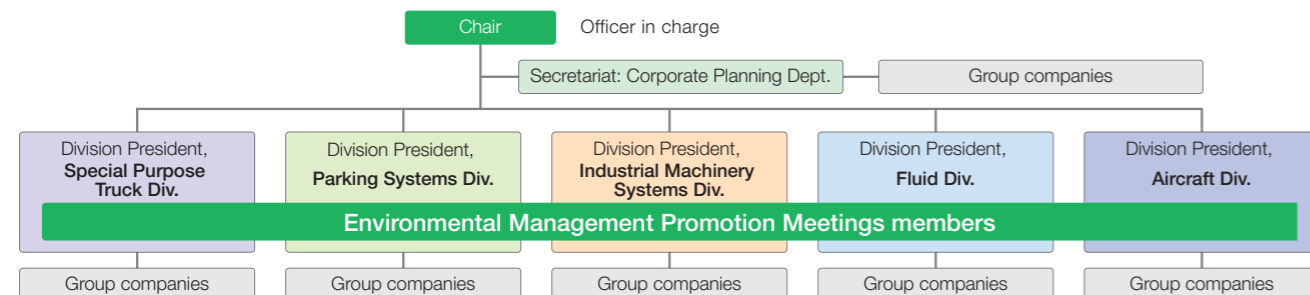
Environmental Management System

Environmental Management Promotion Meetings

We have established the Environmental Management Promotion Meetings as a cross-organizational function for reducing the environmental impact caused by our business activities through such efforts as the promotion of energy conservation, reduction

of total waste emissions, and conversion of waste to resources with value. The Meetings set Group-wide goals, and continue to promote efforts such as monitoring and improvement throughout our business activities.

Environmental Management Promotion Meetings Organization Chart



Environmental management system

The Group is promoting the acquisition of ISO 14001 certification, an international standard for environmental management systems (EMS), and we are working to continuously improve our environmental protection efforts through operations based on the standard. Each of our business sites that has acquired ISO 14001

certification promotes initiatives to address social issues including energy conservation and waste reduction, and shares the details of these efforts through the Environmental Management Promotion Meetings. Of the 18 production bases in Japan, 10 (approximately 60%) have obtained ISO 14001 certification.

Environmental protection activities

The Group continuously monitors CO₂ emissions, energy consumption, and other factors as it works to facilitate the reduction of its environmental burden.

Measures to reduce the environmental burden and combat climate change

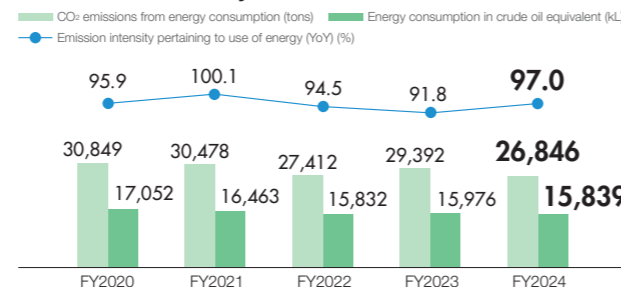
Since the 1980s, we have been working for many years to prevent global warming by making effective use of fossil fuels (natural resources) mainly at our plants.

In 2012, the Company was designated as a specified business operator under the revised Act on Rationalizing Energy Use, and we have been engaged in Company-wide efforts to further conserve energy.

Activities in FY2024

In FY2024, we installed solar power generation panels on the roof of new "large-scale submersible pump operation inspection equipment" that we constructed at the Ono Plant, a production base for fluid products. Electric power obtained through the panels was utilized to contribute to the reduction of CO₂ emissions (52 t-CO₂/year). We have also worked to develop a company-wide

CO₂ emissions/Energy consumption and emission intensity (YoY)



system concerning the introduction of solar power generation equipment and procurement of CO₂-free electric power as environmental investments.

In addition, we have put a system in place to manage the CO₂ emissions of major Group companies in Japan and overseas and measure Scopes 1 and 2 emissions on a consolidated basis.

Waste reduction

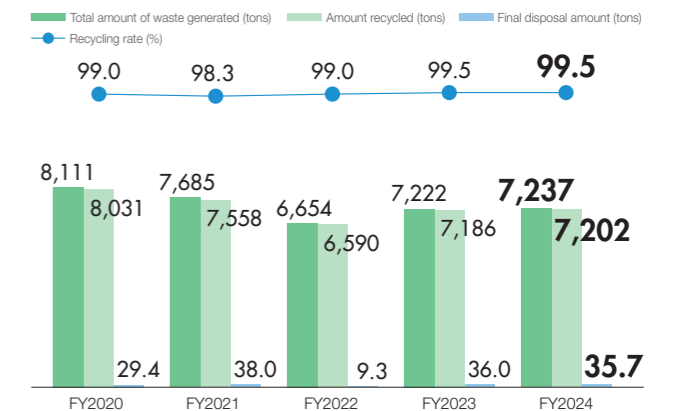
The Company is committed to reducing waste and recycling through the 3Rs (Reduce, Reuse, Recycle) as well as Refuse (not accepting things that will end up as garbage). In our efforts to realize a recycling-based society, we have also set new targets in FY2022 of reducing total waste emissions by 10%^{*1} by FY2030 and achieving a recycling rate^{*2} of 99% or more.

*1 Compared to FY2020
*2 Recycling rate: Amount of waste recycled/ Total amount of waste generated x 100 (%)

Activities in FY2024

We have been engaged in efforts to minimize the amounts of input materials and waste in line with a further improved yield in manufacturing and facilitate the conversion of waste to resources with value by thorough separation and sorting.

Waste generation

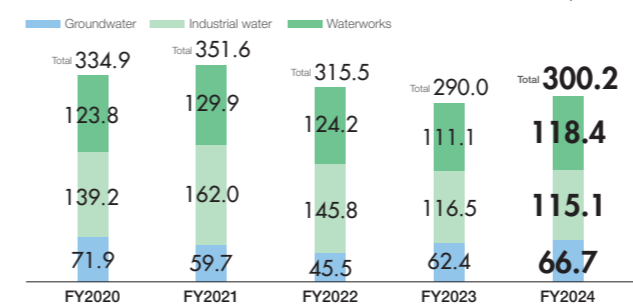


Protecting water resources and reducing water use

Saving water, a limited and precious resource, also leads to energy savings in the water purification process. Our plants are thus committed to proper management of both its water consumption and wastewater discharge, and in FY2024, as in the previous years, there was no non-compliance with laws or ordinances.

Although the Company evaluates that its water risk is low owing to its limited water consumption, the Company will take climate change and the local water situation into account and enhance efficiency in the sustainable use of water resources. The Company will continue monitoring its water consumption and promote water management that emphasizes coordination with local communities.

Water use

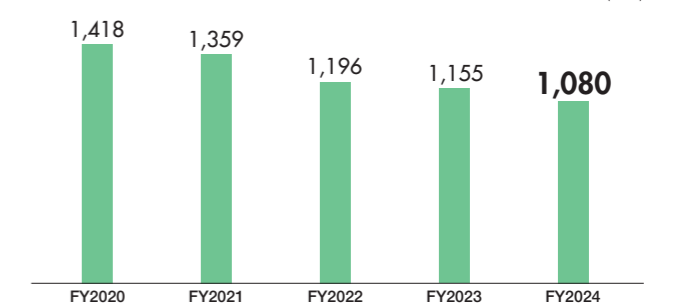


Reducing emissions of pollutants

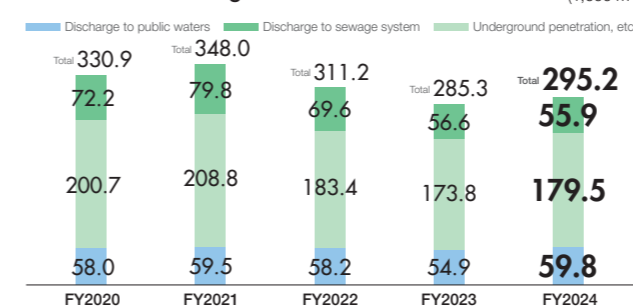
For substances discharged from our plants into the atmosphere and water, we set voluntary emission limits that are stricter than legal regulations^{*3} in our efforts to reduce our environmental impact.

*3 (Examples) NOx: Approximately 30–70% of the legal limit; BOD: 50% of the legal limit (Aircraft Division Konan Plant).

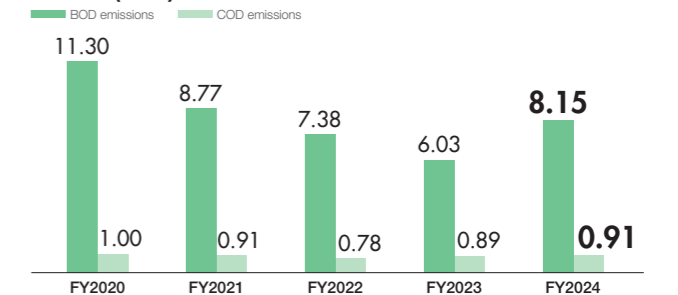
NOx Emissions to the atmosphere



Wastewater discharge



Biological oxygen demand (BOD)/chemical oxygen demand (COD) emissions to water



Management of chemicals

We continually work on the proper management of chemicals, and in FY2024, as in the previous years, non-compliance with or a violation of laws or ordinances was not confirmed.

The Company's fluorocarbon emissions were 17.3 t-CO₂ in FY2024. We stably manage emissions through the appropriate maintenance and management of refrigerant equipment. Regarding substances subject to

PRTR system, the release and transfer volumes were 116,300 kg and 12,863 kg, respectively, and both volumes were properly managed.

The Company will continue to thoroughly comply with laws and ordinances and strive to further reduce its environmental burden through introducing alternative substances and reviewing manufacturing processes.

Endorsement of TCFD recommendations and related information disclosure



In support of the purpose of the TCFD recommendations to proactively disclose financial information related to climate change, ShinMaywa Industries discloses information based on the recommendations. Going forward, we will continue to utilize the framework of the

TCFD recommendations to enhance the quality and quantity of information disclosure, and at the same time, contribute to the realization of sustainable society by further promoting initiatives toward climate change.

For more details, visit: ▶

<https://www.shinmaywa.co.jp/english/sustainability/managementpolicy/TCFD.html>



Governance

The Board of Directors chaired by President & CEO is responsible for the supervision and deliberation of climate-related risks and opportunities, considering them as important issues and themes related to corporate management. The Board of Directors' meetings of the Company are held once a month, in principle, to discuss and consider important management issues including climate change based on the medium-term management plan and to monitor the execution of duties by Board members and executive officers.

Aiming to sustainably enhance corporate value and create social value,

the Company holds Sustainability Committee meetings twice a year. The Committee is chaired by the President and composed of members including internal directors, executive officers of the Head Office, and presidents of divisions. It works to appropriately grasp and evaluate important sustainability-related information and recommends measures for improvement.

Climate-related risks and opportunities are also being addressed within this framework as one of the key issues and the Committee monitors developments of such risks and opportunities.

Strategies

In light of the significance of the potential impacts of climate change on business of the Company and the associated long-term uncertainties, we conduct scenario analysis as part of the process to identify and assess climate-related risks and opportunities related to business of the Company.

Of our five business divisions, we carried out scenario analyses of the two divisions, namely, the Special Purpose Truck business and the Fluid business, ahead of the others. Based on the results of these analyses, we have gradually and systematically performed scenario analyses of the remaining three

divisions, namely, the Parking Systems business, Industrial Machinery & Environmental Systems business, and Aircraft business.

Details of scenario analysis process and the results of scenario analyses are as follows.

The results of these climate-related scenario analyses were reflected in the medium-term management plan, SG-2026 and developed in the business strategies of each business division.

Result of scenario analysis

Scenario	Changes in external environment	Result of scenario analysis	Emergence timing																							
1.5°C/2.0°C scenario	<ul style="list-style-type: none"> • Tightening of regulations for GHG emissions • Transition to low-carbon technologies • Changes in market structure 	<table border="1"> <tr> <td>Common</td> <td> <ul style="list-style-type: none"> ● Increases in production and procurement costs due to carbon tax, etc. ● Increases in expenses due to purchase of renewable energy </td> <td>Medium to long term</td> </tr> <tr> <td>Special Purpose Truck</td> <td> <ul style="list-style-type: none"> ● Loss of sales opportunities in the case of inability to respond to customer requests and provide technical support in a timely manner due to changes in specifications of electric vehicles and vehicles using alternative fuels (fuel cells, hydrogen, etc.) ● Increases in costs of research and development for new production technologies and for higher productivity to transition to lower carbon technologies or decarbonization </td> <td>Medium to long term</td> </tr> <tr> <td>Parking Systems</td> <td> <ul style="list-style-type: none"> ● Increases in costs associated with technological developments to accommodate changes in mobility, such as for electric vehicle charging facilities ● Risk of losing order opportunities due to a decline in our competitiveness in the market resulting from failure to comply with environmental requirements, such as being unable to contribute to the adoption of ZEB, renewable energy/electric vehicle preferential policies, or requests from client developers for ZEB construction </td> <td>Medium term</td> </tr> <tr> <td rowspan="2">Industrial Machinery & Environmental Systems</td> <td>Mechatronics</td> <td> <ul style="list-style-type: none"> ● Risk of intensifying competition with new entrants or a decline in market share amid the diversification of, and increasing demand for, special electric wires used in electric vehicles and self-driving vehicles ● Risk of product evaluation being negatively affected due to its higher environmental impact during product use compared to that of other companies, caused by delay in our response to a recycling-based society </td> <td>Medium term</td> </tr> <tr> <td>Environment</td> <td> <ul style="list-style-type: none"> ● Increases in costs of developing low-carbon technologies at refuse transfer stations and refuse resources recycling centres, and decline in competitiveness due to delays in introducing such technologies ● Risk of losing sales opportunities due to a decrease in sales of new facilities caused by a decline in overall demand for waste disposal, as well as delays in making various plant proposals in response to the contraction in demand </td> <td>Medium to long term</td> </tr> <tr> <td>Fluid</td> <td> <ul style="list-style-type: none"> ● Loss of sales opportunities in the case of inability to shift to lower-carbon technologies for existing products (making them more efficient or enabling their longer life) ● Decreases in sales of products due to a delay in transitioning to low carbon technologies and a circular economy related to the entire manufacturing process (including supply chains) </td> <td>Medium to long term</td> </tr> <tr> <td>Aircraft</td> <td> <ul style="list-style-type: none"> ● Increases in costs of recycling waste materials generated in the manufacturing process and end-of-life aircraft due to increased demand for aircraft recycling ● Increases in various research and development costs related to commercialization of electric/hydrogen aircraft (research to meet requests for additional product safety standards, etc., research into thermoplastic materials, etc.) </td> <td>Medium to long term</td> </tr> </table>	Common	<ul style="list-style-type: none"> ● Increases in production and procurement costs due to carbon tax, etc. ● Increases in expenses due to purchase of renewable energy 	Medium to long term	Special Purpose Truck	<ul style="list-style-type: none"> ● Loss of sales opportunities in the case of inability to respond to customer requests and provide technical support in a timely manner due to changes in specifications of electric vehicles and vehicles using alternative fuels (fuel cells, hydrogen, etc.) ● Increases in costs of research and development for new production technologies and for higher productivity to transition to lower carbon technologies or decarbonization 	Medium to long term	Parking Systems	<ul style="list-style-type: none"> ● Increases in costs associated with technological developments to accommodate changes in mobility, such as for electric vehicle charging facilities ● Risk of losing order opportunities due to a decline in our competitiveness in the market resulting from failure to comply with environmental requirements, such as being unable to contribute to the adoption of ZEB, renewable energy/electric vehicle preferential policies, or requests from client developers for ZEB construction 	Medium term	Industrial Machinery & Environmental Systems	Mechatronics	<ul style="list-style-type: none"> ● Risk 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● Definitions of terms Short term: by 2023 Medium term: by 2030 Long term: by 2050 ● Scenarios used 1.5°C/2.0°C scenario: IEA Energy Outlook and the 2.0°C scenario (RCP2.6) of the IPCC Fifth Assessment Report

Risk management

With regard to risks associated with business execution, we have established the ShinMaywa Group Risk Management Regulations, and each business division and Group company proactively creates a risk management system adapted to the characteristics of its business. Meanwhile, the Head Office monitors the status of each division's risk management while also establishing a risk

management framework by implementing company-wide measures to address risks including disaster-related and financial risks.

We also identify climate-related risks and opportunities by scenario analysis, and those that are particularly significant are managed within the aforementioned companywide risk management framework.

Endorsement of TCFD recommendations and related information disclosure

Indicators and targets

As a medium-term greenhouse gas reduction target through 2030, the Company is currently working to achieve the target of "reducing total CO₂ emissions from energy use by 38% in FY2030 (compared to FY2017)." This means that the Company will reduce CO₂ emissions from energy use from 42,720 t-CO_{2e} in FY2017 to 26,486 t-CO_{2e} in FY2030 on an actual result basis.

Actual results of Scopes 1 and 2 emissions in the past

(non-consolidated) are as shown in the table below. Emissions from major consolidated subsidiaries in Japan and overseas are calculated and added from FY2024 onwards.

Scope 3 emissions have been calculated only on a non-consolidated basis, but we plan to promote an initiative to calculate emissions including those from consolidated subsidiaries in the future.

Scope 1 & Scope 2 emissions (non-consolidated)

ShinMaywa Industries' Scope 1 & Scope 2 emissions (non-consolidated)

Management indicator	Base year	Actual results for the past five years					(Targeted figure)
	FY2017	FY2020	FY2021	FY2022	FY2023	FY2024	FY2030
Scope 1	11,754	10,528	9,796	9,494	9,474	8,839	—
Scope 2	30,966	20,321	20,682	17,918	19,918	18,007	—
Total for Scopes 1 and 2	42,720	30,849	30,478	27,412	29,392	26,846	26,486

Scope 1 & Scope 2 emissions (consolidated*)

Scope 1 and Scope 2 emissions including figures for major consolidated subsidiaries

Management indicator	FY2023	FY2024
Scope 1	12,442	12,236
Scope 2	28,686	31,172
Total for Scopes 1 and 2	41,128	43,408

* Major consolidated subsidiaries that were included in the calculation

9 subsidiaries included for FY2023

Iwafuji Industrial Co., Ltd.
TOHO CAR CORPORATION
OSK, Ltd./WAKO, Ltd.
Wing Field Co., Ltd.
DIAVAC Limited
ShinMaywa Parking Technologies, Ltd.
ShinMaywa Aqua Technology Service, Ltd.
Maywa Komuten, Ltd.

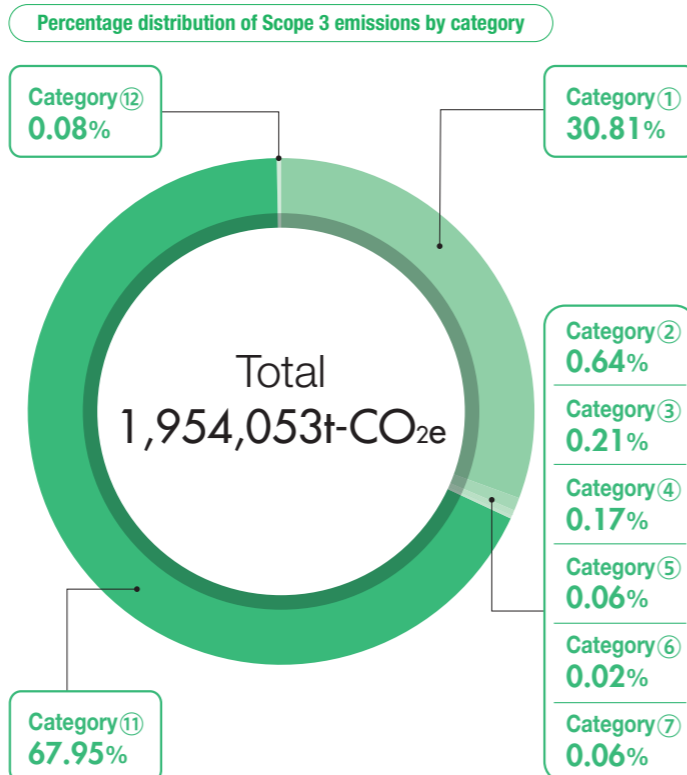
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OSK, Ltd./WAKO, Ltd.
Wing Field Co., Ltd.
DIAVAC Limited
ShinMaywa Parking Technologies, Ltd.
ShinMaywa Aqua Technology Service, Ltd.
Maywa Komuten, Ltd.
Thai ShinMaywa Co., Ltd.
KOREA VACUUM LIMITED
TurboMAX Co., Ltd.

Scope 3 emissions (non-consolidated)

Breakdown of Scope 3 emissions

Category	FY2023	FY2024
① Purchased goods and services	605,545	602,090
② Capital goods	10,794	12,419
③ Fuel- and energy-related activities not included in Scope 1 or Scope 2	4,520	4,118
④ Transportation and distribution (Upstream)	3,158	3,279
⑤ Waste generated in operations	825	1,099
⑥ Business travel	423	450
⑦ Employee commuting	1,153	1,220
⑧ Leased assets (Upstream)	Not applicable	Not applicable
⑨ Transportation and distribution (Downstream)	Not applicable	Not applicable
⑩ Processing of sold products	Not applicable	Not applicable
⑪ Use of sold products	1,262,255	1,327,728
⑫ End-of-life treatment of sold products	1,413	1,650
⑬ Leased assets (Downstream)	Not applicable	Not applicable
⑭ Franchises	Not applicable	Not applicable
⑮ Investments	Not applicable	Not applicable
Total	1,890,086	1,954,053



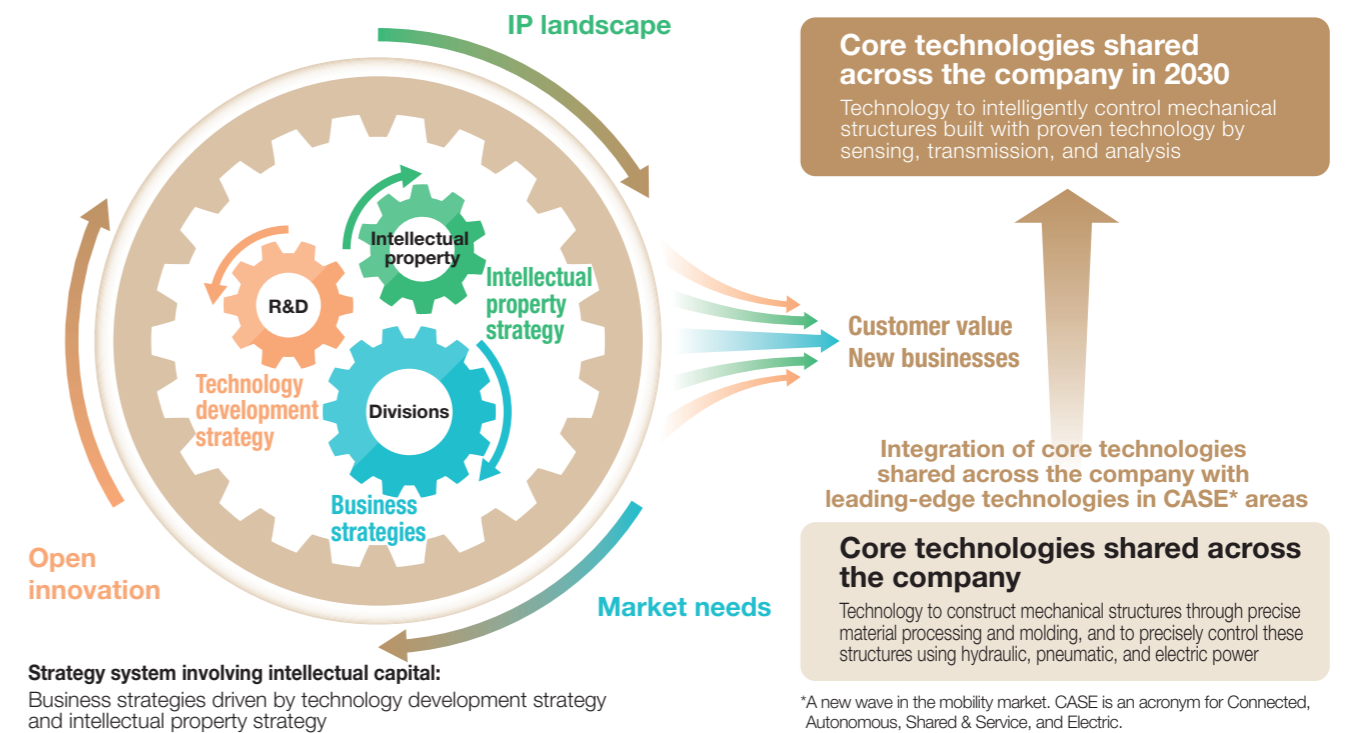
Society

Relationship with customers

Research and Development (R&D)

Basic approach to R&D

In order to make urban, transportation, and environmental infrastructure more advanced, the ShinMaywa Group promotes R&D to create future customer value using both the technologies nurtured since its foundation and leading-edge technologies.



Quality and product safety

Approach to quality assurance activities

Based on our management philosophy, long-term vision, action guidelines, and code of conduct established in April 2020, the ShinMaywa Group has put in place Quality Policy and Quality Assurance Activity Guideline, and will meet customer expectations and trust by delivering safe and high-quality products and services.

ShinMaywa Group Quality Policy

Based on our management philosophy, action guidelines, and code of conduct, the Group will comply with applicable laws, regulations, etc., and deliver safe and high-quality products and services that meet customer expectations and trust. In addition, all employees engaging in sales, design, manufacturing, and services strive to take actions with the highest

For more details, visit: <https://www.shinmaywa.co.jp/english/sustainability/esg/society/quality.html>



ethical standards as well as priority placed on the perspective of whether these actions are good or evil rather than advantageous or disadvantageous, and support society with a sense of security and pleasant lives through practice of ShinMaywa Quality and appropriate operation and management of the quality management system.

Relationship with employees

The three pillars of ShinMaywa Group Basic Policy on Human Resources

*1: Non-consolidated figures *2: Figures for the Group as a whole

The ShinMaywa Group has established a Basic Policy on Human Resources consisting of three key themes, namely: 1. fostering awareness; 2. respecting human rights and establishing internal environments; and 3. developing human resources, to realize our management philosophy. On the basis of the theme of fostering awareness—to accept and respect diverse values, perspectives, and personalities, as well as to appreciate teamwork—we will pursue the theme of developing human resources. This will be

achieved through efforts on the theme of respecting human rights and establishing internal environments, which will enable diverse human resources to play active roles. We aim to develop a relationship that allows individuals and the Company to grow sustainably and continuously by maximizing the application of abilities and specializations gained through obtaining diversity within each individual.

1.Fostering awareness

The Company has set forth a long-term vision of what the Group aims to be in 2030 based on its management philosophy. Realizing this vision will depend on promoting diversity and inclusion while fostering the diversity of individuals who sustain innovation. We will need diverse human resources who can work actively facing the

same direction and with a sense of unity. We are working to foster awareness by clearly defining the type of the human resources we seek and carrying out our evaluations based on this.

For more details, visit: <https://www.shinmaywa.co.jp/english/sustainability/esg/society/raising-awareness.html>

2.Respecting human rights and establishing internal environments

Establishing workplace environments where human rights are respected

Based on our recognition that respect for human rights is an important corporate social responsibility, and as a company that aims to maintain sustainable corporate growth with an eye on the global market, the Group sets forth a human rights policy to uphold and respect the International Bill of Human Rights adopted by the United Nations, the United Nations Guiding Principles on Business and Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO), and expressly show our stance toward respecting human rights based on international standards.

In addition, the Group will recruit and assign diverse human resources regardless of factors such as gender, age, nationality, religion, disability, educational background, and sexual orientation, and advance efforts to promote the creation of an organizational culture that draws on diversity.

For more details on the Group Human Rights Policy, visit: <https://www.shinmaywa.co.jp/english/sustainability/esg/society/human-rights.html>

Human rights due diligence

Under the ShinMaywa Group Human Rights Policy, the Group, for the purpose of identifying, preventing, and alleviating negative impacts of its business activities on human rights, has built a human rights due diligence process and works responsibly to take corrective action as necessary. Specifically, Social Subcommittee takes the lead in promoting activities to address human rights risks identified based on the Group's business activities and strives to take appropriate action to prevent or alleviate such human rights risks.

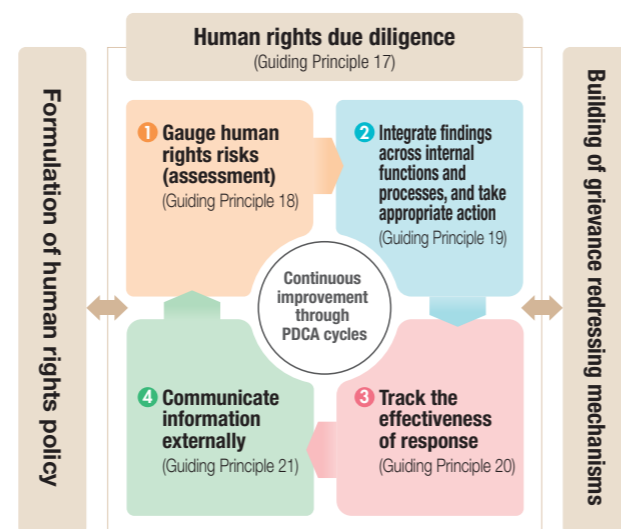
We conduct continuous monitoring, including tracking the implementation status of corrective actions and continuously assessing human rights risk impacts.

If the Group's activities are found to induce a negative impact on human rights or if involvement in such becomes clear through stakeholder dialogue or a grievance mechanism, we will work to remedy that through appropriate procedures.

Measures	FY2024 results	FY2025 targets
Implement human rights issue due diligence (DD)	① Implement human rights issue DD at ShinMaywa Industries and a total of its 18 consolidated subsidiaries in Japan ② Dissemination and awareness raising across the Company (awareness-raising activities were implemented by distributing information to all employees by Messenger for four days.)	① Address human rights issues ② Implement human rights issue DD at Group companies overseas ③ Conduct training on human rights

Identified human rights risks to be addressed appropriately

Employees	
● Harassment	● Discrimination
● Health and safety	● Freedom of association



Grievance mechanism

We have established whistleblowing contact points within and outside the Group so that, in the event of occurrence of a negative impact on human rights, we can take appropriate action to rectify the situation. Employees (including non-regular employees) of the Company and Group companies are eligible to report compliance-related problems including human rights issues. In addition, we have established a contact point on our website to allow all stakeholders to report human rights issues.

If you become aware that any actions that violate the "ShinMaywa Group Human Rights Policy" or other human rights

violations are occurring or may be occurring within the business activities of our Group, and information about that is provided to the reporting system, we will verify the facts based on the information provided and consider and implement any necessary and appropriate remedial and relief measures.

Reporting hotline for human rights issues >
<https://www.shinmaywa.co.jp/english/sustainability/esg/society/human-rights-consultation.html>



Dialogue between labor and management

Under the "ShinMaywa Group Human Rights Policy," we comply with national and regional labor laws and practices through our business activities, as well as establish a sound labor-management relationship by respecting the right of collective bargaining and engaging in sincere dialogue with labor unions and individual employees.

Our regular employees except for managers are eligible to join the labor union, and the rate of joining stood at 97.6%. (as of March 31, 2025)

We acknowledge that the labor union has labor's three major rights (the right to organize, the right to bargain collectively, and the right to act collectively) and that seeking smooth business management and business development is a common interest for both the labor and management. In addition, we have established a management council and a division (plant) council as consulting organizations aimed particularly at explaining management policies, considering production plans, overcoming difficulties in production, improving production efficiency, maintaining and promoting health and safety, enhancing welfare and education, improving workplace environments, and establishing workplace discipline. We have also established a joint labor-management council and a central council for the purpose of maintaining and improving labor conditions and

preventing or handling conflicts between the Company and the union.

At ShinMaywa Industries, the labor and management hold Working Hours Setting Improvement Committee meetings twice a year to share information and exchange opinions about initiatives aimed at developing environments and shortening total working hours to implement diverse and flexible working styles and enhance employee engagement, with a focus on preventing overwork. At the joint labor-management council, the labor and management set targets for the initiatives seeking to increase the childcare leave-taking and the paid leave usage ratios and promote the active participation of women, as well as share information, exchange opinions, and have discussions at each meeting.

At collective bargaining, the social context such as price trends and employees' life designs such as childcare and caregiving are also taken into consideration. Accordingly, we investigate wage levels every year and set a wage level and compensation for employees that surely exceed the minimum wage. The labor and management share information, exchange opinions, and continue discussions to pay competitive salaries, and we work to pay wages necessary for all employees across the Company to maintain their standard of living.

Creation of an organizational culture that makes use of the diversity of human resources

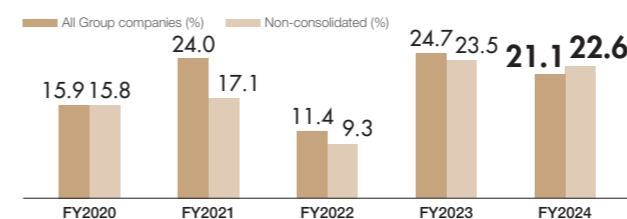
Promoting the active participation of women

The Group believes that promoting the active participation of women is an important element of diversity. To this end, we have established various systems that allow employees to continue to work after life events such as childbirth and childcare, and we support both male and female employees in balancing work and family responsibilities.

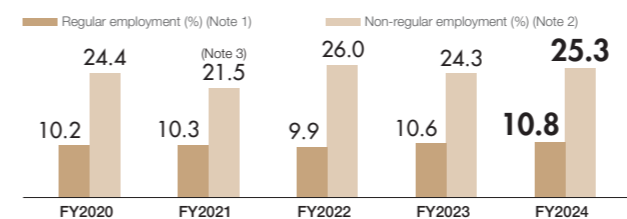
Recognized challenge in increasing the proportion of female managers

The Group is promoting the creation of workplace environments where employees can demonstrate their abilities irrespective of gender. However, owing to the nature of manufacturing business, the proportion of male employees is high especially in plants and production sections, and the percentage of female workers in management positions remains low. Based on the understanding of this structural challenge, we will provide women with more opportunities for recruitment, development, and assignment and pursue the creation of an environment where women can play active roles in management positions.

Proportion of female new graduate hires [Number of graduate school, university, and technical college graduates/females]



Proportion of female employees (%)²



(Note 1) Full-time employees
 (Note 2) Directly employed workers such as part-time workers, contract workers, and rehired retirees. Dispatched staff are excluded.
 (Note 3) The decline is due to a decrease in the number of female employees (non-regular), and an increase in the number of non-regular employees joining the Group through M&As.

Number and proportion of female managers²

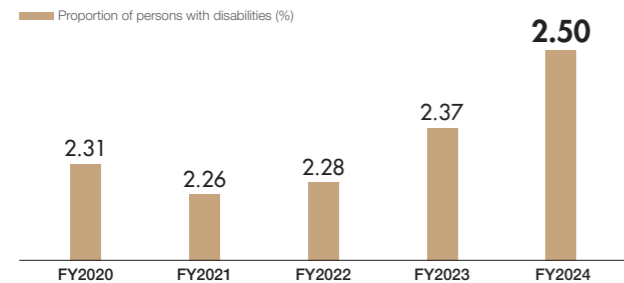


Relationship with employees

Promoting the hiring of people with disabilities

The Group is committed to establishing an inclusive society, where anyone who wants to work and has the ability to do so can take part in society through their work, regardless of disabilities, and is therefore promoting the hiring of people with disabilities.

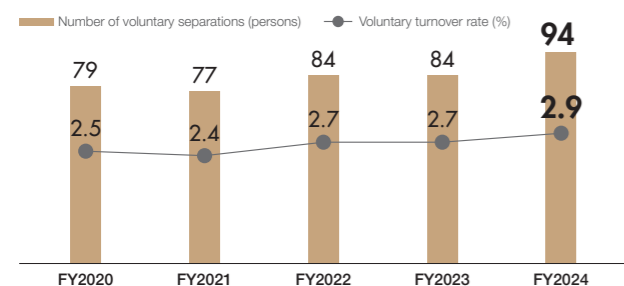
Proportion of persons with disabilities²



Number of voluntary separations

The Company has been promoting the creation of a workplace where diverse human resources can continue to work with peace of mind. As part of this initiative, we have been engaged in efforts to reduce the voluntary turnover rate. We are working to increase the retention rate and strengthen our human capital by fostering an environment where employees with diverse backgrounds in gender, age, life stages, etc. can play active roles according to their different values and working styles.

Number of voluntary separations¹



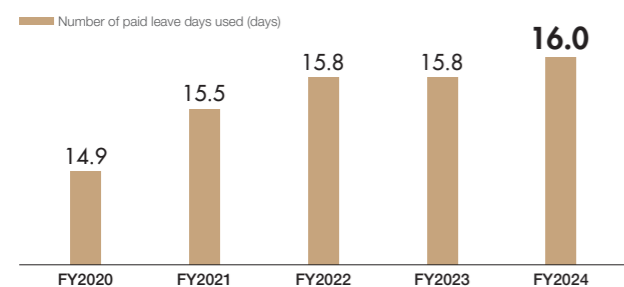
Developing systems to allow for diverse working styles

To enable our employees to balance work with their personal lives, we are enhancing our systems so that we can create a work environment that is comfortable for our diverse workforce.

Initiatives for preventing long working hours and for promoting the use of paid leave

As well as strengthening management of work hours in line with the establishment of legal limits on overtime hours, the Company has put in place various measures for reducing overtime work. To reduce long working hours, for example, we have set a company-wide day on which everyone leaves the office at the close of business hours. We are also working to promote the use of paid leave through introduction of a planned leave system.

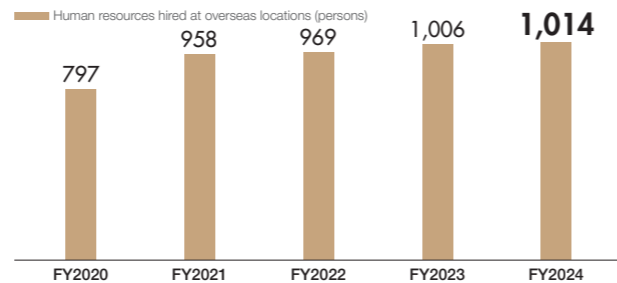
Number of paid leave days used (average per employee)¹



Hiring human resources at overseas locations

The Group believes that expanding its presence in overseas markets is essential for enhancing existing businesses and expanding our business domains. We have set a target of 100 billion yen in overseas sales in FY2030. In recent years, we have been working to gear up our overseas expansion by, for example, proactively pursuing M&As of overseas companies.

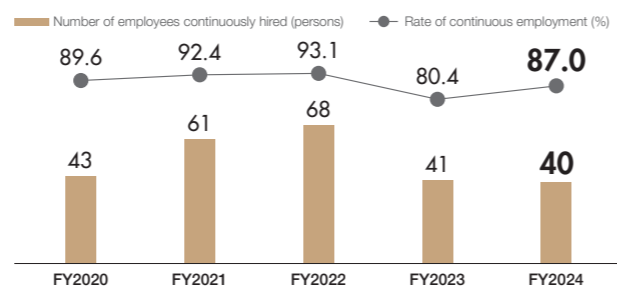
Human resources hired at overseas locations²



Promoting the employment of older people

In FY2003, we introduced a system for hiring older workers, who have a wide range of know-how gained through practical experience. We have been promoting the system to fully utilize the strengths of older human resources and to make work more fulfilling for them while supporting the growth of the Company. From FY2022, we raised the retirement age to 65.

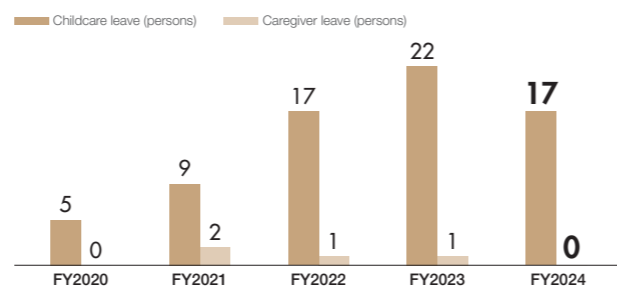
Status of active participation by older workers¹



Various systems for childcare and caregiving

We have introduced childcare and caregiver leave systems and a shortened working hour system for employees with childcare and caregiving responsibilities. Using these systems, employees can take care of their children and family members without having to resign.

Number of users of the childcare and caregiver leave systems¹



3. Developing human resources

At the Company, we aim to maximize our employees' individual abilities and expertise with the aim of building relationships that drive the sustainable growth of the Company. To this end, we are

Internal Career Development Support Program

It became clear from the analysis of our first D&I Survey conducted in July 2022 that a key challenge for improving employee engagement is the sharing of values between supervisors and their subordinates. To share values, both the supervisor and the subordinates need to first reflect on themselves so as to be able to know their own values and have a vision of who they want to be. To this end, we launched a program for managers in December 2023, extended it to other employees starting in FY2024, and have continued to conduct it this fiscal year. Ultimately, all employees of the Company are scheduled to attend the program, which will lead to increased employee engagement. The degree of improvement will be monitored using the engagement survey scores.

Next-Generation Executive Development Program

Amid dramatic changes in our business environment, we are systematically training employees that exhibit high potential as future business leaders. At an early stage, we select employees who can be expected to take charge of management from a medium- to long-term perspective, and enable them to develop the basic skills needed to transform our business.

implementing various measures to enhance employee engagement and strengthen business competitiveness.

Human resources portfolio

By visualizing our human resources composition by type based on the roles played, we are building a strategic human resources structure. In addition, we aim to maximize effectiveness by appropriately allocating human resources in accordance with our long-term business strategies. As we manage our human resources portfolio, we analyze the overall composition in quantitative and qualitative terms, and respond flexibly according to each business strategy.

Other initiatives for developing human resources

- 1 Training program up to the third year with the Company
- 2 Self-development support system
- 3 In-house skills competition and maintenance skills competition

For more details, visit:

<https://www.shinmaywa.co.jp/english/sustainability/esg/society/human-resources.html>



Health management

Health management declaration

The ShinMaywa Group is committed to practicing its corporate principles of Clean, Sincere, Steady, Enterprising, and believes that its mission is to realize the management philosophy to "contribute to the overall well-being of humanity, bringing unstinting innovation for a stable society and positive living environment."

With the aim of creating an environment to accomplish these missions, we are committed to creating a healthy and safe work environment and further raising health awareness so that each employee can continue working in good health of mind and body, cheerfully and energetically.

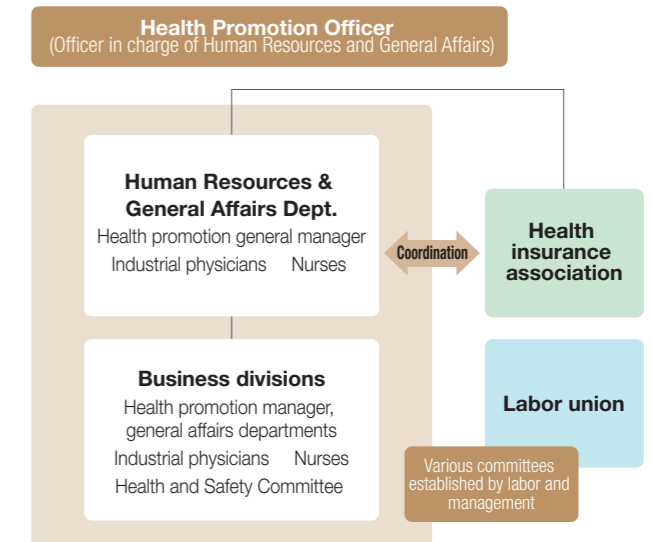
Outstanding Organizations of KENKO Investment for Health

On March 10, 2025, the Company obtained certification in the large enterprise category under the 2025 Certified Health & Productivity Management Outstanding Organizations Recognition Program led by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi. We will further promote health management and push forward with initiatives set forth in our health management declaration.



Health management promotion system

We carry out initiatives for maintaining and promoting good health. These initiatives are led by the officer in charge of Human Resources and General Affairs, who is responsible for health management, with the Human Resources & General Affairs Dept. as the primary coordinator, in coordination with the General Affairs departments of each business division and also with the health insurance association. In addition, the Health and Safety Committee and various committees established by labor and management take up relevant health management issues as agenda items in a timely manner, and coordinate with labor and management to promote health management.



Relationship with employees

Occupational health and safety

Company-wide key safety theme for FY2025 **Let's foster a culture of safety through reporting, fairness, flexibility, and learning!**

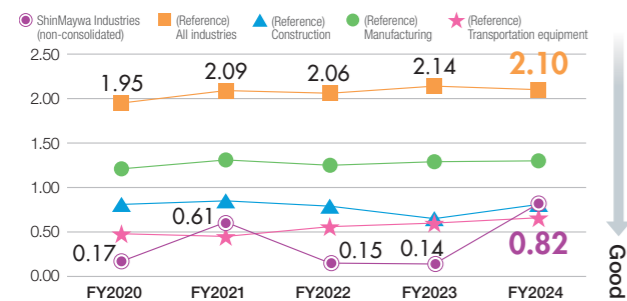
Basic principles of occupational health and safety

The Group acts in accordance with its basic principles of occupational health and safety, which state that safety and health take precedence over everything else. We are working to build a safe working environment and to achieve zero accidents.

Health and safety action guidelines (Company-wide key safety themes)

Each fiscal year, we define a Company-wide key safety theme, and set ourselves a goal as a means of preventing industrial accidents among our employees. We are joining forces to engage in health and safety activities to create a safe and secure working environment.

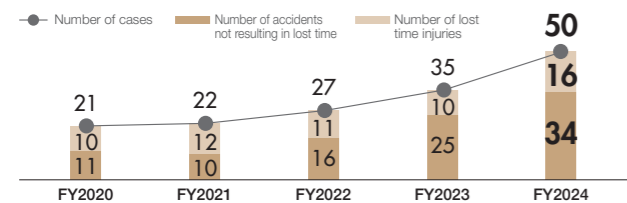
Frequency rate of lost time injury (%)



Source: Ministry of Health, Labour and Welfare, Results of Survey on Industrial Accidents

Number of occupational accidents (number of cases)

(total for ShinMaywa Industries and Group companies in Japan)



Specific initiatives in occupational health and safety

In FY2024, the Group centralized information management at the time of workplace accidents, tightened operation rules for that, and reviewed its safety management system to prevent workplace accidents among employees, promptly institute recurrence prevention measures, prevent similar accidents in each division, and share safety measures across divisions.

The number of occupational accidents has increased from the previous fiscal year. This is partly attributed to changes in the operation rules, but it is undeniable that the number of accidents has essentially increased as we have stepped up business activities after the COVID-19 pandemic.

In light of this situation, the Group will continue to set forth its basic principles, which state that safety and health take precedence over everything else, in ShinMaywa Occupational Health and Safety Policy. As specific measures, we will add "prohibited acts that never be done" to our existing operating manuals and focus on fostering awareness of consistently "adhering to established steps rather than efficiency." We will use risk assessment effectively in an effort to eliminate disaster-related risks. We will reliably repeat the PDCA cycle of our safety measures to further pursue the building of a safe and secure working environment.

In addition, by focusing on the establishment of a training system that is tailored to organizational and business contents we have worked on, such as providing special training to new employees and to those who were transferred to new assignments from other divisions and offering thorough guidance through on-the-job training or safety and health patrols, we will strive to foster a culture of safety.

For more details, visit: <https://www.shinmaywa.co.jp/english/sustainability/esg/society/hygiene.html>



Relationship with shareholders

The dialogues with our shareholders and investors held in FY2024 are as shown below. In addition to the semiannual presentations of financial results and one small meeting, we held a total of over 100 individual IR and SR meetings hosted mainly by the President & CEO and also the Directors Members of the Board, Managing Executive Officers.

Opinions gathered and management issues that emerged through these dialogues are put together by the IR department on a quarterly basis and reported to the Board of Directors as feedback to the management team.

1. Financial results presentations and other IR activities

Date	Activity	Main person representing the Company
May, November	Financial results presentations, video streaming	President & CEO
June	Small meeting	Director, Member of the Board, Managing Executive Officer; IR department

2. IR meetings with institutional investors

Investor Type	Number of meetings held	Main person representing the Company
Overseas investors	13	Director, Member of the Board, Managing Executive Officer; IR department
Domestic investors	82	President & CEO; Director, Member of the Board, Managing Executive Officer; IR department
Securities companies	14	Director, Member of the Board, Managing Executive Officer; IR department

3. SR meetings with persons in charge of exercising voting rights

Investor Type	Number of meetings held	Main person representing the Company
Overseas investors	1	Director, Member of the Board, Deputy Chief Executive Officer; Director, Member of the Board, Managing Executive Officer; IR department
Domestic investors	9	Director, Member of the Board, Deputy Chief Executive Officer; Director, Member of the Board, Managing Executive Officer; IR department

Relationship with local communities and society

Local community contribution activities based on a comprehensive partnership agreement with Takarazuka City, Hyogo

In March 2024, ShinMaywa Industries concluded a comprehensive partnership agreement with Takarazuka City, Hyogo.

In conjunction with the "building disaster resilient communities" theme of the agreement, both parties have signed a memorandum of understanding on support for emergency measures in times of disaster and shall cooperate to achieve a fast recovery in the event of a disaster.

Since the city is focusing on education for children, who will be the leaders of the next generation, we arranged a tour of our production base twice in the previous fiscal year by inviting students in the fifth grade who had just learned "Industry" at their social studies classes from two elementary schools in the city. The number of students who participated in the tours was around 120.

We will cooperate in the "Try-yaru Week" educational program and invite second graders of municipal junior high schools in the city starting this fiscal year. We expect that the students will deepen their understanding of "Manufacturing" through practical studies at a local manufacturing company in the real world.

We will continue to engage in local community contribution activities based on the comprehensive partnership agreement.

Matters for collaboration and cooperation under the comprehensive partnership agreement	
1	Matters concerning the building of disaster resilient communities
2	Matters concerning the building of communities towards a carbon-free society
3	Matters concerning the advancement of urban, transportation, and environmental infrastructure
4	Matters concerning the building of communities with diversity
5	Matters concerning the solving of regional issues with leading edge technologies and innovation
6	Matters which the parties deem necessary in addition to the preceding five clauses

Donation to the Kawanishi Memorial ShinMaywa Education Foundation

ShinMaywa Industries makes annual donations to the Kawanishi Memorial ShinMaywa Education Foundation, a public interest foundation that bears its name, to support the foundation's activities.

The foundation was established in 1992 as an incorporated foundation. Mr. Hajime Kawanishi, the founding president of the foundation (whose father, Mr. Ryozo Kawanishi, was the founder of Kawanishi Aircraft Company), designated universities (laboratories) involved in the development of science and technology in Hyogo prefecture, the place where Kawanishi Aircraft Company was founded, and students from countries in Asia and other regions studying at their own expense at universities in the prefecture, etc., as the main beneficiaries, and donated his private funds to cover the foundation's operating expenses. Drawing on the investment profit of these funds and the Company's donations in support of the foundation's activities, the foundation invites application from eligible researchers with research themes and international students every year, and the selection committee members conduct the screening.

In FY2024, the 33rd year since the grants were established, grants were provided to the following universities and international students.

1. FY2024 Research grant program

(Honorific titles omitted)

Name of researcher, affiliation and research theme	
1	Kaori Matsumoto, Department of Electrical and Electronic Engineering, Graduate School of Engineering, Kobe University On-chip PV cell performance evaluation and integrated circuit design for self-powered IoT devices
2	Nozomu Suzuki, Department of Chemical Science and Engineering, Graduate School of Engineering, Kobe University Development of a shape control method for polymer particles utilizing mechanical stress
3	Kecheng Guan, Research Center for Membrane and Film Technology, Kobe University Improving lithium separation of polyamide membranes fabricated via controlled interfacial polymerization reaction
4	Tadao Takada, Department of Applied Chemistry, Graduate School of Engineering, University of Hyogo Development of a rapid sequencing method utilizing plasmon resonance of gold nanoparticles
5	Jun Toshikawa, Center for Astronomy, Institute of Natural and Environmental Sciences, University of Hyogo Formation of galaxy clusters probed by Subaru and Nayuta Telescopes
6	Kohei Sato, Department of Chemistry, School of Science, Kwansai Gakuin University Development of synthetic lipids for formation of highly stable microbubbles

*Research grant was awarded to a total of 146 researches since the Foundation's establishment.

2. FY2024 Scholarship program for international students

Number of international students by country of origin	
People's Republic of China	3
Indonesia	1
Vietnam	1

*Scholarship was granted to a total of 164 students from 16 countries since the Foundation's establishment.

For the Foundation's profile and record of activities, please visit its website by scanning this code.



Cooperating with JICA Knowledge Co-Creation Program "Basics of Solid Waste Management"

In accordance with its Sustainability Management Policy, the Group aims to contribute to society at large through its business activities. Since FY2011, we have been cooperating with the Knowledge Co-Creation Program "Basics of Solid Waste Management," a training program hosted by the Kansai Center of the Japan International Cooperation Agency (JICA).

This training program was organized by the Learning and Ecological Activities Foundation for Children (LEAF), a non-profit organization commissioned by JICA, for government and municipal officials in the Pacific, Asia, Latin America and other regions. The objective of the program is to learn about solid waste management in partnership with private sector and civil society. The curriculum consists of lectures and on-site tours on such topics as waste treatment in local governments in Japan, building a recycling-based society, and recycling of recyclable materials. We took the group to the Hiroshima Plant, and following a lecture titled "Our Initiatives as a Refuse Compactor Manufacturer" in the morning, we gave a tour of the production site on the theme of "Training on the Operation and Repair of Refuse Compactors" in the afternoon to provide the group with explanations on operation methods and safe handling using actual vehicles. This training was resumed from FY2023 as it had been suspended from FY2020 to FY2022 due to the COVID-19, and was attended by participants from the countries shown below in FY2024.

By continuing to actively cooperate with JICA trainings, we aim to contribute to solving the world's waste issues with our refuse compactors.

Reception of trainees under the JICA Knowledge Co-Creation Program "Basics of Solid Waste Management"

Date	Country	Number of trainees
September 3, 2024	Cambodia, Ethiopia, Lebanon, the Philippines, South Sudan, Sudan, Vanuatu	7
December 5, 2024	Bhutan, Bosnia and Herzegovina, Brazil, Kosovo, the Republic of North Macedonia, Papua New Guinea, Serbia, the Republic of Turkey, Uzbekistan	9



September 2024



December 2024

Relationship with business partners

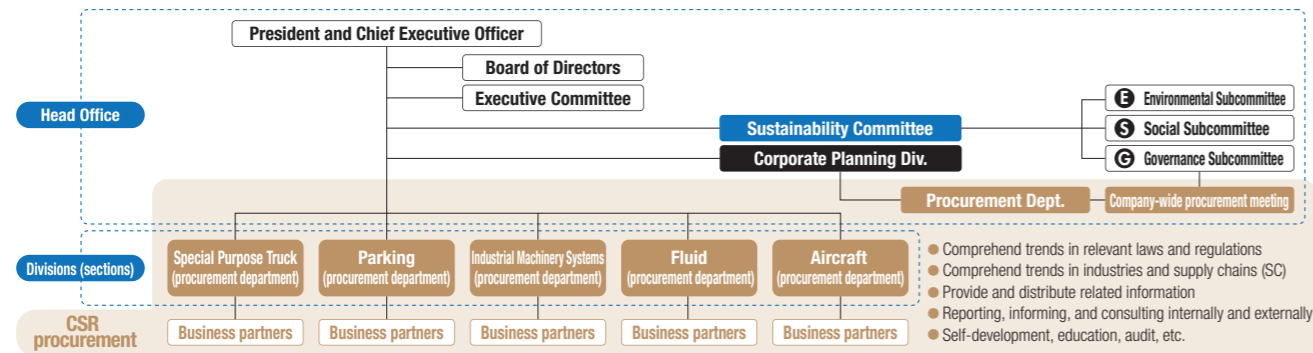
Basic approach

The ShinMaywa Group deals fairly and equitably with all of its business partners in Japan and overseas and has been building partnerships that emphasize mutual understanding and the relationship of trust. We properly choose our business partners through procedures that emphasize QDC and CSR evaluations of factors including quality, delivery, and price of materials, as well as environmental friendliness and respect for human rights. The Group also strives for information

sharing and strict management of confidential information.

Our procurement policy is stated in the ShinMaywa CSR Procurement Guidelines, which were published in Japanese and English. Chinese, Korean, and Thai versions are also scheduled to be released in FY2025. In 2023, the Group announced a Partnership Building Declaration in the name of its President, seeking the understanding of and support for its policy throughout the entire supply chain.

CSR Procurement Management Organization Chart



We use the Procurement Philosophy Book and Compliance Handbook/Our Promise in particular to ensure that our procurement workers thoroughly comply with legal and ethical obligations. We share and discuss issues with persons responsible for procurement departments in

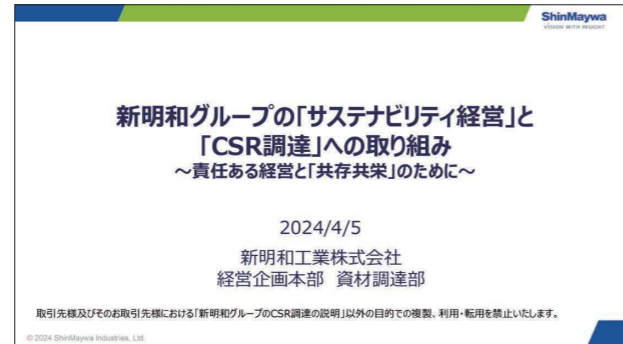
the business divisions through company-wide procurement meetings to reflect shared matters in business plans and implement efficient and effective measures. We also distribute information to our Group companies via the business divisions and pursue effective initiatives across the Group.

Supply chain procurement results/Distribution of requirements related to CSR procurement

Participation of suppliers in CSR procurement policy briefing sessions

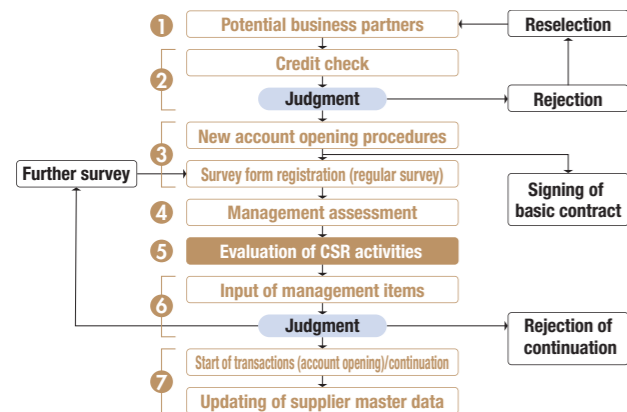
In early FY2024, the Group explained key issues to its major suppliers via a video* in Japan. The key issues included our policy on CSR/sustainable procurement, corporate ethics, respect for human rights, and the creation of a safe workplace environment, as well as environmental impact reduction, especially the reduction of greenhouse gas emissions.

* Through the video titled "ShinMaywa Group's initiatives for sustainability management and CSR procurement—for accountable management and co-existence and co-prosperity—," the officer in charge of sustainability made requests relating to important matters and introduced examples of social problems created by companies to give business partners inspiration. In this manner, the video is designed to raise their awareness and generate motivation for behavior and also give an education intended to develop their ability, aiming to promote CSR/sustainable procurement.



New supplier review process and evaluation of activities

The practice of our CSR/sustainable procurement currently consists of implementing the "Evaluation of CSR activities" included in the procedures for reviewing whether we begin transactions or not (extend transactions or not) with suppliers. Although the process is performed on a "request" basis in the existing circumstances, we aim



to standardize our initiatives for CSR/sustainable procurement described in the following sections, such as changing the "Evaluation of CSR activities" to a review process that affects the decision as to whether or not to begin or extend transaction according to the degree of urgency for CSR in each business.

- 1 New business partners are asked to submit such necessary documents as a supplier survey form and a request form concerning receipt of transaction proceeds, indicating their company name, business address, main customers, suppliers, and other information.
- 2 After we receive the required documents, we conduct a credit review, which includes a review regarding association with antisocial forces.
- 3 After confirming that a "transaction possible" decision has been reached after review, a contract is signed and the contents of the survey form are registered in our system. The contents of the survey form are updated when a regular survey is conducted to examine whether to extend transaction.
- 4 We check for any dangerous signs related to people, things, or money, and monitor these aspects.
- 5 Business partners are requested to answer questions such as those regarding their efforts on human rights and other social issues, as well as on environmental protection. If the content of responses does not exceed a certain level, a further survey will be conducted. (For CSR, we plan to update our survey form based on new procurement guidelines to be established in the future.)
- 6 We register in our system information such as the business partner's quality control system and whether the Subcontract Act applies. A further survey will be conducted for any insufficient information. For a review of the extension of transaction with a business partner, the transaction cannot be extended if the result does not exceed a certain level.
- 7 After these procedures, a trading account is opened, a supplier code is created, and the supplier is registered in the procurement system, which will allow procurement personnel to handle the system and conduct transactions.

Initiatives for CSR procurement

ShinMaywa CSR Procurement Guidelines

Amid the cooperation of our suppliers of various sizes and in various regions, we have established the CSR/Sustainable Procurement Standards, which are the minimum mandatory rules that our suppliers are required to meet.

CSR/Sustainable procurement standards

1	Thorough compliance with corporate ethics	6	Respect for human rights
2	Rejection of antisocial forces	7	Creation of a safe workplace environment
3	Thorough information security	8	Thorough risk management and training
4	Quality assurance	9	Contribution to local communities
5	Information disclosure	10	Reduction of environmental impact

CSR procurement survey

In FY2024, the Group conducted a survey of its major tier 1 suppliers according to the ShinMaywa CSR Procurement Guidelines to promote its initiatives for CSR/sustainable procurement. The Group checked the status of the suppliers' initiatives for the environment, human rights, labor, and economy (corporate governance) through the survey and also assessed risks. We also analyzed results of the survey and reflected necessary findings in our future initiatives. We plan to ultimately change it to a review process that replaces the Evaluation of CSR activities, a regular review of our suppliers.

Broad classification of CSR procurement survey questions

1	ShinMaywa CSR procurement standards	Concerning an obligation to have the bare minimum awareness and initiative required on each CSR theme
2	CSR in general	Concerning the groundwork for sustainability initiatives that every employee supporting operations can get involved in
3	Environment	Response to climate change, handling of chemicals, environmental protection, biodiversity, etc.
4	Human rights	Establishment of human rights policy, education, and the status of initiatives for respect for human rights and prohibition of discrimination
5	Labor	Establishment of labor policy, freedom of association, rejection of antisocial forces, prohibition of forced and child labor, prevention of excessively long working hours, appropriate wages, health and safety, status of foreign worker employment
6	Economy	Corruption prevention, fair transactions, handling of conflict minerals, quality, information security, contribution to local communities, etc.

Future challenge

Enhancement of CSR by supporting small to medium-sized subcontractors' initiatives for ESG. Small to medium-sized enterprises tend to be inferior to large enterprises in CSR (ESG)-related themes concerning response to climate change, reduction of CO₂ emissions, formulation of a policy or statement on human rights and labor, information security, and cybersecurity. By providing education support for small to medium-sized enterprises, we will invigorate their activities, such as sharing the understanding of the latest situations and starting undemanding initiatives.

* The small to medium-sized subcontractor is a term based on the definition of small to medium-sized enterprises specified in Article 2 of Japan's Small and Medium-sized Enterprise Basic Law and refers to operators that are classified by capital, employee number, or other criteria.

Implementation of CSR procurement from a business perspective

In early FY2024, the Group sent requests to relevant parties within and outside the Group to address key issues, including corporate ethics, respect for human rights, the creation of a safe workplace environment, environmental impact reduction, especially the reduction of greenhouse gas emissions. Through the requests, with progress in risk assessment, we realized the rising urgency of the need for "responsible procurement of minerals" for respecting human rights and "management of chemicals" for the reduction of environmental impact and encouraged initiatives.

Formulation of Conflict Minerals Procurement Policy and the Group's initiatives

In March 2025, the Group formulated and published the "Conflict Minerals Procurement Policy." Under the policy, the Group does not use conflict minerals such as tin, tantalum, tungsten, and gold (3TG) that may be involved in illegal activities, including serious human rights violations and environmental destruction, in its products. We also conduct investigations utilizing the Conflict Minerals Reporting Template (CMRT), an international investigation tool.

Furthermore, aiming for a full commitment to this investigation, we issued the "ShinMaywa Group Guide to Work on Conflict Minerals" to promote continuous compliance.

Management of chemicals

When reviewing whether or not to begin transactions or extend transactions with suppliers, the Group presents the "ShinMaywa Group Green Procurement Activity [regarding initiatives for the management of chemicals] and request them to address CSR procurement. We are currently checking the business partners' responses.

Building a supplier monitoring system through DX

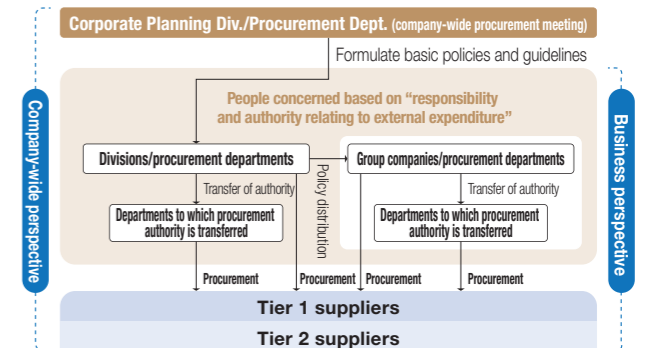
In FY2024, we started a trial run of the Supplier Portal Site* for our key suppliers as part of our DX initiatives, aiming for enhanced communication, digitalization of procedures, and mutual use of data with suppliers. The Portal Site is scheduled to be made available to more suppliers and have enhanced functions from FY2025 onward, with the aim of standardizing supplier screening and monitoring.

* In FY2024, aiming for enhanced communication, digitalization of procedures, and mutual use of data with suppliers, ShinMaywa Industries started a trial run of the Portal Site, with an account provided for each supplier. The Portal Site offers integrated access to ShinMaywa Industries' internet material procurement system (EDI) and supplier management system and is currently equipped with features including the bulletin board (notifications from the Company) and questionnaire survey functions.

Framework for practice and educational policy for procurement personnel

The procurement divisions of the Group promote human resources training tailored to skill levels and learning steps needed to improve the ability for sales price optimization and have prepared various handbooks to help improve knowledge on observance of laws and manufacturing. The handbooks have been widely distributed to personnel in charge of the procurement divisions in particular and are used at various sites and scenes.

Framework for practicing CSR/sustainable procurement



Head Office, Corporate Planning Div., or Procurement Dept. formulates basic policies and guidelines from a company-wide perspective and distributes them to divisions/procurement departments at company-wide procurement meetings. They then discuss practice plans and conduct practice follow-ups.

Educational policy for procurement personnel (steps to upskill)



Base education for procurement personnel to practice CSR procurement

The Group has been gradually expanding the scope of CSR/sustainable procurement education for its procurement departments in order to build a lasting relationship with its suppliers. The Group identified its key suppliers in FY2024, and the key suppliers include a relatively large number of small to medium-sized enterprises working as subcontractors based in Japan. For this reason, as part of CSR/sustainable procurement education, we provided basis education about observance of laws such as the Subcontract Act to personnel at ShinMaywa Industries and then parties concerned including our Group companies on this occasion.

FY2021	Provided education to procurement managers in the divisions
FY2022	The scope of target personnel was expanded to include persons in charge of procurement
FY2023	Education materials were updated. Transitioned to voluntary lecture attendance
FY2024	Arranged e-learning sessions targeted at 913 procurement-related members of companies including consolidated subsidiaries in Japan based on the "Procurement business rules" and confirmed that 846 people attended the sessions

Financial Summary (Consolidated)

Financial indicators

(FY)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Management results											
Net sales (Millions of yen)	193,131	203,917	201,204	207,335	217,297	227,231	209,226	216,823	225,175	257,060	266,441
Operating profit (Millions of yen)	13,635	15,260	13,067	10,594	10,708	12,836	10,479	10,569	9,293	11,765	13,970
Operating profit ratio (%)	7.1	7.5	6.5	5.1	4.9	5.6	5.0	4.9	4.1	4.6	5.2
Profit attributable to owners of parent (Millions of yen)	9,159	10,281	8,954	7,086	6,996	7,378	5,487	6,907	7,313	7,279	8,957
Ratio of profit to net sales (%)	4.7	5.0	4.5	3.4	3.2	3.2	2.6	3.2	3.2	2.8	3.4
Return on equity (ROE) (%)	9.1	9.4	7.7	5.8	6.8	8.9	6.4	7.7	7.6	7.1	8.2
Return on invested capital (ROIC) (%)	8.3	9.1	7.7	6.0	5.8	6.5	5.1	5.1	4.4	5.3	6.0
Financial situation											
Total assets (Millions of yen)	182,167	186,780	188,632	190,001	209,195	214,157	212,060	221,206	226,907	260,102	266,443
Total assets turnover (times)	1.10	1.11	1.07	1.10	1.09	1.07	0.98	1.00	1.00	1.06	1.01
Equity (Millions of yen)	105,865	112,993	118,268	124,893	82,340	82,946	87,945	92,465	98,747	107,008	112,027
Equity ratio (%)	58.1	60.5	62.7	65.7	39.4	38.7	41.5	41.8	43.5	41.1	42.0
Interest-bearing debt (Millions of yen)	4,188	2,000	150	90	49,893	57,568	54,539	52,254	52,417	50,616	51,198
Net D/E ratio (times)	(0.08)	(0.13)	(0.16)	(0.15)	0.32	0.46	0.36	0.28	0.30	0.25	0.20
Cash flows											
Cash flows from operating activities (Millions of yen)	9,485	14,767	14,342	8,699	13,452	8,509	18,120	15,998	6,404	14,065	20,499
Cash flows from investing activities (Millions of yen)	(5,817)	(6,458)	(6,039)	(7,076)	(9,693)	(12,408)	(9,133)	(7,221)	(7,164)	(8,217)	(10,806)
Cash flows from financing activities (Millions of yen)	(3,503)	(4,023)	(6,619)	(1,647)	(526)	1,419	(5,972)	(5,203)	(4,108)	(5,884)	(5,115)
Cash and cash equivalents at end of period (Millions of yen)	12,920	17,085	18,772	18,750	21,952	19,342	22,667	26,549	22,535	22,891	28,282
Others											
Dividends per share (Yen)	14	14	14	23	45	87	38	42	45	47	52
Dividend payout ratio (%)	15.2	13.6	15.0	31.0	58.9	76.9	45.5	40.0	40.5	42.6	38.3
Earnings per share (Yen)	91.88	103.15	93.17	74.23	76.41	113.11	83.47	104.96	111.00	110.38	135.61
Capital investments (Millions of yen)	4,408	5,657	6,854	6,525	6,442	7,100	9,205	4,782	4,465	6,891	6,541
Depreciation (Millions of yen)	4,093	4,362	4,763	5,025	5,064	5,442	5,768	5,564	5,321	5,225	5,648
Research and development expenses (Millions of yen)	2,789	2,845	2,717	2,836	2,575	2,401	2,356	2,282	2,476	2,602	3,345
Number of employees (people)	4,612	4,700	4,726	4,773	5,037	5,075	5,288	5,783	5,932	6,181	6,473
Overseas sales (Millions of yen)	45,608	48,142	43,076	42,556	42,899	43,250	27,108	31,022	46,382	53,219	45,122
Overseas sales ratio (%)	23.6	23.6	21.4	20.5	19.7	19.0	13.0	14.3	20.6	20.7	16.9

* Note: ROIC calculation
 ROIC = operating profit x (1 - effective tax rate) / average of invested capital (= interest-bearing debt + equity) at the beginning and end of the period

Main Businesses and Network

The Group discloses its business results in six businesses.

Here is an overview of the ShinMaywa Group's main businesses and services and relevant group companies.

Special Purpose Truck Business

Business overview

- **Manufacture, sale, and after-sales service of special purpose trucks**
 - Construction-related vehicles
Dump body and tipping gear, concrete mixer trucks, etc.
 - Logistics-related vehicles
Tail gate lifters, fuel tanks, trailers, etc.
 - Environment-related vehicles
Refuse compactors, detachable container systems, etc.
- **Manufacture, sale, and after-sale service of high-performance forestry machinery**
- **Manufacture and sales of hydraulic functional parts**



Rear dump body and tipping gear



Refuse compactor



Trailer

Production bases 9 locations

Parking Systems Business

Business overview

- **Manufacture, sale, maintenance, and renovation of parking equipment**
 - Elevator type car parking system
 - Rotary & vertical type car parking system
 - Shuttle-type innovatory parking system
 - Multi-storied car parking system
- **Operation of coin-operated parking (hourly parking lots)**
- **Manufacture, sale, and maintenance of aircraft passenger boarding bridges**



Elevator type car parking system ELEPARK®




Aircraft passenger boarding bridge PAXWAY®

Production bases 6 locations


Industrial Machinery & Environmental Systems Business

Business overview


- **Manufacture, sale, and maintenance of mechatronics products**
 - Automatic electrical wire processing systems
 - Vacuum systems
 - Thin films and surface modification products
 - Special motors
 - Vacuum drying systems
- **Construction and operation of environmental facilities**
 - Refuse transfer station system
 - Refuse resources recycling centre
- **Manufacture, sale, and maintenance of refuse collecting and transporting systems and equipment**
 - Refuse storage and discharger



Automatic electrical wire processing system



Vacuum drying system



Refuse transfer station system

Production bases 5 locations

Fluid Business

Business overview

- **Manufacture, sale, and maintenance of fluid products (submersible pumps and fluid equipment)**
 - Submersible pumps
 - Submersible mixers
 - Roots/turbo blowers
 - High pressure washers
- **Design and construction of pump equipment/water treatment facilities**



Submersible pump



Submersible mixer




Turbo blower

Production bases 5 locations


Aircraft Business

Business overview

- **For Japan's Ministry of Defense**
 - Manufacture and maintenance of amphibians
 - Maintenance of Self-Defense Forces aircraft, etc.
- **For private sector**
 - **Manufacture of components for commercial aircraft**
 - Boeing 787 main wing spar
 - Boeing 777 / 777X wing-to-body fairings
 - Bombardier G7500 rotor blades, etc.
 - **Development, design, and manufacture of fixed-wing unmanned aircraft**



STOL search and rescue amphibian



Boeing 787 main wing spar

Production bases 5 locations

Other Business

The Company operates construction, real estate, IT-related, and other businesses in the Others segment.

Group companies in Japan
 Maywa Komuten, Ltd.
 ShinMaywa Shoji, Ltd.
 ShinMaywa Soft Technologies, Ltd.
 ShinMaywa Heartful, Ltd.*2
 GODO SOLUTION Inc.*1

Group companies in Japan

ShinMaywa Auto Engineering, Ltd.
 Iwafuji Industrial Co., Ltd.
 TOHO CAR CORPORATION
 TOHO CAR SERVICE CORPORATION
 ShinMaywa Auto Sales, Ltd.
 ASN Ltd.
 OSK, Ltd.
 WAKO, Ltd.

Group companies overseas

Thai ShinMaywa Co., Ltd.

Group companies in Japan

ShinMaywa Parking Technologies, Ltd.

Group companies overseas

Taiwan ShinMaywa Industries Co., Ltd.
 ShinMaywa (Asia) Pte.Ltd.
 ShinMaywa Aerobridge Malaysia Sdn.Bhd.
 ShinMaywa (Asia) Vietnam Company Limited
 TOP QUALITY MACHINERY CO., LTD.*2

Group companies in Japan

ShinMaywa Waste Technology, Ltd.
 DIAVAC Limited

Group companies overseas

ShinMaywa (America), Ltd.
 ShinMaywa (Shanghai) Trading Co., Ltd.
 ShinMaywa (Bangkok) Co., Ltd.
 ShinMaywa (Shanghai) High-Tech Machinery Co., Ltd.
 ShinMaywa (Chongqing) Environmental Solutions Co., Ltd.
 KOREA VACUUM LIMITED
 ShinMaywa Mexico S.A. de C.V.*2
 ShinMaywa Philippines, Inc.*2

Group companies in Japan

ShinMaywa Aqua Technology Service, Ltd.
 FLUTECH Co., Ltd.

Group companies overseas

Thai ShinMaywa Co., Ltd.
 TurboMAX Co., Ltd.
 TurboMAX (ChangZhou) Technology Co., Ltd.*3
 Changzhou TurboMAX Environment Technology Co., Ltd.*2
 TurboMAX India Private Limited*2

Group companies in Japan

ShinMaywa Iwakuni Aircraft Maintenance, Ltd.
 Wing Field Co., Ltd.

Group companies overseas

ShinMaywa (California), Ltd.*2

*1 Non-consolidated subsidiary to which the equity method is applied *2 Non-consolidated subsidiary to which the equity method is not applied
 *3 Affiliate to which the equity method is not applied

Company Profile

Company Profile (As of March 31, 2025)

Date of establishment	November 5, 1949
Share capital	15,981,967,991 yen
Number of employees	3,336
Number of employees (consolidated)	6,473

Directors, Members of the Board and Executive Officers (As of June 24, 2025)

President & CEO	Tatsuyuki Isogawa
Director, Member of the Board / Managing Executive Officer	Toshiki Kume
Director, Member of the Board / Managing Executive Officer	Takashi Kunihara
Director, Member of the Board*	Seiko Nagai
Director, Member of the Board*	Toshiyuki Umehara
Director, Member of the Board*	Akiko Asami
Director, Member of the Board / Full-time Audit & Supervisory Committee Member	Koji Nishida
Director, Member of the Board / Audit & Supervisory Committee Member*	Eri Sugiyama
Director, Member of the Board / Audit & Supervisory Committee Member*	Fumihiko Kimura
Director, Member of the Board / Audit & Supervisory Committee Member*	Atsuko Suzuki
Managing Executive Officer	Kyosuke Nakano
Managing Executive Officer	Katsuo Tanaka
Managing Executive Officer	Koichiro Oda
Managing Executive Officer	Koichi Tamura
Managing Executive Officer	Satoshi Nii
Managing Executive Officer	Hideyuki Mochida
Managing Executive Officer	Takeshi Masuda
Managing Executive Officer	Hiroaki Konishi
Executive Officer	Koji Fukai
Executive Officer	Yoshihiro Nagao
Executive Officer	Masatsugu Nakase
Executive Officer	Takashi Akimoto
Executive Officer	Hidetomo Ishihara
Executive Officer	Masahiro Namba
Executive Officer	Ichiro Kuwahara
Executive Officer	Yasutaka Matsumoto
Executive Officer	Satoshi Nagai
Executive Officer	Takeshi Ninomiya
Executive Officer	Takanori Yamaoka

* denotes an independent director.

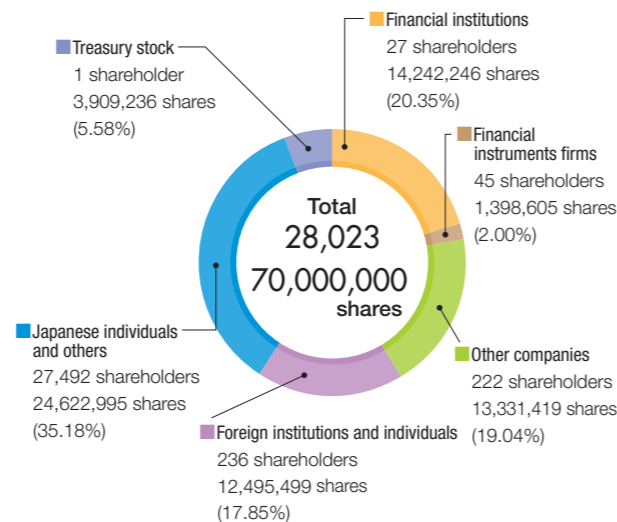
Status of shares (As of March 31, 2025)

- (1) Total number of authorized shares 300,000,000 shares
- (2) Total number of shares issued 70,000,000 shares
- (3) Number of shareholders 28,023
- (4) Major shareholders (top 10)

Shareholder name	Number of shares held Shares	Shareholding ratio %
The Master Trust Bank of Japan, Ltd. (Trust Account)	8,228,500	12.45
SANSHIN CO., LTD.	6,749,065	10.21
Custody Bank of Japan, Ltd. (Trust Account)	4,015,100	6.07
ShinMaywa Employees' Stock Ownership	3,332,665	5.04
Sumitomo Realty & Development Co., Ltd.	1,837,800	2.78
TOYO BLDG. MAINTENANCE CO., LTD.	1,391,300	2.10
STATE STREET BANK AND TRUST COMPANY 505001	1,356,974	2.05
ShinMaywa Suppliers' Stock Ownership	1,147,522	1.73
STATE STREET BANK WEST CLIENT - TREATY 505234	909,700	1.37
JP MORGAN CHASE BANK 385781	737,717	1.11

Note: The number of treasury shares (3,909,236) is excluded in the calculation of the shareholding ratios, which are rounded down to the second decimal place.

(5) Distribution of shares



Our website

Various information on ShinMaywa Group is available at our official website. Please refer to it alongside this report.

<https://www.shinmaywa.co.jp/english/index.html>



ShinMaywa