March 24, 2025

Company Name	ShinMaywa Industries, Ltd.
Representative	Tatsuyuki Isogawa, President and Chief Executive Officer
(Code number: 7224; Tokyo Stock Exchange, Prime Market)	
Head Office	1-1 Shinmeiwa-cho, Takarazuka-shi, Hyogo
Contact	Noriko Jitsuhira, General Manager, Public Relations Department, Corporate Planning Division (TEL: +81-798-56-5002)

Cease and Desist Order and Administrative Fine Payment Order from the Japan Fair Trade Commission

On September 12, 2023, we were subject to the on-site inspection by the Japan Fair Trade Commission for alleged violation of the Antimonopoly Act in connection with the sale of mechanical parking system, and since then, we have fully cooperated with the Commission's investigation. We hereby announce that today we have received the Cease and Desist Order and the Administrative Fine Payment Order from the Japan Fair Trade Commission under the Antimonopoly Act.

We would like to apologize again to our customers, suppliers, shareholders and all other stakeholders for their long-standing concern with this matter.

1. Outline of the Cease and Desist Order

(1) Resolve at the Board meeting that the company confirms (i) with respect to supply and installation work of an elevator and pallet type mechanical parking system (hereinafter "Work"), the company has already ceased the act of determining the prospective bidder in advance and enabling such bidder to be awarded the Work jointly with other violators and (ii) the company will not determine the prospective bidder jointly with other manufacturers including other violators and will supply the Work on a voluntary basis in the future.

(2) Notify other violators and the general contractors who placed the orders for the Work of the measures taken in accordance with (1) above and ensure its own employees are informed of such measures.

(3) Cease to determine any prospective bidder hereafter for the Work jointly with any other manufacturers including other violators.

(4) Take necessary measures to ensure that its own officers and employees are aware of the company's guidelines regarding compliance with the Antimonopoly Law with respect to the supply of its own Work, and to ensure that its officers and employees involved in the sales of such Work receive regular training and are subject to regular audits by legal department, etc., regarding compliance with the Antimonopoly Law with respect to the supply of such Work.

2. Outline of the Administrative Fine Payment Order

Pay the administrative fine of 55,870,000 yen to the national treasury by the prescribed payment deadline.

The above administrative fine amount has been reduced by 30% through the application of the leniency policy under the Antimonopoly Act.

3. Our Response

(1) Measures to Prevent Recurrence, etc.

We have taken the situation of having been subject to the on-site inspection by the Japan Fair Trade Commission very seriously and have taken measures to prevent recurrence including the following initiatives:

(i) As part of educational activities concerning corporate ethics, the President and Chief Executive Officer sent a message to all officers and employees, including those of our group companies, that they should adopt responsible behavior based on high ethical standards and thorough compliance in accordance with the "Action guidelines" and "Code of conduct" (January 2024 and January 2025);

(ii) In September 2023, an investigation team consisting of lawyers and the legal department was formed to conduct an investigation of sales personnels and other officers and employees who handle competitively sensitive information, including those of our group companies, to determine whether any conduct had occurred that may have violated the Antimonopoly Law over the past five years;

(iii) Training for all officers and employees, including those of our group companies, on compliance with the Antimonopoly Law by lawyers as instructors (October 2023 and January 2025); and

(iv) Prohibit agreements regarding competitively sensitive information and the exchange of competitively sensitive information with officers and employees of competitors and establish and implement internal rules regarding notification and examination of contacts (whether past, present or future), such as meetings and exchange of e-mails, with officers and employees of competitors.

In addition, we will continue to faithfully carry out the aforementioned orders and will continue to raise the awareness of our officers and employees regarding legal compliance and to strengthen our systems.

(2) Disciplinary Actions against the Persons Involved

(i) Disciplinary Actions against Those Responsible for the Business

In addition to the disciplinary actions against the persons in charge of this matter, we have decided to impose the following disciplinary actions against the persons in charge of the parking system business for their failure to supervise:

Name	Position	Discipline
Kyosuke Nakano	Managing Executive Officer, President, Parking Systems Division	10% reduction of monthly remuneration (for 6 months)
Yuji Hayakawa	Executive General Manager, Parking Systems Division	10% reduction of monthly remuneration (for 6 months)

(ii) Voluntary Return of Remuneration

The following three directors have offered to voluntarily return a portion of their remuneration and we have accepted such offers:

Name	Position	Voluntary Returns
Tatsuyuki Isogawa	President and Chief Executive Officer	20% of monthly remuneration (for 3 months)
Kanji Ishimaru	Director, Member of the Board Deputy Chief Executive Officer	15% of monthly remuneration (for 3 months)
Akira Nishioka	Director, Member of the Board Senior Managing Executive Officer	10% of monthly remuneration (for 3 months)

4. Impact on Business Performance

As announced in the "Receipt of Opinion Hearing Notice from the Japan Fair Trade Commission" dated December 26, 2024, there will be no revision to the forecasts of consolidated financial results for the fiscal year ending March 31, 2025 as a result of this matter.

5. Other

On November 12, 2024, we were subjected to the on-site inspection by the Japan Fair Trade Commission for alleged violation of the Antimonopoly Law in connection with the determination of sales prices of special purpose truck, etc. The inspection is still ongoing and we will promptly report its results as soon as they become clear.

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