June 25, 2026
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Notice of Disposition of Treasury Shares as Restricted Stock Compensation

ShinMaywa Industries, Ltd. (the "Company") announces that a meeting of the Board of Directors held on June 25, 2026, resolved to dispose of treasury shares (the "Disposition of Treasury Shares" or the "Disposition") as restricted stock compensation. Details are as follows.

1. Overview of the Disposition

(1)	Date of the Disposition	July 24, 2026
(2)	Class and number of shares to be disposed of	Common shares of the Company 39,474 shares
(3)	Disposition value	2,047 yen per share
(4)	Total disposition value	80,803,278 yen
(5)	Allottees, number thereof, and number of shares to be disposed of	Three directors (who are not outside directors and directors who serve as members of the Audit and Supervisory Committee) of the Company, 9,405 shares Sixteen executive officers of the Company who are not directors of the Company, 16,671 shares Fifteen officers of the Company other than above, 7,335 shares Seven directors of ShinMaywa Group companies, 6,063 shares

2. Purpose and reason of the Disposition

At a meeting of the Board of Directors held on May 14, 2020, the Company resolved to introduce a transfer-restricted stock compensation system (the "RS System") for the Company's directors excluding outside directors, executive officers who do not concurrently serve as directors, other officers, and ShinMaywa Group companies' directors as an incentive to sustainably enhance the Company's corporate value and for greater sharing of value with the shareholders.

At a meeting of the Board of Directors held on May 20, 2022, the Company resolved to introduce a performance-linked stock compensation system (the "PSU System," and with the RS System, collectively the "Systems") for the Company's directors excluding outside directors, executive officers who do not concurrently serve as directors, other officers, and ShinMaywa Group companies' directors for the purposes of giving an incentive for their contributions to the achievement of the business performance targets set out in the Company's Medium-term

management plan and to the enhancement of the Company's corporate value over the medium to long term, and of sharing greater value with the shareholders.

Furthermore, at the Company's 101st Annual General Meeting of Shareholders held on June 24, 2025, in connection with the resolution to transition of the Company to a Company with an Audit and Supervisory Committee structure, an approval was obtained from shareholders to the effect that, under the RS System, annual monetary compensation claims of 50 million yen or less shall be provided to the Company's directors excluding outside directors and directors who serve as members of the Audit and Supervisory Committee (the "Eligible Directors"), as monetary compensation that will be contributed in kind to acquire shares with transfer restrictions ("Transfer-Restricted Stock Compensation"), and that the transfer restriction period shall be the period from the day of allotment of shares with transfer restrictions to the time immediately after the resignation or retirement from the positions as directors, executive officers, officers, specialized officers, auditors, employees, advisors, senior advisors and others in equivalent positions (collectively "the Positions") at the Company or Group companies. In addition, such General Meeting also approved that, in relation to the PSU System, annual monetary compensation claims of 400 million yen or less shall be provided to the Eligible Directors, under the PSU System, as monetary compensation that will be contributed in kind in the delivery of common shares, etc.

To ensure that the objectives of the Systems are also shared by the Company's executive officers not concurrently serving as directors, officers, and ShinMaywa Group company's directors (together with the Eligible Directors, the "Eligible Directors, Etc."), the Company has extended the scope of the Systems to include such personnel as well.

This time, under the RS System, monetary compensation claims totaling 80,803,278 yen (the "Monetary Compensation Claims") will be granted, and, in exchange for the contribution in kind of the Monetary Compensation Claims, 39,474 common shares will be granted, taking into consideration the purpose of the RS System, the Company's business conditions, and the range of responsibilities of each of the Eligible Directors, Etc., among other factors

In the Disposition of Treasury Shares, under the RS System, all the Eligible Directors, Etc. that the treasury shares will be allotted to will contribute all Monetary Compensation Claims to the Company or ShinMaywa Group companies as property contributed in kind and receive shares of the Company's common stock (the "Allotted Shares") that will be disposed of.

The following, 3. Overview of the Allotment Agreement, is an overview of the agreement on allotment of shares with transfer restrictions to be concluded between the Company and the Eligible Directors, Etc. (the "Allotment Agreement") in the Disposition of Treasury Shares under the RS System

Overview of the RS System

Under the RS System, the Eligible Directors, Etc. will contribute in the whole amount of the monetary compensation claims to be provided by the Company or ShinMaywa Group companies as property contributed in kind and receive common shares of the Company to be issued or disposed of. Under the RS System, the total number of common shares that the Company will issue

or dispose of for the Eligible Directors annually will be 75,000 shares or less. The amount to be paid in per share will be determined by the Board of Directors, based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the day of the resolution by the Board of Directors with regard to the issuance or disposal of common shares of the Company under the RS System (if no shares are traded on that day, the closing price on the trading day immediately preceding that day) within a range of prices that are not favorable particularly to the Eligible Directors, Etc. that will receive the common shares.
The issuance or disposition of shares in the Company's common stock under the RS System requires the conclusion of an agreement on allotment of shares with transfer restrictions between the Company and the Eligible Directors, Etc. that includes the following provisions: (i) the Eligible Directors, Etc. shall not transfer the Company's common shares allotted to them under the agreement, create any security interest in them, or dispose of them in any other ways, and (ii) the Company shall acquire the common shares without compensation on certain grounds.

3. Overview of the Allotment Agreement
(1) Period of transfer restrictions
A period from July 24, 2026 (the "Disposition Date") to the time immediately after the time of the resignation or retirement from the Positions.

(2) Conditions for lifting transfer restrictions
The transfer restrictions on all the Allotted Shares shall be lifted at the expiration of the transfer restriction period if the Eligible Directors, Etc. continue to be in the Positions from the close of the annual general meeting of shareholders of the Company or a ShinMaywa Group company related to the fiscal year immediately preceding the fiscal year that includes the Disposition Date to the time immediately before the close of the next annual general meeting of shareholders (from the first day of the fiscal year that includes the Disposition Date to the last day of the same fiscal year in the case of the executive officers who do not concurrently serve as directors of the Company and the other officers).

(3) Handling in cases where the Eligible Directors, Etc. resign or retire during the transfer restriction period due to the expiration of their term of office, mandatory retirement age or any other due cause
(i) Time when transfer restrictions are lifted
If the Eligible Directors, Etc. resign or retire due to the expiration of the term of office of the Positions, mandatory retirement age or any other due cause, the transfer restrictions shall be lifted the time immediately after the time of the resignation or retirement.
(ii) Number of shares subject to the lifting of transfer restrictions
The number of shares subject to the lifting of transfer restrictions shall be calculated by multiplying the number of Allotted Shares held at the time immediately after the time of the resignation or retirement mentioned in (i) by the number of months from the month that includes the Disposition Date (the month that includes the first day of the fiscal year that includes the Disposition Date in the case of the executive officer who does not concurrently serve as a director of the Company and the other officer) to the month that includes the date of the resignation or retirement divided by 12 (if the result of the division exceeds 1, the result shall be deemed to be 1). (If fractional shares less than one share unit remain as a result of the calculation, the number of shares shall be rounded up.)

(4) Acquisition of shares by the Company without compensation

If the Eligible Directors, Etc. violate laws and regulations or fall under certain provisions of the Allotment Agreement during the transfer restriction period, the Company shall acquire all the Allotted Shares without compensation at the time of the violation, etc. The Company shall also acquire without compensation all the Allotted Shares for which the transfer restrictions are not lifted when the transfer restriction period expires or when the transfer restrictions are lifted as specified in (3) above.

(5) Measures to be taken in relation to reorganization, etc.

If any merger agreement in which the Company becomes the absorbed company, share exchange agreement or share transfer plan where the Company becomes a wholly owned subsidiary, or other matters related to reorganization, etc. are approved by the Company's general meeting of shareholders (the Board of Directors if the reorganization, etc. does not require the approval of the Company's general meeting of shareholders) in the transfer restriction period, transfer restrictions shall be lifted immediately before the business day immediately preceding the effective date of the reorganization, etc., by resolution of the Board of Directors, on shares whose number shall be calculated by multiplying the number of Allotted Shares held at the time of the approval by the number of months from the month that includes the Disposition Date (from the month that includes the first day of the fiscal year that includes the Disposition Date in the case of the executive officer who does not concurrently serve as a director of the Company and the other officer) to the month that includes the date of the approval divided by 12 (if the result of the division exceeds 1, the result shall be deemed to be 1). (If fractional shares less than one share unit remain as a result of the calculation, the number of shares shall be rounded up.) The Company shall acquire without compensation all the Allotted Shares for which the transfer restrictions are not lifted immediately after the transfer restrictions are lifted.

(6) Management of shares

The Allotted Shares are managed in a dedicated account opened by the Eligible Directors, Etc. at Nomura Securities Co., Ltd. during the transfer restriction period so that the Eligible Directors, Etc. will be unable to execute any transfer, create any security interest or dispose of them during the transfer restriction period. The Company has entered into a contract with Nomura Securities Co., Ltd. for the management of the account of the Allotted Shares owned by the Eligible Directors, Etc. to ensure the effectiveness of the transfer restrictions on the Allotted Shares. The Eligible Directors, Etc. shall agree on the management of the account.

4. Basis and details of calculation of the amount to be paid

The Disposition of Treasury Shares to the allottees is carried out by way of in-kind contribution of monetary compensation claims provided under the RS System as Transfer-Restricted Stock Compensation. The disposition value is set at 2,047 yen, which is the closing price of the Company’s common stock on the Prime Market of the Tokyo Stock Exchange on June 24, 2026 (business day preceding the date of resolution of the Board of Directors), to make the disposition value a value that eliminates arbitrariness.

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