

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

Securities code: 3447  
June 9, 2021

**To Shareholders with Voting Rights:**

Hiroshi Yamada  
President and Representative Director  
Shinwa Co., Ltd.  
30-7, Bushigawa, Hirata-cho, Kaizu-shi,  
Gifu

## **Notice of the 7th Annual General Meeting of Shareholders**

We are pleased to inform you that the 7th Annual General Meeting of Shareholders (“the meeting”) of Shinwa Co., Ltd. (the “Company,” together with its subsidiaries, the “Group”) will be held as stated below. In lieu of attending the meeting, you can exercise your voting rights by taking one of the methods described in the following page (available only in Japanese version). Please review the Reference Documents for the General Meeting of Shareholders below, indicate your approval or disapproval of the proposal(s) on the enclosed voting rights exercise form, and send it back to us so that it is received by 5 p.m. Japan time, Thursday, June 24, 2021.

- 1. Date and Time:** 10 a.m. Japan time, Friday, June 25, 2021 (Reception begins at 9 a.m.)  
**2. Place:** Kyokko Banquet Room, 2nd floor, OGAKI FORUM HOTEL  
2-31, Mangoku, Ogaki, Gifu

**3. Meeting Agenda:**

- Matters to be reported:**
1. The Business Report, Consolidated and Non-consolidated Financial Statements for the 7th fiscal year (April 1, 2020 to March 31, 2021)
  2. Results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee

**Proposals to be resolved:**

**Proposal No. 1:** Election of four (4) Directors (excluding Directors serving as Audit and Supervisory Committee members)

**Proposal No. 2:** Election of three (3) Directors serving as Audit and Supervisory Committee members

#### **4. Decisions made upon convocation**

- (1) No indication of approval or disapproval for each proposal on the voting rights exercise form will be treated as votes of approval.
- (2) Duplicate voting
  - 1) For multiple voting via the Internet, etc., the last vote cast will be treated as valid.
  - 2) For dual voting both via the Internet, etc. and the voting rights exercise form, the vote via the Internet, etc. will be treated as valid.
- (3) You can exercise your voting rights via proxy on the day of the meeting by delegating rights to another shareholder with voting rights. In this case, your proxy needs to submit your voting rights exercise form and the document certifying the authority of proxy at the reception.

#### **5. Other matters concerning this notice**

Of the documents to be provided with this notice, “Structure for Securing Appropriate Operations and its Operation Status,” “Notes to the Consolidated Financial Statements” and “Notes to the Non-consolidated Financial Statements” are posted on the Company’s website below based on laws, regulations and Article 17 of the Articles of Incorporation, and therefore are not stated in the attachment to this notice. Accordingly, the attachment to this notice comprises a part of the documents audited by the Audit and Supervisory Committee and the Accounting Auditor in preparing their audit reports.

Any revisions to the Reference Documents for the General Meeting of Shareholders, the Business Report, Consolidated and Non-consolidated Financial Statements will be posted on the Company’s website (<http://www.shinwa-jp.com/english/relations/>).

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### **Proposal No. 1:** Election of four (4) Directors (excluding Directors serving as Audit and Supervisory Committee members)

As the terms of office of all the four (4) Directors (excluding Directors serving as Audit and Supervisory Committee members) will expire at the closing of the meeting, the Company proposes to elect four (4) Directors (excluding Directors serving as Audit and Supervisory Committee members).

The Company has established the following nomination procedures and criteria regarding the election of Directors, and the Nomination and Remuneration Committee has confirmed that all the candidates for Directors satisfy the qualification requirements. In addition, the Audit and Supervisory Committee has determined that each candidate is qualified as a Director of the Company based on its evaluation of factors such as the business execution and performance for the fiscal year under review.

If this proposal and Proposal No. 2 are approved as originally proposed, the composition of the total seven (7) Directors of the Company will be three (3) Inside Directors and four (4) Outside Directors (including four (4) independent officers), comprising six (6) male Directors and one (1) female Director.

## Criteria regarding the Election of Directors

### **1. Nomination procedures**

The Company has set up the Nomination and Remuneration Committee, which is comprised of four (4) independent outside directors and one (1) representative director.

Based on the following election criteria and independence criteria, the Nomination and Remuneration Committee examines qualifications of each director candidate and elects directors at board meetings with consent from the Audit and Supervisory Committee.

### **2. Criteria regarding the Election of Inside Directors**

- (1) A person who understands the Company's history, climate, and culture and possesses a superior business acumen and business judgment needed to keep Shinwa-ism alive
- (2) A person who possesses expert knowledge on the Group's business, as well as outstanding foresight, planning and decision-making abilities, unifying strength, and leadership
- (3) A person who possesses the humanity and moral values required of a director
- (4) A person who does not have any health concerns that would prevent him or her from performing the duties of an inside director

### **3. Criteria regarding the Election of Outside Directors**

- (1) A person who possesses expert knowledge in such fields as management, accounting/financing, law, administration, and socio-cultural understanding and has made appropriate achievements in his or her respective field
- (2) A person who possesses the humanity and moral values required of a director
- (3) A person whose concurrent position(s), if any, are appropriate and do not interfere with the performance of the duties of an outside director
- (4) A person who does not have any health concerns that would prevent him or her from performing the duties of an outside director

#### **4. Criteria regarding the Independence of Outside Directors**

- (1) For outside directors of the Company to be considered as independent by the Board of Directors, they must be neutral and independent of the Company's management, with none of the following criteria applicable thereto. (Hereinafter, outside directors who are considered to be independent are referred to as "independent officers.")
  - 1) A person who is involved in the execution of the business of the Group
  - 2) A person who is an employee or an executing person of a firm for which the Group is a major client
  - 3) A person who is a major client of the Group or an executing person of a firm that is a major client of the Company
  - 4) A person who owns 10% or more of the Company's voting rights either directly or indirectly or an executing person of a firm to which such a person belongs
  - 5) A person of a firm 10% or more of whose voting rights the Group owns either directly or indirectly or an executing person of such a firm
  - 6) An accounting expert such as a consultant and certified public accountant or a legal expert such as an attorney who receives a large amount of money or other economic benefit(s) from the Group aside from the officer's remuneration
  - 7) A person who belongs to an audit firm that conducts a statutory audit of the Company
  - 8) A person who is an executing person of a firm for which an executing person of the Group acts as an outside officer currently or has acted as such within the past three years
  - 9) A person who is a close relative of the following:
    - (a) A person to whom any of the aforementioned criteria 1) - 8) applies
    - (b) A person who is an important executing person of the Group
    - (c) A person to whom the criteria (b) above was applicable within the past three years
- (2) Other than the criteria of the preceding section, independent officers must not be involved with circumstances that would cause them to be reasonably considered to be unable to fulfill the duties of an Independent Outside Director.
- (3) Independent officers shall strive to maintain independence as stipulated herein until they leave office and immediately notifies the Company when they cease to be independent as stipulated herein.

## Composition of the Board of Directors upon Election

| Name                | Positions in the Company   | Attribute   | Attendance at the board of directors meetings in the 7th fiscal year |
|---------------------|--|---|--|
| Hiroshi Yamada      | President and Representative Director  | [Reappointment]   | 100%<br>(18 out of 18 meetings)                                      |
| Kurio Noritake      | Executive Vice President and Director; Executive Officer; General Manager of Sales | [Reappointment]   | 100%<br>(18 out of 18 meetings)                                      |
| Shinichi Hirano     | Managing Director; Executive Officer; General Manager of Production                | [Reappointment]   | 100%<br>(18 out of 18 meetings)                                      |
| Hiroshi Serizawa    | Outside Director   | [Reappointment]<br>[Outside]<br>[Independent]             | 100%<br>(14 out of 14 meetings)                                      |
| Saei Ito            | Outside Director (Audit and Supervisory Committee member)                          | [Reappointment]<br>[Outside]<br>[Independent]             | 100%<br>(18 out of 18 meetings)                                      |
| Tetsuichi Taniguchi | Outside Director (Audit and Supervisory Committee member)                          | [Reappointment]<br>[Outside]<br>[Independent]             | 100%<br>(18 out of 18 meetings)                                      |
| Tomoko Achiwa       | Outside Director (Audit and Supervisory Committee member)                          | [Reappointment]<br>[Outside]<br>[Independent]<br>[Female] | 100%<br>(18 out of 18 meetings)                                      |

- Notes:
- The positions of the candidates for Directors are as of the time of dispatch of this notice.
  - Mr. Hiroshi Serizawa took office after being elected as a new Director at the 6th Annual General Meeting of Shareholders held on June 26, 2020. His attendance at the board meetings states those after his appointment.
  - Outside: Candidate for Outside Director  
Independent: Candidate for independent officer to be reported to the Tokyo Stock Exchange

### [Proportion of Outside Directors]

Four (4) Outside Directors                      57%  
Three (3) Inside Directors                      43%

### [Proportion of Female Directors]

One (1) Female Director                      14%  
Six (6) Male Directors                      86%

Candidates for Directors (excluding Directors serving as Audit and Supervisory Committee members) are as follows:

| No. | Name<br>(Date of birth)   | Career summary, positions<br>and responsibilities  | Number of shares<br>of the Company<br>held |
|-----|---|--|--|
| 1   | Hiroshi Yamada<br>(September 28, 1952)<br><br>[Reappointment]   | August 1979      Joined the Company<br>December 2003    President and Representative Director (present)<br>August 2007      Director, Shinwa Service Co., Ltd.<br>[Significant concurrent positions]<br>Not applicable | 125,500<br>(69,000)                        |
|     | [Reason for nomination as candidate for Director]<br>Mr. Hiroshi Yamada assumed office as President and Representative Director in December 2003 as stated in his career summary and has driven the business growth of the Group to globalize operations and expedite management reform. In addition, serving as a chair of the Board of Directors, he facilitates constructive discussions in an effort to strengthen the functions of the Board of Directors.<br>Going forward, the Company has determined that he will continue to appropriately supervise the overall management of the Group as a Director of the Company, thereby contributing to the achievement of sustainable growth and higher corporate value. Therefore, he is nominated as a candidate for Director. |  |  |

| No. | Name<br>(Date of birth)  | Career summary, positions<br>and responsibilities  | Number of shares<br>of the Company<br>held |
|-----|--|--|--|
| 2   | Kurio Noritake<br>(October 20, 1967)<br><br>[Reappointment]  | April 1990      Joined Wakita & Co., LTD.<br>September 1993    Joined Koyo Unyu Co., Ltd.<br>July 1997        Joined Marubeni Construction Machinery Sales<br>Company<br>July 2007        Joined the Company<br>Deputy General Manager of Sales Department;<br>concurrently, General Manager of Osaka Sales<br>Office<br>April 2010        Executive Officer; General Manager of Sales<br>Division; concurrently General Manager of Osaka<br>Branch<br>January 2014     Director, Shinwa Service Co., Ltd.<br>August 2017     Managing Director; Executive Officer; General<br>Manager of Sales of the Company<br>June 2019        Executive Vice President and Director; Executive<br>Officer; General Manager of Sales (present)<br>November 2019    Chairman, GUANGDONG NISSHIN-CHUANGFU<br>ADVANCED CONSTRUCTION MATERIALS<br>Co., Ltd. (present)<br>[Significant concurrent positions]<br>Chairman, GUANGDONG NISSHIN-CHUANGFU<br>ADVANCED CONSTRUCTION MATERIALS Co., Ltd. | 63,800<br>(34,600)                         |
|     | [Reason for nomination as candidate for Director]<br>Mr. Kurio Noritake has directed sales on the frontlines of this industry for many years as stated in his career summary, and has a wealth of experience and achievements as manager of Sales.<br>Going forward, the Company has determined that he will continue to appropriately supervise the overall management of the Group as a Director of the Company, thereby contributing to the achievement of sustainable growth and higher corporate value. Therefore, he is nominated as a candidate for Director. |  |  |

| No.   | Name<br>(Date of birth)                                       | Career summary, positions<br>and responsibilities  | Number of shares<br>of the Company<br>held |
|---|---|--|--|
| 3   | Shinichi Hirano<br>(September 4, 1963)<br><br>[Reappointment] | April 1982    Joined Sharp Engineering Corporation (currently Sharp Business Solutions Corporation)<br>September 1984    Joined Sony Mizunami Corporation (currently Sony Global Manufacturing & Operations Corporation)<br>April 2004    General Manager of Operations Service Department<br>January 2010    General Manager of Manufacturing Department, Shanghai Suoguang Visual Products Co., Ltd.<br>December 2013    Joined the Company<br>Deputy General Manager of Production<br>April 2015    Executive Officer; General Manager of Production<br>June 2018    Director; Executive Officer; General Manager of Production<br>November 2019    Director, GUANGDONG NISSHIN-CHUANGFU ADVANCED CONSTRUCTION MATERIALS Co., Ltd. (present)<br>June 2020    Managing Director; Executive Officer; General Manager of Production of the Company (present)<br>[Significant concurrent positions]<br>Director, GUANGDONG NISSHIN-CHUANGFU ADVANCED CONSTRUCTION MATERIALS Co., Ltd. | 63,800<br>(34,600)                         |
| <p>[Reason for nomination as candidate for Director]<br/>           Mr. Shinichi Hirano has a wealth of experience and achievements as manager of Production as stated in his career summary.<br/>           Going forward, the Company has determined that he will continue to appropriately supervise the overall management of the Group as a Director of the Company, thereby contributing to the achievement of sustainable growth and higher corporate value. Therefore, he is nominated as a candidate for Director.</p> |   |  |  |

| No.   | Name<br>(Date of birth)  | Career summary, positions<br>and responsibilities  | Number of shares<br>of the Company<br>held |
|---|--|--|--|
| 4   | Hiroshi Serizawa<br>(December 26, 1951)<br><br>[Reappointment]<br>[Outside]<br>[Independent] | April 1975      Joined HANWA Co., Ltd.<br>April 2000      General Manager of Steel Sheets Dept.<br>June 2005        Director<br>April 2010        Managing Director<br>April 2012        Director and Senior Managing Executive Officer<br>April 2015        Director and Executive Vice President<br>April 2017        Representative Director and Executive Vice<br>President<br>June 2019        Advisor (present)<br>April 2020        Advisor of the Company<br>June 2020        Outside Director (present)<br>[Significant concurrent positions]<br>Not applicable | -  |
| <p>[Reason for nomination as candidate for Outside Director and overview of expected roles]<br/>           Mr. Hiroshi Serizawa has a wealth of experience as a corporate manager and broad expertise in this industry as stated in his career summary as well as business experience in such fields as overseas operations. Based on his experience as director of other company, he properly provides advice and suggestions during discussions at the Board of Directors. The Company has determined that he is expected to leverage his knowledge and experience concerning corporate management to provide various advice and opinions on management aimed at corporate growth of the Company, and therefore nominated him as a candidate for Outside Director. The Company will continue to appoint him as a member of the Nomination and Remuneration Committee after his election. Furthermore, the Company has determined that he will bear the management supervisory function as an Outside Director from a fair, objective and independent perspective, since he satisfies the Company's Criteria regarding the Independence of Outside Directors (please refer to page 4).</p> |  |  |  |

■ Special notes on the candidate for Outside Director:

1. Mr. Hiroshi Serizawa is a candidate for Outside Director pursuant to Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
2. The Company has registered Mr. Hiroshi Serizawa with the Tokyo Stock Exchange as independent officer as stipulated by the said Exchange.
3. The term of office of Mr. Hiroshi Serizawa as Outside Director of the Company will be one year at the closing of the meeting.
4. The Company has concluded an agreement with Mr. Hiroshi Serizawa to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act. The maximum limit of liability under such agreement shall be the minimum liability amount stipulated in Article 425, Paragraph 1 of the same Act. If his reappointment is approved, the Company plans to continue the aforementioned agreement with him.

- Notes:
1. There are no special interests between each candidate and the Company.
  2. The number of shares of the Company held by each candidate is as of March 31, 2021.
  3. Figure in parentheses under "Number of shares of the Company held" is the number of share acquisition rights.
  4. The Company has entered into a directors and officers liability insurance contract with an insurance company. The insurance contract covers damages that may arise when the insured assumes liability for the execution of his or her duties or receives a claim related to the pursuit of such liability. If each candidate assumes the office of Director, he or she will be insured under the insurance contract. The insured does not bear premiums. The Company plans to renew the insurance contract with the same contents in September 2021.



| No.  | Name<br>(Date of birth)  | Career summary, positions<br>and responsibilities  | Number of shares<br>of the Company<br>held |
|--|--|--|--|
| 2  | Tetsuichi Taniguchi<br>(June 6, 1967)<br><br>[Reappointment]<br>[Outside]<br>[Independent] | April 1990      Joined National Police Agency<br>July 2001      Assistant Director to the Counselor of Preparation<br>Office for the Promotion of Justice System Reform,<br>Cabinet Secretariat<br>December 2001   Assistant Director to the Counselor of Headquarters<br>for the Promotion of Justice System Reform<br>June 2003        Registered as an attorney; joined Taniguchi Law<br>Office<br>June 2011        Representative attorney (present)<br>November 2015   Outside Corporate Auditor, Convano Inc. (present)<br>August 2017      Outside Director (Audit and Supervisory Committee<br>member) of the Company (present)<br>March 2020      Outside Director, Direct Marketing MiX Inc.<br>(present)<br>[Significant concurrent positions]<br>Representative attorney, Taniguchi Law Office<br>Outside Corporate Auditor, Convano Inc.<br>Outside Director, Direct Marketing MiX Inc. | -  |
| <p>[Reason for nomination as candidate for Outside Director and overview of expected roles]</p> <p>Mr. Tetsuichi Taniguchi has a wealth of experience and profound insight as an attorney as stated in his career summary, and has audited the management execution of the Company from his professional perspective as a Director serving as Audit and Supervisory Committee member, while providing appropriate advice and suggestions on the occasion where the important management decisions of the Company are made. In addition, the functions of the Board of Directors of the Company are expected to be enhanced by his supervision and advice from his objective and legal perspective. Therefore, he is nominated as a candidate for Director serving as Audit and Supervisory Committee member. The Company will continue to appoint him as a member of the Nomination and Remuneration Committee after his election.</p> <p>Furthermore, the Company has determined that he will bear the management supervisory function as an Outside Director from a fair, objective and independent perspective, since he satisfies the Company's Criteria regarding the Independence of Outside Directors (please refer to page 4).</p> |  |  |  |

■ Special notes on the candidate for Outside Director:

1. Mr. Tetsuichi Taniguchi is a candidate for Outside Director pursuant to Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
2. The Company has registered Mr. Tetsuichi Taniguchi with the Tokyo Stock Exchange as independent officer as stipulated by the said Exchange.
3. The term of office of Mr. Tetsuichi Taniguchi as Outside Director (Audit and Supervisory Committee member) of the Company will be three years and 10 months at the closing of the meeting.
4. The Company has concluded an agreement with Mr. Tetsuichi Taniguchi to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act. The maximum limit of liability under such agreement shall be the minimum liability amount stipulated in Article 425, Paragraph 1 of the same Act. If his reappointment is approved, the Company plans to continue the aforementioned agreement with him.

| No. | Name<br>(Date of birth)  | Career summary, positions<br>and responsibilities  | Number of shares<br>of the Company<br>held |
|-----|--|--|--|
|     | Tomoko Achiwa<br>(August 25, 1984)<br><br>[Reappointment]<br>[Outside]<br>[Independent]<br>[Female]  | December 2007    Joined KPMG AZSA LLC<br>June 2015        Joined Achiwa Accounting Firm<br>November 2015   Representative, Achiwa Labor and Social Security<br>Attorney's Office (present)<br>March 2017       Representative, Achiwa Administrative Scrivener's<br>Office (present)<br>June 2019        Outside Director (Audit and Supervisory Committee<br>member) of the Company (present)<br>[Significant concurrent positions]<br>Representative, Achiwa Labor and Social Security Attorney's Office<br>Representative, Achiwa Administrative Scrivener's Office | -  |
| 3   | <p>[Reason for nomination as candidate for Outside Director and overview of expected roles]<br/> Ms. Tomoko Achiwa has considerable knowledge concerning finance, accounting, etc. and deep insight concerning corporate management as a certified public accountant, certified tax accountant, labor and social security attorney, administrative scrivener, etc., as stated in her career summary. She has appropriately fulfilled her duties including the supervision of business execution, in an effort to further enhance the Group's management foundation and corporate value. In addition, she is expected to supervise the overall management of the Company and help enhance the functions of the Board of Directors of the Company from the perspective of diversity promotion, based on her knowledge in finance and accounting field as well as human resources field. Therefore, she is nominated as a candidate for Director serving as Audit and Supervisory Committee member. The Company will continue to appoint her as a member of the Nomination and Remuneration Committee after her election.<br/> Furthermore, the Company has determined that she will bear the management supervisory function as an Outside Director from a fair, objective and independent perspective, since she satisfies the Company's Criteria regarding the Independence of Outside Directors (please refer to page 4).</p> |  |  |

■ Special notes on the candidate for Outside Director:

1. Ms. Tomoko Achiwa is a candidate for Outside Director pursuant to Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
2. The Company has registered Ms. Tomoko Achiwa with the Tokyo Stock Exchange as independent officer as stipulated by the said Exchange.
3. The term of office of Ms. Tomoko Achiwa as Outside Director (Audit and Supervisory Committee member) of the Company will be two years at the closing of the meeting.
4. The Company has concluded an agreement with Ms. Tomoko Achiwa to limit her liability for damages under Article 423, Paragraph 1 of the Companies Act. The maximum limit of liability under such agreement shall be the minimum liability amount stipulated in Article 425, Paragraph 1 of the same Act. If her reappointment is approved, the Company plans to continue the aforementioned agreement with her.

Notes:

1. There are no special interests between each candidate and the Company.
2. The number of shares of the Company held by each candidate is as of March 31, 2021.
3. The Company has entered into a directors and officers liability insurance contract with an insurance company. The insurance contract covers damages that may arise when the insured assumes liability for the execution of his or her duties or receives a claim related to the pursuit of such liability. If each candidate assumes the office of Director, he or she will be insured under the insurance contract. The insured does not bear premiums. The Company plans to renew the insurance contract with the same contents in September 2021.