

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

(Securities Code 5943)

March 7, 2024

To Our Shareholders

93 Edo-machi, Chuo-ku, Kobe City
NORITZ CORPORATION
President and CEO Satoshi Haramaki

Notice of the 74th Annual Meeting of Shareholders

Dear Shareholders,

Please kindly be informed that the 74th Annual Meeting of Shareholders will be held for the purposes indicated below.

We have taken measures for providing information in electronic format—specifically, publishing the information contained in the Reference Documents for the General Meeting of Shareholders, etc. (excluding the Exertion of Voting Rights Form) at this annual meeting (items for which the measures for providing information in electronic format will be taken) on the Internet on the following websites. Thus, we ask that you please visit one of these websites to confirm the information.

[The Company’s website (the General Meeting of Shareholders)]

<https://www.noritz.co.jp/company/ir/stockholder.html> (in Japanese only)

(To confirm the information, please visit the website above and select “74th Annual Meeting of Shareholders,” then “Materials for the General Meeting of Shareholders.”)

[Website containing Materials for the General Meeting of Shareholders]

<https://d.sokai.jp/5943/teiji/> (in Japanese only)

[Tokyo Stock Exchange (TSE) website (Listed Company Search)]

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese only)

(To confirm the information, please visit the TSE website above and enter “Noritz” in the “Issue name (company name)” field or the Company’s securities code (“5943”) (in half-width numeric characters) in the “Code” field, click “Search,” then “Basic information,” and then “Documents for public inspection/PR information,” and then check the “Notice of General Shareholders Meeting / Informational Materials for a General Shareholders Meeting” section under “Documents for public inspection.”)

In making use of your voting rights via the Internet or in writing (postal mail), please take the time to examine the shareholders meeting reference documents and exert your voting rights by 5:00 pm on March 27 (Wednesday), 2024.

Notes

1. Date March 28 (Thursday), 2024, 10 am (Reception starts at 9 am)
 2. Place ANA Crowne Plaza Hotel Kobe, 10th Floor, The Ballroom
1-Chome Kitano-cho, Chuo-ku, Kobe City
 3. Objectives of the Meeting
Matters to Report:
 1. Business report for the 74th term (from January 1, 2023 to December 31, 2023), consolidated financial documents and the audit report of Accounting Auditor/Audit & Supervisory Committee for the consolidated financial documents
 2. Financial documents report for the 74th term (from January 1, 2023 to December 31, 2023)
- Agenda
- | | |
|------------|---|
| Proposal 1 | Appropriation of Earned Surplus |
| Proposal 2 | Election of Six Directors (Excluding Directors Serving as Audit & Supervisory Committee Members) |
| Proposal 3 | Election of One Director Serving as Audit & Supervisory Committee Member |
| Proposal 4 | Revision of Remuneration for Directors (Excluding Directors Serving as Audit & Supervisory Committee Members) |
| Proposal 5 | Determination of Remuneration Pertaining to Performance Share Units Issued to Directors (Excluding External Directors and Directors Serving as Audit & Supervisory Committee Members) |

4. Matters Concerning Exercising of Voting Rights

- (i) For exercising of voting rights via the Internet, please refer to the attached “Instructions for exercising voting rights by the Internet.”
- (ii) If neither approval nor disapproval is indicated on the Exertion of Voting Rights Form of a vote exercised in writing (postal mail), the Company will treat the vote as an indication of your approval of the proposal.
- (iii) If you exercise your voting rights in duplicate via the Internet and in writing (postal mail), the vote exercised via the Internet shall be treated as valid, regardless of the arrival date of the Exertion of Voting Rights Form.
- (iv) If you exercise your voting rights by the Internet multiple times, the last vote exercised shall be treated as valid.

Information for Shareholders

Shareholders who exercise voting rights online in advance will be entered into a drawing in which 100 winners will receive a QUO card (worth ¥500), regardless of whether they approve or disapprove of the proposals.

- For how to exercise voting rights online, refer to Page 4.
- The announcement on the winners will be sent to the address in the shareholder registry.
- Prizes will be sent in late April.

- * If any revisions are made to items for which the measures for providing information in electronic format will be taken, we will publish the fact that revisions were made as well as the original and revised versions of the items on the websites indicated above.
- * For the meeting this year, the Company sends paper-based documents stating items for which the measures for providing information in electronic format will be taken to all shareholders with voting rights, including shareholders who requested the delivery of paper-based documents. However, pursuant to laws and regulations and Article 19, paragraph 2 of the Company’s Articles of Incorporation, the following items are excluded from such documents.
 - (i) “Overview of System for Ensuring Legitimate Business Operations and Its Implementation Status” and “Basic Policy on Control of the Company” in the Business Report
 - (ii) “Consolidated statement of changes in equity” and “Notes to the consolidated financial documents” in the Consolidated Financial Documents
 - (iii) “Non-consolidated statement of changes in equity” and “Notes to the financial documents” in the Financial Documents

Accordingly, the business report, consolidated financial documents, and non-consolidated financial documents included in such documents are a portion of the documents audited, specifically when the Accounting Auditor prepares the accounting audit report and when the Audit & Supervisory Committee prepares the audit report.

Instructions for exerting voting rights by the Internet

How to Scan the QR Code

This allows you to log in to the website to exercise your voting rights without having to enter the login ID and temporary password on the Voting Rights Form.

1. Scan the QR code on the Voting Rights Form.
*QR Code is a registered trademark of DENSO WAVE INCORPORATED.
2. Follow the instructions on the screen below to enter your approval or disapproval.

How to Enter Your Login ID and Temporary Password

Voting Rights Website

<https://evote.tr.mufg.jp/> (in Japanese only)

1. Access the Voting Rights Website.
2. Enter the login ID and temporary password on the Voting Rights Form, then click.
3. Follow the instructions on the screen below to enter your approval or disapproval.

For any questions on how to use a computer or smartphone to exercise your voting rights online, please contact the following help desk.

Mitsubishi UFJ Trust and Banking Corporation, Securities Agency Division (Help Desk)
0120-173-027 (Toll free/Hours: 9:00 am - 9:00 pm)

Institutional investors may use the electronic voting platform for institutional investors operated by ICJ, Inc.

Shareholders Meeting Reference Documents

Proposals and Reference Matters

Proposal 1 Appropriation of Earned Surplus

Noritz's basic policy on dividends is to ensure an ongoing and stable provision of dividends. Comprehensively taking into consideration the business performance and the financial environment this term, the 74th term-end dividend will be 21 yen per common share.

Regarding the Term-End Dividend

- (1) Type of dividend assets
Cash
- (2) Regarding the dividend assets allotment and total
21 yen per common share
Dividend total of 968,670,864 yen
- (3) Effective date of the dividends from earned surplus:
March 29, 2024

(Reference) Basic Policy on Shareholder Returns

Noritz positions the return of profits to its shareholders as one of its management priorities and has a basic policy of ensuring ongoing and stable provision of dividends. For the three-year period from FY2021 to FY2023, the Company will make efforts to actively provide profit returns to its shareholders by paying dividends calculated based on either a consolidated dividend payout ratio of 50% or a consolidated dividend on equity ratio (DOE) of 2%, whichever is higher.

For the dividend policy for FY2024 onward, refer to Page 29 (in Japanese only).

Proposal 2 Election of Six Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)

The terms of all six Directors (excluding Directors serving as Audit & Supervisory Committee Members) will expire at the conclusion of this annual meeting. Hence, we ask for your cooperation in electing six Directors (excluding Directors serving as Audit & Supervisory Committee Members).

The candidates for the post of Director (excluding Director serving as Audit & Supervisory Committee Member) are as follows.

Candidate Number	Name	Position	Category of candidates	Status of attendance (The Board of Directors meetings in the 74 th term)
1	Satoshi Haramaki	President and CEO	Reappointment	92.9% (13/14)
2	Masamine Hirosawa	Director and Senior Managing Executive Officer	Reappointment	100% (14/14)
3	Masayuki Takenaka	Director and Senior Managing Executive Officer	Reappointment	100% (14/14)
4	Kazushi Hirooka	Director and Managing Executive Officer	Reappointment	100% (14/14)
5	Hidenari Ikeda	Director and Managing Executive Officer	Reappointment	100% (14/14)
6	Hirokazu Onoe	External Director	Reappointment External Independent	100% (14/14)

Reappointment: Candidate for reappointment as Director

External: Candidate for External Director

Independent: Candidate for an independent director/auditor as prescribed by the Tokyo Stock Exchange, etc.

Candidate Number	Name (Date of Birth)	Personal History, Position, Duties (Important Concurrent Positions)	Number of the Company's Shares in Possession
1 (Reappointment)	Satoshi Haramaki (April 16, 1959)	<p>Apr. 1983 Joined Noritz Corp.</p> <p>Feb. 2009 President and Representative Director of SHINWA INDUSTRY CO., LTD</p> <p>Jan. 2011 Executive Officer, Deputy Head of Research & Development Headquarters, Noritz Corp.</p> <p>Sep. 2014 Managing Executive Officer, Head of Research & Development Headquarters, Noritz Corp.</p> <p>Mar. 2015 Director and Managing Executive Officer, Head of Research & Development Headquarters, Noritz Corp.</p> <p>Jan. 2019 Director and Senior Managing Executive Officer, Head of Domestic Business Headquarters, Noritz Corp.</p> <p>Oct. 2020 President and CEO, Noritz Corp. (current position)</p> <p>(Reasons for nomination as a candidate for Director) Satoshi Haramaki has led the Group's business as the president and representative director of our subsidiary, Head of Research & Development Headquarters and Domestic Business Headquarters of the Company, etc. In addition, he has served as Director of the Company since March 2015, and has been fulfilling his responsibilities as President and CEO of the Company since October 2020. He has been nominated as a candidate for Director based on the judgment that his continued participation in management decision-making in all areas, including global and sustainability issues, as a representative of the Company will contribute to the improvement of the Company's corporate value over the medium to long term.</p>	28,900 shares
2 (Reappointment)	Masamine Hirosawa (December 13, 1961)	<p>Nov. 1988 Joined Noritz Corp.</p> <p>Jan. 2010 President and Representative Director of Kanto Sangyo Co., Ltd.</p> <p>Oct. 2011 Executive Officer of Noritz Corp. Director and General Manager of Noritz (China) Co., Ltd. Chairman of Noritz (Shanghai) Home Appliance Co., Ltd.</p> <p>Apr. 2016 Managing Executive Officer, General Manager of China Business Promotion Division of International Business Headquarters, Noritz Corp. Chairman of Sakura (Cayman) Co., Ltd. Chairman of Sakura China Holdings (H.K.) Co., Ltd.</p> <p>Jul. 2016 Chairman of Noritz (China) Co., Ltd.</p> <p>Jan. 2017 Managing Executive Officer, Head of International Business Headquarters, Noritz Corp. Chairman of Noritz Hong Kong Co., Ltd.</p> <p>Feb. 2017 Director of NORITZ AUSTRALIA PTY LTD</p> <p>Mar. 2017 Director and Managing Executive Officer, Head of International Business Headquarters, Noritz Corp.</p> <p>Jan. 2019 Director and Senior Managing Executive Officer, Head of International Business Headquarters, Noritz Corp.</p> <p>Oct. 2020 Director and Senior Managing Executive Officer, Head of Products Headquarters, Noritz Corp. (current position)</p> <p>(Reasons for nomination as a candidate for Director) Masamine Hirosawa has been the president and representative director of our domestic and overseas subsidiaries, Head of International Business Headquarters of the Company, etc. He has been fulfilling his responsibilities as Head of Products Headquarters of the Company since October 2020. In addition, he served as Director of the Company since March 2017. He has been nominated as a candidate for Director based on the judgment that his continued participation in management decision-making, including response to digital transformation and environmental/social issues in manufacturing, as Director who oversees manufacturing functions will contribute to the improvement of the Company's corporate value over the medium to long term.</p>	16,900 shares

Candidate Number	Name (Date of Birth)	Personal History, Position, Duties (Important Concurrent Positions)	Number of the Company's Shares in Possession
3 (Reappointment)	Masayuki Takenaka (September 24, 1963)	<p>Jan. 1992 Joined Noritz Corp.</p> <p>Mar. 2004 Director, Head of Planning & Administration Headquarters, HARMAN CO., LTD.</p> <p>Jun. 2011 Managing Director, Head of Administration Headquarters, HARMAN CO., LTD.</p> <p>Jan. 2012 General Manager of General Administration Division of Administration Headquarters, Noritz Corp.</p> <p>Oct. 2013 President and Representative Director of S-Hearts' CORPORATION</p> <p>Apr. 2016 Executive Officer of Noritz Corp.</p> <p>Jan. 2017 Senior Executive Officer, Head of Administration Headquarters, Noritz Corp.</p> <p>Mar. 2017 Director and Managing Executive Officer, Head of Administration Headquarters, Noritz Corp.</p> <p>Jan. 2019 Director and Managing Executive Officer, Head of Management & Administration Headquarters, Noritz Corp.</p> <p>Oct. 2020 Director and Managing Executive Officer, Head of Planning & Administration Headquarters, Noritz Corp.</p> <p>Mar. 2021 Director and Senior Managing Executive Officer, Head of Planning & Administration Headquarters, Noritz Corp.</p> <p>Jul. 2023 Director and Senior Managing Executive Officer, Head of Domestic Business Headquarters, Noritz Corp. (current position)</p> <p>(Reasons for nomination as a candidate for Director) Masayuki Takenaka has served as the president and representative director of our subsidiary, Head of Administration Headquarters of the Company, and since July 2023 has fulfilled his responsibilities as Head of Domestic Business Headquarters. In addition, he has served as Director of the Company since March 2017. He has been nominated as a candidate for Director based on the judgment that his continued participation in management decision-making, including response to digital transformation and environmental/social issues in domestic business, as Director who oversees domestic sales functions will contribute to the improvement of the Company's corporate value over the medium to long term.</p>	16,800 shares
4 (Reappointment)	Kazushi Hirooka (April 9, 1964)	<p>Apr. 1987 Joined Noritz Corp.</p> <p>Jan. 2016 Executive Officer, Deputy Head of Sales & Marketing Headquarters, Domestic Business Headquarters, Noritz Corp.</p> <p>Sep. 2017 Managing Executive Officer, Head of Sales & Marketing Headquarters, Domestic Business Headquarters, Noritz Corp.</p> <p>Mar. 2020 Director and Managing Executive Officer, Head of Sales & Marketing Headquarters, Domestic Business Headquarters, Noritz Corp.</p> <p>Jul. 2020 Director and Managing Executive Officer, Head of Marketing Headquarters, Domestic Business Headquarters, Noritz Corp.</p> <p>Oct. 2020 Director and Managing Executive Officer, Head of the Marketing Headquarters</p> <p>Jul. 2023 Director and Managing Executive Officer, Head of the Corporate Strategy Headquarters, Noritz Corp. (current position)</p> <p>(Reasons for nomination as a candidate for Director) Kazushi Hirooka has served as Head of Sales & Marketing Headquarters of the Company, etc., and since July 2023 has fulfilled his responsibilities as the Head of the Corporate Strategy Headquarters. In addition, he has served as Director of the Company since March 2020. He has been nominated as a candidate for Director based on the judgment that his continued participation in management decision-making, including response to a company-wide digital transformation and sustainability issues, as Director who oversees corporate administration functions will contribute to the improvement of the Company's corporate value over the medium to long term.</p>	12,400 shares

Candidate Number	Name (Date of Birth)	Personal History, Position, Duties (Important Concurrent Positions)	Number of the Company's Shares in Possession
5 (Reappointment)	Hidenari Ikeda (July 18, 1971)	<p>Apr. 1996 Joined Noritz Corp.</p> <p>Mar. 2015 General Manager of Hot Water Product Planning Department of Marketing Management Headquarters, Noritz Corp.</p> <p>Jan. 2016 President and Representative Director of HARMAN CO., LTD.</p> <p>Sep. 2017 General Manager of Corporate Planning Department, Noritz Corp.</p> <p>Jan. 2018 Executive Officer, General Manager of Corporate Planning Department, Noritz Corp.</p> <p>Jan. 2019 Executive Officer, General Manager of Corporate Planning Division, Noritz Corp.</p> <p>Oct. 2020 Managing Executive Officer, Head of Global Headquarters, Noritz Corp.</p> <p>Jan. 2021 Chairperson of Noritz USA Corporation Director of NORITZ AUSTRALIA PTY LTD Chairman of Noritz (China) Co., Ltd. (current position) Chairman of Noritz Hong Kong Co., Ltd. (current position) Chairman of Sakura (Cayman) Co., Ltd. (current position) Chairman of Sakura China Holdings (H.K.) Co., Ltd. (current position)</p> <p>Mar. 2022 Director and Managing Executive Officer, Head of Global Headquarters, Noritz Corp. (current position)</p> <p>(Important Concurrent Positions) Chairman of Noritz (China) Co., Ltd. Chairman of Noritz Hong Kong Co., Ltd. Chairman of Sakura (Cayman) Co., Ltd. Chairman of Sakura China Holdings (H.K.) Co., Ltd.</p> <p>(Reasons for nomination as a candidate for Director) Hidenari Ikeda has been the president and representative director of our subsidiary, General Manager of Corporate Planning Division of the Company, etc., and has fulfilled his responsibilities as Head of Global Headquarters of the Company since October 2020. In addition, he has served as Director of the Company since March 2022. He has been nominated as a candidate for Director based on the judgment that his participation in management decision-making, including response to global environmental / social issues, as Director who oversees international business will contribute to the improvement of the Company's corporate value over the medium to long term.</p>	6,700 shares

Candidate Number	Name (Date of Birth)	Personal History, Position, Duties (Important Concurrent Positions)	Number of the Company's Shares in Possession
6 (Reappointment) (External) (Independent)	Hirokazu Onoe (March 19, 1948)	<p>Sep. 1970 Joined GLORY LTD.</p> <p>Apr. 2000 General Manager, Vending Machine & Amusement Systems Business Div., GLORY LTD.</p> <p>Jun. 2001 Director, GLORY LTD.</p> <p>Jun. 2004 Managing Director, GLORY LTD.</p> <p>Jun. 2006 Director & Managing Executive Officer, GLORY LTD.</p> <p>Apr. 2009 General Manager, Corporate Strategy Div., GLORY LTD.</p> <p>Jun. 2010 Director & Executive Vice President, GLORY LTD.</p> <p>Apr. 2011 President & Representative Director, GLORY LTD.</p> <p>Apr. 2019 Chairman of the Board & Representative Director, GLORY LTD. (current position)</p> <p>Mar. 2021 External Director, Noritz Corp. (current position)</p> <p>(Important Concurrent Positions) Chairman of the Board & Representative Director, GLORY LTD.</p> <p>(Reasons for nomination as a candidate for External Director and overview of expected role) Hirokazu Onoe possesses abundant experience and insight into wide-ranging matters as a manager of a manufacturing corporation that develops business globally. In addition, he meets the Company's Selection Criteria for Independent External Officers. Furthermore, he has served as External Director of the Company since March 2021, and has fulfilled his role of supervising and providing advice on the Company's business execution from an independent standpoint. He has been nominated as a candidate for External Director based on the judgment that his continued participation in management decision-making as Director fulfilling said role from an independent standpoint, including digital transformation and governance perspectives, will contribute to the improvement of the Company's corporate value over the medium to long term.</p>	0 shares

Note 1. No special interest between the candidates and the Company exists.

Note 2. Hirokazu Onoe is a candidate for External Director.

Note 3. Terms of office of the candidates for External Directors as External Directors of the Company

The term of office for Hirokazu Onoe as an External Director of the Company shall have been three years at the end of this annual meeting of shareholders.

Note 4. The Company has signed an agreement with Hirokazu Onoe limiting his liability for damages prescribed in Article 423, Paragraph 1 of the Companies Act, based on the regulations of Article 427, Paragraph 1 of the same act.

The limitation of liability for damages according to this agreement is the minimum amount as stated in Article 425, Paragraph 1 of the Companies Act, and this agreement will be continued if Hirokazu Onoe is reelected.

Note 5. Independence of the candidates for External Director

Hirokazu Onoe is a candidate for the position of an "independent director/auditor" as prescribed by the regulations of the Tokyo Stock Exchange with which the Company lists its shares.

Note 6. The "Number of the Company's Shares in Possession" shows the number of shares held as of December 31, 2023.

Note 7. Signing of directors and officers liability insurance agreement

To attract talented human resources and allow them to fully exert their capabilities in business execution without constraint, the Company has signed a directors and officers liability insurance agreement with an insurance company, the outline of which is as described below. The agreement is scheduled to be renewed with the same content in July 2024. The candidates for the post of Director presented in this Proposal have been already insured by said insurance agreement, and will continue to be insured after their election.

[Outline of the insurance agreement]

(1) Apportionment of substantive insurance premium payment by insured Directors

The insurance premium is fully borne by the Company, including that for rider portions. There is no substantive payment of the insurance premium by insured Directors.

(2) Outline of events to be covered by the agreement

The insurance agreement covers damage that may be incurred by insured Directors as a result of receiving a claim for damages arising from their conduct relating to their business. However, there are certain exemptions such as the case where insured Directors committed an act knowing that the act would violate laws and regulations.

* Opinions of the Audit & Supervisory Committee

Two of the three members of the Audit & Supervisory Committee attended the Nominating Committee and the Remuneration Committee as members and one as an observer, where they confirmed the matters concerning the election and remuneration of Directors (excluding Directors serving as Audit & Supervisory Committee Members).

The Audit & Supervisory Committee believes that the election procedures of Directors (excluding Directors serving as Audit & Supervisory Committee Members) are appropriate, and all candidates are qualified to serve as the Company's Directors (excluding Directors serving as Audit & Supervisory Committee Members), based on the evaluation on the status of business execution, experiences and capabilities of each candidate. The Audit & Supervisory Committee also believes that the determination procedure of remuneration for Directors (excluding Directors serving as Audit & Supervisory Committee Members) for the fiscal year are appropriate, and the content of remuneration, etc. is reasonable in terms of the remuneration structure, the method of calculation of the remuneration amount, etc.

Proposal 3 Election of One Director Serving as Audit & Supervisory Committee Member

Director Tsuyoshi Ayabe, a member of the Audit & Supervisory Committee, will resign as of the conclusion of this Annual Meeting of Shareholders. As such, we would like to elect one director as a member of the Audit & Supervisory Committee.

This proposal has the agreement of the Audit & Supervisory Committee.

The candidates for the post of Director serving as Audit & Supervisory Committee Member are as follows.

Name (Date of Birth)	Personal History, Position, Duties (Important Concurrent Positions)	Number of the Company's Shares in Possession
Naoki Hirano (January 11, 1965) (New)	<p>Apr. 1988 Joined Noritz Corp.</p> <p>Jan. 2016 General Manager of Sales Planning Division, Sales & Marketing Headquarters, Domestic Business Headquarters, Noritz Corp.</p> <p>Nov. 2017 President and Representative Director of Kanto Sangyo Co., Ltd.</p> <p>Jul. 2019 General Manager of Customer Department, Service Business Development Division, Sales & Marketing Headquarters, Domestic Business Headquarters, Noritz Corp.</p> <p>Jul. 2020 General Manager of Customer Department, Service Business Development Division, Marketing Headquarters, Domestic Business Headquarters, Noritz Corp.</p> <p>Oct. 2020 General Manager of Customer Department, Service Business Division, Marketing Headquarters, Noritz Corp.</p> <p>Jan. 2021 Representative Director and President of Noritz Living Create Corporation</p> <p>Apr. 2023 Advisor for Noritz Living Create Corporation</p> <p>Jul. 2023 Manager of the Audit & Supervisory Committee Office, Noritz Corp. (current position)</p> <p>(Reasons for nomination as a candidate for Director serving as Audit & Supervisory Committee Member) Naoki Hirano has served as the Head of Corporate Planning Division at Noritz and as the Representative Director and President of a subsidiary, and since July 2023 has served as Manager of the Audit & Supervisory Committee Office, fulfilling his responsibilities in assisting the duties of Audit & Supervisory Committee members. Therefore, he has been nominated as a candidate for Director serving as Audit & Supervisory Committee Member based on the judgment that his participation in management decision-making by fulfilling his responsibilities of auditing business execution, including finances, governance, etc., from an objective standpoint with a deep understanding of the Group's business will contribute to the improvement of the Company's corporate value over the medium to long term.</p>	2,345 shares

Note 1. No special interest between the candidate and the Company exists.

Note 2. Signing of liability limitation agreement with the candidates for Directors serving as Audit & Supervisory Committee Members

The Company has signed an agreement with Directors serving as Audit & Supervisory Committee Members, limiting their liability for damages prescribed in Article 423, Paragraph 1 of the Companies Law, based on the regulations of Article 427, Paragraph 1 of the same law. The limitation of liability for damages according to this agreement is the minimum amount as stated in Article 425, Paragraph 1 of the Companies Law. This agreement will be entered into with Naoki Hirano if his appointment is approved.

Note 3. The "Number of the Company's Shares in Possession" shows the number of shares held (including those held through Noritz Employees' Shareholding Association) as of December 31, 2023.

Note 4. Signing of directors and officers liability insurance agreement

To attract talented human resources and allow them to fully exert their capabilities in business execution without constraint, the Company has signed a directors and officers liability insurance agreement with an insurance company, the outline of which is as described below. The agreement is scheduled to be renewed with the same content in July 2024. The candidate for the post of Director serving as Audit & Supervisory Committee Members presented in this Proposal will be insured after his election.

[Outline of the insurance agreement]

(1) Apportionment of substantive insurance premium payment by insured Directors

The insurance premium is fully borne by the Company, including that for rider portions. There is no substantive payment of the insurance premium by insured Directors.

(2) Outline of events to be covered by the agreement

The insurance agreement covers damage that may be incurred by insured Directors as a result of receiving a claim for damages arising from their conduct relating to their business. However, there are certain exemptions such as the case where insured Directors committed an act knowing that the act would violate laws and regulations.

* Skill matrix of Directors (including Directors Serving as Audit & Supervisory Committee Members)

The Company believes that in order to formulate and achieve medium and long term management strategies, including the medium-term management plan, it is necessary to ensure the effectiveness of the Board of Directors, as well as to promote and supervise how financial and non-financial strategies are implemented, while promoting business strategies.

For this reason, the Company’s basic policy for the election of Directors to comprise its Board of Directors is to ensure a good balance of individual knowledge, experience and abilities as a whole, while achieving as much diversity as possible within the Board of Directors, based on the appropriate number of members.

If Proposal 2 “Election of Six Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)” and Proposal 3 “Election of One Director Serving as Audit & Supervisory Committee Member” are approved, the skills possessed by each Director and the skills that the Company expects each Director to demonstrate will be as follows.

Position	Name	Gender		Corporate management	Strategy development skills				Management skills				
		Male	Female		Marketing / Business planning	Manufacturing	IT / DX	Global	Management strategy	Finance / Accounting	ESG / Sustainability		
											Environmental	Social	Governance
President and CEO	Satoshi Haramaki	●		●	●	●		●	●		●	●	●
Director and Senior Managing Executive Officer	Masamine Hirose	●		●		●	●	●			●	●	
Director and Senior Managing Executive Officer	Masayuki Takenaka	●		●	●		●		●	●	●	●	
Director and Managing Executive Officer	Kazushi Hirooka	●			●		●		●	●	●	●	●
Director and Managing Executive Officer	Hidenari Ikeda	●		●	●	●		●	●		●	●	
External Director	Hirokazu Onoe	●		●		●	●	●	●				●
Director (Full-time Audit & Supervisory Committee Member)	Naoki Hirano	●		●	●	●				●			●
External Director (Audit & Supervisory Committee Member)	Yasuko Masaki		●									●	●
External Director (Audit & Supervisory Committee Member)	Yasuhiro Tani	●						●		●		●	●

Note 1. Each Director’s skills assessment marked with a circle (●) is based on the skills they possess in their experience and the skills they are expected to demonstrate in light of their current roles.

Note 2. Directors marked with a circle (●) in the “Corporate management” field possess or are expected to possess all of the skills in the Strategy development and Management fields. However, only those skills that they particularly possess or are expected to possess are included.

Note 3. The skills required in the “Social” category of Management skills are mainly related to human rights and human resource development and training. The skills based on the perspective of “Solving Social Issues” are assessed in “Marketing/Business planning” of Strategy development skills and “Management strategy” of Management skills.

Proposal 4 Revision of Remuneration for Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)

The 69th Annual Meeting of Shareholders held on March 28, 2019, approved a proposal to limit remuneration for directors of the Company (excluding directors serving as Audit & Supervisory Committee Members) to 400 million yen per year (20 million yen per year for external directors, does not include employee salary).

However, taking into account such circumstances as subsequent changes in the business environment and new remuneration limits to be discussed in Proposal 5, we would like to review the remuneration system for directors and approve an increase of the remuneration limit to 600 million yen per year (20 million yen per year for external directors) for directors (excluding directors serving as Audit & Supervisory Committee Members) to create an effective remuneration system to contribute to sustainable growth and increased mid- to long-term corporate value for the Company. However, as in the past, the above-stated amount of remuneration shall not include the portion of their employee salaries.

This proposal was decided on by the Board of Directors after deliberation by the Compensation Advisory Committee, considering comprehensively the size of our business, officer remuneration systems, payment level, the current number of officers, future trends, and more.

The policy for determining the amount of remuneration for individual Company directors is as stated on Page 40 of the Business Report (in Japanese only).

There are currently 6 directors (excluding directors serving as Audit & Supervisory Committee Members, and including 1 external director), and if Proposal 2 is approved as proposed, there will be 6 directors (excluding directors serving as Audit & Supervisory Committee Members, and including 1 external director).

Proposal 5 Determination of Remuneration Pertaining to Performance Share Units Issued to Directors (Excluding External Directors and Directors Serving as Audit & Supervisory Committee Members)

The amount of remuneration for Directors (excluding Directors Serving as Audit & Supervisory Committee Members) of the Company was approved by the resolution of the 69th Annual Meeting of Shareholders held on March 28, 2019 to be within the annual amount of 400 million yen per fixed remuneration (including 20 million yen per year for External Directors; not including the portion of their employee salaries). In addition, within the range of remuneration amount stated above, it was approved to allocate equity warrants as stock compensation-type stock options to Directors (excluding External Directors and Directors Serving as Audit & Supervisory Committee Members; hereinafter “Eligible Directors”) of the Company. It was also approved at the 71st Annual Meeting of Shareholders held on March 30, 2021, that payment of monetary remuneration claims as remuneration related to restricted stock instead of stock options and the total number of restricted shares allotted to Eligible Directors would be limited to 90,000 shares per year. If Proposal 4 is approved, the fixed remuneration for Company directors (excluding External Directors and Directors Serving as Audit & Supervisory Committee Members) will be limited to 600 million yen (20 million yen for external directors; does not include employee salary).

We would like to ask for approval to set a remuneration limit for granting performance share units within this 600 million yen limit, the limit for fixed remuneration for Company directors (excluding External Directors and Directors Serving as Audit & Supervisory Committee Members) in order to not only provide incentive for directors to improve our corporate value but to help create even greater shared value between directors and shareholders.

Under this system, the number of shares that the Company can issue to Eligible Directors will be 25,000, and monetary remuneration claims will be 80 million yen. Specific allocation for Eligible Directors will be decided at the Board of Directors meeting.

There are currently 5 Eligible Directors, and if Proposal 2 is approved as proposed, there will be 5 Eligible Directors.

This Proposal shall be effective on the condition that Proposal 4 is approved as proposed.

1. Overview of the Performance Share Unit System

The performance share unit system (hereinafter “the System”) is a performance-based compensation system in which common stocks are granted to Eligible Directors as part of their remuneration, calculated based on the achievement rate of numerical targets set in advance by the Board of Directors within a period set by the Board of Directors (hereinafter “Assessment Period”; the initial Assessment Period shall be the three fiscal years from January 1, 2024, to December 31, 2026). As such, common stocks are issued based on the achievement rate of numerical performance targets, and as of the start of this System, the matter of whether such shares shall be issued to Eligible Directors, and if they are to be issued, in what quantity they are to be issued has yet to be determined.

In issuing or disposing of common stock through this System, the Company and Eligible Directors (limited to Company directors and others in positions determined by the Board of Directors on the date that issuance of the shares in question is decided) shall enter into a Restricted Stock Allotment Agreement (hereinafter “Allotment Agreement”) containing the following content.

- (1) Eligible Directors must not transfer, set up security rights, or otherwise dispose of (hereinafter “Transfer Restriction”) the common stocks allotted under Allotment Agreement (hereinafter “Allotted Shares”) from the date that the restricted shares were issued until the date on which the Eligible Director loses position as a director of the Company or other position determined by the Board of Directors (hereinafter “Transfer Restriction Period”).
- (2) The Company shall acquire the shares without compensation if, due to a violation by the Eligible Director of the law, company regulations, or Allotment Agreement, or for any other reason, the Board of Directors determines that it is appropriate for the Company to acquire the shares without compensation.
- (3) If matters pertaining to merger agreements in which the Company is dissolved, share trade agreements or share transfer agreements in which the Company becomes a wholly owned subsidiary, or other restructuring is approved by the Annual Meeting of Shareholders (the Board of Directors in cases where restructuring does not require approval by the Annual Meeting of Shareholders) during the Transfer Restriction Period, all Transfer Restriction will be lifted for all Allotted Shares prior to the effective date of the restructuring by a resolution by the Board of Directors.

2. Content of Remuneration Under This System

(1) Calculation of Remuneration Under This System

Under this system, the Company takes (i) the number of shares to be issued after assessment, obtained by multiplying the standard number of units to be issued by position for Eligible Directors by the assessment index based on the achievement level of numerical performance targets decided on by the Board of Directors, and multiplies this by (ii) the service period ratio, to decide the number of shares allotted to each Eligible Director.

The Company shall provide monetary remuneration claims to Eligible Directors, calculated by multiplying the number of shares allotted to each Eligible Director by the paid-in amount of common stocks allotted, and in exchange for the physical contribution of said monetary remuneration claims by each Eligible Director, allot common shares of the Company to each Eligible Director. The paid-in amount of the common stock will be determined at the Board of Directors based on the closing price of the common stock of the Company on the Tokyo Stock Exchange on the business day prior to the date of resolution by the Board of Directors pertaining to its allotment (if no transactions are made on that day, the closing price on the most recent trading day immediately preceding that date), within a scope not particularly advantageous to the Eligible Directors receiving the allotment of the common stock.

The amount of monetary remuneration claims provided to each Eligible Director and the number of shares allotted shall be calculated according to the following formula.

Calculation Formula

Number of allotted shares = number of shares to be issued after assessment (i) x service period ratio (ii)

- (i) The “number of shares to be issued after assessment” is determined by multiplying the number of standard number of units (allotted proportionally to each assessment index after setting the proportion for each) determined by the Board of Directors of the Company according to the position of the Eligible Director by the assessment index determined by the Board of Directors of the Company in the range from 0% to a maximum of 150% for each assessment index according to the achievement ratio of each assessment index (currently using three assessment indices: consolidated ROE, business CO2 reduction rate, and product CO2 reduction rate, with the proportion of each assessment index being 50% for consolidated ROE, 25% for business CO2 reduction rate, and 25% for product CO2 reduction rate) determined by the Board of Directors of the Company as of each fiscal year of the Assessment Period or the end of the Assessment Period.
- (ii) The “service period ratio” is calculated by dividing the number of months in service by the number of months in the Assessment Period.

In the event that an Eligible Director resigns from their position as a director or other position determined by the Board of Directors due to death or other reasons recognized as legitimate by the Board of Directors, or in the event of their appointment as a new director or executive officer of the Company, or if proposals related to corporate restructuring, such as merger agreements in which the Company is dissolved, share trade agreements or share transfer agreements in which the Company becomes a wholly owned subsidiary, or other restructuring, are approved by the Annual Meeting of Shareholders (by the Board of Directors in cases where such restructuring does not require approval by the Annual Meeting of Shareholders), or in cases of other reasons recognized as legitimate by the Board of Directors, the Company may, as necessary, at a time reasonably determined by the Board of Directors, adjust the number of shares to be granted reasonably and, instead of such shares, may provide monetary remuneration in an amount reasonably determined by the Board of Directors as equivalent to the value of such shares, as deemed appropriate.

(2) Remuneration Limit Under This System

Under this system, the number of shares that the Company can issue to Eligible Directors per Assessment Period will be 25,000, and monetary remuneration claims will be 80 million yen in total.

(3) Reasons for Forfeiting Rights to Receive Remuneration Under This System

Eligible Directors shall forfeit their right to receive remuneration under this System in the event of certain acts of non-compliance determined by the Board of Directors or certain reasons for resignation determined by the Board of Directors.

(4) Adjustment Due to Mergers/Stock Splits, etc.

If the total number of shares issued by the Company increases or decreases due to a merger or stock split prior to issuing shares under this System (including share allotment without consideration; the same shall apply hereinafter), the number of shares involved in the calculation of this System will be adjusted by multiplying it by the consolidation or division ratio.

The Company has established a policy regarding determination of remuneration for individual directors, resolved at the Board of Directors meeting held on January 29, 2021, and the summary of its content is as described on Page 40 of the Business Report (in Japanese only). The Company plans to amend this policy if this proposal is approved. The content of this proposal, as stated above, determines that the payment amount for allotted shares shall be within a range that does not confer particular advantage, and, considering that the dilution ratio is minimal, we consider the allocation of these shares to be appropriate.

(Reference)

■ Procedures for selecting candidates for the position of Director (excluding Directors serving as Audit & Supervisory Committee Members)

A selection process has been established for candidates for the position of Director (excluding Directors serving as Audit & Supervisory Committee Members), and candidates are determined by the Board of Directors, after evaluations based on the following selection criteria and deliberations regarding the evaluation results by the Nomination Advisory Committee, while keeping in mind the need to secure the greatest possible diversity in terms of knowledge, experience and ability, and also taking into consideration the scale of the Board of Directors.

■ Selection criteria for candidates for the position of Director (excluding Directors serving as Audit & Supervisory Committee Members)
[Types of persons]

Candidates shall fulfill the human resource requirements stipulated in the Succession Plan and be able to appropriately direct management and business by demonstrating the abilities necessary to fulfill the responsibilities of a Director based on the Company's social mission.

[Four fundamental requirements]

- Ethics: Candidates shall have sustainable, innovative ideas from the perspectives of social responsibility and the brand.
- Communication abilities: Candidates shall share the meaning and significance of changes, so that the Company works as one to contribute to them.
- Conceptual abilities: Candidates shall take the initiative in organizing implementation conditions from the viewpoint of management.
- Breakthrough capabilities: Candidates shall be able to break through barriers toward the appropriate direction, and drive the entire Company forward.

■ Selection Criteria for Independent External Officers

The Company judges that External Officer or candidate for an External Officer is independent of the Company if there is no risk of conflicts of interest arising between an External Officer of the Company or a candidate for an External Officer of the Company and ordinary shareholders, which are determined when none of the descriptions in any of the following paragraphs apply to that person.

1. Relationship to the Company and its Affiliated Companies

- (1) A person who is currently an Executive Director, Executive Officer, manager or other employee of the Company or an affiliated company (hereinafter collectively referred to as the "Noritz Group") (such persons are hereinafter collectively referred to as "Executive Director, etc.").
- (2) A person who was an Executive Director, etc. of the Noritz Group within 10 years prior to assuming position as an Independent External Officer; or a person who was a Director but not an Executive Director (hereinafter referred to as a "Non-Executive Director"), or was an Audit & Supervisory Board Member or Accounting Auditor of the Company at any time within 10 years prior to assuming their position, who also had been an Executive Director, etc. of the Company within 10 years prior to assuming those positions.

2. Relationship to Shareholders

- (1) A shareholder who holds 10% or more of the current voting rights in the Company (hereinafter referred to as a "Major Shareholder") or, if a Major Shareholder is a juridical person, a person who is a director, audit & supervisory board member, accounting auditor, accounting advisor, operating officer, senior general manager, executive officer, manager or other employee of such Major Shareholder or its parent company or subsidiary.
- (2) A person who was a director, audit & supervisory board member, accounting auditor, accounting advisor, operating officer, senior general manager, executive officer, manager or other employee of a company that is currently a Major Shareholder of the Company or a parent company or subsidiary of such Major Shareholder within the last five years.

3. Economic Interests

- (1) A person who is a director, audit & supervisory board member, accounting auditor, accounting advisor, operating officer, executive officer, manager or other employee of a company of which the Company is currently a Major Shareholder.
- (2) A person executing the business of an organization that has received the greater of a yearly average of 10 million yen for the last three fiscal years or 30% of the average total yearly costs of such organization by way of donation or grant from the Noritz Group.
- (3) A person who was a director, audit & supervisory board member, accounting auditor, accounting advisor, operating officer, executive officer, manager or other employee of a company, or a parent company or subsidiary of such company that has accepted a Director from the Noritz Group.

4. Relationship to Business Partners and Client Companies

- (1) A person who was a director, audit & supervisory board member, accounting auditor, accounting advisor, operating officer, executive officer, manager or other employee of a company, or a parent company or subsidiary of such company that has received payment from the Noritz Group of 2% or more of its annual consolidated total sales in any of the last four fiscal years.

- (2) A person who was a director, audit & supervisory board member, accounting auditor, accounting advisor, operating officer, executive officer, manager or other employee of a company, or a parent company or subsidiary of such company that has paid to the Noritz Group 2% or more of the Company's annual consolidated total sales in any of the last four fiscal years.

5. Relationship to Creditors

- (1) A person who is a director, audit & supervisory board member, accounting auditor, accounting advisor, operating officer, executive officer, manager or other employee of a financial institution or other large creditor (hereinafter referred to as a "Large Creditor"), or a parent company or subsidiary of a Large Creditor that is essential to the financing of the Company and is relied upon by the Company to the extent that there is no substitute.
- (2) A person who was a director, audit & supervisory board member, accounting auditor, accounting advisor, operating officer, executive officer, manager or other employee of a Large Creditor or a parent company or subsidiary of a Large Creditor within the last three years.

6. Relationship to Professional Service Providers

- (1) A person who is a staff member, partner or employee of a certified public accountant or audit corporation that is the Accounting Auditor of the Noritz Group.
- (2) A person who in the last three years was a staff member, partner or employee of a certified public accountant or audit corporation that is the Accounting Auditor of the Noritz Group and was in charge of audit work for the Noritz Group.
- (3) A person other than persons falling under items (1) and (2) above who is a lawyer, certified public accountant, certified tax accountant or other consultant and has received from the Noritz Group, other than as officer's remuneration, a yearly average of 10 million yen or more in the form of money or other property benefit in the last three years.
- (4) A person who is a staff member, partner, associate or employee of a legal professional corporation, law firm, audit corporation, tax accountant corporation, consulting firm or other professional advisory firm that has received from the Noritz Group a yearly average of 10 million yen or more in the form of money or other property benefit in the last three years and does not fall under items (1) and (2).

7. Term of Office

A person who holds the position of Director among the current Independent External Officers of the Company and has held that position for a term totaling more than eight years.

8. Close Relatives

A spouse or relative within the third degree of kinship of, or a relative cohabiting with, a person specified in any of items 1 to 7 above.

9. Other

Even if he or she does not fall under any of items 1 to 8 above, a person for whom there is a constant and substantial risk of a conflict of interest arising for some other reason.