

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 6, 2025

To Our Shareholders

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

## Notice of the 75th Annual Meeting of Shareholders

Dear Shareholders,

Please kindly be informed that the 75<sup>th</sup> 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 “75<sup>th</sup> 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 26 (Wednesday), 2025.

## Notes

1. Date March 27 (Thursday), 2025, 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 75<sup>th</sup> term (from January 1, 2024 to December 31, 2024), consolidated financial documents and the audit report of Accounting Auditor/Audit & Supervisory Committee for the consolidated financial documents
  2. Financial documents report for the 75<sup>th</sup> term (from January 1, 2024 to December 31, 2024)

### Agenda

#### <Company proposals>

- |            |   |
|------------|---|
| Proposal 1 | Appropriation of Earned Surplus   |
| Proposal 2 | Partial Revision of Articles of Incorporation   |
| Proposal 3 | Election of Five Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)                                   |
| Proposal 4 | Election of Two Directors Serving as Audit & Supervisory Committee Members  |
| Proposal 5 | Partial Revision and Continuation of Policy against Large-scale Purchase of Shares of Noritz Corporation (Takeover Response Policy) |

#### <Shareholder proposals>

- |            |  |
|------------|--|
| Proposal 6 | Revision of Remuneration Amount Regarding Restricted Share-based Remuneration Plan |
| Proposal 7 | Acquisition of Treasury Shares   |
| Proposal 8 | Change to Articles of Incorporation Regarding Number of External Directors         |

#### 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 Company proposals and disapproval of the shareholder proposals.
  - (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.
- \* 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 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

#### <Company proposals>

##### **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 75<sup>th</sup> term-end dividend will be 36 yen per common share.

Regarding the Term-End Dividend

- (1) Type of dividend assets  
Cash
- (2) Regarding the dividend assets allotment and total  
36 yen per common share  
Dividend total of 1,677,613,464 yen
- (3) Effective date of the dividends from earned surplus:  
March 28, 2025

(Reference) Basic Policy on Shareholder Returns

Noritz positions the return of profits to its shareholders as one of its management priorities. It aims to further enhance shareholder returns by paying dividends calculated based on either a consolidated dividend payout ratio of 50% or a consolidated dividend on equity ratio (DOE) of 2.5%, whichever is higher, in order to realize a dividend that is linked to business performance and incorporates a degree of stability. In addition, the Company will consider the acquisition of treasury shares in a flexible manner.

**Proposal 2 Partial Revision of Articles of Incorporation**

1. Reason for the Proposal

The Company plans to engage in secondhand goods dealer and scrap metal dealer transactions in the water heater recycling business, and is adding these business purposes to the current Articles of Incorporation in order to apply for these licenses.

Note: The water heater recycling business is a business that collects and disassembles used water heaters, to create employment for people with disabilities and recycle materials.

2. Details of the Changes

The changes are as follows.

(The underlined sections are those that have been changed.)

Current Articles of Incorporation	Proposed Changes
<p>(Purpose)            Article 2 The purpose of the Company shall be to engage in the following business activities:                1. - 24. (Omitted)                                (Newly established)                                (Newly established)                <u>25.</u> All businesses that are incidental to those mentioned in the preceding items.</p>	<p>(Purpose)            Article 2 The purpose of the Company shall be to engage in the following business activities:                1. - 24. (Unchanged)                <u>25. Secondhand goods dealer</u>                <u>26. Scrap metal dealer</u>                <u>27.</u> All businesses that are incidental to those mentioned in the preceding items.</p>

**Proposal 3 Election of Five 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 five 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 75 <sup>th</sup> term)
1	Satoshi Haramaki	President and CEO	Reappointment	100% (15/15)
2	Masayuki Takenaka	Director and Senior Managing Executive Officer	Reappointment	100% (15/15)
3	Atsushi Yoshimoto	Managing Executive Officer	New	–
4	Hidenari Ikeda	Director and Managing Executive Officer	Reappointment	100% (15/15)
5	Izumi Noda	–	New External Independent	–

Reappointment: Candidate for reappointment as Director

New: Candidate for new appointment 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, SHINWA INDUSTRY CO., LTD</p> <p>Jan. 2011    Executive Officer, Deputy Head of Research &amp; Development Headquarters, Noritz Corp.</p> <p>Sep. 2014    Managing Executive Officer, Head of Research &amp; Development Headquarters, Noritz Corp.</p> <p>Mar. 2015    Director and Managing Executive Officer, Head of Research &amp; 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 &amp; 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>	36,000 shares
2 (Reappointment)	Masayuki Takenaka (September 24, 1963)	<p>Jan. 1992    Joined Noritz Corp.</p> <p>Mar. 2004    Director, Head of Planning &amp; 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, 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 &amp; Administration Headquarters, Noritz Corp.</p> <p>Oct. 2020    Director and Managing Executive Officer, Head of Planning &amp; Administration Headquarters, Noritz Corp.</p> <p>Mar. 2021    Director and Senior Managing Executive Officer, Head of Planning &amp; 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>	21,000 shares

Candidate Number	Name (Date of Birth)	Personal History, Position, Duties (Important Concurrent Positions)	Number of the Company's Shares in Possession
3 (New)	Atsushi Yoshimoto (October 21, 1965)	<p>Apr. 1989    Joined Noritz Corp.</p> <p>Jul. 2009    General Manager of New Energy Business Promotion Division of Products Operational Headquarters, Noritz Corp.</p> <p>Jan. 2017    General Manager of Heat Storage System Product Development Division of Research &amp; Development Headquarters, Noritz Corp.</p> <p>Jan. 2019    Executive Officer, Deputy Head of Research &amp; Development Headquarters, Noritz Corp.</p> <p>Oct. 2021    Managing Executive Officer, Head of Research &amp; Development Headquarters, Noritz Corp.</p> <p>Jan. 2025    Managing Executive Officer, Deputy Head of Product Headquarters, Noritz Corp. (current position)</p> <p>(Reasons for nomination as a candidate for Director) Atsushi Yoshimoto has served as Head of Research &amp; Development Headquarters of the Company, etc., and since January 2025 has fulfilled his responsibilities as Deputy Head of Product Headquarters. 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>	3,114 shares
4 (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, 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, Noritz USA Corporation Director, NORITZ AUSTRALIA PTY LTD Chairman, Noritz (China) Co., Ltd. (current position) Chairman, Noritz Hong Kong Co., Ltd. (current position) Chairman, Sakura (Cayman) Co., Ltd. (current position) Chairman, 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>Jan. 2024    Chairman, Sakura Shunde Co., Ltd. (current position)</p> <p>(Important Concurrent Positions) Chairman, Noritz (China) Co., Ltd. Chairman, Noritz Hong Kong Co., Ltd. Chairman, Sakura (Cayman) Co., Ltd. Chairman, Sakura China Holdings (H.K.) Co., Ltd. Chairman, Sakura Shunde 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>	9,900 shares

Candidate Number	Name (Date of Birth)	Personal History, Position, Duties (Important Concurrent Positions)	Number of the Company's Shares in Possession
5 (New) (External) (Independent)	Izumi Noda (May 18, 1965)	<p>May 2000 Joined Bewith, Inc.</p> <p>Jan. 2016 COO of Center Operations Division and COO of Life Services Division, Bewith, Inc.</p> <p>Jun. 2016 Executive Officer, COO of Center Operations Division and COO of Life Services Division, Bewith, Inc.</p> <p>Jun. 2017 Executive Officer, COO of Center Operations Division and General Manager of Human Resources Department, Bewith, Inc.</p> <p>Jun. 2018 Chief Human Officer, Chief Operational Risk Officer, General Manager of Human Resources Department, and General Manager of Operational Audit Department, Bewith, Inc.</p> <p>Dec. 2019 Chief Human Officer, General Manager of Human Resources Department, Bewith, Inc.</p> <p>Dec. 2021 Chief Human Officer, General Manager of Personnel Department, Bewith, Inc.</p> <p>Sep. 2024 Fellow (Expert Executive), Bewith, Inc. (current position)</p> <p>(Important Concurrent Positions) Fellow (Expert Executive), Bewith, Inc.</p> <p>(Reasons for nomination as a candidate for External Director and overview of expected role) Izumi Noda possesses abundant experience and insight into wide-ranging matters in areas such as human resources and sustainability as an officer of a company that operates outsourcing and other businesses using digital technology. In addition, she meets the Company's Selection Criteria for Independent External Officers. She has been nominated as a candidate for External Director based on the judgment that her participation in management decision-making as Director through advice on and supervision of the Company's business execution from an independent standpoint, including digital transformation and human capital 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. Izumi Noda is a candidate for External Director.

Note 3. If Izumi Noda's appointment presented in this proposal is approved at this annual meeting, the Company plans to sign an agreement with her to limit her 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.

Note 4. Independence of the candidates for External Director

Izumi Noda 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 5. 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, 2024.

Note 6. 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 2025. Of the candidates for the post of Director presented in this proposal, those for reappointment have been already insured by said insurance agreement, and will continue to be insured after their election. The candidates for new appointment will 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 Nomination Advisory Committee and the Remuneration Advisory Committee as members and one as an observer, where they confirmed the matters concerning the election of candidates for Directors (excluding Directors serving as Audit & Supervisory Committee Members) and remuneration of Directors.

The Audit & Supervisory Committee believes that the election procedures of candidates for 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 4 Election of Two Directors Serving as Audit & Supervisory Committee Members**

The terms of Directors serving as Audit & Supervisory Committee Members Yasuko Masaki and Yasuhiro Tani will expire at the termination of this annual meeting. Hence, we ask for your cooperation in electing two Directors serving as Audit & Supervisory Committee Members.

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.

Candidate Number	Name	Position	Category of candidates	Status of attendance (The 75 <sup>th</sup> term)
1	Yasuhiro Tani	External Director (Audit & Supervisory Committee Member)	Reappointment External Independent	The Board of Directors meetings 100% (15/15) The Audit & Supervisory Committee meetings 100% (14/14)
2	Mina Ito	—	New External Independent	—

Reappointment: Candidate for reappointment as Director

New: Candidate for new appointment 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) (External) (Independent)	Yasuhiro Tani (October 11, 1956)	<p>Oct. 1981    Joined Asahi &amp; Co. (currently KPMG AZSA LLC)</p> <p>Apr. 1985    Registered as a certified public accountant</p> <p>Apr. 1986    Representative, CPA Tani Accounting Office (current position)</p> <p>May 2003    Registered as a certified tax accountant</p> <p>Sep. 2004    Visiting professor at the Graduate School of the Central University of Finance and Economics in Beijing</p> <p>Apr. 2006    Professor of The Graduate School of Management, GLOBIS University (current position)</p> <p>Jun. 2018    External Auditor, World Mode Holdings Co., Ltd.</p> <p>Jun. 2020    External Auditor, ROHTO PHARMACEUTICAL CO., LTD. (current position)</p> <p>Mar. 2021    External Director, Audit &amp; Supervisory Committee Member, Noritz Corp. (current position)</p> <p>Jun. 2024    Outside Director, Audit and Supervisory Committee member, FUJI OIL HOLDINGS INC. (current position)</p> <p>(Important Concurrent Positions) Representative of CPA Tani Accounting Office Professor of The Graduate School of Management GLOBIS University External Auditor, ROHTO PHARMACEUTICAL CO., LTD. Outside Director, Audit and Supervisory Committee member, FUJI OIL HOLDINGS INC.</p> <p>(Reasons for nomination as a candidate for External Director serving as Audit &amp; Supervisory Committee Member and overview of expected role) Yasuhiro Tani possesses expert insight as a certified public accountant and a certified tax accountant as well as deep insight concerning global management through acquiring an MBA at the University of Texas in the U.S. and serving as a visiting professor at the Graduate School of the Central University of Finance and Economics in Beijing. In addition, he meets the Company's Selection Criteria for Independent External Officers. Furthermore, he has assumed office as External Director serving as Audit &amp; Supervisory Committee Member of the Company since March 2021, and has fulfilled his role of auditing the Company's business execution from an independent standpoint. He has been nominated as a candidate for External Director serving as Audit &amp; Supervisory Committee Member based on the judgment that his continued participation in management decision-making by fulfilling said role from an independent standpoint, including the perspectives of governance and global business with a focus on finance and accounting, will contribute to the improvement of the Company's corporate value over the medium to long term.</p>	0 shares

Candidate Number	Name (Date of Birth)	Personal History, Position, Duties (Important Concurrent Positions)	Number of the Company's Shares in Possession
2 (New) (External) (Independent)	Mina Ito (Maiden name: Arai) (March 2, 1967)	<p>Jun. 1996    Joined Baker &amp; McKenzie</p> <p>Jan. 2004    Partner, Baker &amp; McKenzie</p> <p>Jan. 2020    Special Adviser, Baker &amp; McKenzie</p> <p>May 2020    Established ZENMONDO Co., Ltd. CEO, Representative Director (current position)</p> <p>Jun. 2020    External Corporate Auditor, C'BON COSMETICS Co.,Ltd.</p> <p>Jun. 2021    Outside Director of the Board and Member of the Audit and Supervisory Committee, Kokusai Pulp &amp; Paper Co., Ltd. (currently KPP GROUP HOLDINGS CO., LTD.)</p> <p>Jun. 2022    Outside Director of the Board, KPP GROUP HOLDINGS CO., LTD. (current position)</p> <p>Apr. 2024    Outside Director, DyDo GROUP HOLDINGS, INC. (current position)</p> <p>May 2024    Managing Partner, Mina Arai-Ito Foreign Law Office (current position)</p> <p>(Important Concurrent Positions) CEO, Representative Director, ZENMONDO Co., Ltd. Outside Director of the Board, KPP GROUP HOLDINGS CO., LTD. Outside Director, DyDo GROUP HOLDINGS, INC. Managing Partner, Mina Arai-Ito Foreign Law Office</p> <p>(Reasons for nomination as a candidate for External Director serving as Audit &amp; Supervisory Committee Member and overview of expected role) Mina Ito possesses wide-ranging experience on global business and expert insights on laws as an international lawyer, as well as a proven track record as a corporate manager. In addition, she meets the Company's Selection Criteria for Independent External Officers. She has been nominated as a candidate for External Director serving as Audit &amp; Supervisory Committee Member based on the judgment that her participation in management decision-making by fulfilling supervisory and other roles from an independent standpoint, including the perspectives of overall Group management with a focus on legal affairs and governance as well as promotion of international business strategies, 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. Yasuhiro Tani and Mina Ito are candidates for External Directors serving as Audit & Supervisory Committee Members.
- Note 3. Terms of office of the candidates for External Directors serving as Audit & Supervisory Committee Members as External Directors of the Company  
The term of office for Yasuhiro Tani as an External Director of the Company shall have been four years at the end of this annual meeting of shareholders.
- Note 4. Signing of liability limitation agreement with the candidates for Directors serving as Audit & Supervisory Committee Members  
The Company has signed an agreement with Yasuhiro Tani, 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. If the reelection of Yasuhiro Tani is approved, the Company plans to continue the said agreement with him.  
If Mina Ito's appointment presented in this proposal is approved at this annual meeting, the Company plans to sign a liability limitation agreement with her with the same content as the said agreement.
- Note 5. Independence of the candidates for External Directors serving as Audit & Supervisory Committee Members  
Yasuhiro Tani and Mina Ito are candidates 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, 2024.
- Note 7. Mina Ito carries out duties as an attorney at law under her maiden name, Arai.
- Note 8. In March 2024, while Mina Ito was serving as an Outside Director of the Board of KPP GROUP HOLDINGS CO., LTD., the company received a surcharge payment order from the Japan Fair Trade Commission and its consolidated subsidiary, Kokusai Pulp & Paper Co., Ltd., received a cease and desist order from the Japan Fair Trade Commission for violating the Antimonopoly Act in connection with bidding for recycled wound paper ordered by the National Printing Bureau, an independent administrative agency.  
Although she was unaware of this violation until it was discovered, she has regularly made statements at meetings of the Board of Directors of the company to ensure thorough legal compliance, and after the discovery of the violation, she fulfilled her duties by providing advice and expressing her opinion regarding the investigation of the cause of the violation, measures to prevent its reoccurrence, and the establishment of internal rules.
- Note 9. 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 2025. Of the candidates for the post of Director serving as Audit & Supervisory Committee Members presented in this proposal, the candidate for reappointment has been already insured by said insurance agreement, and will continue to be insured after his election. The candidate for new appointment will be insured after her 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 3 “Election of Five Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)” and Proposal 4 “Election of Two Directors Serving as Audit & Supervisory Committee Members” 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
Representative Director	Satoshi Haramaki	●		●	●	●		●	●		●	●	●
Director	Masayuki Takenaka	●		●	●		●		●	●	●	●	●
Director	Atsushi Yoshimoto	●			●	●	●		●		●	●	●
Director	Hidenari Ikeda	●		●	●			●	●		●	●	●
External Director	Izumi Noda		●				●		●		●	●	●
Director (Full-time Audit & Supervisory Committee Member)	Naoki Hirano	●		●	●					●		●	●
External Director (Audit & Supervisory Committee Member)	Yasuhiro Tani	●						●		●	●	●	●
External Director (Audit & Supervisory Committee Member)	Mina Ito		●	●				●	●			●	●

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 5 Partial Revision and Continuation of Policy against Large-scale Purchase of Shares of Noritz Corporation (Takeover Response Policy)**

Noritz Corporation decided to adopt a proposal concerning continuation of the policy against large-scale purchase of its shares (takeover countermeasures) (hereafter simply referred to as the “Current Policy”) in a meeting of the Board of Directors on February 14, 2022, the Current Policy being also approved at the 72<sup>nd</sup> Annual Meeting of Shareholders held on March 30, 2022.

Following this, it was resolved to continue the Current Policy at the meetings of the Board of Directors on March 30, 2023 and March 28, 2024 (both being the first such meetings after conclusion of the Annual Meeting of Shareholders). However, the Current Policy is to expire at the conclusion of the first meeting of the Board of Directors to be held after the Annual Meeting of Shareholders for 2025.

Even after approving and adopting the Current Policy, Noritz Corporation has continued to deliberate on it in light of changes in socio-economic conditions and various trends and developments in the debate regarding the takeover response policy. And we decided to continue the takeover response policy at the meeting of the Board of Directors held on February 13, 2025 upon making some revisions to the Current Policy such as changing the definition of Large-scale Purchase and some other terms and expressions, etc., taking into account recent court cases and trends in practice regarding takeover response policy. (The takeover response policy after change is hereafter simply referred to as “the Policy.”)

The basic framework of the Policy remains unchanged from that of the Current Policy.

Provisions of laws and regulations incorporated in the Policy are those implemented as of February 13, 2025, and if such laws and regulations are amended and implemented (including changes in titles of such laws and regulations and establishment of new successor laws and regulations thereof) after such date, provisions of laws and regulations incorporated herein shall be understood to refer to those which essentially succeed such provisions after the relevant amendment, unless otherwise provided by the Board of Directors of the Company.

In view of the importance of the Policy, the Company would like to request the approval of the shareholders of the Company for this proposal. The details of the Policy are as follows.

### **1. Business and Social Mission of Noritz Corporation**

Noritz Corporation introduced “Noritz-Buro (efficient bath)” to the market when it was founded in March 1951 and since then, has offered living facilities and equipment for more than half a century, focusing on “hot water.”

Currently, Noritz Corporation and the Noritz Group consisting of our affiliated companies both in Japan and overseas are engaged in the manufacture, sale and other ancillary businesses of water heating equipment, built-in cookers, heating and air conditioning devices and other products or components.

Noritz Corporation is headquartered in Kobe City since its foundation, and with completion of its plant in a neighboring city, Akashi City in 1962, has benefited from and contributed to development of the community centered on these two cities as a community-oriented company. Meanwhile, the Noritz Group has diversified its business base including its overseas presence in the United States and China, as well as expanding its business scale. As living facilities and equipment manufactured and sold by the Group are now part of lifelines and play important roles as infrastructures of people in Japan, the Noritz Group believes that it is a highly public group with a great social mission.

With further progress in globalization of capital markets, more corporate acquisitions are expected to be seen in Japan. Noritz Corporation believes that management based on mid- and long-term visions will lead to benefits for its shareholders as well as local users of its products and services because it takes years for the Company, as with other manufactures, to research, develop and then commercialize new basic technologies.

However, when a Large-scale Purchaser of the Company’s shares arises, it must be considered that it is extremely difficult for our shareholders to make an appropriate judgment within a short space of time whether or not to agree with the purchase with sufficient understanding of the value of our company and specific terms and methods for the purchase.

In light of the above-mentioned circumstances, Noritz Corporation believes it is necessary for it to formulate and maintain a “Policy against Large-scale Purchase of its Shares (takeover response policy)” as a measure towards potential Large-scale Purchases to allow its shareholders to make an appropriate judgment by requesting Large-scale Purchasers to provide sufficient information, such as their purpose, details, calculation basis for purchase consideration, and to secure a long enough period of time for deliberation.

Noritz Corporation will pursue open management built on its corporate philosophy based on the concept that pros and cons of Large-scale Purchase should depend on the judgment of its shareholders. The Company will, through all the above efforts, further promote shareholder-oriented management to maximize its corporate values.

### **2. Basic Concept on Large-scale Purchase**

The Board of Directors of Noritz Corporation does not hold a negative view on every Large-scale Purchase case. However, some Large-scale Purchases of shares will not necessarily secure and improve the target company’s corporate values as well as common

interests of its shareholders because they would obviously damage such corporate values and common interests of shareholders according to their purposes, create disadvantage for shareholders by forcing them to accept such a Large-scale Purchase, or because they do not provide the board of directors and shareholders of the target company with sufficient information on details of Large-scale Purchases and Large-scale Purchasers and do not give a long enough period of time for its shareholders to review purchase conditions and other matters and for the board of directors of the target company to conduct a review and propose alternatives. Noritz Corporation believes the need to proactively take countermeasures to prevent such Large-scale Purchase cases. The Company also believes, of course, that the final judgment on acceptance or rejection of any other Large-scale Purchase cases should be up to its shareholders rather than the Board of Directors.

In the event that the final judgment is left to shareholders of the Company, as noted above, such shareholders need to have sufficient information and to be given a long enough period of time for deliberation in order to make an appropriate judgment on the relevant Large-scale Purchase case. From this point of view, the basis of the Policy is to require Large-scale Purchasers to provide information, as stated below, and not to start Large-scale Purchase before a lapse of the deliberation period for Noritz's shareholders.

With the object of sufficient information for shareholders of the Company to make such decisions, Noritz Corporation believes that in addition to information from Large-scale Purchasers themselves, opinions based on evaluation and review by the Board of Directors and, as applicable, new proposals from the Board will constitute important considerations for its shareholders. This is because appropriate information from the Board in addition to Large-scale Purchasers will help shareholders of the Company make a judgment on adequacy of various conditions including purchase consideration of Large-scale Purchase, which may have a visible and invisible impact on Noritz's near-term business operation as well as management based on a long-term perspective, in light of the development in the Noritz Group's business and current situations that are stated in Section 1. "Business and Social Mission of Noritz Corporation." From this point of view, the Board of Directors of Noritz Corporation will request Large-scale Purchasers to provide information on their Large-scale Purchase so that shareholders of the Company may make a more appropriate judgment; evaluate and review such information provided; summarize its views; and make them available to the public. In addition, if deemed necessary by the Board, it will conduct negotiations with Large-scale Purchasers and present alternatives to shareholders of the Company.

As believing from the standpoint of the above basic concept that Large-scale Purchase processes based on certain reasonable rules, which are a materialization of such a concept, will accord with securing / improving the common interests of Noritz Corporation and its shareholders as well as its corporate values, the Board of Directors establishes rules on Large-scale Purchase of the Company's shares (hereinafter called "Large-scale Purchase Rules"), as stated below; and requires Large-scale Purchasers to comply with such rules.

In the event of Large-scale Purchasers' noncompliance with such rules, the Board may take certain countermeasures as given in Section 5. "Large-scale Purchase Rules Noncompliant Case" below, just because of such noncompliance. This is because the Board, informed by the above basic concept, believes that such noncompliance itself constitutes a threat to securement of information and time necessary for shareholders of the Company to make an appropriate judgment and damage the Company's corporate value and common interests of such shareholders. The Board also believes that preestablishment of such rules for transparency will ensure better predictability of Large-scale Purchasers, compared with situations without such rules, and proactively prevent chilling effects on and limitation of Large-scale Purchase that would serve securement and improvement of the Company's corporate values and common interests of its shareholders.

In addition, in the event that the relevant Large-scale Purchase case is considered to seriously compromise the Company's corporate values and common interests of its shareholders, as provided in Section 4. (2) "Handling of Large-scale Purchase That Is Deemed to Seriously Compromise the Company's Corporate Values and Common Interests of Its Shareholders" below, countermeasures that deemed appropriate for protection of the Company's corporate values and common interests of such shareholders may be taken at the discretion of the Board of Directors even under a situation where Large-scale Purchase Rules are followed.

In any other cases arise where the Board of Directors deems it appropriate to confirm the intention of the shareholders, a meeting of shareholders may be held to confirm shareholder intentions regarding agreement with imposition of countermeasures.

These countermeasures may create some kind of disadvantage, including economic damage, to Specific Shareholder Groups and those attempting to join such groups, including Large-scale Purchasers.

Please note that Noritz Corporation has no concrete offers of acquisition at the current time.

Major shareholders of the Company, as of December 31, 2024, are as indicated in Exhibit 1.

### **3. Objectives and Outlines of Large-scale Purchase Rules**

#### **(1) Objectives of Large-scale Purchase Rules**

With respect to purchase of shares of the Company on a scale that may influence its management, the Large-scale Purchase Rules are designed to allow shareholders of Noritz Corporation to make an appropriate judgment by providing such shareholders with information from Large-scale Purchasers, which is necessary for evaluation and review on whether or not to accept such purchase, and opinions based on evaluation and review by the Board of Directors, and as applicable, securing an opportunity to receive

alternatives from the Board of Directors as well as securing a period of time necessary for such shareholders' deliberation, from a perspective to secure the Company's corporate values and the common interests of shareholders.

## **(2) Outlines of Large-scale Purchase Rules**

Large-scale Purchase Rules requires to Large-scale Purchasers to provide the Board of Directors with sufficient information before implementation of their Large-scale Purchase, and only permits Large-scale Purchasers to start their Large-scale Purchase after a lapse of a certain period of time necessary for shareholders of the Company to make an appropriate judgment based on the Board's evaluation and review on such purchase according to the provided information.

"Large-scale Purchase" refers to actions that fit any of (i) to (iii) below, (excluding those where the Board of Directors has given its permission in advance), and persons engaged in or intending to engage in such activities are called "Large-scale Purchasers." Note that to be a Large-scale Purchase, it does not matter whether it is a specific purchase method such as market transactions or tender offers.

- (i) Purchasing of the Company's shares by a Specific Shareholder Group (Note 1) aiming to gain 20% or greater of voting rights (Note 2)
- (ii) Purchasing of the Company's shares resulting in a Specific Shareholder Group possessing 20% or greater of voting rights
- (iii) Actions are those by a Specific Shareholder Group of the Company with other shareholders of the Company (including cases where there are multiple shareholders) and (a) as a result of those actions, agreements or other actions that result in the other relevant shareholders falling under the category of joint possessors of the Specific Shareholder Group in question or (b) actions that establish a relationship between the relevant Specific Shareholder Group and the other shareholders whereby one party has substantial control over the other party or in which they act jointly or in cooperation with each other (Note 3) (However, (a) and (b) are both limited to cases where total holding ratio of shares, etc. by the Specific Shareholder Group and the other shareholders in question is 20% or more.) (Note 4)

Note 1) Specific Shareholder Group refers to a party that falls under any of the following.

- (i) Those possessors of shares of the Company ("share certificates" being as prescribed in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act; "possessors" being as prescribed in Article 27-23, Paragraph 1 and inclusive of those fitting the description of Article 27-23, Paragraph 3 in the same Act) and joint possessors of shares ("joint possessors" as prescribed in Article 27-23, Paragraph 5 of the same Act, inclusive of those fitting the description in Article 27-23, Paragraph 6 of the same Act)
- (ii) Those involved in purchasing, etc. of shares of the Company ("share purchasing" prescribed in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act, inclusive of purchases in the stock exchange / financial goods market) and their specific persons involved ("specific persons involved" as prescribed in Article 27-2, Paragraph 7 of the same Act)
- (iii) Those involved with (i) or (ii) (a: Those who have a substantial interest in common with (i) or (ii), including investment banks, securities companies, and other financial institutions that have entered into a financial advisory agreements with (i) or (ii); b: Tender offer agent, attorney, accountant, tax accountant, and other advisors; or c: Those who are recognized by the Board of Directors as those who substantially control or act jointly or in cooperation with the those in (i) or (ii))

Note 2) The total number of voting rights, which serves as the denominator in the calculation of voting right percentages, is the number voting rights from all shares issued by the Company at that time, excluding the number of treasury stocks in possession as stated on the most recently submitted securities report, semi-annual securities report or treasury stock purchases report.

Note 3) Judgement on whether or not a "relationship between the relevant Specific Shareholder Group and the other shareholders whereby one party has substantial control over the other party or in which they act jointly or in cooperation with each other" is established shall be done based on the capital relationship, business partnership relationship, transaction or contract relationship, concurrent director relationship, funding relationship, credit relationship, status of purchase of the Company's shares, etc., status of exercise of voting rights regarding the Company's shares, etc., formation of substantial interests regarding the Company's shares, etc. through derivatives or stock lending, etc., and the direct and indirect influence of the relevant shareholder group and other shareholders on the Company.

Note 4) Judgement on whether or not the prescribed action of (iii) in the main text has been taken shall be made reasonably by the Board of Directors, giving maximum consideration to the content of the recommendation of the Special Committee. Furthermore, the Board of Directors may request that the Specific Shareholder Group and other shareholders provide necessary information to the extent necessary for judging whether or not the requirements of (iii) in the main text are met.

As stated previously, actions which may fit the descriptions above are still not to be called "Large-scale Purchases" if done with the advance permission of the Board of Directors. However, if the permission of the Board of Directors is retracted due to (a) an alteration of the factual situation on which the permission of the Board of Directors was presupposed, or (b) the realization by the Board of Directors that the said facts were not true, the action involved shall be defined as a Large-scale Purchase and the relevant rules applied.

This shall take effect from the withdrawal of permission in the case of (a), or from the initial purchasing or other relevant action in the case of (b). The advice of a Special Committee may be obtained by the Board of Directors in cases involving retraction of their permission if so required by the Board.

An outline of the Large-scale Purchase Rules is as follows.

(i) Establishment of the Special Committee

A Special Committee is established by the Company as an organization independent of the Board of Directors and as a permanent organ of the Company, in order to secure the objectivity and rationality of the Board of Directors in the progress of a series of procedures based on Large-scale Purchase Rules, and in the judgment on sufficient measures to secure the Company's corporate values and the common interests of its shareholders under a situation where such rules are followed. The number of members of the Special Committee is between three and five inclusive. Such members will be appointed by the Board of Directors from External Officers, lawyers, certified public accountants, certified tax accountants, academic experts and business executives of other companies, or those well versed with the investment banking industry or the industrial field of Noritz. The current Special Committee consists of three members. At the Board of Directors meeting held on February 13, 2025, a decision was made to elect the three members (reelect one and newly elect two) to be appointed, conditional upon shareholders consent regarding the continuation of the Policy at the Annual Meeting of Shareholders to be held on March 27, 2025. Profiles of the three committee member candidates are as shown in Exhibit 2.

The functions of the Special Committee are outlined in detail below.

- (a) The Special Committee will make recommendations to the Board of Directors when the Board determines whether information provided by Large-scale Purchasers is sufficient or deficient in terms of Subsection (iii) "Provision and Disclosure of Information on Large-scale Purchase."
- (b) The Special Committee will make, to the Board of Directors, permission for whether or not to impose any countermeasures when the Board determines whether or not to impose such countermeasures in the event that the relevant Large-scale Purchase case is deemed to seriously compromise the Company's corporate values and common interests of its shareholders in terms of Section 4. (2) "Handling of Large-scale Purchase That Is Deemed to Seriously Compromise the Company's Corporate Values and Common Interests of Its Shareholders" below.
- (c) The Special Committee will advise the Board of Directors as to whether imposition of countermeasures is appropriate or not if consulted by the Board of Directors when a decision is to be made on whether or not a Large-scale Purchase is in non-compliance with Large-scale Purchase Rules, in terms of Section 5. "Large-scale Purchase Rules Noncompliant Case" below.
- (d) The Special Committee will advise the Board of Directors as to whether maintaining the imposition of countermeasures is appropriate or not if consulted by the Board of Directors when considering whether to halt the imposition of countermeasures, in terms of Section 7. (2) "Imposed Countermeasure's Impact on Shareholders and Investors."
- (e) The Special Committee will give advice to the Board of Directors if requested to do so when the Board of Directors intends to retract its advance permission that a certain act does not come under Large-scale Purchases, and in any other cases where its advice is required.

The Special Committee may, at the expense of the Company, seek advice from independent third parties (including financial advisers, lawyers, certified public accountants, certified tax accountants, consultants and other experts) to ensure that an appropriate judgment is made by such committee.

In addition, the Special Committee shall regularly hold meetings to receive a report from Directors of the Company in terms of the Company's business conditions.

(ii) Submission of Large-scale Purchase Rules Compliance Statement

In the event of any attempt to implement a Large-scale Purchase, Large-scale Purchasers shall submit to the Company a statement in Japanese that contains covenants on compliance with the Large-scale Purchase Rules (hereinafter called "Large-scale Purchase Rules Compliance Statement"). In such statement Large-scale Purchasers shall clearly indicate in Japanese their name, address, governing law for establishment, name of the representative, contact point in Japan, and outlines of their proposed Large-scale Purchase, affixing the seal of their representative and certificates of their representative's qualifications.

If a Large-scale Purchaser submits a Large-scale Purchase Rules Compliance Statement, the Company will make immediate disclosure according to the applicable laws and regulations as well as rules of the financial instruments exchange in regards to matters recognized as appropriate by the Board of Directors.

(iii) Provision and Disclosure of Information on Large-scale Purchase

Within ten (10) business days after the Company's receipt of Large-scale Purchase Rules Compliance Statement, the Board of Directors shall deliver to Large-scale Purchasers a list of items (in Japanese) to be informed for shareholders of the Company to make a judgment and for the Board to form an opinion (hereinafter called "Large-scale Purchase Information"), and Large-scale Purchasers shall promptly submit information in such list. In the event that provided information is deemed insufficient for Large-scale Purchase Information by the Board of Directors on the recommendation of the Special Committee, Large-scale

Purchasers may be asked to provide additional information until sufficient Large-scale Purchase Information is completed. Items of Large-scale Purchase Information are as follows.

- (a) Outlines of Large-scale Purchasers and their group (including primary shareholders, capital investors, main subsidiaries or affiliated companies; in the case of funds, primary constituents, capital investors (whether direct or indirect), other members, executive members, and those regularly giving advice regarding investment) (including information on their actual name, capital composition, capital subscription ratio, financial details, names of corporate officers and their histories, outline of business operations, their experience in a businesses in the same field as Noritz).
- (b) Purpose, method and details of Large-scale Purchase (including amount / type / details / timing of the purchase, related trading systems, expectations that the Company will be delisted after the Large-scale Purchase and the reasons why, legality of the purchase method, probability of its execution, history of past takeovers and purchases).
- (c) Whether or not there are any communications with a third party in terms of Large-scale Purchase, and if any, details of such communications.
- (d) Calculation basis for purchase consideration (including facts, hypotheses on which the calculation is based, calculation method, numerical data used in the calculation, the amount of synergy likely to be created by business transactions tied in to the purchase and the calculation basis for such).
- (e) Proof of purchase funding (including the actual names and other information on the person making this financing (inclusive of the substantive supplier, judged irrespectively of whether directly or indirectly), procurement methods, related transactions).
- (f) Management policies and business plans intended for the Company after completion of the Large-scale Purchase (including financial plan, investment plan, capital policies, dividend policies and asset utilization).
- (g) Policies on treatment of the Company's employees, clients, customers, local communities and other interested parties in connection with the Company after completion of Large-scale Purchase.
- (h) Other information deemed reasonably necessary by the Special Committee or the Board of Directors.

The Board of Directors shall disclose, to shareholders of the Company, Large-scale Purchase Information provided to the Board, in whole or part, at the time deemed appropriate, if such disclosure is deemed necessary for shareholders of the Company to make a judgment. The Board of Directors shall disclose information provided by Large-scale Purchasers to the Special Committee.

In addition, when the Board of Directors determines that the Large-scale Purchase Information has been sufficiently provided by the Large-scale Purchaser, or when the Special Committee judges that sufficient Large-scale Purchase Information has been provided and notifies the Board of Directors to that effect, the Board of Directors shall inform the Large-scale Purchaser by notice (hereafter "Notice of Sufficient Information") and promptly disclose that fact.

- (iv) Establishment of the Board Evaluation Period and the Shareholders Deliberation Period and Non-Commencement of Large-scale Purchase

The Board of Directors will, after the Notice of Sufficient Information is sent, use either of the following periods for its evaluation, review, negotiation, opinion formation and planning of alternatives according to the level of difficulty in evaluation of Large-scale Purchase or otherwise: 60-day period for purchase of all the shares of the Company through a takeover bid in which consideration is limited to Japanese yen in cash, or 90-day period for Large-scale Purchase other than the one defined above (hereinafter called "Board Evaluation Period"; this period will include the Special Committee's time for evaluating Large-scale Purchases. In case that the Board of Directors requests the Special Committee to reconsider its recommendation, each period may be extended for a maximum of 14 days.) During the Board Evaluation Period, the Board will, by receiving advice from external experts and others, fully evaluate and review provided Large-scale Purchase Information, carefully summarize its opinion, and immediately after the end of the Board Evaluation Period shall take a decision on whether to impose countermeasures and make this decision publicly known. In addition, if deemed necessary by the Board of Directors, the Board may negotiate with Large-scale Purchasers to obtain better terms and conditions on Large-scale Purchase, and present alternatives to shareholders of the Company.

A 30-day period following the expiration of the Board Evaluation Period shall be the Shareholders Deliberation Period, during which shareholders of the Company will consider the information provided by Large-scale Purchasers and the Board's opinion and alternatives based on such information, and make an appropriate judgment on whether or not the proposal from the Large-scale Purchaser should be accepted. From the perspective to secure a period of time necessary for such shareholders' judgment, Large-scale Purchase must not be started until after the lapse of both the Board Evaluation Period and the Shareholders Deliberation Period, and in the event of any Large-scale Purchase before such lapse, the Board may take countermeasures just for that reason.

In addition, in the event of publication of the date for the General Meeting for Confirmation as given in Section 4. (4) "Non-Commencement of Large-scale Purchase" below, Large-scale Purchasers shall not start their Large-scale Purchase until the

confirmation of the shareholders' intention not to continue to impose countermeasures at the General Meeting for Confirmation, in addition to the Board Evaluation and Shareholders Deliberation Period.

#### **4. Large-scale Purchase Rules Compliant Case**

##### **(1) Handling in Principle**

In the event that Large-scale Purchase Rules are followed by Large-scale Purchasers, the Board of Directors will, in principle, not take countermeasures to the relevant Large-scale Purchase even if the Board is against such purchase, just expressing opposition to the relevant purchase proposal or presenting alternatives to the shareholders. Whether or not a purchase proposal from a Large-scale Purchaser should be accepted will be judged by shareholders of the Company, who will make such judgment after considering such purchase proposal and the opinion and alternatives presented by the Company to such proposal.

##### **(2) Handling of Large-scale Purchase That Is Deemed to Seriously Compromise the Company's Corporate Values and Common Interests of Its Shareholders**

Even in cases where the Large-scale Purchase Rules are followed, in the event that the relevant Large-scale Purchase is deemed to seriously compromise the Company's corporate values and common interests of its shareholders, and the imposition of countermeasures recognized as appropriate, the Board of Directors may take such countermeasures, which are deemed appropriate to protect such interests, at the time deemed appropriate, as stated in Section 6. "Concrete Countermeasures" below.

More specifically, any situation falling into any of Types (i) to (vi) below will, in principle, be deemed as an event where Large-scale Purchase will seriously compromise the Company's corporate values and common interests of its shareholders.

Countermeasures are imposed when the relevant Large-scale Purchase is deemed against the securement and improvement of the Company's corporate values and common interests of its shareholders, and are not planned to be imposed only by reason of the Large-scale Purchase formally corresponding to any of the categories below.

- (i) Have no intention to seriously participate in management of the Company and just buy shares of the Company for the purpose to boost the share price and force the Company and interested parties of the Company to buy such shares (so-called "green mailer").
- (ii) Buy shares of the Company for the purpose to transfer the Company's business-critical intellectual property rights, know-how, trade secrets, main clients and customers to the Large-scale Purchaser or its group company by temporarily gaining control of the Company.
- (iii) Buy shares of the Company, intending to divert the Company's assets to collateral for debts or resources for liquidation of the Large-scale Purchaser or its group company after gaining control of the Company.
- (iv) Buy shares of the Company for the purpose to sell or otherwise dispose of high-value assets including real estate and securities, which are not connected to the Company's business for the time being, and using proceeds from such disposal, temporarily pay high dividends or sell such shares at the highest price, taking advantage of soaring share price due to temporarily paid high dividends, by temporarily gaining control of the Company.
- (v) Cases not coming under (i) to (iv) above but where the Large-scale Purchaser does not intend sincerely to manage the Company in a reasonable manner or where acquisition of a controlling share by the Large-scale Purchaser impedes the recovery of the Company.
- (vi) The Large-scale Purchaser's proposed manner to purchase the Company's shares may restrict opportunities of judgments or the freedom of shareholders of the Company, and virtually force such shareholders to sell their shares of the Company, including high-handed two-tier takeover bid (which refers to a takeover bid where the purchaser does not offer to purchase all the shares in the first round of purchase, and set unfavorable purchase conditions, or give no details, for the second round). (However, every partial takeover bid does not fall into this category as a matter of course.)

In review and judgment on whether or not the relevant Large-scale Purchase is to seriously compromise the Company's corporate values and common interests of its shareholders, the Board of Directors will review details of the relevant Large-scale Purchaser and Large-scale Purchase (including purpose, manner, target, type of consideration for acquisition and monetary amount) and the relevant Large-scale Purchase's impact on the Company's corporate values and the common interests of its shareholders based on the information including the management policy for after the Purchase provided by Large-scale Purchaser. In order to secure objectivity and rationality, the Board at a time it deems appropriate may consult the Special Committee on whether or not the relevant Large-scale Purchase is deemed to seriously compromise the Company's corporate values and common interests of its shareholders, and whether it is appropriate to impose countermeasures. If the Special Committee recommends not to impose countermeasures, the Board shall, principally follow the committee's recommendations, not impose countermeasures. However, in the event that it is determined by the Board of Directors that a material discrepancy exists in fact recognition which serves as the basis of the recommendations by the Special Committee, or it is determined by the Board of Directors that the grounds for judgment by the Special Committee are irrational, the Board may request the Special Committee to reconsider its recommendations; provided that request may only take place once.

Even in cases where the Special Committee does not deem the Large-scale Purchase to seriously compromise the Company's corporate values and common interests of its shareholder, or advises that countermeasures cannot be imposed, if alterations to the factual situation on which that advice is based occur or the discovery is made by the Committee that the said facts were untrue, the Committee is free to re-advise the Board of Directors to impose countermeasures if the Large-scale Purchase comes under any of the categories (i) to (vi) above and thus may seriously compromise the Company's corporate values and common interests of its shareholder.

### **(3) Shareholders Intention Confirmation Procedure**

In the event that the Board deems the said Large-scale Purchase to seriously compromise the Company's corporate values and common interests of its shareholders and recognizes it as appropriate to impose countermeasures, it shall consult with the Special Committee on the correctness of imposing countermeasures. If (a) the Special Committee advises that the Large-scale Purchase is not deemed to seriously compromise the Company's corporate values and common interests of its shareholders, and the Board of Directors makes a different judgment, (b) the Special Committee advises that imposition of countermeasures is appropriate, and the Board of Directors deems it appropriate to confirm the intention of the shareholders, or (c) any other cases arise where the Board of Directors deems it appropriate to confirm the intention of the shareholders, a meeting of shareholder may be held to confirm shareholder intentions regarding agreement with imposition of countermeasures (hereafter a "General Meeting for Confirmation"). Such General Meetings for Confirmation may be held as part of an Annual Meeting of Shareholders.

As there is no time restriction on the Board's consultation with the Special Committee on whether or not countermeasures should be imposed set forth in (2) above and the Board may, at any time, consult such committee before, after or during the Board Evaluation Period or the Shareholders Deliberation Period, in the case of (a) to (c) above, the Shareholders Intention Confirmation Procedure may be implemented before, after or during the Board Evaluation Period or the Shareholders Deliberation Period.

In the event that the Board determines to implement a Shareholders Intention Confirmation Procedure, the Board of Directors shall, in accordance with the publication method set forth in the Articles of Incorporation of the Company, promptly set the record date to determine the shareholders who are entitled to exercise their voting rights in such a procedure (hereinafter called "General Meeting for Confirmation Record Date" which shall be a day within 30 days after the relevant publication date), and the shareholders listed or recorded in the final shareholder and beneficial shareholder lists as of the General Meeting for Confirmation Record Date shall be those who are entitled to exercise their voting rights in the Shareholders Intention Confirmation Procedure.

The Board of Directors will hold a General Meeting for Confirmation within 90 days after the General Meeting for Confirmation Record Date. When a majority of shareholders having the voting rights vote for the Company's proposal to take countermeasures that are deemed appropriate in a General Meeting for Confirmation, with attendance of shareholders who hold one-third or more of the voting rights of all shareholders, the Board of Directors will regard it as approval from shareholders of the Company in terms of taking countermeasures that are deemed appropriate.

In addition to the foregoing, specific procedures associated with implementation of the General Meeting for Confirmation shall be separately established by the Board of Directors.

### **(4) Non-Commencement of Large-scale Purchase**

In the event of publication of the General Meeting for Confirmation Record Date, Large-scale Purchasers shall not start their Large-scale Purchase until imposition of countermeasures is rejected in a General Meeting for Confirmation. In the event of Large-scale Purchasers' commencement of Large-scale Purchase in spite of the foregoing, the Board of Directors may impose countermeasures just for that reason.

Large-scale Purchasers shall not start their Large-scale Purchase before a lapse of the Shareholders Deliberation Period and until the confirmation of the shareholders' intention not to impose countermeasures at a General Meeting for Confirmation in the event of publication on implementation of a General Meeting for Confirmation prior to the Shareholders Deliberation Period.

## **5. Large-scale Purchase Rules Noncompliant Case**

In the event of Large-scale Purchasers' noncompliance of the Large-scale Purchase Rules, the Board of Directors may, just because of such noncompliance, take such countermeasures as given in Section 6. "Concrete Countermeasures" below as they see fit to counteract Large-scale Purchases. The Board of Directors may, where they feel necessary, consult with a Special Committee or hold a General Meeting for Confirmation in accordance with Section 4. "Large-scale Purchase Rules Compliant Case" above when resisting Large-scale Purchases.

## **6. Concrete Countermeasures**

The countermeasure to be imposed by the Company based on the Policy through the decision of the Board of Directors or the Meeting of Shareholders shall be gratis allocation of equity warrants as described in Exhibit 3. In addition, when the equity warrants gratis allocation is undertaken by resolution of the Meeting of Shareholders, the details given in Exhibit 3 can be modified as necessary for the actual implementation.

These countermeasures may create some kind of disadvantage to Specific Shareholder Groups and those attempting to join such groups, including Large-scale Purchasers, including economic damage such as dilution of the economic value of their shares, lowering of their voting right percentage, or disadvantageousness regarding exercising of voting rights. Accordingly, the Large-scale Purchase Rules serve as an advance warning to Large-scale Purchasers not to start such purchases in ignorance of the rules.

The Company shall give further warning in advance by taking measures in accordance with the relevant laws and regulations, so that Large-scale Purchasers using the takeover bid system can withdraw their bid without unforeseen damages when faced with countermeasures.

## **7. Impact on Shareholders and Investors**

### **(1) Impact on Shareholders and Investors When the Large-scale Purchase Rules Are Introduced**

The adoption of Large-scale Purchase Rules will have no direct or concrete impact on shareholders and investors.

### **(2) Impact on Shareholders and Investors When Countermeasures Are Imposed**

In the event of Large-scale Purchasers' noncompliance of the Large-scale Purchase Rules, or in the event that the relevant Large-scale Purchase is deemed to seriously compromise the Company's corporate values and common interests of its shareholders even if the Large-scale Purchase Rules are followed and that imposition of countermeasures is appropriate, the Board of Directors may take countermeasures in order to secure the Company's corporate values and common interests of its shareholders, but in consideration of the mechanism of such countermeasures, no particular harm to shareholders of the Company (excluding the relevant Large-scale Purchaser) is expected in their legal rights or economic aspects. In the event of the Board of Director's decision to take any specific countermeasure, appropriate disclosure will be made in a timely manner pursuant to laws and regulations as well as rules of the financial instruments exchange.

If, having begun procedures to impose countermeasures, the situation subsequently causes such countermeasures to seem inappropriate, the Board of Directors shall consider whether it is correct to maintain the countermeasures, paying the maximum respect to the advice of the Special Committee and to the suggestions of external experts as necessary. If it is deemed inappropriate to maintain the countermeasures, their imposition shall be halted. In more concrete terms, the equity warrant gratis allocation would be halted, or the all the allocated equity warrants acquired at no cost. In such a case, the Company's share value will not be diluted, hence those investors who traded the shares on the presupposition of a dilution in their value may suffer some loss from fluctuations in the share price.

In terms of equity warrant gratis allocation as a countermeasure, a procedure associated with shareholders of the Company is as follows.

### **(3) Procedures to Be Followed by Shareholders in Conjunction with Equity Warrant Gratis Allocation**

As for equity warrant gratis allocation, there is no particular procedure necessary for shareholders of the Company. In order to receive equity warrant gratis allocation, however, the shareholders of the Company need to be included on the final shareholders list by the record date for equity warrant gratis allocation, which is to be separately determined and published by the Board of Directors. For exercise of equity warrants, a certain amount of money will need to be paid within a given period of time to acquire new shares. Upon determination of equity warrant gratis allocation, notice of details of such procedure will be given in accordance with laws and regulations.

#### **(i) Procedure for Exercise of Equity Warrants**

The Company in principle shall send exercise of equity warrant request forms\* and other documents required for such exercise to all shareholders (excluding "Persons with Exceptional Reasons" as defined in Section 9. Exhibit 3; the same applies below) given in the final list of shareholders as of the date of record for the equity warrant gratis allocation.

\* A standard format specified by the Company with the composition and number of equity warrants to be exercised, the period in which they are to be exercised, bank account and other details required for company records, a warranty clause, compensation clause or other written pledge stating the shareholder is not a Person with Exceptional Reasons.

After the equity warrant gratis allocation, all shareholders must pay the required amount within the specified period in order to acquire common shares.

Due to the prescriptions of the Act concerning the Book-entry Transfer of Corporate Bonds, Shares and Other Securities, care should be taken on exercising equity warrants in regards to the point that a securities or other account for transfers must be set up in advance, as it is necessary to inform the Company of an account other than a special account as the transfer account for record of common shares issued as a result of the exercise.

A separate notice will be sent based on relevant laws and regulations when the equity warrant gratis allocation actually occurs giving further details on these procedures.

#### **(ii) Procedures of Acquisition of Equity Warrants by the Company**

When the Board of Directors has decided it shall acquire equity warrants, the Company shall do so on a date to be separately specified by the Board of Directors and in accordance with legal procedures.

Issue of common shares to the shareholders in exchange for the equity warrants shall be done with all due speed. In such cases, the shareholders are to submit a separate form in a format specified by the Company stating in a warranty clause, compensation clause or other written pledge that they are not a Person with Exceptional Reasons. Details of the transfer account for record of common shares issued in return for the acquisition of equity warrants may also be required.

A separate notice will be sent based on relevant laws and regulations when the equity warrant gratis allocation actually occurs giving further details on these procedures.

## **8. Validity Period, Continuation, Abolition and Modification of the Policy**

The Policy will be on the agenda in the Company's Annual Meeting of Shareholders scheduled on March 27, 2025 to obtain support from its shareholders, and if failing to have a majority vote from the shareholders in attendance, then the Policy will be abolished at that point.

In the event such agenda is supported by shareholders of the Company, the Policy will expire at the closure of the first meeting of the Board of Directors after the Company's Annual Meeting of Shareholders to be held in 2028. Even before such expiration, the Policy will be abolished at the time when (i) a proposal to abolish the Policy is approved in an Annual Meeting of Shareholders of the Company or by the Board of Directors, or the Policy will be modified at the time when (ii) change of the Policy is resolved at a meeting of an Annual Meeting of Shareholders.

Whether or not to continue, abolish or modify the Policy will be considered and discussed in the first meeting of the Board of Directors after each Annual Meeting of Shareholders of the Company from this year onward.

Accordingly, the Policy may be abolished or modified at any time according to the intention of shareholders of the Company.

Where the Companies Act, the Financial Instruments and Exchange Act and other laws and regulations related to this Policy are newly enacted, revised or abolished and such developments should be reflected in this Policy, or where modifications are required due to misprints or other errors, this Policy may be formally or technically modified and altered by the Board of Directors.

In the event that abolition or modification of the Policy is resolved, the Company will promptly disclose to its shareholders items deemed appropriate by the Board of Directors or the Special Committee, in accordance with applicable laws and regulations as well as rules of the financial instruments exchange.

## **9. Rationality of the Policy**

The Policy is rational as described in the following items (i) to (vi). In other words, the Policy satisfies the three principles ((i) Principle of Securement and Improvement of Corporate Values and Common Interests of Shareholders, (ii) Principle of Prior Disclosure and Shareholders Intention, and (iii) Principle of Secured Necessity and Appropriateness) set forth in the "Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Values and Shareholders' Common Interests" published by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005. The Policy also contains contents based on the substance of the "Takeover Defense Measures in Light of Recent Environmental Changes" published by the Corporate Value Study Group on June 30, 2008, the three principles prescribed in "Guidelines for Corporate Takeovers –Enhancing Corporate Value and Securing Shareholders' Interests–" published by the Fair Acquisition Study Group set up by the Ministry of Economy, Trade and Industry on August 31, 2023 (Principle of Corporate Value and Shareholders' Common Interests, Principle of Shareholders' Intent, Principle of Transparency), and the principles of the Corporate Governance Code regarding takeover response policy published by the Tokyo Stock Exchange on June 1, 2015 (final revision June 11, 2021) (Principle 1.5 and Supplementary Principle 1.5.1).

(i) Introduction with the purpose of securement and improvement of the Company's corporate values and common interests of its shareholders.

In the event of Large-scale Purchase, the Policy allows securement of information and time necessary for shareholders to make a judgment on whether or not to accept such Large-scale Purchase, or securement of an opportunity to receive alternatives presented by the Board of Directors, and is introduced to secure and improve the Company's corporate values and common interests of its shareholders.

(ii) Reliance on reasonable intention of shareholders

The Policy will be on the agenda in the Company's Annual Meeting of Shareholders scheduled on March 27, 2025 to confirm the intention of its shareholders, and if failing to gain support from such shareholders, then the Policy will not be put into effect. For this reason, whether or not to introduce the Policy and details thereof rely on the reasonable intention of shareholders of the Company.

Implementation of the Shareholders Intention Confirmation Procedure will rely on the direct intention of shareholders of the Company with respect to imposition of countermeasures, as stated in Section 4. (3) "Shareholders Intention Confirmation Procedure."

(iii) Emphasis on judgments by highly independent outsiders

For operation of the Policy, a Special Committee is established in the Company as an advisory organization to objectively make substantive judgments for shareholders in order to eliminate arbitrary judgments by the Board of Directors in operation such as imposition of countermeasures.

The Special Committee consisting of three to five members is independent of the management team that performs the operation of the Company to allow fair and neutral judgments. Members for the committee are appointed by the Board of Directors from External Officers, lawyers, certified public accountants, certified tax accountants, academic experts and business executives of other companies, or those well versed with the investment banking industry or the industrial field of Noritz, who have no particular interest in the Company or its management team.

(iv) Establishment of reasonable and objective imposition requirements

The Policy has a mechanism to prevent arbitrary imposition by the Board of Directors ensuring that no imposition will be carried out unless predefined reasonable and detailed objective imposition requirements are satisfied, as stated in Section 4. (2) "Handling of Large-scale Purchase That Is Deemed to Seriously Compromise the Company's Corporate Values and Common Interests of Its Shareholders" above.

(v) Measure to prevent Directors' arbitrary judgments

The Policy is established in order for the Board of Directors to follow recommendations from the Special Committee where fairness in judgments on whether or not countermeasures should be imposed is secured as stated in Section 3. (2) (i) "Establishment of the Special Committee" above, and maintains a strict mechanism to prevent arbitrary imposition by the Board of Directors by directly reflecting the intention of shareholders of the Company to imposition of countermeasures through the General Meeting for Confirmation as stated in Section 4. (3) "Shareholders Intention Confirmation Procedure."

(vi) No dead-hand or slow-hand response policy

As the Policy may be abolished at any time in a Meeting of Shareholders or a meeting of the Board of Directors consisting of members appointed in a Meeting of Shareholders, as stated in Section 8. "Validity Period, Continuation, Abolition and Modification of the Policy" above, it is not a so-called dead-hand response policy (which will not allow imposition to be blocked even after replacement of a majority of Board members).

In addition, as the term of Directors (excluding Directors serving as Audit & Supervisory Committee Members) is set to one year in the Company, the Policy is not a slow-hand response policy (which takes time to block imposition because of inability to replace Board members at the same time).

## Major Shareholders of Noritz Corporation (as of December 31, 2024)

No.	Name of Shareholder	# of shares held	% of voting rights
		Shares	%
1	The Master Trust Bank of Japan, Ltd. (Trust Account)	4,592,100	9.89
2	Noritz Clients' Shareholding Association	2,246,509	4.84
3	Sumitomo Mitsui Banking Corporation	1,739,695	3.74
4	The Dai-Ichi Mutual Life Insurance Company	1,612,200	3.47
5	CHOFU SEISAKUSHO Co., Ltd.	1,520,000	3.27
6	NIPPON ACTIVE VALUE FUND PLC	1,500,000	3.23
7	STATE STREET BANK AND TRUST COMPANY 505103	1,444,169	3.11
8	Noritz Employees' Shareholding Association	1,287,215	2.77
9	Nippon Electric Glass Co., Ltd.	1,119,300	2.41
10	TOTO LTD.	1,100,300	2.37

(Notes)

1. The top ten major shareholders of the Company are listed.
2. The Company holds 1,954,556 treasury shares but they are excluded from the list above.
3. The percentage of voting rights is calculated after deducting 1,954,556 treasury shares.

## Name and Profile of Special Committee Members

## &lt;&lt;Members&gt;&gt;

## Yasuhiro Tani

[Profile]	October 1981	Joined Asahi & Co. (currently KPMG AZSA LLC)
	April 1985	Registered as a certified public accountant
	April 1986	Representative, CPA Tani Accounting Office (current position)
	May 2003	Registered as a certified tax accountant
	September 2004	Visiting professor at the Graduate School of the Central University of Finance and Economics in Beijing
	April 2006	Professor of The Graduate School of Management, GLOBIS University (current position)
	June 2018	External Auditor, World Mode Holdings Co., Ltd.
	June 2020	External Auditor, ROHTO PHARMACEUTICAL CO., LTD. (current position)
	March 2021	External Director, Audit & Supervisory Committee Member, Noritz Corp. (current position)
	June 2024	Outside Director, Audit & Supervisory Committee member, FUJI OIL HOLDINGS INC. (current position)

\* Yasuhiro Tani is an External Director who is an Audit & Supervisory Committee Member for Noritz.

## Izumi Noda

[Profile]	May 2000	Joined Bewith, Inc.
	January 2016	COO of Center Operations Division and COO of Life Services Division, Bewith, Inc.
	June 2016	Executive Officer, COO of Center Operations Division and COO of Life Services Division, Bewith, Inc.
	June 2017	Executive Officer, COO of Center Operations Division and General Manager of Human Resources Department, Bewith, Inc.
	June 2018	Chief Human Officer, Chief Operational Risk Officer, General Manager of Human Resources Department, and General Manager of Operational Audit Department, Bewith, Inc.
	December 2019	Chief Human Officer, General Manager of Human Resources Department, Bewith, Inc.
	December 2021	Chief Human Officer, General Manager of Personnel Department, Bewith, Inc.
	September 2024	Fellow (Expert Executive), Bewith, Inc. (current position)

## Mina Ito

[Profile]	June 1996	Joined Baker & McKenzie
	January 2004	Partner, Baker & McKenzie
	January 2020	Special Adviser, Baker & McKenzie
	May 2020	Established ZENMONDO Co., Ltd. CEO, Representative Director (current position)
	June 2020	External Corporate Auditor, C'BON COSMETICS Co.,Ltd.
	June 2021	Outside Director of the Board and Member of the Audit and Supervisory Committee, Kokusai Pulp & Paper Co., Ltd. (currently KPP GROUP HOLDINGS CO., LTD.)
	June 2022	Outside Director of the Board, KPP GROUP HOLDINGS CO., LTD. (current position)
	April 2024	Outside Director, DyDo GROUP HOLDINGS, INC. (current position)
	May 2024	Managing Partner, Mina Arai-Ito Foreign Law Office (current position)

## Outlines of Equity Warrants

### 1. Allocation Method of Equity Warrants (Equity Warrant Gratis Allocation)

Equity warrants will, without charge, be allocated to the shareholders listed or recorded in the final shareholder list as of the allocation record date, which is determined by the Board of Directors' resolution on gratis allocation of equity warrants pursuant to Articles 278 and 279 of the Companies Act (hereinafter called "Equity Warrant Gratis Allocation Resolution") at the rate of one equity warrant per share in their held shares (excluding the number of the treasury shares held by the Company at the time).

### 2. Total Number of Equity Warrants to Be Issued

The total number of equity warrants to be issued will be the number, which will be separately determined by the Board of Directors in the Equity Warrant Gratis Allocation Resolution. The Board may allocate equity warrants more than once.

### 3. Effective Date of Equity Warrant Gratis Allocation

The effective date of equity warrant gratis allocation shall be the date, which will be separately determined by the Board of Directors in the Equity Warrant Gratis Allocation Resolution.

### 4. Class of Target Shares for Equity Warrants

The class of target shares for equity warrants shall be common shares of the Company.

### 5. Total Number of Target Shares for Equity Warrants

- (1) Total number of target shares for equity warrants per equity warrant (hereinafter called "Number of Target Shares") shall be the number, which will be separately determined by the Board of Directors in the Equity Warrant Gratis Allocation Resolution.
- (2) The number of target shares for equity warrants shall be up to the number, which is calculated by subtracting the total number of outstanding shares as of the Equity Warrant Gratis Allocation Resolution (excluding the number of treasury shares held by the Company at the time) from the total number of issuable shares defined in the Articles of Incorporation.

### 6. Amount of Payment for Exercise of Equity Warrants

The fund to be invested in exercise of each equity warrant shall be money, and the amount of payment shall be the value of one yen or more, which will be separately determined by the Board of Directors in the Equity Warrant Gratis Allocation Resolution.

### 7. Exercise Period

The exercise period for equity warrants shall be the period, which will be separately determined by the Board of Directors in the Equity Warrant Gratis Allocation Resolution.

### 8. Assignment Restriction

Acquisition of equity warrants through assignment will require approval from the Board of Directors.

### 9. Exercise Conditions

Exercise conditions are stipulated, including exclusion of those who belong or will belong to a Specific Shareholder Group (which is, here and hereinafter, limited to any of those accounting for 20% or more in the voting right percentage) except for those who are deemed by the Board of Directors that their acquisition or holding of shares of the Company is not against the securement and improvement of the Company's corporate values and common interests of its shareholders (hereinafter called "Persons with Exceptional Reasons"). Details will be separately determined by the Board of Directors in the Equity Warrant Gratis Allocation Resolution.

### 10. Acquisition Clause

- (1) The Company may add an acquisition clause stipulating that the Company may acquire all the equity warrants or only the equity warrants held by those other than Persons with Exceptional Reasons pursuant to resolution by the Board of Directors in the event

of either of occurrence of a certain reason including breach of the Large-scale Purchase Rules by Large-scale Purchasers or arrival of a date separately determined by the Board of Directors. Details will be separately determined by the Board of Directors in the Equity Warrant Gratis Allocation Resolution.

- (2) Consideration of such acquisition set forth in the preceding paragraph shall be, in principle, the Company's common shares which equal to the Number of Target Shares per relevant equity warrant for acquisition of equity warrants held by those other than Persons with Exceptional Reasons.

#### **11. Gratis Acquisition**

In the event that maintenance of imposition of countermeasures is deemed inappropriate by the Board of Directors, or in any other event separately determined by the Board in the Equity Warrant Gratis Allocation Resolution, the Company may acquire all the equity warrants without cost.

#### **12. Others**

The Company shall make an issue registration for issue of equity warrants. Details of issue registration shall be separately determined by the Board of Directors.

## <Shareholder Proposals>

Proposals 6 to 8 are proposals made by one shareholder.

The content and reasons for the proposals notified by the proposing shareholder are organized by proposal and presented as they were received.

### **Proposal 6** Revision of Remuneration Amount Pertaining to Restricted Share-based Remuneration Plan

#### (1) Summary of the Proposal

In order to grant monetary remuneration claims for the grant of shares with transfer restrictions (“restricted shares”), the amount of remuneration for Directors (excluding Directors serving as Audit & Supervisory Committee Members) subject to the restricted share-based remuneration plan (hereinafter “the Plan”), separate from the annual amount of basic remuneration, shall be set at an annual aggregate amount not more than 0.2 billion yen, with a maximum number of 111,000 shares to be granted. In addition, in order to grant monetary remuneration claims for the grant of restricted shares, the amount of remuneration for Directors serving as Audit & Supervisory Committee Members who are subject to the Plan, separate from the annual amount of basic remuneration, shall be set at an annual aggregate amount not more than 20 million yen, with a maximum number of 11,000 shares to be granted. The specific timing and allocation of payment will be decided by the Board of Directors.

#### (2) Reason for the Proposal

At the 74th Annual General Meeting of Shareholders held on March 28, 2024, a resolution was passed to set the annual aggregate amount of remuneration for granting performance share units to Directors (excluding External Directors and Directors serving as Audit & Supervisory Committee Members) at not more than 80 million yen. However, this amount is extremely small, and the exclusion of External Directors and Directors serving as Audit & Supervisory Committee Members from the scope of directors means that the purpose of the restricted share-based remuneration plan, i.e., to share value between Directors and shareholders, is not being sufficiently achieved. Even looking at the actual results of granting in the 74th term (from January 1, 2023 to December 31, 2023), compared with fixed remuneration of 176 million yen, restricted share-based remuneration was equivalent to 35 million yen, or only 19.89% of fixed remuneration. At this pace, it will take about 15 years to reach the equivalent of three times the fixed remuneration, which is considered to be an effective reference point for share-based remuneration in order to share value between Directors and shareholders. In terms of the objective of sharing value between Directors and shareholders, it is meaningless if restricted share-based remuneration is not granted during Directors’ tenures; however, since it is not possible to assume a tenure of 15 years, it is necessary to grant a certain amount in shares over a shorter period of time. In addition, shareholding guidelines have been established for the restricted share-based remuneration plan, and we believe that the target for acquiring the Company’s shares during the tenure as Directors should be set at three times the fixed basic remuneration, and that the status of acquisition of the Company’s shares by individual directors and other officers should be disclosed in the Corporate Governance Report submitted by the Company to the Tokyo Stock Exchange.

[Opinion of the Company’s Board of Directors]

The Company’s Board of Directors opposes this shareholder proposal.

<Reason for opposition>

The remuneration of the Company’s Directors is structured to share value with shareholders, so as to clarify management responsibility and function sufficiently as a sound incentive for sustainable corporate growth and the improvement of its corporate value over the medium to long term.

Specifically, the remuneration of the Company’s Representative Director and Executive Directors consists of four components: basic remuneration (monthly remuneration), performance-linked annual cash bonuses, restricted share-based remuneration, and performance share units. The introduction of restricted share-based remuneration was approved at the Annual General Meeting of Shareholders held in March 2021, and the introduction of performance share units was approved at the Annual General Meeting of Shareholders held in March 2024. Only fixed basic remuneration (monthly remuneration) is paid to External Directors and Directors serving as Audit & Supervisory Committee Members in light of their duties. In addition, the Company has established a Remuneration Advisory Committee, the majority of whose members are Independent External Directors and whose chair is an Independent External Director, to ensure the transparency and fairness of the remuneration plan for Directors and the process for determining remuneration. The Remuneration Advisory Committee considers remuneration for each Director based on data and other materials provided by research companies and trends at companies of a similar scale to the Company. The Board of Directors gives due respect to the content of the Remuneration Advisory Committee’s report when determining the content of remuneration for each individual Director.

With respect to sharing value (or profits) with shareholders, the amount of restricted share-based remuneration is set at 20% of basic remuneration, determined at the Board of Directors meeting held after the Annual General Meeting of Shareholders, and paid out in April

each year. The payment ratio for performance share units varies depending on the level of ROE achieved, but if the evaluation coefficient is 100%, the payment ratio is expected to be around 19% of the basic remuneration.

As such, the Company's current remuneration plan is considered appropriate in that it provides an incentive to achieve sustainable growth in corporate value and sufficiently realizes the sharing of value with shareholders, and the level of remuneration is also considered appropriate. The introduction of a share-based remuneration plan based on this shareholder proposal, separate from the current share-based remuneration plan, at this time would be an excessive remuneration framework that lacks balance given the Company's size, operating profit level, and remuneration standards benchmarked against companies of a similar scale in related industries and business categories.

In addition, this shareholder proposal proposes the introduction of a restricted share-based remuneration plan for External Directors and Directors serving as Audit & Supervisory Committee Members. However, as it is expected that External Directors will provide advice on the Company's management from an independent standpoint and conduct appropriate supervision of the execution of business by the management team, and that Directors serving as Audit & Supervisory Committee Members will strengthen the supervisory function of the Board of Directors through audits of the execution of business by Directors, the Board of Directors believes that it would be inappropriate to grant these individuals restricted shares as doing so could impair their independence.

Therefore, based on the above, the Company's Board of Directors opposes this proposal.

Prior to the resolution of this opinion of the Board of Directors, the content of this shareholder proposal was deliberated by the Remuneration Advisory Committee. This opinion of the Board of Directors was resolved based on a report from the Remuneration Advisory Committee.

The Company will take the content of this shareholder proposal seriously, and will continue to consider the optimal remuneration plan that contributes to improving corporate value, including not only the balance and level of the remuneration structure but also the approach to the number of Company shares held by Directors and other matters, at meetings of the Remuneration Advisory Committee as well as the Board of Directors that receives its reports.

## Proposal 7 Acquisition of Treasury Shares

### (1) Summary of the Proposal

In accordance with the provisions of Article 156, Paragraph 1 of the Companies Act, the Company shall acquire its common shares within one year from the conclusion of this Annual General Meeting of Shareholders, up to a total of 4,855,000 shares and a total acquisition cost of 8,739,000,000 yen, by means of cash grant.

### (2) Reason for the Proposal

The Company's share price has been stagnant since 2024. In addition, the Company has approximately 40.0 billion yen in shares held as cross-shareholdings in addition to about 28.6 billion yen in cash, and capital efficiency is insufficient. Therefore, in order to further enhance shareholder returns and improve capital efficiency, we believe that the Company should adopt a policy of acquiring approximately 10% of its total number of issued shares as treasury shares and canceling them in accordance with Article 178 of the Companies Act.

[Opinion of the Company's Board of Directors]

The Company's Board of Directors opposes this shareholder proposal.

<Reason for opposition>

The Company has formulated its 2030 Vision, which sets out its 2030 Roadmap, and its Medium-Term Management Plan "V-plan 26," with FY2026 as the final year, and is working to enhance its corporate value. In the 2030 Vision, the Company has set a target ROE of 8% or more for 2030, and in "V-plan 26," the Company has set a financial target of achieving an ROE of over 6% and a non-financial target of achieving a FTSE of 3.3 or higher.

The Company is working to achieve "V-plan 26" by focusing on the three priority strategies of (1) transformation of business portfolio, (2) expansion of strategic investments and capital policy, and (3) promotion of sustainability management in order to achieve sustainable growth and enhance corporate value.

Of these strategies, with regard to the expansion of strategic investments and capital policy, the Company is aiming for sustainable growth by investing a total of 32.5 billion yen over three years in the execution of its business strategy, with 23.5 billion yen of this to be invested in growth businesses and strategic issues such as overseas business and production innovation. In addition, the Company is also promoting action to implement management that is conscious of the cost of capital and stock price, such as measures to strengthen shareholder returns and the reduction of cross-shareholdings.

Especially, the Company positions the return of profits to its shareholders as one of its management priorities. It aims to further enhance shareholder returns by paying dividends calculated based on either a consolidated dividend payout ratio of 50% or a consolidated dividend on equity ratio (DOE) of 2.5%, whichever is higher, in order to realize a dividend that is linked to business performance and incorporates a degree of stability. The Company intends to flexibly acquire treasury shares, and in February 2025, it announced the acquisition of 2.0 billion yen worth of treasury shares (approximately 3% of the total number of issued shares after deducting treasury shares).

However, the shareholder proposal calls for the acquisition of approximately 8.7 billion yen of treasury shares over a one-year period, which is a level that greatly exceeds the Company's annual cash flow level. If the content of this shareholder proposal was to be implemented, it would not only damage the financial resources needed for growth investment and stall the medium- to long-term growth and enhancement of corporate value of the Company, but also result in a loss of financial stability and ultimately damage the medium- to long-term profits of all shareholders. Furthermore, the Company believes that its current cash level is appropriate when taking into account the need for flexible funds for growth investments, such as strategic businesses and M&A, in addition to funds for continuing core businesses. As a result, the Company believes that the scale of the acquisition of treasury shares in the shareholder proposal is not appropriate for the Company to smoothly carry out growth investments over a one-year period.

Therefore, based on the above, the Company's Board of Directors opposes this proposal.

**Proposal 8** Revision of Articles of Incorporation Regarding Number of External Directors

(1) Summary of the Proposal

In order to make external directors to be in the majority, Article 20 of the Company’s Articles of Incorporation shall be amended as follows.

Before revision	After revision
(Number of directors) Article 20 The Company shall have no more than eight Directors (excluding Directors serving as Audit & Supervisory Committee Members) and no more than four Directors serving as Audit & Supervisory Committee Members. <u>2. (Newly established)</u>	(Number of directors) Article 20 <u>1.</u> The Company shall have no more than eight Directors (excluding Directors serving as Audit & Supervisory Committee Members) and no more than four Directors serving as Audit & Supervisory Committee Members. <u>2. The majority of the Company’s Directors shall be External Directors as provided for in Article 2, Paragraph 1, Item 15 of the Companies Act.</u>

(2) Reason for the Proposal

Principle 4.8 of Japan’s Corporate Governance Code states that, “Independent directors should fulfill their roles and responsibilities with the aim of contributing to sustainable growth of companies and increasing corporate value over the mid- to long-term. Companies listed on the Prime Market should therefore appoint at least one-third of their directors as independent directors that sufficiently have such qualities. Irrespective of the above, if a company listed on the Prime Market believes it needs to appoint the majority of directors as independent directors based on a broad consideration of factors such as the industry, company size, business characteristics, organizational structure and circumstances surrounding the company, it should appoint a sufficient number of independent directors.” Moreover, Principle 4.7 of the Corporate Governance Code states that one of the roles/responsibilities of independent directors is “appropriately representing the views of minority shareholders and other stakeholders in the boardroom from a standpoint independent of the management and controlling shareholders.” The Company has three External Directors out of the nine Directors, which satisfies the requirement of at least one-third, but we believe that more proactively making a majority of Directors be External Directors will enable us to improve capital efficiency, return profits to shareholders, and establish a governance system that will contribute to sustainable growth and increase corporate value over the medium to long term. In addition to the number of External Directors, personnel with the right qualities to contribute to the Company’s sustainable growth and increasing corporate value over the medium to long term are needed, and in this regard, we believe that appointment of stock analysts with high levels of experience and skills should be considered. We believe that the appointment of “human resources with high levels of experience and skills as stock analysts” will bring a perspective of external investors and shareholders to the Board of Directors, and at the same time, will be an effective means of contributing to the improvement of corporate value through sound risk-taking. In principle, the Board of Directors of a listed company and its investors and shareholders share the same goal of long-term improvement of corporate value, but unfortunately in Japan, the two parties are often seen as being in opposition to each other. We believe that the participation of Directors with the aforementioned experience and skills in Board of Directors’ discussions and decision-making will lead to sound risk-taking and capital allocation, and will make the relationship between the Board of Directors and the stock market constructive as it should be in principle through better communication with the market. It is often explained that personnel from the banking sector or accountants assume the finance part of a director’s skill matrix, but from the perspective of encouraging “sound risk-taking,” expertise in accounting and debt markets alone is not sufficient, and we believe that there is significance in appointing experts in equity markets.

[Opinion of the Company’s Board of Directors]

The Company’s Board of Directors opposes this shareholder proposal.

<Reason for opposition>

The Company established the Nomination Advisory Committee in September 2016, chaired by an Independent External Director and with a majority of Independent External Directors, to strengthen independence and objectivity in the examination of important matters related to the nomination of Directors and other officers, and to further enhance the corporate governance system.

The Nomination Advisory Committee proposes to the Board of Directors that candidates for Directors be those who will contribute to the enhancement of corporate value in light of the Company’s management strategies based on the criteria for the election of Directors and the skills matrix disclosed in the Corporate Governance Report.

In addition, in March 2019, the Company transitioned to a company with an Audit and Supervisory Committee, further strengthening the audit and supervisory functions of the Board of Directors while also promoting the acceleration of decision-making and further enhancement of discussions from a medium- to long-term perspective. External Directors serving as Audit & Supervisory Committee Members are given the opportunity to speak at every Board of Directors meeting. They actively and proactively express their opinions not just from the perspective of legal compliance, but also from an independent standpoint on the execution of business, and free and open discussion takes place.

The Company believes that it has achieved a system that further strengthens governance by making use of these opinions in management. In addition, the Board of Directors conducts an annual evaluation of the effectiveness of the Board of Directors. After receiving the evaluation results from internal and external officers, the Board of Directors recognizes issues, discusses them, and works on continuous improvement.

Currently, the composition of the Company's Board of Directors is three Independent External Directors out of a total of nine Directors (including one female), and it is a diverse composition of those with experience in corporate management, lawyers, and certified public accountants. The Company believes that its Board of Directors is optimally composed to achieve the Company's Medium-Term Management Plan "V-plan 26" and to oversee the execution of management aimed at achieving its long-term vision, which will lead to the sustainable enhancement of the Company's corporate value and, thus, to the profits of all shareholders.

The Corporate Governance Code states that the decision on whether or not to appoint a majority of External Directors to the Board of Directors should be made "based on a broad consideration of factors such as the industry, company size, business characteristics, organizational structure and circumstances surrounding the company." The Company believes that the establishment of provisions such as those in the shareholder proposal in the Articles of Incorporation would restrict the scope of discussion on the ideal form of the Board of Directors and the selection of candidates for Directors, and would thus hinder the establishment of an appropriate Board of Directors.

Therefore, based on the above, the Company's Board of Directors opposes this proposal.

Prior to the resolution of this opinion of the Board of Directors, the content of this shareholder proposal was deliberated by the Nomination Advisory Committee. This opinion of the Board of Directors was resolved based on a report from the Nomination Advisory Committee.

Incidentally, with regard to the appointment of "human resources with high levels of experience and skills as stock analysts" as indicated in this shareholder proposal, External Director serving as an Audit & Supervisory Committee Member Yasuhiro Tani possesses a securities analyst qualification and other expertise in addition to being a certified public accountant and tax accountant, and fulfills his duties of advising and supervising management by making statements from a multifaceted perspective, thereby contributing to the sustainable growth and medium- to long-term enhancement of the Company's corporate value.

The Company will continue to consider improving the number and ratio of Independent External Directors and the composition of the Board of Directors, including appropriate skill sets that will contribute to enhancing corporate value, in order to strengthen corporate governance that will contribute to corporate value, at meetings of the Nomination Advisory Committee as well as the Board of Directors that receives its reports.

(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.