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(Securities code: 2735)
November 9, 2026

To Shareholders:

Fumio Hiraoka, President, CEO and Executive Officer
Watts Co., Ltd.
1-4-70, Shiromi, Chuo-ku, Osaka-shi

NOTICE OF THE 32ND ANNUAL SHAREHOLDERS' MEETING

We are pleased to announce the 32nd Annual Shareholders' Meeting of Watts Co., Ltd. (the "Company"), which will be held as indicated below.

1. Date and Time Wednesday, November 25, 2026 at 10:00 a.m. (reception starts at 9:15 a.m.)

2. Place 7th Floor, International Conference Hall, Osaka Chamber of Commerce and Industry
2-8, Honmachibashi, Chuo-ku, Osaka-shi

3. Agenda

Matters to be reported:

1. The 32nd Fiscal Year (from September 1, 2025 to August 31, 2026)
   Report on the Business Report, Consolidated Financial Statements, and the results of audit of the Consolidated Financial Statements by the financial auditor and the Audit and Supervisory Committee
2. The 32nd Fiscal Year (from September 1, 2025 to August 31, 2026)
   Report on the Non-consolidated Financial Statements

Matters to be resolved:

Proposal No. 1 Appropriation of Surplus (Year-End Dividends for the 32nd Fiscal Year)

Proposal No. 2 Election of Five Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

(Notes) 1. If attending the Shareholders' Meeting, please submit the enclosed Voting Rights Exercise Form at the venue reception.

2. In the event of revisions to matters subject to electronic provision measures, notice of such revisions and the original and revised versions of the matters will be posted on each website mentioned in the previous page.

3. Documents containing the matters subject to electronic provision measures will be sent to shareholders who request the provision of printed versions of the documents. However, the matters listed below will not be included in the documents pursuant to the relevant laws and regulations and the provisions of our Articles of Incorporation.
   - "Employee status," "major borrowing institutions," "other important matters regarding current conditions of the Watts Group," "status of shares," "status of directors and officers," "status of financial auditors," "corporate systems and policies," and "other important matters regarding current conditions of the Company" stated in the business report
   - Notes to Consolidated Financial Statements in Consolidated Financial Statements
   - Notes to Non-consolidated Financial Statements in Non-consolidated Financial Statements

   Therefore, business reports, consolidated financial statements and non-consolidated financial statements contained in the said documents constitute only part of the documents subject to audits for preparing the audit report by the financial auditor and audits for preparing the audit report by the Audit and Supervisory Committee.

Reference Documents for the Shareholders' Meeting

Proposal No. 1 Appropriation of Surplus (Year-End Dividends for the 32nd Fiscal Year)

The Company positions the return of profit to shareholders as one of its most important management policies. In accordance with this policy, the Company proposes to pay a year-end ordinary dividend of ¥7.50 per share and an additional ¥11 as a special dividend for the fiscal year under review in consideration of the robust operating results for the fiscal year, as described below.

Year-end dividends

1. Type of dividend property

   To be paid in cash.

2. Allotment of dividend property and their aggregate amount

   ¥18.50 per share of the Company's common stock (ordinary dividend: ¥7.50 and special dividend: ¥11)

   Total cash amount is 245,575,549 yen

   As the Company has paid an interim dividend of ¥7.50 per share, the annual dividend for the fiscal year under review will be ¥26 per share.

3. Effective date of dividends of surplus

   November 26, 2026

Proposal No. 2 Election of Five Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all the three Directors (excluding Directors who are Audit and Supervisory Committee Members; The same shall apply to this proposition) will expire at the conclusion of this Annual Shareholders' Meeting.

Accordingly and in consideration of a report from the Nomination and Compensation Committee, the Company proposes the election of five Directors, increasing the number of Directors by two, to reinforce the structure of the Board of Directors, further enhance its deliberations and improve the quality of its decision making in its implementation of the structural reform of the business. Furthermore, after consideration of this proposal by the Audit and Supervisory Committee, it has been confirmed that the committee has no particular opinion in relation to this proposal.

The candidates for Director are as follows:

<table>
<tr><th>Candidate no.</th><th>Name
(Date of birth)</th><th colspan="2">Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company</th><th>Number of the Company's shares owned</th></tr>
<tr><td rowspan="2">1</td><td rowspan="2">Fumio Hiraoka
(July 4, 1960)</td><td>Apr. 1998</td><td>Joined the Company</td><td rowspan="2">497,906 shares</td></tr>
<tr><td colspan="3">Mar. 2000 Director and Responsible for Kyushu Area
Aug. 2000 Director and Head of Corporate Planning Office
Mar. 2002 Representative Director, Deputy President, and Head of Corporate Planning Office
Mar. 2003 President and CEO
Apr. 2017 President and CEO and General Manager of Business Division
Sep. 2017 President and CEO
Sep. 2024 President, CEO, and Executive Officer, (current position)</td></tr>
<tr><td></td><td colspan="4">[Reasons for nomination as candidate for Director]
Fumio Hiraoka provides appropriate explanations of matters to be resolved and matters to be reported at meetings of the Board of Directors, and sufficiently fulfills his roles of determining important management matters and supervising the execution of business. In addition, the Company has judged that it is optimal for him to continue to lead management as a Representative Director, and to aim for sustainable growth, and it believes he is appropriately qualified as a Director.</td></tr>
<tr><td rowspan="2">2</td><td rowspan="2">Hiroyuki Yamano
(December 9, 1967)</td><td>May 1995</td><td>Joined the Company</td><td rowspan="2">75,723 shares</td></tr>
<tr><td colspan="3">Nov. 2005 Representative Director, Kanto Watts Co., Ltd.
Dec. 2007 Head of Business Division
Jun. 2008 Director, Watts Ohthree Sales Co., Ltd.
Sep. 2009 Executive Managing Director, Watts Ohthree Sales Co., Ltd.
Apr. 2014 General Manager of Merchandise Department
Nov. 2015 Director and General Manager of Merchandise Department
Apr. 2017 Director, Deputy General Manager of Business Division, and General Manager of Merchandise Department
Sep. 2017 Director, General Manager of Business Division I, and General Manager of Merchandise Department
Sep. 2019 Director, General Manager of Business Division, and General Manager of Merchandise Department
Nov. 2019 Director and General Manager of Business Division
Sep. 2024 Director, Executive Officer and Head of Business Division
Nov. 2025 Director, Managing Executive Officer, Head of Business Division, and General Manager of Overseas Business Department (current position)</td></tr>
<tr><td></td><td colspan="4">[Reasons for nomination as candidate for Director]
Hiroyuki Yamano has fulfilled appropriate roles, including determining important management matters and supervising the execution of business, and has abundant experience and knowledge, mainly developed through duties related to business oversight, merchandise strategy, etc. Accordingly, the Company believes he is appropriately qualified as a Director.</td></tr>
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<table>
<tr><th>Candidate no.</th><th>Name
(Date of birth)</th><th colspan="2">Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company</th><th>Number of the Company's shares owned</th></tr>
<tr><td rowspan="2">3</td><td>Masaya Kakumoto
(April 30, 1973)</td><td>Apr. 1997
Oct. 2003
Sep. 2008
Sep. 2011
Apr. 2014
Jun. 2015
Sep. 2017
Nov. 2017
Sep. 2019
Nov. 2019
Sep. 2024
Apr. 2025
Nov. 2025</td><td>Joined AUTOBACS SEVEN CO., LTD.
Joined Ohthree Co., Ltd.
Joined the Company
Assistant to General Manager of Administration Department
General Manager of Administration Department
General Manager of Business Strategy Department
Deputy General Manager of Business Division I and General Manager of Business Strategy Department
Director, Deputy General Manager of Business Division I, and General Manager of Business Strategy Department
Director, Deputy General Manager of Business Division, and General Manager of Business Strategy Department
Director and General Manager of Merchandise Department
Director, Executive Officer, Head of Administration Division and General Manager of General Affairs Department
Director, Executive Officer and Head of Administration Division
Director, Managing Executive Officer, Head of Corporate Planning Division, and General Manager of DX Promotion Department (current position)</td><td>28,641 shares</td></tr>
<tr><td colspan="4">[Reasons for nomination as candidate for Director]
Masaya Kakumoto has fulfilled appropriate roles, including determining important management matters and supervising the execution of business. He has experience as General Manager of the Company's Administration Department, Business Strategy Department, Merchandise Department and General Affairs Department, and has abundant experience and knowledge developed through his duties. Accordingly, the Company believes he is appropriately qualified as a Director.</td></tr>
<tr><td rowspan="2">4</td><td>*
Naoki Kourogi
(July 3, 1978)</td><td>Jun. 1997
Nov. 2011
Feb. 2019
Sep. 2019
Nov. 2019
Nov. 2025</td><td>Joined Ohthree Co., Ltd.
Kanto Area Manager, Watts Ohthree Sales Co., Ltd.
General Manager in charge of Corporate Planning Office
Deputy General Manager of Business Strategy Department
General Manager of Business Strategy Department
Executive Officer and General Manager of Business Strategy Department (current position)</td><td>23,459 shares</td></tr>
<tr><td colspan="4">[Reasons for nomination as candidate for Director]
Naoki Kourogi has been engaged in work related to the operation of stores, has gained experience as General Manager of Corporate Planning Office and Business Strategy Department, and has been in charge of the planning and implementation of the Company's business strategies, among other duties. The Company has nominated him to be a candidate for Director because it is expected that he will leverage his abundant knowledge regarding the Company's business and management issues to contribute to the determination of important management matters and the execution of business.</td></tr>
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Candidate no.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
5	* Ryota Tanaka (March 10, 1981)	Apr. 2006 Joined Chubu Watts Co., Ltd. Sep. 2017 Manager of Personnel Affairs Section, General Affairs Department Apr. 2022 Manager of Accounting Section, Administration Department Sep. 2022 Deputy General Manager of Administration Department Apr. 2023 General Manager of Administration Department Nov. 2025 Executive Officer and General Manager of Business Administration Department (current position)	10,059 shares
	[Reasons for nomination as candidate for Director] Ryota Tanaka has been engaged in personnel affairs, accounting and other administrative work. He has been in charge of work related to business administration as the General Manager of Business Administration Department. The Company has nominated him to be a candidate for Director because it is expected that he will leverage the knowledge in personnel affairs, finance, accounting, and business administration he has cultivated through practical experience to help ensure sound and efficient management.		

(Notes) 1. The * mark indicates a new candidate.
2. There is no special interest between any of the candidates and the Company.
3. The Company has concluded a directors and officers liability insurance policy with an insurance company, as provided for in Article 430-3, paragraph (1) of the Companies Act. The scope of the insured under the insurance policy includes Directors and Statutory Auditors of the Company and its subsidiaries, and the Company pays the entire premium. This insurance policy provides coverage for any damages that may be incurred due to the insured being liable for matters connected to their execution of their duties or due to claims being made regarding their liability. If the election of each candidate is approved, the candidates will continue to be included as an insured in the policy.
4. On September 1, 2024, the Company introduced an executive officer system based on resolution at the meeting of the Board of Directors held on July 29, 2024, for efficient execution of duties by Directors.

(Reference) Skill Matrix of Directors

If Proposal No. 2 is passed as originally proposed, the composition of the Directors of the Company, and their main knowledge and experience, will be as follows:

Name	Position and responsibility in the Company	Background						
		Corporate management	Personnel/ human resources development	Finance/ accounting	Risk management	Business strategy/ marketing	Legal affairs	Internationality/ diversity
Fumio Hiraoka	President, CEO and Executive Officer Nomination and Compensation Committee Member Personnel Committee Member	○	○		○	○		○
Hiroyuki Yamano	Director, Managing Executive Officer, Head of Business Division, and General Manager of Overseas Business Department Personnel Committee Member	○	○		○	○		
Masaya Kakumoto	Director, Managing Executive Officer, Head of Corporate Planning Division, and General Manager of DX Promotion Department Nomination and Compensation Committee Member Personnel Committee Member	○	○	○	○	○	○	
Naoki Kourogi	Director, Executive Officer, and General Manager of Business Strategy Department	○			○	○		
Ryota Tanaka	Director, Executive Officer, and General Manager of Business Administration Department	○	○	○	○		○	
Hidehito Mori	Audit and Supervisory Committee Member (full time)	○	○	○	○			○
Yoshihiro Sakatani	Independent Outside Director Audit and Supervisory Committee Member Nomination and Compensation Committee Member			○	○		○	○
Akiko Tanabe	Independent Outside Director Audit and Supervisory Committee Member Nomination and Compensation Committee Member			○	○		○	○