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(Securities Code 7965)
January 28, 2022

To Shareholders with Voting Rights:

Norio Ichikawa
Representative Director, President
and Corporate Officer
Zojirushi Corporation
1-20-5 Temma, Kita-ku, Osaka

NOTICE OF THE 77th ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

Please be informed that the 77th Annual General Meeting of Shareholders of Zojirushi Corporation (the “Company”) will be held for the purposes as described below.

From the perspective of preventing the spread of COVID-19, we urge all shareholders to exercise their voting rights beforehand in writing or by electromagnetic means (via the Internet, etc.), and refrain from attending the meeting on the day.

Regarding the exercise of voting rights beforehand, please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:00 p.m. on Wednesday, February 16, 2022, Japan time.

- 1. Date and Time:** Thursday, February 17, 2022 at 10:00 a.m. Japan time
(The reception desk will open at 9:00 a.m.)
- 2. Place:** Knowledge Capital Congrès Convention Center
Second Basement, North Building, Grand Front Osaka
3-1 Ofukacho, Kita-ku, Osaka
- 3. Meeting Agenda:**
Matters to be reported:
 1. The Business Report, Consolidated Financial Statements for the Company’s 77th Fiscal Year (November 21, 2020 – November 20, 2021) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee
 2. Non-consolidated Financial Statements for the Company’s 77th Fiscal Year (November 21, 2020 – November 20, 2021)

Proposals to be resolved:

<Company proposals>

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of Ten (10) Directors (excluding Directors serving as Audit and Supervisory Committee Members)
- Proposal 3:** Election of Three (3) Directors serving as Audit and Supervisory Committee Members
- Proposal 4:** Election of One (1) Substitute Director serving as Audit and Supervisory Committee Member
- Proposal 5:** Renewal of a Plan for Countermeasures to Large-Scale Acquisitions of the Shares in the Company (Takeover Defense Measures)

<Shareholder proposal>

- Proposal 6:** Election of Two (2) Directors (excluding Directors serving as Audit and Supervisory Committee Members)

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. The reception desk will open at 9:00 a.m.
- The Appendix of this Notice of the 77th Annual General Meeting of Shareholders is provided in the enclosed Report for the Company's 77th Fiscal Year.
- The "Systems and Policies of the Company" in the Business Report, the "Consolidated Statement of Changes in Shareholders' Equity," "Notes to Consolidated Financial Statements," the "Non-consolidated Statement of Changes in Shareholders' Equity" and "Notes to Non-consolidated Financial Statements" are posted on the Company's website (<https://www.zojirushi.co.jp/corp/>) (note: available only in Japanese) in accordance with provisions of laws and regulations as well as Article 16 of the Company's Articles of Incorporation and therefore are not provided in the Report for the Company's 77th Fiscal Year. The Business Report, the Consolidated Financial Statements and Non-consolidated Financial Statements provided in the Report for the Company's 77th Fiscal Year are part of the Business Report, the Consolidated Financial Statements and Non-consolidated Financial Statements that were audited by the Audit and Supervisory Committee, and the Consolidated Financial Statements and Non-consolidated Financial Statements that were audited by the Accounting Auditor.
- Should the Business Report, the Consolidated Financial Statements, the Non-consolidated Financial Statements, and/or the Reference Documents for the General Meeting of Shareholders require revisions, the revised versions will be posted on the Company's website (<https://www.zojirushi.co.jp/corp/>) (note: available only in Japanese).

Measures to Prevent the Spread of COVID-19

- From the perspective of preventing the spread of COVID-19, please exercise your voting rights beforehand in writing or by electromagnetic means (via the Internet, etc.), and refrain from attending the meeting on the day.
- At the meeting venue, as the seats will be placed a distance apart, the number of seats available will be fewer than in previous years. As a result, attendees may be refused entry when all the seats have been occupied.
- The temperatures of attendees will be measured at the reception desk. Shareholders who are running a temperature, or who appear to be unwell, may be refused entry into the meeting venue.
- We request that all attending shareholders wear masks, and disinfect their hands with alcohol.
- Management staff at the General Meeting of Shareholders will be wearing masks.
- Gifts to the shareholders who attend the General Meeting of Shareholders will not be presented this year. We kindly appreciate your understanding on this matter.
- Should any changes be required based on the situation going forward, such as implementing a new measure, the changes will be posted on the Company's website (<https://www.zojirushi.co.jp/corp/>) (note: available only in Japanese).

How to Exercise Voting Rights

Information on Exercising Voting Rights

Please refer to the “Reference Documents for the General Meeting of Shareholders” (pages 4 to 47) below for details of the proposals at the General Meeting and the policy of the Board of Directors.

For this General Meeting, one shareholder has made a shareholder proposal regarding the election of Directors (excluding Directors serving as Audit and Supervisory Committee Members; hereinafter the same applies on this page) (Proposal 6), and **the Board of Directors of the Company is against the proposal**. Please refer to the “Reference Documents for the General Meeting of Shareholders” (pages 42 to 47) below for details.

For shareholders who agree with the policy of the Board of Directors regarding the election of Directors, we kindly ask you to exercise the voting rights **to “agree” with the Company proposal (Proposal 2), and to “disagree” with the proposal by the shareholder (Proposal 6)**.

■ Precautions for exercising voting rights

- Article 18, Paragraph 1 of the Articles of Incorporation of the Company stipulates that the number of Directors of the Company shall not exceed ten (10).

The Company proposal (Proposal 2) proposes the election of ten (10) Directors, and the shareholder proposal (Proposal 6) proposes the election of two (2) Directors, and if all the candidates for both proposals (total of twelve (12)) are elected, the number of Directors will exceed the maximum number stipulated in the Articles of Incorporation of the Company.

In principle, Director candidates who obtain the approval of a majority of the votes cast, including those cast in writing or by electromagnetic means (via the Internet, etc.), shall be elected. However, if, as a result of the vote, the number of candidates who obtain the approval of a majority of the votes cast exceeds ten (10), a maximum of ten (10) candidates shall be elected in descending order of the number of votes cast in favor of each candidate.

For both Proposal 2 and Proposal 6, we do not set a limit of ten (10) candidates, for whom votes of approval may be cast.

- Handling of multiple exercise of voting rights

In the event that voting rights are exercised both in writing and via the Internet, and the details of the exercise differ, the details exercised via the Internet will be treated as valid. In addition, in the event that voting rights are exercised more than once via the Internet and the details of the exercise differ, the last exercise will be deemed valid.

Reference Documents for the General Meeting of Shareholders

Proposals and References

<Company proposals> (Proposals 1 to 5)

Proposal 1: Appropriation of Surplus

It is proposed that the surplus be appropriated as below.

It is proposed that a dividend of ¥19 per share be paid out, taking into consideration in a comprehensive manner the Company's business results for the fiscal year ended November 20, 2021, internal reserves required for strengthening the Company's fundamentals and for future business expansion, and earnings forecast.

As the Company has paid out an interim dividend of ¥15 per share, the annual dividends for the fiscal year will amount to ¥34 per share.

- (1) Type of dividend property
Cash
- (2) Allocation of dividend property and total amount thereof
¥19 per share of common stock of the Company
Total amount of dividends: ¥1,284,992,971
- (3) Effective date of dividends from surplus
February 18, 2022

Proposal 2: Election of Ten (10) Directors (excluding Directors serving as Audit and Supervisory Committee Members)

The terms of office of all of the ten (10) Directors (excluding Directors serving as Audit and Supervisory Committee Members) will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of ten (10) Directors (excluding Directors serving as Audit and Supervisory Committee Members) is proposed.

The candidates for Directors (excluding Directors serving as Audit and Supervisory Committee Members) are as follows:

No.	Name	Current positions, etc. at the Company	Attendance at the Board of Directors meetings
1	Norio Ichikawa [Reappointment]	Representative Director, President and Corporate Officer	14/14 (100%)
2	Tatsunori Matsumoto [Reappointment]	Director and Corporate Officer	14/14 (100%)
3	Yoshihiko Miyakoshi [Reappointment]	Director and Corporate Officer	14/14 (100%)
4	Osamu Sanada [Reappointment]	Director and Corporate Officer	14/14 (100%)
5	Eiji Soda [Reappointment]	Director and Corporate Officer	14/14 (100%)
6	Masao Uwa [Reappointment]	Director and Corporate Officer	14/14 (100%)
7	Hiroaki Jikyo [Reappointment]	Director	14/14 (100%)
8	Naoki Takagishi [Reappointment] [Outside Director] [Independent Director]	Outside Director	14/14 (100%)
9	Hiromi Izumi [Reappointment] [Outside Director] [Independent Director]	Outside Director	14/14 (100%)
10	Shingo Torii [Reappointment] [Outside Director] [Independent Director]	Outside Director	14/14 (100%)

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
1	Norio Ichikawa (May 10, 1958) [Reappointment]	April 1981	Joined the Company	8,395,137
		February 1997	General Manager, The 1st Product Development Department	
		February 1998	Director; General Manager, The 1st Product Development Department	
		February 2001	President	
		February 2010	President and Chief Sales Officer	
		November 2012	President	
		February 2020	Representative Director, President and Corporate Officer (to present)	
		[Significant concurrent position] Chairman, Zojirushi-Simatelex Co., Ltd.		
[Reason for nomination as candidate for Director] Mr. Norio Ichikawa has extensive knowledge and experience of the Company's overall business processes through his career in various departments. The Company nominated him again this year as a candidate for Director in view of his achievements as President of the Company.				
2	Tatsunori Matsumoto (January 1, 1961) [Reappointment]	April 1984	Joined the Company	22,052
		November 2007	Corporate Officer; General Manager, Sales Department	
		November 2009	Corporate Officer; Deputy Chief Sales Officer and General Manager, Sales Department	
		February 2010	Director; Deputy Chief Sales Officer and General Manager, Sales Department	
		November 2012	Director; Chief Domestic Sales Officer and General Manager, Sales Department	
		February 2020	Director; Corporate Officer; Chief Domestic Sales Officer and General Manager, Sales Department (to present)	
		[Significant concurrent position] None		
[Reason for nomination as candidate for Director] Mr. Tatsunori Matsumoto has a wealth of knowledge and experience of the Company's business processes centering on domestic sales and planning. The Company nominated him again this year as a candidate for Director in view of his achievements as Director of the Company.				
3	Yoshihiko Miyakoshi (March 3, 1961) [Reappointment]	April 1984	Joined the Company	18,982
		November 2008	Corporate Officer; Assistant General Manager, International Department	
		November 2009	Corporate Officer; General Manager, International Department	
		November 2011	Corporate Officer; Deputy Chief Sales Officer and General Manager, International Department	
		February 2012	Director; Deputy Chief Sales Officer and General Manager, International Department	
		November 2012	Director; Chief International Sales Officer and General Manager, International Department	
		February 2020	Director; Corporate Officer; Chief International Sales Officer and General Manager, International Department (to present)	
		[Significant concurrent positions] Chairman of the Board, Zojirushi America Corporation Chairman, Zojirushi Taiwan Corporation		
[Reason for nomination as candidate for Director] Mr. Yoshihiko Miyakoshi has a wealth of knowledge and experience of the Company's business processes centering on international sales. He also has working experience at an overseas sales subsidiary. The Company nominated him again this year as a candidate for Director in view of his achievements as Director of the Company.				

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
4	Osamu Sanada (June 20, 1960) [Reappointment]	April 1984	Joined the Company	13,655
		November 2012	Corporate Officer; General Manager, Accounting Department	
November 2014	Corporate Officer; General Manager, Personnel Department and General Manager, Accounting Department			
May 2016	Corporate Officer; Deputy Chief Administrative Officer, General Manager, Personnel Department, and General Manager, Accounting Department			
February 2017	Corporate Officer; Chief Administrative Officer			
February 2018	Director; Chief Administrative Officer			
February 2020	Director; Corporate Officer and Chief Administrative Officer (to present)			
[Significant concurrent position] None				
[Reason for nomination as candidate for Director] Mr. Osamu Sanada has a wealth of knowledge and experience of the Company's business processes centering on administration as well as in various departments, including accounting, personnel, business planning and public relations. The Company nominated him again this year as a candidate for Director in view of his achievements as Corporate Officer and Director of the Company.				
5	Eiji Soda (February 28, 1968) [Reappointment]	April 1990	Joined the Company	13,892
		November 2016	General Manager, Business Planning Department	
November 2017	Corporate Officer; General Manager, Business Planning Department			
November 2018	Corporate Officer; General Manager, Business Planning Department and General Manager, New Business Creating Department			
February 2019	Director; General Manager, Business Planning Department and General Manager, New Business Creating Department			
February 2020	Director; Corporate Officer; General Manager, Business Planning Department and General Manager, New Business Creating Department			
November 2021	Director; Corporate Officer; General Manager, Business Planning Department and Responsible for New Business Creation (to present)			
[Significant concurrent position] None				
[Reason for nomination as candidate for Director] Mr. Eiji Soda has a wealth of knowledge and experience of the Company's business processes in various departments, including business planning, systems, and finance. He also has experience of serving as CFO at a sales subsidiary in the US. The Company nominated him again this year as a candidate for Director in view of his achievements as Corporate Officer and Director of the Company.				

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
6	Masao Uwa (December 9, 1959) [Reappointment]	April 1982	Joined the Company	15,304
		November 2009	General Manager, Business Planning Department	
November 2010	Corporate Officer; General Manager, Business Planning Department			
May 2016	Corporate Officer; Deputy Chief Administrative Officer, and General Manager, Business Planning Department			
November 2016	Corporate Officer; Deputy Chief Production & Development Officer and General Manager, The 2nd R&D Department			
November 2018	Corporate Officer; Deputy Chief Production & Development Officer			
November 2019	Corporate Officer; Chief Production & Development Officer			
February 2020	Director; Corporate Officer and Chief Production & Development Officer (to present)			
	[Significant concurrent position]		None	
[Reason for nomination as candidate for Director] Mr. Masao Uwa has a wealth of knowledge and experience of the Company's business processes centering on product planning as well as in various departments, including production, development and business planning. The Company nominated him again this year as a candidate for Director in view of his achievements as Corporate Officer and Director of the Company.				
7	Hiroaki Jikyo (June 19, 1958) [Reappointment]	April 1982	Joined the Company	42,743
		November 2009	Corporate Officer; Deputy Chief Production & Development Officer	
June 2010	Corporate Officer; Deputy Chief Production & Development Officer and General Manager, The 1st R&D Department			
November 2010	Corporate Officer; Deputy Chief Production & Development Officer			
February 2011	Director; Deputy Chief Production & Development Officer			
November 2012	Director; Chief Production & Development Officer			
November 2019	Director, the Company (to present); Senior Managing Director, Zojirushi Factory Japan Co., Ltd.			
January 2020	President, Zojirushi Factory Japan Co., Ltd. (to present)			
	[Significant concurrent position]		President, Zojirushi Factory Japan Co., Ltd.	
[Reason for nomination as candidate for Director] Mr. Hiroaki Jikyo has a wealth of knowledge and experience of the Company's wide-ranging business processes centering on production, development and planning. He has also been engaged in corporate management at an important subsidiary of the Company. The Company nominated him again this year as a candidate for Director in view of his achievements as Director of the Company.				

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
8	Naoki Takagishi (December 9, 1964) [Reappointment] [Outside Director] [Independent Director]	April 1992 February 1998 February 2005 April 2007 April 2008 April 2011 April 2014 February 2015 April 2016 April 2021 [Significant concurrent positions]	Joined Shunji Takagishi Certified Tax Accountant Office (currently Shunji Takagishi and Naoki Takagishi Certified Tax Accountants Office) (to present) Registered as certified tax accountant (to present) Outside Corporate Auditor, the Company Part-time Lecturer (Commercial Law), Distant Learning Division, Nihon University Part-time Lecturer (Commercial Law), Faculty of Law, Daito Bunka University Part-time Lecturer (Commercial Law), Faculty of Regional Policy, Takasaki City University of Economics Part-time Lecturer (Commercial Law), School of Management, Tokyo University of Science (to present) Outside Director, the Company (to present) Associate Professor (Business Law), Faculty of International Politics and Economics, Nishogakusha University Professor (Business Law), Faculty of International Politics and Economics, Nishogakusha University (to present) Certified tax accountant (Shunji Takagishi and Naoki Takagishi Certified Tax Accountants Office) Professor, Faculty of International Politics and Economics, Nishogakusha University	14,312
[Reason for nomination as candidate for Outside Director and overview of expected roles] In addition to professional knowledge and experience as a certified tax accountant, Mr. Naoki Takagishi also has academic insight on the Companies Act as a professor and a lecturer at universities. The Company nominated him again this year as a candidate for Outside Director in the expectation that he can supervise management from an objective and neutral standpoint based on his extensive experience and insight as an Outside Director. Although he has never directly been engaged in corporate management, the Company believes that he is capable of appropriately fulfilling duties as an Outside Director for the above-stated reasons.				
9	Hiromi Izumi (October 2, 1958) [Reappointment] [Outside Director] [Independent Director]	April 2003 January 2004 April 2013 February 2016 April 2017 [Significant concurrent positions]	Chairman and Representative Director, Millieme Co., Ltd. Chairman of the Board of Trustees, Wanogakko Non-profit Organization (to present) Councilor, Konnichian Foundation (to present) Outside Director, the Company (to present) Chairman and Director, Millieme Co., Ltd. (to present) Chairman and Director, Millieme Co., Ltd. Chairman of the Board of Trustees, Wanogakko Non-profit Organization	4,664
[Reason for nomination as candidate for Outside Director and overview of expected roles] Ms. Hiromi Izumi has extensive experience through management of a company and corporations that disseminate information on Japan's traditional culture and traditional industries to both adults and children in Japan and abroad and promote them. The Company nominated her again this year as a candidate for Outside Director in the expectation that she can utilize her multifaceted perspective and female perspective for the Company's management from an objective and neutral standpoint as an Outside Director.				

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
10	Shingo Torii (January 18, 1953) [Reappointment] [Outside Director] [Independent Director]	<p>April 1980 Joined ITOCHU Corporation</p> <p>June 1983 Joined Suntory Limited (currently Suntory Holdings Limited)</p> <p>March 1992 Director of the Board, Suntory Limited</p> <p>March 1999 Managing Director, Suntory Limited</p> <p>March 2001 Senior Managing Director, Representative Director of the Board, Suntory Limited</p> <p>March 2003 Senior Executive Vice President, Representative Director of the Board, Suntory Limited</p> <p>February 2009 Representative Director, Executive Vice President, Suntory Holdings Limited</p> <p>May 2014 Director, Beam Suntory Inc. (to present)</p> <p>October 2014 Representative Director, Vice Chairman of the Board, Suntory Holdings Limited (to present)</p> <p>June 2015 Outside Director, ROHTO PHARMACEUTICAL CO., LTD. (to present)</p> <p>February 2020 Outside Director, the Company (to present)</p> <p>June 2020 Outside Director, DAIKIN INDUSTRIES, LTD. (to present)</p> <p>[Significant concurrent positions]</p> <p>Representative Director, Vice Chairman of the Board, Suntory Holdings Limited</p> <p>Director, Beam Suntory Inc.</p> <p>Outside Director, ROHTO PHARMACEUTICAL CO., LTD.</p> <p>Outside Director, DAIKIN INDUSTRIES, LTD.</p> <p>Vice Chairman, The Osaka Chamber of Commerce and Industry</p> <p>Director General, Suntory Foundation for Arts</p> <p>Director General, Suntory Foundation</p> <p>Honorary Consul, the Honorary Consulate of Denmark in Osaka</p> <p>Honorary Consul, the Honorary Consulate of Spain in Osaka</p>	-
<p>[Reason for nomination as candidate for Outside Director and overview of expected roles]</p> <p>In addition to his experience as a corporate manager, Mr. Shingo Torii has broad experience, extensive insight and international perspective, including serving as Outside Director at other companies. In order to increase the Company's corporate value, the Company nominated him again as a candidate for Outside Director in the expectation that he can engage in management from a global perspective and supervise management from an objective and neutral standpoint as an Outside Director.</p>			

(Notes)

1. No special interests exist between the candidates for Directors and the Company.
2. The numbers of shares of the Company held by the candidates for Directors are as of November 20, 2021. The numbers of shares stated include the numbers of shares held by the respective individuals through the Zojirushi Officer Shareholding Association.
3. Mr. Naoki Takagishi, Ms. Hiromi Izumi and Mr. Shingo Torii are candidates for Outside Directors. Mr. Naoki Takagishi will have been in office as Outside Director for seven (7) years at the conclusion of this Annual General Meeting of Shareholders. Ms. Hiromi Izumi will have been in office as Outside Director for six (6) years at the conclusion of this Annual General Meeting of Shareholders. Mr. Shingo Torii will have been in office as Outside Director for two (2) years at the conclusion of this Annual General Meeting of Shareholders. Furthermore, Mr. Naoki Takagishi was previously an Outside Corporate Auditor of the Company.
4. The Company has designated Mr. Naoki Takagishi, Ms. Hiromi Izumi and Mr. Shingo Torii as Independent Directors as defined by the Tokyo Stock Exchange and has submitted notifications of their appointments to the Exchange. Each of these candidates satisfies the requirements for Independent Directors as defined by the Tokyo Stock Exchange and the Independence Criteria as defined by the Company (please refer to the page 16).
5. The Company has entered into limited liability agreements with Mr. Naoki Takagishi, Ms. Hiromi Izumi and Mr. Shingo Torii in accordance with Article 427, Paragraph 1 of the Companies Act to limit their liability for damages pursuant to Article 423, Paragraph 1 of the said act to the amount stipulated by laws and regulations. Subject to approval of their reappointment, the Company intends to continue the said agreements with them.
6. The Company has entered into a directors and officers (D&O) liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. If the candidates are elected and appointed to the position of Director, each candidate will be included as the insured under this insurance policy. The insurance contract covers legal damages and litigation expenses in the event that a claim for damages is made against the insured due to an act committed by the insured in the course of their duties, and the contract is renewed every year.

Proposal 3: Election of Three (3) Directors serving as Audit and Supervisory Committee Members

The terms of office of all of the three (3) Directors serving as Audit and Supervisory Committee Members will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of three (3) Directors serving as Audit and Supervisory Committee Members is proposed.

The Audit and Supervisory Committee has already given consent to the submission of this Proposal.

The candidates for Directors serving as Audit and Supervisory Committee Members are as follows:

No.	Name	Current positions at the Company	Attendance at the Board of Directors meetings
1	Yoshitsugu Hirai [Reappointment]	Director Standing Audit and Supervisory Committee Member	14/14 (100%)
2	Kanae Shiono [Reappointment] [Outside Director] [Independent Director]	Outside Director Audit and Supervisory Committee Member	14/14 (100%)
3	Hitoshi Utsunomiya [Reappointment] [Outside Director] [Independent Director]	Outside Director Audit and Supervisory Committee Member	14/14 (100%)

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
1	Yoshitsugu Hirai (May 8, 1957) [Reappointment]	April 1980	Joined the Company	2,517
		November 2011	Branch Manager, Fukuoka Branch	
		February 2015	Branch Manager, Osaka Branch	
		November 2016	Deputy General Manager, Auditing Department	
		February 2017	Corporate Auditor	
		February 2020	Director; Standing Audit and Supervisory Committee Member (to present)	
		[Significant concurrent position]		
		None		
[Reason for nomination as candidate for Director serving as Audit and Supervisory Committee Member] Mr. Yoshitsugu Hirai has a wealth of knowledge and experience of the Company's business processes centering on domestic sales. The Company nominated him again this year as a candidate for Director serving as Audit and Supervisory Committee Member in view of his achievements as Standing Corporate Auditor and Director serving as Standing Audit and Supervisory Committee Member of the Company.				
2	Kanae Shiono (July 24, 1961) [Reappointment] [Outside Director] [Independent Director]	April 1984	Joined Taiyo-Kobe Bank, Limited (currently Sumitomo Mitsui Banking Corporation)	1,051
		August 1986	Joined Osaka Branch, Irving Bank (currently The Bank of New York Mellon)	
		March 1995	Joined Takashi Shiono Law Office	
		January 1996	Joined Sumio Ikegami Certified Tax Accountant Office	
		March 1998	Registered as certified tax accountant (to present)	
		April 2000	Opened Shiono Kanae Certified Public Tax Accountant Office Representative (to present)	
		February 2018	Outside Corporate Auditor, the Company	
		February 2020	Outside Director; Audit and Supervisory Committee Member (to present)	
		[Significant concurrent position]		
		Certified tax accountant (Representative, Shiono Kanae Certified Public Tax Accountant Office)		
[Reason for nomination as candidate for Outside Director serving as Audit and Supervisory Committee Member and overview of expected roles] In addition to professional knowledge and experience as a certified tax accountant, Ms. Kanae Shiono also has significant knowledge on finance and accounting, including business experience at financial institutions. The Company nominated her again this year as a candidate for Outside Director serving as Audit and Supervisory Committee Member in the expectation that she can utilize her extensive experience and professional knowledge in strengthening the audit and supervisory system of the Company. Although she has never directly been engaged in corporate management, the Company believes that she is capable of appropriately fulfilling duties as an Outside Director serving as Audit and Supervisory Committee Member for the above-stated reasons.				
3	Hitoshi Utsunomiya (December 8, 1971) [Reappointment] [Outside Director] [Independent Director]	April 1995	Joined Nissho Iwai Corporation (currently Sojitz Corporation)	574
		October 2004	Registered as attorney-at-law (to present)	
		October 2004	Joined Seiwa Law Office	
		January 2011	Partner, Seiwa Law Office (to present)	
		February 2019	Outside Corporate Auditor, the Company	
		February 2020	Outside Director; Audit and Supervisory Committee Member (to present)	
		[Significant concurrent position]		
		Attorney-at-law (Partner, Seiwa Law Office)		
[Reason for nomination as candidate for Outside Director serving as Audit and Supervisory Committee Member and overview of expected roles] In addition to professional knowledge and experience as an attorney-at-law, Mr. Hitoshi Utsunomiya also has business experience in the legal affairs department of a company. The Company nominated him again this year as a candidate for Outside Director serving as Audit and Supervisory Committee Member in the expectation that he can utilize his extensive experience and professional knowledge in strengthening the audit and supervisory system of the Company. Although he has never directly been engaged in corporate management, the Company believes that he is capable of appropriately fulfilling duties as an Outside Director serving as Audit and Supervisory Committee Member for the above-stated reasons.				

(Notes)

1. No special interests exist between the candidates for Directors and the Company.
2. The numbers of shares of the Company held by the candidates for Directors are as of November 20, 2021. The numbers of shares stated include the numbers of shares held by the respective individuals through the Zojirushi Officer Shareholding Association.
3. Ms. Kanae Shiono and Mr. Hitoshi Utsunomiya are candidates for Outside Directors serving as Audit and Supervisory Committee Members. Ms. Kanae Shiono will have been in office as Outside Director serving as Audit and Supervisory Committee Member for two (2) years at the conclusion of this Annual General Meeting of Shareholders. Mr. Hitoshi Utsunomiya will have been in office as Outside Director serving as Audit and Supervisory Committee Member for two (2) years at the conclusion of this Annual General Meeting of Shareholders. Mr. Yoshitsugu Hirai was previously a Corporate Auditor of the Company, and Ms. Kanae Shiono and Mr. Hitoshi Utsunomiya were previously Outside Corporate Auditors of the Company.
4. The Company has designated Ms. Kanae Shiono and Mr. Hitoshi Utsunomiya as Independent Directors as defined by the Tokyo Stock Exchange and has submitted notifications of their appointments to the Exchange. The candidates satisfy the requirements for Independent Directors as defined by the Tokyo Stock Exchange and the Independence Criteria as defined by the Company (please refer to the page 16).
5. The Company has entered into limited liability agreements with Ms. Kanae Shiono and Mr. Hitoshi Utsunomiya in accordance with Article 427, Paragraph 1 of the Companies Act to limit their liability for damages pursuant to Article 423, Paragraph 1 of the said act to the amount stipulated by laws and regulations. Subject to approval of their reappointment, the Company intends to continue such limited liability agreements with them under the same terms and conditions.
6. The Company has entered into a directors and officers (D&O) liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. If the candidates are elected and appointed to the position of Director serving as Audit and Supervisory Committee Member, each candidate will be included as the insured under this insurance policy. The insurance contract covers legal damages and litigation expenses in the event that a claim for damages is made against the insured due to an act committed by the insured in the course of their duties, and the contract is renewed every year.

Proposal 4: Election of One (1) Substitute Director serving as Audit and Supervisory Committee Member

To prepare for a contingency in which the number of Directors serving as Audit and Supervisory Committee Members falls below that required by laws and regulations, the preliminary election of one (1) substitute Director serving as Audit and Supervisory Committee Member is proposed.

The effectiveness of the election under this Proposal may be cancelled by a resolution of Board of Directors, provided such cancellation is done prior to the assumption of office and with the consent of the Audit and Supervisory Committee.

The Audit and Supervisory Committee has already given consent to the submission of this Proposal.

The candidate for substitute Director serving as Audit and Supervisory Committee Member is as follows:

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Satoko Nishimura (January 14, 1967) [Outside Director] [Independent Director]	October 1989 Joined Asahi Shinwa & Co. (currently KPMG AZSA LLC) August 1993 Registered as a certified public accountant (to present) March 2001 Opened Satoko Nishimura Certified Public Accountant Office, Representative (to present) October 2002 Registered as a certified tax accountant (to present) Opened Satoko Nishimura Certified Public Tax Accountant Office, Representative (to present) [Significant concurrent positions] Certified public accountant (Representative, Satoko Nishimura Certified Public Accountant Office) Certified public tax accountant (Representative, Satoko Nishimura Certified Public Tax Accountant Office)	-
[Reason for nomination as candidate for substitute Outside Director serving as Audit and Supervisory Committee Member and overview of expected roles] Ms. Satoko Nishimura has professional knowledge and experience as a certified public accountant and certified public tax accountant, and has significant knowledge on finance and accounting. The Company nominated her as a candidate for substitute Outside Director serving as Audit and Supervisory Committee Member in the expectation that she can utilize her extensive experience and professional knowledge in strengthening the audit and supervisory system of the Company. Although she has never directly been engaged in corporate management, the Company believes that she is capable of appropriately fulfilling duties as an Outside Director serving as Audit and Supervisory Committee Member for the above-stated reasons.			

(Notes)

1. No special interests exist between Ms. Satoko Nishimura and the Company.
2. Ms. Satoko Nishimura is a candidate for substitute Outside Director serving as Audit and Supervisory Committee Member.
3. If Ms. Satoko Nishimura is appointed to the position of Director serving as Audit and Supervisory Committee Member, the Company intends to designate her as an Independent Director as defined by the Tokyo Stock Exchange and submit a notification of her appointment to the Exchange. Ms. Satoko Nishimura satisfies the requirements for Independent Directors as defined by the Tokyo Stock Exchange and the Independence Criteria as defined by the Company (please refer to the page 16).
4. If Ms. Satoko Nishimura is elected and appointed to the position of Director serving as Audit and Supervisory Committee Member, the Company intends to enter into a limited liability agreement with her in accordance with Article 427, Paragraph 1 of the Companies Act to limit her liability for damages pursuant to Article 423, Paragraph 1 of the said act to the amount stipulated by laws and regulations.
5. The Company has entered into a directors and officers (D&O) liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. If Ms. Satoko Nishimura is elected and appointed to the position of Director serving as Audit and Supervisory Committee Member, she will be included as the insured under this insurance policy. The insurance contract covers legal damages and litigation expenses in the event that a claim for damages is made against the insured due to an act committed by the insured in the course of their duties, and the contract is renewed every year.

[Reference] Nomination Policy and Procedures for Director Candidates

(1) Nomination policy for Director candidates

Director candidates are selected based on their personality and insight irrespective of age, gender, or nationality. It is our basic policy to select candidates for internal Directors who have knowledge and experience of the Company's business and are capable of fulfilling the duties required of Directors, and to select candidates for Outside Directors who have expertise and extensive experience and are capable of fulfilling their roles and responsibilities from an objective and neutral perspective. We also consider the balance and diversity of knowledge, experience and ability of the Board of Directors as a whole, and make a comprehensive judgment.

Candidates for Director serving as Audit and Supervisory Committee Members are selected upon considering factors such as whether they have the required experience, ability and knowledge, and whether one or more candidates have sufficient knowledge of finance and accounting.

(2) Nomination procedures for Director candidates

In order to ensure objectivity and fairness in selecting Directors, the Company has established the Nomination and Compensation Committee, whose chairperson is an Independent Outside Director, and a majority of the members of which are Independent Outside Directors, as a voluntary advisory body to the Board of Directors. Prior to the General Meeting, the Nomination and Compensation Committee deliberated on Director candidates based on the nomination policy, reported to the Board of Directors that the aforementioned candidates are appropriate as candidates for Director, and the Board of Directors decided on the candidates for Directors based on such report.

[Reference] Independence Criteria for Outside Directors

The Company has established the following criteria regarding the independence of Outside Directors. The Company judges Outside Directors or candidates for Outside Directors as independent if they do not fall under any of the following items as a result of the investigation conducted by the Company to a reasonably practicable extent.

- (1) Business executors (*1) of the Company and its subsidiaries (hereinafter referred to as the “Group”)
- (2) Those of whom the Group is a major business partner (*2) or their business executors
- (3) Major business partners of the Group (*3) or their business executors
- (4) Major lenders to the Group (*4) or their business executors
- (5) Consultants, accounting experts, legal experts and the like who receive a large amount (*5) of monetary or other property benefits other than executive remuneration from the Company (including persons who belong to such organizations in the event that the recipients of such benefits are corporations or other organizations)
- (6) Those who belong to the auditing firm that is the accounting auditor of the Group
- (7) Those who receive a large amount of donations from the Group or the business executors of the recipients of such donations
- (8) Major shareholders (*6) of the Company or their business executors
- (9) Those who have fallen under any of the definitions of the above (1) to (8) in the last three years or
- (10) The spouses or relatives within the second degree of kinship of those who fall under the any of the definitions of the above (1) to (9)

*1. “Business executors” refer to executive directors, executive officers, corporate officers, executives who execute business, or those equivalent thereto and employees of corporations and other organizations.

*2. “Those of whom the Group is a major business partner” refer to business partners whose average transaction value with the Group exceeds 2% of their consolidated annual sales in the past three years.

*3. “Major business partners of the Group” refer to business partners whose average transaction value with the Group exceeds 2% of the consolidated annual sales of the Company in the past three years.

*4. “Major lenders to the Group” refer to lenders who loaned the Group in the amount at 2% or more of the consolidated total assets of the Company at the end of the most recent fiscal year.

*5. “A large amount” refers to an amount of ¥10 million or more per year in terms of the average for the past three fiscal years.

*6. “Major shareholders” refer to those who own directly or indirectly 10% or more of the total voting rights.

[Reference] Board of Directors Composition after Approval of Proposal 2 and Proposal 3

If Proposal 2 “Election of Ten (10) Directors (excluding Directors serving as Audit and Supervisory Committee Members)” and Proposal 3 “Election of Three (3) Directors serving as Audit and Supervisory Committee Members” are approved as originally proposed, the composition of the Board of Directors shall be as follows:

Knowledge, experience and skills of Directors

Name	Corporate management/ business planning	Insight into the Company's business	Global experience	Sales/ marketing	Product planning/ production/ technology/ R&D	Governance/ risk management/ legal affairs	Finance/tax/ accounting/ monetary affairs
Norio Ichikawa	○	○	○	○	○		
Tatsunori Matsumoto	○	○		○	○		
Yoshihiko Miyakoshi	○	○	○	○			
Osamu Sanada	○	○				○	○
Eiji Soda	○	○	○			○	○
Masao Uwa	○	○		○	○		
Hiroaki Jikyo	○	○			○		
Naoki Takagishi	○			○		○	○
Hiromi Izumi	○			○			
Shingo Torii	○		○	○	○	○	
Yoshitsugu Hirai (Audit and Supervisory Committee Member)		○		○			
Kanae Shiono (Audit and Supervisory Committee Member)	○						○
Hitoshi Utsunomiya (Audit and Supervisory Committee Member)						○	

*The above is not an exhaustive list of all of the areas of expertise of the Director candidates.

Proposal 5: Renewal of a Plan for Countermeasures to Large-scale Acquisitions of the Shares in the Company (Takeover Defense Measures)

1. Reasons for Proposal

As announced in the Company's press release titled "Introduction of a Plan for Countermeasures to Large-scale Acquisitions of the Shares in the Company (Takeover Defense Measures)" dated January 11, 2022, the Company resolved at the Board of Directors' meeting held on the same day to establish a basic policy regarding the persons who control decisions on the Company's financial and business policies (as provided in Article 118, Item 3 of the Enforcement Regulations of the Companies Act; the "Basic Policy") and to introduce a plan for countermeasures to large-scale acquisitions of the shares in the Company (takeover defense measures) (the "Plan") as a measure to prevent decisions on the Company's financial and business policies from being controlled by persons deemed inappropriate (Article 118, Item 3(b)(ii) of the Enforcement Regulations of the Companies Act) under the Basic Policy for the purpose of ensuring and enhancing the corporate value of the Company and the common interests of its shareholders.

In light of the circumstances such as market transactions involving the Company's shares, as well as recent Japanese capital markets in which there are more and more cases where a large number of shares in a target company is acquired without discussions between the acquirer and the target company, the Company believes that there is a possibility of large-scale acquisitions of shares in the Company being effected that would not necessarily contribute to the corporate value of the Company or the common interests of its shareholders over the medium-to-long-term. Although the Financial Instruments and Exchange Act requires certain large-scale acquisitions to be effected by means of tender offer and stipulates certain rules regarding the disclosure of and procedures for large-scale acquisitions, the tender offer regulations do not apply to on-market transactions as a general rule. The Company also believes that it is likely that the current tender offer system alone will not allow the shareholders of the Company to be provided with sufficient information necessary to ensure and enhance the corporate value of the Company and, in turn, the common interests of its shareholders and enough opportunity to carefully consider the proposed acquisition from that perspective. Therefore, the Company determined that the introduction of the Plan at this stage would contribute to the corporate value of the Company and common interests of its shareholders. The Plan became effective on January 11, 2022 and its effective period is from the same day to the conclusion of this Annual General Meeting of Shareholders. However, if the approval of the shareholders is obtained with respect to this Proposal, the effective period of the Plan will be extended to the time of conclusion of the annual general meeting of shareholders for the last fiscal year ending within three years after the conclusion of this Annual General Meeting of Shareholders (please note that if the approval of the shareholders is not obtained with respect to this Proposal at this Annual General Meeting of Shareholders, the Plan will be abolished immediately).

Therefore, the Company requests that the shareholders approve the renewal of the Plan.

2. Details of Proposal

A. Basic policy regarding the persons who control decisions on the Company's financial and business policies

The Company would not reject a proposal by a specific person for a large-scale acquisition of the shares in the Company if it would contribute to the corporate value of the Company and, in turn, the common interests of its shareholders and the Company's understanding is that a decision on whether or not to accept such proposal must ultimately be determined by its shareholders.

However, the Company's group (meaning the Company and its subsidiaries; the "Company Group") has created high-quality, high-value-added products and services that are closely suited to users' daily lives, utilizing its technological capabilities such as vacuum insulation and temperature control and planning and designing capabilities that materialize those technological capabilities, all cultivated through many years of experience since its establishment. The Company has also established the Zojirushi brand, the source of its corporate value, by effectively making the value of those products and services appealing to customers with its strength in making proposals and fulfilling the expectations of the customers with extensive after-sales services. Further, intensely loyal employees protect and further enhance the value of the Zojirushi brand with a sense of pride in and responsibility for the brand. In order for the Company Group to seek a sustained

increase in profitability and stability, it is essential for the Company to, in its management, have abundant experience and knowledge required for maintaining and refining the source of the Company's corporate value described above and to understand relationships that the Company has built with its customers, employees, trading partners, regional communities, and other stakeholders, and if a person who controls decisions on the Company's financial and business policies does not understand these factors, it might prevent the Company from ensuring and enhancing the Company Group's corporate value and the common interests of its shareholders.

The Company believes that, if a large-scale acquisition of shares in the Company were to be effected, it would be difficult for its shareholders to ascertain the impact of that large-scale acquisition on the Company's corporate value and the common interests of its shareholders without being provided with necessary and sufficient information by the acquirer. In addition, it is expected that there are certain kinds of large-scale acquisitions that would be likely to harm the source of the Company Group's corporate value from a long-term perspective or damage the Company Group's corporate value or the common interests of its shareholders due to those acquisitions potentially making the Company unable to maintain good relationships with stakeholders or other reasons.

From the above perspectives, the Board of Directors believes that it is a responsibility of the persons who are entrusted by the Company's shareholders (i) to request an acquirer to provide necessary and sufficient information for the shareholders of the Company to make a decision and to enable the Board of Directors to evaluate and consider the impact of the proposal by the acquirer on the Company Group's corporate value and the common interests of its shareholders, and (ii) to ensure the corporate value of the Company and, in turn, the common interests of its shareholders by taking the necessary and appropriate countermeasures against a large-scale acquisition by a person in a manner that would damage the corporate value of the Company or the common interests of its shareholders because such person is deemed inappropriate as a person who controls decisions on the Company's financial and business policies.

B. Special initiatives to contribute to realization of basic policy

I. Initiatives aimed at enhancing corporate value

(1) Corporate philosophy and management policy of the Company

The Company was founded in 1918 and began as a manufacturer of vacuumed glass liners, before expanding into assembly of glass vacuum flasks. The Company then expanded into sales in addition to manufacturing, beginning with the manufacture and sale in 1948 of the "Pelican Pot," a finished product of a tabletop glass vacuum flask. Applying the thermal insulation technology of those vacuum flasks, in 1970 the Company released an electric rice warmer that enabled steamed rice to be kept warm for long periods of time, and with a subsequent version that included a rice cooking feature the Company took the next step toward its leading product today, the pressurized induction-heating (IH) rice cooker. In 1980 the Company developed an electric kettle with boiling and heat retention features, and in 1981 it adopted stainless steel to evolve its vacuum flasks into stainless steel bottles with higher durability and portability. In this way, by adhering to its corporate philosophy "Creating a quality of life" even amidst changing times and more diverse lifestyles, the Company has built up the Zojirushi brand of today that is the source of its corporate value by continuing to create high-quality, high-value-added products and services that are closely suited to users' daily lives, centered around the three business divisions described below: cooking appliances, household and thermal products, and household appliances.

(i) Cooking appliances business

In its cooking appliances division, the Company has accumulated a wide-ranging lineup of high-value-added products suited to the needs and lifestyles of our customers, including the "Embudaki Cooker," a high-end model, pressurized induction-heating (IH) rice cooker that perfects the taste of rice by reproducing the flickering effect of flames in traditional wood-fired stoves, and the "STAN." series of appliances, which are targeted at dual-income households and households with young children. With increasing opportunities for cooking at home due to the "stay home" lifestyle amid the coronavirus crisis, the Company's products have been praised for being closely suited to the people who use them thanks to features such as ease of use and good design, and there has been growth in sales of products such as electric griddles, toaster ovens, and coffee makers. The Company has also secured stable demand in electric kettles, led by the "VE Water Boiler and Warmer," an

energy efficient kettle that can boil water and keep it warm using vacuum bottle technology. These products have secured a strong competitive position in the mature domestic market in Japan for cooking appliances, with many products such as rice cookers that have a top-class market share. Products such as rice cookers, electric kettles, and breadmakers are also experiencing increased demand in overseas markets, which value the high quality only a Japanese brand can deliver and functionality that is suited to the culinary cultures and lifestyles of the local region.

(ii) Household and thermal products business

In its household and thermal products division, the Company has taken initiatives to enrich its lineup of stainless steel bottle items by taking the high-vacuum thermal insulation properties it has perfected in the years since its founding and adding a “one-piece lid with a seamless structural design” that targets customer demand for “easy to use” and “easy to wash” vacuum flasks. Reduced opportunities for going out or engaging in leisure activities during the coronavirus crisis saw a temporary fall in demand, but the Company is pursuing increased market share by actively introducing new products with high added value. Also, reusable stainless steel bottles that can keep their contents warm by themselves without using electricity are receiving renewed appreciation as environmentally conscious products, and the Company believes that it can contribute to conservation of the global environment through expanding its business activities.

(iii) Household appliances business

In its household appliances division, the Company has taken initiatives to enhance its brand and expand its business in the household appliances market, with a focus on products such as a steam-type humidifier with superior humidifying performance and ease of maintenance, and a bedding dryer that can be used simply and easily without using mats or hoses. By keeping its focus on the basics of everyday living, the Company is continually pursuing the development of high-quality and high-performance products closely suited to customers’ lifestyles and brimming with originality, including products related to the home environments and health of customers, in order to facilitate more comfort and contentment in their daily lives.

From its fiscal year ended November 20, 2019, which is the 101st year since its founding, the Company instituted a management policy aimed at its next hundred years, “Brand innovation - strengthening Zojirushi as a brand of household products and developing it into a food and lifestyle solution brand,” as an initiative aimed at enhancing its corporate value into the future. This policy encapsulates the intention to reach new heights in product design and manufacturing as a household appliance maker while also evolving into a brand that delivers solutions to issues that customers face relating to “Food” and “Home” by combining those products with digital technology and services.

In order to promote and succeed in these initiatives it is necessary to have not only the capability to produce high-quality and high-value-added products and services with a strong customer orientation, but it is also essential to secure loyal and high-quality talent able to work as one toward the “Brand innovation” vision with a deep understanding of and strong sense of pride in and responsibility for the Zojirushi brand. It also goes without saying that it was not by the efforts of the Company alone that Zojirushi brand, which is the source of corporate value of the Company, was able to achieve the brand value that it has today. This value is able to be maintained and enhanced through support from the customers who use the products and services of the Company, from the trading partners with whom the Company coexists in mutual prosperity thanks to long years of trusting relationships, and from regional communities and other stakeholders, and the Company believes that continuing to build and maintain good relationships with these stakeholders is essential to its continuous growth.

The Company believes that it is such continuous implementation of the corporate philosophy and management policy described above that enables it to maximize its corporate value and the common interests of its shareholders and thereby benefit all stakeholders that form the business of the Company, including shareholders, customers, employees, trading partners, and regional communities.

(2) Medium-to-long-term management strategy of the Company to materialize its management policy

In order to realize the management policy described in (1) above, the Company formulated a Medium-Term Management Plan called “ADAPT” for the three year period starting from the fiscal year ended November 20, 2019 and made efforts to achieve the plan. However, impacts due to the spread of the novel coronavirus infectious disease from 2020 onward caused changes to the domestic and overseas business environment that formed the basis for the plan, so the Company formulated a Medium-Term Management Plan called “ADAPT Phase II” for the two year period starting from the fiscal year ending November 20, 2021, which follows the

basic policy of ADAPT and additionally includes measures based on new lifestyles during the coronavirus crisis. Under ADAPT Phase II, the Company established and is moving ahead with a management strategy centered around three pillars of policy for enhancing its corporate value, namely “Horizontal expansion of domains,” “Vertical expansion of domains,” and “Stronger management platform.”

(i) Horizontal expansion of domains

The Company aims to expand its business domains by opening up new markets and sales channels while boosting the lineup of its products and remodeling existing products to enhance their added value. During the fiscal year ended November 20, 2021, the Company released a number of new products that are tailored to the changing society, lifestyles, and values, such as the top-of-the-line pressurized induction-heating (IH) rice cookers that were developed by further advancing its “Embudaki” technology, cost-effective electric kettles and blenders, stainless steel tumblers that use a “one-piece lid with a seamless structural design” that have gained popularity, and automatic multi-purpose cookers that are capable of providing automatic cooking assistance and assisting cooking with plastic storage bags. In Japan, the Company has been working to expand sales of those highly-competitive new products along with its efforts in engaging in proposal-based sales activities that seek an optimal balance between market share and profitability and opening up sales channels that are expected to grow in the future. Overseas, the Company adapted its operations to market changes due to the coronavirus crisis and strongly pushed forward with opening up marketing methods and channels suited to e-commerce, especially in North America and China, where the e-commerce business is rapidly growing and, as a result, the Company achieved double-digit growth in its overseas sales for the fiscal year ended November 20, 2021. Further, the Company will continue to strengthen the expansion of sales through e-commerce channels both in Japan and overseas by taking measures such as opening online shopping stores in Japan, North America, China, and Taiwan, which are the main markets for its business, that enable it to approach customers through direct communication. The Company will also accelerate overseas business growth in Southeast Asia (Thailand, Vietnam, and Indonesia), whose economy is expected to grow in the coming years, by promoting expansion of sales channels and release of new products in this region, using as its hubs Zojirushi SE Asia Corporation Ltd., a sales subsidiary in Thailand, and the representative office in Vietnam established in June 2021.

The Company believes that, in other countries where the Zojirushi brand has not reached the degree of popularity it enjoys in Japan, it is essential to build strong bonds of trust with agents and distributors that fully understand and implement its management policy and sales measures and create brand value together with those trading partners, rather than aimlessly pursuing expansion of its business scale.

(ii) Vertical expansion of domains

When entering into a new business area, the Company aims to expand its business by actively promoting cooperation with other companies, bringing together each company’s advantages, and creating new value that cannot be achieved by the Company alone. In addition, the Company is developing new products that provide solutions to issues and difficulties faced by customers relating to “Food” and “Home” based on ideas for products gathered from its entire employee base. For overseas markets, the Company will release targeted products suited to the unique dietary culture and needs of customers in those regions.

As a new business, the Company followed its opening of “Zojirushi Shokudo (Zojirushi Gohan Restaurant)” in October 2018 with the opening of the “Zojirushi Ginpaku Bento” store in March 2021, and the Company will continue to open similar outlets that specialize in rice to nurture this business centered on “delicious rice” while also leading to an increase in sales of rice cookers by providing a opportunity to experience “Embudaki” technology. In addition, in order to satisfy the need of customers who wish to try a product before buying one or use a product only when necessary, in October 2021 the Company launched a rental service for its products. The Company will also develop other services that reduce burdens of washing, carrying, and preparing drinks when using stainless steel bottles on a daily basis and continue to contribute to reducing the use of plastic bottles and disposable cups by promoting the “My Bottle” campaign. Furthermore, the Company intends to renew its “Mimamori Hotline Service,” which was first made available in 2001 and is an IoT service that uses electric teapots with features that enable families to watch over elderly relatives who live by themselves, by enhancing the service’s added value through the deployment of cutting-edge telecommunication technology and data utilization with a view to revitalizing its business while leading to solutions for issues in the aging society.

(iii) Stronger management platform

The Company has been working to increase efficiency of development in order to rapidly release high-quality, high-value-added new products that underpin the expansion of its business domains. The Company is pushing forward with digital investment and utilization of external resources together with the enhancement of designers' skills, which has steadily brought about positive outcomes as shown by an increasing trend in the number of new products developed by the Company compared to the fiscal year ended November 20, 2019, the first year of ADAPT. In addition, the Company enhanced operational efficiency by utilizing online meetings and workflow systems while working to increase and strengthen mobile terminals and networks as part of its efforts for promoting telecommuting during the coronavirus crisis, and this in turn significantly facilitated improvement in working practices and reduction in fixed costs, such as less frequent overtime work and business travel as well as going paperless.

In response to the risks related to business continuity and the procurement of parts and raw materials that have become apparent amid the coronavirus crisis, the Company implemented an inspection of all systems and processes related to its material operations and is proceeding with the development of systems that enable it to continue its business in a safe and secure manner even if a natural disaster, fire, blackout, or other such incident were to occur. For example, the Company transferred its entire core system to cloud storage and worked to establish backup systems and to reduce operating costs. In the procurement of raw materials, the Company is promoting multi-sourcing for core parts and taking other measures to rebuild its supply chains. In addition, in order to reduce costs, the Company has promoted streamlining of manufacturing by consolidating into one location the plants of Union Zojirushi Co., Ltd., a manufacturing base for stainless steel bottles in Thailand, and enhanced its cost competitiveness. By continuing to pursue measures such as these, the Company will continue to optimize the quality, cost, and delivery of its products as well as its operations and services.

The Company also makes continuous efforts for improving its after-sales services by utilizing digital tools so that it is able to continue to offer satisfaction to customers after the purchase of its products and secure their preference for the Zojirushi brand when they eventually purchase a replacement for the products in the future. In addition, the Company launched "Zojirushi Owner Service" in December 2018, through which the Company provides its members with special benefits and invitations to events, as well as other useful information such as information relating to the products of the Company and members' daily lives. Furthermore, by constantly fulfilling expectations in accordance with the changes of the times through measures such as bolstering information distribution and communication through social networking services in order to keep up with more diversified media that customers access, the Company is endeavoring not only to enhance its customer satisfaction but also to gain and increase fans of the Zojirushi brand across a wide range of ages.

Given the increasing importance of ESG, the Company is taking action by setting separate targets for environment issues, social issues, and governance issues and working to achieve those targets. Among other things, the Company regards risks relating to climate change as a priority issue, and has set a target to achieve a reduction of 50% in greenhouse gas emissions directly attributable to the Company Group's operations in FY 2030 compared to FY 2019 and is pushing forward with certain measures, such as a review of manufacturing processes and utilization of renewable energy. Based on the Company's view that one of its important missions is to provide solutions to social issues through business operations, the Company will continue to focus on efforts to contribute to social sustainability concurrently with its efforts for expanding business domains. In addition, the President of the Company holds an interview with each employee on a one-to-one basis so that the Company's corporate philosophy and management policy penetrate to every periphery of the organization through dialogue, and this allows the Company and its employees to work as one with a sense of pride in and responsibility for the Zojirushi brand in implementing the management strategy described above.

Under ADAPT Phase II, the Company has set medium-term target figures for its financial performance, namely 80 billion yen in consolidated net sales and 6 billion yen in consolidated operating income (ratio of consolidated operating income to consolidated net sales: 7.5%) for the fiscal year ending November 20, 2022. However, although the Company expects to achieve the target figure for its consolidated net sales based on the conventional accounting standards, the amount of net sales will decrease by appropriately 1.7 billion yen due to changes in accounting standards that will be applied from the fiscal year ending November 20, 2022, and thus the actual amount of net sales is estimated to be 79.3 billion yen. The Company achieved the target figure for its consolidated operating income in the fiscal year ended November 20, 2021, a year ahead of schedule, with appropriately 6.4 billion yen (ratio of consolidated operating income to consolidated net sales: 8.2%), but the amount of consolidated operating income for the fiscal year ending November 20, 2022 is estimated to be 4.4 billion yen (ratio of consolidated operating income to consolidated net sales: 5.5%) due to following factors: an increasing cost of sales caused by the impact of steep rise in prices of aluminum, copper, nickel, plastic, and

other raw materials, as well as changing exchange rates; advertising and promotion investment in connection with the launch of jointly developed products to be released in the autumn of 2022 and increasing expenses due to more active sales activities; and expected decreases in operating income due to changes in accounting standards.

While it is unclear whether the prices of raw materials will continue to rise, the Company aims to return to a sustained growth path from FY 2023 onward by moving ahead with the expansion of its business domains and revision of selling prices of new products.

Further, regarding its policy for shareholder returns, the Company will aim to enhance shareholder returns by paying stable dividends at a dividend payout ratio of 50% or higher as a baseline.

Under the management strategy described above, the Company will further enhance the Zojirushi brand, which is the source of its corporate value, and materialize its corporate philosophy of “Creating a quality of life,” thereby fulfilling the expectations of various stakeholders who place their confidence in the Company.

II. Strengthening corporate governance

The Company considers that the enhancement of its corporate governance is one of its most important management issues in order to ensure trust from stakeholders and to continuously enhance corporate value. The Company intends to ensure swift, sound and transparent management and enhance corporate governance by seeking to strengthen the corporate structure and enhance management efficiency, and by striving to strengthen audit and control functions in order to promptly respond to dramatic changes in the management environment and to improve corporate value and realize growth.

(1) Board of Directors

The Board of Directors is composed of 13 Directors (five of whom are Outside Directors), composing 10 Directors (excluding Directors serving as Audit and Supervisory Committee Members) and three Directors serving as Audit and Supervisory Committee Members, and it meets once a month in principle to deliberate and determine matters prescribed in laws and regulations and other important matters concerning management such as basic management policy and medium-to-long term management strategy, and also makes reports on and performs supervision of the status of business execution. In addition, the Company seeks to further promote separation of business execution and supervision functions and further speed up decision making and business execution by delegating a part of the Board of Directors’ authority to determine business execution to Directors as well as by reviewing the Corporate Officer system upon transitioning to a company with audit and supervisory committee.

On February 19, 2020 the Company made the transition to a company with audit and supervisory committee and since then has strengthened the supervision functions of the Board of Directors by developing new systems such as reviewing operations of the Board of Directors and the Management Meeting and establishing a highly independent Nomination and Compensation Committee. The Company plans to promote initiatives to further enrich discussions and to increase discussions concerning medium-to-long term topics, as well as initiatives for electing more women officers.

(2) Audit and Supervisory Committee

The Audit and Supervisory Committee is composed of three members (two of whom are Outside Directors). The Company appoints Audit and Supervisory Committee Members who have knowledge concerning finance and accounting and seeks to enhance the effectiveness of audit such as by having full-time Audit and Supervisory Committee Members in order to strengthening the ability to gather necessary information.

The Audit and Supervisory Committee meets once a month in principle and strives to strengthen supervision of management by making decisions on audit policy and audit plans and making reports on the status of execution of duties, and full-time Audit and Supervisory Committee Members attend important meetings such as the Management Meeting and aim to share information with Audit and Supervisory Committee Members through the Audit and Supervisory Committee and other forums. The Company is also striving to strengthen the functions of the Audit and Supervisory Committee by enhancing coordination between the Audit and Supervisory Committee and the Auditing Department such as through adopting a system where the Audit and Supervisory Committee receives reports from the Auditing Department from time to time and makes instructions as necessary.

(3) Nomination and Compensation Committee

With respect to nomination and compensation of Directors, etc., the Nomination and Compensation Committee has been established for the purpose of strengthening independence and objectivity of functions, and accountability of the Board of Directors by obtaining an appropriate involvement and advice from Independent Outside Directors.

The Nomination and Compensation Committee is composed of three members who serve as Directors. In order to ensure the independence of the Nomination and Compensation Committee, the majority of the members are Independent Outside Directors, and the chairperson is appointed from among members who are Independent Outside Directors

Regarding the composition of the Board of Directors, and the election, dismissal, compensation, succession plan, and other matters pertaining to Directors, the Nomination and Compensation Committee is delegated by the Board of Directors to perform the role of preparing, deliberating, and determining draft proposals on such matters, and reporting thereon to the Board of Directors.

(4) Management Meeting

The Management Meeting is composed of Corporate Officers, mainly the President and each Chief Officer, and is held once a week in principle. The Management Meeting facilitates agile management activities by deliberating and determining matters concerning the execution policy based on the basic management policy determined by the Board of Directors, matters delegated to Corporate Directors, and other important matters.

(5) Internal Control System

At the Company, the Board of Directors formulates the Medium-Term Management Plan, and the Company and its subsidiaries set specific annual targets and budgets and also manage monthly and quarterly performance on a periodic and daily basis in accordance with annual plans that are based on such Medium-Term Management Plan. In addition, at the Management Meeting that is in principle held once a week, various important matters in the Company and the entire Company Group are deliberated and determined in order to solve or implement such matters at an early stage. Full-time Audit and Supervisory Committee Members attend each such Management Meeting, enabling supervision of the execution of duties of Directors and Corporate Officers.

(6) Compliance System

In order to develop, maintain and enhance a compliance system for the entire Company Group, the Company has put in place the Compliance Regulations and established a Compliance Committee, has introduced a whistleblower system and also conducts education and awareness activities for all officers and employees by establishing Basic CSR Policy containing ethical standards that each individual should strive to uphold. In addition, in order to ensure the reliability of financial reporting, the Company has developed an internal control system concerning financial reporting which includes the Internal Control Committee, evaluates the development and operation status of such system on a regular basis, and strives to maintain and improve such system.

In addition to the above, the Company is taking initiatives to strengthen corporate governance based on the most recent version of the Corporate Governance Code. Please see the Company's Report on Corporate Governance (renewed on December 3, 2021) for details of the Company's corporate governance system.

Please note that Ace Frontier Limited, a shareholder of the Company, has submitted to this Annual General Meeting of Shareholders a shareholder proposal to elect two persons proposed by it as Outside Directors of the Company (excluding Directors serving as Audit and Supervisory Committee Members), but the Company opposes this proposal. Please refer to Proposal 6 for details.

C. Purpose and details of the Plan

I. Purpose of the Plan

The Plan will be renewed in line with the Basic Policy described in A. above for the purpose of ensuring and enhancing the corporate value of the Company and, in turn, the common interests of its shareholders.

The Board of Directors believes that, as stipulated in the Basic Policy, persons who would make a large-scale acquisition in a manner that does not contribute to the corporate value of the Company or, in turn, the

common interests of its shareholders would be inappropriate to become persons who control decisions on the Company's financial and business policies. The purpose of the Plan is to prevent decisions on the Company's financial and business policies from being controlled by persons deemed inappropriate, to deter large-scale acquisitions that are detrimental to the corporate value of the Company and, in turn, the common interests of its shareholders, and on the occasion that the shares in the Company are subject to a large-scale acquisition, to ensure necessary time and information is made available for the Board of Directors to present an alternative proposal to the shareholders or for the shareholders to decide whether or not to accept the large-scale acquisition, and to enable the Board of Directors to negotiate for the benefit of the shareholders.

Please note that the status of the major shareholders of the Company as of November 20, 2021 is as described in the Schedule, and as of January 11, 2022, the Company has not received any proposal for a large-scale acquisition of the shares in the Company from a specific third party. While approximately 22% of the total issued shares of the Company is held by Norio Ichikawa, the President and CEO of the Company and his relatives in the first and second degrees and asset management companies over which those relatives have direct control (the "Founding Family Related Parties"), the shareholders of the Company are parties from a wide range of areas, mainly domestic and foreign institutional investors and individual shareholders. The Founding Family Related Parties other than the President of the Company are currently not involved in the management of the Company in any way, and they exercise voting rights attached to their shares in the Company at their own discretion, and thus their status does not differ from that of general shareholders. In addition, because it is expected that the shares in the Company held by the Founding Family Related Parties will be even more dispersed going forward by selling, succession, and other forms of disposal according to their discretion or circumstances, the current shareholding ratios will not necessarily be maintained. For this reason, regardless of the status of shareholdings in the Company of the Founding Family Related Parties, it is possible to anticipate that going forward there is a risk of potential acquisitions being effected against the management base founded on the Zojirushi brand, the source of the corporate value of the Company, and strong relationships between the Company and its customers, employees, trading partners, regional communities, and other stakeholders that are essential to maintain and refine the Zojirushi brand. In light of these circumstances, the Board of Directors believes that the introduction of countermeasures in advance is necessary because it cannot disregard the possibility that shares in the Company may be subject to large-scale acquisitions in the future that would damage the corporate value of the Company and, in turn, the common interests of its shareholders, and if any large-scale acquisitions were to take place, the securing of information and time necessary for its shareholders would be as important for the Company as it would be for any other company.

II. Plan Outline

The Plan sets out procedures necessary to achieve the purpose stated above, including requirements for acquirers to provide information in advance in the case that the acquirer intends to make an acquisition of 20% or more of the Company's share certificates, etc.

The acquirer must not effect a large-scale acquisition of the shares, etc. of the Company until and unless the Board of Directors determines not to trigger the Plan in accordance with the procedures for the Plan.

In cases such as where an acquirer does not follow the procedures set out in the Plan, or a large-scale acquisition of shares, etc. of the Company could harm the corporate value of the Company and, in turn, the common interests of its shareholders, and the acquisition satisfies the triggering requirements set out in the Plan, the Company will implement a gratis allotment of share options (*shinkabu yoyakuken mushou wariate*) for share options with (a) an exercise condition that does not allow the acquirer, etc. to exercise the rights as a general rule, and (b) an acquisition provision to the effect that the Company may acquire the share options in exchange for shares in the Company from persons other than the acquirer, etc. If a gratis allotment of share options were to take place in accordance with the Plan and all shareholders other than the acquirer received shares in the Company as a result of those shareholders exercising or the Company acquiring those share options, the ratio of voting rights in the Company held by the acquirer may be diluted by up to a maximum of approximately 50%.

In order to eliminate arbitrary decisions by Directors, the Company will establish the Independent Committee composed of Outside Directors and outside experts who are independent from the management of the Company and will obtain objective decisions of the Independent Committee with respect to matters such as the implementation or non-implementation of the gratis allotment of share options or the acquisition of share options under the Plan. In addition, the Board of Directors may hold a general meeting of shareholders and confirm the intent of the Company's shareholders in the case specified in the Plan.

Transparency with respect to the course of those procedures will be ensured by timely disclosure to the Company's shareholders.

III. Details of the Plan

(1) Procedures for Triggering the Plan

(a) Targeted Acquisitions

The Plan will be applied in cases where any purchase or other acquisition of share certificates, etc. of the Company that falls under (i), (ii), or (iii) below or any similar action (including a proposal (Note 1) for such action) (except for such action as the Board of Directors separately determines not to be subject to the Plan; the "Acquisition") takes place.

- (A) A purchase or other acquisition of the share certificates, etc. (*kabuken tou*) (Note 2) issued by the Company that would result in the holding ratio of share certificates, etc. (*kabuken tou hoyuu wariai*) (Note 3) of a holder (*hoyuusha*) (Note 4) totaling 20% or more (Note 5);
- (B) A tender offer (*koukai kaitsuke*) (Note 6) for the share certificates, etc. (*kabuken tou*) (Note 7) issued by the Company that would result in the party conducting the tender offer's ownership ratio of share certificates, etc. (*kabuken tou shoyuu wariai*) (Note 8) and the ownership ratio of share certificates, etc. of a person in special relationship (*tokubetsu kankei-sha*) (Note 9) totaling 20% or more; or
- (C) Regardless of whether or not any of the acts provided for in items (A) and (B) above is conducted, an act (i) conducted between (a) a person who intends to acquire share certificates, etc. of the Company or its joint holder (*kyoudou hoyuusha*) (Note 10) or a person in special relationship with that person (each, an "acquirer of share certificates, etc." in this item (C)) and (b) one or more other shareholders of the Company that constitutes an agreement or other act as a result of which the other shareholder(s) become(s) a joint holder of the acquirer of share certificates, etc. or any act that establishes a relationship whereby the acquirer of share certificates, etc. or the other shareholder substantially controls the other or they act jointly or in concert with each other (Note 11) (Note 12) and (ii) that would result in the total holding ratio of share certificates, etc. issued by the Company of that acquirer of share certificates, etc. and the other shareholder accounting for 20% or more..

The party who makes or intends to make the Acquisition by itself or jointly or in concert with other parties (the "Acquirer") shall follow the procedures prescribed in the Plan, and the Acquirer must not effect an Acquisition until and unless the Board of Directors passes a resolution not to implement the gratis allotment of share options (the "Share Options;" an outline thereof is provided in (3) 'Outline of the Gratis Allotment of Share Options' below) in accordance with the Plan.

(b) Submission of Acquirer's Statement

The Company will request an Acquirer to submit to the Company in the form separately prescribed by the Company a legally binding document which includes an undertaking that the Acquirer will comply with the procedures set out in the Plan (signed by, or affixed with the name and seal of, the representative of the Acquirer and to which no conditions or reservations are attached) and a qualification certificate of the person who signed or affixed its name and seal to that document (collectively, "Acquirer's Statement") before commencing or effecting the Acquisition. The Acquirer's Statement must include the name, address or location of headquarters, location of offices, the governing law for establishment, name of the representative, contact information in Japan for the Acquirer and an outline of the intended Acquisition. The Acquirer's Statement and the Acquisition Document set out in (c) below and other materials to be submitted by the Acquirer to the Company or the Independent Committee must be written in Japanese.

(c) Request to the Acquirer for the Provision of Information

The Company will provide an Acquirer the format for the Acquisition Document (defined below), including a list of information that the Acquirer should provide to the Company, no later than 10 business days after receiving the Acquirer's Statement. The Acquirer must provide the Board of Directors with the document in the form provided by the Company (collectively, "Acquisition Document"), which includes the information described in each item of the list below ("Essential Information"). Please note that the Company may set a due date for the Acquirer's provision of the Acquisition Document and other information if necessary.

If the Board of Directors receives the Acquisition Document, it will promptly send it to the Independent Committee (standards for appointing members, requirements for resolutions, resolution matters, and other

matters concerning the Independent Committee are as described in Attachment 1 ‘Outline of the Independent Committee Rules’ and business backgrounds and other matters of members of the Independent Committee at the time of the renewal of the Plan will be as described in Attachment 2 ‘Profiles of the Members of the Independent Committee’). If the Independent Committee determines that the Acquisition Document does not contain sufficient Essential Information, it may set a reply period as appropriate and request that the Acquirer provide additional information. In such case, the Acquirer should provide the additional information within the set time limit.

- (i) Details (including name, capital relationship, financial position, operation results, details of violation of laws or ordinances in the past (if any), and terms of previous transactions by the Acquirer similar to the Acquisition) of the Acquirer and its group (including joint holders, persons in special relationship and persons in special relationship with a person in relation to whom the Acquirer is the controlled corporation (Note 13)). (Note 14)
 - (ii) The purpose, method and specific terms of the Acquisition (including the amount and type of consideration, the timeframe, the scheme of any related transactions, the legality of the Acquisition method, and the feasibility of the Acquisition).
 - (iii) The amount and basis for the calculation of the purchase price of the Acquisition.
 - (iv) Information relating to the terms of an agreement between the Acquirer and a third party regarding the share certificates, etc. of the Company and any previous acquisition of the share certificates, etc. of the Company by the Acquirer.
 - (v) Financial support for the Acquisition (including the specific names of providers of funds for the Acquisition (including all indirect providers of funds), financing methods and the terms of any related transactions).
 - (vi) Post-Acquisition management policy, business plan, capital and dividend policies for the Company Group.
 - (vii) Post-Acquisition policies for the Company Group’s stakeholders such as the Company’s shareholders (other than the Acquirer) and customers, employees and trading partners of the Company Group.
 - (viii) Specific measures to avoid any conflict of interest with other shareholders of the Company.
 - (ix) Information regarding any relationship with an anti-social force or a terrorist-related organization.
 - (x) Any other information that the Board of Directors or the Independent Committee reasonably considers necessary.
- (d) Consideration of Acquisition Terms, Negotiation with the Acquirer, and Consideration of an Alternative Proposal

- (i) Request to the Company’s Board of Directors for the Provision of Information

If the Independent Committee reasonably determines that the Acquirer has submitted the Acquisition Document and other information (including any additional information required to be submitted; hereinafter the same), the Independent Committee may set a reply period (which must be within the Independent Committee Consideration Period set out in (ii) below) as appropriate and request that the Board of Directors present an opinion (including an opinion to refrain from giving such opinion; hereinafter the same) on the Acquirer’s Acquisition terms, materials supporting such opinion, an alternative proposal (if any), and any other information or the like that the Independent Committee considers necessary.

- (ii) Independent Committee Consideration

If the Independent Committee determines that the Acquirer has fully provided the Acquisition Document and other information or the like, it shall conduct its consideration of the Acquisition terms, collection of information such as the management plans and business plans of the Acquirer and the Board of Directors and comparison thereof, and consideration of any alternative proposal presented by the Board of Directors, and the like for a period of 90 days after the receipt of the information, etc. from the Acquirer (the “Independent Committee Consideration Period”).

In order to ensure that the Independent Committee’s decision contributes to the Company’s corporate value and, in turn, the common interests of its shareholders, the Independent Committee may at the cost of the Company obtain advice from financial advisers, certified public accountants, attorneys, certified public tax accountants, consultants and any other experts.

Further, if it is necessary in order to improve the terms of the Acquisition from the standpoint of ensuring and enhancing the corporate value of the Company and, in turn, the common interests of its shareholders, the Independent Committee will directly or indirectly have discussions and negotiations and the like with the Acquirer. If the Independent Committee directly or indirectly requests the Acquirer to provide materials for consideration or any other information, or to have discussions and negotiations and the like with the Independent Committee, the Acquirer must promptly respond to such request.

The Independent Committee may, to the reasonable extent that it is considered necessary for actions such as consideration of the terms of the Acquirer's Acquisition, consideration of an alternative proposal and negotiation with the Acquirer, extend the Independent Committee Consideration Period up to 30 days.

(e) Recommendation by the Independent Committee

If the Independent Committee determines that the Acquisition falls under one of the trigger events set out below in (2) 'Requirements for the Gratis Allotment of Share Options' ("Trigger Event"), the Independent Committee will recommend the implementation of the gratis allotment of Share Options to the Board of Directors except in any specific case where further disclosure of information by the Acquirer or negotiation, discussion, or the like with the Acquirer is necessary. The Independent Committee may decide that the gratis allotment of Share Options is implemented subject to confirming the intent of the Company's shareholders in advance.

Notwithstanding the foregoing paragraph, even after the Independent Committee has already made a recommendation for the implementation of the gratis allotment of Share Options, if the Independent Committee determines that either of the events (A) or (B) below applies, it may make a new recommendation that (i) (on or before the second business day prior to the ex-rights date with respect to the gratis allotment of Share Options) the Company should cancel the gratis allotment of Share Options, or (ii) (from the effective date of the gratis allotment of Share Options and until the day immediately prior to the commencement date of the exercise period of the Share Options) the Company should acquire the Share Options for no consideration.

- (A) The Acquirer withdraws the Acquisition or the Acquisition otherwise ceases to exist after the recommendation.
- (B) There is no longer any Trigger Event due to a change or the like in the facts or other matters based on which the recommendation decision was made.

On the other hand, if the Independent Committee does not determine that the Acquisition falls under the Trigger Event, the Independent Committee will not recommend the implementation of the gratis allotment of Share Options to the Board of Directors.

Notwithstanding the foregoing paragraph, even after the above decision has been made, if there is a change in the facts or other matters based on which the decision was made and the Acquisition falls under a Trigger Event, the Independent Committee may make a new recommendation that the Company should implement the gratis allotment of Share Options.

In addition to the above, if the Independent Committee determines that the Acquisition threatens to harm the corporate value of the Company and, in turn, the common interests of its shareholders, the Independent Committee may, by providing reasons therefor, make recommendations such as to hold a general meeting of shareholders and confirm the intent of the Company's shareholders regarding the Acquirer's Acquisition.

(f) Resolutions of the Board of Directors

If the Board of Directors holds the Shareholders Meeting under (g) below, it shall promptly make a resolution in accordance with a resolution at the Shareholders Meeting.

In addition, if the Shareholders Meeting is not held, the Board of Directors, as an organization under the Companies Act, will promptly make a resolution relating to the implementation or non-implementation of the gratis allotment of Share Options respecting to the maximum extent any recommendation of the Independent Committee in accordance with (e) above.

(g) Holding of the Shareholders Meeting

The Board of Directors may convene a general meeting of shareholders (the "Shareholders Meeting") as promptly as possible and confirm the intent of the Company's shareholders if (i) the Independent Committee decides that the gratis allotment of Share Options is implemented subject to confirming the intent of shareholders in advance or recommends that the Board of Directors confirm the intent of the Company's

shareholders regarding the Acquirer's Acquisition when implementing the gratis allotment of Share Options in accordance with (e) above or (ii) the Board of Directors believes that the gratis allotment of Share Options must be implemented with respect to the Acquisition and, in light of the Directors' duty of care of a good manager, determines that it is appropriate to confirm the intent of shareholders.

(h) Information Disclosure

When operating the Plan, the Company will disclose, in a timely manner, information on matters that the Independent Committee or the Board of Directors considers appropriate including the progress of each procedure set out in the Plan (including the fact that the Acquirer's Statement and Acquisition Document have been submitted, the fact the Independent Committee Consideration Period has commenced, and the fact that the Independent Committee Consideration Period has been extended), an outline of recommendations made by the Independent Committee, and an outline of resolutions by the Board of Directors, in accordance with the applicable laws and ordinances or the regulations of the financial instruments exchange.

(2) Requirements for the Gratis Allotment of Share Options

The requirements to implement the gratis allotment of Share Options by triggering the Plan are as follows. As described above in (e) of (1) 'Procedures for Triggering the Plan,' the Board of Directors will make a determination as to whether any of the following requirements applies to an Acquisition for which the recommendation by the Independent Committee has been obtained.

Trigger Event (1)

The Acquisition is not in compliance with the procedures prescribed in the Plan (including cases where reasonable time and information necessary to consider the details of the Acquisition is not provided) and it is appropriate to implement the gratis allotment of Share Options.

Trigger Event (2)

The Acquisition falls under any of the items below and it is appropriate to implement the gratis allotment of Share Options.

- (a) An Acquisition that is determined to be one that threatens to cause obvious harm to the corporate value of the Company and, in turn, the common interests of its shareholders through any of the following actions:
- (i) A buyout of share certificates, etc. to require such share certificates, etc. to be compulsorily purchased by the Company or the Company's affiliates at a high price.
 - (ii) Management that achieves an advantage for the Acquirer to the detriment of the Company, such as temporary control of the Company's management for the low-cost acquisition of the Company Group's material assets.
 - (iii) Diversion of the Company Group's assets to secure or repay debts of the Acquirer or its group company.
 - (iv) Temporary control of the Company's management to bring about the disposal of high-value assets that have no current relevance to the Company Group's business and declaring temporarily high dividends from the profits of the disposal, or selling the shares at a high price taking advantage of the opportunity afforded by the sudden rise in share prices created by the temporarily high dividends.
- (b) The method of the Acquisition of share certificates, etc. of the Company proposed by the Acquirer is determined to be one that threatens to restrict the opportunities or freedom for shareholders to make a decision and in effect coerce shareholders into selling share certificates, etc. of the Company such as so-called coercive two-tiered takeovers (meaning an Acquisition of share certificates, etc. including tender offers, in which acquisition terms for the second stage are set to be unfavorable compared to the initial acquisition terms or unclear).
- (c) The terms of the Acquisition of share certificates, etc. of the Company proposed by the Acquirer (including matters such as type and amount of consideration of the Acquisition, the basis for calculation of the amount of consideration, other specific terms (including the timeframe and method) of the Acquisition, the illegality and feasibility of the Acquisition, and post-Acquisition policies for the Company's stakeholders such as other shareholders of the Company and customers, employees, and

trading partners of the Company Group) are determined to be inadequate or inappropriate in light of the Company's corporate value.

- (d) The Acquisition is determined to be one that threatens to significantly hinder the ensuring and enhancement of the corporate value of the Company and the common interests of its shareholders due to reasons such as that the acquisition of control through the Acquisition will damage the shareholders of the Company, the Zojirushi brand, which is the source of corporate value of the Company, or the Company's relationships with the customers, employees, trading partners, regional communities, and other stakeholders of the Company Group who support the Zojirushi brand.
 - (e) The corporate value of the Company were the Acquirer to acquire control is determined to be significantly inferior to the corporate value of the Company otherwise achieved by the Company when compared from a medium-to-long-term perspective.
 - (f) The Acquirer is determined to be significantly inappropriate as a controlling shareholder of the Company in terms of public orders and morals due to reasons such as that a person who has a relationship with an anti-social force or a terrorist-related organization is included in the management of the Acquirer or its major shareholders or capital investors.
 - (g) Any other cases similar to (a) through (f) above where (i) the Acquisition is objectively and reasonably determined to be one that threatens to significantly damage the corporate value of the Company and the common interests of its shareholders and (ii) it is determined that the Company cannot, or there is a possibility that the Company cannot, avoid significant damage being caused to the corporate value of the Company and the common interests of its shareholders unless countermeasures are taken at the relevant time.
- (3) Outline of the Gratis Allotment of Share Options

An outline of the gratis allotment of Share Options that may be implemented under the Plan is described below.

- (a) Number of Share Options
The Company will implement a gratis allotment of Share Options in the same number as the most recent total number of issued shares in the Company (excluding the number of shares in the Company held by the Company at that time) on a certain date (the "Allotment Date") that is separately determined in a resolution by the Board of Directors or the general meeting of shareholders relating to the gratis allotment of Share Options ("Gratis Allotment Resolution").
- (b) Shareholders Eligible for Allotment
The Company will allot the Share Options to those shareholders, other than the Company, who are recorded in the Company's final register of shareholders on the Allotment Date (the "Entitled Shareholders"), at a ratio of one Share Option for each share in the Company held.
- (c) Effective Date of Gratis Allotment of Share Options
The effective date of the gratis allotment of Share Options will be separately determined in the Gratis Allotment Resolution.
- (d) Number of Shares to be Acquired upon Exercise of the Share Options
The number of shares in the Company to be acquired upon exercise of each Share Option (the "Applicable Number of Shares") shall, in principle, be one share.
- (e) Amount to be Contributed upon Exercise of Share Options
Contributions upon exercise of the Share Options are to be in cash, and the amount per share in the Company to be contributed upon exercise of the Share Options will be an amount separately determined in the Gratis Allotment Resolution within the range of a minimum of one yen and a maximum of the amount equivalent to one-half of the fair market value of one share in the Company. "Fair market value" means an amount equivalent to the average closing price (including quotations) for regular transactions of the common stock of the Company on the Tokyo Stock Exchange on each day during the past 90 day period prior to the Gratis Allotment Resolution (excluding the days on which trades are not made), with any fraction less than one yen after such calculation to be rounded up to the nearest whole yen.

(f) Exercise Period of the Share Options

The commencement date will be a date separately determined in the Gratis Allotment Resolution (this commencement date of the exercise period shall be referred to as the “Exercise Period Commencement Date”), and the period will, in principle, be a period from one month to six months long as separately determined in the Gratis Allotment Resolution.

(g) Conditions for Exercise of Share Options

The following parties may not, in principle, exercise the Share Options (the parties falling under (I) through (VI) below shall collectively be referred to as “Non-Qualified Parties”):

- (I) Specified Large Holders (Note 15);
- (II) Joint holders of Specified Large Holders;
- (III) Specified Large Purchasers (Note 16);
- (IV) Persons in special relationship with Specified Large Purchasers;
- (V) Any transferee of, or successor to, the Share Options of any party falling under (I) through (IV) without the approval of the Board of Directors; or
- (VI) Any Affiliated Party (Note 17) of any party falling under (I) through (V).

Further, nonresidents of Japan who are required to follow certain procedures under applicable foreign laws and ordinances to exercise the Share Options may not as a general rule exercise the Share Options (provided, however, that the Share Options held by nonresidents will be subject to acquisition by the Company in exchange for shares in the Company as set out in (ii) of paragraph (i) below, ‘Acquisition of the Share Options by the Company,’ on the condition that it is confirmed that this would not infringe any applicable laws and ordinances). In addition, anyone who fails to submit a written undertaking, in the form prescribed by the Company and containing representations and warranties regarding matters such as the fact that he or she satisfies the exercise conditions of the Share Options, indemnity clauses and other covenants, may not exercise the Share Options.

(h) Assignment of Share Options

Any acquisition of the Share Options by assignment requires the approval of the Board of Directors.

(i) Acquisition of Share Options by the Company

- (i) At any time on or before the date immediately prior to the Exercise Period Commencement Date, if the Board of Directors deems that it is appropriate for the Company to acquire the Share Options, the Company may, on a day that falls on a date separately determined by the Board of Directors, acquire all of the Share Options for no consideration.
- (ii) On a date separately determined by the Board of Directors, the Company may acquire all of the Share Options that have not been exercised before or on the day immediately prior to such date determined by the Board of Directors, that are held by parties other than Non-Qualified Parties and, in exchange, deliver shares in the Company in the number equivalent to the Applicable Number of Shares for each Share Option.

Further, if, on or after the date upon which the acquisition takes place, the Board of Directors recognizes the existence of any party holding Share Options other than Non-Qualified Parties, the Company may, on a date determined by the Board of Directors that falls after the date upon which such acquisition takes place, acquire all of the Share Options held by that party that have not been exercised by or on the day immediately prior to such date determined by the Board of Directors and, in exchange, deliver shares in the Company in the number equivalent to the number of the Applicable Number of Shares for each Share Option. The same will apply thereafter.

- (iii) On a date separately determined by the Board of Directors that is on or after the effective date of the gratis allotment of Share Options, the Company may acquire all of the Share Options held by Non-Qualified Parties and, in exchange, deliver share options as consideration in the number equal to the Share Options to be acquired, and the exercise of such share options by Non-Qualified Parties will be subject to certain restrictions (Note 18). In addition, with respect to such share options, acquisition provisions such as a provision stipulating that in certain cases the

Company may acquire such share options by delivering reasonable consideration may be provided. The details of such share options will be determined in the Gratis Allotment Resolution.

(iv) Other matters concerning the acquisition will be separately determined in the Gratis Allotment Resolution.

(j) Delivery of Share Options in Case of Merger, Absorption-type Demerger (*kyushu bunkatsu*), Incorporation-type Demerger (*shinsetsu bunkatsu*), Share Exchange (*kabushiki koukan*), and Share Transfer (*kabushiki iten*)

These matters will be separately determined in the Gratis Allotment Resolution.

(k) Issuance of Certificates Representing the Share Options
Certificates representing the Share Options will not be issued.

(l) Other

In addition, the details of the Share Options will be separately determined in the Gratis Allotment Resolution.

(4) Effective Period, Abolition and Amendment of the Plan

The effective period of the Plan (the “Effective Period”) will be the period until the conclusion of the annual general meeting of shareholders relating to the last fiscal year ending within three years after the conclusion of this Annual General Meeting of Shareholders. However, if at that time there is a party effecting or intending to effect an Acquisition and who is determined as such by the Board of Directors, such Effective Period will be extended to the extent necessary for responding to the Acquisition that is currently made or contemplated. In addition, if, before the expiration of the Effective Period, the Board of Directors passes a resolution to abolish the Plan, the Plan will be abolished in accordance with the resolution.

Further, the Board of Directors may revise or amend the Plan even during the Effective Period of the Plan, if such revision or amendment is not against the purpose of a resolution of this Annual General Meeting of Shareholders such as cases where any law, ordinance, or regulation or rule of a financial instruments exchange or the like concerning the Plan is established, amended or abolished and it is appropriate to reflect such establishment, amendment or abolition, cases where it is appropriate to revise the wording for reasons such as typographical errors and omissions, or cases where such revision or amendment is not detrimental to the Company’s shareholders, and subject to the approval of the Independent Committee.

If the Plan is abolished, revised or amended, the Company will promptly disclose the fact that such abolition, revision or amendment has taken place, and (in the event of a revision or amendment) the details of the revision, amendment and any other matters.

(5) Revision Due to Amendment to Laws and Ordinances

The provisions of laws and ordinances referred to under the Plan are subject to the prevailing provisions as of January 11, 2022. If it becomes necessary after such date to revise the terms and conditions or definitions of terms set out in the paragraphs above due to the formulation, amendment or abolishment of laws and ordinances, the terms and conditions or definitions of terms set out in the paragraphs above will be read accordingly as required to a reasonable extent, taking into consideration the purposes of such formulation, amendment or abolishment.

(6) Other Matters

The Board of Directors may determine the details of the Plan as long as they are not already described in or inconsistent with this Proposal.

IV. Impact on Shareholders and Investors

(1) Impact on Shareholders and Investors Upon the Renewal of the Plan

The renewal of the Plan will have no direct and material impact on shareholders and investors. This is because no actual gratis allotment of Share Options will be implemented.

(2) Impact on Shareholders and Investors at the Time of the Gratis Allotment of Share Options

(a) Procedures for Shareholders upon Gratis Allotment of Share Options

If the Board of Directors or the general meeting of shareholders of the Company passes a Gratis Allotment Resolution, the Allotment Date will be determined in the same resolution and the Company will give public notice of this Allotment Date. In this case, the Company will make a gratis allotment of Share Options to the Entitled Shareholders for one Share Option per share in the Company held by the Entitled Shareholders. All Entitled Shareholders will become Share Option holders as a matter of course on the effective date of the gratis allotment of Share Options, and no further procedures, such as applying for such gratis allotment, will be necessary.

In addition, even after a Gratis Allotment Resolution is passed, the Company may, by respecting any recommendation of the Independent Committee described above in (e) of III. (1) 'Procedures for Triggering the Plan,' to the maximum extent, (i) (on or before the second business day prior to the ex-rights date with respect to the gratis allotment of Share Options), cancel the gratis allotment of Share Options, or (ii) (from the effective date of the gratis allotment of Share Options and until the day immediately prior to the commencement date of the exercise period of the Share Options) acquire the Share Options for no consideration. In such cases, no dilution of the value per share in the Company held by the shareholders will result, and it is likely that any investors who have sold or bought the shares in the Company expecting to see such a dilution will be commensurately affected as a result of a fluctuation in the share price.

(b) Procedures for Exercising Share Options

The Company will deliver, as a general rule, a document necessary to be submitted for the exercise of the Share Options (in the form prescribed by the Company and containing necessary matters such as the terms and number of the Share Options for exercise and the exercise date for the Share Options, as well as representations and warranties regarding matters such as that the shareholders themselves satisfy the exercise conditions of the Share Options, indemnity clauses and other covenants, and information necessary to allocate shares of the Company to the account of the Entitled Shareholders) and other necessary documents to the Entitled Shareholders. After the gratis allotment of Share Options, the shareholders will be issued, as a general rule, one share in the Company per Share Option by, during the exercise period of Share Options, (i) submitting these necessary documents and (ii) paying in the prescribed manner an amount equivalent to the exercise price determined in the Gratis Allotment Resolution, which will be an amount within the range of one yen and one-half of the fair market value of the Company's stock per Share Option, as a general rule. The Non-Qualified Parties intending to exercise Share Options must follow the Company's separate determination in accordance with (g) of III. (3), 'Outline of the Gratis Allotment of Share Options.'

If the Company's shareholders do not exercise their Share Options or pay the amount equivalent to the exercise price, the shares they hold in the Company will be diluted by the exercise of Share Options by other shareholders.

However, it is also possible for the Company to acquire the Share Options of all shareholders other than Non-Qualified Parties and, in exchange, deliver shares in the Company, in accordance with the procedures set out in (c) below. If the Company carries out such an acquisition procedure, all shareholders other than Non-Qualified Parties will come to receive shares in the Company without exercising their Share Options or paying an amount equivalent to the exercise price and, in principle, there will be no subsequent dilution of the shares in the Company they hold.

(c) Procedures for the Acquisition of Share Options by the Company

If the Board of Directors determines to acquire the Share Options, the Company may acquire the Share Options in accordance with the statutory procedures from the shareholders other than Non-Qualified Parties, on the date separately determined by the Board of Directors and, in exchange, deliver shares in the Company. In this case, the shareholders concerned will, in principle, come to receive one share in the Company for each Share Option as consideration for the acquisition by the Company of those Share Options, without paying the

amount equivalent to the exercise price. However, in such case, the shareholders concerned will be separately requested to provide information necessary to allocate shares of the Company to the account of the Entitled Shareholders and submit, in the form prescribed by the Company, a written undertaking including representations and warranties regarding matters such as the fact that they are not Non-Qualified Parties, indemnity clauses and other covenants.

If the Company acquires the Share Options from Non-Qualified Parties, the Company may take measures as set out in the Gratis Allotment Resolution.

In addition, the Company will disclose information to or notify its shareholders with respect to the particulars of the allotment method, exercise method and method for acquisition by the Company after any Gratis Allotment Resolution, so we request that shareholders check these details at that time.

D. Rationale of the Plan

(i) Ensure and Enhance the Company's Corporate Value and, in turn, the Common Interests of Shareholders

The Plan is renewed in line with the Basic Policy for the purpose of ensuring and enhancing the corporate value of the Company and, in turn, the common interests of its shareholders by ensuring the necessary time and information is made available for the shareholders to decide whether or not to accept the Acquisition of share certificates, etc. of the Company and for the Board of Directors to present an alternative proposal to the shareholders, and by enabling the Board of Directors to negotiate with the Acquirer for the benefit of the shareholders when the Acquisition is to be effected.

(ii) Satisfying the Requirements of the Guidelines for Takeover Defense Measures

The Plan fully satisfies the three principles set out in the Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and, in turn, Shareholders' Common Interests released by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005, namely, the principles of:

- ensuring and enhancing the corporate value and, in turn, shareholders' common interests;
- prior disclosure and shareholder intent; and
- ensuring necessity and appropriateness.

The Plan takes into account "Takeover Defense Measures in Light of Recent Environmental Changes," released by the Corporate Value Study Group of the Ministry of Economy, Trade and Industry on June 30, 2008, as well as other practices and discussions regarding takeover defense measures. Further, the Plan takes into account provisions of "Principle 1.5 Anti Takeover Measures" in "Japan's Corporate Governance Code" of the Tokyo Stock Exchange which entered into force in June 2015 and was last revised on June 11, 2021.

(iii) Placing High Value on the Intent of Shareholders

As described above in C. III. (4) 'Effective Period, Abolition and Amendment of the Plan,' the Effective Period of the Plan will be the period until the conclusion of this Annual General Meeting of Shareholders, and the Effective Period of the Plan will be extended only if the approval of the shareholders is obtained at this Annual General Meeting of Shareholders with respect to the proposal concerning the renewal of the Plan.

The Board of Directors will, in certain cases, determine whether it is appropriate to trigger the Plan by confirming the intent of shareholders at the Shareholders Meeting.

Further, the Plan is subject to a so-called sunset clause setting the Effective Period until the conclusion of this Annual General Meeting of Shareholders (if the approval of the shareholders is obtained at this Annual General Meeting of Shareholders with respect to the proposal concerning the renewal of the Plan, the Effective Period will be until the conclusion of the annual general meeting of shareholders for the last fiscal year ending within three years after the conclusion of this Annual General Meeting of Shareholders) and if, even before the expiration of the Effective Period of the Plan, the Board of Directors composed of Directors elected at the Company's general meeting of shareholders passes a resolution to abolish the Plan, the Plan will be abolished at that time in accordance with the resolution. In this regard, the life of the Plan depends on the intent of the

Company's shareholders.

- (iv) Emphasis on the Decisions of Independent Parties Such As Outside Directors and Obtaining the Advice of Third-Party Experts

The Company must obtain a recommendation from the Independent Committee composed of independent Outside Directors and outside experts when making decisions for triggering the Plan.

Further, the Independent Committee may obtain advice from experts at the Company's expense, which is a mechanism to even further ensure the objectivity and fairness of the decisions made by the Independent Committee.

- (v) Establishment of Reasonable Objective Requirements

As set out above in (e) of C. III. (1) 'Procedures for Triggering the Plan,' and C. III. (2) 'Requirements for the Gratis Allotment of Share Options' the Plan is established so that it will not be triggered unless reasonable and objective requirements have been satisfied, and ensures a structure to eliminate arbitrary triggering by the Board of Directors.

- (vi) No Dead-Hand or Slow-Hand Takeover Defense Measures

The Plan may be abolished by a meeting of the Board of Directors composed of Directors who are nominated by a person who acquires a large number of share certificates, etc. and elected at the Company's general meeting of shareholders. Therefore, the Plan is not a dead-hand takeover defense measure in which even if a majority of the members of the Board of Directors are replaced, the triggering of the measure cannot be stopped. Also, as the Company is a company with audit and supervisory committee, the term of office of the Company's Directors (excluding Directors serving as Audit and Supervisory Committee Members), which are a majority of the Directors, is one year, and the Company has not adopted a system of staggered terms of office for the Board of Directors, therefore the Plan is not a slow-hand takeover defense measure either in which triggering takes more time to stop due to the fact that all Directors (excluding Directors serving as Audit and Supervisory Committee Members) cannot be replaced at once.

(Note 1) "Proposal" includes solicitation of a third party.

(Note 2) Defined in Article 27-23(1) of the Financial Instruments and Exchange Act. The same applies throughout this proposal unless otherwise provided for.

(Note 3) Defined in Article 27-23(4) of the Financial Instruments and Exchange Act. The same applies throughout this proposal.

(Note 4) Including persons regarded as a holder under Article 27-23(3) of the Financial Instruments and Exchange Act (including persons who are deemed to fall under the above by the Board of Directors of the Company). The same applies throughout this proposal.

(Note 5) If, as of the time of announcement of the Plan on January 11, 2021, it is confirmed by a statement of large-volume holdings that there already existed a holder whose holding ratio of share certificates, etc. in respect of the share certificates, etc. of the Company is 20% or more, then in relation to that holder this percentage shall be a percentage that will be determined by the Board of Directors to be the holding ratio of share certificates, etc. held by that holder as of the time of announcement of the Plan. In this case, the Board of Directors will review the relevant parts of this proposal as appropriate.

(Note 6) Defined in Article 27-2(6) of the Financial Instruments and Exchange Act. The same applies throughout this proposal.

(Note 7) Defined in Article 27-2(1) of the Financial Instruments and Exchange Act.

(Note 8) Defined in Article 27-2(8) of the Financial Instruments and Exchange Act. The same applies throughout this proposal.

(Note 9) Defined in Article 27-2(7) of the Financial Instruments and Exchange Act (including persons who are deemed to fall under the above by the Board of Directors of the Company); provided, however, that persons provided for in Article 3(2) of the Cabinet Office Regulations concerning Disclosure of a Tender Offer by an Acquirer other than the Issuing Company are excluded from the persons described in Article 27-2(7)(i) of the Financial Instruments and Exchange Act. The same applies throughout this proposal.

- (Note 10) Defined in Article 27-23(5) of the Financial Instruments and Exchange Act, including persons regarded as a joint holder under Article 27-23(6) of the Financial Instruments and Exchange Act (including persons who are deemed a joint holder by the Board of Directors). The same applies throughout this proposal.
- (Note 11) Determination as to whether or not a “relationship whereby the acquirer of share certificates, etc. or the other shareholder substantially controls the other or they act jointly or in concert with each other” has been established between them will be made based on certain factors such as the formation of a new capital relationship, business alliance relationship, business or contractual relationship, relationship of interlocking directorate, providing financing, and credit granting, and having a beneficial interest in the Company’s share certificates, etc. through derivatives, stock lending, and other transactions, and direct or indirect effects on the Company caused by that acquirer of share certificates, etc. and the other shareholder.
- (Note 12) Whether or not an act specified in item (C) of the main text has been conducted or not will be reasonably determined by the Board of Directors. Please note that the Board of Directors may request the shareholders of the Company to provide information necessary to the extent required for making a determination as to the satisfaction of the requirements specified in item (C) of the main text.
- (Note 13) Defined in Article 9(5) of the Order for Enforcement of the Financial Instruments and Exchange Act.
- (Note 14) If an Acquirer is a fund, information relating to the matters described in (i) about each partner and other constituent members is required.
- (Note 15) “Specified Large Holder” means, in principle, a party who is a holder of share certificates, etc. issued by the Company and whose holding ratio of share certificates, etc. in respect of such share certificates, etc. is 20% or more (including persons who are deemed to fall under the above by the Board of Directors of the Company); provided, however, that a party that the Board of Directors recognizes as a party whose acquisition or holding of share certificates, etc., of the Company is not contrary to the Company’s corporate value or the common interests of shareholders or a certain other party that the Board of Directors determines in the Gratis Allotment Resolution is not a Specified Large Holder. The same applies throughout this proposal.
- (Note 16) “Specified Large Purchaser” means, in principle, a person who makes a public announcement of purchase, etc., (as defined in Article 27-2(1) of the Financial Instruments and Exchange Act; the same applies throughout this Note 16) of share certificates, etc., (as defined in Article 27-2(1) of the Financial Instruments and Exchange Act; the same applies throughout this Note 16) issued by the Company through a tender offer and whose ratio of ownership of share certificates, etc., in respect of such share certificates, etc., owned by such person after such purchase, etc., (including similar ownership as prescribed in Article 7(1) of the Order for Enforcement of the Financial Instruments and Exchange Act) is 20% or more when combined with the ratio of ownership of share certificates, etc., of a person in special relationship (including any party who is deemed to fall under the above by the Board of Directors); provided, however, that a party that the Board of Directors recognizes as a party whose acquisition or holding of share certificates, etc., of the Company is not contrary to the Company’s corporate value or the common interests of shareholders or certain other party that the Board of Directors determines in the Gratis Allotment Resolution is not a Specified Large Purchaser. The same applies throughout this proposal.
- (Note 17) An “Affiliated Party” of a given party means a person who substantially controls, is controlled by, or is under common control with such given party (including any party who is deemed to fall under the above by the Board of Directors), or a party deemed by the Board of Directors to act in concert with such given party. “Control” means to “control the determination of the financial and business policies” (as defined in Article 3(3) of the Enforcement Regulations of the Companies Act) of other corporations or entities.
- (Note 18) Specifically, the Company intends to set out matters such as that when (x) an Acquirer cancels or revokes an Acquisition, or promises that it will not conduct any subsequent Acquisition, after the Gratis Allotment Resolution and the Acquirer or other Non-Qualified Parties dispose of their shares in the Company through a securities firm designated by the Company, and (y) the Acquirer’s holding ratio of share certificates, etc. determined by the Board of Directors (when calculating the holding ratio of share certificates, etc., Non-Qualified Parties other than the Acquirer and its joint holders are deemed to be Acquirer’s joint holders, and share options held by Non-Qualified Parties, the conditions of which have not been satisfied, are excluded) falls below 20%, the Acquirer or other Non-Qualified Parties making the disposal may exercise share options held by it to the extent of their holding ratio of share certificates, etc. being under 20%.

Attachment 1

Outline of the Independent Committee Rules

- The Independent Committee shall be established by a resolution of the Board of Directors.
- There shall be no less than three members of the Independent Committee, and the Board of Directors shall elect the members from (i) Outside Directors of the Company or (ii) other experts who are independent from the management that executes the business of the Company. However, such experts must be experienced corporate managers, former government employees, parties with knowledge of the investment banking industry or the Company's business areas, attorneys, certified public accountants or researchers whose research focuses on the Companies Act or the like, or parties of similar qualifications, and must have executed with the Company an agreement separately specified by the Board of Directors that contains a provision obligating them to exercise the duty of care of a good manager or similar provision.
- Unless otherwise determined by a resolution of the Board of Directors, the term of office of members of the Independent Committee will be until the conclusion of the annual general meeting of shareholders for the last fiscal year ending within three years after the election as a member of the Independent Committee. Further, the term of office of any member of the Independent Committee who is an Outside Director of the Company shall end at the same time that person loses his or her position as an Outside Director (except in the case of their re-appointment).
- The Independent Committee may make decisions on the matters listed below and make recommendations to the Board of Directors containing the details of and reasons for the decisions. Respecting such recommendations of the Independent Committee to the maximum extent, the Board of Directors shall make decisions as an organization under the Companies Act (however, if a resolution is otherwise adopted at the Shareholders Meeting, the Board of Directors shall follow that resolution). Each member of the Independent Committee must make such decisions solely with a view to whether or not the corporate value of the Company and, in turn, the common interests of its shareholders will be enhanced, and they must not serve the purpose of their own interests or those of the management of the Company.
 - (a) The implementation or non-implementation of the gratis allotment of Share Options.
 - (b) The cancellation of the gratis allotment of Share Options or the acquisition of Share Options for no consideration.
 - (c) Determining whether the Acquisitions should be made subject to the Plan.
 - (d) Determining the information that the Acquirer and the Board of Directors should provide to the Independent Committee, and the deadline for the provision of that information.
 - (e) Examination and consideration of the terms of the Acquirer's Acquisitions.
 - (f) Discussion and negotiation with the Acquirer.
 - (g) Request for an alternative proposal to the Board of Directors and consideration of the alternative proposal submitted by the Board of Directors.
 - (h) Determination for extension of the Independent Committee Consideration Period.
 - (i) Determination whether it is necessary to convene a general meeting of shareholders regarding the implementation of the gratis allotment of Share Options.
 - (j) Approval of revision or amendment of the Plan.
 - (k) Determination whether takeover defense measures other than the Plan should be introduced.
 - (l) Any other matters that the Plan prescribes that the Independent Committee may conduct.
 - (m) Any matters that the Board of Directors separately seeks advice from the Independent Committee or that the Board of Directors separately determines that the Independent Committee may conduct.
- The Independent Committee may, in order to collect necessary information, request the Company's Directors, employees or other persons whom the Independent Committee considers necessary, to attend a meeting of the Independent Committee, and to explain the matters requested by the Independent Committee.
- The Independent Committee may at the cost of the Company obtain advice from financial advisers, certified public accountants, attorneys, certified public tax accountants, consultants and any other experts.
- Each member of the Independent Committee may convene a meeting of the Independent Committee at the time of the Acquisition or at any other times.
- As a general rule, resolutions of meetings of the Independent Committee shall pass with a majority

of voting rights when all of the members of the Independent Committee are in attendance (including attendance via video conference or telephone conference; hereinafter the same). However, in unavoidable circumstances a resolution may pass with a majority of voting rights when a majority of the members of the Independent Committee are in attendance.

Attachment 2

Career Summary of the Members of the Independent Committee

Name (Date of birth)	Career Summary	
Naoki Takagishi (December 9, 1964)	<p>April 1992</p> <p>February 1998</p> <p>February 2005</p> <p>April 2007</p> <p>April 2008</p> <p>April 2011</p> <p>April 2014</p> <p>February 2015</p> <p>April 2016</p> <p>April 2021</p>	<p>Joined Shunji Takagishi Certified Tax Accountant Office (currently Shunji Takagishi and Naoki Takagishi Certified Tax Accountants Office) (to present)</p> <p>Registered as certified tax accountant (to present)</p> <p>Outside Corporate Auditor, the Company</p> <p>Part-time Lecturer (Commercial Law), Distant Learning Division, Nihon University</p> <p>Part-time Lecturer (Commercial Law), Faculty of Law, Daito Bunka University</p> <p>Part-time Lecturer (Commercial Law), Faculty of Regional Policy, Takasaki City University of Economics</p> <p>Part-time Lecturer (Commercial Law), School of Management, Tokyo University of Science (to present)</p> <p>Outside Director, the Company (to present)</p> <p>Associate Professor (Business Law), Faculty of International Politics and Economics, Nishogakusha University</p> <p>Professor (Business Law), Faculty of International Politics and Economics, Nishogakusha University (to present)</p>
Shingo Torii (January 18, 1953)	<p>April 1980</p> <p>June 1983</p> <p>March 1992</p> <p>March 1999</p> <p>March 2001</p> <p>March 2003</p> <p>February 2009</p> <p>May 2014</p> <p>October 2014</p> <p>June 2015</p> <p>February 2020</p> <p>June 2020</p>	<p>Joined ITOCHU Corporation</p> <p>Joined Suntory Limited (currently Suntory Holdings Limited)</p> <p>Director of the Board, Suntory Limited</p> <p>Managing Director, Suntory Limited</p> <p>Senior Managing Director, Representative Director of the Board, Suntory Limited</p> <p>Senior Executive Vice President, Representative Director of the Board, Suntory Limited</p> <p>Representative Director, Executive Vice President, Suntory Holdings Limited</p> <p>Director, Beam Suntory Inc. (to present)</p> <p>Representative Director, Vice Chairman of the Board, Suntory Holdings Limited (to present)</p> <p>Outside Director, ROHTO PHARMACEUTICAL CO., LTD. (to present)</p> <p>Outside Director, the Company (to present)</p> <p>Outside Director, DAIKIN INDUSTRIES, LTD. (to present)</p>

Name (Date of birth)	Career Summary	
Hitoshi Utsunomiya (December 8, 1971)	April 1995	Joined Nissho Iwai Corporation (currently Sojitz Corporation)
	October 2004	Registered as attorney-at-law (to present)
	October 2004	Joined Seiwa Law Office
	January 2011	Partner, Seiwa Law Office (to present)
	February 2019	Outside Corporate Auditor, the Company
	February 2020	Outside Director; Audit and Supervisory Committee Member (to present)

(Note 1) No special interests exist between each person and the Company.

(Note 2) The Company has designated each person as an independent director as defined by the Tokyo Stock Exchange and has submitted notifications of their appointments to the Exchange.

Schedule

Status of Major Shareholders of the Company

The status of major shareholders of the Company as of November 20, 2021 is as follows.

Name of Shareholder	Number of Shares (Shares)	Shareholding Ratio (%)
CLEARSTREAM BANKING S.A.	10,166,500	15.03
Norio Ichikawa	8,395,096	12.41
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,954,200	7.33
Waco Co., Ltd.	4,196,300	6.20
Zojirushi Supplier Stock Ownership Association	2,209,720	3.27
Ichikawa International Scholarship Foundation	1,650,000	2.44
Mitsubishi UFJ Trust and Banking Corporation	1,552,494	2.30
River City Co., Ltd.	1,544,741	2.28
Houei Shoji Co., Ltd.	1,425,259	2.11
Yoshitaka Ichikawa	1,309,000	1.94

(Note 1) The shareholding ratio is calculated after deducting the number of treasury stock (4,968,791 shares).

(Note 2) Although an amendment report to the statement of large-volume holdings has been made available for public inspection as of October 14, 2021 by Great Fortune International Development Limited, and its joint holders, Ace Frontier Limited and Galanz Japan Co., Ltd., the Company cannot confirm the number of shares substantially held by them as of November 20, 2021, therefore they are not included in the status of major shareholders above.

The status of shareholding as of October 7, 2021 pursuant to such statement of large-volume holdings is as follows.

Name	Address	Number of Share Certificates, Etc. Held (Shares)	Holding Ratio of Share Certificates, Etc. (%)
Great Fortune International Development Limited	Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands	10,166,500	14.00
Ace Frontier Limited	Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands	1,092,300	1.50
Galanz Japan Co., Ltd.	1-5-5, Kitahama, Chuo-ku, Osaka-shi	100	0.00
Total	-	11,258,900	15.51

<Shareholder proposal>

Proposal 6 has been submitted by one of the Company's shareholders.

In the Japanese original, the summary of and reasons for the proposal below are presented as received from the proposing shareholder.

Proposal 6: Election of Two (2) Directors (excluding Director serving as Audit and Supervisory Committee Members)

1. Summary of the proposal

To elect Mr. Hiroshi Saito and Mr. Toshihiko Ishihara as directors of the Company.

Note that Mr. Hiroshi Saito's and Mr. Toshihiko Ishihara's informal consents have been obtained respectively with regard to their assumption of office as directors of the Company.

2. Reasons for Proposal

The Company forecasts a year-on-year increase in sales and profit for this fiscal year ended November 2021. We believe that the Company's management and employees have made great efforts based on the medium-term two year management plan "ADAPT Phase II" (from fiscal year ended November 2021 to fiscal year ended November 2022) despite the COVID-19-induced severe business environment, increased costs by raising resource prices and semiconductor shortage concerns, etc. Although, as the Company pointed out in its fiscal year 2021 third quarter report, the increase in income and profit for this term compared to the same term last year benefitted from the influence of stay-at-home demand caused by COVID-19, and it cannot be denied that this stay-at-home demand is potentially temporary. In addition, the Company's ROE, which shows the company's profitability, has been declining; for example, it was 12.3% in fiscal year ended November 2016, 8.4% in fiscal year ended November 2017, 6.5% in fiscal year ended November 2018, 5.9% in fiscal year ended November 2019 and 5.5% in fiscal year ended November 2020. The numbers for these recent years are lower than the average ROE of the listed companies in Japan. We believe that globalization is the key to a continuous growth strategy that will improve and maintain performance and revenue into the future and overcome this situation in which the Company has recorded a fall in sales for five consecutive years and a fall in profit for four consecutive years up through the fiscal year ended November 2020. In particular, we believe that globalization shall be brought to realization via a four-fold path of "New Market Exploration", "New Product Development", "New Business Model Establishment" and "New Financial Strategy".

The Company has already achieved a certain share in the domestic market for its main products, such as cooking appliances, electric products for living and home electric appliances and has a high valuation, especially for high added value products. Also, the Company's high-function and high-quality products have been highly acclaimed by foreign tourists and capturing such inbound demand has contributed to improve sales. However, there are also undeniable facts that the domestic market is almost oversaturated and there is little room for further development due to declining birthrate and a growing proportion of elderly people, and slow down in inbound demand due to the influence of prolonged COVID-19. On the other hand, in the global market, due to differences in standards of living and dietary habits etc., there remain areas where the Company's brand has not achieved full penetration, leaving significant room for growth. Especially in the North American and Chinese markets, the world's largest markets, we believe that the Company shall be able to achieve greater revenue and growth, armed with the advantages of the Company's technical strength and brand power ("New Market Exploration").

In order to achieve such New Market Exploration, it is necessary to work together with new partners through both domestic and cross-border M&A and business alliances, as well as brave expansion into new business sectors and acquire new technology. To this end, we must cultivate new perspectives in such new markets that see us identifying new needs and developing new and profitable products that are more attractive to meet them ("New Product Development"). For example, the Company, as announced officially March 5, 2021, has started product co-development with Guangdong Galanz Enterprises Co., Ltd. (Galanz), offering a foothold for the Company's new product development. In addition, through collaboration with new partners, the Company should focus on developing new products, such as products assimilating smart devices which innovation is ongoing globally and environment-friendly products which are attracting more attention from consumers recently. By selling these kind of new products, etc., co-developed with new partners making use of the Company's brand power, the Company may expect an increases in domestic growth as well due to increased sales capabilities.

Also, in order to increase market appeal in new markets, we find it effective to have localized marketing teams and an accurate grasp of local consumer needs. In addition, to maintain the Company's

superiority over competitors in domestic and overseas markets and to accommodate appropriately the possibility of delayed recovery of the inbound demand from foreign tourists, it is necessary to promote e-commerce capabilities, which is acknowledged as a priority area in “ADAPT Phase II”, along with establishing sales channels utilizing digital marketing and social media, and establishing a new business model involving Company - consumer interaction, namely D2C (Direct to Consumer) (“New Business Model Establishment”). In this point, though the Company has experiments that attempt these new aspects, such as Zojirushi Shokudo, Zojirushi-Ginpakubento, etc., the Company’s continuous growth requires achieving further improvement via inclusion of globalization and sustainability into new business models, allowing further penetration of the Company’s brand. As described, we think that pursuing “New Product Development” and “New Business Model Establishment” in the global strategy shall lead to increased domestic production, development and sales innovation, and would contribute to the maintenance and improvement of the Company’s superiority in the domestic market even in the face of fiercer global competition in the domestic household appliance sector.

Furthermore, achieving these global strategies necessitates implementing stronger and more effective financial strategies. In other words, to establish a strong revenue-driven financial base, and ensure a sustainable high-dividend payout ratio for shareholders, the Company must seek a constructive dialogue-driven relationship with shareholders, technological advancement and stable human resources via sufficient investment and substantial employee education, generous compensation, and other forms of improved employee treatment. In particular, through aggressive investment, the Company should update factory equipment, make progress in product development ability by increasing R&D expenses, and actively promote new talent. On top of that, in order to achieve aggressive “New Market Exploration”, “New Product Development” and “New Business Model Establishment”, we consider that it is important to have flexible and agile financing arrangements inside and outside of Japan, along with effective use of capital markets and collaboration with financial institutions (“New Financial Strategy”). In that regard, we welcome the Company’s decision to choose the Prime market which positioned as “the market which calls funds from overseas investors” upon the restructuring of Tokyo Stock Exchange, as it is in line with the “New Financial Strategy”. On the other hand, for bold investment associated with aggressive “New Market Exploration”, “New Product Development” and “New Business Model Establishment”, we think it is important to cover the cost through an appropriate amount of borrowing, based on the premise of maintaining a sound borrowing ratio, while maintaining attractive dividends and competitive salary levels.

In order to promote the Company’s globalization through focus on the above four aspects, we think that it is crucial for the Company to have board members with deep understanding and knowledge of global markets as well as high capability and rich experience, so that their innovative perspective and various opinions may be reflected in the management strategy.

Mr. Hiroshi Saito, whom we propose in this Proposal, has detailed knowledge of domestic and international financial practices cultivated through a career with the Bank of Japan and the International Monetary Fund and is able to advise on the financial strategy based from a global perspective. Also, he has experience driving positive disclosure as well as budget reform during his career as governor of Yamagata prefecture, therefore the Company can expect his proposals on implementation of transparent governance. Furthermore, he has consulting experience related to management strategy, project support and improving operational efficiency, etc., with Accenture Japan Ltd.; therefore he can provide fruitful advice on management strategy planning for the Company. On the back of these records and experience, he currently holds the position of President of the Japanese subsidiary of a listed company on the New York Stock Exchange which provides services including ESG consulting, thus he can make a proposal concerning the cutting-edge and world-level ESG-related measures and policies as well.

Next, from Mr. Toshihiko Ishihara, the Company can expect advice from a financial perspective taking advantage of his knowledge and experience as a qualified accountant and accounting expert. And, based in his academic success as an economic and business science researcher of over thirty years in universities both in and outside of Japan, he has deep knowledge in advanced management, which will allow him to provide advice on the Company’s global and advanced management strategies backed by actual practice and theory. Furthermore, he has many research achievements regarding public governance, and in his recent book “Value for Money Audit -UK Public Inspection Study-” (2021, *Kwansei Gakuin Daigaku Shuppankai*, it is shown that verifying economic performance, efficiency, and effectivity from a VFM (Value for Money) perspective is the most effective way to organizational improvement and innovation, which theory is worth considering for private corporations; thus, he is expected to make valuable contributions to the Company’s governance and business systems restructuring.

From these points of view, we believe that Mr. Saito and Mr. Ishihara are the best talents to support the Company’s continuous development through globalization both from the actual practice and theoretical perspectives. Therefore, we would like to propose them as outside board members of the Company.

3. Name of the Candidate, Career Summary, etc.

Name (Date of Birth)	Career Summary	Number of Company Shares owned
Hiroshi Saito (1957/10/18)	1981/4- Bank of Japan 1986/10- IMF(International Monetary Fund) 1990/5- Bank of Japan (Reinstatement) 1999/5- Deposit Insurance Corporation of Japan 2003/4- Bank of Japan (Resign after reinstatement) 2003/5- The Yamagata Bank, Ltd. (-2004/11) 2005/2 Yamagata Prefecture, Governor (-2009/2) 2007/5- Japan Municipal Hospital Founder Association, President (-2009/2) 2007/8- Regional Power Renaissance Agency Study Group (Cabinet Office), Deputy Chairman(-2007/12) 2008/1- Committee for the Promotion of Decentralization Reform (Cabinet Office), Expert Member(-2009/2) 2009/5- Japan Municipal Hospital Association, Adviser (- 2020/5) 2009/9- The Association for Real Estate Securitization, Disciplinary Committee member (present post) 2009/9- The Tokyo Foundation, Senior Research Fellow (- 2020/5) 2011/1- Accenture Japan Ltd., Partner/Managing Director (- 2016/1) 2011/1- Akita International University, Visiting Professor (present post) 2012/6- AFS Intercultural Programs Japan, Auditor/Councilor (present post) 2015/4- School of International and Public Policy, Hitotsubashi University, Visiting Professor (-2017/3) 2017/4- Childbirth and Childcare Inclusive Support Promotion Organization, Director (present post) 2017/9- AECOM Japan Co., Ltd., President/Head of Japan Overseas Investment (present post)	0 shares
Toshihiko Ishihara (1960/5/28)	1989/8- Registration of Certified Public Accountant in Japan 1990/4- Kyoto Gakuen University Faculty of Economics, Full-time Instructor (-1994/3) 1994/4- Kyoto Gakuen University Faculty of Business Administration, Assistant Professor (-1995/3) 1995/4- Kwansei Gakuin University Institute for Industrial Research, Assistant Professor (-2000/3) 1998/1- Deloitte Touche Tohmatsu LLC Osaka Office, Academic Advisor (-1998/12) 2000/4- Kwansei Gakuin University Institute for Industrial Research, Professor (-2005/3) 2005/4- Kwansei Gakuin University Professional Graduate School Institute of Business and Accounting, Professor (present post) 2007/2- The University of Birmingham Institute of Local Government Studies (UK), Honorary Professor (- 2012/7) 2009/4- Kwansei Gakuin University Professional Graduate School Institute of Business and Accounting, Chairperson (-2011/3) 2009/4- Kwansei Gakuin University, Councilor (-2011/3)	0 shares

2010/1-	Ministry of Internal Affairs and Communications, Local Administrative and Financial Review Meeting, Member (-2010/12)	
2010/7-	The Japanese Institute of Certified Public Accountants, Front office, Director (-2013/7)	
2011/1-	Cabinet Office, 30th Local Government System Research Council, Member (-2013/6)	
2011/4-	Nara City Audit Commissioner (-2012/3)	
2013/9-	The Japan Society of Comparative International Governmental Accounting Research, Chairman (-2016/9)	
2014/7-	The Chartered Institute of Public Finance and Accountancy, Japan Branch, Representative Director (present post)	
2014/11-	Nagoya City Transportation Operating Business Plan Advisory Panel, Chairman (-2016/11)	
2015/6-	The Nihon Seima Co., Ltd. Special Committee, Member (present post)	
2015/7-	The Chartered Institute of Public Finance and Accountancy (UK), Board Member(-2021/7)	
2018/6-	Asia and Pacific Trade Center Co., Ltd., Director (present post)	
2018/9-	Plus Social Investment Co., Ltd., Auditor (present post)	
2020/6-	Nishinomiya City, Chief Audit Commissioner (present post)	
2020/9-	Kent Business School (UK), Honorary Professor (present post)	
2021/3-	The University of Edinburgh Business School(UK), Honorary Professor (present post)	

4. Opinion of the Board of Directors

The Board of Directors opposes this Proposal.

5. Reasons for Opposition

In order to ensure objectivity and fairness in nominating candidates for Directors, the Company has the Nomination and Compensation Committee, whose chairperson is an Independent Outside Director, and a majority of the members of which are Independent Outside Directors as a voluntary advisory body to the Board of Directors, and the Company seeks advice from the Nomination and Compensation Committee with respect to candidates for Directors. The Company has determined the candidates for Directors submitted to this Annual General Meeting of Shareholders after seeking advice from the Nomination and Compensation Committee and based on the report by the Nomination and Compensation Committee. All of the candidates for Directors proposed by the Board of Directors are Directors who are currently in office, and the Board of Directors believes that the current structure of the Board of Directors is optimal in terms of the credentials, achievements, expertise, and other aspects of the candidates. Please refer to pages 5 and 11 for a list of such candidates for Directors.

The Board of Directors of the Company has also sought advice from the Nomination and Compensation Committee with respect to the election of the two candidates proposed by the proposing shareholder. The Nomination and Compensation Committee examined and deliberated the nomination of the two candidates in terms of their credentials, achievements, expertise, and other aspects following an interview with the candidates by all of the members of the Nomination and Compensation Committee, including two Independent Outside Directors. As a result, the Compensation and Nomination Committee reported to the Board of Directors that the current structure of the Board of Directors is optimal and it would not be appropriate to replace the current Directors not serving as Audit and Supervisory Committee Members with Mr. Hiroshi Saito and Mr. Toshihiko Ishihara, who are the candidates proposed in this Proposal. The reasons therefor were as follows.

- (i) The Company determines the candidates for Directors after comprehensively taking into consideration the balance of the knowledge, experience and ability (i.e., their set of skills) and diversity of the Board of Directors as a whole, and as a result of examination based on the current roles and responsibilities fulfilled by the Independent Outside Directors of the Company, the Compensation and Nomination Committee finds that the current structure of the Board of Directors is necessary and adequate in order to achieve sustainable growth and the enhancement of corporate value over a medium-to-long-term by enhancing the Zojirushi brand, the source the corporate value of the Company, and further accelerating “Horizontal expansion” and “Vertical expansion” of the Company’s business domains. (For the skill matrix of the current structure of the Board of Directors in light of such set of skills, please refer to “Knowledge, experience, and skills of Directors” on page 17.)
- (ii) It is the Company’s basic policy to select candidates for Outside Directors who have expertise and extensive experience and are capable of fulfilling their roles and responsibilities from an objective and neutral perspective, and the Independent Outside Directors of the Company have fully fulfilled the roles and responsibilities required under Principle 4.7 of the Corporate Governance Code. The three candidates for Outside Directors (excluding Directors serving as Audit and Supervisory Committee Members) nominated by the Company will be able to continue to fully fulfill their roles and responsibilities and have gained an understanding of the details, features, issues, and other matters relating to the Company’s business through the performance of their duties as Outside Directors so far, and thus they are able to provide advice, based on their knowledge, on the Company’s business policy and business improvement from a perspective of promoting sustainable growth of the Company and enhancing its corporate value over the medium-to-long-term in a manner that is more appropriate compared to the candidates proposed in this Proposal.
- (iii) From the perspective of an optimal board size in light of the content of the Company’s business and company size as well, the proposed structure of the Board of Directors composed of a total of 13 Directors (10 Directors (excluding Directors serving as Audit and Supervisory Committee Members) and 3 Directors serving as Audit and Supervisory Committee Members) is appropriate. The current

structure of the Board of Directors was evaluated to be balanced and appropriate as a result of the evaluation of the effectiveness of the Board of Directors conducted in December 2021 with third-party involvement. In addition, the overall evaluation of the Board of Directors improved from the previous year and it is confirmed that the effectiveness of the Board of Directors has increased through the variety of efforts made in the previous year, and therefore, from the perspective of ensuring continuity and stability of management as well, it is optimal to continue the unremitting initiatives of the current management, who understand the details, features, issues, and other matters relating to the Company's business.

The Board of Directors conducted careful and full deliberations based on this report from the perspective of enhancing the shareholder value and corporate value of the Company. As a result, the Board of Directors determined that the current structure of the Board of Director would be the most appropriate and sufficient from the perspective of enhancing corporate value and, in turn, the common interests of shareholders and that, from such perspective, the election of the two candidates proposed in this Proposal as Outside Directors (excluding Directors serving as Audit and Supervisory Committee Members) would not be the optimal choice. Therefore, the Board of Directors opposes this Proposal.

End