

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

Securities Code 5943

March 9, 2022

To Our Shareholders

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

Notice of the 72nd Annual Meeting of Shareholders

Dear Shareholders,

Please kindly be informed that the 72nd Annual Meeting of Shareholders will be held for the purposes indicated below. From the perspective of preventing the spread of the novel coronavirus infections, shareholders are kindly advised to refrain from attending the meeting in person irrespective of your health conditions and exert your voting rights in advance either in writing or via the Internet.

In making use of your voting rights in writing or via the Internet, please take the time to examine the shareholders meeting reference documents below and exert your voting rights by 5:00 pm on March 29 (Tuesday), 2022.

Notes

1. Date March 30 (Wednesday), 2022, 10 am (Reception starts at 9 am)
2. Place ANA Crowne Plaza Hotel Kobe, 10th Floor, The Ballroom
1-Chome, Kitano-cho, Chuo-ku, Kobe City
3. Objectives of the Meeting
Matters to Report:
 1. Business report for the 72nd term (from January 1, 2021 to December 31, 2021), consolidated financial documents and the audit report of Accounting Auditor/Audit & Supervisory Committee for the consolidated financial documents
 2. Financial documents report for the 72nd term (from January 1, 2021 to December 31, 2021)

Agenda

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| Proposal 1 | Appropriation of Earned Surplus |
| Proposal 2 | Partial Revision of Articles of Incorporation |
| Proposal 3 | Election of Six Directors (Excluding Directors Serving as Audit & Supervisory Committee Members) |
| Proposal 4 | Continuation of Policy against Large-scale Purchase of Shares of Noritz Corporation (Takeover Countermeasures) |
| Proposal 5 | Issuance of Shares for Subscription through Third-Party Allotment |

4. Matters Concerning Exercising of Voting Rights

[Exerting voting rights in writing (using the Exertion of Voting Rights Form)]

Having expressed your opinion for or against the proposal on the enclosed Exertion of Voting Rights Form, please send it to reach us by 5:00 pm on March 29 (Tuesday), 2022.

[Exerting voting rights by the Internet]

Please review the “Instructions for exerting voting rights by the Internet” shown on the next page, access our company’s designated Internet voting site (<https://evote.tr.mufg.jp/>) and cast your vote by 5:00 pm on March 29 (Tuesday), 2022.

Noritz Corp. is also a member of the electronic voting platform for corporate investors run by Investor Communications Japan (ICJ).

* If you plan to attend the meeting, please submit the enclosed Exertion of Voting Rights Form to the receptionist at the meeting.

* The following matters have been posted on our company’s web site (<https://www.noritz.co.jp/>) in accordance with the law and with the stipulations of Article 19 of our Articles of Incorporation, and as such are not included in this notice. Accordingly, the documents attached to the Notice of the 72nd Annual Meeting of Shareholders constitute a part of consolidated financial documents and non-consolidated financial documents audited by Accounting Auditor in the creation of the accounting audit report, and a part of business report, consolidated financial documents and non-consolidated financial documents audited by the Audit & Supervisory Committee in the creation of the audit report.

The following matters concerning financial documents

- (1) Consolidated statement of changes in equity
- (2) Notes to consolidated financial documents
- (3) Non-consolidated statement of changes in equity
- (4) Notes to non-consolidated financial documents

* If any circumstances arise before the day of the shareholders meeting requiring revisions to the shareholders meeting reference documents, business report, financial documents or consolidated financial documents, notice will be made on our company’s website (<https://www.noritz.co.jp/>).

Instructions for exerting voting rights by the Internet

1. Voting right exerting website

- (1) Voting rights can be exerted by the Internet only by accessing the voting right exerting website designated by the Company (<https://evote.tr.mufg.jp/>) via a personal computer and/or smartphone. (However, the service is not available from 2:00 am to 5:00 am every day.)
- (2) Please note that exerting your voting rights by the Internet may not be possible depending on the environment in which you are using the Internet, such as if you are using a firewall or similar setup for your connection, if an antivirus software is set, when TLS encrypted communication is not specified, or when a proxy server is used.
- (3) If you have any questions about the system, etc., please contact the help desk shown at the bottom of this page.

2. Method for exerting voting rights by the Internet

- (1) Via a personal computer
 - a) At the voting right exerting website (<https://evote.tr.mufg.jp/>), please use the “log-in ID” and “temporary password” printed on the Exertion of Voting Rights Form, follow the on-screen instructions and enter your vote for or against each proposal.
 - b) To prevent unauthorized access by third parties other than shareholders (impersonation) and the alteration of the content of votes cast, shareholders using the voting right exerting website will be asked to change their “temporary password” on the website.
 - c) New “log-in ID” and “temporary password” will be provided each time a shareholders’ meeting is convened.
- (2) Via a smartphone
 - a) You may automatically access the voting right exerting website to exert your voting rights by scanning the “Log-in QR Code” printed on the Exertion of Voting Rights Form. (You do not need to enter “log-in ID” and “temporary password.”)
 - b) For security reasons, you can exert your voting rights using the QR Code only once. From the second time onward, you will be asked to enter the “log-in ID” and “temporary password” even after scanning the QR Code.
 - c) It may not be possible to log in to the voting right exerting website using the QR Code depending on the model of smartphone you are using. If you cannot log in using the QR Code, please exert your voting rights by following the instructions shown above in 2. (1) Via a personal computer.
* QR Code is a registered trademark of DENSO WAVE INCORPORATED.

3. Handling of voting rights exerted multiple times

- (1) If you exert your voting rights in duplicate by mail and the Internet, the content of the vote cast by the Internet shall be deemed as valid.
- (2) If you exert your voting rights by the Internet multiple times, the last vote shall be deemed as valid.

4. Cost incurred upon accessing the voting right exerting website

The cost incurred upon accessing the voting right exerting website, such as connection fees of Internet service providers, will be borne by the shareholders.

For inquiries about system, etc.

Mitsubishi UFJ Trust and Banking Corporation Securities Agency Division (help desk)

Telephone: 0120-173-027 (Business hours: from 9:00 am to 9:00 pm; toll-free in Japan)

Shareholders Meeting Reference Documents

Proposals and Reference Matters

Proposal 1 Appropriation of Earned Surplus

Noritz's basic policy on dividends is to ensure an ongoing and stable provision of dividends. Comprehensively taking into consideration the business performance and the financial environment this term, the 72nd term-end dividend shall be 51 yen per common share.

Regarding the Term-End Dividend

- (1) Type of dividend assets
Cash
- (2) Regarding the dividend assets allotment and total
51 yen per common share
Dividend total of 2,345,951,754 yen
- (3) Effective date of the dividends from earned surplus:
March 31, 2022

(Reference) Basic Policy on Shareholder Returns

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

In addition, the Company will consider the acquisition of treasury shares in a flexible manner.

Proposal 2 Partial Revision of Articles of Incorporation

1. Reason for the Proposal

Since the revised provisions provided for in the proviso of Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced on September 1, 2022, the Company proposes to make the following changes to its Articles of Incorporation in order to introduce the system for providing informational materials for the general meeting of shareholders in electronic format.

- (1) As the Company will be required to stipulate in its Articles of Incorporation that it will take measures to provide the information contained in the Reference Documents for the General Meeting of Shareholders, etc. in an electronic format, Paragraph (1) of Article 19 (Measures to provide information in an electronic format, etc.) in “Proposed amendments” will be newly established.
- (2) Paragraph (2) of Article 19 (Measures to provide information in an electronic format, etc.) in “Proposed amendments” will be newly established in order to allow the scope of matters to be described in the written documents to be delivered to shareholders who have requested that the delivery of written documents be limited to the scope specified in the applicable Ordinance of the Ministry of Justice, among the matters for which provision of information in an electronic format is to be taken with respect to the contents of Reference Documents for General Meetings of Shareholders.
- (3) Since the provisions of Article 19 (Internet disclosure and deemed provision of the General Meeting of Shareholder’s reference and other documents) of the current Articles of Incorporation will become unnecessary when the system of provision of materials for the General Meeting of Shareholders in an electronic format is introduced, this provision will be deleted.
- (4) Article 2 of the Supplementary Provisions regarding the effective date, etc. of the provisions to be newly established and deleted above will be established. Article 2 of the Supplementary Provisions shall be deleted after the expiration of its term.

2. Details of the Changes

The changes are as follows.

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

Current Articles of Incorporation	Proposed Changes
<p><u>(Internet disclosure and deemed provision of the General Meeting of Shareholder’s reference and other documents)</u></p> <p><u>Article 19 The Company, on the occasion of the General Meeting of Shareholders, following directives set by the Ministry of Justice, will use the Internet to give disclosure of all information required to be entered or shown in General Meeting of Shareholders reference documents, business reports, statements of accounts and consolidated statements of accounts, thereby when shareholders take measures to have status allowing receipt of such information this can be deemed to have been provided to the shareholders.</u></p> <p style="text-align: center;">(Newly established)</p> <p style="text-align: center;">Supplementary Provisions</p> <p>(Transitional measure for the liability limitation agreement with Audit & Supervisory Board Members prior to the transition to a company with Audit & Supervisory Committee)</p>	<p style="text-align: center;">(Deleted)</p> <p>(Measures to provide information in an electronic format, etc.)</p> <p><u>Article 19 (1) When the Company convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.</u></p> <p><u>(2) Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></p> <p style="text-align: center;">Supplementary Provisions</p> <p>(Transitional measure for the liability limitation agreement with Audit & Supervisory Board Members prior to the transition to a company with Audit & Supervisory Committee)</p>

Current Articles of Incorporation	Proposed Changes
<p data-bbox="164 259 790 562">Agreements limiting the indemnity liability stipulated in Article 423, Paragraph 1 of the Companies Act signed with Audit & Supervisory Board Members (including those who were serving as Audit & Supervisory Board Members) for their acts prior to the termination of the 69th Annual Meeting of Shareholders to be held with respect to the fiscal year ended December 31, 2018 shall be as prescribed in Article 38 of the Articles of Incorporation prior to the partial revision of Articles of Incorporation based on the resolution of the said Annual Meeting of Shareholders.</p> <p data-bbox="379 685 579 714">(Newly established)</p>	<p data-bbox="871 259 1453 678"><u>Article 1</u> Agreements limiting the indemnity liability stipulated in Article 423, Paragraph 1 of the Companies Act signed with Audit & Supervisory Board Members (including those who were serving as Audit & Supervisory Board Members) for their acts prior to the termination of the 69th Annual Meeting of Shareholders to be held with respect to the fiscal year ended December 31, 2018 shall be as prescribed in Article 38 of the Articles of Incorporation prior to the partial revision of Articles of Incorporation based on the resolution of the said Annual Meeting of Shareholders.</p> <p data-bbox="823 685 1442 801"><u>(Effective date of the establishment of new measures to provide information in an electronic format, etc. and transitional measures, etc. accompanying the establishment of the new measures)</u></p> <p data-bbox="876 804 1453 1072"><u>Article 2</u> (1) <u>The deletion of Article 19 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) and the establishment of Article 19 (Measures for Providing Information in Electronic Format, Etc.) in “Proposed Amendments” to the current Articles of Incorporation shall become effective as of September 1, 2022.</u></p> <p data-bbox="983 1075 1453 1344">(2) <u>Notwithstanding the provision of Paragraph (1), Article 19 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) of the current Articles of Incorporation shall remain effective regarding any general meeting of shareholders held on a date within six months from September 1, 2022.</u></p> <p data-bbox="983 1346 1430 1556">(3) <u>Article 2 of these Supplementary Provisions shall be deleted on the date when six months have elapsed from September 1, 2022 or three months have elapsed from the date of the general meeting of shareholders in Paragraph (2), whichever is later.</u></p>

Proposal 3 Election of Six Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)

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

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

Candidate Number	Name	Position	Category of candidates	Status of attendance (The Board of Directors meetings in the 72nd term)
1	Satoshi Haramaki	President and CEO	Reappointment	100% (15 / 15)
2	Masamine Hirokawa	Director and Senior Managing Executive Officer	Reappointment	100% (15 / 15)
3	Masayuki Takenaka	Director and Senior Managing Executive Officer	Reappointment	100% (15 / 15)
4	Kazushi Hirooka	Director and Managing Executive Officer	Reappointment	100% (15 / 15)
5	Hidenari Ikeda	Managing Executive Officer	New	-
6	Hirokazu Onoe	External Director	Reappointment External Independent	92% (11 / 12)

Reappointment: Candidate for reappointment as Director

New: Candidate for new appointment as Director

External: Candidate for External Director

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

Note: Since Hirokazu Onoe was newly elected as a Director at the 71st Annual General Meeting of Shareholders held on March 30, 2021, his number of meetings of the Board of Directors differs from that of other Directors.

Candidate Number	Name (Date of Birth)	Personal History, Position, Duties (Important Concurrent Positions)	Number of the Company's Shares in Possession
1 (Reappointment)	Satoshi Haramaki (April 16, 1959)	<p>Apr. 1983 Joined Noritz Corp.</p> <p>Feb. 2009 President and Representative Director of SHINWA INDUSTRY CO., LTD</p> <p>Jan. 2011 Executive Officer, Deputy Head of Research & Development Headquarters, Noritz Corp.</p> <p>Sep. 2014 Managing Executive Officer, Head of Research & Development Headquarters, Noritz Corp.</p> <p>Mar. 2015 Director and Managing Executive Officer, Head of Research & Development Headquarters, Noritz Corp.</p> <p>Jan. 2019 Director and Senior Managing Executive Officer, Head of Domestic Business Headquarters, Noritz Corp.</p> <p>Oct. 2020 President and CEO, Noritz Corp. (current position)</p> <p>(Reasons for nomination as a candidate for Director) Satoshi Haramaki has led the Group's business as the president and representative director of our subsidiary, Head of Research & Development Headquarters and Domestic Business Headquarters of the Company, etc. In addition, he has assumed office as Director of the Company since March 2015, and has been fulfilling his responsibilities as President and CEO of the Company since October 2020. He has been nominated as a candidate for Director based on the judgment that his continued participation in management decision-making in all areas, including global and sustainability issues, as a representative of the Company will contribute to the improvement of the Company's corporate value over the medium to long term.</p>	14,500 shares
2 (Reappointment)	Masamine Hirosawa (December 13, 1961)	<p>Nov. 1988 Joined Noritz Corp.</p> <p>Jan. 2010 President and Representative Director of Kanto Sangyo Co., Ltd.</p> <p>Oct. 2011 Executive Officer of Noritz Corp. Director and General Manager of Noritz (China) Co., Ltd. Chairman of Noritz (Shanghai) Home Appliance Co., Ltd.</p> <p>Apr. 2016 Managing Executive Officer, General Manager of China Business Promotion Division of International Business Headquarters, Noritz Corp. Chairman of Sakura (Cayman) Co., Ltd. Chairman of Sakura China Holdings (H.K.) Co., Ltd.</p> <p>Jul. 2016 Chairman of Noritz (China) Co., Ltd.</p> <p>Jan. 2017 Managing Executive Officer, Head of International Business Headquarters, Noritz Corp. Chairman of Noritz Hong Kong Co., Ltd.</p> <p>Feb. 2017 Director of NORITZ AUSTRALIA PTY LTD</p> <p>Mar. 2017 Director and Managing Executive Officer, Head of International Business Headquarters, Noritz Corp.</p> <p>Jan. 2019 Director and Senior Managing Executive Officer, Head of International Business Headquarters, Noritz Corp.</p> <p>Oct. 2020 Director and Senior Managing Executive Officer, Head of Products Headquarters, Noritz Corp. (current position)</p> <p>(Reasons for nomination as a candidate for Director) Masamine Hirosawa has been the president and representative director of our domestic and overseas subsidiaries, Head of International Business Headquarters of the Company, etc. He has been fulfilling his responsibilities as Head of Products Headquarters of the Company since October 2020. In addition, he has assumed office as Director of the Company since March 2017. He has been nominated as a candidate for Director based on the judgment that his continued participation in management decision-making, including response to digital transformation and environmental / social issues in manufacturing, as Director who oversees manufacturing functions will contribute to the improvement of the Company's corporate value over the medium to long term.</p>	8,500 shares

Candidate Number	Name (Date of Birth)	Personal History, Position, Duties (Important Concurrent Positions)	Number of the Company's Shares in Possession
3 (Reappointment)	Masayuki Takenaka (September 24, 1963)	<p>Jan. 1992 Joined Noritz Corp.</p> <p>Mar. 2004 Director, Head of Planning & Administration Headquarters, HARMAN CO., LTD.</p> <p>Jun. 2011 Managing Director, Head of Administration Headquarters, HARMAN CO., LTD.</p> <p>Jan. 2012 General Manager of General Administration Division of Administration Headquarters, Noritz Corp.</p> <p>Oct. 2013 President and Representative Director of S-Hearts' CORPORATION</p> <p>Apr. 2016 Executive Officer of Noritz Corp.</p> <p>Jan. 2017 Senior Executive Officer, Head of Administration Headquarters, Noritz Corp.</p> <p>Mar. 2017 Director and Managing Executive Officer, Head of Administration Headquarters, Noritz Corp.</p> <p>Jan. 2019 Director and Managing Executive Officer, Head of Administration Headquarters, Noritz Corp.</p> <p>Oct. 2020 Director and Managing Executive Officer, Head of Planning & Administration Headquarters, Noritz Corp.</p> <p>Mar. 2021 Director and Senior Managing Executive Officer, Head of Planning & Administration Headquarters, Noritz Corp. (current position)</p> <p>(Reasons for nomination as a candidate for Director) Masayuki Takenaka has been the president and representative director of our subsidiary, Head of Administration Headquarters of the Company, etc., and has fulfilled his responsibilities as Head of Planning & Administration Headquarters of the Company since October 2020. In addition, he has assumed office as Director of the Company since March 2017. He has been nominated as a candidate for Director based on the judgment that his continued participation in management decision-making, including response to a company-wide digital transformation and sustainability issues, as Director who oversees corporate administration functions will contribute to the improvement of the Company's corporate value over the medium to long term</p>	8,500 shares
4 (Reappointment)	Kazushi Hirooka (April 9, 1964)	<p>Apr. 1987 Joined Noritz Corp.</p> <p>Jan. 2016 Executive Officer, Deputy Head of Sales & Marketing Headquarters, Domestic Business Headquarters, Noritz Corp.</p> <p>Sep. 2017 Managing Executive Officer, Head of Sales & Marketing Headquarters, Domestic Business Headquarters, Noritz Corp.</p> <p>Mar. 2020 Director and Managing Executive Officer, Head of Sales & Marketing Headquarters, Domestic Business Headquarters, Noritz Corp.</p> <p>Jul. 2020 Director and Managing Executive Officer, Head of Marketing Headquarters, Domestic Business Headquarters, Noritz Corp.</p> <p>Oct. 2020 Director and Managing Executive Officer, Head of Marketing Headquarters, Noritz Corp. (current position)</p> <p>(Reasons for nomination as a candidate for Director) Kazushi Hirooka has been the Head of Sales & Marketing Headquarters of the Company, etc., and has fulfilled his responsibilities as Head of Marketing Headquarters of the Company since October 2020. In addition, he has assumed office as Director of the Company since March 2020. He has been nominated as a candidate for Director based on the judgment that his continued participation in management decision-making, including response to digital transformation and environmental / social issues in marketing, as Director who oversees domestic sales functions will contribute to the improvement of the Company's corporate value over the medium to long term.</p>	6,000 shares

Candidate Number	Name (Date of Birth)	Personal History, Position, Duties (Important Concurrent Positions)	Number of the Company's Shares in Possession
5 (New)	Hidenari Ikeda (July 18, 1971)	<p>Apr. 1996 Joined Noritz Corp.</p> <p>Mar. 2015 General Manager of Hot Water Product Planning Department of Marketing Management Headquarters, Noritz Corp.</p> <p>Jan. 2016 President and Representative Director of HARMAN CO., LTD.</p> <p>Sep. 2017 General Manager of Corporate Planning Department, Noritz Corp.</p> <p>Jan. 2018 Executive Officer, General Manager of Corporate Planning Department, Noritz Corp.</p> <p>Jan. 2019 Executive Officer, General Manager of Corporate Planning Division, Noritz Corp.</p> <p>Oct. 2020 Managing Executive Officer, Head of Global Headquarters, Noritz Corp. (current position)</p> <p>Jan. 2021 Chairperson of Noritz USA Corporation Director of NORITZ AUSTRALIA PTY LTD Chairman of Noritz (China) Co., Ltd. (current position) Chairman of Noritz Hong Kong Co., Ltd. (current position) Chairman of Sakura (Cayman) Co., Ltd. (current position) Chairman of Sakura China Holdings (H.K.) Co., Ltd. (current position)</p> <p>(Important Concurrent Positions) Chairman of Noritz (China) Co., Ltd. Chairman of Noritz Hong Kong Co., Ltd. Chairman of Sakura (Cayman) Co., Ltd. Chairman of Sakura China Holdings (H.K.) Co., Ltd.</p> <p>(Reasons for nomination as a candidate for Director) Hidenari Ikeda has been the president and representative director of our subsidiary, General Manager of Corporate Planning Division of the Company, etc., and has fulfilled his responsibilities as Head of Global Headquarters of the Company since October 2020. He has been nominated as a candidate for Director based on the judgment that his participation in management decision-making, including response to global environmental / social issues, as Director who oversees international business will contribute to the improvement of the Company's corporate value over the medium to long term.</p>	568 shares

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

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

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

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

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

Note 4. The Company has signed an agreement with Hirokazu Onoe limiting his liability for damages prescribed in Article 423, Paragraph 1 of the Companies Act, based on the regulations of Article 427, Paragraph 1 of the same act. The limitation of liability for damages according to this agreement is the minimum amount as stated in Article 425, Paragraph 1 of the Companies Act, and this agreement will be continued if Hirokazu Onoe is reelected.

Note 5. Independence of the candidates for External Directors

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

Note 6. The "Number of the Company's Shares in Possession" shows the number of shares held (including those held through Noritz Employees' Shareholding Association) as of December 31, 2021.

Note 7. Signing of directors and officers liability insurance agreement

To attract talented human resources and allow them to fully exert their capabilities in business execution without constraint, the Company has signed a directors and officers liability insurance agreement with an insurance company, the outline of which is as described below. The agreement is scheduled to be renewed with the same content in July 2022. Of the candidates for the post of Director presented in this Proposal, those for reappointment have been already insured by the said insurance agreement, and will continue to be insured after their election. The candidate for new appointment will be insured after his election.

[Outline of the insurance agreement]

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

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

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

The insurance agreement covers damage that may be incurred by insured Directors as a result of receiving a claim for damages arising from their conduct relating to their business.

However, there are certain exemptions such as the case where insured Directors committed an act knowing that the act would violate laws and regulations.

* Opinions of the Audit & Supervisory Committee

All three members of the Audit & Supervisory Committee attended the Nominating Committee and the Remuneration Committee and confirmed the matters concerning the election and remuneration of Directors (excluding Directors serving as Audit & Supervisory Committee Members).

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

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

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

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

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

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

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

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

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

Proposal 4 Continuation of Policy against Large-scale Purchase of Shares of Noritz Corporation (Takeover Countermeasures)

Noritz Corporation decided to adopt a proposal concerning continuation of the policy against large-scale purchase of its shares (takeover countermeasures) (hereafter simply referred to as the “Policy”) in a meeting of the Board of Directors on February 13, 2019, the Policy being also approved at the 69th Annual Meeting of Shareholders held on March 28, 2019.

Following this, it was resolved to continue the Policy at the meetings of the Board of Directors on March 26, 2020 and March 30, 2021 (both being the first such meetings after conclusion of the Annual Meeting of Shareholders). However, the Policy is to expire at the conclusion of the first meeting of the Board of Directors to be held after the Annual Meeting of Shareholders for 2022.

Since the decision to adopt and continue the Policy, Noritz Corporation has continued to deliberate on it in light of changes in socio-economic conditions, and we decided to continue the Policy at the meeting of the Board of Directors held on February 14, 2022.

Provisions of laws and regulations incorporated in the Policy are those implemented as of February 14, 2022, and if such laws and regulations are amended and implemented (including changes in titles of such laws and regulations and establishment of new successor laws and regulations thereof) after such date, provisions of laws and regulations incorporated herein shall be understood to refer to those which essentially succeed such provisions after the relevant amendment, unless otherwise provided by the Board of Directors of the Company.

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

1. Business and Social Mission of Noritz Corporation

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

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

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

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

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

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

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

2. Basic Concept on Large-scale Purchase

The Board of Directors of Noritz Corporation does not hold a negative view on every Large-scale Purchase case. However, some Large-scale Purchases of shares will not necessarily secure and improve the target company’s corporate values as well as common interests of its shareholders because they would obviously damage such corporate values and common interests of shareholders according to their purposes, create disadvantage for shareholders by forcing them to accept such a Large-scale Purchase, or because they do not provide the board of directors and shareholders of the target company with sufficient information on details of Large-scale Purchases and Large-scale Purchasers and do not give a long enough period of time for its shareholders to review purchase conditions and other matters and for the board of directors of the target company to conduct a review and propose alternatives. Noritz Corporation believes

the need to proactively take countermeasures to prevent such Large-scale Purchase cases. The Company also believes, of course, that the final judgment on acceptance or rejection of any other Large-scale Purchase cases should be up to its shareholders rather than the Board of Directors.

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

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

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

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

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

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

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

Major shareholders of the Company, as of December 31, 2021, are as indicated in Exhibit 1.

3. Objectives and Outlines of Large-scale Purchase Rules

(1) Objectives of Large-scale Purchase Rules

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

(2) Outlines of Large-scale Purchase Rules

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

"Large-scale Purchases" refers to (a) purchasing of the Company's shares by a Specific Shareholder Group (Note 1) aiming to gain

20% or greater of voting rights (Note 2); (b) purchasing of the Company's shares resulting in a Specific Shareholder Group possessing 20% or greater of voting rights; (c) attempts to form a Specific Shareholder Group with 20% or greater of voting rights or other actions resulting in such; (d) attempts by a Specific Shareholder Group whose voting rights have reached 20% or greater through no involvement of their own to further increase those voting rights by 1% or more. (In all instances only cases recognized by the Board of Directors to be such actions will qualify; those where the Board of Directors has given its permission in advance are excluded.) Persons engaged in such activities are called "Large-scale Purchasers."

Note 1) A Specific Shareholder Group refers to those possessors of share certificates of the Company ("share certificates" being as prescribed in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act; "possessors" being as prescribed in Article 27-23, Paragraph 1 and inclusive of those fitting the description of Article 27-23, Paragraph 3 in the same Act), or those involved in share purchasing ("share purchasing" being as prescribed in Article 27-2, Paragraph 1 of the above Act, inclusive of purchases in the stock exchange / financial goods market) and joint possessors of shares ("joint possessors" as prescribed in Article 27-23, Paragraph 5 of the same Act, inclusive of those fitting the description in Article 27-23, Paragraph 6 of the same Act) and specific person involved ("specific persons involved" as prescribed in Article 27-2, Paragraph 7 of the same Act).

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

As stated previously, actions which may fit the descriptions above are still not to be called "Large-scale Purchases" if done with the advance permission of the Board of Directors. However, if the permission of the Board of Directors is retracted due to (a) an alteration of the factual situation on which the permission of the Board of Directors was presupposed, or (b) the realization by the Board of Directors that the said facts were not true, the action involved shall be defined as a Large-scale Purchase and the relevant rules applied. This shall take effect from the withdrawal of permission in the case of (a), or from the initial purchasing or other relevant action in the case of (b). The advice of a Special Committee may be obtained by the Board of Directors in cases involving retraction of their permission if so required by the Board.

An outline of the rules on Large-scale Purchases is as follows.

(i) Establishment of the Special Committee

A Special Committee is established by the Company as an organization independent of the Board of Directors and as a permanent organ of the Company, in order to secure the objectivity and rationality of the Board of Directors in the progress of a series of procedures based on Large-scale Purchase Rules, and in the judgment on sufficient measures to secure the Company's corporate values and the common interests of its shareholders under a situation where such rules are followed.

The number of members of the Special Committee is between three and five inclusive. Such members will be appointed by the Board of Directors from External Officers, lawyers, certified public accountants, certified tax accountants, academic experts and business executives of other companies, or those well versed with the investment banking industry or the industrial field of Noritz.

The current Special Committee consists of three members. At the Board of Directors meeting held on February 14, 2022, in regard to the continuation of the Policy, it was decided to reappoint all three members who are currently in office, conditional upon the consent of the shareholders at the Annual Meeting of Shareholders to be held on March 30, 2022. The profile of these three candidates for members of the Special Committee (current members of the Special Committee) is in Exhibit 2.

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

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

The Special Committee may, at the expense of the Company, seek advice from independent third parties (including financial

advisers, lawyers, certified public accountants, certified tax accountants, consultants and other experts) to ensure that an appropriate judgment is made by such committee.

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

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

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

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

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

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

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

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

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

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

The Board of Directors will, after the Notice of Sufficient Information is sent, use either of the following periods for its evaluation, review, negotiation, opinion formation and planning of alternatives according to the level of difficulty in evaluation of Large-scale Purchase or otherwise: 60-day period for purchase of all the shares of the Company through a takeover bid in which

consideration is limited to Japanese yen in cash, or 90-day period for Large-scale Purchase other than the one defined above (hereinafter called “Board Evaluation Period”; this period will include the Special Committee’s time for evaluating Large-scale Purchases. In case that the Board of Directors requests the Special Committee to reconsider its recommendation, each period may be extended for a maximum of 14 days.) During the Board Evaluation Period, the Board will, by receiving advice from external experts and others, fully evaluate and review provided Large-scale Purchase Information, carefully summarize its opinion, and immediately after the end of the Board Evaluation Period shall take a decision on whether to impose countermeasures and make this decision publicly known. In addition, if deemed necessary by the Board of Directors, the Board may negotiate with Large-scale Purchasers to obtain better terms and conditions on Large-scale Purchase, and present alternatives to shareholders of the Company.

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

In addition, in the event of publication of the date for the General Meeting for Confirmation as given in Section 4. (4) “Non-Commencement of Large-scale Purchase” below, Large-scale Purchasers shall not start their Large-scale Purchase until the confirmation of the shareholders’ intention not to continue to impose countermeasures at the General Meeting for Confirmation, in addition to the Board Evaluation and Shareholders Deliberation Period.

4. Large-scale Purchase Rules Compliant Case

(1) Handling in Principle

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

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

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

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

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

- (i) Have no intention to seriously participate in management of the Company and just buy shares of the Company for the purpose to boost the share price and force the Company and interested parties of the Company to buy such shares (so-called “green mailer”).
- (ii) Buy shares of the Company for the purpose to transfer the Company’s business-critical intellectual property rights, know-how, trade secrets, main clients and customers to the Large-scale Purchaser or its group company by temporarily gaining control of the Company.
- (iii) Buy shares of the Company, intending to divert the Company’s assets to collateral for debts or resource for liquidation of the Large-scale Purchaser or its group company after gaining control of the Company.
- (iv) Buy shares of the Company for the purpose to sell or otherwise dispose of high-value assets including real estate and securities, which are not connected to the Company’s business for the time being, and using proceeds from such disposal, temporarily pay high dividends or sell such shares at the highest price, taking advantage of soaring share price due to temporarily paid high dividends, by temporarily gaining control of the Company.
- (v) Cases not coming under (i) to (iv) above but where the Large-scale Purchaser does not intend sincerely to manage the Company in a reasonable manner or where acquisition of a controlling share by the Large-scale Purchaser impedes the recovery of the Company.

- (vi) The Large-scale Purchaser's proposed manner to purchase the Company's shares may restrict opportunities of judgments or the freedom of shareholders of the Company, and virtually force such shareholders to sell their shares of the Company, including high-handed two-tier takeover bid (which refers to a takeover bid where the purchaser does not offer to purchase all the shares in the first round of purchase, and set unfavorable purchase conditions, or give no details, for the second round). (However, every partial takeover bid does not fall into this category as a matter of course.)

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

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

(3) Shareholders Intention Confirmation Procedure

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

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

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

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

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

(4) Non-Commencement of Large-scale Purchase

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

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

5. Large-scale Purchase Rules Noncompliant Case

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

6. Concrete Countermeasures

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

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

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

7. Impact on Shareholders and Investors

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

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

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

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

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

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

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

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

(i) Procedure for Exercise of Equity Warrants

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

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

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

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

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

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

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

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

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

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

The Policy will be on the agenda in the Company’s Annual Meeting of Shareholders scheduled on March 30, 2022 to obtain support from its shareholders, and if failing to have a majority vote from the shareholders in attendance, then the Policy will be abolished at that point.

In the event such agenda is supported by shareholders of the Company, the Policy will expire at the closure of the first meeting of the Board of Directors after the Company’s Annual Meeting of Shareholders to be held in 2025. Even before such expiration, the Policy will be abolished at the time when (i) a proposal to abolish the Policy is approved in an Annual Meeting of Shareholders of the Company or by the Board of Directors, or the Policy will be modified at the time when (ii) change of the Policy is resolved at a meeting of an Annual Meeting of Shareholders.

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

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

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

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

9. Rationality of the Policy

The Policy satisfies the three principles ((i) Principle of Securement and Improvement of Corporate Values and Common Interests of Shareholders, (ii) Principle of Prior Disclosure and Shareholders Intention, and (iii) Principle of Secured Necessity and Appropriateness) set forth in the “Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Values and Shareholders’ Common Interests” published by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005, as stated below, and has a high level of rationality.

This Policy also contains contents based on the substance of the “Takeover Defense Measures in Light of Recent Environmental Changes” published by the Corporate Value Study Group on June 30, 2008.

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

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

- (ii) Reliance on reasonable intention of shareholders

The Policy will be on the agenda in the Company’s Annual Meeting of Shareholders scheduled on March 30, 2022 to confirm the intention of its shareholders, and if failing to gain support from such shareholders, then the Policy will not be put into effect. For this reason, continuation or discontinuation of the Policy and details thereof rely on the reasonable intention of shareholders of the Company.

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

- (iii) Emphasis on judgments by highly independent outsiders

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

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

- (iv) Establishment of reasonable and objective imposition requirements

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

- (v) Measure to prevent Directors’ arbitrary judgments

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

- (vi) No dead-hand or slow-hand anti-takeover measure

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

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

Major Shareholders of Noritz Corporation (as of December 31, 2021)

#	Name of Shareholder	# of shares held		% of voting rights	
		Shares	%	Shares	%
1	The Master Trust Bank of Japan, Ltd. (Trust Account)	4,859,100	10.57		
2	The Dai-Ichi Mutual Life Insurance Company	2,303,100	5.01		
3	Sumitomo Mitsui Banking Corporation	2,199,695	4.78		
4	Noritz Clients' Shareholding Association	1,976,209	4.30		
5	CHOFU SEISAKUSHO Co., Ltd.	1,520,000	3.30		
6	Noritz Customers' Shareholding Association	1,342,500	2.92		
7	Custody Bank of Japan, Ltd. (Trust Account)	1,170,000	2.54		
8	Noritz Employees' Shareholding Association	1,148,915	2.50		
9	Nippon Electric Glass Co., Ltd.	1,119,300	2.43		
10	TOTO LTD.	1,100,300	2.39		

(Notes)

1. The top ten major shareholders of the Company are listed.
2. The Company holds 4,798,597 treasury shares but they are excluded from the list above.
3. The percentage of voting rights is calculated after deducting 4,798,597 treasury shares.

Name and Profile of Special Committee Members

<<Members>>

Yasuko Masaki

[Profile]	April 1982	Registered as a lawyer (Kobe Bar Association (currently Hyogo-Ken Bar Association)) Joined Shimoyama Law Office
	May 1991	Renamed Shimoyama Law Office as Shimoyama & Masaki Law Office Co-Representative of Shimoyama & Masaki Law Office
	April 2004	Professor, The Kwansei Gakuin University Law School
	January 2008	External Director, HI-LEX CORPORATION (current position)
	April 2008	President of Hyogo-Ken Bar Association
	April 2011	Chief of Hyogo District Office, The Japan Legal Support Center (Houterasu)
	April 2013	President of Kinki Federation of Bar Associations
	June 2014	External Inspector, CONSUMERS CO-OPERATIVE KOBE (current position)
	March 2018	External Audit & Supervisory Board Member, Noritz Corp.
	April 2018	Vice Chairman of Japan Federation of Bar Associations
	March 2019	External Director, Audit & Supervisory Committee Member, Noritz Corp. (current position)
	July 2020	Representative of Shimoyama & Masaki Law Office (current position)

* Yasuko Masaki is an External Director who is an Audit & Supervisory Committee Member for Noritz.

Hirokazu Onoe

[Profile]	September 1970	Joined GLORY LTD.
	April 2000	General Manager, Vending Machine & Amusement Systems Business Div., GLORY LTD.
	June 2001	Director, GLORY LTD.
	June 2004	Managing Director, GLORY LTD.
	June 2006	Director & Managing Executive Officer, GLORY LTD.
	April 2009	General Manager, Corporate Strategy Div., GLORY LTD.
	June 2010	Director & Executive Vice President, GLORY LTD.
	April 2011	President & Representative Director, GLORY LTD.
	April 2019	Chairman of the Board & Representative Director, GLORY LTD. (current position)
	March 2021	External Director, Noritz Corp. (current position)

* Hirokazu Onoe is an External Director for Noritz.

Yasuhiro Tani

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

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

Outlines of Equity Warrants

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

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

2. Total Number of Equity Warrants to Be Issued

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

3. Effective Date of Equity Warrant Gratis Allocation

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

4. Class of Target Shares for Equity Warrants

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

5. Total Number of Target Shares for Equity Warrants

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

6. Amount of Payment for Exercise of Equity Warrants

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

7. Exercise Period

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

8. Assignment Restriction

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

9. Exercise Conditions

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

10. Acquisition Clause

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

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

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

11. Gratis Acquisition

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

12. Others

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

Proposal 5 Issuance of Shares for Subscription through Third-Party Allotment

1. Establishment and purpose of the foundation

The Company's Board of Directors resolved at a meeting held on February 14, 2022 to establish the Noritz Foundation (provisional name; hereinafter, the "Foundation").

Founded on the belief that "Quality baths bring joy to people," the Company operates according to the group mission of providing "The Simple Comforts of Life." The Foundation will be established with the objective of providing "joy in bathing" and "new joy for people and the earth" based on this founding belief and group mission. Through providing support for organizations and individuals conducting health and welfare activities and encouragement for research and development in cutting-edge technology, the Foundation aims to contribute to improving the wellbeing of society.

In activities aimed at solving social problems, the Company has so far conducted social contribution activities closely aligned with its business, such as supplying shower booths to regions recovering from earthquakes, as well as undertaking various support activities connected to local communities, such as donating to the promotion of art and culture, cleaning up the earth, and collecting donations for charities related to COVID-19. By continuing with those activities together with activities aligned with the Foundation's purposes, the Company believes it can increase the value of joy brought about through bathing and hot water in addition to contributing to the Company's sustainable growth and enhancement of corporate value so that the Company can realize the group mission of providing "The Simple Comforts of Life" and further contribute to the achievement of SDGs.

2. Disposition of treasury stock

The Foundation will stably secure part of the funds for its activities from dividends on the Company's shares, and the Company seeks to contribute to the long-term, stable activities of the Foundation by disposition of treasury stock to the Foundation for a particularly beneficial pay-in amount (1 yen per share) by way of third-party allocation.

3. Rationality of disposition conditions, etc.

The disposition of treasury stock is intended to contribute business resources for the Foundation, and the Company plans to allocate the funds raised towards the Foundation's establishment and preparation expenses. Therefore, we believe that the price of disposition of 1 yen per share is reasonable. Furthermore, we consider the volume of shares to be disposed to be of a rational scale considering that the Foundation will secure business resources to provide continuous and stable encouragement and support in multiple ways for social welfare support activities and research and development. In addition, in making the contribution to the Foundation, for now the shares subject to the disposition of the treasury stock are not likely to be distributed in the share market, the impact on the market from distribution of the disposal of treasury stock is thought to be negligible.

The number of shares pertaining to the disposition of treasury stock is 1,000,000 shares (with 10,000 voting rights), which corresponds to 1.97% of the Company's total number of issued shares of 50,797,651 shares as of December 31, 2021 (2.18% of the total number of voting rights of 459,560). There are some concerns regarding dilution of the share through this disposition, however, on the condition that the shareholders approve of this proposal, the Company plans to conduct an acquisition of treasury stock up to 1,100,000 shares from March 31, 2022 until December 31, 2022. Therefore, substantial dilution of shares can be avoided or mitigated within a rational scope.

Furthermore, the voting rights for the Company's shares that will be held by the Foundation through the disposition of treasury stock are to be exercised on the premise of focusing on increase the corporate value of the Company over the long term after preparing standards for exercising voting rights based on the perspective of ensuring stable dividends that will provide the Foundation's business resources going forward. We therefore judge that arbitrary exercise of voting rights can be avoided.

Accordingly, for the sake of the above purpose and objective we judge the paid amount of 1 yen per share to be rational, and in accordance with the provisions of Articles 199 and 200 of the Companies Act, we request approval to delegate to the Board of Directors of the Company decisions on offering items and unconfirmed items pertaining to the disposition of treasury stock by third-party allocation.

(1) Details of treasury stock to be disposed of

(i) Disposal quantity	1,000,000 common shares
(ii) Disposal price	1 yen per share
(iii) Amount of financing	1,000,000 yen
(iv) Disposal method	Disposition by way of third-party allotment
(v) Disposal method	Noritz Foundation (provisional name)
(vi) Disposal date	June 2022 (scheduled)
(vii) Authorization of decision to be made	In addition to the matters set out above, decisions on matters pertaining to the disposition of treasury stock shall be delegated to the Board of Directors of the Company.

(2) Summary of the Foundation

(i) Name	Noritz Foundation (provisional name) * The official name is planned to be decided via internal appeal.	
(ii) Location	93 Edo-machi, Chuo-ku, Kobe City	
(iii) President	Soichiro Kokui	
(iv) Activities	Encouragement and support for research and activities that create joy in areas such as bathing, the environment, and health and welfare, which support daily living.	
(v) Resource for business	Approximately 45 million yen to 50 million yen per year The Company plans to make a donation of 5 million yen upon the establishment of the Foundation. This is to be used as business resources in addition to dividends on the Company's shares allocated by the disposition of treasury stock mentioned (1) above.	
(vi) Date of establishment	May 2022 (scheduled)	
(vii) Relationships with the Company		
	Capital relationship	The Company is the donor of the fundamental property of the Foundation
	Personnel relationship	One of the representative directors of the Company plans to serve concurrently as a councilor.
	Business relationship	The Company plans to donate 5 million yen to the Foundation upon its establishment.

(Reference)

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

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

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

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

[Four fundamental requirements]

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

■ Selection Criteria for Independent External Officers

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

1. Relationship to the Company and its Affiliated Companies

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

2. Relationship to Shareholders

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

3. Economic Interests

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

4. Relationship to Business Partners and Client Companies

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

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

5. Relationship to Creditors

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

6. Relationship to Professional Service Providers

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

7. Term of Office

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

8. Close Relatives

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

9. Other

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