

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

(Securities Code 7965)
January 27, 2023

To Shareholders with Voting Rights:

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

NOTICE OF THE 78th ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

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

Please be informed that the 78th Annual General Meeting of Shareholders of Zojirushi Corporation (the “Company”) will be held for the purposes as described below.

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

Regarding the exercise of voting rights beforehand, please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:00 p.m. on Wednesday, February 15, 2023, Japan time.

- 1. Date and Time:** Thursday, February 16, 2023 at 10:00 a.m. Japan time
(The reception desk will open at 9:00 a.m.)
- 2. Place:** Knowledge Capital Congrès Convention Center
Second Basement, North Building, Grand Front Osaka
3-1 Ofukacho, Kita-ku, Osaka

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company’s 78th Fiscal Year (November 21, 2021 – November 20, 2022) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee
 2. Non-consolidated Financial Statements for the Company’s 78th Fiscal Year (November 21, 2021 – November 20, 2022)

Proposals to be resolved:

<Company proposals>

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Partial Amendments to the Articles of Incorporation
- Proposal 3:** Election of Ten (10) Directors (excluding Directors serving as Audit and Supervisory Committee Members)
- Proposal 4:** Election of One (1) Director serving as Audit and Supervisory Committee Member

<Shareholder proposal>

Proposal 5:	Share Buyback
Proposal 6:	Appropriation of Surplus
Proposal 7:	Partial Amendments to the Articles of Incorporation (Disclosure of Cost of Capital)
Proposal 8:	Partial Amendments to the Articles of Incorporation (Disclosure of Individual Compensation of Each Director)
Proposal 9:	Partial Amendments to the Articles of Incorporation (Sale of Cross-Shareholdings)
Proposal 10:	Abolishment of Plan for Countermeasures to Large-scale Acquisitions of the Shares in the Company (Takeover Defense Measures)

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. The reception desk will open at 9:00 a.m.
- Among the documents to be provided in this Notice of the General Meeting of Shareholders, the “Systems and Policies of the Company” and the “Basic Policy on the Control over the Company” in the Business Report, the “Consolidated Statement of Changes in Shareholders’ Equity” and the “Notes to Consolidated Financial Statements” in the Consolidated Financial Statements, and the “Non-consolidated Statement of Changes in Shareholders’ Equity” and the “Notes to Non-consolidated Financial Statements” in the Non-consolidated Financial Statements are posted on the Company’s website (<https://www.zojirushi.co.jp/ir/>) (note: available only in Japanese) in accordance with provisions of laws and regulations as well as Article 16 of the Company’s Articles of Incorporation, and therefore are not provided in the attached documents of this Notice of the General Meeting of Shareholders.

The Business Report, the Consolidated Financial Statements and Non-consolidated Financial Statements provided in the attached documents of this Notice of the General Meeting of Shareholders are part of the Business Report, the Consolidated Financial Statements and Non-consolidated Financial Statements that were audited by the Audit and Supervisory Committee, and the Consolidated Financial Statements and Non-consolidated Financial Statements that were audited by the Accounting Auditor.

- Should the Business Report, the Consolidated Financial Statements, the Non-consolidated Financial Statements, and/or the Reference Documents for the General Meeting of Shareholders require revisions, the revised versions will be posted on the Company’s website (<https://www.zojirushi.co.jp/ir/>) (note: available only in Japanese).

Measures to Prevent the Spread of COVID-19

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

Reference Documents for the General Meeting of Shareholders

Proposals and References

<Company proposals> (Proposals 1 to 4)

Proposal 1: Appropriation of Surplus

It is proposed that the surplus be appropriated as below.

It is proposed that a dividend of ¥17 per share be paid out, taking into consideration in a comprehensive manner the Company's business results for the fiscal year ended November 20, 2022, internal reserves required for strengthening the Company's fundamentals and for future business expansion, and earnings forecast.

As the Company has paid out an interim dividend of ¥17 per share, the annual dividends for the fiscal year will amount to ¥34 per share.

(1) Type of dividend property

Cash

(2) Allocation of dividend property and total amount thereof

¥17 per share of common stock of the Company

Total amount of dividends: ¥1,150,139,233

(3) Effective date of dividends from surplus

February 17, 2023

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the Proposal

The Company proposes the following amendments to the Articles of Incorporation, in conjunction with the enforcement on September 1, 2022 of the amended provisions stipulated in the proviso to Article 1 of the Supplementary Provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) and the introduction of the system for electronic provision of materials for the General Meeting of Shareholders.

- (1) Article 16, Paragraph 1 of the Proposed Amendments will be newly established to stipulate in the Articles of Incorporation that information contained in the Reference Documents for the General Meeting of Shareholders, etc. shall be provided electronically.
- (2) Article 16, Paragraph 2 of the Proposed Amendments will be newly established to enable limitation of the scope of items to be provided in the paper-based documents that will be delivered to shareholders who have requested it to the scope set forth in the Ordinance of the Ministry of Justice.
- (3) The provisions of Article 16 (Disclosure via the Internet of the Reference Documents for the General Meeting of Shareholders, etc. and the Deemed Provision of Information) of the current Articles of Incorporation will be deleted, as they will no longer be required when the system for electronic provision of materials for the General Meeting of Shareholders is introduced.
- (4) Supplementary provisions will be established in relation to the effectiveness of the aforementioned provisions to be deleted. Such supplementary provisions will be deleted after a certain date has elapsed.

2. Details of Amendments

The details of the amendments are as follows.

(Underlined parts are amended.)

Current Articles of Incorporation	Proposed Amendments
<p>Article 1. - Article 15. (Omitted)</p> <p><u>(Disclosure via the Internet of the Reference Documents for the General Meeting of Shareholders, etc. and the Deemed Provision of Information)</u></p> <p><u>Article 16 When convening the General Meeting of Shareholders, the Company shall be deemed to have provided the shareholders with the necessary information with respect to the matters to be stated or indicated in the Reference Documents for the General Meeting of Shareholders, the Business Reports, the Non-consolidated Financial Statements and the Consolidated Financial Statements, by disclosing such information via the Internet in accordance with the Ordinance of the Ministry of Justice.</u></p> <p>(Newly established)</p>	<p>Article 1. - Article 15. (Same as current)</p> <p>(Deleted)</p> <p><u>(Measures for Electronic Provision of Reference Documents for the General Meeting of Shareholders, etc.)</u></p> <p><u>Article 16 The Company shall, when convening a General Meeting of Shareholders, provide information contained in the Reference</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>(Newly established)</p>	<p><u>Documents for the General Meeting of Shareholders, etc. electronically.</u></p> <p><u>2. Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper-based documents to be sent to shareholders who have requested it by the record date for voting rights.</u></p>
<p>Article 17. - Article 36. (Omitted)</p> <p>Supplementary Provisions</p> <p><u>1.</u> (Omitted)</p> <p><u>2.</u> (Omitted)</p>	<p>Article 17. - Article 36. (Same as current)</p> <p>Supplementary Provisions</p> <p><u>Article 1.</u> (Same as current)</p> <p><u>2.</u> (Same as current)</p>
<p>(Newly established)</p>	<p><u>(Transitional Measures for Electronic Provision of Reference Documents for the General Meeting of Shareholders, etc.)</u></p> <p><u>Article 2. Article 16 (Disclosure via the Internet of the Reference Documents for the General Meeting of Shareholders, etc. and the Deemed Provision of Information) 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 (hereinafter referred to as the "Effective Date").</u></p>
<p>(Newly established)</p>	<p><u>2. These supplementary provisions shall be deleted after the lapse of six months from the Effective Date or the lapse of three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u></p>

Proposal 3: Election of Ten (10) Directors (excluding Directors serving as Audit and Supervisory Committee Members)

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

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

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
1	Norio Ichikawa (May 10, 1958) [Reappointment]	April 1981	Joined the Company	6,402,137
		February 1997	General Manager, The 1st Product Development Department	
		February 1998	Director; General Manager, The 1st Product Development Department	
		February 2001	President	
		February 2010	President and Chief Sales Officer	
		November 2012	President	
		February 2020	Representative Director, President and Corporate Officer (to present)	
		[Significant concurrent position] Chairman, Zojirushi-Simatelex Co., Ltd.		
[Reason for nomination as candidate for Director] Mr. Norio Ichikawa has extensive knowledge and experience of the Company's overall business processes through his career in various departments. The Company nominated him again this year as a candidate for Director in view of his achievements as President of the Company.				
2	Tatsunori Matsumoto (January 1, 1961) [Reappointment]	April 1984	Joined the Company	24,851
		November 2007	Corporate Officer; General Manager, Sales Department	
		November 2009	Corporate Officer; Deputy Chief Sales Officer and General Manager, Sales Department	
		February 2010	Director; Deputy Chief Sales Officer and General Manager, Sales Department	
		November 2012	Director; Chief Domestic Sales Officer and General Manager, Sales Department	
		February 2020	Director; Corporate Officer; Chief Domestic Sales Officer and General Manager, Sales Department (to present)	
		[Significant concurrent position] None		
[Reason for nomination as candidate for Director] Mr. Tatsunori Matsumoto has a wealth of knowledge and experience of the Company's business processes centering on domestic sales and planning. The Company nominated him again this year as a candidate for Director in view of his achievements as Director of the Company.				
3	Yoshihiko Miyakoshi (March 3, 1961) [Reappointment]	April 1984	Joined the Company	21,861
		November 2008	Corporate Officer; Assistant General Manager, International Department	
		November 2009	Corporate Officer; General Manager, International Department	
		November 2011	Corporate Officer; Deputy Chief Sales Officer and General Manager, International Department	
		February 2012	Director; Deputy Chief Sales Officer and General Manager, International Department	
		November 2012	Director; Chief International Sales Officer and General Manager, International Department	
		February 2020	Director; Corporate Officer; Chief International Sales Officer and General Manager, International Department (to present)	
		[Significant concurrent positions] Chairman of the Board, Zojirushi America Corporation Chairman, Zojirushi Taiwan Corporation		
[Reason for nomination as candidate for Director] Mr. Yoshihiko Miyakoshi has a wealth of knowledge and experience of the Company's business processes centering on international sales. He also has working experience at an overseas sales subsidiary. The Company nominated him again this year as a candidate for Director in view of his achievements as Director of the Company.				

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
4	Osamu Sanada (June 20, 1960) [Reappointment]	April 1984	Joined the Company	17,036
		November 2012	Corporate Officer; General Manager, Accounting Department	
		November 2014	Corporate Officer; General Manager, Personnel Department and General Manager, Accounting Department	
		May 2016	Corporate Officer; Deputy Chief Administrative Officer, General Manager, Personnel Department, and General Manager, Accounting Department	
		February 2017	Corporate Officer; Chief Administrative Officer	
		February 2018	Director; Chief Administrative Officer	
		February 2020	Director; Corporate Officer and Chief Administrative Officer (to present)	
		[Significant concurrent position]		
		None		
[Reason for nomination as candidate for Director] Mr. Osamu Sanada has a wealth of knowledge and experience of the Company's business processes centering on administration as well as in various departments, including accounting, personnel, business planning and public relations. The Company nominated him again this year as a candidate for Director in view of his achievements as Director of the Company.				
5	Eiji Soda (February 28, 1968) [Reappointment]	April 1990	Joined the Company	17,272
		November 2016	General Manager, Business Planning Department	
		November 2017	Corporate Officer; General Manager, Business Planning Department	
		November 2018	Corporate Officer; General Manager, Business Planning Department and General Manager, New Business Creating Department	
		February 2019	Director; General Manager, Business Planning Department and General Manager, New Business Creating Department	
		February 2020	Director; Corporate Officer; General Manager, Business Planning Department and General Manager, New Business Creating Department	
		November 2021	Director; Corporate Officer; General Manager, Business Planning Department and Responsible for New Business Creation (to present)	
		[Significant concurrent position]		
		None		
[Reason for nomination as candidate for Director] Mr. Eiji Soda has a wealth of knowledge and experience of the Company's business processes in various departments, including business planning, systems, finance, and development of new businesses. He also has experience of serving as CFO at a sales subsidiary in the US. The Company nominated him again this year as a candidate for Director in view of his achievements as Corporate Officer and Director of the Company.				

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
6	Masao Uwa (December 9, 1959) [Reappointment]	April 1982	Joined the Company	19,197
		November 2009	General Manager, Business Planning Department	
November 2010	Corporate Officer; General Manager, Business Planning Department			
May 2016	Corporate Officer; Deputy Chief Administrative Officer, and General Manager, Business Planning Department			
November 2016	Corporate Officer; Deputy Chief Production & Development Officer and General Manager, The 2nd R&D Department			
November 2018	Corporate Officer; Deputy Chief Production & Development Officer			
November 2019	Corporate Officer; Chief Production & Development Officer			
February 2020	Director; Corporate Officer and Chief Production & Development Officer (to present)			
	[Significant concurrent position]			
	None			
[Reason for nomination as candidate for Director] Mr. Masao Uwa has a wealth of knowledge and experience of the Company's business processes centering on product planning as well as in various departments, including production, development and business planning. The Company nominated him again this year as a candidate for Director in view of his achievements as Corporate Officer and Director of the Company.				
7	Jun Ogami (June 29, 1962) [New appointment]	April 1986	Joined the Company	11,411
		November 2009	General Manager, Sales Promotion Department	
November 2011	General Manager, Marketing Sales Promotion Department			
November 2014	Corporate Officer; General Manager, Marketing Sales Promotion Department			
November 2019	Corporate Officer; Deputy Chief Domestic Sales Officer and General Manager, Tokyo Main Branch (to present)			
	[Significant concurrent position]			
	None			
[Reason for nomination as candidate for Director] Mr. Jun Ogami has a wealth of knowledge and experience of the Company's business processes centering on domestic sales and product planning. The Company nominated him this year as a candidate for Director in view of his achievements as Corporate Officer of the Company.				
8	Hiromi Izumi (October 2, 1958) [Reappointment]	April 2003	Chairman and Representative Director, Millieme Co., Ltd.	5,462
		January 2004	Chairman of the Board of Trustees, Wanogakko Non-profit Organization	
[Outside Director]	April 2013	Councilor, Konnichian Foundation (to present)		
	February 2016	Outside Director, the Company (to present)		
	April 2017	Chairman and Director, Millieme Co., Ltd. (to present)		
	[Significant concurrent position]			
	[Independent Director]	Chairman and Director, Millieme Co., Ltd.		
[Reason for nomination as candidate for Outside Director and overview of expected roles] Ms. Hiromi Izumi has extensive experience through management of a company and corporations that disseminate information on Japan's traditional culture and traditional industries to both adults and children in Japan and abroad and promote them. The Company nominated her again this year as a candidate for Outside Director in the expectation that she can utilize her multifaceted perspective and female perspective for the Company's management from an objective and neutral standpoint as an Outside Director.				

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
9	Shingo Torii (January 18, 1953) [Reappointment] [Outside Director] [Independent Director]	<p>April 1980 Joined ITOCHU Corporation</p> <p>June 1983 Joined Suntory Limited (currently Suntory Holdings Limited)</p> <p>March 1992 Director of the Board, Suntory Limited</p> <p>March 1999 Managing Director, Suntory Limited</p> <p>March 2001 Senior Managing Director, Representative Director of the Board, Suntory Limited</p> <p>March 2003 Senior Executive Vice President, Representative Director of the Board, Suntory Limited</p> <p>February 2009 Representative Director, Executive Vice President, Suntory Holdings Limited</p> <p>May 2014 Director, Beam Suntory Inc.</p> <p>October 2014 Representative Director, Vice Chairman of the Board, Suntory Holdings Limited (to present)</p> <p>June 2015 Outside Director, ROHTO PHARMACEUTICAL CO., LTD.</p> <p>February 2020 Outside Director, the Company (to present)</p> <p>June 2020 Outside Director, DAIKIN INDUSTRIES, LTD. (to present)</p> <p>[Significant concurrent positions]</p> <p>Representative Director, Vice Chairman of the Board, Suntory Holdings Limited</p> <p>Outside Director, DAIKIN INDUSTRIES, LTD.</p> <p>Chairman, The Osaka Chamber of Commerce and Industry</p> <p>Director General, Suntory Foundation for Arts</p> <p>Director General, Suntory Foundation</p> <p>Honorary Consul, the Honorary Consulate of Denmark in Osaka</p> <p>Honorary Consul, the Honorary Consulate of Spain in Osaka</p>	—
<p>[Reason for nomination as candidate for Outside Director and overview of expected roles]</p> <p>In addition to his experience as a corporate manager, Mr. Shingo Torii has broad experience, extensive insight and international perspective, including serving as Outside Director at other companies. In order to increase the Company's corporate value, the Company nominated him again as a candidate for Outside Director in the expectation that he can engage in management from a global perspective and supervise management from an objective and neutral standpoint as an Outside Director.</p>			
10	Susumu Toda (October 7, 1959) [New appointment] [Outside Director]	<p>April 1982 Joined ITOCHU Corporation</p> <p>September 1999 Executive Officer, FAST RETAILING CO., LTD.</p> <p>April 2004 Corporate Officer, MISUMI Corporation (currently MISUMI Group Inc.)</p> <p>January 2008 Vice President, Amazon Japan K.K. (currently Amazon Japan G.K.)</p> <p>November 2010 Corporate Officer EVP, BELLSYSTEM24, Inc. (currently BELLSYSTEM24 Holdings, Inc.)</p> <p>March 2014 Representative Director and Vice President, ENOTECA CO., LTD.</p> <p>July 2015 Joined KDDI CORPORATION</p> <p>January 2017 Representative Director, President and Chief Executive Officer, NET JAPAN Co., Ltd.</p> <p>July 2021 Senior Corporate Officer, Shachihata Inc.</p> <p>September 2022 Director; Senior Corporate Officer, Shachihata Inc. (to present)</p> <p>[Significant concurrent position]</p> <p>Director; Senior Corporate Officer, Shachihata Inc.</p>	—
<p>[Reason for nomination as candidate for Outside Director and overview of expected roles]</p> <p>In addition to his experience as a corporate manager, Mr. Susumu Toda has experience serving in the U.S. as well as insight into IT/DX and human resources and labor affairs. In order to increase the Company's corporate value, the Company has nominated him as a candidate for Outside Director in the expectation that he can engage in management by leveraging his professional skills in his area of expertise and supervise management from an objective and neutral standpoint as an Outside Director.</p>			

(Notes)

1. No special interests exist between the candidates for Directors and the Company.
2. The numbers of shares of the Company held by the candidates for Directors are as of November 20, 2022. The numbers of shares stated include the numbers of shares held by the respective individuals through the Zojirushi Officer

Shareholding Association.

3. Ms. Hiromi Izumi, Mr. Shingo Torii and Mr. Susumu Toda are candidates for Outside Directors. Ms. Hiromi Izumi will have been in office as Outside Director for seven (7) years at the conclusion of this Annual General Meeting of Shareholders. Mr. Shingo Torii will have been in office as Outside Director for three (3) years at the conclusion of this Annual General Meeting of Shareholders.
4. The Company has designated Ms. Hiromi Izumi and Mr. Shingo Torii as Independent Directors as defined by the Tokyo Stock Exchange and has submitted notifications of their appointments to the Exchange. The candidates satisfy the requirements for Independent Directors as defined by the Tokyo Stock Exchange and the Independence Criteria as defined by the Company (please refer to the page 14).
5. Mr. Susumu Toda will not be designated as an Independent Director as defined by the Tokyo Stock Exchange, due to his close relative belonging to KPMG AZSA LLC, the Company's Accounting Auditor. However, as the close relative of Mr. Susumu Toda is not currently and has not in the past been involved in the audit services for the Company, there is no significance that would pose any special interests and the Company has determined that there will be no potential conflict of interests with general shareholders.
6. The Company has entered into limited liability agreements with Ms. Hiromi Izumi and Mr. Shingo Torii in accordance with Article 427, Paragraph 1 of the Companies Act to limit their liability for damages pursuant to Article 423, Paragraph 1 of the said act to the amount stipulated by laws and regulations. Subject to the approval of their reappointment, the Company intends to continue the said agreements with both of them. Subject to the approval of the appointment of Mr. Susumu Toda, the Company intends to enter into a limited liability agreement with him in accordance with Article 427, Paragraph 1 of the Companies Act to limit his liability for damages pursuant to Article 423, Paragraph 1 of the said act to the amount stipulated by laws and regulations.
7. The Company has entered into a directors and officers (D&O) liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. If the candidates are elected and appointed to the position of Director, each candidate will be included as the insured under this insurance policy. The insurance contract covers legal damages and litigation expenses in the event that a claim for damages is made against the insured due to an act committed by the insured in the course of their duties, and the contract is renewed every year.

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

In order to reinforce the auditing system, the election of one (1) Director serving as an Audit and Supervisory Committee Member is proposed to increase the number of Directors serving as Audit and Supervisory Committee Members by one (1).

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

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

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

(Notes)

1. No special interests exist between Ms. Satoko Nishimura and the Company.
2. If the election of Ms. Satoko Nishimura is approved, the Company intends to designate her as an Independent Director as defined by the Tokyo Stock Exchange and submit a notification of her appointment to the Exchange. Ms. Satoko Nishimura satisfies the requirements for Independent Directors as defined by the Tokyo Stock Exchange and the Independence Criteria as defined by the Company (please refer to page 14).
3. If the election of Ms. Satoko Nishimura is approved, the Company intends to enter into a limited liability agreement with her in accordance with Article 427, Paragraph 1 of the Companies Act to limit her liability for damages pursuant to Article 423, Paragraph 1 of the said act to the amount stipulated by laws and regulations.
4. The Company has entered into a directors and officers (D&O) liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. If Ms. Satoko Nishimura is elected and appointed to the position of Director serving as Audit and Supervisory Committee Member, she will be included as the insured under this insurance policy. The insurance contract covers legal damages and litigation expenses in the event that a claim for damages is made against the insured due to an act committed by the insured in the course of their duties, and the contract is renewed every year.

[Reference] Nomination Policy and Procedures for Director Candidates

(1) Nomination policy for Director candidates

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

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

(2) Nomination procedures for Director candidates

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

[Reference] Independence Criteria for Outside Directors

The Company has established the following criteria regarding the independence of Outside Directors.

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

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

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

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

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

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

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

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

[Reference] Board of Directors Composition after Approval of Proposal 3 and Proposal 4

If Proposal 3 “Election of Ten (10) Directors (excluding Directors serving as Audit and Supervisory Committee Members)” and Proposal 4 “Election of One (1) Director serving as Audit and Supervisory Committee Member” are approved as originally proposed, the composition of the Board of Directors shall be as follows:

Knowledge, experience and skills of Directors

Name	Corporate management/ business planning	Insight into the Company's business	Global experience	Sales/ marketing	Product planning/ production & development/ new business	Risk management/ legal affairs	Finance/tax/ accounting/ monetary affairs	IT/ DX	Sustainability/ ESG	Personnel affairs/ human resources development
Norio Ichikawa	○	○	○	○	○			○		
Tatsunori Matsumoto	○	○		○	○					
Yoshihiko Miyakoshi	○	○	○	○						
Osamu Sanada	○	○				○	○		○	○
Eiji Soda	○	○	○		○	○	○	○	○	
Masao Uwa	○	○		○	○					
Jun Ogami	○	○		○	○					
Hiromi Izumi	○			○					○	
Shingo Torii	○		○	○	○				○	
Susumu Toda	○		○	○	○		○	○		○
Yoshitsugu Hirai (Audit and Supervisory Committee Member)		○		○						
Kanae Shiono (Audit and Supervisory Committee Member)	○						○			
Hitoshi Utsunomiya (Audit and Supervisory Committee Member)						○				
Satoko Nishimura (Audit and Supervisory Committee Member)	○						○			

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

<Shareholder proposals> (Proposals 5 to 10)

Proposals 5 to 10 have been submitted by one of the Company's shareholders.

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

Proposal 5: Share Buyback

1. Summary of Proposal

It is proposed that the Company, pursuant to the provisions of Article 156, paragraph 1 of the Companies Act, acquire shares of common stock of the Company up to 6,800,000 shares in total at a maximum total amount of the acquisition price of 11.5 billion yen (however, if the total amount of the acquisition price permitted by the Companies Act (the "distributable amount" provided for in Article 461 of the Companies Act) is less than that amount, then the maximum total amount of the acquisition price permitted under the Companies Act) in exchange for the delivery of money.

2. Reasons for Proposal

The Board of Directors of the Company resolved in January 2018 to conduct a secondary offering of shares of common stock, and at the same time the Company received approval for change of designation from a Tokyo Stock Exchange 2nd Section issue to a 1st Section issue. The current largest shareholder, Great Fortune International Development Limited (Galanz), became a major shareholder at the time of such secondary offering, and in January 2022 the Board of Directors of the Company resolved to introduce a Plan for Countermeasures to Large-scale Acquisitions of the Shares in the Company (Takeover Defense Measures), but judging from circumstances such as the series of media coverage that detailed the oppositional stance between the Company and Galanz, it is clear that the actual purpose of the takeover defense measures was as countermeasures against Galanz.

When inappropriately introduced or operated, takeover defense measures function as a means to enable management to run a company for their own personal benefit at the expense of the common interests of shareholders, and many institutional investors are opposed to the introduction or continuation of takeover defense measures. In the first place, the decision to list the Company on the TSE 1st Section had a strong tinge of being a commemorative event for the 2018 centenary of the Company's founding, and the introduction of the takeover defense measures four years after that was to make the minority shareholders foot the bill for the failed capital policy without any understanding of the weightiness that comes with a TSE 1st Section listing.

In actuality, the average shareholder return on equity (ROE) of the Company in the fiscal year ending November 2018 when it became a TSE 1st Section listed company and thereafter has not been more than 6%, which falls short of the 8% "target ROE level" recommended for listed companies by the "Competitiveness and Incentives for Sustainable Growth – Building Favorable Relationships between Companies and Investors" project (the Ito Report).

The cause of this is the capital ratio, which hit a record high level of 73% as of August 20, 2022, and the excessive capital of the Company has brought about a cost of capital beyond the level of business risk and an ROE that does not adequately reflect what is able to be earned from the actual business itself.

Because the existence of such excessive capital has brought about an increased cost of capital and an undervalued ROE, capital allocation is a matter of utmost interest to shareholders of the Company. Yet the Company's medium-term management plan "ADAPT Phase II" which ends in the fiscal year ending November 2022 not only fails to address capital allocation but does not even present an ROE target.

In December 2021 the Company issued a disclosure titled "Notice of Application to Select New Market Category 'Prime Market,'" in which it revealed that it had selected the new market category "Prime Market" on the Tokyo Stock Exchange pursuant to the transition in April 2022, but the fact that the Company introduced takeover defense measures without even having a policy for improving shareholder value such as on capital allocation means that a question mark hangs over whether the Company is qualified as a Prime company.

During the past twenty years for which the proposing shareholder has been able to obtain data, the Company has been halfhearted on shareholder returns such as through share buybacks. When taking into account the unclear stance on capital allocation, the further inflation of shareholders' equity, a continuing ROE that is below actual capabilities, and the risk of damaging corporate value with an increasing cost of capital, it is embarking on a share buyback in order to put a halt to the vicious cycle of continually deteriorating capital efficiency that will contribute to minority shareholder protection. The total number of shares that we propose the Company buy back is equal to 10% of the total number of issued shares of common stock (excluding treasury shares held by the Company).

3. Opinion of the Board of Directors of the Company

The Board of Directors of the Company opposes this Proposal.

4. Reasons for Opposition

The Company considers the return of profits to shareholders to be an important policy, so it has established a basic policy of maintaining a stable dividend while comprehensively taking into account internal reserves, earnings forecasts, etc. to strengthen its corporate platform and develop its business in the future. Based on such basic policy, in its new medium-term management plan "SHIFT" announced on December 26, 2022 (the "New Medium-Term Management Plan"), the Company established a shareholder returns policy of "a three-year cumulative total return ratio of 100% or higher" comprising "a stable dividend targeting a consolidated payout ratio of 50% or higher" and "examining opportunities for agile share buybacks," based on the capital allocation for the New Medium-Term Management Plan period of 2023 to 2025. Further, in the New Medium-Term Management Plan the Company has set a long-term ROE target of 8.0% in 2030 based on a policy of "generating ROE commensurate with cost of capital" and "enhancing ROE by increasing profit margins and improving capital efficiency.

At the same time, the Company also believes that securing adequate cash on hand that can be used in an agile manner is important in order to make investments that lead to future growth (including investment in new products and businesses and digital investment) in addition to investments to expand existing businesses and in order to prepare for unpredictable situations such as supply chain disruption risks or the like due to events such as crisis situations or pandemics. While the Company positions shareholder returns as an important policy and has determined a policy on share buybacks in the New Medium-Term Management Plan as described above, the Company believes that it is appropriate to conduct share buybacks during the period of the New Medium-

Term Management Plan after considering the appropriate timing, number of shares, and amount of the acquisition price based on factors such as the performance of the Company, the trading status of the shares of the Company, and the share price, as well as the need to secure cash on hand as described above. This Proposal demands that the Company conduct a share buyback yet it presents no concrete basis regarding the total number of shares to be bought back or the amount of the acquisition price thereof, and it has been made from the standpoint of a short-term perspective, and therefore the Board of Directors believes that this Proposal is not appropriate.

For these reasons, the Board of Directors of the Company opposes this Proposal.

Proposal 6: Appropriation of Surplus

1. Summary of Proposal

It is proposed that the surplus be appropriated as below.

If, at this Annual General Meeting of Shareholders, any proposal is to be made by the Board of Directors of the Company regarding an appropriation of surplus, this Proposal is made independently from and in addition to that proposal.

A. Type of dividend property

Cash

B. Amount of dividend per share

An amount equal to ¥59 minus the amount of dividends from surplus per share of common stock of the Company proposed by the Board of Directors of the Company to this Annual General Meeting of Shareholders and approved at this Annual General Meeting of Shareholders (or, if the Board of Directors of the Company does not make a proposal regarding an appropriation of surplus at this Annual General Meeting of Shareholders, an amount equal to ¥59)

C. Allocation of dividend property and total amount thereof

The amount of dividend per share set out in B. above per share of common stock of the Company (the total amount of dividends is an amount calculated by multiplying the amount of dividend per share by the total number of issued shares of common stock of the Company as of November 20, 2022 (excluding treasury shares))

D. Effective date of dividends from surplus

The date of this Annual General Meeting of Shareholders

E. Commencement date of payment of dividends

The day that is three weeks from and including the business day immediately following the date of this Annual General Meeting of Shareholders

2. Reasons for Proposal

The fundamental cause of the excessive capital of the Company is that the Company holds cash and deposits of more than 40 billion yen (as of August 20, 2022) and cross-shareholdings of 3.9 billion yen (as of the end of the fiscal year ended November 2021). The total amount of such highly liquid assets that do not contribute to the Company's main business is approximately 44 billion yen, which accounts for 40% of its market capitalization as of December 9, 2022, and in addition the Company has its own buildings in Osaka and Tokyo.

The Company should return at least 100% of profits earned in a fiscal period to shareholders taking into consideration the risk that its corporate value may be damaged due to the excessive capital being left idle by preserving cash and deposits and cross-shareholdings and other assets such as assets with latent profits without a capital allocation policy.

Although the Company forecasts that it will pay a dividend of ¥34 per share in the fiscal year ended November 2022, in this Proposal, it is proposed that the Company pay a dividend of ¥59 per share to shareholders, which is equivalent to the amount of net income per share in the Company's financial results forecast for the relevant fiscal year, in order to realize a dividend payout ratio of 100%.

3. Opinion of the Board of Directors of the Company

The Board of Directors of the Company opposes this Proposal.

4. Reasons for Opposition

The Company considers the return of profits to shareholders to be an important policy, so it has established a basic policy of maintaining a stable dividend while comprehensively taking into account internal reserves, earnings forecasts, etc. to strengthen its corporate platform and develop its business in the future. Based on such basic policy, in its New Medium-Term Management Plan announced on December 26, 2022, the Company established a shareholder returns policy of “a three-year cumulative total payout ratio of 100% or higher” comprising “a stable dividend targeting a consolidated payout ratio of 50% or higher” and “examining opportunities for agile share buybacks,” based on the capital allocation for the New Medium-Term Management Plan period of 2023 to 2025.

The Company believes that it will be able to enhance its mid- to long-term corporate value and contribute to the interests of shareholders by appropriately balancing the stable and continuous return of profits to shareholders and securement of internal reserves in order to make investments for sustainable growth in accordance with this policy.

On the other hand, this Proposal assumes that the Company has not established a capital allocation policy, and as such, demands that the Company return at least 100% of profits earned in a fiscal period to shareholders by way of dividend. This Proposal has been made without considering the details of the New Medium-Term Management Plan and has been made from the standpoint of a short-term perspective that does not take into account the need to secure cash on hand, such as in order to make investments that will lead to future growth. Therefore, the Board of Directors believes that this Proposal is not appropriate.

For these reasons, the Board of Directors of the Company opposes this Proposal.

Proposal 7: Partial Amendments to the Articles of Incorporation (Disclosure of Cost of Capital)

1. Summary of Proposal

It is proposed that the following chapter and provisions be newly established in the Articles of Incorporation of the Company. If, due to resolutions being passed to approve other proposals submitted to this Annual General Meeting of Shareholders (including Company proposals), the provisions set out as this Proposal require minor adjustments (including, but not limited to, modifications of discrepancies in the numbering of the provisions), the provisions related to this Proposal are to be read as if the necessary adjustments have been made.

(Underlined parts are amended.)

Current Articles of Incorporation	Proposed Amendments
(Newly established)	<u>CHAPTER VII. DISCLOSURE OF COST OF SHAREHOLDERS' EQUITY</u> <u>(Disclosure of cost of shareholders' equity)</u> <u>Article 37. The Company shall disclose in the corporate governance report to be submitted by the Company to the Tokyo Stock Exchange the cost of shareholders' equity that has become known to the Company during the period of one month prior to the date of submission of that report, together with the basis for calculation thereof.</u>

2. Reasons for Proposal

While it is clear that the Company should clarify its policy for capital allocation, setting the cost of capital from the standpoint of shareholders (cost of shareholders' equity) is the first step for calculating the weighted average cost of capital (WACC), which is the hurdle rate for a business.

It is stipulated in "Principle 5.2 Establishing and Disclosing Business Strategies and Business Plans" of the Corporate Governance Code formulated by the Tokyo Stock Exchange that "[w]hen establishing and disclosing business strategies and business plans, companies should articulate their basic earnings plans and capital policies, and present targets for profitability and capital efficiency after accurately identifying the company's cost of capital. Also, companies should provide explanations that are clear and logical to shareholders with respect to the allocation of management resources, such as reviewing their business portfolio and investments in fixed assets, R&D, and human capital, and specific measures that will be taken in order to achieve their plans and targets."

The Company, which selected the Prime Market, "should present" the cost of shareholders' equity as "targets for profitability and capital efficiency" and "provide explanations that are clear and logical to shareholders with respect to the allocation of management resources, such as reviewing their business portfolio and investments in fixed assets, R&D, and human capital, and specific measures that will be taken in order to achieve their plans and targets."

3. Opinion of the Board of Directors of the Company

The Board of Directors of the Company opposes this Proposal.

4. Reasons for Opposition

Since the Company believes that it is necessary to appropriately identify and recognize the Company's cost of capital as an important management indicator, it endeavors to identify the cost of capital through means such as conducting a series of discussions with outside professionals. Based on these efforts, in the New Medium-Term Management Plan the Company has set a ROE target of 7.0% in 2025 and 8.0% in 2030 based on a policy of "generating ROE commensurate with cost of capital" and "enhancing ROE by increasing profit margins and improving capital efficiency."

This Proposal seeks to newly establish in the Articles of Incorporation provisions to the effect that the Company shall disclose in the corporate governance report the cost of shareholders' equity that has become known to the Company during the period of one month prior to the date of submission of that report, together with the basis for calculation thereof. However, the Company believes that the disclosure of the cost of capital that has become known to the Company, including the feasibility, timing, and manner of such disclosure, is a matter that should be determined on a case-by-case basis after the Board of Directors carefully considers the matter as necessary based on the business environment surrounding the Company. Accordingly, the Company believes that it is not appropriate to stipulate in the Articles of Incorporation, which comprises the fundamental principles of the Company, that the Company shall uniformly disclose such matters.

Principle 5.2 of the Corporate Governance Code quoted by the proposing shareholder does not require the disclosure of the figures of the cost of capital or the basis for calculation thereof. The Company believes that the uniform disclosure of the figures of the cost of capital and the basis for calculation thereof itself is not important, but rather that it is important to appropriately identify the cost of capital and to establish earnings plans based on such cost in accordance with the purpose of the Principle.

For these reasons, the Board of Directors of the Company opposes this Proposal.

Proposal 8: Partial Amendments to the Articles of Incorporation (Disclosure of Individual Compensation of Each Director)

1. Summary of Proposal

It is proposed that the following provisions be newly established in the Articles of Incorporation of the Company. If, due to resolutions being passed to approve other proposals submitted to this Annual General Meeting of Shareholders (including Company proposals), the provisions set out as this Proposal require minor adjustments (including, but not limited to, modifications of discrepancies in the numbering of the provisions), the provisions related to this Proposal are to be read as if the necessary adjustments have been made.

(Underlined parts are amended.)

Current Articles of Incorporation	Proposed Amendments
(Newly established)	(Compensation, etc. of Directors) Article 28. (Omitted) <u>2. The Company shall every year disclose the amount, type, and method of determination of compensation of each Director in its business report and securities report.</u>

2. Reasons for Proposal

The Company has a material corporate governance issue in that it has introduced takeover defense measures for the substantial purpose of taking countermeasures against a specific shareholder. In addition, the Company has not disclosed a capital allocation policy that contributes to the interests of minority shareholders. On the other hand, individual compensation of each Director indicates how the Board of Directors evaluates issues to be addressed that are faced by the Company and how it reflects such evaluation in individual compensation of each Director, and thus it functions like a “mirror” that identifies the causes of corporate governance issues.

The Board of Directors of the Company, which introduced the takeover defense measures as stated above, is not expected to play a role in improving corporate governance issues faced by the Company or to encourage its management to take responsibility in terms of business performance. Therefore, in order to develop an environment that enables shareholders to more proactively effectuate restraints on the Board of Directors, we propose that provisions of the Articles of Incorporation be established to the effect that the Company shall disclose the individual compensation of each Director.

According to the Company’s “Corporate Governance Report” dated February 17, 2022, compensation, etc. for Directors (excluding Outside Directors and Directors serving as Audit and Supervisory Committee Members) of the Company comprises “the base salary and performance-based compensation in the form of monetary compensation and restricted stock compensation.” It is stated that the base salary is determined in accordance with the “internal rules specifying the amount of compensation, etc. for each position, depending on its responsibilities and roles,” but the amount of the base salary is not disclosed, and although the performance-based compensation is categorized as an “incentive based on the business performance for a single fiscal year” and the restricted stock compensation is categorized as an “incentive to be granted for each fiscal year with the aim of improving corporate value in the next several years,” since the Company “does not specifically establish” its policy for determining the percentages of compensation, etc. to be granted, in the end

it is not possible to infer from publicly available materials the Company's intention regarding how compensation of the management should function as an incentive.

It is stipulated in the Corporate Governance Code that "[t]he board should design management remuneration systems such that they operate as a healthy incentive to generate sustainable growth, and determine actual remuneration amounts appropriately through objective and transparent procedures. The proportion of management remuneration linked to mid- to long-term results and the balance of cash and stock should be set appropriately" (Corporate Governance Code (June 2021 version) Supplementary Principle 4.2.1 (page 16)). However, the remuneration system of the Board of Directors of the Company does not seem to introduce stock compensation by means of granting own shares, and thus it is likely that the remuneration system is not one that is used for the purpose of "promoting the further sharing of value with the shareholders," which the Company says it will achieve by restricted stock compensation.

For these reasons, in order to develop an environment that enables shareholders and the share market to appropriately evaluate the performance of the Representative Director and President of the Company and the Company's corporate governance issues, we propose that provisions of the Articles of Incorporation be established to the effect that the Company shall make disclosure of individual compensation of each Director who has the authority to represent the Company.

3. Opinion of the Board of Directors of the Company

The Board of Directors of the Company opposes this Proposal.

4. Reasons for Opposition

The Company has established a system where the policy and procedures for deciding the compensation of the Company's Directors are deliberated by the Nomination and Compensation Committee, a majority of the members of which are independent Outside Directors and whose chairperson is an independent Outside Director, followed by the Board of Directors determining the policy and procedures based on the report by the Nomination and Compensation Committee. In addition, with regard to the compensation, etc. of each Director (including the Representative Director) of the Company for each fiscal year, the Company has a transparent and objective process where, in accordance with the internal rules set forth by the Board of Directors and within the maximum amount of compensation resolved at the Annual General Meeting of Shareholders, the specific compensation for each fiscal year calculated based on such internal rules is reviewed by the Nomination and Compensation Committee prior to the resolution of the Board of Directors, followed by the Board of Directors determining the compensation based on the report by the Nomination and Compensation Committee. With regard to the compensation, etc. of each Director for the fiscal year ended November 2022, since the Board of Directors has confirmed that the method of determining the compensation, etc. and details of the determined compensation, etc. are consistent with the determination policy and that serious consideration has been given to the report by the Nomination and Compensation Committee, the Board of Directors determined that the compensation is in line with the determination policy.

At the Company, (a) the compensation of Directors (excluding Outside Directors and Directors serving as Audit and Supervisory Committee Members) is comprised of (i) base salary, the amount of which is determined by each Director's position, depending on its responsibilities and roles, (ii) performance-based compensation in

the form of monetary compensation, which is calculated by using the current net income attributable to shareholders of the consolidated parent company as an indicator and granted as an incentive based on the business performance for a single fiscal year with the aim of improving business performance, and (iii) performance-based compensation in the form of restricted stock compensation, which provides an incentive to be granted each fiscal year to improve corporate value in the next several years while promoting the further sharing of value with the shareholders, and (b) the compensation of Outside Directors and Directors serving as Audit and Supervisory Committee Members is exclusively comprised of base salary.

With regard to the compensation, etc. of each Director for each fiscal year determined in the manner stated above, the Company discloses the total amount of compensation, etc. for each Director classification, the total amount of compensation, etc. by type (including restricted stock compensation), and the number of eligible Directors in its business report and securities report.

This Proposal seeks to newly establish in the Articles of Incorporation provisions to the effect that the Company shall individually disclose the amount, type, and method of determination of compensation of each Director. However, to begin with, such details are not suited to being stipulated in the Articles of Incorporation, which comprises the fundamental principles of the Company. Furthermore, the Company determines the amount of compensation of each Director by following a transparent and objective process as stated above. Accordingly, the Company believes that it is not necessary to stipulate these provisions in the Articles of Incorporation.

For these reasons, the Board of Directors of the Company opposes this Proposal.

Proposal 9: Partial Amendments to the Articles of Incorporation (Sale of Cross-Shareholdings)

1. Summary of Proposal

It is proposed that the following chapter and provisions be newly established in the Articles of Incorporation of the Company. If, due to resolutions being passed to approve other proposals submitted to this Annual General Meeting of Shareholders (including Company proposals), the chapter and provisions set out as this Proposal require minor adjustments (including, but not limited to, modifications of discrepancies in the numbering of the provisions), the provisions related to this Proposal are to be read as if the necessary adjustments have been made.

(Underlined parts are amended.)

Current Articles of Incorporation	Proposed Amendments
(Newly established)	<u>CHAPTER 8. SALE OF CROSS-SHAREHOLDINGS</u> <u>(Sale of Cross-Shareholdings)</u> <u>Article 38. The Company shall dispose of all of its cross-shareholdings by November 20, 2023.</u>

2. Reasons for Proposal

According to the securities report for the 77th fiscal year (from November 21, 2020 to November 20, 2021) submitted by the Company on February 18, 2022, the Company holds cross-shareholdings in 32 issues with a value of 3.9 billion yen recorded on the balance sheet as of November 20, 2021. Cross-shareholdings, which constitute non-core assets with high volatility compared to their returns, is one of the causes for excessive capital and it also inflates the cost of capital of the Company. In the first place, cross-shareholdings that function as a means of stable shareholder operation and arbitrary realization of profits hinder managerial discipline.

Therefore, we propose that provisions of the Articles of Incorporation be established to the effect that the Company shall dispose of all of its cross-shareholdings by a due date in order to cause the Company to reduce its cross-shareholdings as promptly as possible.

3. Opinion of the Board of Directors of the Company

The Board of Directors of the Company opposes this Proposal.

4. Reasons for Opposition

The Company has a number of business relationships in carrying out its business, and cooperative relationships with various stakeholders are essential for the Company in order to achieve sustainable growth going forward, and the Company would hold shares in certain trading partners if it determines that doing so is necessary in order to maintain, strengthen, or otherwise facilitate its relationships with those trading partners. However, every year at Board of Directors meetings the Company individually examines the significance of continuing each such instance of cross-shareholdings from various perspectives and makes determinations as to the reasonableness of such holdings, and the Company would proceed with the sale of any shares the holding of which is determined to be unreasonable.

In accordance with the above policy, the Company executed the sale of all of the shares it held in four issues

(with a value of 97 million yen in total) in the fiscal year ended November 2021. The Company will continue to individually examine whether it is appropriate or not to maintain other cross-shareholdings after reviewing and considering the purposes of cross-shareholdings as well as their impacts, economic rationality, and the like at Board of Directors meetings going forward.

This Proposal seeks to newly establish in the Articles of Incorporation provisions to the effect that the Company shall dispose of all of its cross-shareholdings by November 20, 2023. However, stipulating the disposal of all cross-shareholdings in this way will result in the Company being forced to even dispose of cross-shareholdings that are expected to contribute to the enhancement of the corporate value of the Company, namely maintaining, strengthening, or otherwise facilitating its relationships with trading partners, which would have the contrary effect of possibly damaging the corporate value of the Company by reducing the potential for the Company to develop over the medium to long term.

The Company believes that it is appropriate to maintain the current policy, under which every year at Board of Directors meetings the Company specifically reviews and considers the purposes of cross-shareholdings as well as their impacts, economic rationality, and the like and discusses the individual significance and reasonableness of maintaining holdings in each such issue, and then makes determinations as to whether it is appropriate or not to maintain the relevant cross-shareholdings. Accordingly, the Company believes that it is not appropriate to stipulate in the Articles of Incorporation, which comprises the fundamental principles of the Company, that the Company shall sell all of its cross-shareholdings by setting a single uniform due date as stated in this Proposal.

For these reasons, the Board of Directors of the Company opposes this Proposal.

Proposal 10: Abolishment of Plan for Countermeasures to Large-scale Acquisitions of the Shares in the Company (Takeover Defense Measures)

1. Summary of Proposal

It is proposed that the Plan for Countermeasures to Large-scale Acquisitions of the Shares in the Company (Takeover Defense Measures), the renewal of which was approved at the 77th Annual General Meeting of Shareholders of the Company held on February 17, 2022 (the “Takeover Defense Measures”), be abolished.

2. Reasons for Proposal

If the managers of a company seek to continuously earn the confidence of shareholders, they should aim to increase shareholder value by demonstrating actual results.

Many institutional investors are opposed to the introduction and continuation of takeover defense measures for the very reason that these measures are useful means for corporate managers to protect their own interests even during periods of sluggish stock prices and business performance. In particular, since the Company introduced the Takeover Defense Measures for the substantial purpose of taking countermeasures against a specific shareholder, the management’s intention to protect their own interests is clearly evident.

We propose that the Takeover Defense Measures be abolished in order to impose discipline on the management because shareholders desire to have managers who aim to increase shareholder value.

3. Opinion of the Board of Directors of the Company

The Board of Directors of the Company opposes this Proposal.

4. Reasons for Opposition

The Company would not reject a proposal by a specific person for a large-scale acquisition of the shares in the Company if it would contribute to the enhancement of the corporate value of the Company and, in turn, the common interests of its shareholders, and the Company’s understanding is that a decision on whether or not to accept such proposal must ultimately be determined by its shareholders. On the other hand, persons who would make a large-scale acquisition in a manner that does not contribute to the corporate value of the Company or, in turn, the common interests of its shareholders would be inappropriate to become persons who control decisions on the Company’s financial and business policies.

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

Although the proposing shareholder states that the Plan is based on the management’s intention to protect their own interests, the Plan was introduced for the above purpose and was renewed at the 77th Annual General

Meeting of Shareholders held on February 17, 2022 with the approval of the shareholders, and thus it is not based on the management's intention to protect their own interests. In addition, given that the Plan is established so that it will not be triggered unless reasonable and objective requirements have been satisfied in order to prevent the Board of Directors from making arbitrary decisions and to ensure the objectivity and reasonableness of their decisions, and that the Company must obtain a recommendation from the Independent Committee composed of independent Outside Directors and outside experts when making decisions for triggering the Plan, the Company believes that the Plan is not able to function as a means to protect the management's own interests in the first place.

While the proposing shareholder asserts that “[i]f the managers of a company seek to continuously earn the confidence of shareholders, they should aim to increase shareholder value by demonstrating actual results,” the Company also intends to realize the enhancement of its corporate value and the common interests of its shareholders by steadily implementing the New Medium-Term Management Plan under the current management policy, “Brand Innovation.” Specifically, the management policy, “Brand Innovation,” was established by encapsulating the Company's intention of “reaching new heights in product design and manufacturing as a household appliances maker while also evolving into a brand that delivers solutions to issues that customers face relating to “Food” and “Home” by combining those products with digital technology and services,” and in order to realize the management policy, the Company has formulated the New Medium-Term Management Plan for the three-year period from the fiscal year ending November 2023, which it will steadily implement going forward.

The Company believes that, by preventing decisions on the Company's financial and business policies from being controlled by persons who would effect a large-scale acquisition that would not contribute to the corporate value of the Company and the common interests of its shareholders by means of the Plan and continuously implementing the above management policy and the management plan based thereon, the Company will be able to realize the maximization of the corporate value of the Company and the common interests of its shareholders and to bring about benefits not only to shareholders, but also to all stakeholders who comprise the Company's business, including customers, employees, trading partners, and regional communities, etc.

For these reasons, the Board of Directors of the Company opposes this Proposal.

End