

Securities Code 5943

March 9, 2021

To Our Shareholders

93 Edo-machi Chuo-ku Kobe City

**NORITZ CORPORATION**

President and CEO Satoshi Haramaki

## Notice of the 71<sup>st</sup> Annual Meeting of Shareholders

Dear Shareholders,

Please kindly be informed that the 71st 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 trouble to examine the shareholders meeting reference documents below and exert your voting rights by 5:00 pm on March 29 (Monday), 2021.

### Notes

1. Date March 30 (Tuesday), 2021, 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 71<sup>st</sup> term (from January 1, 2020 to December 31, 2020), consolidated financial documents and the settlement report of Accounting Auditor / Audit & Supervisory Committee for the consolidated financial documents
  2. Financial documents report for the 71<sup>st</sup> term (from January 1, 2020 to December 31, 2020)

### 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 | Election of Three Directors Serving as Audit & Supervisory Committee Members  |
| Proposal 5 | Election of One Substitute Director Serving as Audit & Supervisory Committee Member   |
| Proposal 6 | Determination of Remuneration for Allocation of Restricted Stock to Directors (Excluding External Directors and Directors Serving as Audit & Supervisory Committee Members) |

#### 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 (Monday), 2021.

[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.mufig.jp/>) and cast your vote by 5:00 pm on March 29 (Monday), 2021.

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

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- \* 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 71st 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 web site (<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, smartphone and/or mobile phone. (However, the service is not available from 2:00 am to 5:00 am every day.)
- (2) It may not be possible to use the voting right exerting website depending on the Internet environment, services you subscribe to or the model you are using. For details, 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 or mobile phone
  - 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 the proposals.
  - 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 log in to the voting right exerting website 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 or mobile phone.  
\* 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 votes 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. If you exert your voting rights in duplicate via a personal computer, smartphone or mobile phone, 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 via a personal computer, smartphone and/or mobile phone, such as connection fees of Internet service providers and communications fees, 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. Taking into overall consideration business performance and the financial environment this term, the 71st term end ordinary dividend will be 16 yen per common share. Additionally, in commemoration of the 70th anniversary of the foundation of Noritz to be marked on March 10 this year, we would like to express our gratitude to shareholders for their continued support and add a commemorative dividend of 3 yen per share. Accordingly, the term end dividend for this term will be 19 yen per share.

Regarding the Term End Dividend

- (1) Type of dividend assets  
Cash
- (2) Regarding the dividend assets allotment and total  
19 yen per common share  
(Ordinary dividend of 16 yen and commemorative dividend of 3 yen)  
Dividend total of 873,672,706 yen
- (3) Date the dividends from earned surplus are effective from:  
March 31, 2021

#### (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. Noritz sets a target consolidated dividend payout ratio of 50% for the three-year period from FY2018 to FY2020, including a share buyback.

## Proposal 2 Partial Revision of Articles of Incorporation

### 1. Reason for the Change

In order to allow for more flexible operation of the General Meeting of Shareholders and the Board of Directors meeting, the Company proposes that the convener and chairperson of the General Meeting of Shareholders and the Board of Directors meeting set forth in Article 15, Article 16 and Article 24 of the current Articles of Incorporation be each revised to a Director predetermined by the Board of Directors.

### 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>CHAPTER III. GENERAL MEETING OF SHAREHOLDERS</p> <p>Article 14 (Article text omitted)</p> <p>(Convener of the General Meeting of Shareholders)</p> <p>Article 15 Unless otherwise stipulated in laws and regulations, a General Meeting of Shareholders shall be convened by <u>Director, President by resolution of the Board of Directors</u>.</p> <p>In the event of <u>Director, President</u> being unable to so act, another Director shall take the role pursuant to the order predetermined by the Board of Directors.</p> <p>(Chairperson of the General Meeting of Shareholders and authorities thereof)</p> <p>Article 16 (1) <u>Director, President</u> shall chair the General Meeting of Shareholders. In the event of <u>Director, President</u> being unable to so act, provisions in the preceding Article shall apply.</p> <p>(2) (Article text omitted)</p> <p>Articles 17 – 19 (Article text omitted)</p> <p>CHAPTER IV. DIRECTORS AND BOARD OF DIRECTORS</p> <p>Articles 20 – 23 (Article text omitted)</p> <p>(Convener and Chairperson of the Board of Directors Meeting)</p> <p>Article 24 Unless otherwise stipulated in laws and regulations, a Board of Directors meeting shall be convened and chaired by <u>Director, President</u>. In the event of <u>Director, President</u> being unable to so act, another Director shall take the role pursuant to the order predetermined by the Board of Directors.</p> <p>Articles 25 – 30 (Article text omitted)</p>	<p>CHAPTER III. GENERAL MEETING OF SHAREHOLDERS</p> <p>Article 14 (Unchanged)</p> <p>(Convener of the General Meeting of Shareholders)</p> <p>Article 15 Unless otherwise stipulated in laws and regulations, a General Meeting of Shareholders shall be convened by <u>a Director predetermined by the Board of Directors</u>.</p> <p>In the event of <u>the said Director</u> being unable to so act, another Director shall take the role pursuant to the order predetermined by the Board of Directors.</p> <p>(Chairperson of the General Meeting of Shareholders and authorities thereof)</p> <p>Article 16 (1) A <u>Director predetermined by the Board of Directors</u> shall chair the General Meeting of Shareholders. In the event of <u>the said Director</u> being unable to so act, provisions in the preceding Article shall apply.</p> <p>(2) (Unchanged)</p> <p>Articles 17 – 19 (Unchanged)</p> <p>CHAPTER IV. DIRECTORS AND BOARD OF DIRECTORS</p> <p>Articles 20 – 23 (Unchanged)</p> <p>(Convener and Chairperson of the Board of Directors Meeting)</p> <p>Article 24 Unless otherwise stipulated in laws and regulations, a Board of Directors meeting shall be convened and chaired by <u>a Director predetermined by the Board of Directors</u>. In the event of <u>the said Director</u> being unable to so act, another Director shall take the role pursuant to the order predetermined by the Board of Directors.</p> <p>Articles 25 – 30 (Unchanged)</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 termination 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 71st term)
1	Soichiro Kokui	Chairman and CEO	Reappointment	100% (16 / 16)
2	Satoshi Haramaki	President and CEO	Reappointment	100% (16 / 16)
3	Masamine Hirosawa	Director and Senior Managing Executive Officer	Reappointment	100% (16 / 16)
4	Masayuki Takenaka	Director and Managing Executive Officer	Reappointment	100% (16 / 16)
5	Kazushi Hirooka	Director and Managing Executive Officer	Reappointment	100% (16 / 16)
6	Hirokazu Onoe	-	New External Independent	-

Reappointment: Candidate for reappointment as Director

New: Candidate for new appointment as Director

External: Candidate for External Director

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

Candidate Number	Name (Date of Birth)	Personal History, Position, Duties (Important Concurrent Positions)	Number of the Company's Shares in Possession
1 (Reappointment)	Soichiro Kokui (July 31, 1953)	<p>Apr. 1976 Joined Noritz Corp.</p> <p>Mar. 2001 President and Representative Director of Rocket Boiler Industry, Co., Ltd. (currently RB CORPORATION)</p> <p>Oct. 2002 Vice President and Director of HARMAN CO., LTD.</p> <p>Mar. 2003 Director of Noritz Corp. President and Representative Director of HARMAN CO., LTD.</p> <p>Jul. 2004 Managing Director and Head of Sales &amp; Marketing Headquarters, Noritz Corp.</p> <p>Mar. 2007 Director and Managing Executive Officer, Head of Sales &amp; Marketing Headquarters, Noritz Corp.</p> <p>Sep. 2008 Director and Managing Executive Officer, Head of Integrated Management Headquarters, Noritz Corp.</p> <p>Sep. 2009 President and CEO, Representative Executive Officer, Noritz Corp.</p> <p>Mar. 2017 President and CEO, Noritz Corp.</p> <p>May 2017 Chairperson, Kobe Association of Corporate Executives</p> <p>Apr. 2018 External Director, The Minato Bank, Ltd. (current position)</p> <p>Nov. 2019 Vice-Chairman, The Kobe Chamber of Commerce and Industry (KCCI) (current position)</p> <p>Oct. 2020 Chairman and CEO, Noritz Corp. (current position)</p> <p>(Important Concurrent Positions) External Director, The Minato Bank, Ltd. Vice-Chairman, The Kobe Chamber of Commerce and Industry (KCCI)</p> <p>(Reasons for nomination as a candidate for Director) Soichiro Kokui has been directing the management of the entire Group for many years as President and CEO of the Company since 2009. He assumed office as Chairman and CEO of the Company in October 2020 and has been fulfilling his responsibilities. He has been nominated as a candidate for Director based on the judgment that his continued participation in management decision-making as a representative bearing supervising functions will contribute to the improvement of the Company's corporate value over the medium to long term.</p>	34,111 shares
2 (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 &amp; Development Headquarters, Noritz Corp.</p> <p>Sep. 2014 Managing Executive Officer, Head of Research &amp; Development Headquarters, Noritz Corp.</p> <p>Mar. 2015 Director and Managing Executive Officer, Head of Research &amp; Development Headquarters, Noritz Corp.</p> <p>Jan. 2019 Director and Senior Managing Executive Officer, Head of Domestic Business Headquarters, Noritz Corp.</p> <p>Oct. 2020 President and CEO, Noritz Corp. (current position)</p> <p>(Reasons for nomination as a candidate for Director) Satoshi Haramaki assumed office as Director of the Company and has led the business divisions as Head of Research &amp; Development Headquarters and Head of Domestic Business Headquarters. In addition, by promoting structural reform of domestic business, he 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 as a representative bearing execution 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)	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 assumed office as Director of the Company and has promoted sales growth of the overseas business as Head of International Business Headquarters. He has been fulfilling his responsibilities as Head of Products Headquarters since October 2020. He has been nominated as a candidate for Director based on the judgment that his continued participation in management decision-making as Director who oversees manufacturing functions will contribute to the improvement of the Company's corporate value over the medium to long term.</p>	5,000 shares
4 (Reappointment)	Masayuki Takenaka (September 24, 1963)	<p>Jan. 1992 Joined Noritz Corp.</p> <p>Mar. 2004 Director, Head of Planning &amp; Administration Headquarters, HARMAN CO., LTD.</p> <p>Jun. 2011 Managing Director, Head of Administration Headquarters, HARMAN CO., LTD.</p> <p>Jan. 2012 General Manager of General Administration Division of Administration Headquarters, Noritz Corp.</p> <p>Oct. 2013 President and Representative Director of S-Hearts' CORPORATION</p> <p>Apr. 2016 Executive Officer 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 &amp; Administration Headquarters, Noritz Corp. (current position)</p> <p>(Reasons for nomination as a candidate for Director) By promoting the strengthening of the administration division of the entire Group, Masayuki Takenaka has fulfilled his responsibilities as Head of Planning &amp; Administration Headquarters since October 2020. He has been nominated as a candidate for Director based on the judgment that his continued participation in management decision-making 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>	5,100 shares



Candidate Number	Name (Date of Birth)	Personal History, Position, Duties (Important Concurrent Positions)	Number of the Company's Shares in Possession
5 (Reappointment)	Kazushi Hirooka (April 9, 1964)	<p>Apr. 1987 Joined Noritz Corp.</p> <p>Jan. 2016 Executive Officer, Deputy Head of Sales &amp; Marketing Headquarters, Domestic Business Headquarters, Noritz Corp.</p> <p>Sep. 2017 Managing Executive Officer, Head of Sales &amp; Marketing Headquarters, Domestic Business Headquarters, Noritz Corp.</p> <p>Mar. 2020 Director and Managing Executive Officer, Head of Sales &amp; 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) As Head of Sales &amp; Marketing Headquarters responsible for domestic sales, Kazushi Hirooka has promoted recovery of the domestic business, and has fulfilled his responsibilities as Head of Marketing Headquarters since October 2020. He has been nominated as a candidate for Director based on the judgment that his continued participation in management decision-making 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>	3,300 shares
6 (New) (External) (Independent)	Hirokazu Onoe (March 19, 1948)	<p>Sep. 1970 Joined GLORY LTD.</p> <p>Apr. 2000 General Manager, Vending Machine &amp; 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 &amp; Managing Executive Officer, GLORY LTD.</p> <p>Apr. 2009 General Manager, Corporate Strategy Div., GLORY LTD.</p> <p>Jun. 2010 Director &amp; Executive Vice President, GLORY LTD.</p> <p>Apr. 2011 President &amp; Representative Director, GLORY LTD.</p> <p>Apr. 2019 Chairman of the Board &amp; Representative Director, GLORY LTD. (current position)</p> <p>(Important Concurrent Positions) Chairman of the Board &amp; Representative Director, GLORY LTD.</p> <p>(Reasons for nomination as a candidate for External Director) Hirokazu Onoe possesses abundant experience and wide-ranging insight as a manager of a manufacturing corporation that develops business globally. In addition, he meets the Company's Selection Criteria for Independent External Officers. Therefore, he has been nominated as a candidate for External Director based on the judgment that his participation in management decision-making by providing advice on and supervising the Company's business execution from an independent standpoint will contribute to the improvement of the Company's corporate value over the medium to long term.</p>	0 shares

Note 1. No collusion of interests between the candidates and the Company exists.

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

Note 3. Signing of liability limitation agreement with the candidates for External Directors

If Hirokazu Onoe in this proposal is elected at this annual meeting of shareholders, the Company plans to sign an agreement with him limiting his liability for damages prescribed in Article 423, Paragraph 1 of the Companies Law, based on the regulations of Article 427, Paragraph 1 of the same law. The limitation of liability for damages according to this agreement is the minimum amount as stated in Article 425, Paragraph 1 of the Companies Law.

Note 4. 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 5. The "Number of the Company's Shares in Possession" shows the number of shares held as of December 31, 2020.

Note 6. Signing of directors and officers liability insurance agreement

To attract talented human resources and allow them to fully exert their capabilities in business execution without constraint, the Company has signed a directors and officers liability insurance agreement with an insurance company, the outline of which is as described below. The agreement is scheduled to be renewed in July 2021. 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.

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\* 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.

**Proposal 4 Election of Three Directors Serving as Audit & Supervisory Committee Members**

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

This proposal has the agreement of the Audit & Supervisory Committee.

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

Candidate Number	Name	Position	Category of candidates	Status of attendance (The 71st term)
1	Tsuyoshi Ayabe	Director (Full-time Audit & Supervisory Committee Member)	Reappointment	The Board of Directors meetings 100% (16 / 16) The Audit & Supervisory Committee meetings 100% (15 / 15)
2	Yasuko Masaki	External Director (Audit & Supervisory Committee Member)	Reappointment External Independent	The Board of Directors meetings 100% (16 / 16) The Audit & Supervisory Committee meetings 100% (15 / 15)
3	Yasuhiro Tani	-	New External Independent	-

Reappointment: Candidate for reappointment as Director

New: Candidate for new appointment as Director

External: Candidate for External Director

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

Candidate Number	Name (Date of Birth)	Personal History, Position (Important Concurrent Positions)	Number of the Company's Shares in Possession
1 (Reappointment)	Tsuyoshi Ayabe (March 2, 1961)	<p>Apr. 1983 Joined Noritz Corp.  Mar. 2011 General Manager of Accounting &amp; Finance Division of Administration Headquarters, Noritz Corp.  Jan. 2014 President and Representative Director of Noritz Capital Corporation  Mar. 2017 Audit &amp; Supervisory Board Member, Noritz Corp.  Mar. 2019 Director (Full-time Audit &amp; Supervisory Committee Member), Noritz Corp.  (current position)</p> <p>(Reasons for nomination as a candidate for Director serving as Audit &amp; Supervisory Committee Member)  After having served as General Manager of Accounting &amp; Finance Division and as President and Representative Director of a subsidiary, Tsuyoshi Ayabe assumed the office of Audit &amp; Supervisory Board Member of the Company and therefore possesses extensive experience in the Company's business and expertise in finance. Therefore, he has been nominated as a candidate for Director serving as Audit &amp; Supervisory Committee Member based on the judgment that his participation in management decision-making by fulfilling his responsibilities of auditing business execution, etc. from an objective standpoint as Director serving as Audit &amp; Supervisory Committee Member will contribute to the improvement of the Company's corporate value over the medium to long term.</p>	2,000 shares
2 (Reappointment) (External) (Independent)	Yasuko Masaki (April 8, 1955)	<p>Apr. 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 &amp; Masaki Law Office  Co-Representative of Shimoyama &amp; Masaki Law Office  Apr. 2004 Professor, The Kwansei Gakuin University Law School  Jan. 2008 External Director, HI-LEX CORPORATION (current position)  Apr. 2008 President of Hyogo-Ken Bar Association  Apr. 2011 Chief of Hyogo District Office, The Japan Legal Support Center (Houterasu)  Apr. 2013 President of Kinki Federation of Bar Associations  Jun. 2014 External Inspector, CONSUMERS CO-OPERATIVE KOBE (current position)  Mar. 2018 External Audit &amp; Supervisory Board Member, Noritz Corp.  Apr. 2018 Vice Chairman of Japan Federation of Bar Associations  Mar. 2019 Director (Audit &amp; Supervisory Committee Member), Noritz Corp.  (current position)  Jul. 2020 Representative of Shimoyama &amp; Masaki Law Office  (current position)</p> <p>(Important Concurrent Positions)  Representative of Shimoyama &amp; Masaki Law Office  External Director, HI-LEX CORPORATION  External Inspector, CONSUMERS CO-OPERATIVE KOBE</p> <p>(Reasons for nomination as a candidate for External Director serving as Audit &amp; Supervisory Committee Member)  Yasuko Masaki possesses wide-ranging experience and expert insights on laws as a lawyer, as well as abundant experience accumulated through her career of having served as a professor at a law school and a corporate officer. In addition, she meets the Company's Selection Criteria for Independent External Officers. Therefore, she has been nominated as a candidate for External Director serving as Audit &amp; Supervisory Committee Member based on the judgment that her participation in management decision-making by fulfilling her responsibilities of auditing business execution, etc. from an objective standpoint as External Director serving as Audit &amp; Supervisory Committee Member will contribute to the improvement of the Company's corporate value over the medium to long term.</p>	0 shares

Candidate Number	Name (Date of Birth)	Personal History, Position (Important Concurrent Positions)	Number of the Company's Shares in Possession
3 (New) (External) (Independent)	Yasuhiro Tani (October 11, 1956)	<p>Oct. 1981 Joined Asahi &amp; Co. (currently KPMG AZSA LLC)</p> <p>Apr. 1985 Registered as a certified public accountant</p> <p>Apr. 1986 Representative of CPA Tani Accounting Office (current position)</p> <p>May 2003 Registered as a certified tax accountant</p> <p>Sep. 2004 Visiting professor at the Graduate School of the Central University of Finance and Economics in Beijing</p> <p>Apr. 2006 Professor of The Graduate School of Management, GLOBIS University (current position)</p> <p>Jun. 2018 External Auditor, World Mode Holdings Co., Ltd.</p> <p>Jun. 2020 External Auditor, ROHTO PHARMACEUTICAL CO., LTD. (current position)</p> <p>(Important Concurrent Positions)</p> <p>Representative of CPA Tani Accounting Office</p> <p>Professor of The Graduate School of Management, GLOBIS University</p> <p>External Auditor, ROHTO PHARMACEUTICAL CO., LTD.</p> <p>(Reasons for nomination as a candidate for External Director serving as Audit &amp; Supervisory Committee Member)</p> <p>Yasuhiro Tani possesses expert insight as a certified public accountant and a certified tax accountant as well as deep insight concerning global management through acquiring MBA at the University of Texas in the U.S. and serving as a visiting professor at the Graduate School of the Central University of Finance and Economics in Beijing. In addition, he meets the Company's Selection Criteria for Independent External Officers. Therefore, he has been nominated as a candidate for External Director serving as Audit &amp; Supervisory Committee Member based on the judgment that his participation in management decision-making by fulfilling his responsibilities of auditing business execution, etc. from an objective standpoint as External Director serving as Audit &amp; Supervisory Committee Member will contribute to the improvement of the Company's corporate value over the medium to long term.</p>	0 shares

Note 1. No collusion of interests between the candidates and the Company exists.

Note 2. Yasuko Masaki and Yasuhiro Tani are candidates for External Directors serving as Audit & Supervisory Committee Members.

Note 3. Terms of office of the candidates for External Directors serving as Audit & Supervisory Committee Members as External Directors or External Audit & Supervisory Board Members of the Company

The term of office for Yasuko Masaki as an External Director of the Company shall have been two years at the end of this annual meeting of shareholders.

Her total term of office including the term as External Audit & Supervisory Board Member shall have been three years.

Note 4. Signing of liability limitation agreement with the candidates for Directors serving as Audit & Supervisory Committee Members

The Company has signed an agreement with Tsuyoshi Ayabe and Yasuko Masaki limiting their liability for damages prescribed in Article 423, Paragraph 1 of the Companies Law, based on the regulations of Article 427, Paragraph 1 of the same law. The limitation of liability for damages according to this agreement is the minimum amount as stated in Article 425, Paragraph 1 of the Companies Law. If the reelection of Tsuyoshi Ayabe and Yasuko Masaki is approved, the Company plans to continue the said agreement with them.

If the election of Yasuhiro Tani in this proposal is approved at this annual meeting of shareholders, the Company plans to sign a liability limitation agreement with the same content as that of the said agreement with him.

Note 5. Independence of the candidates for External Directors serving as Audit & Supervisory Committee Members

Yasuko Masaki and Yasuhiro Tani are candidates for the position of an "independent director/auditor" as prescribed by the regulations of the Tokyo Stock Exchange with which the Company lists its shares.

Note 6. The "Number of the Company's Shares in Possession" shows the number of shares held as of December 31, 2020.

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 in July 2021. Of the candidates for the post of Director serving as Audit & Supervisory Committee Members 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.

### Proposal 5 Election of One Substitute Director Serving as Audit & Supervisory Committee Member

To prepare for a contingency in which the number of Directors serving as Audit & Supervisory Committee Members falls short of such number stipulated by laws and regulations, we ask for your cooperation in electing one Substitute Director serving as Audit & Supervisory Committee Member.

This proposal has the agreement of the Audit & Supervisory Committee.

The candidate for the post of Substitute Director serving as Audit & Supervisory Committee Member is as follows.

Candidate Number	Name (Date of Birth)	Personal History (Important Concurrent Positions)	Number of the Company's Shares in Possession
1 (External) (Independent)	Mari Shibata (April 8, 1969)	<p>Apr. 1997 Registered as a lawyer Joined Takimoto Masahiko Law Office</p> <p>Oct. 2000 Representative of Flora Law Office (current position)</p> <p>Oct. 2004 External Auditor, Kobe Bussan Co. Ltd. (current position)</p> <p>Apr. 2019 External Auditor, DIGITAL ALLIANCE HOLDINGS CO., LTD. (current position)</p> <p>(Important Concurrent Positions)</p> <p>Representative of Flora Law Office</p> <p>External Auditor, Kobe Bussan Co. Ltd.</p> <p>External Auditor, DIGITAL ALLIANCE HOLDINGS CO., LTD.</p> <p>(Reasons for nomination as a candidate for Substitute External Director serving as Audit &amp; Supervisory Committee Member)</p> <p>Mari Shibata possesses wide-ranging business experience as a lawyer and expert insights on laws, as well as abundant experience accumulated by having served as an auditor at a listed company for many years. In addition, she meets the Company's Selection Criteria for Independent External Officers. Therefore, she has been nominated as a candidate for Substitute External Director serving as Audit &amp; Supervisory Committee Member based on the judgment that her participation in management decision-making by fulfilling her responsibilities of auditing business execution, etc. from an objective standpoint as External Director serving as Audit &amp; Supervisory Committee Member will contribute to the improvement of the Company's corporate value over the medium to long term.</p>	0 shares

Note 1. No collusion of interests between the candidate and the Company exists.

Note 2. Mari Shibata is a candidate for Substitute External Director serving as Audit & Supervisory Committee Member.

Note 3. Signing of liability limitation agreement with the candidate for Substitute External Director serving as Audit & Supervisory Committee Member

If Mari Shibata assumes office as External Director serving as Audit & Supervisory Committee Member, the Company plans to sign an agreement with Mari Shibata to limit her liability for damages prescribed in Article 423, Paragraph 1 of the Companies Law, based on the regulations of Article 427, Paragraph 1 of the same law. The limitation of liability for damages according to this agreement is the minimum amount as stated in Article 425, Paragraph 1 of the Companies Law.

Note 4. Independence of the candidate for Substitute External Director serving as Audit & Supervisory Committee Member

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

Note 5. The "Number of the Company's Shares in Possession" shows the number of shares held as of December 31, 2020.

Note 6. Signing of directors and officers liability insurance agreement

To attract talented human resources and allow them to fully exert their capabilities in business execution without constraint, the Company has signed a directors and officers liability insurance agreement with an insurance company, the outline of which is as described below. The agreement is scheduled to be renewed in July 2021. If Mari Shibata assumes office as External Director serving as Audit & Supervisory Committee Member, she will be insured by the agreement after her assumption of office.

[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.

**Proposal 6 Determination of Remuneration for Allocation of Restricted Stock to Directors (Excluding External Directors and Directors Serving as Audit & Supervisory Committee Members)**

The amount of remuneration for Directors (excluding Directors Serving as Audit & Supervisory Committee Members) of the Company was approved by the resolution of the 69<sup>th</sup> Annual Meeting of Shareholders held on March 28, 2019 to be within the annual amount of 400 million yen (including 20 million yen per year for External Directors; not including the portion of their employee salaries). In addition, within the range of remuneration amount stated above, it was approved to allocate equity warrants as stock compensation-type stock options to Directors (excluding External Directors and Directors Serving as Audit & Supervisory Committee Members) of the Company.

The Company would like to revise its remuneration plan for officers, and in order for Directors (excluding External Directors and Directors Serving as Audit & Supervisory Committee Members; hereinafter, “Eligible Directors”) of the Company to share the merits and risks of stock price fluctuations with shareholders and have enhanced motivation to contribute to higher stock prices and to the improvement of its corporate value, the Company proposes to newly allocate common stock of the Company subject to provisions stipulating a certain transfer restriction period and causes for acquisition without consideration by the Company (hereinafter, “Restricted Stock”) to Eligible Directors, as follows, in lieu of the equity warrants as stock compensation-type stock options stated above.

Accordingly, the Company proposes that the amount of remuneration for Directors (excluding Directors Serving as Audit & Supervisory Committee Members) of the Company remain within the annual amount of 400 million yen (including 20 million yen per year for External Directors) and that, upon comprehensively taking into consideration various circumstances including the degree of contribution of Eligible Directors, monetary remuneration claims as remuneration, etc. related to Restricted Stock be provided to Eligible Directors within the range of the remuneration amount stated above. However, as in the past, the above-stated amount of remuneration shall not include the portion of their employee salaries.

The allotment of the Restricted Stock has been determined upon comprehensively taking into consideration various circumstances including the degree of contribution of Eligible Directors, and thus the Company deems the details of this allotment to be reasonable.

In addition, if Proposal 3 is approved, the number of Eligible Directors will be five.

If this Proposal is approved and resolved, except for equity warrants already allotted, equity warrants as stock compensation-type stock options stated above shall no longer be issued in the future to Directors (excluding External Directors and Directors Serving as Audit & Supervisory Committee Members) of the Company.

**Specific Details and the Maximum Number of Restricted Stock for Eligible Directors**

**1. Allotment and payment of Restricted Stock**

The Company, based on the resolution of the Board of Directors of the Company, shall provide the Eligible Directors with monetary remuneration claims within the above-stated amount as remuneration related to Restricted Stock, and each Eligible Director will pay all of the said monetary remuneration claims in kind and receive the allotment of the Restricted Stock.

The paid-in amount of the Restricted Stock will be determined at the Board of Directors based on the closing price of the common stock of the Company on the Tokyo Stock Exchange on the business day prior to the date of resolution by the Board of Directors pertaining to its issue or disposal (if no transactions are made on that day, the closing price on the most recent trading day immediately preceding that date), within a scope not particularly advantageous to the Eligible Directors receiving the allotment of the Restricted Stock.

Additionally, the monetary remuneration claims above will be provided on the condition that the Eligible Directors have agreed to the above contribution in kind and have executed the Restricted Stock Allotment Agreement which contains the details set forth in paragraph 3 below.

**2. Total number of Restricted Stock**

The total number of the Restricted Stock allotted to the Eligible Directors shall be up to 90,000 shares per year. However, in the event of a stock split (including gratis allocation of the common stock of the Company) or a reverse stock split of the common stock of the Company, or in other similar cases when adjustments are necessary to the total number of the Restricted Stock to be allotted, on or after the date of the resolution of this Proposal, the total number of the Restricted Stock can be adjusted within a reasonable scope.

**3. Details of the Restricted Stock Allotment Agreement**

Upon allotment of Restricted Stock, based on the resolution of the Board of Directors of the Company, the Restricted Stock Allotment Agreement to be executed between the Company and the Eligible Directors who receive the allotment of the Restricted Stock shall include the following details.

**(1) Details of the restrictions on transfer**

During the period from the date on which the Restricted Stock is issued until the date of resignation as Director of the Company (hereinafter, the “Transfer Restriction Period”), the Eligible Directors shall not dispose of the Restricted Stock allotted to them (the “Allotted Shares”)



to any third party in any manner, including transfer, creation of a pledge, creation of a security interest, giving inter vivos gift, testamentary gift (hereinafter, the “Transfer Restriction”).

(2) Acquisition of Restricted Stock without consideration

In the case that the Eligible Director retires from the position of Director of the Company by a day prior to the date when the first Annual Meeting of Shareholders of the Company is held after the date of commencement of the Transfer Restriction Period, the Company shall acquire without consideration the Allotted Shares, except where there is a justifiable reason approved by the Board of Directors of the Company.

Additionally, the Company shall automatically acquire without consideration the Allotted Shares for which Transfer Restriction has not been lifted based on the provisions of causes for lifting the Transfer Restriction stated in (3) below at a point in time when the Transfer Restriction Period in (1) above has expired.

(3) Lifting of Transfer Restriction

On the condition that the Eligible Director continued to hold the position of Director of the Company until the day when the first Annual Meeting of Shareholders is held after the date of commencement of the Transfer Restriction Period, the Company shall lift the Transfer Restriction on all Allotted Shares at a point in time when the Transfer Restriction Period has expired.

However, if the Eligible Director retires from the position of Director of the Company by a day prior to the date when the first Annual Meeting of Shareholders is held after the date of commencement of the Transfer Restriction Period due to reasons deemed justifiable by the Board of Directors of the Company, the number of Allotted Shares for which the Transfer Restriction is to be lifted and the timing thereof shall be reasonably adjusted, as necessary.

(4) Treatment in the case of organizational restructuring

During the Transfer Restriction Period, if a proposal relating to a merger agreement under which the Company will become the dissolving company, a share exchange agreement or a share transfer plan under which the Company will become a wholly-owned subsidiary or any other organizational restructuring is approved at a General Meeting of Shareholders of the Company (or, if an approval at a General Meeting of Shareholders of the Company is not required regarding the organizational restructuring, etc., then at the Board of Directors of the Company) (applied only in cases where the effective date of the organizational restructuring, etc. comes prior to the expiration of the Transfer Restriction Period; hereinafter, “Organizational Restructuring Approval”) and the Eligible Directors are to retire from the position of Director of the Company due to the organizational restructuring, etc., pursuant to the resolution of the Board of Directors of the Company, the Transfer Restriction shall be lifted in respect of a certain number of Allotted Shares, which has been reasonably determined taking into consideration the period from the date of commencement of the Transfer Restriction Period until the date of the approval regarding the organizational restructuring, etc., in advance of the effective date of such organizational restructuring.

In addition, in the case of the Organizational Restructuring Approval, on a business day prior to the effective date of the organizational restructuring, etc., the Company shall automatically acquire without consideration the Allotted Shares for which Transfer Restriction has not been lifted as of the business day.

(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) by formulating guidelines based on the Succession Plan. Specifically, 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.

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

Candidates shall be able to appropriately direct management and business 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 its 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 and who 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 relationship arising for some other reason.