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(Securities Code 7965)
January 29, 2020

To Shareholders with Voting Rights:

Norio Ichikawa
President
Zojirushi Corporation
1-20-5 Temma, Kita-ku, Osaka

**NOTICE OF
THE 75th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

You are cordially invited to attend the 75th Annual General Meeting of Shareholders of Zojirushi Corporation (the “Company”). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you may exercise your voting rights in writing or by electromagnetic means (via the Internet, etc.). Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:00 p.m. on Tuesday, February 18, 2020, Japan time by following the guidance described later (note: the guidance is available only in Japanese).

1. Date and Time: Wednesday, February 19, 2020 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 75th Fiscal Year (November 21, 2018 – November 20, 2019) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors
 2. Non-consolidated Financial Statements for the Company’s 75th Fiscal Year (November 21, 2018 – November 20, 2019)

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 Three (3) Directors serving as Audit and Supervisory Committee Members
- Proposal 5:** Determination of the Amount of Remuneration to Directors (excluding Directors serving as Audit and Supervisory Committee Members)
- Proposal 6:** Determination of the Amount of Remuneration to Directors serving as Audit and Supervisory Committee Members
- Proposal 7:** Determination of the Amount and Details of Remuneration for Granting Restricted Stock to Directors (excluding Directors serving as Audit and Supervisory Committee Members and Outside Directors)

<Shareholder proposal>

- Proposal 8:** Election of One (1) Director (excluding Director serving as Audit and Supervisory Committee Member)

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- You are advised to arrive in good time as the reception desk is expected to be crowded just before the start of the meeting. The reception desk will open at 9:00 a.m.
- Of the documents to be provided with this Notice, the “Systems and Policies of the Company” in the Business Report, the “Consolidated Statement of Changes in Shareholders’ Equity,” “Notes to Consolidated Financial Statements,” the “Non-consolidated Statement of Changes in Shareholders’ Equity” and “Notes to Non-consolidated Financial Statements” are posted on the Company’s website (<https://www.zojirushi.co.jp/corp/>) (note: available only in Japanese) in accordance with provisions of laws and regulations as well as Article 16 of the Company’s Articles of Incorporation and therefore are not provided in the Appendix of this Notice. The Business Report, the Consolidated Financial Statements and Non-consolidated Financial Statements provided in the Appendix of this Notice are part of the Business Report, the Consolidated Financial Statements and Non-consolidated Financial Statements that were audited by the Corporate Auditors, and the Consolidated Financial Statements and Non-consolidated Financial Statements that were audited by the Accounting Auditor.
- Should the Business Report, the Consolidated Financial Statements, the Non-consolidated Financial Statements, and/or the Reference Documents for the General Meeting of Shareholders require revisions, the revised versions will be posted on the Company’s website (<https://www.zojirushi.co.jp/corp/>) (note: available only in Japanese).

Reference Documents for the General Meeting of Shareholders

Proposals and References

<Company proposals>

Proposal 1: Appropriation of Surplus

It is proposed that the surplus be appropriated as below.

It is proposed that a dividend of ¥13 per share be paid out, taking into consideration in a comprehensive manner the Company's business results for the fiscal year ended November 20, 2019, 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 ¥13 per share, the annual dividends for the fiscal year will amount to ¥26 per share.

- (1) Type of dividend property
Cash
- (2) Allocation of dividend property and total amount thereof
¥13 per share of common stock of the Company
Total amount of dividends: ¥878,840,872
- (3) Effective date of dividends from surplus
February 20, 2020

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the amendments

- (1) The Company will make a transition to a company with audit and supervisory committee, which was established in accordance with the “Act Partially Amending the Companies Act” (Act No.90 of 2014). The purpose of the transition is to further increase management transparency and achieve swifter decision making by strengthening the supervisory function of the Board of Directors and enhancing corporate governance. Accordingly, it is proposed that provisions regarding the Audit and Supervisory Committee and Audit and Supervisory Committee Members be newly established, provisions regarding the Board of Corporate Auditors and Corporate Auditors be deleted, and other necessary amendments be made in the Articles of Incorporation of the Company.
In addition, it is proposed that necessary changes including amendments and deletions be made to the provisions regarding Corporate Officers in order to clarify the positioning of Corporate Officers and to clearly state that the President as a chief executive officer as well as other titles are the titles granted to Corporate Officers in the Articles of Incorporation.
- (2) It is proposed that amendments be made to Article 2 of the current Articles of Incorporation in order to clarify the contents of business operations and in view of future business expansion. In conjunction with the above amendments, the Company proposes to make other necessary amendments and renumber certain Articles.

2. Details of the amendments

The details of the amendments are as follows.

This Proposal shall take effect at the conclusion of this Annual General Meeting of Shareholders.

(Underlined parts are amended.)

Current Articles of Incorporation	Proposed Amendments
CHAPTER I. GENERAL PROVISIONS	CHAPTER I. GENERAL PROVISIONS
Article 1. (Omitted)	Article 1. (Same as current)
(Purpose)	(Purpose)
Article 2. The purpose of the Company shall be to engage in the following businesses:	Article 2. (Same as current)
(1) - (6) (Omitted)	(1) - (6) (Same as current)
(7) Manufacturing and marketing of <u>water and sewerage pipes and articles attached thereto</u> ;	(7) Manufacturing and marketing of <u>machines and appliances for industrial use, as well as parts therefor</u> ;
(8) - (11) (Omitted)	(8) - (11) (Same as current)
(12) Manufacturing and marketing of <u>retort-pouch foods, frozen cooking foods, and soft drinks</u> ;	(12) Manufacturing, <u>processing, and</u> marketing of <u>food products</u> ;
(13) Export and import <u>business</u> of products listed in the items above;	(13) <u>Leasing</u> and export and import of products listed in the items above;
(14) - (16) (Omitted)	(14) - (16) (Same as current)
(17) Management of <u>culture centers</u> ;	(17) Management of <u>restaurants and cooking classes</u> ;
(18) - (20) (Omitted)	(18) - (20) (Same as current)
(21) Mail-order sales <u>by catalog</u> ; and	(21) Mail-order sales <u>using the Internet</u> ; and
(22) (Omitted)	(22) (Same as current)
Article 3. (Omitted)	Article 3. (Same as current)
(Organizations)	(Organizations)
Article 4. The Company shall have the following organizations in addition to the General Meeting of Shareholders and Directors:	Article 4. The Company shall have the following organizations in addition to the General Meeting of Shareholders and Directors:
(1) Board of Directors;	(1) Board of Directors;
(2) <u>Corporate Auditors</u> ;	(Deleted)
(3) <u>Board of Corporate Auditors</u> ; and	(2) <u>Audit and Supervisory Committee</u> ; and
(4) Accounting Auditor.	(3) Accounting Auditor.
Article 5. (Omitted)	Article 5. (Same as current)
CHAPTER II. SHARES	CHAPTER II. SHARES
Article 6. - Article 9. (Omitted)	Article 6. - Article 9. (Same as current)

Current Articles of Incorporation	Proposed Amendments
<p>(Request for Purchase of Shares of Less Than One Unit) Article 10. (Omitted)</p> <p>2. The period during which shareholders may make a Request for Purchase of Shares, the method of request, etc. shall be governed by the Share Handling Regulations established or amended by the Board of Directors.</p> <p>(Shareholder Register Administrator) Article 11. (Omitted)</p> <p>2. The shareholder register administrator and its business office shall be designated by resolution of the Board of Directors and public notice thereof shall be issued by the Company.</p> <p>(Share Handling Regulations) Article 12. The business and handling charges pertaining to shares or stock acquisition rights of the Company and procedures, etc. for exercising the rights of shareholders shall be governed by, in addition to laws and regulations or these Articles of Incorporation, the Share Handling Regulations established or amended by the Board of Directors.</p> <p>CHAPTER III. GENERAL MEETING OF SHAREHOLDERS</p> <p>Article 13. - Article 14. (Omitted)</p> <p>(Person Authorized to Convene General Meeting of Shareholders and Chairman) Article 15. Except as otherwise provided by laws and regulations, <u>the President</u> shall, <u>by</u> resolution of the Board of Directors, convene the General Meeting of Shareholders and act as the chairman thereof.</p> <p>2. In the event that <u>the President</u> is unable to act, another Director, in accordance with an order of priority determined in advance by the Board of Directors, shall convene the General Meeting of Shareholders and act as the chairman thereof.</p> <p>Article 16. - Article 17. (Omitted)</p> <p>CHAPTER IV. DIRECTORS AND BOARD OF DIRECTORS (Number of Directors) Article 18. The number of Directors of the Company shall not exceed ten (10).</p> <p>(Newly established)</p> <p>(Election of Directors) Article 19. Directors shall be elected by resolution of the General Meeting of Shareholders.</p> <p>2. (Omitted) 3. (Omitted)</p> <p>(Term of Office of Directors) Article 20. The term of office of a Director shall expire upon conclusion of the Annual General Meeting of Shareholders held with respect to the last fiscal year ending within one (1) year from his/her election to office.</p>	<p>(Request for Purchase of Shares of Less Than One Unit) Article 10. (Same as current)</p> <p>2. The period during which shareholders may make a Request for Purchase of Shares, the method of request, etc. shall be governed by the Share Handling Regulations established or amended by the Board of Directors <u>or a Director who is delegated by resolution of the Board of Directors.</u></p> <p>(Shareholder Register Administrator) Article 11. (Same as current)</p> <p>2. The shareholder register administrator and its business office shall be designated by resolution of the Board of Directors <u>or a decision made by a Director who is delegated by resolution of the Board of Directors,</u> and public notice thereof shall be issued by the Company.</p> <p>(Share Handling Regulations) Article 12. The business and handling charges pertaining to shares or stock acquisition rights of the Company and procedures, etc. for exercising the rights of shareholders shall be governed by, in addition to laws and regulations or these Articles of Incorporation, the Share Handling Regulations established or amended by the Board of Directors <u>or a Director who is delegated by resolution of the Board of Directors.</u></p> <p>CHAPTER III. GENERAL MEETING OF SHAREHOLDERS</p> <p>Article 13. - Article 14. (Same as current)</p> <p>(Person Authorized to Convene General Meeting of Shareholders and Chairman) Article 15. Except as otherwise provided by laws and regulations, <u>a Director who is determined by resolution of the Board of Directors</u> shall, <u>by</u> resolution of the Board of Directors, convene the General Meeting of Shareholders and act as the chairman thereof.</p> <p>2. In the event that <u>the Director prescribed in the preceding Paragraph</u> is unable to act, another Director, in accordance with an order of priority determined in advance by the Board of Directors, shall convene the General Meeting of Shareholders and act as the chairman thereof.</p> <p>Article 16. - Article 17. (Same as current)</p> <p>CHAPTER IV. DIRECTORS AND BOARD OF DIRECTORS (Number of Directors) Article 18. The number of Directors <u>(excluding those serving as Audit and Supervisory Committee Members)</u> of the Company shall not exceed ten (10).</p> <p>2. <u>The number of Directors serving as Audit and Supervisory Committee Members of the Company shall not exceed five (5).</u></p> <p>(Election of Directors) Article 19. Directors shall be elected by resolution of the General Meeting of Shareholders, <u>categorized as Directors serving as Audit and Supervisory Committee Members and the other Directors.</u></p> <p>2. (Same as current) 3. (Same as current)</p> <p>(Term of Office of Directors) Article 20. The term of office of a Director <u>(excluding those serving as Audit and Supervisory Committee Members)</u> shall expire upon conclusion of the Annual General Meeting of Shareholders held with respect to the last fiscal year ending within one (1) year from his/her election to office.</p>

Current Articles of Incorporation	Proposed Amendments
(Newly established)	2. <u>The term of office of a Director serving as Audit and Supervisory Committee Member shall expire upon conclusion of the Annual General Meeting of Shareholders held with respect to the last fiscal year ending within two (2) years from his/her election to office.</u>
(Newly established)	3. <u>The term of office of a Director serving as Audit and Supervisory Committee Member elected to fill a vacancy caused by the retirement of a Director serving as Audit and Supervisory Committee Member before the expiry of his/her term of office shall be the same as the remaining term of office of the retired Director serving as Audit and Supervisory Committee Member.</u>
(Newly established)	4. <u>The effective term of the resolution for election of a substitute Director serving as Audit and Supervisory Committee Member shall expire at the beginning of the Annual General Meeting of Shareholders held with respect to the last fiscal year ending within two (2) years from his/her election.</u>
(Directors with Special Titles and Advisors) Article 21. The Board of Directors <u>may</u> , by resolution, elect <u>one (1) Chairman, one (1) Deputy Chairman, one (1) President, and several Deputy Presidents, Senior Managing Directors and Managing Directors.</u>	(Representative Directors and Chairman, etc.) Article 21. The Board of Directors, by resolution, elects <u>Representative Directors from among Directors (excluding those serving as Audit and Supervisory Committee Members).</u>
2. The Board of Directors may, <u>by</u> resolution, appoint <u>several Advisors.</u>	2. The Board of Directors may, <u>by</u> resolution, appoint <u>one (1) Chairman and one (1) Deputy Chairman.</u>
(Representative Directors) Article 22. <u>The President shall be elected as a Representative Director by resolution of the Board of Directors and preside over the affairs of the Company.</u>	(Corporate Officers) Article 22. <u>The Board of Directors may, by resolution, appoint Corporate Officers and have them execute their respective duties.</u>
2. The Board of Directors may, by resolution, <u>elect a Representative Director from among the Chairman, Deputy Chairman, Deputy Presidents, Senior Managing Directors and Managing Directors.</u>	2. The Board of Directors may, by resolution, <u>elect a President Corporate Officer, as well as Deputy President Corporate Officers, Senior Managing Corporate Officers, Managing Corporate Officers and other Corporate Officers with special titles.</u>
(Convocation of the Board of Directors Meeting and Chairman) Article 23. Except as otherwise provided by laws and regulations, <u>the President</u> shall convene the meeting of the Board of Directors and act as the chairman thereof.	(Convocation of the Board of Directors Meeting and Chairman) Article 23. Except as otherwise provided by laws and regulations, <u>a Director who is determined by resolution of the Board of Directors</u> shall convene the meeting of the Board of Directors and act as the chairman thereof.
2. In the event that <u>the President</u> is unable to act, another Director, in accordance with an order of priority determined in advance by the Board of Directors, shall convene the meeting of the Board of Directors and act as the chairman thereof.	2. In the event that <u>the Director in the preceding Paragraph</u> is unable to act, another Director, in accordance with an order of priority determined in advance by the Board of Directors, shall convene the meeting of the Board of Directors and act as the chairman thereof.
(Notice of Convocation of the Board of Directors Meeting) Article 24. A notice of convocation of a meeting of the Board of Directors shall be sent to each Director <u>and Corporate Auditor</u> at least three (3) days prior to the meeting; provided, however, that in the event of urgency, such period may be further shortened. When the consent of all Directors <u>and Corporate Auditors</u> is obtained in advance, the notice of convocation may be omitted.	(Notice of Convocation of the Board of Directors Meeting) Article 24. A notice of convocation of a meeting of the Board of Directors shall be sent to each Director at least three (3) days prior to the meeting; provided, however, that in the event of urgency, such period may be further shortened. When the consent of all Directors is obtained in advance, the notice of convocation may be omitted.
(Resolutions of the Board of Directors) Article 25. Resolutions of the Board of Directors shall be adopted by a majority of the Directors present who constitute in number a majority of the total number of Directors.	(Resolutions of the Board of Directors) Article 25. Resolutions of the Board of Directors shall be adopted by a majority of the Directors present who constitute in number a majority of the total number of Directors <u>entitled to participate in the vote.</u>
(Omission of the Procedure for Adopting Resolutions of the Board of Directors) Article 26. If a matter to be resolved by the Board of Directors is approved by all of the Directors in writing or by electromagnetic records, the matter to be resolved shall	(Omission of the Procedure for Adopting Resolutions of the Board of Directors) Article 26. If a matter to be resolved by the Board of Directors is approved by all of the Directors <u>entitled to participate in the vote</u> in writing or by electromagnetic

Current Articles of Incorporation	Proposed Amendments
<p>be deemed to have been adopted by resolution of the Board of Directors; <u>provided, however, that this provision shall not apply if a Corporate Auditor expresses objections thereto.</u></p> <p>(Newly established)</p> <p>(Compensation, etc. of Directors) Article 27. The amount of compensation, bonuses and any other property benefits to be granted to Directors by the Company in consideration of their execution of duties (<u>hereinafter referred to as “compensation, etc.”</u>) shall be determined by resolution of the General Meeting of Shareholders.</p> <p>(Exemption from Liabilities of Directors) Article 28. (Omitted) 2. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with each of the Directors (excluding executive Directors) to limit liabilities for damages set forth in Article 423, Paragraph 1 of the same act; provided, however, that the limit of the liability for damages under this agreement shall be a minimum liability amount set forth by laws and regulations.</p> <p><u>CHAPTER V. CORPORATE AUDITORS AND BOARD OF CORPORATE AUDITORS</u></p> <p>(Number of Corporate Auditors) <u>Article 29. The number of Corporate Auditors of the Company shall not exceed five (5).</u></p> <p>(Election of Corporate Auditors) <u>Article 30. Corporate Auditors shall be elected by resolution of the General Meeting of Shareholders.</u> <u>2. Resolutions for the election of Corporate Auditors shall be adopted by a majority of the voting rights of the attending shareholders who hold one-third (1/3) or more of the voting rights of shareholders entitled to exercise voting rights.</u></p> <p>(Term of Office of Corporate Auditors) <u>Article 31. The term of office of a Corporate Auditor shall expire upon conclusion of the Annual General Meeting of Shareholders held with respect to the last fiscal year ending within four (4) years from his/her election to office.</u> <u>2. The term of office of a Corporate Auditor elected to fill a vacancy caused by the retirement of a Corporate Auditor before the expiry of his/her term of office shall be the same as the remaining term of office of the retired Corporate Auditor.</u></p> <p>(Standing Corporate Auditors) Article 32. The Board of Corporate Auditors shall elect one (1) or more Standing Corporate Auditors from among the Corporate Auditors.</p> <p>(Notice of Convocation of the <u>Board of Corporate Auditors Meeting</u>) Article 33. A notice of convocation of a meeting of the <u>Board of Corporate Auditors</u> shall be sent to each <u>Corporate Auditor</u> at least three (3) days prior to the meeting; provided, however, that in the event of urgency,</p>	<p>records, the matter to be resolved shall be deemed to have been adopted by resolution of the Board of Directors.</p> <p>(Delegation to Directors) <u>Article 27. Pursuant to the provisions of Article 399-13, Paragraph 6 of the Companies Act, the Company may, by resolution of the Board of Directors, delegate to Directors all or part of determination of significant business execution (excluding matters stipulated in each item of Paragraph 5 of said Article).</u></p> <p>(Compensation, etc. of Directors) Article 28. The amount of compensation, bonuses and any other property benefits to be granted to Directors by the Company in consideration of their execution of duties shall be determined by resolution of the General Meeting of Shareholders, <u>categorized as Directors serving as Audit and Supervisory Committee Members and the other Directors.</u></p> <p>(Exemption from Liabilities of Directors) Article 29. (Same as current) 2. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with each of the Directors (excluding executive Directors) to limit liabilities for damages set forth in Article 423, Paragraph 1 of the same act; provided, however, that the limit of the liability for damages under this agreement shall be a minimum liability amount set forth by laws and regulations.</p> <p><u>CHAPTER V. AUDIT AND SUPERVISORY COMMITTEE</u></p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Standing Audit and Supervisory Committee Members) Article 30. <u>The Audit and Supervisory Committee may, by resolution, elect Standing Audit and Supervisory Committee Members.</u></p> <p>(Notice of Convocation of the <u>Audit and Supervisory Committee Meeting</u>) Article 31. A notice of convocation of a meeting of the <u>Audit and Supervisory Committee</u> shall be sent to each <u>Audit and Supervisory Committee Member</u> at least three (3) days prior to the meeting; provided, however, that in the</p>

Current Articles of Incorporation	Proposed Amendments
such period may be further shortened. When the consent of all <u>Corporate Auditors</u> is obtained in advance, the notice of convocation may be omitted.	event of urgency, such period may be further shortened. When the consent of all <u>Audit and Supervisory Committee Members</u> is obtained in advance, the notice of convocation may be omitted.
(Resolutions of the <u>Board of Corporate Auditors</u>) Article 34. Except as otherwise provided by laws and regulations, resolutions of the <u>Board of Corporate Auditors</u> shall be adopted by a majority of <u>the Corporate Auditors</u> .	(Resolutions of the <u>Audit and Supervisory Committee</u>) Article 32. Except as otherwise provided by laws and regulations, resolutions of the <u>Audit and Supervisory Committee</u> shall be adopted by a majority of <u>the Audit and Supervisory Committee Members present who constitute in number a majority of the total number of Audit and Supervisory Committee Members entitled to participate in the vote.</u>
<u>(Compensation, etc. of Corporate Auditors)</u> <u>Article 35. The amount of compensation, etc. to be granted to Corporate Auditors shall be determined by resolution of the General Meeting of Shareholders.</u>	(Deleted)
<u>(Exemption from Liabilities of Corporate Auditors)</u> <u>Article 36. Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Corporate Auditors (including former Corporate Auditors) from liabilities for damages set forth in Article 423, Paragraph 1 of the same act, to the extent permitted by laws and regulations.</u> <u>2. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with each of the Corporate Auditors to limit liabilities for damages set forth in Article 423, Paragraph 1 of the same act; provided, however, that the limit of the liability for damages under this agreement shall be a minimum liability amount set forth by laws and regulations.</u>	(Deleted)
CHAPTER VI. ACCOUNTS	CHAPTER VI. ACCOUNTS
Article 37. - Article 40. (Omitted)	Article 33. - Article 36. (Same as current)
(Newly established)	<u>Supplementary Provisions</u>
	<u>(Transitional Measures Regarding Exemption from Liability of Corporate Auditors)</u> <u>1. The Company may, by resolution of the Board of Directors, exempt Corporate Auditors (including former Corporate Auditors) from liabilities for damages set forth in Article 423, Paragraph 1 of the Companies Act, to the extent permitted by laws and regulations, with respect to their actions taken prior to the conclusion of the 75th Annual General Meeting of Shareholders.</u> <u>2. Agreements to limit the liabilities for damages set forth in Article 423, Paragraph 1 of the Companies Act with respect to the actions taken by Corporate Auditors (including former Corporate Auditors) prior to the conclusion of the 75th Annual General Meeting of Shareholders shall be governed by the stipulation in Article 36, Paragraph 2 of the Articles of Incorporation before the amendments, which is adopted by a resolution of said Annual General Meeting of Shareholders.</u>

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

Subject to the approval for Proposal 2 “Partial Amendments to the Articles of Incorporation,” the Company will make a transition to a company with audit and supervisory committee. In conjunction with the transition, the terms of office of all of the ten (10) Directors 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.

This Proposal shall become effective when Proposal 2 “Partial Amendments to the Articles of Incorporation” takes effect.

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

No.	Name	Current positions at the Company	Attendance at the Board of Directors meetings
1	Norio Ichikawa [Reappointment]	President	14/14 (100%)
2	Tatsunori Matsumoto [Reappointment]	Director	14/14 (100%)
3	Yoshihiko Miyakoshi [Reappointment]	Director	14/14 (100%)
4	Osamu Sanada [Reappointment]	Director	14/14 (100%)
5	Eiji Soda [Reappointment]	Director	10/10 (100%)
6	Masao Uwa [New appointment]	Corporate Officer	—
7	Hiroaki Jikyo [Reappointment]	Director	14/14 (100%)
8	Naoki Takagishi [Reappointment] [Outside Director] [Independent Director]	Outside Director	14/14 (100%)
9	Hiromi Izumi [Reappointment] [Outside Director] [Independent Director]	Outside Director	13/14 (92.8%)
10	Shingo Torii [New appointment] [Outside Director] [Independent Director]	—	—

(Note) Number of attendance and attendance rate at the Board of Directors meetings for Mr. Eiji Soda are for the Board of Directors meetings that were held after his assumption of office of Director on February 19, 2019.

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 February 1997 February 1998 February 2001 February 2010 November 2012	Joined the Company General Manager, The 1st Product Development Department Director; General Manager, The 1st Product Development Department President President and Chief Sales Officer President (to present)	8,386,839
	[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 November 2007 November 2009 February 2010 November 2012	Joined the Company Corporate Officer; General Manager, Sales Department Corporate Officer; Deputy Chief Sales Officer and General Manager, Sales Department Director; Deputy Chief Sales Officer and General Manager, Sales Department Director; Chief Domestic Sales Officer and General Manager, Sales Department (to present)	18,454
	[Significant concurrent positions] 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 November 2008 November 2009 November 2011 February 2012 November 2012	Joined the Company Corporate Officer; Assistant General Manager, International Department Corporate Officer; General Manager, International Department Corporate Officer; Deputy Chief Sales Officer and General Manager, International Department Director; Deputy Chief Sales Officer and General Manager, International Department Director; Chief International Sales Officer and General Manager, International Department (to present)	15,244
	[Significant concurrent position] Chairman of the Board, Zojirushi America 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	10,616
		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 (to present)	
		[Significant concurrent positions]		
		None		
[Reason for nomination as candidate for Director] Mr. Osamu Sanada has a wealth of knowledge and experience of the Company’s business processes centering on administration as well as in various departments, including accounting, personnel, business planning and public relations. The Company nominated him again this year as a candidate for Director in view of his achievements as Corporate Officer and Director of the Company.				
5	Eiji Soda (February 28, 1968) [Reappointment]	April 1990	Joined the Company	9,852
		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 (to present)	
		[Significant concurrent positions]		
		None		
[Reason for nomination as candidate for Director] Mr. Eiji Soda has a wealth of knowledge and experience of the Company’s business processes in various departments, including business planning, systems, and finance. He also has experience of serving as CFO at a sales subsidiary in the US. The Company nominated him again this year as a candidate for Director in view of his achievements as Corporate Officer and Director of the Company.				
6	Masao Uwa (December 9, 1959) [New appointment]	April 1982	Joined the Company	10,700
		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 (to present)	
		[Significant concurrent positions]		
		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 as a candidate for Director in view of his achievements as Corporate Officer of the Company.				

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
7	Hiroaki Jikyo (June 19, 1958) [Reappointment]	April 1982 Joined the Company November 2009 Corporate Officer; Deputy Chief Production & Development Officer June 2010 Corporate Officer; Deputy Chief Production & Development Officer and General Manager, The 1st R&D Department November 2010 Corporate Officer; Deputy Chief Production & Development Officer February 2011 Director; Deputy Chief Production & Development Officer November 2012 Director; Chief Production & Development Officer November 2019 Director, the Company (to present); Senior Managing Director, Zojirushi Factory Japan Co., Ltd. January 2020 President, Zojirushi Factory Japan Co., Ltd. (to present) [Significant concurrent position] President, Zojirushi Factory Japan Co., Ltd.		39,754
[Reason for nomination as candidate for Director] Mr. Hiroaki Jikyo has a wealth of knowledge and experience of the Company's wide-ranging business processes centering on production, development and planning. The Company nominated him again this year as a candidate for Director in view of his achievements as Director of the Company.				
8	Naoki Takagishi (December 9, 1964) [Reappointment] [Outside Director] [Independent Director]	April 1992 Joined Shunji Takagishi Certified Tax Accountant Office (currently Shunji Takagishi and Naoki Takagishi Certified Tax Accountants Office) (to present) February 1998 Registered as certified tax accountant February 2005 Corporate Auditor, the Company April 2007 Part-time Lecturer (Commercial Law), Distant Learning Division, Nihon University April 2008 Part-time Lecturer (Commercial Law), Faculty of Law, Daito Bunka University April 2011 Part-time Lecturer (Commercial Law), Faculty of Regional Policy, Takasaki City University of Economics April 2014 Part-time Lecturer (Commercial Law), School of Management, Tokyo University of Science (to present) February 2015 Outside Director, the Company (to present) April 2016 Associate Professor (Business Law), Faculty of International Politics and Economics, Nishogakusha University (to present) [Significant concurrent positions] Certified tax accountant (Shunji Takagishi and Naoki Takagishi Certified Tax Accountants Office) Associate Professor, Faculty of International Politics and Economics, Nishogakusha University		13,894
[Reason for nomination as candidate for Outside Director] In addition to professional knowledge and experience as a certified tax accountant, Mr. Naoki Takagishi also has academic insight on the Companies Act as an associate professor and a lecturer at universities. The Company nominated him again this year as a candidate for Outside Director so that he can supervise management from an objective and neutral standpoint based on his extensive experience and insight. Although he has never directly been engaged in corporate management, the Company believes that he is capable of appropriately fulfilling duties as an Outside Director for the above-stated reasons.				

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
9	Hiromi Izumi (October 2, 1958)	April 2003 January 2004	Chairman and Representative Director, Millieme Co., Ltd. Chairman of the Board of Trustees, Wanogakko Non-profit Organization (to present)	3,269
	[Reappointment]	April 2013 February 2016	Councilor, Konnichian Foundation (to present) Outside Director, the Company (to present)	
	[Outside Director]	April 2017	Chairman and Director, Millieme Co., Ltd. (to present)	
	[Independent Director]	[Significant concurrent positions] Chairman and Director, Millieme Co., Ltd. Chairman of the Board of Trustees, Wanogakko Non-profit Organization		
[Reason for nomination as candidate for Outside Director] 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 so that she can utilize her multifaceted perspective and female perspective for the Company’s management from an objective and neutral standpoint.				
10	Shingo Torii (January 18, 1953)	April 1980 June 1983	Joined ITOCHU Corporation Joined Suntory Limited (currently Suntory Holdings Limited)	-
		March 1992 March 1999 March 2001	Director of the Board, Suntory Limited Managing Director, Suntory Limited Senior Managing Director, Representative Director of the Board, Suntory Limited	
	[New appointment]	March 2003 February 2009	Senior Executive Vice President, Representative Director of the Board, Suntory Limited Representative Director, Executive Vice President, Suntory Holdings Limited	
	[Outside Director]	May 2014 October 2014	Director, Beam Suntory Inc. (to present) Representative Director, Vice Chairman of the Board, Suntory Holdings Limited (to present)	
	[Independent Director]	June 2015	Outside Director, ROHTO PHARMACEUTICAL CO., LTD. (to present)	
[Significant concurrent positions] Representative Director, Vice Chairman of the Board, Suntory Holdings Limited Director, Beam Suntory Inc. Outside Director, ROHTO PHARMACEUTICAL CO., LTD. Vice Chairman, The Osaka Chamber of Commerce and Industry Director General, Suntory Foundation for Arts Director General, Suntory Foundation Honorary Consul, the Honorary Consulate of Denmark in Osaka				
[Reason for nomination as candidate for Outside Director] Mr. Shingo Torii has broad experience, extensive insight and international perspective as a corporate manager, and currently serves as Outside Director at another company. In order to increase the Company’s corporate value, the Company nominated him as a candidate for Outside Director so that he can engage in management from a global perspective and supervise management from an objective and neutral standpoint.				

(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, 2019. The numbers of shares stated include the numbers of shares held by the respective individuals through the Zojirushi Officer Shareholding Association.
3. Mr. Naoki Takagishi, Ms. Hiromi Izumi and Mr. Shingo Torii are candidates for Outside Directors. Mr. Naoki Takagishi will have been in office as Outside Director for five (5) years at the conclusion of this Annual General Meeting of Shareholders. Ms. Hiromi Izumi will have been in office as Outside Director for four (4) years at the conclusion of this Annual General Meeting of Shareholders.
4. The Company has designated Mr. Naoki Takagishi and Ms. Hiromi Izumi as independent directors as defined by the Tokyo Stock Exchange and has submitted notifications of their appointments to the Exchange. Subject to approval of appointment of Mr. Shingo Torii, the Company intends to designate him as an independent director as defined by the Tokyo Stock Exchange and submit a notification of his appointment to the Exchange. Each of these candidates satisfies the requirements for independent directors as defined by the Tokyo Stock Exchange and the Independence Criteria as defined by the Company (please refer to the page 18).
5. The Company has entered into limited liability agreements with Mr. Naoki Takagishi and Ms. Hiromi Izumi in

accordance with Article 427, Paragraph 1 of the Companies Act to limit their liability for damages pursuant to Article 423, Paragraph 1 of the said act to the amount stipulated by laws and regulations. Subject to approval of their reappointment, the Company intends to continue the said agreements with them. Subject to approval of appointment of Mr. Shingo Torii, 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.

Proposal 4: Election of Three (3) Directors serving as Audit and Supervisory Committee Members

Subject to the approval for Proposal 2 “Partial Amendments to the Articles of Incorporation,” the Company will make a transition to a company with audit and supervisory committee. Accordingly, the election of three (3) Directors serving as Audit and Supervisory Committee Members is proposed.

The Board of Corporate Auditors has already given consent to the submission of this Proposal.

This Proposal shall become effective when Proposal 2 “Partial Amendments to the Articles of Incorporation” takes effect.

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

No.	Name	Current positions at the Company	Attendance at the Board of Directors meetings
1	Yoshitsugu Hirai [New appointment]	Standing Corporate Auditor	14/14 (100%)
2	Kanae Shiono [New appointment] [Outside Director] [Independent Director]	Outside Corporate Auditor	14/14 (100%)
3	Hitoshi Utsunomiya [New appointment] [Outside Director] [Independent Director]	Outside Corporate Auditor	10/10 (100%)

(Note) Number of attendance and attendance rate at the Board of Directors meetings for Mr. Hitoshi Utsunomiya are for the Board of Directors meetings that were held after his assumption of office of Corporate Auditor on February 19, 2019.

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
1	Yoshitsugu Hirai (May 8, 1957) [New appointment]	April 1980 November 2011 February 2015 November 2016 February 2017 [Significant concurrent positions] None	Joined the Company Branch Manager, Fukuoka Branch Branch Manager, Osaka Branch Deputy General Manager, Auditing Department Corporate Auditor (to present)	1,680
	[Reason for nomination as candidate for Director serving as Audit and Supervisory Committee Member] Mr. Yoshitsugu Hirai has a wealth of knowledge and experience of the Company's business processes centering on domestic sales. The Company nominated him as a candidate for Director serving as Audit and Supervisory Committee Member in view of his achievements as Standing Corporate Auditor of the Company.			
2	Kanae Shiono (July 24, 1961) [New appointment] [Outside Director] [Independent Director]	April 1984 August 1986 March 1995 January 1996 March 1998 April 2000 February 2018 [Significant concurrent position] Certified tax accountant (Representative, Shiono Kanae Certified Public Tax Accountant Office)	Joined Taiyo-Kobe Bank, Limited (currently Sumitomo Mitsui Banking Corporation) Joined Osaka Branch, Irving Bank (currently The Bank of New York Mellon) Joined Takashi Shiono Law Office Joined Sumio Ikegami Certified Tax Accountant Office Registered as certified tax accountant Opened Shiono Kanae Certified Public Tax Accountant Office Representative (to present) Outside Corporate Auditor, the Company (to present)	353
	[Reason for nomination as candidate for Outside Director serving as Audit and Supervisory Committee Member] In addition to professional knowledge and experience as a certified tax accountant, Ms. Kanae Shiono also has significant knowledge on finance and accounting, including business experience at financial institutions. The Company nominated her as a candidate for Outside Director serving as Audit and Supervisory Committee Member so that she can utilize her extensive experience and professional knowledge in strengthening the audit and supervisory system of the Company. Although she has never directly been engaged in corporate management, the Company believes that she is capable of appropriately fulfilling duties as an Outside Director serving as Audit and Supervisory Committee Member for the above-stated reasons.			
3	Hitoshi Utsunomiya (December 8, 1971) [New appointment] [Outside Director] [Independent Director]	April 1995 October 2004 October 2004 January 2011 February 2019 [Significant concurrent position] Attorney-at-law (Partner, Seiwa Law Office)	Joined Nissho Iwai Corporation (currently Sojitz Corporation) Registered as attorney-at-law (to present) Joined Seiwa Law Office Partner, Seiwa Law Office (to present) Outside Corporate Auditor, the Company (to present)	155
	[Reason for nomination as candidate for Outside Director serving as Audit and Supervisory Committee Member] In addition to professional knowledge and experience as an attorney-at-law, Mr. Hitoshi Utsunomiya also has business experience in the legal affairs department of a company. The Company nominated him as a candidate for Outside Director serving as Audit and Supervisory Committee Member so that he can utilize his extensive experience and professional knowledge in strengthening the audit and supervisory system of the Company. Although he has never directly been engaged in corporate management, the Company believes that he is capable of appropriately fulfilling duties as an Outside Director serving as Audit and Supervisory Committee Member for the above-stated reasons.			

(Notes)

1. No special interests exist between the candidates for Directors and the Company.
2. The numbers of shares of the Company held by the candidates for Directors are as of November 20, 2019. The numbers of shares stated include the numbers of shares held by the respective individuals through the Zojirushi Officer Shareholding Association.
3. Ms. Kanae Shiono and Mr. Hitoshi Utsunomiya are candidates for Outside Directors serving as Audit and Supervisory Committee Members. Ms. Kanae Shiono and Mr. Hitoshi Utsunomiya are currently Outside Corporate Auditors of the Company. Ms. Kanae Shiono will have been in office as Outside Corporate Auditor for two (2) years at the conclusion of this Annual General Meeting of Shareholders. Mr. Hitoshi Utsunomiya will have been in office as Outside Corporate Auditor for one (1) year at the conclusion of this Annual General Meeting of Shareholders.
4. The Company has designated Ms. Kanae Shiono and Mr. Hitoshi Utsunomiya as independent auditors 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 18).

5. The Company has entered into limited liability agreements with Ms. Kanae Shiono and Mr. Hitoshi Utsunomiya in accordance with Article 427, Paragraph 1 of the Companies Act to limit their liability for damages pursuant to Article 423, Paragraph 1 of the said act to the amount stipulated by laws and regulations. Subject to approval of their appointment, the Company intends to enter into limited liability agreements with them under the same terms and conditions.

[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.

Proposal 5: Determination of the Amount of Remuneration to Directors (excluding Directors serving as Audit and Supervisory Committee Members)

It was approved at the 73rd Annual General Meeting of Shareholders held on February 19, 2018 that the total amount of remuneration to Directors shall be within ¥450 million per year (within ¥50 million per year for Outside Directors), and this has been unchanged to the present.

Subject to approval for Proposal 2 “Partial Amendments to the Articles of Incorporation,” the Company will make a transition to a company with audit and supervisory committee.

Accordingly, it is proposed that the total amount of remuneration to Directors (excluding Directors serving as Audit and Supervisory Committee Members) after the transition to a company with audit and supervisory committee be within ¥450 million per year, which is the same amount as the remuneration before the transition. Of the said amount, up to ¥80 million per year is proposed for Outside Directors, taking into consideration an increase in the number of Outside Directors as well as strengthening of the management system in the future.

Should Proposal 2 “Partial Amendments to the Articles of Incorporation” and Proposal 3 “Election of Ten (10) Directors (excluding Directors serving as Audit and Supervisory Committee Members)” be approved and resolved as originally proposed, the number of Directors (excluding Directors serving as Audit and Supervisory Committee Members) will be ten (10) (including three (3) Outside Directors).

This Proposal shall become effective when Proposal 2 “Partial Amendments to the Articles of Incorporation” takes effect.

Proposal 6: Determination of the Amount of Remuneration to Directors serving as Audit and Supervisory Committee Members

Subject to approval for Proposal 2 “Partial Amendments to the Articles of Incorporation,” the Company will make a transition to a company with audit and supervisory committee.

Accordingly, it is proposed that the total amount of remuneration to Directors serving as Audit and Supervisory Committee Members be within ¥80 million per year, taking into consideration the duties and responsibilities of Directors serving as Audit and Supervisory Committee Members.

Should Proposal 2 “Partial Amendments to the Articles of Incorporation” and Proposal 4 “Election of Three (3) Directors serving as Audit and Supervisory Committee Members” be approved and resolved as originally proposed, the number of Directors serving as Audit and Supervisory Committee Members will be three (3).

This Proposal shall become effective when Proposal 2 “Partial Amendments to the Articles of Incorporation” takes effect.

Proposal 7: Determination of the Amount and Details of Remuneration for Granting Restricted Stock to Directors (excluding Directors serving as Audit and Supervisory Committee Members and Outside Directors)

Should Proposal 2 “Partial Amendments to the Articles of Incorporation” be approved and resolved as originally proposed, the Company will make a transition to a company with audit and supervisory committee.

It was approved at the 73rd Annual General Meeting of Shareholders held on February 19, 2018 to provide remuneration to Directors (excluding Outside Directors) of the Company for granting restricted stock. Along with the transition to a company with audit and supervisory committee, we propose to provide remuneration for granting restricted stock in the same manner as before the transition, separately from the amount of remuneration to be approved in Proposal 5 (within ¥450 million per year), and request approval. The eligible grantees for the remuneration shall be Directors (excluding Directors serving as Audit and Supervisory Committee Members and Outside Directors, hereinafter referred to as the “Eligible Directors”). The current number of Eligible Directors is eight (8). Should Proposal 3 be approved and resolved as originally proposed, the number of Eligible Directors will be seven (7). For the purpose of incentivizing Eligible Directors to achieve sustainable growth in the Company’s corporate value and further facilitating the sharing of value by the Eligible Directors with the shareholders, it is proposed that the total amount of monetary remuneration to be provided for granting restricted stock be within ¥80 million per year, which is the same amount as the remuneration before the transition.

The specific timing of the provision and allocation to each Eligible Director shall be determined by the Board of Directors.

Based on the resolution of the Company’s Board of Directors, the Eligible Directors shall make in-kind contribution of all monetary compensation receivables to be granted according to this Proposal, and shall, in return, receive shares of the Company’s common stock that will be issued or disposed of by the Company. The total number of shares of the Company’s common stock to be issued or disposed of in this way shall not exceed 40,000 shares per year. (In the event that, a stock split of the Company’s common stock (including gratis allotment of shares of the Company’s common stock) or a reverse stock split is conducted whose effective date is on or after the date of approval and resolution of this Proposal, the total number of shares shall be reasonably adjusted on or after the effective date, as necessary, according to the ratio of the split or the reverse split.) The amount to be paid in per share shall be the amount determined by the Board of Directors within the range that is not particularly advantageous to the Eligible Directors who will receive such shares of the Company’s common stock, based on the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of each resolution of the Board of Directors (or the closing price on the transaction day immediately prior thereto if no transaction is made on such business day). For the purpose of such issuance or disposal of shares of the Company’s common stock, a restricted stock allotment agreement including the following contents (hereinafter referred to as the “Allotment Agreement”) shall be concluded between the Company and each Eligible Director. (The shares of the Company’s common stock allotted under the Allotment Agreement shall be referred to as the “Allotted Shares.”)

(1) Transfer restriction period

The Eligible Directors shall not transfer, create a security interest on, or otherwise dispose of the Allotted Shares during a time period set out preliminarily by the Company’s Board of Directors (hereinafter referred to as the “Transfer Restriction Period”), which shall be between three years and six years from the payment due date for the Allotted Shares.

(2) Treatment upon retirement

If the Eligible Director retires from his or her position as Director or Corporate Officer of the Company or of a subsidiary of the Company prior to the expiry of the Transfer Restriction Period, the Company shall, by rights, acquire free of charge the Allotted Shares, unless such retirement is due to expiry of the term of office, reaching the retirement age, death or other reasons deemed justifiable by the Company’s Board of Directors.

(3) Removal of the transfer restriction

Notwithstanding the provision in (1) above, the Company shall remove the transfer restriction with respect to the Allotted Shares in whole at the expiry of the Transfer Restriction Period, provided that the Eligible Director continuously served as Director or Corporate Officer of the Company or a subsidiary of the Company during the Transfer Restriction Period. However, in the event that an Eligible Director retires from the position specified in (2) above prior to the expiry of the Transfer Restriction Period for

reasons deemed justifiable by the Company's Board of Directors as specified in (2) above, the number of the Allotted Shares subject to removal of the transfer restriction and the timing of such removal of the transfer restriction shall be reasonably adjusted, as necessary.

(4) Treatment of the Allotted Shares in the event of organizational restructuring, etc.

Notwithstanding the provision in (1) above, if a matter concerning the organizational restructuring, etc. of the Company, such as a merger agreement whereby the Company will be the non-surviving party to the merger, or a share exchange agreement or share transfer plan whereby the Company will become a wholly owned subsidiary of another party, is approved at the Company's General Meeting of Shareholders (or at the Company's Board of Directors if such organizational restructuring, etc. does not require an approval of the Company's General Meeting of Shareholders) during the Transfer Restriction Period, the Company shall remove, based on the resolution of the Board of Directors of the Company, the transfer restriction of the Allotted Shares at a date prior to the effective date of such organizational restructuring, etc. The number of such Allotted Shares subject to removal of the transfer restriction shall be reasonably determined in light of the period from the date of the start of the Transfer Restriction Period to the date of approval of such organizational restructuring, etc.

In the case specified above, immediately after the removal of the transfer restriction, the Company shall, by rights, acquire free of charge the Allotted Shares for which the transfer restriction has not been removed.

(5) Other matters

Besides the above-mentioned matters, other matters concerning the Allotment Agreement shall be determined by the Company's Board of Directors.

[Reference] Transition to a Company with Audit and Supervisory Committee

Subject to approval for Proposal 2 “Partial Amendments to the Articles of Incorporation,” the Company will make a transition to a company with audit and supervisory committee.

(1) Purpose and effect of transition to a company with audit and supervisory committee

1) Strengthening of the audit and supervisory functions

- Establish an audit and supervisory committee, the majority of which is composed of Outside Directors
- Grant voting rights on the Board of Directors to Directors serving as Audit and Supervisory Committee Members
(Under the current organizational structure of a company with a board of corporate auditors, Corporate Auditors has no voting rights on the Board of Directors.)

Strengthen the audit and supervisory functions over the Board of Directors to further enhance the corporate governance system and, in turn, increase corporate value by enabling Directors serving as Audit and Supervisory Committee Members to exercise their voting rights (indicating their approval or disapproval) at the Board of Directors meeting.

2) Swifter decision making

- Delegate to Directors some of the decision-making authority of the Board of Directors concerning business execution

Strengthen the capability to respond to changes in the business environment by realizing swifter managerial decision making and execution through promoting the separation of business execution from supervisory function.

(2) Gist of the proposals

(Proposals 2 to 7 which are related to the transition to a company with audit and supervisory committee)

Proposal 2: Partial Amendments to the Articles of Incorporation

Changes must be made to the Articles of Incorporation, including new establishment of relevant provisions and deletion of unnecessary provisions, in order to make a transition to a company with audit and supervisory committee.

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

Proposal 4: Election of Three (3) Directors serving as Audit and Supervisory Committee Members

(1) Organizational structure after transition to a company with audit and supervisory committee

(omitted)

(2) Composition of the Board of Directors

At the Board of Directors after the transition to a company with audit and supervisory committee, candidates for internal Directors will be selected from among those who are well versed in the Company’s operations and have abundant experience and a variety of professional knowledge, in addition to knowledge concerning the Company’s business.

In regard to Outside Directors, with the objective of strengthening governance from a global perspective, a candidate possessing management experience at a global company is newly selected in addition to candidates who possess diverse knowledge, experience and skills, such as knowledge of finance, accounting and law as an attorney-at-law, certified tax accountants, and a scholar and insights into corporate management. The Board of Directors as a whole will thus aim to expand its business areas and strengthen its management foundation in line with its three-year medium-term plan, ADAPT, and will be optimally configured to contribute to the sustainable growth of the Company and the enhancement of its corporate value over the medium to long term.

Knowledge, experience and skills of Director candidates

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

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

Proposal 5: Determination of the Amounts of Remuneration to Directors (excluding Directors serving as Audit and Supervisory Committee Members)

Proposal 6: Determination of the Amounts of Remuneration to Directors serving as Audit and Supervisory Committee Members

Proposal 7: Determination of the Amount and Details of Remuneration for Granting Restricted Stock to Directors (excluding Directors serving as Audit and Supervisory Committee Members)

In making a transition to a company with audit and supervisory committee, the Company plans the following in regard to the amount of remuneration approved by shareholders.

- The amount of remuneration to Directors (excluding Directors serving as Audit and Supervisory Committee Members) shall be the same as that before the transition, and the amount of remuneration to Outside Directors shall be changed in consideration of an increase in their number as well as the strengthening of the management system in the future.

- The amount of remuneration to Directors serving as Audit and Supervisory Committee Members shall be determined in consideration of their duties and responsibilities.
- The total amount of restricted stock remuneration to executive Directors shall be the same as that before the transition.

<Shareholder proposal>

Proposal 8 has been submitted by one of the Company's shareholders.

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

Proposal 8: Election of One (1) Director (excluding Director serving as Audit and Supervisory Committee Member)

1. Summary of the proposal

To elect Mr. Satoshi Nagano as the Director (excluding Director serving as Audit and Supervisory Committee Member; the same shall apply hereinafter) of the Company.

Mr. Nagano's informal consent has been obtained with regard to his assumption of office as Director of the Company.

2. Reasons for proposal

The Company has recorded a fall in sales for three consecutive terms and a fall in profit for two consecutive terms up to the fiscal year ended November 20, 2018, and even for this fiscal year ended November 20, 2019, the Company forecasts a year-on-year decrease in sales and profit. In addition to that, the Company's return on equity (ROE) and return on assets (ROA) for the previous fiscal year stood at 6.5% and 4.8%, respectively, which are lower than the average of the companies listed on the first section of the Tokyo Stock Exchange (average for the manufacturing industry: 9.14% and 6.04% (2018)), meaning that the turnover rates of capital and assets are low. It is therefore obvious from these facts that the Company is not managed in a way that benefits its shareholders and other stakeholders.

Given the current situation in which the shrinking of the domestic market is inevitable, it is crucial for the Company to position the expansion of its overseas business, mainly in China, Southeast Asia, and North America, as a pillar of its growth strategies in order to increase the corporate value of the Company's group over the medium to long term.

Moreover, recently, there was a serious incident in which information held by the Company for up to 280,000 customers was found to have leaked externally, damaging the corporate value of the Company, so there is a need for early reinforcement of governance.

In order to overcome this situation at an early stage, it is imperative for the Company to secure the trust of the outside world and it is also extremely beneficial for the Company to appoint a person with the ability to manage business from a global perspective as well as professional insight, to initiate management reform incorporating external perspectives.

Although Mr. Satoshi Nagano, whom I propose in this Proposal, has no experience of direct involvement in corporate management as a director, etc., he has extensive overseas business experience serving as Deputy Director-General of the Bank of Japan Representative Office in London and other posts, and also has served as Deputy Branch Manager of the Bank of Japan's Osaka Branch, excelling in business analysis from a macroeconomic point of view. Moreover, Mr. Nagano is from Osaka where the Company is based and has long engaged in regional revitalization activities. He can thus be expected to provide advice in terms of what is required of a long-established company with its roots in Osaka, which forms the identity of the Company. Further, since Mr. Nagano is an attorney-at-law specializing in areas including information laws and has also served as an outside director of other companies, not only can he provide advice on the Company's management activities from a neutral standpoint, he also possesses a wealth of professional knowledge and experience required to strengthen governance, which is essential to restore the trust that was lost following the recent information leakage incident. Accordingly, Mr. Satoshi Nagano is the most suitable person in further increasing the corporate value of the Company and therefore his election as Outside Director of the Company is proposed.

3. Name, career summary, etc. of the candidate

Name (Date of birth)	Career summary	Number of shares of the Company held
Satoshi Nagano (September 2, 1962)	<p>April 1986 Joined the Bank of Japan</p> <p>January 1989 Seconded to the Ministry of Finance</p> <p>September 1991 Studied abroad under a French government scholarship program, audit student at Université Paris 2 Panthéon Assas, and trained at la Banque de France</p> <p>May 1998 Manager, Examination Department, the Bank of Japan</p> <p>May 2001 Manager, Credit Institution Office, the Bank of Japan</p> <p>January 2004 Deputy Director-General, Bank of Japan Representative Office in London</p> <p>April 2006 In charge of development of the Bank of Japan Financial Network System (BOJ-NET) (Division Head), Information System Services Department, the Bank of Japan</p> <p>July 2007 In charge of personnel systems (Division Head), Personnel and Corporate Affairs Department, the Bank of Japan</p> <p>May 2009 Branch Manager, Kitakyushu Branch, the Bank of Japan</p> <p>July 2011 Deputy Branch Manager, Osaka Branch, the Bank of Japan</p> <p>June 2014 Deputy Director-General (in charge of regional finance), the Bank of Japan</p> <p>August 2017 Senior Research Fellow, Institute for Monetary and Economic Studies, the Bank of Japan</p> <p>March 2018 Attorney-at-law (URYU & ITOGA) (to present)</p> <p>May 2019 Outside Director, SK JAPAN CO., LTD. (to present)</p>	0 shares

(Notes)

1. No special interests exist between the candidate for Director and the Company.
2. The candidate for Director is currently not a Director of the Company.

4. Opinion of the Board of Directors

The Board of Directors opposes this Proposal.

5. Reasons for opposition

Subject to approval at this General Meeting of Shareholders, the Company will make a transition to a company with audit and supervisory committee. The Company also intends to review the corporate officer system to promote the separation of business execution from supervisory function and realize swifter managerial decision making and execution under the appropriate supervision of the Board of Directors.

In addition, the Board of Directors of the Company has taken this opportunity to review the set of skills required in the Board of Directors after the transition to a company with audit and supervisory committee and, based on this, it has proposed Mr. Shingo Torii as a new candidate for Outside Director with the intention of strengthening corporate governance from a global perspective of a corporate manager. (Please refer to Proposal 3 for the career summary, etc. of Mr. Shingo Torii.)

Concerning the candidate proposed by the proposing shareholder as well, following an interview with multiple Directors including two Outside Directors of the Company, the Board of Directors deliberated and discussed the credential, achievements, expertise and other aspects of the candidate. However, it came to the conclusion that there was no need to elect the candidate for the following reasons:

- (1) The structure of the new Board of Directors proposed by the Company (hereinafter referred to as the “proposed structure of the new Board of Directors”), as shown below, has a high level of supervisory function and is also highly diverse.

Directors (excluding Directors serving as Audit and Supervisory Committee Members)	Ten persons	Of whom three are Independent Outside Directors Of whom one is a female Director
Directors serving as Audit and Supervisory Committee Members	Three persons	Of whom two are Independent Outside Directors Of whom one is a female Director
Total	Thirteen persons	Of whom five are Independent Outside Directors Of whom two are female Directors (Ratio of Independent Outside Directors: 38%, ratio of female Directors: 15%)

- (2) In formulating the proposed structure of the new Board of Directors, the Company has comprehensively considered the set of skills required in the Board of Directors of the Company. The proposed structure of the new Board of Directors determined as a result is necessary and sufficient in realizing the sustainable growth of the Company and an increase in its corporate value over the medium to long term (Please refer to “Knowledge, experience and skills of Director candidates” on page 23 for the skill matrix concerning the proposed structure of the new Board of Directors).
- (3) The proposed structure of the new Board of Directors comprising a total of thirteen Directors is appropriate also from the perspective of an optimal board size in light of the content of the Company’s business and company size.

For the above reasons, the Board of Directors of the Company is convinced that the proposed structure of the new Board of Directors would be the most appropriate and sufficient in enhancing the corporate value and common interests of shareholders, and believes that the election of an Outside Director proposed in this Proposal is not an optimal choice from this perspective. As such, the Board of Directors opposes this Proposal.