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(Securities code: 2735)
November 10, 2025

To Shareholders:

Fumio Hiraoka, President, CEO and Executive Officer
Watts Co., Ltd.
1-4-70, Shiromi, Chuo-ku, Osaka-shi

NOTICE OF THE 31ST ANNUAL SHAREHOLDERS' MEETING

We are pleased to announce the 31st Annual Shareholders' Meeting of Watts Co., Ltd. (the "Company"), which will be held as indicated below.

- 1. Date and Time** Wednesday, November 26, 2025 at 10:00 a.m. (reception starts at 9:15 a.m.)
- 2. Place** 7th Floor, International Conference Hall, Osaka Chamber of Commerce and Industry
2-8, Honmachibashi, Chuo-ku, Osaka-shi

3. Agenda

Matters to be reported:

1. The 31st Fiscal Year (from September 1, 2024 to August 31, 2025)
Report on the Business Report, Consolidated Financial Statements, and the results of audit of the Consolidated Financial Statements by the financial auditor and the Audit and Supervisory Committee
2. The 31st Fiscal Year (from September 1, 2024 to August 31, 2025)
Report on the Non-consolidated Financial Statements

Matters to be resolved:

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| Proposal No. 1 | Appropriation of Surplus (Year-End Dividends for the 31st Fiscal Year) |
| Proposal No. 2 | Election of Three Directors (Excluding Directors Who Are Audit and Supervisory Committee Members) |
| Proposal No. 3 | Election of Three Directors Who Are Audit and Supervisory Committee Members |
| Proposal No. 4 | Election of One Director Who Is a Substitute Audit and Supervisory Committee Member |

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- (Notes) 1. If attending the Shareholders' Meeting, please submit the enclosed Voting Rights Exercise Form at the venue reception.
2. In the event of revisions to matters subject to electronic provision measures, notice of such revisions and the original and revised versions of the matters will be posted on each website mentioned in the previous page.
3. Documents containing the matters subject to electronic provision measures will be sent to shareholders who request the provision of printed versions of the documents. However, the matters listed below will not be included in the documents pursuant to the relevant laws and regulations and the provisions of our Articles of Incorporation.
- "Employee status," "major borrowing institutions," "other important matters regarding current conditions of the Watts Group," "status of shares," "outline of contents of liability limitation agreements," "outline, etc. of contents of directors and officers liability insurance policy," "matters regarding external officers," "status of financial auditors," "corporate systems and policies" and "other important matters regarding current conditions of the Company" stated in the business report.
 - Notes to Consolidated Financial Statements in Consolidated Financial Statements
 - Notes to Non-consolidated Financial Statements in Non-consolidated Financial Statements
- Therefore, business reports, consolidated financial statements and non-consolidated financial statements contained in the said documents constitute only part of the documents subject to audits for preparing the audit report by the financial auditor and audits for preparing the internal audit report by the Audit and Supervisory Committee.

Reference Documents for the Shareholders' Meeting

Proposal No. 1 Appropriation of Surplus (Year-End Dividends for the 31st Fiscal Year)

The Company positions the return of profit to shareholders as one of its most important management policies. In accordance with this policy, the Company proposes to pay a year-end ordinary dividend of ¥7.50 per share and an additional ¥5 as a special dividend for the fiscal year under review in consideration of the robust operating results for the fiscal year, as described below.

Year-end dividends

1. Type of dividend property

To be paid in cash.

2. Allotment of dividend property and their aggregate amount

¥12.50 per share of the Company's common stock (ordinary dividend: ¥7.50 and special dividend: ¥5)

Total cash amount is 165,410,588 yen

As the Company has paid an interim dividend of ¥10.50 per share (ordinary dividend of ¥7.50 and commemorative dividend of ¥3), the annual dividend for the fiscal year under review will be ¥23 per share.

3. Effective date of dividends of surplus

November 27, 2025

Proposal No. 2 Election of Three Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all the five Directors (excluding Directors who are Audit and Supervisory Committee Members; The same shall apply to this proposition) will expire at the conclusion of this Annual Shareholders' Meeting.

Accordingly, considering a report from the Nomination and Compensation Committee, the Company proposes the election of three Directors, reducing the number of Directors by two, with the goals of reforming the structure of the business and facilitating the strategic and expeditious decision-making of the Board of Directors. Furthermore, after consideration of this proposal by the Audit and Supervisory Committee, it has been confirmed that the committee has no particular opinion in relation to this proposal.

The candidates for Director are as follows:

Candidate no.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
1	Fumio Hiraoka (July 4, 1960)	Apr. 1998	Joined the Company	479,471 shares
		Mar. 2000	Director and Responsible for Kyushu Area	
		Aug. 2000	Director and Head of Corporate Planning Office	
		Mar. 2002	Representative Director, Deputy President, and Head of Corporate Planning Office	
		Mar. 2003	President and CEO	
		Apr. 2017	President and CEO and General Manager of Business Division	
		Sep. 2017	President and CEO	
		Sep. 2024	President, CEO, and Executive Officer, (current position)	
	[Reasons for nomination as candidate for Director] Fumio Hiraoka provides appropriate explanations of matters to be resolved and matters to be reported at meetings of the Board of Directors, and sufficiently fulfills his roles of determining important management matters and supervising the execution of business. In addition, the Company has judged that it is optimal for him to continue to lead management as a Representative Director, and to aim for sustainable growth, and it believes he is appropriately qualified as a Director.			
2	Hiroyuki Yamano (December 9, 1967)	May 1995	Joined the Company	68,305 shares
		Nov. 2005	Representative Director, Kanto Watts Co., Ltd.	
		Dec. 2007	General Manager of Business Division, the Company	
		Jun. 2008	Director, Watts Ohthree Sales Co., Ltd.	
		Sep. 2009	Executive Managing Director	
		Apr. 2014	General Manager of Merchandise Department, the Company	
		Nov. 2015	Director and General Manager of Merchandise Department	
		Apr. 2017	Director, Deputy General Manager of Business Division, and General Manager of Merchandise Department	
		Sep. 2017	Director, General Manager of Business Division I, and General Manager of Merchandise Department	
		Sep. 2019	Director, General Manager of Business Division, and General Manager of Merchandise Department	
		Nov. 2019	Director and General Manager of Business Division	
		Sep. 2024	Director, Executive Officer and Head of Business Division (current position)	
	[Reasons for nomination as candidate for Director] Hiroyuki Yamano has fulfilled appropriate roles, including determining important management matters and supervising the execution of business, and has abundant experience and knowledge, mainly developed through duties related to business oversight, merchandise strategy, etc. Accordingly, the Company believes he is appropriately qualified as a Director.			

Candidate no.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	Masaya Kakumoto (April 30, 1973)	Apr. 1997 Joined AUTOBACS SEVEN CO., LTD. Oct. 2003 Joined Ohthree Co., Ltd. Sep. 2008 Joined the Company Sep. 2011 Assistant to General Manager of Administration Department Apr. 2014 General Manager of Administration Department Jun. 2015 General Manager of Business Strategy Department Sep. 2017 Deputy General Manager of Business Division I and General Manager of Business Strategy Department Nov. 2017 Director, Deputy General Manager of Business Division I, and General Manager of Business Strategy Department Sep. 2019 Director, Deputy General Manager of Business Division, and General Manager of Business Strategy Department Nov. 2019 Director and General Manager of Merchandise Department Sep. 2024 Director, Executive Officer, Head of Administration Division and General Manager of General Affairs Department Apr. 2025 Director, Executive Officer and Head of Administration Division (current position)	21,123 shares
[Reasons for nomination as candidate for Director] Masaya Kakumoto has fulfilled appropriate roles, including determining important management matters and supervising the execution of business. He has experience as General Manager of the Company's Administration Department, Business Strategy Department, Merchandise Department and General Affairs Department, and has abundant experience and knowledge developed through his duties. Accordingly, the Company believes he is appropriately qualified as a Director.			

- (Notes)
1. There is no special interest between any of the candidates and the Company.
 2. The Company has concluded a directors and officers liability insurance policy with an insurance company, as provided for in Article 430-3, paragraph (1) of the Companies Act. The scope of the insured under the insurance policy includes Directors and Statutory Auditors of the Company and its subsidiaries, and the Company pays the entire premium. This insurance policy provides coverage for any damages that may be incurred due to the insured being liable for matters connected to their execution of their duties or due to claims being made regarding their liability. If the election of each candidate is approved, the candidates will continue to be included as an insured in the policy.
 3. On September 1, 2024, the Company introduced an executive officer system based on resolution at the meeting of the Board of Directors held on July 29, 2024, for efficient execution of duties by Directors.

Proposal No. 3 Election of Three Directors Who Are Audit and Supervisory Committee Members

The terms of office of Yoshihiro Sakatani and Yoshiko Hayashido, Directors who are Audit and Supervisory Committee Members, will expire at the conclusion of this Annual Shareholders' Meeting.

The position of Toru Nishioka, Director who is an Audit and Supervisory Committee Member, was vacated due to his passing on May 31, 2025. As a result, the number of Directors who are Audit and Supervisory Committee Members is insufficient to establish a quorum as required by laws and regulations, and the Company applied to elect a temporary Director (a Director who is an Audit and Supervisory Committee Member) to the Osaka District Court in accordance with the provisions of the Companies Act. The Court approved the election of Hiroshi Fukumitsu on June 25, 2025. The term of office of a person who will engage in the duties of a temporary Director (a Director who is an Audit and Supervisory Committee Member) will end when a successor Director who is an Audit and Supervisory Committee Member is elected during this Annual Shareholders' Meeting.

Accordingly, the Company proposes to elect three Directors who are Audit and Supervisory Committee Members based on a report from the Nomination and Compensation Committee.

The Audit and Supervisory Committee has approved the submission of this proposal.

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

Candidate no.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	* Hidehito Mori (April 12, 1960)	Apr. 1984 Joined The Sanwa Bank, Limited (currently MUFG Bank, Ltd.) Stationed in the UK, Spain, the US, and Canada Oct. 2006 General Manager of Osaka Office, International Operations Department Oct. 2011 Deputy General Manager of Global Service Center Mar. 2013 Seconded to the Company, Acting Head of Corporate Planning Office Nov. 2013 Joined the Company Director and Head of Corporate Planning Office Nov. 2017 Executive Managing Director and Head of Corporate Planning Office Sep. 2018 Executive Managing Director, Head of Corporate Planning Office, and General Manager of Business Division II Sep. 2019 Executive Managing Director and Head of Corporate Planning Office Sep. 2024 Director and Managing Executive Officer and Head of Corporate Planning Office (current position)	44,971 shares
[Reasons for nomination as candidate for Director who is an Audit and Supervisory Committee Member] Hidehito Mori has a wealth of experience in international operations at a financial institution and in the area of corporate planning. He is well-versed in various business environment in and outside Japan. The Company believes that he is well qualified for the position of Director who is an Audit and Supervisory Committee Member as he has deep insight based on his experience and an accurate understanding of the execution of business.			

Candidate no.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
2	Yoshihiro Sakatani (March 11, 1957)	Oct. 1979	Joined Nisshin Audit Corporation (currently Ernst & Young ShinNihon LLC).	5,800 shares
		Mar. 1982	Registered as certified public accountant	
		Aug. 1998	Representative Partner, Century Audit Corporation (currently Ernst & Young ShinNihon LLC)	
		Jul. 2004	Established Japan Management Consulting K.K. Representative Director (current position)	
		Jun. 2005	Outside Auditor, SRG Takamiya Co., Ltd. (currently Takamiya Co., Ltd.)	
		Feb. 2006	Outside Auditor, Kitakei Co., Ltd. (current position)	
		Nov. 2010	Outside Auditor, the Company	
		Mar. 2011	Outside Auditor, SHO-BI Corporation (currently SHOBIDO Corporation)	
		Nov. 2015	Outside Director, the Company (Audit and Supervisory Committee Member) (current position)	
		Dec. 2015	Outside Director (Audit and Supervisory Committee Member), SHOBIDO Corporation (current position)	
		Mar. 2022	Outside Director (Audit and Supervisory Committee Member), Kuriyama Holdings Corporation (current position)	
		Jun. 2022	Outside Director (Audit and Supervisory Committee Member), Takamiya Co., Ltd. (current position)	
[Reasons for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member and expected roles] Yoshihiro Sakatani has expertise and practical experience as a certified public accountant and has a deep insight into corporate audits. The Company believes that he will use his knowledge in auditing and supervisory work at the Company and is qualified for the position. If his reelection is approved, the Company expects him to continue being involved in the selection of candidates for officers of the Company and the determination of officers' remuneration, etc. from a neutral and objective perspective as a member of the Nomination and Compensation Committee. He is currently the Company's Outside Director who is an Audit and Supervisory Committee Member and will have served as Outside Director who is an Audit and Supervisory Committee Member for 10 years upon the conclusion of this Annual Shareholders' Meeting. Before that, he was an Auditor for five years.				
3	* Akiko Tanabe (June 15, 1970)	Oct. 1993	Joined Century Audit Corporation (currently Ernst & Young ShinNihon LLC)	0 shares
		May 1997	Registered as certified public accountant	
		Jan. 2012	Established Akiko Tanabe CPA office (current position)	
		Jun. 2015	Outside Director, OIE SANGYO CO., LTD. (current position)	
		Jul. 2019	Partner of Midosuji Audit Corporation (current position)	
		Jun. 2020	Outside Audit & Supervisory Board Member, ONO PHARMACEUTICAL CO., LTD. (current position)	
[Reasons for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member and expected roles] Although Akiko Tanabe has never been directly involved in corporate management except when serving as outside officer in the past, she has professional knowledge and work experience as a certified public accountant and deep insight into corporate auditing. The Company believes that she is well qualified for the position of Director who is an Audit and Supervisory Committee Member as she is expected to use her insight as she engages in the supervision and auditing of the Company. If her election is approved, the Company expects her to be involved in the selection of candidates for officers of the Company and the determination of officers' remuneration, etc. from a neutral and objective perspective as a member of the Nomination and Compensation Committee.				

- (Notes)
1. The * mark indicates a new candidate.
 2. There is no special interest between any of the candidates and the Company.
 3. The term of office of Hidehito Mori, a Director of the Company (excluding a Director who is an Audit and Supervisory Committee Member) will expire at the conclusion of this Annual Shareholders' Meeting, and he will resign from his position as Director.
 4. Yoshihiro Sakatani and Akiko Tanabe are Outside Director candidates.
 5. The Company has registered Yoshihiro Sakatani as an independent officer with the Tokyo Stock Exchange. Akiko Tanabe satisfies the requirements of the Tokyo Stock Exchange regarding independent officers, and the Company plans to register her as an independent officer with the exchange.
 6. The Company has entered into an agreement with Yoshihiro Sakatani on the limitation of liability for damages provided for in Article 423, paragraph (1) of the Companies Act. The maximum amount of liability for damages under the agreement is the minimum liability limit stipulated by law. If the reelection of him is approved, the agreement with him will continue.
Upon the election of Hidehito Mori and Akiko Tanabe, the Company will conclude liability limitation agreements with both of them in the same manner as described above.
 7. The Company has concluded a directors and officers liability insurance policy with an insurance company, as provided for in Article 430-3, paragraph (1) of the Companies Act. The scope of the insured under the insurance policy includes Directors and Statutory Auditors of the Company and its subsidiaries, and the Company pays the entire premium. This insurance policy provides coverage for any damages that may be incurred due to the insured being liable for matters connected to their execution of their duties or due to claims being made regarding their liability. If the appointment or reappointment of the individual candidates is approved, they will begin to be or continue to be included in the insured under the insurance policy.

Proposal No. 4 Election of One Director Who Is a Substitute Audit and Supervisory Committee Member

To prepare for a contingency in which the Company does not have the number of Directors who are Audit and Supervisory Committee Members required by laws and regulations, the Company proposes to elect one substitute Director who is an Audit and Supervisory Committee Member.

The Audit and Supervisory Committee has approved the submission of this proposal.

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

Name (Date of birth)	Career summary in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
Takahisa Maeno (January 6, 1972)	Oct. 1995 Joined Osaka Office of Asahi & Co. (currently KPMG AZSA LLC) Jul. 1998 Assigned to the Computer Risk Management Department (currently the IT Audit Department) Mar. 1999 Registered as certified public accountant Jun. 2002 Left Asahi & Co. (currently KPMG AZSA LLC) Jul. 2002 Opened Maeno C.P.A. Office and assumed head of the office (current position) May 2019 Established SPD Accounting LLC and became Representative Partner of the office (current position)	0 shares
[Reasons for nomination as candidate for Outside Director who is a substitute Audit and Supervisory Committee Member and expected roles] The Company believes that Takahisa Maeno is well qualified for the position of Outside Director who is an Audit and Supervisory Committee Member as he has professional knowledge and work experience as a certified public accountant and deep insight into corporate auditing. The Company expects that he will use his insight while engaging in the supervision and auditing of the Company.		

- (Notes)
1. There is no special interest between the candidate and the Company.
 2. Takahisa Maeno is a candidate for substitute Audit and Supervisory Committee Member.
 3. If Takahisa Maeno becomes a Director who is an Audit and Supervisory Committee Member, the Company plans to conclude an agreement with him to limit his liability for damages under Article 423, paragraph (1) of the Companies Act. The maximum amount of liability for damages under the agreement is the minimum liability limit stipulated by law.
 4. If Takahisa Maeno becomes a Director who is an Audit and Supervisory Committee Member, the Company plans to register him as an independent officer with the Tokyo Stock Exchange as he satisfies the requirements of the exchange.
 5. The Company has concluded a directors and officers liability insurance policy with an insurance company, as provided for in Article 430-3, paragraph (1) of the Companies Act. The scope of the insured under the insurance policy includes Directors and Statutory Auditors of the Company and its subsidiaries, and the Company pays the entire premium. This insurance policy provides coverage for any damages that may be incurred due to the insured being liable for matters connected to their execution of their duties or due to claims being made regarding their liability. If Takahisa Maeno becomes a Director who is an Audit and Supervisory Committee Member, he will be included in the insured under the insurance policy.

(Reference) Skill Matrix of Directors

If Proposal No. 2 and Proposal No. 3 are passed as originally proposed, the composition of the Directors of the Company, and their main knowledge and experience, will be as follows:

Name	Position and responsibility in the Company	Background						
		Corporate management	Personnel/ human resources development	Finance/ accounting	Risk management	Business strategy/ marketing	Legal affairs	Internationality/ diversity
Fumio Hiraoka	President, CEO and Executive Officer Nomination and Compensation Committee Member Personnel Committee Member	○	○		○	○		○
Hiroyuki Yamano	Director, Executive Officer and Head of Business Division Personnel Committee Member	○	○		○	○		
Masaya Kakumoto	Director, Executive Officer and Head of Administration Division Nomination and Compensation Committee Member Personnel Committee Member	○	○	○	○	○	○	
Hidehito Mori	Audit and Supervisory Committee Member (full time)	○	○	○	○			○
Yoshihiro Sakatani	Independent Outside Director Audit and Supervisory Committee Member Nomination and Compensation Committee Member			○	○		○	○
Akiko Tanabe	Independent Outside Director Audit and Supervisory Committee Member Nomination and Compensation Committee Member			○	○		○	○