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(Securities code: 2735)

November 10, 2023

To Shareholders:

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

NOTICE OF THE 29TH ANNUAL SHAREHOLDERS' MEETING

We are pleased to announce the 29th Annual Shareholders' Meeting of Watts Co., Ltd. (the "Company"), which will be held as indicated below.

- 1. Date and Time** Tuesday, November 28, 2023 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 29th Fiscal Year (from September 1, 2022 to August 31, 2023)
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 29th Fiscal Year (from September 1, 2022 to August 31, 2023)
Report on the Non-consolidated Financial Statements

Matters to be resolved:

- Proposal No. 1** Appropriation of Surplus (Year-End Dividends for the 29th Fiscal Year)
- Proposal No. 2** Election of Seven Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal No. 3** Election of Three Directors Who Are Audit and Supervisory Committee Members

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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 above.
 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 Article 12, paragraph 2 of our Articles of Incorporation.
 - Notes to Consolidated Financial Statements in Consolidated Financial Statements
 - Notes to Non-consolidated Financial Statements in Non-consolidated Financial StatementsTherefore, 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 29th Fiscal Year)

The Company positions the return of profit to shareholders as one of its most important management policies. In accordance with this policy, taking business performance into consideration, the Company proposes to pay year-end dividends for the fiscal year as follows:

Year-end dividends

1. Type of dividend property
To be paid in cash.
2. Allotment of dividend property and their aggregate amount
¥15 per common share of the Company (aggregate amount: ¥202,015,620)
3. Effective date of dividends of surplus
November 29, 2023

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

The terms of office of all seven Directors (excluding Directors who are Audit and Supervisory Committee Members; hereinafter, the same applies in this proposal) will expire at the conclusion of this Annual Shareholders' Meeting. Accordingly, taking into consideration a report from the Nomination and Compensation Committee, the Company proposes the election of seven 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	455,259 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 (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	Hiroshi Fukumitsu (September 25, 1959)	Jun. 1995	Joined the Company	290,325 shares
		Feb. 1997	Director and General Manager of Accounting Department	
		Jul. 1999	Director and General Manager of Administration Division	
		Jun. 2015	Director, General Manager of Administration Division, and General Manager of Administration Department	
		Nov. 2017	Executive Managing Director, General Manager of Administration Division, and General Manager of Administration Department	
		Apr. 2023	Executive Managing Director and General Manager of Administration Division (current position)	
[Reasons for nomination as candidate for Director] Hiroshi Fukumitsu has fulfilled appropriate roles, including determining important management matters and supervising the execution of business, and has abundant experience and wide-ranging knowledge, mainly developed in administration departments. 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	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	30,065 shares
		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 (current position)	
[Reasons for nomination as candidate for Director] Hidehito Mori has fulfilled appropriate roles, including determining important management matters and supervising the execution of business, and has wide-ranging experience and advanced insight developed at a financial institution. Accordingly, the Company believes he is appropriately qualified as a Director.				
4	Hiroyuki Yamano (December 9, 1967)	May 1995	Joined the Company	60,801 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 (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
5	Masahiro Hirata (May 26, 1964)	<p>Apr. 1988 Joined Seiko Epson Corporation</p> <p>Jun. 1999 Joined Nokia Japan Co., Ltd.</p> <p>Nov. 2000 Joined Pokka Corporation (currently POKKA SAPPORO Food & Beverage LTD.)</p> <p>Sep. 2005 General Manager of International Business Department</p> <p>Feb. 2013 Joined Ebara Foods Industry, Inc. Deputy General Manager of Overseas Business Division</p> <p>Nov. 2015 Joined the Company, Assistant to General Manager of Overseas Business Department Director and General Manager of Overseas Business Department</p> <p>Sep. 2017 Director, Deputy General Manager of Business Division I, and General Manager of Overseas Business Department</p> <p>Sep. 2019 Director, Deputy General Manager of Business Division, and General Manager of Overseas Business Department</p> <p>Nov. 2019 Director and General Manager of Overseas Business Department (current position)</p>	17,307 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Masahiro Hirata has fulfilled appropriate roles, including determining important management matters and supervising the execution of business, and has wide-ranging knowledge and experience developed in manufacturing companies operating overseas. Accordingly, the Company believes he is appropriately qualified as a Director.</p>			
6	Masaya Kakumoto (April 30, 1973)	<p>Apr. 1997 Joined AUTOBACS SEVEN CO., LTD.</p> <p>Oct. 2003 Joined Ohthree Co., Ltd.</p> <p>Sep. 2008 Joined the Company</p> <p>Sep. 2011 Assistant to General Manager of Administration Department</p> <p>Apr. 2014 General Manager of Administration Department</p> <p>Jun. 2015 General Manager of Business Strategy Department</p> <p>Sep. 2017 Deputy General Manager of Business Division I and General Manager of Business Strategy Department</p> <p>Nov. 2017 Director, Deputy General Manager of Business Division I, and General Manager of Business Strategy Department</p> <p>Sep. 2019 Director, Deputy General Manager of Business Division, and General Manager of Business Strategy Department</p> <p>Nov. 2019 Director and General Manager of Merchandise Department (current position)</p>	13,719 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>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, and Merchandise Department, and has abundant experience and knowledge developed through his duties. Accordingly, the Company believes he is appropriately qualified as a Director.</p>			

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
7	Atsuo Kinugasa (April 26, 1959)	<p>Apr. 1981 Founded Kinugasa Shoten</p> <p>Mar. 1986 Established Ohthree, Ltd. Representative Director and President</p> <p>Nov. 1992 Organization changed to Ohthree Co., Ltd. (limited liability company to stock company) Representative Director and President</p> <p>Feb. 2007 Director, the Company</p> <p>Mar. 2007 Director and Deputy President</p> <p>Mar. 2012 Director, Deputy President, and Deputy General Manager of Business Division</p> <p>Nov. 2015 Director and Deputy President</p> <p>Nov. 2021 Director (current position)</p>	365,665 shares
<p>[Reasons for nomination as candidate for Director] Atsuo Kinugasa has fulfilled appropriate roles, including determining important management matters and supervising the execution of business, and has abundant experience, achievements, and insight developed as a corporate manager over many years. Accordingly, the Company believes he is appropriately qualified as a Director.</p>			

- (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, as provided for in Article 430-3, paragraph (1) of the Companies Act, with an insurance company, with Directors as the insureds. An overview of the insurance policy is described in "II. 2. (2) An overview of the directors and officers liability insurance policy" of the business report. If the reelection of each candidate is approved, the candidates will continue to be included as an insured in the policy. In addition, when the policy is renewed, the Company plans to renew the policy with the same terms.

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

The terms of office of all three Directors who are Audit and Supervisory Committee Members will expire at the conclusion of this Annual Shareholders' Meeting. Accordingly, taking into consideration a report from the Nomination and Compensation Committee, the Company proposes the election of three Directors who are Audit and Supervisory Committee Members. 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	Toru Nishioka (July 26, 1953)	Apr. 1976 Joined TATSUTA Electric Wire and Cable Co., Ltd. Apr. 1983 Joined Kameoka certified accountant firm Jul. 1993 Joined People Co., Ltd. May 2001 Joined IT Denshi Buhin K.K. Apr. 2005 Joined Kasatani Corp. Jan. 2008 Joined SHOEI CORPORATION General Manager of Accounting Department Sep. 2013 Joined Artra Corporation, General Manager of Administration Department Mar. 2015 Full-time Audit and Supervisory Board Member Nov. 2017 Director, the Company (full-time Audit and Supervisory Committee Member) (current position)	6,900 shares
[Reasons for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member and expected roles] Toru Nishioka has practical experience as a member of an administration division and a full-time Audit and Supervisory Board Member. The Company believes that he will use the knowledge he has gained 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 six years upon the conclusion of this Annual Shareholders' Meeting.			

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)	<p>Oct. 1979 Joined Nisshin Audit Corporation (currently Ernst & Young ShinNihon LLC).</p> <p>Mar. 1982 Registered as certified public accountant</p> <p>Aug. 1998 Representative Partner, Century Audit Corporation (currently Ernst & Young ShinNihon LLC)</p> <p>Jul. 2004 Established Japan Management Consulting K.K. Representative Director (current position)</p> <p>Jul. 2004 Auditor, Pressance Corporation Co., Ltd.</p> <p>Jun. 2005 Auditor, SRG Takamiya Co., Ltd. (currently Takamiya Co., Ltd.)</p> <p>Feb. 2006 Auditor, Kitakei Co., Ltd. (current position)</p> <p>Nov. 2010 Auditor, the Company</p> <p>Mar. 2011 Auditor, SHO-BI Corporation (currently SHOBIDO Corporation)</p> <p>Jun. 2015 Director (Audit and Supervisory Committee Member), Pressance Corporation Co., Ltd. (current position)</p> <p>Nov. 2015 Director, the Company (Audit and Supervisory Committee Member) (current position)</p> <p>Dec. 2015 Director (Audit and Supervisory Committee Member), SHOBIDO Corporation (current position)</p> <p>Mar. 2022 Director (Audit and Supervisory Committee Member), Kuriyama Holdings Corporation (current position)</p> <p>Jun. 2022 Director (Audit and Supervisory Committee Member), Takamiya Co., Ltd. (current position)</p>	5,100 shares
<p>[Reasons for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member and expected roles]</p> <p>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 eight years upon the conclusion of this Annual Shareholders' Meeting. Before that, he was an Auditor for five years.</p>			

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	Yoshiko Hayashido (July 31, 1971)	<p>Oct. 2005 Registered as attorney at law</p> <p>Oct. 2006 Joined Seiun law firm (currently legal professional corporation Seiun law firm)</p> <p>Apr. 2007 Member of the anti-civil intervention violence and bar business obstruction committee of the Osaka Bar Association (current position)</p> <p>Jan. 2011 Staff lawyer of legal professional corporation Seiun law firm (current position)</p> <p>Apr. 2011 Member of the anti-civil intervention violence and legal work without a license committee (currently the anti-civil intervention violence and bar business obstruction committee) of the Kinki Federation of Bar Associations (current position)</p> <p>Nov. 2019 Director, the Company (Audit and Supervisory Committee Member) (current position)</p>	500 shares
<p>[Reasons for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member and expected roles]</p> <p>Although Yoshiko Hayashido does not have any experience being directly involved in corporate management except for having been an outside officer, she has expertise and practical experience as a lawyer. The Company believes that she will use her knowledge in auditing and supervisory work at the Company and is qualified for the position. If her reelection is approved, the Company expects her 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. She 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 four years upon the conclusion of this Annual Shareholders' Meeting.</p>			

- (Notes)
1. There is no special interest between any of the candidates and the Company.
 2. Toru Nishioka, Yoshihiro Sakatani, and Yoshiko Hayashido are Outside Director candidates.
 3. The Company has registered Toru Nishioka, Yoshihiro Sakatani, and Yoshiko Hayashido as independent officers with the Tokyo Stock Exchange.
 4. The Company has entered into agreements with Toru Nishioka, Yoshihiro Sakatani, and Yoshiko Hayashido 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 these agreements is the minimum liability limit stipulated by law. If the reelection of these three people is approved, the agreements with them will continue.
 5. The Company has concluded a directors and officers liability insurance policy, as provided for in Article 430-3, paragraph (1) of the Companies Act, with an insurance company, with Directors as the insureds. An overview of the insurance policy is described in "II. 2. (2) An overview of the directors and officers liability insurance policy" of the business report. If the election of each candidate is approved, the candidates will continue to be included as an insured in the policy. In addition, when the policy is renewed, the Company plans to renew the policy with the same terms.

(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 and CEO Nomination and Compensation Committee Member Personnel Committee Member	○	○		○	○		○
Hiroshi Fukumitsu	Executive Managing Director and General Manager of Administration Division Nomination and Compensation Committee Member Personnel Committee Member	○	○	○	○		○	
Hidehito Mori	Executive Managing Director and Head of Corporate Planning Office Nomination and Compensation Committee Member Member Personnel Committee Member	○	○	○	○			○
Hiroyuki Yamano	Director and General Manager of Business Division Personnel Committee Member	○	○		○	○		
Masahiro Hirata	Director and General Manager of Overseas Business Department	○	○		○	○		○
Masaya Kakumoto	Director and General Manager of Merchandise Department	○		○	○	○		
Atsuo Kinugasa	Director	○			○	○		
Toru Nishioka	Independent Outside Director Audit and Supervisory Committee Member (full time) Nomination and Compensation Committee Member			○	○		○	
Yoshihiro Sakatani	Independent Outside Director Audit and Supervisory Committee Member Nomination and Compensation Committee Member			○	○		○	○
Yoshiko Hayashido	Independent Outside Director Audit and Supervisory Committee Member Nomination and Compensation Committee Member				○		○	○