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Stock Exchange Code: 3001
March 6, 2019

To Shareholders with Voting Rights:

Kimiya Sano
President and CEO
Katakura Industries Co., Ltd.
6-4 Akashi-cho, Chuo-ku, Tokyo

**NOTICE OF
THE 110TH 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 110th Annual General Meeting of Shareholders of Katakura Industries Co., Ltd. (the “Company”). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing or via the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:20 p.m., Japan time on Wednesday, March 27, 2019.

[If exercising voting rights in writing]

Please indicate your vote for or against each proposal on the enclosed Voting Rights Exercise Form and return it so that it is received by the deadline mentioned above.

[If exercising voting rights via the Internet]

Please access the website for exercising voting rights (<https://soukai.mizuho-tb.co.jp/>) designated by the Company, enter the “voting rights exercise code” and “password” printed on the enclosed Voting Rights Exercise Form, and input your vote for or against each proposal by following the on-screen instructions by the deadline mentioned above.

- 1. Date and Time:** Thursday, March 28, 2019 at 10:00 a.m. Japan time
(Reception opens at 9:00 a.m.)
- 2. Place:** JIJI PRESS HALL (2nd floor of Jiji Press Building) located at
5-15-8, Ginza, Chuo-ku, Tokyo
- 3. Meeting Agenda:**
Matters to be reported:
 1. The Business Report and Consolidated Financial Statements for the Company’s 110th Fiscal Year (January 1, 2018 - December 31, 2018), and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 110th Fiscal Year (January 1, 2018 - December 31, 2018)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
Proposal 2: Partial Amendments to the Articles of Incorporation
Proposal 3: Election of Seven (7) Directors
Proposal 4: Election of One (1) Audit & Supervisory Board Member

- ◎ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- ◎ Please refer to the English translation of the Reference Documents for the General Meeting of Shareholders which will be posted on the Company's website (<https://www.katakura.co.jp/>).
- ◎ Pursuant to relevant laws, regulations and the Company's Articles of Incorporation, "Notes to the Consolidated Financial Statements" and "Notes to the Non-consolidated Financial Statements," which pertain to the Consolidated Financial Statements and Non-consolidated Financial Statements in the attached documents, respectively, are provided to shareholders through the Company's website (<https://www.katakura.co.jp/>), and are not included in the attached documents. The Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Audit & Supervisory Board Members and the Accounting Auditor in the preparation of audit reports include "Notes to the Consolidated Financial Statements" and "Notes to the Non-consolidated Financial Statements" posted on the Company's website (<https://www.katakura.co.jp/>), in addition to information listed in the attached documents.
- ◎ Should the Reference Documents for the General Meeting of Shareholders and the Business Report, as well as the Non-consolidated Financial Statements and the Consolidated Financial Statements require any revision, the revised version will be posted on the Company's website (<https://www.katakura.co.jp/>).

Starting from this General Meeting of Shareholders, no souvenirs will be provided to attending shareholders. We appreciate your understanding.

Reference Documents for the General Meeting of Shareholders

Proposal 1: Appropriation of Surplus

With regard to the year-end dividend for the 110th fiscal year, with a principle of distributing stable dividend payments to shareholders, we propose as follows, by thoroughly considering this year's business results, future business development, the level of internal reserves, the dividend payout ratio, etc.

- (1) Type of property to be distributed as dividend:
Cash
- (2) Matters regarding the assignment of dividend property and total amount thereof:
12 yen per share of the Company's common stock
Total amount of the dividend will be 421,822,824 yen.
- (3) Date on which payment of surplus takes effect:
March 29, 2019

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the amendment

To clarify the managerial responsibility of Directors and establish a management structure that can readily respond to changes in the business environment, the Company proposes to shorten the term of office of Directors from two (2) years to one (1) year and apply related amendments to Article 20, Paragraph 1. Accordingly, Article 20, Paragraph 2 which stipulates the adjustment of the term of office is proposed to be deleted. The Company also proposes other necessary amendments to the paragraph number of the laws and regulations mentioned.

2. Details of the amendment

The details of the amendments are as follows:

(Amendments are underlined.)

Current Articles of Incorporation	Proposed Amendment
<p>Article 20. (Term of Office) The term of office of a Director shall expire at the conclusion of the annual general meeting of shareholders for the last fiscal year ending within <u>two (2)</u> years after his/her election. <u>2. The term of office of a Director elected to increase the number of Directors or fill a vacancy shall expire when the term of office of the incumbent Directors expires.</u></p> <p>Article 33. (Effective Term of the Resolution to Elect a Substitute Auditor) The effective term of the resolution to elect a substitute Audit & Supervisory Board Member elected in accordance with Article 329, Paragraph <u>2</u> of the Companies Act shall expire at the beginning of the annual general meeting of shareholders for the last fiscal year ending within four (4) years after his/her election.</p>	<p>Article 20. (Term of Office) The term of office of a Director shall expire at the conclusion of the annual general meeting of shareholders for the last fiscal year ending within <u>one (1)</u> year after his/her election. (Deleted)</p> <p>Article 33. (Effective Term of the Resolution to Elect a Substitute Auditor) The effective term of the resolution to elect a substitute Audit & Supervisory Board Member elected in accordance with Article 329, Paragraph <u>3</u> of the Companies Act shall expire at the beginning of the annual general meeting of shareholders for the last fiscal year ending within four (4) years after his/her election.</p>

Proposal 3: Election of Seven (7) Directors

The terms of office of all eight (8) Directors will expire at the conclusion of this year's Annual General Meeting of Shareholders. To streamline the management structure, the number of Directors will be decreased by one (1), hence the election of seven (7) Directors is proposed.

The candidates of Director are as follows:

No.		Name	Current positions and responsibilities at the Company	Attendance at Board of Directors meetings
1	Reappointment	Kimiya Sano	President and CEO	12/12
2	Reappointment	Ryosuke Joko	Senior Managing Director In charge of Pharmaceuticals Business Division, Administrative Division	10/10
3	Reappointment	Yoshio Furuta	Managing Director In charge of Machinery Business Department, Life Solution Business Department	12/12
4	Reappointment	Masaaki Fujimoto	Managing Director In charge of Textiles Business Division	12/12
5	Reappointment	Outside Independent Tadashige Maeyama	Outside Director	12/12
6	New	Outside Independent Kouichi Oomuro	Special Consultant	—
7	New	Outside Independent Masataka Nakayama		—

No. **1** **Kimiya Sano** Born on March 8, 1955

Reappointment

Number of shares of the Company held:
16,700

Years serving as Director:
6

Attendance at Board of Directors meetings:
12/12

Past experience, positions and responsibilities at the Company

April 1977	Joined the Company	February 2011	Executive Officer and General Manager of
January 2008	General Manager of General Affairs		Accounting Department of the Company
	Department of the Company	March 2013	Managing Director of the Company
January 2010	General Manager of Retail Business	March 2015	President and CEO of the Company (to present)
	Department of the Company		
March 2010	Executive Officer and General Manager		
	of Retail Business Department of the		
	Company		

Reasons for nomination as a candidate for Director:

Mr. Kimiya Sano demonstrated his remarkable managerial skills as the President and CEO since March 2015, promoting management reforms, such as the strengthening of the Group's operational structure and implementation of structural reforms. Because his wealth of experience and insight as a manager can be put to good use in management, he is deemed suitable for a position where he can contribute to improving the Company's corporate value, and therefore has been re-nominated as a candidate for Director.

No. **2** **Ryosuke Joko** Born on August 6, 1961

Reappointment

Number of shares of the Company held:
400

Years serving as Director:
1

Attendance at Board of Directors meetings:
10/10

Past experience, positions and responsibilities at the Company

April 1985	Joined The Fuji Bank, Limited	April 2017	Executive Adviser of Mizuho Bank, Ltd.
April 2010	General Manager of Osaka Branch of Mizuho	May 2017	Executive Adviser of the Company
	Bank, Ltd.	March 2018	Senior Managing Director of the Company (to
April 2012	Executive Officer and General Manager of		present)
	Executive Secretariat of Mizuho Financial		In charge of Pharmaceuticals Business Division,
	Group, Inc.		Administrative Division
April 2014	Managing Executive Officer /		
	In charge of Corporate Banking of Mizuho		
	Bank, Ltd.		

Reasons for nomination as a candidate for Director:

Since assuming the position of Director in March 2018, Mr. Ryosuke Joko has promoted the Group's business, endeavoring to expand performance and strengthen the Group's operational structure. The Company expects him to display strong leadership by leveraging his wealth of experience and insight as a manager. As such, he is deemed suitable for a position where he can contribute to improving the Company's corporate value, and therefore has been re-nominated as a candidate for Director.

No. **3** **Yoshio Furuta** Born on May 24, 1957

Reappointment

Number of shares of the Company held: 3,300 Years serving as Director: 4 Attendance at Board of Directors meetings: 12/12

Past experience, positions and responsibilities at the Company

April 1980	Joined the Company	March 2015	Managing Director of the Company (to present)
May 2010	General Manager of Mechatronics Business Department of the Company		In charge of Machinery Business Department, Life Solution Business Department
March 2013	Executive Officer and General Manager of Mechatronics Business Department of the Company		
March 2014	Managing Executive Officer and General Manager of Mechatronics Business Department of the Company		

Reasons for nomination as a candidate for Director:

Since assuming the position of Director in March 2015, Mr. Yoshio Furuta has been in charge of the Machinery Business Department, Biological Science Research Center and New Business Development Department (currently Life Solution Business Department). Accordingly, he has fulfilled his responsibilities as a Director and contributed to the Group's development. Because his wealth of work experience and insight can be put to good use in management, he is deemed suitable for a position where he can contribute to improving the Company's corporate value, and therefore has been re-nominated as a candidate for Director.

No. **4** **Masaaki Fujimoto** Born on August 11, 1956

Reappointment

Number of shares of the Company held: 5,800 Years serving as Director: 2 Attendance at Board of Directors meetings: 12/12

Past experience, positions and responsibilities at the Company

April 1979	Joined the Company	March 2013	Executive Officer of the Company
September 2002	Acting Manager of Caron Underclothing Department of the Clothing Business Department of the Company	March 2017	Managing Director of the Company
August 2003	Manager of Osaka Sales Office of the Clothing Business Department of the Company	October 2017	Managing Director of the Company (Appointed as General Manager of Clothing Business Department)
January 2011	Seconded to Ogran Japan Co., Ltd. (as President and CEO)	February 2019	Managing Director of the Company (to present) In charge of Textiles Business Division

Reasons for nomination as a candidate for Director:

Since assuming the position of Director in March 2017, Mr. Masaaki Fujimoto has been in charge of the Textiles Business Division. Accordingly, he has fulfilled his responsibilities as a Director and contributed to the Group's development. Because his wealth of work experience and insight can be put to good use in management, he is deemed suitable for a position where he can contribute to improving the Company's corporate value, and therefore has been re-nominated as a candidate for Director.

No. **5** **Tadashige Maeyama** Born on September 28, 1946 **Reappointment** **Outside** **Independent**

Number of shares of the Company held: 2,900 Years serving as Director: 8 Attendance at Board of Directors meetings: 12/12

Past experience, positions and responsibilities at the Company

April 1969	Joined THE HACHIJUNI BANK, LTD.	June 2012	Outside Auditor of APIC YAMADA CORPORATION (currently Outside Director (Audit and Supervisory Committee Member)) (to present)
June 2001	Managing Director of THE HACHIJUNI BANK, LTD.		
June 2009	President and Representative Director of Hachijuni Lease, Co. Ltd.		
March 2011	Director of the Company (to present)		

Significant concurrent positions:
Outside Director (Audit and Supervisory Committee Member) of APIC YAMADA CORPORATION

Reasons for nomination as a candidate for Outside Director:

Utilizing the wealth of experience and broad insight he has acquired as an executive at financial companies and operational companies, Mr. Tadashige Maeyama actively participates in the enhancement of the Company's corporate governance. As such, he is deemed suitable for the position of an Outside Director who will supervise the execution of business operations, and therefore has been re-nominated as a candidate for Outside Director. At the end of this General Meeting of Shareholders, he will have served as an Outside Director of the Company for eight (8) years.

No. **6** **Kouichi Oomuro** Born on February 6, 1945 **New** **Outside** **Independent**

Number of shares of the Company held: 0

Past experience, positions and responsibilities at the Company

April 1968	Joined Mitsui Fudosan Co., Ltd.	May 2016	Outside Director of ARCLAND SAKAMOTO CO., LTD. (to present)
June 1997	Managing Director of Mitsui Fudosan Co., Ltd.	February 2018	Special Consultant to the Company (to present)
April 2005	Vice President and Chief Executive Officer of Mitsui Fudosan Co., Ltd.		
June 2011	Special Advisor to Mitsui Fudosan Co., Ltd.		
October 2015	Full-time Auditor of Shibaura Institute of Technology (to present)		

Significant concurrent positions:
Full-time Auditor of Shibaura Institute of Technology
Outside Director of ARCLAND SAKAMOTO CO., LTD.

Reasons for nomination as a candidate for Outside Director:

Since assuming the position of Special Consultant in February 2018, Mr. Kouichi Oomuro has provided practical advice to promote the enhancement of the Group's real estate business. The Company has selected him as a candidate for Director so that his wealth of experience and broad insight he has acquired as a manager at operational companies can be put to good use as an Outside Director who will supervise the execution of business operations.

Number of shares of the Company held: 0

Past experience, positions and responsibilities at the Company

April 1980	Joined The Norinchukin Bank	June 2018	Executive Adviser to Norinchukin Research Institute Co., Ltd. (to present)
July 2005	General Manager of London Branch of The Norinchukin Bank		Significant concurrent positions:
July 2008	General Manager of Treasury & Forex Division of The Norinchukin Bank		Executive Adviser to Norinchukin Research Institute Co., Ltd.
June 2010	Supervisory Board Member of KYOKUYO CO., LTD.		

Reasons for nomination as a candidate for Outside Director:

Mr. Masataka Nakayama has a wealth of work experience at a financial institution, and has acquired broad insight as a full-time supervisory board member at an operational company. As such, he is deemed suitable for the position of an Outside Director who will supervise the execution of business operations, and therefore has been nominated as a candidate for Director.

(Notes)

1. There are no special interests between each candidate for Director and the Company.
2. The candidates for Director, Mr. Tadashige Maeyama, Mr. Kouichi Oomuro, and Mr. Masataka Nakayama, are candidates for Outside Director.
3. Liability limitation agreements with the candidates for Director
 - (1) The Company has stipulated in Article 27, Paragraph 2 of the current Articles of Incorporation that it may enter into an agreement with each Director (excluding Directors engaged in the execution of business operations) to limit his or her liability for damages to the Company to a certain extent.
 - (2) If Mr. Tadashige Maeyama is reelected, the Company intends to continue such agreement with him. If Mr. Kouichi Oomuro and Mr. Masataka Nakayama are elected, the Company intends to enter into the same liability limitation agreement with them.
 - (3) The outline of the agreements is as follows.

After the conclusion of the agreements, if the Directors neglect their duties and cause damages to the Company, they shall be liable for those damages up to the “minimum liability amount” stipulated in Article 425, Paragraph 1 of the Companies Act, on the condition that they act in good faith and without gross negligence in performing their duties.
4. The Company has designated Mr. Tadashige Maeyama as an independent officer as stipulated by the Tokyo Stock Exchange, and notified the said Exchange to that effect. If Mr. Tadashige Maeyama is reelected, the Company intends to continue designating him as an independent officer. In addition, Mr. Kouichi Oomuro and Mr. Masataka Nakayama fulfill the criteria for independent officers stipulated by the Tokyo Stock Exchange, and the Company intends to designate them as independent officers and notify the said Exchange to that effect.
5. Inappropriate accounting treatment was revealed in May 2017 at APIC YAMADA CORPORATION, where Mr. Tadashige Maeyama serves as an Outside Director (Audit and Supervisory Committee Member). Although he was unaware of the incident prior to the discovery, we had called attention to the importance of ensuring legal compliance in daily operations. Since becoming aware of the incident, he has been working on initiatives such as further strengthening compliance and preventing recurrence, and is fulfilling his responsibilities.

Proposal 4: Election of One (1) Audit & Supervisory Board Member

Audit & Supervisory Board Member, Mr. Junichi Fukide will resign at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, to fill the vacancy, the election of one (1) Audit & Supervisory Board Member is proposed.

Pursuant to the provisions of the Articles of Incorporation of the Company, the term of office of the Audit & Supervisory Board Member to be elected under this proposal shall be until the expiration of the term of office of the resigned Audit & Supervisory Board Member, which is until the conclusion of the 111th Annual General Meeting of Shareholders.

The Audit & Supervisory Board has previously given its approval to this proposal.

The candidate for Audit & Supervisory Board Member is as follows:

Nobuhiro Yoshida

Born on May 14, 1961

New

Number of shares of the Company held: 0

Past experience and responsibilities at the Company

April 1984	Joined TOA EIYO LTD.	July 2011	General Manager of Fukuoka Branch of TOA EIYO LTD.
July 2006	General Manager of Sales Planning Section, Sales Department of TOA EIYO LTD.	April 2018	Associate Director and General Manager of Fukuoka Branch of TOA EIYO LTD.
July 2009	General Manager of Sales Section I, Kyoto Branch of TOA EIYO LTD.	July 2018	Deputy General Manager of Planning Department of the Company (to present)

Reasons for nomination as a candidate for Audit & Supervisory Board Member:

Mr. Nobuhiro Yoshida has served in key positions at the Group's sales division and planning division, and has a wealth of experience and broad insight. As such, he is deemed able to appropriately carry out the duties as an Audit & Supervisory Board Member, and therefore has been nominated as a candidate for Audit & Supervisory Board Member.

(Notes)

1. There are no special interests between the candidate for Audit & Supervisory Board Member and the Company.
2. Liability limitation agreements with the candidate for Audit & Supervisory Board Member
The Company has stipulated in Article 37, Paragraph 2 of the current Articles of Incorporation that it may enter into an agreement with each Audit & Supervisory to limit his or her liability for damages to the Company to a certain extent. Accordingly, if Mr. Nobuhiro Yoshida is elected, the Company intends to enter into the liability limitation agreement with him.
The outline of the agreement is as follows:
 - After the conclusion of the agreements, if Audit & Supervisory Board Members neglect their duties and cause damages to the Company, they shall be liable for those damages up to the "minimum liability amount" stipulated in Article 425, Paragraph 1 of the Companies Act, on the condition that they act in good faith and without gross negligence in performing their duties.