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(Securities code: 6390)

June 7, 2019

To Shareholders with Voting Rights

Kimiyasu Kato
President and Representative Director
KATO WORKS CO., LTD.
9-37, Higashi-ohi 1-chome,
Shinagawa-ku, Tokyo, Japan

Notice of the 120th Annual General Meeting of Shareholders

You are cordially invited to attend the 120th Annual General Meeting of Shareholders (the “Meeting”) of KATO WORKS 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. Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by indicating your approval or disapproval of the proposals on the enclosed Voting Rights Exercise Form and return it so that it is received by 5:30 p.m. Japan time on Wednesday, June 26, 2019.

1. Date and Time: Thursday, June 27, 2019 at 10:00 a.m. Japan time

2. Place: 10-30, Takanawa 4-chome, Minato-ku, Tokyo, Japan
32F, Aquamarine 32, Main Tower, Shinagawa Prince Hotel

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements and the results of audits of the Consolidated Financial Statements for the Company’s 120th Fiscal Year (April 1, 2018 - March 31, 2019) by the Accounting Auditor and the Audit and Supervisory Committee
 2. Non-consolidated Financial Statements for the Company’s 120th Fiscal Year (April 1, 2018 - March 31, 2019)

Proposals to be resolved:

Proposal 1: Appropriation of Surplus

Proposal 2: Election of Eight (8) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

○ Request

- If you are attending the Meeting in person, please submit the enclosed Voting Rights Exercise Form at the reception. Please also bring this Notice with you to save paper resources.

○ Notes

- Among the documents to be attached to this Notice, the following items are not stated in the attached documents, as they are posted on the Company’s website (<http://www.kato-works.co.jp/>) (in Japanese) in accordance with provisions of laws and regulations as well as Article 14 of the Company’s Articles of Incorporation. Therefore, these attached documents are part of the Business Report and the consolidated and non-consolidated financial statements audited by the Audit and Supervisory Committee in preparing their audit report, and the consolidated and non-consolidated financial statements audited by the accounting auditor in preparing their accounting audit report.
 - (1) “System to Ensure Appropriate Operations (Internal Control System) and Its Operating Status” and “Policy to Determine the Distribution of Surplus, etc.” in the Business Report
 - (2) “Consolidated Statements of Changes in Net Assets” and “Notes to the Consolidated Financial Statements” in the Consolidated Financial Statements
 - (3) “Non-consolidated Statements of Changes in Net Assets” and “Notes to the Non-consolidated Financial Statements” in the Non-consolidated Financial Statements
- Should there be revisions to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated and Consolidated Financial Statements, the details of the revisions will be posted on the Company’s website (<http://www.kato-works.co.jp/>) (in Japanese).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company intends to respond to shareholder expectations basically through stable dividends while paying attention to internal reserves to strengthen the corporate standing and upon comprehensively taking into account the business environment, revenue status and other factors.

The Company proposes year-end dividend for this fiscal year at 47.50 yen in view of the performance for the fiscal year and future business development. Accordingly, the annual dividend will be 95 yen per share including the interim dividend of 47.50 yen.

Matters relating to year-end dividend

1. Matters relating to allotment of dividend property and its total amount
47.50 yen per common share of the Company at a total of 556,591,890 yen
2. Effective date of the distribution of surplus
June 28, 2019

Proposal 2: Election of Eight (8) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

The terms of office of all the eight (8) Directors (excluding Directors serving as Audit and Supervisory Committee Members) will expire at the conclusion of the Meeting. Accordingly, the Company proposes to elect eight (8) Directors (excluding Directors serving as Audit and Supervisory Committee Members).

The Company has obtained comments from the Audit and Supervisory Committee that this Proposal is reasonable and there are no special matters to be noted at the Meeting.

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

No.	Name	Current positions at the Company	
1	Kimiyasu Kato	President and Representative Director	Reappointment
2	Mitsuo Okada	Director, Managing Executive Officer	Reappointment
3	Yoshiki Inoue	Director, Managing Executive Officer	Reappointment
4	Jiro Konishi	Director, Executive Officer	Reappointment
5	Yunfeng Bai	Director, Executive Officer	Reappointment
6	Takao Watanabe	Director, Executive Officer	Reappointment
7	Takatsugu Ishii	Director, Executive Officer	Reappointment
8	Yoshiaki Ohkami	Director	Reappointment Outside Independent

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of the Company's shares held
1	<p>Kimiyasu Kato (Aug. 25, 1968)</p> <p><u>Reappointment</u></p> <p>Attendance at the Board of Directors meetings: 13/13 (100%)</p>	<p>Apr. 1991 Joined the Company</p> <p>Jul. 1993 General Manager, Corporate Auditors' Office</p> <p>Aug. 1996 General Manager, Engineering Division</p> <p>May 1997 General Manager, Materials Division</p> <p>Jun. 1997 Director, General Manager, Engineering Division and General Manager, Materials Division</p> <p>Jun. 2001 Director, Managing Executive Officer in charge of Corporate Planning</p> <p>Jun. 2004 President and Representative Director (to present) (Significant concurrent positions)</p> <p>Chairman, KATO WORKS (CHINA) LTD. Director, KATO WORKS (THAILAND) CO., LTD.</p>	347,711
<p>Reason for nomination as candidate for Director</p> <p>Kimiyasu Kato has abundant experience as the Company's President and Representative Director, and is demonstrating leadership as the chief operating officer. He is playing a sufficient part in important management decision-making and supervision of business execution by the Board of Directors. Therefore, in order to make use of his capabilities and experience in management, the Company proposes his re-election as a Director.</p>			
2	<p>Mitsuo Okada (Jul. 13, 1954)</p> <p><u>Reappointment</u></p> <p>Attendance at the Board of Directors meetings: 13/13 (100%)</p>	<p>Apr. 1977 Joined the Company</p> <p>Jul. 2006 General Manager, Design Department I</p> <p>Jun. 2010 Executive Officer, General Manager, Development Division</p> <p>Jun. 2012 Director, Executive Officer, General Manager, Development Division</p> <p>Jun. 2014 Director, Executive Officer, General Manager, Manufacturing Division and General Manager, Development Division</p> <p>Jun. 2016 Director, Managing Executive Officer, in charge of the Manufacturing and Development Segments and ISO (to present)</p>	4,196
<p>Reason for nomination as candidate for Director</p> <p>Mitsuo Okada has abundant experience and achievements in the engineering development field, having long been engaged in the Company's manufacturing and development segment operations. He is playing a sufficient part in important management decision-making and supervision of business execution by the Board of Directors. Therefore, in order to make use of his capabilities and experience in management, the Company proposes his re-election as a Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions		Number of the Company's shares held
3	<p>Yoshiki Inoue (Sep. 7, 1954)</p> <p><u>Reappointment</u></p> <p>Attendance at the Board of Directors meetings: 10/10 (100%) (after taking office in June 2018)</p>	Apr. 1977	Joined Ishikawajima-Harima Heavy Industries Co., Ltd. (presently IHI Corporation)	449
		Apr. 2004	General Manager, Procurement Division, Transport & Logistics Systems Division, Logistics Systems & Structures Operations	
		Oct. 2005	General Manager, Construction Division, Transport Systems Division, Transport & Logistics Systems Operations, Ishikawajima Transport Machinery Co., Ltd. (presently IHI Transport Machinery Co., Ltd.)	
		Jun. 2010	Director, General Manager, Administration Division, Transport Systems Operations, in charge of Materials Division and General Transport Systems Division	
		Jun. 2014	Managing Director, General Manager, Parking Systems Division	
		Jun. 2016	President, IHI Construction Machinery Limited (renamed KATO HEAVY INDUSTRIES CONSTRUCTION MACHINERY CO., LTD. in November 2016)	
		Mar. 2018	General Manager, HICOM Business Department of the Company	
		Jun. 2018	Director, Managing Executive Officer, General Manager, HICOM Business Department, in charge of Corporate Planning and Compliance (to present)	
<p>Reason for nomination as candidate for Director</p> <p>Yoshiki Inoue has abundant experience and achievements, having been engaged mainly in procurement and logistics operations at IHI Corporation as well as corporate management at IHI Construction Machinery Limited. He is playing a sufficient part in important management decision-making and supervision of business execution by the Board of Directors. Therefore, in order to make use of his capabilities and experience in management, the Company proposes his re-election as a Director.</p>				
4	<p>Jiro Konishi (Feb. 26, 1953)</p> <p><u>Reappointment</u></p> <p>Attendance at the Board of Directors meetings: 13/13 (100%)</p>	Apr. 1975	Joined the Company	6,796
		Mar. 2010	General Manager, Administration Department	
		Jun. 2012	Executive Officer, General Manager, Administration Department	
		Jun. 2013	Executive Officer, General Manager, Finance Department	
		Jun. 2014	Director, Executive Officer, General Manager, Finance Control Department	
		Jun. 2016	Director, Executive Officer, General Manager, Finance Control Department, in charge of Compliance and IR	
		Jun. 2018	Director, Executive Officer, General Manager, Finance Control Department, in charge of IR (to present)	
		(Significant concurrent positions) Auditor, KATO WORKS (CHINA) LTD.		
<p>Reason for nomination as candidate for Director</p> <p>Jiro Konishi has abundant experience and achievements in finance and accounting, having long been engaged in the Company's accounting segment operations. He is playing a sufficient part in important management decision-making and supervision of business execution by the Board of Directors. Therefore, in order to make use of his capabilities and experience in management, the Company proposes his re-election as a Director.</p>				

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions		Number of the Company's shares held
5	Yunfeng Bai (Sep. 14, 1962) <u>Reappointment</u> Attendance at the Board of Directors meetings: 12/13 (92%)	Aug. 1992 Mar. 2010 Jun. 2012 Jun. 2016 Jun. 2017 Jun. 2018	Joined the Company General Manager, China Office, Overseas Marketing Department Executive Officer, General Manager, Overseas Marketing Department I Director, Executive Officer, General Manager, Overseas Marketing Control Department Director, Executive Officer, General Manager, Overseas Marketing Division Director, Executive Officer, General Manager, China Business Control Division (to present) (Significant concurrent positions) President and Director, KATO WORKS (CHINA) LTD. Director, KATO WORKS (THAILAND) CO., LTD.	1,340
	<p>Reason for nomination as candidate for Director Yunfeng Bai has abundant experience and achievements in the overseas market, having long been engaged in the Company's marketing segment operations. He is playing a sufficient part in important management decision-making and supervision of business execution by the Board of Directors. Therefore, in order to make use of his capabilities and experience in management, the Company proposes his re-election as a Director.</p>			
6	Takao Watanabe (Dec. 25, 1961) <u>Reappointment</u> Attendance at the Board of Directors meetings: 10/10 (100%) (after taking office in June 2018)	Apr. 1984 Apr. 2012 May 2015 Jul. 2015 Jun. 2018	Joined the Company General Manager, Nagoya Branch General Manager, Construction Machinery Marketing Department Executive Officer, General Manager, Marketing Department (in charge of Construction Machinery) Director, Executive Officer, General Manager, Marketing Division, General Manager, Construction Machinery Marketing Department (to present)	359
	<p>Reason for nomination as candidate for Director Takao Watanabe has abundant experience and achievements in the domestic market, having long been engaged in the Company's marketing segment operations. He is playing a sufficient part in important management decision-making and supervision of business execution by the Board of Directors. Therefore, in order to make use of his capabilities and experience in management, the Company proposes his re-election as a Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of the Company's shares held
7	<p>Takatsugu Ishii (Jan. 30, 1955)</p> <p><u>Reappointment</u></p> <p>Attendance at the Board of Directors meetings: 10/10 (100%) (after taking office in June 2018)</p>	<p>Apr. 1977 Joined Ishikawajima-Harima Heavy Industries Co., Ltd. (presently IHI Corporation)</p> <p>Jul. 2003 General Manager, Power Project Overseas Sales Division, Energy Operations</p> <p>Jul. 2007 General Manager, Kuala Lumpur Office</p> <p>Jun. 2012 Director, General Manager, Sales Control Division, IHI Construction Machinery Limited (renamed KATO HEAVY INDUSTRIES CONSTRUCTION MACHINERY CO., LTD. in November 2016)</p> <p>Jun. 2017 Director, General Manager, Sales Control Division, KATO HEAVY INDUSTRIES CONSTRUCTION MACHINERY CO., LTD. and General Manager, Overseas Marketing Control Department of the Company</p> <p>Mar. 2018 General Manager, Overseas Marketing Control Department and General Manager, Marketing Control Department, HICOM Business Department of the Company</p> <p>Jun. 2018 Director, Executive Officer, General Manager, Overseas Marketing Division (to present)</p> <p>(Significant concurrent positions) Auditor, Ishikawajima SCE (Xiamen) Construction Machinery Co., Ltd.</p>	359
<p>Reason for nomination as candidate for Director</p> <p>Takatsugu Ishii has abundant experience and achievements, having been engaged mainly in the overseas sales at IHI Corporation as well as domestic and overseas sales at IHI Construction Machinery Limited. He is playing a sufficient part in important management decision-making and supervision of business execution by the Board of Directors. Therefore, in order to make use of his capabilities and experience in management, the Company proposes his re-election as a Director.</p>			
8	<p>Yoshiaki Ohkami (Jul. 26, 1939)</p> <p><u>Reappointment</u> <u>Outside</u> <u>Independent</u></p> <p>Attendance at the Board of Directors meetings: 11/13 (85%)</p>	<p>Apr. 1968 Research Engineer, Space Research Group, National Aerospace Laboratory, Science and Technology Agency</p> <p>Apr. 1991 Professor, Department of Mechano-Aerospace Engineering, School of Engineering, Tokyo Institute of Technology</p> <p>Apr. 1999 Special Advisor and Executive Research Inspector, Technical Research and Development Department, National Space Development Agency</p> <p>Apr. 2000 Professor Emeritus, Tokyo Institute of Technology (to present)</p> <p>Apr. 2000 Professor, Department of System Design Engineering, Keio University</p> <p>Apr. 2008 Dean and Professor, Graduate School of System Design and Management, Keio University</p> <p>Apr. 2011 Executive Advisor, System Design and Management Research Institute, Keio University (to present)</p> <p>Apr. 2011 Chairman, Committee on Basic Technology of Space Solar Power Systems, Japan Aerospace Exploration Agency (JAXA) (to present)</p> <p>Jun. 2014 Director of the Company (to present)</p> <p>(Significant concurrent positions) Professor Emeritus, Tokyo Institute of Technology Executive Advisor, System Design and Management Research Institute, Keio University Chairman, Committee on Basic Technology of Space Solar Power Systems, Japan Aerospace Exploration Agency (JAXA)</p>	1,702
<p>Reason for nomination as candidate for Director</p> <p>Yoshiaki Ohkami has served many positions as a university professor and has long been engaged in the research of aerospace engineering. In order to make use of his abundant knowledge and experience thus accumulated for improving the corporate value of the Company, which is a machinery manufacturer, the Company proposes his re-election as an Outside Director. Although the candidate has not been directly involved in corporate management, the Company believes he may appropriately fulfill his duties as the Company's Outside Director for the above reason. The candidate's term of office as an Outside Director will be five (5) years at the conclusion of the Meeting.</p>			

Notes:

1. There are no special interests between the candidates and the Company.
2. If Yoshiaki Ohkami's re-election is approved, the Company intends to continue the agreement with him to limit his liabilities as provided in Article 427, Paragraph 1 of the Companies Act. The limit of liabilities under the agreement is the amount stipulated by laws and regulations.
3. The Company has designated Yoshiaki Ohkami as an independent director stipulated by the provisions of the Tokyo Stock Exchange and has notified the said Exchange accordingly. If his re-election is approved at the Meeting, the Company intends to maintain his status as an independent director.
4. The number of the Company's shares held by each candidate includes holdings in the officers' shareholding association.

[Reference] Independence Criteria for Outside Directors

Persons who satisfy the independence requirements provided by the Tokyo Stock Exchange shall be deemed independent from the Company.

However, the independence of those who fall under the following shall be carefully determined according to actual circumstances.

1. Consultants, accounting or legal professionals who receive a large amount of compensation from the Company other than directors' compensation.
2. Persons who receive a large amount of donation, etc. from the Company, or in case the recipient is a corporation, etc., an executive thereof.
3. A major shareholder of the Company, or in case the entity is a corporation, etc., an executive thereof.
4. Close relatives of the following (excluding those who are irrelevant):
 - A. Persons who fall under 1 through 3 above.
 - B. Directors, Audit & Supervisory Board Members, Executive Officers and important employees, etc. of the Company and its subsidiaries.