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(Securities Code: 3580)

June 8, 2020

To Shareholders with Voting Rights:

Kenichi Nakayama

President

KOMATSU MATERE Co., Ltd.

Nu 167, Hama-machi, Nomi-city, Ishikawa, Japan

Notice of Convocation of the 108th General Meeting of Shareholders

Dear Shareholders:

Please be informed that the 108th General Meeting of Shareholders of KOMATSU MATERE Co., Ltd. (the “Company”) will be held for the purposes as described below.

We believe that we are currently at an extremely critical stage in the effort to completely and thoroughly contain the spread of the novel coronavirus disease (COVID-19). Under this situation, as a result of our careful consideration, we have decided that it is unavoidable to significantly reduce the number of attendees for this General Meeting of Shareholders.

Taking into account the current situation where preventing the spread of the infection has been of primary importance, we strongly recommend our shareholders to refrain from attending the General Meeting of Shareholders on the day of the meeting, and exercise your voting rights in writing or via the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders, and return your votes either in writing or via the Internet no later than 5:00 p.m. on Thursday, June 25, 2020, Japan time.

- 1. Date and Time:** Friday, June 26, 2020 at 10:00 a.m. Japan time
- 2. Place:** The head office of KOMATSU MATERE Co., Ltd.
Nu 167, Hama-machi, Nomi-city, Ishikawa, Japan

For this General Meeting of Shareholders, in order to prevent the spread of COVID-19 infections, we cancel the distribution of souvenirs to attending shareholders and the holding of a social gathering.

3. Meeting Agenda:

Matters to be reported:

1. Business Report, Consolidated Financial Statements and Accounting Auditors' and Audit & Supervisory Board's Reports on Consolidated Financial Statements for the 108th term (from April 1, 2019 to March 31, 2020)
2. Non-consolidated Financial Statements for the 108th term (from April 1, 2019 to March 31, 2020)

Proposals to be resolved:

- | | |
|--------------------|--|
| Proposal 1: | Appropriation of Surplus |
| Proposal 2: | Partial Amendment to the Articles of Incorporation |
| Proposal 3: | Election of Four (4) Members of the Board |
| Proposal 4: | Election of Three (3) Audit & Supervisory Board Members |
| Proposal 5: | Election of Two (2) Substitute Audit & Supervisory Board Members |

- **If any changes are made to the Business Report, the Consolidated Financial Statements, the Non-consolidated Financial Statements or the Reference Documents for the General Meeting of Shareholders, the revised version will be posted on the Company's website (<https://www.komatsumatere.co.jp/en/>).**

Reference Documents for the General Meeting of Shareholders

Proposal 1: Appropriation of Surplus

Regarding the appropriation of surplus, we would like to propose as follows:

1. Matters regarding Year-end Dividend

The Company regards returning profits to shareholders as one of its important business priorities, and our basic policy is to continuously provide stable dividend. The Company will conduct dividend payment by comprehensively taking into account various factors including securing of internal reserves necessary for capital expenditure, etc. for future business expansion, financial conditions, and future business results.

Regarding the consolidated payout ratio, we have strived to strengthen and enhance our revenue base in order to achieve a payout ratio of about 30% to 50% of net income for the fiscal year under review.

Our annual dividend forecast for the fiscal year under review is 14 yen per share, and an interim payment of 7 yen per share was already made in last December.

While both sales and profit decreased for the fiscal year under review due to the impact of the novel coronavirus disease (COVID-19) and other factors, if we exclude such impacts (a decrease of approximately 350 million yen in net income) and add 1 yen to the year-end dividend, the consolidated payout ratio will be approximately 40% against the annual dividend of 15 yen per share, resulting in an annual dividend in line with the “Basic Policy for Dividends.”

Based on the above, as for the year-end dividend for the fiscal year under review, we will increase 1 yen from the previous forecast to 8 yen per share (ordinary dividend). As a result, the annual dividend will be 15 yen per share, including an interim dividend of 7 yen per share.

(1) Type of dividend property

Cash

(2) Matters regarding the assignment of the dividend property to shareholders and the total amount

8 yen per share of common stock of the Company

Total amount: 344,161,488 yen

(3) Date on which the appropriation of surplus takes effect

June 29, 2020

2. Matters regarding other appropriation of surplus

In order to achieve flexible capital policy in accordance with the future management environment, we would like to reverse general reserve.

(1) Item and the amount of surplus to be decreased

General reserve	14,411,750,000 yen
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(2) Item and the amount of surplus to be increased

Retained earnings brought forward	14,411,750,000 yen
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As a result, by adding together the retained earnings brought forward of 7,466,029,820 yen as of March 31, 2020, the retained earnings brought forward will be 21,877,779,820 yen in total.

Proposal 2: Partial Amendment to the Articles of Incorporation

By utilizing advanced technologies including high-order function processing and carbon-fiber composite materials development, as well as our dyeing technologies, we would like to make the following additions to Article 2 (Purpose) of the current Articles of Incorporation in order to expand to a range of applications different than before and to prepare for the expansion of our business and for the future business development.

The details of the amendment are as follows.

The amendment to the Articles of Incorporation in this Proposal shall take effect as of the conclusion of this General Meeting of Shareholders.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
(Purpose) Article 2 The purpose of the Company shall be to engage in the following businesses. 1. - 3. (Omitted) (Newly established) (Newly established) (Newly established) (Newly established) 4. - 16. (Omitted)	(Purpose) Article 2 (Unchanged) 1. - 3. (Unchanged) 4. <u>Processing and sales of environment-related products</u> 5. <u>Processing and sales of medical and living-related materials</u> 6. <u>Developing and maintaining service infrastructure</u> 7. <u>Processing and sales of carbon-fiber composite materials</u> 8. - 20. (Unchanged)

Proposal 3: Election of Four (4) Members of the Board

In order to further strengthen our manufacturing, administrative and development division system and to establish a corporate governance and legal compliance system to thoroughly strengthen our internal systems, the Company proposes to newly elect 4 Members of the Board.

The candidates for Members of the Board are as follows:

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company and significant concurrent positions	Number of shares of the Company held
1	Hisae Sasaki (February 26, 1953) <div>New appointment</div>	<p>Apr. 1977 Joined Dept., Toray Industries, Inc.</p> <p>Jun. 1987 Director and General Manager of Woven Textile Department, P.T. Easterntex</p> <p>Mar. 1992 Chief Staff, General Manager of Development Office III, Textile Development Center of Toray Industries, Inc.</p> <p>Nov. 1994 Director and Plant Manager, P.T. Indonesia Synthetic Textile Mills/P.T. Acryl Textile Mills</p> <p>May 1999 General Manager, Textile Technology Office, Fiber Processing Technology Department, Toray Industries, Inc.</p> <p>Apr. 2001 General Manager, Textile Development Center of Toray Industries, Inc.</p> <p>Jun. 2004 President and Plant Manager, P.T. Indonesia Synthetic Textile Mills/P.T. Acryl Textile Mills</p> <p>Oct. 2007 Deputy President in charge of production, Penfabric Sdn. Berhad</p> <p>Jun. 2009 General Manager of Fiber Processing Technology Department, Toray Industries, Inc.</p> <p>Jun. 2010 Director in charge of high-order processing technology and production, Production Division, Toray Industries, Inc.</p> <p>Jun. 2014 Full-time Commissioner in charge of high-order processing technology and production, Production Division of Toray Industries, Inc.</p> <p>Jun. 2018 Part-time, Production Division of Toray Industries, Inc.</p> <p>Jan. 2020 Retired from Toray Industries, Inc.</p> <p>Feb. 2020 General Manager, Corporate Strategic Planning Office of the Company (to present)</p>	0
<p>[Reasons for nomination as a candidate for Member of the Board] Mr. Hisae Sasaki has abundant business experience in the fiber processing technology division and management experience as a Member of the Board of the Company. The Company nominates him as a candidate for Member of the Board as we believe that he is capable of quickly responding to changes in the future economy and business environment and promoting management efficiency from a global perspective.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company and significant concurrent positions	Number of shares of the Company held
2	<p>Yasuharu Takagi (January 28, 1950)</p> <div>New appointment</div>	<p>Apr. 1972 Joined the Company</p> <p>Jun. 1997 Member of the Board and General Manager of Factory No. 5</p> <p>Jun. 2003 Executive Director (Member of the Board) and General Manager of Fabric Manufacturing Division</p> <p>Jun. 2006 Member of the Board, Senior Executive Officer, General Manager of Fabric Manufacturing and R&D Division</p> <p>Jun. 2007 Member of the Board, Senior Managing Executive Officer, General Manager of Fabric Manufacturing Division and General Manager of R&D Division</p> <p>Jun. 2011 Senior Executive Director (Member of the Board), General Manager of R&D Division and General Manager of Fabric Manufacturing Division</p> <p>Jun. 2012 Senior Executive Director (Member of the Board) and General Manager of Fabric Manufacturing Division</p> <p>Mar. 2014 Senior Executive Director (Member of the Board) in charge of engineering and Group business</p> <p>Jun. 2014 Full-time Audit & Supervisory Board Member</p> <p>Oct. 2019 General Manager of Administrative Division (to present)</p>	33,900
<p>[Reasons for nomination as a candidate for Member of the Board]</p> <p>Mr. Yasuharu Takagi has abundant business experience at the manufacturing, development and administrative divisions and long years of management experience as a Member of the Board of the Company. The Company nominates him as a candidate for Member of the Board as we believe that he is capable of quickly responding to changes in the future economy and business environment and promoting business expansion and management efficiency.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company and significant concurrent positions		Number of shares of the Company held
3	Naoto Ogawa (April 6, 1957) <div>New appointment</div>	Apr. 1982	Joined Sokoseiren Co., Ltd.	1,000
		Jun. 2004	Director of Sokoseiren Co., Ltd.	
		Jun. 2009	Managing Director of Sokoseiren Co., Ltd.	
		Jun. 2010	Representative Director and President of Sokoseiren Co., Ltd.	
		June 2016	Retired from Sokoseiren Co., Ltd.	
		Sep. 2016	Advisor of the Company	
		Jan. 2017	President of KOMAXON Co., Ltd. (retired in January 2020)	
		Sep. 2019	Advisor to Fabric Manufacturing and R&D Division of the Company	
		Oct. 2019	General Manager of R&D Division and General Manager of R&D Division (to present)	
		[Reasons for nomination as a candidate for Member of the Board] Mr. Naoto Ogawa has abundant knowledge and experience at the R&D division and management experience as a Member of the Board of the Company. The Company nominates him as a candidate for Member of the Board to leverage his ability and experience for the management of the Company and its group companies.		
4	Shigeyuki Nakamura (June 19, 1971) <div>New appointment</div>	Apr. 1994	Joined the Company	7,000
		Feb. 2013	General Manager of Accounting & Finance Department	
		Oct. 2018	General Manager of Internal Audit Office and General Manager of Credit Administration Office	
		Oct. 2019	General Manager of Legal Department and General Manager of Internal Audit Office	
		Feb. 2020	Deputy General Manager of Administrative Division, General Manager of Legal Department and General Manager of Internal Audit Office	
		Apr. 2020	Deputy General Manager of Administrative Division, General Manager of General Affairs Department, General Manager of Legal Department, General Manager of Internal Audit Office and General Manager of Group Business Administration Office (to present)	
		[Reasons for nomination as a candidate for Member of the Board] Mr. Shigeyuki Nakamura has abundant knowledge and experience at the administrative division and sufficient business experience in the legal and compliance field. The Company nominates him as a candidate for Member of the Board to leverage his ability and experience for the management of the Company and its group companies.		

(Note) There is no special interest between any of the candidates and the Company.

Proposal 4: Election of Three (3) Audit & Supervisory Board Member

The term of office of all the three (3) Audit & Supervisory Board Members will expire at the closing of this General Meeting of Shareholders. Therefore, the Company proposes to elect three (3) Audit & Supervisory Board Members.

The Audit & Supervisory Board has approved this proposal.

The candidates for Audit & Supervisory Board Member are as follows:

No.	Name (Date of birth)	Past experience and positions at the Company and significant concurrent positions	Number of shares of the Company held
1	Satoshi Hashizume (August 5, 1950) New appointment	<p>Apr. 1973 Joined the Company</p> <p>May 1998 General Manager of Tokyo Sales Department and General Manager of Tokyo Sales Office</p> <p>Apr. 2000 General Manager of Tokyo Business Division (Advisor)</p> <p>Apr. 2001 General Manager of Sales Division II (Commissioner)</p> <p>Nov. 2004 Acting General Manager of Sales Division (Commissioner) and General Manager of Business Division II</p> <p>June 2005 Member of the Board and General Manager of Sales Division</p> <p>Mar. 2006 Member of the Board, Assistant General Manager of Sales Division and General Manager of Business Department II</p> <p>Jun. 2006 Executive Officer, Assistant General Manager of Sales Division and General Manager of Business Department II</p> <p>Jun. 2007 Member of the Board, Executive Officer, Assistant General Manager of Sales Division and General Manager of Business Department II</p> <p>Apr. 2008 Member of the Board, Executive Officer and Assistant General Manager of Sales Division</p> <p>Jan. 2020 President of KOMAXON Co., Ltd. (to present)</p> <p>Feb. 2020 President of Seiho Co., Ltd. (to present)</p> <p>[Reasons for nomination as a candidate for Audit & Supervisory Board Member] Mr. Satoshi Hashizume has abundant knowledge and experience at the sales division and management experience as a Member of the Board of the Company. The Company nominates him as a candidate for Audit & Supervisory Board Member in order to have him conduct an objective audit of the execution of businesses.</p>	1,000

No.	Name (Date of birth)	Past experience and positions at the Company and significant concurrent positions	Number of shares of the Company held
2	Kensei Negami (August 30, 1946)	Apr. 1965 Joined SHIMIZU CORPORATION Feb. 1993 General Manager of Sales Department, Hokuriku Branch of SHIMIZU CORPORATION Feb. 2004 General Manager of Development Sales Department, Hokuriku Branch of SHIMIZU CORPORATION Apr. 2006 Director and Deputy President of Token Inc. Nov. 2006 Representative Director and President of Token, Inc. (to present) Jun. 2011 Audit & Supervisory Board Member of the Company (to present)	3,000
	Reappointment		
	Outside Audit & Supervisory Board Member		
	[Reasons for nomination as a candidate for Outside Audit & Supervisory Board Member] Mr. Kensei Negami has abundant experience and broad insight as a corporate manager. The Company nominates him as a candidate for Outside Audit & Supervisory Board Member to receive advice on the management of the Company and to have him conduct an objective audit of the execution of businesses.		

No.	Name (Date of birth)	Past experience and positions at the Company and significant concurrent positions	Number of shares of the Company held
3	Seiji Sakashita (February 2, 1958)	Oct. 1984 Tatsuo Inoue Accounting Office (currently KPMG AZSA LLC) Mar. 1988 Registered as certified public accountant (registration No. 9400) May 2003 Partner of Asahi & Co. (currently KPMG AZSA LLC) May 2007 Representative Partner of KPMG AZSA LLC Jun. 2013 Retired from KPMG AZSA LLC Feb. 2014 Established Hokuriku LLC Partner (to present) Jun. 2016 Audit & Supervisory Board Member of the Company (to present)	0
	Reappointment		
	Outside Audit & Supervisory Board Member		
	Independent Officer		
			[Reasons for nomination as a candidate for Outside Audit & Supervisory Board Member] Mr. Seiji Sakashita has abundant knowledge and experience in finance and accounting as a certified public accountant. The Company nominates him as a candidate for Outside Audit & Supervisory Board Member to have him audit the business execution of the Company objectively.

Notes:

1. The special interest relationship with each candidate and the Company is as follows.
Mr. Kensei Negami is Representative Director and President of Token, Inc., and the Company has transaction relationship with planning, designing, and constructing buildings such as plants. There is no special interest relationship between any of the other candidates and the Company.
2. Mr. Kensei Negami and Mr. Seiji Sakashita are candidates for Outside Audit & Supervisory Board Members.
3. If Mr. Negami and Mr. Sakashita are approved to be elected, the Company will continue to maintain an agreement with them to limit their liabilities in accordance with its Articles of Incorporation. The maximum amount of liability for damages under the limited liability agreement will be the amount stipulated by laws and regulations.
4. Requirements for Independent Officers
Mr. Sakashita satisfies the requirements for independent officers stipulated by Tokyo Stock Exchange, Inc.
5. Mr. Negami and Mr. Sakashita are currently Outside Audit & Supervisory Board Members of the Company. The term of office of Mr. Negami and Mr. Sakashita as Outside Audit & Supervisory Board Members will be 9 years and 4 years, respectively, at the conclusion of this meeting.

Proposal 5: Election of Two (2) Substitute Audit & Supervisory Board Members

The Company proposes to elect Mr. Ryuichi Ikemizu as a substitute Outside Audit & Supervisory Board Member, and Mr. Kazuhiro Yonezawa as a substitute Audit & Supervisory Board Member that is not an Outside Audit & Supervisory Board Member, in case the number of the Audit & Supervisory Board Members falls short of that stipulated by laws and regulations.

The Audit & Supervisory Board has approved this proposal.

The candidates for substitute Audit & Supervisory Board Members are as follows:

No.	Name (Date of birth)	Past experience and positions at the Company and significant concurrent positions	Number of shares of the Company held
1	Ryuichi Ikemizu (May 30, 1947)	Apr. 1970 Joined Sato Certified Public Accountant Office Sep. 1972 Registered as an Accountant Assistant Mar. 1978 Registered as a Certified Public Accountant Feb. 1980 Registered as a Certified Public Tax Accountant Jan. 1991 President of Ikemizu and Galloping Staff, Ltd. (to present) Dec. 2011 Representative of Sawayaka Tax Accounting Corporation (to present)	0
	Independent Officer	[Reasons for nomination as a candidate for substitute Outside Audit & Supervisory Board Member] Mr. Ryuichi Ikemizu has been working as a certified public accountant and business consultant for many years. Considering that he will be able to leverage the experience and knowledge he gained through his career to audit the business execution of the Company objectively, the Company nominates him as a candidate for substitute Audit & Supervisory Board Member.	
2	Kazuhiro Yonezawa (July 28, 1958)	Apr. 1983 Joined the Company Mar. 2006 General Manager of Factory No. 3 Feb. 2010 General Manager of Product Development, Sales Division I Jun. 2011 Executive Officer, General Manager of Product Development, Sales Division I Feb. 2013 Executive Officer, Acting General Manager of Product Division (Development), General Manager of R&D Department and General Manager of Product Development Department Jun. 2014 Director, Acting General Manager of Product Division and General Manager of Factory No. 7 Mar. 2016 Deputy General Manager in charge of Development at Sales Division May 2018 Deputy General Manager of Sales Division Feb. 2020 Deputy General Manager of R&D Department Apr. 2020 Deputy General Manager of Sales Promotion Department (to present)	16,900
		[Reasons for nomination as a candidate for substitute Outside Audit & Supervisory Board Member] Mr. Kazuhiro Yonezawa has abundant knowledge and experience at the production and R&D divisions as well as sufficient operational experiences. The Company nominates him as a candidate for substitute Audit & Supervisory Board Member to have him audit the business execution of the Company objectively.	

Notes:

1. Mr. Ryuichi Ikemizu is President of Ikemizu and Galloping Staff, Ltd., a firm that has a contract with the Company concerning business support. There is no special interest between Mr. Kazuhiro Yonezawa and the Company.
2. Mr. Ryuichi Ikemizu is a candidate for substitute Outside Audit & Supervisory Board Member.
3. If Mr. Ikemizu takes office as Audit & Supervisory Board Member, the Company will conclude an agreement with him to limit his liability in accordance with its Articles of Incorporation. The maximum amount of liability for damages under the limited liability agreement will be the amount stipulated by laws and regulations.
4. Requirements for Independent Officers
Mr. Ikemizu satisfies the requirements for independent officers stipulated by Tokyo Stock Exchange, Inc.