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(Securities Code: 3580)

June 4, 2019

To Shareholders with Voting Rights:

Tetsuo Ikeda

President

KOMATSU MATERE Co., Ltd.

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

Notice of Convocation of the 107th General Meeting of Shareholders

Dear Shareholders:

You are cordially invited to attend the 107th General Meeting of Shareholders of KOMATSU MATERE 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 no later than 5:00 p.m. on Thursday, June 20, 2019, Japan time.

- 1. Date and Time:** Friday, June 21, 2019 at 10:00 a.m. Japan time
- 2. Place:** The Multipurpose Hall of the head office of KOMATSU MATERE Co., Ltd.
Nu 167, Hama-machi, Nomi-city, Ishikawa, Japan
- 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 107th term (from April 1, 2018 to March 31, 2019)
 2. Non-consolidated Financial Statements for the 107th term (from April 1, 2018 to March 31, 2019)
 - Proposals to be resolved:**
 - Proposal 1:** Appropriation of Surplus
 - Proposal 2:** Election of Nine (9) Members of the Board
 - Proposal 3:** Election of One (1) Substitute Audit & Supervisory Board Member

- **When you attend the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.**
- **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

The Company regards returning profits to shareholders as one of its business priorities.

As for the year-end dividend, the Company proposes an ordinary dividend of 6 yen per share, taking into account the financial results for the fiscal year under review and other factors. In addition, the Company proposes a commemorative dividend of 2 yen per share since the 107th term marked the 75th anniversary of the Company. Consequently, the annual dividend will be 14 yen per share, including an interim dividend of 6 yen per share.

Matters regarding Year-end Dividend

(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

(An ordinary dividend of 6 yen plus a commemorative dividend of 2 yen)

Total amount: 344,164,104 yen

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

June 24, 2019

Proposal 2: Election of Nine (9) Members of the Board

The term of office of all the eight (8) Members of the Board will expire at the closing of this General Meeting of Shareholders.

Therefore, the Company proposes adding one (1) Outside Director to the Board of Directors and electing nine (9) Members of the Board to strengthen the management supervisory function.

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	Kenichi Nakayama (August 19, 1941)	Nov. 1964 Joined the Company Jun. 1983 Member of the Board and General Manager of Sales Department Jun. 1985 Executive Director (Member of the Board) and General Manager of Sales Division Jun. 1987 President Jun. 2003 Chairman of the Board Jun. 2006 Chairman of the Board and President Jun. 2009 Chairman of the Board (to present)	102,000
	<u>Reappointment</u>	[Reasons for nomination as a candidate for Member of the Board] As a Member of the Board of the Company for many years, Mr. Kenichi Nakayama has fulfilled his role of making important managerial decisions and supervising business execution by utilizing his abundant experience in overall management and professional insight, while swiftly responding to changes in economic and business environment. The Company nominates him as a candidate for Member of the Board as we believe that he is qualified for the position to promote management efficiency from a global perspective.	
2	Tetsuo Ikeda (February 23, 1959)	Apr. 1981 Joined the Company Jun. 2006 Senior Executive Officer and Assistant General Manager of Sales Division Jun. 2007 Member of the Board, Senior Executive Officer and Assistant General Manager of Sales Division May 2009 Member of the Board, Senior Executive Officer and General Manager of Sales Division Jun. 2009 Member of the Board, Managing Executive Officer and General Manager of Sales Division Jan. 2011 President (to present)	73,400
	<u>Reappointment</u>	[Reasons for nomination as a candidate for Member of the Board] As a Member of the Board of the Company, Mr. Tetsuo Ikeda has fulfilled his role of making important managerial decisions and supervising business execution by utilizing his experience and insight in overall management, while swiftly responding to changes in economic and business environment. The Company nominates him as a candidate for Member of the Board as we believe that he is qualified for the position to promote management efficiency from a global perspective.	

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	Daisuke Nakayama (October 6, 1969) <u>Reappointment</u>	<p>Apr. 1992 Joined the Company</p> <p>Oct. 2006 General Manager of International Sales Department and General Manager of Market Exploration Office</p> <p>Jun. 2009 Director, General Manager of International Sales Department, Assistant General Manager of Marketing Division and General Manager of Fashion Planning Office</p> <p>Jun. 2011 Member of the Board, Assistant General Manager of Sales Division and General Manager of Sales Division No. 1</p> <p>Feb. 2013 Member of the Board and General Manager of Business Division No. 1</p> <p>Jun. 2014 Executive Director (Member of the Board) and General Manager of Business Division No. 1</p> <p>Jan. 2017 Executive Director (Member of the Board), General Manager of Sales Division and General Manager of Sales Planning Office</p> <p>Sep. 2017 Executive Director (Member of the Board), General Manager of Sales Division and General Manager of International Sales Department (to present)</p> <p>[Reasons for nomination as a candidate for Member of the Board] Mr. Daisuke Nakayama has abundant business experience at sales-related departments of the Company and management experience as a Member of the Board of the Company, and is currently demonstrating his leadership as a member of the management team. The Company nominates him as a candidate for Member of the Board to leverage his ability and experience for management of the Company and its group companies.</p>	47,200
4	Chihiro Matsuo (January 27, 1970) <u>Reappointment</u>	<p>Apr. 1992 Joined the Company</p> <p>Jun. 2008 General Manager of Factory No. 2</p> <p>Jun. 2011 Director and General Manager of Factory No. 2</p> <p>Jun. 2014 Director and General Manager of Factory No. 2</p> <p>Jan. 2017 Director, Assistant General Manager of Fabric Manufacturing Division and General Manager of Factory No. 7</p> <p>Jun. 2018 Member of the Board, Deputy General Manager of Sales Division, General Manager of R&D Department and General Manager of R&D Center</p> <p>Oct. 2018 Member of the Board and General Manager of Fabric Manufacturing and R&D Division (to present)</p> <p>[Reasons for nomination as a candidate for Member of the Board] Mr. Chihiro Matsuo has abundant business experience at fabric manufacturing-related departments of the Company and management experience as a Member of the Board of the Company, and is currently demonstrating his leadership as a member of the management team. The Company nominates him as a candidate for Member of the Board to leverage his ability and experience for management of the Company and its group companies.</p>	13,100

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company and significant concurrent positions	Number of shares of the Company held
5	Teruhiro Okuya (May 23, 1963) <u>Reappointment</u>	<p>Apr. 1989 Joined the Company</p> <p>Apr. 2003 General Manager of Factory No. 3</p> <p>Jun. 2003 Member of the Board and Assistant General Manager of R&D Division</p> <p>Mar. 2004 Member of the Board and Assistant General Manager of Fabric Manufacturing Division</p> <p>Jun. 2006 Director and Assistant General Manager of R&D Division</p> <p>Jun. 2009 Member of the Board, Director and Assistant General Manager of R&D Division</p> <p>Oct. 2009 Member of the Board, Director and General Manager of R&D Division</p> <p>Jul. 2011 Member of the Board, Deputy General Manager of Fabric Manufacturing Division and General Manager of Factory No. 5</p> <p>Jan. 2012 Member of the Board and General Manager of R&D Division</p> <p>Mar. 2014 Member of the Board, General Manager of Business Division No.2 and General Manager of R&D Division</p> <p>Dec. 2016 Member of the Board, General Manager of R&D Division, General Manager of Advanced Materials Sales Division and General Manager of Development Section for “greenbiz”</p> <p>Jan. 2018 Member of the Board, General Manager of Engineering Operations Division and General Manager of Procurement and Purchasing Department</p> <p>Oct. 2018 Member of the Board, Deputy General Manager of Sales Division (Supervising Functional Fabric Sales) and General Manager of Advanced Product Development Department</p> <p>May 2019 Member of the Board, Deputy General Manager of Fabric Manufacturing and R&D Division (in charge of EMS) (to present)</p> <p>[Reasons for nomination as a candidate for Member of the Board] Mr. Teruhiro Okuya has abundant business experience at R&D-related departments of the Company and management experience as a Member of the Board of the Company, and is currently demonstrating his leadership as a member of the management team. The Company nominates him as a candidate for Member of the Board to leverage his ability and experience for management of the Company and its group companies.</p>	46,000

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company and significant concurrent positions	Number of shares of the Company held
6	Junichiro Mukai (March 4, 1960) <u>Reappointment</u>	<p>Apr. 1982 Joined the Company</p> <p>Mar. 2002 Assistant General Manager of Business Department No.2, Business Administration Division</p> <p>Apr. 2004 General Manager of Sales Department, Business Department No. 1, Sales Division</p> <p>May 2009 General Manager attached to General Manager of Sales Division and General Manager of Osaka Sales Branch</p> <p>Jun. 2009 Director, General Manager attached to Sales Division and General Manager of Osaka Sales Branch</p> <p>Jun. 2014 Member of the Board, Assistant Manager of Business Division No. 1, General Manager of Sales Department-II and General Manager of Osaka Sales Branch</p> <p>Jan. 2015 Member of the Board, Deputy General Manager of Business Division No. 1, General Manager of Sales Department-II and General Manager of Osaka Sales Branch</p> <p>Mar. 2016 Member of the Board, Deputy General Manager of Sales Division, General Manager of Sales Department-II and General Manager of Osaka Sales Branch (to present)</p> <p>[Reasons for nomination as a candidate for Member of the Board] Mr. Junichiro Mukai has abundant business experience at sales-related departments of the Company and management experience as a Member of the Board of the Company, and is currently demonstrating his leadership as a member of the management team. The Company nominates him as a candidate for Member of the Board to leverage his ability and experience for management of the Company and its group companies.</p>	30,700
7	Toshiaki Fukui (June 23, 1968) <u>Reappointment</u>	<p>Apr. 1991 Joined the Company</p> <p>Aug. 2010 General Manager of Factory Mikawa</p> <p>Jan. 2018 Director and General Manager of Fabric Manufacturing Division</p> <p>Jun. 2018 Member of the Board and General Manager of Fabric Manufacturing Division</p> <p>Jan. 2019 Member of the Board, Deputy General Manager of Fabric Manufacturing and R&D Division and General Manager of Factory No. 2 (to present)</p> <p>[Reasons for nomination as a candidate for Member of the Board] Mr. Toshiaki Fukui has abundant business experience at fabric manufacturing-related departments of the Company and management experience as a Member of the Board of the Company, and is currently demonstrating his leadership as a member of the management team. The Company nominates him as a candidate for Member of the Board to leverage his ability and experience for management of the Company and its group companies</p>	11,500

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company and significant concurrent positions	Number of shares of the Company held
8	Kunio Noji (November 17, 1946) New candidate Outside Independent	<p>Apr. 1969 Joined Komatsu Ltd.</p> <p>Jun. 1997 Director of Komatsu Ltd.</p> <p>Jun. 2001 Managing Director and Senior Executive Officer of Komatsu Ltd.</p> <p>Apr. 2003 Director and Senior Executive Officer of Komatsu Ltd.</p> <p>Jun. 2007 President and Representative Director, and CEO of Komatsu Ltd.</p> <p>Apr. 2013 Chairperson of the Board and Representative Director, and CEO of Komatsu Ltd.</p> <p>Apr. 2016 Chairperson of the Board and Director of Komatsu Ltd.</p> <p>Apr. 2019 Director of Komatsu Ltd. (to present)</p> <p>[Reasons for nomination as a candidate for Outside Director] The Company nominates Mr. Kunio Noji as a candidate for Outside Director to obtain advice and oversight from him on management of the Company, based on his abundant experience and broad insight as a global corporate manager.</p>	0
9	Kazumine Torigoe (November 19, 1960) Reappointment Outside	<p>Jun. 2005 Manager of Textiles Department, Toray Industries (China) Co., Ltd.</p> <p>May 2010 General Manager of Women's & Men's Wear Fabrics Dept., Toray Industries, Inc.</p> <p>Jun. 2013 Director of Toray Industries (Thailand) Co., Ltd. and President of Thai Toray Textile Mills Public Company Limited</p> <p>May 2016 General Manager of Uniform & Advanced Textiles Dept., Toray Industries, Inc.</p> <p>Apr. 2018 General Manager of Textiles Division, Toray Industries, Inc. and Chairman (part-time) of Toray Textiles Europe Ltd. (to present)</p> <p>Jun. 2018 Member of the Board of the Company (to present)</p> <p>[Reasons for nomination as a candidate for Outside Director] Having worked at textile-related divisions of Toray Industries, Inc. for many years, Mr. Kazumine Torigoe gained professional knowledge in the industry. The Company nominates him as a candidate for Outside Director to obtain valuable advice from him on management of the Company.</p>	0

Notes:

1. Special interests between each candidate and the Company:

Mr. Kazumine Torigoe is General Manager of Textiles Division, Toray Industries, Inc., which has transactional relationship with the Company, including trading of products. There are no special interests between the other candidates for Member of the Board and the Company.

2. Mr. Kunio Noji and Mr. Kazumine Torigoe are candidates for Outside Director.

3. If the appointment of Mr. Kunio Noji and Mr. Kazumine Torigoe is approved, the Company will continue an agreement with Mr. Kazumine Torigoe to limit his liability in accordance with its Articles of Incorporation, and will conclude the same agreement with Mr. Kunio Noji. The maximum amount of liability he may assume under the limited liability agreement will be the amount stipulated by laws and regulations.

4. Requirements for Independent Officers

Mr. Kunio Noji satisfies the requirements for independent officers stipulated by Tokyo Stock Exchange, Inc.

5. Mr. Kazumine Torigoe is currently an Outside Director of the Company and will have been in the position for one year at the closing of this General Meeting of Shareholders.

Proposal 3: Election of One (1) Substitute Audit & Supervisory Board Member

The Company proposes appointing Mr. Ryuichi Ikemizu as substitute 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 candidate for substitute Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
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
	[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	

Notes:

1. The candidate is President of Ikemizu and Galloping Staff, Ltd., a firm that has a contract with the Company concerning business support.
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 he may assume 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.