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Securities code: 3611

June 12, 2019

To Shareholders with Voting Rights:

Noriyuki Matsuoka
Representative Director, President
and CEO
MATSUOKA CORPORATION
4-14 Takara-machi, Fukuyama, Hiroshima,
Japan

CONVOCATION NOTICE
FOR THE 63RD 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 63rd Annual General Meeting of Shareholders of MATSUOKA CORPORATION (the “Company”).

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, indicate your votes for or against the proposals on the enclosed Voting Rights Exercise Form and send it back to us so that it reaches us by 6 p.m. (JST) on Wednesday, June 26, 2019.

1. Date and Time: Thursday, June 27, 2019 at 10 a.m. (JST)

2. Place: Koyo Room, 3F, FUKUYAMA NEW CASTLE HOTEL
8-16 Sannomaru-cho, Fukuyama, Hiroshima, Japan

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company’s 63rd Term (April 1, 2018 - March 31, 2019) 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 63rd Term (April 1, 2018 - March 31, 2019)

Matters to be resolved:

- | | |
|-----------------------|---|
| Proposal No. 1 | Appropriation of Surplus |
| Proposal No. 2 | Partial Amendments to the Articles of Incorporation |
| Proposal No. 3 | Election of Six (6) Directors |
| Proposal No. 4 | Determination of Compensation for Granting Restricted Stock to Directors (Excluding Outside Directors) |
| Proposal No. 5 | Payment of Retirement Benefits to Retiring Director and Final Payment of Retirement Benefits to Directors and Audit & Supervisory Board Members upon Abolition of the Retirement Benefit System for Directors and Audit & Supervisory Board Members |

◎ When attending the meeting, please submit the Voting Rights Exercise Form at the reception desk.

◎ The following items are posted on the Company’s website (<https://www.matsuoka.co.jp/>), pursuant to provisions of laws and regulations as well as Article 16 of the Company’s Articles of Incorporation, and are therefore not included in the documents accompanying this Notice. Accordingly, the attachment to this Notice is only a portion of the audit performed by the Audit & Supervisory Board Members and Accounting Auditor in preparing the audit report.

(1) “Matters Related to Stock Acquisition Rights, etc.,” “Matters Related to Accounting Auditor” and “Systems to Ensure

Appropriate Operations and Operational Status of the Systems” in the Business Report

(2) “Consolidated Statement of Changes in Net Assets” and “Notes to the Consolidated Financial Statements” in the Consolidated Financial Statements

(3) Statement of Changes in Net Assets” and “Notes to the Non-consolidated Financial Statements” in the Non-consolidated Financial Statements

- ◎ Any revisions to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements or Non-consolidated Financial Statements will be posted on the Company’s website (<https://www.matuoka.co.jp/>).

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Items

Proposal No. 1 Appropriation of Surplus

With regard to the appropriation of surplus, the Company upholds a basic policy to distribute dividends in accordance with its business results, in order to return profits to its shareholders as well as secure internal reserves required for future business development and enhancement of the financial structure.

In consideration of the business results for the current fiscal year and future business development, the Company proposes to increase a year-end dividend for the 63rd term by 10 yen from the 62nd term to 50 yen as follows:

1. (Year-end dividend)
 - (1) Type of dividend property
Cash
 - (2) Allocation of dividend property and the total amount thereof
50 yen per share of common stock of the Company
Total amount: 499,832,400 yen
 - (3) Effective date of distribution of surplus
June 28, 2019

Proposal No. 2 Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

The Company proposes partial amendments to Article 2 (Purpose) of the current Articles of Incorporation to include additional business objectives, in order to enter new businesses.

2. Details of the amendment

Details of the amendment are as follows:

(Amended parts are underlined.)	
Current	Proposed amendment
(Purpose) Article 2. The purpose of the Company shall be to engage in the following operations: 1. Sales of a variety of clothing 2. Manufacturing and processing of textile products for clothing (Newly established) (Newly established) 3. All operations incidental to the above	(Purpose) Article 2. The purpose of the Company shall be to engage in the following operations: 1. Sales of a variety of clothing 2. Manufacturing and processing of textile products for clothing 3. <u>Manufacturing and sales of garment products</u> 4. <u>Medical equipment manufacturing business</u> 5. <u>All operations incidental to the above</u>

Proposal No. 3 Election of Six (6) Directors

Of all six (6) Directors, one (1) Outside Director retired upon passing away on September 20, 2018, and the terms of office of five (5) Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes the election of six (6) Directors including two (2) Outside Directors, in order to strengthen the management structure.

The candidates for Directors are as follows.

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Noriyuki Matsuoka (January 24, 1957) <u>Reelection</u>	<p>January 1995 Senior Managing Director of the Company</p> <p>April 2000 President of SHANGHAI MATSUOKA CO., LTD.</p> <p>June 2000 Representative Director and President of the Company</p> <p>June 2001 Chairperson of MATSUOKA INDUSTRY GROUP CO., LTD. (to present)</p> <p>June 2014 Representative Director and President, Chief Executive Officer of the Company</p> <p>June 2016 Representative Director and President</p> <p>June 2018 Representative Director, President CEO (to present)</p> <p>(Significant concurrent positions)</p> <p>Chairperson of MATSUOKA INDUSTRY GROUP CO., LTD.</p> <p>Chairperson of JIAXING DEYONG TEXTILES CO., LTD.</p> <p>Chairperson of SHANGHAI MATSUOKA FASHION CO., LTD.</p> <p>Chairperson of ZHEJIANG MATSUOKA TRADE CO., LTD.</p> <p>President of TM Textiles & Garments (HK) Limited</p> <p>Chairperson of JIAXING MATSUOKA HUAWEI GARMENT CO., LTD.</p>	1,532,000
	<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Noriyuki Matsuoka has directed management as the head of the entire Group for many years since assuming the position of Representative Director of the Company in June 2006. He possesses a wealth of experience as a manager and a high degree of insight on apparel and garments, and has demonstrated leadership in enhancing the corporate value of the Group. The Company has reselected him as a candidate for Director because he possesses the qualities valued as a Director, in order to achieve sustainable growth for the Group.</p>		
2	Toru Nishiwaki (July 27, 1975) <u>Reelection</u>	<p>October 2000 Joined Chuo Aoyama Audit Corporation</p> <p>July 2004 Seconded to Ministry of Finance</p> <p>August 2007 Joined Nomura Securities Co., Ltd.</p> <p>October 2012 Joined INCJ, Ltd.</p> <p>December 2015 Joined J-Will Advance Co., Ltd.</p> <p>November 2016 Joined the Company, General Manager, IPO Promotion Office</p> <p>June 2017 Managing Director; General Manager, IPO Promotion Office</p> <p>June 2018 Director and Vice President CSO (to present)</p>	0
	<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Toru Nishiwaki directed the Company's listing on the stock market as Managing Director, served as the representative in charge of business planning after the Company was listed, and has been responsible for planning and executing strategies as Vice President CSO since June 2018. The Company has reselected him as a candidate for Director because he exhibits the qualities valued as a corporate manager and has broad experience and knowledge in management and corporate planning, in order to achieve sustainable growth for the Group.</p>		

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
3	Shuhe Uchida (July 2, 1972) <div>Reelection</div>	June 1999	Joined the Company	25,000
		April 2007	Deputy General Manager, Accounting Division	
		June 2012	Deputy General Manager, Administration Division	
		June 2013	Director; General Manager, Administration Division	
		June 2016	Senior Managing Director; General Manager, Administration Division	
		April 2017	Senior Managing Director; General Manager, Administration Headquarters	
		June 2018	Director and CFO (to present)	
<div>[Reason for nomination as candidate for Director]</div> <div>Mr. Shuhe Uchida has served for many years as the representative in charge of the Company’s finance and accounting, and administration and personnel departments, exhibits the qualities valued as a corporate manager, and has broad experience and knowledge related to management, finance and accounting, and administration and personnel. The Company has reselected him as a candidate for Director in order to further enhance the administrative system of the Group.</div>				
4	Tetsuji Yamaguchi (January 8, 1959) <div>New election</div>	April 1981	Joined CHORI CO.,LTD.	0
		July 2010	General Manager, Uniform Division	
		June 2012	Executive Officer; Deputy General Manager, Textile Products Headquarters	
		June 2015	Full-time Director, CHORI CO.,LTD; Representative Director and President, CHORI MODA Co.,Ltd	
		June 2017	Advisor, CHORI CO.,LTD	
<div>[Reason for nomination as candidate for Director]</div> <div>Mr. Tetsuji Yamaguchi has a high degree of insight on apparel and experience and knowledge related to management cultivated over many years at other companies. The Company has selected him as a candidate for Director because he exhibits the qualities valued as a corporate manager and in order to allow him to achieve sustainable growth by demonstrating leadership in enhancing the Group’s corporate value.</div>				
5	Takashi Eshima (October 22, 1971) <div>Reelection</div>	August 1996	Joined Okano Hightech Co., Ltd. (currently OHT Inc.)	0
		December 2008	Representative Director	
		October 2013	Director; General Manager, Sales Division	
		January 2015	Joined SEIWA CO., LTD., General Manager, Overall Business Management Headquarters	
		May 2015	Director; General Manager, Overall Business Management Headquarters	
		June 2015	Audit & Supervisory Board Member of the Company	
		June 2017	Outside Director (to present)	
<div>[Reason for nomination as candidate for Outside Director]</div> <div>Mr. Takashi Eshima is reselected as a candidate for Outside Director because the Company expects him to leverage his abundant experience and a high degree of insight as an ex-corporate manager for the management of the Company.</div>				
6	Yasuaki Nakagawa (December 23, 1954) <div>New election</div>	April1978	Joined ONWARD KASHIYAMA CO., LTD. (currently ONWARD HOLDINGS CO., LTD.)	0
		September 2007	General Manager, Planning Control Division, ONWARD TRADING CO., LTD.	
		March 2008	Director; General Manager, SP Business Headquarters	
		March 2014	Director; General Manager, International Division	
<div>[Reason for nomination as candidate for Outside Director]</div> <div>Mr. Yasuaki Nakagawa is selected as a candidate for Outside Director because the Company expects him to leverage his abundant experience in the apparel industry as well as his wealth of experience and a high degree of insight as an ex-corporate manager for the management of the Company.</div>				

- Notes:
1. There are no special interests between the above candidates and the Company.
 2. Mr. Takashi Eshima and Mr. Yasuaki Nakagawa are candidates for Outside Directors. Mr. Takashi Eshima is registered with the Tokyo Stock Exchange as an independent director with no potential conflict of interest with general shareholders, as stipulated by the said Exchange. If his reelection is approved, the Company intends to continue his registration as an independent director with the said Exchange. In addition, if the election of Mr. Yasuaki Nakagawa as Director is approved as originally proposed, the Company intends to register him as an independent director with no potential conflict of interest with general shareholders, as stipulated by the said Exchange.

3. Mr. Takashi Eshima is currently an Outside Director of the Company. His term of office as an Outside Director will be two years at the conclusion of this General Meeting of Shareholders. Mr. Takashi Eshima had served as an Outside Audit & Supervisory Board Member of the Company before assuming the post of the Company's Outside Director. His term of office as an Outside Audit & Supervisory Board Member was two years.
4. In order for Outside Directors to fully perform their expected roles, the Company provides in Article 28, Paragraph 2 of its Articles of Incorporation that it may enter into liability limitation agreements with Directors (excluding Executive Directors, etc.) to limit their liability for damages to the maximum amount of liability stipulated by laws and regulations, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act. Based on the above, the Company has entered into a liability limitation agreement with Mr. Takashi Eshima. If his reelection is approved, the Company intends to continue the limited liability agreement with him. In addition, if the election of Mr. Yasuaki Nakagawa as Director is approved as originally proposed, the Company intends to enter into the same limited liability agreement with him.

Proposal No. 4 Determination of Compensation for Granting Restricted Stock to Directors (Excluding Outside Directors)

At the 45th Annual General Meeting of Shareholders held on June 30, 2001, it was approved that the amount of remuneration, etc. for the Directors of the Company shall be ¥240 million or less per year (however, not including employee salaries for Directors concurrently serving as employees).

This time, as part of revisions of the Compensation Plan for Director and Other Officers, with the objectives of offering incentives to the Company's Directors (excluding Outside Directors; hereinafter the "Directors Covered by the Plan") to achieve sustained improvement of the corporate value of the Company and sharing more of that value with our shareholders, the Company proposes to provide a new compensation for granting restricted stock to the Directors Covered by the Plan, separately from the said existing limit of compensation for the Directors of the Company.

Based on this proposal, the compensation to be paid for granting restricted stock to the Directors Covered by the Plan shall be a monetary claim (hereinafter the "Monetary Compensation Claim"), and its total amount shall be ¥48 million or less per year as an amount deemed appropriate based on the above objectives. Furthermore, the specific payment timing and allocation for each of the Directors Covered by the Plan shall be decided by a meeting of the Board of Directors. However, the compensation for granting restricted stock shall not be paid to Outside Directors.

Furthermore, the above compensation amount shall not include employee salaries for Directors concurrently serving as employees.

Currently, there are five (5) Directors (including one (1) Outside Director), but if Proposal 3 "Election of Six (6) Directors" is approved and passed as proposed, there will be six (6) Directors (including two (2) Outside Directors).

Furthermore, based on a resolution of the Board of Directors of the Company, the Directors Covered by the Plan shall make in-kind contribution of all Monetary Compensation Claim paid under this proposal and shall, in return, receive the issuance or disposal of the common shares of the Company, and the total number of common shares of the Company to be issued or disposed of through this process shall be 15 thousand shares or less per year. (However, in case of stock splits (including gratis allocations of its common shares) or reverse stock splits of the common shares of Company, which are effective on or after the date of the approval of this proposal or for other reasons requiring adjustment of the total number of the Company's common stock to be issued or disposed of as restricted stock, the total number of shares shall be adjusted to a reasonable extent as necessary.)

Note that the amount paid in per share shall be determined by the Board of Directors within a range that is not particularly advantageous to the Directors Covered by the Plan who are to receive the shares of common stock of the Company, based on the closing price of the common shares of the Company on the Tokyo Stock Exchange on the business day immediately prior to the date of each resolution of the Board of Directors (in the case that the transaction has not been established on that day, the closing price on the most recent trading day preceding that day). Furthermore, when issuing or disposing of the common shares of the Company through this process, a contract for allocation of restricted stock (hereinafter the "Allocation Contract") containing the following contents shall be concluded between the Company and the Directors Covered by the Plan.

(1) Transfer Restriction Period

The Directors Covered by the Plan must not transfer, create a security interest in, nor dispose of the common shares of the Company for which allocation has been received under the Allocation Contract (hereinafter the "Allocated Shares") within a period of three to thirty years determined by the Board of Directors of the Company (hereinafter the "Transfer Restriction Period") from the date when allotment was received via the Allocation Contract (hereinafter the "Transfer Restrictions").

(2) Treatment in the Event that a Director Leaves His/Her Post or Retires

In the case that Directors Covered by the Plan leave the posts predetermined by the Board of Directors of the Company before the expiration of the Transfer Restriction Period, the Company shall acquire the Allocated Shares at no cost except in the case of expiration of term of office, death, or any other legitimate reason.

(3) Cancellation of the Transfer Restrictions

Notwithstanding the provisions of (1) above, the Company shall cancel the Transfer Restrictions for all of the Allocated Shares as of the time when the Transfer Restriction Period expires, on the condition that the Directors Covered by the Plan have maintained their posts predetermined by the Board of

Directors of the Company continuously during the Transfer Restriction Period. However, in the case that said Directors Covered by the Plan leave the posts stipulated in (2) above because of expiration of term of office, death, or any other legitimate reason stipulated in (2) above before the Transfer Restriction Period expires, the number of the Allocated Shares for which the Transfer Restrictions are cancelled and the timing of the cancellation of the Transfer Restrictions shall be reasonably adjusted as necessary. Additionally, the Company shall acquire at no cost Allocated Shares for which the Transfer Restrictions have not been cancelled yet as of the time immediately after transfer restrictions were canceled in line with the above stipulations.

(4) Treatment in the Event of Organizational Restructuring, etc.

Notwithstanding the provisions of (1) above, in the case that matters regarding merger contracts under which the Company becomes the disappearing company, share exchange agreements or share transfer plans under which the Company becomes a wholly owned subsidiary of another company, or any other organizational restructuring, etc. are approved at the General Meeting of Shareholders of the Company (or at a meeting of the Board of Directors of the Company in the case that approval by the General Meeting of Shareholders of the Company is not required regarding the said organizational restructuring, etc.) during the Transfer Restriction Period, the Company shall cancel, based on the resolution of the Board of Directors of the Company, the Transfer Restrictions before the effective date of the said organizational restructuring, etc. with regard to the number of Allocated Shares deemed reasonable in view of the period from the beginning of the Transfer Restriction Period until the date of approval of the said organizational restructuring, etc. Furthermore, in the case provided for above, the Company shall acquire at no cost the Allocated Shares for which the Transfer Restrictions have not been cancelled as of the time immediately after transfer restrictions were canceled.

(5) Other Matters

Other matters regarding the Allocation Contract shall be determined by the Board of Directors of the Company.

Proposal No. 5 Payment of Retirement Benefits to Retiring Director and Final Payment of Retirement Benefits to Directors and Audit & Supervisory Board Members upon Abolition of the Retirement Benefit System for Directors and Audit & Supervisory Board Members

Mr. Minoru Kamata will retire as Director due to expiration of his term of office at the conclusion of this General Meeting of Shareholders. In order to reward him for his service while in office, the Company proposes to provide him with retirement benefits within an appropriate range of amounts in line with specified standards of the Company. The Company requests that specific amounts, timing of payment, methods, etc., be delegated to the Board of Directors.

The career summary of the retiring Director is as follows:

Name	Career summary	
Minoru Kamata	June 2016	Managing Director of the Company
	June 2018	Director of the Company (to present)

As a part of a review of its remuneration system for Directors and Audit & Supervisory Board Members, it was resolved at the meeting of the Board of Directors held on May 29, 2019 to abolish the Retirement Benefit System for Directors and Audit & Supervisory Board Members at the conclusion of this General Meeting of Shareholders.

Accordingly, in line with the abolition of the Retirement Benefit System for Directors and Audit & Supervisory Board Members, the Company proposes to make a final payment of retirement benefits within an appropriate range of amount to the three (3) Directors who will be reappointed if Proposal No. 3 is approved and passed as originally proposed, and to the two (2) Audit and Supervisory Board Members, who will continue to be in office after the conclusion of this General Meeting of Shareholders, in order to reward them for their services while in office up to the conclusion of this General Meeting of Shareholders, in accordance with specified standards of the Company.

The timing of the payment shall be as of the retirement of each eligible person. The Company requests that decisions on specific amounts and methods of provision, for Directors be left to the discretion of the Board of Directors, and for Audit & Supervisory Board Members, be left to deliberation by Audit & Supervisory Board Members.

A career summary of the Directors and Audit & Supervisory Board Members subject to the final payment of retirement benefits in line with the abolition of the Retirement Benefit System for Directors and Audit & Supervisory Board Members is as follows.

With regard to Audit & Supervisory Board Member Mr. Hidenori Go, retirement benefits for his term of office as an Audit & Supervisory Board Member from June 1997 to June 2012 have not yet been paid because he was expected to return to office after retiring as Audit & Supervisory Board Member in June 2012. As such, the Company requests that his benefits be calculated to include this period upon the final payment of retirement benefits.

Name	Career summary	
Noriyuki Matsuoka	January 1995	Senior Managing Director of the Company
	June 2000	Representative Director and President of the Company (to present)
Toru Nishiwaki	June 2017	Managing Director of the Company
	June 2018	Director and Vice President of the Company (to present)
Shuhei Uchida	June 2013	Director of the Company
	June 2016	Senior Managing Director of the Company
	June 2018	Director of the Company (to present)
Hidenori Go	June 1997	Audit & Supervisory Board Member of the Company
	June 2012	Retired as Audit & Supervisory Board Member of the Company
	June 2013	Audit & Supervisory Board Member of the Company (to present)
Fumihiro Kuriyama	June 2017	Audit & Supervisory Board Member of the Company (to present)

End