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(Securities code: 6390)

June 8, 2022

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 123rd Annual General Meeting of Shareholders

You are cordially notified that the 123rd Annual General Meeting of Shareholders (the “Meeting”) of KATO WORKS CO., LTD. (the “Company”) will be held for the purposes as described below.

**In order to prevent the spread of COVID-19 infection, the Company requests that shareholders exercise their voting rights in advance in writing or via the Internet and refrain from attending the Meeting in person.**

**With regard to exercising your voting rights in advance, please review the following Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by either returning the enclosed Voting Rights Exercise Form by mail or entering your votes online so that they are received by 5:30 p.m. Japan time on Tuesday, June 28, 2022.**

**1. Date and Time:** Wednesday, June 29, 2022 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 123rd Fiscal Year (April 1, 2021 – March 31, 2022), and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements
  2. Non-consolidated Financial Statements for the Company’s 123rd Fiscal Year (April 1, 2021 – March 31, 2022)

**Proposals to be resolved:**

- Proposal 1:** Appropriation of Surplus  
**Proposal 2:** Partial Amendments to the Articles of Incorporation  
**Proposal 3:** Election of Five (5) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)  
**Proposal 4:** Election of Three (3) 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.
- Souvenirs will not be provided to shareholders attending the Meeting in person. We appreciate your understanding.

○ 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, and 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).

#### Our Measures to Prevent the Spread of the COVID-19 Infection

We would like to inform you of our measures to prevent the spread of COVID-19 infection on the day of the meeting. Your understanding and cooperation would be much appreciated.

[The Company’s measures]

- Officers and administrative staff will check their own health conditions and take their body temperatures beforehand and wear masks on the day of the meeting.
- Acrylic sneeze guards will be placed at the reception of the venue and the chairperson’s seat.
- Alcohol-based disinfectant will be available at the entrance of the venue and other areas inside the venue.

[Request to our shareholders]

- Our staff will check the shareholders’ body temperature before entering the venue. Please note that shareholders who are found to have a fever higher than 37.5°C and be unwell will be refused entry to the venue. We appreciate your understanding in advance.
- Shareholders are requested to wear masks in the venue and cooperate in using alcohol-based disinfectant.

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Appropriation of Surplus

The Company intends to determine dividends basically through stable dividends while paying attention to internal reserves to sustainably enhance corporate value and maintain a sound financial structure upon comprehensively taking into account consolidated financial results and dividend payout ratio.

In the fiscal year under review, no interim dividend was paid, but the Company proposes a year-end dividend at 10 yen based on the above policy.

In addition, in order to enable the Company's capital policy to respond to future changes in the business environment, the Company requests approval for a partial reversal of general reserve and transfer to retained earnings brought forward as follows:

#### 1. Matters relating to year-end dividend

- (1) Matters relating to allotment of dividend property and its total amount  
10 yen per common share of the Company at a total of 117,172,520 yen
- (2) Effective date of the distribution of surplus  
June 30, 2022

#### 2. Other matters relating to appropriation of surplus

- (1) Item and amount of surplus to decrease  
General reserve: 5,000,000,000 yen
- (2) Item and amount of surplus to increases  
Retained earnings brought forward: 5,000,000,000 yen



Current Articles of Incorporation	Proposed Amendments
<p>(Newly established)</p>	<p><u>2. Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p> <p><u>(Supplementary provisions)</u></p> <p><u>1. The deletion of Article 14 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) of the current Articles of Incorporation and the establishment of the proposed Article 14 (Measures for Electronic Provision, Etc.) shall come into effect on September 1, 2022, which is the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the “Effective Date”).</u></p> <p><u>2. Notwithstanding the provisions of the preceding paragraph, Article 14 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) of the current Articles of Incorporation shall remain in force with respect to a general meeting of shareholders to be held on a date within six months from the Effective Date.</u></p> <p><u>3. These supplementary provisions shall be deleted after the lapse of six months from the Effective Date or the lapse of three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u></p>

**Proposal 3: Election of Five (5) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)**

The terms of office of all Directors (excluding Directors serving as Audit and Supervisory Committee Members) will expire at the conclusion of the Meeting. Accordingly, the Company proposes to elect five (5) 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	<u>Reappointment</u>
2	Takao Watanabe	Director, Executive Officer	<u>Reappointment</u>
3	Takatsugu Ishii	Director, Executive Officer	<u>Reappointment</u>
4	Yasuhiro Kondo	Director, Executive Officer	<u>Reappointment</u>
5	Yoshiaki Ohkami	Director	<u>Reappointment</u> <u>Outside</u> <u>Independent</u>

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: 16/16 (100%)</p>	<p>Apr. 1991 Jul. 1993 Aug. 1996 May 1997 Jun. 1997</p> <p>Jun. 2001 Jun. 2004 (Significant concurrent positions) Director, KATO WORKS (CHINA) LTD.</p>	<p>Joined the Company General Manager, Corporate Auditors' Office General Manager, Engineering Division General Manager, Materials Division Director, General Manager, Engineering Division and General Manager, Materials Division Director, Managing Executive Officer in charge of Corporate Planning President and Representative Director (to present)</p>	352,676
<p><b>Reason for nomination as candidate for Director</b> 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>Takao Watanabe (Dec. 25, 1961)</p> <p><u>Reappointment</u></p> <p>Attendance at the Board of Directors meetings: 16/16 (100%)</p>	<p>Apr. 1984 Apr. 2012 May 2015</p> <p>Jul. 2015 Jun. 2018</p>	<p>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, Domestic Marketing Division (to present)</p>	4,107
<p><b>Reason for nomination as candidate for Director</b> 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
3	<p>Takatsugu Ishii (Jan. 30, 1955)</p> <p><u>Reappointment</u></p> <p>Attendance at the Board of Directors meetings: 16/16 (100%)</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</p> <p>Jun. 2020      Director, Executive Officer, General Manager, Overseas Business Control Division and General Manager, Overseas Marketing Division</p> <p>Jun. 2021      Director, Executive Officer, General Manager, Overseas Business Control Division, General Manager, Overseas Marketing Division, General Manager, China Business Control Division and in charge of Information System Department</p> <p>Apr. 2022      Director, Executive Officer, General Manager, Overseas Business Control Division, General Manager, Overseas Marketing Division, General Manager, China Business Control Division, General Manager, Corporate Planning Office, General Manager, Core System Project Office and in charge of Information System Department (to present)</p> <p>(Significant concurrent positions) Director, KATO WORKS (CHINA) LTD. Auditor, Kato SCE (Xiamen) Construction Machinery Co., Ltd. Director, KATO IMER S.p.A., President, KATO EUROPE B.V. President, ICOMAC, INC.</p>	4,107
<p><b>Reason for nomination as candidate for Director</b></p> <p>Takatsugu Ishii has abundant experience and achievements, such as having been engaged mainly in the overseas sales at IHI Corporation as well as domestic and overseas sales at IHI Construction Machinery Limited. Furthermore, as the General Manager of Corporate Planning Office, he has led the formulation of the medium-term management plan, and 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
4	Yasuhiro Kondo (May 13, 1960)  <u>Reappointment</u>  Attendance at the Board of Directors meetings: 16/16 (100%)	Apr. 1984 Jul. 2006 Jul. 2010  Jun. 2019  Jun. 2020  Jun. 2021	Joined the Company Manager, Section II, Design Department I General Manager, Design Department I and Manager, Section II Executive Officer, Deputy General Manager, Development Division and General Manager, Design Department I Executive Officer, General Manager, Development Division and General Manager, Design Department I Director, Executive Officer, General Manager, Development Division and General Manager, Design Department I (to present)	3,285
<b>Reason for nomination as candidate for Director</b> Yasuhiro Kondo has long been engaged in the Company's key product design operations and served as a manager for the entire development segment since 2019. The Company believes that his abundant insight cultivated in the development segment is widely desired to enhance the quality of products that are essential to strengthen our business foundation in the future, and therefore proposes his re-election as a Director.				
5	Yoshiaki Ohkami (Jul. 26, 1939)  <u>Reappointment</u> <u>Outside</u> <u>Independent</u>  Attendance at the Board of Directors meetings: 16/16 (100%)	Apr. 1968  Apr. 1991  Apr. 1999  Apr. 2000  Apr. 2000  Apr. 2008  Apr. 2011  Jun. 2014	Research Engineer, Space Research Group, National Aerospace Laboratory, Science and Technology Agency Professor, Department of Mechano-Aerospace Engineering, School of Engineering, Tokyo Institute of Technology Special Advisor and Executive Research Inspector, Technical Research and Development Department, National Space Development Agency Professor Emeritus, Tokyo Institute of Technology (to present) Professor, Department of System Design Engineering, Keio University Dean and Professor, Graduate School of System Design and Management, Keio University Executive Advisor, System Design and Management Research Institute, Keio University (to present, currently Honorary Advisor) Director of the Company (to present)	3,332
<b>Reason for nomination as candidate for Outside Director and expected roles</b> Yoshiaki Ohkami has long been engaged in the aerospace engineering research and development and provided valuable advice mainly on our product development and design since assuming the position of Outside Director. In order to continue to advance its technological development and improve 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, based on his successively holding the position of professor as well as abundant experience and insight. The candidate's term of office as an Outside Director will be eight (8) years at the conclusion of the Meeting.				

Notes:

1. There are no special interests between the candidates and the Company.
2. The Company has entered into a directors and officers liability insurance contract that insures all Directors with an insurance company. The insurance contract covers damages including compensation for damages and litigation costs to be borne by the insured Directors as a result of assuming liability for the execution of their duties apart from certain exceptions such as gross negligence or willful misconduct, and the insurance premiums for all of the insured are wholly paid by the Company. If the election of each candidate for Director is approved, the Company intends to renew the contract.
3. If Yoshiaki Ohkami's re-election is approved, the Company intends to continue the agreement with him to limit his liability as provided in Article 427, Paragraph 1 of the Companies Act. The limit of liability under the agreement is the amount stipulated by laws and regulations.
4. 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.
5. The number of the Company's shares held by each candidate includes holdings in the officers' or employees' shareholding association.

#### **Proposal 4: Election of Three (3) Directors Serving as Audit and Supervisory Committee Members**

The terms of office of all four (4) Directors serving as Audit and Supervisory Committee Members will expire at the conclusion of the Meeting. Accordingly, the Company proposes to elect three (3) Directors serving as Audit and Supervisory Committee Members.

The Company has obtained prior consent of the Audit and Supervisory Committee concerning the submission of this Proposal.

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

No.	Name	Current positions at the Company	
1	Hiroki Imai	Director, Audit and Supervisory Committee Member	Reappointment Outside Independent
2	Shinichiro Zama	Director, Audit and Supervisory Committee Member	Reappointment Outside Independent
3	Toshiaki Kawakami	Executive Officer, General Manager, General Affairs Division	New Candidate

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions		Number of the Company's shares held
1	<p>Hiroki Imai (Jan. 15, 1971)</p> <p style="text-align: center;"> <span style="border: 1px solid black; padding: 2px;">Reappointment</span>  <span style="border: 1px solid black; padding: 2px;">Outside</span>  <span style="border: 1px solid black; padding: 2px;">Independent</span> </p> <p>Attendance at the Board of Directors meetings: 16/16 (100%)</p> <p>Attendance at the Audit and Supervisory Committee meetings: 13/13 (100%)</p>	<p>Apr. 1997 Jun. 2015 Jun. 2016</p> <p>(Significant concurrent positions) Attorney-at-law, Tada General Law Firm</p>	<p>Registered at Daini Tokyo Bar Association Audit and Supervisory Committee Member of the Company Director, Audit and Supervisory Committee Member of the Company (to present)</p>	4,660
<p><b>Reason for nomination as candidate for Outside Director and expected roles</b></p> <p>Hiroki Imai has a long experience as an attorney-at-law and a high level of expertise in general corporate legal affairs. He has provided appropriate supervision and advice on business execution of the Company's management from an outside perspective. Therefore, the Company proposes his re-election as a Director (Outside Director) serving as an Audit and Supervisory Committee Member. Although the candidate has not been directly involved in corporate management, the Company believes he may appropriately fulfill his duties for the reasons set forth above. The candidate's term of office as an Outside Director (Audit and Supervisory Committee Member) will be six (6) years at the conclusion of the Meeting.</p>				
2	<p>Shinichiro Zama (Oct. 11, 1954)</p> <p style="text-align: center;"> <span style="border: 1px solid black; padding: 2px;">Reappointment</span>  <span style="border: 1px solid black; padding: 2px;">Outside</span>  <span style="border: 1px solid black; padding: 2px;">Independent</span> </p> <p>Attendance at the Board of Directors meetings: 15/16 (93%)</p> <p>Attendance at the Audit and Supervisory Committee meetings: 13/13 (100%)</p>	<p>Apr. 1977 Apr. 2001 Apr. 2006 Apr. 2009 Mar. 2015 Apr. 2015 Jun. 2018</p> <p>(Significant concurrent positions) Attendant to Executive Director, Tamagawa University &amp; Academy</p>	<p>Joined Finance Department, Tamagawa University &amp; Academy Manager of Secretarial Office, Tamagawa University &amp; Academy General Manager of Accounting Department, Tamagawa University &amp; Academy Councilor, Tamagawa University &amp; Academy Auditor, HyphaGenesis Inc. Director, Tamagawa University &amp; Academy Director, Audit and Supervisory Committee Member of the Company (to present)</p>	3,422
<p><b>Reason for nomination as candidate for Outside Director and expected roles</b></p> <p>In addition to an experience in financial section, Shinichiro Zama has a broad knowledge on management, having engaged in school management as a trustee of Tamagawa University &amp; Academy. He has provided appropriate supervision and advice on business execution of the Company's management from an outside perspective. Therefore, the Company proposes his re-election as a Director (Outside Director) serving as an Audit and Supervisory Committee Member. The candidate's term of office as an Outside Director (Audit and Supervisory Committee Member) will be four (4) years at the conclusion of the Meeting.</p>				

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of the Company's shares held
3	Toshiaki Kawakami (Dec. 2, 1957)  <span style="border: 1px solid black; padding: 2px;">New Candidate</span>	<p>Apr. 1981      Joined the Company</p> <p>Jul. 2010      Manager, General Affairs Department and Personnel Department</p> <p>Jul. 2014      General Manager, General Affairs Department and Personnel Department</p> <p>Jun. 2016      Executive Officer, General Manager, General Affairs and Personnel Department</p> <p>Jul. 2020      Executive Officer, General Manager, Corporate Planning Department</p> <p>Jul. 2021      Executive Officer, General Manager, Corporate Planning Department, General Manager, General Affairs Department and in charge of Internal Control Compliance Department</p> <p>Apr. 2022      Executive Officer, General Manager, General Affairs and Personnel Control Department (to present)</p>	1,200
<p><b>Reason for nomination as candidate for Director</b></p> <p>Toshiaki Kawakami has long been widely engaged in operation and management of the head office including the general affairs and personnel segment. He was also engaged in the General Manager of the Corporate Planning Department and in charge of the Internal Control Compliance Department. The Company believes he may provide appropriate supervision and advice on the Company's reinforcement of governance and business execution, and proposes his election as a Director serving as an Audit and Supervisory Committee Member.</p>			

Notes:

1. There are no special interests between the candidates and the Company.
2. If Hiroki Imai's and Shinichiro Zama's re-election is approved, the Company intends to continue the agreement with them to limit their liability as provided in Article 427, Paragraph 1 of the Companies Act. The limit of liability under the agreement will be the amount stipulated in laws and regulations.  
If Toshiaki Kawakami's election is approved, the Company plans to enter into a similar contract with him.
3. Hiroki Imai and Shinichiro Zama are the candidates for outside directors.  
The Company has designated Hiroki Imai and Shinichiro Zama as independent directors stipulated by the provisions of the Tokyo Stock Exchange and has notified the said Exchange accordingly. If their election is approved at the Meeting, the Company intends to maintain their status as independent directors.
4. The number of the Company's shares held by each candidate includes holdings in the officers' shareholding association.

**[Reference] Skill Matrix of the Candidates for Directors**

If Proposal 3 and Proposal 4 are approved as originally proposed, the expertise and experience specifically possessed by each candidate for Director are as follows:

Name	Outside and Independent	Main expertise and experiences								
		Corporate management	Sales, marketing	Inter-nationality	Finance, accounting	Design, development	Production, quality	Personnel, labor	IT, digital	Legal affairs, risk
Kimiyasu Kato		○		○		○	○			○
Takao Watanabe			○							
Takatsugu Ishii			○	○					○	
Yasuhiro Kondo						○	○			
Yoshiaki Ohkami	●					○				
Hiroki Imai	●									○
Shinichiro Zama	●				○					
Toshiaki Kawakami								○		○

(Note) The above table does not represent all of the knowledge and experience possessed by each Director.

### **[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 and Supervisory Board Members, Executive Officers and important employees, etc. of the Company and its subsidiaries.