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Stock Exchange Code: 3001
March 8, 2016

**To Shareholders with Voting Rights:**

Kimiya Sano
President and Representative Director
Katakura Industries Co., Ltd.
6-4 Akashi-cho, Chuo-ku, Tokyo

# NOTICE OF
# THE 107TH 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 107th Annual General Meeting of Shareholders of Katakura Industries 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 by 5:20 p.m. on Tuesday, March 29, 2016, Japan time.

[If exercising voting rights in writing]

Please indicate your vote for or against the proposal on the enclosed Voting Rights Exercise Form and return it so that it is received by the deadline mentioned above.

[If exercising voting rights via the Internet]

Please access the website for exercising voting rights (http://www.it-soukai.com/) designated by the Company, enter the "voting rights exercise code" and "password" printed on the enclosed Voting Rights Exercise Form, and input your vote for or against the proposal by following the on-screen instruction by the deadline mentioned above.

1. **Date and Time:** Wednesday, March 30, 2016 at 10:00 a.m. Japan time

2. **Place:** JIJI PRESS HALL (2nd floor of Jiji Press Building) located at 5-15-8, Ginza, Chuo-ku, Tokyo

3. **Meeting Agenda:**

**Matters to be reported:**

1. The Business Report and Consolidated Financial Statements for the Company's 107th Fiscal Year (January 1, 2015 - December 31, 2015), 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 107th Fiscal Year (January 1, 2015 - December 31, 2015)

**Proposals to be resolved:**

**Proposal 1:** Appropriation of surplus
**Proposal 2:** Election of Four (4) Audit & Supervisory Board Members
**Proposal 3:** Election of One (1) Substitute Audit & Supervisory Board Member

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

◎ Please refer to the English translation of the Reference Documents for the General Meeting of Shareholders which will be posted on the Company's website.

◎ Should the Reference Documents for the General Meeting of Shareholders and the Business Report, as well as the Non-consolidated Financial Statements and the Consolidated Financial Statements require any revision, the revised version will be posted on the Company's website (http://www.katakura.co.jp/).

# Reference Documents for the General Meeting of Shareholders

**Proposal 1:** Appropriation of surplus

With regard to the year-end dividend for the 107th fiscal year, we propose as following in view of this year's business results, the future business development and other aspects, with a principle of maintaining stable dividend payment to the shareholders.

(1) Type of property to be distributed as dividend:
Cash

(2) Matters regarding the assignment of dividend property and total amount thereof:
10 yen per share of the Company's common stock.
Total amount of the dividend will be 351,523,780 yen.

(3) Date on which payment of surplus takes effect:
March 31, 2016

**Proposal 2:** Election of Four (4) Audit & Supervisory Board Members

The terms of office of all four (4) Audit & Supervisory Board Members will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of four (4) Audit & Supervisory Board Members is proposed.

The Audit & Supervisory Board has previously given its approval to this proposal.

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

| No. | Name (Date of birth) | Past experience and positions at the Company (Significant concurrent positions) | Number of shares of the Company held |
|---|---|---|---|
| 1 | Kunio Oomori (September 19, 1950) | April 1974 Joined the Company<br>January 2001 General Manager of Commercial Affairs Department of the Company<br>December 2006 General Manager of Personnel Affairs Department of the Company<br>March 2009 Executive Officer and General Manager of Personnel Affairs Department of the Company<br>March 2011 Managing Director of the Company<br>March 2015 Full-time Audit & Supervisory Board Member of the Company (to present) | 7,100 |
| 2 | [New candidate for Audit & Supervisory Board Member] Junichi Fukide (February 8, 1955) | April 1980 Joined the Company<br>April 1996 Manager of Home Center Suwa Takashima of the Company<br>November 1999 Manager of Home Center Isawa of the Company<br>January 2008 General Manager of Omiya KATAKURA Park of the Company<br>March 2013 President and Director of Katakura Caron Service Corp. (to present) | 3,800 |
| 3 | [New candidate for Audit & Supervisory Board Member] [Candidate for Outside Audit & Supervisory Board Member] Takahiro Itsukaichi (June 8, 1954) | April 1979 Joined The Yasuda Fire and Marine Insurance Co., Ltd.<br>April 2009 Director and Manager of Okayama Branch Office of Sompo Japan Insurance Inc.<br>April 2012 Managing Director, and General Manager of Shin-etsu Regional Headquarters and Hokuriku Regional Headquarters of Sompo Japan Insurance Inc.<br>April 2013 Chairman and Representative Director of Sompo Japan Nipponkoa Business Services, Inc. (to present)<br>June 2015 Independent Corporate Auditor of The Chiba Kogyo Bank, Ltd. (to present)<br>(Significant concurrent position)<br>Independent Corporate Auditor of The Chiba Kogyo Bank, Ltd. | 0 |

| No. | Name<br>(Date of birth) | Past experience and positions at the Company<br>(Significant concurrent positions) | Number of shares of the Company held |
|---|---|---|---|
| 4 | [New candidate for Audit & Supervisory Board Member]<br>[Candidate for Outside Audit & Supervisory Board Member]<br>Katsunari Maeda<br>(February 1, 1955) | April 1978 Joined The Yasuda Mutual Life Insurance Co., Ltd.<br>July 2009 Executive Officer and General Manager of Marunouchi Regional Office of Meiji Yasuda Life Insurance Company<br>April 2010 Executive Officer and Chief General Manager of Osaka Marketing Headquarters of Meiji Yasuda Life Insurance Company<br>April 2012 Managing Executive Officer and Chief General Manager of Tokyo Marketing Headquarters of Meiji Yasuda Life Insurance Company<br>April 2014 Senior Managing Executive Officer and Chief General Manager of Tokyo Marketing Headquarters of Meiji Yasuda Life Insurance Company (to present)<br>(Significant concurrent positions)<br>Senior Managing Executive Officer and Chief General Manager of Tokyo Marketing Headquarters of Meiji Yasuda Life Insurance Company | 0 |

(Notes)

1. There are no special interests between each candidate for Audit & Supervisory Board Member and the Company.
2. Special notes regarding the candidates for Outside Audit & Supervisory Board Member are as follows:
   (1) Reasons for the election as candidates for Outside Audit & Supervisory Board Member
   1) We nominated Mr. Takahiro Itsukaichi for Outside Audit & Supervisory Board Member in the belief that he will utilize his wealth of experience and broad insight he has acquired mainly as a corporate manager in supervising the overall management of the Company.
   2) We nominated Mr. Katsunari Maeda for Outside Audit & Supervisory Board Member in the belief that he will utilize his wealth of experience and broad insight he has acquired as a corporate manager of a life insurance company in supervising the overall management of the Company.
   (2) The Company intends to designate Mr. Takahiro Itsukaichi and Mr. Katsunari Maeda as independent officers as stipulated by the Tokyo Stock Exchange, and notify the exchange to that effect.
3. Liability limitation agreements with the candidates for Audit & Supervisory Board Member
   The Company has stipulated in Article 37, Paragraph 2 of the current Article of Incorporation that it may enter into an agreement with each Audit & Supervisory Board Member to limit his or her liability for damages to the Company to a certain extent. Accordingly, if Mr. Kunio Oomori is reelected, the Company intends to continue such agreement with him. In addition, if Mr. Junichi Fukide, Mr. Takahiro Itsukaichi and Mr. Katsunari Maeda are elected, the Company intends to enter into the same liability limitation agreement with each of them.
   The outline of the agreements is as follows.
   ・After the conclusion of the agreements, if the Audit & Supervisory Board Members neglect their duties and cause damages to the Company, they shall be liable for that damages up to the "minimum liability amount" stipulated in Article 425, Paragraph 1 of the Companies Act, on the condition that they act in good faith and without gross negligence in performing their duties.

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

To prepare for the case in which the number of Audit & Supervisory Board Members falls below the number required by laws and regulations, the election of one (1) Substitute Audit & Supervisory Board Member is proposed.

The effectiveness of the election under this proposal may be cancelled based on resolution of the Board of Directors, provided such cancellation is done prior to the assumption of office and with the consent of the Audit & Supervisory Board.

The Audit & Supervisory Board has previously given its approval to this proposal.

The candidate for Substitute Audit & Supervisory Board Member is as follows:

| Name (Date of birth) | Past experience (significant concurrent positions) | | Number of shares of the Company held |
|---|---|---|---|
| Masanori Yagi (June 22, 1943) | April 1967 | Joined The Yasuda Mutual Life Insurance Co., Ltd. | 0 |
| | July 1997 | Director and Chief General Manager of Tokyo Area Second Marketing Headquarters of The Yasuda Mutual Life Insurance Co., Ltd. | |
| | July 2000 | Audit & Supervisory Board Member of The Yasuda Mutual Life Insurance Co., Ltd. | |
| | January 2004 | President and Director of MY SOUGOU KIKAKU Co., Ltd. | |
| | March 2004 | Outside Audit & Supervisory Board Member of the Company (retired in March 2008) | |

(Notes)

1. There are no special interests between the candidate for Substitute Audit & Supervisory Board Member and the Company.
2. Mr. Masanori Yagi is a candidate for Substitute Audit & Supervisory Board Member.
3. Special notes regarding the candidate for Substitute Outside Audit & Supervisory Board Member are as follows:

   (1) Reasons for the election as candidate for Substitute Outside Audit & Supervisory Board Member

   We nominated Mr. Masanori Yagi for Substitute Outside Audit & Supervisory Board Member in the belief that he will utilize his wealth of experience and broad insight he has acquired mainly as a corporate officer of a life insurance company in supervising the overall management of the Company.

   (2) Liability limitation agreement with the candidate for Substitute Outside Audit & Supervisory Board Member

   The Company has stipulated in Article 37, Paragraph 2 of the current Article of Incorporation that it may enter into an agreement with each Audit & Supervisory Board Member to limit his or her liability for damages to the Company to a certain extent. Accordingly, if Mr. Masanori Yagi is elected, the Company intends to enter into the liability limitation agreement with him.

   The outline of the agreement is as follows.

   ・After the conclusion of the agreements, if the Audit & Supervisory Board Members neglect their duties and cause damages to the Company, they shall be liable for that damages up to the "minimum liability amount" stipulated in Article 425, Paragraph 1 of the Companies Act, on the condition that they act in good faith and without gross negligence in performing their duties.