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Securities Code: 6362

June 9, 2022

To our shareholders:

Hiroji ISHII
President
Ishii Iron Works Co., Ltd.
26-11, 3-Chome, Tsukishima, Chuo-ku, Tokyo

NOTICE OF THE 156TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to announce the 156th Ordinary General Meeting of Shareholders of Ishii Iron Works Co., Ltd. (the “Company”), which will be held as described below.

From the viewpoint of preventing the spread of the novel coronavirus (COVID-19), we request that, regardless of the state of your health, you refrain from attending the General Meeting in person.

The proposals being presented to this General Meeting include the Company’s proposals (Proposals 1 through 4) and shareholder proposals (Proposals 5 through 7). The contents of the proposals are as described in the “Reference Documents for Solicitation of Proxy Votes and Reference Documents for the General Meeting of Shareholders,” but the Board of Directors of the Company is opposed to all shareholder proposals No. 5 through No. 7. For details on the opinions of the Company’s Board of Directors regarding the shareholder proposals, please see pages 17 through 18, and pages 20 and 22.

Therefore, you may exercise your voting rights. Please review the “Reference Documents for Solicitation of Proxy Votes and Reference Documents for the General Meeting of Shareholders” below, and if you agree with the opinions of the Board of Directors of the Company, please exercise your voting rights accordingly.

Note that the Company requests that you exercise your voting rights by proxy using the Letter of Proxy. Please also refer to the attached “Request for Exercise of Voting Rights by Proxy.”

- 1. Date and Time:** Wednesday, June 29, 2022 at 10:00 a.m. (JST)
- 2. Venue:** Sumitomo Fudosan Akihabara Building, Belle Salle Akihabara 2nd Floor Hall
12-8, 3-Chome, Sotokanda, Chiyoda-ku, Tokyo
(Please note that the venue this year differs from last year)

3. Purposes:

Items to be reported:

1. Business Report and Consolidated Financial Statements for the 156th Term (from April 1, 2021 to March 31, 2022), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee
2. Non-Consolidated Financial Statements for the 156th Term (from April 1, 2021 to March 31, 2022)

Items to be resolved:

<Company Proposals>

- Proposal 1:** Appropriation of Surplus
Proposal 2: Amendment to the Articles of Incorporation
Proposal 3: Election of Four (4) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
Proposal 4: Election of Three (3) Directors Who Are Audit and Supervisory Committee Members

<Shareholder Proposals>

- Proposal 5:** Appropriation of Surplus
Proposal 6: Amendment to the Articles of Incorporation (1)
Proposal 7: Amendment to the Articles of Incorporation (2)

Other matters related to the convocation of the General Meeting of Shareholders

1. With regards to exercising voting rights by proxy, the proxy shall be one (1) other shareholder who has voting rights, and who shall exercise the voting rights. In this case, please submit as proof of proxy authority the Letter of Proxy and, in principle, one of the below documents (1) through (3). Note, however, that official certification documents with an expiration date must be valid as of the date of this General Meeting. Those official certification documents without an expiration date must have been prepared within six months prior to the date of this General Meeting.
 - (1) For individual shareholders: One of the below (a) through (c)
 - (a) The Exercise of Voting Rights Form for this General Meeting of the shareholder delegating their voting rights
 - (b) Certificate of seal registration for the seal stamped on the Letter of Proxy (only if the document is stamped with a seal)
 - (c) Driver's license (including proof of driving record); various types of health insurance cards; national Pension Handbook; Physical Disability Certificate; Maternal and Child Health Handbook; Residence Card; Special Permanent Resident Certificate; Individual Number Card (front only); Basic Resident Register Card; or copy of a passport or other officially issued document, etc. listing name and address and affixed with a face photo
 - (2) For corporate shareholders: One of the below (a) through (c)
 - (a) The Exercise of Voting Rights Form for this General Meeting of the shareholder delegating their voting rights
 - (b) Certificate of seal registration for the seal stamped on the Letter of Proxy (only if the document is stamped with a seal)
 - (c) The Certificate of Registered Matters or other officially issued document, etc. listing the name of the corporation and its head office or principle business office
 - (3) For foreign nationals not residing in Japan and corporations having their head office or principal office in a foreign country: One of the below (a) or (b)
 - (a) One of the documents listed in the above (1) (for foreign nationals) or (2) (for corporations)
 - (b) Documents, etc. issued by a foreign government or international body and approved by the Japanese government, and which list matters of personal identification (name, address or location of head office).

Non-shareholders, including proxies and other accompanying individuals who are not shareholders, are not permitted to attend the General Meeting of Shareholders.
2. For those attending on the day of the meeting, please submit the enclosed Exercise of Voting Rights Form to the reception desk at the venue.
3. Absent an indication of approval or disapproval of any of the agenda proposals when exercising voting rights via the Letter of Proxy and the Exercise of Voting Rights Form, the shareholder will be deemed to have indicated their intent to vote "for" the proposals proposed by the Company and "against" the proposals proposed by shareholders.
4. In the event an exercise of voting rights by Letter of Proxy is duplicated by an exercise of voting rights via the Exercise of Voting Rights Form or the internet, the exercise of voting rights by Letter of Proxy shall be treated as valid.
5. If your voting rights have been exercised more than once via the Exercise of Voting Rights Form, the last vote received by the Company shall be deemed valid.
6. If your voting rights have been exercised more than once via the internet, the last vote exercised shall be deemed valid.
7. If your voting rights have been exercised in duplicate via the Exercise of Voting Rights Form and the internet, the voting rights exercised via the internet shall be deemed valid.
8. In the event of a non-uniform exercise of voting rights, please provide notification in writing of your intent to exercise your voting rights non-uniformly and the reason for doing so no later than three days prior to the General Meeting.
9. Disclosure via the Internet
The "Notes to the Consolidated Financial Statements" of the Consolidated Financial Statements, and the "Notes to the Non-Consolidated Financial Statements" of the Non-Consolidated Financial Statements are not included in the documents provided with this Notice of Convocation, as they are posted on the Company's website noted below in accordance with laws and regulations and Article 16 of the Company's Articles of Incorporation.

Accordingly, the Consolidated Financial Statements and the Non-Consolidated Financial Statements as audited by the Accounting Auditor and the Audit and Supervisory Committee comprise the “Notes to the Consolidated Financial Statements” and the “Notes to the Non-Consolidated Financial Statements” posted on the Company’s website noted below, in addition to the documents provided with this Notice of Convocation.

10. Any corrections to the Reference Documents for Solicitation of Proxy Votes, the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements, and the Non-consolidated Financial Statements shall be posted on the Company’s website noted below.

Company website: <https://www.ishii-iiw.co.jp/report/>

[Measures to Prevent the Spread of COVID-19]

- Both the venue and the starting time for the General Meeting of Shareholders are subject to change depending on changes in the situation surrounding the COVID-19. The Company will promptly inform you in the event of such changes via the Company's website noted below. Please be sure to check the Company's website for the latest information prior to visiting the venue on the day of the General Meeting.

We also ask that, from the perspective of preventing the spread of infection, shareholders consider exercising their voting rights in advance.

Company website: <https://www.ishii-iiv.co.jp/report/>

- Gifts will not be provided. Your understanding is appreciated.
- We ask that all shareholders attending in person bring and wear their own masks. Those not wearing masks may be refused entry and asked to leave.
- Alcohol disinfectant for shareholder use will be made available near the entrance to the venue.
- Temperature checks will be conducted near the entrance to the venue. Individuals found to have a fever and those appearing unwell may be refused entry and asked to leave.
- The health of Directors attending the General Meeting, as well as that of operating staff--including temperatures--will be checked, and Directors and staff will wear masks while performing their duties.
- In light of the need to shorten the length of the General Meeting as a means of preventing the spread of COVID-19, Items to be reported at the Meeting (including auditor reports) and detailed descriptions of Items to be resolved proposed by the Company will be omitted. We therefore ask that our shareholders review the Convocation Notice in advance.

**Reference Documents for Solicitation of Proxy Votes and
Reference Documents for the General Meeting of Shareholders**

Solicitor of Proxy Exercise of Voting Rights

**Hiroji ISHII
President
Ishii Iron Works Co., Ltd.**

Proposals and Reference Matters

Company Proposals (Proposal 1 through Proposal 4)

Proposal 1: Appropriation of Surplus

With respect to dividends, the Company seeks to return profits to shareholders stably while strengthening its internal reserves for future growth.

Under this basic policy, the Company, in consideration of its business results for the fiscal year ended March 31, 2022 and future business developments, proposes the distribution of the year-end dividends as follows:

- (1) Type of dividend property
Cash
- (2) Allocation of dividend property and total amount thereof
¥60 per common share of the Company
Total amount of dividends: ¥221,895,060
- (3) Effective date of distribution of dividends of surplus
June 30, 2022

Proposal 2: Amendment to the Articles of Incorporation

1. Reasons for the Proposal

The Company proposes to amend its Articles of Incorporation as follows, as the revised provisions stipulated in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) will come into effect on September 1, 2022, and to prepare for the introduction of a system for electronic provision of materials for the General Meeting of Shareholders.

- (1) Article 16, paragraph 1 in “Proposed amendments” below will stipulate that the Company shall take measures for providing information that constitutes the content of Reference Documents for the General Meeting of Shareholders, etc. in electronic format.
- (2) Article 16, paragraph 2 in “Proposed amendments” below will establish the provision to limit the scope of the items to be stated in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents.
- (3) Since the provisions for Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, etc. (Article 16 of the current Articles of Incorporation) will no longer be required, they will be deleted.
- (4) Accompanying the aforementioned establishment and deletion of provisions, supplementary provisions regarding the effective date, etc. will be established.

2. Content of Amendment

The content of the Amendment is as follows.

(Underlining indicates amended portions.)

Current Articles of Incorporation	Proposed Amendment
<p><u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, etc.)</u> <u>Article 16</u> <u>When the Company convenes a general meeting of shareholders, if it discloses information that is to be stated or presented in the reference documents for the general meeting of shareholders, business report, financial statements and consolidated financial statements through the internet in accordance with the provisions prescribed by the Ministry of Justice Order, it may be deemed that the Company has provided this information to shareholders.</u></p> <p>(Newly established)</p>	<p>(Deleted)</p> <p><u>(Measures for Providing Information in Electronic Format)</u> <u>Article 16</u> <u>1 When the Company convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of Reference Documents for the General Meeting of Shareholders, etc. in electronic format.</u> <u>2 Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></p>

Current Articles of Incorporation	Proposed Amendment
(Newly established)	<p><u>Supplementary Provisions</u></p> <p><u>1. The amendment to the Articles of Incorporation pertaining to Article 16 shall be effective from September 1, 2022, which is the date of enforcement of the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (hereinafter referred to as the “Date of Enforcement”).</u></p> <p><u>2. Notwithstanding the provision(s) of the preceding paragraph, Article 16 of the Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, etc.) shall remain effective regarding any general meeting of shareholders held on a date within six months from the Date of Enforcement.</u></p> <p><u>3. These Supplementary Provisions shall be deleted on the date when six months have elapsed from the Date of Enforcement or three months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.</u></p>

Proposal 3: Election of Four (4) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The tenure of all four (4) Directors (excluding Directors who are Audit and Supervisory Committee Members; applicable to the rest of this proposal) will end at the conclusion of this General Meeting of Shareholders. Therefore, the Company proposes the election of four (4) Directors.

In addition, the Audit and Supervisory Committee has considered this proposal and given their consent.

The candidates for Director are as follows:

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Hiroji ISHII (March 11, 1937) Reelection	Dec. 1969 Director of the Company June 1973 Managing Director of the Company Mar. 1977 Executive Director of the Company Dec. 1978 Vice President of the Company Jan. 1979 Representative Director and President of the Company (present position) [Significant concurrent positions outside the Company] President, IIW Engineering Co. Sdn. Bhd. President, IIW Singapore Pte. Ltd.	124,160
Reasons for nomination as candidate for Director Since assuming office of Representative Director and President of the Company in 1979, Hiroji Ishii has bettered profitability by leading management and promoting innovation, and significantly contributed to improving business performance. The Company has re-nominated him as a candidate for Director based on the judgment that he is qualified as Director because his experience and knowledge related to management he has accumulated as a top executive over many years up until now is expected to help drive sustainable growth and increase the medium and long-term value of the Company.			

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
2	Hiroaki ISHII (February 20, 1969) Reelection	<p>Apr. 1996 Joined Shimizu Corporation</p> <p>May 2006 Advisor of the Company</p> <p>June 2006 Director of the Company Corporate Officer and Assistant General Manager, Steel Structure Business Division of the Company</p> <p>Apr. 2009 Corporate Officer, Assistant Executive General Manager, Steel Structure Business Headquarters and Executive General Manager, Sales Headquarters of the Company</p> <p>July 2012 Managing Director, Assistant Executive General Manager, Steel Structure Business Headquarters and Executive General Manager, Sales Headquarters of the Company</p> <p>Apr. 2015 Managing Director and Executive General Manager, Steel Structure Business Headquarters of the Company</p> <p>June 2019 Managing Director and Executive General Manager, Steel Structure Business Headquarters and Assistant to the President of the Company</p> <p>Apr. 2020 Executive Director of the Company (present position) Assistant to the President and in charge of the entire Company of the Company</p> <p>Apr. 2021 Assistant to the President, in charge of the entire Company, and General Manager, Corporate Planning Headquarters of the Company</p> <p>Feb. 2022 Assistant to the President, in charge of the entire Company, and General Manager, Corporate Planning Headquarters, and General Manager, Steel Structure Business Headquarters of the Company (present position)</p>	13,439
<p>Reasons for nomination as candidate for Director</p> <p>Hiroaki Ishii has significantly contributed to expanding the business, holding a senior position by serving as executive officer in charge of the sales section of the tank plant engineering and construction business in Japan and overseas since he assumed the office of Director in 2006. Since April 2020, he has assisted the President as Executive Director while managing the entire Company, exercising strong leadership in working to improve both business performance and medium and long-term corporate value. The Company has re-nominated him as a candidate for Director based on the judgment that he is qualified as Director because he has such abundant experience and proven track record.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
3	Masanobu NAKANISHI (February 6, 1964) Reelection	<p>Apr. 1986 Joined the Sumitomo Bank, Limited (current: Sumitomo Mitsui Banking Corporation (SMBC))</p> <p>Oct. 2011 General Manager, Taipei Branch of SMBC</p> <p>Dec. 2014 General Manager, Hanoi Branch of SMBC</p> <p>Apr. 2015 Country Head of Vietnam and General Manager, Hanoi Branch, Asia Pacific Division, SMBC</p> <p>May 2018 Advisor of the Company</p> <p>June 2018 Director, General Manager, Business Management Department and General Manager, Real Estate Business Division of the Company</p> <p>July 2019 Managing Director of the Company (present position)</p> <p>Apr. 2021 General Manager, Business Management Headquarters and General Manager, Real Estate Business Division of the Company (present position)</p>	4,771
<p>Reasons for nomination as candidate for Director</p> <p>Masanobu Nakanishi has gained a wealth of experience in a wide range of areas in Japan and overseas since he joined Sumitomo Bank, Limited (current: Sumitomo Mitsui Banking Corporation) in 1986, and has fully utilized his capabilities as a global human resource. He then assumed the office of Director of the Company in June, 2018, and Managing Director in July, 2019, and since then he has demonstrated the ability to promote management strategies based on the Medium-term Management Plan and expand the real estate business as the General Manger of the Business Management Headquarters and Real Estate Business Division. The Company has re-nominated him as a candidate for Director based on the judgment that he is qualified as Director because he has such abundant experience and proven track record.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
4	Satoru YOSHIDA (September 11, 1954) Reelection	<p>Oct. 1977 Joined the Company</p> <p>Apr. 2013 Administrative Officer and Construction Manager, Production and Engineering, Steel Structure Business Headquarters of the Company</p> <p>Apr. 2015 Administrative Officer and General Manager, Production and Engineering, Steel Structure Business Headquarters of the Company</p> <p>June 2019 Corporate Officer and General Manager, Production and Engineering, Steel Structure Business Headquarters of the Company</p> <p>Apr. 2020 Corporate Officer and Executive General Manager, Steel Structure Business Headquarters of the Company</p> <p>June 2020 Director of the Company (present position) Executive General Manager, Steel Structure Business Headquarters of the Company</p> <p>Apr. 2021 General Manager, Steel Structure Business Headquarters of the Company</p> <p>Feb. 2022 Overseas General Manager, Steel Structure Business Headquarters of the Company (present position)</p>	2,106
<p>Reasons for nomination as candidate for Director</p> <p>Satoru Yoshida has engaged consistently in the tank plant engineering and construction business since joining the Company and has demonstrated outstanding abilities, especially in the areas of production and engineering. Since assuming the office of General Manager, Production and Engineering in the Steel Structure Business Headquarters of the Company in 2015, he has exercised leadership in his position as head of the Production and Engineering Department, and as Director and Executive General Manager, Steel Structure Business Headquarters of the Company since June 2020, as Director and General Manager of the same business since April 2021, and as Director and Overseas General Manager of the Steel Structure Business Headquarters of the Company since February 2022, and has managed that entire business and contributed significantly to its expansion. The Company has re-nominated him as a candidate for Director based on the judgment that he is qualified as Director because he has such abundant experience and proven track record.</p>			

- Notes:
1. There are no special interests between the Company and the above candidates for Director.
 2. The Company has entered into an officer liability insurance policy with an insurance company in accordance with the provisions of Article 430-3, Paragraph (1) of the Companies Act. The insurance policy is designed to cover economic damages (compensation for damages and litigation costs) incurred by the insured individual, including Directors of the Company, in the event of a claim for damages by a third party arising from the insured's performance of duties. In the event each candidate is elected and assumes office as a Director, the candidate shall then become an insured person under the insurance policy. The insurance policy is scheduled to be renewed with the same terms at the next renewal.

Proposal 4: Election of Three (3) Directors Who Are Audit and Supervisory Committee Members

At the conclusion of this meeting, the terms of office of all three (3) Directors who are Audit & Supervisory Committee Members will expire. Therefore, the Company proposes the election of three (3) Directors who are Audit & Supervisory Committee Members.

In addition, the consent of the Audit and Supervisory Committee has been obtained for this proposal.

Candidates for the role of Director who is an Audit and Supervisory Committee Member are as follows:

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Yoshiyuki KADOSHIMA (April 29, 1952) Reelection	Apr. 1977 Joined the Company Apr. 2009 Assistant General Manager, Steel Structure Business Headquarters and General Manager, Production and Engineering of the Company July 2012 Corporate Officer, Assistant General Manager, Steel Structure Business Headquarters and General Manager, Production and Engineering of the Company Apr. 2015 Corporate Officer, Assistant General Manager, Steel Structure Business Headquarters of the Company Apr. 2020 Corporate Officer to the Audit and Supervisory Committee June 2020 Director (Audit and Supervisory Committee Member) of the Company	1,970
Reasons for nomination as a Director who is a Member of the Audit and Supervisory Committee Yoshiyuki Kadoshima has engaged consistently in the tank plant engineering and construction business since joining the Company. From 2009, he has assisted in the management of that entire business as Assistant General Manager of the Steel Structure Business Headquarters and General Manager of Production and Engineering, while also managing in the areas of production and engineering. The Company has nominated him as a candidate for reelection as a Director who is an Audit and Supervisory Committee Member, based on the judgement that he is familiar with each area of the tank plant engineering and construction business, is of honest character, has strong insights and abilities, and will carry out his audit and supervisory roles appropriately.			

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
2	Norikuni IMOTO (August 20, 1945) Reelection	Apr. 1968 Joined Showa Denko K.K. Mar. 2000 Director, Chief Manager, Corporate Relations Center and Manager, General Affairs Group, Showa Denko K.K. Mar. 2004 Managing Director and Managing Corporate Officer, Showa Denko K.K. Jan. 2008 Representative Director and Senior Managing Corporate Officer, Showa Denko K.K. Jan. 2011 Director, Showa Denko K.K. Mar. 2011 Special Advisor, Showa Denko K.K. June 2013 Outside Auditor of the Company June 2015 Outside Director of the Company June 2016 Outside Director (Audit and Supervisory Committee Member) of the Company (present position)	1,400
<p>Reasons for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member, and overview of expected roles.</p> <p>Having served as Representative Director, etc. at Showa Denko K.K., Norikuni Imoto has abundant knowledge of and experience in management, and has sufficiently fulfilled his duties since his appointment as Outside Auditor, Outside Director, and Outside Director who is an Audit and Supervisory Committee Member of the Company since 2013. The Company has nominated him as a candidate for reelection as an Outside Director who is an Audit and Supervisory Committee Member based on the judgement that he will provide the proper guidance and advice in the overall management of the Company from his broad point of view in the future, and through appropriate supervision of business execution will contribute to the Company's sustainable growth and to the enhancement of corporate value in the medium to long term. If elected, he will continue to be involved in the selection of the Company's executive officer candidates and in decisions on executive compensation and other matters from an objective and neutral standpoint as chairman of the Nomination and Compensation Committee.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
3	Hiroshi KAWAMURA (January 16, 1952) Reelection	Apr. 1977 Prosecutor, Tokyo District Public Prosecutors Office July 2008 Trial Manager, Supreme Public Prosecutors Office Jan. 2009 Chief Public Prosecutor, Chiba District Public Prosecutors Office Apr. 2010 Chief Public Prosecutor, Yokohama District Public Prosecutors Office Jan. 2012 Superintending Prosecutor, Sapporo High Public Prosecutors Office Jan. 2014 Superintending Prosecutor, Nagoya High Public Prosecutors Office Mar. 2015 Outside Auditor, Asahi Glass Co., Ltd. Apr. 2015 Professor, Faculty of Law at Doshisha University June 2015 Outside Auditor of the Company June 2016 Outside Director (Audit and Supervisory Committee Member) of the Company (present position) June 2020 Outside Director of JAPAN POST BANK Co., Ltd. (present position) Apr. 2022 Registered as an Attorney (present position) [Significant concurrent positions outside the Company] Outside Director of JAPAN POST BANK Co., Ltd. Attorney	1,100
<p>Reasons for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member, and overview of expected roles.</p> <p>Hiroshi Kawamura has extensive knowledge and experience in legal affairs as a legal professional, and has sufficiently fulfilled his duty since his appointment as Outside Auditor and Outside Director who is an Audit and Supervisory Committee Member of the Company since 2015. The Company has nominated him as a candidate for reelection as an Outside Director who is an Audit and Supervisory Committee Member based on the judgement that he will provide appropriate guidance and advice on compliance and the enhancement of corporate governance, and that through appropriate supervision of business execution, will contribute to the Company's sustainable growth and to the enhancement of corporate value in the medium to long term. If elected, he will continue to be involved in the selection of the Company's executive officer candidates and in decisions on executive compensation and other matters from an objective and neutral standpoint as a member of the Nomination and Compensation Committee. Although he has not been directly involved in business management, the Company believes that he is capable of properly performing his duties as an <u>Outside Director who is an Audit and Supervisory Committee Member</u> for the above reasons.</p>			

- Note:
1. There are no special interests between the Company and the above candidates for a Director who is an Audit and Supervisory Committee Member.
 2. Norikuni Imoto and Hiroshi Kawamura are candidates for Outside Director.
 3. Norikuni Imoto and Hiroshi Kawamura are currently Outside Directors of the Company. Norikuni Imoto will have served for seven (7) years and Hiroshi Kawamura for six (6) years at the conclusion of this General Meeting of Shareholders.
 4. Pursuant to the provisions set forth in the Articles of Incorporation, the Company has entered into agreements limiting liability with Yoshiyuki Kadoshima, Norikuni Imoto and Hiroshi Kawamura, and if the three candidates are reelected, the Company intends to maintain those agreements. The limit of liability under these agreements is the amount prescribed in the laws and regulations.
 5. In accordance with the rules of the Tokyo Stock Exchange, the Company has designated Norikuni Imoto and Hiroshi Kawamura as independent officers and registered with the exchange. If their reelections are approved at this General Meeting of Shareholders, the Company will maintain this declaration.
 6. The Company has entered into an officer liability insurance policy with an insurance company in accordance with the provisions of Article 430-3, Paragraph (1) of the Companies Act. The insurance policy is designed to cover economic damages (compensation for damages and litigation costs) incurred by insured individuals, including Directors who are Audit and Supervisory Committee Members of the Company, in the event of a claim for damages by a third party arising from the insured's performance of duties. In the event each candidate is elected and assumes office as a Director who is an Audit and Supervisory Committee Member, the candidate shall then become an insured person under the insurance policy. The insurance policy is scheduled to be renewed with the same terms at the next renewal.

(Reference) Skill Matrix of the Board of Directors (After the Ordinary General Meeting)

	Corporate management	Technical innovation	Global business	ESG and sustainability	Quality and safety	Legal affairs and risk management	Finance and accounting
Hiroji ISHII	○	○	○	○	○		
Hiroaki ISHII	○	○	○	○	○		
Masanobu NAKANISHI	○		○	○		○	○
Satoru YOSHIDA	○	○	○		○		
Yoshiyuki KADOSHIMA	○	○		○	○	○	○
Norikuni IMOTO	○		○	○		○	○
Hiroshi KAWAMURA	○		○	○		○	○

<Shareholder Proposals (Proposals 5 through 7)>

Proposals 5 through 7 have been proposed by a shareholder (1 shareholder).

The following proposal outlines and reasons for the proposals are, except where otherwise noted, described as originally written in the Shareholder Proposal submitted by the shareholder.

Proposal 5: Appropriation of Surplus

(1) Outline of the Proposal

Appropriation of surplus shall be as follows.

In the event the Company's Representative Director submits a proposal regarding the appropriation of surplus at this Ordinary General Meeting of Shareholders, this proposal is in addition to and independent of said proposal.

A Type of dividend property
Cash

B Amount of dividend per share
¥120 per share of common stock, less the amount of surplus dividend per share of common stock regarding a proposal for appropriation of surplus submitted by the Representative Director of the Company and approved by this Ordinary General Meeting of Shareholders (¥120 if a proposal for appropriation of surplus is not submitted by the Representative Director of the Company at this Ordinary General Meeting of Shareholders)

C Allocation of dividend property and total amount thereof
Dividend per share of common stock as per B above (the total amount of the dividend is calculated by multiplying the dividend per share by the total number of outstanding common shares of the Company (excluding treasury shares) as of March 31, 2022).

D Effective date of distribution of dividends of surplus
The day after this Ordinary General Meeting of Shareholders

(2) Reasons for the Proposal

As of March 31, 2021, the Company holds an enormous amount of unrealized gains on real estate under lease that are not recorded on its balance sheet, amounting to ¥22.7 billion against equity capital of ¥10.4 billion. Adjusting equity capital to account for these unrealized gains (after taxes), the return on equity (ROE) drops to 3.4%, revealing the Company's low capital efficiency. The Company should set ROE targets and engage in capital policies based on management figures that are in line with actual conditions.

The capital policy of continuing to aimlessly retain earnings and accumulate shareholders' equity by maintaining a low dividend payout ratio should cease. Therefore, the proposing shareholder proposes the implementation of an appropriation of surplus with a year-end dividend of ¥120 per share, equivalent to a dividend on equity (DOE) of 4% and 50% of net income per share as reported in the most recent quarterly report at the time of the proposal.

The Board of Directors of the Company opposes this Shareholder Proposal.

■ Reason for Opposition

Known as “Ishii the Tank Manufacturer,” the Company is a tank and plant manufacturer that is highly regarded for the excellence of its products, not only in Japan but in markets around the world. We operate two main businesses: steel structures and real estate. The Steel Structure Business is both the business we have inherited and a core business positioned as a future area of growth; the Real Estate Business, meanwhile, ensures stable earnings through the active utilization of Company-owned land.

First, in the Steel Structure Business, we have identified three business conditions surrounding the Company, described below, as growth opportunities in our Medium-term Management Plan announced in May 2021, and will proceed to address them.

The first is to respond to a decarbonizing society and promote efforts to store new energy sources to achieve a carbon-neutral society. The second is to address the aging of plants, responding to an increase in repair and refurbishment projects associated with the aging of customer plants and contributing to their maintenance. The third is to provide energy infrastructure that has the strength and resilience to withstand natural disasters such as earthquakes and tsunamis.

In particular, with regards to the first of these--responding to a decarbonizing society--the Government's Sixth Strategic Energy Plan, which was approved by the Cabinet in October 2021, calls for expanding the introduction of fuel ammonia and working on carbon dioxide capture and storage (CCS) technology, amid growing global interest in securing and storing new energy sources. As a result, the market for ammonia and other low-temperature tanks and spherical tanks is expected to grow going forward, and we will actively seek orders for these products by taking advantage of the Company's strengths in this field, thus expanding our business.

In this business environment, in January 2022 the Company entered into a business alliance agreement with JFE Engineering Corporation. In cooperation with JFE Engineering Corporation, we aim to make an aggressive entry into the carbon neutral market, including the new energy deployment and CCS businesses, among others, which are expected to grow going forward. Through this business alliance, the Company will also invest in research and development related to the enlargement of ammonia storage facilities.

Next, in the Real Estate Business, the Company constructs rental buildings on Company-owned land with the specifications tenants desire. We enter into long-term contracts with our tenants, thereby generating long-term, stable rental income.

Properties handled by this business cover a wide range of industries, including rental condominiums, logistics facilities, commercial facilities, nursery schools and others. Contracts are concluded with carefully selected, highly creditworthy tenants, thereby reducing the risk of rent default, etc. due to economic fluctuations and other factors. While most of our properties are located in the Tokyo area, where asset values are high, they are also well-dispersed within that area, reducing the risk of flooding during heavy rainfall, earthquakes and other disasters. Additionally, the Company is considering redevelopment of land it owns in the Haneda area with the aim of further increasing earnings.

In light of the above, the medium to long-term growth investment policy in the Medium-term Management Plan calls for “investment in growth with a target of about 5% of net sales with the goal of increasing corporate value.” As growth investments, the Steel Structure Business is investing in technological development and improvements in business efficiency with an eye toward carbon neutrality. The Real Estate Business is investing in the redevelopment of the Company's Haneda district, and in maintaining and improving asset value through large-scale repairs to existing buildings.

On the other hand, recent years have seen sharp fluctuations in resource and energy prices, especially due to the spread of COVID-19 and the situation in Ukraine, etc., and we believe it is important to build a strong financial base that can withstand the impact of such social and economic conditions.

Based on the above, the Company's basic policy is to “determine dividends by taking into comprehensive account the stable return of profits to shareholders and the enhancement of retained earnings to prepare for future growth.” The Company aims to achieve a dividend payout ratio of approximately 30% in the final fiscal year of the Medium-term Management Plan (the fiscal year ending March 31, 2024, the 158th term).

Based on the above basic policy, the Company's proposed dividend for the fiscal year ending March 31, 2022 is ¥60 per share, taking into account business performance for the current fiscal year and other factors. This is from the perspective of providing stable returns to shareholders in line with profit levels, and enhancing capital efficiency

while ensuring sufficient investment capacity for growth in response to business conditions.

In contrast, the Shareholder Proposal states that the Company should establish a return on equity (ROE) target and conduct capital policy based on unrealized profits. We recognize, however, that setting management targets and returning profits to shareholders based on unrealized profits is problematic in terms of objectivity, sustainability and soundness, nor does it align with the above basic policy regarding dividends, neither does it lead to enhancing the Company's medium to long-term value or the common interests of shareholders.

In addition, we believe that the standard regarding dividends indicated in the Shareholder Proposal, which calls for a dividend on equity (DOE) ratio of 4% and 50% of net income per share as reported in the most recent quarterly report at the time of the Shareholder Proposal, could have a negative impact on our medium to long-term growth investments and financial soundness.

For the above reasons, the Company's Board of Directors opposes this Shareholder Proposal.

Proposal 6: Amendment to the Articles of Incorporation (1)

(1) Outline of the Proposal

The following new article to be added to the current Articles of Incorporation. Note that if any superficial adjustments (including, but not limited to, correction of misnumbered articles) to the articles listed in this Proposal become necessary due to the passage of other proposals (including those proposed by the Company) at this Ordinary General Meeting of Shareholders, the articles involving this Proposal shall be read as articles after the necessary adjustments have been made.

(Underlining indicates amended portions.)

Current Articles of Incorporation	Proposed Amendment
(Newly established)	<p>(Dividend of Surplus, etc.)</p> <p><u>Article 37</u></p> <p><u>The total amount (annual amount) to be delivered to shareholders as a result of dividends of surplus and share repurchases by the Company shall not, in principle, be less than the lesser of 4% of the average total of net assets for the applicable fiscal year and the preceding year, or 50% of net income for the current fiscal year (the “Base Amount”).</u></p> <p><u>However, this shall not apply if it is clearly and reasonably necessary for the Company to deliver to shareholders an amount less than the Base Amount, and the Company provides an appropriate explanation of this reasonable necessity.</u></p>

(2) Reasons for the Proposal

As has already been stated, the capital policy of continuing to aimlessly retain earnings and accumulate shareholders’ equity by maintaining a low dividend payout ratio should cease. However, given that the business environment changes from one moment to the next, the possibility that a need for retained earnings may arise in the future cannot be denied, and it is unreasonable for a policy of total shareholder returns to be rigid and inflexible. That said, when the amount of total shareholder returns is set particularly low, a clear and rational need should exist, and management should be accountable to shareholders for doing so.

Therefore, in order to clarify management responsibility for decisions on the appropriation of surplus, etc. and retained earnings, the Shareholder is proposing to set the target value of total shareholder returns (the total amount of dividends from surplus and share buybacks) at 4% of the average amount of total net assets for the applicable fiscal year and the previous year, or 50% of net income for the current fiscal year, whichever is less, in principle (the “Base Amount”). The Shareholder also proposes that a new provision to the Articles of Incorporation be established stating that for this amount to fall below the Base Amount, according to circumstances, it must be conditional on the existence of a clear and reasonable need, and on the fulfillment of accountability by the Company’s management.

Board of Directors' Opinion of Proposal 6]

The Board of Directors of the Company opposes this Shareholder Proposal.

■ Reason for Opposition

The Company's basic policy regarding dividends is to determine dividends by taking into comprehensive account the stable return of profits to shareholders and the enhancement of retained earnings to prepare for future growth. Based on this, each year the Board of Directors deliberates and decides on a proposal for the appropriation of surplus based on each director's duty of care as a good manager. The proposal is then deliberated by the shareholders at the Ordinary General Meeting of Shareholders and approved by a majority vote of shareholders as an ordinary resolution.

In contrast, this Shareholder Proposal calls for the establishment of a new provision to the Articles of Incorporation to the effect that, in principle, appropriation of surplus shall not be less than the Base Amount indicated by the proposing shareholder. Amendments to the Articles of Incorporation, however, require a strict set of procedures involving a special resolution of the General Meeting of Shareholders. Therefore, establishment of such a provision to the Articles of Incorporation entails the risk that the Company's future business operations and the mobility and flexibility of its capital policies, including shareholder returns, may be impaired.

In addition, the Shareholder Proposal allows for the amount to be set below the Base Amount ("4% of the average amount of total net assets for the applicable fiscal year and the previous year, or 50% of net income for the current fiscal year, whichever is less") if "it is clearly and reasonably necessary for the Company to set the amount below the Base Amount, and the Company provides an appropriate explanation of this reasonable necessity." However, it is not objectively clear what "appropriate explanation" means here, and such a provision in the Articles of Incorporation would lead to a lack of legal stability in the execution of business.

Further, the Articles of Incorporation are, in the first place, the fundamental principles governing the organization and activities of a stock corporation, and we believe that stipulating detailed matters regarding appropriation of surplus, etc. in the Articles of Incorporation is contrary to the purpose of such Articles of Incorporation.

For the above reasons, the Company's Board of Directors opposes this Shareholder Proposal.

Proposal 7: Amendment to the Articles of Incorporation (2)

(1) Outline of the Proposal

The following new article to be added to the current Articles of Incorporation. Note that if any superficial adjustments (including, but not limited to, correction of misnumbered articles) to the articles listed in this Proposal become necessary due to the passage of other proposals (including those proposed by the Company) at this Ordinary General Meeting of Shareholders, the articles involving this Proposal shall be read as articles after the necessary adjustments have been made.

(Underlining indicates amended portions.)

Current Articles of Incorporation	Proposed Amendment
(Newly established)	<p style="text-align: center;"><u>Chapter 7</u> <u>Information Disclosure</u></p> <p><u>(Information Disclosure)</u></p> <p><u>Article 38</u></p> <p><u>The Company shall disclose information regarding the following items within one month from the date of submission of financial statements.</u></p> <p><u>(1) The weighted average cost of capital as understood by the Company, and the basis for its calculation.</u></p> <p><u>(2) Indices showing return on capital (ROE, ROIC, etc.) for each business segment (however, for the Real Estate Business, this is to include the market value of rental properties, etc. at the end of the fiscal year).</u></p> <p><u>(3) With regards to the Real Estate Business, the year-end market value of and income from each rental property, etc.</u></p>

(2) Reasons for the Proposal

The survival and sound growth of a company is of utmost importance to all stakeholders, and a prerequisite for this is the sustained creation of economic value that exceeds the cost of capital. Therefore, first of all, at minimum the Company’s management needs to disclose the cost of capital and the profitability of each business to serve as a financial foundation for constructive dialogue with stakeholders, as this forms the basis of this publicly listed Company’s corporate governance.

For assets or businesses that cannot provide a return greater than their cost of capital, management needs to formulate a plan to optimize value, including possible sale or restructuring.

Currently in its Medium-term Management Plan, the Company has set ROE and ROIC targets based on historical book value, without taking into account ¥22.7 billion in unrealized gains on real estate. This gives rise to the illusion that the Company is generating high returns, and does not reflect reality.

Therefore, the proposing shareholder proposes establishing a new provision to the Articles of Incorporation under which the Company shall disclose the weighted average cost of capital as it understands it and the basis for its calculation, the return on capital by business segment, and in particular, the year-end market value and income status of each rental property, etc. in the Real Estate Business.

Board of Directors' Opinion of Proposal 7]

The Board of Directors of the Company opposes this Shareholder Proposal.

■ Reason for Opposition

The Company's Board of Directors deeply understands the importance of information disclosure to shareholders and investors, and is constantly enhancing and strengthening disclose, taking into consideration the opinions of shareholders and investors, as well as the external and competitive environments of the Steel Structure and Real Estate businesses.

In addition, the Company has long endeavored to properly understand its cost of capital, and to use that knowledge in formulating Medium-term Management Plans, to make important investment decisions and so forth. For example, in the Medium-term Management Plan announced in May 2021, in addition to consolidated operating income and return on equity (ROE), which were previously listed as numerical targets, we have established return on invested capital (ROIC) as a new numerical target. The goal is to maintain and improve financial soundness and to further enhance capital efficiency with an awareness of the cost of capital. Specifically, we have established and announced targets for ROE and ROIC of at least 8.0% and 6.5%, respectively, both of which exceed the cost of capital.

In contrast, the Shareholder Proposal requests the establishment of a new provision to the Articles of Incorporation to disclose the weighted average cost of capital and other information known by the Company within one month of the date of submission of financial statements. However, we believe that is not in the common nature of a company to stipulate in advance in the Articles of Incorporation disclosure items for management indices or the timing of such disclosures. Further, we believe that when making such disclosures, we should consider what constitutes appropriate disclosure at the time in terms of the need for, timing and method of disclosure, based on the content of dialogue, etc. with shareholders and investors.

Further, the Articles of Incorporation are, in the first place, the fundamental principles governing the organization and activities of a stock corporation, and we believe that stipulating detailed matters regarding information disclosure etc. in the Articles of Incorporation is contrary to the purpose of such Articles of Incorporation. Moreover, amendments to the Articles of Incorporation require a strict set of procedures involving a special resolution of the General Meeting of Shareholders, etc., and there is a risk that the Company's information disclosure may lack flexibility going forward.

For the above reasons, the Company's Board of Directors opposes this Shareholder Proposal.