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Securities identification code: 6362

June 8, 2016

To our shareholders:

Hiroji ISHII

President

**Ishii Iron Works Co., Ltd.**

26-11, 3-Chome, Tsukishima, Chuo-ku, Tokyo

## **NOTICE OF THE 150TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

You are cordially invited to attend the 150th Ordinary General Meeting of Shareholders of Ishii Iron Works Co., Ltd. (the "Company"), which will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights by postal mail.

Please indicate your approval or disapproval of the proposals on the enclosed voting form after reviewing the attached Reference Documents for the General Meeting of Shareholders, and return it by postal mail to reach us no later than 5:20 p.m., Monday, June 27, 2016 (Japan Standard Time).

### **Meeting Details**

- 1. Date and time:** Tuesday, June 28, 2016 at 10:00 a.m. (Japan Standard Time)
- 2. Venue:** Chuo-ku Kachidoki Community Hall 1F  
5-1, 1-Chome, Kachidoki, Chuo-ku, Tokyo
- 3. Purposes:**
  - Items to be reported:**
    1. Business Report and Consolidated Financial Statements for the 150th Term (from April 1, 2015 to March 31, 2016), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Board of Auditors
    2. Non-Consolidated Financial Statements for the 150th Term (from April 1, 2015 to March 31, 2016)
  - Items to be resolved:**
    - Proposal 1:** Appropriation of surplus
    - Proposal 2:** Consolidation of shares
    - Proposal 3:** Partial amendments to the Articles of Incorporation
    - Proposal 4:** Election of four (4) Directors (excluding Directors who are Audit and Supervisory Committee Members)
    - Proposal 5:** Election of four (4) Directors who are Audit and Supervisory Committee Members
    - Proposal 6:** Determination of amounts of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members)
    - Proposal 7:** Determination of amounts of remuneration for Directors who are Audit and Supervisory Committee Members

## Reference Documents for the General Meeting of Shareholders

### **Proposals and Reference Matters**

#### **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, 2016 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

5 yen per common share of the Company

Total amount of dividends: 184,328,975 yen

(3) Effective date of distribution of dividends of surplus

June 29, 2016

## **Proposal 2: Consolidation of shares**

### 1. Reasons for the consolidation of shares

Japanese stock exchanges announced their "Action Plan for Consolidating Trading Units" with the aim of consolidating the trading unit of common stock of domestic companies listed on Japanese stock exchanges at 100 shares. Out of respect for this Action Plan, the Company, as a company listed on the Tokyo Stock Exchange, proposes to change the number of shares that constitutes one trading unit from the current 1,000 shares to 100 shares, and will consolidate our shares for the purpose of ensuring the appropriateness of the investment unit of our shares.

### 2. Types of shares to be consolidated and consolidation ratio

On the condition that Proposal 3, "Partial amendments to the Articles of Incorporation," is approved as proposed, the Company would like to consolidate every ten (10) shares of its common stock into one (1) share.

If this consolidation produces any fractional shares of less than one share, the Company will dispose of such fractional shares collectively and distribute the proceeds to shareholders who hold fractional shares in proportion to the number of such shares held.

### 3. Effective date of the consolidation of shares

October 1, 2016

### 4. Total number of authorized shares as of the effective date

12,000,000 shares

### 5. Others

The Company proposes that all other procedural matters should be left to the discretion of the Board of Directors.

### **Proposal 3: Partial amendments to the Articles of Incorporation**

#### 1. Reasons behind the proposals

- (1) On the condition that Proposal 2, "Consolidation of shares," is approved as proposed, the total number of authorized shares should be changed from 120 million to 12 million based on the share consolidation ratio (one (1) new share for every ten (10) shares) aimed at ensuring the appropriateness of the total number of authorized shares. The number of shares constituting one share unit should be changed from 1,000 shares to 100 shares in order to change the number of shares per trading unit to 100 shares. (Proposed amendments to Articles 6 and 8)

The Company will establish supplementary provisions to the effect that the aforementioned changes shall take effect on October 1, 2016, the effective date of the consolidation of shares, and shall delete them on the same day.

- (2) With the Act for Partial Revision of the Companies Act (Act No. 90 of 2014) (hereinafter, "Revised Companies Act") coming into force on May 1, 2015, a system of companies with an Audit and Supervisory Committee has been established as a new organizational design. The Company, from the viewpoint of further enhancing its corporate governance structure through strengthening the supervisory function of the Board of Directors, will transform into a company with an Audit and Supervisory Committee.

With this transformation, the Company proposes to make the partial amendments to the Articles of Incorporation that are required for the transformation into a company with an Audit and Supervisory Committee, including establishing new provisions concerning the Audit and Supervisory Committee and its members, deleting the current provisions concerning Auditors and the Board of Auditors and newly establishing provisions that enable the Board of Directors to delegate its power to make decisions on the execution of important operations to Directors. (Proposed amendments to Articles 3 and 19, Article 20, Paragraph 1, Article 21, Article 22, Paragraph 1, Articles 24, 25 and 28; deletion of Articles 28 through 35 of the Current Articles of Incorporation; newly establishing to Articles 30 through 32)

- (3) In order to increase the convenience of all of its shareholders, the Company will introduce a system to allow its shareholders to additionally purchase shares less than one (1) unit and therefore will propose the establishment of new provisions concerning the system. (Proposed amendments to Article 9 (4) and Article 10)
- (4) As the Revised Companies Act has expanded the range of officers who can enter into an agreement limiting liability, the Company proposes to amend Article 27, Paragraph 2 of the Current Articles of Incorporation in order to ensure that non-executive Directors may sufficiently fulfill the responsibilities expected of them through the conclusion of the agreement limiting liability. The Company has obtained the approval of all Auditors for this amendment. (Proposed amendment to Article 29, Paragraph 2)
- (5) In addition to the aforementioned, the Company proposes to make other necessary amendments including renumbering the Articles and establishing new supplementary provisions concerning the transitional measures related to the exemption from liabilities of Auditors.

The proposed amendments to the Articles of Incorporation excluding those to Articles 6 and 8 shall take effect upon the conclusion of this General Meeting of Shareholders.

**Proposal 4: Election of four (4) Directors (excluding Directors who are Audit and Supervisory Committee Members)**

If Proposal 3, "Partial amendments to the Articles of Incorporation," is approved as proposed, the Company will transform into a company with an Audit and Supervisory Committee. All five (5) present Directors will resign upon the amendments to the Articles of Incorporation taking effect, due to the expiration of their terms of office.

For this reason, the Company proposes that four (4) Directors (excluding Directors who are Audit and Supervisory Committee Members) be elected.

This proposal shall take effect on the condition that Proposal 3, "Partial amendments to the Articles of Incorporation," takes effect.

The candidates for Director (excluding Directors who are Audit and Supervisory Committee Members) 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)	December 1969 Director of the Company June 1973 Managing Director of the Company March 1977 Executive Director of the Company December 1978 Vice President of the Company January 1979 President of the Company (present position)  [Significant concurrent positions outside the Company] President, IIW Engineering Co. Sdn. Bhd. President, IIW Singapore Pte. Ltd.	1,051,185
2	Yutaka FUJIMOTO (May 9, 1955)	April 1978 Joined the Sumitomo Bank, Limited (current: Sumitomo Mitsui Banking Corporation (SMBC)) April 2006 General Manager, Financial Products Dept., SMBC May 2007 Advisor of the Company June 2007 Director of the Company Managing Corporate Officer, Manager, Business Management Department and General Manager, Real Estate and Gas Business Division of the Company July 2008 Managing Director, Manager, Business Management Department and General Manager, Real Estate and Gas Business Division of the Company April 2012 Managing Director, Manager, Business Management Department and General Manager, Real Estate Business Division of the Company July 2012 Executive Director, Manager, Business Management Department and General Manager, Real Estate Business Division of the Company (present position)	35,000

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
3	Nobukazu OYAMA (January 29, 1947)	<p>April 1969      Joined the Company</p> <p>April 2000      Manager, Engineering Department of the Company</p> <p>June 2002      Director of the Company</p> <p>April 2003      Assistant Manager, Domestic Business Division of the Company</p> <p>April 2004      Assistant General Manager, Steel Structure Business Division of the Company</p> <p>July 2006      Corporate Officer and General Manager, Steel Structure Business Division of the Company</p> <p>April 2009      Corporate Officer and Executive General Manager, Steel Structure Business Headquarters of the Company</p> <p>July 2012      Managing Director and Executive General Manager, Steel Structure Business Headquarters of the Company</p> <p>April 2015      Managing Director and in charge of Steel Structure Business Headquarters of the Company (present position)</p>	91,000
4	Hiroaki ISHII (February 20, 1969)	<p>April 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>April 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>April 2015      Managing Director, Executive General Manager, Steel Structure Business Headquarters of the Company (present position)</p>	72,360

Note: There are no special interests between the Company and the above candidates for Director.

**Proposal 5: Election of four (4) Directors who are Audit and Supervisory Committee Members**

If Proposal 3, "Partial amendments to the Articles of Incorporation," is approved as proposed, the Company will transform into a company with an Audit and Supervisory Committee.

For this reason, the Company proposes that four (4) Directors who are Audit and Supervisory Committee Members be elected.

The Board of Auditors has given its consent to this proposal.

This proposal shall take effect on the condition that Proposal 3, "Partial amendments to the Articles of Incorporation," takes effect.

The candidates for Directors who are Audit and Supervisory Committee Members 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	Masanori SUZUKI (January 27, 1947)	<p>April 1970      Joined the Company</p> <p>April 2003      Manager, Procurement Group, Domestic Business Division of the Company</p> <p>February 2006    Manager, Production Group, Steel Structure Business Division of the Company</p> <p>July 2006        Administration Officer of the Company</p> <p>June 2007        Auditor of the Company (present position)</p>	30,000
2	Norikuni IMOTO (August 20, 1945)	<p>April 1968      Joined Showa Denko K.K.</p> <p>March 2000      Director, Chief Manager, Corporate Relations Center and Manager, General Affairs Group, Showa Denko K.K.</p> <p>March 2004      Managing Director and Managing Corporate Officer, Showa Denko K.K.</p> <p>January 2008     Representative Director and Senior Managing Corporate Officer, Showa Denko K.K.</p> <p>January 2011     Director, Showa Denko K.K.</p> <p>March 2011      Special Advisor, Showa Denko K.K.</p> <p>June 2013        Outside Auditor of the Company</p> <p>June 2015        Outside Director of the Company (present position)</p>	4,000
3	Shigeo KIFUJI (September 29, 1940)	<p>April 1966      Prosecutor, Tokyo District Public Prosecutors Office</p> <p>October 2002     Superintending Prosecutor, Tokyo High Public Prosecutors Office</p> <p>October 2003     Registered as an attorney (present position)</p> <p>December 2003   Provisional Auditor of the Company</p> <p>June 2004        Outside Auditor of the Company (present position)</p> <p>[Significant concurrent positions outside the Company]</p> <p>Outside Auditor, Mori Building Co., Ltd.</p> <p>Outside Auditor, Central Japan Railway Company</p>	21,000

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
4	Hiroshi KAWAMURA (January 16, 1952)	<p>April 1977     Prosecutor, Tokyo District Public Prosecutors Office</p> <p>July 2008     Trial Manager, Supreme Public Prosecutors Office</p> <p>January 2009   Chief Public Prosecutor, Chiba District Public Prosecutors Office</p> <p>April 2010     Chief Public Prosecutor, Yokohama District Public Prosecutors Office</p> <p>January 2012   Superintending Prosecutor, Sapporo High Public Prosecutors Office</p> <p>January 2014   Superintending Prosecutor, Nagoya High Public Prosecutors Office</p> <p>March 2015     Outside Auditor, Asahi Glass Co., Ltd. (present position)</p> <p>April 2015     Professor, Faculty of Law at Doshisha University (present position)</p> <p>June 2015     Outside Auditor of the Company (present position)</p> <p>[Significant concurrent positions outside the Company] Outside Auditor, Asahi Glass Co., Ltd. Professor, Faculty of Law at Doshisha University</p>	1,000

Notes:

- There are no special interests between the Company and each candidate for Director.
- Norikuni IMOTO, Shigeo KIFUJI and Hiroshi KAWAMURA are candidates for Outside Director.
- The reasons for the nomination of Norikuni IMOTO as a candidate for Outside Director are as follows:  
The Company considers that Norikuni IMOTO is capable of using the experience he has acquired from having consecutively served in various posts, including Representative Director of another company, to give appropriate instructions and advice on all matters relating to the business management of the Company from a wide perspective. For these reasons, the Company proposes his election as Outside Director.
- Norikuni IMOTO will have served as Outside Director of the Company for one (1) year at the conclusion of this General Meeting of Shareholders.
- The reasons for the nomination of Shigeo KIFUJI as a candidate for Outside Director are as follows:  
Shigeo KIFUJI will resign his position as Auditor of the Company upon Proposal 3 "Partial amendments to the Articles of Incorporation" taking effect. The Company appreciates his fulfillment of the responsibilities as Outside Auditor. As he possesses rich knowledge and experience from having served as a prosecutor and attorney, the Company considers that he is capable of giving appropriate instructions and advice to enhance and strengthen the Company's compliance and corporate governance. In light of these reasons, the Company proposes his election as Outside Director. Although he has not been directly involved in business management, the Company believes that he is capable of properly performing his duties as Outside Director for the above reasons.
- The reasons for the nomination of Hiroshi KAWAMURA as a candidate for Outside Director are as follows:  
Hiroshi KAWAMURA will resign his position as Auditor of the Company upon Proposal 3 "Partial amendments to the Articles of Incorporation" taking effect. The Company appreciates his fulfillment of the responsibilities as Outside Auditor. As he possesses rich knowledge and experience from having served as a prosecutor and a university professor, the Company considers that he is capable of giving appropriate instructions and advice to enhance and strengthen the Company's compliance and corporate governance on an ongoing basis. In light of these reasons, the Company proposes his election as Outside Director. Although he has not been directly involved in business management, the Company believes that he is capable of properly performing his duties as Outside Director for the above reasons.
- On the condition that Proposal 3, "Partial amendments to the Articles of Incorporation," is approved as proposed, the Company will enter into the agreement limiting liability with Masanori SUZUKI that limits the maximum amount of his liability to compensate for damages due to a failure to perform his duties, pursuant to the provisions set forth in the Article of Incorporation, if the election of Masanori SUZUKI as Director is approved at this General Meeting of Shareholders. The limit of liability under this agreement will be the amount prescribed in laws and regulations.



Pursuant to the provisions set forth in the Articles of Incorporation, the Company has entered into agreement limiting liabilities with Norikuni IMOTO, Shigeo KIFUJI and Hiroshi KAWAMURA that limits the maximum amount of their liability to compensate for damages due to a failure to perform their duties. The agreements will be maintained if the elections of Norikuni IMOTO, Shigeo KIFUJI and Hiroshi KAWAMURA as Outside Director of the Company are approved at this General Meeting of Shareholders. The limit of liability under these agreements is the amount prescribed in the laws and regulations.

8. The Company has designated Norikuni IMOTO, Shigeo KIFUJI and Hiroshi KAWAMURA as independent officer and registered with the Tokyo Stock Exchange. If the elections of them are approved at this General Meeting of Shareholders, the Company will maintain this declaration.

**Proposal 6: Determination of amounts of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members)**

If Proposal 3, "Partial amendments to the Articles of Incorporation," is approved as proposed, the Company will transform into a company with an Audit and Supervisory Committee.

The annual amount of remuneration for Directors of the Company was determined by a resolution at the 143rd Ordinary General Meeting of Shareholders held on June 26, 2009, to be up to 200 million yen (excluding the employee salaries). Payments of remuneration to Directors have been made in accordance with this resolution. However, with the transformation into a company with an Audit and Supervisory Committee, the Company proposes to abolish this resolution and set the annual amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members). The proposed annual amount is up to 200 million yen, with various factors taken into consideration such as the recent economic situation and other circumstances.

The remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) shall not include the employee salaries of Directors who serve concurrently as employees.

Currently five (5) Directors (one of whom is Outside Director) are in office. The number of Directors (excluding Directors who are Audit and Supervisory Committee Members) mentioned in this Proposal will be four (4) if Proposal 3, "Partial amendments to the Articles of Incorporation," and Proposal 4, "Election of four (4) Directors (excluding Directors who are Audit and Supervisory Committee Members)," are approved as proposed.

This proposal shall take effect on the condition that Proposal 3, "Partial amendments to the Articles of Incorporation," takes effect.

**Proposal 7: Determination of amounts of remuneration for Directors who are Audit and Supervisory Committee Members**

If Proposal 3, "Partial amendments to the Articles of Incorporation," is approved as proposed, the Company will transform into a company with an Audit and Supervisory Committee.

With this transformation, the Company, in consideration of duties and responsibilities of Audit and Supervisory Committee Members, proposes to set the annual amount of remuneration for Directors who are Audit and Supervisory Committee Members to be up to 40 million yen.

The number of Directors who are Audit and Supervisory Committee Members mentioned in this Proposal will be four (4) if Proposal 3, "Partial amendments to the Articles of Incorporation," and Proposal 5, "Election of four (4) Directors who are Audit and Supervisory Committee Members," are approved as proposed

This proposal shall take effect on the condition that Proposal 3, "Partial amendments to the Articles of Incorporation," takes effect.