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Securities Code: 6362

June 7, 2024

To our shareholders:

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

NOTICE OF THE 158TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to announce the 158th Ordinary General Meeting of Shareholders of Ishii Iron Works Co., Ltd. (the “Company”), which will be held as described below.

The proposals being presented to this General Meeting include the Company’s proposals (Proposals 1 through 3) and shareholder proposals (Proposals 4 and 5). The content of the proposals is as described in the Reference Documents for the General Meeting of Shareholders, but the Board of Directors of the Company opposes Proposals 4 and 5, which are shareholder proposals. For details on the opinions of the Company’s Board of Directors regarding the shareholder proposals, please see pages 16 and 18.

In convening this General Meeting, the Company takes measures for providing information that constitutes the content of Documents for the General Meeting of Shareholders, etc. (items for which the measures for providing information in electronic format will be taken) in electronic format. This information is posted on the Company’s website, so please access the website by using the internet address shown below to view the information.

The Company’s website:

<https://www.ishii-iiw.co.jp/report/> (in Japanese)

In addition to the above website, items for which the measures for providing information in electronic format will be taken are also posted on the website of the Tokyo Stock Exchange (TSE). Access the TSE website (Listed Company Search) below, enter “Ishii Iron Works” in “Issue name” or the Company’s securities code “6362” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting]” to view the information.

TSE website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

Instead of attending the meeting in person, you may exercise your voting rights via the internet or in writing. Please review the Reference Documents for the General Meeting of Shareholders, and exercise your voting rights no later than 5:20 p.m., Wednesday, June 26, 2024 (JST).

- 1. Date and Time:** Thursday, June 27, 2024 at 10:00 a.m. (JST)
2. Venue: Belle Salle Tokyo Nihonbashi, Conference Center, 5th floor
Tokyo Nihonbashi Tower, 7-1, 2-Chome, Nihonbashi, Chuo-ku, Tokyo

3. Purposes:

Items to be reported:

1. Business Report and Consolidated Financial Statements for the 158th Term (from April 1, 2023 to March 31, 2024), 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 158th Term (from April 1, 2023 to March 31, 2024)

Items to be resolved:

<Company Proposals>

Proposal 1: Appropriation of Surplus

Proposal 2: Election of Three (3) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

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

<Shareholder Proposals>

Proposal 4: Appropriation of Surplus

Proposal 5: Amendment to the Articles of Incorporation

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

1. With regard 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 Exercise of Voting Rights Form to the reception desk at the venue

3. Absent an indication of approval or disapproval of any of the proposals when exercising voting rights via 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. If your voting rights have been exercised more than once via the internet, the last vote exercised shall be deemed valid.
5. 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.
6. In the event of a non-uniform exercise of voting rights, please provide notification in writing or by electromagnetic means of your intent to exercise your voting rights non-uniformly and the reason for doing so no later than three days prior to this General Meeting.
7. For this General Meeting, same as last year, the Company will deliver the paper-based documents stating the items for which the measures for providing information in electronic format will be taken to all shareholders, regardless of whether or not they have requested them.

Among the items for which the measures for providing information in electronic format will be taken, the following items are not included in the paper-based documents to be delivered, in accordance with the provisions of laws and regulations and Article 16 of the Articles of Incorporation of the Company. Accordingly, such paper-based documents are part of the documents audited by the Accounting Auditor and the Audit and Supervisory Committee in preparing their audit reports.

 - (1) “Consolidated Statement of Changes in Net Assets” and “Notes to the Consolidated Financial Statements” of the Consolidated Financial Statements
 - (2) “Statement of Changes in Net Assets” and “Notes to the Non-Consolidated Financial Statements” of the Non-Consolidated Financial Statements
8. If revisions to items for which the measures for providing information in electronic format will be taken arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on the Company’s website as well as the website of the Tokyo Stock Exchange on the Internet described in page 1.

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Matters

<Company Proposals (Proposal 1 through Proposal 3)>

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, 2024 and future business developments, proposes a year-end dividend of ¥90 per share, an increase of ¥20 per share from the previous fiscal year, as follows:

- (1) Type of dividend property
Cash
- (2) Allocation of dividend property and total amount thereof
¥90 per common share of the Company
Total amount of dividends: ¥312,675,660
- (3) Effective date of distribution of dividends of surplus
June 28, 2024

Proposal 2: Election of Three (3) 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. Therefore, to streamline the management structure, the Company proposes to reduce the number of Directors by one (1) and to elect three (3) Directors.

This proposal has been decided after deliberation at the Nomination and Compensation Committee.

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

The candidates for Director are as follows:

No.	Name	Current position and responsibilities in the Company	Attributes
1	Hiroaki ISHII	Representative Director and President, and General Manager, Corporate Planning Headquarters	Reelection
2	Masanobu NAKANISHI	Executive Director General Manager, Business Management Headquarters and General Manager, Real Estate Business Division	Reelection
3	Masayuki DOI	Corporate Officer General Manager, Steel Structure Business Headquarters	New election

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	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 Director of the Company 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, Assistant to the President and in charge of the entire Company of the Company</p> <p>Apr. 2021 Executive Director, Assistant to the President, in charge of the entire Company, and General Manager, Corporate Planning Headquarters of the Company</p> <p>Feb. 2022 Executive Director, 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</p> <p>Mar. 2023 Representative Director and President, General Manager, Corporate Planning Headquarters, and General Manager, Steel Structure Business Headquarters of the Company</p> <p>Apr. 2023 Representative Director and President, and General Manager, Corporate Planning Headquarters of the Company (present position)</p> <p>May 2023 Representative Director and President, IIW Engineering Co. Sdn. Bhd. (present position) Representative Director and President, IIW Singapore Pte. Ltd. (present position)</p> <p>[Significant concurrent positions outside the Company] Representative Director and President, IIW Engineering Co. Sdn. Bhd. Representative Director and President, IIW Singapore Pte. Ltd.</p>	18,509

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
		<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 June 2006. He assumed the office of Managing Director in July 2012, Executive Director in April 2020, and Representative Director and President in March 2023, exercising strong leadership in working to enhance the Company's business performance and corporate value in the medium to long term. 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
2	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</p> <p>Apr. 2021 General Manager, Business Management Headquarters and General Manager, Real Estate Business Division of the Company (present position)</p> <p>Dec. 2023 Executive Director of the Company (present position)</p>	8,071
<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, Managing Director in July 2019, and Executive Director in December 2023, 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 Manager 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
3	Masayuki DOI (October 1, 1961) New election	<p>Oct. 1986 Joined the Company</p> <p>Apr. 2014 Proposal Manager, Sales, Steel Structure Business Headquarters of the Company</p> <p>Apr. 2017 Engineering Manager, Production and Engineering, Steel Structure Business Headquarters of the Company</p> <p>Apr. 2019 Assistant General Manager and Engineering Manager, Production and Engineering, Steel Structure Business Headquarters of the Company</p> <p>Apr. 2020 Administrative Officer, General Manager and Engineering Manager, Production and Engineering, Steel Structure Business Headquarters of the Company</p> <p>Apr. 2021 Administrative Officer and Assistant General Manager, Steel Structure Business Headquarters of the Company</p> <p>Apr. 2023 Corporate Officer and Assistant General Manager, Steel Structure Business Headquarters of the Company</p> <p>Apr. 2024 Corporate Officer and General Manager, Steel Structure Business Headquarters of the Company (present position)</p>	288
<p>Reasons for nomination as candidate for Director</p> <p>Masayuki Doi 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 2020, he has exercised leadership in his position as head of the production and engineering areas, and as Assistant General Manager, Steel Structure Business Headquarters of the Company since April 2021, and as General Manager of the same business since April 2024, he has contributed significantly to its expansion. The Company has nominated him as a candidate for Director based on the judgement that he is qualified because of his 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 3: 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 and Supervisory Committee Members will expire. Therefore, the Company proposes the election of three (3) Directors who are Audit and 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	Current position and responsibilities in the Company	Attributes
1	Satoru YOSHIDA	Director Special Assignment, Steel Structure Business Headquarters	New election
2	Hiroshi KAWAMURA	Outside Director (Audit and Supervisory Committee Member)	Reelection Outside Independent
3	Mizuyo TOMA	Outside Director	New election Outside Independent Woman

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Satoru YOSHIDA (September 11, 1954) New election	<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</p> <p>Apr. 2023 General Manager, Steel Structure Business Headquarters of the Company</p> <p>Apr. 2024 Special Assignment, Steel Structure Business Headquarters of the Company (present position)</p>	4,078
<p>Reasons for nomination as a Director who is a Member of the Audit and Supervisory Committee</p> <p>Satoru Yoshida has engaged consistently in the tank plant engineering and construction business since joining the Company. Since assuming the office of Executive General Manager, Steel Structure Business Headquarters of the Company in April 2020, and subsequently the office of General Manager, Steel Structure Business Headquarters from April 2023 to March 2024, he has been engaged in the supervision of the Steel Structure Business. The Company has nominated him as a candidate for 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.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
2	<p style="text-align: center;">Hiroshi KAWAMURA (January 16, 1952) Reelection Outside Independent</p>	<p>Apr. 1977 Prosecutor, Tokyo District Public Prosecutors Office</p> <p>July 2008 Trial Manager, Supreme Public Prosecutors Office</p> <p>Jan. 2009 Chief Public Prosecutor, Chiba District Public Prosecutors Office</p> <p>Apr. 2010 Chief Public Prosecutor, Yokohama District Public Prosecutors Office</p> <p>Jan. 2012 Superintending Prosecutor, Sapporo High Public Prosecutors Office</p> <p>Jan. 2014 Superintending Prosecutor, Nagoya High Public Prosecutors Office</p> <p>Mar. 2015 Outside Auditor, Asahi Glass Co., Ltd.</p> <p>Apr. 2015 Professor, Faculty of Law at Doshisha University</p> <p>June 2015 Outside Auditor of the Company</p> <p>June 2016 Outside Director (Audit and Supervisory Committee Member) of the Company (present position)</p> <p>June 2020 Outside Director of JAPAN POST BANK Co., Ltd. (present position)</p> <p>Apr. 2022 Registered as an Attorney (present position) [Significant concurrent positions outside the Company] Outside Director of JAPAN POST BANK Co., Ltd. Attorney</p>	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>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 Outside Director who is an Audit and Supervisory Committee Member for the above reasons.</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	Mizuyo TOMA (August 10, 1974) New election Outside Independent Woman	June 1999 Joined Shiraishi Kogyo Kaisha, Ltd. Apr. 2014 General Manager, Human Resources Department, Shiraishi Kogyo Kaisha, Ltd. June 2016 Corporate Officer and General Manager, Human Resources Department, Shiraishi Kogyo Kaisha, Ltd. July 2017 Corporate Officer in charge of human resources planning, Shiraishi Kogyo Kaisha, Ltd. July 2019 Corporate Officer in charge of human resources, Shiraishi Kogyo Kaisha, Ltd. Apr. 2023 Assistant Professor, Faculty of Business Administration, Otemae University (present position) June 2023 Outside Director of the Company (present position) [Significant concurrent positions outside the Company] Assistant Professor, Faculty of Business Administration, Otemae University	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>Since joining Shiraishi Kogyo Kaisha, Ltd. in 1999, Mizuyo Toma has gained abundant experience in the company's human resources planning, general affairs and real estate divisions. She also has an academic background in business administration as an Assistant Professor at the Faculty of Business Administration, Otemae University.</p> <p>Since her appointment as an Outside Director of the Company in 2023, she has fulfilled her roles and responsibilities in effectively supervising the Company's management, based on her abundant corporate experience and academic background in business administration.</p> <p>The Company has nominated her as a candidate for Outside Director who is an Audit and Supervisory Committee Member based on the judgment that she will contribute to the Company's sustainable growth and to the enhancement of corporate value in the medium to long term by providing appropriate guidance and advice, particularly with respect to investment in the Company's human capital and sustainability, as well as through appropriate supervision of business execution, based on her expertise. If elected, she will 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 she has not been directly involved in business management, the Company believes that she is capable of properly performing her duties as an Outside Director who is an Audit and Supervisory Committee Member for the above reasons.</p>			

- Notes:
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. Hiroshi Kawamura and Mizuyo Toma are candidates for Outside Director.
 3. Hiroshi Kawamura and Mizuyo Toma are currently Outside Directors of the Company. Hiroshi Kawamura will have served for eight (8) years and Mizuyo Toma for one (1) year as Outside Directors at the conclusion of this General Meeting of Shareholders.
 4. Pursuant to the provisions set forth in the Articles of Incorporation, the Company intends to enter into an agreement limiting liability with Satoru Yoshida if he is elected. The limit of liability under these agreement is the amount prescribed in the laws and regulations.
Pursuant to the provisions set forth in the Articles of Incorporation, the Company has entered into agreements limiting liability with Hiroshi Kawamura and Mizuyo Toma, and if both candidates are elected, 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 Hiroshi Kawamura and Mizuyo Toma as independent officers and registered with the exchange. If their elections 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	Organization, personnel affairs and human resource development and recruitment	Technical innovation and DX	Global business	Sustainability management	Quality and safety	Legal affairs and risk management	Finance and accounting
Hiroaki ISHII	Man	○	○	○	○	○	○		
Masanobu NAKANISHI	Man	○	○		○	○		○	○
Masayuki DOI	Man	○	○	○	○		○		
Satoru YOSHIDA	Man	○	○	○	○		○		○
Hiroshi KAWAMURA	Man	○	○		○	○		○	○
Mizuyo TOMA	Woman	○	○			○		○	○

<Shareholder Proposals (Proposals 4 and 5)>

Proposals 4 and 5 have been proposed by a shareholder (1 shareholder).

Outline of the proposal and reasons for the proposal below are, except where otherwise noted, described as originally written in the Shareholder Proposal submitted by the shareholder.

Proposal 4: 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 Dividend per share

¥155 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 (¥155 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, 2024).

D Effective date of distribution of dividends of surplus

The day of this Ordinary General Meeting of Shareholders

(2) Reasons for the Proposal

The Company's total payout ratio was 21% in the fiscal year ended March 31, 2021, but increased to 65% in the fiscal year ended March 31, 2023, due to dividend increases and share buybacks. In the May 2023 financial results presentation, the Company explained its efforts to improve PBR in conjunction with the progress of its Medium-term Management Plan, which demonstrates its high awareness of the capital market.

However, as of March 31, 2023, the Company holds an enormous amount of unrealized gains on real estate under lease that are not recorded on its balance sheet, amounting to ¥24.3 billion (more than double the Company's equity capital of ¥11.6 billion). Adjusting equity capital to account for these unrealized gains (after taxes), the return on equity (ROE) for the fiscal year ended March 31, 2023 drops from 6.3% to 2.6%, revealing low capital efficiency.

Therefore, the proposing shareholder proposes the implementation of a dividend of ¥155 per share, a stable dividend level and equivalent to a dividend on equity (DOE) of 5%, in the expectation that the Company will continue to strongly promote profit improvement and capital measures in the interest of capital efficiency.

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

■ Reason for Opposition

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 ended March 31, 2024, the 158th term [the period under review]).

Based on the above basic policy, the Company's proposed dividend for the fiscal year ended March 31, 2024 is ¥90 per share, an increase of ¥20 year on year, taking into account business performance for the fiscal year ended March 31, 2024 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. As a result, the dividend payout ratio for the fiscal year ended March 31, 2024 will be 26.2%, which is also in line with the goals of the Medium-term Management Plan.

On May 9, 2024, the Company announced its new Medium-term Management Plan, which sets management targets for the fiscal year ending March 31, 2027 of 13,350 million yen in net sales, 1,710 million yen in operating profit, ROE of 8.0% or higher, ROIC of 6.5% or higher, and cumulative orders received of 50,000 million yen in the Steel Structure Business during the new Medium-term Management Plan period. In addition, the Company aims to achieve a dividend payout ratio of at 30% or higher, and will continue its efforts to strengthen and enhance shareholder returns as in the past.

In the new Medium-term Management Plan, the Company will continue to strive to realize management that is conscious of cost of capital and stock price, and to improve PBR, including capital efficiency. In particular, with regard to improving ROE, the Company has set a target ROE of 8.0% and a basic policy for "improvement to secure a stable earnings base and improve capital efficiency," and we have made concrete efforts to achieve these goals. Specific initiatives include: (1) in the short term, improving capital efficiency through flexible share buybacks; (2) in the medium to long term, paying stable dividends in line with growth; and (3) ensuring stable earnings in each business based on the basic policies of the Medium-term Management Plan.

In addition, the Company has set a target of 12.5x PER and a basic policy to improve the PER as follows: "Respond to changes in the business environment, try to build a new business foundation, and promote growth strategies." In accordance with this, the Company is taking the following specific actions: (1) respond to changes in the business environment surrounding the Company over the medium to long term, including participation in and monetization of carbon neutrality markets; (2) steadily promote medium- to long-term growth strategies by making growth investments based on cash flow plans; and (3) explain the status of the above initiatives at financial results briefings at the end of each fiscal year and disclose the relevant materials on the Company's website.

The Company has consistently recognized the importance of returning profits to shareholders, paying a dividend of ¥60 for the fiscal year ended March 31, 2022, for a total payout ratio of 37.2%, and a dividend of ¥70 for the fiscal year ended March 31, 2023, a year-on-year increase of ¥10, for a total payout ratio of 69.2% including share buybacks. Furthermore, total return ratio including share buybacks for the fiscal year ended March 31, 2024 is expected to be 63.0%.

In contrast, the Shareholder Proposal proposes a significant increase in dividends based on a calculation of ROE that incorporates unrealized gains on rental properties, etc. into equity capital on the balance sheet, pointing out the low capital efficiency of the Company when reflecting this calculation. We recognize, however, that management indicators and returning profits to shareholders based on unrealized profits are problematic in terms of objectivity, sustainability and soundness, nor does it align with the above basic policy regarding dividends, and 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 of ¥155 per share, equivalent to a dividend on equity (DOE) ratio of 5%, 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 5: Amendment to the Articles of Incorporation

1. Outline of the Proposal

The following new article shall 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
<p>(Newly established)</p>	<p><u>Chapter 7</u> <u>Management Plans</u> <u>(Information Disclosure)</u> <u>Article 37</u> <u>As long as the Company is a listed company, in order to fulfill its accountability to the capital market, the Company shall disclose the following information at financial results meetings and other meetings each fiscal year.</u> <u>(1) Initiatives for Improving Capital Efficiency</u> <u>(2) If the unrealized gains (difference between the balance sheet amount and the year-end market value) on rental properties, etc. exceed the total shareholders' equity on the balance sheet, the figures using the adjusted consolidated net assets after taking into account the unrealized gains shall be stated together for the various management figures in (1) above.</u></p>

2. Reasons for the Proposal

Listed companies are responsible for properly explaining the status of their economic activities to their stakeholders, especially to the capital markets.

The Company owns a number of rental properties, etc. in addition to its headquarters and factories, and the unrealized gains (difference between the balance sheet amount and the year-end market value), which are not shown on the balance sheet, amount to approximately ¥24.3 billion, more than twice the Company's ¥11.6 billion equity capital. As a result, formal management values, such as return on capital, currently disclosed are misleading investors with respect to corporate management choices and are not being appropriately explained.

The proposing shareholder proposes that the Company clearly state in its Articles of Incorporation the fundamental responsibilities of a listed company, and at the same time, if there is a large deviation from the market value with respect to management values, etc., the Company should also disclose the actual figures calculated on a market value basis, thereby constituting appropriate disclosure to stakeholders.

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

■ Reason for Opposition

The Company's Board of Directors, based on its accountability to capital markets, deeply understands the importance of information disclosure to shareholders and investors. Accordingly, the Board of Directors is constantly enhancing and strengthening disclosure, 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 understand its cost of capital properly in the interest of increasing capital efficiency and, by utilizing that knowledge, formulate Medium-term Management Plans, make important investment decisions, and conduct other initiatives.

In the new Medium-term Management Plan, announced on May 9, 2024 and which sets management targets for the fiscal year ending March 31, 2027 of 13,350 million yen in net sales, 1,710 million yen in operating profit, ROE of 8.0% or higher, ROIC of 6.5% or higher, and cumulative orders received of 50,000 million yen in the Steel Structure Business during the new Medium-term Management Plan period. In addition, the Company aims to achieve a dividend payout ratio of at 30% or higher, and will continue its efforts to strengthen and enhance shareholder returns as in the past.

In the new Medium-term Management Plan, the Company will continue to strive to realize management that is conscious of cost of capital and stock price, and to improve PBR, including capital efficiency. In particular, with regard to improving ROE, the Company has set a target ROE of 8.0% and a basic policy for "improvement to secure a stable earnings base and improve capital efficiency," and we have made concrete efforts to achieve these goals. Specific initiatives include: (1) in the short term, improving capital efficiency through flexible share buybacks; (2) in the medium to long term, paying stable dividends in line with growth; and (3) ensuring stable earnings in each business based on the basic policies of the Medium-term Management Plan.

The Company has set a target of 12.5x PER and a basic policy to improve the PER as follows: "Respond to changes in the business environment, build a new business foundation, and promote growth strategies." In accordance with this policy, the Company is taking the following specific actions: (1) respond to changes in the business environment surrounding the Company over the medium to long term, including participation in and monetization of carbon neutrality markets; (2) steadily promote medium- to long-term growth strategies by making growth investments based on cash flow plans; and (3) explain the status of the above initiatives at financial results briefings at the end of each fiscal year and disclose the relevant materials on the Company's website.

As described above, the Company's awareness is that it is fully fulfilling its accountability as a listed company to stakeholders and the capital market through the publication of its Medium-term Management Plan, various timely disclosures, the holding of financial results briefings, and the posting of various disclosure materials on the Company's website.

In contrast, this Shareholder Proposal calls for the establishment of a new provision to the Articles of Incorporation that, in order to fulfill the Company's accountability to the capital market, the Company shall disclose information on its initiatives to improve capital efficiency at financial results briefings, etc. for each fiscal year and that, with respect to various management values for such initiatives, if the unrealized gains on rental properties, etc. exceed the total shareholders' equity on the balance sheet, the figures using the adjusted consolidated net assets after taking into account the unrealized gains should be stated. 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, items, and method of disclosure, etc., 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.