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(Securities code: 4028)

June 8, 2016

To Those Shareholders with Voting Rights

Kenichi Tanaka  
Executive Director, President  
ISHIHARA SANGYO KAISHA, LTD.  
3-15, Edobori 1-chome, Nishi-ku, Osaka

## **NOTICE OF THE 93rd ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders,

Firstly, we would like to extend our grateful thanks for your ongoing support. Taking this opportunity, we would like to express our heartfelt sympathy to any of you who have been affected by the recent earthquake in Kumamoto and our sincere wish for a return to normal conditions as soon as possible.

You are cordially invited to attend the 93rd Ordinary General Meeting of Shareholders to be held as follows.

**If you are unable to attend the meeting, please exercise your voting rights in writing after reading the attached REFERENCE DOCUMENT FOR THE GENERAL MEETING OF SHAREHOLDERS. Please indicate your approval or disapproval on the matters to be resolved on the Voting Rights Exercise Form enclosed herewith and return it so that it reaches us by the end of business hours (5:30 p.m.) on Tuesday, June 28, 2016.**

**1. Date and Time:** 10:00 a.m., Wednesday, June 29, 2016

**2. Venue:** Hall on the 5th floor of Shin-Ishihara Building, Head Office at 3-15, Edobori 1-chome, Nishi-ku, Osaka  
(Shin Ishihara Building: Please use Exit 5-B of Higobashi Station, Yotsubashi Line of Osaka City Subway)

### **3. Objectives of the Meeting**

#### **Reports:**

1. The Business Report, the Consolidated Financial Statements for the 93rd Fiscal Term (from April 1, 2015 to March 31, 2016), as well as the Audit Reports thereof prepared by the accounting auditors and the Board of Auditors.
2. The Non-consolidated Financial Statements for the 93rd Fiscal Term (from April 1, 2015 to March 31, 2016).

#### **Matters to be Resolved**

**Proposal No. 1:** Consolidation of Shares

**Proposal No. 2:** Election of Three (3) Directors

**Proposal No. 3:** Election of One (1) Corporate Auditor

**Proposal No. 4:** Election of One (1) Substitute Corporate Auditor

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\* For those attending, please present the enclosed Voting Rights Exercise Form at the reception desk on arrival at the meeting.

\* If any amendment is made to the Business Report, the Consolidated Financial Statements, the Non-consolidated Financial Statements and the REFERENCE DOCUMENT FOR THE GENERAL MEETING OF SHAREHOLDERS attached herewith, such amendment will be posted on the Company's Web site (<http://www.iskweb.co.jp>).

## REFERENCE DOCUMENT FOR THE GENERAL MEETING OF SHAREHOLDERS

### Proposals and References

#### Proposal No. 1: Consolidation of Shares

##### 1. Rationale warranting consolidation of shares

Securities exchanges throughout the country pursue a policy of consolidating trading units of shares into 100 shares with respect to publicly traded shares of all the listed companies on domestic stock exchanges in line with their previously approved Action Plan for Consolidating Trading Units.

In agreement with this initiative, we at ISHIHARA SANGYO KAISHA, LTD. as a listed company on the Tokyo Stock Exchange (hereinafter "the Company") decided to change the trading unit (or share unit number) of the Company's shares from 1,000 shares (as the current one) to 100 shares subject to shareholder approval at the board of directors' meeting held on May 19, 2016.

This decision prompts us to consolidate 10 shares into one (1) share with respect to the Company's shares in order to accommodate to the investment unit as changed in an appropriate manner to ensure that potential influences of the change in share unit number on stable stockholding by the Company's shareholders and the rights of the Company's shareholders be minimized while taking into account medium- and long-term stock price fluctuations in the marketplace.

##### 2. Details of consolidation of shares

###### (1) Class of shares intended for consolidation

Common shares

###### (2) Consolidated ratio

Common shares issued by the Company will be consolidated at a ratio of ten to one. Any broken share comprising less than one (1) share that may arise as a result of consolidation of shares will be collectively subject to disposal by sale by the Company in accordance with the provisions of the Companies Act. Proceeds from such sale will be distributed among former holders of such broken share comprising less than one share on a pro-rated basis.

###### (3) Effective date of consolidation of shares

Consolidation of shares will come into effect on October 1, 2016 (hereinafter "Effective Date").

###### (4) Total number of authorized shares as of the Effective Date

100,000,000 shares

(For reference)

The articles of incorporation will be modified as of October 1, 2016 without being put to resolution by a stockholder meeting pertaining to partial modification of the articles of incorporation under Article 182 (2) and Article 195 (1) of the Companies Act. Details of modifications are shown below:

(Modifications are underscored.)

The articles of incorporation as is	The articles of incorporation as modified
(Total number of authorized shares)	(Total number of authorized shares)
Article 6. The total number of authorized shares of the Company shall be <u>one billion (1,000,000,000)</u> shares.	Article 6. The total number of authorized shares of the Company shall be <u>one hundred million (100,000,000)</u> shares.
(Share unit number)	(Share unit number)
Article 8. The share unit number of the Company's shares shall be <u>1,000</u> shares.	Article 8. The share unit number of the Company's shares shall be <u>100</u> shares.

**Proposal No. 2:** Election of Three (3) Directors

The terms of office of three (3) directors, Messrs. Mr. Kenichi Tanaka, Mr. Michiyoshi Arata and Mr. Chimoto Honda, will expire at the conclusion of this general meeting of shareholders. Mr. Kazutaka Fujii and Mr. Akira Kobayashi will retire by resignation.

Therefore, to enable more agile decision-making at the board of directors' meeting, the prescribed number of directors shall be reduced by two (2), and three (3) directors shall be elected. The candidates for directors are as follows:

Candidate No.	Full name (Date of Birth)	A brief summary of his career, posts and responsibilities held and major other offices concurrently held	Number of the Company's shares held
1	Kenichi Tanaka (January 18, 1954)	<p>April 1976 Joined the Company.</p> <p>April 2009 Executive Officer and Acting Director of General Affairs Headquarters</p> <p>June 2011 Executive Officer and Director of General Affairs Headquarters</p> <p>June 2012 Managing Executive Officer and Director of General Affairs Headquarters</p> <p>June 2014 Director and Managing Executive Officer and Director of General Affairs Headquarters</p> <p>June 2015 Executive Director, President &amp; Chief Executive Officer; Chief Compliance Officer (CCO), Chairman of Compliance Committee, Director of Business Strategy Office and Director of General Affairs Headquarters</p> <p>Feb. 2016 Executive Director, President &amp; Chief Executive Officer; Chief Compliance Officer (CCO), Chairman of Compliance Committee and Director of General Affairs &amp; Human Resources Headquarters (to date)</p>	81,000 shares
<p>◆ Reason for nomination as candidate for Director</p> <p>Mr. Kenichi Tanaka took up a post as Executive Director and President &amp; Chief Executive Officer at the Company in June 2015. Since then, he has been at the vanguard of the efforts to drive management reforms and reinforce the Company's operating base toward the "Innovation and energy driving forward a strong chemical company." as placed at the top of agenda of the sixth medium-term management plan as instituted in April 2015. If he is elected as a director, he will make further contributions to enhancement of the value of the firm for the Company.</p>			

Candidate No.	Full name (Date of Birth)	A brief summary of his career, posts and responsibilities held and major other offices concurrently held	Number of the Company's shares held
2	Michiyoshi Arata (August 15, 1951)	<p>April 1975 Joined the Company.          June 2006 Executive Officer          June 2007 Managing Executive Officer and Deputy Director of Corporate Administration &amp; Planning Headquarters          Sept. 2007 Managing Executive Officer and Director of Corporate Administration &amp; Planning Headquarters          June 2008 Director and Managing Executive Officer and Director of Corporate Administration &amp; Planning Headquarters          June 2012 Director, Managing Executive Officer; Director of Corporate Administration &amp; Planning Headquarters and Director of Legal &amp; IP Headquarters          June 2013 Director, Managing Executive Officer and Director of Corporate Administration &amp; Planning Headquarters (to date)</p> <p>◆ Reason for nomination as candidate for Director          Mr. Michiyoshi Arata took up a post as Director and Managing Executive Officer at the Company in June 2008. Since then, he has been mainly engaged in management of Corporation Administration and Planning by making decisions on and taking control of important operational and management issues in an appropriate manner drawing on his extensive experience and a good track record. If he is elected as a director, he will make further contributions to enhancement of the value of the firm for the Company.</p>	111,000 shares
3	Chimoto Honda (November 5, 1953)	<p>April 1976 Joined the Company.          June 2009 Executive Officer          June 2011 Managing Executive Officer          June 2012 Managing Executive Officer and Deputy Director of Biosciences Sales &amp; Marketing          June 2014 Director, Managing Executive Officer and Director of Biosciences Sales &amp; Marketing (to date)</p> <p>Important concurrent positions:          • Executive Director Chairman at ISK BIOSCIENCES K.K.          • Director and Chairman at ISK BIOSCIENCES CORPORATION          • Director and Chairman at ISK BIOSCIENCES EUROPE N.V.</p> <p>◆ Reason for nomination as candidate for Director          Mr. Chimoto Honda took up a post as Director and Managing Executive Officer at the Company in June 2014. Since then, he has been mainly engaged in management of Biosciences Sales &amp; Marketing by making decisions on and taking control of important operational and management issues in an appropriate manner drawing on his extensive experience and good track record. If he is elected as a director, he will make further contributions to enhancement of the value of the firm for the Company.</p>	80,000 shares

(Note) No special interest-relationships exist between the Company and the above-mentioned nominees.

### **Proposal No. 3: Election of One (1) Corporate Auditor**

As at the time of closing the forthcoming general meeting of shareholders, Mr. Keiji Higashiyama will resign from office as corporate auditor. To fill the vacant position, one (1) corporate auditor shall be elected. The term of office of the newly elected corporate auditor shall terminate on the date on which the term of office of his predecessor expires. This proposal has obtained the consent of board of auditors. The candidate for corporate auditor is follows:

Full name (Date of Birth)	A brief summary of his career, posts and responsibilities held and major other offices concurrently held	Number of the Company's shares held
Taizo Kato* (May 24, 1955)	<p>April 1979 Joined the Company.</p> <p>Feb. 2009 Sent on loan to ISK ENGINEERING CORPORATION (as Executive Officer).</p> <p>June 2011 Auditor of Office of Internal Audit</p> <p>Feb. 2013 General Manager of Office of Internal Audit</p> <p>April 2016 Auditor of Office of Internal Audit (to date)</p>	0 shares
<p>◆ Reason for nomination as candidate for Corporate Auditor</p> <p>Mr. Taizo Kato has a great deal of experience in and a good track record with internal auditing at the Company, which endorses the view that he has the ability to adequately carry out his professional duties as an corporate auditor</p>		

(Notes)

1. No special interest-relationships exist between the Company and above-mentioned nominees.
2. The person marked with an asterisk is a new nominee.

### **Proposal No. 4: Election of One (1) Substitute Corporate Auditor**

At the 92nd Ordinary General Meeting of Shareholders held on June 26, 2015, Mr. Yasuhiro Koike was elected as a substitute corporate auditor. His term of office will terminate at the time of start of the forthcoming General Meeting of Shareholders. Therefore, One (1) substitute corporate auditor shall be appointed anew in case that a vacancy occurs in the statutory number of auditors. This proposal has obtained the consent of board of auditors. The candidate for substitute corporate auditor is follows:

Full name (Date of Birth)	A brief summary of his career, posts and responsibilities held and major other offices concurrently held	Number of the Company's shares held
Yasuhiro Koike (July 31, 1962)	<p>April 1991 Was admitted to the bar (Osaka Bar Association).</p> <p>April 1998 Opened Koike Law Office.</p> <p>April 2004 Opened Ohara &amp; Koike Law Office.</p> <p>April 2012 Vice-president of Osaka Bar Association</p> <p>Mar. 2013 Retired from office as Vice-president of Osaka Bar Association</p>	0 shares
<p>◆ Reason for nomination as candidate for Substitute Corporate Auditor</p> <p>Mr. Yasuhiro Koike has professional knowledge of and experience in legal practice and sufficient insight on corporate management, which endorses the view that he has the ability to carry out his professional duties as a substitute corporate auditor from an independent and unbiased perspective.</p>		

(Notes)

1. No special interest-relationships exist between the Company and the above-mentioned nominee.
2. Mr. Yasuhiro Koike is a nominee for a substitute outside company auditor.
3. The articles of incorporation stipulate that the Company may enter into an agreement with an outside company auditor that sets the upper limit of the liability of damage of the latter to the Company for damages arising as a result of neglect of the latter's duties under Article 423 (1) of the Companies Act at the larger of a prescribed amount or an amount ordered by decree, either of which shall be equal to or more than ten million (10,000,000) yen. If Mr. Yasuhiro Koike is appointed as an auditor, the Company will enter into an agreement with him that sets the upper limit of such liability of damage to the Company in accordance with the provisions of the articles of incorporation as stated above.