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To whom it may concern

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**Notice Concerning Commencement of Tender Offer for Shares of
Toyo Construction Co., Ltd. (Securities Code: 1890)**

As INFRONEER Holdings Inc. (hereinafter the “Tender Offeror”) has decided, pursuant to a board of directors meeting held today, to acquire the common shares (hereinafter the “Target Company Shares”) of Toyo Construction Co., Ltd. (Tokyo Stock Exchange Inc. (hereinafter “Tokyo Stock Exchange”) First Section, Security Code: 1890; hereinafter the “Target Company”) through a tender offer (hereinafter the “Tender Offer”) as defined in the Financial Instruments and Exchange Act (Act No. 25 of 1948, including subsequent amendments; hereinafter the “Act”), the Tender Offeror hereby provides notice as follows.

1. Purpose of the Purchase, etc.
(1) Overview of the Tender Offer

As of today, the Tender Offeror, from the perspective of securing the potential to exercise rights, such as making requests to inspect the Target Company’s shareholder list, owned 100 shares (ownership ratio (Note): 0.00%) of the Target Company (hereinafter, the “Target Company Shares”), which are listed on the First Section of the Tokyo Stock Exchange, and Maeda Construction Co, Ltd. (hereinafter, “Maeda Corporation”), a wholly-owned subsidiary of the Tender Offeror, owned 19,047,510 (ownership ratio 20.19%) of the Target Company Shares, and was thus a major, and in fact the largest, shareholder of the Target Company.

(Note) “Ownership ratio” means the ratio (rounded off to the second decimal place) with respect to the number of shares (94,328,078) derived by subtracting the number of treasury shares (43,105 shares) owned by the Target Company as of December 31, 2021 (however, this excludes the 346,325 the Target Company Shares owned by the Officer Compensation Board Incentive Plan (BIP) Trust (hereinafter, the “BIP Trust”) as of December 31, 2021) from the total number of issued shares (94,371,183 shares) as of December 31, 2021 as disclosed in the 102nd Period 3Q Report (hereinafter, the “Target Company Quarterly Report”) submitted by the Target Company on February 8, 2022, the same applying hereinafter.

The Tender Offeror, in a recent board of directors meeting held today, resolved to execute the Tender Offer as part of a transaction (hereinafter, the “Transaction”) for the purpose of making the Target Company a wholly-owned subsidiary of the Tender Offeror by acquiring all of the Target Company Shares (however, this excludes the Target Company Shares owned by Maeda Corporation and the treasury shares owned by the Target Company, the same applying hereinafter).

In the Tender Offer, the Tender Offeror has set the lower limit on the number of shares planned to be acquired at 43,837,790 (holding ratio: 46.47%), and if the total number of issued share certificates, etc. (hereinafter referred to as the “Tendered Share Certificates”) applied for purchase in response to the Tender Offer falls short of the lower limit, the Tender Offeror will not purchase the whole of the tendered share certificates, etc. On the other hand, as outlined above, the Tender Offeror is planning to acquire all of the common shares of the Target Company (excluding common shares held by the Tender Offeror and treasury shares owned by the Target Company), and no maximum limit to the number of

shares to be acquired has been set, and the Tender Offeror will purchase all of the shares tendered if the total number of shares tendered is or above the minimum limit for the offer. The minimum number of shares scheduled to be purchased exceed a number of shares (37,640,235 shares, ownership ratio: 39.90%) equivalent to a majority of a number of shares (75,280,468 shares) derived by subtracting a number of shares (19,090,715 shares) derived by totaling the number of treasury shares owned by the Target Company as of December 31, 2021 (43,105) (however, this excludes the 346,325 shares of the Target Company Shares owned by the BIP Trust as of December 31, 2021), the number of the Target Company Shares (100 shares) owned by the Tender Offeror, and the number of the Target Company Shares (19,047,510 shares) owned by Maeda Corporation, which is a wholly-owned subsidiary of the Tender Offeror, from the total number of issued shares (94,371,183 shares) disclosed in the Target Company Quarterly Report as of December 31, 2021, that is, a majority of the number of the Target Company Shares owned by shareholders who do not have relationships of interest with the Tender Offeror, or a number equivalent to a so-called “majority of minority.” Further, the Tender Offeror intends to make the Target Company a wholly-owned subsidiary. Since a special resolution at a general meeting of shareholders as stipulated in Article 309(2) of the Companies Act (Act No. 86 of 2005, as amended, hereinafter, the “Companies Act”) is required when executing the procedures of the Reverse Stock Split (defined below in “(4) Policies for Organizational Restructuring after the Tender Offer (Matters relating to So-called Two-Stage Acquisitions)”) required for creating a wholly-owned subsidiary as described in “(4) Policies for Organizational Restructuring after the Tender Offer (Matters relating to So-called Two-Stage Acquisitions),” to ensure the Transaction is carried out in a steady manner if the Tender Offer is completed, the total number of voting rights of the Target Company owned by the Tender Offeror will be at least a number of shares (43,837,790 shares) derived by subtracting the number of the Target Company Shares (100 shares) owned by the Tender Offeror and the number of the Target Company Shares (19,047,510 shares) owned by Maeda Corporation, which is a wholly-owned subsidiary of the Tender Offeror, from a number of shares (62,885,400 shares) derived by rounding up the number of shares related to less than one unit (100 shares) of the Target Company Shares from a number of shares equivalent to 2/3 of a number of shares (94,328,078 shares) derived by subtracting the number of treasury shares (43,105 shares) owned by the Target Company on December 31, 2021 (however, this excludes the 346,325 shares of the Target Company Shares owned by the BIP Trust as of December 31, 2021) from the Target Company’s voting rights (total number of issued shares (94,371,183) as of December 31, 2021 as disclosed in the Target Company Quarterly Report).

Since the Tender Offeror intends to make the Target Company a wholly-owned subsidiary of the Tender Offeror, if the Tender Offeror is unable to acquire all of the Target Company Shares through the Tender Offer, as described below in “(4) Policies for Organizational Restructuring after the Tender Offer (Matters relating to So-called Two-Stage Acquisitions),” the Tender Offeror plans to execute a series of procedures for acquiring all of the Target Company Shares and making the Target Company a wholly-owned subsidiary of the Tender Offeror.

Note that, as the Tender Offer intends to acquire shares at the time of the Tender Offer without receiving any Target Company Shares owned by Maeda Corporation (a wholly-owned subsidiary of the Tender Offeror and a major, in fact the largest, Target Company shareholder) as dividend asset or pay any transfer price caused by organizational restructuring, such as an absorption-type company split, if the Tender Offer is executed, the Tender Offeror verbally agreed today not to tender any of the Target Company Shares owned by Maeda Corporation (number of shares owned: 19,047,510 shares, ownership ratio: 20.19%) at the time of the Tender Offer, and to exercise voting rights to the effect that it agrees to an agenda item, and agenda items relating thereto, on a reverse stock split at an extraordinary general meeting of shareholders included in a proposal for partially changing its articles of incorporation to abolish the unit number of shares, subject to the Reverse Stock Split and the effect of the Reverse Stock Split after the Tender Offer (hereinafter the “Non-tender Agreement”).

For details of the Non-tender Agreement, see “(6) Matters Pertaining to Crucial Agreements Regarding Tenders to the Tender Offer Between the Tender Offeror and the Shareholders and Directors, Etc. of the Target Company,” described below.

Meanwhile, according to the “Announcement Concerning Expression of Opinion in Favor of Tender Offer by INFRONEER Holdings, Inc. for Shares of Company and Recommendation to Tender” (hereinafter, the “Target Company Press Release”), the Target Company today resolved to announce an opinion agreeing with the Tender Offer, and recommending all of the Target Company shareholders to tender their shares at the board of directors meeting of the Target Company held today.

For details of the decision-making process at the Target Company, see “⑤ Approval of all Directors having no Relationship of Interest with the Target Company and Opinions of No Objection from all Auditors having no Relationship of Interest with the Target Company” under “(Measures to Ensure Fairness of the Tender Offer Price and Measures to Ensure Fairness of the Tender Offer such as Measures for Avoiding Conflicts of Interest)” under “(B) Background of Valuation” under “(4) Basis of Calculation of Tender Offer Price, etc.” under “2 Overview of Purchase, etc.” described below.

(2) Background, Purpose, and Decision-Making Process Leading to Decision to Commencement of the Tender Offer and Management Policy After the Tender Offer

A. Background and Purpose, etc. of the Tender Offer

On October 1, 2021, the Tender Offeror used the joint stock transfer method to establish itself as the sole parent company of Maeda Corporation, Maeda Road Construction Co., Ltd. (Hereinafter, “Maeda Road”), and Maeda Seisakusho Co., Ltd. (hereinafter, “Maeda Seisakusho”). For the purpose of achieving lasting growth for the entire group under the Tender Offeror, the Tender Offeror has set a mid- to long-term goal of becoming a “comprehensive infrastructure services company” and has been promoting it strongly as an overall group strategy. The Tender Offeror, based on its “INFORNEER Medium-term Vision 2024” mid-term management plan formulated at a board of directors meeting held on October 1, 2021 (which applies to business between March 2022 and March 2024), aims to maximize competitiveness at an early stage by concentrating the engineering capabilities of each group company and expanding business areas through aggressive M&A, will establish a “highly profitable and stable profit base” that is not affected by external factors, achieve nimble and appropriate management by building an effective governance system and promoting DX(Note 1), and, by strengthening its ability to respond to social changes, aims to be a “company trusted by all stakeholders.”

(Note 1) “DX” means digital transformation, and describes when companies transform products, services and business models based on customer and social needs and establish competitive advantages by transforming their very businesses, organizations, processes, corporate cultures and climates leveraging data and digital technology to respond to drastic changes in their business environments.

The Tender Offeror’s group consists of 62 subsidiaries, including Maeda Corporation, Maeda Road and Maeda Seisakusho, and 24 affiliates as of today, its main businesses are the construction, civil engineering, pavement, machinery, and infrastructure management businesses, and it is developing a wide range of businesses from retail to real estate.

In addition to setting forth the main priority measures of, ① productivity reform, ② establishing a new profit base, and ③ constitutional strengthening and improvement as its three-pillared strategy in its Mid-Term Management Plan, the Tender Offeror has positioned the Mid-Term Management Plan as a “Base-Building Phase” toward a “Growth Phase,” in its Mid- to Long-Term Management Plan, and is making efforts to realize its goal of becoming “a company trusted by all stakeholders” by listing the pursuit of group synergies, building a system for new business areas, promoting DX/shared technology, and promoting M&A as measures of particular focus.

The Target Company was established in July 1929 as Hanshin Chikko Co., Ltd. for the purpose of creating industrial sites and a construction port in the Naruo district of Nishinomiya, Hyogo Prefecture; it entered into the construction contracting business in 1932, temporarily suspended its landfill project in Naruo due to the economic circumstances during the war, and developed its business mainly in the form of marine civil engineering work contracting. In addition, in May 1964, the Target Company changed its trade name to Toyo Construction Co., Ltd. The Naruo landfill project was resumed in May 1967 and completed in September 1986. Since 1965, the company has been engaged in onshore civil engineering work, and has been earnestly engaged in construction work since 1975. In terms of the company’s relationship with stock markets, it was listed on the Second Section of the Osaka Exchange, Inc. (hereinafter, the “Osaka Exchange”) in October 1961 and on the Second Section of Tokyo Stock Exchange in October 1962, and it was designated to the First Sections of both the Osaka and Tokyo exchanges in August 1964. After that, it was and still is listed on, as of today, the First Section of the Tokyo Stock Exchange in July 2013 in conjunction with the integration of the Osaka Exchange and the Tokyo Stock Exchange. As of today, the Target Company’s group is currently composed of the Target Company, 8 consolidated subsidiaries, 4 non-consolidated subsidiaries and 2 other affiliated companies, and its main businesses include the domestic civil engineering, domestic construction, overseas construction, and real estate businesses. Toward the 100th anniversary of its founding in July 2029, the Target Company aims to become a sustainable “resilient company” with supple strength that can flexibly respond to rapid and sudden changes in the environment surrounding the construction industry, by, in domestic civil engineering, making efforts to maintain and stabilize the scale of its offshore civil engineering business and strengthen its offshore wind-related business, which are growth drivers, in its construction business, strengthen organizational sales and profitability, and by promoting various initiatives in anticipation of changes in the business environment over the medium- to long-term, including efforts to improve productivity through digitalization and strengthening profitability in overseas markets in its overseas construction business.

Maeda Corporation, a wholly-owned subsidiary of the Tender Offeror, and the Target Company entered into a business alliance in July 2002 to promote efforts to mutually utilize Maeda Corporation’s strengths in onshore construction and the Target Company’s strengths in marine construction. In December 2002, Maeda Corporation acquired 850,000

(ownership ratio (meaning the ratio of the total number of shares of the Target Company owned by Maeda Corporation at each point in time to the total number of issued common shares with voting rights at each point in time minus the number of treasury shares, the same applying hereafter) :0.41%) Target Company Shares through bilateral transactions with operating companies for the purpose of strengthening its alliance therewith, and, in October 2003, acquired 57,692,000 Target Company Shares by underwriting a capital increase through third-party allotment, thus making the Target Company an affiliate to which the equity method applies (ownership ratio : 22.18%). Thereafter, as an acquisition of Target Company Shares to generally maintain its ownership ratio, Maeda Corporation acquired 6,209,503 Target Company Shares (ownership ratio : 21.08%) in May 2006 by converting first preferred stock (non-voting Target Company preferred stock issued to a financial institution for financial support to the Target Company in August 2003, acquired by Maeda Corporation from the financial institution. As of today, all first preferred stock and second preferred stock has been converted into common stock, the same applying hereinafter) to common shares, 1,079,913 Target Company Shares (ownership ratio: 19.52%) in June 2008 by converting second preferred stock to common shares, 2,159,827 Target Company Shares (ownership ratio: 20.16%) in June 2008 by converting second preferred stock to common shares, 3,000,000 Target Company Shares (ownership ratio: 21.05%) in September 2008 by purchasing from the market, 2,659,574 Target Company Shares (ownership ratio: 20.41%) in June 2011 by converting second preferred stock to common shares, 3,191,489 Target Company Shares (ownership ratio: 20.47%) in September 2011 by converting second preferred stock to common shares, 1,595,744 Target Company Shares (ownership ratio: 20.16%) in October 2011 by converting second preferred stock to common shares, 1,500,000 Target Company Shares (ownership ratio: 19.98%) in February 2012 by purchasing from the market, 600,000 Target Company Shares (ownership ratio: 20.13%) in February 2012 by purchasing from the market, and 200,000 Target Company Shares (ownership ratio: 20.18%) in February 2012 by purchasing from the market, then, after a decrease in the number of shares of the Target Company due to a reverse stock split (1: 5) in September 2012, it acquired 2,800,000 Target Company Shares (ownership ratio: 20.09%) in March 2021 by underwriting a capital increase through third-party allotment, 50,000 shares (ownership ratio: 20.14%) in March 2021 by purchasing from the market, and 50,000 shares (ownership ratio: 20.19%) in March 2021 by purchasing from the market, and then sold 100 Target Company Shares to the Tender Offeror on March 8, 2022. And thus, at present, the Tender Offeror owns 100 Target Company Shares (ownership ratio: 0.00%) and Maeda Corporation owns 19,047,510 Target Company Shares (ownership ratio: 20.19%), such that the Target Company continues to be an affiliate to which the equity method applies.

Built on its corporate philosophies of “striving together with aspirations and vitality to work to serve customers and society with abundant new technology and target stable company growth and improved employee welfare,” and “‘Respect for People,’ ‘Ingenuity,’ and ‘Awareness of Responsibility,’” and on its strength in marine civil engineering work centered on port construction, the Target Company believes it has established a solid position as a company in the marine general contractor industry by achieving, among other things, consolidated sales for the fiscal year ending March 2021 of approximately 173 billion yen, which is the third largest of the total of eight companies in the marine general contractor industry submitting annual securities reports and publishing business reports (Note 2).

(Note 2) Based on the content of disclosure by the total of eight companies in the marine general contractor industry that submit annual securities reports and publish business reports.

However, while the trend of civil engineering construction investment has remained nearly unchanged at between about 20 trillion yen and 22 trillion yen since FY2016, the market environment is becoming more severe, with the amount of marine-related investment by local governments decreasing to about 0.6 trillion yen, about half of the 1.2 trillion yen in the first half of the 2000s (Note 3). Furthermore, with respect to the long-term business environment going forward, there is no doubt that the declining birthrate, aging of the population, and the decline in population will accelerate. In terms of the civil engineering business, which is where the Target Company is strongest, construction investment is expected to shrink as the finances of the national and local governments, which account for over 70% of ordering entities, become more and more constrained in the future.

(Note 3) According to the “2021 Construction Investment Outlook (October 2021)” by the Ministry of Land, Infrastructure, Transport and Tourism and the “Survey on the Market Structure of Marine Development (December 2021)” by the Promotion and Research Institute for Ocean Economics.

As the business environment surrounding the Target Company continues to change significantly in this way, the Tender Offeror, from its establishment on October 1, 2021, thought it necessary to strengthen the competitiveness of the entire Tender Offeror group to enhance the corporate value. Specifically, the Tender Offeror, since the establishment of the Tender Offeror in the form of the joint stock transfer on October 1, 2021, though that mutual coordination has been strengthened by making Maeda Corporation, Maeda Road and Maeda Seisakusho, which had each been listed companies, wholly-owned subsidiaries of the Tender Offeror, and came to believe that strengthening of coordination with the Target Company, which is the remaining listed company, is an important outstanding management issue for the Tender Offeror

group. As stated above, the Tender Offeror believes it is essential, in order to realize further improved corporate value of the Tender Offeror Group as a whole through the expansion of the Target Company's business base in the mid-to long-term and realizing further growth under circumstances in which there is the severe market environment described above, that the Target Company further strengthen cooperation with the Tender Offeror group, with which it has long been jointly engaged in technological development and personnel exchanges, and maximize the synergies between the two companies, such as by building a strong management base that can respond to changes in the environment, and optimally allocating management resources. Furthermore, the Tender Offeror did not consider keeping the Target Company listed as a consolidated subsidiary of the Tender Offeror as the measures to strengthen the competitiveness of the Tender Offeror group as a whole in the medium to long term may not match measures to maximize the short-term profits of the Target Company group. On the other hand, since making the Target Company a wholly-owned subsidiary of the Tender Offeror would resolve the potential for conflicts of interest between the Tender Offeror and the general shareholders of the Target Company, the Tender Offeror is convinced that the integrated implementation of a group strategy for the group as a whole to achieve lasting growth will contribute to the enhancement of the corporate value of both companies, and thus determined in late January 2022 that it is optimal to make the Target Company a wholly-owned subsidiary through the Transaction, including the Tender Offer.

Specifically, we expect to see the following synergies.

- ① Establish a new profit base through comprehensive management of public infrastructure and collaboration in the PPP and concession sectors

In Japan, due to changes in the social structure caused by the declining birthrate and aging population, the public finances of the national and local governments are expected to become even more constrained in the future. Meanwhile, due to the rapid increase in measures against aging infrastructure, it is expected that maintaining management of and updating existing infrastructure, such as roads, bridges, ports, water and sewage, airports managed by national and local governments, as well as new construction, will be nearly impossible. Furthermore, the recent depletion of public financial adjustment funds due to COVID-19 is expected to accelerate the trend of reduction in construction investment. As a solution, new markets for public-private partnerships such as the work of consigning comprehensive management of public infrastructure, and the PPP and concession sectors, are expected to expand in the next few years.

In Japan, the scale of public real estate and public infrastructure is estimated to be about 730 trillion yen, and the public infrastructure assets on which usage fees are collected, and that are said to be applicable to the concession business, are estimated to be about 185 trillion yen (Note 4) and thus to account for approximately 25% of that infrastructure. In particular, public infrastructure assets related to ports such as cruise ship passenger terminals are estimated to account for 0.73 trillion yen of this total (Note 4), and we believe we can demonstrate a high competitive advantage by combining the know-how and technological capabilities cultivated by the Target Company in the port civil engineering business with the Tender Offeror's maintenance/operation and repair/renewal technology, know-how, and knowledge in the concession business.

(Note 4) According to materials from the 6th Council for Industrial Competitiveness of the Headquarters for Revitalization of the Japanese Economy (held on April 17, 2013).

Furthermore, according to the PPP/PFI Promotion Action Plan (2021 Revised Edition) published on June 18, 2021 by the Cabinet Office Council for the Promotion of Private Finance Initiatives for the promotion of the PPP and concession sectors, and the Cabinet Office, in Japan, local public organizations that do not collect usage fees have begun introducing the work of consigning comprehensive management of their civil engineering infrastructures and public facilities, and it is said that they have reached the stage of considering the introduction of availability payment methods (Note 5) into these so-called "infrastructures that do not readily generate cash flow." We believe the market for projects involving the work of consigning comprehensive management and availability payments will rapidly expand going forward, and that we can fully expect to create superiority through collaboration between group companies.

(Note 5) The "availability payment method" refers to a payment method that is a service consideration by the public sector to businesses, such as private concession companies, based on indicators related to availability and service levels, not the actual usage of infrastructure facilities and equipment.

Against this background, the Tender Offeror, toward becoming a "comprehensive infrastructure services company," has set forth a growth strategy for resolving the social issues described above and for creating a new profit base for the Tender Offeror group, and is aggressively promoting efforts targeting public-private partnership projects in the PPP and concession sectors.

Maeda Corporation, which is a wholly-owned subsidiary of the Tender Offeror, and the Target Company, since becoming an equity method affiliated company through the business alliance in July 2002 and the acquisition of

a capital increase by Maeda Corporation in June 2003, have been regularly engaging in various committee activities, and are cooperating in all areas, including sales, design, procurement, construction, safety, quality, and overseas business. We believe that the Tender Offer will further intensify efforts to create synergies in the infrastructure management business across the entire group. If we take on these new businesses, particularly the future planned port infrastructure concession business and renewable energy businesses, such as offshore wind power generation, utilizing the technology and know-how cultivated by the Target Company in the port sector, we believe this will contribute to the establishment of a new profit base for the Target Company, and that further profit expansion can thus be expected. Furthermore, we reviewed the business strategy centered on the domestic market, which will shrink in the mid- to long-term, and we believe that we can demonstrate a competitive advantage by also applying the overseas business technology and know-how cultivated by the Target Company in overseas concession projects that Tender Offeror aims to develop. We believe that these things can be realized reliably and early if the Target Company further strengthens cooperation throughout the group by becoming a core Tender Offeror group company.

② Jointly promote DX and human resources development across the whole group

The worker shortage due to the impact of the declining working-age population caused by the declining birthrate and aging population has become particularly noticeable in the construction industry in recent years, and thus improving productivity through labor saving is an urgent issue that the industry must address. At the same time, as is already seen in city development, such as smart cities and smart infrastructure in places like Aizuwakamatsu in Fukushima Prefecture and Susono in Shizuoka Prefecture, there have been remarkable advancements in digital technologies, which have drawn businesses from other industries outside the construction industry, such as the information industry, to aggressively enter this business sector, which was previously dominated by construction companies, and thus we believe that the competitive environment will become more diverse and fierce in the future.

Such changes are being further accelerated by COVID-19, and thus we have a strong sense of impending crisis and that urgent action is essential in order to survive and achieve sustainable growth amidst these environmental changes. Accumulation and maximum utilization of big data related to construction production, infrastructure management, and human resource development are essential requirements for growth strategies in such an environment, and since these are not a stand-alone efforts, the Tender Offeror believes that, in addition to working as a group, it is important to cooperate and collaborate with a wide variety of partners, and that effects can be maximized by coordinating the technological and human resources development bases of each company.

The Target Company believes that sharing, and thus maximizing, the Tender Offeror group's technical and human resource development environments and digitization strategies with the Target Company as well, will allow us to strengthen our ability to respond to future changes more efficiently and effectively. Additionally, centrally managing the technologies and know-how possessed by group companies such as the Target Company and Tender Offeror as big data will enable more accurate data analysis than can be achieved working separately, and will make it possible to promote stronger strategic planning for the entire group, achieve more efficient management, and develop more sophisticated services, technologies, and systems. By using the Tender Offer to enable the best use of big data, such as technologies and know-how possessed by group companies, going forward, we believe it will contribute to improving operational efficiency and productivity across all of the Target Company's businesses, and enable us to create value through synergies faster and more reliably.

Based on the above considerations, (i) if the Tender Offeror maintains its listing on the Target Company on January 26, 2022 with the Target Company as a consolidated subsidiary of the Tender Offeror, measures to strengthen the competitiveness of the Tender Offeror Group as a whole in the medium to long term may not match measures to maximize the short-term profits of the Target Company Group. On the other hand, since making the Target Company a wholly-owned subsidiary of the Tender Offeror would resolve the potential for conflicts of interest between the Tender Offeror and the general shareholders of the Target Company, (ii) the Tender Offeror is convinced that the integrated implementation of a group strategy for the group as a whole to achieve lasting growth will contribute to the enhancement of the corporate value of both companies, and thus has determined that it is optimal to make the Target Company a wholly-owned subsidiary through the Transaction, including the Tender Offer, and in addition, in terms of the method of the conversion to a wholly-owned subsidiary, has determined that the method of performing a tender offer, which is a way in which the shares of the Tender Offeror will be purchased through the use of delivered moneys, which are more liquid compared to shares, and which provides the shareholders of the Target Company with opportunities to make decisions, including becoming a shareholder of the Tender Offeror, as being optimal, and so, it made an initial proposal regarding the Transaction aimed at making the Target Company a wholly-owned subsidiary, and received a reply from the Target Company that they would take it home and consider it. As stated above, the Tender Offeror had determined

that it would be optimal to make the Target Company a wholly-owned subsidiary through the Tender Offer. Therefore, the Tender Offeror decided to first make an initial proposal to the Target Company regarding the Transaction and, after seeing the response, to appoint an advisor in preparation for full-scale consideration and discussion of the Transaction, and in mid-February of 2022, the Tender Offeror selected Daiwa Securities Co., Ltd. (hereinafter, "Daiwa Securities") as a financial advisor and third-party valuation institution independent from the Tender Offeror, Maeda Corporation and the Target Company, and Uryu & Itoga as a legal advisor. From late January to mid-March of 2022, the Tender Offeror continued to examine and discuss the conditions and methods, etc. of the Transaction with the Target Company. The Tender Offeror, during late January of 2022, over the course of such examinations and discussions, determined that, in regard to the Target Company shares held by Maeda Corporation, as Maeda Corporation is a wholly-owned subsidiary of the Tender Offeror, and such shares could be received as dividend asset, or could be obtained through organizational restructuring such as an absorption-type split without having to pay a transfer price, it did not make economic sense to obtain the Target Company shares from Maeda Corporation through the payment of a transfer price by the method of tender offer, as it would increase the funds required for the Tender Offer and there would be financial burden through additional borrowing for funding the Tender Offer, and determined that even if the Target Company shares held by Maeda Corporation were not subject to acquisition by tender offer, the conversion of the Target Company to a wholly-owned subsidiary could be realized through an agreement with Maeda Corporation to support the procedures for making the Target Company a wholly-owned subsidiary after the tender offer (including the exercising of voting rights in line with this), and thus, the Tender Offeror decided not to obtain the Target Company shares held by Maeda Corporation as part of the Transaction. On February 22, 2022, the Tender Offeror received a reply from the Target Company agreeing to proceed with specific preparations for the implementation of the Transaction. After receiving this response, the Tender Offeror, with the consent of the Target Company, conducted a due diligence with respect to the Target Company from late February to the middle of March of 2022. Furthermore, the Tender Offeror issued a formal written expression of intent on March 2, 2022, and the Tender Offeror has been engaged in repeated discussions and negotiations with the Target Company relating to the per-share purchase price of the Target Company Shares (hereinafter, the "Tender Offer Price") for the Tender Offer since the beginning of March of 2022.

Specifically, the Tender Offeror focused on the past share price trends of the Target Company and comprehensively considered that the price should be higher than the share price level (consolidated net assets per share as of December 31, 2022 was approximately 700 yen), which is equivalent to a price to book ratio (PBR) of 1x, that the feasibility of the Transaction was confirmed through due diligence and that the Target Company shares were within the calculation range in the valuation results of Daiwa Securities, and on March 9, 2022, the Tender Offeror proposed a Tender Offer Price of 720 yen (The Tender Offeror determined that its proposal to set the Tender Offer Price at 720 yen was economically rational for the Target Company's shareholders. While compared to actual examples of premiums granted in tender offers made between July 2019 and January 2022 (71 cases) for making the target company a wholly-owned subsidiary by entities other than the issuer (the average was 43.0% immediately before the date of the announcement, 45.4% for the period one month before the announcement, 47.0% for the period three months before the announcement, and 47.9% for the period six months before the announcement, the median was 41.2% immediately before the date of announcement, 41.4% for the period one month before the announcement, 39.9% for the period three months before the announcement, and 43.5% for the period six months before the announcement), the premium on the closing price (574 yen) on March 8, 2022 would only be about 25%, as stated above, in light of the past share price trends of the Target Company, and as it was focusing on setting the price above the share price level of 1x Price Book Value Ratio (PBR)). In response to this, on 10th of the same month, the Target Company, under the belief that this deviated from a price level that should appropriately reflect the share value of the Target Company, made a request to the Tender Offeror to re-examine the content of the proposal, and thus the Tender Offeror, on the 11th of that month, proposed to set the Tender Offer Price to 730 yen. In response to this, the Target Company requested the Tender Offeror to re-examine the Tender Offer Price on March 12, 2022, because the re-proposed price deviated significantly from the price level that should be paid, and it is impossible to explain the appropriateness of the re-proposed price to the minority shareholders of the Target Company, based on the share value assessment of the Target Company's financial advisor and third-party appraiser, Mitsubishi UFJ Morgan Stanley Securities Co. ("Mitsubishi UFJ Morgan Stanley Securities") and the financial advisor and third-party appraiser to the special committee established by the Target Company, Houlihan Lokey Co., Ltd. ("Houlihan Lokey"), and taking into account other similar cases to which reference should be made in this case (the actual examples of premiums granted in cases of successful tender offers for the purpose of going private by parties other than the issuer or controlling shareholder (35 cases excluding cases which are marked as management buyout (MBO) during the period from June 28, 2019 to December 31, 2021 for which the Ministry of Economy, Trade and Industry's "Guidelines on Fair M&A Practices" (the "Fair M&A Guidelines") was published (the average is 53.8% for the period immediately before the announcement date, 59.6% for the most recent one month, 62.9% for the most recent three months, and 65.4% for the most recent six months).

After that, the Tender Offeror, for the same reason as at the time of the price proposal of March 9, 2022 and based on

the request for re-examination of the price from the Target Company, proposed to set the Tender Offer Price to 745 yen on March 15, 2022. In response, the Target Company believed that this price was below the price level that should appropriately reflect the value of the Target Company's shares, and that it was far from the other similar cases, including going-private transactions by controlling shareholders (persons other than the issuer in the same period as the period from June 28, 2019 to December 31, 2021, when the Ministry of Economy, Trade and Industry issued fair M&A guidelines). The average premiums granted in the 97 successful tender offers to go private was 46.3% for the period immediately prior to the announcement date, 49.4% for the most recent one-month period, 52.3% for the most recent three-months period and 52.8% for the most recent six-months period, and thus, on March 16, 2022, the Target Company requested the Tender Offeror to reconsider the Tender Offer Price because of the deviation from such similar cases.

After that, the Tender Offeror, based on the request for re-examination, proposed to set the Tender Offer Price to 770 yen on March 17, 2022. On March 17, 2022 the Target Company was requested by the Special Committee (defined in “(B) Background and reasons for decision-making by the Target Company” below) to consider such proposal from the Tender Offeror, and while confirming that the price was not at a level that would be detrimental to the interests of general shareholders, to continue negotiations in order to maximize the interests of general shareholders, and that the President and Representative Director of the Target Company hold top level discussions with the Tender Offeror and conduct final negotiations with a view to requesting a price increase. Based on this request, the Target Company requested the Tender Offeror to hold a top level discussion.

In response, on March 18, 2022, the President and Representative Executive Officer of the Tender Offeror held discussions with the President and Representative Director of the Target Company, and as a result, the Tender Offeror reached an agreement with the Target Company to conduct the Tender Offer with the Tender Offer Price of 770 yen on March 18, 2022, and decided to conduct the Transaction and the Tender Offer as part of the Transaction today.

B. Background and reasons for decision-making in the Target Company

Meanwhile, in the Target Company Press Release, the Target Company endorsed the Tender Offer and stated that the decision-making process and reasons that led to the Target Company endorsing the Tender Offer were as described below.

① Course of events behind creation of an examination system

As is described above in “(A) Background and Purpose of the Tender Offer” of “(2) Background, Purpose, and Decision-Making Process Leading to Decision to Commencement of the Tender Offer and Management Policy After the Tender Offer,” the Target Company received an initial face-to-face proposal regarding the Transaction from the Tender Offeror on January 26, 2022, and responded that it would be taken back to the Target Company and considered internally. Then, from late January to mid-March of 2022, the Target Company continued to examine and discuss the methods, etc. of the Transaction with the Tender Offeror. Furthermore, the Target Company replied to the Tender Offeror on February 22, 2022 that it agreed to proceed with concrete preparations for the implementation of the Transaction. After receiving this response, the Tender Offeror, with the consent of the Target Company, conducted a due diligence with respect to the Target Company from late February to the middle of March 2022. Furthermore, the Target Company received a formal written expression of intent on March 2, 2022 from the Tender Offeror, and since early March 2022, the Target Company and the Tender Offeror carried out multiple discussions regarding the Tender Offer Price. Although, when it started discussions pertaining to the Transaction with the Tender Offeror, the Target Company was not a subsidiary of the Tender Offeror or Maeda Corporation and the Tender Offer was not a Tender Offer by a controlling shareholder, Maeda Corporation, which is a wholly-owned subsidiary of the Tender Offeror, at the time owned 19,047,610 (ownership ratio: 20.19%) Target Company Shares. In light of the fact that this makes the Target Company an affiliate to which the equity method applies and the Tender Offeror plans to make the Target Company a wholly-owned subsidiary and to keep the Target Company Shares private, to ensure the fairness of the Transaction, in mid-February 2022, the Target Company selected Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. (hereinafter, “Mitsubishi UFJ Morgan Stanley Securities”) as a third-party valuation institution and Miura & Partners as a legal advisor, both being independent of the Target Company, the Tender Offeror, and Maeda Corporation. Based on advice from Mitsubishi UFJ Morgan Stanley Securities and Miura & Partners, the Target Company immediately began building a system, independent of the Tender Offeror, for considering, negotiating, and making decisions regarding the Transaction from the perspective of improving its corporate value and securing the interests of Target Company minority shareholders (general shareholders).

Specifically, the Target Company began preparations for forming a special committee consisting of independent outside directors and outside experts in mid-February 2022, and, through a resolution at a Target Company board of directors meeting on February 24, 2022, established a special committee (hereinafter, the “Special Committee”) comprised of three individuals; Yoshio Fukuda (Target Company independent outside director), Yutaka Yoshida (Target Company independent outside director), and outside expert Tsuyoshi Nishimoto (attorney, Hibiya Park

Law Offices) (for details see, “(Measures to Ensure Fairness of the Tender Offer Price and Measures to Ensure Fairness of the Tender Offer such as Measures for Avoiding Conflicts of Interest) ① Establishment of an Independent Special Committee and Acquisition of a Report in the Target Company” under “(B) Background of Valuation” under “(4) Basis of Calculation of Tender Offer Price, etc.” under “2 Overview of Purchase, etc.” described below). The Target Company states that it had the Special Committee examine whether conducting the Transaction (including the Target Company board of directors making statements endorsing the Tender Offer and recommending tenders to the Tender Offer to Target Company shareholders) will be disadvantageous to the minority shareholders (general shareholders) from the perspectives of, (i) legitimacy and rationality of the purpose of the Transaction, (ii) fairness of the procedures pertaining to the Transaction (whether the Target Company shareholder interests have been fully considered), and (iii) fairness and validity of the transaction conditions pertaining to the Transaction, etc., and provide advice (hereinafter referred to collectively as the “Advisory Matters”) on expressing opinions to the Target Company board of directors.

Furthermore, upon establishing the Special Committee, the Target Company’s board of directors resolved to give the committee the authority to, (a) collect and receive information necessary for making decisions on and considering the Advisory Matters, (b) when the Special Committee deems it necessary, select or appoint its own financial advisor or third-party valuation institution and legal advisor (hereinafter referred to as the “Advisors, etc.”), or approve the Target Company’s advisors, (c) when the Special Committee deems it necessary, participate in discussions and negotiations between the Target Company and the Tender Offeror, and discuss and negotiate on behalf of the Target Company, and (d) consider, and when necessary provide opinions and suggestions with respect to the degree of measures that are should be taken with respect to the Transaction to ensure fairness.

At the first Special Committee meeting held on February 24, 2022, the Special Committee, after confirming there were no issues with the independence and expertise thereof, approved Mitsubishi UFJ Morgan Stanley Securities as the Target Company’s financial advisor and third-party valuation institution, and Miura & Partners as the Target Company’s legal advisor. As described in “(Measures to Ensure Fairness of the Tender Offer Price and Measures to Ensure Fairness of the Tender Offer such as Measures for Avoiding Conflicts of Interest) ① Establishment of an Independent Special Committee and Acquisition of a Report in the Target Company” under “(B) Background of Valuation” under “(4) Basis of Calculation of Tender Offer Price, etc.” under “2 Overview of Purchase, etc.” below, the Special Committee, under the authority described above and after confirming the independence and expertise thereof, selected Houlihan Lokey Co., Ltd. (hereinafter, “Houlihan Lokey”) as an independent financial advisor and third-party valuation institution on March 1, 2022.

In addition to the above, on the background of the establishment of the Special Committee, its examination process, and descriptions of its judgments, etc., see “(Measures to Ensure Fairness of the Tender Offer Price and Measures to Ensure Fairness of the Tender Offer such as Measures for Avoiding Conflicts of Interest) ① Establishment of an Independent Special Committee and Acquisition of a Report in the Target Company” under “(B) Background of Valuation” under “(4) Basis of Calculation of Tender Offer Price, etc.” under “2 Overview of Purchase, etc.” described below.

② Background of examinations and negotiations

On March 9, 2022, the Target Company received a proposal of a Tender Offer Price of 720 yen per share from the Tender Offeror, and has stated that it has been in continuous discussions and negotiations with the Tender Offeror about various conditions in the Transaction, including the Tender Offer Price, based on financial advice that includes results of calculations of the share price of the Target Company Shares by Mitsubishi UFJ Morgan Stanley Securities and policies for negotiating with the Tender Offeror, as well as guidance, and other legal advice, on measures to ensure the fairness of procedures in the Transaction from Miura & Partners. The specifics are as stated below.

- The Target Company received a proposal from the Tender Offeror on March 9, 2022 to set the Tender Offer Price at 720 yen, but requested the Tender Offeror to reconsider the Tender Offer Price because it believed the proposed price clearly deviated from the level that appropriately reflects the share price of the Target Company.
- On March 11, 2022, the Target Company received a second proposal from the Tender Offeror to set the Tender Offer Price to 730 yen, but in addition to the stock valuations performed by Mitsubishi UFJ Morgan Stanley Securities and Houlihan Lokey, examples of premiums granted in similar cases (average values were 53.8% immediately before the publication date, 59.6% in the most recent 1-month period, 62.9% in the most recent 3-month period, and 65.4% in the most recent 6-month period) that should be referenced for this matter (cases where tender offers were commenced for the purpose of shares being kept private by a party other than the issuer or controlling shareholder during the period between June 28, 2019, when the Ministry of Economy, Trade and Industry announced the Fair M&A Guidelines and

December 31, 2021 (35 cases, excluding the cases designated Management Buy-out (MBO) in the disclosure documents)). When each point was taken into comprehensive consideration, the re-proposed price deviated from the ideal price level and as it would not be possible to explain the fairness to the company's minority shareholders, the Target Company requested that the Tender Offer reconsider their Tender Offer Price on March 12, 2022.

- the Target Company believed that this price was below the price level that should appropriately reflect the value of the Target Company's shares, and that it was far from the other similar cases, including going-private transactions by controlling shareholders (persons other than the issuer in the same period as the period from June 28, 2019 to December 31, 2021, when the Ministry of Economy, Trade and Industry issued fair M&A guidelines). The average premiums granted in the 97 successful tender offers to go private was 46.3% for the period immediately prior to the announcement date, 49.4% for the most recent one-month period, 52.3% for the most recent three-months period and 52.8% for the most recent six-months period, and thus, on March 16, 2022, the Target Company requested the Tender Offeror to reconsider the Tender Offer Price because of the deviation from such similar cases.

As a result, the Target Company received a final proposal of a Tender Offer Price of 770 yen from the Tender Offeror on March 17, 2022. On March 17, 2022 the Target Company was requested by the Special Committee to consider such proposal from the Tender Offeror, and while confirming that the price was not at a level that would be detrimental to the interests of general shareholders, to continue negotiations in order to maximize the interests of general shareholders, and that the President and Representative Director of the Target Company hold top level discussions with the Tender Offeror and conduct final negotiations with a view to requesting a price increase. Based on this request, the Target Company requested the Tender Offeror to hold a top level discussion. In response, on March 18, 2022, the Target Company's Representative Director held discussions with the Tender Offeror's President and Representative Executive Officers. As a result, the Target Company decided that the final proposal for the Tender Offer Price of JPY 770 had a premium of 28.55% (rounded to two decimal places; the same applies hereinafter) of the 599 yen closing price of the Target Company's shares on the First Section of the Tokyo Stock Exchange on March 18, 2022, the business day immediately preceding the day on which the commencement of the Tender Offer was announced, 30.07% of the simple average of the closing price of 592 yen (from February 21, 2022 to March 18, 2022) up to the same date (rounded to the nearest yen, the same shall apply hereinafter in the calculation of the simple average closing price) for the past one month, 33.22% over the simple average of the closing price for the past three months (from December 20, 2021 to March 18, 2022) of 578 yen, and 33.91% over the simple average of the closing price for the past six months (from September 21, 2021 to March 18, 2022) of 575 yen up to and including the same date, and while it is below the premium level of 97 successful tender offers for the purpose of going private by persons other than the issuer during the period from June 28, 2019 to December 31, 2021 which was published in the Ministry of Economy, Trade and Industry's Fair M&A Guidelines (the average is 46.3% for the period immediately before the announcement date, 49.4% for the last month, 52.3% for the last 3 months, and 52.8% for the last 6 months), of the 97 cases of other companies mentioned above, 28 cases are below 30% premium to the closing price immediately before the announcement date, 30 cases are below 35% premium to the simple average closing price over the last 1 month, 30 cases are below 35% premium to the simple average closing price over the last 3 months, and 30 cases are below 35% premium to the simple average closing price over the last 3 months. In all cases, there are a considerable number of cases where the premium level is the same or lower than the premium level attached to the Tender Offer Price. Considering the fact that measures to ensure fairness of the Tender Offer Price and measures to ensure fairness of the Tender Offer such as measures for avoiding conflicts of interest were taken at the time the Tender Offer Price was decided, as is disclosed in "(Measures to Ensure Fairness of the Tender Offer Price and Measures to Ensure Fairness of the Tender Offer such as Measures for Avoiding Conflicts of Interest)" under "(B) Background of Valuation" under "(4) Basis of Calculation of Tender Offer Price, etc." under "2 Overview of Purchase, etc." below, and the interests of minority shareholders (general shareholders) have been taken into consideration and the price of the Target Company's shares was 677 yen, the highest market price of the Target Company's shares since the day of the Lehman Shock (September 16, 2008), it is not considered to be an inappropriate level compared to similar cases. Given the opportunity to sell the shares of the Target Company at a price higher than the acquisition price, this is a reasonable price that ensures the benefits to be enjoyed by the minority shareholders (general shareholders) of the Target Company and provides the minority shareholders (general shareholders) of the Target Company with a reasonable opportunity to sell their shares at a price with an appropriate premium (for details of the Target Company's reasons for agreeing to set the Tender Offer Price at 770 yen, please refer to "(iii) Details of the Target Company's Decision-Making" below).

In the above examination and negotiation process, the Special Committee received reports from the Target Company and the Advisors, etc. on the Target Company as appropriate, which it confirmed and about which it

offered opinions. Specifically, the Target Company received confirmation from the Special Committee of the rationality of the content, the important pre-conditions, and production background, etc. of business plan (hereinafter the “Business Plan”) covering the period ending March of 2022 to the period ending March 2026 produced by the Target Company. Furthermore, the Target Company’s financial advisor, in negotiating with the Tender Offeror, responded pursuant to the negotiation policies determined after discussions at Special Committee meetings. It also reported each Tender Offer Price proposal it received from the Tender Offeror to the Special Committee immediately. Additionally, the Special Committee, after selecting Houlihan Lokey as its independent financial advisor and third-party valuation institution, received a stock price valuation report (hereinafter the “Target Company Valuation Report (Houlihan Lokey)”) dated March 22, 2022 pertaining to the results of the valuation of the Target Company Shares, and a fairness opinion (hereinafter, the “Fairness Opinion”) indicating that 770 yen per share, which is the Tender Offer Price, is appropriate from a financial point of view to the Target Company shareholders (excluding the Tender Offeror and Maeda Corporation). Then, today, the Target Company received a report (the “Report”) from the Special Committee that regarding the Transactions, including the Tender Offer, the decision by the board of directors of the Target Company, specifically, to express an opinion in favor of the Tender Offer and recommend the shareholders of the Target Company to tender their shares in the Tender Offer, and to resolve to approve the Request for Sale of Shares (defined in "(4) Policy on Reorganization, etc. after the Tender Offer (Matters Relating to the So-Called Two-Step Acquisition)" below) and the Share Consolidation, etc. to be conducted after the Tender Offer as part of the Transaction, is not disadvantageous to minority shareholders (general shareholders) of the Target Company (for an overview of the Report, see “(Measures to Ensure Fairness of the Tender Offer Price and Measures to Ensure Fairness of the Tender Offer such as Measures for Avoiding Conflicts of Interest) ① Establishment of an Independent Special Committee and Acquisition of a Report in the Target Company” under “(B) Background of Valuation” under “(4) Basis of Calculation of Tender Offer Price, etc.” under “2 Overview of Purchase, etc.”

③ Details of the Target Company's Decision-Making

Based on the above background, the Target Company reports that, at a Target Company board of directors meeting held today, it carefully discussed and considered whether the Transaction, including the Tender Offer, contributes to the enhancement of the Target Company’s corporate value and whether the transaction conditions for the Transaction, including the Tender Offer Price, are appropriate, based on legal advice received from Miura & Partners, advice from a financial point of view received from Mitsubishi UFJ Morgan Stanley Securities, a stock price valuation report (hereinafter, the “Target Company Valuation Report (Mitsubishi UFJ Morgan Stanley Securities)”) dated March 18, 2022 pertaining to the value of the Target Company shares submitted by Mitsubishi UFJ Morgan Stanley Securities, and the Target Company Valuation Report (Houlihan Lokey) and the Fairness Opinion submitted through the Special Committee while giving the utmost respect to the details of the Special Committee judgments presented in the Report.

As a result, the Target Company determined that, as described below, the Transaction will contribute to enhancing the Target Company’s corporate value.

With respect to circumstances in the domestic civil engineering and construction industry, the Target Company states that it recognizes that the external environment will not change for the next 5 years (until 2025) due to the “5-year acceleration measures for disaster prevention/mitigation and national resilience” formulated by the government on December 11, 2020; that, for the same reason, the Target Company’s performance can be predicted to some extent 5 years out, but that the trend 10 and 20 years out will see the financial situation in Japan become more severe due to the declining birthrate and aging population; that the outlook for public investment is for it to trend downward; that there is a possibility that the construction market will change in nature from new construction to maintenance and renewal; that the outlook for when the soaring prices of raw materials will settle is uncertain; that there is an urgent need to secure personnel and achieve technical innovation to improve productivity in order to respond to changes in the labor market due to the decrease in the working-age population due to the declining birthrate and aging population; and that it must improve its work environment and promote management based on the Basic Policy on Sustainability established by the Target Company on February 25, 2022 (Note 1) by reforming work styles in line with the trends of the times in recent years.

(Note 1) “Basic Policy on Sustainability” refers to contributing to the advancement of a sustainable society by adhering to the code of conduct based on the Target Company’s management philosophy, maintaining better relationships with society, and conducting fair and trusted business activities.

Furthermore, as is described above in “(A) Background and Purpose of the Tender Offer” of “(2) Background, Purpose, and Decision-Making Process Leading to Decision to Commencement of the Tender Offer and Management Policy After the Tender Offer,” in the wake of the initial proposal regarding the Transaction from the Tender Offeror on January 26, 2022, at around the same time, the Tender Offeror and the Target Company

practitioners began discussions on a specific processes, including the Target Company's participation in the Tender Offeror group, at both companies. In particular, with ① the announcement of the Tender Offeror's Mid-Term Management Plan in October 2021, the announcement of the 2Q settlement for the period ending March 2022 in November 2021, and the announcement of the 3Q settlement for the period ending March 2022 in February 2022 by the Tender Offeror, which created a further visualization of the establishment of management policies and governance systems for the Tender Offeror and the Tender Offeror group, and given ② the results of the public offering for the fixed-bottom type offshore wind power generation project (off the coasts of Noshiro, Mitane, and Oga in Akita Prefecture, off the coast of Yurihonjo in Akita Prefecture, and off the coast of Choshi in Chiba Prefecture) in December 2021, since, based on the changes in the business environment surrounding domestic offshore wind power generation projects, as is described below in "(a) Share management resources in, and build a system for a more competitive approach to, the renewable energy business," under the relationship to this point (where the Tender Offeror owns 100 Target Company Shares (ownership ratio: 0.00%) and Maeda Corporation, which is Tender Offeror wholly-owned subsidiary, owns 19,047,510 Target Company Shares (ownership ratio: 20.19%) and thus makes the Target Company a Maeda Corporation affiliate to which the equity method applies), there are restrictions on sharing information, such as customer information and technical information, and collaboration between the companies is limited to collaboration on a project-by-project basis and thus does not lead to the establishment of a management-level collaborative relationship, the companies came to believe in mid-February 2022 that having the Target Company participate in the Tender Offeror group beyond the framework of the previous capital and business alliance would strengthen the relationship between the Tender Offeror and the Target Company, and thus that the Target Company must implement the following measures.

For the Target Company to solve the two major issues of "changes in the construction market" and "changes in the labor market," and realize continuous improvements in corporate value, it has indicated it believes it is better to build a system where the companies of the Tender Offeror group cooperate to promote business through participation in the Tender Offeror group than taking the time to respond alone.

Specifically, since the Target Company has been an affiliate of Maeda Corporation to which the equity method applies, it states that by becoming a wholly-owned subsidiary of the Tender Offeror, it will be able to increase the number of collaborative efforts in the civil engineering and construction business with the Tender Offeror group, which have been limited to a case-by-case basis, that it can expect to be able to further increase orders not only for port and marine civil engineering works but also for land works, that the scale of its business will expand, and that its cost competitiveness and material procurement capabilities will be strengthened. In the medium to long term, since the financial situation of the national and local governments will become even more severe due to the decrease in tax revenue caused by the declining population and the increase in social security costs due to the aging of the population, the Target Company recognizes that public investment is likely to remain on a downward trend. In its "Being a Resilient Company (2020 to 2022)" Mid-Term Management Plan (hereinafter, the "Target Company Mid-Term Management Plan"), the Target Company announced on March 25, 2020, that it is formulating plans to expand its private and renewable energy business initiatives, including offshore wind power generation projects, and overseas businesses. The Target Company states these efforts, along with the knowledge and customer network of not only the Target Company group but also the Tender Offeror group's efforts in the renewable energy business, will make it possible to improve profit margins by increasing profitable orders for the Target Company.

Whereas, in order to respond to the aging and declining labor population surrounding the construction industry and the movement of technical innovation, it must work on advanced technology development, construction method development, and operational efficiency strength for productivity improvements and labor savings, and since the sharing of information, such as know-how and technical information, that cannot be provided to third parties other than affiliated companies among the Tender Offeror group has been limited as an affiliate of Maeda Corporation to which the equity method applies, which is a wholly-owned subsidiary of the Tender Offeror, the Target Company says that participating in the Tender Offeror group would make it possible to utilize resources, such as the latest technology, know-how, and human resources possessed by Tender Offeror group companies, it could not use in the past, and that through human resource exchanges and cooperation between the technical and management departments of the Target Company group and the Tender Offeror group, as well as responding to DX and realizing more effective and efficient business management, and believes that doing so will lead to improvement of its work environment through work style reforms and the promotion of management based on the Basic Policy on Sustainability.

As a listed company, the Target Company has always respected the interests of Target Company minority shareholders (general shareholders), and has endeavored to secure its independence. The Target Company believes that participating in the Tender Offeror group after the Transaction will enable it to contribute to improving the corporate value of the Target Company group and the mid- to long-term corporate value of the Tender Offeror

group including the Target Company group, while cooperating and coordinating with the Tender Offeror group companies and efficiently utilizing management resources quickly and smoothly.

The specific synergies the Target Company believes are feasible through the Transaction are as described below.

(a) Share management resources in, and build a system for a more competitive approach to, the renewable energy business

The Target Company group, which aims to acquire business opportunities for offshore wind power generation-related work vessels as a future growth opportunity, states that whereas the results of the public offering for the fixed-bottom type offshore wind power generation project (off the coasts of Noshiro, Mitane, and Oga in Akita Prefecture, off the coast of Yurihonjo in Akita Prefecture, and off the coast of Choshi in Chiba Prefecture) in December 2021 set a supply price upper limit of 29 yen/kWh, and bidders proposed amounts ranging from 11.99 yen to 16.49 yen/kWh, it revealed that the competitive environment is changing as the power generation costs are approaching the 8-9 yen/kWh level set as an industry target for 2030 to 2035, and thus that it must take measures to reduce its construction costs, which are a part of power generation costs. For the Target Company group to respond to this change and establish business for securing long-term profits in the future, the Target Company says it believes that, rather than handling on its own, it must urgently do more to create an approach system integrated with the Tender Offeror, and do more to promote technological developments that reduce construction costs.

The Tender Offeror group, as part of its group strategy targeting conversion to a “comprehensive infrastructure services company” that collectively manages infrastructure management planning proposals, planning designs, manufacturing procurements, construction, large-scale renovations, and operation and maintenance, has a track record of development, construction, and management related to around 141 MW in the solar, onshore wind, and biomass power generation businesses as a company that develops renewable energy generation projects. Additionally, it is also promoting the development of offshore wind power generation projects. Furthermore, given that the Tender Offeror group has been selected as a priority negotiating rights holder in public offering bids for multiple concession projects, including a project for managing specific Sendai airports and a project for managing toll roads in Aichi Prefecture, and engages in infrastructure management projects, it is considered to have experience and knowledge of public offering bids for concession projects and public-private partnership infrastructure management projects in offshore wind power generation project public offering bids as well.

The Transaction will make it possible to build a comprehensive approach system based on, ① the Target Company group’s port and marine civil engineering business technology and knowledge, ② the Tender Offeror group’s operational knowhow of the renewable energy business and as a company having concession projects, and ③ the technology and knowledge of both companies with respect to the civil engineering and construction, pavement, and construction machinery related businesses. Furthermore, since it will mutually perfect Target Company and Tender Offeror group technical development knowledge and supply chains, it will also promote cost reductions in the renewable energy business for offshore wind power generation projects, and technological development in the environmental fields for a carbon-free society, including technology for reducing environmental impacts.

(b) Promote strategic capital policies

The Target Company group has listed policies for strengthening efforts with respect to offshore wind power generation projects in its Mid-Term Management Plan. As described above, one part of these policies targets the acquisition of business opportunities for work vessels for offshore wind power generation. The Target Company says that building work vessels for offshore wind power generation requires certain capital investments, and that it thus expects acquiring such projects will require it to procure funding.

Until now, the Target Company, which is an affiliate of Maeda Corporation, which is a wholly-owned subsidiary of the Tender Offeror, to which the equity method applies, has had an issuer rating of “BBB,” as issued by Rating and Investment Information, Inc. on August 2, 2021. Meanwhile, the Tender Offeror group has an “A+” issuer rating as announced on December 20, 2021 by Japan Credit Rating Agency, Inc., and thus, the Target Company says that participating in the Tender Offeror group through the privatization of Target Company Shares will allow it to strengthen its financial external creditworthiness in the eyes of financial institutions and business partners through the Tender Offeror, which, in turn, will enable it to realize a flexible and strategic capital policy for the purpose of making new and growth investments at a scale that was difficult based on its creditworthiness in past.

(c) Promote technical development, improve productivity, and share and utilize management resources across the entire group

The Target Company group says that, to reduce future business risks, such as those caused by the aging and declining labor population in the construction industry, and to reduce the burden on laborers due to the

normalization of labor shortages, it has listed, in its Mid-Term Management Plan, that it aims to improve value-added productivity through technical developments and capital investments that will lead to construction automation, productivity improvements, and labor savings. The Tender Offeror also has the same perception of business risks in the construction industry, and so it listed, in the Tender Offeror's Mid-Term Management Plan, policies to invest in digital technologies for accumulating and centrally managing big data on the construction contracting business and infrastructure management that will be a source of new value in the future, and to streamline and enhance operations to reduce fixed and management costs by consolidating indirect operations, such as finance accounting, general affairs, labor, and sales office work, conducted by each Tender Offeror group company.

After participating in the Tender Offeror group, it will be possible to discuss an efficient system for technical development investments based on the above data with Tender Offeror group companies, and the Target Company says, that, in addition to being able to build an efficient system for promoting development by the mutual supplementation of the Target Company group's and the Tender Offeror group's know-how, the consolidation of indirect operations promoted by the Tender Offeror will enable it to optimize the Target Company group's fixed and management costs.

Furthermore, the mutual supplementation and effective utilization of management resources, such as customer bases, business bases, financial bases, and supply chains between the Target Company group and the Tender Offeror group, which was limited from the perspective of maintaining independence as listed companies, will also be possible, and the Target Company says it believes that by promoting the building of collaborative systems and the sharing of information with Tender Offeror group companies, it can make its production system and business more competitive. Specifically, the Target Company group recognizes that it is strong in port and maritime civil engineering and port projects overseas, that the Tender Offeror group, meanwhile, is strong in operating various types of infrastructure related to land-based civil engineering, construction, road pavement, and construction machinery, and that there is thus little overlap in the business areas of the two companies. It says it thus believes the entire Tender Offeror group, including the Target Company group, can build a comprehensive approach system by expanding business areas.

(d) Strengthening cooperation in human resource exchange, development, and recruitment

The Target Company group recognizes that the aging of the construction technicians upon which the construction industry depends, the decline in the labor force due to the decrease in the number of employees in the construction industry caused by the decrease in the working population, and the so-called problems of "securing a supporter" and "maintaining a production system" are urgent issues connected to future business risks. These "labor market changes" have been further spurred by recent work style reforms. The supply and demand gap for construction technicians is widening due to demand for construction technicians increasing as construction industry companies stepping up their hiring of construction technicians while there is a shortage of construction technicians due to the number of employees including construction technicians caused by the aging of construction technicians and the decrease in the working population (Note 2), and thus the Target Company acknowledges that securing construction technicians in the Target Company group will be even more difficult.

Thus, the entire Tender Offeror group, including the Target Company group, will be able to secure and develop excellent human resources by collaborating in recruitment activities and human resource development measures.

(Note 2) According to the "Current State and Issues in Work Style Reform of the Construction Industry (November 2021)" by the Ministry of Land, Infrastructure, Transport and Tourism.

Furthermore, based on (A) through (G) below, the Target Company has determined that the Tender Offer provides an opportunity for the Target Company's shareholders to sell their Target Company Shares at a reasonable price.

- (A) The Tender Offer Price must exceed the upper value of the price range valuated using market stock price analysis, must exceed the median value of the price range valuated using similar company comparison analysis, and must be within the price range valuated using the DCF analysis for the Target Company Shares in the stock price valuation results of the Target Company Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) by Mitsubishi UFJ Morgan Stanley Securities, as disclosed below in "(Measures to Ensure Fairness of the Tender Offer Price and Measures to Ensure Fairness of the Tender Offer such as Measures for Avoiding Conflicts of Interest) ② Acquire a Share Value Valuation Report from a Third-party Valuation Institution Independent of the Target Company" under "Background of Valuation" under "(4) Basis of Calculation of Tender Offer Price, etc." under "2 Overview of Purchase, etc." below
- (B) Must exceed the upper value of the price range valuated using the market stock price analysis or must exceed the median value of the price range valuated using the comparable company analysis method and be within

the price range valued using the DCF analysis of the results of the stock price valuation of the Target Company Shares in the Target Company Valuation Report (Houlihan Lokey) by Houlihan Lokey as disclosed below in “(Measures to Ensure Fairness of the Tender Offer Price and Measures to Ensure Fairness of the Tender Offer such as Measures for Avoiding Conflicts of Interest) ③ Acquire a Stock Price Valuation Report and a Fairness Opinion from a Financial Advisor and Third-Party Valuation Institution independent of the Special Committee” under “(B) Background of Valuation” under “(4) Basis of Calculation of Tender Offer Price, etc.” under “2 Overview of Purchase, etc.” or 770 yen per share, which is the Tender Offer Price, must be appropriate, from a financial point of view, for the Target Company shareholders (excluding the Tender Offeror and Maeda Corporation) according to the Fairness Opinion issued by Houlihan Lokey as disclosed below in “(Measures to Ensure Fairness of the Tender Offer Price and Measures to Ensure Fairness of the Tender Offer such as Measures for Avoiding Conflicts of Interest) ③ Acquire a Stock Price Valuation Report and a Fairness Opinion from a Financial Advisor and Third-Party Valuation Institution independent of the Special Committee” under “(B) Background of Valuation” under “(4) Basis of Calculation of Tender Offer Price, etc.” under “2 Overview of Purchase, etc.” below.

- (C) If the Tender Offer Price offers the premium of 28.55% of the 599 yen closing price of the Target Company's shares on the First Section of the Tokyo Stock Exchange on March 18, 2022, the business day immediately preceding the day on which the Tender Offer was announced, 30.07% of the simple average of the closing price of 592 yen (from February 21, 2022 to March 18, 2022) up to the same date for the past one month, 33.22% over the simple average of the closing price for the past three months (from December 20, 2021 to March 18, 2022) of 578 yen, and 33.91% over the simple average of the closing price for the past six months (from September 21, 2021 to March 18, 2022) of 575 yen up to and including the same date, and it is not considered to be an inappropriate level compared to similar case given the premium level of 97 successful tender offers for the purpose of going private by persons other than the issuer during the period from June 28, 2019 to December 31, 2021 which was published in the Ministry of Economy, Trade and Industry's Fair M&A Guidelines (the average is 46.3% for the period immediately before the announcement date, 49.4% for the last month, 52.3% for the last 3 months, and 52.8% for the last 6 months). Of the 97 cases of other companies mentioned above, 28 cases are below 30% premium to the closing price immediately before the announcement date, 30 cases are below 35% premium to the simple average closing price over the last 1 month, 30 cases are below 35% premium to the simple average closing price over the last 3 months, and 30 cases are below 35% premium to the simple average closing price over the last 3 months. In all cases, there are a considerable number of cases where the premium level is the same or lower than the premium level attached to the Tender Offer Price.
- (D) The price is higher than 677 yen, the highest market share price of the Target Company's shares since the day of the Lehman Shock (September 16, 2008), and the minority shareholders (general shareholders) will have the opportunity to sell their shares of the Target Company at a price higher than the acquisition price.
- (E) Since measures to ensure fairness of the Tender Offer Price and measures to ensure fairness of the Tender Offer such as measures for avoiding conflicts of interest were taken at the time the Tender Offer Price was decided, as is disclosed in “(Measures to Ensure Fairness of the Tender Offer Price and Measures to Ensure Fairness of the Tender Offer such as Measures for Avoiding Conflicts of Interest)” under “(B) Background of Valuation” under “(4) Basis of Calculation of Tender Offer Price, etc.” under “2 Overview of Purchase, etc.” below, it must be acknowledged that the interests of minority shareholders (general shareholders) have been taken into consideration.
- (F) After the measures described above for avoiding conflicts of interest have been taken, discussions and negotiations equivalent to discussions and negotiations between the independent parties between the Target Company and the Tender Offeror shall be conducted, more specifically, discussions and negotiations must be underway based on the content of the results of the stock price valuations of the Target Company Shares by Houlihan Lokey and Mitsubishi UFJ Morgan Stanley Securities and the legal advice, etc. with respect to the decision-making process and method, and other things to be kept in mind, with respect to the Transaction from Miura & Partners, and in accordance with the negotiation policy decided on after deliberations in a Special Committee meeting, and, as a result thereof, the Tender Offer Price must be the proposed price
- (G) The Tender Offer Price must also be deemed to be a reasonable price in the Report acquired from the Special Committee as is described below in “(Measures to Ensure Fairness of the Tender Offer Price and Measures to Ensure Fairness of the Tender Offer such as Measures for Avoiding Conflicts of Interest) ① Establishment of an Independent Special Committee and Acquisition of a Report in the Target Company” under “(B) Background of Valuation” under “(4) Basis of Calculation of Tender Offer Price, etc.” under “2 Overview of Purchase, etc.”

Based on the above, the Target Company determined that the Transaction will contribute to raising its corporate value and that the transaction conditions pertaining to the Transaction, including the Tender Offer Price, are reasonable, and, at a Target Company board of directors meeting held today, resolved to release a statement endorsing the Tender Offer and recommending to all Target Company shareholders that they submit tenders to the Tender Offer.

For details of the decision-making process of the board of directors of the Target Company, see “⑤ Approval of all Directors having no Relationship of Interest with the Target Company and Opinions of No Objection from all Auditors having no Relationship of Interest with the Target Company” under “(Measures to Ensure Fairness of the Tender Offer Price and Measures to Ensure Fairness of the Tender Offer such as Measures for Avoiding Conflicts of Interest)” under “(B) Background of Valuation” under “(4) Basis of Calculation of Tender Offer Price, etc.” under “2 Overview of Purchase, etc.” described below.

C. Management Policy After the Tender Offer

The Tender Offeror plans to discuss the management structure of the Target Company after the Tender Offer with the Target Company from the perspective of further improving the corporate values of both parties after the Tender Offer, and thus there are no specific facts to discuss at the present time. By consolidating the management resources of the Tender Offeror group including the Target Company, the Tender Offeror group will be more united than ever and will strive to further improve its corporate value.

(3) Measures to Ensure Fairness of the Tender Offer Price and Measures to Ensure Fairness of the Tender Offer such as Measures for Avoiding Conflicts of Interest

As of today, the Target Company was not a consolidated subsidiary of the Tender Offeror, and the Tender Offer is not for the acquisition of a subsidiary by a controlling shareholder. However, given that the Tender Offeror owns 100 (ownership ratio: 0.00%) Target Company Shares and Maeda Corporation, which is a wholly-owned subsidiary of the Tender Offeror and a major, in fact, the largest Target Company shareholder, owns 19,047,510 (ownership ratio 20.19%) Target Company Shares, and that the Target Company is an affiliate thereof to which the equity method applies, the Tender Offeror and the Target Company, to ensure the fairness of the Price of Purchase, etc. and eliminate arbitrariness from the decision-making process leading to the decision to implement the Tender Offer, implemented the following measures to avoid conflicts of interest. The descriptions of measures, etc. implemented by the Target Company are based on the Target Company Press Release and explanations regarding such measures received from the Target Company.

- ① Establish, and acquire a report from, an independent Special Committee in the Target Company
- ② Acquire a share price valuation report from a third-party valuation institution independent of the Target Company
- ③ Acquire a share price valuation report and a fairness opinion from an independent financial adviser and third-party valuation institution at a Special Committee meeting
- ④ Acquire advice from an independent legal advisor in the Target Company
- ⑤ Approval of all Directors having no Relationship of Interest with the Target Company and Opinions of No Objection from all Auditors having no Relationship of Interest with the Target Company
- ⑥ Ensure objective circumstances to secure the fairness of the Tender Offer
- ⑦ Set the lower limit for satisfying the majority of minority conditions

For details on the above, see “(Measures to Ensure Fairness of the Tender Offer Price and Measures to Ensure Fairness of the Tender Offer such as Measures for Avoiding Conflicts of Interest)” under “(B) Background of Valuation” under “(4) Basis of Calculation of Tender Offer Price, etc.” under “4 Overview of Purchase, etc.” described below.

(4) Policies for Organizational Restructuring after the Tender Offer (Matters relating to So-called Two-Stage Acquisitions)

Since, as is described above in “(1) Overview of the Tender Offer,” it is the Tender Offeror’s policy to make the Target Company a wholly-owned subsidiary of the Tender Offeror, if the Tender Offeror is unable to acquire all of the Target Company Shares through the Tender Offer, the Tender Offeror plans to acquire all of the Target Company Shares via the method described below after the Tender Offer is established.

Specifically, through the completion of the Tender Offer, the total number of voting rights for the Target Company Shares the Tender Offeror and Maeda Corporation will own will be at least 90% of the voting rights of the Target Company’s total shareholders. If the Tender Offeror becomes a special controlling shareholder as stipulated in Article 179(1) of the Companies Act, it plans to request (hereinafter the “Request for Sale of Shares”), immediately after

settlement of the Tender Offer is complete, that all of the Target Company shareholders (excluding the Tender Offeror, Maeda Corporation, and the Target Company) sell all of the Target Company Shares they own according to the provisions of Chapter 2, Section 4-2 of Volume 2 of the Companies Act.

In the Request for Sale of Shares, the Tender Offeror plans to offer every Target Company shareholder (excluding the Tender Offeror, Maeda Corporation, and the Target Company) an amount of money equivalent to the Tender Offer Price as the price per Target Company Share. In this case, the Tender Offeror will notify the Target Company of its intention to do so, and seek the Target Company's approval of the Request for Sale of Shares. If the Target Company, through a resolution of its board of directors, approves the Request for Sale of Shares, the Tender Offeror will, in accordance with the procedures set forth in the relevant laws and regulations and without the need to obtain the approval of individual shareholders of the Target Company, obtain all of the Target Company Shares owned by all Target Company shareholders (excluding the Tender Offeror, Maeda Corporation, and the Target Company) on the acquisition date specified in the Request for Sale of Shares. And, in consideration of the per share price of the Target Company Shares owned by each shareholder, the Tender Offeror will offer the same amount of money to each shareholder as under the Tender Offer Price. According to the Target Company Press Release, if the Tender Offeror executes the Request for Sale of Shares, the Target Company plans to approve the request for Sale of Shares at a meeting of the Target Company board of directors.

In accordance with the stipulations of Article 179(8), a provision of the Companies Act established for the purpose of protecting minority shareholder rights pertaining to Requests for Sale of Shares, and other relevant laws and regulations, the Target Company shareholders who did not submit tenders to the Tender Offer may petition a court to determine the selling price of the Target Company Shares they own. Note that, the buying and selling price when the above petition is made will ultimately be decided by the court.

On the other hand, if, after the completion of the Tender Offer, the total number of voting rights of the Target Company Shares owned by the Tender Offeror and Maeda Corporation is less than 90% of the number of voting rights of all Target Company shareholders, the Tender Offeror plans to ask the Target Company to hold a Target Company extraordinary General Meeting of Shareholders (hereinafter the "Extraordinary General Meeting of Shareholders") in mid-July 2022 that includes proposal agenda items for conducting a reverse stock split (hereinafter the "Reverse Stock Split") of the Target Company Shares, and, under the condition that the Reverse Stock Split is effective, for changing the articles of incorporation to abolish the unit number of shares established therein. The Tender Offeror and Maeda Corporation have verbally agreed to the agenda items for this extraordinary general meeting of shareholders.

If the Reverse Stock Split agenda item is approved at the extraordinary general meeting of shareholders, the Target Company shareholders will own a number of Target Company Shares according to the percentage of the Reverse Stock Split approved at the Extraordinary General Meeting of Shareholders on the date the Reverse Stock Split becomes effective. If the Reverse Stock Split results in fractions of less than one share, the Target Company shareholders will, in accordance with the procedures set forth in Article 235 of the Companies Act and other relevant laws and ordinances, be paid the money that would be obtained by selling Target Company Shares equivalent to the total number of fractions (if the total number of fractions is less than 1 shares, the fractions will be truncated, the same applying hereinafter) to the Target Company or the Tender Offeror. Regarding the sale price of the Target Company Shares equivalent to the total number of the fractions, after performing a valuation to ensure that the amount of money to be paid to the Target Company shareholders (excluding the Tender Offeror, Maeda Corporation, and the Target Company) who did not submit tenders to the Tender Offer resulting from the sale is the same as the Tender Offer Price multiplied by the number of the Target Company Shares owned by each shareholder, the Tender Offeror plans to ask the Target Company to petition the court for permission to sell voluntarily.

The Reverse Stock Split percentage was undetermined as of today, however, so that the Tender Offeror and Maeda Corporation alone will own all of the Target Company Shares (excluding the common shares owned by the Target Company), the Tender Offeror plans to ask the Target Company to set the percentage so that the numbers of Target Company Shares owned by Target Company shareholders (excluding the Tender Offeror, Maeda Corporation, and the Target Company) who did not submit tenders to the Tender Offer are fractions of less than 1 share.

As a provision of the Companies Act for protecting the rights of minority shareholders pertaining to the Reverse Stock Split, it is provided that if the Reverse Stock Split results in fractions of less than 1 share when the Reverse Stock Split is executed, shareholders other than the Tender Offeror, Maeda Corporation, and the Target Company may, if specific conditions are met, ask the Target Company to purchase all of the Target Company Shares they own that are fractions less than 1 share at a fair price and may petition a court to determine the price of the Target Company Shares, in accordance with the stipulations of Articles 182(4) and 182(5) of the Companies Act and other relevant laws and regulations. Since, as was previously stated, the plan is to set the number of Target Company Shares in the Reverse Stock Split such that the numbers of Target Company Shares owned by the Target Company shareholders (excluding the Tender Offeror, Maeda Corporation, and the Target Company) who did not submit tenders to the Tender Offer become fractions of less than 1 share, Target Company shareholders opposed to the Reverse Stock Split may bring the petition described above. Note that, the purchase price when the above petition is made will ultimately be decided by the court.

The procedures described above may take some time to implement, or may be changed to other methods having nearly the same effect, based on such things as revisions to relevant laws and regulations, the status of the interpretations, etc. of relevant laws and regulations by authorities, (the method of the Reverse Stock Split is scheduled to change at the request of the Target Company to set the Reverse Stock Split percentage so that the number of Target Company Shares owned by Target Company shareholders (excluding the Tender Offeror, Maeda Corporation, and the Target Company) who did not submit tenders to the Tender Offer are fractions of less than 1 share so that, after discussions with Maeda Corporation and the Target Company, only the Tender Offeror owns all (excluding the treasury shares owned by the Target Company) the Target Company Shares in a case where a shareholder who owns more shares than the number of Target Company Shares owned by Maeda Corporation appears).

However, even in such cases, the plan is to adopt a method whereby money is ultimately paid to the Target Company shareholders (excluding the Tender Offeror, Maeda Corporation, and the Target Company) who did not submit tenders to the Tender Offer, and thus, in such cases, the plan is to conduct valuations so that the amount of money paid to each shareholder will be the same as the price obtained by multiplying the Tender Offer Price by the number of Target Company Shares owned by each shareholder. The Target Company will promptly announce the specific procedures for, and when they will be implemented in the above case as soon as they are decided.

Note that, the Tender Offer will not solicit endorsements from the shareholders of the Target Company at the extraordinary general meeting of shareholders. Furthermore, the Target Company shareholders are responsible for confirming the tax treatment of tenders to the Tender Offer, and each of the above procedures, with tax experts.

(5) Prospects of delisting, and the reasons therefor

The Target Company Shares are listed on the First Section of the Tokyo Stock Exchange. Furthermore, the Target Company announced on August 25, 2021, that it had resolved, with respect to the new market category of the First Section to which the Target Company is scheduled to be moved on April 2, 2022, to select the prime market, however, since the Tender Offeror has not set an upper limit on the number of shares to be purchased in the Tender Offer, depending on the outcome of the Tender Offer, the Target Company Shares may be delisted through the appropriate procedures in accordance with the Tokyo Stock Exchange delisting standards. Furthermore, even if these standards do not apply at the time the Tender Offer is completed, the Tender Offeror plans to implement transactions for the purpose of acquiring all Target Company Shares in accordance with applicable laws and regulations after the Tender Offer is completed, as is described above in “(4) Policies for Organizational Restructuring after the Tender Offer (Matters relating to So-called Two-Stage Acquisitions),” and, if it does, the Target Company Shares will be delisted through the appropriate procedures in accordance with the Tokyo Stock Exchange delisting standards. Note that, after the delisting, it will no longer be possible to trade the Target Company Shares on the First Section (after April 4, 2022, this section will be a prime market under a new market category) of the Tokyo Stock Exchange.

(6) Matters Pertaining to Crucial Agreements Regarding Tenders to the Tender Offer Between the Tender Offeror and the Shareholders and Directors, Etc. of the Target Company

As described above in “(1) Overview of the Tender Offer,” as of today, the Tender Offeror verbally agreed not to tender any of the Target Company Shares (number of shares owned: 19,047,510 shares, ownership ratio: 20.19%) owned by Maeda Corporation (a wholly-owned subsidiary of the Tender Offeror, and a major, in fact, the largest, shareholder of the Target Company) at the time of the Tender Offer, and to exercise voting rights to the effect that it agrees to an agenda item, and agenda items relating thereto, on the Reverse Stock Split at the extraordinary general meeting of shareholders. In order for the Tender Offeror to directly own all of the Target Company Shares (excluding treasury shares owned by the Target Company) after the Tender Offer is completed, the Tender Offeror plans to acquire all of the Target Company Shares Maeda Corporation owns. However, when and how it acquires the shares have yet to be decided. Note that, since Maeda Corporation is a wholly-owned subsidiary of the Tender Offeror, the Tender Offeror plans to acquire the Target Company Shares Maeda Corporation owns as dividend assets, or through organizational restructuring such as an absorption-type split, without paying a transfer price.

2. Overview of Purchase, etc.

(1) Outline of the Target

①	Name	Toyo Construction Co., Ltd.
②	Location	4-1-1 Koraibashi, Chuo-ku, Osaka
③	Job title and name of representative	Representative Director and President: Kyoji Takezawa

④	Description of business	Domestic civil engineering, domestic construction, overseas construction, and real estate businesses	
⑤	Share capital	JPY 14,049 million (as of December 31, 2021)	
⑥	Date of establishment	July 3, 1929	
⑦	Large shareholders and ownership ratios (As of September 30, 2021)	Maeda Corporation	20.19%
		The Master Trust Bank of Japan, Ltd. (trust account)	9.14%
		Custody Bank of Japan, Ltd. (trust account)	4.64%
		Reno Co., Ltd.	3.58%
		Toyo Construction Kyoeikai	2.96%
		MSIP CLIENT SECURITIES (standing proxy: Morgan Stanley MUFG Securities Co., Ltd.)	2.48%
		NOMURA AYA (Standing Proxy: Citibank, N.A., Tokyo Branch)	1.74%
		DFA INTL SMALL CAP VALUE PORTFOLIO (Standing Proxy: Citibank, N.A., Tokyo Branch)	1.44%
		Custody Bank of Japan, Ltd. (trust account 9)	1.38%
MUFG Bank, Ltd.	1.37%		
⑧ Relationship Between the Tender Offeror and the Target Company			
	Capital relationship	The Tender Offeror, as of today, owns 100 Target Company Shares (ownership ratio: 0.00%). Furthermore, as of today, Maeda Corporation, a wholly-owned subsidiary of the Tender Offeror, owns 19,047,510 shares (ownership ratio: 20.19%) .	
	Personnel relationship	As of today, one of the directors of the Target Company was formerly associated with Maeda Corporation, a wholly-owned subsidiary of the Tender Offeror.	
	Business relationship	Maeda Corporation, a wholly-owned subsidiary of the Tender Offeror, and the Target Company receive orders jointly and engage in joint research and development, among other activities, in the field of private construction.	
	Status of related party relationship	The Target company corresponds to a company accounted for using the equity method of Maeda Corporation, which is a wholly-owned subsidiary of the Tender Offeror.	

Note: “Large Shareholders and Ownership Ratios” was carried over from the “Shareholder Status” section of the report for the 2nd quarter of the 102nd term submitted by the Target Company on November 11, 2021.

(2) Timetable, etc.

① Timetable

Date of resolution at the board of directors meeting	(Tuesday) March 22, 2022
Date of public notice of commencement of tender offer	(Wednesday) March 23, 2022 An electronic public notice posted in the Nihon Keizai Shimbun is issued. (URL of electronic public notice: http://disclosure.edinet-fsa.go.jp/)
Date for submitting the Tender Offer Registration Statement	(Wednesday) March 23, 2022

② Notified initial tender offer period

From (Wednesday) March 23, 2022 to (Monday) May 9, 2022 (30 business days)

③ Possibility of extending based on the Target Company's request

Not applicable.

(3) Tender offer price

770 yen per Common Share

(4) Basis of calculation of tender offer price, etc.

(A) Basis of Valuation

In determining the Tender Offer Price, the Tender Offeror made a request to Daiwa Securities, a financial advisor and third-party valuation institution independent of the Tender Offeror, Maeda Corporation, and of the Target Company, to calculate the stock price for the Target Company's Shares. Daiwa Securities is not an entity related to the Tender Offeror, Maeda Corporation, or the Target Company and does not have a material relationship of interest in the Tender Offer.

Daiwa Securities considered multiple share price valuation methods to determine the calculation method that should be applied to calculate the share value of the Target Company Shares. Based on these considerations, on the premise that the Target Company will continue existing as a company, and on the belief that evaluating the price of the Target Company Shares from multiple different perspectives would be appropriate, Daiwa Securities used the; market stock price method, which takes into account the trends of the Target Company's market stock price; and the discounted cash flow method (hereinafter referred to as the "DCF method"), which takes into consideration the content and forecasts of the target person's business performance, to calculate the share price of the Target Company Shares, and the Tender Offeror acquired a share price valuation report (hereinafter, the "Share Price Valuation Report") from Daiwa Securities on March 18, 2022. Note that, based on comprehensive consideration of the various factors disclosed below in the "(Background Leading to Determination of the Tender Offer Price)" under "(B) Background of Valuation," and because it determined the Tender Offer Price through discussions and negotiations with the Tender Offeror, the Tender Offeror has not acquired an opinion (Fairness Opinion) relating to the fairness of the Tender Offer Price from Daiwa Securities.

According to the Share Price Valuation Report, each of the methods used, and the ranges of per share Target Company Share prices calculated based on those methods, are as follows.

Market stock price method: From 575 yen to 599 yen

DCF method: from 700 yen to 1,058 yen

Using the average market share price method, with March 18, 2022 as the calculation record date, the range of per share Target Company Share prices was calculated as 575 yen to 599 yen, based on a closing price of 599 yen on the record date of the Target Company Shares on the First Section of the Tokyo Stock Exchange, a simple average closing price of 592 yen for the most recent one-month period, a simple average closing price of 578 yen for the most recent three-month period, and a simple average closing price of 575 yen for the most recent six-month period.

Using the DCF method, based on the closing price the Tender Offeror deems is appropriate on the premise of various factors such as profits, investment plans, and publicly available information in the Target Company's business plan for the five fiscal years from the fiscal year ending March 2022 to the fiscal year ending March 2026, the range of per share Target Company Share prices was calculated to be from 700 yen to 1,058 yen through a process of analyzing corporate value and stock value by discounting the free cash flow expected to be generated by the Target Company after the fourth quarter of the fiscal year ending March 2022 to present value at a certain discount rate. The above business plan used by Daiwa Securities in conducting its analysis using the DCF method includes business years that are expected to see significant increases/decreases in profit. Specifically, operating income, ordinary income

and net income are expected to significantly decrease in the fiscal year ended March 31, 2022 due to delays in the timing of orders and failure to receive orders for large products that have been a focus in the domestic civil engineering business resulting in a decrease in orders, more time than initially anticipated being required for design projects in the domestic construction business and delays in the commencement of constructions by overseas consolidated subsidiaries than initially anticipated. Furthermore, the synergistic effects hoped to be realized through the Tender Offer are not reflected because it is difficult to specifically estimate such effects at this time.

In addition to the calculated results described in the Stock Price Valuation Report that was obtained from Daiwa Securities, and after comprehensive consideration of the results of the due diligence conducted by the Tender Offeror with respect to the Target Company from late February 2022 to mid-March 2022, trends of the market stock price of the Target Company Shares, examples of premiums (average values were 43.0% immediately before the publication date, 45.4% in the most recent 1-month period, 47.0% in the most recent 3-month period, and 47.9% in the most recent 6-month period; and median values were 41.2% immediately before the publication date, 41.4% in the most recent 1-month period, 39.9% in the most recent 3-month period, and 43.5% in the most recent 6-month period) granted in cases (71 cases) of tender offers based on the premise of creating wholly-owned subsidiaries conducted from July 2019 to January 2022 by persons other than issuers in the past, the prospect of tenders to the Tender Offer, etc., and based on the results, etc. of discussions and negotiations with the Target Company, the Tender Offeror finally settled on a per Target Company share price of 770 yen at a board of directors meeting held on March 22, 2022.

Note that, the 770 yen Tender Offer Price is a price derived by adding a premium of 28.55% to the 599 yen closing price of the Target Company Shares on the First Section of the Tokyo Stock Exchange on March 18, 2022, which is the business day before the announcement date of commencement of the Tender Offer, a premium of 30.07% to the simple average closing price of 592 yen of the most recent one-month period (February 21, 2022 to March 18, 2022), a premium of 33.22% to simple average closing price of 578 yen of the most recent three-month period (December 20, 2021 to March 18, 2022), a premium of 33.91% to simple average closing price of 575 yen of the most recent six-month period (September 9, 2021 to March 18, 2022).

Furthermore, on March 8, 2022, from the perspective of ensuring the possibility of exercising rights as a shareholder of the Target Company, such as to request the inspection of the shareholder registry of the Target Company at the time of the Transaction, the Tender Offeror acquired 100 Target Company Shares from Maeda Corporation in a bilateral trade with a trading date of March 8, 2022 for 604 yen per share (the closing price of the Target Company Shares on the First Section of the Tokyo Stock Exchange on March 3, 2022). There is a difference of 166 yen between the Tender Offer Price (770 yen) and the acquisition price (604 yen), with the Tender Offer Price representing a price to which a premium of 27.48% has been added to said acquisition price (604 yen). This is because, in addition to the closing price of the Target Company Shares at the time of the stock acquisition having decreased by 0.83% to 599 yen, the closing price of Target Company Shares as of March 18, 2022, which was the business day preceding the publication date, the stock acquisition is the result of a transfer of shares between 100% parent/subsidiary companies, and thus, unlike the Tender Offer, no premium was granted for it.

(B) Background of Valuation

(Background Leading to Determination of the Tender Offer Price)

As is described above in “(2) Background, Purpose, and Decision-Making Process Leading to Decision to Execute to the Tender Offer and Management Policy After the Tender Offer,” under “1 Purpose of Purchase, etc.,” as the business environment surrounding the Target Company changes significantly, the Tender Offeror believed that it is necessary to strengthen the competitiveness of the entire Tender Offeror Group to enhance the corporate value of the Tender Offeror Group since it was established on October 1, 2021. Specifically, the Tender Offeror believes that mutual coordination has been strengthened since October 1 2021 by making Maeda Corporation, Maeda Road and Maeda Seisakusho, which were listed companies, wholly-owned subsidiaries of the Tender Offeror through the establishment of the Tender Offeror by joint stock transfer, and believed that strengthening of coordination with the Target Company, which is the remaining listed company, is an important outstanding management issue for the Tender Offeror Group. In order to realize further enhancement of corporate value of the entire Tender Offeror Group by expanding the business base and realizing further growth of the Target Company in the mid- to long-term in the

difficult market environment in which it is situated as described above, the Tender Offeror believed that it is essential to further strengthen cooperation between the Target Company and the Tender Offeror Group, with which it has long been jointly engaged in technological development and personnel exchanges, and maximize the synergies between the two companies, such as by building a management base that can respond to changes in the environment, and optimally allocating management resources. Additionally, the Tender Offeror has not considered maintaining listing of the Target Company as a consolidated subsidiary of the Tender Offeror because measures to strengthen the competitiveness of the Tender Offeror Group as a whole in the medium to long term may not match measures to maximize the short-term profits of the Target Company Group, and is convinced that making the Target Company a wholly-owned subsidiary of the Tender Offeror would resolve the potential for conflicts of interest between the Tender Offeror and the general shareholders of the Target Company, and thereby integrally implementing a group strategy for the group as a whole to achieve lasting growth will contribute to the enhancement of the corporate value of both companies, and thus determined in late January 2022 that it is optimal to make the Target Company a wholly-owned subsidiary through the Transaction, including the Tender Offer.

Based on the above considerations, the Tender Offeror made an initial proposal face-to-face regarding the Transaction aimed at making the Target Company a wholly-owned subsidiary on January 26 2022 because (i) it would not consider maintaining the listing of the Target Company as a consolidated subsidiary of the Tender Offeror because measures to strengthen the competitiveness of the Tender Offeror Group as a whole in the medium to long term may not match measures to maximize the short-term profits of the Target Company Group, is convinced that making the Target Company a wholly-owned subsidiary of the Tender Offeror would resolve the potential for conflicts of interest between the Tender Offeror and the general shareholders of the Target Company, and thereby integrally implementing a group strategy for the group as a whole to achieve lasting growth will contribute to the enhancement of the corporate value of both companies, and thus determined that it is optimal to make the Target Company a wholly-owned subsidiary through the Transaction, including the Tender Offer; and (ii) determined that the optimal method of making it a wholly-owned subsidiary is the method of a tender offer, which is a method that is able to provide the opportunity to shareholders of the Target Company by distributing cash, which is more liquid than shares, as consideration, and using the cash granted to purchase shares of the Tender Offeror and become shareholders of the Tender Offeror; and received a reply from the Target Company that they would take it home and consider it. Furthermore, because the Tender Offeror determined that it is optimal to make the Target Company a wholly-owned subsidiary through a tender offer as described above, it made an initial proposal on the Transaction to the Target Company, and after viewing the reaction, decided to select advisors as preparation for serious examination and discussions, and, in mid-February 2022, selected Daiwa Securities as a financial advisor and third-party valuation institution independent from the Tender Offeror, Maeda Corporation and the Target Company, and Uryu & Itoga as a legal advisor. From the end of January 2022 to mid-March 2022, the Tender Offeror continued to examine and discuss the conditions and methods, etc. of the Transaction with the Target Company. In the examination and discussion at the end of January 2022, the Tender Offeror decided not to use the Transaction as a means to acquire the Target Company's shares held by Maeda Corporation because it was determined that there is no economic rationale to increase the funds required for the purchase to pay the transfer price to acquire the Target Company's shares from Maeda Corporation and increase the economic burden due to additional borrowing to procure funds for that purchase because the Target Company's shares held by Maeda Corporation can be acquired without paying the transfer price through delivery as dividend assets, or through an organizational restructuring such as an absorption split due to Maeda Corporation being a wholly-owned subsidiary of the Tender Offeror, and because it was determined that the Target Company can be made into a wholly-owned subsidiary through an agreement with Maeda Corporation to agree to the procedures to make the Target Company a wholly-owned subsidiary (including voting in accordance with this) after the Tender Offer is completed if the Target Company's shares held by Maeda Corporation are not included in the scope of acquisition through the Tender Offer. On February 22, 2022, the Tender Offeror received a reply from the Target Company agreeing to proceed with specific preparations for the implementation of the Transaction. After receiving this response, the Tender Offeror, with the consent of the Target Company, conducted due diligence with respect to the Target Company from late February to mid-March 2022. Furthermore, the Tender Offeror delivered a formal statement of intent on March 2, 2022, and has held discussions and negotiations with the Target Company multiple times regarding the Tender Offer Price since early March 2022. Specifically, the Tender Offeror focused on the past share price trends of the Target Company and comprehensively considered that the price should be higher than the share price level (consolidated net assets per share as of December 31, 2022 was approximately 700 yen), which is equivalent to a price-to-book ratio (PBR) of 1x, that the feasibility of the Transaction was confirmed through due diligence and that the Target Company shares were within the calculation range in the valuation results of Daiwa Securities, and on March 9, 2022, the Tender Offeror proposed a Tender Offer Price of 720 yen (the Tender Offeror determined that its proposal

to set the Tender Offer Price at 720 yen was economically rational for the Target Company's shareholders, while compared to actual examples of premiums granted in tender offers made between July 2019 and January 2022 (71 cases) for making the Target Company a wholly-owned subsidiary by entities other than the issuer (average values were 43.0% immediately before the publication date, 45.4% in the most recent 1-month period, 47.0% in the most recent 3-month period, and 47.9% in the most recent 6-month period; and median values were 41.2% immediately before the publication date, 41.4% in the most recent 1-month period, 39.9% in the most recent 3-month period, and 43.5% in the most recent 6-month period), the premium on the closing price (574 yen) on March 8, 2022 is only about 25%, but as stated above, in light of the past share price trends of the Target Company, as it was focusing on setting the price above the share price level of 1x price-to-book ratio (PBR)). In response to this, on March 10, 2022 the Target Company requested the Tender Offeror to reconsider the content of the proposal because it deviated from the price level that appropriately reflects the share price of the Target Company, and the Tender Offeror made a proposal to set the Tender Offer Price at 730 yen on March 11. In response to this, the Target Company requested the Tender Offeror to re-examine the Tender Offer Price on March 12, 2022, because the re-proposed price deviates significantly from the price level that should be paid, and it is impossible to explain the appropriateness of the re-proposed price to the minority shareholders of the Target Company, based on the share value assessment of Mitsubishi UFJ Morgan Stanley Securities and Houlihan Lokey, and taking into account other similar cases to which reference should be made in this case (the actual examples of premiums granted in cases of successful tender offers for the purpose of going private by parties other than the issuer or controlling shareholder (35 cases excluding cases which are indicated as management buyout (MBO) in disclosure documents during the period from June 28, 2019 to December 31, 2021 for which the Ministry of Economy, Trade and Industry's Fair M&A Guidelines were published (average values were 53.8% immediately before the publication date, 59.6% in the most recent 1-month period, 62.9% in the most recent 3-month period, and 65.4% in the most recent 6-month period)). Subsequently, for the same reason as at the time of the price proposal on March 9, 2022 and based on the Target Company's request for reconsideration, the Tender Offeror made a proposal to set the Tender Offer Price at 745 yen on March 15. In response to this, on March 16, 2022, the Target Company requested the Tender Offeror to reconsider the Tender Offer Price because the Tender Offer Price is below the price level that should appropriately reflect the value of the Target Company's shares, and from examples of the premiums granted (average values were 46.3% immediately before the publication date, 49.4% in the most recent 1-month period, 52.3% in the most recent 3-month period, and 52.8% in the most recent 6-month period) in other similar proposals, including going-private transactions by controlling shareholders (other similar proposals including going private by controlling shareholders during the period from June 28, 2019 to December 31, 2021, for which the Ministry of Economy, Trade and Industry's Fair M&A Guidelines were published (successful tender offers to go private by a party other than the issuer during the same period (97 cases))).

Subsequently, based on request for reconsideration, the Tender Offeror made a final proposal to set the Tender Offer Price at 770 yen on March 17. On March 17, the Target Company was requested by the Special Committee to consider such proposal from the Tender Offeror, and while confirming that the price was not at a level that would be detrimental to the interests of general shareholders, negotiations should be continued in order to maximize the interests of general shareholders, and that the President and Representative Director of the Target Company hold top level discussions with the Tender Offeror and conduct final negotiations with a view to requesting a price increase. Based on this request, the Target Company requested the Tender Offeror to hold a top level discussion. In response, on March 18, 2022, the President and Representative Executive Officer of the Tender Offeror held discussions with the President and Representative Director of the Target Company, and as a result, the Tender Offeror reached an agreement with the Target Company to conduct the Tender Offer at the Tender Offer Price of 770 yen on March 18, 2022, and decided to conduct the Transaction and the Tender Offer as part of the Transaction today. See “(2) Background, Purpose, and Decision-Making Process Leading to Decision to Execute to the Tender Offer and Management Policy After the Tender Offer” under “1 Purpose of Purchase, etc.” described above for details on the background leading to the decision to execute the Tender Offer.

(a) Name of third-party whose opinion was obtained at time of valuation

To determine the Tender Offer Price, the Tender Offeror asked Daiwa Securities, a financial advisor and third-party valuation institution independent of the Tender Offeror, Maeda Corporation, and the Target Company, to calculate the share price for the Target Company Shares, and received the Share Price Valuation Report from Daiwa Securities on March 18, 2022. Daiwa Securities is not an entity related to the Tender Offeror, Maeda Corporation or the Target Company and does not have a material relationship of interest in the Tender Offer. The Tender Offeror has not acquired an opinion (Fairness Opinion) with respect to the Tender Offer Price.

(b) Outline of the opinion

According to the Share Price Valuation Report, each of the methods used, and the ranges of per share Target Company Share prices calculated based on those methods, are as follows.

Market stock price method: From 575 yen to 599 yen

DCF method: from 700 yen to 1,058 yen

(c) Process for determining the purchase price based on the opinion

Based on the calculation details and results described in the Stock Price Valuation Report, and after comprehensive consideration of the results of the due diligence conducted by the Tender Offeror with respect to the Target Company from late February 2022 to mid-March 2022, trends of the market stock price of the Target Company Shares, examples of premiums (average values where; 43.0% immediately before the publication date, 45.4% in the most recent 1-month period, 47.0% in the most recent 3-month period, and 47.9% in the most recent 6-month period, and median values were; 41.2% immediately before the publication date, 41.4% in the most recent 1-month period, 39.9% in the most recent 3-month period, and 43.5% in the most recent 6-month period) granted in cases (71 cases) of tender offers based on the premise of creating wholly-owned subsidiaries conducted from July 2019 to January 2022 by persons other than issuers in the past, the prospect of tenders to the Tender Offer, etc., and that was within the calculation range in the calculation results of the Stock Price Valuation Report acquired from Daiwa Securities, and based on the results, etc. of discussions and negotiations with the Target Company, the Tender Offeror finally settled on a per Target Company stock price of 770 yen at a board of directors meeting held today.

(Measures to Ensure Fairness of the Tender Offer Price and Measures to Ensure Fairness of the Tender Offer such as Measures for Avoiding Conflicts of Interest)

Although the Target Company is not be a subsidiary of the Tender Offeror and the Tender Offer is not a Tender Offer by a controlling shareholder, Maeda Corporation, which is a Tender Offeror wholly-owned subsidiary, owns 19,047,510 (ownership ratio: 20.19%) Target Company Shares. In light of the fact that this makes the Target Company an affiliate to which the equity method applies and the Tender Offeror plans to make the Target Company a wholly-owned subsidiary and to keep the Target Company Shares private, the Tender Offeror and the Target Company, to ensure the fairness of the Tender Offer Price, eliminate arbitrariness from the decision-making process leading to the decision to implement the Tender Offer, and ensure the fairness of the Transaction, including the Tender Offer, implemented the following measures to avoid conflicts of interest.

Note that the descriptions of measures implemented by the Target Company are based on explanations regarding such measures received from the Target Company.

① Establish, and acquire a report from, an independent Special Committee in the Target Company

(i) Background of establishments, etc.

Although, as described above in “(2) Background, Purpose, and Decision-Making Process Leading to Decision to Commencement of the Tender Offer and Management Policy After the Tender Offer” under “1 Purpose of the Purchase, etc.,” the Target Company is not a subsidiary of the Tender Offeror or Maeda Corporation and the Tender Offer is not a Tender Offer by a controlling shareholder, Maeda Corporation, which is a Tender Offeror wholly-owned subsidiary, owns 19,047,510 (ownership ratio: 20.19%) Target Company Shares. In light of the fact that this makes the Target Company an affiliate to which the equity method applies, a special committee will be set up based on the advice of Mitsubishi UFJ Morgan Stanley Securities and Miura & Partners to ensure the fairness of the Transaction. Furthermore, the Target Company decided to establish a special committee, and, after confirming that the Target Company outside directors and outside experts chosen as candidates to become special committee members were independent of the Tender Offeror and Maeda Corporation and had no important relationship of interest different from minority shareholders (general shareholders) in the success or failure of the Transaction, and thus eligible as committee members, established, via a board of directors resolution on February 24, 2022, a Special Committee comprised of three members; Yoshio Fukuda (Target Company independent outside director), Yutaka Yoshida (Target Company independent outside director), and Tsuyoshi Nishimoto (attorney, Hibiya Park Law Offices), who is an

outside expert selected as a member of a special committee due to experience in many M&A deals, including abundant experience in M&A transactions with structural conflicts of interest similar to those of the Transaction (Note that the members of the Special Committee have not changed from when the committee was first established, that Yoshio Fukuda is purported to have been selected as the chairman of the Special Committee by mutual election of the Special Committee. The Special Committee members are paid hourly rates regardless of report details, and will receive no compensation contingent on success), and has consulted with the Special Committee on, and commissioned it to submit a report about, the Advisory Matters.

Furthermore, upon establishing the Special Committee, the Target Company board of directors resolved to give the committee the authority to, (a) collect and receive information necessary for making decisions on and considering the Advisory Matters, (b) when the Special Committee deems it necessary, select or appoint the Advisors, etc., or approve the Target Company's advisors, (c) when the Special Committee deems it necessary, participate in discussions and negotiations between the Target Company and the Tender Offeror, and discuss and negotiate on behalf of the Target Company, and (d) consider, and when necessary provide opinions and suggestions with respect to the degree of measures that are should be taken with respect to the Transaction to ensure fairness.

(ii) Background of considerations

The Special Committee was convened a total of 12 times for a total of 15 hours from February 24, 2022 to March 18, 2022 during which it carefully considered and discussed the Advisory Matters. Specifically, at the first Special Committee meeting held on February 24, 2022, the Special Committee, after confirming there were no issues with the independence and expertise thereof, started by approving Mitsubishi UFJ Morgan Stanley Securities as the Target Company's financial advisor and third-party valuation institution, and Miura & Partners as the Target Company's legal advisor. In addition to the above, the Special Committee, after examining the independence, expertise, and track records, etc. of several candidate third-party valuation institutions, selected Houlihan Lokey as a the Special Committee's independent financial advisor and third-party valuation institution independent of the Target Company, the Tender Offeror, Maeda Corporation, and the Transaction.

Thereafter, the Special Committee, based on advice from Mitsubishi UFJ Morgan Stanley Securities and Miura & Partners examined measures to take in order to ensure the fairness of the procedures in the Transaction.

The Special Committee listened to the Tender Offeror's opinions on, and information relating to, the background of, and course of events behind, the Transaction, including the Target Company's business condition, business environment, and management issues; whether or not the Transaction is expected to create synergies; the significance and purpose of the Transaction; management policies after the Transaction; and the terms and conditions, etc. of the Transaction, and then conducted Q&A sessions regarding these matters. Then, the Special Committee confirmed with the Target Company, details of the Target Company's business condition, business environment, management issues, and business plan based on the content of the Tender Offeror's proposal as it relates to the Transaction; and its opinions as they relate to the significance of the Transaction, the synergies to be created by the Transaction, and the Transaction's impact, etc. on the Target Company's business.

In addition, the Special Committee received explanations from the Target Company on the background and details of the business plan, and specifically explanations such as the business plan being prepared in light of the impact of the spread and prolongation of COVID-19 that had not been reflected due to the size of the impact, scope and period being uncertain at the time of consideration and formulation of the Mid-Term Management Plan (March 2020), the state of orders received in domestic civil engineering, domestic construction and overseas construction in the fiscal year ending March 2022, and recent economic conditions such as rising oil and material prices, and confirmed the rationality of various matters, such as the content, important pre-conditions, and background of its creation. After that, as is described below in “② Acquire a Stock Price Valuation Report from a third-party valuation institution independent of the Target Company” and “③ Acquire a Stock Price Valuation Report and a Fairness Opinion from a Third-Party Valuation Institution independent of the Special Committee,” Houlihan Lokey and Mitsubishi UFJ Morgan Stanley Securities implemented price valuations of the Target Company Shares premised on the Business Plan. Subsequently, the Special Committee received explanations of the valuation methods relating to the price

valuations of the Target Company Shares, the reasons for applying said valuation methods, and the details and important pre-conditions (including the planned value that is the premise of the stock price valuation that includes the free cash flow that is the premise of the continuous price valuation, and the basis for calculating the discount rate in the DCF method) of the valuations according to each method from Houlihan Lokey and Mitsubishi UFJ Morgan Stanley Securities, and confirmed the rationality thereof after conducting Q&A sessions, discussions, and examinations with respect thereto. Moreover, as is described below in “③ Acquire a Stock Price Valuation Report and a Fairness Opinion from a Third-Party Valuation Institution independent of the Special Committee,” the Special Committee, after confirming the procedures used by Houlihan Lokey to issue its Fairness Opinion, received the Fairness Opinion from Houlihan Lokey on March 22, 2022.

Furthermore, as is described above in “(2) Background, Purpose, and Decision-Making Process Leading to Decision to Commencement of the Tender Offer and Management Policy After the Tender Offer” “1 Purpose of the Purchase, etc.,” on March 9, 2022, the Target Company received a proposal of a Tender Offer Price of 720 yen per share from the Tender Offeror, and it says that it has been in continuous discussions and negotiations with the Tender Offeror, based on financial advice that includes results of calculations of the stock price of the Target Company Shares by Mitsubishi UFJ Morgan Stanley Securities and policies for negotiating with the Tender Offeror, as well as guidance, and other legal advice, on measures to ensure the fairness of procedures in the Transaction from Miura & Partners. The specifics are as stated below.

- The Target Company received a proposal from the Tender Offeror on March 9, 2022 to set the Tender Offer Price at 720 yen, but on March 10, 2022 requested the Tender Offeror to reconsider the Tender Offer Price because it believed the proposed price clearly deviated from the level that appropriately reflects the share price of the Target Company.
- On March 11, 2022, the Target Company received a second proposal from the Tender Offeror to set the Tender Offer Price to 730 yen, but when taking into comprehensive consideration, in addition to the stock valuations performed by Mitsubishi UFJ Morgan Stanley Securities and Houlihan Lokey, the examples of premiums granted in similar cases (average values were; 53.8% immediately before the publication date, 59.6% in the most recent 1-month period, 62.9% in the most recent 3-month period, and 65.4% in the most recent 6-month period) that should be referenced for this matter (cases where tender offers were established for the purpose of shares being taken private by a party other than the issuer or controlling shareholder during the period between June 28, 2019, when the Ministry of Economy, Trade and Industry announced the Fair M&A Guidelines and December 31, 2021 (35 cases, excluding the cases designated Management Buy-out (MBO) in the disclosure documents.)), the re-proposed price deviated from the ideal price level and as it would not be possible to demonstrate the fairness to the company's minority shareholders, so the Target Company requested that the Tender Offeror reconsider their Tender Offer Price on March 12, 2022.
- On March 15, 2022, the Target Company received a third proposal from the Tender Offeror to set the Tender Offer Price at 745 yen, but the Target Company believes that this price is below the price level that should appropriately reflect the value of the Target Company's shares, and that other similar proposals, including those to be taken private by the controlling shareholder, have not been accepted. Other similar cases (including being taken private by controlling shareholders in the period from June 28, 2019 to December 31, 2021, when the Ministry of Economy, Trade and Industry issued fair M&A guidelines (by persons other than the issuer in the same period). The average premiums granted in the 97 successful tender offers to go private (46.3% for the period immediately prior to the announcement date, 49.4% for the most recent one month, 52.3% for the most recent three months and 52.8% for the most recent six months), so on March 16, 2022, the Target Company requested the Tender Offeror to reconsider the Tender Offer Price because of the deviation of the Tender Offer Price from these premiums.

On March 17, 2022, the Target Company received a final proposal from the Tender Offeror that set the Tender Offer Price at 770 yen. On March 17, 2022 the Target Company was requested by the Special Committee to consider such proposal from the Tender Offeror, and while confirming that the price was not at a level that would be detrimental to the interests of general shareholders, to continue negotiations in order to maximize the interests of general

shareholders, and that the President and Representative Director of the Target Company hold top level discussions with the Tender Offeror and conduct final negotiations with a view to requesting a price increase. Based on this request, the Target Company requested the Tender Offeror to hold a top level discussion. In response, on March 18, 2022, the President and Representative Director of the Target Company conducted negotiations with the President and Representative Director of the Tender Offeror. As a result of the discussions, the President and Representative Directors responded that agreement had been reached to set the Tender Offer Price at 770 yen.

Based on the above circumstances, the Special Committee carefully discussed and considered the Advisory Matters, and as a result, on March 22, 2022, by unanimous consent of all committee members, submitted the Report containing the following details to the Target Company board of directors.

(A) Report details

(a) The Transaction contributes to the enhancement of the Target Company's corporate value, and the purpose of the Tender Offer and the Transaction is deemed to be legitimate and rational.

(b) It is acknowledged that the procedures pertaining to the Transaction were fair, and that sufficient consideration has been given to the interests of the Target Company minority shareholders (general shareholders) through fair procedures in the Transaction.

(c) The Special Committee deems that the fairness and appropriateness of the terms and conditions related to the Transaction are ensured, and thinks that the Target Company's board of directors resolving to implement the Transaction, including expressing its opinion in favor of the Tender Offeror and recommending the shareholders of the Target Company to tender their shares in the Tender Offer, is not disadvantageous for the Target Company's minority shareholders (general shareholders).

(B) Reason for the report

(a) Legitimacy and reasonableness of the purpose of the Transaction

Based on the points below, the Special Committee deems that the Transaction will contribute to the enhancement of the Target Company's corporate value, and the purpose of the Tender Offer and the Transaction is legitimate and rational.

- There is nothing particularly unreasonable about the Target Company's business and business environment and the Tender Offeror's recognition of the current status of the Target Company's business, stated above in "(A) Background and Purpose of the Tender Offer" and "(B) Background and reasons for decision-making by the Target Company" of "(2) Background, Purpose, and Decision-Making Process of the Target Company Leading to Decision to Execute to the Tender Offer and Management Policy After the Tender Offer" in "3 Purpose of Purchase, etc."

- There is no objection to the view of the Target Company, where for the Target Company to solve the two major issues of "changes in the construction market" and "changes in the labor market," and realize continuous improvements in corporate value, that it is better to build a system where the companies of the Tender Offeror Group cooperate to promote business through participation in the Tender Offeror Group than taking the time to respond alone.

- Specific synergies that the Target Company believes can be realized through the Transaction ((i) sharing management resources and building a competitive framework for initiatives in the renewable energy business, (ii) promoting strategic capital policies, (iii) promoting technological development and improving productivity across the group and sharing and utilizing management resources, (iv) human resource exchange and development, human resource) and synergies envisaged by the Tender Offeror ((i) establishment of a new revenue base through collaboration in the areas of comprehensive management of public infrastructure and PPP/concession, (ii) group-wide DX, and joint promotion of human resources development), the Target Company's participation in the Tender Offeror's group through the Transaction will enable the Target Company to quickly and smoothly cooperate and collaborate with the Tender Offeror's group companies and efficiently utilize management resources, thereby enhancing the enterprise value of the Target Company's group and the Target Company's corporate value. The Tender Offer will contribute to the enhancement of the medium- to long-term corporate value of the Tender

Offeror's group, including the Target Company's group.

- In light of the above, the purpose of the Transaction is not unreasonable, such as the Tender Offeror taking advantage of its status similar to that of a controlling shareholder to benefit itself or third parties at the expense of the Target Company's minority shareholders, and the Transaction can be approved from the perspective of whether it will contribute to enhancing the Target Company's corporate value.

(b) Fairness of the Procedures pertaining to the Transaction

Based on the following points, it is acknowledged that the procedures pertaining to the Transaction were fair, and that sufficient consideration has been given to the interests of the Target Company minority shareholders (general shareholders) through fair procedures in the Transaction.

- Legality of the Transaction

In order to ensure the fairness and appropriateness of the decision-making of the Target Company's board of directors, the Target Company has appointed Miura Law Offices as its outside legal advisor and has received legal advice regarding the decision-making process and method of the Target Company's board of directors regarding the Tender Offer and a series of subsequent procedures, and other points to note, and no procedures that conflict with the Financial Instruments and Exchange Law, Companies Act, or other related laws and regulations are contemplated in each transaction comprising the Transactions. This has accordingly ensured the legality of the Transaction, premised on the fairness of the Transaction procedures.

- Negotiation process for prices and other terms and conditions of the transaction

The negotiation process for the terms and conditions of the transaction was conducted by the Special Committee, after the following measures to ensure fairness have been taken, and after comprehensively considering various matters including the results of the stock price valuation and advice of Mitsubishi UFJ Morgan Stanley Securities and Houlihan Lokey, the premium levels for similar cases, past changes in the stock price of the Target Company, negotiations were conducted with the Tender Offeror regarding the main terms and conditions, mainly the Tender Offer Price, by giving instructions, etc. to the Target Company and Mitsubishi UFJ Morgan Stanley Securities regarding negotiation policies, etc. In the process of these negotiations, there were no actions taken or statements made by the Target that would have resulted in advantageous conditions making use of the position equivalent to that of controlling shareholders, nor were any actions taken or statements made by the Target Company that made unreasonable conjectures about the intent of the Tender Offeror, equitable negotiations were conducted by both companies, and it was deemed that price negotiations were not carried out unfairly without giving consideration to the interests of minority shareholders.

- Establishment of the Special Committee and Acquisition of a Report from the Special Committee

In late January 2022, the Target Company received the initial proposal about the Transaction from the Tender Offeror, and as of such date held 19,047,610 shares (ownership ratio: 20.19%) of Maeda Corporation, a wholly-owned subsidiary of the Tender Offeror, making the Target Company a Maeda Corporation affiliate to which the equity method applies, and in light of circumstances such as the Tender Offeror planning to take the Target Company private as a wholly-owned subsidiary, the Special Committee was established by a resolution of the board of directors of the Target Company on February 24, 2022. All of the Special Committee members are independent from the Tender Offeror, the Tender Offeror's group, the Target Company and the success or failure of the Transaction. Members of the Special Committee shall be paid an hourly rate as compensation for their duties, irrespective of the contents of the report, and there will be no fee contingent on success. In addition, in the board of directors meeting, regarding the decision-making of the board of directors in connection with the Transaction, (i) including in the vote on the Transaction, the content of the judgment of the Special Committee will be respected to the maximum extent possible, and (ii) if the Special Committee determines that the transaction terms and conditions are not appropriate, then it shall also be resolved that that the Transaction shall not be approved. In addition, in establishing the Special Committee, the Target Company's board of the directors will decide the allocation of the authority (a) to collect and receive information required for evaluation and consideration of the Advisory Matters, (b) to select or appoint its own advisors if the Special Committee deems it to be necessary, or to recognize advisors

of the Target Company, (c) to participate in negotiations between the Target Company and the Tender Offeror and to consult and negotiate on behalf of the Target Company if the Special Committee deems it to be necessary, and (d) to consider the level of measures for the Transaction that should be taken to ensure fairness, and to offer opinions or make recommendations as needed. All of the independent external directors and independent external auditors of the Target Company voted unanimously in favor of the resolution establishing the Special Committee and assigning the authorities. The Special Committee convened a total of twelve times in the period between February 24 and March 18, and held careful discussions and deliberations regarding the Advisory Matters. In this process, the Special Committee also obtained, from the Target Company and the Tender Offeror, important non-public information that is difficult to disclose to general shareholders, and also carefully examined the terms and conditions of the Transaction and the Transaction procedures from a wide range of viewpoints. Based on these circumstances, the Special Committee carefully discussed and considered the Advisory Matters, and as a result, by unanimous consent of all committee members, submitted the Report containing the following details to the Target Company Board of Directors.

- Material involvement of the Special Committee in the negotiations

After examining and deliberating the proposal from the Tender Offeror, the Special Committee became materially involved in negotiating the terms and conditions of the Transaction, such as by giving instructions to the Target Company and Mitsubishi UFJ Morgan Stanley Securities concerning the direction of negotiations. As a result, the Tender Offer Price was increased to 770 yen from the initial proposal by the Tender Offeror of 720 yen. In the process of the negotiations, under the involvement of the Special Committee, through the Target Company and its financial advisor as well as the top level discussions, negotiations were conducted seriously and sincerely on an arms-length basis and as a result, the Target Company was able to increase the Tender Offeror's initially proposal price three times. Furthermore, when considered together with the "Establishment of the Special Committee and acquisition of a report from the Special Committee" above, it can be said that the Special Committee has sufficiently examined the merits of the Transaction from the perspective of whether or not it would contribute to the improvement of the Target Company's corporate value, as well as the fairness of the procedures and the appropriateness of the terms of the Transaction from the perspective of serving the interests of general shareholders, and the Special Committee can be deemed to have functioned effectively.

- Acquisition of a share price valuation report from a third-party valuation institution independent of the Special Committee

The Special Committee appointed Houlihan Lokey, an independent third-party valuation institution, as the Committee's own financial advisor and requested it to calculate the value of the Target Company's shares. The Special Committee received successive estimates of the share value and explanations of the process during the negotiation process from them, and finally obtained a share price valuation report dated March 22, 2022. Based on the results of calculations by the calculation process described above and in the Target Company Valuation Report (Houlihan Lokey), the Special Committee examined not only the negotiation process of the Tender Offer Prices but also the appropriateness of the Tender Offer Price.

- Acquisition of a fairness opinion by the Special Committee

A fairness opinion is more direct and of higher materiality than both the elements forming the opinion of the third-party valuation institution and the fiscal fairness of the specific price agreed upon between the parties that is the subject of that opinion. As a result, the formation process of the terms and conditions of the transaction can function effectively only after responding to the problems of structural relationships of interest and asymmetric information. Obtaining a fairness opinion about the Tender Offer Price means that a third-party valuation institution with financial expertise, after careful examination from an independent perspective, issues an opinion with its judgment about whether the specific terms and conditions of the transaction (Tender Offer Price) are appropriate for the minority shareholders from a financial standpoint. For this, the Special Committee requested an opinion from Houlihan Lokey about whether the Tender Offer Prices is suitable for the shareholders (excluding the Tender Offeror and its affiliates) from a financial standpoint, and obtained the fairness opinion on March 22, 2022.

- Target Company's internal system for evaluation of and negotiation in the Transaction

The officers and employees involved in the consideration and negotiation of the Transaction do not concurrently serve as employees of the Tender Offeror, and it is acknowledged that the Target Company has established a system within the company that enabled it to consider and negotiate the Transaction from a standpoint independent of the Tender Offeror.

- Advice from an outside law firm

The Target Company, to ensure the transparency and rationality of the decision-making process relating to the Transaction, including the Tender Offer, says it selected Miura & Partners, which is an outside legal advisor, from which it received necessary legal advice about decision-making processes, decision-making methods, and other points to keep in mind when making decisions relating to the Tender Offer. In addition, while the Target Company received advice from Miura & Partners that there were concerns that the fairness of the procedures could be impaired by certain actions of the Target Company, Miura & Partners also confirmed that there was no evidence that these actions had been forced. Accordingly, it is acknowledged that the Target Company carefully considered the fairness of the procedures of the Transaction.

- Acquire a share price valuation report from a third-party valuation institution independent of the Target Company

In order to ensure fairness in the decision-making process about the Tender Offer Price submitted from the Tender Offeror, on March 18, 2022, the Target Company obtained a share price valuation report from Mitsubishi UFJ Morgan Stanley Securities, a third-party valuation institution which is independent from the Target Company, the Tender Offeror, Maeda Corporation and the Transaction. Additionally, the Special Committee received a series of share price estimates and explanations of the process from Mitsubishi UFJ Morgan Stanley Securities in the negotiation process, positioned the information obtained from the explanations in the estimation process and the Target Company Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) as important reference information, examined the policy for negotiating the Tender Offer Price, and verified the validity of the Tender Offer Price. Accordingly, it is acknowledged that the fairness of the terms and conditions of the transaction in the Transaction have been considered carefully by both the Target Company and the Special Committee.

- Approval of all Directors having no Relationship of Interest with the Target Company and Opinions from all Auditors having no Relation of Interest with the Target Company

The Target Company board of directors will carefully consider the terms and conditions of the Transaction, based on the content of the Target Company Valuation Report (Houlihan Lokey), the Fairness Opinion and legal advice received from Miura & Partners, while giving the utmost respect to the details of the Report received from the the Special Committee. All seven of the Target Company directors are planning to participate in the discussions about and resolution on the Transaction at the Target Company board of directors held on March 22, 2022. Furthermore, the Target Company's legal advisors Miura & Partners have confirmed that none of the seven Target Company directors have any conflicts of interest with the Tender Offeror or the Tender Offeror's group, including Masakazu Kawanobe, one of the Target Company directors who had previously been an executive of Maeda Corporation. He became a senior advisor to the Target Company in April 2016, more than five years have elapsed since he was no longer a director of Maeda Corporation, and there is also no risk of a relationship of interest because as a director of the Target Company he is not in a position to accept instructions, etc. from the Tender Offeror. In addition, all seven directors in the Target Company board of directors plan to participate in the discussions about and resolution on the decision to approve the Squeeze-Out Procedures. Furthermore, in the board meeting described above, all three Target Company auditors who have no conflicts of interest with the Transaction will attend, and they will express their opinions on whether there are objections to the resolution described above. Accordingly, no circumstances were found that impede the fairness of the deliberation of and resolutions on the Transaction by the Target Company board of directors.

- Receipt of a share price calculation report from a third-party valuation institution independent of the Tender Offeror

Upon determining the Tender Offer Price, in order to guarantee fairness in the Tender Offer Price, the Tender

Offeror selected Daiwa Securities, a financial adviser that is a third-party valuation institution independent of the Tender Offeror and of the Target Company, asked Daiwa Securities to calculate the share price for the Target's Shares, and obtained a Stock Price Valuation Report from Daiwa Securities.

- Measures to guarantee purchasing opportunities from other buyers

The Tender Offeror shall set the tender period for the Tender Offer (hereinafter, the "Tender Offer Period") at 30 business days, although the legally stipulated minimum period is 20 business days. By setting a relatively long Tender Offer Period, the Tender Offeror intends not only to provide the Target Company shareholders appropriate time to decide on submitting tenders to the Tender Offer, but also to ensure that entities besides the Tender Offeror have the chance to purchase the Target Company Shares, and thus ensure the appropriateness of the Tender Offer Price. Furthermore, the Tender Offeror and the Target Company have made no agreements for limiting contact between the Target Company and entities making proposals countering the acquisition, such as agreements that include transaction protection conditions that forbid the Target Company from making contact with such entities. It is acknowledged that by ensuring the opportunity for protective purchases, together with setting the aforementioned Tender Offer Period, measures have been established to ensure the opportunity for acquisition proposals from other entities.

- Set the lower limit for satisfying the majority of minority conditions

The minimum number of shares scheduled to be purchased in the Tender Offer shall exceed the number equivalent to the so-called "majority of minority." The Tender Offeror believes that this places the emphasis on the Target Company minority shareholders since the Tender Offer cannot be executed if agreement cannot be obtained from a majority of Target Company Shareholders who do not have conflicts of interest with the Tender Offeror. Establishing the majority of minority condition is linked with paying more attention to ensuring opportunities for decisions by minority shareholders through direct recognition that the majority of general shareholders are satisfied with the terms and conditions of the transaction. There are in fact cases where the Tender Offer is not executed because the general shareholders do not agree to the Tender Offer Price and the majority of minority condition is not fulfilled. In addition, in establishing the majority of minority condition, since it is necessary to set the transaction terms at a level expected to obtain the satisfaction of a majority of general shareholders in order to execute the M&A transaction, this also functions as a resource for the M&A transaction to be carried out under transaction terms that are beneficial for the general shareholders. In this case, because it means that due to the establishment of the majority of minority condition, the number of general shareholders required to approve in order for the Transaction to be executed will increase to a certain extent, and is highly effective for ensuring the fairness of the transaction terms, establishing the majority of minority condition can be positively evaluated as an effective measure to ensure fairness.

- Status of information disclosures

The Target Company will publish a press release about the Transaction and submit the opinion report to the Director-General of the Kanto Finance Bureau, and the Tender Offeror will also submit the tender offer notification to the Director-General of the Kanto Finance Bureau. These contents are compliant with the Financial Instruments and Exchange Act, the timely disclosure standards of the Tokyo Stock Exchange, and the Fair M&A Guidelines. Each party plans to make appropriate disclosures upon receiving advice from their respective legal advisors. In addition, when the Special Committee confirmed the contents of each of the above documents, it was able to state that all of the above documents contain full and complete information, as described below, that is conducive to general shareholders making appropriate judgments and that the documents disclose this information in an easy-to-understand manner: information about the Special Committee (eligibility of its members, details on the powers granted to the Special Committee, background of examinations done by the Special Committee and its involvement in the process of negotiating the trading conditions with the Tender Offeror, the content of the Report, and the system for compensating its members, etc.); information about the Target Company Valuation Report (by Houlihan Lokey) and the Target Company Valuation Report (by Mitsubishi UFJ Morgan Stanley Securities) (information about the stock value calculation process based on each calculation method, the material relationships of interest of third-party valuation institutions); and other information (information on the process that led to the

implementation of this transaction, the background and purpose(s) behind opting to carry out the Transaction, and the specific circumstances of discussions and negotiations regarding the trading conditions, etc.). Furthermore, in light of the the contents discussed in the Special Committee, no matters were perceived to give rise to suspicions about the appropriateness of these contents. In light of these circumstances, the Target Company deems that the important background materials that contribute to the judgment about the appropriateness of the transaction terms, including the details of the Transaction, are provided appropriately to the Target Company general shareholders.

- Elimination of duress

If the Tender Offeror is unable to acquire all of the Target Company Shares in the Tender Offer, the Tender Offeror plans to carry out the Squeeze-out Procedure immediately after the Tender Offer has been established, and plans to implement the procedure so that Target Company shareholders who did not submit tenders for the Tender Offer will be paid the same amount of money as the Tender Offer Price, as consideration for each Target Company Share. In the Transaction, including the Tender Offer, because appropriate time has been ensured for general shareholders to be able to decide whether to submit tenders to the Tender Offer, it is acknowledged that consideration has been given so that no duress has been generated as a result of these measures.

- Based on the foregoing, it is recognized that (1) the legality of each trade constituting the Transaction has been ensured, (2) the process of negotiating the trading conditions (e.g. the pricing pertaining to the Transaction), has been properly executed, and (3) the measures for ensuring fairness in the Transaction have functioned effectively as a whole. Accordingly, the fairness of the Transaction procedures from the perspective of the benefit for the general shareholders of the Target Company can be said to have been ensured.

- (c) Whether or not it would be disadvantageous for the minority shareholders of the Target Company if the board of directors of the Target Company decided to implement the Transaction, from the perspective of the fairness and validity of the trading conditions pertaining to the Transaction

Based on the following points, it is recognized that the fairness and appropriateness of the terms and conditions of the Transaction are deemed to have been ensured. The Target Company's board of directors resolving to implement the Transaction, including expressing its opinion in favor of the Tender Offer and recommending that the Target Company's shareholders tender their shares in the Tender Offer, is not disadvantageous for the Target Company's minority shareholders (general shareholders).

- Share price calculation method and result thereof

Since it was necessary to confirm the appropriateness of the share price calculation that was used as the basis for the above price negotiations, the Special Committee interviewed Houlihan Lokey and Mitsubishi UFJ Morgan Stanley Securities several times regarding the calculation method of the stock value and its calculation results. After examining the calculation method adopted when calculating the share price of the Target Company Shares from among multiple share price calculation methods, Houlihan Lokey says it has been calculating share prices using the market price method because the Target Company Shares are listed on the First Section of the Tokyo Stock Exchange and have a market share price, comparable company analysis method because it is possible to infer share price by comparing similar companies because there are multiple listed companies engaged in businesses that are relatively similar to the Target Company's, and DCF analysis with the intention of reflecting the status of future business activities of the Target Company in the calculations of share price.

The Special Committee interviewed the Target Company multiple times regarding the process and rationale behind the preparation of this business plan. According to the results, etc., where the Target Company's medium-term business plan exists, this business plan of the Target Company is a new business plan that is the most feasible business plan at present in the Target Company for the period up to FY2026, based also on the actual performance figures up to FY2021. The Special Committee has no objection to the opinion of the Target Company that the sales, operating income, and operating income margin in the business plan are not conservative and can be considered reasonable growth by comparison with the Target Company's actual results for the most recent 10 years and by comparison with similar companies. The Special Committee confirmed that there was nothing unreasonable in the process of preparing the business plan and that the details of the business plan were found to be reasonable to a

certain extent, and approved the Target Company's presentation of the business plan to the Tender Offeror and the financial forecasts based on the business plan as the premises for the share price calculation by Houlihan Lokey and Mitsubishi UFJ Morgan Stanley Securities. In light of the above, there is nothing unreasonable in the calculation methods and results of Houlihan Lokey and Mitsubishi UFJ Morgan Stanley Securities, and the fact that the Tender Offer Price was agreed upon at a level within or above the maximum value of the shares of the Target Company calculated based on each method is considered to be reasonable to a certain level. In the business plan, The adverse impact on the financial results related to the the case reported on February 4, 2022, in which an officer of Tachibana Industry Co., Ltd., Inc. in which the Target Company owns 70% of the voting rights, was arrested on suspicion of obstruction of public contract-related auctions, etc. (the "Tachibana Case") has not been taken into account. The Special Committee was informed by Mitsubishi UFJ Morgan Stanley Securities that due to the Tachibana case, the suspension of nominations by some local governments, etc., to Tachibana Industry, Co., Ltd. has been announced in turn, and that there is a possibility of a significant decrease in orders over the next term. However, since the impact of the Tachibana case on its performance has not yet been determined, it has not taken the Tachibana project into account in this business plan.

- Content of the Fairness Opinion

The Special Committee received the fairness opinion from Houlihan Lokey on March 22, 2022, stating that the Tender Offer Price of ¥770 per share is fair to the Target Company's shareholders (excluding the Tender Offeror and its affiliates) from a financial point of view in light of the results of the valuation etc. of the Target Company's shares based on the business plan. Note that the Fairness Opinion was issued after Houlihan Lokey had received disclosures and explanations of the business conditions and forecasts for the Target Company from the Target Company, and after examinations of, in addition to the results of the valuation of the price of the Target Company's shares, the Q&A sessions with the Special Committee, and the Target Company's business environment, economics, markets, financial situation, etc. to the extent deemed necessary by Houlihan Lokey, and after passing through the deliberations at a meeting body independent from the team at Houlihan Lokey that conducted analysis and review of the Target Company shares' value. Note that the Fairness Opinion was issued after Houlihan Lokey had received disclosures and explanations of the business conditions and forecasts for the Target Company from the Target Company, and after examinations of, in addition to the results of the valuation of the price of the Target Company's shares, the Q&A sessions with the Special Committee, and the Target Company's business environment, economics, markets, financial situation, etc. to the extent deemed necessary by Houlihan Lokey, and after passing through the deliberations at a meeting body independent from the engagement team at Houlihan Lokey. The fact that this fairness opinion was issued regarding the Offer Price is an important basis for the fairness of the Offer Price. Through a question and answer session with Houlihan Lokey, the Special Committee confirmed the process of issuing the fairness opinion and the reasons why the Special Committee concluded that the Tender Offer Price is appropriate from a financial point of view for the general shareholders.

- Acquisition consideration levels

The Tender Offer Price has a premium of 28.55% (rounded to the third decimal place, the same hereinafter in the premium calculation) to the Target Company Share closing price of 599 yen on the First Section of the Tokyo Stock Exchange First Section on March 18, 2022, which is the business day before the announcement date of the Tender Offer's execution, 30.07% to the simple average closing price of 592 yen (rounded to the nearest whole number, the same hereinafter in the simple average closing price calculations) for the preceding one-month period up to the same date (from February 21, 2022 to March 18, 2022), 33.22% to the simple average closing price of 578 yen for the preceding three-month period to the same date (from December 20, 2021 to March 18, 2022), and 33.91% to the simple average closing price of 575 yen for the preceding three-month period to the same date (from September 21, 2021 to March 18, 2022). According to the Houlihan Lokey Draft Valuation Report, the premium level of the Offer Price is the same as the premium level of the Offer Price in other similar cases (all tender offers for going private since June 2019 (publication of the Fair M&A Guideline)). It is not significantly lower than the median premium levels (42.0% vs. the previous day, 42.7% vs. the one-month average, 42.2% vs. the three-month average, and 46.1% vs. the six-month average) of the 117 buyout deals. Further, according to the materials and information

disclosed by the Target Company or its advisors in writing or through interviews, the Tender Offer Price is considerably higher than 677 yen, the highest market price of the Target Company's shares since the day of the Lehman Shock (September 16, 2008). Considering that the period during which the trading turnover of the Target Company's shares reaches the total number of outstanding shares of the Target Company (the period during which the trading turnover reaches 100%) is approximately 18 months, such a level of the Tender Offer Price is not an inappropriate level in relation to the interests to be enjoyed by minority shareholders, as it can be reasonably inferred that many shareholders will have the opportunity to sell the Target Company shares at a price substantially higher than the purchase price.

- About the validity of trading conditions other than pricing

The method of acquisition in the Transaction is to conduct the Tender Offer as the first step and the Share Sale and Purchase or the Reverse Stock Split as the second step. This method of acquisition in this transaction is considered to be appropriate because it is a method that is commonly employed in wholly-owned subsidiary transactions such as this transaction, and it is a scheme that can be challenged through court proceedings if ordinary shareholders believe that the purchase price is unreasonably low. As the first step, taking the method of a tender offer with cash as consideration would be more appropriate for general shareholders of the Target Company than taking the method of a tender offer with shares of the Tender Offeror as consideration, since the businesses of the Tender Offeror and the Target Company are different. In addition, with respect to the type of takeover consideration for the second-step transaction, it is more appropriate to use cash as the consideration because, unlike in the case of a share exchange in which the consideration is the Tender Offeror's shares, public shareholders who do not accept the Tender Offer will not be at risk of a decline in the Tender Offeror's share price and will receive cash based on the same price as the Tender Offer Price. Therefore, the type of takeover consideration is also considered reasonable. In other terms and conditions of the Transaction other than the price, there is no evidence that the Tender Offeror has unfairly benefited at the expense of the Target Company's minority shareholders, and there are no circumstances that impair the appropriateness of the said terms and conditions.

- After comprehensively taking into consideration the above share valuation methods, valuation results, the acquisition and content of the Fairness Opinion, comparison with other similar examples, the possibility of negative impact on the Tachibana matter, and other similar matters, the transactional conditions associated with the Transaction can be deemed fair and appropriate based on the perspective of the interests of the general shareholders of the Target Company.

(C) Conclusion

Based on the above, the Special Committee indicated that it thinks that the Target Company's board of directors resolving to implement the Transaction, including expressing views endorsing the Tender Offer and recommending that the Target Company's shareholders submit tenders to the Tender Offer, is not disadvantageous for the Target Company's minority shareholders (general shareholders).

② Acquire a Stock Price Valuation Report from a third-party valuation institution independent of the Target Company

To ensure fairness in the process for deciding the Tender Offer Price (770 yen per Target Company Share) presented by the Tender Offeror, the Target Company says it has acquired the Target Company Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) from Mitsubishi UFJ Morgan Stanley Securities, which is a third-party valuation institution independent of the Target Company, the Tender Offeror, and Maeda Corporation. Mitsubishi UFJ Morgan Stanley Securities is not an entity related to the Tender Offeror or Maeda Corporation and does not have a material relationship of interest concerning the Transaction, including the Tender Offer, therewith. Note that Mitsubishi UFJ Morgan Stanley Securities is a member company of Mitsubishi UFJ Financial Group, Inc., along with MUFG Bank, Ltd., and MUFG Bank, Ltd. holds the status of shareholder of the Target Company, provides financing transaction as part of normal banking transactions to the Target Company and the Tender Offeror and also plans to provide financing to the Tender Offeror as settlement funds for the Tender Offer. However, the Target Company has selected Mitsubishi

UFJ Morgan Stanley Securities as its financial advisor and third-party valuation institution in light of the accomplishments of Mitsubishi UFJ Morgan Stanley Securities as a valuation institution, and based on the fact that steps have been taken to block information between the department implementing the share price valuation of the Target Company's shares in Mitsubishi UFJ Morgan Stanley Securities and other departments and MUFG Bank, Ltd. as a measure to prevent adverse effects, that the Target Company and Mitsubishi UFJ Morgan Stanley Securities are conducting business on an arms-length basis, that Mitsubishi UFJ Morgan Stanley Securities has independence as a financial advisor and third-party valuation institution, and it is believed that there are no problems with regard to requesting Mitsubishi UFJ Morgan Stanley Securities to perform valuation of the share value of the Target Company's shares because Mitsubishi UFJ Morgan Stanley Securities is not an entity related to the Target Company, the Tender Offeror or Maeda Corporation.

Furthermore, the compensation for Mitsubishi UFJ Morgan Stanley Securities pertaining to the Transaction includes performance compensation to be paid on the condition of announcement of the Transaction including the Tender Offer and the completion of squeeze out procedures, but, given general practices in similar transactions and the pros and cons of a compensation system that will incur a reasonable financial burden on the Target Company if the Transaction fails, the inclusion of a performance fee paid on condition that the Transaction including the Tender Offer and squeeze out procedures are completed does not deny independence.

After examining the calculation method used in the Tender Offer, Mitsubishi UFJ Morgan Stanley Securities, based on the belief that a multi-faceted evaluation of the stock price for the Target Company Shares is appropriate based on the fact that the Target Company is a going concern and that the market price of the Target Company Shares is listed on the First Section of the Tokyo Stock Exchange, performed a price evaluation on the Target Company Shares using market price analysis because there are multiple listed companies engaged in businesses that are relatively similar to the Target Company's, comparable company analysis because it is possible to infer stock price by comparing similar companies, and DCF analysis to reflect intrinsic value assessment based on the status of future business activities, and the Target Company acquired the Target Company Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) on March 18, 2022. Note that the Target Company says that it has taken sufficient measures, such as those described below in "③ Acquire a Stock Price Valuation Report and a Fairness Opinion from a Financial Advisor and Third-Party Valuation Institution independent of the Special Committee," to ensure fairness, and thus has not acquired an evaluation (fairness opinion) pertaining to the Tender Offer Price from Mitsubishi UFJ Morgan Stanley Securities.

The Target Company says that the ranges of the price per Target Company Share calculated using each of the above methods are as follows.

Market share price analysis:	575 yen to 599 yen
Comparable company analysis:	474 yen to 844 yen
DCF analysis:	753 yen to 906 yen

Using market price analysis, with March 18, 2022 as the calculation record date (hereinafter, the "Record Date") (closing price of 599 yen), the range of per Target Company stock prices was calculated as 575 yen to 599 yen, based on, from the Record Date of the Target Company Shares on the First Section of the Tokyo Stock Exchange, a simple average closing price of 592 yen for the most recent one-month period, a simple average closing price of 578 yen for the most recent three-month period, and a simple average closing price of 575 yen for the most recent six-month period.

Using comparable company analysis, the market stock prices and financial indicators indicating profitability of listed companies engaging in business similar to the Target were used as points of comparison to calculate the stock price for the Target Company Shares, resulting in a calculation suggesting that the range of per Target Company stock prices should be from 474 yen to 844 yen.

Using the DCF analysis, based on a future earnings forecast for the Target Company that takes into account various factors such as the business plan from the fiscal year ending March 2022 to the fiscal year ending March 2026, the

latest business performance trends, and publicly available information, the stock price for the Target Company was analyzed by discounting the free cash flow expected to be generated by the Target Company from the second quarter of the term ending March 2023 onward to its present value using a certain discount rate, resulting in a calculation suggesting that the range of per Target Company stock prices should be from 753 yen to 906 yen.

The financial forecast assumed when calculating performing analysis using DCF, is as follows. Mitsubishi UFJ Morgan Stanley Securities conducted interviews with the Target Company on the Business Plan, and analyzed and examined the details thereof, and, as is described above in “① Establishment of an Independent Special Committee and Acquisition of a Report in the Target Company,” the Special Committee says it has confirmed the details, the important pre-conditions and rationality of the course of events behind its creation. Note that the financial forecast below includes fiscal years in which significant increases or decreases in profits are expected. Specifically, operating income, ordinary income and net income are expected to significantly decrease in the fiscal year ended March 31, 2022 due to delays in the timing of orders and failure to receive orders for large products that have been a focus in the domestic civil engineering business resulting in a decrease in orders, and more time than initially anticipated being required for design projects in the domestic construction business, and construction started later than initially expected at overseas consolidated subsidiaries, etc. Furthermore, the Target Company’s free cash flow is fluctuating due to an increase in the operating cash in parallel to the increase in sales for the period until the fiscal period ending March 2023 and the payment of promissory notes (including electronic promissory notes) for external contracting after April of 2022. Note that, since it is difficult at present to develop specific estimates of the synergistic effects expected as a result of the Transaction, the Target Company says it has not taken the business outlook used by Mitsubishi UFJ Morgan Stanley Securities for the DCF analysis into account.

(Units: 1 million yen)

	Period ending March 2022	Period ending March 2023	Period ending March 2024	Period ending March 2025	Period ending March 2026
Net sales	152,282	185,346	198,846	197,346	203,846
Operating income	8,939	10,334	11,246	11,514	12,176
EBITDA	10,684	12,172	13,271	13,797	14,466
Free cash flow	17,690	△1,800	893	6,440	7,844

(Note) Net sales indicate figures after application of “Accounting Standard for Revenue Recognition, etc.” (ASBJ Statement No. 29, March 31, 2020).

(Note) The analysis by Mitsubishi UFJ Morgan Stanley Securities and its analysis of the stock price of the Target Company Shares, which is the basis of the analysis, are intended only to serve as a reference for directors of the Target Company. These analyses does not constitute financial opinions or recommendations by Mitsubishi UFJ Morgan Stanley Securities or its affiliates. They are also not intended as commentary on, or recommendations with respect to, the actions of the Target Company’s shareholders or the Tender Offeror regarding the Tender Offer or the exercise of voting rights or other actions by the shareholders regarding any General Meeting of Shareholders regarding the Transaction.

Mitsubishi UFJ Morgan Stanley Securities will use the information provided by the Target Company and information it has already released when evaluating the stock price of the Target Company Shares, under the assumption that all such materials and information are accurate and complete, and has not independently verified their accuracy or completeness. Additionally, Mitsubishi UFJ Morgan Stanley Securities assumes that the information regarding the Target Company's financial forecasts has been reasonably prepared by the Target Company based on the best forecasts and judgments available as of March 18, 2022 (hereinafter referred to as the “Target Date”).

Moreover, Mitsubishi UFJ Morgan Stanley Securities has not independently evaluated or assessed the assets and liabilities (including off-balance sheet assets and liabilities, and other contingent liabilities) of the Target Company or its affiliates, nor has it requested appraisals or assessments thereof from any third party. Calculations by Mitsubishi UFJ Morgan Stanley Securities reflect the above information until the Target Date, and are based on financial, economic, foreign exchange, market and other conditions as of the Target Date, and information that has been obtained by Mitsubishi UFJ Morgan Stanley Securities as of the Target Date. Events occurring subsequent to the Target Date may have an impact on the assumptions used in analysis by Mitsubishi UFJ Morgan Stanley Securities and the preparation of the Target Company Valuation Report (Mitsubishi UFJ Morgan Stanley Securities), but Mitsubishi UFJ Morgan Stanley Securities does not have any obligation to update, correct or reconfirm the valuation report.

The preparation of the Target Company Valuation Report (Mitsubishi UFJ Morgan Stanley Securities), and the analyses on which they are based, involve complicated processes and are not necessarily suitable for partial analyses or summary descriptions. The valuation ranges based on the specific analyses described in the valuation documents cannot be regarded as an evaluation of the actual value of the Target Company by Mitsubishi UFJ Morgan Stanley Securities.

Mitsubishi UFJ Morgan Stanley Securities provides services as a financial advisor to the board of directors of the Target Company in relation to the Transaction, and plans to receive fees as consideration for the services. Note that the receipt of a substantial portion of the fees is conditional upon the announcement and completion of the Transaction.

③ Acquire a Stock Price Valuation Report and a Fairness Opinion from a Financial Advisor and Third-Party Valuation Institution independent of the Special Committee

As is described above in “① Establishment of an Independent Special Committee and Acquisition of a Report in the Target Company,” the Special Committee says that it selected Houlihan Lokey as its independent financial advisor and third-party valuation institution independent of the Target Company, the Tender Offeror, and Maeda Corporation, from which it received advice from a financial point of view, including advice on valuation of Target Company Shares and policies on negotiating with the Tender Offeror, and acquired the Target Company Valuation Report (Houlihan Lokey) on March 22, 2022. Furthermore, the Special Committee says it acquired the Fairness Opinion from Houlihan Lokey, which report indicated that the Tender Offer Price of 770 yen per share is appropriate to the Target Company shareholders (excluding the Tender Offeror and Maeda Corporation) from a financial point of view. Note that Houlihan Lokey is not an entity related to the Tender Offeror or Maeda Corporation and does not have a material relationship of interest, including the Tender Offer, therewith.

Note that, as is described above in “(2) Background, Purpose, and Decision-Making Process Leading to Decision to Commencement of the Tender Offer and Management Policy After the Tender Offer” under “1 Purpose of the Purchase, etc.,” the Target Company board of directors says that, on March 22, 2022, after receiving the Report from the Special Committee, it also received the Target Company Valuation Report (Houlihan Lokey) and the Fairness Opinion, and that, based on the contents thereof, executed the resolution described below in “⑤ Approval of all Directors having no Relationship of Interest with the Target Company and Opinions of No Objection from all Auditors having no Relationship of Interest with the Target Company.”

As is described above in “① Establishment of an Independent Special Committee and Acquisition of a Report in the Target Company,” the Special Committee, after examining the independence, expertise, and track records, etc. of candidate third-party valuation institutions, selected Houlihan Lokey as its independent third-party valuation institution. Furthermore, Houlihan Lokey’s compensation as it pertains to the Transaction is limited to a fixed compensation regardless of the success or failure of the Transaction, and thus does not include performance compensation to be paid on the condition that the Transaction, including the Tender Offer, is established.

After examining the calculation method to adopted when calculating the stock price of the Target Company Shares from among multiple stock price calculation methods, Houlihan Lokey says it has been calculating stock prices using the market price method because the Target Company Shares are listed on the First Section of the Tokyo Stock Exchange and have a market stock price, comparable company analysis method because it is possible to infer stock price by comparing similar companies because there are multiple listed companies engaged in businesses that are

relatively similar to the Target Company's, and DCF analysis with the intention of reflecting the status of future business activities of the Target Company in the calculations of stock price.

The ranges of per Target Company stock prices calculated in each of the above methods are as follows.

Market stock price method:	575 yen to 599 yen
Comparable company analysis method:	636 yen to 807 yen
DCF method:	715 yen to 860 yen

Using the market stock price method, with the date of March 18, 2022, which is the business day before the announcement date of the commencement of the Tender Offer, as the calculation record date (hereinafter, the "Record Date"), the range of per Target Company stock prices was calculated as 575 yen to 599 yen, based on, from the Record Date of the Target Company Shares on the First Section of the Tokyo Stock Exchange, the Record Date closing price of 599 yen, a simple average closing price of 596 yen for the most recent five-business-day period, a simple average closing price of 592 yen for the most recent one-month period, a simple average closing price of 578 yen for the most recent three-month period, and a simple average closing price of 575 yen for the most recent six-month period.

Using the comparable company analysis method, the market stock prices and financial indicators indicating profitability of listed companies engaging in business similar to the Target were used as points of comparison to calculate the stock price for the Target Company Shares, resulting in a calculation suggesting that the range of per Target Company stock prices should be from 636 yen to 807 yen.

Using the DCF method, assuming various factors such as the business plan from the fiscal year ending March 2022 to the fiscal year ending March 2026, the latest business performance trends, and publicly available information, the corporate value and the stock price for the Target Company were analyzed by discounting the free cash flow expected to be generated by the Target Company from the fourth quarter of the fiscal year ending March 2022 to its present value using a certain discount rate, resulting in a calculation suggesting that the range of value per share of the Target Company should be from 715 yen to 860 yen.

Note that the financial forecast (as per below) of the Target Company that Houlihan Lokey assumed when calculating using DCF analysis includes fiscal years in which significant increases or decreases in profits are expected. Specifically, operating income, ordinary income and net income are expected to significantly decrease in the fiscal year ended March 31, 2022 due to delays in the timing of orders and failure to receive orders for large products that have been a focus in the domestic civil engineering business resulting in a decrease in orders, and the fact that more time than initially anticipated was required for design projects in the domestic construction business and construction started later than initially expected at overseas consolidated subsidiaries, etc. Furthermore, the Target Company's free cash flow is fluctuating due to an increase in the operating cash in parallel to the increase in sales for the period until the fiscal period ending March 2023 and the payment of promissory notes (including electronic promissory notes) for external contracting after April of 2022. Note that, since it is difficult at present to develop specific estimates for the synergistic effects that are expected to result from implementing the Transaction, such synergistic effects are not included in the Business Plan, and thus the financial forecast of the Target Company that Houlihan Lokey assumed when calculating using DCF analysis only considers the effects of reducing listing-related costs. Moreover, the financial forecast is based on the Business Plan, Houlihan Lokey has held multiple Q&A sessions with the Target Company to analyze and examine the details thereof, and, as is described above in "① Establishment of an Independent Special Committee and Acquisition of a Report in the Target Company," the Special Committee says it has confirmed the rationality of the course of events behind the creation of said details.

(Units: 1 million yen)

	Period ending March 2022 Q4	Period ending March 2023	Period ending March 2024	Period ending March 2025	Period ending March 2026
Net sales	39,278	185,346	198,846	197,346	203,846

Operating income	3,417	10,334	11,246	11,514	12,176
EBITDA	3,986	12,172	13,271	13,797	14,466
Free cash flow	△3,748	△2,738	1,075	6,869	7,605

(Note) Net sales indicate figures after application of “Accounting Standard for Revenue Recognition, etc.” (ASBJ Statement No. 29, March 31, 2020).

Furthermore, on March 22, 2022, the Special Committee acquired a Fairness Opinion from Houlihan Lokey indicating that 770 yen per share, which is the Tender Offer Price, is appropriate to Target Company shareholders (excluding the Tender Offeror and parties related thereto) from a financial point of view. The Fairness Opinion expresses the view (hereinafter referred to as the “Expressed View”) that, given the results, etc. of the price valuations of the Target Company Shares based on the Business Plan, 770 yen per share, which is the Tender Offer Price, is appropriate to the Target Company shareholders (excluding the Tender Offeror and parties related thereto) from a financial point of view. Note that the Fairness Opinion was issued after Houlihan Lokey had received disclosures and explanations of the business conditions and forecasts for the Target Company from the Target Company, and after examinations of, in addition to the results of the valuation of the price of the Target Company's shares, the Q&A sessions with the Special Committee, and the Target Company's business environment, economics, markets, financial situation, etc. to the extent deemed necessary by Houlihan Lokey and after passing reviews performed by a deliberation committee independent of the team at Houlihan Lokey responsible for analyzing and considering the value of Target Company Shares.

When submitting the Fairness Opinion, developing the Expressed View, and engaging in the analyses and calculations of the Target Company's business value that formed the basis thereof, all of the information relied on by Houlihan Lokey that was submitted by the Target Company, consulted on in collaboration with the Target Company, released generally, and all other information Houlihan Lokey considered a subject of consideration or was considered by the Target Company on behalf of Houlihan Lokey, was presumed to be accurate, complete, and not misleading, and Houlihan Lokey performed no independent investigation or verification of the accuracy or completeness of such information. Furthermore, there is no obligation for such independent investigation or verification.

In addition, when analyzing and calculating the Target Company's business value, and the value of the Target Company Shares, Houlihan Lokey relied on the explanations provided by the management and parties responsible for executing various duties, performed no independent verifications, and presumed the accuracy of such explanations in forming the Expressed View.

Houlihan Lokey has not independently evaluated or assessed the individual assets and liabilities (including off-balance sheet assets and liabilities, and other contingent liabilities) pertaining to the value of the Target Company Shares, and has not received any evaluations or assessments pertaining thereto.

Houlihan Lokey assumes that the information concerning the business plan and other performance outlooks and future forecasts (hereinafter referred to as “business plan, etc.”) used in the analysis of the business value of the Target Company based on DCF analysis and comparable company analysis were prepared by the Target Company's management based on the best forecasts and judgments available at the present time, and that the profit and loss status of the Target Company's businesses proceeding according to those forecasts. It is possible that discrepancies between forecasted results and actual results may affect the business value of the Target Company due to presumptions regarding forecasted circumstances and environments made during business planning being inaccurate, resulting in circumstances where the effects of external factors such as macroeconomic environmental matters, such as the price of raw materials, affect conditions; however, the purpose of the analyses performed by Houlihan Lokey in preparing the Fairness Opinion was not to determine the feasibility or certainty of such business plans, and Houlihan Lokey renders no opinions or warranties on such business plans nor the presumptions underlying such plans, and bears no responsibility therefor. Houlihan Lokey has made numerous assumptions concerning the status of the industry, the status of business and the economy in general and other matters in the expression of the opinion stated in the Fairness

Opinion and performing analysis upon which it is based, and many of these cannot be controlled by the Target Company or the Tender Offeror. All forecasts included in the analysis by Houlihan Lokey do not necessarily indicate future results or actual performance, and the results or performance may be significantly better or worse than those indicated by the forecasts.

Houlihan Lokey is not an expert on legal, accounting, or tax matters, and has not conducted any independent consideration or analysis regarding the legality and efficacy of the Transaction, nor on the appropriateness of accounting and tax procedures, in providing the Expressed Views. The Expressed Views are based on the presumption that all procedures pertaining to the Transaction have gone through appropriate legal, accounting, or tax-related procedures, and that these procedures were executed appropriately and effectively. Furthermore, taxation of the Target Company, the Target Company's shareholders and other parties related to the Transaction due to the Transaction is not taken into account.

The Expressed View assumes that the consent or approvals, including the timing and conditions thereof, by all the administrative organs, etc. necessary for execution of the Transaction and for the Target Company's business continuity going forward can be obtained without impacting the financial conditions expected for the Target Company's business if the Transaction is executed, and Houlihan Lokey is not obligated to conduct its own investigation of this assumption.

Furthermore, Houlihan Lokey does not have the authority to solicit expressions of interest by other related parties regarding the acquisition of the Target Company's shares by entities other than the Tender Offeror, the sale of all or part of the Target Company through a business transfer, or other alternative transactions, and thus, is not engaged in such acts as independently investigating or verifying alternative transactions. Accordingly, Houlihan Lokey is assuming that, from the Target Company's perspective, the conditions of the Transaction are the most advantageous ones that can be negotiated among the parties related to the Transaction, and thus has expressed no views as to whether alternative transactions could provide Target Company shareholders with value that exceeds the Transaction price.

The Expressed View is an expression of opinion of whether the Tender Offer Price is appropriate from a financial viewpoint for shareholders of the Target Company (excluding Tender Offeror and parties related thereto) based on market, economic, financial and other conditions as of the date of preparation of the Fairness Opinion, and assume information provided to Houlihan Lokey and obtained by Houlihan Lokey by the date of preparation of the Fairness Opinion, and the content of the expression of opinion may be affected by future changes in conditions. Furthermore, the Expressed View assumes that there are no facts or matters not disclosed to Houlihan Lokey that are facts that may have an impact on the analysis and consideration of the Target Company's business and the Expressed View, and depending on facts and matters not disclosed as of the date of preparation of the Fairness Opinion and facts and matters arising after the date of preparation of the Fairness Opinion, such facts and matters may have an impact on the results of assessment of the value of the Target Company's business forming the basis for the Expressed View and the Expressed View. In these cases, Houlihan Lokey does not have the obligation to revise, change, supplement or reconfirm its view. Furthermore, the Expressed View does not provide inference or indication of any views related to matters arising on or after the date of preparation of the Fairness Opinion other than matters explicitly stated in the Fairness Opinion.

The Expressed View is provided as reference information for the board of directors of the Target Company and the Special Committee to consider the Tender Offer Price, and may not be relied upon or used for any other purpose or by any other party. In particular, the Expressed View is not the provision of any opinion or recommendation of execution by Houlihan Lokey to the board of directors of the Target Company, the Special Committee, shareholders, creditors or other related parties of the Target Company concerning the Transaction, submitting tenders to the Tender Offer or execution of any other action related to the Transaction. Furthermore, it is not a solicitation, etc. by Houlihan Lokey for shareholders of the Target Company or other third parties concerning the Transaction. Therefore, Houlihan Lokey shall not be liable to shareholders, creditors or other related parties of the Target Company for anything arising from or in relation to the Expressed View.

④ Acquire advice from an independent legal advisor in the Target Company

The Target Company, to ensure the transparency and rationality of the decision-making process relating to the Transaction, including the Tender Offer, says it selected Miura & Partners, which is an outside legal advisor, from which it received necessary legal advice about decision-making processes, decision-making methods, and other points to keep in mind when making decisions relating to the Tender Offer. Note that Miura & Partners is not an entity related to the Tender Offeror or Maeda Corporation and does not have a material relationship of interest, including the Tender Offer, therewith. Furthermore, the compensation of Miura & Partners is only compensation in time-based units and does not adopt performance compensation conditional upon the completion of the Transaction, etc.

⑤ Approval of all Directors having no Relationship of Interest with the Target Company and Opinions of No Objection from all Auditors having no Relation of Interest with the Target Company

The Target Company board of directors says it carefully discussed and examined the terms and conditions relating to the Transaction based on the contents of the Target Company Valuation Report (Mitsubishi UFJ Morgan Stanley Securities), the Target Company Valuation Report (Houlihan Lokey), the Fairness Opinion, and the legal advice received from Miura & Partners, while giving maximum respect to the content of the Report acquired from the Special Committee.

Therefore, as is described above in “(2) Background, Purpose, and Decision-Making Process Leading to Decision to Commencement of the Tender Offer and Management Policy After the Tender Offer” under “1 Purpose of the Purchase, etc.,” the board believes that participating in the Tender Offeror group after the Transaction will enable the Target Company to contribute to the improvement of the corporate value of the Target Company group and the medium to long term corporate value of the Tender Offeror group including the Target Company group while coordinating and collaborating with each company of, and efficiently utilizing management resources quickly and smoothly with, the Tender Offeror group. Furthermore, while the Tender Offer Price is at a level, which compared to the level of premiums granted in the case of successful tender offers for the purposes of taking the target company private, the premium may be lower at each point compared to tender offers by persons other than the issuer from the period between June 28, 2019, the date on which the Ministry of Economy, Trade and Industry announced the Fair M&A Guidelines, and December 31, 2021, given that there are a considerable number of cases, among the abovementioned cases, where the premium level is the same or lower than the premium level attached to the Tender Offer Price, the Tender Offer Price is not at an inappropriate level compared to similar cases by other companies. Furthermore, measures to ensure fairness of the tender offer price and measures for avoiding conflicts of interests as stated in (Measures to Ensure Fairness of the Tender Offer Price and Measures to Ensure Fairness of the Tender Offer such as Measures for Avoiding Conflicts of Interest) herein have been taken. Thus, it is acknowledged that the interests of the minority shareholders (general shareholders) are being considered and based on such consideration, the Target Company and the Tender Offeror discussed and negotiated on an arm’s length basis. Additionally, the Tender Offer Price is higher than the highest market price of the Target Company's shares since the day of the Lehman Shock (September 16, 2008), which was 677 yen and all of the minority shareholders (general shareholders) of the Target Company may sell their shares at a higher price than the acquisition price. As such, it was determined that the Tender Offer Price, and other terms and conditions relating to the Tender Offer, are reasonable enough to ensure the benefits the minority shareholders (general shareholders) of the Target Company should enjoy; and the Tender Offer provides the minority shareholders (general shareholders) of the Target Company with an opportunity to sell the Target Company Shares at a reasonable price with an appropriate premium, and so, at a Target Company board of directors meeting held today, all seven of the board’s members resolved unanimously to express views in favor of the Tender Offer and recommending that the Target Company's shareholders tenders their shares in the Tender Offer. Of the directors of the Target Company, although Masakazu Kawanobe is formerly from Maeda Corporation, he became an advisor to the Target Company in April 2016 and five years or more have elapsed since he ceased being a director of Maeda Corporation, and because he does not have a position or a relationship in which he receives instructions, etc, from the Tender Offeror as an officer of the Target Company, it is deemed that there is no conflict of interest regarding the decision making of the Target Company in the Transaction, and while he did not participate in the discussions and negotiations with the Tender Offeror, he participated in the discussions and resolutions of the board of directors

described above.

Furthermore, three Target Company auditors attended the board of directors meeting mentioned above, and all three attending auditors stated that they had no objection to the board making the above resolution.

⑥ Ensure objective circumstances to secure the fairness of the Tender Offer

Despite the fact that the minimum period stipulated under laws and regulations is 20 business days, the Tender Offeror has set the Tender Offer Period at 30 business days. By providing a relatively long Tender Offer Period, the Tender Offeror intends not only to provide the Target Company shareholders appropriate time to decide on submitting tenders to the Tender Offer but also to ensure that other entities besides the Tender Offeror have the change to purchase the Target Company Shares, and thus ensure the appropriateness of the Tender Offer Price.

Furthermore, the Tender Offeror and the Target Company have made no agreements for limiting contact between the Target Company and entities making proposals countering the acquisition, such as agreements that include transaction protection conditions that forbid the Target Company from making contact with such entities. In this way, in addition to setting the Tender Offer Period above, the Tender Offeror is considering ensuring the fairness of the Tender Offer by securing opportunities for counter-purchasing.

⑦ Set the lower limit for satisfying the majority of minority conditions

As is described above in “(1) Overview of the Tender Offer” under “1 Purpose of the Purchase, etc.,” the minimum number (43,837,790 shares, ownership ratio: 46.47%) of shares scheduled to be purchased exceeds a number of shares (37,640,235 shares, ownership ratio: 39.90%) equivalent to a majority of a number of shares (75,280,468 shares) derived by subtracting a number of shares (19,090,715 shares) derived by totaling the number of treasury shares owned by the Target Company as of December 31, 2021 (43,105) (however, this excludes the 346,325 shares of the Target Company Shares owned by the BIP Trust as of December 31, 2021), the number of the Target Company Shares (100 shares) owned by the Tender Offeror, and the number of the Target Company Shares (19,047,510 shares) owned by Maeda Corporation, which is a wholly-owned subsidiary of the Tender Offeror, from the total number of issued shares (94,371,183 shares) disclosed in the Target Company Quarterly Report as of December 31, 2021, that is, a majority of the number of the Target Company Shares owned by shareholders who do not have relationships of interest to the Tender Offeror, or a number equivalent to a so-called “(majority of minority).” The Tender Offer will not be successful if a majority of the Target Company shareholders, which have no stake in the Tender Offeror, do not agree to it, and thus it is believed that the Tender Offeror attaches great importance to the intentions of the Target Company’s minority shareholders (general shareholders).

(C) Relation with valuation institution

Daiwa Securities, the financial advisor of the Tender Offeror, is not an entity related to the Tender Offeror, Maeda Corporation, or the Target Company and does not have a material relationship of interest in the Tender Offer.

(5) Number of shares, etc., scheduled to be purchased

Number of shares scheduled to be purchased	Minimum number of shares scheduled to be purchased	Maximum number of shares scheduled to be purchased
75,280,468 shares	43,837,790 shares	- shares

(Note 1) If the total number of Tendered Share Certificates, etc. is less than minimum number (43,837,790 shares) of shares scheduled to be purchased, none of Tendered Share Certificates, etc. will be purchased. If the total number of Tendered Share Certificates, etc. is at or above the minimum (43,837,790 shares) number of shares scheduled to be purchased, all Tendered Share Certificates, etc. will be purchased. The figure entered into the “Number of Shares Scheduled to be Purchased” field above is the maximum number of Target Company share certificates, etc. to be acquired by the Tender Offeror through this Tender Offer. The maximum number is a number of shares (75,280,468) derived by subtracting the number of treasury shares (43,105 shares) owned by the Target Company on December 31, 2021 (however, this excludes the 346,325 shares of the

Target Company Shares owned by the BIP Trust as of December 31, 2021), the number of the Target Company Shares (100 shares) owned by the Tender Offeror, and the number of the Target Company Shares (19,047,510 shares) owned by Maeda Corporation, which is a wholly-owned subsidiary of the Tender Offeror, from the total number of issued shares (94,371,183) as of December 31, 2021 as disclosed in the Target Company Quarterly Report.

(Note 2) The minimum number of shares scheduled to be purchased (43,837,790 shares) is the number of shares (43,837,790 shares) derived by subtracting the number of the Target Company Shares (100 shares) owned by the Tender Offeror and the number of the Target Company Shares (19,047,510 shares) owned by Maeda Corporation, which is a wholly-owned subsidiary of the Tender Offeror, from a number of shares (62,885,400 shares) derived by rounding up the number of shares related to less than one unit (100 shares) of the Target Company Shares from a number of shares equivalent to 2/3 of a number of shares (94,328,078 shares) derived by subtracting the number of treasury shares (43,105 shares) owned by the Target Company on December 31, 2021 (however, this excludes the 346,325 shares of the Target Company Shares owned by the BIP Trust as of December 31, 2021) from the total number of issued shares (94,371,183) as of December 31, 2021 as disclosed in the Target Company Quarterly Report.

(Note 3) Shares of less than one unit are subject to the Tender Offer. Note that if Target Company shareholders exercise their right to sell shares of less than one unit pursuant to the Companies Act, the Target Company might buy back its own shares during the Tender Offer Period in accordance with procedures set forth in laws and ordinances.

(Note 4) There is no plan to acquire the treasury shares held by the Target Company through the Tender Offer.

(6) Changes in the ownership ratio of share certificates, etc., due to purchase, etc.

Number of voting rights represented by share certificates, etc., held by Tender Offeror before purchase, etc.	1	(ownership ratio of share certificates, etc., before purchase, etc. 0.00%)
Number of voting rights represented by share certificates, etc., held by specially related parties before purchase, etc.	190,475	(ownership ratio of share certificates, etc., before purchase, etc. 20.19%)
Number of voting rights represented by share certificates, etc., held by Tender Offeror after purchase, etc.	752,805	(ownership ratio of share certificates, etc., after purchase, etc. 79.81%)
Number of voting rights represented by share certificates, etc., held by specially related parties after purchase, etc.	190,475	(ownership ratio of share certificates, etc., after purchase, etc. 20.19%)
Number of voting rights of all shareholders of the Target Company	942,832	

Note 1: For “Number of voting rights represented by share certificates, etc., held by specially related parties before purchase, etc.,” the figure stated is the total number of voting rights represented by share certificates held by each of the specially related parties (excluding, however, specially related parties that are excluded from the category of specially related parties pursuant to Article 3, Paragraph 2, Item 1 of the Cabinet Office Order on Disclosure Required for Tender Offer for Listed Share Certificates by Non-Issuers (Ministry of Finance Order No. 38 of 1990, including subsequent amendments, hereinafter the “Order”) in the calculation of share certificates, etc. ownership ratio set forth in the items under Article 27-2, Paragraph 1 of the Act). Note that if this press release needs to be corrected after the Target Company share certificates, etc. that will be owned by the specially related parties have been confirmed from today onward, the Tender Offeror plans to submit a correction notice report for substance of this press release.

Note 2: The figure set as the “number of voting rights represented by share certificates, etc., held by the Tender Offeror after purchase, etc.” was obtained by adding the number of voting rights (752,804) associated with the number of shares scheduled to be purchased (75,280,468) to the “number of voting rights represented by share certificates, etc., held by Tender Offeror before purchase, etc.” (1).

Note 3: The “number of voting rights of all Target Company shareholders, etc.” describes the number of voting rights (those where the number of shares in one unit is 100 shares) of all shareholders as of December 31, 2021 as disclosed in the Target Company Quarterly Report. However, since shares of less than one unit are also subject to the Tender Offer, the “ownership ratio of share certificates, etc. before purchase, etc.” and the “ownership ratio of share certificates, etc., after the purchase, etc.” are calculated using a number of voting rights (943,280 rights) associated with a number of shares (94,328,078 shares) derived by subtracting the number of treasury shares (43,105 shares) owned by the Target Company on December 31, 2021 (however, this excludes the 346,325 shares of the Target Company Shares owned by the BIP Trust as of December 31, 2021) from the total number of issued shares (94,371,183) as of December 31, 2021 as disclosed in the Target Company Quarterly Report as the denominator.

Note 4: “Ownership ratio of share certificates, etc., before purchase, etc.” and “Ownership ratio of share certificates, etc., after purchase, etc.” are rounded to two decimal places.

(7) Purchase price: 57,965,960,360 yen

Note: The “Purchase price” column is the Tender Offer number of shares scheduled to be purchased (75,280,468 shares) multiplied by the Tender Offer Price (770 yen).

(8) Settlement method

- ① Name and location of head office of securities company, bank, etc., in charge of settle purchase, etc.
Daiwa Securities Co. Ltd. 1-9-1 Marunouchi, Chiyoda-ku, Tokyo

(II) Settlement commencement date

May 16, 2022 (Monday)

(III) Settlement method

After the Tender Offer Period ends, a notification of the purchase, etc., through the Tender Offer will be sent, without delay, to the addresses or locations of tendering shareholders, etc. (a standing proxy in the case of a foreign shareholder, etc.).

The purchase will be executed with cash. The sales proceeds associated with the share certificates that have been purchased, etc. will, at the direction of the tendering shareholders, etc., and following the start date of settlement without delay, either be remitted (which may incur remittance fees) to the location designated by the tendering shareholders, etc. (standing proxies in the case of foreign shareholders, etc.) through the Tender Offer Agent, or paid into the accounts of tendering shareholders, etc. who accepted the application of the Tender Offer Agent.

(IV) Method of returning share certificates, etc.

If some share certificates, etc. are not to be purchased, etc. pursuant to the conditions stated in “① Existence and details of conditions stated in items under Paragraph 4 of Article 27-13 of the Act” or “②Existence of conditions for withdrawal, etc., of tender offer; the content thereof; and method to disclose withdrawal, etc.” under “(9) Other conditions and methods of purchase, etc.,” then on or after the second business day after the Tender Offer Periods’ last day (if withdrawal, etc. of the tender offer takes, place, then the day on which withdrawal, etc. took place), the share certificates, etc. that must be returned shall be promptly restored to the condition such share certificates, etc. were in within the tendering shareholders’ accounts opened with the Tender Offer Agent at the time the tender was made.

(9) Other conditions and methods of purchase, etc.

- ① Existence and details of conditions stated in items under Article 27-13, Paragraph 4 of the Act

If the total number of Tendered Share Certificates, etc. is less than minimum number (43,837,790 shares) of shares scheduled to be purchased, none of Tendered Share Certificates, etc. will be purchased. If the total number of Tendered Share Certificates, etc. is at or above the minimum (43,837,790 shares) number of shares scheduled to be purchased,

all Tendered Share Certificates, etc. will be purchased.

- ② Existence of conditions for withdrawal, etc., of tender offer; the content thereof; and method to disclose withdrawal, etc.

If any circumstances set forth in Item 1 (a) to (j) or (m) to (s) or Item 3 (a) to (h) or (j) under Article 14, Paragraph 1 of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965; including subsequent revisions, the “Order”) or set forth in Item 3 to Item 6 under Article 14, Paragraph 2 of the Order have arisen, then the Tender Offer might be withdrawn, etc. “Facts equivalent to those set forth in sub-item (a) to sub-item (i)” set forth in Article 14, Paragraph 1, Item 3(j) of the Order refers to ① cases in which, with respect to legal disclosure documents submitted in the past by the Target, it is found that there are fraudulent statements about material matters or a statement on a material matter that should have been stated is lacking, but the Tender Offeror was not aware of such misstated matters, and did not become aware of such fraudulent or misstated matters despite practicing due caution, as well as ② cases where the facts set forth in sub-item (a) to sub-item (i) arise with respect to a major subsidiary of the Target Company.

In circumstances such as withdrawing, the tender offer, an electronic public notice will be issued and words to that effect will be posted in the Nihon Keizai Shimbun. However, if it would be difficult to make this public announcement by the last day of the Tender Offer Period, a public announcement will be given pursuant to the method provided for in Article 20 of the Ordinance, and a public notice will be issued immediately thereafter.

- ③ Existence of conditions to lower tender offer price; the content thereof; and method to disclose lowering

Pursuant to Article 27-6, Paragraph 1, Item 1 of the Act, if the Target has carried out an act set forth in Article 13, Paragraph 1 of the Order during the Tender Offer Period, the tender offer price may be lowered in accordance with the standard set forth in Paragraph 1 of Article 19 of the Ordinance.

When lowering the tender offer price, an electronic public notice must be issued and words to that effect must be posted in the Nihon Keizai Shimbun. However, if it is difficult to make a public announcement by the last day of the Tender Offer Period, a public announcement will be given pursuant to the method provided for in Article 20 of the Ordinance, and a public notice will be issued immediately thereafter. If the tender offer price is lowered, Tendered Share Certificates, etc. on and after the day on which that public notice was given will be purchased at the lowered tender offer price.

- ④ Matters concerning the right to cancel agreements of tendering shareholders, etc.

Tendering shareholders, etc. may cancel any agreement pertaining to the tender offer at any time during the Tender Offer Period. When cancelling agreements, shareholders are asked to deliver or send the cancellation document (the Tender Offer tender application receipt voucher as well as the document used to cancel agreements relating to the tender offers) to the TOB Agent’s head office, or any of its branch offices in Japan by 16:00 on the last day of the Tender Offer Period. However, if a cancellation is made by mail, a condition thereof is that the cancellation document must arrive by 16:00 on the last day of the Tender Offer Period.

Even if a tendering shareholder, etc., cancels an agreement, the Tender Offeror will not make a claim for damages or penalties to the tendering shareholder, etc. Further, expenses required to return the Tendered Share Certificates, etc. are borne by the Tender Offeror. If a tendering shareholder, etc. requests cancellation, the tendered share certificates, etc. will be promptly returned, following completion of requisite procedures, in accordance with the method set forth in “④ Method of Returning Share Certificates, etc.,” under “(8) Settlement Method.”

- ⑤ Methods of disclosure of change in conditions of the Tender Offer

Unless otherwise prohibited under the provisions of Article 27(6)(1) of the Act or Article 13 of the Order, the Tender Offeror may change the conditions concerning the purchase.

If the Tender Offeror intends to change the conditions of the purchase, the Tender Offeror shall issue an electronic public notice about the contents of the change and provide notice thereof in the Nihon Keizai Shimbun. However, if

it is difficult to make a public announcement by the last day of the Tender Offer Period, a public announcement will be given pursuant to the method provided for in Article 20 of the Ordinance, and a public notice will be issued immediately thereafter. If the conditions of the purchase are changed, the Tendered Share Certificates, etc. on and before the day on which that public notice was issued, will be purchased in accordance with the changed conditions of the purchase.

⑥ Method of disclosure of submitting an amendment report

If the Tender Offeror submits an amendment report to the Kanto Finance Bureau (however, excluding cases provided for in the provision of Paragraph 11 of Article 27-8 of the Act), content of the amendment report that is relevant to the content of the public notice of commencement of the Tender Offer will be immediately announced publicly by the Tender Offeror using the method provided for in Article 20 of the Ordinance. Furthermore, the tender offer explanatory statement must be amended immediately and an amended tender offer explanatory statement must be delivered to the tendering shareholders, etc. to whom a tender offer explanatory statement has already been delivered. However, if the amendment is limited in scope, the Tender Offeror may instead distribute to the tendering shareholders, etc. a document that states the reason for the amendment, the matters having been amended, and the details thereof.

⑦ Method of disclosure of result of Tender Offer

The result of the Tender Offer will be published on the day following the last day of the Tender Offer Period with the method provided for in Article 9-4 of the Order and Article 30-2 of the Ordinance.

(10) Date of public notice of commencement of Tender Offer

(Wednesday) March 23, 2022

(11) TOB agent

Daiwa Securities Co. Ltd. 1-9-1 Marunouchi, Chiyoda-ku, Tokyo

3. Policies after the Tender Offer and future prospects

For details regarding policies following the Tender Offer, among other matters, please refer to “C. Management Policy After the Tender Offer” of “(2) Background, Purpose, and Decision-Making Process Leading to Decision to Commencement of the Tender Offer and Management Policy After the Tender Offer,” “(4) Policies for Organizational Restructuring after the Tender Offer (Matters relating to So-called Two-Stage Acquisitions),” and “(5) Prospects of Delisting, and the Reasons Therefor.”

4. Other matters

(1) Agreements between the Tender Offeror and the Target or an officer thereof; and the content thereof

① Existence of Agreements Between the Tender Offeror and the Target Company, and the Details Thereof

Meanwhile, the Target Company, according to the Target Company Press Release, resolved to announce an opinion in favor the Tender Offer, and recommend that all of the Target Company shareholders tender their shares at the Target Company board of directors meeting held today.

For details of the decision-making process at the Target Company, see “⑤ Approval of all Directors having no Relationship of Interest with the Target Company and Opinions of No Objection from all Auditors having no Relationship of Interest with the Target Company” under “(Measures to Ensure Fairness of the Tender Offer Price and Measures to Ensure Fairness of the Tender Offer such as Measures for Avoiding Conflicts of Interest)” under “(B) Background of Valuation” under “(4) Basis of Calculation of Tender Offer Price, etc.” under “2 Overview of Purchase, etc.” described above.

② Background, Purpose, and Decision-Making Process Leading to Decision to Commencement of the Tender Offer and Management Policy After the Tender Offer

Please refer to “(2) Background, Purpose, and Decision-Making Process Leading to Decision to Commencement of the Tender Offer and Management Policy After the Tender Offer” of “1 Purpose of the Purchase, etc.” above.

③ Measures to Ensure Fairness of the Tender Offer Price and Measures to Ensure Fairness of the Tender Offer such as Measures for Avoiding Conflicts of Interest

See “(Measures to Ensure Fairness of the Tender Offer Price and Measures to Ensure Fairness of the Tender Offer such as Measures for Avoiding Conflicts of Interest)” under “(B) Background of Valuation” under “(4) Basis of Calculation of Tender Offer Price, etc.” under “2 Overview of Purchase, etc.” described above.

④ Existence of Agreements Between the Officers of the Tender Offeror and the Target Company, and the Details Thereof

Not applicable.

(2) Other information deemed necessary for decision-making by investors concerning tendering their shares in purchase, etc.

① Announcement of “Notice Regarding Revisions to the End-of-Term Dividends (No Dividends) for the Term Ending March 2022”

At a meeting of the Target Company’s board of directors held today, the Target Company resolved to revise dividend forecasts for the term ending March 2022, and not to pay out end-of-term dividends for the term ending March 2022, provided that the Tender Offer is completed. For details, please refer to the “Notice Regarding Revisions to the Dividends (No Dividends) for the Term Ending March 2022” published as of today by the Target Company.

② Announcement of “Notice of Forecast for the Period Ending March 2022 and Revision of the Mid-term Management Plan”

In the meeting of its board of directors held today, the Target Company resolved to revise the consolidated and non-consolidated forecasts for the fiscal year ending March 2022 (April 1, 2021 to March 31, 2022) announced on February 8, 2022, and the targets for the fiscal year ending March 2023 in “Being a Resilient Company (2020 to 2022)” Mid-Term Management Plan announced on March 25, 2020 and the “Earnings Briefing Materials for the Fiscal Year Ended March 2020” announced on May 26, 2020. For details, see the “Notice of Forecast for the Period Ending March 2022 and Revision of the Mid-term Management Plan” announced by the Target Company today.

End

This press release is to announce the Tender Offer to the public and has not been prepared for the purpose of soliciting the sale of shares. If shareholders wish to make an offer to sell their shares, they should first read the Tender Offer Explanatory Statement for the Tender Offer and make their own independent decision. This press release does not constitute, nor form part of, any offer to sell, solicitation of a sale of, or any solicitation of an offer to buy, any securities. In addition, neither this press release (nor any part of it) nor the fact of its distribution shall form the basis of any agreement regarding the Tender Offer, nor shall it be relied on in connection with executing any such agreement.

The Tender Offer is to be conducted in accordance with the procedures and information disclosure standards prescribed in the Financial Instruments and Exchange Act of Japan. However, such procedures and information disclosure standards are not necessarily the same as the procedures and information disclosure standards in the U.S. In particular, Section 13(e) and Section 14(d) of the U.S. Securities Exchange Act of 1934, as amended, and the rules prescribed thereunder do not apply to the Tender Offer, and the Tender Offer does not conform to such procedures and standards. All financial statements contained in this press release were prepared in accordance with Japanese accounting standards and not in accordance with U.S. accounting standards. Accordingly, such financial statements may not necessarily be equivalent to those prepared in accordance with U.S. accounting standards. Moreover, as both the Tender Offeror and the Target Company are companies incorporated outside of the U.S. and their directors are non-U.S. residents, it may be difficult to enforce any rights or claims arising under the U.S. federal securities laws. In addition, it may not be possible to commence legal actions against a non-U.S. company or its directors in a non-U.S. court on the grounds of a violation of the U.S. securities laws. Furthermore, a company incorporated outside of the U.S. and its subsidiaries and affiliates may not necessarily be compelled to submit to the jurisdiction of U.S. courts.

Unless otherwise provided, all procedures for the Tender Offer shall be conducted entirely in the Japanese language. Some or all of the documents relating to the Tender Offer are, or will be, prepared in the English language. However, should there be any inconsistencies between the documents in English and those in Japanese, the Japanese documents shall prevail.

This press release and the documents referenced herein contain “forward-looking statements” as defined in Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934. Due to any known or unknown risks, uncertainties, or any other factors, it is possible that actual results may substantially differ from the projections, etc., as expressly or implicitly indicated in any “forward-looking statements.” Neither the Tender Offeror nor any of its affiliates gives any assurance that such projections, etc., expressly or implicitly indicated in any “forward-looking statements” will ultimately be correct. The “forward-looking statements” in this press release were prepared based on the information held by the Tender Offeror as of the date of this press release, and, unless otherwise required by applicable laws and regulations, neither the Tender Offeror nor any of its affiliates is obliged to update or modify such statements in order to reflect any events or circumstances in the future.

The Tender Offeror, respective financial advisors to the Tender Offeror and the Target Company (including their respective affiliates), may, within their ordinary course of business, and to the extent permitted under the related Japanese financial instruments and exchange laws and regulations and other applicable laws and regulations, purchase or take actions to purchase shares of the Target Company for their own account or for their customers’ accounts outside the Tender Offer prior to the commencement of, or during, the period for purchase, etc., in the Tender Offer in accordance with the requirements of Rule 14e-5(b) under the U.S. Securities Exchange Act of 1934. If any information concerning such purchase is disclosed in Japan, disclosure of such information will be made in the United States in a similar manner.