

March 22, 2022

To whom it may concern

Listed company name: Toyo Construction Co., Ltd.

Representative: Kyoji Takezawa, President and
Representative Director

(Code: 1890, First Section of the Tokyo
Stock Exchange)

Contact for inquiries: Mamoru Sato, Executive Director and
Manager of the General Affairs Dept.,
Business Management Division

Tel: 03-6361-5450

**Announcement Concerning Expression of Opinion in Favor of Tender Offer by INFRONEER
Holdings, Inc. for Shares of Company and Recommendation to Tender**

This is a notice that a resolution was reached at today's board of directors meeting to express our support for the tender offer (hereinafter the "Tender Offer") by INFRONEERS Holdings, Inc. (hereinafter "Tender Offeror") for common shares (hereinafter "Company Shares") of Toyo Construction Co., Ltd. (the "Company") according to the following conditions and to recommend that Company shareholders tender their shares in the Tender Offer.

Moreover, the resolution at the board of directors meeting was carried out under the assumption that the Company will become a wholly-owned subsidiary of the Tender Offeror upon completion of the Tender Offer and the subsequent series of processes and that the Company shares will be delisted.

1. Overview of Tender Offeror

| | | |
|--|--|-----------------|
| (1) Name | INFRONEER Holdings, Inc. | |
| (2) Location | 2-10-2 Fujimi, Chiyoda-ku, Tokyo | |
| (3) Job Title and Name of Representative | Kazunari Kibe, Director Representative Executive Officer | |
| (4) Description of Business | Group business management | |
| (5) Share Capital | 20 billion yen | |
| (6) Date of Establishment | October 1, 2021 | |
| (7) Large Shareholders and Ownership Ratios (As of October 1, 2021) | Maeda Corporation The Master Trust Bank of Japan, Ltd. (Trust account) | 25.67% 8.48% |

| | | |
|--|--|-------|
| | Hikarigaoka Corporation | 6.71% |
| | Custody Bank of Japan, Ltd. (trust account) | 2.88% |
| | Sumitomo Realty & Development Co., Ltd. | 2.22% |
| (8) Company and Tender Offeror Relationships | | |
| Capital Relationship | The Tender Offeror owns 100 Company Shares (ownership ratio (Note 1): 0.00%)(Note 2) and indirectly owns 19, 047, 510 Company Shares (ownership ratio: 20.19%) through Maeda Corporation (hereinafter "Maeda Corporation"), a wholly-owned subsidiary of the Tender Offeror. | |
| Personnel Relationship | At present, one Company director was formerly associated with Maeda Corporation, a wholly-owned subsidiary of the Tender Offeror. | |
| Business Relationship | The Company conducts joint orders, joint research and development, etc. with Maeda Corporation, a wholly-owned subsidiary of the Tender Offeror, for private projects. | |
| Status of Related Party Relationship | The Company is an affiliated company with Maeda Corporation as accounted for by the equity-method and thus related to the Tender Offeror. | |

(Note 1) "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 common shares owned by the Company as of December 31, 2021 (however, this excludes the 346,325 Company Shares owned by the Officer Compensation Board Incentive Plan (BIP) Trust (hereinafter, the "BIP Trust") as of December 31, 2021) (43,105 shares) 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 "Company Quarterly Report") submitted by the Company on February 8, 2022. The same shall apply hereafter.

(Note 2) From the viewpoint of ensuring the possibility of exercising rights as a shareholder of the Company, such as requesting access to the Company's shareholder registry, the Tender Offeror will acquire 100 shares of the Company's stock from Maeda Corporation through relative transactions on March 8, 2022 as the acquisition date. 604 yen per share (on the Tokyo Stock Exchange, Inc. on the 3rd of the same month (the "Tokyo Stock Exchange")) (the closing price of the Company's shares on the First Section of the Tokyo Stock Exchange, Inc. There is a difference of 166 yen between the Tender Offer Price (770 yen) and such acquisition price (604 yen). The Tender Offer Price (770 yen) represents a premium of 27.48% over the acquisition price (604 yen). However, this is because the closing price (599 yen) of our shares on March 18, 2022, the business day before the announcement date of the commencement of the Tender Offer, was 0.83% down compared to the closing price of our shares at the time of this share acquisition, and also because

this share acquisition is a share transfer between a 100% parent company and a 100% subsidiary company. This is because, unlike the Tender Offer, no premium was granted.

2. Tender Offer Price

770 yen per common share (hereinafter the "Tender Offer Price").

3. Details, Basis and Reasoning for the Opinion on the Tender Offer

(1) Opinion Details

The Company reached a resolution at today's board of directors meeting to express its support for the Tender Offer under the basis and reasoning provided in "(2) Basis and Reasoning for the Opinion" and to recommend that the Company shareholders tender their shares in the Tender Offer.

The resolution at the above board of directors meeting was reached via the method described in "6. 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; ⑤ Approval of all Directors having no Relationship of Interest with the Company and Opinions of No Objection from all Auditors having no Relation of Interest with the Company."

(2) Basis and Reasoning for the Opinion

Within "(2) Basis and Reasoning for the Opinion," notes about the Tender Offeror are based on descriptions provided by the Tender Offeror.

① Overview of the Tender Offer

The Tender Offeror, in a 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 Company a wholly-owned subsidiary of the Tender Offeror by acquiring all of the Company Shares (however, this excludes the Company Shares owned by Maeda Corporation and the treasury shares owned by the Company.)

The Tender Offeror has set the minimum number of shares to be purchased in the Tender Offer at 43,837,790 shares (shareholding ratio: 46.47%), and the number of shares tendered in response to the Tender Offer (the "Tendered Shares") is set at 43,837,790. If the total number of share certificates, etc. tendered in response to the Tender Offer (the "Tendered Share Certificates, etc.") is less than the minimum limit of number to be purchased, none of the Tendered Share Certificates, etc. will be purchased. On the other hand, as stated above, the Tender Offeror will not purchase all of the Company's shares (excluding the shares of the Company held by the Tender Offeror and Maeda Corporation and the treasury shares held by the Company). As the Tender Offeror intends to acquire all of the shares of the Company (excluding, however, the shares of the Company held by the Tender Offeror and Maeda Corporation and the treasury stock held by the Company), the Tender Offeror has not set a maximum number of shares to be purchased

and will purchase all the tendered shares if the minimum number of shares to be purchased is reached. The minimum number of shares to be purchased is calculated by subtracting the number of treasury shares held by the Company as of the same date (43,105 shares) from the total number of shares outstanding as of December 31, 2021 (94,371,183 shares) as stated in the Company's third quarterly report. (The 346,325 shares of the Company's stock held by the BIP Trust as of the same date are not included.) The number of shares equivalent to a majority of the total number of shares (75,280,468 shares) obtained by deducting the total number of shares (19,090,715 shares) of the Company's shares held by the Tender Offeror (100 shares) and the number of shares held by Maeda Corporation, a wholly-owned subsidiary of the Tender Offeror (19,047,510 shares). (37,640,235 shares, ownership ratio: 39.90%), i.e., more than the majority of the Company's shares held by the Company's shareholders who have no interest in the Tender Offeror, the so-called "majority of minority". The Company is a wholly-owned subsidiary of the Company. In addition, the Tender Offeror intends to make the Company its wholly-owned subsidiary, and the Share Consolidation necessary to make the Company a wholly-owned subsidiary as described in "(5) Policy on matters including organizational restructuring after the Tender Offer (Matters relating to So-called Two-Stage Acquisitions)" below (see "(5) The Tender Offer" below) (Defined in "Policy on matters such as organizational restructuring after the Tender Offer (Matters relating to So-called Two-Stage Acquisitions)"). The Company will implement the procedures for the acquisition of the Company's shares (as defined in the Companies Act (Act No. 86 of 2005, as amended, the "Companies Act")). The Company will comply with the Companies Act (Act No. 86 of 2005, including subsequent amendments. The "Companies Act"), the Company shall comply with the following conditions. Therefore, in order to steadily implement the Transaction, the Tender Offeror has decided to acquire all of the Company's voting rights (as defined in the Company's Third Quarter Securities Report for the third quarter of the fiscal year ending March 31, 2009) by way of a special resolution at a general meeting of shareholders as stipulated in Article 309, Paragraph 2 of the Companies Act (Act No. 86 of 2005, including subsequent amendments; hereinafter the "Companies Act"). The number of shares of treasury stock held by the Company as of December 31, 2021 (43,105 shares; the number of shares of treasury stock held by the Company as of the same date) was reduced from the number of shares outstanding as of December 31, 2021 (94,371,183 shares) as stated in the This does not include 346,325 shares owned by the BIP Trust as of the same date.) The number of shares to be purchased is calculated by subtracting the number of the Company's shares held by the Tender Offeror from the number of shares (62,885,400 shares) obtained by rounding up the number of shares less than one unit (100 shares) of the Company's shares from the number of shares equivalent to two-thirds (2/3) of the number of shares (94,328,078 shares) obtained by subtracting the number of the Company's shares held by the Tender Offeror as of the same date (43,105 shares). The number of shares to be purchased is equal to or more than the number of shares (43,837,790 shares) obtained by deducting the number of shares (100 shares) and the number of shares (19,047,510 shares) held by Maeda Corporation, a wholly-owned subsidiary of the Tender Offeror (ownership ratio: 20.24%).

Since the Tender Offeror intends to make the Company a Tender Offeror wholly-owned subsidiary, if the

Tender Offeror is unable to acquire all of the Company Shares through the Tender Offer (excluding the Company Shares owned by the Tender Offeror and Maeda Corporation and the treasury shares owned by the Company), as is described below in "(5) 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 Company Shares (excluding the Company Shares owned by the Tender Offeror and Maeda Corporation and the treasury shares owned by the Company) and making the Company a Tender Offeror wholly-owned subsidiary.

Upon completion of the Tender Offer, the Tender Offeror will receive all of the shares of the Company held by Maeda Corporation, a major shareholder and the largest shareholder of the Company and a wholly-owned subsidiary of the Tender Offeror, as dividend assets or will acquire them without paying any transfer price through an absorption-type company split or other reorganization. As the Company plans to acquire all of the Company's shares held by Maeda Corporation (number of shares held: 19,047,510 shares; shareholding ratio: 20.19%), the Company has announced on March 22, 2022 that it will not apply for the Tender Offer and that it will not accept the Tender Offer and the Reverse Stock Split after the completion of the Tender Offer. The Company has orally agreed to exercise its voting rights to vote in favor of the proposal for the Reverse Stock Split and related proposals at the Extraordinary General Shareholders' Meeting, which will include an agenda item to partially amend the Articles of Incorporation to abolish the provision on the number of shares constituting one unit of shares subject to the Reverse Stock Split becoming effective (the "Non-Tendering Agreement"). The Company has agreed to exercise its voting rights to approve the proposal for the Reverse Stock Split and related proposals at the Extraordinary General Meeting of Shareholders (the "Non-Tendering Agreement"). For details of the Non-Tendering Agreement, please refer to "4. Matters Concerning Material Agreements between the Tender Offeror and the Company's Shareholders Concerning the Application for the Tender Offer" below.

Furthermore, if the Tender Offeror is unable to acquire all of the Company Shares through the Tender Offer (excluding the Company Shares owned by the Tender Offeror and Maeda Corporation and the treasury shares owned by the Company) even if the Tender Offer is established, the Tender Offeror plans to execute a series of procedures after the Tender Offer is established for acquiring all of the Company Shares (excluding the Company Shares owned by the Tender Offeror and Maeda Corporation and the treasury shares owned by the Company) (hereinafter the "Squeeze Out Process") and making the Company a Tender Offeror wholly-owned subsidiary.as is described below in "(5) Policies for Organizational Restructuring after the Tender Offer(Matters relating to So-called Two-Stage Acquisitions.)"

② Background, Purpose, and Decision-Making Process Leading to Decision to Execute to the Tender Offer by the Tender Offeror

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” is short for “Digital Transformation” and refers to the process of utilizing data and digital technology to reform products, services and business models based on customer needs and the reformation of ordinary business, organizations and corporate culture and environments so that businesses can secure competitiveness in response to dramatic shifts in the business environment.

(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 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 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 Company's group is currently composed of the 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 Company aims to become a sustainable "resilient company" with supply 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 Company entered into a business alliance in July 2002 to promote efforts to mutually utilize Maeda Corporation's strengths in onshore construction and the 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 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 in "②Background, Purpose, and Decision-Making Process Leading to Decision to Execute to the Tender Offer by the Tender Offeror") :0.41%) Company Shares through bilateral transactions with operating companies for the purpose of strengthening its alliance therewith, and, in October 2003, acquired 57,692,000 Company Shares by underwriting a capital increase through third-party allotment, thus making the Company an affiliate to which the equity method applies (ownership ratio : 22.18%). Thereafter, as an acquisition of Company Shares to generally maintain its ownership ratio, Maeda Corporation acquired 6,209,503 Company Shares (ownership ratio : 21.08%) in May 2006 by converting first preferred stock (non-voting Company preferred stock issued to a financial institution for financial support to the 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 Company Shares (ownership ratio: 19.52%) in June 2008 by converting second preferred stock to common shares, 2,159,827 Company Shares (ownership ratio: 20.16%) in June 2008 by converting second preferred stock to common shares, 3,000,000 Company Shares (ownership ratio: 21.05%) in September 2008 by purchasing from the market, 2,659,574 Company Shares (ownership ratio:

20.41%) in June 2011 by converting second preferred stock to common shares, 3,191,489 Company Shares (ownership ratio: 20.47%) in September 2011 by converting second preferred stock to common shares, 1,595,744 Company Shares (ownership ratio: 20.16%) in October 2011 by converting second preferred stock to common shares, 1,500,000 Company Shares (ownership ratio: 19.98%) in February 2012 by purchasing from the market, 600,000 Company Shares (ownership ratio: 20.13%) in February 2012 by purchasing from the market, and 200,000 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 Company due to a reverse stock split (1: 5) in September 2012, it acquired 2,800,000 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 Company Shares to the Tender Offeror on March 8, 2022. And thus, at present, the Tender Offeror owns 100 Company Shares (ownership ratio: 0.00%) and Maeda Corporation owns 19,047,510 Company Shares (ownership ratio: 20.19%), such that the 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 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 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 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 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 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 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 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 Company group. On the other hand, since making the 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 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 Company a wholly-owned subsidiary through the Transaction, including the Tender Offer.

According to the Tender Offeror, we specifically expect to see the following synergies.

- (i) 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 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 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 Company in the port sector, we believe this will contribute to the establishment of a new profit base for the 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 Company in overseas concession projects that Tender Offeror aims to develop. We believe that these things can be realized reliably and early if the Company further strengthens cooperation throughout the group by becoming a core Tender Offeror group company.

(ii) 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 Company believes that sharing, and thus maximizing, the Tender Offeror group's technical and human resource development environments and digitization strategies with the 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 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 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 Company on January 26, 2022 with the 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 Company Group. On the other hand, since making the 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 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 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 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 Company a wholly-owned subsidiary, and received a reply from the 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 Company a wholly-owned subsidiary through the Tender Offer. Therefore, the Tender Offeror decided to first make an initial proposal to the 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 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 Company. The Tender Offeror, during late January of 2022, over the course of such examinations and discussions, determined that, in regard to the 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 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 Company shares held by Maeda Corporation were not subject to acquisition by tender offer, the conversion of the Company to a wholly-owned subsidiary could be realized through an agreement with Maeda Corporation to support the procedures for making the 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 Company shares held by Maeda Corporation as part

of the Transaction. On February 22, 2022, the Tender Offeror received a reply from the 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 Company, conducted a due diligence with respect to the Company from late February to the middle of March of 2022. Furthermore, the Tender Offeror submitted a formal written expression of intent on March 2, 2022, and the Tender Offeror has been engaged in repeated discussions and negotiations with the Company relating to the Tender Offer Price since the beginning of March of 2022.

Specifically, the Tender Offeror focused on the past share price trends of the 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 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 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 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 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 Company, under the belief that this deviated from a price level that should appropriately reflect the share value of the 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 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 Company, based on the share value assessment of the 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 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 Company, proposed to set the Tender Offer Price to 745 yen on March 15, 2022. In response, the Company believed that this price was below the price level that should appropriately reflect the value of the 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 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 Company was requested by the Special Committee (defined in “④ Background and reasons for decision-making by the 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 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 Company requested the Tender Offeror to hold a top level discussion.

Thereafter, on March 18, 2022, the President and Representative Director of the Company discussed with the President and Representative Executive Officer of the Tender Offeror and as a result, the Tender Offeror reached an agreement with the 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.

③ Management Policy After the Tender Offer

For the Tender Offeror, the management structure of the Company after the Tender Offer will be determined after discussions between the Company and the Tender Offeror from the viewpoint of further enhancing the corporate value of both parties after the Tender Offer, and there are no specific facts envisioned at this time. By consolidating the management resources of the Tender Offeror's group, including the Company, to a greater extent than before, the Tender Offeror's group will be united in its efforts to further enhance its corporate value.

④ Background and reasons for decision-making by the Company

(i) Course of Events Behind Creation of an Examination System

As described in "② Background, Purpose, and Decision-Making Process Leading to Decision to Execute to the Tender Offer by the Tender Offeror" above, on January 26, 2022, the 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 Company and considered internally. Then, from late January to mid-March of 2022, the Company continued to examine and discuss the methods, etc. of the Transaction with the Tender Offeror. Furthermore, the 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 Company, conducted a due diligence with respect to the Company from late February to the middle of March 2022. Furthermore, the Company received a formal written expression of intent on March 2, 2022 from the Tender Offeror, and since early March 2022, the 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 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%) Company Shares. In light of the fact that this makes the Company an affiliate to which the equity method applies and the Tender Offeror plans to make the Company a wholly-owned subsidiary and to keep the Company Shares private, to ensure the fairness of the Transaction, in mid-February 2022, the 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 Company, the Tender Offeror, and Maeda Corporation. Based on advice from Mitsubishi UFJ Morgan Stanley Securities and Miura & Partners, the 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 Company minority shareholders (general shareholders).

Specifically, the 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 Company board of directors meeting on February 24, 2022, established a special committee (hereinafter, the "Special Committee") comprised of three individuals; Yoshio Fukuda (Company independent outside director), Yutaka Yoshida (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 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 Company states that it had the Special Committee examine whether conducting the Transaction (including the Company board of directors making statements endorsing the Tender Offer and recommending tenders to the Tender Offer to Company shareholders) will be disadvantageous 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 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 Company board of directors.

Furthermore, upon establishing the Special Committee, the 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 Company’s advisors, (c) when the Special Committee deems it necessary, participate in discussions and negotiations between the Company and the Tender Offeror, and discuss and negotiate on behalf of the 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 Company’s financial advisor and third-party valuation institution, and Miura & Partners as the Company’s legal advisor. As described in “(6) 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 Company” 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 “(6) 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 Company” below.

(ii) Background of examinations and negotiations

On March 9, 2022, the 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 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 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 Company.
- On March 11, 2022, the 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 Company requested that the Tender Offer reconsider their Tender Offer Price on March 12, 2022.
- Subsequently, for the same reason as at the time of the price proposal on March 9, 2022 and based on the 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 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 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))).

As a result, the 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 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 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 Company requested the Tender Offeror to hold a top level discussion.

Thereafter, on March 18, 2022, the Company's Representative Director held discussions with the Tender Offeror's President and Representative Executive Officers. As a result, the 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 with respect to the premium of the Tender Offer Price) of the 599 yen closing price of the 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 "(6) 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" below, and the interests of minority shareholders (general shareholders) have been taken into consideration and the price of the Company's shares was 677 yen, the highest market price of the 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 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 Company and provides the minority shareholders (general shareholders) of the Company with a reasonable opportunity to sell their shares at a price with an appropriate premium (for details of the Company's reasons for agreeing to set the Tender Offer Price at 770 yen, please refer to "(iii) Details of the Company's Decision-Making" below).

In the above examination and negotiation process, the Special Committee received reports from the

Company and the Advisors, etc. on the Company as appropriate, which it confirmed and about which it offered opinions. Specifically, the 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 Company. Furthermore, the 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 “Company Valuation Report (Houlihan Lokey)”) dated March 22, 2022 pertaining to the results of the valuation of the 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 Company shareholders (excluding the Tender Offeror and Maeda Corporation). Then, on March 22, 2022, the 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 Company, specifically, to express an opinion in favor of the Tender Offer and recommend the shareholders of the Company to tender their shares in the Tender Offer, and to resolve to approve the Request for Sale of Shares (defined in "(5) 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 Company (for an overview of the Report, see “(6) 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 Company.”

(iii) Details of the Company's Decision-Making

Based on the above background, the Company reports that, at a 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 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 “Company Valuation Report (Mitsubishi UFJ Morgan Stanley Securities)”) dated March 18, 2022 pertaining to the value of the Company shares submitted by Mitsubishi UFJ Morgan Stanley Securities, and the 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.

With respect to circumstances in the domestic civil engineering and construction industry, the 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 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 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 Company's management philosophy, maintaining better relationships with society, and conducting fair and trusted business activities.

Furthermore, as is described above in ②Background, Purpose, and Decision-Making Process Leading to Decision to Commencement of the Tender Offer by the Tender Offeror," in the wake of the initial proposal regarding the Transaction from the Tender Offeror on January 26, 2022, at around the same time, the Company and the Tender Offeror practitioners began discussions on a specific processes, including the 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 Company Shares (ownership ratio: 0.00%) and Maeda Corporation, which is Tender Offeror wholly-owned subsidiary, owns 19,047,510 Company Shares (ownership ratio: 20.19%) and thus makes the 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 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 Company, and thus that the Company must implement the following measures.

For the 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 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 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 “Company Mid-Term Management Plan”), the 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 Company states these efforts, along with the knowledge and customer network of not only the 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 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, for the Company to participate 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 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 Company has always respected the interests of Company minority shareholders (general shareholders), and has endeavored to secure its independence. The Company believes that

participating in the Tender Offeror group after the Transaction will enable it to contribute to improving the corporate value of the Company group and the mid- to long-term corporate value of the Tender Offeror group including the Company group, while cooperating and coordinating with the Tender Offeror group companies and efficiently utilizing management resources quickly and smoothly.

The specific synergies the 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 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 Company group to respond to this change and establish business for securing long-term profits in the future, the Company 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 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 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 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 Company believes that building work vessels for offshore wind power generation requires certain capital investments, and thus it expects acquiring such projects will require it to procure funding.

Until now, the 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 Company believes that participating in the Tender Offeror group through the privatization of 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

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, the Company group 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 Company believes, that, in addition to being able to build an efficient system for promoting development by the mutual supplementation of the 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 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 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 Company 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 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 thus believes the entire Tender Offeror group, including the Company group, can build a comprehensive approach system by expanding business areas.

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

The 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 Company acknowledges that securing construction technicians in the Company group will be even more difficult.

Thus, the entire Tender Offeror group, including the 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 company has determined that the Tender Offer provides an opportunity for the company’s shareholders to sell their 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 Company Shares in the stock price valuation results of the Company Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) by Mitsubishi UFJ Morgan Stanley Securities, as disclosed below in "① Establishment of an Independent Special Committee and Acquisition of a Report in the Company"

from "(3) Matters Regarding the Valuation"

- (B) The Tender Offer Price 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 valuated using the DCF analysis of the results of the stock price valuation of the Company Shares in the Company Valuation Report (Houlihan Lokey) by Houlihan Lokey as disclosed below in "② Acquire a Stock Price Valuation Report and a Fairness Opinion from a Third-Party Valuation Institution independent of the Special Committee" from "(3) Matters Regarding the Valuation" and the Fairness Opinion from Houlihan Lokey must state that the Tender Offer Price of 770 yen is appropriate for the company's shareholders (excluding the Tender Offeror and Maeda Corporation) from a financial perspective as also disclosed below in "② Acquire a Stock Price Valuation Report and a Fairness Opinion from a Third-Party Valuation Institution independent of the Special Committee" from "(3) Matters Regarding the Valuation."
- (C) If the Tender Offer Price offers the premium of 28.55% of the 599 yen closing price of the 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 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 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 "(6) 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” 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 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 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 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 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 Company board of directors meeting held today, resolved to release a statement endorsing the Tender Offer and recommending to all Company shareholders that they submit tenders to the Tender Offer.

For details of the decision-making process of the board of directors of the Company, see “⑤ Approval of all Directors having no Relationship of Interest with the Company and Opinions of No Objection from all Auditors having no Relationship of Interest with the Company” under “(6) 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” described below.

(3) Matters Regarding the Valuation

- ① Acquire a stock price valuation report from a third-party valuation institution independent of the Company

In expressing its opinion on the Tender Offer, the Company appointed Mitsubishi UFJ Morgan Stanley Securities, a financial advisor to the Company, as a third-party appraiser independent of the Company, the Tender Offeror and Maeda Corporation and requested Mitsubishi UFJ Morgan Stanley Securities to calculate the value of the Company Shares. 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 Company, provides financing transaction as part of normal banking transactions to the Company and the Tender Offeror and also plans to provide financing to the Tender Offeror as settlement funds for the Tender Offer. However, the 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 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 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 Company's shares because Mitsubishi UFJ Morgan Stanley Securities is not an entity related to the 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 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 Company Shares is appropriate based on the fact that the Company is a going concern and that the market price of the Company Shares is listed on the First Section of the Tokyo Stock Exchange, performed a price evaluation on the Company Shares using market price analysis because there are multiple listed companies engaged in businesses that are relatively similar to the 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 Company acquired the Company Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) on March 18, 2022. Note that, the Company has taken measures to ensure the fairness of the Tender Offer, including measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest, as described in "(6) 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" below, "① Establishment of an Independent Special Committee and Acquisition of a Report in the Company" and "③ Acquire a stock price valuation report from a third-party valuation institution

independent of the Company " above, and thus, has not obtained a fairness opinion from Mitsubishi UFJ Morgan Stanley Securities on the fairness of the Tender Offer Price (Fairness Opinion).

The ranges of the price per Company Share were 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 the 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 Company stock prices was calculated as 575 yen to 599 yen, based on, from the Record Date of the 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 Company Shares, resulting in a calculation suggesting that the range of per Company stock prices should be from 474 yen to 844 yen.

Using the DCF analysis, based on a future earnings forecast for the 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 Company was analyzed by discounting the free cash flow expected to be generated by the 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 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 Company on the Business Plan, and analyzed and examined the details thereof, as described in "(6) 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" below. As described in "① Establishment of an Independent Special Committee and Acquisition of a Report in the Company," the Special Committee 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 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 Company 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 1) Net sales indicate figures after application of "Accounting Standard for Revenue Recognition, etc." (ASBJ Statement No. 29, March 31, 2020).

(Note 2) The analysis by Mitsubishi UFJ Morgan Stanley Securities and its analysis of the stock price of the Company Shares, which is the basis of the analysis, are intended only to serve as a reference for directors of the 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 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 Company and information it has already released when evaluating the stock price of the 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 Company's financial forecasts has been reasonably prepared by the 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

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 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 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 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 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.

② Acquire a Stock Price Valuation Report and a Fairness Opinion from a Financial Advisor and Third-Party Valuation Institution independent of the Special Committee

When examining Advisory Matters, the Special Committee requested that Houlihan Lokey, the financial advisor and third party valuation institution independent of the company, the Tender Offeror and Maeda Corporation, present a valuation of Company Shares and incidental financial analyses, and an opinion on the fairness of the Tender Offer Price from a financial perspective (Fairness Opinion) to ensure fairness of terms and conditions relating to the Transactions, including the Tender Offer, and received a Company Valuation Report (Houlihan Lokey) and Fairness Opinion on March 22, 2022.

Note that, as is described above in "④ The Decision-making Process and Reasons that Led to the Company Endorsing the Tender Offer" from "(2) Basis and Reasoning for the Opinion" the Company board of directors, on March 22, 2022, after receiving the Report from the Special Committee, also received the Company Valuation Report (Houlihan Lokey) and the Fairness Opinion, and based on the contents thereof, executed the resolution described below in "⑤ Approval of All Directors Having No Relationship of Interest with the Company and Opinions of No Objection from All Auditors Having No Relation of Interest with the Company" from "(6) 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."

Houlihan Lokey is not a related party of the Company, the Tender Offeror or Maeda Corporation, and has no material interest in the Transactions including the Tender Offer. As described in "① Establishment

of an Independent Special Committee and Acquisition of a Report in the Company" in "(6) 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" below, 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 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 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 Company's, and DCF analysis with the intention of reflecting the status of future business activities of the Company in the calculations of stock price.

The ranges of per 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 Company stock prices was calculated as 575 yen to 599 yen, based on, from the Record Date of the 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 Company Shares, resulting in a calculation suggesting that the range of per 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 Company were analyzed by

discounting the free cash flow expected to be generated by the 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 Company should be from 715 yen to 860 yen.

Note that the financial forecast (as per below) of the 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 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 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 Company to analyze and examine the details thereof, which are described in "(6) 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" below. As described in "① Establishment of an Independent Special Committee and Acquisition of a Report in the Company" in "Measures to Ensure the Fairness of the Tender Offer," the Special Committee has confirmed the reasonableness of the contents and the process of preparation of the written report.

(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 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 Company Shares based on the Business Plan, 770 yen per share, which is the Tender Offer Price, is appropriate to the 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 Company from the Company, and after examinations of, in addition to the results of the valuation of the price of the Company's shares, the Q&A sessions with the Special Committee, and the 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 Company Shares.

When submitting the Fairness Opinion, developing the Expressed View, and engaging in the analyses and calculations of the Company's business value that formed the basis thereof, all of the information relied on by Houlihan Lokey that was submitted by the Company, consulted on in collaboration with the Company, released generally, and all other information Houlihan Lokey considered a subject of consideration or was considered by the 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 Company's business value, and the value of the 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 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 Company based on DCF analysis and comparable company analysis were prepared by the Company's management based on the best forecasts and judgments available at the present time, and that the profit and loss status of the 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 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 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 Company, the 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 Company's business continuity going forward can be obtained without impacting the financial conditions expected for the 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 Company's shares by entities other than the Tender Offeror, the sale of all or part of the 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 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 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 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 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 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 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 Company, the Special Committee, shareholders, creditors or other related parties of the 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 Company or other third parties concerning the Transaction. Therefore, Houlihan Lokey shall not be liable to shareholders, creditors or other related parties of the Company for anything arising from or in relation to the Expressed View.

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

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 Company, to calculate the stock price for the Company's Shares. Daiwa Securities is not an entity related to the Tender Offeror, Maeda Corporation, or the 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 Company Shares. Based on these considerations, on the premise that the Company will continue existing as a company, and on the belief that evaluating the price of the 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 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 Company Shares, and the Tender Offeror acquired a stock price valuation report (hereinafter, the "Stock 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 Stock Price Valuation Report, each of the methods used, and the ranges of per share Company Share prices calculated based on those methods, are as follows.

Market stock price method: 575 yen to 599 yen

DCF method: 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 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 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 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 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 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 Company from late February 2022 to mid-March 2022, trends of the market stock price of the 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 Company, the Tender Offeror finally settled on a per 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 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).

(4) Prospect of Delisting and Reasons Therefor

The Company Shares are as of today listed on the First Section of the Tokyo Stock Exchange. Furthermore, the Company announced on August 25, 2021, that it had resolved, with respect to the new market category of the First Section to which the 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 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 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 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 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.

(5) 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” from “(2) Basis and Reasoning for the Opinion,” it is the Tender Offeror’s policy to make the Company a wholly-owned subsidiary of the Tender Offeror, if the Tender Offeror is unable to acquire all of the Company Shares through the Tender Offer, the Tender Offeror plans to acquire all of the Company Shares (excluding the Company Shares owned by the Tender Offeror and Maeda Corporation and the treasury shares owned by the company) 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 Company Shares the Tender Offeror and Maeda Corporation will own will be at least 90% of the voting

rights of the 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 Company shareholders (excluding the Tender Offeror, Maeda Corporation, and the Company) sell all of the 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 Company shareholder (excluding the Tender Offeror, Maeda Corporation, and the Company) an amount of money equivalent to the Tender Offer Price as the price per Company Share. In this case, the Tender Offeror will notify the Company of its intention to do so, and seek the Company's approval of the Request for Sale of Shares. If the 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 Company, obtain all of the Company Shares owned by all Company shareholders (excluding the Tender Offeror, Maeda Corporation, and the Company) on the acquisition date specified in the Request for Sale of Shares. And, in consideration of the per share price of the 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 Company Press Release, if the Tender Offeror executes the Request for Sale of Shares, the Company plans to approve the request for Sale of Shares at a meeting of the 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 Company shareholders who did not submit tenders to the Tender Offer may petition a court to determine the selling price of the 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 Company Shares owned by the Tender Offeror and Maeda Corporation is less than 90% of the number of voting rights of all Company shareholders, the Tender Offeror plans to ask the Company to hold a 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 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 proposal for the Reverse Stock Split is approved at the Extraordinary Shareholders' Meeting, the Company's shareholders will own the number of Company shares corresponding to the ratio of the Reverse Stock Split approved at the Extraordinary Shareholders' Meeting as of the effective date of the Reverse Stock Split. If the Reverse Stock Split will result in a fraction of less than one (1) share, the Company's shareholders shall be entitled to receive the total number of such fractional shares (if the total number

includes a fraction of less than one (1) share, the Company shall pay the fractional shares to the shareholders of the Company in accordance with the procedures stipulated in Article 235 of the Companies Act and other applicable laws and regulations). Such fractions will be rounded down. The same shall apply hereinafter). The Tender Offeror will receive cash proceeds from the sale to the Company or the Tender Offeror, etc. of the Company shares equivalent to the number of shares of the Company's common stock held by the Tender Offeror (excluding treasury shares held by the Tender Offeror) that the Tender Offeror holds. The sales price of the Company's shares equivalent to the total of such fractions will be the price obtained by the sale of shares of the Company's stock that are not tendered in the Tender Offer (excluding the Tender Offeror, Maeda Corporation and the Company) as a result of such sale. The Tender Offeror plans to request the Company to file a petition for permission of voluntary sale with the court after calculating the amount of money to be delivered to the shareholders of the Company (excluding the Tender Offeror, Maeda Corporation and the Company) as a result of such sale to be equal to the Tender Offer Price multiplied by the number of the Company shares held by each such shareholder.

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 Company Shares (excluding the common shares owned by the Company), the Tender Offeror plans to ask the Company to set the percentage so that the numbers of Company Shares owned by Company shareholders (excluding the Tender Offeror, Maeda Corporation, and the 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 Company may, if specific conditions are met, ask the Company to purchase all of the 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 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 previous stated, the plan is to set the number of Company Shares in the Reverse Stock Split such that the numbers of Company Shares owned by the Company shareholders (excluding the Tender Offeror, Maeda Corporation, and the Company) who did not submit tenders to the Tender Offer become fractions of less than 1 share, 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 Company to set the Reverse Stock Split percentage so that the number of Company Shares owned by Company shareholders (excluding the Tender Offeror, Maeda Corporation, and the 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 Company, only the Tender Offeror owns all (excluding the treasury shares owned by the Company) the Company Shares in a case where a shareholder who owns more shares than the number of 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 Company shareholders (excluding the Tender Offeror, Maeda Corporation, and the 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 Company Shares owned by each shareholder. The 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 Company at the extraordinary general meeting of shareholders. Furthermore, the Company shareholders are responsible for confirming the tax treatment of tenders to the Tender Offer, and each of the above procedures, with tax experts.

(6) 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 Company is not 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%) Company Shares. In light of the fact that this makes the Company an affiliate to which the equity method applies and the Tender Offeror plans to make the Company a wholly-owned subsidiary and to keep the Company Shares private, the Tender Offeror and the 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 Company are based on explanations regarding such measures received from the Company.

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

(i) Background of Establishment, Etc.

As stated in "④ The Decision-making Process and Reasons that Led to the Company Endorsing the Tender Offer" in "(2) Basis and reasons for the opinion" above, the 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%) Company Shares. In light of the fact that this makes the 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

Company decided to establish a special committee, and, after confirming that the 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 (Company independent outside director), Yutaka Yoshida (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 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 Company's advisors, (c) when the Special Committee deems it necessary, participate in discussions and negotiations between the Company and the Tender Offeror, and discuss and negotiate on behalf of the 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 Company's financial advisor and third-party valuation institution, and Miura & Partners as the 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 the Special Committee's independent financial advisor and third-party valuation institution independent of the 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 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 Company, details of the 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 Company's business.

In addition, the Special Committee received explanations from the 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 "① Acquire a Stock Price Valuation Report from a Third-party Valuation Institution Independent of the Company" and "② Acquire a Stock Price Valuation Report and a Fairness Opinion from a Third-Party Valuation Institution Independent of the Special Committee" from "(3) Matters Regarding the Valuation" Houlihan Lokey and Mitsubishi UFJ Morgan Stanley Securities implemented price valuations of the Company Shares premised on the Business Plan. Subsequently, the Special Committee received explanations of the valuation methods relating to the price valuations of the 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 "② Acquire a Stock Price Valuation Report and Fairness Opinion from an Independent Third-Party Calculation Agent by the Special Committee" in "(3) Matters Concerning Calculation" above, 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 in "(ii) Background of Consideration and Negotiations" in "④ Decision-Making Process and Reasons for the Company's Acceptance of the Tender Offer" in "(2) Basis and Reasons for the Opinion" above, on March 9, 2022, the Company received a proposal of a Tender Offer Price of 720

yen per share from the Tender Offeror, and 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 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 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 Company.
- On March 11, 2022, the 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 Company requested that the Tender Offeror reconsider their Tender Offer Price on March 12, 2022.
- On March 15, 2022, the Company received a third proposal from the Tender Offeror to set the Tender Offer Price at 745 yen, but the Company believes that this price is below the price level that should appropriately reflect the value of the 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 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 Company received a final proposal from the Tender Offeror that set the Tender Offer Price at 770 yen. On March 17, 2022 the 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 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 Company requested the Tender Offeror to hold a top level discussion. In response, on March 18, 2022, the President and Representative Director of the 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 Company board of directors.

(A) Report details

(a) The Transaction contributes to the enhancement of the 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 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 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 Company to tender their shares in the Tender Offer, is not disadvantageous for the 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 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 Company's business and business environment and the Tender Offeror's recognition of the current status of the Company's business, stated above in "(2) Background, Purpose, and Decision-Making Process Leading to Decision to Execute to the Tender Offer by the Tender Offeror" and "(4) The Decision-making Process and Reasons that Led to the Company Endorsing the Tender Offer" in "(2) Basis and reasons for the opinion"
- There is no objection to the view of the Company, where for the 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 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 Company's participation in the Tender Offeror's group through the Transaction will enable the 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 Company's group and the 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 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 Company's minority shareholders, and the Transaction can be approved from the perspective of whether it will contribute to enhancing the 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 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 Company's board of directors, the 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 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. The Tender Offeror has also appointed Uryu & Itoga as its outside legal advisor and has received legal advice on 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 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 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 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 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 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 Company private as a wholly-owned subsidiary, the Special Committee was established by a resolution of the board of directors of the Company on February 24, 2022. All of the Special Committee members are independent from the Tender Offeror, the Tender Offeror's group, the 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 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 Company, (c) to participate in negotiations between the Company and the Tender Offeror and to consult and negotiate on behalf of the 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 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 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 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 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 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 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 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 stock 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 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 stock price valuation report dated March 22, 2022. Based on the results of calculations by the calculation process described above and in the 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.

- 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 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 Company, to ensure the transparency and rationality of the decision-making process relating to the Transaction, including the Tender Offer, 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 Company received advice from Miura & Partners that there were concerns that the fairness of the procedures could be impaired by certain actions of the Company, Miura & Partners also confirmed that there was no evidence that these actions had been forced. Accordingly, it is acknowledged that the Company carefully considered the fairness of the procedures of the Transaction.

- Acquire a Stock Price Valuation Report from a Third-party Valuation Institution Independent of the 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 Company obtained a stock price valuation report from Mitsubishi UFJ Morgan Stanley Securities, a third-party valuation institution which is independent from the 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 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 Company and the Special Committee.

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

The Company board of directors will carefully consider the terms and conditions of the Transaction, based on the content of the 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 Special Committee. All seven of the Company directors are planning to participate in the discussions about and resolution on the Transaction at the Company board of directors held on March 22, 2022. Furthermore, the Company's legal advisors Miura & Partners have confirmed that none of the seven Company directors have any conflicts of interest with the Tender Offeror or the Tender Offeror's group, including Masakazu Kawanobe, one of the Company directors who had previously been an executive of Maeda Corporation. He became a

senior advisor to the 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 Company he is not in a position to accept instructions, etc. from the Tender Offeror. In addition, all seven directors in the 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 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 Company board of directors.

- Acquire a stock 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 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 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 Company Shares, and thus ensure the appropriateness of the Tender Offer Price. Furthermore, the Tender Offeror and the Company have made no agreements for limiting contact between the Company and entities making proposals countering the acquisition, such as agreements that include transaction protection conditions that forbid the 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 Company minority shareholders since the Tender Offer cannot be executed if agreement cannot be obtained from a majority of

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 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 Company Valuation Report (by Houlihan Lokey) and the 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 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 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 Company general shareholders.

- Elimination of duress

If the Tender Offeror is unable to acquire all of the 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 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 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 Company can be said to have been ensured.

(c) Whether or not it would be disadvantageous for the minority shareholders of the Company if the board of directors of the 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 Company's board of directors resolving to implement the Transaction, including expressing its opinion in favor of the Tender Offer and recommending that the Company's shareholders tender their shares in the Tender Offer, is not disadvantageous for the 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 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 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 Company's, and DCF analysis with the intention of reflecting the status of future business activities of the Company in the calculations of share price.

The Special Committee interviewed the Company multiple times regarding the process and rationale behind the preparation of this business plan. According to the results, etc., where the Company's medium-term business plan exists, this business plan of the Company is a new business plan that is the most feasible business plan at present in the 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 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 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 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 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 case reported on February 4, 2022, in which an officer of Tachibana Industry Co., Ltd., Inc. in which the 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 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 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 Company from the Company, and after examinations of, in addition to the results of the valuation of the price of the Company's shares, the Q&A sessions with the Special Committee, and the 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 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 Company from the Company, and after examinations of, in addition to the results of the valuation of the price of the Company's shares, the Q&A sessions with the Special Committee, and the 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 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 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 Company's shares since the day of the Lehman Shock (September 16, 2008). Considering that the period during which the trading turnover of the Company's shares reaches the total number of outstanding shares of the 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 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 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 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 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 Company.

(c) Conclusion

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

② Acquire a Stock Price Valuation Report from a Third-party Valuation Institution Independent of the Company

To ensure fairness in the process for deciding the Tender Offer Price (770 yen per Company Share) presented by the Tender Offeror, the Company has acquired the Company Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) from Mitsubishi UFJ Morgan Stanley Securities, which is a third-party valuation institution independent of the Company, the Tender Offeror, and Maeda Corporation. For a summary of the Company's valuation report (Mitsubishi UFJ Morgan Stanley Securities), please refer to "① Acquire of a Stock Price Valuation Report from an Independent Third-Party Calculation Agent" in "(3) Matters Related to Calculation" above.

Note that 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.

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 described above in "① Establishment of an Independent Special Committee and Acquisition of a Report in the Company", the Special Committee appointed Houlihan Lokey as its independent financial advisor and third-party valuation institution independent of the Company, the Tender Offeror, and Maeda Corporation, from which it received advice from a financial point of view, including advice on valuation of Company Shares and policies on negotiating with the Company, and acquired the Company Valuation Report (Houlihan Lokey) on March 22, 2022. The Special Committee also acquired the Fairness Opinion from Houlihan Lokey, which report indicated that the Tender Offer Price of 770 yen per share is appropriate to the Company shareholders (excluding the Tender Offeror and Maeda Corporation) from a financial point

of view. For a summary of the Valuation Report (Houlihan Lokey) and the Fairness Opinion, please refer to "② Acquire a Stock Valuation Report and Fairness Opinion by the Special Committee from an Independent Third-Party Calculation Agent" in "(3) Calculation Matters" above.

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.

④ Acquire Advice from an Independent Legal Advisor in the Company

The Company, to ensure the transparency and rationality of the decision-making process relating to the Transaction, including the Tender Offer, 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 Company and Opinions of No Objection from All Auditors Having No Relation of Interest with the Company

The Company board of directors carefully discussed and examined the terms and conditions relating to the Transaction based on the contents of the Company Valuation Report (Mitsubishi UFJ Morgan Stanley Securities), the 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.

As a result, as described in "④ The Decision-making Process and Reasons that Led to the Company Endorsing the Tender Offer" in "(2) Basis and reasons for the opinion" above, the board believes that participating in the Tender Offeror group after the Transaction will enable the Company to contribute to the improvement of the corporate value of the Company group and the medium to long term corporate value of the Tender Offeror group including the 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 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 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 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 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 Company should enjoy; and the Tender Offer provides the minority shareholders (general shareholders) of the Company with an opportunity to sell the Company Shares at a reasonable price with an appropriate premium, and so, at a 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 Company's shareholders tenders their shares in the Tender Offer. Of the directors of the Company, although Masakazu Kawanobe is formerly from Maeda Corporation, he became an advisor to the 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 Company, it is deemed that there is no conflict of interest regarding the decision making of the 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 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 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 Company Shares, and thus ensure the appropriateness of the Tender Offer Price.

Furthermore, the Tender Offeror and the Company have made no agreements for limiting contact between the Company and entities making proposals countering the acquisition, such as agreements that include transaction protection conditions that forbid the 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" from "(2) Basis and Reasoning for the Opinion," 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 Company as of December 31, 2021 (43,105) (however, this excludes the 346,325 shares of the Company Shares owned by the BIP Trust as of December 31, 2021), the number of the Company Shares (100 shares) owned by the Tender Offeror, and the number of the 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 Company Quarterly Report as of December 31, 2021, that is, a majority of the number of the 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 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 Company's minority shareholders (general shareholders).

4 Matters Pertaining to Crucial Agreements Regarding Tenders to the Tender Offer Between the Tender Offeror and the Shareholders of the Company

As is described above in "① Overview of the Tender Offer" from "(2) Basis and Reasoning for the Opinion" under "3. Content, Basis and Reasoning Relating to the Tender Offer" on March 22, 2022, the Tender Offeror verbally agreed not to tender any of the 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 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 Company Shares (excluding treasury shares owned by the Company) after the Tender Offer is completed, the Tender Offeror plans to acquire all of the 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 Company Shares Maeda Corporation owns as dividend assets, or through organizational restructuring such as an absorption-type split, without paying a transfer price.

5.Details of Benefits Provision by the Tender Offeror or Specially Related Party

Not applicable.

6.Measures Relating to Basic Policies Concerning Company Control

Not applicable.

Questions to the Offeror

Not applicable.

Request for Extension of Tender Offer Period

Not applicable.

9. Future Outlook

(2) Basis and Reason for Opinion" of "② Background, Purpose and Decision-Making Process of the Tender Offeror to Conduct the Tender Offer", "③ Management Policy after the Tender Offer", and "④ Management Policy after the Tender Offer" of "3. Details, Basis and Reason for Opinion on the Tender Offer" above. Please refer to "④ The Decision-making Process and Reasons that Led to the Company Endorsing the Tender Offer", "(4) Likelihood of and Reasons for Delisting", and "(5) Policy on Reorganization, etc. after the Tender Offer (Matters Related to the So-Called Two-Stage Acquisition)" below.

10. Matters Regarding Transactions, Etc. with Controlling Shareholders

(1) Applicability of and Guidelines Regarding Policies to Protect Minority Shareholders in Transactions with Controlling Shareholders

The Company is not a subsidiary of the Tender Offeror and the Transaction does not constitute a transaction, etc. between the Tender Offeror and controlling shareholders.

Furthermore, no controlling shareholder exists at the Company as of today, so the "Guidelines Regarding Policies to Protect Minority Shareholders When Executing Transactions, Etc., with Controlling Shareholders" was not presented in the Corporate Governance Report disclosed on December 17, 2021.

However, as Maeda Corporation, a wholly-owned subsidiary of the Tender Offeror owns 19,047,510 Company Shares (ownership ratio: 20.19%) and the Tender Offeror is in a position equivalent to a controlling shareholder in the Company, the Tender Offeror and the Company have put the below measures in place to ensure fairness in the Transactions and avoid conflicts of interest in relation to the Transactions, including the Tender Offer, from the perspective of securing fairness in the Tender Offer from the Tender Offer stage, eliminating the arbitrariness of the company's decision-making regarding the Transactions, securing fairness, transparency and objectivity in the decision-making process and avoiding said conflicts of interest.

(2) Matters Regarding Measures to Ensure Fairness and Measures for Avoiding Conflicts of Interest

See "(6) 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" from "3. Content, Basis and Reasoning

Relating to the Tender Offer" above.

(3) Overview of Opinion Acquired from Parties with No Relationship of Interest with Controlling Shareholders Regarding the Non-existence of Detriment to Minority Shareholders in Relation to the Transactions

As of today, the Company has obtained an opinion from the Special Committee, which is composed of persons who have no vested interest in the Company, the Tender Offeror and Maeda Corporation, to the effect that the Company's decision on the Transaction will not be disadvantageous to the minority shareholders of the Company. For details, please refer to "① Measures to Ensure the Fairness of the Tender Offer including Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest" in "(6) 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" of "3. Establishment of Independent Special Committee and Acquisition of Written Report."

11. Other

① At a meeting of the board of directors of the Company held today, the board of directors of the Company resolved to cancel the year-end dividend forecast for the fiscal year ending March 31, 2022 announced on May 12, 2021, from "20 yen per share" to "no dividend" in light of the Tender Offer scheduled to commence. The Company has decided not to pay a year-end dividend for the fiscal year ending March 31, 2022. The Company has positioned the return of profits to shareholders as its most important management issue and has made it a basic policy to pay stable dividends over the long term while enhancing internal reserves to prepare for capital investment and technological development for participation in the offshore wind power construction market and further development of overseas business. The purchase price per share of our company's stock in the tender offer was comprehensively determined and judged based on the assumption that the year-end dividend with a record date of March 31, 2022 will not be paid. The Company has decided not to pay a dividend.

For details, see the "Notice of Revised (Not Distributed) Forecast for Dividend for the Period Ending March 2022)" announced by the company today.

② The Company, at a board of directors meeting held today, resolved to amend the target values for the fiscal year ending March 2023 in the consolidated/individual earnings forecasts for the fiscal year ending March 2022 (April 1, 2021 until March 31, 2022) announced on February 8, 2022, the "Being a Resilient Company Mid-term Management Plan <2020-2022>" announced on March 25, 2020 and the "Financial Results Briefing Materials for Period Ending March 2020" announced on May 26, 2020.

For details, see the "Notice of Revised Earnings Forecast and Mid-term Management Plan the Period Ending March 2022)" announced by the company today.

End

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 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 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 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.