

April 28, 2022

To whom it may concern

Listed company name: Toyo Construction Co., Ltd.

Representative: Kyoji Takezawa, President and
Representative Director

(Code: 1890, Tokyo Stock Exchange
Prime Market)

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**Notice Regarding a Change of Opinion Pertaining to the Tender Offer for the Company's Shares by
INFRONEER Holdings, Inc.**

As a portion of the matters set forth in the "Announcement Concerning Expression of Opinion in Favor of Tender Offer by INFRONEER Holdings, Inc. for Shares of Company and Recommendation to Tender" issued by the Company on March 22, 2022 requires amendment, the Company has elected to put out the following notice.

On March 22, 2022, the Company indicated its support of a tender offer (hereinafter the "Tender Offer") of the Company's common shares (hereinafter the "Company shares") by INFRONEER Holdings, Inc. (hereinafter the "Tender Offeror"), recommended that the Company's shareholders tender their shares to the Tender Offer, and issued a notice regarding the aforementioned matters.

Thereafter, the Company acquired Company shares following the commencement of the Tender Offer, received a series of documents from the Yamauchi-No.10 Family Office (hereinafter the "YFO"), an investor of WK1 Limited (for details, please see the "Notice on Shifts in Major Shareholders" published by the Company on April 6, 2022, and the "Notice on Shifts in Lead Shareholder and Other Affiliates Who are Major Shareholders" published by the Company on April 15, 2022), which is itself the lead shareholder among major shareholders in the Company, and other companies (for details, please see the "Notice on the Receipt of Documents from the Yamauchi-No.10 Family Office" published by the Company on April 22, 2022), and carefully considered whether or not to maintain support for the Tender Offer, and to maintain our recommendation that our shareholders tender their shares to the Tender Offer.

As a result of those considerations, and based on the results of the considerations reported by the Special Committee, during the Board of Directors meeting held today, the Company resolved that: (i) Whether or not the Board should support a tender offer is to be determined based on whether said tender offer will contribute to the enhanced corporate value of the company; therefore, as the Board remains unchanged in its belief that the Tender Offer will contribute to the increased corporate value of the Company by solving

the two major issues of "changes in the construction market" and "changes in the labor market" through the Company's participation in the Tender Offeror's group, thereby making it possible to realize sustainable growth of corporate value by establishing a structure where group companies work together to advance business, the Board still finds it appropriate to maintain its vote of support for the Tender Offer. (ii) On the other hand, taking into consideration the fact that the Company (A) has already requested to the Tender Offeror that they consider raising the Tender Offer Price to an extent that the Tender Offeror would expect not to impede the fulfillment of the Tender Offer, as the Tender Offer Price as of the Tender Offer (770 yen) was below the market share price applicable after the start of the Tender Offer, to which the Tender Offeror replied that the Tender Offer Price cannot be altered (770 yen), and (B) has received a proposal from the YFO (hereinafter the "YFO Proposal") that was based on the condition that corporate value would increase, and tender offer conditions would be agreed to, after the arrangement had been made private with the Company (including the support of the Company's Board of Directors, and their recommendation to shareholders that they tender their shares), set a purchase price per Company share of 1,000 yen, and would acquire at least two-thirds of the Company's voting rights with no set maximum, the Board has resolved to withdraw its recommendation to shareholders that they tender their shares to the Tender Offer, maintain a neutral stance on whether or not the shareholders of the Company should tender their shares to the Tender Offer, and believed it ultimately appropriate to leave the decision to the shareholders personally. Therefore, while the Board would continue to voice its opinion in support of the Tender Offer, it resolved to leave the decision of whether to tender shares to the Tender Offer to the shareholders' discretion.

Therefore, we would like to make the following changes to our " Announcement Concerning Expression of Opinion in Favor of Tender Offer by INFRONEER Holdings, Inc. for Shares of Company and Recommendation to Tender" dated March 22, 2022. Furthermore, the Company is continuing its considerations on the YFO Proposal.

Please note that the amended portions have been underlined.

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

(1) Opinion Details

(Before correction)

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."

(After correction)

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.

Thereafter, during a Board of Directors meeting held on April 28, 2022, the Company resolved, in accordance with "(2) Basis and Reasoning for the Opinion" below, that while it would maintain its opinion in support of the Tender Offer, it would leave the decision of whether or not to tender shares to the Tender Offer to the discretion of the shareholders of the Company.

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

④ Reasons and Decision-making Process that Led to the Company's Endorsement of the Tender Offer

(Before correction)

<Omitted>

For details of the decision-making process at the company Board of Directors Meeting, see "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."

(After correction)

<Omitted>

For details of the decision-making process at the company Board of Directors Meeting, see "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."

(iv) Change of Opinion in Light of the Proposal Received from YFO, and Other Factors

Thereafter the Company: (A) requested to the Tender Offeror that they consider raising the Tender Offer Price to an extent that the Tender Offeror would expect not to impede the fulfillment of the Tender

Offer, as the Tender Offer Price as of the Tender Offer (770 yen) was below the market share price applicable after the start of the Tender Offer, to which the Tender Offeror replied that the Tender Offer Price cannot be altered (770 yen). (B) In a related matter, the Company received a proposal from Yamauchi-No.10 Family Office (hereinafter the "YFO"). This proposal (hereinafter the "YFO Proposal") was based on the condition that corporate value would increase, and tender offer conditions agreed to, after the arrangement had been made private with the Company (including the support of the Company's Board of Directors, and their recommendation to shareholders that they tender their shares), set a purchase price per Company share of 1,000 yen, would acquire at least two-thirds of the Company's voting rights, and with no set maximum. Having received this YFO Proposal, the Company's Board of Directors met on April 28, 2022 to seriously consider whether they could continue to maintain their opinion in favor of the Tender Offer and continue their recommendation to shareholders that they tender their shares to the Tender Offer. Following receipt of the report of this Special Committee, the Board of Directors made the following resolutions: (1) Whether or not the Board should support a tender offer is to be determined based on whether said tender offer will contribute to the enhanced corporate value of the company; therefore, as the Board remains unchanged in its belief that the Tender Offer will contribute to the increased corporate value of the Company by solving the two major issues of "changes in the construction market" and "changes in the labor market" through the Company's participation in the Tender Offeror's group, thereby making it possible to realize sustainable growth of corporate value by establishing a structure where group companies work together to advance business, the Board still finds it appropriate to maintain its vote of support for the Tender Offer. (2) On the other hand, based on the fact that the Company (A) has already requested to the Tender Offeror that they consider raising the Tender Offer Price to an extent that the Tender Offeror would expect not to impede the fulfillment of the Tender Offer, as the Tender Offer Price as of the Tender Offer (770 yen) was below the market share price applicable after the start of the Tender Offer, to which the Tender Offeror replied that the Tender Offer Price cannot be altered (770 yen), and (B) has received the YFO Proposal on April 22, 2022, the Board has resolved to maintain a neutral stance on whether or not the shareholders of the Company should tender their shares to the Tender Offer, and believed it ultimately appropriate to leave the decision to the shareholders personally. Therefore, while the Board would continue to voice its opinion in support of the Tender Offer, it resolved to leave the decision of whether to tender shares to the Tender Offer to the shareholders' discretion.

Note that, 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.

As described in "① Establishment of an Independent Special Committee and Acquisition of a Report on 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" on March 22, 2022, this Special Committee submitted their Report to the Company's Board of Directors contending that the purposes of this Tender Offer and this Transaction are legitimate and rational, the procedures

pertaining to this Transaction are fair, sufficient considerations had been given to the interests of the minority shareholders (general shareholders) through fair procedures, and that a resolution to implement this transaction by the Company's Board of Directors, including expressing their opinion of support for the Tender Offer and encouraging the Company's shareholders to tender their shares to the Tender Offer, would not be disadvantageous to the minority shareholders (general shareholders) of the Company.

Thereafter, based on the fact that the Company (A) had already requested to the Tender Offeror that they consider raising the Tender Offer Price to an extent that the Tender Offeror would expect not to impede the fulfillment of the Tender Offer, as the Tender Offer Price as of the Tender Offer (770 yen) was below the market share price applicable after the start of the Tender Offer, to which the Tender Offeror replied that the Tender Offer Price cannot be altered (770 yen), and (B) had received the YFO Proposal, the Company sought the advice of Special Committee regarding whether the Board of Directors' decision to continue to voice its opinion in support of the Tender Offer, resolve to withdraw its opinion recommending to the Company's shareholders that they tender their shares to the Tender Offer, and leave the decision of whether to tender shares to the Tender Offer to the shareholders' discretion and to still then proceed with this Transaction could be deemed disadvantageous to the Company's minority shareholders (general shareholders) (hereinafter the "Additional Advisory Matters").

The Special Committee then held a renewed meeting on April 28, 2022 to consider the Additional Advisory Matters and reported the results of their considerations to the Board of Directors on April 28, 2022. The results of the considerations by the Special Committee are as follows:

(a) The Board of Directors' decision to maintain its support of the Tender Offer

The fact that 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 remains as set forth in the Report. Furthermore, given the fact that the Tender Offeror rejected the Company's request to increase the Tender Offer Price (770 yen), and that the Company received the YFO proposal are not circumstances that would substantively affect the contents of the Report described above, it cannot be said that the Board of Directors' decision to maintain its opinion of support for the Tender Offer is unreasonable.

(b) The decision by the Board of Directors to withdraw their opinion encouraging the Company's shareholders to tender their shares to the Tender Offer, and that the Company take a neutral stance on the issue of whether or not the Company's shareholders should tender their shares to the Tender Offer

That fact that the procedures pertaining to the Transaction were fair, that sufficient consideration has been given to the interests of the Company's minority shareholders (general shareholders) through fair procedures in the Transaction, and that the adequacy of the terms and conditions of this Transaction had been ensured remains as set forth in the Report. However, taking into account the current trends in market share price, the fact that the Company's request to change the Tender Offer Price (770 yen) had been rejected by the Tender Offeror, and that the Company had received the

YFO Proposal, the decision by the Company's Board of Directors to withdraw their opinion encouraging the Company's shareholders to tender their shares to the Tender Offer, and to take a neutral stance on the issue of whether or not the Company's shareholders should tender their shares to the Tender Offer cannot be deemed unreasonable, and do not constitute disadvantageous circumstances for the minority shareholders (general shareholders) of the Company.

(c) Conclusion

Based on the foregoing, the Special Committee believes that the Board of Directors' decision to maintain its opinion in support of the Tender Offer, while simultaneously withdrawing its recommendation that the Company's shareholders tender their shares to the Tender Offer, and to implement the Transaction while maintaining a neutral stance as to whether or not the Company's shareholders tender their shares to the Tender Offer, would not be disadvantageous to the minority shareholders (general shareholders) of the Company.

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

(Before correction)

<Omitted>

(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).

(After correction)

<Omitted>

(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).

As set forth in "④ Background and reasons for decision-making by the Company " under "(2) Basis and Reasoning for the Opinion" above, thereafter based on the fact that the Company (A) had already requested to the Tender Offeror that they consider raising the Tender Offer Price to an extent that the Tender Offeror would expect not to impede the fulfillment of the Tender Offer, as the Tender Offer Price

as of the Tender Offer (770 yen) was below the market share price applicable after the start of the Tender Offer, to which the Tender Offeror replied, on April 26, 2022, that the Tender Offer Price cannot be altered (770 yen), and (B) had received the YFO Proposal, the Company sought the advice of the Special Committee regarding the Additional Advisory Matters. This Special Committee then held a renewed meeting to consider the Additional Advisory Matters and reported the results of their considerations to the Board of Directors on April 28, 2022. The results of these considerations by the Special Committee are as set forth in "(2) Basis and Reasoning for the Opinion" under "④ Background and reasons for decision-making by the Company" above.

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

(Before correction)

<Omitted>

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.

(After correction)

<Omitted>

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.

Thereafter the Company: (A) requested to the Tender Offeror that they consider raising the Tender Offer Price to an extent that the Tender Offeror would expect not to impede the fulfillment of the Tender Offer, as the Tender Offer Price as of the Tender Offer (770 yen) was below the market share price applicable after the start of the Tender Offer, to which the Tender Offeror replied that the Tender Offer Price cannot be altered (770 yen). (B) In a related matter, the Company received the YFO Proposal, and the Company's Board of Directors met on April 28, 2022 to seriously consider whether they could continue to maintain their opinion in favor of the Tender Offer and continue their recommendation to shareholders that they tender their shares to the Tender Offer. Following receipt of the report of this Special Committee, the Board of Directors made the following resolutions: (i) Whether or not the Board should support a tender offer is to be determined based on whether said tender offer will contribute to the enhanced corporate value of the company; therefore, as the Board remains unchanged in its belief that the Tender Offer will contribute to the increased corporate value of the Company by solving the two major issues of "changes in the construction market" and "changes in the labor market" through the Company's participation in the Tender Offeror's group, thereby making it possible to realize sustainable growth of corporate value by establishing a structure where group companies work together to advance

business, the Board still finds it appropriate to maintain its vote of support for the Tender Offer. (ii) On the other hand, based on the fact that the Company (A) has already requested to the Tender Offeror that they consider raising the Tender Offer Price to an extent that the Tender Offeror would expect not to impede the fulfillment of the Tender Offer, as the Tender Offer Price as of the Tender Offer (770 yen) was below the market share price applicable after the start of the Tender Offer, to which the Tender Offeror replied that the Tender Offer Price cannot be altered (770 yen), and (B) has received the YFO Proposal on April 22, 2022, the Board has resolved to maintain a neutral stance on whether or not the shareholders of the Company should tender their shares to the Tender Offer, and believed it ultimately appropriate to leave the decision to the shareholders personally. Therefore, while the Board would continue to voice its opinion in support of the Tender Offer, it resolved to withdraw its opinion recommending to the Company's shareholders that they tender their shares to the Tender Offer, and to leave the decision of whether to tender shares to the Tender Offer to the shareholders' discretion.

Note that, 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.

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.