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Securities code: 1810
June 8, 2022

To Shareholders with Voting Rights:

Takahiro Matsui
Director and President
MATSUI CONSTRUCTION CO., LTD.
1-17-22 Shinkawa, Chuo-ku, Tokyo,
Japan

**NOTICE OF
THE 93RD ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

We hereby inform you that the 93rd Ordinary General Meeting of Shareholders of MATSUI CONSTRUCTION CO., LTD. (the “Company”) will be held as described below.

Instead of attending the meeting in person, you may exercise your voting rights either in writing or via the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights no later than 5:30 p.m. on Tuesday, June 28, 2022, Japan time. If you will exercise your voting rights in writing, your Voting Rights Exercise Form must reach us no later than the deadline.

1. Date and Time: Wednesday, June 29, 2022 at 10:00 a.m. Japan time
(Reception starts at 9:00 a.m.)

2. Place: Conference Room, 9th Floor, Head Office of the Company
1-17-22 Shinkawa, Chuo-ku, Tokyo, Japan

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report and Consolidated Financial Statements for the Company’s 93rd Fiscal Year (April 1, 2021 - March 31, 2022) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 93rd Fiscal Year (April 1, 2021 - March 31, 2022)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
Proposal 2: Partial Amendments to the Articles of Incorporation
Proposal 3: Election of Nine (9) Directors
Proposal 4: Election of One (1) Substitute Audit & Supervisory Board Member
Proposal 5: Continuation of Countermeasures against Large-Scale Purchases of Shares of the Company (Takeover Defense Measures)

1. When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
2. Of the documents to be provided with this Notice of Convocation, “Notes to Consolidated Financial Statements” of the Consolidated Financial Statements and “Notes to Non-consolidated Financial Statements” of the Non-consolidated Financial Statements are posted on the Company’s website

(<https://www.matsui-ken.co.jp/>) in accordance with the stipulations of applicable laws and regulations and the Company's Articles of Incorporation, and are not included in the attached documents. Furthermore, the "Notes to Consolidated Financial Statements" and "Notes to Non-consolidated Financial Statements" are part of the Consolidated Financial Statements and the Non-consolidated Financial Statements that have been audited by the Accounting Auditor and the Audit & Supervisory Board in preparing their audit reports.

3. Should the attached documents and the Reference Documents for the General Meeting of Shareholders in this Notice require revisions, the revised versions will be posted on the Company's website (<https://www.matsui-ken.co.jp/>).

To prevent the spread of COVID-19 and ensure the safety of shareholders, we request that shareholders exercise their voting rights in advance in writing or via the Internet to the extent possible. If you are attending the meeting in person, please check the infection situation and your physical conditions before coming to the venue.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company's basic policy is to continue stable dividends for the time being for strengthening shareholder returns with a consolidated dividend payout ratio of around 40% as a guideline, while securing internal reserves necessary for future business expansion and the enhancement of the Company's management structure. In view of this basic policy and the business results for the fiscal year under review, the Company proposes to pay a year-end dividend as shown below.

1. Matters concerning year-end dividends

(1) Type of dividend property

Cash

(2) Allotment of dividend property and the total amount

¥16 per share of common stock

(An ordinary dividend of ¥8 and a special dividend of ¥8)

Total amount: ¥473,933,792

As ¥8 per share has been paid as an interim dividend, the annual dividend will be ¥24 per share for the fiscal year under review.

(3) Effective date of dividends of surplus

June 30, 2022

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for amendments

- (1) The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will be enforced on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for general meetings of shareholders, the Articles of Incorporation of the Company shall be amended as follows.
 - (i) Paragraph 1 of the proposed Article 16 (Measures for Electronic Provision, etc.) provides that information contained in the reference materials for the general meeting of shareholders, etc. shall be provided electronically.
 - (ii) The purpose of Paragraph 2 of the proposed Article 16 (Measures for Electronic Provision, etc.) is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
 - (iii) In light of the introduction of the system for electronic provision of materials for general meetings of shareholders, the provisions of Article 16 (Internet Disclosure and Deemed Provision of Reference Materials for the General Meeting of Shareholders, etc.) of the current Articles of Incorporation will become unnecessary and shall therefore be deleted.
 - (iv) In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.

- (2) The number of Directors shall be decreased from ten (10) to nine (9) in order to improve the flexibility and speed of decision-making by the Board of Directors.

2. Details of amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p><u>(Internet Disclosure and Deemed Provision of Reference Materials for the General Meeting of Shareholders, etc.)</u></p> <p>Article 16 The Company may, when <u>convening a general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference materials for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the Internet in accordance with the provisions provided in the</u></p>	<p>(Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
	<u>Date or the lapse of three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u>

Proposal 3: Election of Nine (9) Directors

The terms of office of all the ten (10) Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes to decrease the number of Directors by one (1) in order to improve the flexibility and speed of decision-making by the Board of Directors, and elect nine (9) Directors.

The candidates for Directors are as follows.

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held	
1	Takahiro Matsui (August 18, 1962)	January 1989	Joined the Company	269,000
		April 1992	General Manager of Head Office Sales Dept., the Company	
June 1992	Director and General Manager of Head Office Sales Dept., the Company			
July 1995	Managing Director, the Company			
July 1997	Senior Managing Director, the Company			
June 2005	Director and President, the Company			
June 2006	Director and Executive President, the Company (to the present)			
<p>[Reason for nomination as candidate for Director] Mr. Takahiro Matsui has been spearheading the Company as top management since assuming the post of President and demonstrating leadership for the realization of the sustainable growth and enhancement of corporate value of the Company. He translates his abundant experience and advanced knowledge in overall management into the management of the Group. The Company has determined that he continues to be well qualified to be a Director and nominated him as a candidate for the position.</p>				
2	Akira Kobayashi (September 28, 1949)	April 1973	Joined the Company	38,700
		June 2004	General Manager of Sales Management Dept., Tokyo Branch, the Company	
June 2005	Executive Officer and General Manager of Sales Management Dept., Tokyo Branch, the Company			
June 2007	Executive Officer and Deputy General Manager of Tokyo Branch, the Company			
June 2012	Director, Executive Officer and Deputy General Manager of Tokyo Branch, the Company			
April 2016	Director, Executive Officer and General Manager of Tokyo Branch, the Company			
June 2016	Director, Managing Executive Officer and General Manager of Tokyo Branch, the Company			
April 2018	Director, Senior Managing Executive Officer, General Manager of Tokyo Branch, the Company			
April 2022	Director, Senior Managing Executive Officer, General Manager of Tokyo Branch and In charge of Shrines and Temples Div., the Company (to the present)			
<p>[Reason for nomination as candidate for Director] Mr. Akira Kobayashi possesses abundant practical experience and advanced knowledge in the sales department, and as an executive director, executes and supervises duties that contribute to the sustainable growth and enhancement of corporate value of the Company. The Company has determined that he continues to be well qualified to be a Director and nominated him as a candidate for the position.</p>				

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
3	Tsuyoshi Katayama (November 21, 1962)	April 1985	Joined The Fuji Bank, Limited (currently Mizuho Bank, Ltd.)	7,700
		July 2013	Executive Officer and General Manager of Main Office Municipal Division No.1, Mizuho Bank, Ltd.	
May 2015	Managing Executive Officer, the Company			
April 2018	Managing Executive Officer and General Manager of Sales Div., the Company			
June 2018	Director, Managing Executive Officer and General Manager of Sales Div., the Company (to the present)			
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Tsuyoshi Katayama possesses abundant experience and advanced knowledge developed at financial institutions, and as an executive director in charge of the sales department, executes duties that contribute to the sustainable growth and enhancement of corporate value of the Company. The Company has determined that he continues to be well qualified to be a Director and nominated him as a candidate for the position.</p>				
4	Hiroyuki Hori (February 3, 1959)	April 1981	Joined the Company	10,200
		June 2010	General Manager of General Affairs Dept., Administrative Div., the Company	
July 2012	General Manager of Accounting Dept., Administrative Div., the Company			
April 2015	Deputy General Manager of Administrative Div. and General Manager of General Affairs Dept., the Company			
April 2019	Executive Officer, Deputy General Manager of Administrative Div. and General Manager of General Affairs Dept., the Company			
April 2020	Executive Officer and General Manager of Administrative Div., the Company			
		June 2020	Director, Executive Officer and General Manager of Administrative Div., the Company (to the present)	
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Hiroyuki Hori possesses abundant experience and advanced knowledge having served as a person in charge of the general affairs department and accounting department, and as an executive director in charge of the administrative departments, executes duties that contribute to the sustainable growth and enhancement of corporate value of the Company. The Company has determined that he continues to be well qualified to be a Director and nominated him as a candidate for the position.</p>				

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
5	Hiromitsu Suzuki (October 29, 1958)	April 1982	Joined the Company	6,200
		April 2011	General Manager of Human Resources Dept., Administrative Div., the Company	
April 2019	Executive Officer, Deputy General Manager of Management Div. and General Manager of Human Resources Dept., the Company			
April 2020	Executive Officer, General Manager of Management Div. and General Manager of Human Resources Dept., the Company			
June 2020	Director, Executive Officer, General Manager of Management Div. and General Manager of Human Resources Dept., the Company (to the present)			
[Reason for nomination as candidate for Director] Mr. Hiromitsu Suzuki possesses abundant experience and advanced knowledge having served as a person in charge of the business planning department and human resources department, and as an executive director in charge of the management departments, executes and supervises duties that contribute to the sustainable growth and enhancement of corporate value of the Company. The Company has determined that he continues to be well qualified to be a Director and nominated him as a candidate for the position.				
6	Koichi Hasegawa (December 3, 1960)	April 1983	Joined The Hokuriku Bank, Ltd.	2,700
		June 2016	General Manager of Takaoka Branch, The Hokuriku Bank, Ltd.	
June 2018	Managing Director, Hokugin Lease Co., Ltd.			
February 2020	In charge of Sales, Sales Div., the Company			
April 2020	Executive Officer and In charge of Sales, Sales Div., the Company			
June 2020	Director, Executive Officer and In charge of Sales, Sales Div., the Company			
April 2022	Director, Executive Officer, In charge of DX Promotion Dept. and In charge of Sales, Sales Div., the Company (to the present)			
[Reason for nomination as candidate for Director] Mr. Koichi Hasegawa possesses abundant experience at financial institutions and extensive knowledge as a management executive. Since April 2022, he has been working on strengthening and improving the DX promotion department as a person in charge of the department. As an executive director, he executes and supervises duties that contribute to the sustainable growth and enhancement of corporate value of the Company. The Company has determined that he continues to be well qualified to be a Director and nominated him as a candidate for the position.				

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
7	Yuko Suzuki (Name on the family register: Yuko Sakurai) (July 22, 1982)	January 2010 Tokyo Lead Law Office (current position)	3,000
		February 2010 Registered as an attorney-at-law	
		June 2015 Outside Audit & Supervisory Board Member, the Company	
		June 2019 Outside Director, the Company (to the present)	
	[Reason for nomination as candidate for Outside Director and expected roles] Ms. Yuko Suzuki monitors management of the Company as an Outside Director from an objective and fair standpoint without being constrained by the logic of the Company, drawing on her professional knowledge as a lawyer. The Company has determined that she will continue to monitor management based on her independent status and nominated her as a candidate for Outside Director. Although Ms. Yuko Suzuki has never been involved in corporate management except as an outside director or outside audit & supervisory board member, for the reasons above, the Company has determined that she will appropriately perform her duties as an Outside Director.		
8	*Yuzo Morita (September 9, 1960)	April 1985 Joined The Ogaki Kyoritsu Bank, Ltd.	0
		June 2013 Director and General Manager of Branch Banking Division, The Ogaki Kyoritsu Bank, Ltd.	
		June 2018 Managing Director and General Manager of Head Office Business Division, The Ogaki Kyoritsu Bank, Ltd.	
		June 2021 Representative Director and President, Showa Shoji Co., Ltd. (current position) (to the present)	
	[Significant concurrent positions] • Representative Director and President, Showa Shoji Co., Ltd.		
	[Reason for nomination as candidate for Outside Director and expected roles] Mr. Yuzo Morita possesses advanced knowledge developed at financial institutions as well as abundant experience and extensive insight as a management executive. The Company has determined that he will monitor management from an objective and fair standpoint without being constrained by the logic of the Company based on his independent status and nominated him as a candidate for Outside Director.		

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
9	*Hideyoshi Fujino (October 11, 1959)	<p>April 1978 Joined the Tokyo Regional Taxation Bureau</p> <p>July 2019 Chief Examiner, Second Large Enterprise Examination Department, Tokyo Regional Taxation Bureau</p> <p>August 2020 Registered as a certified tax accountant</p> <p>September 2020 Established Fujino Hideyoshi Certified Tax Accountant Office</p> <p>April 2022 Part-time Audit & Supervisory Board Member, JFE Pipeline Engineering Corporation (current position) (to the present)</p>	0
<p>[Reason for nomination as candidate for Outside Director and expected roles]</p> <p>The Company has determined that Mr. Hideyoshi Fujino will monitor management based on his independent status from an objective and fair standpoint without being constrained by the logic of the Company, drawing on his abundant experience in tax affairs at the Tokyo Regional Taxation Bureau and professional knowledge as a tax accountant. Accordingly, the Company nominated him as a candidate for Outside Director.</p> <p>Although he has never been involved in corporate management except as an outside director or outside audit & supervisory board member, for the reasons above, the Company has determined that he will appropriately perform his duties as an Outside Director.</p>			

- (Notes)
1. The candidates with an asterisk (*) are newly nominated candidates.
 2. There are no special interest between the Company and each of the candidates.
 3. Ms. Yuko Suzuki, Mr. Yuzo Morita and Mr. Hideyoshi Fujino are candidates for Outside Director.
The Company has registered Ms. Yuko Suzuki as an independent officer with the Tokyo Stock Exchange as stipulated in the listing regulations of the said exchange. The Company also plans to register Mr. Yuzo Morita and Mr. Hideyoshi Fujino as independent officers.
 4. Pursuant to Article 427, Paragraph 1 of the Companies Act and the Company's Articles of Incorporation, the Company has entered into a liability limitation agreement with Ms. Yuko Suzuki. Under the agreement, the liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act is the minimum liability amount stipulated in Article 425, Paragraph 1 of the same act, provided she performs duties in good faith with no gross negligence. If her reelection is approved, the Company plans to continue the above liability limitation agreement with her. In addition, if Mr. Yuzo Morita and Mr. Hideyoshi Fujino are elected, the Company plans to enter into the same liability limitation agreement with them.
 5. The Company has entered into a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance contract covers damages to be borne by the insured that may arise when the insured becomes liable in connection with the execution of business as a company officer, etc. or receives claims related to the pursuit of such liability. If this proposal is approved as originally proposed, the candidates will be insured by the above insurance contract. Furthermore, the Company plans to renew the insurance contract with the same content at the next contract renewal.
 6. Ms. Yuko Suzuki will have served as Outside Director of the Company for three (3) years at the conclusion of this General Meeting of Shareholders.

[Reference]

Skill Matrix (knowledge, experience and skills held by Directors)

No.	Name	Position at the Company	Overall management / Management strategy	Legal affairs / Risk management / Compliance	Sales / Marketing	Technology / ICT / DX	Finance / Accounting	Human resources / Talent development	Sustainability
1	Takahiro Matsui <u>Reelection</u>	Director Executive President	●	●	●	●			●
2	Akira Kobayashi <u>Reelection</u>	Director Senior Managing Executive Officer	●	●	●				●
3	Tsuyoshi Katayama <u>Reelection</u>	Director Managing Executive Officer	●	●	●				●
4	Hiroyuki Hori <u>Reelection</u>	Director Executive Officer		●			●		●
5	Hikomitsu Suzuki <u>Reelection</u>	Director Executive Officer	●	●				●	●
6	Koichi Hasegawa <u>Reelection</u>	Director Executive Officer		●	●	●			
7	Yuko Suzuki <u>Reelection</u> <u>Outside</u> <u>Independent</u>	Outside Director		●					●
8	Yuzo Morita <u>New election</u> <u>Outside</u> <u>Independent</u>	—	●	●	●				
9	Hideyoshi Fujino <u>New election</u> <u>Outside</u> <u>Independent</u>	—		●			●		

* The above table does not represent all types of knowledge, experience and skills held by Directors.

Proposal 4: Election of One (1) Substitute Audit & Supervisory Board Member

To prepare for the event that the number of Audit & Supervisory Board Members falls below the number required by laws and regulations, the election of one (1) Substitute Audit & Supervisory Board Member is proposed.

The Company has obtained approval for this proposal from the Audit & Supervisory Board

The candidate for Substitute Audit & Supervisory Board Member is as follows.

Name (Date of birth)	Career summary and significant concurrent positions	Number of shares of the Company held
Akira Kono (November 20, 1953)	December 1979 Joined Daiichi Audit Corporation (currently Ernst & Young ShinNihon LLC) March 1983 Registered as a certified public accountant July 2002 Representative Partner, Ernst & Young ShinNihon LLC June 2016 Retired from Ernst & Young ShinNihon LLC June 2016 Director, Dai-Ichi Kangyo Credit Cooperative (current position) September 2016 Auditor, Medical Corporation Eiseikai Association (current position) (to the present)	0
[Reason for nomination as candidate for Substitute Outside Audit & Supervisory Board Member] Mr. Akira Kono is engaged in corporate accounting audits as a certified public accountant and possesses advanced knowledge and extensive experience in finance and accounting. The Company has determined that he will appropriately fulfill his duties as an Audit & Supervisory Board Member of the Company and nominated him as a candidate.		

- (Notes)
1. There are no special interest between the Company and the candidate.
 2. The candidate is a candidate for Substitute Outside Audit & Supervisory Board Member.
 3. If the candidate assumes office of Outside Audit & Supervisory Board Member, the Company plans to enter into a liability limitation agreement with him pursuant to Article 427, Paragraph 1 of the Companies Act and the Company's Articles of Incorporation. Under the agreement, the liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act is the minimum liability amount stipulated in Article 425, Paragraph 1 of the same act, provided he performs duties in good faith with no gross negligence.
 4. The Company has entered into a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance contract covers damages to be borne by the insured that may arise when the insured becomes liable in connection with the execution of business as a company officer, etc. or receives claims related to the pursuit of such liability. If the candidate assumes office of Audit & Supervisory Board Member, he will be insured by the above insurance contract.

Proposal 5: Continuation of Countermeasures against Large-Scale Purchases of Shares of the Company (Takeover Defense Measures)

The continuation of the “Countermeasures against Large-Scale Purchases of Shares of the Company (Takeover Defense Measures; hereinafter referred to as the “Current Plan”)” was approved by our shareholders at the 90th Ordinary General Meeting of Shareholders held on June 27, 2019, with its effective period expiring at the conclusion of the 93rd Ordinary General Meeting of Shareholders to be held in June 2022 (hereinafter referred to as “this General Meeting of Shareholders”). Even after the Current Plan was continued, the Company has continuously reviewed the state of its operation, including whether or not to continue the Current Plan, as part of its initiatives to secure and improve the corporate value and thus the common interests of shareholders of the Company, based on factors including changes in social and economic conditions and discussions on takeover defense measures.

As a result, at the Board of Directors meeting held on May 19, 2022, the Company decided to update the Current Plan (hereinafter the amended countermeasures shall be referred to as the “Plan”) and continue it as the Plan, subject to approval by shareholders at this General Meeting of Shareholders. Accordingly, the Company seeks approval of shareholders for the Plan.

The Plan has not changed in substance from the Current Plan.

The continuation of the Plan was approved at a meeting of the Board of Directors of the Company by all Directors, including two Outside Directors. In addition, all Audit & Supervisory Board Members of the Company, including two Outside Audit & Supervisory Board Members, attended the meeting and expressed no objection to the Plan, on the condition that the Plan will be appropriately operated.

The status of shares of the Company as of March 31, 2022 is as described in Appendix 1. Just to add, there has been no approach, proposal, etc. for large-scale purchases of shares of the Company as of today.

I. Basic policy on control of the Company

The shares of the Company, which is a listed company, can be freely traded by a large number of shareholders and investors through the stock market. If there is a proposal for the large-scale purchase of shares of the Company or a similar act, the Company will not unconditionally reject it and believes that the ultimate decision should be made based on the free will of shareholders.

However, many of such large-scale purchases of shares and purchase proposals are inappropriate, as they clearly infringe corporate value and thus the common interests of shareholders in view of their objectives and other details; they may force shareholders to sell their shares; or they do not provide sufficient time and information for the target company’s board of directors and shareholders to review the terms and other details of the purchase or for the target company’s board of directors to propose alternatives.

The Company believes that those who control the decisions on its financial and business policies must fully understand the basic management philosophy, various sources of corporate value, and relationships of trust with stakeholders who support the Company, among others, and secure and improve the corporate value of the Company and thus the common interests of shareholders over the medium- to long-term.

Therefore, the Company believes that any person who engages in an inappropriate large-scale purchase proposal or a similar act that may damage corporate value and thus the common interests of shareholders is inappropriate as a person who controls the decisions of the Company’s financial and business policies.

II. Measures that contribute to the realization of the basic policy on control of the Company

In order to ensure that a large number of shareholders and investors continuously invest in the Company over the long-term, the Company has implemented the following measures as initiatives to

improve the corporate value and thus the common interests of shareholders of the Company. The Company believes that these measures will contribute to the realization of the basic policy stated in I. above.

1. Measures to improve corporate value

The Company operates a general contractor business and has a corporate history spanning 430 years since its founding in 1586. We hope to improve corporate value by staying true to the management stance of “protecting a simple but solid corporate culture and consistently engaging in the core business” and maintaining and fostering favorable relationships established with stakeholders such as customers, business partners and employees based on our numerous accumulated track records of construction and sound corporate culture.

Specifically, we will implement the following measures.

(1) Secure stable construction volume and revenue sources

We will steadily reconnect with existing customers and develop new customers, actively engage in proposal-based order-taking activities, and focus on meticulous sales activities such as maintenance, seismic retrofitting, and renewal projects, while striving to secure well-balanced orders without concentrating on specific application types.

(2) Improve construction quality and reduce costs

We will strive to improve our technical capabilities and provide high-quality, reasonably-priced structures by developing new technologies and construction methods, studying traditional technologies and integrating them with new technologies.

(3) Pass down shrine and temple building technologies

As our social mission, we will proactively pass down numerous traditional technologies such as “shrines and temples” and “castles and cultural properties” that we have worked on since our founding.

(4) Expand the real estate business, etc.

We will aim to expand our business in a systematic manner with a view to securing stable revenue sources and making effective use of assets we own.

(5) Strengthen corporate structure and improve financial soundness

Considering the characteristics of the construction industry as an order-initiated industry that incurs large advances of charges and establishes wide-ranging collection terms, we will constantly improve our financial soundness and strengthen our corporate structure.

(6) Improve social trust

With “thinking and acting from a customer’s point of view” as the basic principle of conduct, we will aim to improve social responsibility by building an implementation system for proactive efforts for safety, the improvement of quality and customer satisfaction, initiatives for environmental preservation, thorough compliance and adherence to social norms, accurate information disclosure, and coexistence with local communities, among others, through our corporate activities.

2. Measures to strengthen corporate governance

The Company believes that enhancing corporate governance to maintain appropriate relationships with all stakeholders will contribute to the improvement of corporate value and the common interests of shareholders over the medium- to long-term, and therefore regards enhancing corporate governance as one of the most important management issues. Accordingly, the Company appoints Outside Directors in the operation of the Board of Directors in order to ensure management transparency, fairness, and efficiency.

As a company with an audit & supervisory board, we strive to increase the effectiveness of management and strengthen the functions of monitoring and supervising the Board of Directors' decision-making through the audits by Audit & Supervisory Board Members, which include highly independent Outside Audit & Supervisory Board Members. In addition, we strive to strengthen our internal control structure through risk management and the development of internal control system and improve corporate governance by carrying out sound corporate activities based on the Charter of Corporate Behavior and the compliance action guidelines.

Furthermore, with the aim of strengthening the compliance system, we have established the Compliance Committee as a body that ensures legal compliance and conducts internal awareness-raising activities.

III. Details of the Plan (measures to prevent inappropriate persons from controlling the decisions on the Company's financial and business policies in accordance with the basic policy on control of the Company)

1. Purpose of the Plan

The Plan shall be introduced as a measure to prevent inappropriate persons from controlling the decisions of the Company's financial and business policies in accordance with the basic policy on control of the Company described in I. above and shall extend the Current Plan that has been in place until now.

Even in the event of a large-scale purchase of shares of the Company, etc., if the objective and other details of such purchase contribute to securing and improving the corporate value and thus the common interests of shareholders of the Company, the Company will not consider the person inappropriate to control the decisions on the Company's financial and business policies. The Company also believes that the decision on whether or not to accept an acquisition proposal that involves the transfer of control should be ultimately made based on the will of shareholders.

However, many of such large-scale purchases of shares, etc. do not contribute to the corporate value and thus the common interests of shareholders of the company targeted for a large-scale purchase, etc., as they may cause clear infringement of corporate value and thus the common interests of shareholders in view of their objectives and other details; they may effectively force shareholders to sell their shares; they do not provide reasonably necessary and sufficient information and time for the board of directors and shareholders to review the details of the large-scale purchase of shares, etc. or for the board of directors to propose alternatives; the terms and conditions of the purchase are insufficient or inappropriate in view of the corporate value and thus the common interests of shareholders of the company targeted for the purchase, etc.; or the intention is to destroy the relationships with stakeholders that are indispensable for maintaining and increasing the corporate value of the company targeted for the purchase, etc.

The Board of Directors of the Company, therefore, believes that securing necessary information and time and conducting negotiations, etc. with a purchaser, etc. based on certain rational rules in order to allow shareholders to make appropriate decisions in the event of a large-scale purchase of shares of the Company, etc. is in line with corporate value and thus the common interests of shareholders. Accordingly, we have set certain rules with the following content (hereinafter referred to as the "Large-Scale Purchase

Rules”) regarding the provision of information, securing of time for review, etc. in case of a large-scale purchase. Furthermore, in accordance with the basic policy on control of the Company, we have decided to continue the Plan as takeover defense measures including a policy for dealing with large-scale purchases by inappropriate persons, subject to approval of shareholders at this General Meeting of Shareholders. For an overview of the Plan, please refer to Appendix 2.

2. Purchase of shares of the Company covered by the Plan

A purchase of shares of the Company covered by the Plan refers to the purchase of the Company’s share certificates, etc. (Note 1) where the objective is to achieve a voting rights ratio (Note 2) for a specified shareholder group (Note 3) of 20% or more, or the purchase of the Company’s share certificates, etc. where, as a result of the purchase, the voting rights ratio of a specified shareholder group will be 20% or more (in both cases, purchases agreed in advance by the Board of Directors of the Company are excluded, and specific methods of purchase, such as market transaction and tender offer, are not relevant; such purchase is hereinafter referred to as the “Large-Scale Purchase,” and a person conducting such purchase is referred to as the “Large-Scale Purchaser”).

(Note 1) Share certificates, etc. refer to:

Either share certificates, etc. stipulated in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act or share certificates, etc. stipulated in Article 27-23, Paragraph 1 of the same act.

(Note 2) The voting rights ratio refers to:

- (i) If the specified shareholder group falls under (i) of Note 3, the said holder’s holding ratio of share certificates, etc. (the holding ratio of share certificates, etc. stipulated in Article 27-23, Paragraph 4 of the Financial Instruments and Exchange Act; in this case, the number of share certificates, etc. held by joint holders of the said holder (the number of share certificates, etc. held stipulated in the same paragraph; hereinafter the same applies) shall also be added.); or
- (ii) If the specified shareholder group falls under (ii) of Note 3, the sum of the holding ratios of share certificates, etc. of the said Large-Scale Purchaser and specially related parties thereof (holding ratios of share certificates, etc. stipulated in Article 27-2, Paragraph 8 of the Financial Instruments and Exchange Act). In calculating each voting rights ratio, the Company may refer to the most recently submitted annual securities report or quarterly securities report for the total number of voting rights (as stipulated in Article 27-2, Paragraph 8 of the same act) and the total number of shares issued (as stipulated in Article 27-23, Paragraph 4 of the same act).

(Note 3) A specified shareholder group refers to:

- (i) A holder (including persons included as holders pursuant to Article 27-23, Paragraph 3 of the Financial Instruments and Exchange Act; hereinafter, the same applies) of the Company’s share certificates, etc. (share certificates, etc. stipulated in Article 27-23, Paragraph 1 of the same act) and joint holders thereof (joint holders stipulated in Article 27-23, Paragraph 5 of the same act, including those deemed as joint holders pursuant to Article 27-23, Paragraph 6 of the same act and those deemed to fall under this category by the Board of Directors of the Company; hereinafter the same applies); or
- (ii) A person who conducts a purchase, etc. (purchases, etc. stipulated in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act, including those conducted on financial instruments exchange markets) of the Company’s share certificates, etc. (share certificates, etc. stipulated in Article 27-2, Paragraph 1 of the same act), and specially related parties thereof (specially related parties stipulated in Article 27-2, Paragraph 7 of the same act).

3. Establishment of the Independent Committee

The Board of Directors of the Company will make the final decision as to whether or not the Large-Scale Purchase Rules were adhered to, or, even in the case where the Large-Scale Purchase Rules were adhered to, whether or not certain countermeasures should be taken because the Large-scale Purchase is deemed to significantly impair the corporate value and thus the common interests of shareholders of the Company. In order to appropriately operate the Plan, prevent arbitrary decisions by the Board of Directors of the Company, and ensure its rational and fair decisions, as with the Current Plan, the Company shall establish the Independent Committee as an organization independent of the Board of Directors of the Company (please refer to Appendix 3 for the overview of the Independent Committee Regulations).

The Independent Committee shall have a minimum of three members. In order to enable fair and neutral decisions, members shall be elected from among Outside Directors, Outside Audit & Supervisory Board Members, and outside experts (Note), who are independent of the Company's management team involved in business execution (please refer to Appendix 4 for the names and career summaries of the elected members).

Before triggering countermeasures, the Board of Directors of the Company shall consult with the Independent Committee on whether or not the countermeasures should be triggered. The Independent Committee shall carefully evaluate and review the Large-scale Purchase from the perspective of improving the corporate value and thus the common interests of shareholders of the Company, and make recommendations to the Company's Board of Directors on whether or not the situation calls for countermeasures to be triggered. The Board of Directors of the Company shall decide on triggering of countermeasures, respecting the recommendations of the Independent Committee to the fullest extent. An overview of the recommendations given by the Independent Committee shall be made publicly available as appropriate.

In order to ensure that decisions are made by the Independent Committee to contribute to the corporate value and thus the common interests of shareholders of the Company, the Independent Committee may obtain advice from independent external experts (financial advisors, certified public accountants, lawyers and other experts), etc. with expenses paid for by the Company.

(Note) Outside experts refer to:

Persons who have never been Directors, accounting advisors, executives, managers or other employees of the Company or its subsidiaries in the past, and who are corporate managers with extensive management experience, well-acquainted with investment banking operations, lawyers, certified public accountants, academic experts whose main research subject is the Companies Act, etc., or those equivalent to such persons.

4. Overview of the Large-Scale Purchase Rules

(1) Submission of a letter of intent by the Large-Scale Purchaser to the Company in advance

If the Large-Scale Purchaser intends to engage in the Large-Scale Purchase, prior to the Large-Scale Purchase or a proposal of the Large-Scale Purchase, the Large-Scale Purchaser will be asked to first submit to the Representative Director of the Company a letter of intent in Japanese containing the following details, including a legally binding pledge to comply with the Large-Scale Purchase Rules. If the Company receives a letter of intent from the Large-Scale Purchaser, the Company will promptly make public to the effect and the details, if necessary.

- 1) Name, address, and name of the representative of the Large-Scale Purchaser
- 2) Governing law of incorporation
- 3) Contact information in Japan
- 4) Outline, etc. of the proposed Large-Scale Purchase
- 5) Pledge to comply with the Large-Scale Purchase Rules stipulated in the Plan

(2) Provision of necessary information by the Large-Scale Purchaser

Within ten (10) business days from the day following the day on which the letter of intent described in (1) above is received, the Company shall issue to the Large-Scale Purchaser a list of necessary and sufficient information (hereinafter referred to as the “Required Information”) that should be provided to the Board of Directors for the decision-making of shareholders and the opinion formation of the Board of Directors of the Company. In accordance with the list of the Required Information, the Large-Scale Purchaser will be asked to submit to the Board of Directors of the Company the Required Information in writing in Japanese. The general items of the Required Information are as follows. The specific details vary depending on the attributes of the Large-Scale Purchaser and the nature of the Large-Scale Purchase. Nonetheless, in each case, they shall be limited to the extent necessary and sufficient for shareholders to make decisions and for the Board of Directors of the Company to form opinions.

- 1) Details (including information on name, business description, career summary or history, capital structure, financial details, experience in the same type of businesses as the Company and the Group, etc.) of the Large-Scale Purchaser and its group (including joint holders, specially related parties and partners (in the case of funds), and other members)
- 2) Purpose, method and details of the Large-Scale Purchase (including, but not limited to, the type and amount of purchase consideration, the basis for calculating the said amount, the specific details of other conditions, the existence of illegality, and feasibility)
- 3) Basis for calculating the purchase price in the Large-Scale Purchase (including facts that form the basis of calculation, calculation method, numerical information used for the calculation, and the details of synergies expected to be generated through a series of transactions concerning the Large-Scale Purchase)
- 4) Proof of purchase funds for the Large-Scale Purchase (including the specific names of fund providers (including effective providers), financing methods, and the details of related transactions)
- 5) Expected composition of officers of the Company and the Group (including information related to names and career summaries of candidates, private consent of candidates for their appointments, experience in the same type of businesses as the Company and the Group, etc.) as well as management policies, business plans, financial plans, capital policies, dividend policies, etc. of the Company and the Group upon completion of the Large-Scale Purchase)
- 6) Any changes upon completion of the Large-Scale Purchase in the relationships between the Company or the Group and the stakeholders of the Company or the Group, including customers, business partners, employees, and other stakeholders of the Company, and the details thereof

From the perspective of swiftly operating the Large-Scale Purchase Rules, the Board of Directors of the Company may, if necessary, set a deadline for the Large-Scale Purchaser to provide information. However, if the Large-Scale Purchaser requests an extension based on a reasonable reason, the deadline may be extended.

If, upon close examination of the information initially provided, the information is deemed to be insufficient, the Company’s Board of Directors shall set a reasonable deadline as appropriate and request the Large-Scale Purchaser to provide additional information until all the Required Information has been gathered. Requests for additional provision of the Required Information can be repeated until sufficient and necessary information has been provided as the Required Information. However, the final response deadline shall not exceed 60 days from the day on which the Board of Directors of the Company first issues a list of the Required Information to the Large-Scale Purchaser, even if it is deemed that the Large-Scale Purchaser has not provided necessary and sufficient information as the Required Information.

(However, if requested by the Large-Scale Purchaser, this deadline may be extended to the extent necessary.)

If the Board of Directors of the Company deems that the provision of the Required Information by the Large-Scale Purchaser is complete, the Board of Directors shall send a notice to that effect to the Large-Scale Purchaser and also make public to that effect.

In addition, if, despite the request of the Board of Directors of the Company for additional provision of the Required Information, the Large-Scale Purchaser has given a reasonable explanation on why it is difficult to provide some of the information, negotiations, etc. with the Large-Scale Purchaser over information provision may be terminated, and the evaluation and review by the Board of Directors of the Company described in (3) below may begin, even when the Board of Directors does not have all the Required Information that it requested.

The Required Information provided to the Board of Directors of the Company shall be submitted to the Independent Committee. If it is considered necessary for the decisions of shareholders, all or part of the Required Information shall also be made public at the time the Board of Directors of the Company deems appropriate.

(3) Evaluation and review, etc. by the Board of Directors of the Company

Depending on the difficulty of the evaluation, etc. of the Large-Scale Purchase, the Board of Directors of the Company shall establish a period for its evaluation, review, negotiations, opinion formation, and drafting of an alternative proposal (hereinafter referred to as the “Board of Directors Evaluation Period”). This period shall start from the day following the day on which the Large-Scale Purchaser completes the provision of the Required Information to the Board of Directors of the Company, and last up to 60 days for the Large-Scale Purchase of all of the Company’s shares through a tender offer with consideration of cash (yen) only, and up to 90 days for other Large-Scale Purchases. Accordingly, the Large-Scale Purchase can only begin after the Board of Directors Evaluation Period (or after the Shareholder Review Period if it is established in accordance with 5. (3) below).

During the Board of Directors Evaluation Period, while receiving advice from independent external experts, etc. as necessary, the Board of Directors of the Company shall fully evaluate and review the Required Information provided, respect the recommendations of the Independent Committee to the fullest extent, and carefully formulate and announce its opinions.

In addition, as necessary, the Board of Directors of the Company may negotiate with the Large-Scale Purchaser to improve the terms of the Large-Scale Purchase and present its alternative proposal to shareholders.

5. Response policy for the Large-Scale Purchase

(1) If the Large-Scale Purchaser adheres to the Large-Scale Purchase Rules

If the Large-Scale Purchaser adheres to the Large-Scale Purchase Rules, the Board of Directors of the Company will merely persuade shareholders by expressing its disapproval of or presenting an alternative to the purchase proposal, and in principle will not take countermeasures against the said Large-Scale Purchase, even if it objects to the said Large-Scale Purchase. Shareholders will be asked to decide whether to agree to the purchase proposal of the Large-Scale Purchaser by considering the purchase proposal as well as the opinions on and the alternative to the purchase proposal, etc. presented by the Company.

However, even if the Large-Scale Purchase Rules are adhered to, the Board of Directors of the Company may determine that the corporate value and thus the common interests of shareholders of the Company will be significantly impaired, because, for example, the Large-Scale Purchase falls under any of (1) to (5) below and causes irrevocable damage to the Company. In such case, countermeasures

permitted by the Companies Act and other laws, such as gratis allotment of share acquisition rights, may be taken exceptionally, based on the duty of care of Directors, within the scope necessary and reasonable for the purpose of protecting the corporate value and thus the common interests of shareholders of the Company.

Regarding which specific measures to be taken, the measure deemed by the Board of Directors of the Company to be most appropriate at the time shall be selected. An overview of gratis allotment of share acquisition rights, which the Board of Directors may conduct as one of the specific countermeasures, is provided in Appendix 5. When actually conducting gratis allotment of share acquisition rights, the Company may set conditions by considering the effects of the allotment as a countermeasure, such as making it a condition for exercising share acquisition rights that the holder does not belong to a specified shareholder group with a voting rights ratio higher than a certain ratio or attaching a call provision stipulating that the Company may acquire share acquisition rights in exchange for shares of the Company. However, in such cases, the Company does not expect to deliver cash as consideration for the acquisition of share acquisition rights held by the Large-Scale Purchaser.

- 1) If the Large-Scale Purchaser is deemed to be a person who has no true intention of participating in management of the Company and is acquiring or intending to acquire shares of the Company solely for the purpose of raising the stock price and having the Company and its related parties buy back shares of the Company at a higher price (a so-called greenmailer)
 - 2) If the Large-Scale Purchaser is deemed to be a person who is acquiring or intending to acquire shares of the Company for the purpose of temporarily controlling management of the Company and transferring to the Large-Scale Purchaser or its group companies, etc. intellectual property rights, know-how, information on trade secrets, major business partners and customers, etc. necessary for business management of the Company or the Group companies, which is a practice known as scorched-earth management
 - 3) If the Large-Scale Purchaser is deemed to be a person who is acquiring or intending to acquire shares of the Company for the purpose of diverting the assets of the Company or the Group companies as collateral and repayment funds for the debts of the Large-Scale Purchaser or its group companies, etc., after controlling management of the Company
 - 4) If the Large-Scale Purchaser is deemed to be a person who is acquiring or intending to acquire shares of the Company for the purpose of temporarily controlling management of the Company and disposing of high-value assets, etc. of the Company or the Group companies such as real estate and securities to force the payment of a temporarily high dividend with the disposal gains or to take advantage of a sudden increase in the share price caused by the temporarily high dividend and sell the shares at a high price
 - 5) If it is deemed that the method of the Large-Scale Purchase of shares of the Company may constrain the opportunities for or freedom of shareholders' decisions and in effect force shareholders to sell shares of the Company, a so-called "coercive two-stage acquisition" (a purchase of shares by a tender offer, etc. not soliciting the purchase of all of the Company's shares in the initial stage of purchase and setting the conditions of the second stage of purchase unfavorably or unclearly)
- (2) If the Large-Scale Purchaser does not adhere to the Large-Scale Purchase Rules
- If the Large-Scale Purchaser does not adhere to the Large-Scale Purchase Rules, regardless of the specific purchase method, the Board of Directors of the Company may counter the Large-Scale Purchase by taking the countermeasures described in (1) above for the purpose of protecting the corporate value and thus the common interests of shareholders of the Company.

(3) Procedures for triggering countermeasures

Under the Plan, as described in (1) above, if the Large-Scale Purchaser adheres to the Large-Scale Purchase Rules, no countermeasure will be taken against the Large-Scale Purchase, in principle. However, when deciding on whether to exceptionally trigger countermeasures as described in (1) above, the Board of Directors of the Company shall, before triggering countermeasures, consult with the Independent Committee on whether countermeasures should be triggered in order to ensure the objectivity and rationality of such decision. The Independent Committee shall thoroughly examine the necessity and reasonableness of triggering countermeasures and make recommendations within the Board of Directors Evaluation Period described in 4. (3) above. The Board of Directors of the Company shall make a decision on whether or not to trigger countermeasures upon respecting the recommendations of the Independent Committee to the fullest extent.

When determining whether countermeasures should be triggered as described in (2) above, the Board of Directors of the Company shall consult with the Independent Committee on whether countermeasures should be triggered in order to ensure the objectivity and rationality of such decision. The Independent Committee shall thoroughly examine whether the Large-Scale Purchase Rules were adhered to and make recommendations on whether countermeasures should be triggered within the Board of Directors Evaluation Period described in 4. (3) above. The Board of Directors of the Company shall make a decision on whether or not to trigger countermeasures upon respecting the recommendations of the Independent Committee to the fullest extent and thoroughly examining the necessity, reasonableness, etc. of countermeasures. In determining whether the Large-Scale Purchase Rules were adhered to, the Company shall amply consider the circumstances of the Large-Scale Purchaser to a reasonable extent. At the very least, the Company will not deem that the Large-Scale Purchase Rules were not adhered to solely because part of the Required Information was not provided.

In addition, when the Independent Committee makes recommendations on triggering countermeasures and requests that a general meeting of shareholders be held to resolve on triggering, the Board of Directors of the Company may establish a maximum of 60 days as a period for shareholders to fully consider whether countermeasures should be triggered under the Plan (hereinafter referred to as the “Shareholder Review Period”) and hold a general meeting of shareholders during the Shareholder Review Period.

If the Board of Directors of the Company has resolved on holding a general meeting of shareholders and determining the record date for the purpose of establishing the Shareholder Review Period, the Board of Directors Evaluation Period shall end on that date and immediately transition to the Shareholder Review Period.

When holding the said general meeting of shareholders, the Board of Directors of the Company shall provide shareholders with a document stating the Required Information provided by the Large-Scale Purchaser, opinions of the Board of Directors regarding the Required Information, recommendations of the Independent Committee, an alternative proposal of the Board of Directors and other matters deemed appropriate by the Board of Directors of the Company, together with a notice of convocation of the general meeting of shareholders, and disclose the information in a timely and appropriate manner.

If a resolution is made at the general meeting of shareholders regarding whether countermeasures should be triggered, the Board of Directors of the Company shall comply with the above resolution of the general meeting of shareholders. Specifically, if the general meeting of shareholders rejects the proposal to trigger countermeasures, the Board of Directors of the Company will not trigger countermeasures. In this case, the Shareholder Review Period shall end at the conclusion of the general meeting of shareholders.

However, if the general meeting of shareholders passes the proposal to trigger countermeasures, the Board of Directors of the Company will promptly adopt necessary resolutions to trigger countermeasures

after the conclusion of the general meeting of shareholders. In this case, the Shareholder Review Period shall end at the conclusion of the above meeting of the Board of Directors.

The results of the said general meeting of shareholders shall be disclosed in a timely and appropriate manner after a resolution is passed.

The Large-Scale Purchase may only begin after the lapse of the Board of Directors Evaluation Period if the Shareholder Review Period is not established or after the lapse of the combined period of the Board of Directors Evaluation Period and the Shareholder Review Period if the Shareholder Review Period is established.

(4) Suspension, etc. of triggering of countermeasures

If, after the Board of Directors or the general meeting of shareholders of the Company decides to take concrete countermeasures as described in (3) above, the Board of Directors of the Company deems that it is no longer appropriate to trigger the countermeasures, such as because the Large-Scale Purchaser withdraws or changes the Large-Scale Purchase, the Board of Directors may suspend triggering the countermeasures, etc. upon respecting the recommendations of the Independent Committee to the fullest extent. For instance, when employing gratis allotment of share acquisition rights as a countermeasure, if the Large-Scale Purchaser withdraws or changes the Large-Scale Purchase after the shareholders who should receive the allotment of share acquisition rights are confirmed, the Board of Directors of the Company may deem that it is no longer appropriate to trigger the countermeasure upon receiving recommendations from the Independent Committee. In such case, the gratis allotment of share acquisition rights shall be suspended in the period until the day before the effective date of the said share acquisition rights. If the gratis allotment of share acquisition rights has already taken place, in the period until the day before the start date of the exercise period, triggering of the said countermeasure may be suspended by the Company's acquiring the share acquisition rights without consideration (shareholders will lose the share acquisition rights when the Company acquires them without consideration).

In the event of such suspension of triggering countermeasures, etc., the Company shall disclose such decision in a timely and appropriate manner in accordance with laws and regulations, the listing regulations of the financial instruments exchange on which the Company is listed, and so on.

6. Impact of the Plan on shareholders and investors

(1) Impact of the Large-Scale Purchase Rules on shareholders and investors

The Large-Scale Purchase Rules under the Plan are intended to provide the information necessary for our shareholders to decide whether or not to accept the Large-Scale Purchase as well as the opinions of the Board of Directors currently responsible for management of the Company, and to ensure shareholders have the opportunity to be offered an alternative proposal. As a result, shareholders will be able to make appropriate decisions about whether to accept the Large-Scale Purchase based on sufficient information, which we believe will lead to the protection of the corporate value and thus the common interests of shareholders of the Company. Therefore, we believe that the establishment of the Large-Scale Purchase Rules is a prerequisite for shareholders and investors to make appropriate decisions and contributes to the interests of shareholders and investors.

In addition, as mentioned in 5. above, since the Company's response to the Large-Scale Purchase varies depending on whether the Large-Scale Purchaser adheres to the Large-Scale Purchase Rules, shareholders and investors should keep an eye on the movements of the Large-Scale Purchaser.

(2) Impact on shareholders and investors when countermeasures are triggered

If the Board of Directors of the Company decides to implement any concrete countermeasures as described in 5. above for the purpose of protecting the corporate value and thus the common interests of

shareholders of the Company, it shall disclose such decision in a timely and appropriate manner in accordance with laws and regulations, the listing regulations of the financial instruments exchange on which the Company is listed, and so on.

When a countermeasure is triggered, we do not expect shareholders other than the Large-Scale Purchaser, etc. to suffer any exceptional losses in terms of legal rights or economic aspects. For instance, if gratis allotment of share acquisition rights is implemented as a countermeasure, shareholders as on the allotment date will be allotted share acquisition rights according to the number of shares they hold without paying consideration. When the Company subsequently carries out the procedure of acquiring share acquisition rights with a call provision, there will be no exceptional disadvantage to shareholders other than the Large-Scale Purchaser, etc., because they will receive shares of the Company as consideration for the acquisition of the said share acquisition rights by the Company.

In response to the recommendations from the Independent Committee, the Board of Directors of the Company may decide to cancel the said allotment of share acquisition rights or to acquire the issued share acquisition rights without consideration (shareholders lose the share acquisition rights when the Company acquires them without consideration). In such case, shareholders or investors who have bought or sold shares of the Company based on the assumption that the value of shares of the Company will be diluted may suffer considerable damage due to fluctuations in the stock price.

For the Large-Scale Purchaser, if the Large-Scale Purchase Rules are not adhered to, or if the Large-Scale Purchase Rules are adhered to but the Large-Scale Purchase is deemed to significantly damage the corporate value and thus the common interests of shareholders of the Company, there may be disadvantage in terms of their legal rights or economic aspects as a result of countermeasures being taken. The announcement of the Plan serves as a warning in advance, so that the Large-Scale Purchaser will not violate the Large-Scale Purchase Rules.

(3) Procedures that shareholders need to take in line with triggering of countermeasures

If, for instance, gratis allotment of share acquisition rights is implemented as a countermeasure, shareholders as on the allotment date will receive the allotment of share acquisition rights without needing to apply for subscription. If the Company conducts the procedure of acquiring share acquisition rights with a call provision, shareholders will receive shares of the Company as consideration for the acquisition of share acquisition rights by the Company without paying cash equivalent to the exercise price of the share acquisition rights. Therefore, no procedures such as applications or payments will be required for the said share acquisition rights. However, in this case, the Company may request the shareholders who will receive the allotment of share acquisition rights to separately submit a document in the format specified by the Company to pledge that they are not the Large-Scale Purchaser, etc.

The decision on the details of these procedures will be disclosed in a timely and appropriate manner in accordance with laws and regulations, the listing regulations of the financial instruments exchange on which the Company is listed, and so on when an actual gratis allotment of share acquisition rights is decided to be conducted.

7. Start of application, validity period, continuation and abolition of the Plan

The Plan shall come into effect on the same day as the resolution of this General Meeting of Shareholders, and the validity period shall be from the conclusion of this General Meeting of Shareholders to the conclusion of the 96th Ordinary General Meeting of Shareholders scheduled to be held in June 2025.

In addition, even after the continuation of the Plan is approved at this General Meeting of Shareholders and the Plan comes into effect, if (1) a resolution to abolish the Plan is passed at the

Company's general meeting of shareholders, or (2) a resolution to abolish the Plan is passed by the Board of Directors composed of Directors elected at the Company's general meeting of shareholders, the Plan shall be abolished at the time of the resolution.

Furthermore, even during the validity period of the Plan, the Board of Directors of the Company will, as required, review the Plan from the perspective of improving corporate value and thus the common interests of shareholders, and may make amendments to the Plan after obtaining approval at the Company's general meeting of shareholders. If the Board of Directors of the Company decides to continue, amend, or abolish the Plan, etc. as such, the Company will promptly announce the details of such decisions.

Even during the validity period of the Plan, the Board of Directors of the Company may revise or amend the Plan after obtaining approval of the Independent Committee as necessary, as long as doing so will not cause any disadvantage to shareholders. Such cases include when laws and regulations, the rules of the financial instruments exchange, etc. relating to the Plan have been newly established, revised or abolished, making it appropriate to reflect such new establishment, revision or abolition, or when it is appropriate to revise the wording for reasons such as typos and omissions.

IV. Rationality of the Plan (the Plan follows the basic policy on control of the Company, is in line with the corporate value and thus the common interests of shareholders of the Company, and is not intended for maintaining the positions of the Company's corporate officers)

(1) The Plan meets the requirements of guidelines on takeover defense measures

The Plan satisfies the three principles (principle of protecting and enhancing corporate value and shareholders' common interests, principle of prior disclosure and shareholders' will, and principle of ensuring the necessity and reasonableness of defensive measures) set forth in the "Guidelines Regarding Takeover Defense for the Purposes of Ensuring and Enhancing Corporate Value and Common Interests of Shareholders" published by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005.

In addition, the Plan also takes into account the content of the "Takeover Defense Measures in Light of Recent Environmental Changes," a report published on June 30, 2008 by the Corporate Value Study Group established within the Ministry of Economy, Trade and Industry as well as that of "Principle 1.5 Anti-Takeover Measures" in the "Corporate Governance Code" published on June 1, 2015 by the Tokyo Stock Exchange (revised on June 11, 2021).

(2) The Plan is to be continued with the aim of securing and improving the common interests of shareholders

As described above in III. 1. "Purpose of the Plan," the Plan is to be continued with the intention of allowing shareholders to decide whether to accept the Large-Scale Purchase of shares of the Company when it happens, or securing the information and time necessary for the Board of Directors of the Company to present an alternative proposal and enabling negotiations, etc. with the Large-Scale Purchaser for the benefit of shareholders, thereby securing and improving the corporate value and the common interests of shareholders of the Company.

(3) The Plan respects the will of shareholders

The Plan will come into effect upon approval of shareholders at this General Meeting of Shareholders. The Company plans to ask shareholders' will regarding the Plan at this General Meeting of Shareholders, and as such, the will of shareholders will be respected regarding the Plan's continuation.

Moreover, after the Plan is continued, if a resolution to abolish the Plan is passed at the Company's general meeting of shareholders, the Plan will be abolished at the time of the resolution, even if it occurs before the expiration of the validity period. Therefore, the will of shareholders will be respected.

(4) The Plan is not a dead-hand or a slow-hand takeover defense measure

As described above in III. 7. "Start of application, validity period, continuation and abolition of the Plan," the Plan may be abolished by the Company's Board of Directors consisting of Directors elected at the Company's general meeting of shareholders. It is possible for a person who intends to purchase a large number of shares of the Company to nominate Directors at the Company's general meeting of shareholders and abolish the Plan via the Company's Board of Directors consisting of such Directors. Therefore, the Plan is not a dead-hand takeover defense measure (a takeover defense measure where triggering cannot be prevented even if a majority of the Board of Directors are replaced). In addition, since the Company does not adopt a staggered terms system, the introduction of the Plan does not have the effect of a slow-hand takeover defense measure (a takeover defense measure where it takes time to prevent triggering of such measure as it is not possible to change all members of the Board of Directors at once).

(5) The Plan values the decisions of highly independent outside individuals

As described above in III. 5. "Response policy for the Large-Scale Purchase," the decision to trigger countermeasures under the Plan will be made upon consulting with the Independent Committee, which comprises members independent of the management team who executes the Company's operations, and respecting the recommendations of the Independent Committee to the fullest extent. As such, procedures for ensuring the transparent operation of the Plan have been secured so as to contribute to the corporate value and thus the common interests of shareholders of the Company.

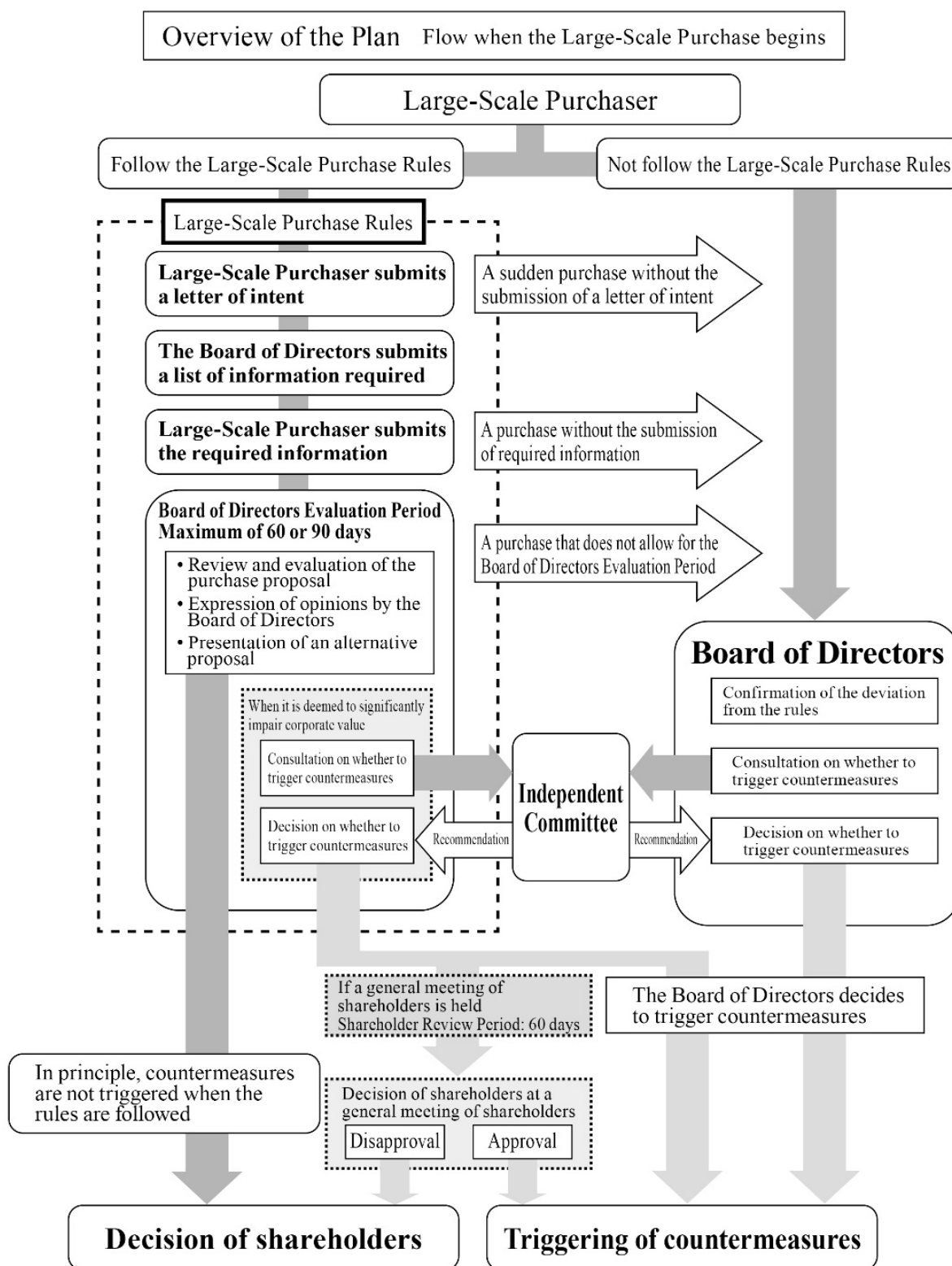
Status of Shares of the Company (As of March 31, 2022)

- (1) Total number of shares authorized to be issued 100,000,000 shares
- (2) Total number of shares issued 30,580,000 shares
- (3) Number of shareholders 3,018 persons
- (4) Major shareholders (Top ten largest shareholders)

Name of shareholder	Status of investment in the Company	
	Number of shares held (thousand shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	2,903	9.80
Mizuho Bank, Ltd.	1,303	4.40
The Hokuriku Bank, Ltd.	1,303	4.40
The Ogaki Kyoritsu Bank, Ltd.	1,229	4.15
Matsui Kensetsu Employee Shareholding Association	1,050	3.55
Matsui Kosan Co., Ltd.	935	3.16
Matsui Kensetsu Business Partner Shareholding Association	900	3.04
Matsui Kakuhei Memorial Foundation	850	2.87
Custody Bank of Japan, Ltd. (Trust account)	804	2.72
Mizuho Trust & Banking Co., Ltd.	764	2.58

(Notes) 1. The Company holds 959,138 treasury shares, but it is excluded from the above list of major shareholders.

2. The shareholding ratio is calculated after deducting the number of treasury shares.



(Note) The above diagram is an illustration of a typical procedural flow for the purpose of contributing to understanding of the Plan and does not necessarily show all procedures. For more details, please refer to the main text.

Overview of the Independent Committee Regulations

1. Members

The Independent Committee shall have a minimum of three members appointed by the Board of Directors, consisting of Outside Directors and Outside Audit & Supervisory Board Members of the Company as well as outside experts (persons who have never been Directors, accounting advisors, executives, managers or other employees of the Company or its subsidiaries in the past, and who are corporate managers with extensive management experience, well-acquainted with investment banking operations, lawyers, certified public accountants, academic experts whose main research subject is the Companies Act, etc., or those equivalent to such persons). The term of office of each member shall expire at the conclusion of the ordinary general meeting of shareholders for the fiscal year ending within three years after the date of election, and the reappointment of members shall not be prevented.

2. Requirements for resolutions

In principle, the Independent Committee's resolutions shall be passed by the presence of all members of the Independent Committee and the majority of their votes. However, in the case where not all members of the Independent Committee are able to attend, the Independent Committee's resolutions shall be passed by the presence of a majority of the Independent Committee and the majority of their votes.

If a resolution of the Independent Committee cannot be passed due to a tie, the Independent Committee shall report to the Board of Directors that the resolution has not been passed.

3. Other authority and responsibility regarding resolutions

If the Board of Directors consults the Independent Committee regarding the matters described in the following items, the Independent Committee shall have the authority and responsibility to determine its own opinions upon reviewing the matters and to make recommendation or give advice to the Board of Directors on the details and grounds of its decisions. In fulfilling the above responsibility, each member of the Independent Committee shall bear a duty of care to the Company and be required to determine his or her own opinions from the perspective of whether the decision contributes to the corporate value and common interests of shareholders of the Company. Furthermore, the purpose of determining own decisions must not be to exclusively serve the personal interests of themselves or Directors. In determining its own opinions, the Independent Committee must endeavor to collect necessary and sufficient information to ensure appropriate decisions and may obtain advice from independent external experts, etc. with expenses paid for by the Company.

- (1) The Large-Scale Purchase's applicability to the Large-Scale Purchase Rules
- (2) The Required Information that the Large-Scale Purchaser should provide to the Board of Directors
- (3) Whether the information submitted by the Large-Scale Purchaser meets the criteria of the Required Information

- (4) Review of the alternative proposal to the Large-Scale Purchase presented by the Company
- (5) Issuance (including gratis allotment) or non-issuance of share acquisition rights
- (6) Maintenance, reevaluation, and abolition of the Large-Scale Purchase Rules
- (7) Necessity of triggering countermeasures and content of countermeasures
- (8) Necessity of establishing the Shareholder Review Period in triggering countermeasures
- (9) Other matters on which the Board of Directors should make decisions and has decided to consult the Independent Committee for its opinions in relation to the Large-Scale Purchase Rules, share acquisition rights and the Large-Scale Purchase

Names and Career Summaries of Independent Committee Members

The following three persons are scheduled to be members of the Independent Committee after the Plan is continued.

[Name]	Yuko Suzuki
[Career summary]	Date of birth: July 22, 1982
	January 2010 Tokyo Lead Law Office (current position)
	February 2010 Registered as an attorney-at-law
	June 2015 Outside Audit & Supervisory Board Member, the Company
	June 2019 Outside Director, the Company (current position)
[Name]	Yuzo Morita
[Career summary]	Date of birth: September 9, 1960
	April 1985 Joined The Ogaki Kyoritsu Bank, Ltd.
	June 2013 Director and General Manager of Branch Banking Division, The Ogaki Kyoritsu Bank, Ltd.
	June 2018 Managing Director and General Manager of Head Office Business Division, The Ogaki Kyoritsu Bank, Ltd.
	June 2021 Representative Director and President, Showa Shoji Co., Ltd. (current position)
[Name]	Hideyoshi Fujino
[Career summary]	Date of birth: October 11, 1959
	April 1978 Joined the Tokyo Regional Taxation Bureau
	July 2019 Chief Examiner, Second Large Enterprise Examination Department, Tokyo Regional Taxation Bureau
	August 2020 Registered as a certified tax accountant
	September 2020 Established Fujino Hideyoshi Certified Tax Accountant Office
	April 2022 Part-time Audit & Supervisory Board Member, JFE Pipeline Engineering Corporation (current position)

* Ms. Yuko Suzuki, Mr. Yuzo Morita and Mr. Hideyoshi Fujino will be Outside Directors of the Company as stipulated in Article 2, Item 15 of the Companies Act if they are elected as Directors at this Ordinary General Meeting of Shareholders.

* The Company has registered Ms. Yuko Suzuki as an independent officer with the Tokyo Stock Exchange as stipulated in the listing regulations of the said exchange. In addition, the Company plans to register Mr. Yuzo Morita and Mr. Hideyoshi Fujino as independent officers if they are elected as Directors at this Ordinary General Meeting of Shareholders.

Overview of Gratis Allotment of Share Acquisition Rights

1. Shareholders eligible for gratis allotment of share acquisition rights and the conditions of issuance

Shareholders recorded in the final shareholder registry on the allotment date specified by the Board of Directors of the Company shall be allotted share acquisition rights without needing to pay any consideration, at a ratio of one unit of share acquisition right per share of common stock of the Company they hold (excluding shares of common stock of the Company held by the Company).

2. Type and number of shares to be issued upon exercise of share acquisition rights

The type of shares to be issued upon exercise of share acquisition rights shall be common stock of the Company. The total number of shares to be issued upon exercise of share acquisition rights shall be up to a number derived by subtracting the total number of issued shares of common stock of the Company (excluding shares of common stock of the Company held by the Company) from the total number of shares authorized to be issued by the Company on the date specified by the Board of Directors of the Company as the record date. The number of shares to be issued upon exercise of each unit of share acquisition right shall be a number separately determined by the Board of Directors of the Company. However, if the Company conducts a stock split or stock consolidation, necessary adjustments shall be made.

3. Total number of share acquisition rights to be issued

The total number of share acquisition rights to be issued shall be a number separately determined by the Board of Directors of the Company. The Board of Directors of the Company may conduct the allotment of share acquisition rights across several times.

4. Amount of assets to be contributed upon exercise of each share acquisition right (amount to be paid)

The amount of assets to be contributed upon exercise of each share acquisition right (amount to be paid) shall be one (1) yen or more as determined by the Board of Directors of the Company.

5. Transfer restrictions of share acquisition rights

The acquisition of share acquisition rights through transfer is subject to approval of the Board of Directors of the Company.

6. Conditions for the exercise of share acquisition rights

The conditions for exercise shall stipulate that a person belonging to a specified shareholder group with a voting rights ratio of 20% or more (excluding those who have obtained the consent of the Board of Directors of the Company in advance) may not exercise share acquisition rights. The details shall be separately determined by the Board of Directors of the Company.

7. Exercise period of share acquisition rights, etc.

The Board of Directors of the Company shall separately determine the date on which the allotment of share acquisition rights takes effect, the exercise period, a call provision, and other necessary matters. Regarding a call provision, the Company may set forth a provision allowing the Company to acquire the share acquisition rights held by persons other than those who are not permitted to exercise share acquisition rights due to the exercise conditions described in 6. above and to deliver the number of shares of common stock of the Company separately determined by the Board of Directors of the Company for each unit of share acquisition right. However, the Company does not expect to deliver cash as consideration for the acquisition of share acquisition rights held by those who are not permitted to exercise share acquisition rights.