[Translation]

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To whom it may concern:

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Notice Concerning Commencement of Tender Offer for Share Certificates of THE NIPPON ROAD CO., LTD. (Securities Code: 1884)

Shimizu Corporation (the "Company" or the "Tender Offeror") hereby announces that it resolved as follows at its board of directors meeting held today to acquire the shares of the common stock of THE NIPPON ROAD CO., LTD. (securities code: 1884, First Section of Tokyo Stock Exchange, Inc. (the "Tokyo Stock Exchange"); the "Target") (the "Target Shares") through tender offer (the "Tender Offer") under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "Act").

1. Purpose of Tender Offer

(1) Outline of the Tender Offer

As of today, the Company is the largest shareholder owning 2,183,400 Target Shares listed on the First Section of the Tokyo Stock Exchange (number of voting rights: 21,834; ownership ratio (Note 1): 24.84%), and the Target is its equity method affiliate.

(Note 1) "Ownership ratio" means the ratio of the relevant Target Shares (rounded to the nearest hundredth; hereinafter the same applies with respect to the description of the ownership ratio, unless otherwise provided) to the number of shares (8,789,501 shares) remaining after subtracting the number of treasury shares owned by the Target as of December 31, 2021 (972,117 shares) from the total number of issued shares of the Target as of December 31, 2021 (9,761,618 shares), both as stated in the "Consolidated Financial Report [Japanese GAAP] for the third quarter of the fiscal year ending March 2022" published by the Target on February 9, 2022 (the "3Q Financial Results"). Hereinafter the same applies with respect to any reference to ownership ratio. According to the "Notice of Position Statement regarding the Scheduled Commencement of the Tender Offer by Shimizu Corporation" published by the Target on February 9, 2022 (the "Target's Press Release"), at the Target's board of directors meeting held on the same day, the Target resolved that it will cancel all of the treasury shares that it holds as of the same day on March 31, 2022, subject to the consummation of the Tender Offer (however, if the period of the purchase, etc. (the "Tender Offer Period") is extended, the Target will cancel all of the treasury shares that it holds at that time within 10 days from the settlement commencement day of the Tender Offer and it will leave the decision concerning the specific timing of the cancellation up to its representative director) (the cancellation of the treasury shares is hereinafter referred to as the "Treasury Share Cancellation"); since the Treasury Share Cancellation is subject to the consummation of the Tender Offer and the Treasury Share Cancellation will not be effective during the Tender Offer Period, the number of treasury shares to be cancelled through the Treasury Share Cancellation was not taken into consideration in the calculation of the ownership ratio. The same applies to the statement of the number of treasury shares of the Target.

In order to make the Target its consolidated subsidiary, the Company decided to implement the Tender Offer to acquire the Target Shares at its board of directors meeting held today.

Considering that the purpose of the Tender Offer is to make the Target a consolidated subsidiary, and Target Shares will remain listed after the Tender Offer, the maximum and minimum planned purchase quantity are set at 2,220,200 shares (ownership ratio: 25.26%) as the minimum level that is generally required by the Company to make the Target its consolidated subsidiary, so that the Company will own a majority of the ownership ratio after consummation of the Tender Offer. The number of Target Shares the Company will own after purchasing the Target Shares through the Tender Offer will be 4,403,600 shares (ownership ratio: 50.10%).

If the total number of share certificates tendered in the Tender Offer (the "Tendered Share Certificates") is less than the minimum planned purchase quantity (2,220,200 shares), the Company will purchase none of the Tendered Share Certificates. If the total number Tendered Share Certificates exceed the maximum planned purchase quantity (2,220,200 shares), the Company will not purchase all or part of the excess portion; delivery and other settlements for the purchase of the shares will be conducted pursuant to the pro rata method provided in Article 27-13(5) of the Act and Article 32 of the Cabinet Office Order on Disclosure Required for Tender Offer for Share Certificates by Persons Other than Issuers (Ministry of Finance Order No. 38 of 1990, as amended (the "Cabinet Office Order").

According to the Target's Press Release, at the Target's board of directors meeting held on February 9, 2022, the Target resolved that it will express an opinion to support the Tender Offer and considering the Target Shares will remain listed after the Tender Offer and it is sufficiently reasonable for the Target shareholders to choose to continue to own the Target Shares even after the Tender Offer, it will leave the decision up to the Target shareholders as to whether to tender in the Tender Offer.

For details on the decision-making process of the Target's board of directors, please refer to the Target's Press Release as well as "(VI) Approval of all directors of the Target without interests and opinion of all auditors of the Target without interests that they have no objections" under "(3) Measures to ensure the fairness of the Tender Offer, including the measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest" below.

(2) Background, purpose, and decision-making process for the decision to implement the Tender Offer, and post-Tender Offer management policy

(I) Background, purpose, and decision-making process for the decision to implement the Tender Offer

The Company was founded in 1804, when Kisuke Shimizu I, who was a carpenter from Etchu (now Toyama Prefecture) launched a carpentry business in the Kanda Kajicho district of Edo (now Tokyo). The business was converted into and established as a company, "Goshi Kaisha Shimizu Gumi", in October 1915. Subsequently, Shimizu Gumi, Ltd. was established in August 1937 and merged with Goshi Kaisha Shimizu Gumi in November 1937, and was renamed "Shimizu Kensetsu Kabushiki Kaisha" (Shimizu Corporation), its current trade name, in February 1948. The Company's shares were listed on the OTC market in Tokyo in April 1961; on the Second Section of the Tokyo Stock Exchange in October 1961; on the First Section of the Tokyo Stock Exchange in February 1962; and on the First Section of Nagoya Stock Exchange, Inc. and Osaka Securities Exchange Co., Ltd. (currently integrated into the Tokyo Stock Exchange) in October 1962 respectively.

As of today, the Company comprises a corporate group consisting of the Company, 74 subsidiaries, and 15 affiliates (including the Target) (such corporate group hereinafter referred to as the "Company

Group"). Eiichi Shibusawa, a businessperson who was devoted to establishing and fostering numerous companies and laid the foundation for the industrial economy of modern Japan from the end of the Edo period to the beginning of the Showa period, was invited to be an advisor to our company in 1887. The Company holds his work "The Analects and the Abacus," which expresses his worldview of economics united with ethics, to be management foundation, as our credo. The Company engages in: construction business, including domestic and overseas construction and civil engineering; and non-construction business, including real estate development, engineering, LCV (Note 1), and emerging frontier business (Note 2).

(Note 1) "LCV business" stands for the Life Cycle Valuation business to provide high quality technology and services to maximize the value of facilities and infrastructure throughout their lifecycle, which involves providing comprehensive services and solutions which include participation and investment in businesses by using renewable energy and IoT, etc. to meet customer needs.

(Note 2) "Frontier business" means a business that involves business development in promising markets such as space, ocean, and harmony with nature, as well as venture investment in next-generation technologies.

In its long-term vision "SHIMZ VISION 2030" formulated in 2019 and published on May 10, 2019, the Company Group adopted as its goal to be a "Smart Innovation Company" by 2030, by creating new value (so called "Smart Innovation") and contributing to a safe, healthy and sustainable future for everyone through continual transformation and taking on challenges beyond the construction business while co-creating with a diverse range of partners. In particular, the Company Group aims to create new value through the integration of three innovations: "Business Structure Innovation," which involves diversifying business models, accelerating global expansion, and improving group management capabilities; "Technology Innovation," which involves developing advanced technology to respond to changes in the future society, industry and infrastructure and accelerating construction process technology development to increase its competitive edge; and "Talent Innovation," which involves promoting working style reforms that will enable diverse talent to thrive, and building knowledge/expertise through co-creation with others. Furthermore, the Company Group aims to contribute to the SDGs (Note 3) by providing the following three values: realizing a resilient (strong, flexible, and restorative) society, where everyone can feel safe and secure; realizing an inclusive society (i.e., everyone can join as a member thereof), where all people can live together in comfort and health; and realizing a sustainable society (i.e., where conservation of the global environment and sustainable development is possible), where future generations can inherit a well-cared for environment.

(Note 3) "SDGs" stands for Sustainable Development Goals, which refer to the common goals in the international community to realize a sustainable society.

In order to realize "SHIMZ VISION 2030," the Company Group published the Mid-Term Management Plan (2019-2023) for the period from FY2019 to FY2023 (the "Mid-Term Management Plan Period") on May 10, 2019: "Our aim is sustainable growth of the company's value. We will maintain profit levels while responding swiftly to changes in the external environment. We are positioning the next five years as an upfront investment period to establish new earnings platforms." As its basic policy, the Company Group will aim to enhance its corporate value by "deepening and evolving the construction business," "establishing earnings platforms for the non-construction business," and "strengthening the management foundation to support growth," as well as "accelerating global expansion" and "promoting ESG management."

In particular, in the core business of construction and civil engineering, the Company Group aims to reinforce sales, design, and construction organizational capabilities, promote technological development to improve productivity and profitability, and strengthen alliances with external companies in order to strengthen initiatives for large-scale projects and diverse projects that meet changing customer needs and expand business domains. Furthermore, in the overseas construction business, the Company Group aims to strengthen profitability through a strategy of differentiation and diversification based on the Group's proposal and technical capabilities derived from its comprehensive strengths.

In the non-construction business, the Company Group will utilize its technological capabilities and management know-how cultivated in the construction and civil engineering businesses to promote expansion of its business domain/area in the real estate development business; promote expansion of its EPC (Note 4) business by further strengthening its sales capability, competitiveness, and profitability in the four core fields of new energy, soil environment, plant facilities, and information solutions in the engineering business; and promote expansion of its BSP (Note 5) business by providing comprehensive service solutions in the LCV business, thereby steadily improving profitability and aiming to establish earnings platforms.

(Note 4) "EPC" stands for Engineering, Procurement, and Construction, and "EPC business" refers to the business of undertaking construction work as an integrated project from design to construction.

(Note 5) "BSP" stands for Building Service Provider, and "BSP business" refers to the business of providing facility operation and management services after construction is completed.

Furthermore, the Company Group promotes intellectual property strategies, including development of research facilities, and talent development, in order to strengthen the management foundation that supports growth. In particular, as a base to stimulate open innovation, the Company Group is constructing "Shiomi Innovation Center (tentative name)" in Koto-ku. The Company Group is also deliberating and implementing various initiatives to realize a flexible and speedy group management that enables diverse business development, such as the construction of "MEBKS TOYOSU and MICHI-TERRACE TOYOSU," which demonstrates new urban development by introducing work styles making use of digital platforms, and the opening of "Takumi Training Center," an education and training facility to strengthen and expand the structure to support reliable production and construction by securing and developing construction engineers that will lead the next generation.

The Company positions the Mid-Term Management Plan Period as "an upfront investment period to establish new earnings platforms in its aim to realize the long-term vision" as stated above, and aims to achieve total sales of 1.88 trillion yen, and ordinary profit of 140 billion yen in FY2023, the final year of the plan. Furthermore, the Company Group has set its financial KPI (Note 6) as follows: return on equity (ROE), 10% or higher, equity ratio, 40% or higher, debt-equity ratio (D/E ratio), 0.7 times or less, and dividend payout ratio: 30% or higher. The actual performance for the fiscal year ended March 2021 achieved a total sales of 1,456.4 billion yen, ordinary profit of 105.4 billion yen, return on equity (ROE) of 10.0%, equity ratio of 42.7%, debt-equity ratio (D/E ratio) of 0.5 times, and dividend payout ratio of 29.7%. Although the business environment surrounding the Company has changed since the formulation of this mid-term management plan, the Company is working on necessary measures such as investments for growth in order to realize its long-term vision and achieve the goals of the medium-term management plan.

(Note 6) "KPI" stands for Key Performance Indicator, and refers to an indicator to evaluate a company's performance. "Financial KPI" means the KPI which referred to financial accounting data.

The Target was established in March 1929 as Nippon Bichumarusu Hoso Kogyou Kabushiki Kaisha, and renamed Nippon Doro Hoso Kabushiki Kaisha in February 1932 and then THE NIPPON ROAD Co., Ltd. in June 1947. Its shares were listed on the Second Section of the Tokyo Stock Exchange in October 1961; the shares underwent a designation change to the First Section of the Tokyo Stock Exchange in August 1971; and was then listed on the First Section of Osaka Securities Exchange, Inc. (currently integrated into the Tokyo Stock Exchange) in October 1971.

Regarding the capital relationship between the Company and the Target, the Company acquired 51,000 Target Shares (ownership ratio at that time (Note 7): 25.50%) due to the Target's capital increase in March 1954 and subsequently accepted the Target's capital increases and capital increases through allotment of the Target Shares without contribution 19 times from July 1956 to April 1972, and thereby it acquired 8,272,320 Target Shares in total, and came to own 8,323,320 shares (ownership ratio at that time: 20.81%) in April 1972. However, from April to September 1972, the Company sold 1,000,000 shares, and the Target Shares that it owned decreased to 7,323,320 shares (ownership ratio at that time: 18.31%) in September 1972. Subsequently, from September 1972 to January 1989, the Company continued acquiring the Target Shares by accepting the Target's capital increases and capital increases through allotment of the Target Shares without contribution 24 times to acquire 11,410,480 Target Shares in total, and came to own 18,733,800 shares (ownership ratio at that time: 20.78%) in January 1989. Furthermore, the Company converted the convertible bonds with share options that it held at that time on February 3, 1989 and August 20, 1990, to acquire 885,739 shares and 2,214,839 shares, respectively, and consequently, came to own 21,834,378 shares (ownership ratio at that time: 22.40%) on August 20, 1990. The Company sold 378 shares of shares less than one unit (the number of shares in a share unit of the Target at that time was 1,000 shares) in November 2006 and the number of Target Shares that it owned decreased to 21,834,000 shares (ownership ratio at that time: 22.99%). On October 1, 2017, the Target implemented a share consolidation to consolidate 10 shares to 1 share of the Target Shares, and as a result, the number of Target Shares that the Company owns as of today is 2,183,400 shares (ownership ratio: 24.84%).

(Note 7) "Ownership ratio at that time" means the ratio of the relevant Target Shares (rounded to the nearest hundredth; hereinafter the same applies with respect to the description of the ownership ratio, unless otherwise provided) to the number of shares remaining after subtracting the number of treasury shares owned by the Target as of the end of the fiscal year that includes the date of such acquisition or holding from the total number of issued shares of the Target as of the end of the fiscal year that includes the date of such acquisition or holding. The Target did not own treasury stock prior to FY2003. The same applies to the statement of the ownership ratio.

Since its establishment, the Target has been establishing a network of bases, and, as of today, has 10 domestic branches; sales offices, and sub-branch offices in 101 locations; mixture centers, mixing plants, emulsion plants, and recycling plants in 89 locations in Japan; and a foreign sales office in Myanmar.

Furthermore, as of today, the Target comprises a corporate group consisting of the Target, 44 subsidiaries, 7 affiliates, and one related company (such corporate group hereinafter referred to as the "Target Group"). As a company that contributes to the creation of a sustainable society through "road building" and "town building," the Target engages in the construction business (business related to paving, civil engineering, construction work, and other general construction work), manufacturing and sales business (business related to the manufacturing, sales, and recycling of asphalt mixtures, emulsions, and other paving materials), and leasing and other businesses (such as leasing of automobiles and office equipment).

Considering that (i) while demands in anticipation of the Osaka Kansai EXPO and demands for maintenance and repair construction are solid, orders of construction from governments cannot be expected to increase steadily, (ii) the Target Group has challenges in its "capacity in field," i.e., construction systems, purchasing power, and management capability, and the operating profit ratio of the Target Group is low compared to its major eight competitors, (iii) the Target Group needs to improve its labor productivity and efficiency in order to aim for sustainable development, (iv) a thorough safety-first policy that prioritizes respect for human life is required in the construction industry where a relatively large number of industrial accidents occur, (v) while ESG (Note 8) management is attracting attention globally, the Target Group intends to promote ESG management, and (vi) the Target has been repeatedly subject to administrative dispositions due to its violation of the Act on Prohibition of Private

Monopolization and Maintenance of Fair Trade (Act No. 54 of 1947, as amended; the "Anti-Monopoly Act"), in its "Mid-term Management Plan 2019" that it formulated on May 14 2019, the Target identified key issues and specific measures to address them in order to enhance corporate value, including (i) "increasing orders from the private sector," (ii) "improving operating profit," (iii) "promotion of work style reforms," (iv) "setting safety and hygiene targets," (v) "setting environmental targets," and (vi) "thorough compliance." Along with investments in growth of 40 billion yen (cumulative total for the period), mainly to secure manufacturing and sales bases in urban areas, the Target is also aiming to "build a stable management foundation rather than growth" in response to work style reforms.

(Note 8) "ESG" are the initials for Environment, Social, and Governance, which refers to the three perspectives necessary for the long-term growth of a company.

The Target aims to achieve total sales of 164 billion yen, sales profit of 10 billion yen, and net income attributable to shareholders of the parent company of 6.5 billion yen, return on equity (ROE) 6.7%, and dividend payout ratio 30.0% in FY2023 (the fiscal year ending March 2024), the final year of the current mid-term management plan.

Regarding the progress, for the fiscal year ended March 2021, which is the most recent fiscal term, due to benefits from an increase in construction sales and stable crude-oil prices, net income attributable to shareholders of the parent company was 7.5 billion yen, while the forecast at the beginning of the year was 5.4 billion yen, which was the highest income ever. Regarding the forecast for the full fiscal year ending March 2022, while the forecast at the beginning of the year published on May 14, 2021: sales of 158 billion yen, operating profit of 8.8 billion yen, ordinary profit of 9 billion yen, net income attributable to shareholders of the parent company of 6 billion yen was affected by soaring crude-oil prices, sales and profit will be within the range of ±10% and ±30%, respectively, and the earnings will not be revised. For FY2023, which is the last fiscal term of the Mid-term Management Plan, the earnings outlook for the fiscal year ending March 2022 is on the border of achieving the Mid-term Management Plan targets, and while sales profit of the manufacturing and sales business could be lower than the expectation of the plan due to soaring crude-oil prices, sales profit of the construction business will be expected to be higher than the expectation of the plan; accordingly, both businesses together will be expected to achieve the sales profit as planned.

However, considering the business environment of the domestic road paving industry in which the Target Group is operating, according to the "Construction Economy Report (March 2021)" published by Research Institute of Construction and Economy, while private investment in construction (construction and engineering) is expected to continue on a gradual recovery track due to improved corporate earnings since the Covid-19 pandemic, with declining tax revenue due to a shrinking population and increasing social security costs due to an aging society, the financial situation of the national and local governments will become even more severe. Under such circumstances, it is believed that public investment will continue to decline and that domestic construction demand is unlikely to expand in the medium to long term. In addition, future trends are believed to be increasingly uncertain in the manufacturing and sales business, mainly asphalt mixtures and emulsions, as a price increase of raw materials such as crude oil may result in higher manufacturing costs, which in turn may put pressure on business earnings.

Furthermore, according to the "Construction Economy Report (March 2021)" published by the Research Institute of Construction and Economy, in the entire construction industry, there is a growing demand for increased productivity and labor-saving measures through digitalization and the introduction of robots in order to maintain production, in response to the ever-increasing shortage of engineers and skilled workers due to the decline in the working-age population. As the same environmental changes occur in the domestic road paving industry as well, it is expected that the conventional values will change to pursue improved and more efficient productivity, and it is urgent that the Target Group respond to these changes. Furthermore, in recent years, corporate responsibility to various stakeholders, such as thorough compliance with the Anti-Monopoly Act, promotion of ESG management, and contribution to the achievement of SDGs, has increased and the Company recognizes that these have become apparent as a material issue to be addressed by the industry as a whole.

As stated above, the Company considered measures to enhance the Company Group's corporate value based on all possibilities to realize "SHIMZ VISION 2030." As a result of such consideration, the Company came to believe that if the Company strengthens the capital relationship with the Target, which has a wider range of businesses among its affiliates in the Company Group, such as construction business, manufacturing and sales business, and leasing and other businesses, it can expect larger-scale synergies described in "[Measures and synergies through the establishment of a collaborative relationship after the Tender Offer]" below, through the Company Group and the Target Group by further sharing management know-how and resources and technological capabilities and exchanging human resources. Moreover, in addition to such synergies, the strengthening of both companies' joint research and development system will create new business opportunities in both the Company Group and the Target Group. Realizing these goals will enable the Company Group and the Target Group to expand the business base in the mid to long term and realize further growth; and therefore, the Company came to believe that this will greatly enhance the corporate value of the Company Group and the Target Group, a member of the Company Group in Mid-October 2021.

To be specific, by the Company acquiring a majority of the Target Shares, and making the Target its consolidated subsidiary, the Target's position as a member of the Company Group will be much clearer and the relationship between the Company and the Target will be stronger. By strengthening sales to private sector customers by utilizing the Company's sales network, and further promoting joint technology development, the road paving business, the Target's core business will be strengthened. In addition, it is believed to be necessary for the Target to broaden to new business domains by expanding its business of developing a new town, such as a smart city, and overseas infrastructure, utilizing the Company's management know-how. The Target expects that construction for governments will soar in the future, and it plans to expand receipt of orders mainly in urban areas in which construction projects are concentrated; in light of the above, utilizing the Company's sales networks will be effective.

Moreover, in the manufacturing and sales business of the Target, mainly of asphalt mixtures and emulsions, utilizing the Company's management resources to upgrade and enhance the manufacturing facilities to further strengthen business will result in a reduction of manufacturing costs, an improvement in quality, and protection of the environment, making it possible to secure manufacturing and sales volume. The Company believes that the Company and the Target further strengthening collaboration will enable the Target to introduce and develop new technologies using the latest information and communication technologies in the Company's civil engineering business, strengthen efforts to secure and train engineers in the road paving business, improve the workplace environment by reforming work styles, promote ESG management, and strengthen compliance and governance. Meanwhile, the Company believes that this will also enable it to expand receipt of orders through collaboration with the Target and rationalize both companies' joint research and development system.

However, the Company found that in order for the Target to implement these measures, it is necessary to strengthen the relationship between the Company and the Target, but under the current situation in which the Target remains the Company's equity method affiliate, there are constraints on the sharing of customer information and technical information, and collaboration between both companies will remain within a business unit and a collaborative relationship will not be built at the management level, and thus, it is difficult to share with the Target the Company's management know-how and management resources sufficiently to contribute to the Target's growth, and there is a limit in strengthening the road paving business, the Target's core business, expanding business domains, and further enhancing its corporate value. Therefore, in mid October 2021, the Company reached the conclusion that making the Target one of the Company's consolidate subsidiaries would probably contribute to the Target's sustainable growth through the Company and the Targets' building a close cooperative relationship, mutually complementing and effectively utilizing management resources, and sharing training and educational know-how to support sales, exchange human resources and train engineers, and, in turn, that it would also lead to enhancement of the corporate value of the entire Company Group. In order to prepare for implementation of the Tender Offer, the Company appointed Nomura Securities Co., Ltd. (“Nomura Securities”) as an independent third-party valuation organization and its financial advisor in late October 2021, and Nishimura & Asahi as its legal advisor in early November, respectively.

With such view, on November 15, 2021, the Company sent a written proposal to the Target regarding a strengthening of the capital relationship with the Target and deepening of their business cooperation and collaboration; and on the same day, the Target expressed its intention to positively consider the offer. Accordingly, in and after early December 2021, the Company exchanged multiple opinions with the Target based on the outlook for the long-term business environment.

In addition, with respect to the condition of the domestic road paving industry, the Target understands that the external environment will not change over the next five years (until FY2025) due to the government’s “Five-year Acceleration Measures for Disaster Prevention, Disaster Reduction, and Strengthening of National Resilience” formulated on December 11, 2020, and the Target’s performance is likewise foreseeable for the next five years to a certain extent. However, with respect to trends in 10 to 20 years, the Target understands that public investment will continue to decline as the financial situation of Japan will become even more severe in the future due to the falling birthrate and an aging population. The Target also recognizes that the technological innovation to respond to the uncertainty in the status of the rising material costs and a shrinking working-age population due to a falling birthrate and an aging population is urgently needed, and, further, improvement of the workplace environment and promotion of ESG management through thorough compliance and work style reforms in line with the current social trends are needed.

Moreover, during the process of multiple exchanges of opinions as above, including the Company making the Target its consolidated subsidiary, under the current circumstance where the Company’s ownership ratio of the Target Shares is 24.84%, although the Target considers itself already a member of the Company Group, the Target concluded that its position as a group company will be clearer and the relationship between the Company and the Target will be stronger, and this will be necessary for the Target in implementing the measures below.

Specifically, implementing collaborative initiatives with the Company’s civil engineering business, engineering business, LCV business, and overseas construction business more than ever, will allow the Target to venture into a new area, for which the Target is not able to solely receive orders in its own due to it not meeting the engineer qualification requirements for bidding, such as larger-scale development construction, larger-scale renewal construction (replacement of floor slabs), on-land construction for offshore wind power generation, and overseas projects, and thereby the Target can expect to expand the scale of business and further improve the skills of engineers. Since governments’ investments will not be expected to greatly increase in the future, the Target formulated a plan to expand receipt of private orders, and initiatives for that goal will strengthen sales to private customers utilizing the Company’s private sales networks and contribute to an increase in the Target’s receipt of orders and sales, and an increase in receipt of high quality direct orders will lead to an increase in profitability. Furthermore, with respect to the response to the recent rapid technological innovations, known as DX (Digital Transformation), the Target needs to work on introduction and development of new technologies, development of new construction methods, improvement of operational efficiency, and reinforcement of core systems and information security; since the Target has been an equity method affiliate, there is a limit on sharing of the Company’s know-how and technical information that cannot be provided to third parties other than consolidated subsidiaries of the Company Group; however, they cannot be realized with the Target’s resources alone; becoming the Company’s consolidated subsidiary will enable the Target to utilize the Company’s resources, such as the latest ICT (Information and Communications Technology), know-how, and human resources, which the Target could not utilize because it was an equity method affiliate, and thereby the Company and the Target will be able to effectively and efficiently respond to these initiatives. Initiatives for that goal will lead to environmental impact reduction toward the 2050 Carbon Neutral goal and cost reduction. Moreover, the Target believes that being made a consolidated subsidiary will allow for the Company's know-how and technical information that cannot be provided to third parties other than consolidated subsidiaries of the Company Group to be shared, which has been limited due to it being an equity method affiliate, and through securing of human resources and personnel exchange and coordination in technical research laboratories, machinery divisions, and administrative divisions of the Company and the Target, more effective results can be expected to be delivered more promptly, and this will lead to improvement of workplace environment through work style reform, promotion of ESG management, and strengthening of compliance and governance.

The Company and the Target understand that in order to strengthen the capital relationship between both companies and further enhance the corporate value of both company groups, it is necessary for them to implement the following measures that have not been able to be sufficiently implemented in the current relationship where the Target is an equity method affiliate, but will be available by making the Target a consolidated subsidiary, promoting the sharing of customer information and technical information that cannot be provided to third parties other than consolidated subsidiaries of the Company Group, and building a collaborative relationship at a management level beyond project unit coordination to realize the following synergies; however, details of specific initiatives at both companies after consummation of the Tender Offer will be considered by both companies in the future.

[Measures and synergies through the establishment of a collaborative relationship after the Tender Offer]

(i) Expansion of receipt of orders by strengthening initiatives in projects through collaboration

The Company believes that building a collaborative system as the Tender Offeror Group and prompting information sharing beyond project unit coordination to mutually complement and effectively utilize technologies and management resources of both companies will enable more value-added proposals in large-scale and renewal construction of aged infrastructure, and expansion of receipt of orders as a joint venture (JV).

In addition, strengthening the Target's initiatives to secure and train engineers through receipt of orders as a joint venture (JV) of land readjustment projects construction of test tracks or stadium development will enable the Target to address various needs which it has not previously been able to respond to, and track records that demonstrate it is able to build will enable it to solely receive more construction work, and this will lead to improvement of the Target's profitability.

(ii) Strengthening of business competitiveness by utilizing mutual customer networks, technologies, base networks, etc.

The Target becoming a consolidated subsidiary will strengthen sales activities under the collaboration of both companies to private customers in the Tender Offeror's building construction business and sales of the Target's technologies and products. In addition, the Company believes that this will enable enhancement of technical sales and production technology systems by both government agencies and private sectors through coordination between civil engineering business divisions of both companies. Moreover, the Company believes that utilizing its sales networks in foreign countries in which it operates will enable the Target to expand its business volume.

For the Company, efficient use of the Target's domestic bases and networks (for installation site of manufacturing plant and delivery base of construction material products and initial response base in the case of a disaster) will enable it to reinforce its business bases.

(iii) Further strengthening of compliance systems

The Target received, in the past six years, five cease and desist orders and six administrative monetary penalty payment orders in total due to unreasonable restraints of trade regarding the sales price of asphalt mixtures, and bidding for road paving and road repair construction, from the Japan Fair Trade Commission. Taking the foregoing into consideration, from now onwards, in order to establish a corporate culture in which violations of laws and regulations, such as violations of the anti-monopoly laws, are completely eliminated from the Target, both companies intend to consider appropriate allocation of human resources, further enhance the check and monitoring functions for maintaining and controlling a sound management system, and promote further strengthening of the compliance system and improve corporate moral.

(iv) Strengthening of coordination in human resources exchange, development, and recruitment

The Company believes that promotion of personnel exchange between the Company and the Target to mutually implement support for human resources, including secondment and dispatching of employees, will enable both companies to take measures against perpetual labor shortage. In addition, the Company believes that coordination between both companies in recruitment activities utilizing the Company Group's name recognition and creditworthiness will enable talented human resources to be secured for the Target.

(v) Rationalization of technological development system

The Company believes that it will be able to share research and development themes in more depth and discuss an efficient research and development system after making the Target its consolidated subsidiary, and it will promote more efficient development by utilizing the technical capabilities of both companies, facilitating joint technological development, and mutually complementing and effectively utilizing know-how. The Company believes that this will enable further proactive and reasonable implementation of technological development in an environmental area toward a decarbonized society, and the development and introduction of new technologies utilizing the latest construction-related information and communications technology.

In light of the above, in late November 2021, the Company and the Target came to share an understanding that the Company obtaining additional Target Shares through the Tender Offer and strengthening the capital relationship between the Company and the Target will contribute to further growth and development, and enhancement of the corporate values of the Company Group and the Target Group in the future. Additionally, in order to further strengthen coordination between both company groups, it is desirable for the Target to become a consolidated subsidiary of the Company through the Tender Offer, and the Company commenced due diligence and consideration of the synergy effects as described below, the Target commenced specific consideration with the main focus on materials stated in "(II)Target's decision-making process and reasons", and the Company commenced discussions on the purchase terms aimed at implementing the Tender Offer.

Specifically, the Company implemented due diligence to scrutinize the feasibility of the Tender Offer from late November to late December 2021, and repeatedly examined the attainable synergies of both company groups. As a result of the examination, in early February 2022, the Company determined that the Company's management principles of "With devotion and a spirit of innovation, we work to create value that exceeds expectations and contribute to a sustainable tomorrow" has a common profound value with the Target's management philosophy of "By promoting CSR management, we will become a company that society trusts and wishes to continue to exist, while contributing to the creation of a sustainable society", and that the strengthening of the capital relationship between the two companies will enable them to take measures to further enhance the corporate value of the two groups as stated in (i) to (v) above. Accordingly, the Tender Offeror determined that it can be expected that the strengthening of the capital relationship with the Target will enhance the corporate value of the Company Group and the Target Group. Furthermore, the Company concluded that it would be desirable to make the Target a consolidated subsidiary instead of a wholly-owned subsidiary for the following reasons: while by strengthening the capital relationship with the Target, the two companies will be able to work more closely to mutually complement and effectively utilize their management resources, including human resources and know-how, thereby maximizing the synergy of the two groups as listed in (i) to (v) above, in light of the fact that the current business foundation of the Target was formed and the current business performance was brought about by the autonomous management of the Target up to now, it is important to respect the current corporate culture and management autonomy of the Target in order to enhance the corporate value of the Target Group and therefore appropriate to have the Target Shares remain listed even after the completion of the Tender Offer. Specifically, the Company determined that maintaining the listing will maintain the Target's name recognition and creditworthiness, which will contribute to securing stable business bases and human resources in the road paving industry, and that maintaining the independent customer base and initiatives in the Target's business will strengthen the Target's sales activities to the Company's private customers, allow the Target to acquire new customers, expand the Target's own customer base, and enable further development of the business, after the Target is made a consolidated subsidiary. Furthermore, the Company concluded that maintaining the listing will keep the Target Group's officers and employees motivated, and it can be expected that through direct dialogues with its shareholders and investors, the Target, as a listed company, will engage in its management with a further sense of urgency.

In addition, from mid December 2021 to early February 2022, the Company received a total of 3 questionnaires, in writing, from the Target's advisory committee, regarding the background and purpose of the Tender Offer, the Tender Offer's impact on the Target's corporate value, and the transaction terms including the management system and policies after the Tender Offer. The Company, through the questionnaires, responded with the Company's views about the business environment surrounding the Target, the Target's issues, specific initiatives at both companies after the Tender Offer, as well as the composition of officers, whether to change the employment terms of the existing employees, and the maximum and minimum purchase quantities in the Tender Offer stated in "(III) Post-Tender Offer management policy" below.

In and after mid January 2022, the Company had multiple discussions and negotiations with the Target also with respect to the purchase price of the Target Shares in the Tender Offer (the "Tender Offer Price"). Specifically, on January 17, 2022, it made a proposal to the Target to set the Tender Offer Price at 9,800 yen after comprehensively taking into consideration, among other matters, that the price is in line with the results of the analysis regarding the value of the Target Shares by Nomura Securities, a financial advisor and an independent third-party valuation organization, and the price exceeds the levels of maximum closing share values over the past 20 years (8,850 yen), in addition, the price is equivalent to added premiums of 18.66% (rounded to the nearest hundredth of a percent; hereinafter the same applies) to the average closing price over the past one month (8,259 yen), 20.13% to the average closing price over the past three months (8,158 yen), and 19.64% to the average closing price over the past six months (8,191 yen) ending on January 14, 2022, which is the business day prior to the date of the proposal, where it can be expected that quite a number of the Target's shareholders will tender in the Tender Offer, as well as taking into account the advice from Nishimura & Asahi, a legal advisor, that such price is not unreasonable from a legal viewpoint. In response thereto, on January 19, 2022, the Target requested that the Company reconsider increasing the Tender Offer Price from the viewpoint of giving consideration to the general shareholders' interests; taking this request into account, on January 24, 2022, the Company newly proposed to set the Tender Offer Price at 10,000 yen (the "New Proposal Price Dated January 24"). In response to the new proposal, on January 26, 2022, the Company received a request from the Target that although such proposed price is not unreasonable, a reconsideration is required to further increase the proposed price from the viewpoint of giving further consideration to the shareholder's interests. In response thereto, on February 2, 2022, the Company made a final proposal to set the Tender Offer Price at 10,000 yen, the same amount as the New Proposal Price Dated January 24. The final proposal was made after considering the reasonability of the New Proposal Price Dated January 24, taking into account the results of the analysis regarding the value of the Target Shares by Nomura Securities, a financial advisor and an independent third-party valuation organization, the advice from Nishimura & Asahi, a legal advisor, and the Target Shares' market share price trend. However, as stated above, the price exceeds the levels of maximum closing share values over the past 20 years (8,850 yen), in addition, the price is equivalent to added premiums of 20.55% to the average closing price over the past one month (8,296 yen), 22.38% to the average closing price over the past three months (8,171 yen), and 21.98% to the average closing price over the past six months (8,198 yen) ending on January 21, 2022, the business day prior to the date of the proposal of the re-proposal price dated January 24, 2022. The Company considered that it can be expected that quite a number of the Target's shareholders will tender in the Tender Offer, in addition to the price being sufficiently reasonable from the viewpoint of the possibility of the consummation of the Tender Offer, and therefore made a final proposal with the Tender Offer Price at 10,000 yen, the same as the New Proposal Dated January 24. In response to the final proposal, on February 4, 2022, the Company received a response from the Target that it will not request that the Company consider a further increase of the Tender Offer Price, based on the opinions by the advisory committee and advice from Mizuho Securities Co., Ltd. ("Mizuho Securities") as a financial advisor and a third-party valuation organization, and taking into account that it is considered reasonable to a certain extent to set the Tender Offer Price at 10,000 yen, and that the Target Shares will remain listed even after the completion of the Tender Offer.

After those discussions and negotiations, at its board of directors meeting held on February 9, 2022, the Company resolved to implement the Tender Offer with the Tender Offer Price at 10,000 yen (for details of the Tender Offer Price, please refer to "(I) Basis for valuation" and "(II) Details of valuation" under "(5) Basis for valuation of Tender Offer Price, etc." under "2. Outline of Tender Offer" below).

(II) Target's decision-making process and reasons

According to the Target's Press Release, as stated in "(I) Background, purpose, and decision-making process for the decision to implement the Tender Offer" above, the Target received a written proposal from the Company to strengthen the capital relationship with the Target and deepen operational collaboration and coordination on November 15, 2021, and expressed its intention to consider the proposal positively on the same day. Then, in order to prepare for commencement of concrete discussions and consideration for implementation of the Tender Offer, in late November, the Target appointed Mizuho Securities as a financial advisor and a third-party valuation organization and Gaien Partners as a legal advisor, respectively, and had initial consultations regarding the review system of the Tender Offer with them. Although the Target is not a subsidiary of the Company as of today and the Tender Offer does not fall under a tender offer by a controlling shareholder, when the Target considered and determined whether to implement the Tender Offer and whether the transaction terms are appropriate, it took into account the fact that the Company owns 2,183,400 Target Shares (ownership ratio: 24.84%) and has made the Target its equity method affiliate, and as stated in "(IV) Establishment of an independent advisory committee and acquisition of a Written Report from the advisory committee by the Target" under "(3) Measures to ensure the fairness of the Tender Offer, including the measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest" below, the Target decided to establish an advisory committee to ensure fairness of the Tender Offer and commence concrete discussions and negotiations on the Tender Offer between the Company and the Target, by a board of directors resolution held on December 10, 2021. Moreover, the Target accepted the implementation of a due diligence procedure on the Target by the Company from late November to late December 2021 and three questionnaires and answers in writing were exchanged between the advisory committee and the Company on the background and purpose of the Tender Offer, the Tender Offer's impact on the Target's corporate value, and the transaction terms, including the management system and policies after the Tender Offer from mid December 2021 to early February 2022. Specifically, the advisory committee confirmed with the Company the business environment and issues of both companies, specific initiatives at both companies after the Tender Offer, whether to change the composition of officers and the employment terms of the existing employees, and the maximum and minimum purchase quantities in the Tender Offer stated in "(I) Background, purpose, and decision-making process for the decision to implement the Tender Offer" above "(III) Post-Tender Offer management policy" below.

Furthermore, in and after mid January 2022, the Target had multiple discussions and negotiations with the Company on the Tender Offer Price. On January 17, 2022, the Target received a proposal to set the

Tender Offer Price at 9,800 yen from the Company and considered the proposal by taking into account the analysis results on the value of the Target Shares presented by Mizuho Securities, its financial advisor, and the level of premiums in six examples in which companies intended to make an equity method affiliate a consolidated subsidiary similarly to the Company (the median and average premiums over the closing prices on the business day prior to the announcement (20.5% and 20.8%), the median and average premiums over the past month (25.4% and 25.7%) ending on the business day prior to the announcement, the median and average premiums over the past three months (30.5% and 28.6%) ending on the business day prior to the announcement and the median and average premiums over the past six months (29.1% and 30.5%)) ending on the business day prior to the announcement, based on the opinion of the advisory committee and the advice from Mizuho Securities, the Target requested a reconsideration to increase the price; on January 24, 2022, the Target received another proposal to set the Tender Offer Price at 10,000 yen from the Company. In response to this proposal, the Target requested a reconsideration to further increase the price, but on February 2, 2022, the Company presented the same price again as its final proposal, taking into account, as stated above in "(I) Background, purpose, and decision-making process for the decision to implement the Tender Offer", that the price exceeds the levels of maximum closing share values over the past 20 years, and that it can be expected that quite a number of the Target's shareholders will tender in the Tender Offer, in addition, the price is equivalent to added premiums of around 20% to the average closing price over the past one month the past three months, and the past six months, as well as the price being sufficiently reasonable for the consummation of the Tender Offer. After receiving the above proposal, the Target decided not to request for reconsideration to further increase the price, and to conclude the discussions and negotiations on the Tender Offer Price, taking into account that the price exceeds the limit of the range of share value under the average market share price method and the comparable company method reported by Mizuho Securities, falls within the range of share value under the discounted cash flow method (the "DCF method"), and is a price at the same level of premiums in the six examples in which companies intended to make an equity method affiliate a consolidated subsidiary in the last five years (the median and average premiums over the closing prices on the business day prior to the announcement (20.5% and 20.8%), the median and average premiums over the past month (25.4% and 25.7%) ending on the business day prior to the announcement, the median and average premiums over the past three months (30.5% and 28.6%) ending on the business day prior to the announcement and the median and average premiums over the past six months (29.1% and 30.5%)) ending on the business day prior to the announcement, and accordingly it is a price with a certain reasonableness and the Target Shares will remain listed after the Tender Offer, based on the opinion of the advisory committee and the advice from Mizuho Securities.

In addition, as stated in "(IV) Establishment of an independent advisory committee and acquisition of a Written Report from the advisory committee by the Target" under "(3) Measures to ensure the fairness of the Tender Offer, including the measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest" below, the advisory committee took into account the details of the Target's business, details of the business environments and the business plan, the background for and purpose of the Tender Offer, the Tender Offer's impact on the corporate value of the Target, the method and results of the valuation of shares of the Target, and the negotiation process of the transaction terms of the Tender Offer; and then carefully considered and deliberated on matters of consultation, and submitted a written report (the "Written Report") to the Target's board of directors on February 9, 2022.

Then, the Target carefully discussed and considered the terms of the Tender Offer from the perspective of enhancement of the corporate value of the Target, based on the content of the Written Report, taking into account financial advice from its financial advisor Mizuho Securities and legal advice from its legal advisor Gaien Partners.

As stated in "(I) Background, purpose, and decision-making process for the decision to implement the Tender Offer" above, the Target believes that the external environment will not significantly change over the next five years (until FY2025) due to the government's "Five-year Acceleration Measures for Disaster Prevention, Disaster Reduction, and Strengthening of National Resilience" and the Target's performance is likewise foreseeable for the next five years to a certain extent; however, the trends in 10 to 20 years are uncertain. Looking ahead 10 to 20 years, the Target is considering expanding its business domains, improving profitability, responding to DX (Digital Transformation) which will lead to an increase in efficiency, developing environmentally friendly construction methods which will lead to reduction of environmental impact toward the 2050 Carbon Neutral goal, and developing technologies and making capital investments which will lead to reduction of environmental impact in manufacturing and sales businesses. For all of the above, what the Target can do is limited because there is a limit on sharing of the Company's information on research and development that cannot be provided to third parties other than consolidated subsidiaries of the Company Group, in the relationship between the Company and its equity method affiliate, and the Target's resources at present alone only include limited human resources who are familiar with those fields, it will take time for them to research, develop, and learn, and it is difficult to fully utilize the Company's resources in such relationship; thus it is necessary for the Target to utilize the Company's latest ICT (Information and Communications Technology) and know-how, and share information and exchange personnel between the Company and the Target in order to maximize the effect of the efforts above and efficiently work on them by effectively utilizing both companies' resources, by becoming a consolidated subsidiary of the Company through the Tender Offer. Moreover, it is necessary for the Target to improve its system to complete constructions that have stagnated due to lack of engineers, and the Target believes that becoming the Company's consolidated subsidiary will enable it to promote support for human resources, including ever more personnel exchange and mutual secondment and dispatch of employees, and secure and develop human resources in an efficient and quality manner through joint recruitment and training between both companies.

In such business environment, the Target becoming a consolidated subsidiary of the Company will enable the Target, through implementation of the measures by the Company Group and the Target Group ((i) to (v)) as stated in "(I) Background, purpose, and decision-making process for the decision to implement the Tender Offer" above, to expect to expand the scale of business, improve profitability, and improve the skills of engineers, which will lead to the promotion of ESG management, such as reduction of environmental impact, work style reforms, improvement of workplace environment, and strengthening of compliance and governance. The Target becoming a consolidated subsidiary of the Company will make the Target's position as a group company of the Company clearer and the relationship between the Company and the Target stronger, which will lead to enhancement of the corporate value, which the Target believes is a major advantage.

As stated above, the Target carefully discussed and considered the terms of the Tender Offer from the perspective of enhancement of its corporate value, based on the content of the Written Report, taking into account financial advice from Mizuho Securities and legal advance from Gaien Partners. As a result, at its board of directors meeting held on February 9, 2022, the Target determined that the Tender Offer will contribute to its further growth and development and enhancement of its corporate value in the future.

Moreover, as the Target decided not to request a reconsideration to further increase the price and resolved to express its opinion to support the Tender Offer, taking into account that the Tender Offer Price (a) exceeds the limit of the range of share value under the average market share price method and the comparable company method presented in the share valuation report (the "Target Shares Valuation Report") obtained from Mizuho Securities on February 8, 2022, (b) falls within the range of share value under the DCF method, and (c) is the closing price of the Target Shares on the First Section of the Tokyo Stock Exchange on February 8, 2022, a business day before the announcement date of the Tender Offer plus a certain premium (19.2%) and is a price at the same level of premiums in six examples in which companies intended to make an equity method affiliate a consolidated subsidiary similarly to the Company (the median and average premiums over the closing prices on the business day prior to the announcement (20.5% and 20.8%), the median and average premiums over the past month (25.4% and 25.7%) ending on the business day prior to the announcement, the median and average premiums over the past three months (30.5% and 28.6%) ending on the business day prior to the announcement and the median and average premiums over the past six months (29.1% and 30.5%)) ending on the business day prior to the announcement, and accordingly is reasonable to a certain extent, and that the Target Shares will remain listed after the Tender Offer. In addition, there is a maximum planned purchase quantity set for the number of shares to be purchased in the Tender Offer, and the Target Shares will remain listed after completion of the Tender Offer where it would be sufficiently reasonable for its shareholders to choose to own the Target Shares even after the Tender Offer, the Target concluded that it should respect its shareholders' intentions as to whether to tender in the Tender Offer and resolved to leave the decision up to its shareholders.

For the details of the resolution of the Target's board of directors meeting, please refer to "(VI) Approval of all directors of the Target without interests and opinion of all auditors of the Target without interests that they have no objections" under "(3) Measures to ensure the fairness of the Tender Offer, including the measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest" below.

(III) Post-Tender Offer management policy

While the Company will maintain the listing of the Target Shares on the First Section of the Tokyo Stock Exchange, it will select the Prime Market in the restructuring of the market segments of the Tokyo Stock Exchange on April 4, 2022, and intends to maintain the listing on the market. While it is likely that the ratio of the negotiable Target Shares will be lowered as a result of the Tender Offer, the Target intends to use its efforts to meet the criteria for maintaining the listing in the Prime Market after the Tender Offer. Accordingly, the Company will respect the Target's current corporate culture and management autonomy to let the Target's current management and employees continue to use their efforts to develop the business as the core of the Target's business operation.

In addition, as stated in "(I) Background, purpose, and decision-making process for the decision to implement the Tender Offer" above, the Company will take measures to further enhance the corporate values of both groups by strengthening the capital relationship between both companies. In order to appropriately monitor steady implementation of these measures, the Company will determine an appropriate governance system through consultations with the Target after completion of the Tender Offer in accordance with relevant laws and regulations, the stock exchange rules, the Corporate Governance Code, and so forth. Specifically, the Target will satisfy the criteria provided for in Principle 4-8 of the Corporate Governance Code, which was amended in June 2021, that a company listed in the Prime Market shall appoint at least one-third of their directors as independent directors and, taking into account, among others, 4-8.3 of the Supplementary Principles, providing that "Companies that have a controlling shareholder should either appoint at least one-third of their directors (the majority of directors if listed on the Prime Market) as independent directors who are independent of the controlling shareholder or establish a special committee composed of independent persons including independent director(s) to deliberate and review material transactions or actions that conflict with the interests of the controlling shareholder and minority shareholders," the Company will discuss specific measures with the Target, such as establishing a special committee composed of independent parties including independent outside directors, after completion of the Tender Offer to develop an appropriate governance system so as not to cause disadvantage to minority shareholders.

In addition, with respect to the Target's employees after the consummation of the Tender Offer, the current treatment will be maintained, in principle.

(3) Measures to ensure the fairness of the Tender Offer, including the measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest

The Target is not a subsidiary of the Company; thus, the Tender Offer does not constitute a tender offer by a controlling shareholder. However, when the Target considered and determined whether the Tender Offer should be implemented and whether the transaction terms are appropriate, the Company and the Target took the following measures from the viewpoint of ensuring the fairness of the Tender Offer, considering that the Company holds 2,183,400 Target Shares (ownership ratio 24.84%) and thereby having the Target as an equity method affiliate. Of the statements below, those regarding the measures taken by the Target are based on the explanations given by the Target.

(I) Share valuation report obtained by the company from an independent third-party valuation organization

In determining the Tender Offer Price, the Company requested that Nomura Securities, which is a financial advisor and a third-party valuation organization independent of the Company and the Target, calculate the value of the Target Shares. Nomura Securities is not a related party to the Company nor the Target, and has no material interest in the Tender Offer. Also, the Company has not obtained any written opinion regarding the fairness of the Tender Offer Price (i.e., a fairness opinion) from Nomura Securities.

For details of the share valuation report regarding the share value of the Target Shares obtained by the Company from Nomura Securities (the "Valuation Report"), please refer to "(I) Basis for valuation" and "(II) Details of valuation" under "(5) Basis for valuation of Tender Offer Price, etc." in section "2. Outline of Tender Offer" below.

(II) Share valuation report obtained by the Target from an independent third-party valuation organization

According to the Target's Press Release, in expressing its opinion regarding the Tender Offer, the Target requested that Mizuho Securities, which is a financial advisor and a third-party valuation organization independent of the Target and the Company, calculate the value of the Target Shares to ensure the fairness of the decision-making process regarding the Tender Offer Price.

Mizuho Securities is not a related party of the Target or the Company, and Mizuho Bank, Ltd. ("Mizuho Bank"), which is a group company of Mizuho Securities, is a shareholder of the Target and the Company and is involved in financing and other transactions as a part of general banking transactions with the Target and the Company; however, other than those, it does not have any transactional relationship and interest, nor does it have any material interest in the Target or the Company in relation to the Tender Offer. According to Mizuho Securities, it has built and is implementing an appropriate conflict-of-interest management system, such as measures to block information between Mizuho Securities and Mizuho Bank in accordance with the applicable laws and regulations, including Article 36(2) of the Act and Article 70-4 of the Cabinet Office Order on Financial Instruments Business and valued the share value of the Target Shares from a position independent from being a shareholder of Mizuho Bank and a lender.

Also, although fees for Mizuho Securities include contingent fees paid subject to the consummation of the Tender Offer, the Target appointed Mizuho Securities as a third-party valuation organization independent of the Target and the Company, taking into consideration that this is general practice in transactions of the same type, and that under this fee payment scheme, the Target will not bear any corresponding monetary obligation if the Tender Offer is not consummated. In addition, the following reasons were also considered: the above-stated fee payment scheme has been adopted; appropriate measures to prevent any harm have been taken between Mizuho Securities and Mizuho Bank; because the Target and Mizuho Securities transact with each other under the same conditions as those for general transaction partners, independency as a third-party valuation organization is ensured; and Mizuho Securities has a track record as a third-party valuation organization in similar cases in the past.

Mizuho Securities considered the Target's financial condition, the Target Shares' market share price trend, and other factors, and then thought that it appropriate to assess the Tender Offer Price multilaterally, and thus considered the calculation method to be adopted, from among a number of valuation methods. As a result, Mizuho Securities calculated the per share value of the Target Shares using the following methods: the average market share price method (because the Target is listed on the

First Section of the Tokyo Stock Exchange and thus the market price existed); the comparable company method (because there are multiple listed companies comparable to the Target, and it is possible to estimate the share value by comparing similar companies); and the DCF method (in order to reflect the status of future business activities of the Target to the valuation). On February 8, 2022, the Company obtained the Target's Valuation Report from Mizuho Securities. Considering that the Target has taken sufficient measures to ensure fairness, such as the measures stated in "(IV) Establishment of an independent advisory committee and acquisition of a Written Report from the advisory committee by the Target" and "(V) Advice from the independent financial advisor for the advisory committee of the Target" below, the Target has not obtained any written opinion regarding the fairness of the Tender Offer Price (i.e., a fairness opinion) from Mizuho Securities stating to the effect that the Tender Offer Price is fair, from the financial viewpoint, for the Target's shareholders other than the Company.

According to the Target's Valuation Report, the ranges of the per-share value of the Target Shares calculated through each of the above-stated method are as follows.

Average market share price method	8,191 yen – 8,390 yen
Comparable company method	4,176 yen – 8,100 yen
DCF method	8,340 yen – 15,877 yen

Under the average market share price method, where February 8, 2022 (the business day immediately preceding the date on which the Tender Offer was published) was the reference date, the per-share value of the Target Shares was calculated to be in the range of 8,191 yen to 8,390 yen based on the following prices of the Target Shares on the First Section of the Tokyo Stock Exchange: the closing price on the reference date (8,390 yen); the simple average of the closing prices over the past one week until the reference date (rounded off to the nearest whole number; hereinafter the same in the calculation of the simple average of the closing prices) (8,352 yen); the simple average of the closing prices over the past one month until the reference date (8,340 yen); the simple average of the closing prices over the past three months until the reference date (8,191 yen); and the simple average of the closing prices over the past six months until the reference date (8,214 yen).

Under the comparable company method, the value of the Target Shares was analyzed by comparing the value of the Target Shares with the market price and the financial indices indicating the financial condition, of listed companies engaged in a business relatively similar to that of the Target, and the per-share value of the Target Shares was calculated to be in the range of 4,176 yen to 8,100 yen.

Under the DCF method, the corporate value and share value of the Target were analyzed by converting the free cash flows expected to be generated by the Target during and after the third quarter of the fiscal year ending in March 2022 to the present value at a certain discount rate, based on the Target's profit and investment plan in the business plan for the fiscal year ending in March 2022 (only after October 2021) to the fiscal year ending in March 2025 as prepared by the Target. Using this method, the per-share value of the Target Shares was calculated to be in the range of 8,340 yen to 15,877 yen.

The financial forecast based on the Target's business plan for the fiscal year ending in March 2022 (only after October 2021) to the fiscal year ending in March 2025, which Mizuho Securities referred to for the DCF method, does not include any business year in which a significant increase or decrease in profits is expected. Also, the synergistic effects expected to be realized by implementing the Tender Offer are not considered in the financial forecast because it was difficult to estimate such effects specifically at this point.

(Note) Upon the calculation of the share value of the Target Shares, Mizuho Securities used, in principle, information provided by the Target and publicly disclosed information, and assumed that that information was accurate and complete, and did not independently verify the accuracy and completeness of such information. Regarding the financial forecasts of the Target and its related companies and other information related to the future (including prospects on future profit and expenses, prospects on cost reduction, and the business plan), Mizuho Securities assumed that they were reasonably prepared and made based on the best and faithful decisions that could be obtained from the Target's management as of this point in time, and did not independently verify the feasibility thereof. Additionally, Mizuho Securities has neither evaluated, appraised, or assessed (including analysis and assessment of individual assets and liabilities) assets or liabilities (including derivatives, hidden assets and liabilities, and other contingent liabilities) of the Target and its related companies independently, nor has it requested a third-party organization to appraise or assess the above. Mizuho Securities' calculation reflects information and economic conditions it obtained up until February 8, 2022. Mizuho Securities' calculation has been conducted solely for the purpose of serving as a reference for the Target's board of directors to consider the Tender Offer Price.

(III) Advice from an external law firm to the Target

In order to ensure fairness and appropriateness in the decision-making of its board of directors, the Target appointed Gaien Partners as an external legal advisor independent from the Company and the Target and received legal advice on the decision-making process and method of its board of directors and other points of attention, including procedures for the Tender Offer from the firm.

The Target carefully discussed and considered specific terms of the Tender Offer, referring to the legal advice on the decision-making process and method and other points of attention in the Tender Offer obtained from Gaien Partners.

Gaien Partners is not a related party to the Company and the Target and has no material interest in the Tender Offer. In addition, remuneration for Gaien Partners is only time-based, regardless of the success or failure of the Tender Offer.

(IV) Establishment of an independent advisory committee and acquisition of a Written Report from the advisory committee by the Target

On or after November 15, 2021, when it received a proposal for the Tender Offer from the Company, the Target's board of directors immediately commenced consideration for establishment of a system to consider and negotiate the Tender Offer from the perspective of enhancement of the Target's corporate value, independently from the Company, and on December 10, 2021, resolved to establish an advisory committee consisting of two members, Mr. Shinichiro Nakazato (an outside director of the Target), who is considered to have knowledge, expertise, and qualifications to review the Tender Offer and Mr. Taku Matsumoto (president of Yebisu Matsumoto Law Office and an outside director of the Target), who is a lawyer with expertise and experience in M&A transactions, both of whom have no interests in the Target or the Company and are outside directors of the Target registered as independent officers with the Tokyo Stock Exchange. When selecting the members, the Target's board of directors received advice from its financial advisor Mizuho Securities and its legal advisor Gaien Partners.

In the deliberation and resolution of the board of directors above, among the seven directors of the Target, Mr. Toyoji Sone, and among the four auditors of the Target, Mr. Yoshinari Dendo, did not participate because both of them are from the Company.

The Target's board of directors, by its resolution above, requested that the advisory committee consider and express its opinion to the Target's board of directors as to: (i) whether the Tender Offer is a reasonable transaction that will contribute to enhancement of the Target's corporate value, (ii) whether the terms of the Tender Offer, including the Tender Offer Price, are appropriate, and whether there are any unreasonable points, and (iii) whether the procedures, such as the negotiation process, for the Tender Offer are fair (collectively, the "Matters for Consultation").

With respect to its decision-making on the Tender Offer, the meeting of the Target's board of directors above resolved to respect the determination of the advisory committee to the maximum extent. In addition, the Target's board of directors resolved to authorize the advisory committee (i) to receive information necessary to consider and make a decision on the Tender Offer from parties related to the Tender Offer and (ii) to appoint the advisory committee's own external expert advisor or approve an external expert advisor appointed by the Target's board of directors (including subsequent approval). Remuneration for the advisory committee members is only a fixed amount, regardless of the content of its report and the success or failure of the Tender Offer.

The advisory committee held a total of five meetings between December 16, 2021 and February 8 2022, in which the Matters for Consultation were discussed and considered carefully. Specifically, it independently appointed CLIMB HILL Inc. ("CLIMB HILL") as its financial advisor independent from the Target and the Company and received advice on the terms of the Tender Offer from them. In addition, on December 16, 2021, the advisory committee confirmed that Mizuho Securities and Gaien Partners, who were appointed by the Target, have no issues with their independence and expertness. Then, the advisory committee conducted three Q&A sessions with the Target's management on the Target's business content, business environment, details of and background to prepare the business plan, the background and purpose of the Tender Offer, and the impact of the Tender Offer on the Target's corporate value; at the same time, the advisory committee exchanged three questionnaires and answers with the Company, in writing, regarding the background and purpose of the Tender Offer, the impact of the Tender Offer on the Target's corporate value, and the post-Tender Offer management system and management policy, among other matters. Furthermore, the advisory committee was involved in the entire process of discussions and negotiations on the transaction terms of the Tender Offer, including the Tender Offer Price, between the Target and the Company, by receiving an explanation from Mizuho Securities about the method and result of the valuation of shares of the Target conducted by Mizuho Securities and conducting a Q&A session, receiving timely reports on the status of discussions and negotiations with the Company on the transaction terms of the Tender Offer from the Target and Mizuho Securities, engaging in considerations based on financial advice from its independent financial advisor CLIMB HILL each time, and expressing opinions on requests for price increases of the Tender Offer Price.

As a result of multiple careful discussions and consideration on the Matters for Consultation, the advisory committee submitted to the Target's board of directors a Written Report, roughly including the matters below, agreed by both committee members, on February 9, 2022 (the advisory committee is hereinafter described as the "Committee" in the outline of the Written Report).

(a) Substance of the report

(i) The Tender Offer is a reasonable transaction that will contribute to enhancement of the Target's corporate value, (ii) there is nothing unreasonable in the terms of the Tender Offer, including the Tender Offer Price, and (iii) the procedures, such as the negotiation process, for the Tender Offer are fair.

(b) Reasons for the report

i. As described below, (i) the Tender Offer is a reasonable transaction that will contribute to the enhancement of the Target's corporate value.

- Both the business environment and management issues that the Company and the Target recognize ((i) the uncertainty in the trends of orders in the road paving business as well as the uncertainty in the trends of the prices of raw materials after the target period of the government's "Five-year Acceleration Measures for Disaster Prevention, Disaster Reduction, and Strengthening of National Resilience" dated December 11, 2020 (fiscal year 2026 and beyond); (ii) perpetual labor shortages of engineers and skilled workers; and (iii) ensuring corporate responsibility with respect to various stakeholders, such as thorough compliance, promotion of ESG management, contributions to achieving SDGs, and work style reforms) are wholly consistent with the Target's issues listed in its "Mid-term Management Plan" dated May 14, 2019, and nothing unreasonable was found.

- There is nothing unreasonable in the purpose of the Tender Offer upheld by the Company and the Target ((i) expansion of receipt of orders by strengthening initiatives in projects through collaboration (JV), expansion of the scale of business and improvement of profitability, and strengthening of sales by utilizing the Company's private sales networks, (ii) speeding-up and increasing efficiency of operations through personnel exchanges and coordination in technical research laboratories and machinery divisions, and joint responses to DX (Digital Transformation), and (iii) strengthening of compliance and governance, improvement of the workplace environment through work style reforms, securing and developing human resources, and other joint responses to promote ESG management), and the relationship between the specific details of the explanation by the Company or the Target to the Committee about the above and the business environment and management issues above.

- The Company understands that in the current situation where the Target remains its equity method affiliate, there is a limit on effective integration of management know-how and strengthening of the Target's core business and expansion of business domains; however, making the Target its consolidated subsidiary will contribute to the Target's sustainable growth through construction of a closer cooperative relationship, provision of management resources, sales support and personnel exchanges, sharing of training and educational know-how for the development of engineers between the Company and the Target, and there is nothing unreasonable in this understanding and it is consistent with the purpose of the Tender Offer.

- The Company understands that it can be expected that maintaining the listing will maintain the Target's name recognition and creditworthiness, which will contribute to securing stable business bases and human resources in the road paving industry, continue the independent customer base and initiatives in the Target's business, keep the Target Group's employees motivated, and enable the Target, as a listed company, to engage in its management with a further sense of urgency through direct dialogue with its shareholders and investors, and there is nothing unreasonable in this understanding and it is consistent with the purpose of the Tender Offer.

- Save for the above, there are no facts in particular that question the reasonableness of the purpose of the Tender Offer.

ii. As described below, (ii) there is nothing unreasonable in the terms of the Tender Offer, including the Tender Offer Price.

- Regarding the content of the Valuation Report obtained from Mizuho Securities, an established independent third-party valuation organization, nothing unreasonable was found in the explanation about the share value calculation methods adopted, combined use of the comparable company method, or the comparable listed companies selected and their share values. In addition, regarding the Valuation Report obtained from Mizuho Securities, nothing unreasonable was found in the background for the preparation of the business plan or the free cash flows on which the DCF method calculation was based, Mizuho Securities' explanation about the important items thereof, and the calculation method of the residual value under the DCF method (perpetual growth method and exit EBITDA multiple method) and the calculation basis for the discount rate.

- The Tender Offer Price was found to have been determined as a result of negotiations between the independent parties, the Target and the Company, taking into account objective and consistent discussions on the valuation of the Target's shares with the advisory committee's substantial involvement and advice from experts. Save for the above, there are no specific circumstances found that have caused the transparency and fairness of the price decision process to be doubted.

- The Tender Offer Price of 10,000 yen is at a level in excess of the median value of the range under the Exit EBITDA Multiple Method among the share values calculated by Mizuho Securities, and it is a price to which the same level of premiums as similar cases published are added, which are 19.2% (rounded to the nearest first decimal place. The same shall apply hereinafter in this section.) to the closing price on the day on which the Report was prepared (8,390 yen), 19.9% to the average closing price over the past one month (8,340 yen), 22.1% to the average closing price over the past three months (8,191 yen), and 21.7% to the average closing price over the past six months (8,214 yen).

- Considering the Target Shares are expected to remain listed on the First Section of the Tokyo Stock Exchange after consummation of the Tender Offer, there is no specific plan for the Company to acquire additional share certificates of the Target after the Tender Offer, and the Company and the Target plan to discuss specific measures for a fair governance system after completion of the Tender Offer so that Company will not cause disadvantage to minority shareholders; there is no likelihood that unreasonable pressure to tender in the Tender Offer will be put on the minority shareholders.

- As the purchase period (the "Tender Offer Period") is set at 26 business days, which is relatively longer than the shortest period of 20 business days, the Company has not agreed with the Target on transaction protection clauses (so-called market checks), such as a clause to prohibit the Target from contacting any proponent of a counter offer, or a clause under which when the Target agrees to the acquisition by any proponent of a counter offer, it shall pay a break-up fee to the Company; a certain opportunity for other acquirers to offer an acquisition proposal, is ensured in the Tender Offer.

iii. As described below, (iii) the procedures, such as the negotiation process, for the Tender Offer are fair, and adequate consideration has been given to the interests of shareholders including minority shareholders and the like.

- Regarding the establishment of an advisory committee by the Target's board of directors, measures to ensure fairness, which are of the level equivalent to that of similar cases, have been taken in all respects such as the time of establishing the Committee, the composition of the Committee members (independence and expertise), the process of appointing members and establishing the Committee, handling of the Committee's opinion by the board of directors, and the Committee members' remuneration.

- The Committee held five meetings in total during the period from December 16, 2021 to February 8, 2022, and carefully discussed and considered the Matters for Consultation; in the consideration process, the Committee approved and appointed necessary advisors and then held question and answer sessions for the Target, the Company, and other related parties, and gave advice and the like to the Target during the negotiation process. It is fair to state that the Committee substantially contributed to the negotiation process regarding various terms for the Tender Offer between the Target and the Company.

- Mr. Toyoji Sone, a director, and Mr. Yoshinari Dendo, an auditor, who are from the Company, have both been excluded from the deliberations and resolutions by the board of directors of the Target when deciding the content of an opinion regarding the Tender Offer to be expressed.

- During the negotiations with the Company, the Target fully utilized the materials prepared by a third-party valuation organization independent of the Company and the Target, referred to advice from the Committee and the Committee's financial advisor as necessary, and continued negotiation even after it received another proposal to increase the Company's initially proposed price by 200 yen (approximately 2.0% in comparison with the initially proposed price); it can be assessed that the Target tenaciously engaged in negotiations so as to raise the Tender Offer Price to the utmost extent, keeping the interests of minority shareholders in mind.

- During the negotiation process, the Company never spoke or behaved in a way to ensure unreasonably favorable conditions for the Company using its position as the largest shareholder, nor did the Target speak or behave in a way that was influenced by the Company's intention; both companies negotiated with each other equally.

- When discussing and negotiating with the Company, the Target requested that Mizuho Securities, which is a financial advisor serving as a third party-valuation organization independent of the Company and the Target, calculate the share value of the Target and received advice therefrom.

- The Target appointed Gaien Partners as its legal advisor independent of the Company, and received legal advice from Gaien Partners regarding the decision making method and process of the Target's board of directors regarding the Tender Offer, and other matters to note when making decisions regarding the Tender Offer.

(V) Advice from the independent financial advisor for the advisory committee of the Target

The advisory committee appointed CLIMB HILL, a tax accountant, as its independent financial advisor independent from the Company and the Target, and received advice on the terms of the Tender Offer from them.

CLIMB HILL is not a related party to the Company or the Target and has no material interests in the Tender Offer. In addition, remuneration for them is only time-based, regardless of the content of their report and the success or failure of the Tender Offer.

(VI) Approval of all directors of the Target without interests and opinion of all auditors of the Target without interests that they have no objections

As a result of the Target's board of directors having had careful discussions and consideration based on the legal advice from Gaien Partners on the process and method of the decision-making and other points of attention regarding the Tender Offer, and the content of the Target Shares Valuation Report, taking into account the content of the Written Report obtained from the advisory committee to a maximum extent, as stated in "(II) Target's decision-making process and reasons" under "(2) Background, purpose, and decision-making process for the decision to implement the Tender Offer, and post-Tender Offer management policy" above, at the board of directors meeting held on February 9, 2022, all of the seven directors of the Target (excluding Mr. Toyoji Sone, who is from the Company) who participated in the deliberation and resolution, unanimously determined that the Tender Offer will generate synergistic effects, such as (i) expanding the receipt of orders by strengthening initiatives in projects through collaboration, (ii) strengthening of business competitiveness by utilizing mutual customer networks, technologies, base networks, etc., (iii) further strengthening of compliance systems, (iv) strengthening of coordination in exchanges and development of human resources, and recruitment, and (v) rationalization of technological development systems, as described in "(II) Target's decision-making process and reasons" under "(2) Background, purpose, and decision-making process for the decision to implement the Tender Offer, and post-Tender Offer management policy" above, and that it will contribute to the Target's further growth and development and enhancement of its corporate value in the future, and with regard to the Tender Offer Price, the price exceeds the limit of the range of share value under the average market share price method and the comparable company method reported by Mizuho Securities, falls within the range of share value under the discounted cash flow method (the "DCF method"), and is a price with added premium to the closing price of the Target Shares on the First Section of the Tokyo Stock Exchange on February 8, 2022, the business day prior to the announcement of the Tender Offer and is considered reasonable to a certain extent, hence resolved to express an opinion to support the Tender Offer.

In addition, considering that it is sufficiently reasonable for its shareholders to choose to own the Target Shares even after the Tender Offer since a maximum planned purchase quantity has been set in the Tender Offer and the Target Shares will remain listed after completion of the Tender Offer, the Target concluded that it should respect its shareholders' intention as to whether to tender in the Tender Offer and resolved to leave the decision up to its shareholders.

Of the seven directors of the Target, Mr. Toyoji Sone, who is from the Company, did not participate in the discussion and negotiation between the Target and the Company, nor did he participate in deliberation and resolution of the proposal regarding the Tender Offer at the Target's board of directors meetings, including the board of directors meeting described above.

Moreover, at the board of directors meeting above, all of the four auditors of the Target (three of which are outside auditors) (excluding Mr. Yoshinari Dendo, who is from the Company and did not participate in the deliberation and resolution of the proposal regarding the Tender Offer at the board of directors meeting), expressed their opinion that they have no objections to the resolution above.

(4) Plan to acquire additional share certificates of the Target after the Tender Offer

The Company implements the Tender Offer with the aim of making the Target its consolidated subsidiary and it is the policy of the Company that it will maintain the listing of the Target Shares even after consummation of the Tender Offer and respect the Target's current corporate culture and management autonomy. Accordingly, it is not currently planning to acquire additional share certificates of the Target after the Tender Offer if it achieves the aim through the Tender Offer.

(5) Likelihood of delisting and reasons thereof

As of today, the Target Shares are listed on the First Section of the Tokyo Stock Exchange. The Tender Offer does not contemplate to delist the Target Shares and the Company will implement the Tender Offer with the maximum planned purchase quantity of 2,220,200 shares (ownership ratio: 25.26%). Accordingly, the number of Target Shares the Company will own after consummation of the Tender Offer will only be 4,403,600 shares (ownership ratio: 50.10%), and therefore the Target Shares are expected to remain listed on the First Section of the Tokyo Stock Exchange even after consummation of the Tender Offer.

(6) Matters concerning material agreements regarding the Tender Offer

Not applicable.

2. Outline of purchase

(1) Outline of Target

(i) Name	THE NIPPON ROAD Co., Ltd.
(ii) Address	6-5, Shimbashi 1-chome, Minato-ku, Tokyo
(iii) Name and title of representative	Hiromi Hisamatsu, Representative Director and President
(iv) Lines of business	Road construction and paving work General civil engineering work

	General building construction Construction of environmental facilities Construction of sport and leisure facilities Sale and manufacture of asphalt mixture materials and emulsions Disposal of industrial waste and sale of recycled products Construction consulting business Lease business Real estate transaction business Construction design, supervision and management
(v) Capital stock	12,290 million yen (as of September 30, 2021)
(vi) Date of incorporation	March 10, 1929
(vii) Major shareholders and shareholding ratios (as of September 30, 2021)	SHIMIZU CORPORATION 24.84% CGML PB CLIENT ACCOUNT/COLLATERAL (Standing proxy: Citibank, N. A., Tokyo Branch) 8.99% The Master Trust Bank of Japan, Ltd. (Trust Account) 8.13% Custody Bank of Japan, Ltd. (Trust Account) 7.40% THE NIPPON ROAD Co., Ltd. Customers' Shareholding Association 5.02% DFA INTL SMALL CAP VALUE PORTFOLIO (Standing proxy: Citibank, N. A., Tokyo Branch) 2.00% Meiji Yasuda Life Insurance Company 1.94% MSIP CLIENT SECURITIES (Standing proxy: Morgan Stanley MUFG Securities Co., Ltd.) 1.90% THE NIPPON ROAD Co., Ltd. Employees' Shareholding Association 1.89% PERSHING-DIV. OF DLJ SECS. CORP. (Standing proxy: Citibank, N. A., Tokyo Branch) 1.72%
(viii) Relationship between the Listed Company and the Target	
Capital relationship	The Company owns 2,183,400 shares of the Target Shares (ownership ratio: 24.84%) as of today, thereby having the Target be an equity method affiliate.
Personal relationship	1 out of 7 directors and 1 out of 4 auditors of the Target are from the Company. As of March 31, 2021, there is no employee seconded from the Company to the Target or from the Target to the Company.

Business relationship	The Target engages in transactions involving civil engineering work with the Company.
Applicability to related parties	The Target is a related party of the Company because it is an equity method affiliate of the Company.

(Note) "(VII) Major shareholders and shareholding ratios (as of September 30, 2021)" is based on the information stated in "Status of Major Shareholders" of the 2nd quarterly report for the 117th fiscal year filed by the Target on November 11, 2021 (the "Target's 2Q Report").

(2) Type of share certificates to be purchased

Common stock.

(3) Schedule of Tender Offer

(I) Schedule

Date of resolution of the Target's board of directors	February 9, 2022 (Wednesday)
Date of public notice of commencement of the Tender Offer	February 10, 2022 (Thursday) A public notice will be given electronically, and a notice to that effect will be placed in the Nihon Keizai Shimbun. (URL of the electronic public notice: https://disclosure.edinet-fsa.go.jp/)
Filing date of the Tender Offer Statement	February 10, 2022 (Thursday)

(II) Purchase period originally planned as of the filing

From February 10, 2022 (Thursday) to March 22, 2022 (Tuesday) (26 business days)

(III) Possibility of extension at the Target's request

If a request for an extension of the Tender Offer Period is included in the position statement filed by the Target, the Tender Offer Period shall be extended to 30 business days, which is up to March 28, 2022 (Monday), pursuant to Article 27-10(3) of the Act.

(4) Tender Offer Price

10,000 yen per share of common stock.

(5) Basis for valuation of Tender Offer Price

(I) Basis for valuation

In order to ensure fairness of the Tender Offer Price, when determining the Tender Offer Price, the Company requested that Nomura Securities, which is a financial advisor and a third-party valuation organization independent of the Company and the Target, calculate the value of the Target Shares. Nomura Securities is not a related party to either the Company nor the Target, and does not have any material interest in relation to the Tender Offer.

As a result of reviewing the calculation method for the Tender Offer, Nomura Securities calculated the share value of the Target Shares using the following methods: the average market share price method (because the Target Shares are listed on the First Section of the Tokyo Stock Exchange); the comparable company method (because there are multiple listed companies comparable to the Target, and it is possible to estimate the share value of the Target by using the comparable company method); and the DCF method (in order to reflect the status of future business activities to the calculation). On February 8, 2022, the Company obtained the Valuation Report from Nomura Securities. The Company has not obtained any written opinion regarding the fairness of the Tender Offer Price (i.e., a fairness opinion) from Nomura Securities.

The ranges of the per-share value of the Target Shares calculated by Nomura Securities through each of the above-stated methods are as follows.

Average market share price method	8,191 yen – 8,390 yen
Comparable company method	5,582 yen – 7,435 yen
DCF method	9,377 yen – 13,962 yen

Under the average market share price method, where February 8, 2022 was the reference date, the per-share value of the Target Shares was calculated to be in the range of 8,191 yen to 8,390 yen based on the following prices of the Target Shares on the First Section of the Tokyo Stock Exchange: the closing price on the reference date (8,390 yen); the simple average of the closing prices over the past five business days immediately preceding the reference date (rounded off to the nearest whole number; hereinafter the same in the calculation of the simple average of the closing prices) (8,352 yen); the simple average of the closing prices over the past one month immediately preceding the reference date (8,340 yen); the simple average of the closing prices over the past three months immediately preceding the reference date (8,191 yen); and the simple average of the closing prices over the past six months immediately preceding the reference date (8,214 yen).

Under the comparable company method, the value of the Target Shares was analyzed by comparing the value of the Target Shares with the market price and the financial indices indicating profitability, of listed companies engaged in a business relatively similar to that of the Target, and the per-share value of the Target Shares was calculated to be in the range of 5,582 yen to 7,435 yen.

Under the DCF method, the corporate value and share value of the Target were calculated by converting the free cash flows expected to be generated by the Target in the future to the present value at a certain discount rate, based on the Target’s future profit projection in and after October 1, 2021, which takes into consideration various factors including the business plan provided by the Target and confirmed by the Company (for the fiscal year ending in March 2022 to the fiscal year ending in March 2025), interviews held for the Target, recent business performance, and publicly disclosed information. Using this method, the per-share value of the Target Shares was calculated to be in the range of 9,377 yen to 13,962 yen. The business plan which was used as a basis for the DCF method does not include any fiscal year in which a significant increase or decrease in profits is expected.

The synergistic effects expected to be realized by implementing the Tender Offer were not included in the business plan because it was difficult to estimate such effects specifically at this point.

The Company referred to the results of the calculation conducted through each method presented in the Valuation Report obtained from Nomura Securities, the results of the due diligence on the Target conducted during the period from late November to late December 2021, whether the Target’s board of directors can support the Tender Offer, the market price trend of the Target Shares, prospects for shares to be tendered in the Tender Offer, and the results of discussions and negotiations with the Target, and, ultimately decided by a resolution at its board of directors meeting held on February 9, 2022 to set the Tender Offer Price at 10,000 yen.

The Tender Offer Price is the price obtained by adding the respective percentage of premiums to each of the corresponding prices below: 19.19% (rounded to the nearest hundredth; the same shall apply to calculation for premiums) to 8,390 yen which is the closing price of the Target Shares on the First Section of the Tokyo Stock Exchange on February 8, 2022 (the business day immediately preceding the date of publishing the Tender Offer); 19.90% to 8,340 yen which is the simple average of the closing prices over the past one month (January 11, 2022 to February 8, 2022); 22.09% to 8,191 yen which is the simple average of the closing prices over the past three months (November 9, 2021 to February 8, 2022); and 21.74% to 8,214 yen which is the simple average of the closing prices the past six months (August 10, 2021 to February 8, 2022).

(Note) Upon the calculation of the share value of the Target Shares, Nomura Securities assumed that publicly disclosed information and all information provided to it was accurate and complete, and did not independently verify the accuracy and completeness of such information. Nomura Securities has neither evaluated, appraised, or assessed (including analysis and assessment of individual assets and liabilities) assets or liabilities (including derivatives, hidden assets and liabilities, and other contingent liabilities) of the Target and its related companies independently, nor has it requested a third-party organization to appraise or assess the same. Nomura Securities assumed that the Target's financial forecast (including profit plan and other information) was reasonably considered or prepared by the Target's management based on the best and faithful forecast and decisions that could be obtained at this point in time. Nomura Securities' calculation reflects information it obtained and economic conditions up to February 8, 2022. Nomura Securities' calculation has been conducted solely for the purpose of serving as a reference for the Company's board of directors to consider the share value of the Target Shares.

(II) Details of valuation

(Details of deciding the Tender Offer Price)
As described in "(I) Background, purpose, and decision-making process for the decision to implement the Tender Offer" under "(2) Background, purpose, and decision-making process for the decision to implement the Tender Offer, and post-Tender Offer management policy" under "1. Purpose of Tender Offer" above, on January 17, 2022, the Company made a proposal to the Target to set the Tender Offer Price at 9,800 yen after comprehensively taking into consideration, among other matters, that the price is in line with the results of analysis regarding the value of the Target Shares by Nomura Securities, a financial advisor which is an independent third-party valuation organization, and the price exceeds the levels of maximum closing share values over the past 20 years (8,850 yen), in addition, the price is equivalent to added premiums of 18.66% (rounded to the nearest hundredth of a percent; hereinafter the same applies) to the average closing price over the past one month (8,259 yen), 20.13% to the average closing price over the past three months (8,158 yen), and 19.64% to the average closing price over the past six months (8,191 yen) ending on January 14, 2022, which is the business day prior to the date of the proposal, where it can be expected that quite a number of the Target's shareholders will tender in the Tender Offer, as well as taking into account the advice from Nishimura & Asahi, a legal advisor, that such price is not unreasonable from a legal viewpoint. In response thereto, on January 19, 2022, the Target requested that the Company reconsider increasing the Tender Offer Price from the viewpoint of giving consideration to general shareholders' interests; taking this request into account, on January 24, 2022, the Company newly proposed setting the Tender Offer Price at 10,000 yen. In response to the new proposal, on January 26, 2022, the Company received a request from the Target that although the New Proposal Price Dated January 24 is not unreasonable, a reconsideration is required to further increase the proposed price from the viewpoint of giving further consideration to the shareholder's interests. In response thereto, on February 2, 2022, the Company made a final proposal to set the Tender Offer Price at 10,000 yen, the same amount as the New Proposal Price Dated January 24, after considering the reasonableness of the New Proposal Price Dated January 24 again, based on the results of analysis

regarding the value of the Target Shares by Nomura Securities, a financial advisor which is an independent third-party valuation organization, the advice from Nishimura & Asahi, a legal advisor, and the market price trend of the Target Shares, determining that the price is at a level in excess of the highest share price of the Target Shares in the past 20 years (8,850 yen), in addition, the price is equivalent to added premiums of 20.54% to the average closing price over the past one month (8,296 yen), 22.38% to the average closing price over the past three months (8,171 yen), and 21.98% to the average closing price over the past six months (8,198 yen) ending on January 21, 2022, the business day prior to the date of the proposal of the re-proposal price dated January 24, 2022, and a level that is expected to attract a reasonable number of tenders to the Tender Offer from the Target's shareholders as stated above, and concluding the price is at a sufficiently reasonable level from the view point of the possibility of completing the Tender Offer since the price is a premium of approximately 20% in relation to the simple average of the closing prices of share values over the past one month, past three months, and past six months. In response to the final proposal, on February 4, 2022, the Company received a response from the Target that it will not request that the Company consider a further increase of the Tender Offer Price, based on the opinions by the advisory committee and advice from Mizuho Securities as a financial advisor and a third-party valuation organization, and comprehensively taking into account that it is considered reasonable to a certain extent to set the Tender Offer Price to 10,000 yen, and because the Target Shares will remain listed even after completion of the Tender Offer.

After these discussions and negotiations, the Company resolved at its board of directors meeting held on February 9, 2022 to set the Tender Offer Price in the Tender Offer at 10,000 yen.

(i) Name of the third party from which the Company requested opinion for valuation

In order to ensure the fairness of the Tender Offer Price, in determining the Tender Offer Price, the Company requested Nomura Securities, a financial advisor which is a third-party valuation organization independent of the Company and the Target, to calculate the value of the Target Shares. On February 8, 2022, the Company obtained the Valuation Report from Nomura Securities. The Company has not obtained any written opinion regarding the fairness of the Tender Offer Price (i.e., a fairness opinion) from Nomura Securities.

(ii) Overview of the opinion

Nomura Securities calculated the share value of the Target Shares through the average market share price method, the comparable company method, and the DCF method, and the ranges of the per-share value of the Target Shares calculated based on such methods are as follows:

Average market share price method	8,191 yen – 8,390 yen
Comparable company method	5,582 yen – 7,435 yen
DCF method	9,377 yen – 13,962 yen

(iii) How the Tender Offer Price was determined based on the opinion

Based on the details and results of the calculation presented in the Valuation Report, the Company considered the results of the due diligence on the Target conducted during the period from late November to late December 2021, whether the Target's board of directors can support the Tender Offer, the market price trend of the Target Shares, and prospects for the tenders of the Target Shares in the Tender Offer, and ultimately decided by a resolution at its board of directors meeting held on February 9, 2022 to set the Tender Offer Price at 10,000 yen per share, which exceeds the limit of the range of the result of the calculation through the average market share price method and the comparable company method, and is within the range of the result of the calculation through the DCF method in the Valuation Report. For details, please see "(I) Details of valuation" above.

(III) Relationship with valuation organization

Nomura Securities, a financial advisor (third-party valuation organization) of the Company, is not a related party of the Company and the Target and has no material interest in the Tender Offer.

(6) Number of share certificates to be purchased

Planned purchase quantity	Minimum planned purchase quantity	Maximum planned purchase quantity
2,220,200 shares	2,220,200 shares	2,220,200 shares

(Note 1) The Company has set the maximum and minimum planned purchase quantity so that the Target Shares to be owned by the Company after the purchase of the Target Shares as a result of the Tender Offer will be 4,403,600 shares (ownership ratio: 50.10%). If the total number of the Tendered Share Certificates is less than the minimum planned purchase quantity (2,220,200 shares), the Company will purchase none of the Tendered Share Certificates. If the total number of the Tendered Share Certificates exceed the maximum planned purchase quantity (2,220,200 shares), the Company will not purchase all or part of the excess portion; delivery and other settlements for the purchase of the share certificates will be conducted pursuant to the pro rata method provided in Article 27-13(5) of the Act and Article 32 of the Cabinet Office Order.

(Note 2) Fractional shares are also subject to the Tender Offer. In the event that the Target's shareholder exercises its right to demand purchase of fractional shares in accordance with the Companies Act (Act No. 86 of 2005, as amended), the Target may purchase its own shares during the Tender Offer Period in accordance with the procedures set forth in applicable laws and regulations.

(Note 3) There is no plan to acquire the treasury shares owned by the Target through the Tender Offer.

(7) Changes in ownership ratio of share certificates through Tender Offer

Number of voting rights represented by share certificates owned by the Company before the Tender Offer	21,834	(Ownership ratio of share certificates before the Tender Offer: 24.84%)
Number of voting rights represented by share certificates owned by specially related parties before the Tender Offer	0	(Ownership ratio of share certificates before the Tender Offer: 0.00%)
Number of voting rights represented by share certificates owned by the Company after the Tender Offer	44,036	(Ownership ratio of share certificates after the Tender Offer: 50.10%)
Number of voting rights represented by share certificates owned by specially related parties after the Tender Offer	0	(Ownership ratio of share certificates after the Tender Offer: 0.00%)
Number of voting rights owned by all shareholders of the Target	87,570	

(Note 1) "Number of voting rights represented by share certificates owned by the Company after the Tender Offer" is the number of voting rights by adding the "Number of voting rights represented by share certificates owned by the Company before the Tender Offer" (21,834) to the number of voting rights (22,202) represented by share certificates planned to be purchased (2,220,200 shares) in the Tender Offer.

(Note 2) "Number of voting rights represented by share certificates owned by specially related parties before the Tender Offer" is the total number of voting rights represented by share certificates owned by each specially related party (other than those who will be excluded from specially related parties pursuant to Article 3(2)(i) of the Cabinet Office Order in the calculation of the ownership ratio under each item of Article 27-2(1) of the Act). As the share certificates owned by specially related parties (excluding treasury shares owned by the Target) are also subject to the Tender offer, the "Number of voting rights represented by share certificates owned by specially related parties after the Tender Offer" is 0.

(Note 3) "Number of voting rights owned by all shareholders of the Target (as of September 30, 2021)" is the number of the voting rights (which sets the number of one share unit to be 100 shares) owned by all shareholders as of September 30, 2021 as indicated in the Target's 2Q Report. Given that the fractional shares are also subject to the Tender Offer, however, for the purpose of calculating the "Ownership ratio of share certificates before the Tender Offer" and "Ownership ratio of share certificates after the Tender Offer," the number of voting rights (87,895) representing the number of shares (8,789,501 shares), obtained by deducting the number of treasury shares owned by the Target as of December 31, 2021 (972,117 shares) from the total number of shares issued as of the same date as indicated in the Target 's 3Q Financial Results (9,761,618 shares) is used as the "Number of voting rights owned by all shareholders of the Target (as of September 30, 2021)."

(Note 4) "Ownership ratio of share certificates before the Tender Offer" and "Ownership ratio of share certificates after the Tender Offer" are both rounded to the nearest hundredth.

(8) Aggregate Tender Offer Price: 22,202 million yen

(Note) The "Aggregate Tender Offer Price" is the amount obtained by multiplying the planned purchase quantity (2,220,200 shares) in the Tender Offer by the Tender Offer Price (10,000 yen).

(9) Settlement method

(I) Name and headquarters address of financial instruments business operator or bank, etc., to settle the purchase, etc.

Nomura Securities Co., Ltd. 1-13-1 Nihonbashi, Chuo-ku, Tokyo

(II) Commencement date of settlement for the Tender Offer

March 29, 2022 (Tuesday)

(Note) Pursuant to Article 27-10(3) of the Act, if the Target submits an opinion report requesting that the Tender Offer Period be extended, the commencement date of the settlement shall be April 4, 2022 (Monday).

(III) Settlement method

Without delay after the conclusion of the Tender Offer Period, the Company will post to the address of each tendering shareholder who accepts to tender their share certificates, or tenders to sell their share certificates in the Tender Offer (the "Tendering Shareholders") (in the case of shareholders who reside in foreign countries and who do not have any account at the tender offer agent available for transactions (including those who are corporations; "Foreign Shareholders"), to the address of their standing proxies) a notice of purchase, etc., through the Tender Offer.

Purchases will be made in cash. The Tendering Shareholders may receive the sales price of the tender offer through the method it has instructed, including remittance, without delay after the commencement date of settlement for the Tender Offer (remittance charges may be required).

(IV) Method of returning share certificates

If all or a part of the Tendered Share Certificates are not purchased in accordance with the conditions described in "(I) Existence and details of conditions set forth in each item of Article 27-13(4) of the Act" and "(II) Existence and details of conditions of withdrawal of the Tender Offer, and method of disclosure of withdrawal" under "(10) Other conditions and methods of purchase" below, the share certificates to be returned will be returned by restoring the record of the tender offer agent's account for the Tendering Shareholder to the state immediately before they were tendered, promptly two business days or more after the last day of the Tender Offer Period (or, if the Tender Offer is withdrawn, the date immediately following the date on which the withdrawal was made) (when transferring the share certificates to the account of the Tendering Shareholder which is at another financial instruments business operator, please confirm with the head office or branch office of the tender offer agent that accepted the tendering).

* In accordance with the measures taken for preventing spread of COVID-19, it is possible that special measures are taken in some stores, such as over-the-counter services being temporarily suspended. For details, please inquire with the head office or branch office of the tender offer agent. Please also see the tender offer agent's website (https://www.nomura.co.jp/) for stores subject to such measures, special measures taken, and other matters.

(10) Other conditions and methods of purchase

(I) Existence and details of conditions set forth in each item of Article 27-13(4) of the Act

If the total number of the Tendered Share Certificates is less than the minimum planned purchase quantity (2,220,200 shares), the Company will not purchase all of the Tendered Share Certificates. If the total number of the Tendered Share Certificates is more than the maximum planned purchase quantity (2,220,200 shares), the Company will not purchase all or part of any Tendered Share Certificates in excess of such planned purchase quantity, and will deliver or otherwise conduct settlement of purchase of share certificates using the pro rata method as prescribed in Article 27-13(5) of the Act and Article 32 of the Cabinet Office Order (if there are any fractional number of shares of less than one unit (100 shares) in the number of each Tendered Share Certificate, the maximum number of shares to be purchased, calculated using the pro rata method, will be the number of each Tendered Share Certificate). If the total number of shares purchased from each Tendering Shareholder, which is calculated by rounding up or down the number of shares less than one unit resulting from the calculation using the pro rata method, is less than the planned purchase quantity, the Company will purchase one unit of Tendered Share Certificates (if, by additionally purchasing one unit, the result will be above the number of the Tendered Share Certificates, up to the number of the Tendered Share Certificates) for each Tendering Shareholder until such total will be equal to or more than the planned purchase quantity, in order starting from the Tendering Shareholder holding the largest number of shares truncated as a result of rounding down. However, if as a result of purchasing the Tendered Share Certificates from all Tendering Shareholders who hold the same number of truncated shares, the total number of the Tendered Share Certificates will be above the planned purchase quantity, the Company will determine the shareholders from which it purchases the Tendered Share Certificates by lottery, from among those Tendering Shareholders, to the extent not falling below the planned purchase quantity. If the total number of shares purchased from each Tendering Shareholder, which is calculated by rounding up or down the number of shares less than one unit resulting from the calculation using the pro rata method, is more than the planned purchase quantity, the Company will decrease the number of shares purchased by one share unit (if the number of shares to be purchased, that are calculated using the pro rata method, is less than one unit, such number of shares less than one unit) for each Tendering Shareholder until such total will be no less than the planned purchase quantity, in order starting from the Tendering Shareholder holding the largest number of shares rounded upwards as a result of rounding up. However, if as a result of decreasing the number of shares purchased from all Tendering Shareholders who hold the same number of shares rounded upward, the total number of the Tendered Share Certificates will fall below the planned purchase quantity, the Company will determine the shareholders for which it decreases the number of the Tendered Share Certificates to be purchased, by lottery, from among those Tendering Shareholders, to the extent not falling below the planned purchase quantity.

(II) Existence and details of conditions of withdrawal of the Tender Offer, and method of disclosure of withdrawal

Upon occurrence of any of the circumstances as provided in Article 14(1)(i)(a) through (j) and (m) through (s), (iii)(a) through (h) and (j), and Article 14(2)(iii) through (vi) of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended) (the "Enforcement Order"), the Tender Offer may be withdrawn.

For the purpose of the Tender Offer, "the facts equivalent to those listed in (a) through (i)" as provided in Article 14(1)(iii)(j) of the Enforcement Order refer to the case (i) where any of the statutory disclosure documents filed by the Target in the past is found to contain any false statement with respect to any material matter or omit to state any material matter required to be stated; and (ii) where any of the facts listed in (a) through (g) under Article 14(1)(iii) occurs to a material subsidiary of the Target.

If the Company intends to withdraw the Tender Offer, it will issue an electronic public notice and publish to that effect in the Nihon Keizai Shimbun.

However, if it is difficult to give public notice by the last day of the Tender Offer Period, the Company shall give a public notice by the method prescribed in Article 20 of the Cabinet Office Order and give public notice immediately thereafter.

(III) Existence of conditions for reduction in purchase price, details thereof, and method of disclosure of reduction

Pursuant to the provisions of Article 27-6(1)(i) of the Act, if the Target conducts the act prescribed in Article 13(1) of the Enforcement Order during the Tender Offer Period, the Tender Offer Price may be reduced in accordance with the criteria prescribed in Article 19(1) of the Cabinet Office Order. If the Company intends to reduce the Tender Offer Price, the Company will issue an electronic public notice and publish to that effect in the Nihon Keizai Shimbun. However, if it is difficult to give public notice by the last day of the Tender Offer Period, the Company shall give public notice by the method prescribed in Article 20 of the Cabinet Office Order and give public notice immediately thereafter. If the Tender Offer Price is reduced, the Company will purchase the Tendered Share Certificates on or before the date of the public notice at the reduced Tender Offer Price.

(IV) Matters concerning the right of Tendering Shareholders to cancel the contract

The Tendering Shareholders may cancel the contract for the tender offer at any time during the Tender Offer Period. If a Tendering Shareholder is to cancel the contract, please deliver or send a document to the effect that the contract for the tender offer will be cancelled (the "Cancellation Document") to the head office or branch offices throughout Japan of the tender offer agent that accepted the tendering, by 15:30 on the last day of the Tender Offer Period. In the case of sending the Cancellation Document, it must reach the office by 15:30 on the last day of the Tender Offer Period.

For contracts for tenders made through the online service, please cancel them through the online service (https://hometrade.nomura.co.jp/) or by delivering or sending the Cancellation Document. In case of cancellation through the online service, please follow the cancellation procedures by 15:30 of the last day of the Tender Offer Period in accordance with the method set forth on the screen. Cancellation of contracts for tenders that were made at office may not be conducted through the online service. In case of delivering or sending the Cancellation Document, please request the Cancellation Document in advance from the relevant office, and then deliver or send it back to the office by 15:30 of the last day of the Tender Offer Period. In case of sending the Cancellation Document, the document shall reach the office by 15:30 on the last day of the Tender Offer Period.

* In accordance with the measures taken for preventing spread of COVID-19, it is possible that special measures are taken in some stores, such as over-the-counter services being temporarily suspended. For details, please inquire with the head office or branch offices throughout Japan of the tender offer agent. Please also see the tender offer agent's website (https://www.nomura.co.jp/) for stores subject to such measures, special measures taken, and other matters.

The Company will not seek payment of damages or penalties from the Tendering Shareholders if the contract is cancelled by the Tendering Shareholders. The Company will also bear costs required for the return of the Tendered Share Certificates. If the cancellation is requested, the Tendered Share Certificates will be returned by the method described in "(IV) Method of returning share certificates" under "(9) Settlement method." promptly after the procedures concerning the request for cancellation are completed.

(V) The method of disclosure in the case where the terms of tender offer have been changed

During the Tender Offer Period, the Company may change the terms of the Tender Offer, except as otherwise prohibited by Article 27-6(1) of the Act and Article 13(2) of the Enforcement Order. If the Company intends to change the terms of the Tender Offer, it shall issue an electronic public notice of the contents, etc. of the change, and publish to that effect in the Nihon Keizai Shimbun. However, if it is difficult to give public notice by the last day of the Tender Offer Period, the Company shall give public notice by the method prescribed in Article 20 of the Cabinet Office Order and give public notice immediately thereafter. If the terms of the Tender Offer are changed, the Company will purchase the Tendered Share Certificates tendered on or before the date of the public notice pursuant to the changed terms

(VI) The method of disclosure in the case where an amended statement is submitted

When the Company files an Amended Statement to the Director-General of the Kanto Local Finance Bureau (except for the cases prescribed in the proviso of Article 27-8(11) of the Act), the Company will immediately give public notice on the contents of the Amended Statement that relate to those stated in the public notice regarding the commencement of the Tender Offer, by the method prescribed in Article 20 of the Cabinet Office Order. In addition, the Company will immediately amend the Tender Offer Explanation Statement and will immediately deliver the amended Tender Offer Explanation Statement to Tendering Shareholders, to whom the Tender Offer Explanation Statement has already been delivered. However, if the scope of such amendment is limited to a small portion, the Company will amend by preparing and delivering a document describing the reasons for such amendment, matters amended and the contents after such amendment to the Tendering Shareholders.

(VII) Method of disclosure of the results of the Tender Offer

The results of the Tender Offer will be published on the day following the last day of the Tender Offer Period in the manner prescribed in Article 9-4 of the Enforcement Order and Article 30-2 of the Cabinet Office Order.

(VIII) Others

The Tender Offer will not be implemented in the United States or for the United States, whether directly or indirectly, it will not be implemented using mail services of the United States or other methods or means of interstate or international commerce (including, but not limited to, telephone, telex, facsimile, e-mail, and internet communication), nor will it be conducted through any securities exchange facilities within the United States. Shareholders may not tender to the Tender Offer through the above-stated methods or means, through the above-stated facility, or from inside the United States. Additionally, the Tender Offer Statement or related documents for purchase will not be sent or distributed in or to the United States, or from inside the United States, through mail services or other means, and they may not be sent or distributed as such. Any tendering to the Tender Offer directly or indirectly in violation of the restriction above will not be accepted. When tendering the Tender Offer, the Tendering Shareholders (in the case of foreign shareholders, their standing proxy) may be requested to represent and warrant to the following effect to the tender offer agent: that the Tendering Shareholder is not located in the United States both at the time of tendering and sending the application form for tendering the tender offer; that the Tendering Shareholders have not received or sent, whether directly or indirectly, any information (including copies thereof) regarding the Tender Offer within the United States, to the United States, or from the United States; that in relation to the purchase of share certificates or delivery of signatures on the application form for tendering the tender offer, the Tendering Shareholder has not used mail services of the United States or other methods or means of interstate or international commerce (including, but not limited to, telephone, telex, facsimile, e-mail, and internet communication), nor has it used any securities exchange facilities within the United States; and that it is not a party acting as an agent with any discretionary right of another party or a party acting as a trustee or a mandatary (excluding the case where such other party has granted all instructions regarding the purchase from outside the United States).

(11) Tender offer commencement public notice date

February 10, 2022 (Thursday)

(12) Tender offer agent

Nomura Securities Co., Ltd. 1-13-1 Nihonbashi, Chuo-ku, Tokyo

3. Post-Tender Offer Policy and Future Outlook

(1) Post-Tender Offer policy

For the policy following the Tender Offer, please refer to “(2) Background, purpose, and decision-making process for the decision to implement the Tender Offer, and post-Tender Offer management policy,” “(4) Plan to acquire additional share certificates, etc. of the Target after the Tender Offer,” and “(5) Likelihood of delisting and reasons thereof” under “1. Purpose of Tender Offer” above.

(2) Future prospect

The Company is currently considering the effect of the Tender Offer on the business results in detail, and will promptly publish if there is any necessity to change the business results prospect or any matters to be disclosed.

4. Other Information

(1) Agreements between the Company and the Target or its officers and the detail of such agreements

(I) Existence of any agreement between the Company and the Target and details thereof

According to the Target’s Press Release, in its board of directors meeting held today, the Target resolved that it will present its opinion to support the Tender Offer and leave the decision to the Target’s shareholders whether they will tender to the Tender Offer.

For details concerning the resolution of board of directors of the Target, please refer to the Target's Press Release and "(VI) Approval of all directors of the Target without interests and opinion of all company auditors of the Target without interests that they have no objections" under "(3) Measures to ensure the fairness of the Tender Offer, including the measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest" under "1. Purpose of Tender Offer" above.

(II) Background, purpose, and decision-making process for the decision to implement the Tender Offer, and post-Tender Offer management policy

Please refer to "(2) Background, purpose, and decision-making process for the decision to implement the Tender Offer, and post-Tender Offer management policy" under "1. Purpose of Tender Offer" above.

(III) Measures to ensure the fairness of the Tender Offer, including the measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest

Please refer to "(3) Measures to ensure the fairness of the Tender Offer, including the measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest" under "1. Purpose of Tender Offer" above.

(2) Other information deemed necessary for investors to judge whether or not to tender to the tender offer

Release of the Target's 3Q Financial Results

The Target published the 3Q Financial Results as of today. The outline of the release is as stated below. According to the Target, the content of the financial report has not undergone the quarterly review by an auditing firm pursuant to Article 193-2(1) of the Act. For details, please refer to the content of the release.

(A) Profit and loss status (consolidated)

Accounting Period	Consolidated Accumulated Period for the Third Quarterly Period (April 1, 2021 to December 31, 2021)
Net Sales	115,279 million yen
Operating Income	6,208 million yen
Ordinary Income	6,539 million yen
Net Income Attributable to Shareholders of the Corporation	4,362 million yen

(B) Status per share (consolidated)

Accounting Period	Consolidated Accumulated Period for the Third Quarterly Period (April 1, 2021 to December 31, 2021)
Quarterly net income per share	496.32 yen
Dividend per share	260 yen

End

[Soliciting Regulations]
This press release is intended to announce the Tender Offer to the public and has not been prepared for the purpose of soliciting an offer to sell shares. If shareholders wish to make an offer to sell their shares, they should first read the Tender Offer Explanation Statement concerning the Tender Offer and make an offer to sell their shares at their own discretion. This press release shall neither be, nor constitute a part of, an offer to sell or purchase, or solicitation to sell or purchase, any securities, and neither this press release (or a part of this press release) nor its distribution shall be interpreted to constitute the basis of any agreement in relation to the Tender Offer, and this press release may not be relied upon at the time of entering into any such agreement.

[Forward-Looking Statements]
This press release contains prospects on business development in the case of acquiring shares of THE NIPPON ROAD Co., Ltd. based on opinions of the Company's management. The actual results may differ largely from these prospects, due to a number of factors.

[Regulation in the United States]
The Tender Offer will not be implemented in the United States or for the United States, whether directly or indirectly, will not be implemented using mail services of the United States or other methods or means of interstate or international commerce (including, but not limited to, telephone, telex, facsimile, e-mail, and internet communication), nor will it be conducted through any securities exchange facilities within the United States. Shareholders may not tender to the Tender Offer through the above-stated methods or means, through the above-stated facility, or from inside the United States. Additionally, the press release related to the Tender Offer or related documents will not be sent or distributed in or to the United States, or from inside the United States, through mail services or other means, and they may not be sent or distributed as such. Tenders directly or indirectly in violation of the above-stated regulations will not be accepted.
No solicitation to purchase securities or other equivalent has been conducted for U.S. residents or in the United States, and the Company will not accept any such securities or other equivalent even if they were sent by U.S. residents or from the United States.

[Other Countries]
Some countries or regions may impose restrictions on the announcement, issue or distribution of this press release. In such cases, please take note of such restrictions and comply with them. Such announcement, issue, or distribution shall not constitute a solicitation of an offer to buy or an offer to sell shares relating to the Tender Offer and shall be deemed a distribution of materials for informative purposes only.