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Notice Regarding the Scheduled Commencement of Tender Offer for Sumitomo Mitsui Construction Co., Ltd. (Stock Code: 1821) by INFRONEER Holdings Inc. (Stock Code: 5076)

INFRONEER Holdings Inc. (the “Tender Offeror”) hereby gives notice that, today, it decided to acquire the common stock (the “Target Company Shares”) of Sumitomo Mitsui Construction Co., Ltd. (stock code: 1821, Tokyo Stock Exchange, Inc. (the “TSE”) Prime Market; the “Target Company”) by way of tender offer (the “Tender Offer”), with the purpose of making the Target Company a wholly-owned subsidiary, pursuant to the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the “Act”) as follows.

Furthermore, in terms of the consideration of the Tender Offer to this point, because the procedures and responses that are required based on competition law in the Philippines are expected to require a certain amount of time, the Tender Offeror plans to implement the Tender Offer promptly if the conditions precedent, such as the completion, etc. of those procedures and responses (Note 1) (the “Conditions Precedent”) have been satisfied or if they have been waived by the Tender Offeror (the Tender Offeror may, at its discretion, waive any of the Conditions Precedent), and as of today, the Tender Offeror intends to commence the Tender Offer around early July 2025, but because it is difficult to accurately predict the period of time required for procedures, etc. with competition authorities in the Philippines, notice of the details of the schedule for the Tender Offer will be given promptly once decided. Notice will be given promptly if there is any change in the expected timing of the commencement of the Tender Offer.

(Note 1) This refers to (i) all procedures that are required based on the competition law of the Philippines having been completed, or their completion being reasonably expected by the last day of the tender offer period, (ii) the Target Company’s Board of Directors having legally and validly passed a resolution in support of the Tender Offer and recommending that the Target Company’s shareholders tender in the Tender Offer, and that resolution not having been changed or withdrawn, (iii) the Special Committee (as defined in “(ii) Decision-Making Process and Reasons Leading to Target Company Support of the Tender Offer” under “(2) Background, Purpose, and Decision-making Process of the Tender Offer, and Post-Tender Offer Management Policy” in “1. Purpose, etc. of Tender Offer, etc.” below; hereinafter the same) established by the Target Company having submitted a report with content supportive of the approval of the Tender Offer and recommendation that the Target

Company's shareholders tender in the Tender Offer, and that report not having been changed or withdrawn, (iv) there having been no events that have a material adverse effect on the financial situation of the Target Company (meaning a material change in the business or assets of the Target Company or its subsidiary company set forth in the proviso of Article 27-11(1) of the Act, or any other event that would materially impede the achievement of the purpose of the Tender Offer, or an event equivalent thereto; hereinafter the same), (v) the organs that decide the execution of business at the Target Company (including the general shareholders meeting of the Target Company; hereinafter the same) not having made decisions regarding a dividend of surplus with a record date before the commencement of the settlement of the Tender Offer (excluding the dividend of surplus of 14 yen per share that is stated as the expected year-end dividend for the fiscal year ended March 31, 2025 in the "Summary of Financial Results for the Fiscal Year Ended March 31, 2025 (Japanese GAAP) (Consolidated)" (the "Target Company's Summary of Financial Results for the Fiscal Year Ended March 31, 2025") released by the Target Company today; hereinafter the same), (vi) there are no pending petitions, lawsuits, or proceedings seeking the restriction or prohibition of the Tender Offer, and there are no laws and regulations, etc. and no order, disposition, or judgement by a judicial or administrative body, etc. that restricts or prohibits the Tender Offer, and (vii) there are no unpublished material facts concerning business, etc. pertaining to the Target Company (meaning the facts set forth in Article 166(2) of the Act; hereinafter the same) or facts of a tender offer, etc. (meaning the facts set forth in Article 167(2) of the Act; hereinafter the same) that have not been published (having the meaning set forth in Article 166(4) of the Act or Article 167(4) of the Act) by the Target Company.

1. Purpose, etc. of Tender Offer, etc.

(1) Overview of the Tender Offer

As of today, the Tender Offeror owns 100 Target Company Shares (ownership ratio (Note 1): 0.00%) that are listed on the Prime Market of the TSE from the perspective of ensuring the ability to exercise rights as a shareholder of the Target Company, such as requesting to inspect the shareholder register of the Target Company.

At the Board of Directors meeting held today, the Tender Offeror has decided, if the Conditions Precedent are satisfied (or if they have been waived by the Tender Offeror), to promptly conduct the Tender Offer as a part of transactions whose purpose is to obtain all of the Target Company Shares (excluding treasury shares owned by the Tender Offeror and the Target Company; hereinafter the same) and to make the Target Company a wholly-owned subsidiary of the Tender Offeror (the "Transaction").

The Tender Offer has set the minimum number of shares to be purchased in the Tender Offer at 104,589,800 shares (ownership ratio: 66.67%) (Note 2), and if the total number of shares, etc. tendered in the Tender Offer (the "Tendered Shares, Etc.") is less than the minimum number of shares to be purchased, the Tender Offeror will not purchase any of the Tendered Shares, Etc. On the other hand, because the purpose is, as stated above, to make the Target Company a wholly-owned subsidiary of the Tender Offeror by acquiring all of the Target Company Shares, the Tender Offeror has not set a maximum number of shares, etc. to be purchased, and therefore, if the total number of Tendered Shares, Etc. is equal to or greater than the minimum number of shares, etc. to be purchased, the Tender Offeror plans to purchase all of the Tendered Shares, Etc.

(Note 1) "Ownership ratio" means the percentage of the number of shares (156,884,882 shares; the "Reference Number of Shares") obtained by deducting the number of treasury shares owned by the Target Company (5,788,439 shares) as of March 31, 2025 from the total number of issued shares of the Target Company as of March 31, 2025 (162,673,321 shares) stated in the Target Company's Summary of Financial Results for the Fiscal Year Ended March 31, 2025 released by the Target Company today (rounded to the second decimal place; the same applies below in calculations of the ownership ratio).

(Note 2) The minimum number of shares to be purchased has been set as the number of shares (104,589,800 shares) obtained by subtracting the 100 Target Company Shares owned by the Tender Offeror from the number of shares obtained by multiplying the number of voting rights (1,568,848 voting rights) pertaining to the Reference Number of Shares (156,884,882 shares) by two-thirds (1,045,899 voting rights (rounded up to the nearest whole number), and then multiplying that by one unit of the Target Company Shares (100 shares). The minimum number of shares to be purchased is set to ensure that the total number of voting rights of the Target Company owned by the Tender Offeror if the Tender Offer is successfully completed will be at least two-thirds of the total number of voting rights of the Target Company (1,568,848 voting rights), which is the number of voting rights pertaining to the number of shares (156,884,882 shares) obtained by deducting the number of treasury shares owned by the Target Company as of March 31, 2025 (5,788,439 shares) from the total number of issued shares as of March 31, 2025 (162,673,321 shares), in order to ensure the Transaction, since the Tender Offeror aims to make the Target Company a wholly-owned subsidiary of the Tender Offeror, and as the Tender Offeror plans to conduct a series of transactions to make the Tender Offeror the only shareholder of the Target Company (the “Squeeze-Out Procedures”) as set forth in “(4) Policy on Reorganization, etc. After the Tender Offer (Matters Regarding So-Called Two-Stage Acquisition)” below in the event that the Tender Offeror could not acquire all of the Target Company Shares in the Tender Offer, a special resolution at a shareholders meeting as stipulated in Article 309(2) of the Companies Act (Act No. 86 of 2005; as amended; hereinafter the same) is required when carrying out procedures for a share consolidation.

The Tender Offeror entered into a Tender Offer Application Agreement dated May 13, 2025 with Kabushiki Kaisha City Index Elevens (“City Index Elevens”) (100 shares of common stock of the Target Company owned as of today; the “Owned Common Stock”; ownership ratio 0.00%) (the “Tender Agreement”) in relation to the Tender Offer, and has reached an understanding with City Index Elevens that it will tender in the Tender Offer, or cause Ms. Aya Nomura (“Ms. Nomura”) (15,432,000 shares of Owned Common Stock; ownership ratio 9.84%), KADAN CAPITAL FUND PTE. LTD. (“Kadan”) (15,000,000 shares of Owned Common Stock; ownership ratio 9.56%), and Kabushiki Kaisha Reno (“Reno”) (14,796,800 shares of Owned Common Stock; ownership ratio 9.43%), which are the joint holders (meaning the joint holder defined in Article 27-23(5) and (6) of the Act) of City Index Elevens (collectively, the “Joint Holders,” and together with City Index Elevens, the “Tendering Shareholders”) to tender in the Tender Offer, all of the Target Company Shares that City Index Elevens owns and all of the Target Company Shares that the Joint Holders own. Please refer to “(6) Matters with Respect to Material Agreements Concerning the Tender Offer” below for details of the Tender Agreement.

In addition, according to the “Notice Regarding Expression of Opinion in Support of the Planned Commencement of the Tender Offer for the Company Shares by INFRONEER Holdings Inc. and Recommendation to Tender Shares in the Tender Offer” released by the Target Company on May 14, 2025 (the “Target Company’s Press Release”), at its Board of Directors meeting held on May 14, 2025, the Target Company has, in regard to the Tender Offer, resolved, as the opinion of the Target Company at the present time, to express its opinion in support of the Tender Offer and to recommend that the Target Company’s shareholders tender in the Tender Offer if the Tender Offer has commenced.

At the Target Company’s Board of Directors meeting set forth above, as set forth in “(vi) Approval of the Majority of Non-Interested Directors of the Target Company and Opinion that they Have no Objection from all Non-Interested Audit & Supervisory Board Members of the Target Company” under “(3) Measures to Ensure the Fairness of the Tender Offer, Such as the Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest” below, the Target Company’s Board of Directors additionally resolved that, before the Tender Offer commences, the Special Committee will be asked to review whether there is any change to the

opinion expressed this day by the Special Committee to the Target Company's Board of Directors, and if there is no change, to state this fact to the Target Company's Board of Directors, and if there is a change, to state its position after the change, and based on such position, the Target Company will again announce its position on the Tender Offer when the Tender Offer commences. For details of the composition of members and specific activities of the Special Committee, please see "(ii) Establishment of an Independent Special Committee and Obtainment of a Written Report from the Special Committee by the Target Company" in "(3) Measures to Ensure the Fairness of the Tender Offer, Such as the Measures to Ensure the Fairness of the Purchase Price and to Avoid Conflicts of Interest" below.

For details of the Target Company's decision-making, please see the Target Company's Press Release and "(ii) Decision-Making Process and Reasons Leading to Target Company Support of the Tender Offer" in "(2) Background, Purpose, and Decision-making Process of the Tender Offer, and Post-Tender Offer Management Policy" below.

(2) Background, Purpose, and Decision-making Process of the Tender Offer, and Post-Tender Offer Management Policy

The background, purpose, and decision-making process of the Tender Offer and the post-Tender Offer management policy are as set forth below. The following statements regarding the Target Company are based on the information publicly released by the Target Company, the Target Company's Press Release, and explanations received from the Target Company.

(i) Background, Purpose, and Decision-making Process of the Tender Offer

The Tender Offeror was incorporated in October 2021 as the wholly-owning parent company of Maeda Corporation ("Maeda Corporation"), Maeda Road Construction Co., Ltd. ("Maeda Road Construction"), and Maeda Seisakusho Co., Ltd. by means of a joint share transfer. The shares of the Tender Offeror were listed on the First Section of the TSE in October 2021, and are listed on the Prime Market of the TSE as of today due to the market restructuring of the TSE in April 2022. The main businesses of the Tender Offeror Group (meaning, as of today, the group composed of the Tender Offeror, 119 subsidiary companies, and 30 affiliated companies; hereinafter the same) are the construction business, civil engineering business, paving business, machinery business, and infrastructure operation business, and the Tender Offeror Group operates in a broad range of fields, from retail business through to real estate business.

The Tender Offeror Group announced the medium-term management plan "INFRONEER Medium-term Vision 2027" (the "Medium-Term Management Plan") on March 26, 2025. To achieve the envisioned goals outlined in the medium- to long-term management plan "INFRONEER Vision 2030" (the "Medium- to Long-Term Management Plan") disclosed on October 1, 2021, it builds upon the growth under the medium-term management plan "INFRONEER Medium-term Vision 2024" also disclosed on October 1, 2021. This plan positions the next three-year period as the "Phase of Expanding Investment Business" and aims to promote proactive growth investments based on value-driven thinking while adhering to financial discipline over the period. The group is striving to establish a business model that ensures sustainable growth, resilient to external factors, and advancing the group-wide strategy of becoming an "integrated infrastructure service company," and accelerating the maximization of competitiveness by combining the engineering capabilities of group companies and expanding business domains through proactive M&A to establish and expand a "stable and highly profitable revenue base." To achieve the desired vision, it has adopted the 3 Core Strategies of "establishment of a revenue base based on INFRONEER's business model," "maximize added value," and "strengthen and improve corporate culture." By utilizing EBITDA as a key metric, the plan seeks to accurately assess profitability and achieve sustainable growth, particularly in the infrastructure business. Furthermore, the governance structure will evolve to align with the ideal framework by fully leveraging the design principles of

a company with a nomination committee. Through future-oriented business strategies and robust execution, the plan aims to enhance corporate value while balancing social contribution.

On the other hand, the Target Company was established in April 2003 through the merger of Mitsui Construction Co., Ltd. and Sumitomo Construction Co., Ltd. The origin of Mitsui Construction Co., Ltd. can be traced to 1887 when Mr. Kenjiro Nishimoto took over the family business of the Nishimoto family, which had been allowed transactions with the Kishu Tokugawa family from the middle of the Edo period, and founded Nishimoto-Gumi, a civil engineering contractor, in Wakayama. In 1934, Nishimoto-Gumi Joint-Stock Co., Ltd., the predecessor of Mitsui Construction Co., Ltd., was established with capital of one million yen, and it changed its name to Nishimoto-Gumi Co., Ltd. in October 1941; thereafter, in May 1945, Mitsui Fudosan Co., Ltd. made an equity participation for the purpose of enhancing its construction division, and the trade name was changed to Mitsui Construction Industry Co., Ltd. In September 1946, Mitsui Construction Industry Co., Ltd. changed its name to Mitsui Construction Co., Ltd., and Mitsui Construction Co., Ltd. was listed on the Second Section of the TSE in February 1962 and reassigned to the First Section of the TSE in August 1963. The origin of Sumitomo Construction Co., Ltd. can be traced back to the Sumitomo Besshi Copper Mine, which was opened in 1691, in which it was engaged in the construction of various facilities, such as mines, and haul roads. The Besshi Copper Mine was directly managed by the Sumitomo family for a long time; however, in March 1950, in the process of the dissolution of the Zaibatsu after the end of World War II, it became independent from Seika Mining Co., Ltd. as Besshi Construction Co., Ltd., and in June 1962, it was listed on the Second Section of the TSE. In October 1962, it merged with Katsuro-Gumi Co., Ltd. and changed its name to Sumitomo Construction Co., Ltd., and was reassigned to the First Section of the TSE in August 1965. Following the review of the market segments of the TSE in April 2022, the Target Company Shares are listed on the TSE Prime Market as of today.

As of today, the Target Company's corporate group is comprised of the Target Company, its 22 subsidiaries, and its eight affiliates (the "Target Company Group") and operates in two segments: the civil engineering business and building construction business. With regard to its civil engineering business, based on its past experience in construction and other relevant factors, the Target Company provides optimal design and construction technology in the construction and maintenance and renewal of civil engineering structures that support societal infrastructure, such as bridges, tunnels, river improvements, land development, and water supply and sewerage facilities. In the prestressed concrete (PC) (Note 1) bridge sector, the Target Company takes pride in being one of the industry's leading firms in terms of design and construction achievements. The Target Company promotes technological development such as new structural forms and construction methods using precast concrete (PCa) (Note 2) to shorten length of projects and streamline construction. Through these, the Target Company offers high-quality, durable, and easily maintainable bridges. With regard to the building construction business, in the housing business, the Target Company has an extensive track record in super high-rise residential buildings using its proprietary SQRIM construction method (Note 3), which achieves high quality and short construction time. For warehouses, data centers, and large factories, the Target Company uses MIC (Mitsui Sumitomo Integrated Composite System) (Note 4), a hybrid steel-frame-reinforced concrete construction method, to provide buildings that are resistant to vibration while providing large spaces. In addition, the Target Company is focusing on ZEB/ZEH construction (Note 5) to achieve carbon neutrality, and has obtained ZEH-M (Note 6) certification for the Target Company's single-employee dormitories, which operate with a zero or below energy balance (Note 7).

(Note 1) PC (prestressed concrete) refers to concrete to which compressive force is applied beforehand to improve tensile strength.

(Note 2) PCa (precast concrete) refers to an on-site assembly of factory produced concrete parts, which allows labor saving on the site, shortening of the construction period, and

stabilization of quality.

- (Note 3) SQRIM construction method refers to a full precast concrete method that eliminates cast-in-place (CIP) concrete on the connection parts. In SQRIM, the beam and beam-column joint core are fabricated as a single precast element. Its construction speed is equivalent to that of the steel-frame construction method, which can realize significant shortening of the construction period.
- (Note 4) MIC refers to a hybrid structure with reinforced concrete for pillars and steel for beams. It is a construction method that can shorten the construction period and reduce costs while utilizing the advantages of a hybrid structure in which reinforced concrete that is resistant to compressive force and steel frame that is resistant to bending stress and shear force are placed in the right place.
- (Note 5) ZEB (Net Zero Energy Building) and ZEH (Net Zero Energy House) refer to a building that minimizes the energy consumption of the entire building and reduces the annual energy balance to zero or less by using renewable energy. ZEB applies to non-residential buildings such as commercial facilities and office buildings, while ZEH applies to residential buildings.
- (Note 6) ZEH-M (Net Zero Energy House - Mansion) refers to a building (condominium or apartment building) that aims to reduce the energy balance to zero or less.
- (Note 7) Operating with a zero or less energy balance refers to the total amount of energy produced from renewable energy (e.g., solar power) being greater than the energy consumed by the building.

For the Tender Offeror, in the short- to mid-term, it is projected that in the construction industry, the amount of public investment is expected to strengthen and level off or slightly increase due to the handling of disaster prevention and mitigation, national resilience, and carbon neutrality and the like. At the same time, the market environment is thought to have become increasingly severe due to factors such as persistently high prices for construction materials and tight labor supply and demand. Furthermore, the simultaneous aging of the massive amount of social infrastructure that was developed during the period of rapid economic growth is a problem that already has surfaced, and while that existing infrastructure will have to be maintained, managed, and renewed, it is recognized that shortages of human resources and optimization problems will occur due to the further intensification of the labor shortage resulting from the impact of the decline in the working-age population caused by the falling birthrate and aging of the population, as well as the rise in labor costs due to the application of regulations capping overtime labor for the construction industry from April 2024.

On the other hand, in the mid- to long-term, it is anticipated that as a result of a decrease in tax revenue due to the declining population and an increase in social security costs due to the aging of the population, the public finances of the national government and local governments will become increasingly strained, and the domestic market for new construction contracts will gradually shrink due to fiscal constraints. Based on the aforementioned situation, we believe that great changes will be required, such as fundamentally reconsidering the existing business model of the general construction industry.

In addition, in the construction industry such as civil engineering and building, it is becoming increasingly necessary to rapidly utilize not only advanced technological capabilities, sales capabilities, procurement capabilities, and construction supply capabilities, but also new technologies in conjunction with the dizzying

changes described above. The Tender Offeror Group's current capabilities are insufficient to deal with these changes in the industrial structure, both in terms of quality and quantity, and it is recognized as an issue in future business expansion.

The Target Company Group believes, with regard to the construction industry, that because much of the social infrastructure constructed across Japan during the period of rapid economic growth is over 50 years old and are aging, demand for public investments is expected to remain steady due to the planned investments from the viewpoint of disaster prevention and mitigation, national resilience, and carbon neutral measures, and that businesses for maintaining and renewing domestic infrastructure are expected to expand. Further, demand for capital expenditures by private companies is also expected to continue to be on a recovery trend on the back of an improvement in the profits of private companies, the difficult market environment will continue due to the effects of high resource prices and construction material prices, tight labor supply and demand, labor shortages, and the application of an upper limit on overtime work in the construction industry that began in April 2024. However, in the long term, as a result of a decrease in tax revenue due to the declining population and an increase in social security costs due to the aging of the population, the public finances are expected to decline, resulting in a reduction of investment in new public construction projects, in particular. Meanwhile, in terms of the overseas market, it is expected that there will be strong demand for infrastructure due to rapid economic growth, particularly in emerging countries (Southeast Asia, South Asia, Africa, etc.).

In addition, the Target Company Group recognizes that there is an urgent need to improve its financial position that has been harmed by the recorded losses in large-scale construction work in Japan, and to increase corporate value through an early recovery in its business performance.

In order to respond to changes in the business environment mentioned above and realize a sustainable society and achieve sustainable growth of the Target Company Group through each and every employee's future-oriented actions leveraging the Target Company Group's strengths, in February 2019, the Target Company Group set "Vision 2030," a long-term vision, and aims to "be a construction company that globally supports and connects people and communities with new value" to realize the vision.

Thus, the Tender Offeror Group believes that, in order for the Target Company Group to expand its business base in the medium and long term and achieve further growth while the management environment surrounding the Target Company Group is changing significantly, it is important for it to build capital ties with the Tender Offeror Group and maximize the synergies of both company groups (hereinafter meaning the Tender Offeror Group and the Target Company Group, collectively), such as expansion of business opportunities and growth investments through coordination of management resources, DX, technological development and sustainability response, enhancement of governance systems, and joint promotion of human resource development through management integration with the Target Company, and the Tender Offeror Group believes that the resulting maximization of group synergies, for example the creation of a strong business base that can respond to environmental changes and the optimal distribution of management resources, is indispensable. In addition, the Tender Offeror Group believes that maximizing synergies between the groups in this way will work to expand its business domain and maximize its competitiveness with the aim of establishing its position as the "integrated infrastructure service company" that the Tender Offeror Group set out in the Medium- to Long-Term Management Plan and the Medium-Term Management Plan.

The Tender Offeror believes that, by making the Target Company a wholly-owned subsidiary of the Tender Offeror and taking the Target Company Shares private, it is possible to realize the following specific synergies.

- i. Mutual Utilization of the Management Resources of the Tender Offeror and the Target Company

There are some companies in the Tender Offeror Group that engage in businesses similar to the Target Company, such as Maeda Corporation, but the Tender Offeror Group and the Target Company recognize that there are issues that need to be addressed, such as population decline, decreasing tax revenue and increasing social security costs, etc. causing a decrease in mid- to long-term new construction investment, the surfacing of the problem of aging existing infrastructure, as well as a manpower shortage. It is believed that various collaborations will be enabled through management integration between the Tender Offeror Group and the Target Company through the Transaction and strengthening cooperation with the Tender Offeror Group, such as in sales, design, and field support, technology development, systems, public relations, and IR, which will allow the expansion of business opportunities that are created thereby and the improvement of productivity, and growth investment utilizing the management resources of both company groups. Specifically, it is believed that it will be possible to seek (i) cost synergies through joint purchasing of construction materials, sharing of construction equipment, and consolidation of manufacturing lines in areas where business domains overlap, (ii) further strengthening of competitiveness and greater efficiency of business operations through the sharing of know-how, technology, and systems of each business in overlapping or related areas, (iii) improvement of the efficiency of allocation of human resources in each place of business, and (iv) the improvement of fundraising capacity and the reduction of fund procurement costs at the Target Company by utilizing the rating and credit of the Tender Offeror Group. By realizing these, it will be possible to construct a more efficient business structure and seek business expansion, and it is believed that this will also lead to the expansion of growth investment at the Tender Offeror and the Target Company.

ii. Joint Promotion of Group-wide DX, Technological Development, Sustainability Strategy, and Human Resource Development

In recent years, there has been a marked shortage of workers in the construction industry due to the impact of the falling working-age population caused by the aging population and low birthrate, and improving productivity through labor savings and labor reduction is an urgent issue for the industry to address. Meanwhile, a growth strategy in this type of environment, where there is extraordinary growth of AI and other advanced digital technologies, requires the collection and utilization of data and training of human resources that will contribute to increased productivity at construction sites and greater efficiency in the infrastructure operation business, and in addition to that being advanced by a Group as a whole rather than as an independent effort, it is essential to have cooperative business and collaboration with diverse partners, and it is believed that cooperation in the technological development and human resource development sites of each Group company will allow the maximization of those results.

The centralized management of data related to the technology and know-how held by the Target Company, the Tender Offeror, and other group companies will enable the analysis of data with a higher degree of accuracy than can be done through individual efforts, and this would enable stronger promotion of the formulation of strategies, greater management efficiency, more advanced services, and also technological and systems development of the group as a whole. It is believed that the Tender Offer will contribute to improving business efficiency and increasing productivity in the entire business of the Target Company, and it is believed that it will be possible to realize value creation through synergies faster and more reliably.

iii. Creation of New Business Opportunities by Mutually Leveraging Business Bases

In terms of the situation in the domestic construction industry, the market for new construction contracts is expected to shrink because of fiscal constraints caused by a decline in tax revenue due to the declining population and an increase in social security costs due to the aging of society. On the other hand, because the massive amount of social infrastructure that was developed during the period of rapid economic growth is aging all at once, public investment is expected to remain solid due to planned investment in

disaster prevention and mitigation as well as national resilience, and it is expected that the markets for maintaining, managing, and renewing infrastructure and for new construction through public-private partnerships will expand. The renewable energy market is also expected to expand rapidly due to the promotion of policies aimed at carbon neutrality. Meanwhile, in terms of the situation of the construction industry overseas, it is expected that there will be demand for infrastructure due to rapid economic growth, particularly in emerging countries (Southeast Asia, South Asia, Africa, etc.). Given this type of anticipated environment in the construction industry, it is believed that it is essential to steadily win orders in expanding markets while increasing competitiveness within the industry in order to continue business expansion and business growth.

The Tender Offeror Group and the Target Company have both promoted the receipt of orders from government agencies and the expansion of overseas business with a shared understanding of this outlook for the market environment, and the Target Company has an extensive track record overseas and is highly competitive. The Tender Offeror Group and the Target Company believe that making maximum use of the business contacts, business bases, and customer contacts they have cultivated in growth markets to date will lead to the creation of further business opportunities and the expansion of the project pipeline in growth markets in the industry for both company groups.

As disadvantages that generally accompany taking shares private, there is the loss of ability to raise funds from capital markets through equity financing and no longer being able to enjoy the increased name recognition, social credibility, and other advantages that were enjoyed as a listed company. However, the impact on fund-raising through equity financing is believed to be minor, given that it will become possible to seek an increase in fund-raising capacity and lowering of fund-raising costs at the Target Company by utilizing the Tender Offeror Group's ratings and credit. In addition, with respect also to name recognition and social credibility, a part of the increase in the Target Company's name recognition and social credibility is also secured through business activities, so the impact caused by going private on brand strength and name recognition that the Target Company has cultivated to date also is believed to be small. Thus, there are no exceptional impacts due to delisting the Target Company through the Transaction, and it is believed that given the fact that by coming under the umbrella of the Tender Offeror, it will be possible to gain also the name recognition and social credibility possessed by the Tender Offeror Group, the disadvantages accompanying taking shares private at the Target Company are believed to be limited.

Based on the considerations set forth above, the Tender Offeror determined that making the Target Company a wholly-owned subsidiary through the Transaction, including the Tender Offer, without considering maintaining a listing of the Target Company as a consolidated subsidiary of the Tender Offeror in order to avoid considering the interests of ordinary shareholders (in this press release, both "ordinary shareholders" and "minority shareholders" are used as appropriate, but they have the same meaning) and bringing about restrictions on decision-making by the Tender Offeror Group, is optimal in order to achieve even greater improvement in the corporate value of the Tender Offeror and the Target Company to the maximum extent. It was also determined that the optimal method of making the Target Company a wholly-owned subsidiary is by means of a tender offer, which is a method that, by using cash – which has high liquidity compared to shares – as the consideration, can provide the Target Company's shareholders with the opportunity to make choices, including to become shareholders of the Tender Offeror by using that delivered money to purchase shares of the Tender Offeror. On November 15, 2024, the Tender Offeror contacted the Target Company to let them know that it was examining the Transaction, and upon commencing examination in earnest, the Tender Offeror appointed Daiwa Securities Co., Ltd. ("Daiwa Securities") as a financial advisor and third-party valuation institution that is independent from the Tender Offeror and the Target Company in late December 2024, and appointed Uryu & Itoga ("Uryu & Itoga") as a legal advisor that is independent from the Tender Offeror and

the Target Company in late December 2024, respectively.

Subsequently, on February 18, 2025, the Tender Offeror submitted a written proposal (the “Proposal”) expressing its formal intention concerning the Transaction that has the purpose of making the Target Company a wholly-owned subsidiary through the Tender Offer, and thereafter, the Tender Offeror commenced full-fledged discussions with the Target Company to implement the Transaction.

Specifically, the Tender Offeror, based on the results of the due diligence for the Target Company that was carried out from early March 2025 to mid-April 2025 for the purpose of examining the feasibility of the Transaction and on the assumption that there would be no year-end dividend paid for the fiscal year ended March 31, 2025, made an initial purchase, etc. price proposal (the “Tender Offer Price”) per share of the Target Company Shares dated April 11, 2025 to the Target Company to the effect that the Tender Offer Price will be 480 yen per share (480 yen represents a premium of 10.85% (rounded to the second decimal place; hereinafter the same regarding the percentage values of premiums on share prices) on the closing price of 433 yen of the Target Company Shares on the TSE Prime Market as of April 10, 2025, the business day prior to April 11, which was when this proposal was made). In response to this, the Special Committee, based on the advice of SMBC Nikko Securities (defined in “a. Background of Construction of Examination System” under “(ii) Decision-Making Process and Reasons Leading to Target Company Support of the Tender Offer” below) and the legal advice of Nishimura & Asahi (defined in “a. Background of Construction of Examination System” under “(ii) Decision-Making Process and Reasons Leading to Target Company Support of the Tender Offer” below) and as a result of having carefully considered the details of the aforementioned offer from the Tender Offeror, stated that because the premium level over the current share price and share price for a certain past period is insufficient in comparison to cases of taking a company private that are similar to this case, and because it could not be judged to be a sufficient price in light of the results of trial calculations of the share value by the Special Committee’s third-party valuation institution Yamada Consulting (defined in “a. Background of Construction of Examination System” under “(ii) Decision-Making Process and Reasons Leading to Target Company Support of the Tender Offer” below), it was judged to diverge greatly from the price level envisaged for making a declaration endorsing the Tender Offer and recommendation to tender, and on April 14, 2025, the Tender Offeror received from the Target Company a request to reconsider the Tender Offer Price.

The Tender Offeror, on the assumption that the year-end dividend for the fiscal year ended March 31, 2025 (meaning the dividend of surplus of 14 yen per share that is stated as the expected year-end dividend for the fiscal year ended March 31, 2025 in the Target Company’s Summary of Financial Results for the Fiscal Year Ended March 31, 2025) will be paid, made a second price proposal dated April 23, 2025 to the Target Company to the effect that the Tender Offer Price will be 530 yen per share (530 yen represents a premium of 5.79% on the closing price of 501 yen of the Target Company Shares on the TSE Prime Market as of April 22, 2025, the business day prior to April 23, which was when this proposal was made). In response to this, the Special Committee, based on the advice of SMBC Nikko Securities and the legal advice of Nishimura & Asahi and as a result of having carefully considered the details of the aforementioned offer from the Tender Offeror, stated that because the premium level over the current share price and share price for a certain past period is insufficient in comparison to cases of taking a company private that are similar to this case, and because it could not be judged to be a sufficient price in light of the results of trial calculations of the share value by the Special Committee’s third-party valuation institution Yamada Consulting, it was judged to diverge greatly from the price level envisaged for making a declaration endorsing the Tender Offer and recommendation to tender, and on April 24, 2025, the Tender Offeror received from the Target Company a request to reconsider the Tender Offer Price.

The Tender Offeror made a third price proposal dated May 7, 2025 to the Target Company to the effect that the Tender Offer Price will be 560 yen per share (560 yen represents a premium of 11.55% on the closing price of 502 yen of the Target Company Shares on the TSE Prime Market as of May 2, 2025, the business day prior

to May 7, which was when this proposal was made). In response to this, the Special Committee, based on the advice of SMBC Nikko Securities and the legal advice of Nishimura & Asahi and as a result of having carefully considered the details of the aforementioned offer from the Tender Offeror, stated that because the premium level over the current share price and share price for a certain past period is insufficient in comparison to cases of taking a company private that are similar to this case, and because it could not be judged to be a sufficient price in light of the results of trial calculations of the share value by the Special Committee's third-party valuation institution Yamada Consulting, it was judged to diverge greatly from the price level envisaged for making a declaration endorsing the Tender Offer and recommendation to tender, and on May 8, 2025, the Tender Offeror received from the Target Company a request to reconsider the Tender Offer Price.

The Tender Offeror made a fourth price proposal dated May 9, 2025 to the Target Company to the effect that the Tender Offer Price will be 570 yen per share (570 yen represents a premium of 3.64% on the closing price of 550 yen of the Target Company Shares on the TSE Prime Market as of May 8, 2025, the business day prior to May 9, which was when this proposal was made). In response to this, the Special Committee, based on the advice of SMBC Nikko Securities and the legal advice of Nishimura & Asahi, and as a result of having carefully considered the details of the aforementioned offer from the Tender Offeror, and as a result of having carefully considered the details of the aforementioned offer from the Tender Offeror, stated that the premium level over the recent share price and share price over the last one month period is insufficient in comparison to cases of taking a company private that are similar to this case and it was not at a level that would satisfy the minority shareholders, and on May 12, 2025, the Tender Offeror received from the Target Company a request to reconsider the Tender Offer Price..

Then, on May 13, 2025, when the Tender Offeror requested City Index Elevens through the Target Company to tender in the Tender Offer, or cause the Joint Holders to tender in the Tender Offer, all of the Target Company Shares owned by City Index Elevens and all of the Target Company Shares owned by the Joint Holders if the Tender Offer were commenced with a Tender Offer Price of at least 590 yen, City Index Elevens replied to the effect that it would accept that request, and therefore, the Tender Offeror and City Index Elevens entered into the Tender Agreement as of May 13, 2025. Subsequently, the Tender Offeror made a fifth price proposal dated May 13, 2025 to the Target Company to the effect that the Tender Offer Price will be 600 yen per share (600 yen represents a premium of 10.70% on the closing price of 542 yen of the Target Company Shares on the TSE Prime Market as of May 12, 2025, the business day prior to May 13, 2025 which was when this proposal was made), and as of the same date received from the Target Company a reply to the effect that they would not request any further increase in the Tender Offer Price, so the Tender Offeror, through the Target Company, informed City Index Elevens to the effect that the Tender Offer Price would be 600 yen and received from City Index Elevens a verbal reply to the effect that it agreed. Because of this, the Tender Offeror was of the understanding that if it commenced the Tender Offer with a Tender Offer Price of 600 yen, pursuant to the Tender Agreement, the Tendering Shareholders would tender all of the Target Company shares they owned.

Through the above discussions and negotiations, on May 14, 2025, the Tender Offer made the decision that the Tender Offer would be implemented, as part of the Transaction, with a Tender Offer Price of 600 yen.

(ii) Decision-Making Process and Reasons Leading to Target Company Support of the Tender Offer

a. Background of Construction of Examination System

As stated in “(i) Background, Purpose, and Decision-making Process of the Tender Offer” above, on November 15, 2024, in response to the notification from the Tender Offeror that the Tender Offeror was considering the Transaction, the Target Company commenced discussions with the Tender Offeror regarding implementation of the Transaction, as well as consideration of the pros and cons of implementation of the Transaction. In order to consider the Transaction, in late December 2024, the

Target Company appointed SMBC Nikko Securities Inc. (“SMBC Nikko Securities”) as its financial advisor and third-party valuation institution independent of the Tender Offeror, the Target Company, and the Tendering Shareholders (“the Tender Offer Related Parties”), and Nishimura & Asahi (Gaikokuho Kyodo Jigyo) (“Nishimura & Asahi”) as its legal advisor independent of the Tender Offer Related Parties.

Thereafter, taking into account that on February 18, 2025, the Target Company received from the Tender Offeror the Proposal, and that there was a possibility that the Tender Offeror may enter into the Tender Agreement with the Tendering Shareholders, the Target Company established a special committee (the “Special Committee”; for a background to the establishment of the Special Committee, details of its consideration, details of its decision, etc., please see “(ii) Establishment of an independent special committee and obtainment of a written report from the special committee by the Target Company” in “(3) Measures to Ensure the Fairness of the Tender Offer, Such as the Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest” below) composed of three members, i.e., Mr. Nobuo Kawahashi, Mr. Sakio Sasamoto, and Ms. Mami Yamashita, who are the Target Company’s Outside Directors, have been notified with the TSE as its independent officers, and are independent of the Tender Offer Related Parties, pursuant to the resolution at the Board of Directors’ meeting dated February 25, 2025, based on advice from Nishimura & Asahi; the purpose of the establishment of the Special Committee was to eliminate the risk of arbitrariness and conflicts of interest with general shareholders in the Target Company’s decision-making process and ensure the fairness and transparency of the Transaction when the Target Company’s Board of Directors considers the Transaction and other incidental or related matters (collectively, the “Relevant Matters”) while giving consideration to the impact on the Target Company’s general shareholders.

Pursuant to the aforementioned resolution at the Board of Directors’ meeting, the Target Company sought advice from the Special Committee regarding: (i) the legitimacy and reasonableness of the purpose of the Transaction (including whether the Transaction will contribute to enhancement of the Target Company’s corporate value); (ii) the fairness and appropriateness of the terms and conditions of the Transaction; (iii) the fairness of the procedures for the Transaction; (iv) whether the Transaction is considered not to be disadvantageous to the Target Company’s general shareholders; and (v) the pros and cons of the Board of Directors expressing its opinion in support of the Tender Offer in the Transaction and recommending that shareholders tender their shares in the Tender Offer (matters stated (i) through (v) are collectively referred to as the “Consultation Matters”).

In addition, at the aforementioned Board of Directors’ meeting, the Target Company also adopted a resolution that the Target Company’s Board of Directors must respect the report of the Special Committee to the fullest extent when it makes important decisions on the Relevant Matters, and that the Target Company will not support the Tender Offer if the Special Committee determines that the decision to implement the Transaction through the Tender Offer is disadvantageous to the Target Company’s general shareholders. Moreover, pursuant to the aforementioned resolution at the Board of Directors’ meeting, the Target Company granted the following authorities to the Special Committee: (a) the authority to provide necessary advice to the Directors and employees of the Target Company other than the Special Committee members who consider the Relevant Matters (the “Target Company’s Project Team”); (b) the authority to confirm in advance the policy for discussions and negotiations regarding the Relevant Matters with the Tender Offeror, receive reports on the status thereof in timely fashion, state opinions as necessary, and make recommendations and requests to the Target Company’s Board of Directors; (c) the authority to request that the Target Company’s Project Team and the Target Company’s outside experts, etc. (including financial advisors, certified public accountants, attorneys-at-law,

consultants, and other experts; hereinafter the same) report and provide information regarding the progress, status of consideration, and other matters related to the Relevant Matters as necessary; and (d) the authority to appoint its own outside experts, etc. at the Target Company's expense to the extent necessary to fulfill its role, and the authority to seek expert advice from the Target Company's outside experts, etc. if the Special Committee determines that the Target Company's outside experts, etc. are trustworthy and the Special Committee can seek expert advice from them because the Target Company's outside experts, etc. have sufficient expertise and there are no issues with their independence.

As stated in "(ii) Establishment of an independent special committee and obtainment of a written report from the special committee by the Target Company" in "(3) Measures to Ensure the Fairness of the Tender Offer, Such as the Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest" below, the Target Company obtained approval of the Special Committee regarding the Target Company's appointment of SMBC Nikko Securities as its financial advisor and third-party valuation institution and Nishimura & Asahi as its legal advisor. On March 11, 2025, the Special Committee appointed YAMADA Consulting Group Co., Ltd. ("Yamada Consulting") as its own third-party valuation institution independent of the Tender Offer Related Parties, considering its independence, expertise, and track record.

b. Background of the Consideration and Negotiation

Under the aforementioned structure, the Target Company considered the pros and cons of implementation of the Transaction with advice from SMBC Nikko Securities and Nishimura & Asahi, based on the outline of the Tender Offer, including the purpose of the Transaction, the impact of the Transaction on the Target Company, the details of the management policy after the Transaction, and the recent stock price trends, and held multiple rounds of discussions and deliberation with the Tender Offeror.

On April 11, 2025, the Target Company received an initial price proposal from the Tender Offeror to the effect that the Tender Offer Price would be 480 yen per share, based on the premise that the Target Company will not pay the year-end dividends for the fiscal year ended March 2025. Based on the advice of SMBC Nikko Securities and the legal advice of Nishimura & Asahi, the Special Committee carefully considered the aforementioned proposal from the Tender Offeror, and as a result, determined that the proposed price significantly deviated from the price level that the Target Company envisaged in order to express an opinion in support of the Tender Offer and recommend that shareholders tender their shares in the Tender Offer because the proposed price could not be deemed sufficient in light of the fact that the premium level compared with the share price at the current time and for a certain period of time in the past was insufficient compared with those in privatization cases similar to the present one, and the results of calculation of the share value by Yamada Consulting, the Special Committee's third-party valuation institution. Therefore, on April 14, 2025, the Target Company requested that the Tender Offeror reconsider the Tender Offer Price.

On April 23, 2025, the Target Company received a second price proposal from the Tender Offeror to the effect that the Tender Offer Price would be 530 yen per share, based on the premise that the Target Company will pay the year-end dividends for the fiscal year ended March 2025 (this refers to dividends of 14 yen per share as stated as the year-end dividend forecast for the fiscal year ending March 2025 in the Target Company's Summary of Financial Results for the Fiscal Year Ended March 31, 2025). Based on the advice of SMBC Nikko Securities and the legal advice of Nishimura & Asahi, the Special Committee carefully considered the aforementioned proposal from the Tender Offeror, and as a result,

determined that the proposed price significantly deviated from the price level that the Target Company envisaged in order to express an opinion in support of the Tender Offer and recommend that shareholders tender their shares in the Tender Offer because the proposed price could not be deemed sufficient in light of the fact that the premium level compared with the share price at the current time and for a certain period of time in the past was insufficient compared with those in privatization cases similar to the present one, and the results of calculation of the share value by Yamada Consulting, the Special Committee's third-party valuation institution. Therefore, on April 24, 2025, the Target Company requested that the Tender Offeror reconsider the Tender Offer Price.

On May 7, 2025, the Target Company received a third price proposal from the Tender Offeror to the effect that the Tender Offer Price would be 560 yen per share. Based on the advice of SMBC Nikko Securities and the legal advice of Nishimura & Asahi, the Special Committee carefully considered the aforementioned proposal from the Tender Offeror, and as a result, determined that the proposed price still significantly deviated from the price level that the Target Company envisaged in order to express an opinion in support of the Tender Offer and recommend that shareholders tender their shares in the Tender Offer because the proposed price could not be deemed sufficient in light of the fact that the premium level compared with the share price at the current time and for a certain period of time in the past was insufficient compared with those in privatization cases similar to the present one, and the results of calculation of the share value by Yamada Consulting, the Special Committee's third-party valuation institution. Therefore, on May 8, 2025, the Target Company requested that the Tender Offeror reconsider the Tender Offer Price.

On May 9, 2025, the Target Company received a fourth price proposal from the Tender Offeror to the effect that the Tender Offer Price would be 570 yen per share. Based on the advice of SMBC Nikko Securities and the legal advice of Nishimura & Asahi, the Special Committee carefully considered the aforementioned proposal from the Tender Offeror, and as a result, determined that, in particular, the proposed price is not at a level that would satisfy the minority shareholders of the Target Company in light of the fact that the premium level compared with the most recent share price and the share price for the past one month was insufficient compared with those in privatization cases similar to the present one. Therefore, on May 12, 2025, the Target Company requested that the Tender Offeror reconsider the Tender Offer Price.

On May 13, 2025, the Target Company received a fifth price proposal from the Tender Offeror to the effect that the Tender Offer Price would be 600 yen per share. Based on the advice of SMBC Nikko Securities and the legal advice of Nishimura & Asahi, the Special Committee carefully considered the aforementioned proposal from the Tender Offeror, and as a result, determined that such proposal is acceptable for reasons provided in (A) to (G) in "c. Details of the Decision" below. Therefore, on the same day, the Target Company notified the Tender Offeror that it will not request any further increase of the Tender Offer Price at this time

c. Details of the Decision

Under the circumstances stated above, the Target Company, at its Board of Directors' meeting held today, carefully considered and discussed whether the Transaction, including the Tender Offer, will contribute to enhancement of the Target Company's corporate value, whether the terms and conditions of the Transaction, including the Tender Offer Price, are appropriate, and other matters, based on the legal advice obtained from Nishimura & Asahi, the advice from a financial perspective obtained from SMBC Nikko Securities, and the details of the share valuation report obtained on May 13, 2025 (the "Share

Valuation Report (SMBC Nikko Securities)”), while respecting the decision indicated in the Written Report dated May 14, 2025 submitted by the Special Committee (the “Written Report”) to the fullest extent.

As a result, the Target Company reached the conclusion that the Transaction, including the Tender Offer, will contribute to the enhancement of the Target Company’s corporate value compared to the case where the Target Company continues to exist on its own, as stated below. The Target Company Group believes that by establishing a capital relationship through the Tender Offer, both company groups will be able to work together to confront the challenges of the industry as a whole, and to realize the enhancement of corporate value, which is an issue for the Target Company Group, more reliably and more quickly.

The specific synergies that the Target Company believes will be realized through the Transaction are as follows:

i. Realization of further strengthening of domestic construction business

As part of its measures to improve profitability, the Target Company Group intends to create new areas of strength in the civil engineering business by focusing on tunnels, which have a large market size, and energy-related facilities, which is a growth area, while maintaining profitability in areas in which it excels, centered on PC bridges and large-scale updates to civil engineering construction. Among those areas, the Target Company is proud to have leading technologies in PC bridges, and has accumulated a track record of constructing 4,100 bridges as of the end of March 2024, but believes that there is a lot of room for expansion of its market share in the tunnel business, which has a large market, and the energy-related business, which is a growth area. The Target Company Group believes that it can further expand and strengthen its domestic civil engineering business by, instead of expanding its business on its own, receiving construction orders taking into account to the fullest extent possible the strengths of both company groups, sharing the know-how and technology that the Target Company and the Tender Offeror Group have accumulated over the years, and thereby complementing the fields in which both company groups have strengths, through integration with the Tender Offeror Group, which has strengths in the execution of construction in fields that do not overlap with the Target Company, such as tunnel construction. In addition, it will be able to handle a full lineup of tunnels, bridges, river improvements, land development, water supply and sewerage facilities, and roads, etc., from upstream to downstream, and if the infrastructure management business is included, it expects to become a corporate entity in a unique position in the industry. Furthermore, in the construction business, in response to the significant decline in construction profitability in some domestic construction projects, it has been working to improve the profit margin of the construction business by (i) improving its construction system and rebuilding its on-site support system, (ii) strengthening governance in the order-receiving process and developing an optimal order portfolio, and (iii) thoroughly managing targets with an emphasis on profitability. In the construction business, it believes that sharing the Target Company Group’s wide range of PCa (precast) technologies and the Tender Offeror Group’s construction technologies, systems, and know-how will lead to further enhancements to its competitiveness, and it believes that it will be able to secure an extremely strong position in the industry, especially in the field of super high-rise residential buildings.

ii. Expansion of scale of overseas business

The Target Company Group has been engaged in overseas construction business for more than 50 years, since the bridge project in Thailand in 1971. During this period, it has made

achievements in ODA projects in Japan, learned the customs and cultures of each country in which it operates, developed advanced technologies in Japan, and established an organizational structure. As a result, currently, in the Philippines, its many years of achievements in the Southeast Asia region are evaluated positively, and it has received an order for a super-large railway project. In India, it has received orders for a variety of projects by proposing optimal design and construction methods to many private customers. In order to achieve further growth of the Target Company Group's overseas business in the future, it is essential to expand the lineup and know-how of construction technologies. It believes that the addition of the technologies and know-how of the comprehensive infrastructure services that the Tender Offeror Group has fostered thus far will enable it to expand the scale of its overseas business.

- iii. Improvement of management efficiency through sharing management resources, and strengthening of the ability to respond to changes in the management environment
- The Target Company Group is facing a severe business environment, such as high construction material prices, a shortage of engineers due to the aging of the construction technicians and the decline in the working population, as well as tight labor supply and demand due to the effects of the application of an upper limit on overtime work, which is called the "2024 issue." In order to overcome this severe business environment, the Target Company Group has promoted DX, built a next-generation construction production system through DX by utilizing past construction period data, on-site status data, and construction material order data, etc., and promoted shortening of the construction period, labor saving at construction sites, and mitigation of rising construction costs. On the other hand, the Target Company believes that the decline in the number of construction technicians will continue in the future, and that further improvement of management efficiency is necessary for long-term stable management in the future. Therefore, the Target Company believes that it will be possible to promote further innovation in digital technology and thereby improve productivity and expand the management scale of the Target Company Group and the Tender Offeror Group, which possess extensive know-how mainly in the civil engineering and construction businesses, and be able to share the technologies and data that have been accumulated so far through the Transaction. In addition, the Target Company believes that the expansion of the Tender Offeror Group's corporate scale, the increase in the amount of orders received, and the strengthening of its financial foundation resulting therefrom, will increase the degree of recognition and expand the attractiveness for construction technicians, and will contribute to strengthening human capital, such as the ability to recruit excellent human resources and improving the engagement of existing employees, and contribute to improvement in its technological capabilities. The Target Company Group believes that through these efforts, it will strengthen its sustainability management.

On the other hand, while the disadvantages described below may arise from the Transaction, those disadvantages have been addressed as described below, and the Target Company believes that the advantages of synergies that can be realized through the Transaction outweigh those disadvantages.

Specifically, in the field of domestic civil engineering, it cannot be ruled out that the Target Company's participation in the Tender Offeror Group may lead to dis-synergies due to some overlap in the strengths of Maeda Corporation, which belongs to the Tender Offeror Group, and the Target Company in the construction field. However, according to the Tender Offeror, although it is expected that the uses of super high-rise residential buildings in the construction field will overlap, there are many design and construction projects for super high-rise residential buildings, and by mutually utilizing the management resources of both company groups, it will be possible to respond to many projects; therefore, the Tender

Offeror does not expect that any dis-synergy will occur. Furthermore, the Target Company believes that although there is a possibility that dis-synergies may occur, such as competition at the time of bidding in the civil engineering sector, in particular, because the types of construction in which the Target Company and Maeda Corporation have strengths in the civil engineering business are different, it will be possible to receive orders for a wide variety of projects by complementing strengths and weaknesses of the Target Company and Maeda Corporation, and that synergies that will exceed those dis-synergies can be expected for the Tender Offeror Group as a whole. Specifically, the Target Company believes that, through its abundant construction experience and outstanding technical capabilities, such as for PC bridges and large-scale updates to civil engineering construction in its civil engineering business, high-rise housing in the construction business, and overseas business developed mainly in Southeast Asia and South Asia, they can complement each other in the civil engineering business, where the Target Company and Maeda Corporation have different fields of expertise, and further strengthen its competitiveness through sharing its technologies and systems in the construction field, and that it can secure an overwhelming position especially in the field of super high-rise residential buildings. In order to ensure that the Target Company and Maeda Corporation complement each other's strengths and weaknesses, the Tender Offeror and the Target Company agreed in the "written confirmation" dated May 14, 2025 regarding business operations, etc. of the Tender Offeror and the Target Company after the Transaction (the "Written Confirmation") that after the Transaction, the Tender Offeror shall increase competitiveness and realize efficient business operations by utilizing the strengths of the Target Company and Maeda Corporation, which belongs to the Tender Offeror, to the maximum extent with regard to the acceptance of orders for work where the strengths of both companies overlap, and shall also, to the extent permitted under competition law, consider the fields of expertise and resources of each company to formulate optimal strategies such as (i) whether to have only the Target Company or Maeda Corporation make a bid, or (ii) to have the Target Company and Maeda Corporation incorporate a joint venture and make a bid jointly, and that when formulating such strategies, the Tender Offeror's basic policy will be to establish them upon consultation in good faith with each company in a spirit of equality that respects both the Target Company and Maeda Corporation.

Furthermore, as a result of implementing the Transaction, the Target Company will be delisted, and it is expected that the Target Company may lose its benefits, such as maintaining and improving its social credibility and name recognition as a listed company, and may change its trade name. As a result of this, it is believed that the motivation of the Target Company Group's employees who aspire to work for listed companies and those who take pride in the Target Company's trade name will decline. In addition, since the Target Company Group and the Tender Offeror Group have certain overlapping business fields, if the number of projects that the Target Company Group proactively advances decreases as a result of the Target Company Group's participation in the Tender Offeror Group, it may lead to a decrease in the motivation of the Target Company's excellent engineers who find it rewarding to advance such projects on their own. Therefore, implementation of the Transaction may have an impact on employee retention, etc., as described above. However, with regard to the impact of the Target Company's delisting, although the Tender Offeror understands that it is concerned that the Target Company's delisting as a result of implementation of the Transaction will lead to low morale of the Target Company's employees, and that the Target Company's employees place importance on the Target Company's trade name, the Tender Offeror believes that it will be possible to gain the understanding of the Target Company Group's employees by carefully explaining: that (i) the Target Company's employees will enjoy the benefits of the Target Company's participation in the Tender Offer Group by the Tender Offeror implementing measures, such as increasing employee salaries as a result of decrease in listing maintaining cost, and incentive plans, such as granting a stock benefit trust plan (J-ESOP) to all employees of the Tender Offeror Group; that (ii) by the Target Company becoming a part of the Tender Offeror Group, it will be

possible to share know-how and exchange the right people in the right place, which will lead to the realization of a more rewarding work environment; and that (iii) the Target Company's corporate value will be improved in the future. On the other hand, with regard to the impact of the Target Company's delisting, the Target Company recognizes that it cannot be ruled out that the Target Company Group's employees may feel anxious as a result of its delisting and that if the business integration of the Tender Offeror and the Target Company leads to a narrowing of the opportunities for on-site engineers in the event of an overlap of projects, it may lead to the turnover of on-site engineers. Therefore, from the perspective of the retention of the Target Company Group's employees, the Target Company's management members reached the agreement as stated in "(iii) Post-Tender Offer Management Policy" below with the Tender Offeror. Specifically, on the premise that the Tender Offeror will maintain the employment level of the Target Company Group's employees, the Target Company and the Tender Offeror agreed in the Written Confirmation to take specific measures to support the Target Company Group's employees to demonstrate their abilities and grow with the aim of pursuing an environment where the engagement of the employees of the Target Company Group will increase and they will work with higher motivation when the Target Company participates in the Tender Offeror Group.

As a result of implementing the Transaction, the Target Company will be delisted and will not be able to enjoy the benefits that the Target Company enjoyed as a listed company, such as maintaining and improving its social credibility and name recognition as a listed company and funding from the market. However, the Tender Offeror believes that the impact on equity financing will be minor in light of the fact that it will be possible for the Target Company to improve its funding capabilities and reduce funding costs by utilizing the ratings and credits of the Tender Offeror Group. The Target Company is also of the same opinion.

In addition, the Target Company concluded that the terms and conditions of the Transaction, including the Tender Offer Price, are appropriate and that the Tender Offer will provide the Target Company's general shareholders with an opportunity to sell the Target Company Shares at a price including a reasonable premium and under reasonable terms and conditions, for the reasons below.

- (A) The Tender Offer Price is a price agreed upon based on repeated good-faith negotiations between the Tender Offeror and the Tendering Shareholders, in which the Special Committee, which is independent of the Tender Offer Related Parties, was substantially involved, after the Target Company took full measures to ensure the fairness of the terms and conditions of the Transaction, including the Tender Offer Price, as stated in "(3) Measures to Ensure the Fairness of the Tender Offer, Such as the Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest" below, and is a price increased by 120 yen (25.00%) from the price initially proposed by the Tender Offeror (480 yen), and is a price substantially increased by 134 yen (27.92%), taking into account that the initially proposed price was based on the premise that no dividends would be paid for the fiscal year ending March 2025.
- (B) The Written Report that the Target Company obtained from the independent Special Committee concludes that the terms and conditions of the Transaction, including the Tender Offer Price, are appropriate, as stated in "(ii) Establishment of an independent special committee and obtainment of a written report from the special committee by the Target Company" in "(3) Measures to Ensure the Fairness of the Tender Offer, Such as the Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest" below.
- (C) In light of the results of the share valuation calculation concerning the Target Company Shares

performed by SMBC Nikko Securities as described in “(iii) Obtainment of a share valuation report from an independent financial advisor and third-party valuation institution by the Target Company” in “(Measures to Ensure the Fairness of the Tender Offer, Such as the Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest)” in “(ii) Background of Calculation” in “(4) Basis for Calculation, etc. of the Tender Offer Price” in “2. Outline of the Purchase, etc.” below, the Tender Offer Price is greater than the range of the results of calculations using the market share price method and the comparable listed company method and within the range of the results of calculations using the discounted cash flow method (the “DCF Method”).

- (D) In light of the results of the share valuation calculation concerning the Target Company Shares performed by Yamada Consulting as described in ““(v) Obtainment of a share valuation report from an independent third-party valuation institution by the special committee” in “(Measures to Ensure the Fairness of the Tender Offer, Such as the Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest)” in “(ii) Background of Calculation” in “(4) Basis for Calculation, etc. of the Tender Offer Price” in “2. Outline of the Purchase, etc.” below, the Tender Offer Price is greater than the range of the results of calculations using the market share price method and within the range of the results of calculations using the comparable listed company method and the DCF Method.
- (E) The Tender Offer Price includes a premium of 10.29% on 544 yen, which is the closing price of the Target Company Shares on the TSE Prime Market on May 13, 2025, the business day immediately preceding the date of announcement of the Tender Offer, a premium of 20.72% on 497 yen, which is the simple average value of the closing prices for the past one month (from April 14, 2025 to May 13, 2025) (rounded to the nearest yen, hereinafter the same for the simple average value of the closing prices), a premium of 34.23% on 447 yen, which is the simple average value of the closing prices for the past three months (from February 14, 2025 to May 13, 2025), and a premium of 40.52% on 427 yen, which is the simple average value of the closing prices for the past six months (from November 14, 2024 to May 13, 2025), respectively. In light of the median premium level (33.06% on the closing price on the business day immediately preceding the announcement date, 35.96% on the simple average value of the closing prices for the past one month until the business day immediately preceding the announcement date, 36.64% on the simple average value of the closing prices for the past three months until the business day immediately preceding the announcement date, and 42.38% on the simple average value of the closing prices for the past six months until the business day immediately preceding the announcement date) in 28 cases, which are similar to the Transaction, aimed to privatize a listed company, and were announced on and after June 28, 2019, when the “Fair M&A Guidelines” (the “M&A Guidelines”) were published by the Ministry of Economy, Trade and Industry, and a tender offer in which was successfully completed before April 30, 2025 (these are the cases in which the market capitalization of the target company of a tender offer was 50 billion yen or more and the price-to-book ratio (PBR) of shares subject to a tender offer had exceeded 1x before the announcement of the relevant transaction; however, excluding cases of discount tender offer, two-step tender offer, acquisition without consent, MBO, and cases aimed to make a listed subsidiary a wholly-owned subsidiary), although it cannot necessarily be said that the premium level over the closing price on the business day immediately preceding the announcement date and the simple average value of the closing prices for the past one month until the base date is high, the Target Company’s share price rose on March 1, 2025 and April 20, 2025, when speculative articles about the tender offer for shares

in the Target Company were published in information magazines, and even considering that the “Notice Regarding Progress of Litigation” published by the Target Company on April 7, 2025 and the “Notice Concerning Revisions to Financial Results Forecasts” published by the Target Company on April 21, 2025 can be regarded as factors for an increase in the share price, it cannot be denied that the recent share price increase may reflect the effects of speculative buying, including expectations that the Target Company will go private, to some extent. Therefore, the premium level should also be considered by comparing it with the share price over a longer period of time, excluding the effects of short-term share price fluctuations. When comparing it with the premium level over the simple average value of the closing prices for the past three months until the base date and the simple average value of the closing prices for the past six months until the base date, which are less affected by fluctuations in the share price for a short term, it can be concluded that the Tender Offer Price includes an appropriate premium.

- (F) In light of the long-term share price trends of the Target Company, the price is greater than the highest closing price of the Target Company Shares in the most recent five years, being 550 yen (May 8, 2025), and greater than the highest price of the Target Company Shares during the trading hours in the most recent five years, being 564 yen (May 9, 2025); therefore, it can be considered that the price is at a level in which sufficient consideration has also been given to long-term general shareholders.
- (G) The measures to ensure the fairness of the Tender Offer set forth in “(3) Measures to Ensure the Fairness of the Tender Offer, Such as the Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest” below have been taken, and it is found that the interests of general shareholders have been secured.

In light of the above, the Target Company, at its Board of Directors’ meeting held today, adopted a resolution to express its current opinion in support of the Tender Offer and to recommend that the Target Company’s shareholders tender their shares in the Tender Offer if the Tender Offer is commenced.

Moreover, as set forth below in “(2) Schedule, etc.” under “2. Outline of the Purchase, etc.”, it is planned that the Tender Offer will be implemented promptly if the Conditions Precedent have been satisfied (or if they have been waived by the Tender Offeror), and as of today, the Tender Offer is intended to be commenced around early July 2025, but because it is difficult to accurately predict the period of time required for procedures, etc. with competition authorities in the Philippines, notice of the details of the schedule for the Tender Offer will be given promptly once decided. Notice will also be given promptly if the expected timing of the commencement of the Tender Offer has changed.

Therefore, at the Target Company’s Board of Directors’ meeting mentioned above, the Target Company also adopted a resolution that prior to commencement of the Tender Offer, the Target Company will request that (i) the Special Committee consider whether there are any changes in the Special Committee’s opinion represented to the Target Company’s Board of Directors as of today, that (ii) if there are no changes, the Special Committee state to that effect to the Target Company’s Board of Directors, and that (iii) if there are any changes, the Special Committee state its changed opinion to the Target Company’s Board of Directors; and that based on such opinion, the Target Company will express its opinion on the Tender Offer again at the time of commencement of the Tender Offer.

For details of the resolution at the Target Company’s Board of Directors’ meeting mentioned above, please see “(vi) Approval of majority of non-interested directors of the Target Company and opinion that they have no

objection from all non-interested Audit & Supervisory Board Members of the Target Company” in “(3) Measures to Ensure the Fairness of the Tender Offer, Such as the Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest” below.

(iii) Post-Tender Offer Management Policy

As set forth in “(ii) Confirmation Letter” under “(6) Matters with Respect to Material Agreements Concerning the Tender Offer” below, The Tender Offeror’s policy is that, as a general rule, it will maintain the current incorporation and institutional design of the Target Company for the time being after the Transaction, and its policy is that the management system and system for the execution of business shall be decided by the Tender Offeror’s Board of Directors, and the selection and number of specific officers will be resolved on by the Tender Offeror’s Board of Directors after consultations at the Tender Offeror’s Nominating Committee. However, the Target Company shall make proposals to the Tender Offeror regarding the Target Company’s proposed system for the execution of business and proposed officer personnel affairs in accordance with such fundamental requirements and composition, and the Tender Offeror shall sufficiently verify the appropriateness of any such proposals, and if it finds them to be appropriate, it intends to respect such proposal. In addition, by integrating the management resources of the Tender Offeror Group, including the Target Company, even further than to date, the Tender Offeror Group will be united and strive to further enhance corporate value, and with regard to the employees of the Target Company Group, the Tender Offeror also agrees, inter alia, that, as a general rule, the Tender Offeror shall strive for the time being to maintain the employment of employees of the Target Company Group under terms and conditions that are not substantially lower than the level of labor terms and conditions at the Target Company as of today and that, through the participation of the Target Company Group in the Tender Offeror Group, the Tender Offeror shall pursue an environment where the engagement of the employees of the Target Company Group will increase and they will work with higher motivation, and thereby come together as one group. Please see “(ii) Confirmation Letter” under “(6) Matters with Respect to Material Agreements Concerning the Tender Offer” below for the details of the Target Company’s post-tender offer management policy, including these points.

(3) Measures to Ensure the Fairness of the Tender Offer, Such as the Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest

Except for the Tender Offeror owning 100 shares of the Target Company Shares, as of today there is no capital relationship between the Tender Offeror and the Target Company, and the Tender Offer does not constitute a tender offer by a controlling shareholder. The Transaction, including the Tender Offer, does not constitute a so-called management buyout (MBO) transaction. However, in consideration of the fact that the Tender Offer is intended to make the Target Company a wholly-owned subsidiary of the Tender Offeror, the Tender Offeror and the Target Company have taken the measures described below to ensure the fairness of the Tender Offer Price, eliminate any arbitrariness in the decision-making process to decide to implement the Tender Offer and the risk of any conflicts of interest with ordinary shareholders, and to ensure its fairness and transparency.

The descriptions of the measures described below that were implemented at the Target Company are based on explanations received from the Target Company.

- (i) Obtainment of a share valuation report from an independent third-party valuation institution by the Tender Offeror
- (ii) Establishment of an independent special committee and obtainment of a written report from the special committee by the Target Company
- (iii) Obtainment of a share valuation report from an independent financial advisor and third-party valuation institution by the Target Company
- (iv) Obtainment of advice from an independent legal advisor by the Target Company
- (v) Obtainment of a share valuation report from an independent third-party valuation institution by the

special committee

- (vi) Approval of the majority of non-interested directors of the Target Company and opinion that they have no objection from all non-interested Audit & Supervisory Board Members of the Target Company
- (vii) Construction of the independent examination system at the Target Company
- (viii) Establishment of the minimum to satisfy the majority of minority condition
- (ix) Measures to ensure an opportunity to purchase by other offerors
- (x) Securing an objective situation ensuring the fairness of the Tender Offer

Regarding the details of the above, please see the following section “(Measures to Ensure the Fairness of the Tender Offer, Such as the Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest)” in “(ii) Background of Calculation” under “(4) Basis for Calculation, etc. of the Tender Offer Price” in “2. Outline of the Purchase, etc.”

(4) Policy on Reorganization, etc. After the Tender Offer (Matters Regarding So-Called Two-Stage Acquisition)

As set forth in “(1) Overview of the Tender Offer” above, the Tender Offeror’s policy is to make the Target Company a wholly-owned subsidiary of the Tender Offeror, and if the Tender Offeror cannot acquire all of the Target Company Shares in the Tender Offer, the Tender Offeror plans to implement procedures for the purpose of acquiring all of the Target Company Shares using the following methods after the conclusion of the Tender Offer.

(i) Demand for Share Cash-Out

If the total number of voting rights of the Target Company held by the Tender Offeror comes to 90% or more of the number of voting rights of all shareholders of the Target Company as a result of the conclusion of the Tender Offer so that the Tender Offeror becomes a special controlling shareholder as stipulated in Article 179(1) of the Companies Act, the Tender Offeror plans to make a demand to all shareholders of the Target Company who did not tender in the Tender Offer (excluding the Tender Offeror and the Target Company) (“Shareholders Subject to Cash-Out”) that they sell all Target Company Shares held thereby (“Demand for Share Cash-Out”) pursuant to the provisions of Part II, Chapter 2, Section 4-2 of the Companies Act promptly after the completion of settlement of the Tender Offer. For the Demand for Share Cash-Out, the Tender Offeror plans to stipulate that it will deliver to the Shareholders Subject to Cash-Out money in the same amount as the Tender Offer Price as consideration for each of the Target Company Shares. In such case, the Tender Offeror will notify the Target Company to that effect and request approval from the Target Company for the Demand for Share Cash-Out. If the Target Company approves the Demand for Share Cash-Out by passing a resolution of its Board of Directors, in accordance with procedures established in applicable laws and regulations, the Tender Offeror will acquire all the Target Company Shares held by the Shareholders Subject to Cash-Out on the acquisition date specified in the Demand for Share Cash-Out without requiring the approval of individual Shareholders Subject to Cash-Out. Then, the Tender Offeror plans to deliver to the Shareholders Subject to Cash-Out money in the same amount as the Tender Offer Price as consideration for each of the Target Company Shares that were held by the Shareholders Subject to Cash-Out. According to the Target Company’s Press Release, if the Target Company receives a notice from the Tender Offeror that the Tender Offeror intends to make the Demand for Share Cash-Out and regarding matters set forth in each item of Article 179-2(1) of the Companies Act, the Target Company plans to approve the Demand for Share Cash-Out at a Board of Directors meeting of the Target Company.

According to the provisions of the Companies Act that aim to protect the rights of minority shareholders to whom the Demand for Share Cash-Out relates, the Shareholders Subject to Cash-Out may file a petition with a court to determine the sale price of the Target Company Shares they hold in accordance with the provisions of Article 179-8 of the Companies Act and other relevant laws and regulations.

Furthermore, the allotment agreement for the Target Company's restricted stock that was granted to the directors and executive officers of the Target Company as a restricted stock compensation plan ("Restricted Stock") stipulates that (a) if, during the assignment restriction period, the Board of Directors of the Target Company has approved a proposal concerning a demand for share cash-out whose subject is the common stock of the Target Company (however, limited to the case in which the effective date of such demand for share cash-out will arrive before the expiration date of the assignment restriction period), by a resolution of the Board of Directors of the Target Company, the assignment restriction will be cancelled as of the time immediately before the business day preceding the effective date of the reorganization, etc. (meaning the acquisition date of the demand for share cash-out or the effective date of the share consolidation; hereinafter the same) with respect to the number (however, any fractions of less than one share resulting from the calculation shall be rounded down) of Restricted Stock obtained by multiplying the number of Restricted Stock owned by such subject director on the date of such approval by the number (however, this shall be one if it exceeds one as a result of the calculation) obtained by dividing the number of months from the time set forth in the allotment agreement for each such grant until the month that includes the date of such approval by 12 (however, this shall be nine with regard the Restricted Stock granted to executive officers of the Target Company in August 2018), and that (b) in the case stipulated in (a) above, on the business day before the effective date of the reorganization, etc., the Target Company shall automatically acquire without compensation the Restricted Stock for which such assignment restriction is still not cancelled. In the Demand for Share Cash-Out, it is planned that the Restricted Stock for which the assignment restriction was cancelled as of the time immediately before the business day preceding the effective date of the reorganization, etc. in accordance with the provisions of (a) in the aforementioned allotment agreement will be subject to the Demand for Share Cash-Out.

(ii) Share Consolidation

If the total number of voting rights in the Target Company owned by the Tender Offeror is less than 90% of the number of voting rights of all shareholders of the Target Company after the completion of the Tender Offer, promptly after completion of the settlement of the Tender Offer, the Tender Offeror plans to make a demand to convene an extraordinary shareholders meeting (the "Extraordinary Shareholders' Meeting"), promptly after the completion of the settlement of the Tender Offer, at which the agenda items will include a consolidation of the Target Company Shares pursuant to Article 180 of the Companies Act (the "Share Consolidation") and a partial amendment of the articles of incorporation to abolish the provisions on the number of shares constituting one unit on the condition that the Share Consolidation takes effect. According to the Target Company's Press Release, as of today, the Target Company plans to hold the Extraordinary Shareholders' Meeting at the demand of the Tender Offeror, and if the Tender Offer commences around early July 2025, the Tender Offeror plans to make a demand to the Target Company to hold the Extraordinary Shareholders' Meeting by around mid-October 2025 promptly after the completion of the settlement of the Tender Offer. The Tender Offeror plans to approve the above proposals at the Extraordinary Shareholders' Meeting.

If the proposal for the Share Consolidation is approved at the Extraordinary Shareholders' Meeting, on the day on which the Share Consolidation takes effect, the Target Company's shareholders will own the Target Company Shares in a number that corresponds to the ratio of the Share Consolidation approved at the Extraordinary Shareholders' Meeting. If a fraction less than one share arises in the number of shares as a result of the Share Consolidation, money obtained from selling the Target Company Shares to the Target Company or the Tender Offeror in a number that is equal to the total number of those fractions (if there is a fraction less than one share in that total number, that fraction is to be discarded; hereinafter the same) will be delivered to the shareholders of the Target Company for whom the fractions arose in accordance with the procedures prescribed in Article 235 of the Companies Act and other applicable laws and regulations. With respect to the sale price of the Target Company Shares equivalent to the total number of those fractions, the Tender Offeror plans to make a demand

to the Target Company to file a petition to a court for permission to make a sale by private contract after setting the amount of money to be delivered to the shareholders of the Target Company that did not tender in the Tender Offer (excluding the Tender Offeror and the Target Company) as a result of that sale being the same as the price obtained by multiplying the Tender Offer Price by the number of the Target Company Shares owned by each of those shareholders. In addition, the ratio of the Share Consolidation is undecided as of this date, but the Tender Offeror plans to demand that the number of shares of Target Company Shares owned by shareholders of the Target Company who did not tender in the Tender Offer (excluding the Tender Offeror and the Target Company) will be determined to be a fraction that is less than one share so as to make the Tender Offeror the sole holder of all of the Target Company Shares (excluding treasury shares held by the Target Company).

The provisions of the Companies Act that aim to protect the rights of minority shareholders in relation to the Share Consolidation provide that if the Share Consolidation occurs and there are fractional shares less than one share as a result of the Share Consolidation, in cases in which the prescribed conditions are satisfied, shareholders of the Target Company may request that the Target Company purchase all fractional shares less than one share out of the shares that they own at a fair price, and such shareholders may file a petition to the court to determine the price of the Target Company Shares, in accordance with the provisions of Article 182-4 and Article 182-5 of the Companies Act and other relevant laws and regulations. Further, the Tender Offer does not in any way solicit approval by the Target Company's shareholders at the Extraordinary Shareholders' Meeting.

Furthermore, the allotment agreement for the Restricted Stock stipulates that (a) if, during the assignment restriction period, the shareholders meeting of the Target Company has approved a proposal concerning a share consolidation (however, limited to the case in which the effective date of such share consolidation will arrive before the expiration date of the assignment restriction period), by a resolution of the Board of Directors of the Target Company, the assignment restriction will be cancelled as of the time immediately before the business day preceding the effective date of the reorganization, etc. with respect to the number (however, any fractions of less than one share resulting from the calculation shall be rounded down) of Restricted Stock obtained by multiplying the number of Restricted Stock owned by such subject director on the date of such approval by the number (however, this shall be one if it exceeds one as a result of the calculation) obtained by dividing the number of months from the time set forth in the allotment agreement for each such grant until the month that includes the date of such approval by 12 (however, this shall be nine with regard the Restricted Stock granted to executive officers of the Target Company in August 2018), and that (b) in the case stipulated in (a) above, on the business day before the effective date of the reorganization, etc., the Target Company shall automatically acquire without compensation the Restricted Stock for which such assignment restriction is still not cancelled. In the Share Consolidation, it is planned that the Restricted Stock for which the assignment restriction was cancelled as of the time immediately before the business day preceding the effective date of the reorganization, etc. in accordance with the provisions of (a) in the aforementioned allotment agreement will be subject to the Share Consolidation.

With regard to each procedure set forth in (i) and (ii) above, it is possible that the time required to implement those procedures or the method of implementing those procedures may change due to the revision, enforcement, or interpretation by authorities, etc. of related laws and regulations, but even in that case, if the Tender Offer is completed, it is planned that the method of ultimately delivering money to the shareholders of the Target (excluding the Tender Offeror and the Target Company) that have not tendered in the Tender Offer will be used, and the amount of money to be delivered to those shareholders of the Target Company in that case is planned to be calculated so that it is equal to the price obtained by multiplying the Tender Offer Price by the number of the Target Company Shares owned by those shareholders of the Target Company. However, if a petition for a determination of the sale price concerning the Demand for Share Cash-Out or a petition for determination of the price concerning the exercise of appraisal rights on shares with respect to the Share Consolidation is filed, the court will make the final decision on the sales price or the price concerning the exercise of appraisal rights on

shares for the Target Company Shares owned by the shareholders of the Target Company who made such petition.

Matters such as the specific procedures in each of the above cases and the timing of the implementation of those procedures are planned to be promptly announced by the Target Company once the Tender Offeror has determined them following discussions with the Target Company.

Each shareholder of the Target Company should confirm with a certified public tax accountant or other specialist, at its own responsibility, the handling of tax matters in relation to tendering in the Tender Offer or participating in the procedures described.

(5) Likelihood of Delisting and Reasons Therefor

Although the Target Company Shares are listed on the TSE Prime Market as of today, the Tender Offeror has not set a maximum number of shares to be purchased in the Tender Offer, so the Target Company Shares may be delisted through prescribed procedures in accordance with delisting criteria set forth by the TSE depending on the result of the Tender Offer.

In addition, even if such criteria are not applicable upon conclusion of the Tender Offer, since the Tender Offeror plans to carry out the Squeeze-Out Procedures that are described in “(4) Policy on Reorganization, etc. After the Tender Offer (Matters Regarding So-Called Two-Stage Acquisition)” above after the conclusion of the Tender Offer, the Target Company Shares will be delisted through the prescribed procedures in accordance with delisting criteria set forth by the TSE if such procedures will be carried out. After delisting, it will no longer be possible to trade the Target Company Shares on the TSE Prime Market.

The purpose of and reasons for delisting and the impact on ordinary shareholders and the approach thereto are described in “(ii) Decision-Making Process and Reasons Leading to Target Company Support of the Tender Offer” under “(2) Background, Purpose, and Decision-making Process of the Tender Offer, and Post-Tender Offer Management Policy” above.

(6) Matters with Respect to Material Agreements Concerning the Tender Offer

(i) Tender Agreement

The Tender Offeror entered into the Tender Agreement with City Index Elevens on May 13, 2025, as outlined below. The Tender Offeror has not made any agreement with the Tendering Shareholders other than the Tender Agreement, and has not agreed to give or provide any benefit to the Tendering Shareholders concerning the Transaction besides the consideration for tendering in the Tender Offer. Excluding payment of the Tender Offer Price, no benefits are given to the Tendering Shareholders.

On May 13, 2025, the Tender Offeror entered into with City Index Elevens the Tender Agreement to the effect that on the condition that the Tender Offeror makes the Tender Offer Price at least 590 yen, City Index Elevens will tender in the Tender Offer, or cause the Joint Holders to tender in the Tender Offer, all of the Target Company Shares owned by City Index Elevens and all of the Target Company Shares owned by the Joint Holders. Conditions precedent to the tender by the Tendering Shareholders are not stipulated in the Tender Agreement.

In the Tender Agreement it is prescribed that if a change of the terms of the Tender Offer, a tender offer for the Target Company Shares by a person other than the Tender Offeror, or another legally binding offer pertaining to a purchase of the Target Company Shares or the like is made, and it is reasonably deemed that an offer to sell in response to the Tender Offer clearly breaches the duty of due care of a prudent manager of the tenderer’s (meaning City Index Elevens; hereinafter the same) directors, the tenderer will be released from the duty to tender in the Tender Offer. In addition, it is prescribed that on and after the agreement’s execution date, the tenderer shall not, excluding the tender to the Tender Offer, itself carry out any assignment to a third party of, creation of a security right on, or other disposition of the Target Company Shares that the tenderer owns or an acquisition of the Target Company Shares, or cause the Joint Holders to do so, without obtaining the prior written consent of

the Tender Offeror (however, it is prescribed that if the tenderer is released from the duty to tender in the Tender Offer, it shall not bear the above obligation). It also prescribes that the tenderer shall give prior notice to the Tender Offeror of the details and timing of any disclosure required in accordance with laws and regulations, etc. concerning the shares subject to tender, etc., and after prior discussions with the Tender Offeror, may make the minimum disclosure or announcement within the scope obligated pursuant to laws and regulations, etc.

(ii) Confirmation Letter

The Tender Offeror and the Target Company entered into a Confirmation Letter dated May 14, 2025 regarding the Tender Offeror's and the Target Company's business operations, etc. after the Transaction, agreeing as follows.

- a. In principle, the Tender Offeror shall, for the time being after the Transaction, maintain the incorporation of the Target Company the Target Company's current institutional design. However, if it will contribute to the improvement of the corporate value of the Target Company and the Tender Offeror Group, the Tender Offeror may, upon consultation with the Target Company, flexibly respond as necessary to changes in the management environment or trends in the market and construct an optimal institutional design.
- b. The fundamental requirements and composition of the Target Company's management system and system for the execution of business after the Transaction shall be decided by the Tender Offeror's Board of Directors, and the selection and number of specific officers will be resolved on by the Tender Offeror's Board of Directors after consultations at the Tender Offeror's Nominating Committee. However, the Target Company shall make proposals to the Tender Offeror regarding the Target Company's proposed system for the execution of business and proposed officer personnel affairs in accordance with such fundamental requirements and composition, and the Tender Offeror shall sufficiently verify the appropriateness of any such proposals, and if it finds them to be appropriate, it intends to respect such proposal.
- c. Immediately after the completion of the Transaction, one person recommended by the Target Company shall serve as an executive officer of the Tender Offeror upon obtaining the approval of the Tender Offeror's Nominating Committee and Board of Directors. Furthermore, when directors and executive officers are elected at the Tender Offeror after the Transaction, that will be decided by the Tender Offeror's Nominating Committee and Board of Directors in a spirit of fairness and in consideration of reforming the business of the Tender Offeror Group as a whole each time.
- d. As a general rule, the Tender Offeror shall strive for the time being to maintain the employment of employees of the Target Company Group under terms and conditions that are not substantially lower than the level at the Target Company as of today.
- e. Through the participation of the Target Company Group in the Tender Offeror Group, the Tender Offeror shall pursue an environment where the engagement of the employees of the Target Company Group will increase and they will work with higher motivation, and thereby come together as one group, and the Tender Offer will implement policies that include support for the growth of the employees of the Target Company Group, by (i) providing employees of the Target Company Group with diverse career paths and opportunities to increase their skills and developing a working environment where they have job satisfaction, and thereby supporting every employee of the Target Company Group in being able to display their capabilities to the fullest extent, and (ii) enabling employees of the Target Company to utilize human resources development programs and training systems in the Tender Offeror Group as a whole.
- f. In order for the Tender Offeror to contribute to the improvement of the corporate value of the Tender Offeror Group as a whole based on the Tender Offeror Group's management strategy, the Tender Offeror shall respect the Target Company's operations and consult in good faith from an optimal perspective for the Tender Offeror Group as a whole regarding the investment and expense plans and operational, etc. business strategies and investment strategies, as well as personnel plans and personnel

affairs strategies such as hiring and treatment of personnel that were formulated by the Target Company, on the assumption that the group management rules, division of authority, and standards for approval and other internal rules of the Tender Offeror Group are followed. In addition, in order to contribute to the improvement of the corporate value of the Target Company Group and the Tender Offeror Group, the Tender Offeror shall also respect the Target Company's policies and consult in good faith from an optimal perspective for the Tender Offeror Group as a whole regarding the policies indicated in the Target Company's "Mid-term Management Plan 2025-2027," on the assumption that the group management rules, division of authority, and standards for approval and other internal rules of the Tender Offeror Group are followed.

- g. After the Transaction, the Tender Offeror shall increase competitiveness by utilizing the strengths of the Target Company and Maeda Corporation to the maximum extent with regard to the acceptance of orders for work where the strengths of both companies overlap, and shall also, to the extent permitted under competition law, consider the fields of expertise and resources of each company to formulate optimal strategies such as (i) whether to have only the Target Company or Maeda Corporation make a bid, or (ii) to have the Target Company and Maeda Corporation incorporate a joint venture and make a bid jointly, and when formulating such strategies, the Tender Offeror's basic policy will be to establish them upon consultation in good faith with each company in a spirit of fairness that respects both the Target Company and Maeda Corporation.
- h. The Tender Offeror shall not implement a reorganization to which the Target Company Group is a party (including a reorganization between the Target Company and Maeda Corporation) for the time being. After the Transaction, the Tender Offeror shall consult with the Target Company and consider the possibility of implementing such a reorganization, etc. after an assessment of the overlap, etc. of business companies in the Tender Offeror Group and the Target Company Group.

2. Outline of the Purchase, etc.

(1) Outline of the Target Company

(i) Name			Sumitomo Mitsui Construction Co., Ltd.	
(ii) Address			1-6 Tsukuda 2-chome, Chuo-ku, Tokyo	
(iii) Title and name of representative			Representative Director and President, Toshio Shibata	
(iv) Content of business			Construction projects: design, engineering and execution of civil, building and pre-stressed concrete works, and related operations Development projects: real estate trading, leasing and management services	
(v) Stated capital			12,003 million yen (as of March 31, 2025)	
(vi) Date of establishment			October 14, 1941	
(vii)	Major shareholders and shareholding ratios (as of March 31, 2025)		The Master Trust Bank of Japan, Ltd. (trust account)	13.06%
			Minami Aoyama Fudosan Co., Ltd.	9.59%
			Aya Nomura	9.42%
			Kabushiki Kaisha Reno	9.27%
			Custody Bank of Japan, Ltd. (trust account)	3.19%
			Sumitomo Mitsui Construction Business Partner Stock Ownership Association	1.66%
			Nomura Securities Co., Ltd.	1.49%
			BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	1.46%
			Morgan Stanley MUFG Securities Co., Ltd.	1.46%
			JP MORGAN CHASE BANK 385	1.29%
(viii) Relationship Between the Tender Offeror and the Target Company				
	Capital relationship	As of today, the Tender Offeror owns 100 Target Company Shares (ownership ratio: 0.00%).		
	Personnel relationship	Not applicable.		
	Business relationship	Maeda Corporation, which is the Tender Offeror's wholly-owned subsidiary, and the Target Company jointly accept orders for private sector work. In addition, Maeda Road Construction, which is the Tender Offeror's wholly-owned subsidiary, has transactions where it accepts orders from the Target Company for civil engineering work, etc.		
	Status as related parties	Not applicable.		

(2) Schedule, etc.

The Tender Offeror plans to implement the Tender Offer promptly if the Conditions Precedent have been satisfied (or if they have been waived by the Tender Offeror), and as of today, the Tender Offeror intends to commence the Tender Offer around early July 2025, but because it is difficult to accurately predict the period of time required for procedures, etc. with competition authorities in the Philippines, notice of the details of the schedule for the Tender Offer will be given promptly once decided. The Tender Offeror plans to make the Tender Offer Period be 30 business days.

(3) Purchase, etc. Price

600 yen per share of common stock

(4) Basis for Calculation, etc. of the Tender Offer Price

(i) Basis for Calculation

When determining the Tender Offer Price, the Tender Offeror requested Daiwa Securities, a financial advisor, to calculate the share value of the Target Company as a third-party valuation institution independent of the Tender Offer Related Parties Company. Daiwa Securities is not a related party of the Tender Offeror or the Target Company and does not have any material interest in the Transaction, including the Tender Offer.

After reviewing the calculation methods to be adopted in calculating the share value of the Target Company from amongst multiple share valuation methods, Daiwa Securities calculated the value of the Target Company Shares by using the following methods on the assumption that the Target Company is a going concern and based on the idea that it is appropriate to evaluate the value of the Target Company Shares multilaterally: the market share price method (because the Target Company Shares are listed on the TSE Prime Market and have a market share price); the comparable company method (because there are multiple similar listed companies that can be compared to the Target Company, and it is possible to infer the share value of the Target Company through comparisons with comparable listed companies); and the DCF Method (in order to reflect the details of, and forecasts for, the Target Company's business results in the valuation). The Tender Offeror has obtained a share valuation report dated May 13, 2025 from Daiwa Securities (the "Share Valuation Report (Daiwa Securities)"). The Tender Offeror has not obtained a written opinion on the fairness of the Tender Offer Price (a fairness opinion) from Daiwa Securities.

The ranges of the share value per share of the Target Company Shares calculated by Daiwa Securities based on the above methods are as follows, respectively.

Market share price method	: 427 yen to 544 yen
Comparable company method	: 471 yen to 723 yen
DCF Method	: 463 yen to 696 yen

For the market share price method, the calculation reference date was set as May 13, 2025, and the share value per share of the Target Company Shares was calculated to be in the range of 427 yen to 544 yen based on the closing price of the Target Company Shares on the TSE Prime Market on the reference date (544 yen) and the simple average closing prices over the most recent one-month period (497 yen), the most recent three-month period (447 yen), and the most recent six-month period (427 yen).

Under the comparable company method, the share value per share of the Target Company Shares was calculated to be in the range of 471 yen to 723 yen based on the share value of the Target Company being calculated by comparing financial indicators such as market share price and profitability, etc. of listed companies engaged in comparatively similar business to the Target Company.

Under the DCF Method, the share value per share of the Target Company Shares was calculated to be in the range of 463 yen to 696 yen, by analyzing the enterprise value and share value by discounting the free cash flow that the Target Company is expected to generate after the fiscal year ending March 2026 to the present value at a certain discount rate, on the assumption of figures that the Tender Offeror believes to be appropriate based on various factors such as the earnings and investment plan set out in the draft business plan of the Target Company for the three fiscal years from the fiscal year ending March 2026 to the fiscal year ending March 2028 prepared by the Target Company, the results of due

diligence on the Target Company implemented by the Tender Offeror from early March 2025 until mid-April 2025, as well as generally publicly available information. Furthermore, the impact of synergies expected from the implementation of the Transaction has not been included as it is currently difficult to estimate them specifically.

On May 14, 2025, the Tender Offeror ultimately determined that the Tender Offer Price would be 600 yen per share, comprehensively taking into account the valuation results in the Share Valuation Report (Daiwa Securities) obtained from Daiwa Securities, the results of the due diligence on the Target Company implemented by the Tender Offeror from early March 2025 until mid-April 2025, trends in the share value of the Target Company Shares, and anticipated levels of tendering in the Tender Offer, and based on the results of discussions and negotiations with the Target Company.

The Tender Offer Price of 600 yen represents a premium of 10.29% on the closing price of 544 yen of the Target Company Shares on the TSE Prime Market as of May 13, 2025, the business day prior to the announcement of the implementation of the Tender Offer, represents a premium of 20.72% on the simple average closing price of 497 yen over the most recent one-month period (from April 14, 2025 to May 13, 2025), represents a premium of 34.23% on the simple average closing price of 447 yen over the most recent three-month period (from February 14, 2025 to May 13, 2025), and represents a premium of 40.52% on the simple average closing price of 427 yen over the most recent six-month period (from November 14 2024 to May 13, 2025).

From the perspective of ensuring the ability to exercise rights as a shareholder of the Target Company, such as requesting to inspect the shareholder register of the Target Company for the Tender Offer, the Tender Offeror has acquired 100 Target Company Shares from an employee of the Target Company (the “Target Company Employee”) through a privately negotiated transaction, with April 30, 2025 as the acquisition date, for a price of 511 yen per share (the closing price of the Target Company Shares on the TSE Prime Market on 28th of the same month, which was the business day before the acquisition date). An 89 yen difference arose between the Tender Offer Price (600 yen) and that acquisition price (511 yen), and the Tender Offer Price (600 yen) represents a 17.42% premium on that acquisition price (511 yen), but this is because a 10.29% premium on the closing price (544 yen) of the Target Company Shares on the TSE Prime Market on May 13, 2025 has been provided in the Tender Offer Price as set forth above, in addition to the closing price (544 yen) of the Target Company Shares on May 13, 2025, which is the business day prior to the announcement of the implementation of the Tender Offer, having risen 6.46% with respect to the closing price of the Target Company Shares on the TSE Prime Market on the 28th of that month which the Tender Offeror and the Target Company Employee agreed on as the reference date for the assignment price.

(ii) Background of Calculation

(Background to Determining the Tender Offer Price)

Please see “(i) Background, Purpose, and Decision-making Process of the Tender Offer” of “(2) Background, Purpose, and Decision-making Process of the Tender Offer, and Post-Tender Offer Management Policy” of “1. Purpose, etc. of Tender Offer, etc.”.

i. Names of Third Parties Whose Opinions were Heard at the Time of Calculation

When determining the Tender Offer Price, the Tender Offeror requested that Daiwa Securities, a financial advisor, calculate the share value of the Target Company as a third-party valuation institution independent of the Tender Offer Related Parties, and the Tender Offeror obtained the Share Valuation Report (Daiwa Securities) from Daiwa Securities dated May 13, 2025. Daiwa Securities is not a related

party of the Tender Offeror or the Target Company and does not have any material interest in the Transaction including the Tender Offer. The Tender Offeror has not obtained a written opinion on the fairness of the Tender Offer Price (a fairness opinion) from Daiwa Securities.

ii. Outline of Those Opinions

According to the Share Valuation Report (Daiwa Securities), the ranges of the share value per share of the Target Company calculated based on the methods that were employed are as follows, respectively.

Market share price method : 427 yen to 544yen
Comparable company method : 471 yen to 723yen
DCF Method : 463 yen to 696 yen

iii. Background to Determining the Purchase Price Based on Those Opinions

At the meeting of the Board of Directors held on May 14, 2025, the Tender Offeror ultimately determined that the Tender Offer Price would be 600 yen per share, comprehensively taking into account, in addition to the calculation details in the Share Valuation Report (Daiwa Securities), the results of the due diligence on the Target Company implemented by the Tender Offeror from early March 2025 until mid-April 2025, trends in the share value of the Target Company Shares, anticipated levels of tendering in the Tender Offer, and the fact that it is within the range of calculations in the calculation results in the Share Valuation Report (Daiwa Securities) obtained from Daiwa Securities, and based on the results of discussions and negotiations with the Target Company.

(Measures to Ensure the Fairness of the Tender Offer, Such as the Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest)

As of today, the Target Company is not a subsidiary of the Tender Offeror, the Tender Offer does not constitute a tender offer by a controlling shareholder, and except for the Tender Offeror owning 100 shares of the Target Company Shares, there is no capital relationship between the Tender Offeror and the Target Company. It is not planned that all or part of the management of the Target Company will directly or indirectly invest in the Tender Offeror, and the Transaction, including the Tender Offer, does not constitute a management buyout (MBO). However, in consideration of the fact that the Tender Offer is being implemented in connection with the purpose of making the Target Company a wholly-owned subsidiary of the Tender Offeror, the Tender Offeror and the Target Company have respectively taken the following measures to ensure the fairness of the Transaction, including the Tender Offer, from the perspective of ensuring the fairness of the Tender Offer Price, and eliminating any arbitrariness in the decision-making process to decide to implement the Tender Offer and avoiding the risk of any conflicts of interest with ordinary shareholders. The descriptions of the measures below that were implemented at the Target Company are based on explanations received from the Target Company.

(i) Obtainment of a share valuation report from an independent third-party valuation institution by the Tender Offeror

When determining the Tender Offer Price, the Tender Offeror requested Daiwa Securities, a financial advisor, to calculate the share value of the Target Company as a third-party valuation institution independent of the Tender Offer Related Parties, and obtained the Share Valuation Report (Daiwa Securities) dated May 13, 2025. See “Basis for Calculation” above for further information.

(ii) Establishment of an independent special committee and obtainment of a written report from the special

committee by the Target Company

a. Background of the Establishment

As stated in “(ii) Decision-Making Process and Reasons Leading to Target Company Support of the Tender Offer” in “(2) Background, Purpose, and Decision-making Process of the Tender Offer, and Post-Tender Offer Management Policy” of “1. Purpose, etc. of Tender Offer, etc. above, the Target Company established the Special Committee composed of three members, i.e., Mr. Nobuo Kawahashi, Mr. Sakio Sasamoto, and Ms. Mami Yamashita (who is the representative director of Kokoruku, Inc., outside director of AEON Fantasy Co., LTD., and outside director of NAC CO., LTD.), who are the Target Company’s Outside Directors, have been notified with the TSE as its independent officers, and are independent of the Tender Offer Related Parties, pursuant to the resolution at the Board of Directors’ meeting dated February 25, 2025, based on advice from Nishimura & Asahi; the purpose of the establishment of the Special Committee was to eliminate the risk of arbitrariness and conflicts of interest with general shareholders in the Target Company’s decision-making process and ensure the fairness and transparency of the Transaction when the Target Company’s Board of Directors considers the Relevant Matters while giving consideration to the impact on the Target Company’s general shareholders (the members of the Special Committee remain unchanged since the establishment of the Special Committee). As a result of a mutual election by the members of the Special Committee, Mr. Nobuo Kawahashi was elected as the chairman of the Special Committee. Each member of the Special Committee will receive remuneration in accordance with the number of meetings of the Special Committee, regardless of the content of the report, as compensation for their duties, and such remuneration does not include any contingent fee to be paid subject to successful completion of the Transaction.

The Target Company sought advice from the Special Committee on the Consultation Matters. In addition, at the aforementioned Board of Directors’ meeting, the Target Company also adopted a resolution that the Target Company’s Board of Directors must respect the report of the Special Committee to the fullest extent when it makes important decisions on the Relevant Matters, and that the Target Company will not support the Tender Offer if the Special Committee determines that the decision to implement the Transaction through the Tender Offer is disadvantageous to the Target Company’s general shareholders. Moreover, pursuant to the aforementioned resolution at the Board of Directors’ meeting, the Target Company granted the following authorities to the Special Committee: (a) the authority to provide necessary advice to the Target Company’s Project Team; (b) the authority to confirm in advance the policy for discussions and negotiations regarding the Relevant Matters with the Tender Offeror, receive reports on the status thereof in a timely fashion, state opinions as necessary, and make recommendations and requests to the Target Company’s Board of Directors; (c) the authority to request that the Target Company’s Project Team and the Target Company’s outside experts, etc. report and provide information regarding the progress, status of consideration, and other matters related to the Relevant Matters as necessary; and (d) the authority to appoint its own outside experts, etc. at the Target Company’s expense to the extent necessary to fulfill its role, and the authority to seek expert advice from the Target Company’s outside experts, etc. if the Special Committee determines that the Target Company’s outside experts, etc. are trustworthy and the Special Committee can seek expert advice from them because the Target Company’s outside experts, etc. have sufficient expertise and there are no issues with their independence.

b. Details of the Consideration

The Special Committee held meetings 14 times in total during the period from February 28, 2025 to May

13, 2025, and its members carefully discussed and considered the Consultation Matters by making reports, sharing information, deliberating, and making decisions via e-mail during each interval of the meetings.

Specifically, after the Special Committee confirmed that SMBC Nikko Securities, which is the Target Company's financial advisor and third-party valuation institution, and Nishimura & Asahi, which is the Target Company's legal advisor, are not a related party of the Tender Offer Related Parties and have no material interest in the Transaction, including the Tender Offer, and that there is no issue with their independence and expertise in relation to the Transaction, it approved their appointment and confirmed that the Special Committee is also authorized to seek expert advice from them as necessary. Furthermore, after the Special Committee confirmed that Yamada Consulting has sufficient expertise, is not a related party of the Tender Offer Related Parties, and has no material interest in the Transaction, including the Tender Offer, and that there is no issue with its independence and expertise in relation to the Transaction, it decided to appoint Yamada Consulting as its own third-party valuation institution and seek expert advice from Yamada Consulting.

Based on the explanation received from Nishimura & Asahi, the Special Committee considered the measures to be taken to ensure the fairness of the procedures for the Transaction. In addition, based on the advice received from SMBC Nikko Securities and Yamada Consulting and the explanation received from the Target Company on the details, material assumptions, and background of the preparation of the business plan prepared by the Target Company (the "Business Plan"), the Special Committee confirmed and approved the reasonableness of these matters.

The Special Committee presented questions to the Tender Offeror and held a question-and-answer session with the Tender Offeror regarding the purpose and background of the Transaction, and the management policy after the Transaction, etc. in the form of an interview; moreover, taking into account the question-and-answer session with the Tender Offeror regarding these points, the Special Committee held a question-and-answer session with the Target Company in the form of an interview regarding the purpose and background of the Transaction, and the management policy after the Transaction, etc.

In addition, as stated in "(iii) Obtainment of a share valuation report from an independent financial advisor and third-party valuation institution by the Target Company" below, SMBC Nikko Securities and Yamada Consulting calculated the value of the Target Company Shares based on the Business Plan. The Special Committee received an explanation on the calculation methods for their valuation of the Target Company Shares, the reasons why these calculation methods were adopted, the details of the calculations using each calculation method, and the material assumptions, and after holding a question-and-answer session, and deliberating and considering them, the Special Committee recognized the reasonableness of these matters.

In addition, the Special Committee deliberated and considered the negotiations between the Target Company and the Tender Offeror from time to time, taking into account reports received from the Target Company and SMBC Nikko Securities, and stated necessary opinions on the Target Company's negotiation policy as appropriate. Specifically, upon receipt of proposals for the Tender Offer Price from the Tender Offeror, the Special Committee received reports on each proposal and considered them based on SMBC Nikko Securities' analysis and opinion on the negotiation policy with the Tender Offeror and other matters. Moreover, the Special Committee was substantially involved in the negotiation process between the Target Company and the Tender Offeror regarding the terms and conditions of the Transaction, including the Tender Offer Price, by expressing its opinion to the Target Company on

matters that the Target Company should discuss with the Tender Offeror in order to achieve the significance and purpose of the Transaction in any of these cases.

In addition, the Special Committee received an explanation from Nishimura & Asahi on multiple occasions on the details of the draft press release related to the Tender Offer, which the Target Company plans to announce or submit, and confirmed that an appropriate information disclosure will be made.

c. Details of the Decision

Under the circumstances stated above, the Special Committee carefully discussed and considered the Consultation Matters. Consequently, on May 14, 2025, based on the unanimous consent of the members, the Special Committee submitted the Written Report to the Target Company's Board of Directors, as summarized below.

(a) Contents of the Report

- i. The Transaction will contribute to enhancement of the Target Company's corporate value, and the purpose of the Transaction is legitimate and reasonable.
- ii. The terms and conditions of the Transaction are fair and appropriate.
- iii. The procedures for the Transaction are fair.
- iv. The Transaction is not disadvantageous to the Target Company's general shareholders.
- v. It is reasonable for the Board of Directors to express its opinion in support of the Tender Offer in the Transaction and recommend that shareholders tender their shares in the Tender Offer.

(b) Reasons for the Conclusion in the Report

i. Legitimacy and Reasonableness of the Purpose of the Transaction

- The Target Company Group believes, with regard to the construction industry, that the difficult market environment will continue due to the effects of high resource prices and construction material prices, tight labor supply and demand, and the application of an upper limit on overtime work in the construction industry that began in April 2024.
- According to the Tender Offeror, in the short- to mid-term, in the construction industry, the market environment is thought to have become increasingly severe due to factors such as persistently high prices for construction materials and tight labor supply and demand. Furthermore, the problem of aging social infrastructure has surfaced, and while existing infrastructure will have to be maintained, managed, and renewed, it is recognized that shortages of human resources and optimization problems will occur due to the further intensification of the labor shortage resulting from the impact of the decline in the working-age population caused by the falling birthrate and aging of the population, as well as the rise in labor costs due to the application of regulations capping overtime labor for the construction industry from April 2024. Furthermore, in the mid- to long-term, it is anticipated that the public finances of the national government and

local governments will become increasingly strained, and the domestic market for new construction contracts will gradually shrink due to fiscal constraints. Based on the aforementioned situation, the Tender Offeror believes that great changes will be required, such as fundamentally reconsidering the existing business model of the general construction industry. In addition, in the construction industry sectors such as civil engineering and building, it is becoming increasingly necessary to rapidly utilize not only advanced technological capabilities, sales capabilities, procurement capabilities, and construction supply capabilities, but also new technologies in conjunction with the dizzying changes described above, and responsiveness is an urgent task in order to enhance competitiveness. The Tender Offeror understands that dealing with these changes in the industrial structure is an issue in future business expansion.

- The Tender Offeror Group believes that, in order for the Target Company Group to expand its business base in the medium and long term and achieve further growth under such circumstances, it is important for the Target Company to build capital ties with the Tender Offeror Group through the business integration of the Target Company and the Tender Offeror and maximize the synergies of both company groups, such as expansion of business opportunities and growth investments through coordination of management resources, DX, technological development and sustainability response, enhancement of governance systems, and joint promotion of human resource development, and the Tender Offeror Group believes that the resulting maximization of group synergies, for example the creation of a strong business base that can respond to environmental changes and the optimal distribution of management resources, is indispensable. In addition, the Tender Offeror Group believes that maximizing synergies between the groups in this way will work to expand its business domain and maximize its competitiveness with the aim of establishing its position as the “integrated infrastructure service company” that the Tender Offeror Group set out in the Medium-to Long-Term Management Plan and the Medium-Term Management Plan.
- The synergies for the Tender Offeror that will be able to be realized through the collaboration with the Target Company and the Transaction are as follows: (i) mutual utilization of the management resources of the Tender Offeror and the Target Company, (ii) joint promotion of group-wide DX, technological development, sustainability strategy, and human resource development, and (iii) creation of new business opportunities by mutually leveraging business bases. The synergies for the Target Company that will be able to be realized through the collaboration with the Tender Offeror and the Transaction are as follows: (i) realization of further strengthening of domestic construction business, (ii) expansion of scale of overseas business, and (iii) improvement of management efficiency through sharing management resources, and strengthening of the ability to respond to changes in the management environment.
- In the field of domestic civil engineering, it cannot be ruled out that the Target Company’s participation in the Tender Offeror Group may lead to dis-synergies due to some overlap in the strengths of Maeda Corporation, which belongs to the Tender Offeror Group, and the Target Company in the construction field. However, according to the materials received by the Special Committee and the interviews conducted by the Special Committee with the Tender Offeror, although it is expected that the uses of super high-rise residential buildings in the construction field will overlap, there are

many design and construction projects for super high-rise residential buildings, and by mutually utilizing the management resources of both company groups, it will be possible to respond to many projects; therefore, the Tender Offeror does not expect that any dis-synergy will occur. Furthermore, according to the interviews conducted by the Special Committee with the Target Company's management members, the Target Company's management members believe that although there is a possibility that dis-synergies may occur, such as competition at the time of bidding in the civil engineering sector, in particular, because the types of construction in which the Target Company and Maeda Corporation have strengths in the civil engineering business are different, it will be possible to receive orders for a wide variety of projects by complementing strengths and weaknesses of the Target Company and Maeda Corporation, and that synergies that will exceed those dis-synergies can be expected for the Tender Offeror Group as a whole. In this respect, in order to ensure that the Target Company and Maeda Corporation will complement their strengths and weaknesses, the management members of and persons in charge from the Target Company and the Tender Offeror discussed the order-receiving system after the Transaction to the extent permitted by competition law, and during the discussions, they confirmed that although it is theoretically possible that the types of construction in which the Target Company and Maeda Corporation have strengths may overlap and that the projects for which both companies wish to receive orders may overlap, synergies that will exceed those dis-synergies can be expected by making the best proposals taking into account the fields of expertise and resources of each company. In addition, in order to prevent the occurrence of dis-synergies due to the overlap of strengths between the Target Company and Maeda Corporation, the Tender Offeror and the Target Company agreed in the Written Confirmation that after the Transaction, the Tender Offeror shall increase competitiveness and realize efficient business operations by utilizing the strengths of the Target Company and Maeda Corporation, which belongs to the Tender Offeror, to the maximum extent with regard to the acceptance of orders for work where the strengths of both companies overlap, and shall also, to the extent permitted under competition law, consider the fields of expertise and resources of each company to formulate optimal strategies such as (i) whether to have only the Target Company or Maeda Corporation make a bid, or (ii) to have the Target Company and Maeda Corporation incorporate a joint venture and make a bid jointly, and that when formulating such strategies, the Tender Offeror's basic policy will be to establish them upon consultation in good faith with each company in a spirit of equality that respects both the Target Company and Maeda Corporation.

- As a result of implementing the Transaction, the Target Company will be delisted, and it is expected that the Target Company may lose its benefits, such as maintaining and improving its social credibility and name recognition as a listed company, and may change its trade name. As a result of this, it is believed that the motivation of the Target Company Group's employees who aspire to work for listed companies and those who take pride in the Target Company's trade name will decline. Furthermore, since the Target Company Group and the Tender Offeror Group have certain overlapping business fields, if the number of projects that the Target Company Group proactively advances decreases as a result of the Target Company Group's participation in the Tender Offeror Group, it may lead to a decrease in the motivation of the Target Company's excellent engineers who find it rewarding to advance such projects on their

own. Therefore, implementation of the Transaction may have an impact on employee retention, etc., as described above. According to the materials received by the Special Committee and the interviews conducted by the Special Committee with the Tender Offeror, the Target Company's personnel system is intended to be maintained for a certain period of time, and with regard to the impact of the Target Company's delisting, although the Tender Offeror understands that it is concerned that the Target Company's delisting as a result of implementation of the Transaction will lead to low morale of the Target Company's employees, and that the Target Company's employees place importance on the Target Company's trade name, the Tender Offeror believes that it will be possible to gain the understanding of the Target Company Group's employees by carefully explaining: that (i) the Target Company's employees will enjoy the benefits of the Target Company's participation in the Tender Offer Group by the Tender Offeror implementing measures, such as increasing employee salaries as a result of decrease in listing maintaining cost, and incentive plans, such as granting a stock benefit trust plan (J-ESOP) to all employees of the Tender Offeror Group; that (ii) by the Target Company becoming a part of the Tender Offeror Group, it will be possible to share know-how and exchange the right people in the right place, which will lead to the realization of a more rewarding work environment; and that (iii) the Target Company's corporate value will be improved in the future. On the other hand, according to the interviews conducted by the Special Committee with the Target Company, with regard to the impact of the Target Company's delisting, the Target Company's management members recognize that it cannot be ruled out that the Target Company Group's employees may feel anxious as a result of its delisting and that if the business integration with the Tender Offeror leads to a narrowing of the opportunities for on-site engineers in the event of an overlap of projects, it may lead to the turnover of on-site engineers. Therefore, the Target Company's management members recognize that it is necessary to reach a certain agreement with the Tender Offeror regarding employee retention and to gain the understanding of employees by explaining the details of the agreement to employees. Therefore, from the perspective of the retention of the Target Company Group's employees, on the premise that the Tender Offeror will maintain the employment level of the Target Company Group's employees, the Target Company's management members and the Tender Offeror agreed in the Written Confirmation to take specific measures to support the Target Company Group's employees to demonstrate their abilities and grow with the aim of pursuing an environment where the engagement of the employees of the Target Company Group will increase and they will work with higher motivation when the Target Company participates in the Tender Offeror Group.

- As a result of implementing the Transaction, the Target Company will be delisted and will not be able to enjoy the benefits that the Target Company enjoyed as a listed company, such as maintaining and improving its social credibility and name recognition as a listed company and funding from the market. In this respect, according to the materials received by the Special Committee and the interviews conducted by the Special Committee with the Tender Offeror, the Tender Offeror believes that the impact on equity financing will be minor in light of the fact that it will be possible for the Target Company to improve its funding capabilities and reduce funding costs by utilizing the ratings and credits of the Tender Offeror Group.

- Based on the explanations and materials that the Special Committee received from the Target Company and the Tender Offeror, the Special Committee believes that the Target Company Group's business details and business environment, etc., which form the background to the Transaction as described above, are consistent with the generally explained environment of the industry and market to which the Target Company belongs, as well as the understanding of the Target Company's Board of Directors. Furthermore, the Special Committee believes that the aforementioned measures contemplated by the Tender Offeror are based on the Target Company Group's current business details and business environment and are reasonable, and can be evaluated as measures to increase the Target Company's future corporate value in the medium to long term. In other words, as stated above, considering that the difficult market environment will continue due to the effects of high resource prices and construction material prices, tight labor supply and demand, and the application of an upper limit on overtime work in the construction industry that began in April 2024, the Special Committee affirms that the creation of a strong business base that can respond to environmental changes and the optimal distribution of management resources are important management issues. Furthermore, with regard to the specific measures that are expected to be taken after the Transaction, the Tender Offeror believes that regarding "(i) mutual utilization of the management resources of the Tender Offeror and the Target Company," by the Target Company Group strengthening collaboration with the Tender Offeror Group, it will be possible to collaborate in various areas, such as sales, design, on-site support, technology development, systems, public relations, and IR, expand business opportunities and improve productivity that will arise from this, and make growth investments utilizing the management resources of both company groups; regarding "(ii) joint promotion of group-wide DX, technological development, sustainability strategy, and human resource development," it will be possible to accumulate and utilize data that will contribute to improvement in productivity and efficiency of infrastructure management business using AI and other advanced digital technologies, and develop human resources; and regarding "(iii) creation of new business opportunities by mutually leveraging business bases," the Target Company Group has high technical capabilities, such as public works centered on bridges in the civil engineering field, super high-rise buildings in the construction field, and strengths in overseas business, and by making the most of the business contacts, business foundations, and customer contacts in growth markets that the Target Company Group and the Tender Offeror Group have built, both company groups will be able to create further business opportunities in growth markets and expand their project pipeline in the industry. The Special Committee believes that those measures respond to the business environment surrounding the Target Company Group and its management issues and are reasonable. Furthermore, the Target Company recognizes that as a result of implementation of the Transaction, synergies, such as "(i) realization of further strengthening of domestic construction business," "(ii) expansion of scale of overseas business," and "(iii) improvement of management efficiency through sharing management resources, and strengthening of the ability to respond to changes in the management environment," will occur. The Special Committee believes that the measures contemplated and synergies recognized by the Tender Offeror are consistent with the Target Company's recognition.
- In addition, as stated above, although it cannot be ruled out that implementation of the

Transaction may result in disadvantages due to the overlap of strengths between the Target Company and Maeda Corporation, the Target Company reached an agreement with the Tender Offeror regarding the business operations after the Transaction, and the Special Committee believes that the prevention of such disadvantages is guaranteed to a certain extent. In other words, especially in the Target Company, its Board of Directors discussed dis-synergies, such as competition at the time of bidding in the civil engineering sector, and found the possibility that those dis-synergies may occur; however, the Board of Directors reached the conclusion that it will be possible to receive orders for a wide variety of projects by complementing strengths and weaknesses of the Target Company and Maeda Corporation and that synergies are expected for the Tender Offeror Group as a whole. The Special Committee finds no unreasonable points in the recognition of the Target Company and the Tender Offeror regarding the disadvantages due to implementation of the Transaction and their conclusion based on these factors. In addition, in order to ensure that the Target Company and Maeda Corporation will complement their strengths and weaknesses, in the Written Confirmation, with regard to the overlapping business, it is agreed as the basic policy to formulate a strategy to utilize the strengths of the Target Company Group and the Tender Offeror Group to the fullest extent, enhance their competitiveness, and realize efficient business operations, after discussion between both groups in good faith with mutual respect and the spirit of equality. Furthermore, the Special Committee believes that adverse effects of the delisting and change of trade name on the retention of the Target Company Group's employees cannot be ruled out as recognized by the Target Company's management members; however, the measures for the retention of the Target Company Group's employees, including the details of the agreement in the Written Confirmation, cannot be said to be unreasonable, and it is agreed in the Written Confirmation that, as a general rule, the Tender Offeror shall maintain the incorporation of the Target Company and the current institutional design of the Target Company for the time being after the Transaction, and that if it will contribute to the corporate value of the Target Company Group and the Tender Offeror Group, the Tender Offeror may, upon consultation between the Target Company and the Tender Offeror, flexibly respond as necessary to changes in the management environment or trends in the market. The Special Committee believes that the Target Company's business operations as it did prior to the Transaction will not be immediately hindered, and that the impact on the relationship with the Target Company's previous business partners is minimal. Thus, reasonable measures and explanations have been made for the disadvantages of implementing the Transaction, including the execution of the Written Confirmation, and while it cannot be said that there are serious concerns, it is expected that synergies that will exceed such disadvantages will occur through implementation of the Transaction, and the Special Committee finds that the Transaction will contribute to enhancement of the Target Company's corporate value.

Based on the results of the consideration above, the Special Committee believes that the Transaction will contribute to enhancement of the Target Company's corporate value, and that the purpose of the Transaction is legitimate and reasonable.

ii. Fairness and appropriateness of the terms and conditions of the Transaction

- The Tender Offer Price was determined as a result of sincere price negotiations between the Target Company and the Tender Offeror based on the advice of the Target Company's advisors and the negotiation policy determined by the Special Committee. The requests for price increase were made four times, and the price has actually been raised from 480 yen originally proposed by the Tender Offeror to 600 yen. The Special Committee finds no unreasonable points in these circumstances of the negotiations for the Tender Offer Price between the Target Company and the Tender Offeror. Accordingly, the aforementioned discussion and negotiation process with the Tender Offeror regarding the terms and conditions was fair and can be regarded as negotiations between independent parties, and the Special Committee finds that a situation that allowed reasonable efforts to be made with the aim of ensuring that the Transaction would be conducted under terms and conditions that are as favorable as possible to general shareholders while increasing the Target Company's corporate value was secured.
- The Tender Offer Price exceeds the upper limits of the results of calculations using the market share price method and is within the range of the results of calculations using the comparable company method and the DCF Method in the Share Valuation Report (Yamada Consulting), and the Tender Offer Price exceeds the upper limits of the results of calculations using the market share price method and the comparable listed company method and is within the range of the results of calculations using the DCF Method in the Share Valuation Report (SMBC Nikko Securities).
- The Special Committee finds no unreasonable points, in particular, in the background of the preparation and the details of the Business Plan that was used as the basis for the calculations using the DCF Method in the Share Valuation Report (Yamada Consulting) and the Share Valuation Report (SMBC Nikko Securities). The Special Committee finds no unreasonable points, in particular, in the calculation methods and the calculation details in the Share Valuation Report (Yamada Consulting) and the Share Valuation Report (SMBC Nikko Securities) and believes that these reports are reliable.
- The Tender Offer Price includes a premium of 10.29% on 544 yen, which is the closing price of the Target Company Shares on the TSE Prime Market on May 13, 2025, the business day immediately preceding the date of preparation of the Written Report, a premium of 20.72% on 497 yen, which is the simple average value of the closing prices for the past one month until that date (from April 14, 2025 to May 13, 2025), a premium of 34.23% on 447 yen, which is the simple average value of the closing prices for the past three months until that date (from February 14, 2025 to May 13, 2025), and a premium of 40.52% on 427 yen, which is the simple average value of the closing prices for the past six months until that date (from November 14, 2024 to May 13, 2025), respectively. In light of the median premium level (33.06% on the closing price on the business day immediately preceding the announcement date, 35.96% on the simple average value of the closing prices for the past one month until the business day immediately preceding the announcement date, 36.64% on the simple average value of the closing prices for the past three months until the business day immediately

preceding the announcement date, and 42.38% on the simple average value of the closing prices for the past six months until the business day immediately preceding the announcement date) in 28 cases, which are similar to the Transaction, aimed to privatize a listed company, and were announced on and after June 28, 2019, when the M&A Guidelines were published by the Ministry of Economy, Trade and Industry, and a tender offer in which was successfully completed before April 30, 2025 (these are the cases in which the market capitalization of the target company of a tender offer was 50 billion yen or more and the price-to-book ratio (PBR) of shares subject to a tender offer had exceeded 1x before the announcement of the relevant transaction; however, excluding cases of discount tender offer, two-step tender offer, acquisition without consent, MBO, and cases aimed to make a listed subsidiary a wholly-owned subsidiary), although it cannot necessarily be said that the premium level over the closing price on the business day immediately preceding the announcement date and the simple average value of the closing prices for the past one month until the base date is high, the Target Company's share price rose on March 1, 2025 and April 20, 2025, when speculative articles about the tender offer for shares in the Target Company were published in information magazines, and even considering that the "Notice Regarding Progress of Litigation" published by the Target Company on April 7, 2025 and the "Notice Concerning Revisions to Financial Results Forecasts" published by the Target Company on April 21, 2025 can be regarded as factors for an increase in the share price, it cannot be denied that the recent share price increase may reflect the effects of speculative buying, including expectations that the Target Company will go private, to some extent. Therefore, the premium level should also be considered by comparing it with the share price over a longer period of time, excluding the effects of short-term share price fluctuations. When comparing it with the premium level over the simple average value of the closing prices for the past three months until the base date and the simple average value of the closing prices for the past six months until the base date, which are less affected by fluctuations in the share price for a short term, it can be found that the Tender Offer Price includes an appropriate premium.

- In light of the long-term share price trends of the Target Company, the price is greater than the highest closing price of the Target Company Shares in the most recent five years, being 550 yen (May 8, 2025), and greater than the highest price of the Target Company Shares during the trading hours in the most recent five years, being 564 yen (May 9, 2025); therefore, it can be considered that the price is at a level in which sufficient consideration has also been given to long-term general shareholders.
- The Tender Offeror plans to conduct the Squeeze-Out Procedures through a demand for share, etc. cash-out pursuant to Article 179 of the Companies Act or a share consolidation pursuant to Article 180 of the Companies Act if the Tender Offeror fails to acquire all of the Target Company Shares (excluding the treasury shares owned by the Target Company) through the Tender Offer. The aforementioned method is generally employed in privatization transactions such as the Transaction and is considered to be appropriate as the method of the Transaction. The Transaction proposes full acquisition with cash consideration (an acquisition in which the acquirer is committed to eventually acquiring 100% of the shares), and with respect to the Squeeze-Out Procedures, no scheme has been adopted in which shareholders who oppose the Transaction are not entitled to a right to request purchase of shares or a right

to request price determination. Furthermore, it has been disclosed that (i) if the Tender Offer is successfully completed, the Squeeze-Out Procedures will be conducted, and that (ii) in the Squeeze-Out Procedures, the amount of money to be delivered to the Target Company's shareholders who did not tender shares in the Tender Offer will be calculated so that it is equal to the Tender Offer Price multiplied by the number of Company Shares owned by each such shareholder. Thus, for a share consolidation or a demand for share, etc. cash-out concerning the Transaction, consideration has been given to ensure that when determining whether to tender shares in the Tender Offer, general shareholders will not fall into a situation where they are expected to be treated unfavorably if they do not tender shares in the Tender Offer. Therefore, it can be said that the terms and conditions of the Squeeze-Out Procedures are fair and appropriate. Furthermore, compared to the case where the Target Company becomes a wholly-owned subsidiary through organizational restructuring, the Squeeze-Out Procedures are considered to be more advantageous to general shareholders because money that is more liquid than shares will be used as consideration in the Squeeze-Out Procedures and the Squeeze-Out Procedures can provide general shareholders with the opportunity to make choices, including purchasing shares of the Tender Offeror using the money delivered and becoming shareholders of the Tender Offeror.

Based on the results of the consideration above, the Special Committee believes that the terms and conditions of the Transaction are fair and appropriate.

iii. Fairness of the procedures for the Transaction

- The Tender Offeror informed the Target Company on November 15, 2024 that it was considering the Transaction, and commenced discussions with the Target Company regarding implementation of the Transaction, as well as consideration of the pros and cons of implementation of the Transaction. Thereafter, on February 18, 2025, the Tender Offeror submitted the Proposal expressing its formal intention concerning the Transaction with the aim of making the Target Company its wholly-owned subsidiary through the Tender Offer. On February 25, 2025, which was immediately after receiving the aforementioned Proposal, the Target Company's Board of Directors adopted a resolution to establish the Special Committee, and the first meeting of the Special Committee was held on February 28, 2025. Therefore, it is found that the Special Committee was involved in the Transaction from the early stages of the process of formulating the terms and conditions of the Transaction.
- When selecting the members of the Special Committee, the Target Company's Board of Directors received advice from Nishimura & Asahi, the Target Company's independent legal advisor, and selected Mr. Nobuo Kawahashi, Mr. Sakio Sasamoto, and Ms. Mami Yamashita, who are the Target Company's Outside Directors and have been notified with the TSE as its independent officers. All of them are independent of the Tender Offer Related Parties and have no material interest in the Transaction different from that of general shareholders. Since all of Mr. Nobuo Kawahashi, Mr. Sakio Sasamoto, and Ms. Mami Yamashita are the Target Company's Directors, it is believed that they have a certain level of knowledge of the Target Company's business and will be able to make use of the experience and knowledge that they have fostered thus far in the Transaction. Therefore, it is found that the members of the Special

Committee were selected based on the fact that they have been confirmed to be independent and that they have the necessary experience and knowledge to consider the Transaction.

- The Special Committee not only received timely reports from the Target Company regarding the circumstances and details of the discussions and negotiations for the Transaction between the Tender Offeror and the Target Company, but also held discussions at the Special Committee's meetings, held interviews and question-and-answer sessions related to the Transaction with the Tender Offeror, and requested that the Target Company ask the Tender Offeror to review the Tender Offer Price. Thus, the Special Committee has been substantially involved in the negotiation process with the Tender Offeror. Therefore, it is found that the Special Committee has been substantially involved in the negotiation process for the terms and conditions of the Transaction with the Tender Offeror through the Target Company's Board of Directors.
- With regard to SMBC Nikko Securities, which is the Target Company's financial advisor and third-party valuation institution, and Nishimura & Asahi, which is the Target Company's legal advisor, the Special Committee decided to receive expert advice from SMBC Nikko Securities and Nishimura & Asahi as necessary, after confirming that there are no issues with their independence from the Tender Offer Related Parties and expertise. In addition, the Special Committee decided to appoint Yamada Consulting as its own third-party valuation institution and receive expert advice from Yamada Consulting after confirming that there are no issues with its independence from the Tender Offer Related Parties and expertise. Thus, it is found that a system for the Special Committee to receive expert advice and opinions from each of the aforementioned advisors in a timely manner during the consideration process regarding the Transaction, and to carefully consider and discuss the pros and cons of the Transaction, the appropriateness of the terms and conditions of the Transaction, including the Tender Offer Price, and the fairness of the procedures for the Transaction was secured.
- The Special Committee presented questions to the Tender Offeror and held a question-and-answer session with the Tender Offeror regarding the purpose and background of the Transaction, the management policy after the Transaction, etc. in the form of an interview; moreover, taking into account the question-and-answer session with the Tender Offeror regarding these points, the Special Committee held a question-and-answer session with the Target Company in the form of an interview regarding the purpose and background of the Transaction, the management policy after the Transaction, etc. Furthermore, the Special Committee received an explanation from the Target Company regarding the Target Company's evaluation of the details of the proposal from the Tender Offeror and the details of the business plan used as the premise when SMBC Nikko Securities prepared the Share Valuation Report (SMBC Nikko Securities) dated May 13, 2025 and Yamada Consulting prepared the Share Valuation Report (Yamada Consulting) dated May 13, 2025, held a question-and-answer session, and verified the reasonableness thereof. The Special Committee received an explanation from SMBC Nikko Securities and Yamada Consulting regarding the methods and results of calculations of the share value of the Target Company Shares, held a question-and-answer session from a financial perspective

regarding the assumptions, details, and results of the calculation methods, and verified the reasonableness thereof. The Special Committee received an explanation from Nishimura & Asahi regarding the measures taken to mitigate or prevent conflicts of interest in the Transaction and regarding the Transaction, and held a question-and-answer session regarding the general significance and concept of measures to ensure fairness and the sufficiency of such measures in the Transaction. In addition, the Special Committee discussed and considered the Consultation Matters and negotiated prices with the Tender Offeror, while receiving expert advice from SMBC Nikko Securities, Yamada Consulting, and Nishimura & Asahi, as necessary. Thus, it is found that the Special Committee obtained important information, including non-public information, conducted deliberations, and made decisions based on such information.

- The Target Company decided to pay each member of the Special Committee remuneration in accordance with the number of meetings of the Special Committee, regardless of the content of the report, as compensation for their duties, and has not employed a contingent fee. Therefore, from the perspective of remuneration, it is found that an environment is in place for the Special Committee members to make time- and labor-intensive commitments and make decisions from a standpoint independent of the success or failure of the Transaction.
- The Target Company's Board of Directors adopted a resolution that the Target Company's Board of Directors must respect the report of the Special Committee to the fullest extent when it makes important decisions on the Relevant Matters, and that the Target Company will not support the Tender Offer if the Special Committee determines that the decision to implement the Transaction through the Tender Offer is disadvantageous to the Target Company's general shareholders. Thus, the Special Committee finds that it was ensured that the Board of Directors would make decisions regarding the Transaction with the utmost respect for the opinions of the Special Committee.
- None of the Target Company's officers or the Target Company's Project Team have a certain interest in the Tender Offeror or the Tendering Shareholders. Therefore, the Special Committee finds that the Target Company had established an internal consideration system that was independent of the Tender Offeror and the Tendering Shareholders when considering and negotiating the Transaction.
- The Target Company appointed Nishimura & Asahi as its legal advisor independent of the Tender Offer Related Parties around late December 2024 and received legal advice from Nishimura & Asahi prior to receiving the Proposal from the Tender Offeror expressing its formal intention concerning the Transaction with the aim of making the Target Company its wholly-owned subsidiary through the Tender Offer on February 18, 2025. Therefore, the Special Committee finds that the Target Company received necessary legal advice from Nishimura & Asahi from the initial stage of consideration of the Transaction regarding the decision-making method and process of the Target Company's Board of Directors, including various procedures related to the Transaction, and other points to note.
- The Target Company appointed SMBC Nikko Securities as its financial advisor and

third-party valuation institution, and received the results of calculations of the share value of the Target Company Shares. In addition, the Special Committee appointed Yamada Consulting as its own third-party valuation institution and received the results of calculations of the share value of the Target Company Shares.

- The Tender Offeror has set the Tender Offer Period at 30 business days, whereas the minimum purchase, etc. period required by laws and regulations for a tender offer is 20 business days and has established a Tender Offer Period that is longer than the statutory period. Furthermore, since the Tender Offer is a pre-announced tender offer, and a certain period of time is secured from the announcement of the series of terms and conditions, including the Tender Offer Price, until commencement of the Tender Offer, also taking into account the period after the announcement, the Target Company has secured a time and opportunity for the Target Company's shareholders to make an appropriate decision on tendering shares in the Tender Offer and has also secured opportunities for parties other than the Tender Offeror to make competitive purchases of the Target Company Shares. In addition, so that opportunities for tender offers, etc. by parties other than the Tender Offeror are not unfairly restricted, the Tender Offeror has not made an agreement with the Target Company that restricts the Target Company's contact with parties other than the Tender Offeror making competing purchase proposals, and the Tender Offeror has given consideration to ensuring the fairness of the Tender Offer by ensuring the opportunity for competing purchases, etc. in addition to the setting of the Tender Offer Period set forth above. Therefore, the Special Committee believes that since indirect market checks have been carried out in the Transaction, the opportunity for acquisition proposals by other acquirers has been secured.
- The minimum number of shares to be purchased (104,589,800 shares; ownership ratio: 66.67%) in the Tender Offer will exceed the number of shares (78,442,442 shares; ownership ratio: 50.00%) equivalent to a majority of the number of shares (156,884,882 shares) obtained by deducting the number of the treasury shares owned by the Target Company as of March 31, 2025 (5,788,439 shares), from the total number of issued shares of the Target Company as of the same day as set out in the Target Company's Summary of Financial Results for the Fiscal Year Ended March 31, 2025 published by the Target Company on May 14, 2025 (162,673,321 shares), or in other words, the majority of the number of Target Company Shares owned by shareholders of the Target Company who do not have an interest in the Tender Offeror and the number equivalent to a so-called "majority of minority." Therefore, the Special Committee finds that the setting of a minimum number of shares to be purchased that requires the approval (tendering) of a majority of general shareholders who do not have a material interest in the Tender Offer for successful completion of the Tender Offer places a further emphasis on securing an opportunity for general shareholders to make a decision, and will ensure that the Transaction will be conducted under terms and conditions that are as favorable as possible to general shareholders.
- The Special Committee finds that the disclosure of information in written documents, such as press releases, for the Transaction, constitutes a disclosure of information that is deemed appropriate for general shareholders of the Target Company to make an appropriate decision on whether to accept the Tender Offer.

- In the Transaction, (I) the Squeeze-Out Procedures after the Tender Offer are planned to be conducted through a demand for share, etc. cash-out or a share consolidation, and no scheme has been adopted in which shareholders who oppose the Transaction are not entitled to a right to request purchase of shares or a right to request price determination, and (II) it has been disclosed that (i) the Squeeze-Out Procedures will be promptly conducted if the Tender Offeror is successfully completed and that (ii) the price at the time of squeeze-out will be based on the same price as the Tender Offer Price. Therefore, consideration has been given to ensure that when determining whether to tender shares in the Tender Offer, general shareholders will not fall into a situation where they are expected to be treated unfavorably if they do not tender shares in the Tender Offer. Therefore, it can be said that consideration has been given in the Transaction so as not to cause coercion on general shareholders, and the Special Committee believes that measures have been taken that contribute to ensuring the fairness of the procedures for the Transaction.

As stated above, in the Transaction, appropriate responses have been made in accordance with each of the measures to ensure fairness presented in the M&A Guidelines, and no unreasonable points are found in the details thereof; therefore, the Special Committee believes that the fairness of the procedures for the Transaction has been ensured.

- iv. As stated in i. to iii. above, the Transaction is not disadvantageous to the Target Company's general shareholders.
 - v. As stated in i. to iv. above, considering that the purpose of the Transaction is legitimate and reasonable, that the procedures for the Transaction are fair, and that the terms and conditions of the Transaction are fair and appropriate, it is reasonable for the Target Company's Board of Directors to express its opinion in support of the Tender Offer and recommend that shareholders tender their shares in the Tender Offer.
- (iii) Obtainment of a share valuation report from an independent financial advisor and third-party valuation institution by the Target Company
- a. Name of the Valuation Institution and its Relationship with the Tender Offer Related Parties

In expressing an opinion on the Tender Offer, in order to ensure the fairness of the decision-making on the Tender Offer Price presented by the Tender Offeror, the Target Company requested that SMBC Nikko Securities, which is its financial advisor and third-party valuation institution independent of the Tender Offer Related Parties, calculate the share value of the Target Company Shares; and on May 13, 2025, the Target Company obtained the Share Valuation Report (SMBC Nikko Securities).

SMBC Nikko Securities is not a related party of the Tender Offer Related Parties, and it has no material interest in the Transaction, including the Tender Offer. SMBC Nikko Securities is a member of the group companies of Sumitomo Mitsui Financial Group, Inc., along with Sumitomo Mitsui Banking Corporation which engages in loan transactions and the like as part of its ordinary banking transactions with the Target Company Group and the Tender Offeror Group, and Sumitomo Mitsui Banking Corporation is a shareholder of the Tender Offeror (the ratio of the number of shares owned to the total number of issued shares (excluding treasury shares) as of September 30, 2024 is 1.09% (rounded to the

second decimal place)); however, the Target Company appointed SMBC Nikko Securities as its financial advisor and third-party valuation institution, taking into account SMBC Nikko Securities' track record as a third-party valuation institution and the following matters: (i) as an adverse effect prevention measure, a measure to block information as set forth in the internal regulations has been taken between the department of SMBC Nikko Securities that calculates the value of the Target Company Shares on the one hand and the other departments of SMBC Nikko Securities and Sumitomo Mitsui Banking Corporation on the other hand; (ii) as the Target Company and SMBC Nikko Securities conduct transactions under the same terms and conditions as those under which it conducts transactions with its general business partners, the independence as a financial advisor and third-party valuation institution is ensured; and (iii) SMBC Nikko Securities is not a related party of the Tender Offer Related Parties, and it can be considered that there is no particular issue with the Target Company requesting that SMBC Nikko Securities calculate the value of the Target Company Shares. Furthermore, at the first meeting, the Special Committee confirmed that there is no issue with the independence or expertise of SMBC Nikko Securities, and the Special Committee approved it as the Target Company's financial advisor and third-party valuation institution.

As stated in “(3) Measures to Ensure the Fairness of the Tender Offer, Such as the Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest” in “1. Purpose, etc. of Tender Offer, etc.” above, in light of the fact that measures have been taken to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest, the Target Company considered that the fairness of the Transaction, including the Tender Offer Price, is ensured, and as a result, the Target Company has not obtained an opinion regarding the fairness of the Tender Offer Price (fairness opinion) from SMBC Nikko Securities.

The remuneration to be paid to SMBC Nikko Securities for the Transaction includes a contingent fee to be paid subject to successful completion of the Transaction and other conditions. However, taking into account general practices in the same type of transactions and the disadvantages of adopting the remuneration system in which the Target Company will incur a considerable monetary burden if the Transaction fails to be successfully completed, the Target Company concluded that the fact that the remuneration includes a contingent fee to be paid subject to completion of the Tender Offer does not negate the independence of SMBC Nikko Securities and that there is certain economic rationality for the Target Company, and the Target Company appointed SMBC Nikko Securities as its financial advisor and third-party valuation institution based on the aforementioned remuneration system.

(Note) In preparing the Share Valuation Report (SMBC Nikko Securities), SMBC Nikko Securities assumed that all the materials and information on which the Share Valuation Report (SMBC Nikko Securities) is based are accurate and complete; SMBC Nikko Securities has not independently verified, nor does it have an obligation or responsibility to verify, their accuracy and completeness; and SMBC Nikko Securities assumed that no facts, circumstances, or the like finding the provided information to be inaccurate or misleading have been found by the Target Company. Moreover, SMBC Nikko Securities has not independently evaluated, appraised, or assessed the assets or liabilities of the Target Company and its affiliates, nor has it requested that a third-party organization evaluate, appraise, or assess them. If any issue is found as to the accuracy and completeness of those materials and information, the valuation results may significantly differ. Furthermore, SMBC Nikko Securities assumed that there are no claims or obligations related to any undisclosed litigations, disputes, environmental matters, tax affairs, or the like of the Target Company or its affiliates, other contingent

liabilities, off-balance sheet debts, or other facts that have a material impact on the Share Valuation Report (SMBC Nikko Securities). SMBC Nikko Securities assumed that the business plan, etc., which are used in the Share Valuation Report (SMBC Nikko Securities), were prepared by the Target Company on a best forecast and determination basis as of the base date for valuation in accordance with reasonable and appropriate procedures. In addition, in the Share Valuation Report (SMBC Nikko Securities), if SMBC Nikko Securities made an analysis based on the hypothesis provided based on the provided materials and information, SMBC Nikko Securities assumed that the provided materials, information, and hypothesis are accurate and reasonable. SMBC Nikko Securities has not independently verified, nor does it have any obligation or responsibility to verify, the accuracy, appropriateness, and feasibility of these assumptions. SMBC Nikko Securities' valuation results were submitted to the Target Company at the request of the Target Company for the sole purpose of serving as a reference for the Target Company's Board of Directors to consider the Tender Offer Price, and the valuation results do not represent SMBC Nikko Securities' opinion on the fairness of the Tender Offer Price.

b. Overview of the Valuation for the Target Company Shares

SMBC Nikko Securities considered the calculation methods to be applied to the valuation of the share value of the Target Company in the Tender Offer from among multiple calculation methods; thereafter, based on the idea that it is appropriate to multilaterally evaluate the share value of the Target Company, SMBC Nikko Securities calculated the share value of the Target Company using the following methods: the market share price method, as the Target Company Shares are listed on the TSE Prime Market; the comparable listed company method, as there are multiple listed companies that are comparable with the Target Company, and it is possible to infer the share value of the Target Company by comparing comparable companies; and the DCF Method to reflect the status of future business activities in the calculation; and on May 13, 2025, the Target Company obtained the Share Valuation Report (SMBC Nikko Securities). The ranges of the value per share of the Target Company Shares calculated under each of the methods mentioned above in the Share Valuation Report (SMBC Nikko Securities) are as below.

Market share price method:	427 yen to 497 yen
Comparable listed company method:	472 yen to 597 yen
DCF Method:	481 yen to 993 yen

Under the market share price method, by setting the base date for valuation as May 13, 2025, which was the business day immediately preceding the announcement date of the planned commencement of the Tender Offer, the range of the value per share of the Target Company Shares was calculated to be 427 yen to 497 yen based on: 497 yen, which is the simple average value of the closing prices of the Target Company Shares for the one month before the base date at the TSE Prime Market; 447 yen, which is the simple average value of the closing prices for the three months before the base date; and 427 yen, which is the simple average value of the closing prices for the six months before the base date.

Under the comparable listed company method, the range of the value per share of the Target Company Shares was calculated to be 472 yen to 597 yen by selecting listed companies which engage in relatively similar business to that of the Target Company and by calculating the value of the Target Company Shares using EBITDA magnification of the corporate value.

Under the DCF Method, the range of the value per share of the Target Company Shares was calculated to be 481 yen to 993 yen based on the Business Plan prepared by the Target Company by calculating the corporate value and share value of the Target Company by discounting to the present value at a certain discount rate the free cash flow expected to be generated by the Target Company in and after the fiscal year ending March 2026 on the assumption of various factors, including the earnings forecasts and investment plans in the Business Plan for the three fiscal years from the fiscal year ending March 2026 to the fiscal year ending March 2028, as well as publicly available information and other materials. In calculating the continued value, the perpetual growth method and the multiple method were used.

The financial forecasts used as an assumption in the analysis using the DCF Method are based on the Business Plan prepared by the Target Company and include fiscal years in which significant increases or decreases in profits and free cash flows are expected. Specifically, in the fiscal year ending March 2026, it expects a significant increase in operating income, mainly due to an improvement in profit margins resulting from transition to new high-quality constructions in the domestic building construction business. In the fiscal year ending March 2027, it expects a significant decline in free cash flow due to an increase in capital expenditure and a smaller reduction in the amount of working capital. In addition, in the fiscal year ending March 2028, it expects a significant increase in free cash flow due to a decrease in working capital. The synergy effects, etc. expected to be realized by implementing the Transaction have not been reflected in the financial forecasts as it is difficult to specifically estimate their impact on revenues at the time of the valuation and the share value of the Target Company was calculated on a stand alone basis.

(iv) Obtainment of advice from an independent legal advisor by the Target Company

In order to ensure the fairness and appropriateness in the decision-making process of the Target Company's Board of Directors regarding the Tender Offer, the Target Company appointed Nishimura & Asahi as its legal advisor independent of the Tender Offer Related Parties, and received necessary legal advice from Nishimura & Asahi on the decision-making method and process of the Target Company's Board of Directors, including the procedures related to the Transaction, and other points to note. Nishimura & Asahi is not a related party of the Tender Offer Related Parties and has no material interest in the Transaction that should be stated. Furthermore, the remuneration to be paid to Nishimura & Asahi does not include any contingent fee to be paid subject to successful completion of the Transaction and other conditions.

(v) Obtainment of a share valuation report from an independent third-party valuation institution by the special committee

a. Name of the Valuation Institution and its Relationship with the Tender Offer Related Parties

In considering the Consultation Matters, in order to ensure the fairness of the terms and conditions of the Transaction, including the Tender Offer Price, the Special Committee requested that Yamada Consulting, which is its third-party valuation institution independent of the Tender Offer Related Parties, calculate the value of the Target Company Shares; and on May 13, 2025, the Special Committee obtained the share valuation report (the "Share Valuation Report (Yamada Consulting)").

Yamada Consulting is not a related party of the Tender Offer Related Parties, and it has no material interest in the Transaction, including the Tender Offer, that should be stated.

As stated in “(3) Measures to Ensure the Fairness of the Tender Offer, Such as the Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest” in “1. Purpose, etc. of Tender Offer, etc.” above, in light of the fact that measures have been taken to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest, the Special Committee considered that the fairness of the Transaction, including the Tender Offer Price, is ensured, and as a result, the Special Committee has not obtained an opinion regarding the fairness of the Tender Offer Price (fairness opinion) from Yamada Consulting.

The remuneration to be paid to Yamada Consulting for the Transaction consists only of a fixed fee to be paid regardless of the success or failure of the Transaction, and does not include any contingent fee to be paid subject to successful completion of the Transaction, including the Tender Offer, and other conditions.

b. Overview of the Valuation for the Target Company Shares

Yamada Consulting considered the calculation methods to be applied to the valuation of the Target Company Shares in the Tender Offer from among multiple calculation methods; thereafter, based on the idea that it is appropriate to multilaterally evaluate the share value of the Target Company on the premise that the Target Company is a going concern, Yamada Consulting calculated the share value of the Target Company using the following methods: the market share price method, as the Target Company Shares are listed on the TSE Prime Market; the comparable company method, as there are multiple listed companies that are comparable with the Target Company, and it is possible to infer the share value of the Target Company by comparing comparable companies; and the DCF Method, to reflect the status of future business activities in the calculation; and on May 13, 2025, the Special Committee obtained the Share Valuation Report (Yamada Consulting) from Yamada Consulting. The ranges of the value per share of the Target Company Shares calculated under each of the methods mentioned above in the Share Valuation Report (Yamada Consulting) are as below.

Market share price method:	427 yen to 544 yen
Comparable company method:	424 yen to 944 yen
DCF Method:	550 yen to 1,014 yen

Under the market share price method, by setting the base date for valuation as May 13, 2025, which was the business day immediately preceding the announcement date of the planned commencement of the Tender Offer, the range of the value per share of the Target Company Shares was calculated to be 427 yen to 544 yen based on: 544 yen, which is the closing price of the Target Company Shares on the TSE Prime Market on the base date; 497 yen, which is the simple average value of the closing prices for the one month before the base date; 447 yen, which is the simple average value of the closing prices for the three months before the base date; and 427 yen, which is the simple average value of the closing prices for the six months before the base date.

Under the comparable company method, the range of the value per share of the Target Company Shares was calculated to be 424 yen to 944 yen by calculating the value of the Target Company Shares through comparison of financial indicators showing the market share prices and profitability of listed companies which engage in relatively similar business to that of the Target Company.

Under the DCF Method, the range of the value per share of the Target Company Shares was calculated

to be 550 yen to 1,014 yen by calculating the corporate value and share value of the Target Company by discounting to the present value at a certain discount rate the free cash flow expected to be generated by the Target Company in and after the fiscal year ending March 2026 based on the Target Company's financial forecast taking into account various factors, such as the Business Plan prepared by the Target Company and publicly available information.

The Business Plan prepared by the Target Company that Yamada Consulting used for the DCF Method includes fiscal years in which significant increases in profits are expected compared to the previous fiscal year. Specifically, in the fiscal year ending March 2026, it expects a significant increase in operating income, mainly due to an improvement in profit margins resulting from transition to new high-quality constructions in the domestic building construction business. In the fiscal year ending March 2027, it expects a significant decline in free cash flow due to an increase in capital expenditure and a smaller reduction in the amount of working capital. In addition, in the fiscal year ending March 2028, it expects a significant increase in free cash flow due to a decrease in working capital.

Furthermore, the synergy effects expected to be realized by implementing the Transaction have not been taken into account in the aforementioned calculation as it is difficult to specifically estimate such synergy effects at present. The financial forecast is based on the Business Plan prepared by the Target Company, and Yamada Consulting analyzed and examined the details of the plan through multiple question-and-answer sessions with the Target Company, and the Special Committee has confirmed the reasonableness of the details and the background of its preparation.

(Note) In preparing the Share Valuation Report (Yamada Consulting), Yamada Consulting assumed that all the materials and information on which the Share Valuation Report (Yamada Consulting) is based are accurate and complete; Yamada Consulting has not independently verified, nor does it have an obligation or responsibility to verify, their accuracy and completeness; and Yamada Consulting assumed that no facts, circumstances, or the like finding the provided information to be inaccurate or misleading have been found by the Target Company. Moreover, Yamada Consulting has not independently evaluated, appraised, or assessed the assets or liabilities of the Target Company, nor has it requested that a third-party organization evaluate, appraise, or assess them. If any issue is found as to the accuracy and completeness of those materials and information, the valuation results may significantly differ. Furthermore, Yamada Consulting assumed that there are no claims or obligations related to any undisclosed litigations, disputes, environmental matters, tax affairs, or the like of the Target Company, other contingent liabilities, off-balance sheet debts, or other facts that have a material impact on the Share Valuation Report (Yamada Consulting). Yamada Consulting assumed that the business plan, etc., which are used in the Share Valuation Report (Yamada Consulting), were prepared by the Target Company on a best forecast and determination basis as of the base date for valuation in accordance with reasonable and appropriate procedures. In addition, in the Share Valuation Report (Yamada Consulting), if Yamada Consulting made an analysis based on the hypothesis provided based on the provided materials and information, Yamada Consulting assumed that the provided materials, information, and hypothesis are accurate and reasonable. Yamada Consulting has not independently verified, nor does it have any obligation or responsibility to verify, the accuracy, appropriateness, and feasibility of these assumptions. Yamada Consulting's valuation results were submitted to the Special Committee at the request of the Special Committee for the sole purpose of serving as a

reference for the Special Committee to consider the Consultation Matters, and the valuation results do not represent Yamada Consulting's opinion on the fairness of the Tender Offer Price.

(vi) Approval of majority of independent and non-interested directors of the Target Company and opinion that they have no objection from all non-interested Audit & Supervisory Board Members of the Target Company

The Target Company's Board of Directors carefully considered and discussed whether the Target Company's corporate value will be enhanced through the Transaction, whether conducting the Transaction through fair procedures will ensure the benefits that general shareholders should enjoy, and other matters based on the legal advice obtained from Nishimura & Asahi, the advice from a financial perspective obtained from SMBC Nikko Securities, and the details of the Share Valuation Report (SMBC Nikko Securities) obtained on May 13, 2025, while respecting the Special Committee's decision indicated in the Written Report dated May 14, 2025 submitted by the Special Committee to the fullest extent.

As a result, as stated in "(ii) Decision-Making Process and Reasons Leading to Target Company Support of the Tender Offer" in "(2) Background, Purpose, and Decision-making Process of the Tender Offer, and Post-Tender Offer Management Policy" of "1. Purpose, etc. of Tender Offer, etc. above, at the Board of Directors' meeting held today, the Target Company's Board of Directors adopted a resolution to express an opinion in support of the Tender Offer and to recommend that its shareholders tender their shares in the Tender Offer by approval of the majority of the nine Directors (favorable votes by eight Directors, negative votes by one Director) of the Target Company who participated in deliberations and resolutions. Furthermore, all of the five Audit & Supervisory Board Members who attended the Board of Directors' meeting stated their opinion to the effect that they had no objection to the above-mentioned resolution.

Moreover, as set forth above, it is planned that the Tender Offer will be implemented promptly if the Conditions Precedent have been satisfied (or if they have been waived by the Tender Offeror), and as of today, the Tender Offer is intended to be commenced around early July 2025, but because it is difficult to accurately predict the period of time required for procedures, etc. with competition authorities in Japan and overseas, notice of the details of the schedule for the Tender Offer will be given promptly once decided. Notice will also be given promptly if the expected timing of the commencement of the Tender Offer has changed.

Therefore, at the Target Company's Board of Directors' meeting mentioned above, the Target Company also adopted a resolution that prior to commencement of the Tender Offer, the Target Company will request that (i) the Special Committee consider whether there are any changes in the Special Committee's opinion represented to the Target Company's Board of Directors as of today, that (ii) if there are no changes, the Special Committee state to that effect to the Target Company's Board of Directors, and that (iii) if there are any changes, the Special Committee state its changed opinion to the Target Company's Board of Directors; and that based on such opinion, the Target Company will express its opinion on the Tender Offer again at the time of commencement of the Tender Offer.

(vii) Construction of the independent examination system at the Target Company

As explained in "(ii) Decision-Making Process and Reasons Leading to Target Company Support of the

Tender Offer” under “(2) Background, Purpose, and Decision-making Process of the Tender Offer, and Post-Tender Offer Management Policy” in “1. Purpose, etc. of Tender Offer, etc.” above, when the Target Company received a communication from the Tender Offeror on November 15, 2024 to the effect that it is examining the Transaction, it took the opportunity to build the Target Company’s Project Team that is independent from the Tender Offer Related Parties in order to examine, negotiate, and judge the Transaction from a standpoint that is independent from the Tender Offer Related Parties.

The Special Committee has confirmed that there are no issues from an independence perspective with the system for examining the Transaction (including the scope of the Target Company’s officers and employees who are involved in the examination, negotiation, and judgment of the Transaction and their duties), including the Target Company’s Project Team.

(viii) Establishment of the minimum to satisfy the majority of minority condition

As stated in “(1) Overview of the Tender Offer” under “1. Purpose, etc. of Tender Offer, etc.” above, the minimum number of shares to be purchased (104,589,800 shares; ownership ratio: 66.67%) in the Tender Offer will exceed the number of shares (78,442,392 shares; ownership ratio: 50.00%) equivalent to a majority of the number of shares found (156,884,782) by subtracting from the Reference Number of Shares (156,884,882 shares) the number of Target Company Shares owned by the Tender Offeror (100 shares; ownership ratio: 0.00%)), or in other words, the majority of the number of Target Company Shares owned by shareholders of the Target Company who do not have an interest in the Tender Offeror, including the Tendering Shareholders, and the number equivalent to a so-called “majority of minority.” The Tender Offeror believes that the Tender Offer will not be concluded if majority approval cannot be obtained from the shareholders of the Target Company with no interest in the Tender Offeror, and that it gives serious consideration to the intention of the Target Company’s ordinary shareholders.

Each of the Tendering Shareholders is an independent third party with no interest in the Tender Offeror, and the Tender Agreement came to be executed based on sincere discussions and negotiations conducted between independent parties, so the Tender Offeror believes that the Tendering Shareholders will not constitute a shareholder of the Target Company having an interest in the Tender Offeror in weighing the conditions for a so-called “majority of minority,” by the fact of the execution of the Tender Agreement. For details of the Tender Agreement, please see “(6) Matters with Respect to Material Agreements Concerning the Tender Offer” under “1. Purpose, etc. of Tender Offer, etc.” above.

(ix) Measures to ensure an opportunity to purchase by other offerors

So that opportunities for tender offers, etc. by parties other than the Tender Offeror are not unfairly restricted, the Tender Offeror has not made an agreement with the Target Company that restricts the Target Company’s contact with parties other than the Tender Offeror making competing purchase proposals, and the Tender Offeror has given consideration to ensuring the fairness of the Tender Offer by ensuring the opportunity for competing purchases, etc. in addition to the setting of the Tender Offer Period set forth above.

(x) Securing an objective situation ensuring the fairness of the Tender Offer

The Tender Offeror has set the Tender Offer Period at 30 Business Days, whereas the minimum purchase, etc. period required by laws and regulations for a tender offer is 20 business days. By establishing a Tender Offer Period that is longer than the statutory period, along with securing for the Target Company’s shareholders the appropriate time and opportunity to make a determination with respect to tendering in the Tender Offer, the Tender Offeror intends to secure an opportunity for parties other than the Tender Offeror to make a competing purchase, etc. regarding the Target Company Shares, thereby guaranteeing the fairness of the Tender Offer.

(iii) Relationship with the valuation institution

Daiwa Securities, the financial advisor and third-party valuation institution of the Tender Offeror, is not a related party of the Tender Offeror or the Target Company and does not have a material interest in the Transaction, including the Tender Offer.

(5) Number of Share Certificates, etc. to be Purchased

Number to be Purchased	Minimum Number to be Purchased	Maximum Number to be Purchased
156,884,782 shares	104,589,800 shares	— shares

(Note 1) The Tender Offeror will not purchase any of the Tendered Shares, Etc. if the total number of the Tendered Shares, Etc. is less than the minimum of the number to be purchased (104,589,800 shares). The Tender Offeror will purchase all of the Tendered Shares, Etc. if the total number of the Tendered Shares, Etc. is equal to or greater than the minimum number to be purchased.

(Note 2) The minimum number to be purchased (104,589,800 shares) is the number of shares (104,589,800 shares) obtained by subtracting the 100 Target Company Shares owned by the Tender Offeror from the number of shares obtained by multiplying the number of voting rights (1,568,848 voting rights) pertaining to the Reference Number of Shares (156,884,882 shares) by two-thirds (1,045,899 voting rights (rounded up to the nearest whole number)), and then multiplying that by one unit of the Target Company Shares (100 shares).

(Note 3) A maximum number to be purchased has not been set in the Tender Offer, so the largest number of Target Company Shares that the Tender Offeror will purchase, etc. in the Tender Offer is stated for the number to be purchased. This largest number is the number of shares (156,884,782 shares) obtained by subtracting the Target Company Shares owned by the Tender Offeror (100 shares) from the Reference Number of Shares (156,884,882 shares).

(Note 4) Shares that are less than one unit are also subject to the Tender Offer. If a shareholder exercises its appraisal rights under the Companies Act with respect to shares of less than one unit, the Target Company may conduct a stock buyback during the Tender Offer Period through the procedures provided for by laws and regulations.

(Note 5) The Tender Offeror does not intend to acquire any treasury shares held by the Target Company in the Tender Offer.

(6) Change in Ownership Ratio of Share Certificates, etc. after Purchase, etc.

Number of voting rights pertaining to share certificates, etc. owned by the Tender Offeror before purchase, etc.	1	(Ownership ratio of share certificates, etc. before purchase, etc.: 0.00%)
Number of voting rights pertaining to share certificates, etc. owned by specially related parties before purchase, etc.	0	(Ownership ratio of share certificates, etc. before purchase, etc.: 0.00%)
Number of voting rights pertaining to share certificates, etc. owned by the Tender Offeror after purchase, etc.	1,568,848	(Ownership ratio of share certificates, etc. after purchase, etc.: 100.0%)
Number of voting rights pertaining to share certificates, etc. owned by specially related parties after purchase, etc.	0	(Ownership ratio of share certificates, etc. after purchase, etc.: 0.00%)

Number of voting rights of all shareholders, etc. of the Target Company	1,568,848	
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(Note 1) The “number of voting rights pertaining to shares owned by specially related parties before purchase, etc.” and the “ownership ratio of share certificates, etc. before purchase, etc.” are stated based on the total of the number of voting rights pertaining to share certificates, etc. held by each specially related party (excluding specially related parties excluded from the specially related parties for the purpose of calculation of the ownership ratio of share certificates, etc. under each item of Article 27-2(1) of the Act, pursuant to Article 3(2)(i) 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)). Because share certificates, etc. owned by each specially related party (excluding treasury shares owned by the Target Company) are also subject to the Tender Offer, the “number of voting rights pertaining to share certificates, etc. owned by specially related parties after purchase, etc.” has been made zero voting rights.

(Note 2) The “number of voting rights pertaining to share certificates, etc. owned by the Tender Offeror after purchase, etc.” states the number of voting rights found by adding the number of voting rights pertaining to the number of shares to be purchased (156,884,782 shares) in the Tender Offer, which is stated in “(5) Number of Share Certificates, etc. to be Purchased” above to the number of voting rights pertaining to share certificates, etc. owned by the Tender Offeror before purchase, etc.

(Note 3) The “number of voting rights of all shareholders, etc. of the Target Company” is the number of voting rights of all shareholders as of March 31, 2025 as stated in the Target Company’s Financial Results for the Fiscal Year Ended March 31, 2025 issued by the Target Company on May 14, 2025. However, because, in the Tender Offer, shares less than one unit are also subject to the Tender Offer, the number of voting rights (1,568,848 voting rights) pertaining to the number of shares (156,884,882 shares) equivalent to the sum of the total number of issued shares of the Target Company as of March 31, 2025 as stated in the Target Company’s Summary of Financial Results for the Fiscal Year Ended March 31, 2025 (162,673,321 shares) less the number of treasury shares owned by the Target Company as of that date (5,788,439 shares) is used as the denominator when calculating the “ownership ratio of share certificates, etc. before purchase, etc.” and the “ownership ratio of share certificates, etc. after purchase, etc.”

(Note 4) The “ownership ratio of share certificates, etc. before purchase, etc.” and the “ownership ratio of share certificates, etc. after purchase, etc.” are rounded to the second decimal place.

(7) Purchase Price (Planned) 94,130,869,200 yen

(Note) The purchase price is stated as the amount obtained by multiplying the number of shares to be purchased (156,884,782 shares) by the Tender Offer Price (600 yen). This may change if the actual number purchased in the Tender Offer differs due to changes, etc. on this date or thereafter.

(8) Other Conditions and Methods of Purchase, etc.

(i) Existence and content of conditions provided for in the items of Article 27-13(4) of the Act

The Tender Offeror will not purchase any of the Tendered Shares, Etc. if the total number of the Tendered Shares, Etc. is less than the minimum of the number to be purchased (104,589,800 shares). The Tender Offeror will purchase all of the Tendered Shares, Etc. if the total number of the Tendered Shares, Etc. is equal to or greater than the minimum number to be purchased (104,589,800 shares).

(ii) Other Conditions and Methods of Purchase, etc.

The “settlement method,” “date of public notice for commencement of tender offer,” and “other conditions and methods of purchase, etc.” will be announced as soon as they are determined. Daiwa Securities is planned to be appointed as the tender offer agent.

(iii) Other

This press release is intended to publicly announce the Tender Offer and has not been prepared for the purpose of soliciting an offer to sell shares. When making an offer for sale, etc., please be sure to read the tender offer explanation statement and make it at your own discretion. This press release does not constitute a solicitation of an offer to sell or an offer to purchase any securities, nor does it constitute a part thereof, and this press release (or any part hereof) or the fact of its distribution shall not serve as the basis for any contract related to the Tender Offer, and may not be relied upon when executing any contract.

The Tender Offer is to be conducted in accordance with the procedures and information disclosure standards stipulated by the Financial Instruments and Exchange Act of Japan, and the procedures and standards therefor are not necessarily the same as those applicable in the United States. Specifically, Section 13(e) and Section 14(d) of the U.S. Securities Exchange Act of 1934 (as amended) and regulations based on those provisions do not apply to the Tender Offer, and the Tender Offer does not follow the procedures and standards thereunder. The financial information contained in this press release has been prepared based on accounting standards in Japan and its contents are not necessarily comparable to the financial statements of U.S. companies. Further, it may be difficult to enforce any right or demand arising under U.S. federal securities laws, because both the Tender Offeror and the Target Company are incorporated outside the United States and all or some of their officers are not U.S. residents. It may also be impossible to take legal action against a non-U.S. corporation or its officers in a non-U.S. court for a violation of U.S. securities laws. Furthermore, U.S. courts are not necessarily granted jurisdiction over non-U.S. corporations or their officers.

There is a possibility that, in the ordinary course of business, financial advisors of the Tender Offeror and the Target Company, the tender offer agent, and the affiliates thereof may, to the extent permitted by the Financial Instruments and Exchange Act of Japan and other applicable laws and regulations and in accordance with the requirements of Rule 14e-5(b) of the U.S. Securities Exchange Act of 1934, on their own or their customers’ account, purchase or take action for the purchase of Target Company Shares outside of the Tender Offer during the period from today until the last day of the Tender Offer Period. In such cases, the purchase and sale may be conducted at the market price through market transactions, or the purchase and sale may be conducted at a price decided through negotiations outside of the market. If information regarding such a purchase is disclosed in Japan, it will also be disclosed in the United States in a similar manner.

There is a possibility that the Tender Offeror and the affiliates thereof may, to the extent permitted by the Financial Instruments and Exchange Act of Japan and other applicable laws and regulations and in accordance with the requirements of Rule 14e-5(b) of the U.S. Securities Exchange Act of 1934, purchase or take action for the purchase of Target Company Shares outside of the Tender Offer during the period from today until the last day of the Tender Offer Period. In such cases, the purchase and sale may be conducted at the market price through market transactions, or the purchase and sale may be conducted at a price decided through negotiations outside of the market. If information regarding such a purchase is disclosed in Japan, it will also be disclosed in the United States in a similar manner.

All procedures related to the Tender Offer will be conducted in the Japanese language. While all or part of the documents in connection with the Tender Offer may be prepared in English, the Japanese language documents shall prevail in the case of any discrepancy between the Japanese language documents and the corresponding English language documents.

Statements in this press release include “forward-looking statements” as defined in Section 27A of the U.S. Securities Act of 1933 (as amended) and Section 21E of the Securities Exchange Act of 1934. The actual results may significantly differ from the projections implied or expressly stated in these forward-looking statements due to known or unknown risks, uncertainties, or other factors. Neither the Tender Offeror, the Target Company, nor

their affiliates guarantee that the results expressed or implied in these forward-looking statements will be achieved. The “forward-looking statements” contained in this press release have been prepared based on the information available to the Tender Offeror or the Target Company as of today, and unless required by laws and regulations, neither the Tender Offeror, the Target Company, nor their affiliates are obligated to change or correct the statements made herein in order to reflect future events or circumstances.

If a shareholder exercises its appraisal rights under the Companies Act with respect to shares of less than one unit, the Target Company may conduct a stock buyback during the Tender Offer Period through the procedures provided for by laws and regulations.

Restrictions may be imposed on the announcement, publication, and distribution of this press release in certain countries or regions. In such cases, please be aware of and comply with such restrictions. In countries or regions where the implementation of the Tender Offer is illegal, even after receipt of this press release, such receipt shall not constitute solicitation of an offer to sell or an offer to buy the shares related to the Tender Offer, and shall be deemed to have been distributed for informative purposes only.

3. Policy After Tender Offer and Future Outlook

For policies, etc. after the Tender Offer, please see “(2) Background, Purpose, and Decision-making Process of the Tender Offer, and Post-Tender Offer Management Policy,” “(4) Policy on Reorganization, etc. After the Tender Offer (Matters Regarding So-Called Two-Stage Acquisition),” and “(5) Likelihood of Delisting and Reasons Therefor” under “1. Purpose, etc. of Tender Offer, etc.” above.

4. Other

(1) Existence and Content of Agreements between the Tender Offeror and the Target Company or its Officers

According to the Target Company’s Press Release, at the meeting of the Target Company’s Board of Directors held today, it was resolved that if the Tender Offer is commenced, the position of the Target Company at this time is that it will declare a position in support of the Tender Offer and that it will recommend that the Target Company’s shareholders tender in the Tender Offer. For details of such decision-making by the Target Company, please see the Target Company’s Press Release and “(vi) Approval of the majority of non-interested directors of the Target Company and opinion that they have no objection from all non-interested Audit & Supervisory Board Members of the Target Company” in “(Measures to Ensure the Fairness of the Tender Offer, Such as the Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest)” of “(ii) Background of Calculation” under “(4) Basis for Calculation, etc. of the Price of the Purchase, etc.” of “2. Outline of the Purchase, etc.” above.

(2) Other information judged necessary for investors to judge the merits of tendering shares in the purchase

Announcement of “Summary of Financial Results for the Fiscal Year Ended March 31, 2025 (Japanese GAAP) (Consolidated)”

Today the Target Company released its Summary of Financial Results for the Fiscal Year Ended March 31, 2025. The content of the announcement has not received an audit certification by an audit corporation pursuant to the provisions of Article 193-2(1) of the Act. Please see the content of the announcement for details.

End

[Soliciting Regulations]

- This press release is intended to publicly announce the Tender Offer and has not been prepared for the purpose of soliciting an offer to sell shares. When making an offer for sale, etc., please be sure to read the tender offer explanation statement and make it at your own discretion. This press release does not constitute a solicitation of an offer to sell or an offer to purchase any securities, nor does it constitute a part thereof, and this press release (or any part hereof) or the fact of its distribution shall not serve as the basis for any contract related to the Tender Offer, and may not be relied upon when executing any contract.

[U.S. Regulations]

- The Tender Offer is to be conducted in accordance with the procedures and information disclosure standards stipulated by the Financial Instruments and Exchange Act of Japan, and the procedures and standards therefor are not necessarily the same as those applicable in the United States. Specifically, Section 13(e) and Section 14(d) of the U.S. Securities Exchange Act of 1934 (as amended) and regulations based on those provisions do not apply to the Tender Offer, and the Tender Offer is not necessarily in compliance with the procedures and standards thereunder. The financial information contained in this press release has been prepared based on accounting standards in Japan and its contents are not necessarily comparable to the financial statements of U.S. companies. Further, it may be difficult to enforce any right or demand arising under U.S. federal securities laws, because both the Tender Offeror and the Target Company are incorporated outside the United States and all or some of their officers are not U.S. residents. It may also be impossible to take legal action against a non-U.S. corporation or its officers in a non-U.S. court for a violation of U.S. securities laws. Furthermore, U.S. courts are not necessarily granted jurisdiction over non-U.S. corporations or their officers.
- There is a possibility that, in the ordinary course of business, financial advisors of the Tender Offeror and the Target Company, the tender offer agent, and the affiliates thereof may, to the extent permitted by the Financial Instruments and Exchange Act of Japan and other applicable laws and regulations and in accordance with the requirements of Rule 14e-5(b) of the U.S. Securities Exchange Act of 1934, on their own or their customers' account, purchase or take action for the purchase of Target Company Shares outside of the Tender Offer during the period from today until the last day of the Tender Offer Period. In such cases, the purchase and sale may be conducted at the market price through market transactions, or the purchase and sale may be conducted at a price decided through negotiations outside of the market. If information regarding such a purchase is disclosed in Japan, it will also be disclosed in the United States in a similar manner.
- There is a possibility that the Tender Offeror and the affiliates thereof may, to the extent permitted by the Financial Instruments and Exchange Act of Japan and other applicable laws and regulations and in accordance with the requirements of Rule 14e-5(b) of the U.S. Securities Exchange Act of 1934, purchase or take action for the purchase of Target Company Shares outside of the Tender Offer during the period from today until the last day of the Tender Offer Period. In such cases, the purchase and sale may be conducted at the market price through market transactions, or the purchase and sale may be conducted at a price decided through negotiations outside of the market. If information regarding such a purchase is disclosed in Japan, it will also be disclosed in the United States in a similar manner.
- If a shareholder exercises its appraisal rights under the Companies Act with respect to shares of less than one unit, the Target Company may conduct a stock buyback during the Tender Offer Period through the procedures provided for by laws and regulations.
- All procedures related to the Tender Offer will be conducted in the Japanese language. While all or part of the documents in connection with the Tender Offer may be prepared in English, the Japanese language documents shall prevail in the case of any discrepancy between the Japanese language documents and the corresponding English language documents.
- Statements in this press release include "forward-looking statements" as defined in Section 27A of the U.S.

Securities Act of 1933 (as amended) and Section 21E of the Securities Exchange Act of 1934. The actual results may significantly differ from the projections implied or expressly stated in these forward-looking statements due to known or unknown risks, uncertainties, or other factors. Neither the Tender Offeror, the Target Company, nor their affiliates guarantee that the results expressed or implied in these forward-looking statements will be achieved. The “forward-looking statements” contained in this press release have been prepared based on the information available to the Tender Offeror or the Target Company as of today, and unless required by laws and regulations, neither the Tender Offeror, the Target Company, nor their affiliates are obligated to change or correct the statements made herein in order to reflect future events or circumstances.

[Other Countries]

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