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(Stock Exchange Code 1820)  
June 9, 2021

**To Shareholders with Voting Rights:**

Nobutoshi Takase  
Representative Director and President  
Nishimatsu Construction Co., Ltd.  
17-1, Toranomom 1-chome, Minato-ku, Tokyo

**NOTICE OF  
THE 84<sup>th</sup> ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

Please be notified that the 84<sup>th</sup> Annual General Meeting of Shareholders of Nishimatsu Construction Co., Ltd. (the “Company”) will be held for the purposes as described below.

**With a view to preventing the spread of the coronavirus disease (COVID-19), we ask our shareholders to refrain from attending the General Meeting of Shareholders regardless of your physical conditions, and instead exercise your voting rights in advance in writing or via the Internet.**

Please look over the “Reference Documents for the General Meeting of Shareholders” below and cast your vote by 5:30 p.m. on Monday, June 28, 2021, Japan time.

**1. Date and Time:** 10 a.m. on Tuesday, June 29, 2021

**2. Place:** The Company’s Head Office located at  
7th Floor Toranomom Hills Business Tower,  
17-1, Toranomom 1-chome, Minato-ku, Tokyo  
The seats available to our shareholders will be less than previous years as they will be sufficiently spaced to prevent the spread of COVID-19. We kindly ask for your understanding.

**3. Meeting Agenda:**

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company’s 84<sup>th</sup> Fiscal Year (April 1, 2020 - March 31, 2021) and results of audits by the Accounting Auditor and the Board of the Audit and Supervisory Committee of the Consolidated Financial Statements
  2. Non-consolidated Financial Statements for the Company’s 84<sup>th</sup> Fiscal Year (April 1, 2020 - March 31, 2021)

**Proposals to be resolved:**

- Proposal 1:** Appropriation of Surplus  
**Proposal 2:** Partial Amendments to the Articles of Incorporation  
**Proposal 3:** Election of Five (5) Directors (Excluding those who are Members of the Audit and Supervisory Committee)  
**Proposal 4:** Election of One (1) Director who is a Member of the Audit and Supervisory Committee  
**Proposal 5:** Introduction of Performance-linked, Share-based Compensation Plan for Directors, etc. (excluding Directors who are Members of the Audit and Supervisory Committee)  
**Proposal 6:** Confirmation of Shareholders’ Intention Regarding Request for Discontinuation of Additional Share Purchase, etc. by the Group of Specific Shareholders

<Notes to shareholders>

- We may update the above measures based on the situation of the spread of the disease and announcements made by the government before the day of the General Meeting of Shareholders. Please check the Company's website (<https://www.nishimatsu.co.jp/>) on the Internet for updates.
- The seats available to our shareholders will be less than previous years as they will be sufficiently spaced to prevent the spread of COVID-19. We kindly ask for your understanding.
- We will set alcohol hand sanitizer for you to use near the reception desk at the venue. If you are attending the meeting, we would like to request you to bring and wear a mask. We may ask those shareholders who are not wearing a mask to refrain from entering the venue.
- We will take your temperature near the entrance of the venue. Shareholders with fever or with a poor physical condition may be asked not to enter the venue.
- Operation staff of the General Meeting of Shareholders will take their temperatures, confirm their physical condition, and wear a mask.
- From the viewpoint of shortening the meeting in order to prevent the spread of COVID-19, detailed explanation on reported matters (including audit reports) and on the proposals at the stage will be omitted. We would like to ask you to read through the Notice in advance.

(Reference) Information on exercising the voting rights

Please take advantage of this opportunity to your exercise voting rights, which is an important right of all shareholders.

[If exercising your voting rights online]

Deadline to Exercise: 5:30 p.m. on Monday, June 28, 2021

Please refer to “Guide to Exercising Voting Rights via the Internet” on the next page and cast your vote by 5:30 p.m. on Monday, June 28, 2021, Japan time.

[If you are exercising voting rights in writing (by mail)]

Deadline to Exercise: 5:30 p.m. on Monday, June 28, 2021

On the enclosed Voting Rights Exercise Form, indicate your vote for or against the proposals, and return it such that it is received by 5:30 p.m. on Monday, June 28, 2021, Japan time.

[If you are attending the General Meeting of Shareholders]

Date and Time of the General Meeting of Shareholders: 10 a.m. on Tuesday, June 29, 2021

On the day of the General Meeting of Shareholders, please submit the enclosed Voting Rights Exercise Form at the reception desk. The reception desk is scheduled to open at 9:00 a.m. Japan time.

If a proxy is attending in your place, choose one other shareholder with voting rights to submit an Authorization Letter, as well as your Voting Rights Exercise Form and that of your proxy to the reception desk.

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- Among the documents appended to the convocation notice for the General Meeting of Shareholders, “System for ensuring that tasks are optimized, and its operational state” from the business report, “Consolidated Statements of Changes in Shareholder’s Equity” and “Notes to consolidated financial statements” from consolidated financial statements, and “Statements of Changes in Shareholder’s Equity” and “Notes to non-consolidated financial statements” from financial statements are, based on stipulations of the law and our articles of incorporations, published on our online website (<https://www.nishimatsu.co.jp/>), so they are not recorded in these appended documents. Furthermore, the above documents are part of the consolidated financial statements and financial statements audited in the course of the accounting auditor creating the accounting audit report as well as part of the business report, consolidated financial statements, and financial statements in the course of the Audit and Supervisory Committee creating the audit report.
- If revisions are made to the General Meeting of Shareholders reference document, the business report, the notes to consolidated financial statements, or financial statements, these will be published on our online website (<https://www.nishimatsu.co.jp/>).

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# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Appropriation of Surplus

To strengthen our management base which is oriented towards lasting development, we are attempting to strengthen our internal reserves. Considering the overall management environment and performance, we are setting the payout ratio to 30% or greater of the year's net earnings, acting on the basic principle of returning profits regularly and sustainably.

As for dividends for the year, we would like to distribute the year-end dividends and the appropriation of other surplus, based on this basic principle, as follows.

1. Matters regarding year-end dividends
  - (1) Type of dividend property: Cash
  - (2) Matter regarding the allocation of dividend property, and the total amount  
105 yen per share of our common stock  
Total amount: 5,743,574,550 yen
  - (3) Date on which dividend from surplus becomes effective  
June 30, 2021
  
2. Other matters regarding the appropriation of surplus
  - (1) Surplus item to be increased and the amount thereof  
General reserve: 5,000,000,000 yen
  - (2) Surplus item to be reduced and the amount thereof  
Retained earnings brought forward: 5,000,000,000 yen

**Proposal 2:** Partial Amendments to the Articles of Incorporation

1. Reason for amendment

To increase opportunities to return profit to shareholders, we propose the amendments herein to allow interim dividend payment by resolution of the Board of Directors, in accordance with the Article 454, paragraph 5 of the Companies Act.

2. Amendments

The details of the amendments are as follows:

(Underlined parts indicate the amendment.)

Current Articles of Incorporation	Proposed amendments
<p style="text-align: center;">CHAPTER VII ACCOUNTS</p> <p>(Dividends)</p> <p>Article 38. <u>Dividends of the Company shall be paid to shareholders or registered share pledges whose names have been entered or registered in the final register of shareholders as of March 31 in each year.</u></p> <p>(New)</p> <p>Article <u>39</u>. (Text omitted)</p>	<p style="text-align: center;">CHAPTER VII ACCOUNTS</p> <p>(Record Date for Year-end Dividend)</p> <p>Article 38. <u>The record date for year-end dividend of the Company shall be March 31 in each year.</u></p> <p>(Interim Dividend)</p> <p><u>Article 39. By a resolution of the Board of Directors, the Company may pay an interim dividend with September 30 as the record date in each year.</u></p> <p>Article <u>40</u>. (Unchanged)</p>

**Proposal 3:** Election of Five (5) Directors (Excluding those who are Members of the Audit and Supervisory Committee)

All five Directors (excluding those who are Members of the Audit and Supervisory Committee; the same applies hereafter in this proposal) will be completing their terms as of the conclusion of this General Meeting of Shareholders Accordingly, we request that you choose five directors.


The candidates are as follows:

No.		Name	Positions and responsibilities in the Company	Attendance at board meetings
1	Reelected	Nobutoshi Takase	Representative Director and President Chief Executive Officer and President General Manager of Human Resource Strategy Unit	16 out of 16 (100%)
2	Reelected	Makoto Isshiki	Representative Director Executive Vice President General Manager of Civil Engineering Division; General Manager of Safety, Environment & Quality Division; In charge of Environment and Energy Business Management	16 out of 16 (100%)
3	Reelected	Yuichi Kono	Representative Director Executive Vice President General Manager of Management Division; Deputy General Manager of Human Resource Strategy Unit; In charge of Investor Relations	16 out of 16 (100%)
4	Reelected	Yoshiyuki Sawai	Director Senior Managing Officer General Manager of Urban Development & Real Estate Business Division	16 out of 16 (100%)
5	Reelected	Kazutoyo Hamada	Director Managing Officer General Manager of Building Division	11 out of 11 (100%)


No.	Name (Date of birth)	Past experience, positions and responsibilities	
1	 <p data-bbox="400 568 501 600">Reelected</p> <p data-bbox="331 636 569 696">Nobutoshi Takase (September 14, 1957)</p>	<p data-bbox="644 248 759 277">April 1980</p> <p data-bbox="644 282 759 311">July 2008</p> <p data-bbox="644 315 759 344">April 2010</p> <p data-bbox="644 371 759 400">April 2011</p> <p data-bbox="644 427 759 456">June 2011</p> <p data-bbox="644 483 759 512">April 2012</p> <p data-bbox="644 539 759 568">April 2017</p> <p data-bbox="644 595 759 624">April 2018</p> <p data-bbox="644 651 759 680">April 2021</p>	<p data-bbox="836 248 1046 277">Joined the Company</p> <p data-bbox="836 282 1267 311">General Manager of Building Department</p> <p data-bbox="836 315 1334 367">Executive Officer; General Manager of Building Division and Building Department</p> <p data-bbox="836 371 1334 423">Managing Officer; General Manager of Building Division</p> <p data-bbox="836 427 1342 479">Director; Managing Officer; General Manager of Building Division</p> <p data-bbox="836 483 1342 535">Director; Managing Officer; General Manager of Kanto Architectural Regional Headquarters</p> <p data-bbox="836 539 1386 591">Director; Senior Managing Officer; General Manager of Kanto Architectural Regional Headquarters</p> <p data-bbox="836 595 1299 647">Representative Director and President; Chief Executive Officer and President</p> <p data-bbox="836 651 1299 703">Representative Director and President; Chief Executive Officer and President</p> <p data-bbox="836 707 1370 768">General Manager of Human Resource Strategy Unit (to present)</p>
<ul style="list-style-type: none"> <li data-bbox="272 779 743 808">▪ <b>No. of Company shares held:</b> 8,000 shares</li> <li data-bbox="272 813 1350 842">▪ <b>Term of office as Director:</b> 10 years (As of the conclusion of this General Meeting of Shareholders)</li> <li data-bbox="272 846 935 875">▪ <b>Attendance at board meetings:</b> 16 out of 16 (100%)</li> <li data-bbox="272 880 1182 909">▪ <b>Important concurrent positions:</b> There are no important concurrent positions.</li> </ul>			
<ul style="list-style-type: none"> <li data-bbox="272 913 1386 1200">▪ <b>Reason for nominating as a candidate for Director:</b> Mr. Nobutoshi Takase has a wealth of experience and achievements as well as deep knowledge of the construction business, as the above past experience shows. He has participated in the management of the Company as Director since June 2011, and as Representative Director and President since April 2018. He has been strongly promoting initiatives for the evolution of the construction business, such as launching the “‘President Project’ Site Administration Innovation Center.” The Company has determined, based on his experience and achievements, that his participation in the decision-making of the Company’s management as a person who assumes a key role in management oversight will contribute to the sustainable growth and the enhancement of the medium- to long-term corporate value of the Company. Therefore, the Company nominated him as a candidate for a director.</li> </ul>			

No.	Name (Date of birth)	Past experience, positions and responsibilities	
2	 <p data-bbox="400 562 501 591" style="text-align: center;">Reelected</p> <p data-bbox="368 629 533 685" style="text-align: center;">Makoto Isshiki (April 10, 1959)</p>	<p data-bbox="644 248 754 277">April 1984</p> <p data-bbox="644 277 754 306">April 2014</p> <p data-bbox="644 367 754 396">April 2016</p> <p data-bbox="644 427 754 456">June 2016</p> <p data-bbox="644 488 754 517">April 2018</p> <p data-bbox="644 568 754 598">April 2019</p> <p data-bbox="644 685 754 714">April 2020</p> <p data-bbox="644 860 754 889">April 2021</p>	<p data-bbox="836 248 1046 277">Joined the Company</p> <p data-bbox="836 277 1386 367">Executive Officer; Deputy General Manager of Civil Engineering Division; General Manager of Civil Engineering Business Planning Department</p> <p data-bbox="836 367 1386 427">Senior Managing Officer; General Manager of Civil Engineering Division</p> <p data-bbox="836 427 1386 488">Director, Senior Managing Officer; General Manager of Civil Engineering Division</p> <p data-bbox="836 488 1386 568">Representative Director Executive Vice President General Manager of Civil Engineering Division</p> <p data-bbox="836 568 1386 685">Representative Director Executive Vice President General Manager of Civil Engineering Division In charge of New Businesses</p> <p data-bbox="836 685 1386 831">Representative Director Executive Vice President General Manager of Civil Engineering Division; General Manager of Safety, Environment &amp; Quality Division In charge of New Businesses</p> <p data-bbox="836 831 1386 1059">Representative Director Executive Vice President General Manager of Civil Engineering Division; General Manager of Safety, Environment &amp; Quality Division In charge of Environment and Energy Business Management (to present)</p>
<ul style="list-style-type: none"> <li data-bbox="272 1059 1386 1088">▪ <b>No. of Company shares held:</b> 6,100 shares</li> <li data-bbox="272 1088 1386 1117">▪ <b>Term of office as Director:</b> 5 years (As of the conclusion of this General Meeting of Shareholders)</li> <li data-bbox="272 1117 1386 1146">▪ <b>Attendance at board meetings:</b> 16 out of 16 (100%)</li> <li data-bbox="272 1146 1386 1176">▪ <b>Important concurrent positions:</b> There are no important concurrent positions.</li> </ul>			
<p data-bbox="272 1182 1386 1211">▪ <b>Reason for nominating as a candidate for Director:</b></p> <p data-bbox="272 1211 1386 1482">Mr. Makoto Isshiki has a wealth of experience and achievements as well as deep knowledge of the construction business, as the above past experience shows. He has been working as General Manager of Civil Engineering Division since April 2016, substantially contributing mainly to the improvement of technical skills, strengthening of the proposal capabilities in comprehensive evaluation projects, and the enhancement of profitability by improving external negotiation skills. The Company has determined, based on his experience and achievements, that his participation in the decision-making of the Company's management as a person who is versed in the civil engineering business will contribute to the sustainable growth and the enhancement of the medium- to long-term corporate value of the Company. Therefore, the Company nominated him as a candidate for a director.</p>			



No.	Name (Date of birth)	Past experience, positions and responsibilities	
3	 <p data-bbox="400 517 501 546">Reelected</p> <p data-bbox="357 584 544 645">Yuichi Kono (January 27, 1958)</p>	<p data-bbox="644 248 751 277">April 1980</p> <p data-bbox="644 277 751 306">April 2005</p> <p data-bbox="644 338 751 367">April 2008</p> <p data-bbox="644 421 762 450">March 2009</p> <p data-bbox="644 450 746 479">May 2009</p> <p data-bbox="644 479 751 508">April 2012</p> <p data-bbox="644 508 751 537">April 2015</p> <p data-bbox="644 568 746 598">June 2015</p> <p data-bbox="644 651 751 680">April 2018</p> <p data-bbox="644 734 751 763">April 2021</p>	<p data-bbox="836 248 1050 277">Joined the Company</p> <p data-bbox="836 277 1362 338">Deputy General Manager of Finance &amp; Accounting Department</p> <p data-bbox="836 338 1331 421">Deputy General Manager of Audit Unit; Deputy General Manager of Finance &amp; Accounting Department</p> <p data-bbox="836 421 1161 450">General Manager of Audit Unit</p> <p data-bbox="836 450 1337 479">General Manager of General Affairs Department</p> <p data-bbox="836 479 1331 508">Executive Officer; Chief of the President Office</p> <p data-bbox="836 508 1378 568">Managing Officer; General Manager of Management Division; In charge of Investor Relations</p> <p data-bbox="836 568 1342 651">Director; Managing Officer; General Manager of Management Division; In charge of Investor Relations</p> <p data-bbox="836 651 1383 734">Director; Senior Managing Officer; General Manager of Management Division; In charge of Investor Relations</p> <p data-bbox="836 734 1378 882">Representative Director Executive Vice President General Manager of Management Division; Deputy General Manager of Human Resource Strategy Unit; In charge of Investor Relations (to present)</p>
<ul style="list-style-type: none"> <li data-bbox="272 889 756 918">▪ <b>No. of Company shares held:</b> 22,780 shares</li> <li data-bbox="272 918 1337 947">▪ <b>Term of office as Director:</b> 6 years (As of the conclusion of this General Meeting of Shareholders)</li> <li data-bbox="272 947 938 976">▪ <b>Attendance at board meetings:</b> 16 out of 16 (100%)</li> <li data-bbox="272 976 1182 1005">▪ <b>Important concurrent positions:</b> There are no important concurrent positions.</li> </ul>			
<p data-bbox="272 1016 1378 1310">▪ <b>Reason for nominating as a candidate for Director:</b> Mr. Yuichi Kono has a wealth of experience and achievements as well as deep knowledge of finance, accounting and corporate governance, as the above past experience shows. He has been working as General Manager of Management Division since April 2015, substantially contributing mainly to the maintaining of the sound financial structure as well as building a long-lasting stable and favorable relationship with stakeholders. The Company has determined, based on his experience and achievements, that his participation in the decision-making of the Company's management as a person who is versed in finance, accounting and corporate governance will contribute to the sustainable growth and the enhancement of the medium- to long-term corporate value of the Company. Therefore, the Company nominated him as a candidate for a director.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibilities	
4	 <p data-bbox="400 539 501 568" style="text-align: center;">Reelected</p> <p data-bbox="347 607 553 667" style="text-align: center;">Yoshiyuki Sawai (February 17, 1958)</p>	<p data-bbox="643 248 756 277">April 1980</p> <p data-bbox="643 277 770 306">March 2006</p> <p data-bbox="643 338 756 367">April 2007</p> <p data-bbox="643 398 756 427">April 2008</p> <p data-bbox="643 459 756 488">June 2010</p> <p data-bbox="643 488 756 517">April 2011</p> <p data-bbox="643 548 756 577">April 2012</p> <p data-bbox="643 631 756 660">April 2019</p>	<p data-bbox="836 248 1066 277">Joined Fuji Bank, Ltd.</p> <p data-bbox="836 277 1347 338">Executive Officer; General Manager of Corporate Planning, Mizuho Bank, Ltd.</p> <p data-bbox="836 338 1347 398">Executive Officer; General Manager of Corporate Business, Mizuho Bank, Ltd.</p> <p data-bbox="836 398 1331 459">Executive Officer; General Manager of Shibuya Branch, Mizuho Bank, Ltd.</p> <p data-bbox="836 459 1091 488">Director of the Company</p> <p data-bbox="836 488 1386 548">Director; Managing Officer; General Manager of Urban Development &amp; Real Estate Business Division</p> <p data-bbox="836 548 1386 609">Director; Managing Officer; General Manager of Urban Development &amp; Real Estate Business Division</p> <p data-bbox="836 631 1386 707">Director; Senior Managing Officer; General Manager of Urban Development &amp; Real Estate Business Division (to present)</p>
<ul style="list-style-type: none"> <li data-bbox="272 719 743 748">▪ <b>No. of Company shares held:</b> 5,300 shares</li> <li data-bbox="272 748 1347 777">▪ <b>Term of office as Director:</b> 11 years (As of the conclusion of this General Meeting of Shareholders)</li> <li data-bbox="272 777 932 806">▪ <b>Attendance at board meetings:</b> 16 out of 16 (100%)</li> <li data-bbox="272 806 1187 835">▪ <b>Important concurrent positions:</b> There are no important concurrent positions.</li> </ul>			
<p data-bbox="272 846 852 875">▪ <b>Reason for nominating as a candidate for Director:</b></p> <p data-bbox="272 875 1386 1142">Mr. Yoshiyuki Sawai has a wealth of experience and achievements as well as extensive knowledge cultivated in financial institutions, as the above past experience shows. He has been working as General Manager of Urban Development &amp; Real Estate Business Division since April 2011, substantially contributing mainly to the aggressive deployment of redevelopment projects and real estate business as well as the enhancement of profitability by promoting CRE business. The Company has determined, based on his experience and achievements, that his participation in the decision-making of the Company's management as a person who is versed in finance and real estate will contribute to the sustainable growth and the enhancement of the medium- to long-term corporate value of the Company. Therefore, the Company nominated him as a candidate for a director.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibilities	
5	 <p data-bbox="400 521 501 551">Reelected</p> <p data-bbox="341 589 560 647">Kazutoyo Hamada (December 23, 1963)</p>	<p data-bbox="643 248 751 271">April 1987</p> <p data-bbox="643 280 751 302">April 2014</p> <p data-bbox="643 333 751 356">April 2016</p> <p data-bbox="643 454 751 477">April 2019</p> <p data-bbox="643 539 751 562">April 2020</p> <p data-bbox="643 593 751 616">June 2020</p>	<p data-bbox="836 248 1046 271">Joined the Company</p> <p data-bbox="836 280 1366 331">General Manager of Building Engineering Planning Department</p> <p data-bbox="836 340 1374 450">Executive Officer; Deputy General Manager of Building Division; General Manager of Building Engineering Planning Department; General Manager of Building Department</p> <p data-bbox="836 459 1337 533">Executive Officer; Deputy General Manager of Building Division; General Manager of Building Department</p> <p data-bbox="836 542 1337 593">Managing Officer; General Manager of Building Division</p> <p data-bbox="836 602 1342 654">Director; Managing Officer; General Manager of Building Division (to present)</p>
<p data-bbox="272 685 743 707">▪ <b>No. of Company shares held:</b> 3,100 shares</p> <p data-bbox="272 716 1326 739">▪ <b>Term of office as Director:</b> 1 year (As of the conclusion of this General Meeting of Shareholders)</p> <p data-bbox="272 748 935 770">▪ <b>Attendance at board meetings:</b> 11 out of 11 (100%)</p> <p data-bbox="272 779 1182 801">▪ <b>Important concurrent positions:</b> There are no important concurrent positions.</p>			
<p data-bbox="272 819 847 842">▪ <b>Reason for nominating as a candidate for Director:</b></p> <p data-bbox="272 851 1374 1113">Mr. Kazutoyo Hamada has a wealth of experience and achievements as well as deep knowledge of the construction business, as the above past experience shows. He has been working as Deputy General Manager of Building Division since April 2016 and as General Manager of Building Division since April 2020, substantially contributing mainly to the enhancement of profitability by integrating the sales division and building division as well as to the improvement of the profit margin by selective order-acceptance. The Company has determined, based on his experience and achievements, that his participation in the decision-making of the Company's management as a person who is versed in the building construction business will contribute to the sustainable growth and the enhancement of the medium- to long-term corporate value of the Company. Therefore, the Company nominated him as a candidate for a director.</p>			

(Notes)



1. There is no particular interest between each candidate and the Company.
2. The Company has entered into a directors and officers liability insurance contract with an insurance company. The insurance contract covers damages and legal expenses to be borne by the insured persons if a shareholder or a third party brings action for damages. Each candidate will be included as insured persons in the insurance contract. The Company plans to renew the insurance policy with the same content at the time of the next renewal.
3. The Audit and Supervisory Committee evaluated the proposal. As a result, there was no matter to be stated by the Audit and Supervisory Committee at the General Meeting of Shareholders regarding the election of Directors.

**Proposal 4:** Election of One (1) Director who is a Member of the Audit and Supervisory Committee

To strengthen the audit structure of the Company, we propose to increase the number of directors who are Members of the Audit and Supervisory Committee by one and request that you choose one director.

The Company has obtained the Audit and Supervisory Committee’s consent to the submission of this proposal.

The candidate is as follows:

Name (Date of birth)	Past experience, positions and responsibilities																								
 <div style="text-align: center;">  <p>Noriko Suzuki (December 29, 1957)</p> </div>	<table border="0"> <tr> <td>March 1981</td> <td>Joined Chuo Audit Corporation</td> </tr> <tr> <td>January 1988</td> <td>Retired Chuo Audit Corporation</td> </tr> <tr> <td>March 1989</td> <td>Chuo Coopers &amp; Lybrand International Tax Office (currently PwC Tax Japan)</td> </tr> <tr> <td>May 1990</td> <td>Retired Coopers &amp; Lybrand International Tax Office (currently PwC Tax Japan)</td> </tr> <tr> <td>October 1992</td> <td>Joined Asahi Shinwa &amp; Co. (currently KPMG AZSA LLC)</td> </tr> <tr> <td>April 1996</td> <td>Registered as certified public accountant</td> </tr> <tr> <td>October 2008</td> <td>Senior Manager, KPMG AZSA LLC</td> </tr> <tr> <td>September 2015</td> <td>Retired KPMG AZSA LLC</td> </tr> <tr> <td>October 2015</td> <td>Part-time audit staff, KPMG AZSA LLC (contract ended as of the end of March 2020)</td> </tr> <tr> <td>October 2015</td> <td>Head, Noriko Suzuki Certified Public Accountant Office (to present)</td> </tr> <tr> <td>April 2020</td> <td>Supervisory Director, Frontier Real Estate Investment Corporation (to present)</td> </tr> <tr> <td>May 2020</td> <td>Auditor, Japan Transportation Association (to present)</td> </tr> </table>	March 1981	Joined Chuo Audit Corporation	January 1988	Retired Chuo Audit Corporation	March 1989	Chuo Coopers & Lybrand International Tax Office (currently PwC Tax Japan)	May 1990	Retired Coopers & Lybrand International Tax Office (currently PwC Tax Japan)	October 1992	Joined Asahi Shinwa & Co. (currently KPMG AZSA LLC)	April 1996	Registered as certified public accountant	October 2008	Senior Manager, KPMG AZSA LLC	September 2015	Retired KPMG AZSA LLC	October 2015	Part-time audit staff, KPMG AZSA LLC (contract ended as of the end of March 2020)	October 2015	Head, Noriko Suzuki Certified Public Accountant Office (to present)	April 2020	Supervisory Director, Frontier Real Estate Investment Corporation (to present)	May 2020	Auditor, Japan Transportation Association (to present)
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May 2020	Auditor, Japan Transportation Association (to present)																								
<ul style="list-style-type: none"> <li>• <b>No. of Company shares held:</b> 0 shares</li> <li>• <b>Term of office as Outside Director:</b> -</li> <li>• <b>Term of office as Director (Member of Audit and Supervisory Committee):</b> -</li> <li>• <b>Attendance at board meetings:</b> -</li> <li>• <b>Attendance at Audit and Supervisory Committee:</b> -</li> <li>• <b>Important concurrent positions:</b> Supervisory Director, Frontier Real Estate Investment Corporation Auditor, Japan Transportation Association</li> </ul>																									
<p>• <b>Reason for nominating as a candidate for Outside Director and expected roles:</b> Ms. Noriko Suzuki possesses expertise as a certified public accountant and a wealth of experience regarding accounting matters of the real estate industry as the above past experience shows. The Company expects her to give beneficial suggestions relating to our urban development and real estate business from financial and accounting standpoints. We determined, based on these qualifications, that she is suitable for auditing and supervising the Company from an objective viewpoint, and nominated her as a new candidate for an outside director who is a member of the Audit and Supervisory Committee. Although she does not have experience directly related to managing a company, we believe for above reasons that she can fulfill her duties as an outside director on the Audit and Supervisory Committee.</p>																									
<p>• <b>Independence as an Outside Director candidate:</b> The Company has no special relationships with Frontier Real Estate Investment Corporation and Japan Transportation Association where she holds concurrent positions. The Company has no special relationship with the candidate’s other places of employment. Because she fulfills the “Criteria for Determining the Independence of Outside Directors” set by the Company with regard to other matters than the above, the Company believes that she is independent from the Company’s management team. If the candidate is appointed as a Director who is a Member of Audit and Supervisory Committee, she will be registered as an independent director established by the Tokyo Stock Exchange.</p>																									

(Notes)

1. There is no particular interest between Ms. Noriko Suzuki and the Company.
2. Ms. Noriko Suzuki is a candidate for Outside Director.
3. In case Ms. Noriko Suzuki assumes the office as Director who is a member of Audit and Supervisory Committee, pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company will enter into a limited liability contract that limits the liability damages established in Paragraph 1, Article 423 of the Act. The limit of liability for damages based on this contract is planned to be the minimum limit set by the applicable laws and regulations.
4. The Company has entered into a directors and officers liability insurance contract with an insurance company. The insurance contract covers damages and legal expenses to be borne by the insured persons if a shareholder or a third party brings action for damages. The candidate will be included as an insured person in the insurance contract. The Company plans to renew the insurance policy with the same content at the time of the next renewal.

(Reference) Composition of the Board of Directors (Plan)

If Proposals 3 and 4 are approved as proposed, the composition of the Board of Directors shall be as follows:

Position	Name	Responsibilities
Representative Director and President	Nobutoshi Takase	Chief Executive Officer and President; General Manager of Human Resource Strategy Unit
Representative Director	Makoto Isshiki	Executive Vice President General Manager of Civil Engineering Division; General Manager of Safety, Environment & Quality Division; In charge of Environment and Energy Business Management
Representative Director	Yuichi Kono	Executive Vice President General Manager of Management Division; Deputy General Manager of Human Resource Strategy Unit; In charge of Investor Relations
Director	Yoshiyuki Sawai	Senior Managing Officer General Manager of Urban Development & Real Estate Business Division
Director	Kazutoyo Hamada	Managing Officer General Manager of Building Division
Director (Full-Time Member of Audit and Supervisory Committee)	Hiroshi Yaguchi	
Outside Director (Member of Audit and Supervisory Committee)	Koji Mino	
Outside Director (Member of Audit and Supervisory Committee)	Kiyomi Kikuchi	
Outside Director (Member of Audit and Supervisory Committee)	Jun Ikeda	
Outside Director (Member of Audit and Supervisory Committee)	Noriko Suzuki	

(Reference) Criteria for Determining the Independence of Outside Directors

Criteria for Determining the Independence of Outside Directors

If any of the following apply for a candidate for outside director, we determine that independence with the Company is not guaranteed.

1. Persons affiliated with the Nishimatsu Construction Group
  - Worked for the Company or a subsidiary of the Company
  - A spouse or relative within the second degree or closer was a director, auditor, executive officer or management personnel at the Company within the five years prior to the candidate starting at their position.
2. Persons affiliated with a major transaction partner
  - Persons who were a director, executive officer, or management personnel at one of our transaction partners with which the Company has a transaction amount that amounts to 2% or more of the Company's consolidated net sales in any of the three business years leading up to taking up their position at the Company. Or, persons for which this applied in the past, and five years have not elapsed since they left such position.
  - Persons who were a director, executive officer, or management personnel at a company which is a major transaction partner with us, which had a transaction amount with the Company that amounted to 2% or more of that company's consolidated net sales in the any of the three business years leading up to taking up their position at the Company. Or, persons for which this applied in the past, and five years have not elapsed since they left that position.
3. Persons affiliated with a major creditor to the Company
  - Persons who were a director, executive officer, or management personnel at a major lending partner in the business report from the most recent business year. Or, persons for which this applied in the past, and five years have not elapsed since they left such position.
4. Persons affiliated with attorneys or certified public accountants
  - Employees of an audit firm for the Company, persons who led auditing for the Company, or persons for whom these applied in the five years before taking up their position at the Company
  - Attorneys, certified public accountants, or consultants who received compensation from the Company of 5 million yen or more in the three years leading up to taking up their position at the Company, or persons for whom these applied in the five years before taking up their position at the Company (Includes persons in corresponding positions at corporations)
5. Persons affiliated with donation recipients
  - Persons affiliated with a university or group to which the Company made donations exceeding 10 million yen on average in the three years leading up to joining the Company
6. Major shareholders
  - Shareholders who possess shares amounting to 10% or more of the voting rights (if the shareholder is a corporation, then it applies to its director, management personnel, etc.)
7. Other
  - If a mutual dispatch of directors is taking place
  - If another important interest with the Company is recognized

**Proposal 5:** Introduction of Performance-linked, Share-based Compensation Plan for Directors, etc. (excluding Directors who are Members of the Audit and Supervisory Committee)

1. Reason for the proposal and the grounds for its appropriateness

This proposal seeks shareholders' approval of introduction of the new performance-linked, share-based compensation plan, "Board Benefit Trust (BBT)" (hereafter the "Plan"), for the Company's Directors (excluding those who are members of the Audit and Supervisory Committee and other Directors who are Outside Directors; the same applies hereafter in this proposal unless otherwise stated) and Executive Officers (hereafter collectively the "Eligible Officers").

The Plan aims to increase awareness for contributing to medium- to long-term performance increase as well as corporate value increase, by more clearly linking Eligible Officers' compensation with the Company's performance and share value, and by sharing not only the benefits of share price increases but also the risks of share price decreases with shareholders. Since this agrees with the Company's policy regarding determination of details of compensation, etc. for each Director (please refer to page 17 of this Notice), we believe that the detail of the proposal is appropriate.

This proposal is to request approval for the calculation method of and the details of compensation, etc. for a new share-based compensation to the Company's Eligible Officers, apart from Directors' compensation approved at the 79<sup>th</sup> Annual General Meeting of Shareholders held on June 29, 2016 (360 million yen annually). In addition, the Company asks to leave details of the Plan to the discretion of the Board of Directors within the range described in 2. below.

If Proposal 3 "Election of Five (5) Directors (Excluding those who are Members of the Audit and Supervisory Committee)" is approved as originally proposed, there will be five Directors who will be eligible for the Plan.

2. Specific calculation method and specific details of compensation, etc. under the Plan

(1) Overview of the Plan

The Plan is a performance-linked, share-based compensation plan under which, using the money the Company contributes as funds, the Company's common shares (hereafter the "Company's Shares") are acquired by a trust (hereafter the trust that is established based on the Plan is referred to as the "Trust") and the Company's Shares and money equivalent to the amount of the Company's Shares converted at market price (hereafter the "Company's Shares, etc.") are provided through the Trust to Eligible Officers in accordance with the Share-based Board Benefit Regulations stipulated by the Company. The timing the Eligible Officers receive the Company's Shares, etc. shall be, in principle, the time of the resignation of the Eligible Officers.

(2) Those who are eligible for the Plan

Directors (those who are members of the Audit and Supervisory Committee and other Directors who are Outside Directors are not eligible for the Plan) and Executive Officers

(3) The amount of the trust

Subject to approval of this proposal, the Company shall introduce the Plan covering the following period: the three fiscal years starting from the fiscal year ending March 31, 2022 to the fiscal year ending March 31, 2024 (hereafter such period of three fiscal years shall be referred to as the "Initial Evaluation Period" and the Initial Evaluation Period and each of the subsequent periods of three fiscal years, which commence after the elapse of the Initial Evaluation Period, shall hereafter be individually referred to as the "Evaluation Period") and Evaluation Periods that follows. The Company shall establish the Trust in which the Eligible Officers who satisfy the beneficiary requirements are the beneficiaries, and under the Plan, contribute money in the amount not exceeding 763 million yen as a fund to acquire shares to be provided to the Company's Eligible Officers during the Initial Evaluation Period. The maximum number of the Company's Shares the Trust acquires using the money contributed by the Company shall be 271,800 shares for the Initial Evaluation Period.

After the elapse of the Initial Evaluation Period until the time when the Plan is terminated, the Company shall, in principle, reasonably estimate the number of shares necessary to provide to Eligible Officers under the Plan for each Evaluation Period, and make additional contributions to the Trust in the amount deemed necessary to acquire such estimated shares in advance. Provided, however, if, at the time of such additional contributions, there remain the Company's Shares (excluding the Company's Shares corresponding to the points granted to Eligible Officers for each of the Evaluation Periods to date, but have not been provided yet) and money (hereafter collectively the "Remaining Shares, etc.") in the trust assets, such Remaining

Shares, etc. shall be appropriated as the Plan's fund to be used in the subsequent Evaluation Period, and therefore the amount of the Remaining Shares, etc. shall be taken into account when calculating the amount for additional contributions.

The Company shall, upon determination of additional contributions, make appropriate disclosure in a timely manner.

(4) Method for acquiring the Company's Shares and number of shares to be acquired

The Trust shall acquire the Company's Shares through a securities exchange market or by underwriting the disposition of the Company's treasury shares using the money contributed by the Company in the manner set forth in (3) above as funds.

(5) Specific calculation method for the number of the Company's Shares, etc. to be provided to Eligible Officers

For each fiscal year, Eligible Officers shall be granted points that are decided by taking into consideration their respective positions and the degree of achievement of the performance goals in accordance with the Share-based Board Benefit Regulations. The total maximum points to be granted to Directors per one fiscal year shall be 35,900 points, and the total maximum points to be granted to Executive Officers per one fiscal year shall be 54,700 points. These numbers were decided by comprehensively considering the current level of Directors' compensation as well as the trends and outlook in the number of Eligible Officers, and therefore are deemed appropriate.

Each point granted to Eligible Officers shall be converted into one share of the Company's common shares at the time of the provision of the Company's Shares, etc. as described in (6) below (provided, however, if, with regard to the Company's Shares, a share split, gratis allotment of shares, or consolidation of shares, etc. is carried out after the approval of this proposal, then the maximum number of points or the number of shares already granted or the conversion ratio shall be adjusted in a reasonable manner in proportion to the relevant ratios, etc.).

For reference, total value of shares equivalent to the number of maximum points to be granted to Eligible Officers per one fiscal year (90,600 shares) evaluated using the closing share price of March 31, 2021, which is 2,808 yen, is 254,404,800 yen.

In principle, the points for Eligible Officers that will be the basis for the provision of the Company's Shares, etc. in (6) below, shall be defined as the number of points granted to the Eligible Officers until their resignation (points calculated in such manner shall be hereafter referred to as "defined number of points").

(6) Provision of the Company's Shares, etc. and specific calculation method of the compensation

When an Eligible Officer resigns and has satisfied the beneficiary requirements stipulated in the Share-based Board Benefit Regulations, such Eligible Officer shall, in principle, receive the Company's Shares, etc. from the Trust after his/her resignation, in the number corresponding to the defined number of points set forth in (5) above, by carrying out beneficiary certification procedures as required. Provided, however, if such Eligible Officer meets the requirements stipulated in the Share-based Board Benefit Regulations, he/she shall receive a certain portion of the benefit in money in lieu of the Company's Shares, in the amount equivalent to the market value of the shares. The Trust may sell the Company's Shares in order to provide benefit in money.

Note that if an Eligible Officer is dismissed by the resolution of a General Meeting of Shareholders, resigns in connection with certain illegal act, or has engaged in misconduct or other act that causes damage to the Company, then such Eligible Officer, whether he/she has been granted points or otherwise, shall not be given rights to receive the benefit.

The amount of compensation, etc., that the Eligible Officers receive shall be based on the amount calculated by multiplying the number of total points to be granted to the Eligible Officers by the carrying value per share of the Company's Share held by the Trust (provided, however, if, with regard to the Company's Shares, a share split, gratis allotment of shares, or consolidation of shares, etc. is carried out, there shall be reasonable adjustments based on relevant ratios, etc.). In cases where money is provided as benefit exceptionally in accordance with the Share-based Board Benefit Regulations, such amount shall be added if deemed appropriate.

(7) Exercise of voting rights

The Trust shall not exercise any voting rights attached to the Company's Shares in the Trust's account, as so instructed from the trust administrator. The Company intends to ensure the neutrality of the management of the Company with respect to the exercise of the voting rights attached to the Company's Shares in the Trust's account through this arrangement.



(8) Treatment of dividends

The Trust will receive the dividends of the Company's Shares held in the Trust's account and allot such dividends to the payment of the acquisition price of the Company's Shares, the trust fees for the trustee of the Trust and others. If the Trust is terminated, the dividends, etc. remaining in the Trust shall be distributed to the Eligible Officers then in office in proportion to the number of points held by each Eligible Officer in accordance with the provisions of the Share-based Board Benefit Regulations.

(9) Treatment upon termination of the trust

The Trust will terminate upon events such as delisting of the Company's Shares or the repealing of Share-based Board Benefit Regulations.

All of the Company's Shares in the residual assets of the Trust at the time of termination shall be acquired by the Company free of charge and cancelled in accordance with the resolution of the Board of Directors. Any money in the residual assets of the Trust at the time of its termination shall be distributed to the Company excluding the portion that will be distributed to the Eligible Officers in accordance with (8) above.

If the proposal is approved as originally proposed, the overview of the details of the decision-making policy set out in Policy on Determining the Details of Compensation, Etc. for Each Director will change as follows:

<Overview of the details of the decision-making policy set out in Policy on Determining the Details of Compensation, Etc. for Each Director>

Compensation for Directors (excluding members of the Audit and Supervisory Committee) is composed of basic compensation and performance-linked compensation.

Basic compensation is fixed, monthly compensation calculated based on Directors' positions, taking into account factors such as employee pay level and the industry average.

Performance-linked compensation is variable compensation determined based on the level of achievement of performance goals. For each position, base performance-linked compensation is set and multiplied by a performance-linked coefficient to calculate the pay amount. For the calculation of the amount to be paid, evaluation index pertaining to corporate value increase is established by position and title, and the "level of achievement of goals set at the beginning of the year" and "year-on-year performance" are evaluated annually.

Performance-linked compensation is paid in two portions: short-term incentive paid as cash compensation and long-term incentive paid as share-based compensation. Cash compensation is paid annually in July as bonus, and as for share-based compensation, conversion points from BBT are granted annually in June and shares in the number equivalent to the accumulated points will be provided at the time of the Director's resignation.

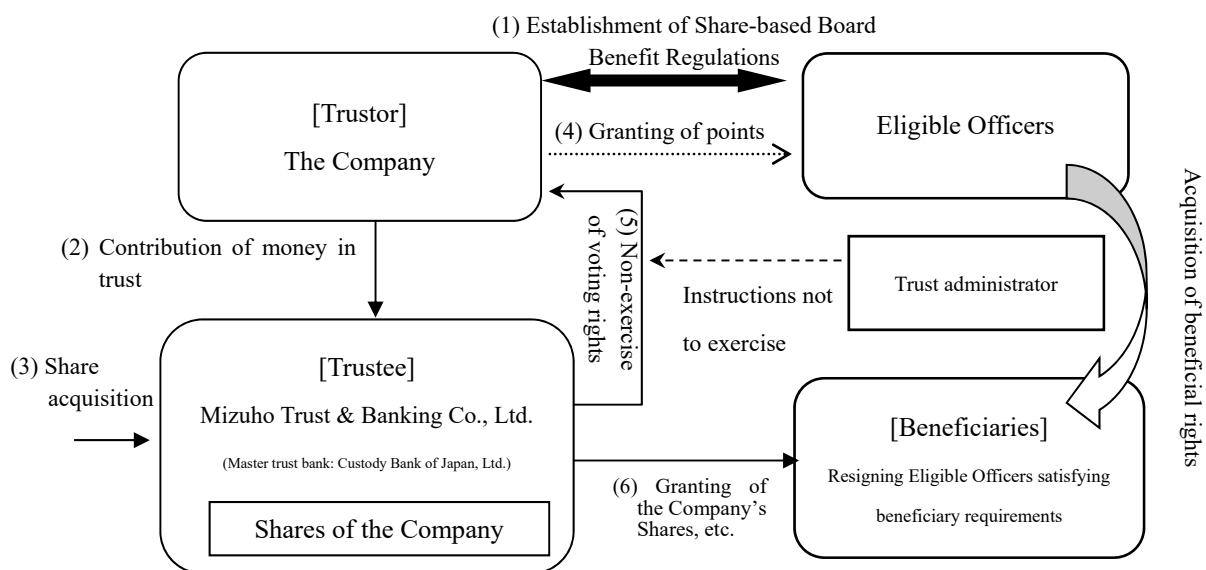
The ratio of basic compensation and performance-linked compensation is established appropriately by taking into consideration matters such as the Company's management strategy, business environment, duties of the Director and the degree of challenge for achieving the target, and also by referencing the trends of industry peers. The ratio of cash compensation and share-based compensation within the performance-linked compensation is approximately 1:1. For share-based compensation, a minimum amount is set at the same amount as the minimum for performance-linked compensation.

The draft prepared by the Director and President in accordance with the above policy is submitted to the Nominating Committee and the Compensation Committee, and decided at the Board of Directors taking into account the recommendations of the Committees (basic compensation is decided in March and performance-linked compensation is decided in June each year).

Compensation for members of the Audit and Supervisory Committee is composed of basic compensation only, and is decided through discussions between all Directors who are members of the Audit and Supervisory Committee by taking into consideration the compensation of Directors who are not members of the Audit and Supervisory Committee and the industry average.

(Note) The Audit and Supervisory Committee evaluated the proposal. As a result, there was no matter to be stated by the Audit and Supervisory Committee at the General Meeting of Shareholders regarding the introduction of performance-linked, share-based compensation for Directors.

[Reference: Mechanism of the Plan]



- (1) The Company establishes the Share-based Board Benefit Regulations within the scope approved by this proposal.
- (2) The Company trusts money to a trustee within the scope approved by this proposal.
- (3) The Trust acquires the Company's Shares through a securities exchange market or by underwriting the disposition of the Company's treasury shares using the money contributed by the Company in (2).
- (4) The Company grants points to Eligible Officers in accordance with the Share-based Board Benefit Regulations.
- (5) In accordance with the instructions from a trust administrator independent from the Company, the Trust will not exercise any voting rights attached to the Company's Shares in the Trust's account.
- (6) The Company's Shares are given to Eligible Officers who resign and satisfy the beneficiary requirements stipulated in the Share-based Board Benefit Regulations (hereafter the "beneficiaries") based on the number of points granted to such beneficiaries. Provided, however, Eligible Officers who satisfy the requirements stipulated in the Share-based Board Benefit Regulations, he/she shall receive a certain portion of the point benefit in money, in the amount equivalent to the market value of the Company's Shares.

## **Proposal 6: Confirmation of Shareholders' Intention Regarding Request for Discontinuation of Additional Share Purchase, etc. by the Group of Specific Shareholders**

### 1. Summary of this proposal

On May 20, 2021, the Company expressed its opposition to a further Additional Share Purchase (as defined below) by the Group of Specific Shareholders (as defined below) and requested the Group of Specific Shareholders (a) not to conduct any of the Additional Share Purchases specified in the following (i) through (iii) that would result in the holding ratio or ownership ratio of the Company's share certificates, etc. of the Group of Specific Shareholders totaling more than 25% (or not to conduct any Additional Share Purchase on or after May 21, 2021 if the total has already exceeded 25%); and (b) to immediately dispose of the Company's shares, etc. acquired through the Additional Share Purchase by means of sale on securities exchanges (excluding ToSTNeT-1) or any other means separately and reasonably specified by the Company if the Group of Specific Shareholders were to conduct an Additional Share Purchase against the request in (a) above (hereafter collectively referred to as the "Request"). Accordingly, the objective of this proposal is to seek approval and support of shareholders for the Request made by the Company. The resolution for this proposal shall be adopted with the approval of a majority of the voting rights of the shareholders present at this meeting excluding the Group of Specific Shareholders and the Company's Directors, etc. (as described below). The objective of this proposal is to confirm the intention of shareholders regarding the Request made by the Company, and it is not tantamount to so-called takeover defense measures. The Company is convinced that, if this proposal is approved by a majority of the shareholders present as stated above, the Group of Specific Shareholders will comply with the Request.

If the Company fails to obtain approval of a majority of the shareholders present as stated above, it will withdraw the Request at that point.

### 2. Details of this proposal

The objective of this proposal is to seek approval and support of shareholders for the request to the Group of Specific Shareholders made by the Company on May 20, 2021. The details of the request are as follows. The Company has expressed its opposition to a purchase of the Company's shares, etc. or an act, etc. similar thereto which falls under or may fall under any of the following (i) through (iii) (conducting such an act, etc. is hereafter referred to as "Additional Share Purchase") by City Index Eleventh Co., Ltd. (hereafter referred to as "City"), S-Grant Co., Ltd. (hereafter referred to as "S-Grant"), Minami Aoyama Fudosan Co., Ltd. (hereafter referred to as "Minami Aoyama Fudosan"); other companies or organizations substantially controlled directly or indirectly by Mr. Yoshiaki Murakami or Ms. Aya Nomura or their spouses or relatives; and Mr. Yoshiaki Murakami, Ms. Aya Nomura and their spouses and relatives (hereafter collectively referred to as the "Group of Specific Shareholders") and requested the Group of Specific Shareholders (a) not to conduct any of the Additional Share Purchases specified in the following (i) through (iii) that would result in the holding ratio or ownership ratio of the Company's share certificates, etc. of the Group of Specific Shareholders totaling more than 25% (or not to conduct any Additional Share Purchase on or after May 21, 2021 if the total has already exceeded 25%); and (b) to immediately dispose of the Company's shares, etc. acquired through the Additional Share Purchase by means of sale on securities exchanges (excluding ToSTNeT-1) or any other means separately and reasonably specified by the Company if the Group of Specific Shareholders were to conduct an Additional Share Purchase against the request in (a) above.

- (i) A purchase or any other acquisition<sup>1</sup> of the Company's share certificates, etc.<sup>2</sup> that would result in the holding ratio of the Company's share certificates, etc.<sup>3</sup> of the Group of Specific Shareholders totaling more than 25% (or that would result in an increase in the holding ratio from that at 0:00 a.m. of May 21, 2021 if the holding ratio has already exceeded 25%)
- (ii) A purchase or any other acquisition<sup>4</sup> of the Company's share certificates, etc.<sup>5</sup> that would result in the ownership ratio of the Company's share certificates, etc.<sup>6</sup> of the Group of Specific Shareholders and the specially related parties<sup>7</sup> thereof totaling more than 25% (or that would result in an increase in the total ownership ratio from that at 0:00 a.m. of May 21, 2021 if the ownership ratio has already exceeded 25%)
- (iii) Notwithstanding whether any of the acts set forth in (i) or (ii) above is implemented, any act conducted by the Group of Specific Shareholders with another shareholder of the Company (including cases where the relevant action is conducted with more than one shareholder of the Company; the same applies hereafter in this (iii)) which falls under either of the following items: (a) an agreement or any other act where other shareholder(s) will be a joint holder(s) of the Group of Specific Shareholders as a result of such act; or (b) an act that establishes a relationship between the Group of Specific Shareholders and other shareholder(s) where one of them

substantially controls the other(s) or where they act jointly or in cooperation<sup>8, 9</sup> (provided, however, that this is limited to cases where the holding ratios of share certificates, etc. of the Group of Specific Shareholders and the other shareholder(s) totaling more than 25% with respect to the Company's shares, etc. (or cases that would result in an increase in the total holding ratio from that at 0:00 a.m. of May 21, 2021 if the holding ratio has already exceeded 25%).

### 3. Reason for the proposal

#### (1) Background to submission of this proposal

Since after the submission of statements of large-volume holdings by City, which is substantially controlled directly or indirectly by Mr. Yoshiaki Murakami, and Ms. Aya Nomura (Mr. Murakami's eldest daughter) as their holding ratios of share certificates, etc. had exceeded 5% with respect to the Company's shares, etc. as of April 24, 2020, the Group of Specific Shareholders has continued to purchase a large volume of shares, etc. in the Company. According to the amendments to the statements of large-volume holdings submitted on May 10, 2021, City, S-Grant, Minami Aoyama Fudosan and Ms. Aya Nomura, collectively hold 22.84% of the Company's shares, etc. In light of comments made by Mr. Yoshiaki Murakami and other specific shareholders in dialogues between the Company and them, such as that they have not decided the upper limit of additional purchases of shares, etc. in the Company and they would like to hold more than a third of the total of such shares, etc., it is highly likely that the Group of Specific Shareholders will conduct additional purchases, etc. of shares, etc. in the Company, such as by continuing to conduct additional purchases on securities exchanges. Given the status of exercise of voting rights at the Company's previous General Meetings of Shareholders, it is inevitable for us to think that, especially if such additional purchases, etc. result in the total holding ratio of share certificates, etc. of the Group of Specific Shareholders amounting to more than 25% with respect to the Company's shares, etc., it is highly probable that the Group of Specific Shareholders will have an even greater influence over the Company's management, such as having a virtual veto over matters that require a special resolution of the Company's General Meeting of Shareholders.

In fact, in the "Medium-Term Management Plan 2023" (hereafter referred to as the "MTMP 2023") released on May 11, 2021, the Company has announced a bold shareholder return policy that includes the implementation of share buybacks totaling 20.0 billion yen or more over three years, in addition to maintaining the consolidated payout ratio at 70% or higher on a consistent basis. Nevertheless, the Group of Specific Shareholders did not satisfy with this policy and proposed the Company to conduct a large-scale share buyback of up to 200.0 billion yen using funds to be sourced from sale of real estate properties owned by the Company. However, if the Company were to conduct a share buyback of up to 200.0 billion yen subsequent to selling owned real estate properties all together, its financial condition would be deteriorated to the extent where the Company would fail to continue its business. As such, we consider such a large-scale share buyback amounting to 200.0 billion yen may materially damage the Company's corporate value.

In addition, when proposing the large-scale share buyback, the Group of Specific Shareholders professed its intention to raise its holding ratio to more than a third of the total number of shares, etc. issued by the Company (please refer to Article 23, paragraph 6 and Article 22-3 of the Corporation Tax Act) because if the Company implements a tender offer for treasury shares, the Group of Specific Shareholders can expect further advantageous tax effects (note: the percentage of the exclusion of deemed dividend from gross profits will rise from 50% to 100%). Therefore, it is obvious that the Group of Specific Shareholders is more concerned with short-term profits (investment return), including tax benefits, it can enjoy than the Company's sustainable growth and improvement of its medium- to long-term corporate value as well as interests of ordinary shareholders.

Further, the Group of Specific Shareholders has concurrently bought up large volumes of shares, etc. in listed construction companies other than the Company. The Group of Specific Shareholders' holding ratios of share certificates, etc. (voting rights) in such other companies, which are also engaged in construction business, are, for example, 30.08% (voting rights holding ratio: approximately 33.08%) in DAIHO CORPORATION (hereafter "DAIHO") as of April 15, 2021; 7.63% (voting rights holding ratio: approximately 6.35%) in TOA CORPORATION as of October 9, 2020; 5.04% (voting rights holding ratio: approximately 5.05%) in TOYO CONSTRUCTION CO., LTD. as of January 6, 2021; and 2.90% of voting rights in TOKYU CONSTRUCTION CO., LTD. as of September 30, 2020. The Group of Specific Shareholders is reportedly seeking to reorganize the construction industry. In fact, the Group of Specific Shareholders has repeatedly proposed that the Company implement an M&A, including management integration, with DAIHO, in which the Group of Specific Shareholders had approximately 33.08% of voting rights as of April 15, 2021 as stated

above, and is increasing its influence on the company's management (besides that, candidates proposed by DAIHO for the election of its directors announced May 13, 2021 include a lawyer who once served as a counsel and other roles for the Group of Specific Shareholders).

However, even if the Company were to integrate its management with DAIHO, it would be difficult to expect synergies from the integration for the Company. Therefore, we consider that the management integration between the Company and DAIHO will not contribute to increasing the Company's corporate value. The same assessment also applies to integrations with other listed construction companies in which the Group of Specific Shareholders holds shares.

We believe that, as set out in the MTMP 2023, we should aim to achieve the Company's sustainable growth and improvement of its medium- to long-term corporate value as well as enhancement of the common interest of shareholders through collaborations with partner companies in other industries. However, given what it has said and done to the Company, and its current shareholdings, the Group of Specific Shareholders is considered to have a material conflict of interest with the Company's other ordinary shareholders in the implementation of measures to achieve the Company's sustainable growth and improve its medium- to long-term corporate value as well as the common interest of shareholders because the Group of Specific Shareholders has its particular and strong interest in an M&A, including management integration, between the Company and DAIHO in which the Group of Specific Shareholders has large stakes.

In addition, the Group of Specific Shareholders does not have any resources with sufficient expertise in construction business, which is the Company's core business. Moreover, at this moment, the Group of Specific Shareholders has neither announced or explained any specific policy on how it will be involved in the Company's management nor made any sufficient explanation about the policy in discussions it had with the Company's current management team, except for about measures directly linked to its exit (a tender offer for the Company's treasury shares and a management integration with DAIHO). In light of these facts, a situation where the Group of Specific Shareholders will continue purchasing additional shares in the Company and eventually gain a virtual veto over matters that require a special resolution of the Company's General Meeting of Shareholders is believed to exert strong coercive pressure on the Company's other ordinary shareholders. Furthermore, if the Group of Specific Shareholders, which has no resources with sufficient expertise in construction business as stated above, will continue making Additional Share Purchases of the Company's shares and eventually gain a virtual veto over matters that require a special resolution of the Company's General Meeting of Shareholders, the Group of Specific Shareholders may prioritize its own interests and make demands, which undermine the Company's medium- to long-term corporate value or interests of other ordinary shareholders. We consider that such demands may have significant adverse effects on the management policy and business administration of the Company, which is mainly engaged in the construction business, and impede the Company's sustainable growth or improvement of its medium- to long-term corporate value and the common interest of the Company's shareholders.

As described above, if the Group of Specific Shareholders will continue purchasing a large volume of the Company's shares, etc. and gain a virtual veto over matters require a special resolution of the Company's General Meeting of Shareholders, it will have an even greater influence over the Company's management. If it happens, the realization of measures to be taken by the Company to achieve its sustainable growth and improve its medium- to long-term corporate value as well as the common interest of shareholders may be impeded by opposition, etc. from the Group of Specific Shareholders, whose interest (or measures which eventually demand us to meet the Group of Specific Shareholders' particular need to maximize its own benefits) is largely different from that of the other ordinary shareholders, even if such measures really do improve the Company's medium- to long-term corporate value and contribute to interests of ordinary shareholders. We believe that our such concern is quite realistic.

With an aim to improve its corporate value, the Company has set up a Corporate Value Enhancement Committee (hereafter the "Special Committee") as an advisory body to the Board of Directors on March 30, 2021. All of the Committee's members are Independent Outside Directors of the Company. In light of the above circumstances, the Company's Board of Directors has conducted a consultation with the Special Committee on May 14, 2021. The details of the consultation are stated in (2) below. Accordingly, the Special Committee held deliberations on May 12 (preparatory meeting before the official consultation), 14, 17, 18, 19 and 20, and made recommendations as described in (2) below on May 20, 2021. Respecting such recommendations, the Company decided to make the Request on May 20, 2021 and confirm the intention of the Company's shareholders regarding the

Request at this General Meeting of Shareholders.

We therefore would like to ask for shareholders' approval and support for the Request that the Company made to the Group of Specific Shareholders on May 20, 2021. That is, on May 20, 2021, the Company opposed a further Additional Share Purchase by the Group of Specific Shareholders and requested the Group of Specific Shareholders (a) not to conduct any of the Additional Share Purchases specified in the above (i) through (iii) that would result in the holding ratio or ownership ratio of the Company's share certificates, etc. of the Group of Specific Shareholders totaling more than 25% (or not to conduct any Additional Share Purchase on or after May 21, 2021 if the total has already exceeded 25%); and (b) to immediately dispose of the Company's shares, etc. acquired through the Additional Share Purchase by means of sale on securities exchanges (excluding ToSTNeT-1) or any other means separately and reasonably specified by the Company if the Group of Specific Shareholders were to conduct an Additional Share Purchase against the request in (a) above.

As far as this proposal is concerned, we would like to exclude the Group of Specific Shareholders, which has a special interest in this proposal, from the calculation for the approval requirement, taking into account the aforementioned material and structural conflict of interest between the Group of Specific Shareholders and other ordinary shareholders, as well as the purpose of Article 831, paragraph 1, item 3 of the Companies Act. Additionally, the Company's Board of Directors itself is a party that has made the Request and therefore has an interest in making a decision on whether to approve the Request or not, and we must ensure the equitability for excluding the Group of Specific Shareholders from the calculation for the approval requirement. Considering these points, we will also exclude the Company's Directors, companies or organizations substantially controlled directly or indirectly by the Company's Directors or their spouses or relatives, Officers' Shareholding Association, and spouses and relatives of the Company's Directors (hereafter the "Company's Directors, etc.") from the calculation for the approval requirement. According to the above, the resolution for this proposal shall be adopted with the approval of a majority of the voting rights of the shareholders present at this meeting excluding the Group of Specific Shareholders and the Company's Directors, etc.

If the Company fails to obtain approval of a majority of the shareholders present as stated above, it will withdraw the Request at that point.

(2) Consultation with the Special Committee and the results thereof

Upon the resolution by the Board of Directors on March 30, 2021, the Company decided to set up the Special Committee consisting of members independent from the management team responsible for executing business of the Company, namely, Independent Outside Directors who are members of the Audit and Supervisory Committee Koji Mino, Kiyomi Kikuchi and Jun Ikeda, and consult with the Committee about the following matters on May 14, 2021.

- 1) Whether it is appropriate for the Company to make the Request on May 20, 2021, prior to the Annual General Meeting of Shareholders to be held in June 2021, on the following conditions: (I) confirming the intention of shareholders, at the aforementioned Annual General Meeting of Shareholders, regarding the request, that is, the Company's Board of Directors will oppose a further Additional Share Purchase by the Group of Specific Shareholders and request the Group of Specific Shareholders (a) not to conduct any Additional Share Purchase that would result in the holding ratio or ownership ratio of the Company's share certificates, etc. of the Group of Specific Shareholders totaling more than 25% (or not to conduct any Additional Share Purchase on or after May 21, 2021 if the total has already exceeded 25%); and (b) to immediately dispose of the Company's shares, etc. acquired through the Additional Share Purchase by means of sale on securities exchanges (excluding ToSTNeT-1) or any other means separately and reasonably specified by the Company if the Group of Specific Shareholders were to conduct an Additional Share Purchase against the request in (a) above; and (II) withdrawing the Request if the Company fails to obtain approval of shareholders
- 2) In the event of submitting a proposal related to the above 1) to the Company's Annual General Meeting of Shareholders to be held in June 2021, whether it is appropriate to set the requirement for passing the resolution for the proposal to be the approval of a majority of the voting rights of the shareholders present at this meeting excluding the Group of Specific Shareholders and the Company's Directors, etc.

The Special Committee held a total of six meetings on May 12 (preparatory meeting before the official consultation), 14, 17, 18, 19 and 20, and conducted interviews with the Company's Directors

or the Board of Directors. At the same time, the Committee analyzed and studied the contents of letters received from the Group of Specific Shareholders and dialogues between the Group of Specific Shareholders and the Company and other information, information gathered by the Special Committee and external experts on their own, and the results of the above interviews, while receiving advice from a lawyer Yasuo Kitamura (from Kitamura & Hiraga) selected independently by the Special Committee as a legal advisor who is independent of the Company and the Group of Specific Shareholders.

As a result, the Company received recommendations from the Special Committee on May 20, 2021 as follows. For the overview of the recommendations received from the Special Committee, please refer to the appendix (on page 27 and following pages).

- 1) It is necessary and reasonable for the Company to make the Request on May 20, 2021, prior to the Annual General Meeting of Shareholders to be held in June 2021, on the following conditions: (I) confirming the intention of shareholders, at the aforementioned Annual General Meeting of Shareholders, regarding the request, that is, the Company's Board of Directors will oppose a further Additional Share Purchase by the Group of Specific Shareholders and request the Group of Specific Shareholders (a) not to conduct any Additional Share Purchase that would result in the holding ratio or ownership ratio of the Company's share certificates, etc. of the Group of Specific Shareholders totaling more than 25% (or not to conduct any Additional Share Purchase on or after May 21, 2021 if the total has already exceeded 25%); and (b) to immediately dispose of the Company's shares, etc. acquired through the Additional Share Purchase by means of sale on securities exchanges (excluding ToSTNeT-1) or any other means separately and reasonably specified by the Company if the Group of Specific Shareholders were to conduct an Additional Share Purchase against the request in (a) above; and (II) withdrawing the Request if the Company fails to obtain approval of shareholders.
- 2) It is appropriate for the Company, in the event of submitting a proposal related to the above 1) to the Company's Annual General Meeting of Shareholders to be held in June 2021, to set the requirement for passing the resolution for the proposal to be the approval of a majority of the voting rights of the shareholders present at this meeting excluding the Group of Specific Shareholders and the Company's Directors, etc.

Upon receiving the above recommendations, the Company has decided to submit this proposal to this General Meeting of Shareholders and confirm the intention of shareholders.

## Overview of Reasons for Recommendations by the Special Committee

1. The Group of Specific Shareholders has continued to purchase additional shares, etc. in the Company on securities exchanges. According to the amendments to the statements of large-volume holdings submitted on May 10, 2021, City, S-Grant, Minami Aoyama Fudosan and Ms. Aya Nomura, collectively hold 22.84% of the Company's shares, etc. In the course of purchasing additional shares, etc. in the Company, the Group of Specific Shareholders has proposed that the Company 1) implement an M&A, including management integration, with DAIHO, in which the Group of Specific Shareholders has a holding of share certificates, etc. reaching 30.08% (voting rights holding ratio: approximately 33.08%) as of April 15, 2021; and 2) conduct a large-scale share buyback of up to 200.0 billion yen using funds to be sourced from sale of real estate properties owned by the Company.
2. The Company's management team has assessed the proposals made by the Group of Specific Shareholders, and the overview of the assessment is outlined below. Given the information and material documents provided by the Company to the Special Committee to date, the said assessment made by the Company's management team is deemed to be reasonable.
  - 1) Assessment made by the Company's management team on an M&A with DAIHO  
Even if the Company were to integrate its management with DAIHO, we would not be able to expect any improvement in cost competitiveness or acquisition of new customers. It would be also difficult to lead the management integration to a new service offering, and it may not increase construction bid opportunities. Therefore, we consider that it will not contribute to increasing the Company's corporate value.
  - 2) Assessment made by the Company's management team on a large-scale share buyback  
First of all, there is a question of feasibility for selling real estate properties owned by the Company all together because many of the properties have a restriction on sale. And it is incompatible with the concept of the Company's "recycling reinvestment model." Conducting a share buyback of up to 200.0 billion yen may also significantly deteriorate the Company's financial condition to the extent where the Company would fail to continue its business. As such, we consider it may materially damage the Company's corporate value.
3. Given the comments made by Mr. Yoshiaki Murakami and other specific shareholders in dialogues between the Company and them, it is highly likely that the Group of Specific Shareholders will conduct additional purchases, etc. of shares, etc. in the Company, such as by continuing to conduct additional purchases on securities exchanges. If such additional purchases, etc. result in the total holding ratio of share certificates, etc. of the Group of Specific Shareholders amounting to more than 25% with respect to the Company's shares, etc., in particular, it is highly probable that the Group of Specific Shareholders will have an even greater influence over the Company's management, such as having a virtual veto over matters that require a special resolution of the Company's General Meeting of Shareholders.
4. In light of the details of the proposal described in the above 1., the Group of Specific Shareholders is believed to be more concerned with short-term profits (investment return) it can enjoy than the Company's sustainable growth and improvement of its medium- to long-term corporate value as well as interests of ordinary shareholders. In addition, the Group of Specific Shareholders expects tax benefits that only the Group of Specific Shareholders can enjoy from the proposed share buyback in connection with the proposal described in the above 1, and it holds a large number of shares in DAIHO. As such, there is a material conflict of interest between the Group of Specific Shareholders and the other ordinary shareholders. If the Group of Specific Shareholders will have a virtual veto over matters require a special resolution of the Company's General Meeting of Shareholders in the future, the realization of measures to be taken by the Company (such as an M&A or a capital and business alliance with another company) to achieve its sustainable growth and improve its medium- to long-term corporate value as well as the common interest of shareholders may be impeded by opposition, etc. from the Group of Specific Shareholders, whose interest (or measures which eventually demand us to meet the Group of Specific Shareholders' particular need to maximize its own benefits) is largely different from that of the other ordinary shareholders. We believe that our such concern is quite realistic.
5. In addition to the above, Additional Share Purchases by the Group of Specific Shareholders may have adverse effects not only on the management policy and business administration of the Company, which is mainly engaged in the construction business, but also on the Company's relationships with its major transaction partners, potential transaction partners or employees. Besides that, when comprehensively considering adverse effects and other potential risks on the Company of investment returns to be gained



by the Group of Specific Shareholders after its Additional Share Purchases, it should be assessed that the Additional Share Purchases may impede the Company's sustainable growth and improvement of its medium- to long-term corporate value, and may have a significant adverse impact on the common interest of the Company's shareholders.

6. Under the above premises, with respect to **Consultation Matter No. 1**, as the Request is considered to be reasonable in terms of its intent to oppose a further Additional Share Purchase by the Group of Specific Shareholders and limit the Group of Specific Shareholders' shareholding ratio in the Company up to 25% because its objective is to avoid and mitigate the aforementioned adverse effects of the Group of Specific Shareholders' Additional Share Purchases as much as possible, the Group of Specific Shareholders' opinion is in direct opposition to that of the Company's management team. Under such circumstances, we consider that it is ultimately necessary for the Company to seek the judgment of the party to which the Company's profits belong, i.e., shareholders themselves, on whether or not the accumulation of shares by the specific shareholders results in adverse effects on the Company's sustainable growth and improvement of its medium- to long-term corporate value or the common interest of shareholders. The Group of Specific Shareholders has not made clear its policy on how it will be involved in the Company's management if it will eventually gain a virtual veto over matters that require a special resolution of the Company's General Meeting of Shareholders. And, if the Group of Specific Shareholders continues with the Additional Share Purchases without making clear such a policy, it will exert strong coercive pressure on the Company's shareholders. Therefore, we believe that the Company should submit a proposal to the Annual General Meeting of Shareholders and give its shareholders an opportunity to make a considered judgment on the appropriateness of the Request based on sufficient information. Because the Group of Specific Shareholders has made Additional Share Purchases at an exceedingly rapid pace, if not making the Request as soon as possible, the aforementioned adverse effects of the Group of Specific Shareholders' Additional Share Purchases may be materialized before confirming the intention of shareholders. In addition, even if the Company makes the Request on May 20, 2021, there is only a short period of time, a little over a month, between the date of the Request and the date of the Company's Annual General Meeting of Shareholders where the Company can confirm the intention of shareholders. Given these factors, it is considered reasonable for the Company to make the Request today on condition that the Request will be withdrawn if the Company fails to obtain approval of shareholders.
7. As for the approval requirement mentioned in Consultation Matter No. 2, the party in question about its accumulation of shares, etc. in the Company, which may be opposed depending on the judgment to be made by shareholders, is in a position to be affected by the judgment under its particular interest rather than as ordinary shareholders. Therefore, it is reasonable to exclude such party from the party to make the above judgment in general terms. In addition, in this regard, there is a material conflict of interest between the Group of Specific Shareholders and other ordinary shareholders. As such, if the Group of Specific Shareholders is included in the calculation to set the approval requirement for judging whether or not the Group of Specific Shareholders' Additional Share Purchases have adverse effects on the Company's corporate value or the common interest of shareholders, the Group of Specific Shareholders is believed to vote against the Company's proposal by prioritizing its particular interest. Consequently, the judgment could be virtually affected by the opinion of only a few ordinary shareholders (excluding the Group of Specific Shareholders) voting against this proposal, and it will not lead to an appropriate judgment on whether the Company's sustainable growth and improvement of its medium- to long-term corporate value or the common interest of shareholders will be adversely affected or not. Accordingly, we believe that it is appropriate to exclude the Group of Specific Shareholders, which has the material conflict of interest, from the calculation for the approval requirement for this proposal. On the other hand, the Company's Board of Directors itself is a party that has made the Request; therefore, it is equitable enough to also exclude all the Company's Directors, etc. from the calculation for the approval requirement for this proposal.

- (Notes)
1. This includes having the right to request delivery of share certificates, etc. under a sale and purchase agreement, or other relevant agreements, and engaging in any of the transactions provided for in Article 14-6 of the Order for Enforcement of the Financial Instruments and Exchange Act.
  2. This refers to "share certificates, etc." as provided for in Article 27-23, paragraph 1 of the Financial Instruments and Exchange Act (hereafter referred to as the "FIEA").
  3. This refers to the "holding ratio of share certificates, etc." as provided for in Article 27-23, paragraph 4 of the FIEA. The same applies hereafter unless otherwise specified. However, in calculating this holding ratio of share certificates, etc., a) specially related parties defined in Article 27-2, paragraph 7 of the FIEA; and b) investment banks, securities companies and other financial institutions that have entered into a financial advisory agreement

with the specific shareholders, and the tender offer agent and the lead managing underwriter of the specific shareholders (hereafter referred to as “Contracting Financial Institutions”) as well as lawyers, accountants and other advisors of the specific shareholders are deemed under this proposal to be joint holders of said specific shareholders (meaning joint holders defined in Article 27-23, paragraph 5 of the FIEA and including any party who is deemed to be a joint holder under paragraph 6 of the same Article by the Company’s Board of Directors; the same applies hereafter). In calculating the holding ratio of share certificate, etc., the Company may refer to the latest total number of shares issued publicized by the Company.

4. This includes purchases and other types of acceptance of transfer for value, and cases classified as similar to acceptance of transfer for value as provided for in Article 6, paragraph 3 of the Order for Enforcement of the Financial Instruments and Exchange Act.
5. This refers to “share certificates, etc.” as provided for in Article 27-2, paragraph 1 of the FIEA.
6. This refers to the “ownership ratio of share certificates, etc.” as provided for in Article 27-2, paragraph 8 of the FIEA. The same applies hereafter unless otherwise specified. In calculating the ownership ratio of share certificate, etc., the Company may refer to the latest total number of voting rights publicized by the Company.
7. This refers to “specially related parties” as provided for in Article 27-2, paragraph 7 of the FIEA. Provided, however, that persons listed in item 1 of the same paragraph shall not include those specified in Article 2, paragraph 2 of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Listed Share Certificates, etc. by Issuer. Furthermore, joint holders and Contracting Financial Institutions shall be deemed to be specially related parties of the specific shareholders. The same applies hereafter unless otherwise specified.
8. The decision on whether “a relationship between the specific shareholders and the other shareholder(s) where one of them substantially controls the other or where they act jointly or in cooperation” has been established shall be made based on (a) formation of any relationship such as a new investment relationship, business alliance relationship, business or contractual relationship, interlocking directorate relationship, funding relationship, credit extension relationship, substantial interests with regard to the Company’s share certificates, etc. through derivatives, stock lending, etc.; and (b) impacts that the specific shareholders and the other shareholder(s) will directly or indirectly have on the Company, among other things.
9. The decision on whether the act specified in (iii) in the main text above has taken place shall be reasonably made by the Company’s Board of Directors based on the Special Committee’s recommendations. The Company’s Board of Directors may request information from its shareholders to the extent necessary to make the decision on whether the relevant act falls under the requirements specified in (iii) above.