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(Securities Code 1813)
June 4, 2020

To Shareholders with Voting Rights:

Shinya Okuda
President and Representative Director
Fudo Tetra Corporation
7-2, Nihonbashi-Koami-cho
Chuo-ku, Tokyo, Japan

NOTICE OF THE 74TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

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

Notice is hereby given that the 74th Annual General Meeting of Shareholders of Fudo Tetra Corporation (the "Company") will be held as described below.

You can exercise your voting rights in writing or via the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders provided below, and exercise your voting rights by 5:30 p.m. on Thursday, June 18, 2020, Japan time.

In light of the recent impact of the novel coronavirus (COVID-19) infection, you are kindly asked to refrain from attending the Meeting in person, and exercise their voting rights in advance this year.

1. **Date and Time:** Friday, June 19, 2020 at 10:00 a.m. Japan time
(The reception is scheduled to begin at 9:00 a.m.)

2. **Place:** Hall on the 8th floor of Tokyo Shoken Kaikan located at
1-5-8, Nihonbashi-Kayaba-cho, Chuo-ku, Tokyo, Japan

3. **Meeting Agenda:**

Matters to be reported:

1. The Business Report, Consolidated Financial Statements for the Company's 74th Fiscal Year (April 1, 2019 - March 31, 2020) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee
2. Non-consolidated Financial Statements for the Company's 74th Fiscal Year (April 1, 2019 - March 31, 2020)

Proposals to be resolved:

Proposal No. 1: Appropriation of Surplus

Proposal No. 2: Election of Seven (7) Directors Not Serving as Audit and Supervisory Committee Members

Proposal No. 3: Election of Four (4) Directors Serving as Audit and Supervisory Committee Members

- The "Notes to the Consolidated Financial Statements" and the "Notes to the Non-consolidated Financial Statements" are provided on the Company's website (https://www.fudotetra.co.jp/ir/stockholder/meeting-description/) in accordance with laws and regulations as well as Article 16 of the Articles of Incorporation of the Company, and not included in this notice of convocation. Therefore, the Consolidated Financial Statements and Non-consolidated Financial Statements included in the attached documents of this notice of convocation are part of the consolidated and non-consolidated financial statements audited by the Audit and Supervisory Committee and the Accounting Auditor in the preparation of the Auditor's Report.
- Should the Reference Documents for the General Meeting of Shareholders, the Business report, Non-consolidated Financial Statements, and the Consolidated Financial Statements require revisions, the revised version will be posted on the Company's website (https://www.fudotetra.co.jp/).
- If you vote both in writing on the Voting Rights Exercise Form and via the Internet, only the vote placed via the Internet will be valid.
- If you submit your vote multiple times via the Internet, etc., only the last vote exercised will be valid.

<Notice Concerning COVID-19>

To prevent the infection and spread of COVID-19, the Company has prioritized the safety of our shareholders, and established the policy regarding the holding of this year's Annual General Meeting of Shareholders as follows:

- To prevent the risk of infection, shareholders are kindly asked to refrain from attending the Annual General Meeting of Shareholders in person, and exercise their voting rights in writing or via the Internet this year.
- In particular, shareholders who are considered more susceptible to infection, such as those with underlying illnesses, older people, and pregnant women, are requested to carefully assess their necessity to attend.
- Shareholders planning to attend the Meeting in person are requested to check the status of infection and their own health conditions before attending the Meeting, and take appropriate precautions such as wearing masks to prevent infection.
- Shareholders attending the Meeting in person are requested to disinfect themselves with a hand sanitizer available at the venue of the Meeting, take their temperatures, and allow for sufficient spacing between shareholders.
- The directors and operating staff attending the Meeting will be wearing masks. In addition, some staff at the reception, etc. will be wearing gloves.
- At the venue of the General Meeting of Shareholders, other necessary measures will be taken to prevent the infection and spread. As part of the measures we may restrict admission in order to limit the available seats and allow sufficient spacing between shareholders or restrict the admission of shareholders with symptoms of fever or cough and ask them to leave the venue. In addition, we may restrict admission of those who have returned to Japan within the past 14 days. We would like to ask for your kind understanding and cooperation in advance.
- In light of the shortened duration of the Meeting for the prevention of the infection and spread of COVID-19, detailed explanations for the Matters to be Reported (including the Audit Report) and the Proposals will be omitted. Please read this Notice before attending the Meeting.
- In the event of any significant changes to the operation of the General Meeting of Shareholders due to future circumstances, the Company will post a notice at the website below and shareholders planning to attend the Meeting in person are requested to check it in advance:
  The Company's website: https://www.fudotetra.co.jp/

Proposals and References

Proposal No. 1: Appropriation of Surplus

The Company considers returning profits to the shareholders and strengthening its management foundation to be vital business tasks, and has taken a fundamental policy of continuing dividends in a stable manner.

Based on this, in the Mid-term Management Plan (2018-2020), the Company set a profit return goal to the shareholders of "total return ratio of about 50%," working on the return of profits through dividends of surplus and the acquisition of treasury stock. The balance taken is decided based on an overall consideration of the financial and performance situations.

Under these policies and objectives, the Company proposes year-end dividends for the 74th fiscal year as follows.

If this proposal is approved, a consolidated dividend payout ratio will be 31.5%.

●Matters concerning the year-end dividends

(1) Type of dividend property
Cash

(2) Matters concerning the allotment of dividend property and the total amount
¥55 per share of common stock of the Company
Total amount of ¥876,556,450

(3) Effective date of distribution of surplus
June 22, 2020

(Reference)

For the return of profits to shareholders for the 74th fiscal year, apart from the year-end dividends above, at the Board of Directors meeting held on May 13, 2020 the Company resolved to conduct an acquisition of treasury stock up to a total not exceeding 440,000 shares, to be acquired for an amount not exceeding ¥500 million.

Added to the aforementioned dividends of surplus, the total return ratio is expected to be at 49.6%.

Proposal No. 2: Election of Seven (7) Directors Not Serving as Audit and Supervisory Committee Members

The terms of office of all six (6) current Directors not serving as Audit and Supervisory Committee Members will expire at the conclusion of this year's General Meeting of Shareholder. Accordingly, to further strengthen the corporate governance structure, the Company proposes the addition of one (1) Director not serving as an Audit and Supervisory Committee Member, and the election of seven (7) Directors not serving as Audit and Supervisory Committee Members is proposed.

The candidates for Directors not serving as Audit and Supervisory Committee Members are as follows:

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Yuji Takehara (July 31, 1950) Reappointment	March 1973 Joined the Company May 2003 Deputy General Manager, Geo Engineering Business Unit June 2003 Executive Officer April 2004 Director, Representative Director, Executive Vice President, General Manager, Geo Engineering Business Unit March 2006 General Manager, Civil Engineering Business Unit April 2007 General Manager, Construction Unit and General Manager, Technology Development Unit June 2009 Responsible for Internal Control and Technology Development, and in charge of Safety and Environment Unit June 2010 President and Representative Director, General Manager, Construction Unit April 2018 Chairman and Representative Director (current position) [Reasons for nomination as a candidate for Director not serving as Audit and Supervisory Committee Member] He has a wealth of experience and specialist knowledge from holding the posts of General Manager of the Geo Engineering Business Unit (currently Soil Improvement Business Unit), General Manager of the Civil Engineering Business Unit, and President and Representative Director. The Company renominates him as candidate for Director due to his familiarity with the Company's overall business, his assuming the post of Chairman of the Board of Directors, and his appropriate operation of the Board of Directors as Chairman and Representative Director.	13,054
2	Shinya Okuda (January 9, 1955) Reappointment	March 1980 Joined the Company October 2007 Deputy General Manager, Tokyo Main Office, and General Manager, Sales Department-1, Tokyo Main Office June 2008 Executive Officer May 2009 General Manager, Soil Improvement Business Department, Construction Unit June 2010 Managing Executive Officer April 2011 General Manager, Soil Improvement Business Unit June 2011 Director June 2015 Representative Director Executive Vice President April 2018 President and Representative Director (current position) [Reasons for nomination as a candidate for Director not serving as Audit and Supervisory Committee Member] He has a wealth of experience and specialist knowledge from holding the posts of Deputy General Manager of the Tokyo Main Office and General Manager of the Soil Improvement Business Unit. The Company renominates him as candidate for Director due to his familiarity with the Company's overall business and the fact that he has assumed command of management as President and Representative Director and appropriately engaged in operating the Board of Directors.	5,170

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Tsutomu Nakanishi (October 20, 1955) Reappointment	April 1979 Joined Nippon Tetrapod Co., Ltd. April 2004 Deputy General Manager, Tokyo Branch, Tetra Corporation April 2005 Executive Officer, Tetra Corporation October 2006 Executive Officer, General Manager, Tokyo Branch, the Company May 2009 General Manager, Civil Engineering Department, Construction Unit April 2011 Deputy General Manager, Civil Engineering Business Unit April 2016 Managing Executive Officer (current position) August 2016 General Manager, Block Environment Business Unit (current position) June 2017 Director (current position) [Reasons for nomination as a candidate for Director not serving as Audit and Supervisory Committee Member] He has a wealth of experience and specialist knowledge from holding the posts of Deputy General Manager of the Civil Engineering Business Unit, and General Manager of the Block Environment Business Unit. The Company renominates him as candidate for Director due to his familiarity with the Company's overall business and the fact that he has appropriately engaged in operating the Board of Directors as Director.	3,784
4	Shinichiro Hososaka (August 5, 1956) Reappointment	April 1979 Joined Nippon Tetrapod Co., Ltd. April 2004 Deputy General Manager, Nagoya Branch, Tetra Corporation October 2007 Deputy General Manager, Tokyo Main Office, the Company June 2008 General Manager, Yokohama Branch June 2010 General Manager, Tohoku Branch April 2012 Executive Officer April 2016 Managing Executive Officer (current position) April 2018 General Manager, Civil Engineering Business Unit (current position) June 2018 Director (current position) [Reasons for nomination as a candidate for Director not serving as Audit and Supervisory Committee Member] He has a wealth of experience and specialist knowledge from holding the posts of Deputy General Manager of Tokyo Main Office, General Manager of Yokohama Branch, General Manager of Tohoku Branch, and General Manager of Civil Engineering Business Unit. The Company renominates him as candidate for Director due to his familiarity with the Company's overall business and the fact that he has appropriately engaged in operating the Board of Directors as Director.	3,658

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5	Jun Ohbayashi (March 24, 1961) Reappointment	March 1984 Joined the Company June 2008 General Manager, Sales Department-2, Tokyo Main Office May 2009 General Manager, Technology Department, Soil Improvement Business Unit April 2016 Executive Officer, Deputy General Manager, Soil Improvement Business Unit, and General Manager, Technology Department, Soil Improvement Business Unit April 2018 Managing Executive Officer (current position) General Manager, Soil Improvement Business Unit (current position) June 2018 Director (current position) [Reasons for nomination as a candidate for Director not serving as Audit and Supervisory Committee Member] He has a wealth of experience and specialist knowledge from holding the posts of General Manager of Sales Department-2, Tokyo Main Office, General Manager of Technology Department, Soil Improvement Business Unit, and General Manager of Soil Improvement Business Unit. The Company renominates him as candidate for Director due to his familiarity with the Company's overall business and the fact that he has appropriately engaged in operating the Board of Directors as Director.	2,486
6	Shoichi Kitagawa (December 8, 1957) New candidate	April 1981 Joined Nippon Tetrapod Co., Ltd. July 2005 General Manager, Planning and Administration Department, the Company May 2007 General Manager, Finance Department, Administration Unit April 2013 Executive Officer, General Manager, Planning and Finance Department, Administration Unit April 2018 General Manager, Finance Department, Administration Unit April 2020 Managing Executive Officer (current position) General Manager, Administration Unit (current position) [Reasons for nomination as a candidate for Director not serving as Audit and Supervisory Committee Member] He has a wealth of experience and specialist knowledge from holding the posts of General Manager of Planning and Administration Department, General Manager of Finance Department. The Company nominates him as a new candidate for Director due to his familiarity with the Company's overall business.	1,870

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
7	Mari Osawa (April 4, 1953) New candidate Outside Director Independent Officer	April 1998 Professor, Institute of Social Science, The University of Tokyo (currently National University Corporation, The University of Tokyo) April 2015 Director, Institute of Social Science, National University Corporation, The University of Tokyo April 2018 Executive Director and Vice President June 2019 Professor Emeritus (current position) [Reasons for nomination as a candidate for Outside Director not serving as Audit and Supervisory Committee Member] She has a high level of knowledge as a university professor. The Company nominates her as a new candidate for Outside Director due to the fact that the Company considers her capable of expressing her opinions from an independent and objective standpoint at Board of Directors meetings, as well as the fact that she meets the "Independence Standards for Outside Directors" stipulated by the Company.	0

(Notes)

1. There are no special interests between the candidates and the Company.
2. The number of the Company's shares each candidate holds includes shares of stock in officer's shareholding association.
3. Ms. Mari Osawa is a candidate for Outside Director.
4. If Ms. Mari Osawa is selected as an Outside Director at this year's General Meeting of Shareholders, the Company will also register her as an independent officer as stipulated by Tokyo Stock Exchange, Inc.
5. The opinion of the Audit and Supervisory Committee on the appointment, etc. of Directors not serving as Audit and Supervisory Committee Members is as follows.
   In view of the opinions in the Audit and Supervisory Committee of the three Directors serving as Audit and Supervisory Committee Members in attendance at the "Nomination and Compensation Advisory Committee," the proposal was deliberated according to standards such as the "Idea behind the composition and scale of the Board of Directors of the Company" and the "Policy and procedures of the Company regarding the nomination of candidates for Directors," and as a result, the Audit and Supervisory Committee reached the conclusion that there were no particular matters of note.
6. The Company stipulates in Article 29, Paragraph 2 of the current Articles of Incorporation that the Company may conclude agreements with Directors (excluding Executive Directors, etc. as defined in Article 2, Paragraph 15-1 of the Companies Act) to limit their liability for damages caused by negligence of their duties. Pursuant to this provision, the Company and the candidate Ms. Mari Osawa will conclude said liability limitation agreement that stipulates that "in the event of the Director (excluding Executive Directors, etc. as defined in Article 2, Paragraph 15-1 of the Companies Act) causes damages to the Company due to their negligence of duty, the Director shall be liable for damages up to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act, provided that the Director has acted in good faith and without gross negligence in performing his or her duty."

Proposal No. 3: Election of Four (4) Directors Serving as Audit and Supervisory Committee Members

The terms of office of all four (4) current Directors serving as Audit and Supervisory Committee Members will expire at the conclusion of this year's General Meeting of Shareholders, therefore the election of four (4) Directors serving as Audit and Supervisory Committee Members is proposed.

The Audit and Supervisory Committee has consented to this proposal.

The candidates for Directors serving as Audit and Supervisory Committee Members are as follows:

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Nobuyuki Hirotani (April 18, 1957) New candidate	March 1980 Joined the Company April 2007 General Manager, Chiba Branch May 2009 General Manager, Sales Department-2, Tokyo Main Office June 2010 Deputy General Manager, Tokyo Main Office, Soil Improvement Business Unit April 2015 General Manager, Sales Department, Soil Improvement Business Unit January 2016 Deputy General Manager, Soil Improvement Business Unit April 2016 Executive Officer, Deputy General Manager, Soil Improvement Business Unit, and General Manager, Sales Department, Soil Improvement Business Unit April 2020 Advisor (current position) [Reasons for nomination as a candidate for Director serving as Audit and Supervisory Committee Member] He has a wealth of experience and specialist knowledge from holding the posts of General Manager of Chiba Branch, Deputy General Manager of Tokyo Main Office and Deputy General Manager of Soil Improvement Business Unit. The Company nominates him as a new candidate for Director serving as Audit and Supervisory Committee Member due to his familiarity with the Company's overall business.	1,379

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
2	Seiichi Nagata (July 29, 1947) Reappointment Outside Director Independent Officer 6 years in office as Outside Director (as of the conclusion of this General Meeting of Shareholders) Attendance at meetings of Board of Directors: 16/16 (100%) Attendance at meetings of Audit and Supervisory Committee: 16/16 (100%)	March 1994 President, Suntory France S.A.S September 1997 General Manager of Europe Region and General Manager, London Branch, Suntory Limited March 2003 Director, Head, Overseas Business Company, Suntory Limited March 2009 Executive Officer, Suntory Holdings Limited, Managing Director, Suntory Liquors Limited April 2011 Professor, Faculty of Economics, Teikyo University June 2014 Director, the Company June 2016 Director (Audit and Supervisory Committee Member) (current position) April 2018 Visiting Professor, Faculty of Economics, Teikyo University [Reasons for nomination as a candidate for Outside Director serving as Audit and Supervisory Committee Member] He has a wealth of experience regarding corporate management, having served many officer positions at companies, and a high level of knowledge as a university professor. The Company renominates him as candidate for Outside Director serving as Audit and Supervisory Committee Member due to the fact that as an Independent Outside Director for the Company he has expressed his opinions from an independent and objective standpoint in Board of Directors meetings, engaged in operating the Audit and Supervisory Committee, and fulfilled his duties appropriately by giving beneficial advice, as well as the fact that he meets the "Independence Standards for Outside Directors" stipulated by the Company.	0
3	Susumu Terasawa (November 15, 1947) Reappointment Outside Director Independent Officer 4 years in office as Outside Director (as of the conclusion of this General Meeting of Shareholders) Attendance at meetings of Board of Directors: 16/16 (100%) Attendance at the meetings of Audit and Supervisory Board: 16/16 (100%)	June 1995 Representative Partner, Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC) June 2007 General Manager, Quality Control Division, Tohmatsu & Co. April 2012 Visiting Professor, International Accounting, Chuo Graduate School of Strategic Management June 2012 Outside Audit & Supervisory Board Member, The Nisshin OilliO Group, Ltd. June 2013 Audit & Supervisory Board Member, the Company June 2016 Director (Audit and Supervisory Committee Member) (current position) [Reasons for nomination as a candidate for Outside Director serving as Audit and Supervisory Committee Member] He has specialist knowledge and a wealth of business experience as a certified public accountant. The Company renominates him as candidate for Outside Director serving as Audit and Supervisory Committee Member due to the fact that as an Independent Outside Director for the Company he has expressed his opinions from an independent and objective standpoint in Board of Directors meetings, engaged in operating the Audit and Supervisory Committee, and fulfilled his duties appropriately by giving beneficial advice, as well as the fact that he meets the "Independence Standards for Outside Directors" stipulated by the Company.	0

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
4	Kiyoyuki Kuroda (January 12, 1970) Reappointment Outside Director Independent Officer 2 years in office as Outside Director (as of the conclusion of this General Meeting of Shareholders) Attendance at meetings of Board of Directors: 15/16 (94%) Attendance at the meetings of Audit and Supervisory Board: 16/16 (100%)	April 1996 May 2002 November 2005 June 2009 June 2018 May 2019 (Significant concurrent positions) Partner, Miyake & Partners External director, WDB Holdings Co., Ltd.	Registered as a lawyer, joined The Miyake Joint Partnership Law Office (currently Miyake & Partners) Partner, The Miyake Joint Partnership Law Office (currently Miyake & Partners) External statutory auditor, WDB Co., Ltd. (currently WDB Holdings Co., Ltd.) External director, WDB Co., Ltd. (currently WDB Holdings Co., Ltd.) (current position) Director (Audit and Supervisory Committee Member) (current position) Partner, Miyake & Partners (current position)	0
		[Reasons for nomination as a candidate for Outside Director serving as Audit and Supervisory Committee Member] He has specialist knowledge and a wealth of business experience as a lawyer. The Company renominates him as candidate for Outside Director serving as Audit and Supervisory Committee Member due to the fact that he has been involved in corporate management at another listed company as External director, and the fact that as an Independent Outside Director for the Company he has expressed his opinions from an independent and objective standpoint at Board of Directors meetings, engaged in operating the Audit and Supervisory Committee, and fulfilled his duties appropriately by giving beneficial advice, as well as the fact that he meets the "Independence Standards for Outside Directors" stipulated by the Company.		

(Notes)

1. There are no special interests between the candidates and the Company.
2. The number of the Company's shares each candidate holds includes shares of stock in officer's shareholding association.
3. Messrs. Seiichi Nagata, Susumu Terasawa, and Kiyoyuki Kuroda are candidates for Outside Directors.
4. The Company has registered Messrs. Seiichi Nagata, Susumu Terasawa, and Kiyoyuki Kuroda as independent officers as stipulated by Tokyo Stock Exchange, Inc. If they are elected as Outside Directors at this year's General Meeting of Shareholders, the Company plans to continue to register them as independent officers.
5. The candidate Mr. Seiichi Nagata will have held his position as Outside Director of the Company for six (6) years at the conclusion of this year's General Meeting of Shareholders and as Outside Director serving as Audit and Supervisory Committee Member for four (4) years of them at the conclusion of this year's General Meeting of Shareholders.
6. The candidate Mr. Susumu Terasawa will have held his position as Outside Director serving as Audit and Supervisory Committee Member of the Company for four (4) years at the conclusion of this year's General Meeting of Shareholders.
7. The candidate Mr. Kiyoyuki Kuroda will have held his position as Outside Director serving as Audit and Supervisory Committee Member of the Company for two (2) years at the conclusion of this year's General Meeting of Shareholders.
8. The Company stipulates in Article 29, Paragraph 2 of the current Articles of Incorporation that the Company may conclude agreements with Directors (excluding Executive Directors, etc. as defined in Article 2, Paragraph 15-1 of the Companies Act) to limit their liability for damages caused by negligence of their duties. Pursuant to this provision, the Company and the candidates Messrs. Seiichi Nagata, Susumu Terasawa, and Kiyoyuki Kuroda have concluded such liability limitation agreement that stipulates that "in the event of the Director (excluding Executive Directors, etc. as defined in Article 2, Paragraph 15-1 of the Companies Act) causes damages to the Company due to their negligence of duty, the Director shall be liable for damages up to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act, provided that the Director has acted in good faith and without gross negligence in performing his duty." If the reelection of Messrs. Seiichi Nagata, Susumu Terasawa, and Kiyoyuki Kuroda is approved, the Company plans to continue with said liability limitation agreements.
9. The Company stipulates in Article 29, Paragraph 2 of the current Articles of Incorporation that the Company may conclude agreements with Directors (excluding Executive Directors, etc. as defined in Article 2, Paragraph 15-1 of the Companies Act) to limit their liability for damages caused by negligence of their duties. Pursuant to this provision, the Company and the candidate Mr. Nobuyuki Hirotani plan to conclude said liability limitation agreement that stipulates that "in the event of the Director (excluding Executive Directors, etc. as defined in Article 2, Paragraph 15-1 of the Companies Act) causes damages to the Company due to their negligence of duty, the Director shall be liable for damages up to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act, provided that the Director has acted in good faith and without gross negligence in performing his duty."

[Reference]

If Proposal 2 and Proposal 3 are approved as originally proposed, the composition of the Board of Directors is scheduled to be as shown below.

The total number of Directors of the Company is eleven (11) which includes 4 Independent Officers, and Independent Officers account for 36.4% of all Directors.

Name	Positions and responsibilities at the Company	Representative Director	Audit and Supervisory Committee Member	Outside Director	Independent Officer	Nomination and Compensation Advisory Committee Member
Yuji Takehara (*1)	Director and Chairman	X				
Shinya Okuda	Director and President	X				X
Tsutomu Nakanishi	Director and Managing Executive Officer General Manager, Block Environment Business Unit					
Shinichiro Hososaka	Director and Managing Executive Officer General Manager, Civil Engineering Business Unit					
Jun Ohbayashi	Director and Managing Executive Officer General Manager, Soil Improvement Business Unit					
Shoichi Kitagawa	Director and Managing Executive Officer General Manager, Administration Unit					
Mari Osawa	Outside Director			X	X	
Nobuyuki Hirotani (*2)	Director and Standing Audit and Supervisory Committee Member		X			
Seiichi Nagata (*3)	Outside Director and Audit and Supervisory Committee Member		X	X	X	X
Susumu Terasawa	Outside Director and Audit and Supervisory Committee Member		X	X	X	X
Kiyoyuki Kuroda	Outside Director and Audit and Supervisory Committee Member		X	X	X	X

*1. Chairman of the Board of Directors
*2. Chairman of the Audit and Supervisory Committee
*3. Chairman of the Nomination and Compensation Advisory Committee

(Reference) Matters Concerning Corporate Governance

1. Basic management policy

The Company's mission is to continuously contribute to society through land development across Japan, and to achieve this goal, along with getting our mission widely known and understood by our stakeholders, we have defined our values and visions as set below in our management philosophy, so they are shared throughout everyone in the Group.

Mission: Contributing to the creation of a prosperous, safe, and secure land
Value: Marching on toward the future by always turning change into evolution
Vision: Providing proprietary technologies that stand the test of time

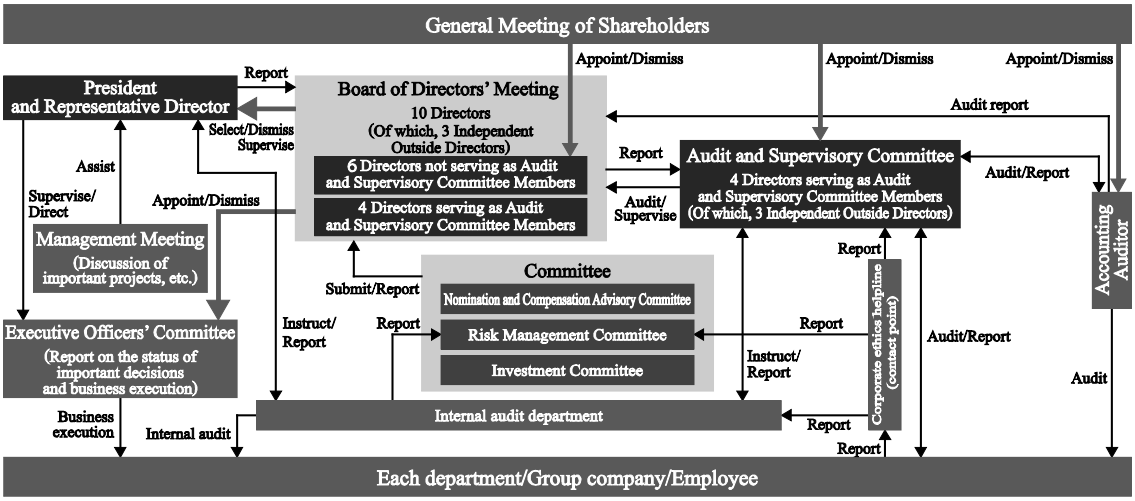
Additionally, to realize this management philosophy, the Company holds "Aiming for sustainable growth on land and at sea through coordination of the three businesses of Civil Engineering, Soil Improvement and Blocks" as its management policy.

2. Basic approach to corporate governance

Corporate governance is a decision-making mechanism that increases the soundness and efficiency of corporate management or otherwise can be said to be the rules to managing a company. The enhancement and strengthening of corporate governance contributes to respecting the rights and interests of the Group's stakeholders and improving mid- to long-term corporate value. Therefore, we make this one of our highest priority initiatives, in order to realize the Group's management philosophy and achieve sustainable growth and future development.

In order to realize the Group's management philosophy, we intend to permanently strive to increase the effectiveness and transparency of corporate governance, develop the optimal corporate governance mechanism and management method for the Group.

As of March 31, 2020



[Board of Directors]

The Board of Directors delegates a part of its decision-making responsibilities on important execution issues to its Directors. By this, the Board of Directors can put more focus on discussing more important matters such as the direction of the Company.

The Board of Directors is composed of six Directors not serving as Audit and Supervisory Committee Members and four Directors serving as Audit and Supervisory Committee Members (including three Independent Outside Directors).

Furthermore, Outside Directors possess expertise and experience in diverse fields, and are elected from individuals that do not violate the independence standards uniquely set by the Company. By receiving opinions and audits from an independent and objective perspective from these Independent Outside Directors, the effectiveness of the Board of Directors will increase overall. Furthermore, in order to assess, improve and enhance the effectiveness of the Board of Directors, an evaluation is conducted once a year, including a self-evaluation by each Director, and the results of the evaluations are disclosed.

[Audit and Supervisory Committee]

The Audit and Supervisory Committee is composed of four members (including three Independent Outside

Directors), and one Standing Audit and Supervisory Committee member. The Audit and Supervisory Committee is held once a month to carry out necessary resolutions, consent, and deliberate and report on issues, and conduct audits and provide supervision based on the established audit policies and audit plans.

Audit and Supervisory Committee Members will periodically exchange opinions with the internal audit department and information and also hold periodic meetings to exchange views with the President and Representative Director as well. This enables the Audit and Supervisory Committee to gather and share information, enhancing the effectiveness of its audits and supervision.

[Nomination and Compensation Advisory Committee]

The organization consists of three Independent Outside Directors (Audit and Supervisory Committee Members) and the President and Representative Director. The chairperson of the committee (chairman) will be served by an Outside Director, and they aim to enhance the transparency and objectiveness of decisions regarding the resolutions made on nomination of Directors and compensation related matters.

3. Idea behind the composition and scale of the Board of Directors

The Board of Directors of the Company is composed of diverse personnel, in terms of gender, internationality, and other aspects, with a variety of experiences and expertise in consideration of their responsibilities. Directors are chosen so that the Board of Directors, as a whole, provides the best balance of knowledge, experience and capability.

With regard to the scale of the Board of Directors of the Company, the current Articles of Incorporation stipulate that there should be 15 members or less (nine Directors or less not serving as Audit and Supervisory Committee Members and six Directors or less serving as Audit and Supervisory Committee Members). However, we believe the current number of Directors is appropriate, taking the Company's institutional design and scale etc. into perspective, along with the current state in which the Board of Directors can effectively fulfill its role and duty while ensuring its diversity and continuity.

The Company presently has ten Directors (including three Independent Outside Directors).

4. Policy and procedures of the Company regarding the nomination of candidates for Directors, and the selection and dismissal of executive management members

The Company has set the following rules on the nomination of candidates for Director, and selection and dismissal of executive management members, to be made by the Board of Directors.

Based on the idea behind the composition and scale of the Company's Board of Directors, in order to realize the management philosophy, after due consideration to the requirements to determine basic management policies, supervise the execution of duties by Directors and executive officers, which are viewed as responsibilities and obligations of the Board of Directors, individuals capable of performing these duties will be nominated as candidates for Directors.

Candidates nominated for Directors, upon stating clear reasons for their candidacy, will be nominated by resolution of the Board of Directors based on findings of the Nomination and Compensation Advisory Committee, an advisory body for the Board of Directors, after being categorized into Directors not serving as Audit and Supervisory Board Committee Members, and Directors serving as Audit and Supervisory Committee Members.

With regard to Directors serving as Audit and Supervisory Committee Members, in addition to the policies and procedures above, after due consideration to the requirement to audit and supervise the execution of duties, etc. of Directors, which are viewed as responsibilities and obligations of the Audit and Supervisory Committee, individuals capable of performing these duties will be nominated as Directors serving as Audit and Supervisory Committee Members. Furthermore, the Company will nominate at least one person that possesses sufficient knowledge regarding finance and accounting.

Furthermore, the Company will receive the consent of the Audit and Supervisory Committee in advance to nominate a Audit and Supervisory Committee Member as a candidate for Director.

Election of the Company's executive officers, including the Chairman, President and Representative Directors, will conform to policies and procedures for candidate nomination, as those described above, for Directors. Moreover, should executive management members be clearly recognized as unsuitable for the execution of their duties in accordance to their responsibilities, upon stating clear reasons, they will be dismissed in a timely manner by resolution of the Board of Directors based on findings of the Nomination and Compensation Advisory Committee, an advisory body for the Board of Directors, if required.

5. Independence Standards for Outside Directors of the Company

The Company has stipulated the "Independence Standards for Outside Directors" based on a resolution of the Board of Directors. The standards are stricter than those stipulated by the Tokyo Stock Exchange Inc.

The Company has nominated individuals that do not violate these standards as Outside Directors of the

Company, and all Outside Directors of the Company (three persons) have been designated as Independent Officers as stipulated by the Tokyo Stock Exchange, Inc., and have been submitted as such to the said Exchange.

The Company's "Independence Standards for Outside Directors" are as follows.

(1) The parent Company, subsidiary companies, and their executives ((i.e., executive director, executive, executive officer and employee, hereinafter the same) or non-executives (i.e., non-executive director, audit & supervisory board member and accounting advisor, hereinafter the same)

(2) Entities that regard the Company as a major business partner (*1) or related executive and non-executive officers, and major business partners of the Company (*2) or related executive and non-executive officers

*1: "Entities that regard the Company as a major business partner" are entities with consolidated sales of 2% or more as a result of average annual sales over the previous three years due to transactions with the Company.

*2: "Major business partners of the Company" are the entities described below:

a. Business partners that make up 2% or more of the Company's consolidated net sales as a result of average net sales over the previous three years between the business partner and the Company.

b. Major borrowers (loan amount is 2% or more of the Company's total consolidated assets)

c. Lead managing securities company

(3) A consultant, accountant, or legal specialist (*3) that in addition to officer compensation from the Company, receives large funds and other assets (*4), or has an ongoing outsourcing contract relationship with the Company. (However, regarding the Accounting Auditor, independence shall be determined with reference to the "Policy Regarding Independence" defined by the Japanese Institute of Certified Public Accountants.)

*3: In the event that the "consultant, accountant, or legal specialist" is an organization such as a corporation or association, etc., they are described as the organization.

*4: "Large funds and other assets" describes average funds of 10 million yen or more over the previous three years, or total income from a business partner of 2% or more.

(4) A person who is an executive or non-executive of a major shareholder (*5) of the Company

*5: "Major shareholder" describes a shareholder that ranks among the top 10 holders of the Company's shares

(5) An entity who receives a significant amount of donation (*6) from the Company, and an executive and non-executive thereof

*6: A "significant amount of donation" describes a business partner that has received an average of 10 million yen or more within the previous three years or 2% or more of the business partner's income from the Company.

(6) An executive or non-executive at an entity that has relationships with the Company with mutual appointments of outside officers

(7) A person who falls under any of (1) to (5) above within the last ten (10) years

(8) A person who was an executive or non-executive of the Company and its subsidiaries

(9) A person who is a close relative of a person (other than those deemed unimportant) that falls under any of (1) to (8) above (spouse, relative within the second degree of kinship)

6. Basic capital policy

In order to increase the mid- to long-term value of corporate, the Company believes that it is necessary to build a stable financial foundation. This capital policy stems from a basic policy that strives to maintain a balance centered on three main points, "improve capital efficiency", "returns to shareholders", and "maintaining financial soundness".

(1) Improve capital efficiency

The Company efficiently utilizes capital received from our shareholders, and since it is important to enhance profitability to increase corporate value, the Mid-term Management Plan targets ROE of 8% or more.

(2) Returns to shareholders

The Company is committed to continuing a stable dividend, the Mid-term Management Plan (2018-2020) targets a total return ratio of about 50% as a profit return goal.

(3) Maintaining financial soundness

From the perspective of maintaining sustainable growth and stable management, prepare for investment to drive growth and unexpected risk by maintaining a certain level of shareholder equity.