

September 26, 2023

Dear valued shareholders:

Name of listed company: Toyo Construction Co., Ltd.  
Representative: Haruhisa Obayashi, President and Representative Director  
(Code: 1890 Tokyo Stock Exchange Prime Market)  
Contact for inquiries: Hisashi Tokimizu,  
General Manager of Administration Dept., Administration Div.  
TEL: 03-6361-5450

**Notification Concerning the Receipt of a Proposal from Godo Kaisha Yamauchi-No. 10  
Family Office and Kabushiki Kaisha KITE Regarding a Tender Offer for Company  
Shares**

The Company received a proposal yesterday from Godo Kaisha Yamauchi-No. 10 Family Office and Kabushiki Kaisha KITE regarding a tender offer for the Company's ordinary shares and subsequent squeeze-out procedures to make the Company a wholly-owned subsidiary (the "Proposal") (Exhibit).

While the Company plans to disclose its opinion on the Proposal after carefully examining the details of the Proposal and other relevant information, the Company will discuss its initial response at the Board of Directors meeting to be held on September 27, 2023 and will disclose such.

This press release does not express the Company's opinion on the Proposal. The Company will announce its opinion on the Proposal as soon as it is decided.

Exhibit: Proposal to the Company from Godo Kaisha Yamauchi-No. 10 Family Office and Kabushiki Kaisha KITE (Translation)

End

(Exhibit)

September 25, 2023

To: Toyo Construction Co., Ltd.  
Chairman and Representative Director Shinya Yoshida  
President and Representative Director Haruhisa Obayashi  
Representative Director Hiromi Hirata  
Director Mamoru Sato  
Director Tatsuyoshi Nakamura  
Director Akira Tosaka  
Outside Director Takashi Narusawa  
Outside Director Kazumichi Matsuki  
Outside Director Taizo Nishikawa  
Outside Director Masato Uchiyama  
Outside Director Masaharu Okada  
Outside Director Katsuya Natori  
Outside Director Shinichi Kato

(Copied to)

Outside Corporate Auditor Kiyokata Somekawa  
Outside Auditor Shiho Boda  
Outside Auditor Tomoko Nonaka  
Outside Auditor Koichi Kawaguchi

Banjo Yamauchi, Representative Member  
Godo Kaisha Yamauchi-No.10 Family Office  
4F, 2-35, Roppongi 6-chome, Minato-ku, Tokyo

Banjo Yamauchi, Representative Director  
Kabushiki Kaisha KITE  
4F, 2-35, Roppongi 6-chome, Minato-ku, Tokyo

**Changes in the Details of the Application for the Acquisition of the Shares of Toyo  
Construction Co., Ltd.**

Dear Sir/Madam,

We extend our sincerest wishes for your continued success.

Godo Kaisha Yamauchi-No. 10 Family Office (formerly “Godo Kaisha Vpg”) (the “Company (YFO)”) and Kabushiki Kaisha KITE (together with the Company (YFO), “we”) made a legally binding proposal to Toyo Construction Co., Ltd. (“Toyo Construction” or “you”) by submitting an “Application to Acquire All of the Shares of Toyo Construction Co., Ltd. through a Tender Offer for the Shares of Toyo Construction Co., Ltd. at 1,000 yen per Share” dated May 18, 2022 (the “Application”) to acquire all of your shares through a tender offer at 1,000 yen per share (the “Tender Offer”) and subsequent squeeze-out procedures (including a supplement dated June 8, 2022, the “Acquisition Proposal”) as a counterproposal to a tender offer at 770 yen per share by INFRONEER Holdings Inc. (the “INFRONEER Tender Offer”).

As explained in a letter dated July 26, 2023, our Acquisition Proposal is still valid, and we continue to strongly believe that the privatization of Toyo Construction through our Acquisition Proposal will contribute to your corporate value and the common interest of your shareholders.

In our Acquisition Proposal, we are proposing to conduct a tender offer for your ordinary shares at 1,000 yen per share. As we are unable to conduct any due diligence on Toyo Construction, our Acquisition Proposal is based only on public information, including the financial forecast that was announced in your press release dated March 22, 2022 concerning your opinion expressing support for the INFRONEER Tender Offer and recommending shareholders to tender their shares therein. Therefore, our Acquisition Proposal (i) does not incorporate the upside potential for value enhancement associated with business plans and growth strategies that could have been deepened and discussed if due diligence had been conducted and (ii) incorporates the downside risk that could have been identified and eliminated if due diligence had been conducted. If we will be able to conduct due diligence on Toyo Construction to deepen and discuss the upside potential associated with the business plans and growth strategies and confirm the feasibility thereof (including verifying the upside potential of your “Mid-Term Business Plan” dated March 23, 2023 (the “New Mid-Term Business Plan”) and deepening and discussion of the Company’s business plans and growth strategies based on your verified management cases) and will also be able to identify and eliminate the downside risk, we believe that we will be able to raise the offer price set forth in our Acquisition Proposal. Specifically, (i) if we will be able to verify the feasibility of the earnings plans and growth strategies set forth in the New Mid-Term Business Plan by reviewing including the target of the KPI (Key Performance Indicator) and the specific measures associated with the numerical plans with respect to your future earnings forecast and (ii) in light of downside risk, if we will be able to verify that, through due diligence on Toyo Construction in terms of business, fiscal, tax and legal affairs, you have no significant potential liabilities; no legal or regulatory issues; no contractual issues with any third party that could adversely affect your ordinary business; and no other fiscal, tax or legal issues that are usually assessed in similar types of transactions, we expect to be able to offer 1,255 yen per share in our

Acquisition Proposal, as set forth below.

Accordingly, we hereby propose to make the following changes to our Acquisition Proposal. Our Acquisition Proposal continues to remain valid as a legally binding proposal and the following proposal will change the details of our Acquisition Proposal provided that the “conditions of change” described below are satisfied.

- Tender offer price for the Tender Offer after the change: 1,255 yen per share
- Conditions of change: We conduct a reasonably satisfactory due diligence on Toyo Construction to (i) verify the feasibility of the earnings plans and growth strategies set forth in the New Mid-Term Business Plan (e.g., your net sales and operating income targets set forth in the New Mid-Term Business Plan can be realized at a level of 90% or higher) and (ii) verify that, through due diligence on Toyo Construction, you have no significant potential liabilities; no significant legal or regulatory issues; no significant contractual issues with any third party that could adversely affect your ordinary business; and no other significant fiscal, tax or legal issues that are usually assessed in similar types of transactions.
- Except for the changes specified above, there are no other changes to the conditions of the Tender Offer or the preconditions for commencing the Tender Offer set forth in our Acquisition Proposal and our Acquisition Proposal continues to remain valid.

The original offer to acquire your shares at 1,000 yen per share continues to not assume external funds. However, with respect to the new proposal to acquire your shares at 1,255 yen per share, we assume obtaining financing partially from outside financial institutions. We will consider an appropriate level of financing in light of capital efficiency and your optimal capital structure after conducting due diligence.

If you have any inquiries regarding this document or the Application, please do not hesitate to contact Hirowaka Murakami, Chief Investment Officer of YFO (Email address: \_\_\_\_\_).

Yours sincerely