

November 14, 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)
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**(Progress of Disclosed Matters) Notification Concerning Status of Consideration of
Proposal from Godo Kaisha Yamauchi-No. 10 Family Office and Kabushiki Kaisha KITE**

As the Company informed you in its September 27, 2023 press release titled “Notice Concerning Establishment of Special Committee”, the Company established, on the same date, a special committee (the “Special Committee”), composed of the Company’s independent outside directors, for the purpose of eliminating any arbitrariness from the Company’s decision-making and ensuring fairness, transparency, and objectivity in its decision-making process in the consideration of a proposal received from Godo Kaisha Yamauchi-No. 10 Family Office (“YFO”) and Kabushiki Kaisha KITE (together with YFO, “YFO etc.”) regarding a tender offer for the Company’s ordinary shares (the “Tender Offer”) and subsequent squeeze-out procedures to make the Company a wholly-owned subsidiary (the “Proposal”). The Special Committee has been continuing to consider the matters consulted by the Company’s Board of Directors.

As a progress update, as the Company informed you in its October 4, 2023 press release titled “(Progress of Disclosed Matters) Notification Concerning Receipt of First Special Committee Report Regarding Proposal from Godo Kaisha Yamauchi-No. 10 Family Office and Kabushiki Kaisha KITE and Company’s Policy Regarding Response Thereto”, the Company decided, based on the first Special Committee report (the “First Report”), to accept the Business Due Diligence related to the Proposal submitted by YFO, etc. (due diligence in respect of businesses that will contribute to deepening the Company’s corporate value enhancement measures (i.e., concretization of such measures to the level that the Company will be able to quantitatively evaluate them); the same applies hereinafter) on a condition that YFO etc. agree to certain matters proposed by the Special Committee, and notified YFO etc. requesting YFO etc. submit to the Company, after conducting the Business Due Diligence but by November 10, 2023, refined corporate value enhancement measures that are developed with specific measures materializing the business model presented by YFO etc. (The refined corporate value enhancement measures must include at least (i) business plans for the Company reflecting such corporate value enhancement measures (including pro forma B/S and P/L); (ii) investment plans such as capital expenditures and M&A investments; (iii) repayment plans regarding the financing for the

acquisition; (iv) measures to mitigate any negative impact on the existing businesses; and (v) if the tender offer price is to be increased, the price after increase.)

Subsequently, the Company, taking into account the Special Committee's opinion, has been providing cooperation for the Business Due Diligence related to the Proposal submitted by YFO etc. And, as the Company received a request from YFO, etc. to extend the deadline for submitting the refined corporate value enhancement measures, the Company is considering permitting a reasonable extension of the deadline.

As a result of the circumstances described above, the Company has not received any refined corporate value enhancement measures from YFO etc. at this time, and the timing of the receipt of such measures is unknown. However, the Company will promptly announce if the Company receive such measures.

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