

December 4, 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,  
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**(Progress of Disclosed Matters) Notification Concerning Status 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 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 “October 4, 2023 Press Release”), 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.

As the Company informed you in its November 14, 2023 press release titled "(Progress of Disclosed Matters) Notification Concerning Status of Consideration of Proposal from Godo Kaisha Yamauchi-No. 10 Family Office and Kabushiki Kaisha KITE", the Company received a request from YFO etc. to extend the deadline for submitting the refined corporate value enhancement measures. The Company hereby informs you that the Company received the corporate value enhancement measures from YFO etc. on November 30 and December 1, 2023. As the Company was requested by YFO etc. not to disclose or publish the contents of the corporate value enhancement measures received, the Company will refrain from disclosing such contents in accordance with the non-disclosure agreement that the Company has signed with YFO etc.

Taking into account the Special Committee's opinion, the Company will examine the corporate value enhancement measures submitted by YFO etc. The schedule for the Special Committee's future examination has not been changed from the schedule announced in the October 4, 2023 Press Release. However, in the future, the Company will promptly inform you of any matters regarding the Proposal that should be disclosed.

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