

March 6, 2023

Dear valued shareholders:

Name of listed company: Toyo Construction Co., Ltd.
Representative: Kyoji Takezawa, President and Representative Director
(Code: 1890 Tokyo Stock Exchange Prime Market)
Contact for inquiries: Hisashi Tokimizu,
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Notice Regarding Shareholders' Demand to Call an Extraordinary General Shareholders
Meeting

On this day, the Company received a letter dated March 3, 2023 ("Demand Letter") in the joint name of Godo Kaisha Yamauchi-No. 10 Family Office and WK 1 Limited, shareholders of the Company, making a demand to call an extraordinary shareholders meeting pursuant to Article 297, Paragraph 1 of the Companies Act of Japan ("Demand"). We hereby provide notice as follow.

1. Overview of Shareholders Making the Demand

Godo Kaisha Yamauchi-No.10 Family Office
WK 1 Limited

The Demanders are shareholders who, combined, have consecutively held not less than 3% of the total voting rights of all shareholders of the Company for the past six months or more.

2. The Date of the Demand

March 6, 2023

The Company received the Demand Letter and a copy of some of the attachments by email after 20:30 on March 3, 2023, but the email was missing some documents necessary for the exercise of minority shareholder rights. Today, the Company received all necessary documents including the original of the Demand Letter.

3. Description of the Demand

(1) Purpose of the Shareholders Meeting

Agenda Item 1

The matter of an investigation concerning defects in the Company's governance (including breaches by officers of their duty of due care and duty of loyalty) relating to the process behind the Company's expression of support for the INFRONEER tender offer (the matter of the election of persons to investigate the status of the operations and property of the kabushiki kaisha who are stipulated in Article 316, Paragraph 2 of the Companies Act of Japan)

Agenda Item 2

The matter of an investigation concerning defects in the Company's governance (including breaches by officers of their duty of due care and duty of loyalty) relating to the process of the proposal concerning takeover defense measures and the proposal for the election of directors at the Company's 100th general shareholders meeting (the matter of the election of persons to investigate the status of the operations and property of the kabushiki kaisha who are stipulated in Article 316, Paragraph 2 of the Companies Act of Japan)

Agenda Item 3

The matter of an investigation concerning defects in the Company's governance (including breaches by officers of their duty of due care and duty of loyalty) relating to the process behind the Company's consideration of and decision-making regarding the counterproposal by Godo Kaisha Vpg (its current tradename is Godo Kaisha Yamauchi-No. 10 Family Office) and Kabushiki Kaisha KITE that includes the proposal to take the Company private (the matter of the election of persons to investigate the status of the operations and property of the kabushiki kaisha who are stipulated in Article 316, Paragraph 2 of the Companies Act of Japan)

(2) Reasons for the Demand

Please refer to the attachment that sets forth the reasons for the proposal in the Demand Letter.

4. The Company's Response to the Demand

The Company will consider the details of the Demand carefully and will disclose its thinking and response to the Demand as soon as a decision is made.

It is noted that Ippan Shadan Hojin Yamauchi-No.10 Family Office issued a press release regarding the Demand on March 3, 2023; the Company believes that this press release constitutes an inappropriate disclosure that includes a number of statements which are deliberately meant to cause misunderstanding among the Company's shareholders and other market-related persons. The Company will disclose the details after first organizing its understanding of the facts.

End

Part 3 Reasons for the Proposals

1. Proposal 1

YFO etc. proposed taking the Company private as a counterproposal to the INFRONEER tender offer, and in the process, material defects in governance on the part of the Company's Board of Directors was uncovered; thus, YFO etc. seeks a reorganization of the Board of Directors and the corporate auditors, with the resignation of Mr. Takezawa, Mr. Yabushita, Mr. Sato, and other current directors and the election of new directors.

Because there is suspicion (i) that the expression of support for the INFRONEER tender offer was made under inappropriate pressure by a third party, (ii) that there is an undisclosed agreement between the tender offeror (a third party) and a certain Company director for such director to join INFRONEER's management, and (iii) that such director is prioritizing his own interests or the interests of a third party, through an investigation of the Company's procedures and decision-making in regards to the INFRONEER tender offer, the Demand will reveal defects in the Company's governance (including breaches by officers of their duty of due care and duty of loyalty) and enable shareholders to make appropriate determinations regarding reorganization of the Board of Directors and corporate auditors.

2. Proposal 2

Regarding the Company's introduction and withdrawal of takeover defense measures against the YFO etc. counterproposal, that includes the proposal to take the Company private, and the election of director candidates at the General Shareholders Meeting, because there is suspicion (i) that the takeover defense measures were arbitrarily introduced on the assumption that the YFO etc. counterproposal would be rejected, (ii) that a third party was improperly involved in the introduction of the takeover defense measures and the election of director candidates, (iii) that there is an undisclosed agreement between the tender offeror (a third party) and a certain Company director for such director to join INFRONEER's management, and (iv) such director is prioritizing his own interests or the interests of a third party, through an investigation of the Company's procedures and decision-making in regards to the General Shareholders Meeting and the takeover defense measures, the Demand will reveal defects in the Company's governance (including breaches by officers of their duty of due care and duty of loyalty) and enable shareholders to make appropriate determinations regarding reorganization of the Board of Directors and corporate auditors.

3. Proposal 3

Because in the Company's consideration of and decision-making regarding the YFO etc. counterproposal that includes the proposal to take the Company private, (i) there is suspicion that compared to its consideration of the INFRONEER tender offer, the Company's response has been unfair and discriminatory, (ii) there is suspicion that the Company acted improperly, arbitrarily taking measures with the purpose of causing YFO etc. to abandon its counterproposal or rejecting the YFO etc. counterproposal, (iii) there has been conduct for the purpose of coming up with superficial reasons to reject the YFO etc. proposal even though no valid reasons for such rejection exist, and (iv) there is suspicion that decisions were made based on a report by the Company's administration etc., without adequate information-gathering or investigation, through an investigation of the Company's consideration and decision-making in regards to the YFO etc. counterproposal that includes the proposal to take the Company private, the Demand will reveal defects in the Company's governance (including breaches by officers of their duty of due care and duty of loyalty) and enable shareholders to make appropriate determinations regarding reorganization of the Board of Directors corporate auditors.

Part 4 Reason for the Demand

As set forth above, the purpose of the Demand is to make clear the information necessary for shareholders to make appropriate determinations regarding reorganization of the Board of Directors and corporate auditors including defects in the Company's governance and their causes that the Demanders plan to propose at the next ordinary general shareholders meeting or subsequent general shareholders meeting ("Current Year General Shareholders Meeting").

Accordingly, it is necessary, before the election of officers is discussed at the Current Year General Shareholders Meeting, to reveal the defects in past decision-making by the Board of Directors and their causes. For this reason, so that the investigation results are known before the Current Year General Shareholders Meeting is held, the Demanders have made a demand to call an extraordinary general shareholders meeting for the election of persons to investigate the status of the operations and property of the kabushiki kaisha who are stipulated in Article 316, Paragraph 2 of the Companies Act of Japan.

End