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(Securities Code 1813)
June 1, 2018

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 72ND ANNUAL GENERAL MEETING OF SHAREHOLDERS

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

You are cordially invited to attend the 72nd Annual General Meeting of Shareholders of Fudo Tetra Corporation (the “Company”). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, 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 21, 2018, Japan time.

1. Date and Time: Friday, June 22, 2018 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 72nd Fiscal Year (April 1, 2017 - March 31, 2018) 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 72nd Fiscal Year (April 1, 2017 - March 31, 2018)

Proposals to be resolved:

- Proposal No. 1:** Appropriation of Surplus
Proposal No. 2: Consolidation of Shares
Proposal No. 3: Election of Six (6) Directors Not Serving as Audit and Supervisory Committee Members
Proposal No. 4: 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 (<http://www.fudotetra.co.jp/ir/ir-meeting-description.html>) 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 (<http://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.

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, determining dividends of surplus upon taking into consideration the financial and performance situations in a comprehensive manner.

In the “Mid-term Management Plan (2015-2017)” released on May 11, 2015, the Company set a profit return goal to the shareholders of “consolidated dividend payout ratio over 25%,” and this has been stipulated as a management goal.

Under these policies and objectives, the Company proposes year-end dividends for the 72nd fiscal year as follows.

If this proposal is approved, a consolidated dividend payout ratio will be 33.5%.

- Matters concerning the year-end dividends

- (1) Type of dividend property

- Cash

- (2) Matters concerning the allotment of dividend property and the total amount

- ¥5 per share of common stock of the Company

- Total amount of ¥822,394,090

- (3) Effective date of distribution of surplus

- June 25, 2018

(Reference)

In its new Mid-term Management Plan (2018-2020), the Company has set a profit return goal to the shareholders of a total dividend payout ratio of about 50%, and with the objective of enriching shareholder returns, apart from the year-end dividends above, the Company resolved at a Board of Directors meeting held on May 11, 2018 to conduct an acquisition of treasury stock (upper limit of 2.30 million shares to be acquired; upper limit of ¥400 million in acquisition amount).

Proposal No. 2: Consolidation of Shares

(1) Reason for consolidation of shares

The total number of shares issued by the Company is 182,025,228 shares as of March 31, 2018. This number of shares is high relative to the average number of listed shares of other companies listed on the First Section of the Tokyo Stock Exchange (construction industry), and relative to the average number of listed shares for companies listed on the First Section of the Stock Exchange (construction industry) with a business scope similar to the Company, it is about 4.5 times higher, and is excessive in view of the Company's business scope. Furthermore, as of March 30, 2018, the investment unit level for the Company falls below the minimum investment unit level considered desirable by the Tokyo Stock Exchange in its Securities Listing Regulations (50,000 yen or more and less than 500,000 yen), while being approximately 1/13 of the average level for investment units for companies listed on the First Section of the Tokyo Stock Exchange (construction industry).

As a result, the effect of each yen on fluctuations in share price is relatively large, which can easily cause significant fluctuations in the share price as an investment target, and the Company believes that this has a not insignificant effect on shareholders and ordinary investors.

Under such circumstances, the Company proposes implementing a consolidation of shares to consolidate ten shares to one share. Regarding this consolidation of shares, in consideration of the status of shareholders who will lose their positions as shareholders, the Company has made careful determination that takes into consideration the average level of investment unit for companies listed on the First Section of the Tokyo Stock Exchange (construction industry).

Additionally, through this consolidation of shares, the total number of shares issued will be at a level appropriate for the business scope of the Company, and moving forward, additional flexibility in profit returns will be possible in line with the Company's shareholder return policy, and furthermore, various per-share indices and share prices will be more easily comparable with competing listed companies, which the Company believes will lead to benefits for shareholders.

Furthermore, based on the "Action Plan for Consolidating Trading Units," all stock exchanges of Japan are promoting the standardization of the share trading unit for all domestic listed companies to be 100 shares, and the Company will not change its number of shares constituting one trading unit from the current 100 shares.

(2) Consolidation ratio

Every 10 shares in the Company will be consolidated into 1 share.

If fractional shares of less than one share arise as a result of the consolidation of shares, the number of shares equivalent to the total sum of the fractions shall be subject to a bulk sale in accordance with the provisions of the Companies Act, or the Company shall purchase them as treasury stock. The proceeds of the said sale, etc. shall be distributed to the target shareholders in proportion to their respective shareholdings.

(3) Effective date of share consolidation

October 1, 2018

(4) Number of authorized shares as of effective date of share consolidation

27,255,910 shares

(Reference)

The Articles of Incorporation will be partially amended as follows on October 1, 2018, provided that this Proposal is approved as originally proposed.

(Underlined portions are amended)

Current Articles of Incorporation	Proposed Amendments of Articles of Incorporation
(Number of Authorized Shares) Article 6 The total number of shares that the Company may issue shall be <u>272,559,104</u> shares.	(Number of Authorized Shares) Article 6 The total number of shares that the Company may issue shall be <u>27,255,910</u> shares.

As a result of the consolidation of shares, the total number of outstanding shares decreases to 10% of the original number. However, there are no changes to amount of assets, capital and therefore, the amount of assets per share increases tenfold. Excluding other factors such as market fluctuations, there is no change in the asset value of shares of the Company.

Proposal No. 3: Election of Six (6) Directors Not Serving as Audit and Supervisory Committee Members

The terms of office of all five (5) 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 advance the "Mid-term Management Plan (2018-2020)" under a new executive structure with additional strength, the Company proposes the addition of one (1) Director not serving as Audit and Supervisory Committee Member, and the election of six (6) 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	<p>March 1973 Joined the Company</p> <p>May 2003 Deputy General Manager, Geo Engineering Business Unit</p> <p>June 2003 Executive Officer</p> <p>April 2004 Director, Representative Director, Executive Vice President, General Manager, Geo Engineering Business Unit</p> <p>March 2006 General Manager, Civil Engineering Business Unit</p> <p>April 2007 General Manager, Construction Unit and General Manager, Technology Development Unit</p> <p>June 2009 Responsible for Internal Control and Technology Development, and in charge of Safety and Environment Unit</p> <p>June 2010 President and Representative Director, General Manager, Construction Unit</p> <p>April 2018 Chairman and Representative Director (current position)</p> <p>[Reasons for nomination as a candidate for Director not serving as Audit and Supervisory Committee Member]</p> <p>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) and General Manager of the Civil Engineering Business Unit. The Company renominates him as candidate for Director due to his familiarity with the Company's overall business, his assuming command of management as President and Representative Director, and his appropriate operation of the Board of Directors as Chairman.</p>	120,102
2	Shinya Okuda (January 9, 1955) Reappointment	<p>March 1980 Joined the Company</p> <p>October 2007 Deputy General Manager, Tokyo Main Office, and General Manager, Sales Department-1, Tokyo Main Office</p> <p>June 2008 Executive Officer</p> <p>May 2009 General Manager, Soil Improvement Business Department, Construction Unit</p> <p>June 2010 Managing Executive Officer</p> <p>April 2011 General Manager, Soil Improvement Business Unit</p> <p>June 2011 Director</p> <p>June 2015 Representative Director</p> <p>Executive Vice President</p> <p>April 2018 President and Representative Director (current position)</p> <p>[Reasons for nomination as a candidate for Director not serving as Audit and Supervisory Committee Member]</p> <p>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 appropriately engaged in operating the Board of Directors as Director and Representative Director.</p>	35,052

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Akira Yamashita (August 13, 1953) Reappointment	<p>April 1978 Joined Nippon Tetrapod Co., Ltd.</p> <p>April 2004 General Manager, Human Resources Department, Tetra Corporation</p> <p>April 2006 Executive Officer, Tetra Corporation</p> <p>October 2006 Executive Officer, General Manager, General Affairs Department, Administration Unit, the Company</p> <p>June 2010 General Manager, Planning and Finance Department, Administration Unit</p> <p>April 2013 Managing Executive Officer, General Manager, Administration Unit (current position)</p> <p>June 2013 Director (current position)</p> <p>April 2018 Executive Vice President (current position)</p> <p>[Reasons for nomination as a candidate for Director not serving as Audit and Supervisory Committee Member]</p> <p>He has a wealth of experience and specialist knowledge from holding the posts of General Manager of the General Affairs Department, General Manager of the Planning and Finance Department, and General Manager of the Administration 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 and General Manager of the Administration Unit.</p>	36,311
4	Tsutomu Nakanishi (October 20, 1955) Reappointment	<p>April 1979 Joined Nippon Tetrapod Co., Ltd.</p> <p>April 2004 Deputy General Manager, Tokyo Branch, Tetra Corporation</p> <p>April 2005 Executive Officer, Tetra Corporation</p> <p>October 2006 Executive Officer, General Manager, Tokyo Branch, the Company</p> <p>May 2009 General Manager, Civil Engineering Unit, Construction Unit</p> <p>April 2011 Deputy General Manager, Civil Engineering Business Unit</p> <p>April 2016 Managing Executive Officer (current position)</p> <p>August 2016 General Manager, Block Environment Business Unit (current position)</p> <p>June 2017 Director (current position)</p> <p>[Reasons for nomination as a candidate for Director not serving as Audit and Supervisory Committee Member]</p> <p>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.</p>	27,839
5	Shinichiro Hososaka (August 5, 1956) New candidate	<p>April 1979 Joined Nippon Tetrapod Co., Ltd.</p> <p>April 2004 Deputy General Manager, Nagoya Branch, Tetra Corporation</p> <p>October 2007 Deputy General Manager, Tokyo Main Office, the Company</p> <p>June 2008 General Manager, Yokohama Branch</p> <p>June 2010 General Manager, Tohoku Branch</p> <p>April 2012 Executive Officer</p> <p>April 2016 Managing Executive Officer (current position)</p> <p>April 2018 General Manager, Civil Engineering Business Unit (current position)</p> <p>[Reasons for nomination as a candidate for Director not serving as Audit and Supervisory Committee Member]</p> <p>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, and General Manager of Tohoku Branch. The Company nominates him as a new candidate for Director due to his familiarity with the Company's overall business.</p>	26,139

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
6	Jun Ohbayashi (March 24, 1961) New candidate	<p>March 1984 Joined the Company</p> <p>June 2008 General Manager, Sales Department-2, Tokyo Main Office</p> <p>May 2009 General Manager, Technology Department, Soil Improvement Business Unit</p> <p>April 2016 Executive Officer, Deputy General Manager, Soil Improvement Business Unit, and General Manager, Technology Department, Soil Improvement Business Unit</p> <p>April 2018 Managing Executive Officer (current position) General Manager, Soil Improvement Business Unit (current position)</p> <p>[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 Deputy General Manager of Soil Improvement Business Unit. The Company nominates him as a new candidate for Director due to his familiarity with the Company's overall business.</p>	6,905

(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. The opinion of the Audit and Supervisory Committee on the appointment 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 appointment of Directors not serving as Audit and Supervisory Committee Members 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.

Proposal No. 4: 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	Masahiro Matsumura (January 17, 1955)	<p>March 1979 Joined the Company</p> <p>April 2004 General Manager, Kita-Kanto Branch</p> <p>August 2006 Deputy General Manager, Tokyo Main Office</p> <p>June 2008 Executive Officer, General Manager, Sales Department-2, Sales Management Department, Construction Unit</p> <p>May 2009 Deputy General Manager, Osaka Main Office</p> <p>June 2010 General Manager, Osaka Main Office</p> <p>April 2015 Assistant to President</p> <p>June 2015 (Standing) Audit & Supervisory Board Member</p> <p>June 2016 Director (Standing Audit and Supervisory Committee Member) (current position)</p>	16,823
	Reappointment	<p>[Reasons for nomination as a candidate for Director serving as Audit and Supervisory Committee Member]</p> <p>He has a wealth of experience and specialist knowledge from holding the posts of General Manager of Kita-Kanto Branch, General Manager of Osaka Main Office and Standing Audit & Supervisory Board Member. The Company renominates him as a candidate for Director serving as Audit and Supervisory Committee Member due to his familiarity with the Company's overall business and the fact that he has appropriately engaged in operating the Audit and Supervisory Committee, and fulfilled his duties of supervising the execution of duties by Directors as the Chairman of the Audit and Supervisory Committee.</p>	

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
2	<p>Seiichi Nagata (July 29, 1947)</p> <p>Reappointment Outside Director Independent Officer</p> <p>4 years in office as Outside Director (as of the conclusion of this General Meeting of Shareholders)</p> <p>Attendance at meetings of Board of Directors: 17/17 (100%)</p> <p>Attendance at meetings of Audit and Supervisory Committee: 14/14 (100%)</p>	<p>March 1994 President, Suntory France S.A.S</p> <p>September 1997 General Manager of Europe Region and General Manager, London Branch, Suntory Limited</p> <p>March 2003 Director, Head, Overseas Business Company, Suntory Limited</p> <p>March 2009 Executive Officer, Suntory Holdings Limited, Managing Director, Suntory Liquors Limited</p> <p>April 2011 Professor, Faculty of Economics, Teikyo University</p> <p>June 2014 Director, the Company</p> <p>June 2016 Director (Audit and Supervisory Committee Member) (current position)</p> <p>April 2018 Visiting Professor, Faculty of Economics, Teikyo University (current position) (Significant concurrent positions) Visiting Professor, Faculty of Economics, Teikyo University</p> <p>[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 has renominated 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.</p>	0
3	<p>Susumu Terasawa (November 15, 1947)</p> <p>Reappointment Outside Director Independent Officer</p> <p>2 years in office as Outside Director (as of the conclusion of this General Meeting of Shareholders)</p> <p>Attendance at meetings of Board of Directors: 17/17 (100%)</p> <p>Attendance at the meetings of Audit and Supervisory Board: 14/14 (100%)</p>	<p>June 1995 Representative Partner, Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)</p> <p>June 2007 General Manager, Quality Control Division, Tohmatsu & Co.</p> <p>April 2012 Visiting Professor, International Accounting, Chuo Graduate School of Strategic Management</p> <p>June 2012 Outside Audit & Supervisory Board Member, The Nisshin Oillio Group, Ltd.</p> <p>June 2013 Audit & Supervisory Board Member, the Company</p> <p>June 2016 Director (Audit and Supervisory Committee Member) (current position)</p> <p>[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 has renominated 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.</p>	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) New candidate Outside Director Independent Officer	<p>April 1996 Registered as a lawyer, joined The Miyake Joint Partnership Law Office (currently Miyake & Partners)</p> <p>May 2002 Partner, The Miyake Joint Partnership Law Office (currently Miyake & Partners) (current position)</p> <p>November 2005 External statutory auditor, WDB Co., Ltd. (currently WDB Holdings Co., Ltd.)</p> <p>June 2009 External director, WDB Co., Ltd. (currently WDB Holdings Co., Ltd.) (current position)</p> <p>(Significant concurrent positions)</p> <p>Partner, Miyake & Partners</p> <p>External director, WDB Holdings Co., Ltd.</p> <p>[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 has newly nominated 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 that he fulfills the “Independence Standards for Outside Directors” stipulated by the Company.</p>	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. Messrs. Seiichi Nagata, Susumu Terasawa, and Kiyoyuki Kuroda are candidates for Outside Directors.
4. The Company has registered Messrs. Seiichi Nagata and Susumu Terasawa 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. Further, if Mr. Kiyoyuki Kuroda is selected as an Outside Director at this year's General Meeting of Shareholders, the Company will also register him as an independent officer.
5. The candidate Mr. Seiichi Nagata will have held his position as Outside Director of the Company for four (4) years at the conclusion of this year's General Meeting of Shareholders and as Director serving as Audit and Supervisory Committee Member for two (2) 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 two (2) years at the conclusion of this year's General Meeting of Shareholders.
7. 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. Masahiro Matsumura, Seiichi Nagata and Susumu Terasawa 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 reelections of Messrs. Masahiro Matsumura, Seiichi Nagata, and Susumu Terasawa are approved, the Company plans to continue with said liability limitation agreement, and if the election of Mr. Kiyoyuki Kuroda is approved, the Company plans to conclude said liability limitation agreement with him.

[Reference]

If this Proposal 3 and Proposal 4 are approved as originally proposed, the composition of the Board of Directors is scheduled to be as shown below.

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
Akira Yamashita	Director and Executive Vice President General Manager, Administration Unit					
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					
Masahiro Matsumura (*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

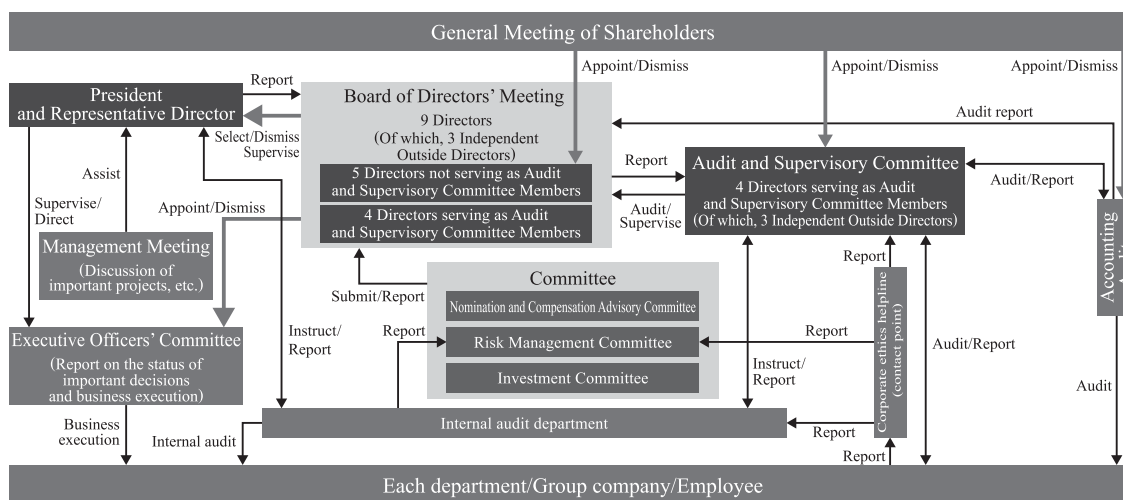
Additionally, to realize this management philosophy, the Company holds "Aiming for sustainable growth on land and at sea through coordination of the three businesses of Civil Engineering, Soil Improvement and Blocks" as its management policy.

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, 2018



[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 five 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 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 nine Directors (including three Independent Outside Directors).

4. Policy and procedures of the Company regarding the nomination of candidates for Directors

The Company has set the following rules on the nomination of candidates for Director, and selection 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.

Proposals for candidates nominated for Directors will be formulated based on findings from deliberations by Nomination and Compensation Advisory Committee, and submitted for discussion to the Board of Directors.

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 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 knowledge regarding finance and accounting.

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

Election the Company's executive officers, including the Chairman, President and Representative Directors, will conform to the same policies and procedures for candidate nomination, as those described above, for Directors.

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 develop stable revenue 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 targets a dividend payout of 25% or more 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.