

June 11, 2019

To Our Shareholders

Company Name	Hazama Ando Corporation
Representative Name	Representative Director and President Masato Fukutomi (Tokyo Stock Exchange First Section securities code: 1719)
Inquiries	Corporate Communication Department General Manager Tsutomu Iida (Tel.: +81 [0]3-6234-3699)

**Supplementary Explanation for Proposal Nos. 2 and 5 at the
Annual General Meeting of Shareholders for the FYE March 31, 2019**

Regarding the election of nine Board Directors in Proposal No. 2 of the Annual General Meeting of Shareholders for the FYE March 31, 2019, scheduled to be held on June 27, 2019, it has come to the Company's attention that proxy advisor Institutional Shareholder Services Inc. (hereinafter referred to as "ISS") has recommended a vote against the proposal related to candidate No. 1 of the nine candidates, Masato Fukutomi. With regard to the proposal from shareholders, to which the Company's Board of Directors have expressed counter opinions, to vote in favor of Proposal No. 5, "Partial Amendment to the Articles of Incorporation (Thorough Safety and Health Management)," the Company has obtained information that ISS is also recommending a vote in favor of the proposal.

Therefore, a supplementary explanation regarding the proposals in question is provided below.

It is our hope that we will receive the understanding of our shareholders regarding Proposal No. 2, and that they will appreciate our Board of Directors' opposition to Proposal No. 5, after they have reviewed the details of the supplementary explanation.

1. Details of ISS recommendation against Proposal No. 2 and in favor of Proposal No. 5

As a result of matters surrounding a succession of accidents at the Company construction site, ISS has raised concerns about the Company's safety and health management and is recommending a vote against Company President Masato Fukutomi under Proposal No. 2, "The election of nine Board Directors." With regard to Proposal No. 5, "Partial Amendment to the Articles of Incorporation (Thorough Safety and Health Management)," ISS is recommending a vote in favor of the proposal.

2. Supplementary information on Proposal No. 2

Following last July's fire, we took—under President Fukutomi's direction—emergency measures to prevent any recurrence and, in view of their importance, repeatedly review and formulate specific measures to prevent any recurrence based on inspections and verification by and on the recommendations of outside experts. In a message to all officers and employees, President Fukutomi expressed his strong determination for there to be no repeat of such a serious fire, and the Company as a whole engaged in thorough safety and health management. From the Company's perspective, we remain confident that Masato Fukutomi, as president, will continue to provide leadership to all officers, employees and partner companies, in his belief that it is necessary to ensure thoroughness in safety and health management and to make strenuous efforts to restore trust at an early stage.

With regard to the status of the Company's efforts to prevent a recurrence, please refer to the press release “Regarding Reviews of Allowance for Construction Losses and Extraordinary Losses Related to Fire at Company Construction Site (Tama City, Tokyo), Status of Additional Accounting and Recurrence Prevention Measure Efforts,” dated May 13, 2019 (in Japanese only).

3. Supplementary information on Proposal No. 5

As announced on May 13, 2019, the Company's Board of Directors is opposed to Proposal No. 5 for the following reasons:

(Reasons)

The Company has stated that “SAFETY FIRST” in its Basic Policy for Safety and Health, and has built and operated labor safety and health management systems in an effort to ensure safety and health management for all personnel engaged on construction work including cooperating companies.

In addition, in response to the aforementioned fire that occurred last July, the Company has formulated and implemented measures to prevent recurrence such as revising the rules on the use of fire based on suggestions from outside experts, and has also made further efforts to ensure safety management by officers and employees through the actions listed below.

- A strong statement of resolve by top management not to repeat any serious accidents, and instructions to all employees to be certain to implement measures to prevent recurrence, increase safety awareness and ensure safety management
- Clarification of roles and responsibilities after strengthening involvement of head office and branch officers to ensuring appropriate implementation of measure to prevent recurrence and ensuring safety rules take hold
- Creation of a new manual summarizing all rules on safety management in one book to spread safety culture, and utilization of this in safety education

The Articles of Incorporation stipulate basic matters concerning the Company's organization, etc., and it is our belief that stipulating a code of conduct, policies, etc. on the execution of business is not compatible with the nature of the Articles of Incorporation.

Furthermore, this proposal is for the Articles of Incorporation to stipulate only part of the code of conduct, policies, etc. on the execution of business that exist elsewhere, and we believe it is also inappropriate from this perspective.

However, we are already ensuring safety and health management in ways other than amendment of the Articles of Incorporation as stated above.

Therefore, it is the Company's view that it is not necessary to establish provisions such as those shown in Proposal No. 5 in the Articles of Incorporation.