

Announcement of Discontinuation (Abolition) of Policy Against Large-scale Acquisition of Nippon Koei Shares (Anti-Takeover Measures)

Nippon Koei Co., Ltd. (hereinafter “the Company”) first introduced the Policy Against Large-scale Acquisition of Nippon Koei Shares (hereafter “the Policy”) through a resolution of the Board of Directors in May 2006, and then continued the Policy after partial revision through a resolution of the Board of Directors in June 2007. Subsequently, the Policy continued after partial revisions with approval of the Company’s Annual General Meeting of Shareholders in June 27, 2008, June 29, 2011, September 27, 2013 and September 29, 2016, respectively (hereafter the latest Policy revised in September 29, 2016 is referred to as “the current Policy”). The effective period of the current Policy is until the conclusion of the 75th Annual General Meeting of Shareholders to be held on September 26, 2019. This announcement is to inform that the Company resolved to discontinue (abolish) the current Policy on this expiration date at the Board of Directors meeting held today as explained below.

The Company formulated a long-term management strategy and deployed a medium-term management plan from the perspective of maintaining and improving the Company’s corporate value and ultimately the common interests of shareholders and has worked to improve the corporate value furthermore by implementing various measures. Meanwhile the Company determined the Basic Policies for Definition of Those Who Control the Company’s Financial and Business Policy Decisions, introduced and continued the Response Policy so as not to let inappropriate person control the decision of Company’s financial and business policy in light of the above Basic Policies.

Since the effective period of the current Policy will be expired at the date of the coming Annual General Meeting of Shareholders, the Company has examined the appropriateness of continuing the current Policy, having regard to dialogs with shareholders including institutional investors, recent trends about anti-takeover measures and changes in the business environment surrounding the Company. As a result, the Company has judged it may contribute to maintaining and improving the Company’s corporate value and ultimately the common interests of shareholders that the Company will continue to implement various measures consistently based on long-term management strategy and medium-term management plan formulated in the future and work to strengthen the corporate governance, thus adopted a resolution to discontinue (abolish) the current Policy at the Board of Directors meeting held today.

Even after abolition of the current Policy, the Company will continue actions within the scope permitted by the Financial Instruments and Exchange Act, Companies Act and other relevant laws and regulations. The actions include, but not limited to, requesting to provide with necessary and sufficient information against the parties that engage in or are about to engage in large-scale acquisition of the Company’s shares in order for all shareholders of the Company to make proper judgements on the appropriateness of such large-scale acquisition, as well as taking appropriate measures, such as disclosure of the opinions of the Board of Directors of the Company, and efforts to ensure adequate time and information necessary for the shareholders to examination.

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