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May 14, 2025

To whom it may concern:

Company name THE NIPPON ROAD CO., LTD.
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 Representative Director and President
 Securities code 1884
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Matters Concerning Controlling Shareholders, Etc.

1. Trade name, etc. of parent company, controlling shareholders (excluding parent company), or other affiliates

(As of March 31, 2025)

Name	Attribute	Ratio of voting rights held (%)			Financial instruments exchanges, etc. on which the issued shares are listed
		Direct holding	Voting rights subject to aggregation	Total	
Shimizu Corporation	Parent company	50.18	—	50.18	Prime Market, Tokyo Stock Exchange, Inc. Premier Market, Nagoya Stock Exchange, Inc.

2. Position of the listed company within the corporate group of the parent company, etc. and other relationships between the listed company and the parent company, etc.

(a) Position of the listed company within the corporate group of the parent company, etc. and business relationships and human and capital relationships with the parent company, etc. and its group companies

The Company's parent company is Shimizu Corporation, which holds 22,018 thousand shares of the Company's shares (investment ratio: 50.10%) and 50.18% of voting rights of the Company as of March 31, 2025.

Although the Group (the Company and its consolidated subsidiaries) undertakes construction works and some design and construction works related to road and exterior paving incidental to general civil engineering work from the said company, there has been no monetary borrowing/lending or guarantor/guarantee relationships, nor has there been any licensing related to major products with the said company and its group companies up until now. With regard to human relationships, the Company has accepted a seconded employee from the said company as described below.

(Status of acceptance of seconded employee)

Division name	Number of seconded employees	Parent company or the name of its group company that seconded the employee	Reason for accepting the seconded employee
Branch division	1 person	Shimizu Corporation	To strengthen the said division

- (b) Business restrictions, risks, and merits arising from belonging to the corporate group of the parent company, etc., and impact, etc. on management and business activities from business relationships and human and capital relationships with the parent company, etc. and its group companies

The Company has no restrictions on business activities because the Group is a subsidiary of Shimizu Corporation. In addition, by strengthening the capital relationship with the said company, it becomes possible to mutually complement and effectively utilize business resources such as human resources and know-how in a closer manner, which enables us to maximize synergy, such as increasing orders through strengthened cooperative work for projects, strengthening business competitiveness by utilizing each other's customer networks, technologies, location networks, etc., improving the compliance system further, exchanging and developing human resources, strengthening cooperation for hiring human resources, and streamlining the research and development system. On the other hand, taking into account that the Company's autonomous management to date has developed its business foundation leading to the current solid business performance, we consider it important to respect the current corporate culture and management autonomy so as to enhance the corporate value of the Group.

- (c) Policy and measures for ensuring a certain degree of independence from the parent company, etc. considering business restrictions arising from belonging to the corporate group of the parent company, etc., and impact, etc. on management and business activities from business relationships and human and capital relationships with the parent company, etc. and its group companies

The Company independently conducts business activities without having business restrictions from Shimizu Corporation.

- (d) Status of ensuring a certain degree of independence from the parent company, etc.

With regard to the involvement of the parent company, Shimizu Corporation, in the Company's management, there are no concurrent officers and the said company respects the autonomy for management decisions made by the Company.

Also, the Company's dependence on transactions with the said company is relatively small and many of the Company's transactions are conducted with national governments including the Ministry of Land, Infrastructure, Transport and Tourism, each Expressway Company, local governments, and general private companies that have no capital relationship with the Company. Therefore, we consider that a certain degree of independence has been ensured.

3. Matters concerning transactions with controlling shareholders, etc.

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

Attribute	Name of company, etc.	Address	Capital stock or amount of investment (millions of yen)	Description of business or occupation	Ratio of voting rights, etc. holding (held) (%)		Details of relationship	
							Concurrently serving as officer, etc.	Business relationships
Parent company	Shimizu Corporation	Chuo-ku, Tokyo	74,365	Construction business, development business, and other businesses	(Held) Direct	50.18	—	Undertaking construction works, selling paving materials, etc., placing construction work orders
		Description of transactions			Amount of transactions (millions of yen)		Accounting items	Balance at end of period (millions of yen)
		Undertaking construction works Selling paving materials, etc. Placing construction work orders			15,076 31 175		Accounts receivable from completed construction contracts	4,074
							Electronically recorded monetary claims	1,787
							Advances received on uncompleted construction contracts	544
							Accounts receivable - other	13
							Accounts receivable - trade	10
							Long-term guarantee deposit	138

Notes: 1. Of the above amounts, the balance at the end of the period includes consumption tax, etc.

2. The terms and conditions of transactions with the parent company and policy for determining the terms and conditions of transactions, etc.

(1) Matters to be considered so as not to harm the Company's interests in conducting the said transactions

The terms and conditions of transactions with the parent company for subcontracting and receiving orders, and selling materials are determined in the same manner as the general terms and conditions of transactions after negotiations for each transaction, taking into account market prices, total costs, etc.

(2) The Board of Directors' judgement on whether or not said transactions harm the Company's interests and reasons therefor

Important transactions with the parent company, etc. are deliberated and examined at the Special Committee consisting of Independent Outside Officers from the viewpoints of the aforementioned matters to be considered and the protection of the interests of minority shareholders and, after advice and recommendations are provided to the Board of Directors, the Company makes a final decision based on the internal standards, independently from the parent company. Accordingly, the Company's Board of Directors has determined that the Company's interests would not be harmed. In addition, the Company regularly makes reports on matters regarding said transactions to the Special Committee, which regularly monitors whether or not the Company's interests have been harmed.

(3) Opinions when the judgement of the Board of Directors differs from the opinions of the Outside Directors

Not applicable.

(4) Agreements, etc. with the parent company on the important financial and business policies

In accordance with the “Regulations Concerning Consultation with and Reporting to the Parent Company” and the “Standards for Prior Consultation with and Reporting to the Parent Company” established by the Company, based on the “Standards for Handling Listed Subsidiaries” established by the parent company, the Company discusses or reports on matters to be discussed or reported in advance

4. Policy for protecting minority shareholders in conducting transactions, etc. with controlling shareholders, etc. and status of execution thereof

The Company recognizes that a certain degree of independence from the parent company is ensured and the terms and conditions of transactions, etc. will never be decided with the parent company in an arbitrary manner. In addition, the Company regularly makes reports on matters regarding said transactions to the Special Committee consisting of Independent Outside Officers, which regularly monitors whether or not the Company’s interests are harmed.

The Company protects the interests of all the shareholders by appropriately and fairly conducting all transactions, including those with the parent company, so as not to harm the Company’s independence and interests.

5. Other

At the Board of Directors meeting held on May 14, 2025, the Company resolved to express its opinion in support of the tender offer (hereinafter, the “Tender Offer”) by Shimizu Corporation, the parent company of the Company (hereinafter, the “Tender Offeror”), for the Company’s common shares (hereinafter, the “Company Shares”), in addition to recommending that the Company’s shareholders tender their shares in the Tender Offer. This resolution by the Board of Directors is based on the premise that the Tender Offeror intends, through the Tender Offer and the subsequent series of procedures, to make the Company a wholly-owned subsidiary of the Tender Offeror, and that the Company Shares are scheduled to be delisted.

End