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(Stock Exchange Code 1821)
June 7, 2018

To Shareholders with Voting Rights:

Hideo Arai
Representative Director,
President
Sumitomo Mitsui Construction Co., Ltd.
2-1-6, Tsukuda, Chuo-ku, Tokyo, Japan

**NOTICE OF
THE ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

You are cordially invited to attend the 15th Annual General Meeting of Shareholders of Sumitomo Mitsui Construction Co., Ltd. (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 by submitting the Voting Rights Exercise Form, or via the Internet, etc. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:45 p.m. on Wednesday, June 27, 2018, Japan time.

1. Date and Time: Thursday, June 28, 2018 at 10:00 a.m. Japan time

2. Place: Corporate Headquarters (Conference room on the 2nd floor) located at
2-1-6, Tsukuda, Chuo-ku, Tokyo, Japan

3. Meeting Agenda:

- Matters to be reported:**
1. The Business, the Consolidated Financial Statements for the Company's 15th Fiscal Year (April 1, 2017 - March 31, 2018) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 2. The Non-consolidated Financial Statements for the Company's 15th Fiscal Year (April 1, 2017 - March 31, 2018)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
Proposal 2: Election of 9 Directors
Proposal 3: Election of 2 Audit & Supervisory Board Members
Proposal 4: Approval of Compensation Plan for Allotting Restricted Stock to Directors (excluding External Directors)

- As the following documents are posted on the Company's website pursuant to provisions of laws and regulations as well as Article 13-2 of the Articles of Incorporation, they are not presented in the Appendix of this Notice of the Annual General Meeting of Shareholders.
Necessary systems to ensure appropriate operations and operation status of the systems in the Business Report
The Consolidated Statement of Changes in Net Assets and the Notes to the Consolidated Financial Statements
The Statement of Changes in Net Assets and the Notes to the Non-consolidated Financial Statements
Therefore, the Appendix of this Notice of the Annual General Meeting of Shareholders were part of the Business Report, the Consolidated Financial Statements and the Non-consolidated Financial Statements audited by the Audit & Supervisory Board Members and Accounting Auditor when they prepared the audit report.
- Should the Reference Documents for the General Meeting of Shareholders and the Appendix (the Business Report, the Consolidated Financial Statements, the Non-consolidated Financial Statements) require revisions, the revised versions will be posted on the Company's website.
- The Company's website: <http://www.smcon.co.jp>.

Instructions on Exercising Voting Rights

For Those Attending the General Meeting of Shareholders

Date and time of the Meeting: Thursday, June 28, 2018, at 10:00 a.m.

Please hand in the enclosed Voting Rights Exercise Form at the reception desk on arrival at the Meeting. In addition, please bring this booklet for reference at the meeting.

- If exercising voting rights via proxy, one (1) other shareholder with voting rights may attend the General Meeting of Shareholders as your proxy. In this case, please submit documentation to the Company proving the right to represent, such as the power of attorney. (Non-shareholding proxies, accompanying persons or anyone else who is not a shareholder may not attend the General Meeting of Shareholders.)

For Those Not Attending the General Meeting of Shareholders

Deadline for exercising voting rights: Wednesday, June 27, 2018, 5:45 p.m.

By Mail

Please indicate whether you approve or disapprove of each proposal on the enclosed Voting Rights Exercise Form and return by mail.

By the Internet

Please indicate whether you approve or disapprove of each proposal on the voting rights exercise website designated by the Company:

<https://www.web54.net/>

Please see the following page for details.

If exercising voting rights by mobile phone or smartphone, etc., it is also possible to use a barcode reader to scan the "QR Code[®]" shown to the right to access the voting rights exercise website.

(QR Code is a registered trademark of DENSO WAVE CORPORATION)



- If there is no indication of approval or disapproval for each proposal on the Voting Rights Exercise Form, it shall be deemed as an indication of approval.
- If you exercise your voting rights twice, such as by writing and Internet, etc., only the later vote arriving at the Company will be considered a valid exercise of voting rights, and if they arrive on the same day, the vote cast through the Internet, etc., will be deemed valid.
- If you exercise your voting rights multiple times via the Internet, etc., only the latest vote shall be deemed valid.

Instructions for Exercise of Voting Rights via the Internet, etc.

If exercising voting rights via the Internet, it is possible only by accessing the following voting rights exercise website designated by the Company. If using a smartphone, by scanning the “QR Code” indicated on the enclosed Voting Rights Exercise Form, it is not necessary to enter the “Voting rights exercise code” and “Password” for logging-in to the voting rights exercise website for smartphone.

1. Access the Voting Rights Exercise Website

The voting rights exercise website: <https://www.web54.net/>

If using a mobile phone or smartphone, etc., it is also possible to scan the “QR Code[®]” indicated on the right of the Voting Rights Exercise Form to access the voting rights exercise website.

(QR Code is a registered trademark of DENSO WAVE CORPORATION)



2. Login

Enter the “**Voting rights exercise code**” indicated on the bottom left of your Voting Rights Exercise Form.

3. Enter Password

Enter the “**Password**” indicated on the bottom left of your Voting Rights Exercise Form.

Then follow the instructions on screen.

For inquiries regarding the use of the voting rights exercise website:
Sumitomo Mitsui Trust Bank, Limited
Stock Transfer Agency Web Support Dedicated Hotline
[Telephone] 0120-652-031 (9 a.m. to 9 p.m. Japan time)

About the Password

- The password is a means of verifying whether or not the person exercising voting rights is a legitimate shareholder. Please store this password carefully until the end of this General Meeting of Shareholders.
- The Company shall not respond to inquiries regarding passwords by telephone.
- Incorrectly inputting the password more than a certain number of times will lock it and disable it. To request reissuance of your password, please follow the on screen instructions.

About the Voting Rights Exercise Platform

Institutional investors may utilize the Voting Rights Exercise Platform operated by ICJ, Inc.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

Concerning the appropriation of surplus, the Company proposes the following.

- Matters concerning year-end dividends

The Company, seeks to strengthen its financial standing and increase its internal reserves in preparation for future business expansion while maintaining a stable dividend policy, and determines dividend distribution by taking comprehensive account of trends in business results as well as the future management environment.

Based on the above policy, upon consideration of the financial contents, business results, and future management initiatives, etc., for the 15th fiscal year, for year-end dividends for the 15th fiscal year, the Company proposes the following.

(1) Dividend asset type

Cash

(2) Matters concerning distribution of dividends to shareholders and the total amount

Based on comprehensively taking into consideration the achievement of performance exceeding the budget for fiscal 2017, and the future business prospects and business plan, the Company proposes a year-end dividend of 18 yen per share, an increase of 3 yen compared with the dividend of the previous fiscal year (equivalent amount of 15 yen), which was converted after the consolidation of shares as of October 1, 2017.

In this case, the total amount of dividend will be 2,925,750,960 yen.

(3) Date on which the dividend of surplus becomes effective

June 29, 2018

Proposal 2: Election of 9 Directors

The terms of office of all Directors (9 persons) will expire at the end of this Annual General Meeting of Shareholders. Accordingly, the election of 9 Directors is proposed.

The candidates are as follows, and from the viewpoint that the Company is engaging in a comprehensive construction company mainly in the civil engineering business and building construction business, the Company sets it as basic policy to form a well-balanced Board comprising persons with adequate knowledge regarding both businesses, as well as persons with expertise in governance, fund procurement, and corporate management. The candidates are determined at the Board of Directors upon consideration of the results of deliberations at the Nomination and Compensation Advisory Committee, which serves as advisory bodies to the Board of Directors.

Furthermore, if this Proposal and Proposal 3 are approved as proposed and the candidates assume the positions of Directors or Audit & Supervisory Board Members, respectively, five (5) of the total number of fourteen (14) Directors and Audit & Supervisory Board Members shall be Independent Directors or Independent Auditors as stipulated in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange.

No.		Name	Position	Responsibilities	Attendance at Board of Directors Meetings
1	Reappointment	Hideo Arai	Representative Director, President		100% (15 out of 15 times)
2	Reappointment	Yoshio Nagamoto	Representative Director, Executive Vice President	In charge of Audit, Secretariat, Public Relations, Corporate Planning, Affiliated Business, Administration Division, Safety, Business Innovation & Incubation Division, and Global Division Division Director, Audit Department	100% (15 out of 15 times)
3	Reappointment	Yoshitaka Mimori	Representative Director, Executive Vice President	Division Director, Building Construction Division	100% (15 out of 15 times)
4	New Candidate	Kunio Hanato	Executive Vice President	Division Director, Safety & Environment Management Department	
5	Reappointment	Shoji Kimijima	Director, Senior Managing Executive Officer	Division Director, Secretariat, Public Relations Office, Administration Division	100% (15 out of 15 times)
6	Reappointment	Tomohiko Sato	Director, Senior Managing Executive Officer	Division Director, Corporate Planning Department and Affiliated Business Department	100% (15 out of 15 times)
7	New Candidate	Hiroshi Mashiko	Senior Managing Executive Officer	Division Director, Civil Engineering Division	
8	Reappointment	Kumiko Kitai	External Independent Director		93.3% (14 out of 15 times)
9	Reappointment	Sakio Sasamoto	External Independent Director		100% (15 out of 15 times)

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
1	Hideo Arai (January 11, 1955) [Reappointment] Attendance at Board of Directors Meetings during fiscal 2017: 15 out of 15 times (100%)	April 1977	Joined Sumitomo Construction Co., Ltd.	10,908
		July 2001	General Manager, Technical Consulting Department, Civil Engineering Administration Department, Civil Engineering Division	
		April 2003	General Manager, Civil Engineering Technical Consulting Department, Civil Engineering Administration Department, Civil Engineering Business Division	
		April 2010	General Manager, Renewal Project Office, Project Office, Civil Engineering Business Division of the Company	
		April 2010	Executive Officer	
		April 2011	General Manager, Tokyo Civil Engineering Branch	
		April 2011	Managing Executive Officer	
		June 2012	Director	
		April 2013	Senior Managing Executive Officer	
		April 2015	Representative Director (to present), President (to present)	
Reasons for selection as a candidate for Director Since joining the Company, Mr. Hideo Arai has accumulated a wealth of experience from serving important posts in the civil engineering section, and is currently working to strengthen corporate governance and further enrich the management structure. Based on the fact that he has been adequately fulfilling his responsibilities as top manager, the Company has judged it appropriate to renominate him as a candidate for Director.				
2	Yoshio Nagamoto (May 10, 1952) [Reappointment] Attendance at Board of Directors Meetings during fiscal 2017: 15 out of 15 times (100%)	April 1975	Joined Sumitomo Bank	8,034
		May 2004	General Manager, Credit Department I, Corporate Banking Unit, Sumitomo Mitsui Banking Corporation	
		November 2005	Representative Director and President, SMFG Corporate Recovery Servicer Co., Limited	
		June 2007	Corporate Auditor (full-time), Daiwa Securities SMBC Co., Ltd.	
		September 2009	Advisor, Sumitomo Mitsui Banking Corporation	
		March 2010	Corporate Advisor of the Company	
		April 2010	Executive Vice President (to present)	
		April 2010	Division Director, Audit Department (to present)	
		June 2010	Representative Director (to present)	
		June 2010	In charge of Audit, Public Relations and Administration Division (to present)	
		April 2013	In charge of Secretariat (to present)	
		April 2014	In charge of Corporate Planning, Affiliated Business, Business Innovation & Incubation Division and Global Division (to present)	
		April 2018	In charge of Safety (to present)	
Reasons for selection as a candidate for Director Mr. Yoshio Nagamoto has accumulated a wealth of experience in finance and as a management executive through his career at banks, and currently, he is adequately fulfilling his responsibilities as the director in charge of the corporate administration section, safety section, global section, and business innovation & incubation section of the Company. Therefore, the Company has judged it appropriate to nominate him as a candidate for Director.				

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
3	Yoshitaka Mimori (March 12, 1956) [Reappointment] Attendance at Board of Directors Meetings during fiscal 2017: 15 out of 15 times (100%)	April 1979	Joined Sumitomo Construction Co., Ltd.	7,748
		January 2000	General Manager, Building Construction Department, Building Construction Administration Department and Tokyo Branch	
April 2003	General Manager, Building Construction Department, Building Construction Administration Department, Tokyo Building Construction Branch of the Company			
April 2011	Executive Officer			
April 2013	Managing Executive Officer			
April 2015	Senior Managing Executive Officer			
June 2015	Director			
April 2016	Division Director, Building Construction Division (to present)			
April 2018	Representative Director (to present) Executive Vice President (to present)			
Reasons for selection as a candidate for Director Since joining the Company, Mr. Yoshitaka Mimori has accumulated a wealth of experience from serving important posts in the building construction section, and currently, he is adequately fulfilling his responsibilities as Division Director of Building Construction Division. Therefore, the Company has judged it appropriate to renominate him as a candidate for Director.				
4	Kunio Hanato (May 6, 1955) [New Candidate]	April 1974	Joined Mitsui Construction Co., Ltd.	4,411
		January 2002	General Manager, Building Construction Department, Yokohama Branch	
April 2003	General Manager, Building Engineering Department General Manager, Building Construction Department, Yokohama Branch			
October 2012	General Manager, Construction Department II, Building Construction Administration Department, Tokyo Metropolitan District Housing Construction Business Department of the Company			
April 2015	Executive Officer Managing Executive Officer			
April 2017	General Manager, Tokyo Building Construction Branch			
April 2018	Senior Managing Executive Officer Executive Vice President (to present), Division Director, Safety & Environment Management Department (to present)			
Reasons for selection as a candidate for Director Since joining the Company, Mr. Kunio Hanato has accumulated a wealth of experience from serving important posts in the building construction section, and currently, he is adequately fulfilling his responsibilities as Division Director of Safety & Environment Management Department, in addition to having made a major contribution to rebuilding the building construction section during the period of General Manager of Tokyo Building Construction Branch, which is a main branch. Therefore, the Company has judged it appropriate to nominate him as a candidate for Director.				
5	Shoji Kimijima (July 29, 1955) [Reappointment] Attendance at Board of Directors Meetings during fiscal 2017: 15 out of 15 times (100%)	April 1979	Joined Sumitomo Construction Co., Ltd.	7,627
		June 1999	General Manager, General Affairs Department, Administration Division	
April 2003	General Manager, General Affairs Department, Global Business Department of the Company			
April 2011	Executive Officer			
April 2012	Division Director, Secretariat (to present)			
April 2013	Managing Executive Officer Division Director, Public Relations Office (to present)			
June 2013	Division Director, Administration Division (to present)			
April 2016	Director (to present) Senior Managing Executive Officer (to present)			
Reasons for selection as a candidate for Director Since joining the Company, Mr. Shoji Kimijima has accumulated a wealth of experience from serving important posts in the corporate administration section, and currently, he is adequately fulfilling his responsibilities as Division Director of Administration Division and Division Director of Secretariat and Public Relations Office. Therefore, the Company has judged it appropriate to renominate him as a candidate for Director.				

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
6	Tomohiko Sato (March 31, 1954) [Reappointment]	April 1977 February 2002 April 2003 April 2012	Joined Mitsui Construction Co., Ltd. General Manager, Alliance and Integration Strategy Office, Corporate Planning Division Assistant General Manager, Corporate Planning Department, Corporate Planning Division of the Company Executive Officer Division Director, Corporate Planning Department and Affiliated Business Department (to present)	8,303
	Attendance at Board of Directors Meetings during fiscal 2017: 15 out of 15 times (100%)	June 2013 April 2014 April 2016	Director (to present) Managing Executive Officer Senior Managing Executive Officer (to present)	
Reasons for selection as a candidate for Director Since joining the Company, Mr. Tomohiko Sato has accumulated a wealth of experience from serving important posts in the corporate administration section, and currently, he is adequately fulfilling his responsibilities as Division Director of Corporate Planning Department and Affiliated Business Department. Therefore, the Company has judged it appropriate to renominate him as a candidate for Director.				
7	Hiroshi Mashiko (March 12, 1956) [New Candidate]	April 1979 April 2003 April 2007 April 2010 April 2012 April 2013 April 2015	Joined Sumitomo Construction Co., Ltd. Civil Engineering Works Site, Kyusyu Branch of the Company General Manager, Civil Engineering Technical Consulting Department, Civil Engineering Administration Division General Manager, Tohoku Branch Executive Officer Managing Executive Officer Senior Managing Executive Officer (to present), Division Director, Civil Engineering Division (to present)	6,590
	Reasons for selection as a candidate for Director Since joining the Company, Mr. Hiroshi Mashiko has accumulated a wealth of experience from serving important posts in the civil engineering section, and currently, he is adequately fulfilling his responsibilities as Division Director of Civil Engineering Division. Therefore, the Company has judged it appropriate to nominate him as a candidate for Director.			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
8	<p>Kumiko Kitai (October 29, 1952)</p> <p>[Reappointment] [Candidate for External Director] [Candidate for Independent Director]</p> <p>Attendance at Board of Directors Meetings during fiscal 2017: 14 out of 15 times (93.3%)</p>	<p>April 1976 Joined Ministry of Labour</p> <p>June 1992 Director, Local Employment Measures Division, Employment Security Bureau</p> <p>June 1994 Director, Women's Welfare Section, Women's Bureau</p> <p>April 1996 Director, Women's Policy Planning Division, Women's Bureau</p> <p>July 1999 Lieutenant Governor, Shizuoka Prefecture</p> <p>August 2001 Deputy Director-General of the Secretariat, Central Labour Relations Commission</p> <p>August 2003 Ministerial Councilor (in charge of Equal Employment, Children and Families), Ministry of Health, Labour and Welfare</p> <p>August 2005 Director-General, Equal Employment, Children and Families Bureau</p> <p>September 2006 Director-General of the Secretariat, Central Labour Relations Commission</p> <p>August 2007 Retired from Ministry of Health, Labour and Welfare</p> <p>August 2007 Senior Managing Director, Japan Industrial Safety and Health Association</p> <p>June 2011 External Audit & Supervisory Board Member, TAKARA HOLDINGS INC. (to present)</p> <p>October 2012 Commissioner, Tokyo Metropolitan Public Safety Commission (to present)</p> <p>June 2014 External Director, KYOWA EXEO CORPORATION (to present)</p> <p>June 2014 External Director of the Company (to present)</p> <p>July 2014 Established Kachidoki Law Office</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • Attorney-at-law, Kachidoki Law Office • External Director, KYOWA EXEO CORPORATION • External Audit & Supervisory Board Member, TAKARA HOLDINGS INC. • Commissioner, Tokyo Metropolitan Public Safety Commission 	0
<p>1. Reasons and backgrounds for selection as a candidate for External Director</p> <p>1) Ms. Kumiko Kitai is an External Director as stipulated by Item 7 for Clause 3 of Article 2, of the Ordinance for Enforcement of the Company Law.</p> <p>2) Ms. Kumiko Kitai has been selected as a candidate for External Director as the Company wishes to have her continue to exercise her wide range of views and variety of experience from her past management of the Company. Furthermore, during her tenure as External Director, she has been adequately fulfilling her responsibilities as Director of the Company, and as stated in (4. Matters regarding Corporate Officers (4) Matters regarding External Officers 2) Main Activities for the Fiscal Year Under Review) of the Business Report for the 15th fiscal year (available in Japanese only), she is appropriately fulfilling her responsibilities during the fiscal year under review as well. Therefore, the Company has judged that she will continue to appropriately fulfill the responsibilities of External Director.</p> <p>2. Independence qualification of candidate for External Director</p> <p>In view of the fact that no transactions exist between the law office that Ms. Kumiko Kitai operates and the Company, the Company has judged that she does not have any conflicts of interest with general shareholders and possesses adequate independence qualification, and has thereby registered her as an Independent Director with the Tokyo Stock Exchange, as stipulated in Article 436-2 of the Securities Listing Regulations. If she is reelected as Director and appointed External Director, the Company plans to maintain her registration as an Independent Director.</p> <p>3. Liability limitation agreements</p> <p>An agreement to limit liability of Clause 1 of Article 423 of the Company Law has been concluded between Ms. Kumiko Kitai and the Company, and the ceiling of the indemnity based on fore mentioned agreement shall be the minimum amount stipulated by laws and regulations. If she is reelected as Director and appointed External Director, the Company plans to keep the above liability limitation agreement.</p> <p>4. Number of years since the candidate for External Director assumed office as External Director of the Company</p> <p>The term of retention of Ms. Kumiko Kitai as External Director will be four (4) years at the close of this General Meeting.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
	Sakio Sasamoto (December 24, 1950) [Reappointment] [Candidate for External Director] [Candidate for Independent Director] Attendance at Board of Directors Meetings during fiscal 2017: 15 out of 15 times (100%)	April 1974 December 1999 April 2001 April 2003 April 2005 August 2005 April 2008 June 2009 June 2012 June 2016 Joined Nippon Kokan Corporation General Manager, Real Estate Dept. General Manager, Legal & General Administration Dept. Executive Assistant, General Administration and Legal Division, JFE Holdings, Inc. Vice President, General Manager, General Administration and Legal Division Vice President, General Manager, General Administration Dept. Senior Vice President Representative Director, President and CEO, JFE LIFE CORPORATION Audit & Supervisory Board Member, JFE Holdings, Inc. (retired in June 2016) External Director of the Company (to present)	0
9		<p>1. Reasons for selection as candidate for External Director</p> <p>1) Mr. Sakio Sasamoto is an External Director as stipulated by Item 7 for Clause 3 of Article 2, of the Ordinance for Enforcement of the Company Law.</p> <p>2) Mr. Sakio Sasamoto has been selected as a candidate for External Director as the Company wishes to have him continue to exercise his wide range of experience regarding management of the Company. Furthermore, during his tenure as External Director, he has been adequately fulfilling his responsibilities as Director of the Company, and as stated in (4. Matters regarding Corporate Officers (4) Matters regarding External Officers 2) Main Activities for the Fiscal Year Under Review) of the Business Report for the 15th fiscal year (available in Japanese only), he is appropriately fulfilling his responsibilities during the fiscal year under review as well. Therefore, the Company has judged that he will continue to appropriately fulfill the responsibilities of External Director.</p> <p>2. Independence qualification of candidate for External Director</p> <p>Mr. Sakio Sasamoto has served for many years at JFE Holdings Group, which has business relationships with the Company, and the amount of business between the Group and said group is less than 1% of annual consolidated net sales of the Group and said group, on average over the most recent three years. The Company has judged that he does not have any conflicts of interest with general shareholders and possesses adequate independence, and has thereby registered him as an Independent Director with the Tokyo Stock Exchange, as stipulated in Article 436-2 of the Securities Listing Regulations. If he is reelected as Director and appointed External Director, the Company plans to maintain his registration as an Independent Director.</p> <p>3. Liability limitation agreements</p> <p>An agreement to limit liability of Clause 1 of Article 423 of the Company Law has been concluded between Mr. Sakio Sasamoto and the Company, and the ceiling of the indemnity based on fore mentioned agreement shall be the minimum amount stipulated by laws and regulations. If he is reelected as Director and appointed External Director, the Company plans to keep the above liability limitation agreement.</p> <p>4. Number of years since the candidate for External Director assumed office as External Director of the Company</p> <p>The term of retention of Mr. Sakio Sasamoto as External Director will be two (2) years at the close of this General Meeting.</p>	

(Note) There are no special interests between each candidate and the Company.

Proposal 3: Election of 2 Audit & Supervisory Board Members

The terms of office of Audit & Supervisory Board Members Mr. Muneki Watanabe and Mr. Yuzuru Nagashima will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of 2 Audit & Supervisory Board Members is proposed.

In addition, this proposal has been determined at the Board of Directors upon consideration of the results of deliberations at the Nomination and Compensation Advisory Committee.

The Audit & Supervisory Board has previously given its approval to this proposal.

The candidates are as follows:

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions		Number of shares of the Company held
	Michio Harada (November 25, 1958) [New Candidate]	April 1981 April 2003 July 2004 June 2011 April 2018	Joined Sumitomo Construction Co., Ltd. Intensive Business Support Center, Accounting Department, Treasury Management Department of the Company Accounting Team Leader, General Affairs Department, Hokkaido Branch General Manager, Audit Department Audit Department (to present)	2,836
1	<ol style="list-style-type: none">Reasons for selection as a candidate for Audit & Supervisory Board Member Since joining the Company, Mr. Michio Harada has accumulated a wealth of experience in the business support section and made a major contribution to strengthening the company's internal control and governance as General Manager of Audit Department. Therefore, the Company has judged it appropriate to nominate him as a candidate for Audit & Supervisory Board Member.Liability limitation agreements To promote superior personnel to serve as Audit & Supervisory Board Member of the Company, the Company defines in its Articles of Incorporation that it can conclude agreements to limit liability with Audit & Supervisory Board Member for liability toward the Company. Based on the above, if Mr. Michio Harada is elected and appointed as Audit & Supervisory Board Member, the Company plans to conclude an agreement to limit liability of Clause 1 of Article 423 of the Company Law, and the ceiling of the indemnity based on fore mentioned agreement shall be the minimum amount stipulated by laws and regulations.			

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
	Yukihiro Hoshi (February 5, 1953) [New Candidate] [Candidate for External Audit & Supervisory Board Member] [Candidate for Independent Auditor]	<p>April 1975 Joined Sumitomo Metal Mining Co., Ltd.</p> <p>October 1989 Manager, Maintenance & Engineering Section, Tochigi Plant, Siporex Department, Construction Materials Division</p> <p>October 1990 Manager, Maintenance & Engineering Section, Yokohama Plant, Siporex Department, Construction Materials Division</p> <p>November 1993 Manager, Production Sect. of Yokohama Plant, Construction Materials Division</p> <p>July 1997 General Manager, Tochigi Plant, Housing & Construction Materials Division</p> <p>June 2007 General Manager of Risk Management Department</p> <p>April 2010 Japan Mining Industry Association Managing Director</p> <p>April 2014 General Manager, Technology/Environment & Safety Department</p> <p>June 2014 General Manager, Safety & Environmental Control Department Corporate Planning Department (to present; scheduled to retire in June 2018)</p>	0
2		<p>1. Reasons, etc. for selection as candidate for External Audit & Supervisory Board Member</p> <p>1) Mr. Yukihiro Hoshi is a candidate for External Audit & Supervisory Board Member as stipulated by Item 8 for Clause 3 of Article 2, of the Ordinance for Enforcement of the Company Law.</p> <p>2) Mr. Yukihiro Hoshi has been selected as a candidate for External Audit & Supervisory Board Member as the Company wishes to have him exercise his wealth of experience regarding production, safety, environment, and risk management, etc. to strengthen the structure of Audit & Supervisory Board Member audits of the Company.</p> <p>2. Independence qualification of candidate for External Audit & Supervisory Board Member</p> <p>Mr. Yukihiro Hoshi has served as a business executor at Sumitomo Metal Mining Co., Ltd., which has business relationships with the Company, and the amount of business between the Group and said group is less than 2% of annual consolidated net sales of the Group, on average over the most recent three years. The Company has judged that he does not have any conflicts of interest with general shareholders and possesses adequate independence, and if he is elected as Audit & Supervisory Board Member and is appointed External Audit & Supervisory Board Member, he is going to become an Independent Director as stipulated in Article 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange.</p> <p>3. Liability limitation agreements</p> <p>To retain superior personnel to serve as Audit & Supervisory Board Member of the Company, the Company defines in its Articles of Incorporation that it can conclude agreements to limit liability with Audit & Supervisory Board Member for liability toward the Company. Based on the above, if Mr. Yukihiro Hoshi is elected and appointed as Audit & Supervisory Board Member, the Company plans to conclude an agreement to limit liability of Clause 1 of Article 423 of the Company Law, and the ceiling of the indemnity based on fore mentioned agreement shall be the minimum amount stipulated by laws and regulations.</p>	

(Note) There are no special interests between each candidate and the Company.

Proposal 4: Approval of Compensation Plan for Allotting Restricted Stock to Directors (excluding External Directors)

The amount of compensation and related issues for Directors of the Company was approved at the 85th Annual General Meeting of Shareholders of the Company (formerly Mitsui Construction Co., Ltd.) held on June 28, 2001 as within the limit of 25 million yen per month (not including employee portions payable to Directors who serve concurrently as employees).

In order to have Directors of the Company (excluding External Directors; hereinafter “Eligible Director(s)”) share the benefits and risks of stock price fluctuations with shareholders and increase their motivation towards raising stock price through improving business performance and therefore enhancing corporate value, the Company proposes the allocation of ordinary shares of the Company subject to the provision of a certain transfer restriction period and the conditions for self acquisition by the Company without contribution (hereinafter “Restricted Stock”) to Eligible Directors as follows.

Accordingly, taking into comprehensive account the matters such as the degree of contribution of the Directors at the Company, apart from the above-mentioned amount of monetary compensation, etc. for Directors, the Company proposes to set the total amount of monetary compensation claims to be paid as compensation for Restricted Stock to Eligible Directors within 60 million yen per year. The allotment of Restricted Stock has been decided by comprehensively taking into consideration various matters such as the degree of contribution of Eligible Directors at the Company, and the Company believes that its contents are appropriate.

While there are currently nine (9) Directors (of which two (2) are External Directors), there will be nine (9) Directors (of which two (2) will be External Directors) continuously if Proposal 2 is approved.

Specific content and limit of the number of Restricted Stock to be Allotted to Eligible Directors

1. Allotment and payment of Restricted Stock

The Company shall grant monetary compensation claims with respect to compensation in the form of Restricted Stock within the annual value limits specified above to Eligible Directors based on the resolution of the Board of Directors of the Company, and each Eligible Director shall, in return, receive the Restricted Stock that will be allotted by the Company by payment of all monetary compensation claims through a method of in-kind contribution.

The amount to be paid of Restricted Stock per share shall be decided by the Board of Directors of the Company concerning the allotment based on the closing price of common stock of the Company on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution by the Board of Directors of the Company (or the closing price on the transaction day immediately prior thereto if there is no transaction on such date); providing, however, the decided amount shall not fall inside a range especially advantageous for Eligible Directors receiving the Restricted Stock.

In addition, the aforementioned monetary compensation claims shall be granted conditional on the agreement of Eligible Directors to the aforementioned in-kind contribution and on the conclusion of the Restricted Stock allotment agreement including contents specified in 3. below.

2. Total number of Restricted Stock

The maximum total number of Restricted Stock to be allotted to Eligible Directors by the Company in each fiscal year shall be 150,000 shares.

However, that in the event of a stock split with respect to the Company’s common stock (including the allotment of shares without contribution) or a consolidation of common stock with an effective date on or after the date of the resolution of this Proposal involving the necessity to make other adjustments to the total number of Restricted Stock allotted under such conditions, the total number of Restricted Stock to be allotted may be reasonably adjusted depending on the ratio of the stock split or the share consolidation, etc.

3. Contents of the Restricted Stock allotment agreement

Upon the allotment of Restricted Stock, the Restricted Stock allotment agreement including the following contents shall, based on a resolution by the Board of Directors of the Company, be concluded between the Company and Eligible Directors who are to be allotted the Restricted Stock.

(1) Transfer restriction

Eligible Directors receiving an allotment of Restricted Stock shall not transfer, establish a pledge or security interests on, make an advancement, leave a bequest, or conduct any other act of disposal against third parties during a 30 year period (hereinafter the “Transfer Restriction Period”).

(2) Acquisition of Restricted Stock without contribution

If an Eligible Director who received an allotment of Restricted Stock retires from positions of both Director and Executive Officer of the Company by the day before the day of the first Annual General Meeting of Shareholders of the Company after the start of the Transfer Restriction Period, all of the allotment of Restricted Stock to the Eligible Director concerned (hereinafter the "Allotted Shares") shall automatically be acquired by the Company at no cost except in the case that the Company's Board of Directors deems that the reason is valid.

The Company shall automatically acquire all the Allotted Shares without cost, if the transfer restriction on the Allotted Shares has not been lifted at the expiration of the Transfer Restriction Period of (1) above based on the terms provided in (3) "Lifting of transfer restrictions" below.

(3) Lifting of transfer restrictions

In the event that the Eligible Director who received an allotment of Restricted Stock has held a position of Director or Executive Officer of the Company continuously by the day before the day of the first Annual General Meeting of Shareholders of the Company after the start of the Transfer Restriction Period, the transfer restriction on all the Allotted Shares is to be lifted when the Transfer Restriction Period expires.

However, if the Eligible Director in question retires from both positions of Director and Executive Officer of the Company before the expiration of the Transfer Restriction Period due to reasons the Company's Board of Directors deems valid, the number of Allotted Shares on which transfer restriction is to be lifted and the time of the lifting of the transfer restriction shall be reasonably adjusted as necessary.

(4) Treatment during reorganization

If, during the Transfer Restriction Period, proposals relating to a merger agreement in which the Company is the dissolving company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other reorganization are approved at the Company's general meeting of shareholders (or in the case where the approval at the Company's General Meeting of Shareholders is not required, in relation to the reorganization in question, a meeting of the Company's Board of Directors), based on the resolution of the Company's Board of Directors, transfer restriction on the number of Allotted Shares that is reasonably calculated considering the period from the beginning of the Transfer Restriction Period to the date of approval of the reorganization shall be lifted prior to the date on which the reorganization becomes effective.

In this case, the Company shall automatically acquire the Allotted Shares on which transfer restriction is not lifted without cost as of the time immediately after the transfer restriction was lifted under the above provision.

(5) Other matters determined by the Board of Directors

In addition to the above, the method of manifestation of intention and notice in the Restricted Stock allotment agreement, the method of amending the Restricted Stock allotment agreement, and other matters determined by the Board of Directors shall be the contents of the Restricted Stock allotment agreement.

(Reference)

On or after the conclusion of this Annual Meeting, the Company plans to allot identical Restricted Stock to the Restricted Stock mentioned above to the Executive Officers of the Company.

End