[Please note that the following document intends to be the translation from the Japanese Notice of the 52nd Ordinary General Meeting of Shareholders of Takamatsu Construction Group Co.,Ltd., and is prepared for the convenience of shareholders outside Japan with voting rights. However, in the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.]

Notice of the 52nd Ordinary Shareholders Meeting

Date : Thursday, June 22, 10:00 AM (Japan Standard Time)

Please review the Reference Documents for the Shareholders Meeting and exercise your voting rights no later than 5:30 PM., Wednesday, June 21 Japan Standard Time.

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Matters to be Resolved and Reference Materials

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【Booklet P1】

Notice of the Shareholders Meeting

Securities Code 1762

June 1, 2017

To our Shareholders：

Nobuhiko Yoshitake
President and Representative Director of the Board
Takamatsu Construction Group Co., Ltd.
1-2-3 Shin-Kitano, Yodogawa-ku, Osaka

Notice of the 52nd Ordinary Shareholders Meeting

You are cordially invited to attend the 52nd Ordinary Shareholders Meeting of the Company. The Meeting will be held as described below.

If you are unable to attend the Meeting, you can exercise your voting rights by paper ballot, or via the internet. Please review "Instructions for Exercising Your Voting Rights" on Page 4 of the booklet to exercise your voting rights in accordance with the guidance hereinafter no later than 5:30 PM, Wednesday, June 21, 2017.

【Exercise by paper ballot】

Please indicate your votes, either "for" or "against", for each of the proposals on the enclosed "Voting Rights Exercise Form" and return the form through the mail.

【Exercise via internet】

Please access our voting right exercise website (http://www.it-soukai.com/), and by using the "Exercise Code" and "Password" indicated in the enclosed "Voting Rights Exercise Form" and by following the instructions that show up on the screen, indicate your votes (i.e. for or against) for each of the proposals.

For nominal shareholders who own the share through trust banks etc., your votes can be exercised through Electronic Exercise Platform operated by ICJ Co., Ltd., provided that the use of the Platform has been requested prior to the exercise thereon.

Sincerely,

Nobuhiko Yoshitake

President and Representative Director of the Board

Details：

1. Date and Time

   10:00 AM, Thursday, June 22, 2017

   (Reception will start at 9:20 AM)

   We will present our "Group Introduction Video" starting at around 9:40 AM.

2. Place

   1-2-3 Shin-Kitano, Yodogawa-ku, Osaka

Conference Room, 3rd Floor (Please refer to the map shown on the last page of the booklet, as well as the last page of this document.)

【Booklet P2】

3. Agenda

Subjects to be Reported

1. Business Report, Consolidated Financial Statements and their auditing reports by Accounting Auditor and Auditors of the Board for the fiscal year that ended March 31, 2017 (the 52nd Business Year commenced on April 1, 2016 and ended March 31, 2017).
2. Non-consolidated Financial Statements for the fiscal year that ended March 31, 2017 (the 52nd Business Year commenced on April 1, 2016 and ended March 31, 2017).

Matters to be Voted Upon by Shareholders

1. Election of Sixteen (16) Directors of the Board
2. Election of One (1) Auditor of the Board

【Booklet P3】

Notice

(1) If you attend the Meeting in person;

Please submit the enclosed Voting Form to the reception desk at the Meeting.

Please bring this Notice (Booklet) to the Meeting as this Notice will be used as the reference material of the Meeting.

(2) If you attend the Meeting by Proxy;

Please appoint one of the other Shareholders of the Company who is entitled to vote and have the person attend the General Meeting of Shareholders as your proxy. Due to our Articles of Incorporation, we need to limit the number of proxy to one person only.

Please have the proxy submit your Voting Form at the reception desk of the Meeting, together with the document that certifies your delegation.

(3) Payment of Fiscal Year End Dividends, 52nd Business Year

At the Board of the Directors Meeting of the Company held on May 11, 2017, it was decided that the Company will pay Twenty Eight (28) Japanese yen per share as the Fiscal Year End Dividends of the 52nd Business Year, and that the start date of the dividend payment will be June 23, 2017.

(4) Notice on the Company's Web Site

○ This Notice of the 52nd Ordinary Shareholders Meeting is available on our website below.

○ English translation of this Notice is available on the following website for reference.
https://www.takamatsu-cg.co.jp/en/

○ In accordance with the relevant laws, regulations and Article 15 of the Articles of Incorporation of the Company, though the following explanations are not included in this Notice, they are available on the Company's Web Site

(i) Business Report → The organizational structure and operational status of how operational appropriateness is secured.

(ii) Consolidated Financial Statements → Consolidated Statements of Changes in Equity, Notes to Consolidated Financial Statements

(iii) Financial Statements → Statements of Changes in Equity, Notes to Financial Statements

○ Changes, if any, to the Reference Material for the Ordinary Shareholders Meeting, the Business Report or the Consolidated and Non-consolidated Financial Statements will be notified on the Company's web site below.
https://www.takamatsu-cg.co.jp/

【Booklet P4】

Instructions for Exercising Your Voting Right

Exercising voting right at the General Shareholders Meeting is an important right for all the shareholders of the Company.

Please exercise your voting right by following the guidance below:

If you can attend the Meeting:

Shareholders attending the Meeting are requested to submit the Voting Form to the reception desk at the place of the Meeting.

Date & Time : Thursday, June 22, 2017 10:00 AM (JST)

Place : Takamatsu Construction Group 3F Conference Room

If you cannot attend the Meeting, you can exercise your voting right prior to the Meeting by following either one of the two methods below:

Exercising your voting right by post

Please indicate your vote, either “for” or “against”, on each item of the matters to be voted upon in the enclosed Voting Form. In case no preference is indicated on any of the items, we treat it as an affirmative vote to such items.

Deadline: Please return the Form by post to be received by the Company no later than 5:30 PM, Wednesday, June 21, 2017.

Exercising your voting right via the internet (PC)

Please access our designated Voting website by your PC, and enter your vote (i.e. for or against) on each item of the matters to be voted upon by following the instructions on the screen and by using the Voting Right Exercising Code and Password contained in the enclosed Voting Right Exercise Form.

Designated Voting Right Exercise Web Site : http://www.it-soukai.com/

Deadline: Please enter your vote no later than 5:30 PM, Wednesday, June 21, 2017.

In the event that a Shareholder votes both by mailing the Voting Form and via the internet, only the voting via the internet shall be treated as valid. In addition, if you vote via the internet more than once, the most recent voting shall be treated as valid.

Any costs relating to the internet connection (e.g. provider connection cost, transmission fee, etc.) will be borne by the Shareholder. There may be cases where you cannot use the website due to the internetuse environment or other technical reasons.

If you have further questions regarding voting through the internet, please call “Internet Help Dial”, Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd.

Phone: 0120-768-524 (Toll Free, available 9:00 AM through 9:00 PM except Saturdays, Sundays and Holidays.)

【Booklet P5】

Shareholders Meeting Reference Material

Agenda and Reference Information

Item No.1 Election of Sixteen (16) Directors of the Board

The terms of offices of all our 16 Directors of the Board will expire at the closing of this General Shareholders Meeting. Therefore, an election of sixteen (16) Directors of the Board is proposed.

The candidates for the Directors of the Board are as follows:

Candidate No.1

Name and Date of Birth: Takayuki Takamatsu, September 27, 1937

History, Post and Important Concurrent Position of the Candidate:

Jun. 1965	President and Representative Director of the Board of the Company
Apr. 1990	Chairperson and Representative Director of the Board of the Company
Jun. 2005	Honorary Chairperson and Director of the Board of the Company (Current)
Oct. 2008	Honorary Chairperson and Director of the Board of Takamatsu Corp. (Current)
Jun. 2013	Director of the Board of Asunaro Aoki Construction Co., Ltd. (Current)

Number of Company shares held by the Candidate: 8,613,700

Candidate No.2

Name and Date of Birth: Kanji Ogawa, July 3, 1949

History, Post and Important Concurrent Position of the Candidate:

Jun. 2003	Joined the Company, Advisor of the Company
Jun. 2003	Vice President and Representative Director of the Board, in charge of Headquarters of the Company
Apr. 2004	Vice President and Representative Director of the Board, Director in charge of Headquarters of the Company
Apr. 2004	Director of the Board, Asunaro Aoki Construction Co., Ltd. (Current)
Jan. 2006	President and Representative Director of the Board, Kongo-Gumi Co., Ltd.
Mar. 2006	Vice President and Representative Director of the Board, Director integrating Headquarters of the Company
Sep. 2007	Chairperson and Representative Director of the Board, Nakamura Shaji Co., Ltd.
Oct. 2008	Vice President and Representative Director of the Board of the Company
Aug. 2009	Director of the Board, Takamatsu Corp. (Current)
Apr. 2012	President and Representative Director of the Board of the Company
Apr. 2012	Chairperson and Representative Director of the Board, Kongo-Gumi Co., Ltd. (Current)
Apr. 2013	President and Representative Director of the Board, Director of the Company
Apr. 2017	Chairperson and Representative Director of the Board of the Company (Current)

Number of Company shares held by the Candidate : 16,381

Important Concurrent Position of the Candidate: Chairperson and Representative Director of the Board,

Kongo-Gumi Co., Ltd.

【Booklet P6】

Candidate No.3

Name and Date of Birth: Nobuhiko Yoshitake, November 19, 1952

History, Post and Important Concurrent Position of the Candidate:

Jun. 2012	Vice President and Representative Director of the Board, Director of Asunaro Aoki Construction Co., Ltd.
Apr. 2015	Vice President and Representative Director of the Board, Director integrating Headquarters and Sales Planning Division of Asunaro Aoki Construction Co., Ltd.
Jun. 2015	Director of the Board of the Company
Apr. 2017	President and Representative Director of the Board, Director of the Company (Current)
Apr. 2017	Director of the Board of Asunaro Aoki Construction Co., Ltd.(Current)

Number of Company shares held by the Candidate : 1,421

Candidate No.4

Name and Date of Birth: Takayoshi Takamatsu, February 6, 1967

History, Post and Important Concurrent Position of the Candidate:

Apr. 1990	Joined the Company
Apr. 2005	Manager, President’s Office of the Company
Jun. 2005	Director of the Board, Manager of President’s Office of the Company
Mar. 2006	Director of the Board of the Company
Mar. 2006	Director of the Board, Senior Director of Nippon Kensho Co., Ltd. (Osaka) (Currently Takamatsu Estate Co., Ltd. (Osaka))
Oct. 2008	Director of Management Planning Dept., Takamatsu Corp.
Aug. 2009	Director of the Board, Director in charge of Headquarters, Takamastu Corp.
Apr. 2011	Director of the Board, Senior Director in charge of Headquarters, Takamastu Corp.
Apr. 2013	Director of the Board, Senior Director in charge of Administration Division of the Company
Jun. 2015	Director of the Board, Executive Director in charge of Group Integration Division
Jun. 2016	Representative Director of the Board, Executive Director in charge of Group Integration Division
Apr. 2017	Representative Director of the Board, Vice President in charge of Group Integration Division (Current)

Number of Company shares held by the Candidate : 315,770

【Booklet P7】

Candidate No.5

Name and Date of Birth: Akira Kitamura, September 30, 1952

History, Post and Important Concurrent Position of the Candidate:

Jun. 2001	Senior Director, Nippon Kensho (Osaka) Co., Ltd. (Currently Takamatsu Estate Co., Ltd. (Osaka))
Mar. 2006	Joined the Company, Deputy Manager integrating Headquarters of the Company
Apr. 2006	Senior Director, Deputy Manager integrating Headquarters of the Company
Jun. 2006	Director of the Board, Senior Director integrating Headquarters
Jun. 2008	President and Representative Director of the Board, Nippon Owners Credit Co, Ltd.(Current)
Oct. 2008	Director of the Board, Senior Director in charge of Management Control Division of the Company
Apr. 2011	Director of the Board, Senior Director in charge of Internal Control of the Company
Jun. 2011	Director of the Board, Asunaro Aoki Construction Co., Ltd.
Jun. 2011	Director of the Board, Takamatsu Corp.
Apr. 2012	Director of the Board, Executive Director in charge of Management Control Division of the Company
Apr. 2013	Director of the Board, Executive Director in charge of Headquarters
Jun. 2016	Director of the Board, Executive Director in charge of Administration Division
Apr. 2017	Director of the Board, Executive Director in charge of Risk Management (Current)

Number of Company shares held by the Candidate : 968

Important Concurrent Position of the Candidate: President and Representative Director of the Board, Nippon Owners Credit Co., Ltd.

Candidate No.6

Name and Date of Birth: Hirotaka Takamatsu, February 28, 1971

History, Post and Important Concurrent Position of the Candidate:

Jun. 2007	Joined the Company, Director of the Board of the Company
Apr. 2014	Vice President and Representative Director of the Board, Yamato Construction Co., Ltd. (Osaka) (Currently Takamatsu Techno Service Co., Ltd.(Osaka))
Jun. 2015	Director of the Board, Senior Director, Takamatsu Corp.
Apr. 2016	Director of the Board, Executive Director, Takamatsu Corp.
Apr. 2017	Director of the Board, Executive Director in charge of Group Strategy Division (Current)
Apr. 2017	Director of the Board, Takamatsu Corp (Current)

Number of Company shares held by the Candidate : 292,472

【Booklet P8】

Candidate No.7

Name and Date of Birth:　Yoshinori Matsushita, August 17, 1955

History, Post and Important Concurrent Position of the Candidate:

Jan. 2009	Joined the Company, General Manager of Management Control Division
Apr. 2011	Director of Group Control Division of the Company
Apr. 2015	Senior Director of Management Control Division of the Company
Jun. 2016	Director of the Board, Senior Director of Management Control Division of the Company
Apr. 2017	Director of the Board, Senior Director in charge of Management Control Division of the Company (Current)

Number of Company shares held by the Candidate : 1,829

Candidate No.8

Name and Date of Birth: Yoshio Honoki, April 9, 1942

History, Post and Important Concurrent Position of the Candidate:

Apr. 2000	Director of the Board, Executive Director of Planning and Development Division of the Company
Jun. 2001	President and Representative Director of the Board, Komatsu Construction Industry Co., Ltd. (Currently Asunaro Aoki Construction Co., Ltd.)
Apr. 2004	Chairperson and Representative Director of the Board, Komatsu Construction Industry Co., Ltd.
Oct. 2008	President and Representative Director of the Board of the Company
Jun. 2010	Director of the Board, Asunaro Aoki Construction Co., Ltd. (Current)
Jun. 2011	Director of the Board, Takamastu Corp. (Current)
Apr. 2012	Chairperson and Representative Director of the Board of the Company
Jun. 2016	Director of the Board of the Company (Current)

Number of Company shares held by the Candidate: 8,000

Candidate No.9

Name and Date of Birth: Masaru Ishida, April 2, 1949

History, Post and Important Concurrent Position of the Candidate:

Apr. 1968	Joined the Company
Jun. 1994	Director of the Board, General Manager of Architecture, Osaka Headquarters of the Company
Apr. 1999	Director of the Board, Senior Director, General Manager of Osaka Headquarters of the Company
Apr. 2001	Executive Director integrating Architecture, Komatsu Construction Industry Co., Ltd. (Currently Asunaro Aoki Construction Co., Ltd.)

Jun. 2001	Director of the Board, Executive Director in charge of Architecture, Komatsu Construction Industry Co., Ltd.
Apr. 2004	Vice President and Director of the Board, Komatsu Construction Industry Co., Ltd.
Jun. 2004	Director of the Board of the Company
Apr. 2005	Director of the Board, Asunaro Aoki Construction Co., Ltd.
Jun. 2005	President and Representative Director of the Board of the Company
Oct. 2008	Director of the Board of the Company (Current)
Oct. 2008	President and Representative Director of the Board, Takamatsu Corp.
Apr. 2014	Chairperson and Representative Director of the Board, Asunaro Aoki Construction Co., Ltd. (Current)
Apr. 2014	Director of the Board, Takamatsu Corp. (Current)

Number of Company shares held by the Candidate : 51,413

Important Concurrent Position of the Candidate: Chairperson and Representative Director of the Board, Asunaro Aoki Construction Co., Ltd.

【Booklet P9】

Candidate No.10

Name and Date of Birth: Ryoji Ichiki, May 1, 1948

History, Post and Important Concurrent Position of the Candidate:

Apr. 1971	Joined Aoki Construction Co., Ltd.
Jun. 2001	Director and General Manager of Tohoku Branch, Aoki Construction Co., Ltd.
Apr. 2002	Senior Director and General Manager of Sales Division, Aoki Construction Co., Ltd.
Jul. 2002	President and Representative Director of the Board, Aoki Construction Co., Ltd.
Apr. 2004	President and Representative Director of the Board, Asunaro Aoki Construction Co., Ltd.
Oct. 2008	Director of the Board of the Company (Current)
Aug 2009	Director of the Board, Takamatsu Corp.
Apr. 2013	Chairperson and Representative Director of the Board, Asunaro Aoki Construction Co., Ltd.
Apr. 2014	Chairperson and Representative Director of the Board, Takamatsu Corp. (Current)
Apr. 2014	Director of the Board, Asunaro Aoki Construction Co., Ltd. (Current)

Number of Company shares held by the Candidate : 5,643

Important Concurrent Position of the Candidate: Chairperson and Representative Director of the Board, Takamatsu Corp.

Candidate No.11

Name and Date of Birth: Takatoshi Takamatsu, September 6, 1970

History, Post and Important Concurrent Position of the Candidate:

Apr. 1999	Joined the Company
Jun. 2005	Director of the Board and General Manager of Tokyo Headquarters, JP Home Co., Ltd.
Apr. 2009	Vice President and Representative Director of the Board, JP Home Co., Ltd.
Jun. 2010	Director of the Board of the Company (Current)
Apr. 2012	President and Representative Director of the Board, JP Home Co., Ltd.
Jun. 2013	Director of the Board, Takamatsu Corp.
Apr. 2014	Vice President and Representative Director of the Board, Takamatsu Corp.
Jun. 2015	Vice President and Representative Director of the Board, Director of Takamatsu Corp. (Current)
Apr. 2016	Chairperson and Director of the Board, JP Home Co., Ltd.
Apr. 2017	Director of the Board, JP Home Co., Ltd. (Current)

Number of Company shares held by the Candidate : 297,872

Important Concurrent Position of the Candidate: Vice President and Representative Director of the Board, Director of Takamatsu Corp.

【Booklet P10】

Candidate No.12

Name and Date of Birth: Yasunobu Ueno, October 23, 1949

History, Post and Important Concurrent Position of the Candidate:

Apr. 1972	Joined Aoki Construction Co., Ltd.
Jul. 2002	Director of the Board and Senior Director, General Manager of Osaka Headquarters, Aoki Construction Co., Ltd.
Apr. 2004	Director of the Board and Executive Director, General Manager of Osaka Headquarters, Asunaro Aoki Construction Co., Ltd.
Jun. 2010	Representative Director of the Board and Executive Director, in charge of Civil Engineering and General Manager of Osaka Civil Engineering Headquarters, Asunaro Aoki Construction Co., Ltd.
Apr. 2011	Vice President and Representative Director of the Board, Director of Civil Engineering Division, Civil Engineering Technology Division and Osaka Region Affiliates Division, Asunaro Aoki Construction Co., Ltd.
Apr. 2013	President and Representative Director of the Board, Asunaro Aoki Construction Co., Ltd. (Current)
Jun. 2013	Director of the Board of the Company (Current)

Number of Company shares held by the Candidate : 1,031

Important Concurrent Position of the Candidate: President and Representative Director of the Board, Asunaro Aoki Construction Co., Ltd.

Candidate No.13

Name and Date of Birth: Toshitaka Hagiwara, June 15, 1940

History, Post and Important Concurrent Position of the Candidate:

Dec. 1969	Joined Komatsu Co., Ltd.
Jun. 1990	Director of the Board, Komatsu Co., Ltd.
Jun. 1995	Director of the Board, Senior Director, Komatsu Co., Ltd.
Jun. 1997	Director of the Board, Executive Director, Komatsu Co., Ltd.
Jun. 1999	Vice President and Representative Director of the Board, Komatsu Co., Ltd.
Jun. 2003	Chairperson and Representative Director of the Board, Komatsu Co., Ltd.
Jun. 2007	Counsel and Special Advisor, Komatsu Co., Ltd.
Jun. 2011	Special Advisor, Komatsu Co., Ltd.
Jun. 2013	Advisor, Komatsu Co., Ltd. (Current)
Jun. 2014	External Director of the Board of the Company (Current)

Number of Company shares held by the Candidate : 2,739

Important Concurrent Position of the Candidate: Advisor, Komatsu Co., Ltd., External Director of the Board, Yamato Holdings Co., Ltd., External Director of the Board, Zensho Holdings Co., Ltd., External Director of

the Board, Hino Automobile Co., Ltd., Trustee, Waseda University

【Booklet P11】

Candidate No.14

Name and Date of Birth: Masahiro Nishide, December 29, 1956

History, Post and Important Concurrent Position of the Candidate:

Apr. 1981	Joined the Company
Jun. 2005	Director, General Manager of Sales Planning Department of the Company
Jun. 2007	Director of the Board, Senior Director, General Manager of Osaka Headquarters
Oct. 2008	Director of Board, Executive Director, General Manager of Osaka Headquarters, Takamatsu Corp.
Jun. 2010	Representative Director of the Board, Executive Director, General Manager of Osaka Headquarters, Takamatsu Corp.
Apr. 2014	President and Representative Director of the Board, Takamatsu Corp. (Current)
Jun. 2014	Director of the Board of the Company (Current)

Number of Company shares held by the Candidate : 29,007

Important Concurrent Position of the Candidate: President and Representative Director of the Board, Takamatsu Corp.

Candidate No.15

Name and Date of Birth: Shigehiro Aoyama, April 1, 1947

History, Post and Important Concurrent Position of the Candidate:

Apr. 1969	Joined Suntory Co., Ltd.
Mar. 1994	Director of the Board and General Manager of Whiskey Division, Suntory Co., Ltd.
Mar. 1999	Director of the Board and Senior Director in charge of Marketing and Advertisement, General Manager of Sales Promotion Division of Suntory Co., Ltd.
Mar. 2003	Director of the Board and Executive Director of Management Planning, Suntory Co.,Ltd.
Mar. 2006	Vice President and Director of the Board, Alcohol Beverage Company President, Suntory Co., Ltd.
Feb. 2009	Vice President and Director of the Board, Suntory Holdings Co., Ltd.
Mar. 2010	Vice President and Representative Director of the Board, Suntory Holdings Co., Ltd.
Oct. 2014	Vice Chairperson and Representative Director of the Board, Suntory Holdings Co., Ltd.
Apr. 2015	Supreme Advisor, Suntory Holdings Co., Ltd. (Current)
Jun. 2016	External Director of the Board of the Company

Number of Company shares held by the Candidate : 712

Important Concurrent Position of the Candidate:

Supreme Advisor, Suntory Holdings Co., Ltd.

Primary Trustee, The Distribution Economics Institute of Japan (Public Foundation)

External Director of the Board, SUBARU Corporation

Candidate No.16

Name and Date of Birth: Hideyuki Takamatsu, February 28, 1977

Histo ry, Post and Important Concurrent Position of the Candidate:

Nov. 2005	Founded Takamatsu-ya Co.,Ltd. (Currently Kokeisha Co., Ltd.),
	President and Representative Director of the Board (Current)
Jun. 2016	Director of the Board of the Company (Current)

Number of Company shares held by the Candidate : 322,472

Important Concurrent Position of the Candidate: President and Representative Director of the Board, Kokeisha Co., Ltd.

【Booklet P12】

Note 1. Descriptions of the Limited Liability Contract

The Company has entered contracts with Takayuki Takamatsu, Yoshio Honoki, Masaru Ishida, Ryoji Ichiki, Takatoshi Takamatsu, Yasunobu Ueno, Toshitaka Hagiwara, Masahiro Nishide, Shigehiro Aoyama and Hideyuki Takamatsu, all Director of the Board candidates, to limit their maximum liability for damages to the Company as defined in Paragraph 1, Article 423 of the Companies Act. Under this contract, the abovementioned Director of the Board candidates shall only be held liable for damages up to the maximum responsibility limit amount as defined in Paragraph 1 of Article 425 of the Companies Act, provided that the abovementioned Director of the Board candidates have performed their duties in good faith and without gross negligence. In the case the abovementioned Director of the Board candidates are approved as the Directors of the Board, the Company shall continue the contract to limit their maximum liability for damages to the Company as defined in Paragraph 1, Article 425 of the Companies Act.

Note 2.

Takayoshi Takamatsu and Takatoshi Takamatsu, Director of the Board candidates, are both Directors of the Board of Sankosha Co., Ltd, with which the Company has ongoing business relationship concerning real estate lending / borrowing. There are no relationships to be mentioned between the Company and the other candidates.

Note 3.

Toshitaka Hagiwara and Shigehiro Aoyama are candidates for External Directors of the Board. The Company has registered Toshitaka Hagiwara and Shigehiro Aoyama as independent officers in accordance with the regulations of Tokyo Stock Exchange.

Note 4. The reasons for proposing the candidates for External Directors of the Board

With abundant experience and broad perspective as a corporate manager, Takatoshi Hagiwara has provided the Company with three years of fair and objective opinions as the External Director of the Board. The Company has judged to ask Mr. Hagiwara a continued participation as the External Director of the Board to seek for his appropriate advice in decision making procedure of the Board.

With abundant experience and broad perspective as a corporate manager, Shigehiro Aoyama has provided the Company with one year of general managerial advice as the External Director of the Board. The Company has judged to ask Mr. Aoyama a continued participation as the External Director of the Board to strengthen our management structure.

Note 5.

Takatoshi Hagiwara will have served as the External Director of the Board of the Company for three years at the time of the closing of this Shareholders Meeting.

Note 6

Shigehiro Aoyama will have served as the External Director of the Board of the Company for one year at the time of the closing of this Shareholders Meeting.

【Booklet P13】

Note 7. Actions to inappropriate operation of other companies within the past five years

1. Mr. Hagiwara served as an External Director of the Board of NSK Co., Ltd. (“NSK”) from June 2010 until June 2014. NSK was investigated in July 2011 by the Japan Fair Trade Commission (the “JFTC”) in relation to a suspected violation of the Anti-monopoly Act of Japan regarding sales of bearing products. Subsequently, in February 2013, the Tokyo District Court imposed a fine on NSK, and in March 2013, the JFTC issued a cease-and-desist order and administrative surcharge payment order to NSK.

   Besides, NSK and its subsidiaries were investigated by authorities of several countries in relation to antitrust law. In September 2013, NSK and its subsidiaries entered into a plea agreement with the U.S. Department of Justice to plead guilty and to pay a fine. NSK was also ordered to pay fines by the authorities or a court of justice of Canada in January 2014, of Europe in March 2014, of Australia and Singapore in May 2014, and of China in August 2014, respectively.

   With respect to the fact of the violation of antitrust law stated above, Mr. Hagiwara was unaware of the fact until it was revealed. As an External Director of the Board of NSK, Mr. Hagiwara had always provided advice to NSK from the viewpoint of legal compliance and striven to raise awareness of legal compliance. After the fact was revealed, at meetings of NSK’s Board of the Directors, he investigated the matter and urged NSK to further strengthen and ensure compliance and to implement appropriate measures to prevent recurrence. He duly fulfilled his duties and strove to restore the reliability of NSK Group.

2. Mr. Hagiwara has been serving as an External Director of the Board of Zensho Holdings Co.,Ltd. since June 2010. At Sukiya, a beef bowl chain operated by Zensho Co., Ltd. (whose name was changed to Sukiya Honbu Co.,Ltd.), which is a 100% subsidiary of Zensho Holdings, excessive hours of work by certain employees occurred during the period from February to March 2014 and Sukiya received Improvement Guidance from the Labor Standards Inspection Office etc. to correct the situation. Recognizing the seriousness of the situation, Zensho Holdings set up a third-party committee in April 2014 and requested it to conduct a thorough investigation of the matter and to recommend improvements. Zensho Holdings received a report from the committee in July 2014. Following its recommendations, in order to accelerate improvement of the workplace environment, Zensho Holding set up a workplace environment improvement promotion committee in November 2014 comprising five (5) experts and worked for improvement. In March 2015, Zensho Holdings received a report from the committee on evaluation of the improvement of the workplace environment.

   As an External Director of the Board of Zensho Holdings, Mr. Hagiwara has been providing advice to Zensho Holdings from the viewpoint of legal compliance and is duly fulfilling his duties. After this matter, at meetings of Zensho Holdings’ Board of the Directors, he urged Zensho Holdings to further strengthen and ensure compliance and to implement appropriate measures to prevent recurrence of similar incidents.

3. Mr. Hagiwara has been serving as an External Director of the Board of Yamato Holdings Co.,Ltd. since June 2009. Due to recent rapid growth of e-commerce and other businesses, Yamato Holdings Group could not match is organizational structure with the growth. Thus, when labor hours study of the employees were conducted from February 2017, it was found that the Company was not able to recognize the situation that many employees were not able to obtain sufficient break time. Recognizing the seriousness of the situation, Yamato Holdings is now working to improve the work procedures with its pillars on “Improvement and thorough implementation of labor management”, “Promotion of work-life balance”, “Change of service level”, “Control of overall delivery volume” and “Revision of basic fee of the service”.

   Mr. Hagiwara was unaware of the abovementioned fact until it was revealed. However, Mr. Hagiwara had always provided advice to Yamato Holdings from the viewpoint of legal compliance. After the fact was revealed, at meetings of Yamato Holding’s Board of the Directors, he is fulfilling his duties by investigating the matter and urging Yamato Holdings to further study the reason of this issue, how labor environment can be improved and how to ensure compliance and implement appropriate measures.

【Booklet P14】

Item No. 2 Election of One (1) Auditor of Board

The term of office of Koji Shibata, our Auditor of the Board will expire at the closing of this General Shareholders Meeting. Therefore, an election of one (1) Auditor of the Board is proposed.

Concerning Item No.2, the Company has already obtained approval from the Board of the Auditors. The candidates for the Auditor of the Board is as follows:

Name and Date of Birth: Koji Shibata, October 27, 1952

History, Post and Important Concurrent Position of the Candidate:

Mar. 2003 Branch Manager, Aoyama Branch, Mizuho Bank Co., Ltd.

Apr. 2005 Director of the Board, Senior Director, Mizuho Credit Guarantee Co., Ltd.

Jun. 2013 Auditor (full time) of the Board of the Company (Current)

Number of Company shares held by the Candidate : 609

Note 1. Descriptions of Limited Liability Contract

The Company has entered contracts with Koji Shibata, the Auditor of the Board candidate, to limit his maximum liability for damages to the Company as defined in Paragraph 1, Article 423 of the Companies Act. Under this contract, Koji Shibata shall only be held liable for damages up to the maximum responsibility limit amount as defined in Paragraph 1 of Article 425 of the Companies Act, provided that Koji Shibata has performed his duties in good faith and without gross negligence. In the case Koji Shibata is approved as the Auditor of the Board, the Company shall continue the contract to limit his maximum liability for damages to the Company.

Note 2.

There are no relationships to be mentioned between the Company and the candidate Koji Shibata.

Note 3.

Koji Shibata is a candidate for External Auditor of the Board. The Company will register Koji Shibata as an independent officer in accordance with the regulations of Tokyo Stock Exchange upon the election of Koji Shibata as the Auditor of the Board because he meets the requirements of the independent officer.

Note 4. The reasons for proposing the candidate for External Auditor of the Board

With four years of experience as the Company's External Auditor of the Board, Mr. Koji Shibata has abundant knowledge of our business, as well as broad knowledge and experience obtained through his experience as the branch manager and as a director of affiliates of Mizuho Bank. The Company has judged to ask Mr. Shibata to be a candidate for the External Auditor of the Board to seek for overall management auditing and effective advice.

Note 5.

Koji Shibata will have served as the External Auditor of the Board of the Company for four years at the time of the closing of this Shareholders Meeting.

【Booklet P15】

(Reference Materials)

Business Report (From April 1, 2016 through March 31, 2017)

1. Current State of the Affiliated Companies

(1) Progress and Results of Business Operations

During the fiscal year that ended in March 2017, the overall Japanese economy continued to show a mild recovery trend, while the Japanese construction market showed steady growth for both public and non-public investment sectors. Under these circumstances, Takamatsu Construction Group will be celebrating its centenary in October, 2017. The Group owns companies that covers almost all of the areas related to the construction industry.

In addition, the Group possesses strong earnings power with further growth potential due to our unique market development capabilities and technological strengths.

With “TRY! NEXT CENTURY” as the theme of the Group, for this fiscal year, we bore in mind the following core initiatives:

“We will continuously sharpen our specialty and be chosen by our customers”;

“We will continuously take on a challenge, strengthening our management judgment and on-site capability”; and

“We will strive to become a perfect quality company by responding to social credibility needs”.

With the above initiatives, we maintained our stable and sustainable growth, as well as continued to solve management issues by, for instance, securing and developing necessary workforce, improving productivity, adding values to our business, developing new business fields, and strengthening corporate governance.

As a result of our efforts in these activities, our orders received for the fiscal year soared to 256,488 million yen (+7.9% vs last year), as well as our revenue increased to 214,130 million yen (+2.5%vs LY), marking our record high incoming order and revenue for 3 consecutive years. We were also able to record good results for our profit figures, with 2 consecution years of record high operating profits of 12,935 million yen (+24.2%,vs LY) as well as ordinary profits of 12,932 million yen (+23.5%,vs LY),and profits attributable to owners of parent of 6,596 million yen, an increase of 13.7% vs last year.

【Booklet P16】

The following are our annual by-segment orders received and revenue status.

(Million Yen)

Item		Orders carried from previous FY	Orders received	Revenue	Orders carried to next FY
Construction	Architecture	127,300	131,551	109,853	148,999
	Civil Engineering	96,285	112,765	92,106	116,944
Total		223,586	244,316	201,959	265,943
Real Estate		—	12,171	12,171	—
Total		223,586	256,488	214,130	265,943

(2) Fund Procurement
No special notes are necessary.

(3) Capital Investments
No special notes are necessary.

(4) Business Transfers and absorption-type or incorporation-type Demerger
None

(5) Businesses transferred or assigned from other companies
None

(6) Succession of rights and obligations associated with other entities' businesses due to absorption and merger or demerger transactions with such entities
None

(7) Acquisition or disposal of stock, ownership interest or share acquisition rights, etc. in other companies
None

【Booklet P17】

(8) Issues to be addressed

Concerning the environment of the Japanese domestic construction investment, we foresee relatively strong demand until the Tokyo Olympic in 2020, although we cannot expect the further expansion of the market after the event. In addition, we believe it is inevitable that there will be a rapid decrease in the number of workers that engage in the construction industry.

Under these circumstances, we will be celebrating our centenary in October of this year.

Our Group have commenced our new mid-term plan “TRY! NEXT CENTURY 2020” with the centenary year of 2017 as the kick off year. Under the environment described above, Takamatsu Corporation, one main wheel of our Group companies, will be the engine for our growth by enlarging real estate activation businesses especially in Tokyo Metro areas that continues to show strong trend. Asunaro Aoki Construction, the other main wheel of our Group, will proceed to realize steady growth as well as maintain its high margin rate which was achieved in FY March 2017.

Takamatsu Construction Group, as a whole, will proceed to realize revenue of 268 billion yen in FY March 2020 with the “Challenge 268” as the keyword. Under the “Specialty 18 Alfa”, we will expand our business through organic growth of the 18 Group business companies as well as aggressive M&As. We also set a slogan of “Quality 15” to realize operating profits of 15 billion yen by maintaining and improving our high quality and highly effective construction works. Last but not the least, we will strengthen our management bases by improving our Group synergy, HR development, Group governance and capital policies, across the whole Group of TCG (holding company).

We ask for shareholders’ further support and advice in the future.

【Booklet P18】

(9) Financial highlights for the last four fiscal years

Item	49th Fiscal Year (From:April 1, 2013 To:March 31, 2014)	50th Fiscal Year (From:April 1, 2014 To:March 31, 2015)	51st Fiscal Year (From:April 1, 2015 To:March 31, 2016)	52nd Fiscal Year (From:April 1, 2016 To:March 31, 2017)
Orders Received (Million Yen)	193,833	225,667	237,762	256,488
Revenue (Million Yen)	177,743	189,212	208,883	214,130
Ordinary Income (Million Yen)	6,684	7,212	10,468	12,932
Net earnings attributable to controlling interests (Million Yen)	6,154	6,343	5,799	6,596
Net earnings per share (Yen)	170.87	176.13	161.01	183.13
Total Assets (Million Yen)	154,629	162,158	165,274	180,927
Net Assets (Million Yen)	94,148	99,131	104,592	110,555

Notes:

Net earnings per share is calculated based on average numbers of shares outstanding during the fiscal year (excluding treasury stock).

【Booklet P19】

(10) Major subsidiaries (as of March 31, 2017)

① Major subsidiaries

Name	Capital Stock	TCG share	Main business
Takamatsu Corp.	5,000 Million Yen	100.0 %	Architecture
Asunaro Aoki Construction Co.,Ltd.	5,000	76.9	Civil engineering / Architecture
Mirai Construction Co.,Ltd.	2,500	— (100.0)	Harbor, Marine, Civil engineering / Architecture
Yamato Construction Co.,Ltd. (Osaka)	300	— (100.0)	Reforms & maintenance
Yamato Construction Co.,Ltd. (Tokyo)	300	— (100.0)	Reforms & maintenance
Kongo Gumi Co.,Ltd.	300	— (100.0)	Architecture of temples & shrines
JP Home Co.,Ltd.	100	— (100.0)	R.C. individual housing
Nakamura Shaji Co.,Ltd.	100	— (100.0)	Architecture of temples & shrines
Suminoe Kogei Co.,Ltd.	98	— (100.0)	Interiors & reforms
Aoki Marine Co.,Ltd.	90	— (100.0)	Marine Civil Engineering
Shimada Gumi Co.,Ltd.	85	— (100.0)	Excavation & research of archaeological resources
Asunaro Road Co.,Ltd.	80	— (100.0)	Pavement
Toko Geotech Co.,Ltd.	80	— (100.0)	Slope protection / ground improvement
Nihon Kensho Co.,Ltd. (Osaka)	50	— (100.0)	Integrated real estate consulting
Nihon Kensho Co.,Ltd. (Tokyo)	50	— (100.0)	Integrated real estate consulting
M's Co.,Ltd.	40	— (90.0)	Renovation of office buildings
Access Co.,Ltd.	40	— (100.0)	Excavation & research of archaeological resources
Niigata Mirai Construction Co.,Ltd.	20	— (100.0)	Pavement and civil engineering

Notes: 1. Listed in sequence of (1) the capital stock amount and (2) the date of foundation (or the date of joining the Group).

2. The figures in parentheses "( )" show percentage of shares including indirect ownership.

3. None of the above companies falls under the "specified wholly owned subsidiary", the capital stock amount of which exceeds 20% of the TCG total asset amount).

【Booklet P20】

4. Yamato Construction Co.,Ltd. (Osaka) has changed its corporate name to Takamatsu Techno Service Co.,Ltd. (Osaka) as of April 1, 2017.
5. Yamato Construction Co.,Ltd. (Tokyo) has changed its corporate name to Takamatsu Techno Service Co.,Ltd. (Tokyo) as of April 1, 2017.
6. Nihon Kensho Co., Ltd. (Osaka) has changed its corporate name to Takamatsu Estate Co., Ltd. (Osaka) as of April 1, 2017.
7. Nihon Kensho Co., Ltd. (Tokyo) has changed its corporate name to Takamatsu Estate Co., Ltd. (Tokyo) as of April 1, 2017.

② Transactions with the parent company
No special notes are necessary.

(11) Main businesses (as of March 31, 2017)
Takamatsu Construction Group is made up of Takamatsu Construction Group Co.,Ltd. and its eighteen (18) affiliates of consolidated subsidiaries, with architecture and civil engineering as the main pillars of business, as well as real estate and other related businesses.

【Booklet P21】

(12) Major offices (as of March 31, 2017)

① Headquarters : 1-2-3 Shin-Kitano, Yodogawa-ku, Osaka
Tokyo Headquarters : 4-8-2 Shiba, Minato-ku, Tokyo

② Offices of Affiliates

Takamatsu Corp.	Yodogawa-ku, Osaka
Asunaro Aoki Construction Co.,Ltd.	Minato-ku, Tokyo
Mirai Construction Co.,Ltd.	Minato-ku, Tokyo
Yamato Construction Co.,Ltd. (Osaka)	Kita-ku, Osaka
Yamato Construction Co.,Ltd. (Tokyo)	Minato-ku, Tokyo
Kongo Gumi Co.,Ltd.	Tenno-ji-ku, Osaka
JP Home Co.,Ltd.	Chuo-ku, Tokyo
Nakamura Shaji Co.,Ltd.	Ichinomiya-shi, Aichi
Suminoe Kogei Co.,Ltd.	Mihara-ku, Sakai, Osaka
Aoki Marine Co.,Ltd.	Higashi-Nada-ku, Kobe-shi, Hyogo
Shimada Gumi Co.,Ltd.	Yao-shi, Osaka
Asunaro Road Co.,Ltd.	Chuo-ku, Sapporo, Hokkaido
Toko Geotech Co.,Ltd.	Minato-ku, Tokyo
Nihon Kensho Co.,Ltd. (Osaka)	Yodogawa-ku, Osaka
Nihon Kensho Co.,Ltd. (Tokyo)	Minato-ku, Tokyo
M's Co.,Ltd.	Chuo-ku, Tokyo
Access Co.,Ltd.	Yao-shi, Osaka
Niigata Mirai Construction Co.,Ltd.	Minami-Uonuma-gun, Niigata

【Booklet P22】

(13) Employees (As of March 31, 2017)

① Consolidated

Number of employees	Increase / decrease vs LY
3,372	176 increase

Notes: 1. Number of employees refers to the number of employees actually working for the Group companies.

② Non-consolidated

Number of employees	+/- vsLY	Average age	Average service years
23	2 increase	43	13 years

Notes: 1. Number of employees refers to the number of employees actually working for the Company.

2. For the purpose of calculating annuity, average service years in the table is calculated based on the figures including transferred employees' total length of service within the Group.

(14) Major lenders (As of March 31, 2017)

① Major lenders of the Group

There is no balance of borrowings due by the Group.

② Major lenders of the Company

There is no balance of borrowings due by the Company.

(15) Other important matters concerning the Group

No special notes are necessary.

【Booklet P23】

2. Matters relating to the shares of the Company (as of March 31, 2017)

(1) Total number of shares authorized to be issued

Ordinary Shares : 52,800,000

(2) Total number of shares issued

Ordinary Shares : 38,880,000

(Out of the above, Treasury shares = 2,861,003)

(3) Total number of shareholders 10,969

(4) Major shareholders (Top 10)

Name	Number of shares	Stockholding ratio%
Takayuki Takamatsu	8,613 000 shares	23.9 %
Sanko-sha Co.,Ltd.	6,000	16.7
Takayasu Takamatsu	2,201	6.1
Taka Co.,Ltd.	1,226	3.4
Nippon Trusty Service Trust Bank (Trust # 9)	1,184	3.3
Resona Bank Co.,Ltd.	1,080	3.0
Nippon Master Trust Trust Bank (Trust)	852	2.4
Mizuho Bank Co.,Ltd.	824	2.3
Nippon Trusty Service Trust Bank (Trust)	691	1.9
TCG Employee Stock Ownership Plan	510	1.4

Notes 1. TCG owns 2,861 thousand shares of Treasury stock, which is not included in the above chart.

2. Percentage of shares does not reflect Treasury stock.

(5) Other issues relating to shares of the Company

No special notes are necessary.

3. Share acquisition rights

None

【Booklet P24】

4. Matters relating to Directors and Corporate Auditors

(1) Directors and Corporate auditors (as of March 31, 2017)

Position of the Company	**Name**	**Responsibilities in the Company and significant concurrent positions at other organizations**
Honorary Chairperson, Director of the Board	Takayuki Takamatsu	
President, Representative Director of the Board	Kanji Ogawa	President Chairperson and Representative Director of the Board of Kongo-Gumi Co.,Ltd.
Representative Director of the Board	Takayoshi Takamatsu	Executive Director (In charge of Group Integration Division)
Director of the Board	Akira Kitamura	Executive Director (In charge of Administrative Division) Chairperson and Representative Director of the Board of Nippon Owners Credit Co.,Ltd.
Director of the Board	Yoshinori Matsushita	Senior Director in charge of Management Control Division
Director of the Board	Yoshio Honoki	
Director of the Board	Masaru Ishida	Chairperson and Representative Director of the Board, Asunaro Aoki Construction Co.,Ltd.
Director of the Board	Hirotaka Takamatsu	Director of the Board and Executive Director, Takamatsu Corp.
Director of the Board	Ryoji Ichiki	Chairperson and Representative Director of the Board, Takamatsu Corp.
Director of the Board	Takatoshi Takamatsu	Vice President and Representative Director of the Board, Director of Takamatsu Corp.
Director of the Board	Yasunobu Ueno	President and Representative Director of the Board, Asunaro Aoki Construction Co.,Ltd.
Director of the Board	Toshitaka Hagiwara	Advisor, Komatsu Ltd. External Director of the Board, Yamato Holdings Co.,Ltd. External Director of the Board, Zensho Holdings Co.,Ltd. External Director of the Board, Hino Automobile Co.,Ltd. Trustee, Waseda University
Director of the Board	Masahiro Nishide	President and Representative Director of the Board, Takamatsu Corp.
Director of the Board	Nobuhiko Yoshitake	Vice President and Representative Director of the Board, Asunaro Aoki Construction Co.,Ltd.
Director of the Board	Shigehiro Aoyama	Supreme Advisor, Suntory Holdings Co.,Ltd. Primary Trustee, The Distribution Economics Institute of Japan (Public Foundation) External Director of the Board, Fuji Heavy Industry Co.,Ltd
Director of the Board	Hideyki Takamatsu	President and Representative Director of the Board, Kokeisha Co.,Ltd.
Auditor of the Board (Full Time)	Koji Shibata	
Auditor of the Board (Full Time)	Michinari Fujiwara	
Auditor of the Board	Kenzo Asaoka	President, Asaoka & Taki Legal & Accounting Office External Director of the Board, Awa Bank Co.,Ltd. External Auditor of the Board, Kumon Institute of Education Co., Ltd.
Auditor of the Board	Tomokuni Tsuno	Representative, Tsuno CPA Office Representative, Izanami Auditing Co. Representative, Izanami Tax Co.

【Booklet P25】

Notes1. Our Directors of the Board, Toshitaka Hagiwara and Shigehiro Aoyama, are our External Directors of Board.

2. Our Auditors of the Board, Koji Shibata, Michinari Fujiwara, Kenzo Asaoka and Tomokuni Tsuno, are our External Auditors of the Board.
3. Our Directors of the Board, Toshitaka Hagiwara and Shigehiro Aoyama and our Auditors of Board, Koji Shibata, Michinari Fujiwara, Kenzo Asaoka and Tomokuni Tsuno, are assigned and registered as independent officers in accordance with the regulations of Tokyo Stock Exchange.
4. Tomokuni Tsuno, our Auditor of the Board, possesses a considerable knowledge of finance and accounting as a certified public accountant.
5. There is no special relationship between Takamatsu Construction Group Co.,Ltd. and other organizations, the positions of which our External Directors / Auditors of the Board concurrently hold.
6. Yoshinori Matsushita, Shigehiro Aoyama and Hideyuki Takamatsu were elected and assumed the position as our Directors of the Board at the 51th Regular Shareholders Meeting held on June 23, 2016.
7. Michinari Fujiwara and Tomokuni Tsuno were elected and assumed the position as our Auditors of the Board at the 51th Regular Shareholders Meeting held on June 23, 2016.
8. As of April 1, 2017, there has been the following changes of the posts and significant concurrent positions:

   Kanji Ogawa has changed his position from President, Representative Director of the Board to Chairperson, representative Director of Board;

   Nobuhiko Yoshitake was promoted to President, Representative Director of the Board from Director of the Board, as well as from President, Representative Director of the Board of Asunaro Aoki Construction Co.,Ltd. to Director of the Board of Asunaro Aoki Construction Co.,Ltd;

   Takayoshi Takamatsu has changed his position from Executive Director (In charge of Group Integration Division) to Vice President (In charge of Group Integration Division);

   Akira Kitamura has changed his position from Executive Director (In charge of Administration Division) to Executive Director (In charge of Risk Management);

   Takahiro Takamatsu has been assigned to serve as Executive Director (In charge of Group Strategy Division) as well as changed his position from Director of the Board, Executive Director of Takamatsu Corp to Director of the Board, Takamatsu Corp; and

   Yoshinori Matsushita changed his position from Director of the Board, Senior Director of Management Control Division to Director of the Board, Senior Director in charge of Management Control Division.

【Booklet P26】

<REFERENCE> The following are our Directors as of April 1, 2017.
(* indicates concurrent position with Director of the Board)

Position of the Company	Name	Division
President	※ Nobuhiko Yoshitake	
Vice President	※ Takayoshi Takamastu	In charge of Group Integration Division
Executive Director	※ Akira Kitamura	In charge of Risk Management
Executive Director	※ Hirotaka Takamatsu	In charge of Group Strategy Division
Senior Director	※ Yoshinori Matsushita	In charge of Management Control Division
Senior Director	Hiroyuki Izutsu	Group Integration Division
Director	Minoru Tsunoda	Group Strategy Division
Director	Shingo Ueda	Administrative Division

(2) Outline of Limited Liability Contract

The Company has agreed to enter into contract to limit the liabilities for damages to the Company as defined in Paragraph 1, Article 423 of the Companies Act, with Directors and Auditors of the Board (excluding Directors in executive positions). Under this contract, the abovementioned members shall only be held liable for damages up to the maximum responsibility limit amount as defined in Paragraph 1 of Article 425 of the Companies Act, provided that the abovementioned members have performed their duties in good faith and without gross negligence.

(3) Remuneration of Directors and Auditors of the Board

Position	Number of Members	Total Remuneration	Notes
Directors of the Board	16	228 Million yen	The maximum amount of remuneration for Directors of the Board does not exceed 250million yen per year (Resolution of Shareholders Meeting on June 29, 2004)
Auditors of the Board	6	40	The maximum amount of remuneration for Auditors of the Board does not exceed 45million yen per year (Resolution of Shareholders Meeting on June 25, 1997)
Total	22	268	

Notes: Total amount of remuneration in the table above is the amount paid by Takamatsu Construction Group Co.,Ltd.

【Booklet P27】

(4) Matters relating to External Directors and Corporate auditors

Position	Name	Major Activities
Director of the Board	Toshitaka Hagiwara	Attended 11 Directors of the Board Meetings out of 12 held during fiscal year ended Mar 2017. Has provided appropriate and necessary advice based on abundant managerial experience and broad knowledge.
Director of the Board	Shigehiro Aoyama	Elected at 51st Ordinary Shareholders Meeting held on June 23, 2016, attended 10 Directors of the Board Meetings out of 10 held after June during fiscal year ended Mar 2017. Has provided appropriate and necessary opinions and advice based on abundant managerial experience and broad knowledge.
Auditor of the Board (FullTime)	Koji Shibata	Attended 12 Directors of the Board Meetings out of 12 held during fiscal year ended Mar 2017. Has provided appropriate questions and opinions based on experience and knowledge obtained from his background field of financial institutions. Also attended 11 Auditors of the Board Meetings out of 12 Meetings and exchanged opinions concerning audit as well as engaged in discussions concerning important topics.
Auditor of the Board (FullTime)	Michinari Fujiwara	Elected at 51st Ordinary Shareholders Meeting held on June 23, 2016, attended 10 Directors of the Board Meetings out of 10 held after June during fiscal year ended Mar 2017. Has provided appropriate questions and opinions based on experience and knowledge obtained from his background field of financial institutions. Also attended 10 Auditors of the Board Meetings out of 10 Meetings held after June and exchanged opinions concerning audit as well as engaged in discussions concerning important matters.
Auditor of the Board	Kenzo Asaoka	Attended 12 Directors of the Board Meetings out of 12 held during fiscal year ended Mar 2017. Has provided appropriate questions and opinions based on his experience and knowledge as a lawyer. Also attended 12 Auditors of the Board Meetings out of 12 Meetings and exchanged opinions concerning audit as well as engaged in discussions concerning important matters.
Auditor of the Board	Tsuno Tomokuni	Elected at 51st Ordinary Shareholders Meeting held on June 23, 2016, attended 10 Directors of the Board Meetings out of 10 held after June during fiscal year ended Mar 2017. Has provided appropriate questions and opinions based on his experience and knowledge as a CPA. Also attended 10 Auditors of the Board Meetings out of 10 Meetings held after June and exchanged opinions concerning audit as well as engaged in discussions concerning important topics.

【Booklet P28】

(5) Compensation of External Directors and Corporate Auditors

Position	# of personnel	Total Remuneration	Compensation from other Group Companies
External Directors and Auditors of the Board	7	72 million yen	—

5. Matters relating to Accounting Auditor

(1) Name KPMG Azusa LLP

(2) Amount of remuneration for the fiscal year under review

Item	Amount
Amount of remuneration paid to accounting auditor	21 million yen
Total amount of money and/or other financial benefits payable to accounting auditor by TCG and/or its Affiliates	87 million yen

Notes:

1. Concerning remuneration to accounting auditors, Auditors of the Board scrutinized the appropriateness of an accounting audit plan for this fiscal year, which was provided by the accounting auditor, by taking into account the analysis and evaluation for the audit results of the year earlier. In addition, appropriateness of the calculation basis of the quoted amount of remuneration to the accounting auditor was also scrutinized. The Board concluded both of the plan and the calculation basis to be appropriate, and agreed to the remuneration amount.
2. The audit contract between the Company the accounting auditor provides no distinction in the remuneration amount payable between the auditing under the Corporate Act and the auditing under the Financial Instruments and Exchange Act. Thus, the above amount in the table is the total of these two audits.
3. The above amount does not include the consumption tax.

(3) Policy for decisions to terminate or not extend contracts with the Accounting Auditor

If there is need to do so due to, for instance, obstacles in conducting accounting audit, the Company may propose to terminate or not extend contracts with the Accounting Auditor at the Shareholders Meeting upon the decision of Auditors of the Board. In addition, upon unanimous agreement of the Auditors of the Board, the Board may terminate contracts with the Accounting Auditor in case the Accounting Auditor falls under any of the events listed in Paragraph 1, Article 340 of the Corporate Act.

【Booklet P29】

6. Policies concerning dividend payment

Distributing earnings to shareholders is one of our highest priorities. Our basic policy is to maintain stable and consistent dividend payments while distributing earnings in a manner that reflects the results of business operations. At the same time, we will retain earnings in order to strengthen our operations with the goals of increasing our ability to capture orders and building a sound framework for our operations.

Retained earnings will be used effectively from a medium to long-term perspective with the primary objectives of strengthening and upgrading operations of the entire Group and building a sound base for future operations.

At the start of the fiscal year, we planned 39 yen per share of dividends. However, after considering the favorable results of the Group's business operations and the dividend payout ratio, we have decided to pay 43 yen per share dividends for the fiscal year that ended in March 2017.

For the next fiscal year ending in March 2018, we plan to pay 53 yen (dividend payout ratio =26.2%) per share of dividends, which includes commemorative dividends of 10 yen to celebrate our centenary in October of this year. In addition, we plan to continue to keep a dividend payout ratio of more than 25% for the future years to come.

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【Booklet P30】

Consolidated Financial Statements

(As of March 31, 2017)

(Million yen)

ACCOUNT TITLE	AMOUNT	ACCOUNT TITLE	AMOUNT
[ASSETS]		[LIABILITIES]	
Current assets	157,794	Current liabilities	57,624
Cash and deposits	77,396	Accounts payable for construction contracts	29,710
Notes receivable, accounts receivable from completed construction contracts and other	60,255	Income taxes payable	3,527
Real estate for sale	7,177	Advances received on uncompleted construction contracts	12,961
Costs on uncompleted construction contracts	1,143	Provision for warranties for completed construction	767
Costs on real estate business	3,327	Provision for loss on construction contracts	58
Accounts receivable	6,242	Provision for bonuses	2,846
Deferred tax assets	1,564	Provision for loss by disaster	385
Other	1,069	Other	7,366
Allowance for doubtful accounts	△381	Noncurrent liabilities	12,747
Noncurrent assets	23,132	Deferred tax liabilities for land revaluation	256
Tangible Assets	13,623	Deferred tax liabilities	264
Buildings and structures, net	2,454	Provision for special repairs of vessels	91
Machinery, vehicles, tools, furniture and fixtures, net	821	Retirement allowances	10,667
Vessels, net	651	Other	1,466
Land	8,961	Total liabilities	70,371
Lease assets, net	179	[NET ASSETS]	
Construction in progress	555	Shareholders' equity	96,835
Intangible assets	302	Capital stock	5,000
Investments and other assets	9,206	Capital surplus	271
Investment securities	5,692	Retained earnings	95,860
Deferred tax assets	1,227	Treasury shares	△4,296
Other	3,188	Accumulated other comprehensive income	△524
Allowance for doubtful accounts	△902	Valuation differences on available-for-sales securities	1,010
		Revaluation reserve for land	△1,266
		Remeasurements of retirement allowance plans	△267
		Non-controlling interests	14,245
		Total net assets	110,555
Total assets	180,927	Total liabilities and net assets	180,927

【Booklet P31】

Consolidated statements of income

(As of March 31, 2017)

ACCOUNT TITLE	AMOUNT	
Net sales		
Net sales of completed construction contracts	201,959	
Sales on real estate business	12,171	214,130
Cost of sales		
Cost of sales of completed construction contracts	172,024	
Cost of sales on real estate business	11,007	183,031
Gross profit		
Gross profit on completed construction contracts	29,935	
Gross profit-real estate business	1,163	31,099
Selling, general and administrative expenses		18,163
Operating income		12,935
Non-operating income		
Interest & Dividend income	91	
Rent income	33	
Other	71	196
Non-operating expenses		
Interest expense	163	
Commission fee	29	
Other	5	199
Ordinary income		12,932
Extraordinary income		
Gain on sales of noncurrent assets	1	
Gain on sales of investment securities	42	44
Extraordinary losses		
Loss on disaster	403	
Impairment loss	310	
Loss on litigation	142	
Other	103	960
Income before income taxes		12,016
Income taxes-current	4,789	
Income taxes-deferred	△311	4,477
Profit		7,538
Profit attributable to non-controlling interests		942
Profit attributable to owners of parent		6,596

【Booklet P32】

Balance sheet (Unconsolidated)

(As of March 31, 2017)

(Million yen)

ACCOUNT TITLE	AMOUNT	ACCOUNT TITLE	AMOUNT
[ASSETS]		[LIABILITIES]	
Current assets	17,986	Current liabilities	319
Cash and deposits	16,364	Accounts payable- real estate	211
Real estate for sale	1,138	Accounts payable	27
Other	483	Income taxes payable	15
Allowance for doubtful accounts	△0	Deposit received-real estate	5
Noncurrent assets	16,413	Provision for bonuses	14
Tangible Assets	6,174	Other	44
Buildings and structures, net	1,322	Noncurrent liabilities	903
Machinery, vehicles	6	Deferred tax liabilities for land revaluation	40
Tools, furniture and fixtures, net	24	Deferred tax liabilities	224
Land	4,817	Retirement allowances	30
Construction in progress	3	Directors' retirement benefits payable	502
Intangible assets	0	Long term warranties received	105
Investments and other assets	10,238	Total liabilities	1,222
Investment securities	1,714	[NET ASSETS]	
Shares of subsidiaries and affiliates	8,385	Shareholders' equity	33,911
Other	138	Capital stock	5,000
Allowance for doubtful accounts	△0	Capital surplus	272
		Legal capital surplus	272
		Retained earnings	32,936
		Legal retained earnings	978
		Other retained earnings	31,958
		General reserve	28,270
		Retained earnings brought forward	3,688
		Treasury shares	△4,296
		Valuation and translation adjustments	△734
		Valuation differences on available-for-sale securities	568
		Revaluation reserve for land	△1,303
		Total net assets	33,176
Total assets	34,399	Total liabilities and net assets	34,399

【Booklet P33】

Income statement (Unconsolidated)

(As of March 31, 2017)

（Million yen）

ACCOUNT TITLE	AMOUNT	
Net sales		
Sales on real estate business	331	
Dividends from subsidiaries and associates	2,378	
Commissions from subsidiaries and associates	1	2,711
Cost of sales		
Cost of sales on real estate business	322	322
Total gross profit		2,389
Selling, general and administrative expenses		820
Operating income		1,568
Non-operating income		
Interest and dividend income	49	
Other	1	51
Non-operating expenses		
Interest expense	0	0
Ordinary income		1,619
Extraordinary income		
Gain on sales of investment securities	42	42
Extraordinary losses		
Loss on retirement of noncurrent assets	2	
Impairment loss	0	3
Income before income taxes		1,658
Income taxes		3
Profit		1,655

【Booklet P34-37】

Audit Report by Accounting Auditor (KPMG AZSA LLP)

Unqualified opinion for both consolidated and unconsolidated financial statements. Translation omitted.

Audit Report by Auditors of Board (Translation omitted, summary as described below)

2.(1) 1. Operations report and its attached documents are in accordance with laws and regulations, and appropriately shows the status of the Company.

2. No serious violation of laws and/or regulations of the Company are observed.

3. No special report is necessary concerning internal control of the Company.

(2) KPMG AZSA's accounting audit is appropriate for unconsolidated financial statements.

(3) KPMG AZSA's accounting audit is appropriate for consolidated financial statements.

Shareholders' Meeting Location

株主総会会場ご案内図



1. Hankyu Line Juso Station
2. Tokyo-Mitsubishi UFJ Bank
3. Mizuho Bank
4. Mitsui Sumitomo Bank
5. To Shin-Osaka Station
6. Plaza Osaka Hotel
7. Takamatsu Construction Group
   (Signage says: Takamatsu Kensetsu)
8. Juso Bridge (Juso O-Hashi)
9. R176
10. To Umeda
11. Yodo River

大阪市淀川区新北野一丁目2番3号
本社3階会議室
電話 06−6303−8101（代表）

＜最寄駅＞
阪急電鉄「十三」駅
（西口出口から徒歩約3分）

※ 駐車場の用意はいたしておりませんので、お車でのご来場はご遠慮くださいますようお願い申し上げます。

Address: 3F,1-2-3 Shin-Kitano,Yodogawa-ku,Osaka
Phone: 06-6303-8101

Closest Station: Juso Station(Hankyu Railway)
3 minutes' walk from the Station
No parking space available,thus we ask not to attend the meeting by car. Thank you.