Securities Code 1762

Notice of the 55th Ordinary Shareholders Meeting

Date : Wednesday, 10:00 AM (Japan Standard Time), June 24, 2020 (Start of reception : 9:30AM)

Place: 3rd Floor, Takamatsu Construction Group Co., Ltd. 1-2-3 Shin-Kitano, Yodogawa-ku, Osaka

VOTING DEADLINES (by post and internet)

5:30PM, June 23, 2020 (Tuesday)

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Notice of No Gift Distribution

Considering the fairness between shareholders present at the Meeting and shareholders finding difficulty to attend the Meeting, gifts to attending shareholders at the Meeting will not be distributed from this Shareholders Meeting. We ask for your understanding towards this change

【Booklet P1】

--- Group Principles ---

1. Unified Goal
   The directions of all Takamatsu Group Companies are One.
2. Respect Independence
   All Takamatsu Group Companies mutually respect uniqueness of the Companies.
3. Cooperate and Compete
   All Takamatsu Group Companies try to harmonize cooperation and competition within the Group.
4. Value Standard
   All Takamatsu Group Companies, Directors and Employees will think about corporate profit when making value decisions. However, this applies within the principle of good faith.

--- TCG Group Formation ---

Takamatsu Construction Group is one of the rare construction companies in Japan that has expanded through multiple mergers and acquisitions. Our Group is comprised of 21 companies, which are further grouped into 11 Takamatsu Group companies, 8 Asunaro Aoki Group companies, Takamatsu Construction Group Co.,Ltd., the holding company, as well as TCG USA Inc., an overseas Group company. (Nihon Owners Credit Co.,Ltd. Is an unconsolidated subsidiary, as well as 3 other small consolidated companies that are not shown in this chart.) We will continue to look for further opportunities to expand our Group.

<Chart : Names and holding % of Group companies are listed>

【Booklet P2】

--- Management Credo ---

We conduct the construction business as a mutually complimentary activity vital to society.

To Our Shareholders

Thank you for your continued support towards us and we are pleased to deliver our shareholders our invitation of 55th Regular General Shareholders Meeting.

Concerning year ended March 2020, we are happy to report you that Takamatsu Construction Group was able to achieve a smooth first year of our Mid Term Plan “Create! 2022”. Although our orders received was slightly behind plan, we were able to exceed our goals for revenues and all major profits. Moreover, we were able to mark our record highs for revenue and operating income.

Furthermore, one of the major achievements of the fiscal year was the complete ownership of Asunaro Aoki Construction Co.,Ltd., of which we previously owned 79.1%. Asunaro Aoki Construction Co.,Ltd. has become non-listed company on November 7, 2019 and has become TCG’s 100% subsidiary on November 11, 2019 through public takeover bid and sales request procedure of the special controlling shareholder that followed. As the result, we were able to end 19 years of double-listed status since Asunaro Aoki Construction joined our Group in 2000, which enabled us to wipe out the possibility of conflict of interest and other issues between us and the minority shareholders. In the future, Takamatsu Construction Group as a whole will further enhance synergy effect and make faster and flexible decisions whenever necessary.

In order to accelerate creation of synergy effects and realize increased corporate value, we still need to proceed with many innovations. Thus, we listed “Starting Year of TCG Innovation” as our Keyword of the Group, and proceed towards further growth of our Group.

We ask for the further understanding and support from our shareholders.

June 8, 2020

President and Representative Director of the Board

Nobuhiko Yoshitake

【Booklet P3】

Securities Code 1762
June 8, 2020

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 55th Ordinary Shareholders Meeting

You are cordially invited to attend the 55th 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 to 5 of the booklet to exercise your voting rights in accordance with the guidance hereinafter no later than 5:30 PM (the end of our office hour), Tuesday, June 23, 2020.

Details：

1. Date and Time
   10:00 AM, Wednesday, June 24, 2020
   (Reception will start at 9:30 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.)
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, 2020 (the 55th Business Year commenced on April 1, 2019 and ended March 31, 2020).
   2. Non-consolidated Financial Statements for the fiscal year that ended March 31, 2020 (the 55th Business Year commenced on April 1, 2019 and ended March 31, 2020).

   Matters to be Voted Upon by Shareholders
   1. Election of Thirteen (13) Directors of the Board
   2. Election of Two (2) Auditors of the Board

(Footnote)

◎ Gifts to attending shareholders at the Meeting will not be distributed from this Shareholders Meeting. We ask for your understanding towards this change.

◎ Payment of Fiscal Year End Dividends, 55th Business Year

At the Directors of the Board Meeting of the Company held on May 20, 2020, it was resolved that the Company will pay Forty (40) Japanese yen per share as the Fiscal Year End Dividends of the 55th Business Year, and that the start date of the dividend payment will be June 25, 2020.

【Booklet P4】

Instructions for Exercising Your Voting Right

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.

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

If you attend the Meeting by Proxy, please have the proxy submit your Voting Form at the reception desk of the Meeting, together with the document that certifies your delegation. Due to our Articles of Incorporation, we need to limit the number of proxy to one person only.

Shareholders Meeting Date & Time : Wednesday, June 24, 2020 10:00 AM (JST, Reception starts at 9:30AM)

If you cannot attend the Meeting

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, Tuesday, June 23, 2020.

Exercising your voting right via the internet

Please access our designated Voting website via the internet (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.

Deadline: Please enter your vote no later than 5:30 PM, Tuesday, June 23, 2020.

For details, please refer to the next page.

Footnote

Items listed in the internet

・Items listed in this booklet is also listed in our Corporate Website as listed below.

・English translation of this Notice is available on the following website for courtesy purpose.

https://www.takamatsu-cg.co.jp/eng/

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

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

(ii) Financial Statements → Statement 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.

TCG Corporate Website : Japanese - https://www.takamatsu-cg.co.jp/

English - https://www.takamatsu-cg.co.jp/eng/

【Booklet P5】

Details of exercising your voting right via the internet

When you exercise your voting right via the internet, please access to our Voting Right Exercise Website and vote by following the instructions as follows:

Voting Right Exercise Website

https://soukai.mizuho-tb.co.jp/

(Please google “議決権行使　みずほ” or you can access through QR code on Booklet page 5.)

Procedures

1. Access Voting Right Exercise Website
   Please read “Voting right exercise via internet” and click “proceed to next step”
2. Log in
   Enter “Voting Right Exercise Code” and click “Next”
   *“Voting Right Exercise Code” and “Password” are listed on Voting Form enveloped together with this Notice.
3. Enter password
   When password change screen shows up, please enter “Initial Password” and then enter “password” that you will use.

After 3, please follow the instruction on the screen and enter for / against proposals.

Caution!

- Password secures that the voter is the shareholder.　Please conduct cautious handling until the Shareholders Meeting is over.　We cannot tell passwords through phone inquiries.
- If you enter wrong password for certain times, the window will be locked and cannot be used further. In case the window is locked, please follow instructions on the screen.
- There may be cases where you cannot use the website due to the internet environment or other technical reasons.
- 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.
- if you vote via the internet more than once, the most recent voting shall be treated as valid.

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.)

For our Institutional Shareholders

TCG participates Electronic Exercise Platform operated by ICJ Co., Ltd.

【Booklet P6】

Reference Material of the Shareholders Meeting

Item No.1 : Election of Thirteen (13) Directors of the Board

The terms of offices of all our 12 Directors of the Board will expire at the closing of this General Shareholders Meeting. Therefore, to further strengthen management structure, we propose an increase of one Director of the Board, thus an election of thirteen (13) Directors of the Board is proposed.

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

No.	New/Reassign	Name	Current Position of the Company	Attendance to BOD Meetings
1	Reassign	Takayuki Takamatsu	Honorary Chairperson and Director of the Board	100.0% (13 attended / 13Meetings)
2	Reassign	Kanji Ogawa	Chairperson and Representative Director of the Board	100.0% (13 attended / 13Meetings)
3	Reassign	Nobuhiko Yoshitake	President and Representative Director of the Board	100.0% (13 attended / 13Meetings)
4	Reassign	Takayoshi Takamatsu	Vice President and Representative Director of the Board	100.0% (13 attended / 13Meetings)
5	Reassign	Hirotaka Takamatsu	Director of the Board	100.0% (13 attended / 13Meetings)
6	Reassign	Takatoshi Takamatsu	Director of the Board	100.0% (13 attended / 13Meetings)
7	Reassign	Yasunobu Ueno	Director of the Board	100.0% (13 attended / 13Meetings)
8	Reassign	Toshitaka Hagiwara	External Director of the Board (Independent)	100.0% (13 attended / 13Meetings)
9	Reassign	Masahiro Nishide	Director of the Board	100.0% (13 attended / 13Meetings)
10	Reassign	Shigehiro Aoyama	External Director of the Board (Independent)	100.0% (13 attended / 13Meetings)
11	Reassign	Hideyuki Takamatsu	Director of the Board	100.0% (13 attended / 13Meetings)
12	Reassign	Hideto Nakahara	External Director of the Board (Independent)	100.0% (13 attended / 13Meetings)
13	New	Yasushi Tsujii	N/A	N/A

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

【Booklet P7 】

Candidate No.1

Name and Date of Birth: Takayuki Takamatsu, September 27, 1937 (82 years old, Reassign)

History and Post 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 Corporation Co., Ltd. (Current)
Jun. 2013	Director of the Board of Asunaro Aoki Construction Co., Ltd. (Current)

Number of Company shares held by the Candidate: 8,243,700

Attendance to BOD Meetings : 100.0% (13 attended / 13Meetings)

Reason for listing as the candidate for Director of the Board

Mr. Takayuki Takamatsu has experienced President and Representative Director of the Board as well as Chairperson and Representative Director of the Board, and is currently working as Honorary Chairperson and Director of the Board of the Company. He has provided advice on overall management issues from a broad perspective with the goal to build an ever-lasting Group in accordance with its management Credo. With his abundant management experience and deep insight, we believe Mr. Takayuki Takamatsu will be able to make further contributions to the continuous increase of corporate value, thus he is continuously listed as the candidate as the Director of the Board.

Candidate No.2

Name and Date of Birth: Kanji Ogawa, July 3, 1949 (70 years old, Reassign)

History and Post 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 Headquarter of the Company
Apr. 2004	Vice President and Representative Director of the Board, Director in charge of Headquarter 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 Headquarter 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 Corporation Co., Ltd. (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.
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 : 19,245
Attendance to BOD Meetings : 100.0% (13 attended / 13Meetings)

Reason for listing as the candidate for Director of the Board
Mr. Kanji Ogawa has experienced President and Representative Director of the Board and is currently posted as the Chairperson and Representative Director of the Board of the Company. He is currently working as the chair of the Board of the Directors Meetings and is managing the Meetings effectively, as well as appropriately supervising Group management. With his abundant management experience and deep insight, we believe Mr. Kanji Ogawa will be able to make further contributions to the continuous increase of corporate value, thus he is continuously listed as the candidate as the Director of the Board.

【Booklet P8】

Candidate No.3

Name and Date of Birth: Nobuhiko Yoshitake, November 19, 1952 (67 years old, Reassign)

History and Post 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 Headquarter 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)
Jun. 2017	Director of the Board of Takamatsu Corporation Co., Ltd.(Current)

Number of Company shares held by the Candidate : 4,317

Attendance to BOD Meetings : 100.0% (13 attended / 13Meetings)

Reason for listing as the candidate for Director of the Board

Mr. Nobuhiko Yoshitake has experienced important positions such as Senior Director of Resona Bank Co.,Ltd., Chairperson and Director of the Board of Showa Lease Co.,Ltd., as well as Vice President and Representative Director of the Board, Asunaro Aoki Construction Co., Ltd., which is our core company of the Group, and is currently President and Representative Director of the Board, Director of the Company. Mr. Yoshitake is making significant contributions to improve our results by enhancing decision making capabilities of the Board by seeking management decisions of the Board Members sufficiently and appropriately, as well as taking lead of the Group management. With his abundant management experience and deep insight, we believe Mr. Nobuhiko Yoshitake will be able to make further contributions to the continuous increase of corporate value, thus he is continuously listed as the candidate as the Director of the Board.

Candidate No.4

Name and Date of Birth: Takayoshi Takamatsu, February 6, 1967 (53 years old, Reassign)

History and Post of the Candidate:

Apr. 1990	Joined the Company
Apr. 2005	General Manager, President’s Office of the Company
Jun. 2005	Director of the Board, General 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 Corporation Co., Ltd.

Aug. 2009	Director of the Board, Director in charge of Headquarter, Takamatsu Corporation Co., Ltd.
Apr. 2011	Director of the Board, Senior Director in charge of Headquarter, Takamatsu Corporation Co., Ltd.
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 of the Company
Jun. 2016	Representative Director of the Board, Executive Director in charge of Group Integration Division of the Company
Apr. 2017	Representative Director of the Board, Vice President in charge of Group Integration Division of the Company
Jun. 2017	Director of the Board, Takamatsu Corporation Co., Ltd. (Current)
Apr. 2019	Representative Director of the Board, Vice President integrating all Divisions and General Manager of Group Auditing Division of the Company (Current)

Number of Company shares held by the Candidate : 320,935
Attendance to BOD Meetings : 100.0% (13 attended / 13Meetings)

Reason for listing as the candidate for Director of the Board
Mr. Takayoshi Takamatsu has experienced important positions such as Director of the Board, General Manager of President's Office of the Company, and is currently Representative Director of the Board, Vice President of the Company. He is making significant contributions to improve our results by enhancing decision making capabilities of the Board by seeking management decisions of the Board Members sufficiently and appropriately, as well as being in charge of Group Auditing Division. With his abundant management experience and deep insight, we believe Mr. Takayoshi Takamatsu will be able to make further contributions to increase corporate value, thus he is continuously listed as the candidate as the Director of the Board.

【Booklet P9】

Candidate No.5

Name and Date of Birth: Hirotaka Takamatsu, February 28, 1971 (49 years old, Reassign)

History and Post of the Candidate:

Jun. 2007	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 Corporation Co., Ltd.
Apr. 2016	Director of the Board, Executive Director, Takamatsu Corporation Co., Ltd.
Apr. 2017	Director of the Board, Executive Director in charge of Group Strategy Division, as well as General Manager of Group Management Strategy Department of the Company
Apr. 2017	Director of the Board, Takamatsu Corporation Co., Ltd.
Apr. 2018	Director of the Board, Executive Director in charge of Group Strategy Division of the Company
Apr. 2018	Vice President and Representative Director of the Board, Takamatsu Corporation Co., Ltd. (Current)
Apr. 2019	Director of the Board of the Company (Current)

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

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

Attendance to BOD Meetings : 100.0% (13 attended / 13Meetings)

Reason for listing as the candidate for Director of the Board

Mr. Hirotaka Takamatsu has experienced important positions such as Vice President and Representative Director of the Board, Takamatsu Techno Service Co., Ltd. as well as Director of the Board, Executive Director, Takamatsu Corporation Co., Ltd., and is currently Vice President and Representative Director of the Board, Takamatsu Corporation Co., Ltd., which is the core company of the Group. Mr. Hirotaka Takamatsu owns abundant management experience as well as deep insight in construction industry, and by seeking his appropriate opinion concerning strategic business promotion of our Group, he will be able to make further contributions to the increase of corporate value, thus he is continuously listed as the candidate as the Director of the Board.

Candidate No.6

Name and Date of Birth: Takatoshi Takamatsu, September 6, 1970 (49 years old, Reassign)

History and Post of the Candidate:

Mar. 1998	Joined the Company

Jun. 2005 Director of the Board and General Manager of Tokyo Headquarter, 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 Corporation Co., Ltd.
Apr. 2014 Vice President and Representative Director of the Board, Takamatsu Corporation Co., Ltd.
Jun. 2015 Vice President and Representative Director of the Board,
Director of Takamatsu Corporation Co., Ltd.
Apr. 2016 Chairperson and Director of the Board, JP Home Co., Ltd.
Apr. 2017 Director of the Board, JP Home Co., Ltd.
Apr. 2018 President and Representative Director of the Board, Takamatsu Corporation Co., Ltd. (Current)

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

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

Attendance to BOD Meetings : 100.0% (13 attended / 13Meetings)

Reason for listing as the candidate for Director of the Board

Mr. Takatoshi Takamatsu has experienced important positions such as Director of the Board and General Manager of Tokyo Headquarter, JP Home Co., Ltd., Vice President and Representative Director of the Board, JP Home Co., Ltd., President and Representative Director of the Board, JP Home Co., Ltd., Vice President and Representative Director of the Board, Takamatsu Corporation Co., Ltd., and is currently working as President and Representative Director of the Board, Takamatsu Corporation Co., Ltd., which is the core company of the Group. Mr. Takatoshi Takamatsu owns abundant management experience as well as deep insight in construction industry, and by seeking his appropriate opinion concerning strategic business promotion of our Group, he will be able to make further contributions to the increase of corporate value, thus he is continuously listed as the candidate as the Director of the Board.

【Booklet P10】

Candidate No.7

Name and Date of Birth: Yasunobu Ueno, October 23, 1949 (70 years old, Reassign)

History and Post of the Candidate:

Apr. 1972	Joined Aoki Construction Co., Ltd.
Jul. 2002	Director of the Board and Senior Director, General Manager of Osaka Headquarter, Aoki Construction Co., Ltd.
Apr. 2004	Director of the Board and Executive Director, General Manager of Osaka Headquarter, 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 Headquarter, 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.
Jun. 2013	Director of the Board of the Company (Current)
Apr. 2018	Chairperson and Director of the Board, Asunaro Aoki Construction Co., Ltd. (Current)
Jun. 2018	Director of the Board, Takamatsu Corporation Co.,Ltd. (Current)

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

Number of Company shares held by the Candidate : 1,740

Attendance to BOD Meetings : 100.0% (13 attended / 13Meetings)

Reason for listing as the candidate for Director of the Board

Mr. Yasunobu Ueno has experienced important positions such as 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., as well as President and Representative Director of the Board, Asunaro Aoki Construction Co., Ltd., which is the core company of the Group, and is currently Chairperson and Director of the Board, Asunaro Aoki Construction Co., Ltd. Mr. Yasunobu Ueno owns abundant management experience as well as deep insight in construction industry, and by seeking his appropriate opinion concerning strategic business promotion of our Group, he will be able to make further contributions to the increase of corporate value, thus he is continuously listed as the candidate as the Director of the Board.

Candidate No.8

Name and Date of Birth: Toshitaka Hagiwara, June 15, 1940 (79 years old, Reassign, External, Independent)

History and Post 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)

Important Concurrent Position of the Candidate:

Advisor, Komatsu Co., Ltd.
External Director of the Board, Zensho Holdings Co., Ltd.
External Director of the Board, Hino Automobile Co., Ltd.

Number of Company shares held by the Candidate : 5,360

Attendance to BOD Meetings : 100.0% (13 attended / 13Meetings)

Reason for listing as the candidate for External Director of the Board

Mr. Toshitaka Hagiwara has experienced important positions such as Vice President and Representative Director of the Board, Komatsu Co., Ltd., Chairperson and Representative Director of the Board, Komatsu Co., Ltd. and owns abundant management experience as well as deep insight as executive manager. Mr. Toshitaka Hagiwara has provided TCG precious opinions from the independent standpoint having no special interests with the Company. By seeking continued advice in overall management fields, we have judged we will be able to further strengthen our management structure, thus he is continuously listed as the candidate as the External Director of the Board.

【Booklet P11】

Candidate No.9

Name and Date of Birth: Masahiro Nishide, December 29, 1956 (63 years old, Reassign)

History and Post 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 Headquarter of the Company
Oct. 2008	Director of Board, Executive Director, General Manager of Osaka Headquarter, Takamatsu Corporation Co., Ltd.
Jun. 2010	Representative Director of the Board, Executive Director, General Manager of Osaka Headquarter, Takamatsu Corporation Co., Ltd.
Apr. 2014	President and Representative Director of the Board, Takamatsu Corporation Co., Ltd.
Jun. 2014	Director of the Board of the Company (Current)
Apr. 2018	Chairperson and Representative Director of the Board, Takamatsu Corporation Co., Ltd. (Current)
Jun. 2018	Director of the Board, Asunaro Aoki Construction Co., Ltd. (Current)

Important Concurrent Position of the Candidate: Chairperson and Representative Director of the Board, Takamatsu Corporation Co., Ltd.

Number of Company shares held by the Candidate : 30,666

Attendance to BOD Meetings : 100.0% (13 attended / 13Meetings)

Reason for listing as the candidate for Director of the Board

Mr. Masahiro Nishide has experienced important positions such as Director of the Board, Senior Director, General Manager of Osaka Headquarter of the Company, Director of the Board, Executive Director, General Manager of Osaka Headquarter, Takamatsu Corporation Co., Ltd., President and Representative Director of the Board, Takamatsu Corporation Co., Ltd. and is currently Chairperson and Representative Director of the Board, Takamatsu Corporation Co., Ltd., which is the core company of the Group. Mr. Masahiro Nishide owns abundant management experience as well as deep insight in construction industry, and by seeking his appropriate opinion concerning strategic business promotion of our Group, he will be able to make further contributions to the increase of corporate value, thus he is continuously listed as the candidate as the Director of the Board.

Candidate No.10

Name and Date of Birth: Shigehiro Aoyama, April 1, 1947 (73 years old, Reassign, External, Independent)

History and Post 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.
Jun. 2016	External Director of the Board of the Company (Current)
Apr. 2018	Special Advisor, Suntory Holdings Co., Ltd.

Important Concurrent Position of the Candidate:

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

External Director of the Board, Miraka Holdings

External Director of the Board, SUBARU Corporation

Number of Company shares held by the Candidate : 3,337

Attendance to BOD Meetings : 100.0% (13 attended / 13Meetings)

Reason for listing as the candidate for External Director of the Board

Mr. Shigehiro Aoyama has experienced important positions such as Vice President and Director of the Board, Suntory Co., Ltd., Vice President and Representative Director of the Board, Suntory Holdings Co., Ltd., Vice Chairperson and Representative Director of the Board, Suntory Holdings Co., Ltd. and owns abundant management experience as well as deep insight as executive manager. Mr. Shigehiro Aoyama has provided TCG precious opinions from the independent standpoint having no special interests with the Company. By seeking continued advice in overall management fields, we have judged we will be able to further strengthen our management structure, thus he is continuously listed as the candidate as the External Director of the Board.

【Booklet P12】

Candidate No.11

Name and Date of Birth: Hideyuki Takamatsu, February 28, 1977 (43 years old, Reassign)

History and Post 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)

Important Concurrent Position of the Candidate:

President and Representative Director of the Board, Kokeisha Co., Ltd.

Number of Company shares held by the Candidate : 331,472

Attendance to BOD Meetings : 100.0% (13 attended / 13Meetings)

Reason for listing as the candidate for Director of the Board

Mr. Hideyuki Takamatsu has experienced corporate management as President and Representative Director of the Board, Kokeisha Co., Ltd., and by utilizing his young power and talent, we judged he will be able to make further contributions to the increase of corporate value, thus he is continuously listed as the candidate of the Director of the Board.

Candidate No.12

Name and Date of Birth: Hideto Nakahara, November 17, 1950 (69 years old, Reassign, External, Independent)

History and Post of the Candidate:

Apr. 1973 Joined Mitsubishi Corporation

Apr. 2004 Director and Executive Manager of Europe, Mitsubishi Corporation

Apr. 2006 Director and Executive Manager of China, Mitsubishi Corporation

Apr. 2007 Senior Director and Executive Manager of China, Mitsubishi Corporation

Jun. 2009 Director of the Board, Senior Director in charge of Corporate, Mitsubishi Corporation (Regional Strategy and Regional Development)

Jun. 2011 Vice President and Representative Director of the Board, Mitsubishi Corporation

Apr. 2016 Director of the Board, Mitsubishi Corporation

Jun. 2016 Advisor, Mitsubishi Corporation

Jun. 2018 Auditor of the Board of the Company

Jun. 2019 Director of the Board of the Company (Current)

Number of Company shares held by the Candidate : None

Attendance to BOD Meetings : 100.0% (13 attended / 13Meetings)

Reason for listing as the candidate for External Director of the Board

Mr. Hideto Nakahara has experienced important positions such as Vice President and Representative

Director of the Board, Mitsubishi Corporation and owns abundant management experience as well as deep insight as executive manager. In addition, Mr. Nakahara has abundant overseas experience and has provided appropriate advice concerning overseas business development. By seeking continued straightforward advice from the independent standpoint having no special interests with the Company utilizing his broad experience and professional knowledge, we have judged we will be able to further strengthen our management structure. Therefore he is continuously listed as the candidate as the External Director of the Board.

【Booklet P13】

Candidate No.13

Name and Date of Birth: Yasushi Tsujii, March 8, 1959 (61years old, New Asssign)

History and Post of the Candidate:

Apr. 1982	Joined Aoki Construction Co., Ltd.
Apr. 2011	Upper Director, General Manager of Osaka Civil Engineering, Asunaro Aoki Construction Co.,Ltd.
Apr. 2015	Senior Director, General Manager of Osaka Civil Engineering, Asunaro Aoki Construction Co.,Ltd.
Apr. 2016	Senior Director, General Manager of Tokyo Civil Engineering, Asunaro Aoki Construction Co.,Ltd.
Apr. 2017	Executive Director, Integrated General Manager of Civil Engineering as well as General Manager of Tokyo Civil Engineering, Asunaro Aoki Construction Co.,Ltd.
Jun. 2017	Director of the Board, Executive Director, Integrated General Manager of Civil Engineering as well as General Manager of Tokyo Civil Engineering, Asunaro Aoki Construction Co.,Ltd.
Apr. 2018	President and Representative Director of the Board, Asunaro Aoki Construction Co.,Ltd. (Current)
Jun. 2018	Director of the Board of the Company

Number of Company shares held by the Candidate : 755

Attendance to BOD Meetings : N/A

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

Reason for listing as the candidate for Director of the Board

Mr. Yasushi Tsujii has experienced important positions such as Director of the Board, Executive Director, Integrated General Manager of Civil Engineering as well as General Manager of Tokyo Civil Engineering, Asunaro Aoki Construction Co.,Ltd., and is currently President and Representative Director of the Board, Asunaro Aoki Construction Co., Ltd., which is the core company of the Group. Mr. Yasushi Tsujii owns abundant management experience as well as deep insight in construction industry, and by seeking his appropriate opinion concerning strategic business promotion of our Group, he will be able to make contributions to the increase of corporate value, thus he is listed as the candidate as the Director of the Board.

Note 1. Descriptions of the Limited Liability Contract

The Company has entered contracts with Takayuki Takamatsu, Hirotaka Takamatsu, Takatoshi Takamatsu,

Yasunobu Ueno, Toshitaka Hagiwara, Masahiro Nishide, Shigehiro Aoyama, Hideyuki Takamatsu and Hideto Nakahara, 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. In addition, the Company shall enter the same contract with Yasushi Tsujii, Director of the Board candidate, in the case he is approved as the Director of the Board, as he will become the non-executive Director of the Board of the Company.

Note 2.

There are no special relationships to be mentioned between the Company and the candidates.

Note 3.

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

Note 4.

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

Note 5

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

Note 6

Candidate Hideto Nakahara 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. In addition, Hideto Nakahara was assigned as External Auditor of the Board of the Company on June 27, 2018 and resigned from the position on June 20, 2019.

Note 7.

Candidate Shigehiro Aoyama plans to resign as the External Director of the Board, SUBARU Corporation in June 2020.

【Booklet P14】

Note 8. Actions to inappropriate operation of other companies within the past five years

1. Mr. Hagiwara servied as an External Director of the Board of Yamato Holdings Co.,Ltd. from June 2009 to June 2019. 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 hour 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 strategically improve various work procedures including delivery business, with its pillars on “Improvement and thorough implementation of labor management” and “Promotion of work-life balance”.

   In addition, in January 2019, Yamato Home Convenience Co.,Ltd., which is one of consolidated subsidiaries of Yamato Holdings Co.,Ltd., received administrative disposition as well as improvement order from the Ministry of Land, Infrastructure and Transport due to inappropriate invoicing that are not in accordance with its policies and procedures concerning moving service directed towards corporate customer employees. Yamato Holdings Co.,Ltd. is working to develop preventive measures so that recurrence of such incident can be avoided in Yamato Home Convenience Co.,Ltd., as well as strengthening governance to enhance healthiness of Group management.

   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 fulfilled his duties by investigating the matter and urging Yamato Holdings to further study the reason of this issue, how labor environment can be improved, how to ensure compliance and strengthen corporate governance.

2. Mr. Shigehiro Aoyama has been serving as an External Director of the Board of SUBARU Corporation since June 2016. Concerning inappropriate treatment of completion inspection at Main Plant and Yajima Plant of Gunma Works, in October 2017, SUBARU Corporation received “Improvement of Operation Concerning Type Approval” from the Ministry of Land, Infrastructure and Transport, and was requested to report inappropriate operation status of completion inspection in the past and other details to the Ministry. Recognizing the seriousness of the situation, SUBARU conducted objective and neutral inspection and consigned external professional team such as external lawyers. During the procedure, new inappropriate inspection concerning completion inspection was revealed which resulted in registration of recall to the Ministry of Land, Infrastructure and Transport. By taking this series of inappropriate incidents very seriously, SUBARU Corporation has been working as a team to share strong sense of compliance and are working to develop preventive measures such as facility improvement and

personnel / organizational changes to prevent recurrence and to recover the lost trust from customers. Although Mr. Aoyama was unaware of the abovementioned fact until it was revealed, as an External Director of the Board, he has been duly fulfilling his duties by providing advice to SUBARU Corporation from the viewpoint of legal compliance, and after this matter was revealed, by urging SUBARU Corporation to conduct appropriate measures to prevent recurrence of similar incidents.

【Booklet P15】

Item No. 2 Election of Two (2) Auditors of the Board

The terms of offices of Messrs. Michinari Fujiwara and Tomokuni Tsuno, both Auditors of the Board, will expire at the closing of this General Shareholders Meeting. Therefore, an election of two (2) Auditors of the Board is proposed.

Concerning Item No.2, approval has already been obtained at the Board of the Auditors Meeting.

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

Candidate No.1

Name and Date of Birth: Michinari Fujiwara, February 1, 1955 (65 years old, Reassign, External, Independent)

History and Post of the Candidate:

Apr. 1977	Joined Kyowa Bank Co.,Ltd. (currently Resona Bank Co.,Ltd.)
Apr. 1994	Branch Manager, Tenka Chaya Branch, Kyowa Bank Co.,Ltd.
Apr. 2004	Director, CEO of Hyogo Area & Branch Managers of Kobe & San-no-miya Branches, Resona Bank Co.,Ltd.
Jun. 2007	President and Representative Director of the Board, Showa Auto Leasing Co.,Ltd. (Currently Japan Car Solutions Co.,Ltd.)
Jun. 2009	Auditor of the Board, Shirai Electronics Industrial Co.,Ltd.
Jun. 2012	Auditor of the Board (full time), Inaba Denki Sangyo Co.,Ltd.
Jun. 2016	Auditor of the Board (full time) of the Company (Current)

Number of Company shares held by the Candidate : 833

Attendance to BOD Meetings : 100.0% (13 attended / 13Meetings)

Reason for listing as the candidate for External Auditor of the Board

Mr. Michinari Fujiwara experienced important positions such as Director of Resona Bank Co.,Ltd., Auditor of the Board, Shirai Electronics Industrial Co.,Ltd. and Auditor of the Board (full time), Inaba Denki Sangyo Co.,Ltd., and is currently conducting effective and efficient auditing as Auditor of the Board (full time) of the Company. By seeking continued straightforward questions and opinions from the independent standpoint having no special interests with the Company utilizing his professional knowledge and abundant experience, we have judged we will be able to further strengthen our auditing structure. Therefore he is continuously listed as the candidate as the full time External Auditor of the Board.

【Booklet P16】

Candidate No.2

Name and Date of Birth: Tomokuni Tsuno, January 20, 1973 (47 years old, Reassign, External, Independent)

History and Post of the Candidate:

Oct. 2002	Joined Shin Nihon LLC (Currently EY Shin-Nihon LLC)
Jun. 2006	Registered as CPA
Jul. 2007	Founded Tsuno CPA Office, Representative (Current)
Sep. 2010	Founded Tsuno & Kuramoto Tax Co., Representative
Jun. 2016	Auditor of the Board of the Company (Current)
Sep. 2016	Founded Izanami Auditing Co., Representative (Current)
Jan. 2017	Founded Izanami Tax Co., Representative (Current)
Jan. 2018	Representative Director of the Board, Izanami Research Institute Co.,Ltd. (Current)

Important Concurrent Position of the Candidate:

Representative , Tsuno CPA Office

Representative, Izanami Auditing Co.

Representative, Izanami Tax Co.

Representative Director of the Board, Izanami Research Institute Co.,Ltd.

Number of Company shares held by the Candidate : None

Attendance to BOD Meetings : 100.0% (13 attended / 13Meetings)

Reason for listing as the candidate for External Auditor of the Board

Mr. Tomokuni Tsuno has abundant track record as CPA and Tax accountant and owns appropriate experience concerning financial accounting. In addition, Mr. Tsuno is knowledgeable concerning business realities of Group companies by conducting risk assessment of the Group. By seeking continued straightforward questions and opinions from the independent standpoint having no special interests with the Company, we have judged we will be able to further strengthen our auditing structure, thus he is continuously listed as the candidate as the External Auditor of the Board.

Note 1. Descriptions of Limited Liability Contract

The Company has entered contracts with Michinari Fujiwara and Tomokuni Tsuno, both Auditor 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 Auditor 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 Auditor of the Board candidates have performed their duties in good faith and without gross negligence. In the case the abovementioned Auditor of the Board candidates are approved as the Auditors 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.

There are no special relationships to be mentioned between the Company and the candidates.

Note 3.

Toshimichi Fujiwara and Tomokuni Tsuno are candidates for External Auditors of the Board. The Company has registered Michinari Fujiwara and Tomokuni Tsuno as independent officers in accordance with the regulations of Tokyo Stock Exchange.

Note 4.

Candidate Michinari Fujiwara 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.

Note 5.

Candidate Tomokuni Tsuno 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 P17】

(Reference Materials)

Business Report (From April 1, 2019 through March 31, 2020)

1. Current State of the Affiliated Companies

1. Progress and Results of Business Operations

During the consolidated fiscal year ended March 2020, the overall Japanese economy was in sluggish status due to incidents such as US-China trade friction and the Japanese consumption tax hike. This trend was drastically accelerated at the end of the fiscal year by explosive global expansion of New Corona Virus and thus the Japanese economy is facing economic crisis with its impact worse than the Lehman Shock. Concerning the Japanese construction market, large size re-development projects to prepare for Tokyo Olympics have completed, leading into slowdown of demand. Although there are still sizable construction demand of large scale re-development projects in Kanto and Kansai areas as well as national resilience projects to prepare for natural disasters, we should conduct cautious evaluation towards negative impact of construction interruption (projects, interruption period and increased costs) and the change of investment mindset caused by expansion of New Corona Virus.

Takamatsu Construction Group kicked off its new three year Mid-Term Plan “Create! 2022”, with fiscal year March 2020 as its first year, based on the “Five Creates”. The “Five Creates” are, “Create High-growth, High-profit Group”, “Create New Business Domain”, “Create Group Culture that Respects Diversity and Compliance”, Create Synergy Effect”, and ”Create Value towards Economy, Society and Environment”. To be more concrete, Takamatsu Corporation Co.,Ltd., one of the Group’s core companies, will lead the growth of the Group, while at the same time the overall Group pursuits for improved profitability. This will be realized by continuing to create Group culture that respects diversity and compliance, while at the same time by maximizing synergy effect and by creating new business domain through M&A. Through these activities, continuous creation of value towards economy, society and environment will be realized.

During fiscal year that ended in March 2020, which was 102nd year since our foundation, Asunaro Aoki Construction Co.,Ltd., has become 100% Group company of Takamatsu Construction Group through tender offer after 19 years of double-listed status, which further strengthened our capability to act as one team as well as enhanced synergy potential.

As the result, although our orders received recorded 296,746 million yen which is 2.8% short vs last year due to tightened order recording standard of Takamatsu Corporation Co.,Ltd., our net sales soared to 282,366 million yen (+13.1%vs. last year),marking the eighth consecutive year of growth and the sixth consecutive year of record high sales. Regarding profit, operating income marked record high of 14,720 million yen (+18.3% vs. last year.), as well as ordinary income of 14,355 million yen (+15.5% vs. last year), and net earnings attributable to controlling interest of 8,698 million yen, an increase of 23.9% vs. last year.

Highlights of Consolidated Results

Revenue	:	282,366million yen	(+13.1% vs previous year)
Operating Income	:	14,720million yen	(+18.3% vs previous year)
Ordinary Income	:	14,355million yen	(+15.5% vs previous year)
Net Earnings	:	8,698million yen	(+23.9% vs previous year)

【Booklet P18】

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	214,739	164,771	151,002	228,509
	Civil Engineering	116,490	104,910	104,299	117,101
Total		331,230	269,681	255,301	345,610
Real Estate		—	27,065	27,065	—
Total		331,230	296,746	282,366	345,610

(2) Fund Procurement

To finance 100% share purchase of Asunaro Aoki Construction Co.,Ltd. which is our Group subsidiary, the Company concluded commitment type syndicate loan contract amounting 15,000 million yen and has borrowed the amount in full.

(3) Capital Investments

The capital investments conducted during this consolidated fiscal year totaled 11,158 million yen, and its main portion is purchase of land by TCG (unconsolidated) to build “TCG Building”, our new Tokyo office building.

(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

【Booklet P19】

(7) Acquisition or disposal of stock, ownership interest or share acquisition rights, etc. in other companies

Takamatsu Corporation Co.,Ltd., a TCG subsidiary, has acquired all shares of Tatsumi Planning Co.,Ltd. as of May 13, 2019, and the company has become a consolidated subsidiary.

In addition, on November 11, 2019 as the effective date, Asunaro Aoki Construction Co.,Ltd. has become 100% subsidiary of TCG by conducting tender offer to purchase all its shares.

(8) Issues to be addressed

Upon Government announcement of Emergency Status Declaration on April 7, 2020 in accordance with New Corona Virus Special Act, TCG and its Group companies have established "New Corona Virus Infection Action Team" from the standpoint of protecting lives and physical status of our customers and family members of our Group. While the Emergency Status Declaration is effective, our Group has set the following rules to be thoroughly followed : (1) strengthen remote work with work from home as the basic rule (2) basically prohibit unnecessary / non-emergency business trips and travels (3) Prohibit entrance into places where many people meet, such as conferences. In addition, concerning commencement and continuation of constructions, we will decide upon discussion with our customers, but in case the construction continues, measures to prevent infection will be thoroughly taken.

Concerning domestic construction market, although the majority of forecast in Japan expected relatively firm status to continue for two to three years after the 2020 Tokyo Olympic and Paralympic, the view has become untransparent due to infection expansion of New Corona Virus. In addition, even after the infection peaks out, the construction market needs to respond to work style reform led by the Japanese Government as well as increased labor cost caused by rapid decrease of workers of the construction industry.

Previously, we were of the opinion that the construction of condominiums for rental purpose, which is the main business of Takamatsu Corporation Co.,Ltd., one of our core companies, will remain to be tight in three big cities of Japan (especially in Tokyo), where population is expected to still increase, supported by continued low interest rates. However, the business environment is changing significantly due to weaker investment mindset towards construction, delay of materials procurement due to malfunction of supply chains and the possibility of population dispersion caused by increase of work from home caused by infection expansion of New Corona Virus, thus, we will respond to these environment changes in a flexible manner.

On the other hand, Asunaro Aoki Construction Co.,Ltd., the other core company of the Group with its business core as general architecture and public civil engineering, will head towards steady growth and profitability improvement by responding to economic countermeasures after release of Emergency Status Declaration of New Corona Virus as well as aged infrastructure repairs such as national land resilience projects.

To be concrete, Takamatsu Group will strengthen competitiveness in non-condominium buildings, shorten and optimize design stage period, as well as to improve technology, know-hows and employee skills, while Asunaro Aoki Group will tackle with improvements of technical proposal capability and productivity through ICT such as BIM and CIM, as well as strengthening technological development to enable entrance into new business domains.

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

【Booklet P20】

(9) Group financial highlights for the last four fiscal years

Item	52nd Fiscal Year (From:April 1, 2016 To:March 31,, 2017)	53rd Fiscal Year (From:April 1, 2017 To:March 31, 2018)	54th Fiscal Year (From:April 1, 2018 To:March 31, 2019)	55th Fiscal Year (From:April 1, 2019 To:March 31, 2020)
Orders Received (Million Yen)	256,488	254,857	305,257	296,746
Revenue (Million Yen)	214,130	245,107	249,720	282,366
Ordinary Income (Million Yen)	12,932	13,702	12,425	14,355
Net earnings attributable to controlling interest (Million Yen)	6,596	7,957	7,022	8,698
Net earnings per share (Yen)	183.13	223.39	201.70	249.83
Total Assets (Million Yen)	180,907	184,895	190,590	211,431
Net Assets (Million Yen)	110,555	113,992	118,126	110,139

Notes:

1. Net earnings per share is calculated based on average numbers of shares outstanding during the fiscal year (excluding treasury stock).
2. "Partial Amendment to 'Accounting Standard for Tax Effect Accounting' (ASBJ Statement No.28, February 16, 2018), etc." was applied from 54th fiscal year. Retroactive application of this amendment was conducted for 52nd and 53rd fiscal year for calculating total assets.

【Booklet P21】

(10) Major subsidiaries (as of March 31, 2020)

Name	Capital Stock	TCG share	Main business
Takamatsu Corporation Co.,Ltd.	5,000 Million Yen	100.0 %	Architecture
Asunaro Aoki Construction Co.,Ltd.	5,000 Million Yen	100.0	Civil engineering / architecture
Takamatsu Construction Group USA, Inc.	23,100 000 $	100.0	Real estate
Mirai Construction Co.,Ltd.	2,500 Million Yen	— (100.0)	Harbor, Marine, civil engineering / architecture
Takamatsu Techno Service Co.,Ltd. (Osaka)	300 Million Yen	— (100.0)	Reforms & maintenance
Takamatsu Techno Service Co.,Ltd. (Tokyo)	300 Million Yen	— (100.0)	Reforms & maintenance
Kongo Gumi Co.,Ltd.	300 Million Yen	— (100.0)	Architecture of temples & shrines
Takamatsu House Co.,Ltd.	300 Million Yen	— (100.0)	Planning & sales of wooden independent residence
Nakamura Shaji Co.,Ltd.	100 Million Yen	— (100.0)	Architecture of temples & shrines
Mibu Corporation Co.,Ltd	100 Million Yen	— (100.0)	Sales, purchase & intermediary of real estate
Suminoe Kogei Co.,Ltd.	98 Million Yen	— (100.0)	Interiors & reforms
Aoki Marine Co.,Ltd.	90 Million Yen	— (100.0)	Marine civil engineering
Shimada Gumi Co.,Ltd.	85 Million Yen	— (100.0)	Excavation & research of archaeological resources
Asunaro Road Co.,Ltd.	80 Million Yen	— (100.0)	Pavement
Toko Geotech Co.,Ltd.	80 Million Yen	— (100.0)	Slope protection / ground improvement
Takamatsu Estate Co.,Ltd. (Osaka)	50 Million Yen	— (100.0)	Integrated real estate consulting
Takamatsu Estate Co.,Ltd. (Tokyo)	50 Million Yen	— (100.0)	Integrated real estate consulting
Tatsumi Planning Co.,Ltd.	50 Million Yen	— (100.0)	Wooden independent residence
M's Co.,Ltd.	40 Million Yen	— (90.0)	Renovation of office buildings
Access Co.,Ltd.	40 Million Yen	— (100.0)	Excavation & research of archaeological resources
Niigata Mirai Construction Co.,Ltd.	20 Million Yen	— (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. The status of specified wholly owned subsidiary(*) as of March 31, 2020 are as follows:

Name	Address	Total Book Amount	Asset Amount of TCG
Asunaro Aoki Construction Co.,Ltd.	1-1 Kanda Mitoshiro, Chiyoda-ku, Tokyo	17,394 million yen	49,004 million yen

*= the capital stock amount of the subsidiary which exceeds 20% of the TCG unconsolidated total asset amount.

【Booklet P22】

4.. Takamatsu Corporation Co.,Ltd., our subsidiary, has founded Takamatsu House Co.,Ltd. as of April 1, 2019 and is now one of consolidated companies of the Group.

5.. Takamatsu Corporation Co.,Ltd., our subsidiary, has acquired 100% share of Tatsumi Planning Co.,Ltd. as of April 1, 2019 and is now one of consolidated companies of the Group.

(11) Main businesses (as of March 31, 2020)

Takamatsu Construction Group is made up of Takamatsu Construction Group Co.,Ltd. and its twenty three (23) affiliates of consolidated subsidiaries, with architecture and civil engineering as the main pillars of business, as well as real estate and other related businesses.

(12) Major offices (as of March 31, 2020)

① TCG Offices

Headquarter :	1-2-3 Shin-Kitano, Yodogawa-ku, Osaka
Tokyo Headquarter :	1-1 Kanda Mitoshiro, Chiyoda-ku, Tokyo

② Offices of Affiliates

Takamatsu Corporation Co.,Ltd.	Yodogawa-ku, Osaka
Asunaro Aoki Construction Co.,Ltd.	Chiyoda-ku, Tokyo
Takamatsu Construction Group USA, Inc.	New York, USA
Mirai Construction Co.,Ltd.	Minato-ku, Tokyo
Takamatsu Techno Service Co.,Ltd. (Osaka)	Kita-ku, Osaka
Takamatsu Techno Service Co.,Ltd. (Tokyo)	Chiyoda-ku, Tokyo
Kongo Gumi Co.,Ltd.	Tenno-ji-ku, Osaka
Takamatsu House Co.,Ltd.	Chiyoda-ku,Tokyo
Nakamura Shaji Co.,Ltd.	Ichinomiya-shi, Aichi
Mibu Corporation Co.,Ltd	Shibuya-ku, Tokyo
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.	Chuo-ku, Tokyo
Takamatsu Estate Co.,Ltd. (Osaka)	Yodogawa-ku, Osaka
Takamatsu Estate Co.,Ltd. (Tokyo)	Chiyoda-ku, Tokyo
Tatsumi Planning Co.,Ltd.	Nishi-ku, Yokohama
M's Co.,Ltd.	Chuo-ku, Tokyo
Access Co.,Ltd.	Yao-shi, Osaka
Niigata Mirai Construction Co.,Ltd.	Minami-Uonuma-gun, Niigata

【Booklet P23】

13. Employees (As of March 31, 2020)

① Consolidated

Number of employees	Increase / decrease vs last year
4,389	+474

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

② Non-consolidated

Number of employees	+/- vs last year	Average age	Average service years
27	-4	44	11 years

Notes: 1. Number of employees refers to the number of employees actually working for the Company and does not include directors.

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, 2020)

① Major lenders towards the Group

Lender	Amount (million yen)
Syndicate Loan (*)	15,000
Resona Bank CoLtd.	1,300

Note : Commitment type syndicate loan contract amounting 15,000 million yen, with Resona Bank Co.,Ltd. as the Arranger and Mizuho Bank Co.,Ltd. as the Joint-Arranger, with 24 other financial institutions.

15. Other important matters concerning the Group

No special notes are necessary.

【Booklet P24】

2. Matters relating to the shares of the Company (as of March 31, 2020)

(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 = 4,061,303)

(3) Total number of shareholders 12,765

(4) Major shareholders (Top 10)

Name	Number of shares	Stockholding ratio%
Takayuki Takamatsu	8,243 000 shares	23.7 %
Sanko-sha Co.,Ltd.	4,800	13.8
Takayasu Takamatsu	2,152	6.2
Nippon Master Trust Trust Bank (Trust)	1,379	4.0
Taka Co.,Ltd.	1,226	3.5
Resona Bank Co.,Ltd.	1,080	3.1
Nippon Trusty Service Trust Bank (Trust # 9)	1,006	2.9
Mizuho Bank Co.,Ltd.	824	2.4
Kokei-sha LLC	680	2.0
Northern Trust Co. (AVFC) RE HCR00	564	1.6

Notes 1. TCG owns 4,061 thousand shares of Treasury stock, which is not included in the above chart.
2. Percentage of shares excludes Treasury stock.

(5) Other issues relating to shares of the Company
No special notes are necessary.

3 Share acquisition rights
None

【Booklet P25】

4. Matters relating to Directors and Corporate Auditors

(1) Directors and Auditors of the Board (as of March 31, 2020)

Position of the Company	**Name**	**Responsibilities in the Company and significant concurrent positions at other organizations**
Honorary Chairperson, Director of the Board	Takayuki Takamatsu	
Chairperson, Representative Director of the Board	Kanji Ogawa	Chairperson and Representative Director of the Board of Kongo-Gumi Co.,Ltd.
President, Representative Director of the Board	Nobuhiko Yoshitake	President
Representative Director of the Board	Takayoshi Takamatsu	Vice President (Integrating all Divisions and General Manager of Group Auditing Division)
Director of the Board	Hirotaka Takamatsu	Vice President and Representative Director of the Board, Takamatsu Corporation Co., Ltd.
Director of the Board	Takatoshi Takamatsu	President and Representative Director of the Board, Takamatsu Corporation Co.,Ltd.
Director of the Board	Yasunobu Ueno	Chairperson and Director of the Board, Asunaro Aoki Construction Co.,Ltd.
Director of the Board	Toshitaka Hagiwara	Advisor, Komatsu Ltd. External Director of the Board, Zensho Holdings Co.,Ltd. External Director of the Board, Hino Automobile Co.,Ltd.
Director of the Board	Masahiro Nishide	Chairperson and Representative Director of the Board, Takamatsu Corporation Co.,Ltd.
Director of the Board	Shigehiro Aoyama	Primary Trustee, The Distribution Economics Institute of Japan (Public Foundation) External Director of the Board, Miraka Holdings Co.,Ltd External Director of the Board, SUBARU Co.,Ltd
Director of the Board	Hideyuki Takamatsu	President and Representative Director of the Board, Kokeisha Co.,Ltd.
Director of the Board	Hideto Nakahara	
Auditor of the Board (Full Time)	Michinari Fujiwara	
Auditor of the Board (Full Time)	Yoshinori Matsushita	
Auditor of the Board	Tomokuni Tsuno	Representative, Tsuno CPA Office Representative, Izanami Auditing Co. Representative, Izanami Tax Co. Representative Director of the Board, Izanami Research Institute Co.,Ltd.
Auditor of the Board	Nobuko Ishibashi	Representative employee lawyer, Kobe City Law Firm External Director of the Board, Kami Gumi Co.,Ltd.

【Booklet P26】

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

2. Our Auditors of the Board, Michinari Fujiwara, Tomokuni Tsuno and Nobuko Ishibashi are our External Auditors of the Board.
3. Our Directors of the Board, Toshitaka Hagiwara, Shigehiro Aoyama and Hideto Nakahara, as well as our Auditors of the Board, Michinari Fujiwara, Tomokuni Tsuno and Nobuko Ishibashi 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. Hideto Nakahara, our Director of the Board, has resigned from Auditor of the Board of the Company on June 20, 2019 at the closing of our 54th Ordinary Shareholders Meeting and was elected as Director of the Board at the Meeting and accepted the position.
7. Yoshinori Matsushita and Nobuko Ishibashi, our Auditors of the Board, were elected as Auditors of the Board at the 54th Ordinary Shareholders Meeting on June 20, 2019 and accepted the position.
8. Koji Shibata, our Auditor of the Board, has resigned from Auditor of the Board of the Company on June 20, 2019 at the closing of our 54th Ordinary Shareholders Meeting.
9. As of April 1, 2020, there has been following changes of the posts and significant concurrent positions:

   Kanji Ogawa has changed his position from Chairperson, Representative Director of the Board, Kongo Gumi to Advisor, Kongo Gumi.

【Booklet P27】

<REFERENCE> The following are our Directors as of April 1, 2020
(* indicates concurrent position with Director of the Board)

Position of the Company	Name	Division
President	※ Nobuhiko Yoshitake	
Vice President	※ Takayoshi Takamastu	Integrating all Divisions as well as in charge of Group Auditing Division
Senior Director	Shingo Ueda	General Manager of Administration Division as well as General Manager of Legal Department
Senior Director	Masahiro Shimabayashi	General Manager of Group Integration Division, Group Strategy Division and New Business/M&A Department

(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	17	195 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	42	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	23	237	

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

【Booklet P28】

(4) Matters relating to External Directors and Auditors

Position	Name	Major Activities
Director of the Board	Toshitaka Hagiwara	Attended 13 Directors of the Board Meetings out of 13 held during fiscal year ended Mar 2020. Has provided appropriate and necessary opinions and advice based on abundant managerial experience and broad knowledge.
Director of the Board	Shigehiro Aoyama	Attended 13 Directors of the Board Meetings out of 13 held during fiscal year ended Mar 2020. Has provided appropriate and necessary opinions and advice based on abundant managerial experience and broad knowledge.
Director of the Board	Hideto Nakahara	Attended 13 Directors of the Board Meetings out of 13 held during fiscal year ended Mar 2020. Has provided appropriate and necessary opinions and advice based on abundant managerial experience and broad knowledge. Also attended 2 Auditors of the Board Meetings out of 2 Meetings and exchanged opinions concerning audit as well as engaged in discussions concerning important topics before resigning the Auditor of the Board in June 2019.
Auditor of the Board (FullTime)	Michinari Fujiwara	Attended 13 Directors of the Board Meetings out of 13 held during fiscal year ended Mar 2020. Has provided appropriate questions and opinions based on experience and knowledge obtained from his background field of financial institutions. Also attended 12 Auditors of the Board Meetings out of 12 Meetings held and exchanged opinions concerning audit as well as engaged in discussions concerning important matters.
Auditor of the Board	Tomokuni Tsuno	Attended 13 Directors of the Board Meetings out of 13 held during fiscal year ended Mar 2020. Has provided appropriate questions and opinions based on his experience and knowledge as a CPA. Also attended 12 Auditors of the Board Meetings out of 12 Meetings held and exchanged opinions concerning audit as well as engaged in discussions concerning important topics.
Auditor of the Board	Nobuko Ishibashi	Elected as Auditor of the Board at 54th Shareholders' Meeting held on June 20, 2019 and attended 11 Directors of the Board Meetings out of 11 held after June. Has provided appropriate questions and opinions from the professional perspective as a lawyer. 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 P29】

(5) Compensation of External Directors and Auditors

Position	# of personnel	Total Remuneration	Compensation from other Group Companies
External Directors and Auditors of the Board	8	85 million yen	—

4. 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	24 million yen
Total amount of money and/or other financial benefits payable to accounting auditor by TCG and/or its Affiliates	74 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 and 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 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 P30】

6. Structure to Ensure Appropriateness of Business Operations and its Status
   (1) Structure to Ensure Appropriateness of Business Operations

   At the Directors of the Board Meeting held on May 18, 2006, we adopted a basic policy for the establishment of internal control. Since then, TCG has updated the policy, with the current structure as follows:

   ① Structure to ensure directors of the board of TCG and Group companies execute their duties in accordance with laws, regulations and the Articles of Incorporation.
      i. In our Group, directors of the board are to execute their duties in accordance with “Directors of the Board Meeting Policy” as well as “Approval Policy”, that are based on laws, regulations, articles of incorporation, Corporate Philosophy and various policies.
      ii. Directors of the board in our Group are to act in accordance with ethics and social responsibility, and to self-check the legality, appropriateness, relevance, due care of prudent manager and violation of fidelity due to omission, for our management directions and execution.
      iii. Internal audit departments of TCG as well as our Group companies collaborate to conduct internal audits of each company on routine basis and whenever necessary.
      iv. We will all stand against any antisocial forces and organizations that threaten healthy social order and sound corporate activities

   ② Structure to preserve and administrate information concerning execution of duties by the Directors of the Board

      Concerning records of decisions at the Director of the Board Meetings, TCG prepares, preserves and administrates necessary documents in accordance with “Directors of the Board Meeting Policy” as well as “Document Administration Policy”.

   ③ Structure concerning risk of loss control of TCG and Group companies
      i. In our Group, items that are related to risk of loss are handled by “Approval Policy”, “Risk Control Policy”, “Emergency Countermeasure Policy” and “Risk Item Handling Policy”, within which important items are discussed and resolved at the Director of the Board Meetings.
      ii. TCG identifies significant risks of subsidiaries and supervise matters affecting the Group, with high risk items to be reported to TCG promptly.

【Booklet P31】

④ Structure to ensure efficiency of directors of the board of TCG and its subsidiaries

i. In our Group, director of the board meetings have set structures that enables appropriate and timely decision concerning important items of the Group. Director of the board meetings also inspect the matching between management directions and execution, as well as to provide instructions to realize set goals.
ii. TCG appoints External Directors of the Board to further activate Directors of the Board Meetings as well as to strengthen governance and management supervision functions.
iii. TCG ensures directors of the board meetings of Group companies are making proper resolutions, and provide support to enable they work as checking functions as well as to make sure their resolutions are appropriate.

⑤ Structure to ensure employees of TCG and Group companies execute their duties in accordance with laws, regulations and the Articles of Incorporation.

i. In our Group, we distribute "Corporate Philosophy Card" to all employees, and read them outloud on daily basis with the purpose to lead employee actions to be in accordance with Corporate Philosophy that consists of management goals, management attitudes, raison d'etre of the Group and Action Principles.
ii. In our Group, all employees are repeatedly communicated through Group newsletters and internal meetings of Group companies that the first step of corporate activity is to comply with laws, regulations, articles of incorporation and other policies.
iii. The Internal Audit Department of TCG and Group companies collaborate to conduct internal audit of Group companies whenever necessary.

⑥ Structure to ensure appropriateness of operations of TCG and Group companies

i. TCG has adopted pure holding company structure, whereas TCG is in charge of Group common matters and core companies (Takamatsu Corporation and Asunaro Aoki Construction) are in charge of supporting and controlling the operation of Group companies.
ii. We have adopted "Group Principles" to nurture uniformity of the Group so that the Group companies can conduct appropriate and legal corporate activities in accordance with common Corporate Philosophy.
iii. TCG has a policy "Relationship between holding company and Group companies" to enable smooth and thick communication among Group companies to enhance independent growth of each Group companies so that Group's total corporate value can be maximized.
iv. Group President Meeting is presided by core companies to enable effective management so that appropriate operation can be conducted by Group companies.
v. TCG ruled out items that need to be reported and received appropriate reports from Group companies on routine and necessary basis.

【Booklet P32】

⑦ Items concerning supporting employee towards Auditor of the Board

TCG established Auditor of the Board Office to support operations of auditors of the board.

⑧ Items concerning independence of supporting employee towards Auditor of the Board from Director of the Board as well as securing effectiveness of instruction towards the supporting employee

i. Auditor of the Board will provide direct instructions and supervision to the supporting employee.
ii. Personnel evaluation for the portion where support towards auditor of the board was provided is conducted by the Auditor of the Board, as well as personnel transfer and punishment will be conducted with the consent of the Auditor of the Board.

⑨ Reporting structure from director of the board and employees of the TCG and its subsidiaries to report to Auditors of the Board

i. TCG Directors of the Board will promptly notify Auditors of the Board when an incident which may have significant impact to the Company occurs or has the risk to occur.
ii. TCG Auditor of the Board concurrently serves as Auditor of the Board of other Group companies, resulting in structure to receive operation reports of Group companies.
iii. Auditor of the Board will ask for report from Director of the Board or employee whenever necessary.
iv. Internal Audit Department and Group Integration Division are to report the status of internal audit and risk control.
v. TCG and Group companies have established whistleblower policies with the receiver of the information as TCG and core companies' division in charge of compliance, auditors of the board and external lawyers. In addition, unfavorable treatment to the sender of such information, such as dismissal, etc. is prohibited.

⑩ Other structures to ensure effective auditing by the Auditor of the Board

i. Auditors of the Board Meeting will receive explanations from accounting auditors as well as internal audit departments, and collaborate with them to exchange necessary information.
ii. Expense of Auditor of the Board that are necessary to conduct their duty is budgeted and paid upon request, as well as emergency expense is paid upon request after confirming its justification.

【Booklet P33】

(2) Status of Structure to Ensure Appropriateness of Business Operations

Based on structure to ensure appropriateness of business operations, TCG and Group companies are working to properly set structures as well as its appropriate operation, to lead into continuous growth of corporate value. The following is an overview of the status of structure to ensure appropriateness of business operations.

① Overall internal control system

i. TCG held 13 Directors of the Board Meetings during this fiscal year, in which discussion and resolution were conducted for important items, as well as received reports concerning operation, result, risk and compliance status in accordance with importance of the incidents.

ii. Internal audits were conducted in accordance with Internal Audit Base Policy developed by TCG, with actual auditing conducted centering around internal audit departments of core companies with its results monitored by TCG Internal Audit Department. With the above implemented, improvement of auditing standard, sharing of issues and thorough improvement were conducted. In addition, auditing by independent CPA was conducted, and by Group companies accepting auditing from independent position with professional viewpoint, further strengthening of internal control systems were realized.

iii. Evaluation of internal control of financial reporting of TCG and Group companies was conducted during mid to end of the fiscal year in accordance with internal control reporting structure based on Financial Instruments and Exchange Law to further improve structure to prepare appropriate financial reports.

② Compliance initiatives

i. Action guideline

Based on our Group Principles and Management Credo, to clarify employee thinking and consciousness, TCG developed “Action Principles” and shared with our employees the followings:

- We shall recognize the importance of compliance, and always act fairly and faithfully in accordance with high standards requested by the society.
- We shall draw a distinct line between work and private, and never request nor receive personal benefits nor interest from our business partners.
- As independent individuals, we shall always improve ourselves and fix the wrong with bravery.

ii. Compliance Department

Compliance Department was established inside Administration Division. Compliance Department developed compliance programs and shared information with core companies to strengthen compliance structure.

【Booklet P34】

iii. Compliance Committee

Compliance Committee of our core companies gathered information such as to check whether there are any issues, as well as conducted employee training and education.

iv. Compliance training

“Compliance Manual” was partially revised and was shared with employees through training programs and morning meetings, as well as by sending out necessary information through corporate notice letters. Moreover, new training programs using e-learning was introduced and trainings such as harassment prevention were conducted.

v. Whistleblower protection structure

The receiver of whistleblower information was assigned to be Compliance Department, auditors of the board and external lawyers that include both inside and outside our organization. In addition, prohibition of unfavorable treatment to the whistleblower is widely and thoroughly shared with the employee through corporate intranet and newsletters. For this fiscal year, there was no whistleblower information that led to significant illegal activities.

③ Strengthening risk management structure

i. Risk management structure

In our “Risk Item Treatment Policy”, procedures to report, respond and control incidents that involve significant physical, economical and trust risks are listed. In accordance with the degree of impact, TCG received the report as well reported the incident at the Directors of the Board Meetings. In addition, in accordance with “Crisis Control and Public Relations Manual”, we established a structure that enables smooth crisis management based on escalation rules.

ii. Information security

Concerning information asset risk control, “Information Security Base Policy” was developed, and in accordance with the Policy, information security structures and necessary system constitution, education and trainings, response procedure towards occurrence of such incidents as well as self checks and supervision methods were introduced, leading into enhanced information security level of TCG and the Group companies.

④ Group company management

i. In accordance with "Policy Concerning Holding Company and Group Companies”, important matters of the Group companies that needs TCG approval are categolized into (1) items that needs shareholder approval, (2) high risk financial and operational items that may influence the Group and (3) items that needs Group approval from the standpoint of maximizing Group total corporate value. Approvals by TCG Director of the Board Meetings were conducted in accordance with the Policy.

【Booklet P35】

ii. Both core companies held Presidents' Meeting on monthly basis and exchanged operation reports, Group decisions and need-to-report items, discussed issues as well as advised resolutions.

iii. TCG received reports of Group companies' budget-actual comparison, full year estimates, KPIs, financial status, risk items on routine format basis. New items were reported with detailed materials and significant risk incidents were reported at Director of the Board Meetings. In addition, risk status of the Group is reported at the Director of the Board Meetings on quarterly basis.

iv. Minutes of director of the board meetings of Group companies were sent to TCG, and the content was scrutinized to check appropriateness of resolution items as well as their contents. Advise were fed back when necessary.

⑤ Execution of duty by Directors of the Board

i. Based on Director of the Board Meeting Policy, TCG held Director of the Board Meeting on monthly basis, and resolved important items as depicted by law, articles of incorporation and policies and procedures manuals. In addition, reports and supervisions concerning execution of duties of Directors of the Board were conducted.

ii. When distributing materials of Director of the Board Meetings, cares were taken so that the materials were distributed one week in advance to activate and deepen discussion.

iii. Sufficient discussion was conducted among Directors of the Board, with External Directors of the Board taking the lead in many cases.

iv. Evaluation to check the effectiveness of the Meeting were conducted and clarified points of improvement.

⑥ Execution of duty by Auditors of the Board

i. Auditors of the Board attended important meetings including Board of the Directors Meeting of TCG and other Group companies and expressed opinions when necessary, as well as conducted audit trips and requested explanation from directors of the board and employees of Group companies and advised improvements when necessary.

ii. Auditors of the Board Meetings were held on monthly basis, where reports of individual auditor's auditing activities were reported, as well as exchange of information and discussion and resolution of important items.

iii. Auditors of the Board exchanged opinions with Representative Directors, External Directors, accounting auditors as well as internal auditing departments. In addition, opinion exchange meetings with auditors of the board of Group companies were conducted on quarterly basis, resulting in enhancing effectiveness of the audit. Also, important information concerning TCG and Group companies were reported to Auditor

of the Board on appropriate and timely basis, as well as Auditor of the Board were able to request reports.

iv. Auditors of the Board Office was established independent from direction line of command of Director of the Board, where CPA employee was placed, and conducted broad and high level audit.

【Booklet P36】

7. Policies Concerning Dividend Payment

Distributing earnings to shareholders is one of our highest priorities. We will pursuit disciplined capital policy by seeking the optimized balance between strengthening management basis towards eternal growth of the Group and the steady distribution of profits to our shareholders. Our basic policy is to maintain stable dividend payments to improve shareholder distribution while retained earnings will be used effectively from a medium to long term perspective with the primary objective to strengthen our management structure and to build a sound base for future operations.

For the fiscal year ended March 2020, we declare an annual dividend of 63 yen per share, which is the same amount as our announcement at the beginning of the year, with the dividend payout ratio of 25.2%.

For the fiscal year ending March, 2021, we plan to pay a dividend of 63 yen per share.

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【Booklet P37】

Consolidated Financial Statements

Consolidated balance sheet

(As of March 31, 2020)

（Million yen, figures in parentheses indicate negative amounts ）

ACCOUNT TITLE	AMOUNT	ACCOUNT TITLE	AMOUNT
[ASSETS]		[LIABILITIES]	
Current assets	164,602	Current liabilities	88,013
Cash and deposits	71,730	Accounts payable for construction contracts	33,634
Notes receivable, accounts receivable from completed construction contracts and other	74,320	Short-term borrowings	16,300
Real estate for sale	7,412	Income taxes payable	3,732
Costs on uncompleted construction contracts	2,275	Advances received on uncompleted construction contracts	21,484
Costs on real estate business	2,359	Provision for warranties for completed construction	489
Accounts receivable	4,976	Provision for loss on construction contracts	29
Other	1,643	Provision for bonuses	3,656
Allowance for doubtful accounts	(115)	Other	8,687
Noncurrent assets	46,828	Noncurrent liabilities	13,279
Tangible Assets	32,681	Deferred tax liabilities for land revaluation	256
Buildings and structures, net	5,566	Deferred tax liabilities	4
Machinery, vehicles, tools, furniture and fixtures, net	1,343	Provision for special repairs of vessels	70
Vessels, net	880	Retirement allowances	11,286
Land	24,014	Other	1,660
Lease assets, net	183	Total liabilities	101,292
Construction in progress	694	[NET ASSETS]	
Intangible assets	2,711	Shareholders' equity	111,881
Goodwill	2,069	Capital stock	5,000
Other	642	Capital surplus	797
Investments and other assets	11,434	Retained earnings	113,567
Investment securities	4,623	Treasury shares	(7,483)
Deferred tax assets	4,362	Accumulated other comprehensive income	(1,777)
Other	2,671	Valuation differences on available-for-sales securities	208
Allowance for doubtful accounts	(223)	Revaluation reserve for land	(1,266)
		Foreign currency translation adjustment	(21)
		Remeasurements of retirement allowance plans	(697)
		Non-controlling interests	34
		Total net assets	110,139
Total assets	211,431	Total liabilities and net assets	211,431

【Booklet P38】

Consolidated statements of income

(April 1,2019－ March 31, 2020)

（Million yen, figures in parentheses indicate negative amounts）

ACCOUNT TITLE		AMOUNT
Net sales		
Net sales of completed construction contracts	255,301	
Sales on real estate business	27,065	282,366
Cost of sales		
Cost of sales of completed construction contracts	219,216	
Cost of sales on real estate business	23,192	242,408
Gross profit		
Gross profit on completed construction contracts	36,084	
Gross profit-real estate business	3,873	39,957
Selling, general and administrative expenses		25,237
Operating income		14,720
Non-operating income		
Interest & dividend income	87	
Rent income	73	
Other	69	230
Non-operating expenses		
Interest expense	170	
Commission Fee	394	
Other	29	595
Ordinary income		14,355
Extraordinary income		
Gain on sales of noncurrent assets	72	
Gain on sales of investment securities	22	
Other	35	130
Extraordinary losses		
Loss on sales of investment securities	100	
Loss on disposal of fixed assets	57	
Loss on litigation	61	
Loss on evaluation of inventories	305	
Other	21	546
Income before income taxes		13,939
Income taxes-current	5,252	
Income taxes-deferred	(289)	4,962
Net earnings		8,976
Net earnings attributable to non-controlling interests		277
Net earnings attributable to controlling interests		8,698

【Booklet P39】

Balance sheet (Unconsolidated)

(As of March 31, 2020)

(Million yen, figures in parentheses indicate negative amounts)

ACCOUNT TITLE	AMOUNT	ACCOUNT TITLE	AMOUNT
[ASSETS]		[LIABILITIES]	
Current assets	2,328	Current liabilities	18,184
Cash and deposits	632	Accounts payable- real estate	5
Real estate for sale	761	Short-term borrowings	17,800
Costs on real estate business	145	Accounts payable	141
Other	788	Income taxes payable	18
Allowance for doubtful accounts	(0)	Deposit received-real estate	17
Noncurrent assets	46,675	Provision for bonuses	21
Tangible Assets	20,642	Other	179
Buildings and structures, net	2,022	Noncurrent liabilities	942
Machinery, vehicles, net	167	Deferred tax liabilities for land revaluation	40
Tools, furniture and fixtures, net	24	Retirement allowances	48
Land	18,044	Directors' retirement benefits payable	502
Construction in progress	384	Long term warranties received	350
Intangible assets	0	Total liabilities	19,127
Investments and other assets	26,033	[NET ASSETS]	
Investment securities	442	Shareholders' equity	31,210
Shares of subsidiaries and affiliates	25,167	Capital stock	5,000
Other	424	Capital surplus	272
		Legal capital surplus	272
		Retained earnings	33,422
		Legal retained earnings	978
		Other retained earnings	32,444
		General reserve	28,270
		Retained earnings brought forward	4,174
		Treasury shares	(7,483)
		Valuation and translation adjustments	(1,334)
		Valuation differences on available-for-sale securities	(30)
		Revaluation reserve for land	(1,303)
		Total net assets	29,876
Total assets	49,004	Total liabilities and net assets	49,004

【Booklet P40】

Income statement (Unconsolidated)

(April 1,2019－March 31, 2020)

（Million yen, figures in parentheses indicate negative amounts）

ACCOUNT TITLE	AMOUNT	
Net sales		
Sales on real estate business	1,482	
Dividends from subsidiaries and associates	2,932	4,414
Cost of sales		
Cost of sales on real estate business	1,383	1,383
Gross profit		3,031
Selling, general and administrative expenses		971
Operating income		2,059
Non-operating income		
Interest and dividend income	24	
Other	2	27
Non-operating expenses		
Interest expense	42	
Commission Fee	52	
Other	0	94
Ordinary income		1,991
Extraordinary income		
Gain on sales of investment securities	22	22
Extraordinary losses		
Loss on retirement of fixed assets	0	
Loss on sales of investment securities	100	100
Income before income taxes		1,913
Income taxes		3
Net earnings		1,910

【Booklet P41-46】

Audit Report by Accounting Auditor (KPMG AZSA LLP)

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

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

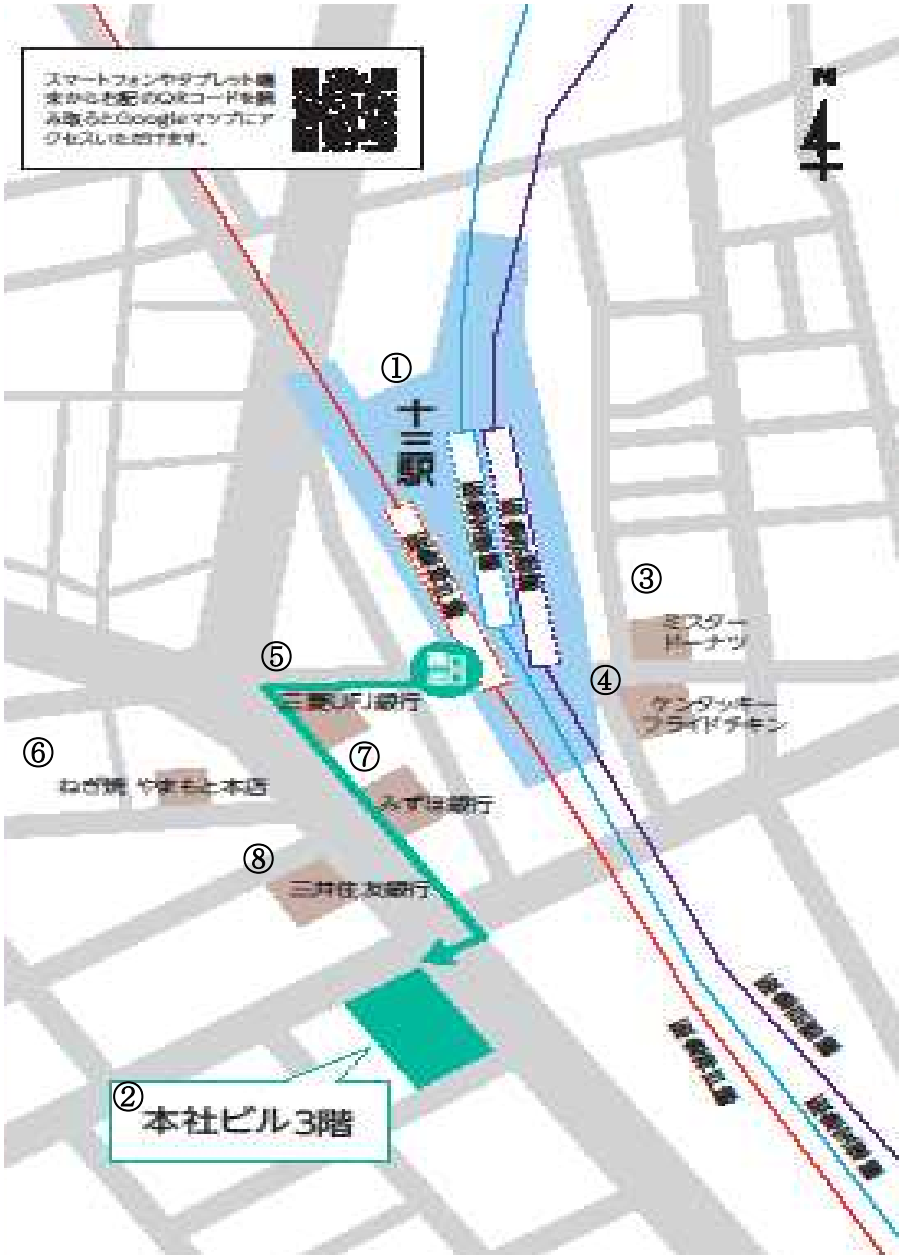
2.(1) 1. Operations report and its attached documents are in accordance with laws and regulations, and appropriately shows the status of the Company.

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.



① Juso Station
② Takamatsu Construction Group, 3rd Floor
③ Mister Donuts
④ Kentucky Fried Chicken
⑤ Mitsubishi UFJ Bankr
⑥ Negiyaki Yamamoto
⑦ Mizuho Bank
⑧ Mitsui Sumitomo Bank