

Notice of the 57th Ordinary Shareholders Meeting

Date : Wednesday, 10:00 AM (Japan Standard Time), June 22, 2022 (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 or internet)

5:30PM, June 21, 2022 (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. 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 9 Takamatsu Group companies, 3 Asunaro Aoki Group companies, 3 Mirai Construction Group Companies, Toko Geotech, 3 Takamatsu House 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 6 other small consolidated companies that are not shown in this chart. And we have one equity method affiliate.) We will continue to look for further opportunities to expand our Group.



【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 57th Regular General Shareholders Meeting.

In the fiscal year ended March 31, 2022, the impact of the COVID-19 infection still restrained socioeconomic activities, but there were signs of a partial recovery. However, the future of the economic situation remains uncertain, and with the sharp increase in the number of infected people due to mutant strains and the outbreak of the crisis in Russia and Ukraine, the situation continues to not allow for optimism.

In the construction industry, public construction investment, including the National Land Stabilization Plan, is expected to remain firm, while private construction investment is expected to cool down, triggered by the crisis in Russia and Ukraine, as well as the rising prices of steel and other materials and the global surge in lumber prices known as the "lumber shortage". The outlook is uncertain and is expected to become even more serious in the future. At this point in time, the Group is not seeing material and wood price hikes as a major factor that will put significant pressure on profits, but we will continue to monitor price trends closely.

As for the Group's performance in the fiscal year ending March 31, 2022, while orders received were substantially higher than in the previous fiscal year and up 22.0% from the previous fiscal year, net sales and operating income were down 6.8% and 8.0%, respectively, from the previous fiscal year due to the impact of the voluntary restraint of sales activities in the first half of the previous fiscal year.

In April 2022, the Group was reorganized with the aim of strengthening the governance of the Group and pursuing synergistic effects. Mirai Construction Industry, which specializes in harbor and marine civil engineering work, which was a subsidiary of Asunaro Aoki Construction, Toko Geotech, which specializes in slope protection, ground improvement, and fireproof construction, which was a subsidiary of Asunaro Aoki Construction. The three companies of Takamatsu House, which is the wooden detached house business, which was a subsidiary of Takamatsu Corporation, have been reorganized from a sub-sub-subsidiary company of us to a subsidiary, and the three core companies centered on Takamatsu Corporation and Asunaro Aoki Construction have been changed to 6 We have reorganized into a company structure.

In May 2022, we announced a new three-year medium-term management plan, "Co-Creation × 2025," with the goals of record net sales of 370 billion yen and record operating income of 18 billion yen in the final year of the plan, the fiscal year ending March 2025. This is a year of departure for the five major companies, and we are determined to achieve our goals of 300 billion yen in net sales and 12 billion yen in operating income for the fiscal year ending March 31, 2023, the first year of the medium-term management plan.

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

June 1, 2022

Representative Director and President

Hirota Takamatsu

【Booklet P3】

Securities Code 1762

June 1, 2022

To our Shareholders :

Hiroataka Takamatsu
Representative Director and President
Takamatsu Construction Group Co., Ltd.
1-2-3 Shin-Kitano, Yodogawa-ku, Osaka

Notice of the 57th Ordinary Shareholders Meeting

You are cordially invited to attend the 56th 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 21, 2022.

Details :

1. Date and Time

10:00 AM, Wednesday, June 22, 2022
(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, 2022 (the 57th Business Year commenced on April 1, 2021 and ended March 31, 2022).
2. Non-consolidated Financial Statements for the fiscal year that ended March 31, 2022 (the 57th Business Year commenced on April 1, 2021 and ended March 31, 2022).

Matters to be Voted Upon by Shareholders

- Item No.1 : Partial amendment to the Articles of Incorporation
- Item No.2 : Election of Twelve (12) Directors.
- Item No.3 : Election of One (1) Substitute Corporate Auditor

(Footnote)

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

◎ Payment of Fiscal Year End Dividends, 56th Business Year

At the Board of Directors of the Company held on May 11, 2022, it was resolved that the Company will pay Forty (40) Japanese yen per share as the Fiscal Year End Dividends of the 57th Business Year, and that the start date of the dividend payment will be June 23, 2022.

【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 22, 2022 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 21, 2022.

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 21, 2022.

For details, please refer to the next page.

Footnote

Items listed on 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) Business report: System and operational status to ensure business aptitude.
 - (ii) Consolidated Financial Statements: Consolidated Statements of Changes in Equity, Notes to Consolidated Financial Statements
 - (iii) 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 last 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 : Partial amendment to the Articles of Incorporation

1.Reason for Proposal

The effective date of the system of electronic provision of materials for general meetings of shareholders stipulated in the proviso of Article 1 of the Supplementary Provisions of the "Law No. 70 of 2019" partially amending the Companies Act is as September 01, 2023. The Company will also be able to limit the scope of the electronic provision of information on the contents of reference materials for general meetings of shareholders, etc., and on the matters to be included in the document to be delivered to shareholders who have applied for the delivery of the document. The provision stipulates that the scope of information to be provided electronically can be limited to the information to be included in the document to be delivered to shareholders who have applied for delivery of the document. This will allow for web-based disclosure of the Notice of General Meeting of Shareholders, etc. starting with the General Meeting of Shareholders scheduled to be held in June 2023. In addition, the current rules regarding Internet disclosure and deemed provision of "Reference Documents for the General Meeting of Shareholders" will be deleted, as they are no longer necessary. Supplementary provisions regarding the effective date of this change will be stipulated.

2. Description of changes

The changes are as follows.

Current Articles of Incorporation	Proposed Amendments to the Articles of Incorporation
<p>“Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, etc.”</p> <p>Article 15.</p> <p>The Company may be deemed to have provided information on matters to be included in the Reference Documents for the General Meeting of Shareholders, Business Report, Financial Statements, and Consolidated Financial Statements to shareholders at the time of the convocation of the General Meeting of Shareholders by disclosing such information via the Internet in accordance with the regulations stipulated by the Ministry of Justice Ordinance.</p>	<p>“Deletions”</p>

[Booklet P7]

Current Articles of Incorporation	Proposed Amendments to the Articles of Incorporation
“New Regulation”	<p>“Electronic provisioning measures, etc.”</p> <p>Article 15.</p> <p>At the time of convocation of the General Meeting of Shareholders, the Company provides reference documents for the General Meeting of Shareholders, etc. electronically in accordance with the provisions of Article 325-2 of the Companies Act</p> <p>“Supplementary provisions”</p> <p>“Transitional measures regarding the electronic provision system, etc.”</p> <p>Article 1.</p> <p>The deletion of "Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, etc." from Article 15 of the Articles of Incorporation before the amendment, "Electronic provisioning measures, etc." in Article 15 of the Articles of Incorporation after the amendment will be effective as of September 1, 2022.</p> <p>2. Notwithstanding the provisions of the preceding paragraph, Article 15 of the Articles of Incorporation prior to the amendment shall remain in effect for shareholders' meetings to be held before the end of February 2023.</p> <p>3. This Supplementary Provision shall be deleted after the later of March 1, 2023, or three months after the date of the General Meeting of Shareholders as described in the preceding paragraph.</p>
“New Regulation”	

【Booklet P8】

Item No.2 : Election of twelve (12) Directors of the Board

The terms of offices of all our 11 Directors of the Board will expire at the closing of this General Shareholders Meeting. The number of directors will be increased by one (1) in order to further strengthen the management structure. Therefore, thus an election of twelve (12) 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	Director and Honorary Chairperson	100.0% (12 attended / 12Meetings)
2	Reassign	Nobuhiko Yoshitake	Representative Director and Chairperson	100.0% (12 attended / 12Meetings)
3	Reassign	Takayoshi Takamatsu	Representative Director and Vice Chairperson	100.0% (12 attended / 12Meetings)
4	Reassign	Hiroataka Takamatsu	Representative Director and President	100.0% (12 attended / 12Meetings)
5	Reassign	Takatoshi Takamatsu	Representative Director and Vice President	100.0% (12 attended / 12Meetings)
6	Reassign	Toshitaka Hagiwara	Outside Director (Independent)	100.0% (12 attended / 12Meetings)
7	Reassign	Masahiro Nishide	Director	100.0% (12 attended / 12Meetings)
8	Reassign	Shigehiro Aoyama	Outside Director (Independent)	100.0% (12 attended / 12Meetings)
9	Reassign	Hideyuki Takamatsu	Director	100.0% (12 attended / 12Meetings)
10	Reassign	Hideto Nakahara	Outside Director (Independent)	100.0% (12 attended / 12Meetings)
11	Reassign	Yasushi Tsujii	Director	100.0% (12 attended / 12Meetings)
12	Inaugural	Nobuko Ishibashi	Outside Auditor	100.0% (12 attended / 12Meetings)

Toshitaka Hagiwara, Shigehiro Aoyama, Hideto Nakahara and Nobuko Ishibashi are candidates for Outside 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. In addition, Ms. Nobuko Ishibashi meets the requirements for independent directors as stipulated by the Tokyo Stock Exchange and will be reported to the Tokyo Stock Exchange as an independent director if her appointment is approved.

【Booklet P9】

Candidate No.1

Name and Date of Birth: Takayuki Takamatsu, September 27, 1937 (84 years old, Reassign)

History and Post of the Candidate:

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

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

Attendance to BOD Meetings : 100.0% (12 attended / 12Meetings)

Reason for listing as the candidate for Director of the Board

Mr. Takayuki Takamatsu has experienced Representative Director and President as well as Representative Director and Chairperson, and is currently working as Director and Honorary Chairperson 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.

【Booklet P10】

Candidate No.2

Name and Date of Birth: Nobuhiko Yoshitake, November 19, 1952 (69 years old, Reassign)

History and Post of the Candidate:

Jun. 2012	Representative Director and Vice President Officer of Asunaro Aoki Construction Co., Ltd
Apr. 2015	Representative Director and Vice President Officer, Chief of integrating Headquarter and Sales & Marketing Planning Headquarter of Asunaro Aoki Construction Co., Ltd.
Jun. 2015	Director of the Company
Apr. 2017	Representative Director and President Officer of the Company
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)
Apr. 2021	Representative Director and Chairperson of the Company (Current)

Number of Company shares held by the Candidate : 8,879

Attendance to BOD Meetings : 100.0% (12 attended / 12Meetings)

Reason for listing as the candidate for Director of the Board

Mr. Nobuhiko Yoshitake has experienced important positions such as Managing Officer of Resona Bank, Limited, Director and Chairperson of Showa Lease Co.,Ltd., as well as Representative Director and Vice President Officer, Asunaro Aoki Construction Co., Ltd., which is our core company of the Group, and Representative Director and President Officer of the Company, and is currently Representative Director and Chairperson of the Company. Mr. Nobuhiko Yoshitake, as Chairperson of the Board of Directors, manages the management of the Group companies through appropriate operation of the Board of Directors. 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.

【Booklet P11】

Candidate No.3

Name and Date of Birth: Takayoshi Takamatsu, February 6, 1967 (55 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, General Manager of President's Office of the Company
Mar. 2006	Director of the Company
Mar. 2006	Director, Managing Officer of Nihon Kensho Co., Ltd. (Osaka) (Currently Takamatsu Estate Co., Ltd. (Osaka))
Oct. 2008	Officer, General Manager of Management Planning Dept., Takamatsu Corporation Co., Ltd.
Aug. 2009	Director, Officer in charge of Headquarter, Takamatsu Corporation Co., Ltd.
Apr. 2011	Director, Managing Officer in charge of Headquarter, Takamatsu Corporation Co., Ltd.
Apr. 2013	Director, Managing Officer in charge of Administration Division of the Company
Jun. 2015	Director, Senior Managing Officer in charge of Group Integration Division of the Company
Jun. 2016	Representative Director, Senior Managing Officer in charge of Group Integration Division of the Company
Apr. 2017	Representative Director, Vice President officer in charge of Group Integration Division of the Company
Jun. 2017	Director, Takamatsu Corporation Co., Ltd. (Current)
Jun. 2019	Representative Director, Vice President Officer integrating all Divisions and General Manager of Group Auditing Division of the Company
Apr. 2021	Representative Director and Vice Chairperson (Current)

Number of Company shares held by the Candidate : 321,089

Attendance to BOD Meetings : 100.0% (12 attended / 12Meetings)

Reason for listing as the candidate for Director of the Board

Mr. Takayoshi Takamatsu has served as Director, General Manager of the President's Office of the Company, Representative Director, Vice President Officer, and is currently Representative Director, Vice Chairperson. He has a wealth of management experience and insight in the construction sector, and I believe that he will be able to make further contributions to the sustainable enhancement of corporate value as he makes appropriate decisions regarding group management, thus he is continuously listed as the candidate as the Director of the Board.

【Booklet P12】

Candidate No.4

Name and Date of Birth: Hirotaka Takamatsu, February 28, 1971 (51 years old, Reassign)

History and Post of the Candidate:

Jun. 2007	Director of the Company
Apr. 2014	Representative Director and Vice President Yamato Construction Co., Ltd. (Osaka) (Currently Takamatsu Techno Service Co., Ltd. (Osaka))
Jun. 2015	Director, Managing Officer, Takamatsu Corporation Co., Ltd.
Apr. 2016	Director, Senior Managing Officer, Takamatsu Corporation Co., Ltd.
Apr. 2017	Director, Senior Managing Officer in charge of Group Strategy Division, as well as General Manager of Group Management Strategy Department of the Company
Apr. 2017	Director, Takamatsu Corporation Co., Ltd.
Apr. 2018	Director, Senior Managing Officer in charge of Group Strategy Division of the Company
Apr. 2018	Representative Director and Vice President officer, Takamatsu Corporation Co., Ltd. (Current)
Apr. 2019	Director of the Company
Jun. 2020	Director of Asunaro Aoki Construction Co., Ltd.
Apr. 2021	Representative Director and President Officer, in charge of Group Audit Division
Apr. 2022	Representative Director and President Officer, In charge of Group Management Strategy Division and Management Reform Department (Current)
Apr, 2022	Representative Director of Takamatsu Corporation (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% (12 attended / 12Meetings)

Reason for listing as the candidate for Director of the Board

Mr. Hirotaka Takamatsu has experienced important positions such as Representative Director and Vice President Officer, Takamatsu Techno Service Co., Ltd. and he has served as Representative Director and President Officer of the Company, and he is currently the Representative Director of Takamatsu Corporation, the core company of the group. He has contributed greatly to the improvement of our business performance by enhancing the decision-making function of the Board of Directors and directing the management by requesting the Board of Directors to make sufficient and appropriate management decisions on important management matters. His extensive management experience and high level of insight will enable him to further contribute to the sustainable enhancement of corporate value, thus he is continuously listed as the candidate as the Director of the Board.

【Booklet P13】

Candidate No.5

Name and Date of Birth: Takatoshi Takamatsu, September 6, 1970 (51 years old, Reassign)

History and Post of the Candidate:

Mar. 1998	Joined the Company
Jun. 2005	Director and General Manager of Tokyo Headquarter, JP Home Co., Ltd.
Apr. 2009	Representative Director and Vice President, JP Home Co., Ltd.
Jun. 2010	Director of the Company
Apr. 2012	Representative Director and President, JP Home Co., Ltd.
Jun. 2013	Director, Takamatsu Corporation Co., Ltd.
Apr. 2014	Representative Director and Vice President, Takamatsu Corporation Co., Ltd.
Jun. 2015	Representative Director and Vice President of Takamatsu Corporation Co., Ltd.
Apr. 2016	Director and Chairperson, JP Home Co., Ltd.
Apr. 2017	Director, JP Home Co., Ltd.
Apr. 2018	Representative Director and President Officer, Takamatsu Corporation Co., Ltd. (Current)
Jun. 2020	Director of Asunaro Aoki Construction Co., Ltd.
Apr. 2021	Representative Director and Vice President Officer of the Company (Current)

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

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

Attendance to BOD Meetings : 100.0% (12 attended / 12Meetings)

Reason for listing as the candidate for Director of the Board

Mr. Takatoshi Takamatsu has experienced important positions such as Director and General Manager of Tokyo Headquarter, JP Home Co., Ltd., Representative Director and Vice President, JP Home Co., Ltd., Representative Director and President Officer, JP Home Co., Ltd., Representative Director and Vice President, Takamatsu Corporation Co., Ltd., and is currently working as Representative Director and President, 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 P14】

Candidate No.6

Name and Date of Birth: Toshitaka Hagiwara, June 15, 1940 (81 years old, Reassign, Outside, 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	Outside Director of the Board of the Company (Current)

Important Concurrent Position of the Candidate:

Advisor, Komatsu Co., Ltd.

Number of Company shares held by the Candidate : 7,648

Attendance to BOD Meetings : 100.0% (12 attended / 12Meetings)

Reason for listing as the candidate for Outside Director of the Board and Overview of expected roles

Mr. Toshitaka Hagiwara has experienced important positions such as Representative Director and Vice President, Komatsu Co., Ltd., Representative Director and Chairperson, 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 Outside Director of the Board.

【Booklet P15】

Candidate No.7

Name and Date of Birth: Masahiro Nishide, December 29, 1956 (64 years old, Reassign)

History and Post of the Candidate:

Apr. 1981	Joined the Company
Jun. 2005	Officer, General Manager of Sales Planning Department of the Company
Jun. 2007	Director and Managing Officer, General Manager of Osaka Headquarter of the Company
Oct. 2008	Director and Senior Managing Officer, General Manager of Osaka Headquarter, Takamatsu Corporation Co., Ltd.
Jun. 2010	Representative Director and Senior Managing Officer, General Manager of Osaka Headquarter, Takamatsu Corporation Co., Ltd.
Apr. 2014	Representative Director and President, Takamatsu Corporation Co., Ltd.
Jun. 2014	Director of the Company (Current)
Apr. 2018	Representative Director and Chairperson, Takamatsu Corporation Co., Ltd. (Current)
Jun. 2018	Director of Asunaro Aoki Construction Co., Ltd.
Mar. 2021	Representative Director and Chairperson of Takamatsu House Co., Ltd. (Current)

Important Concurrent Position of the Candidate:

Representative Director and Chairperson of Takamatsu Corporation

Representative Director and Chairperson of Takamatsu House Co., Ltd.

Number of Company shares held by the Candidate : 32,216

Attendance to BOD Meetings : 100.0% (12 attended / 12Meetings)

Reason for listing as the candidate for Director of the Board

Mr. Masahiro Nishide has experienced important positions such as Director and Managing Officer, General Manager of Osaka Headquarter of the Company, Director and Senior Managing Officer, General Manager of Osaka Headquarter, Takamatsu Corporation Co., Ltd., Representative Director and President Officer, Takamatsu Corporation Co., Ltd. and is currently Representative Director and Chairperson, 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.

【Booklet P16】

Candidate No.8

Name and Date of Birth: Shigehiro Aoyama, April 1, 1947 (75 years old, Reassign, Outside, Independent)

History and Post of the Candidate:

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

Outside Director, H.U. Group Holdings, Inc.

Number of Company shares held by the Candidate : 5,642

Attendance to BOD Meetings : 100.0% (12 attended / 12Meetings)

Reason for listing as the candidate for Outside Director of the Board and Overview of expected roles

Mr. Shigehiro Aoyama has experienced important positions such as Director and Vice President, Suntory Co., Ltd., Representative Director and Vice President, Suntory Holdings Co., Ltd., Representative Director and Vice Chairperson, 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 Outside Director of the Board.

【Booklet P17】

Candidate No.9

Name and Date of Birth: Hideyuki Takamatsu, February 28, 1977 (45 years old, Reassign)

History and Post of the Candidate:

Nov. 2005	Founded Takamatsu-ya Co.,Ltd. (Currently TAKAMATSU FOOD・CREATE), Representative Director and President
Jun. 2016	Director of the Company (Current)
Feb. 2021	Director of TAKAMATSU FOOD・CREATE (Current)
Apr. 2021	Representative Director and Vice President Officer, Takamatsu Estate Co., Ltd. (Osaka) (Current)

Important Concurrent Position of the Candidate:

Representative Director and Vice President Officer, Takamatsu Estate Co., Ltd. (Osaka)

Number of Company shares held by the Candidate : 334,472

Attendance to BOD Meetings : 100.0% (12 attended / 12Meetings)

Reason for listing as the candidate for Director of the Board

Mr. Hideyuki Takamatsu has experienced as Representative Director and President of TAKAMATSU FOOD・CREATE and is involved in corporate management, and is currently Representative Director and Vice President Officer of Takamatsu Estate Co., Ltd. (Osaka), 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.

【Booklet P18】

Candidate No.10

Name and Date of Birth: Hideto Nakahara, November 17, 1950 (71 years old, Reassign, Outside, Independent)

History and Post of the Candidate:

Apr. 1973	Joined Mitsubishi Corporation
Apr. 2004	Officer and Executive Manager of Europe, Mitsubishi Corporation
Apr. 2006	Officer and Executive Manager of China, Mitsubishi Corporation
Apr. 2007	Managing Officer and Executive Manager of China, Mitsubishi Corporation
Jun. 2009	Director and Managing Officer in charge of Corporate, Mitsubishi Corporation (Regional Strategy and Regional Development)
Jun. 2011	Representative Director and Vice President, Mitsubishi Corporation
Apr. 2016	Director, Mitsubishi Corporation
Jun. 2016	Advisor, Mitsubishi Corporation
Jun. 2018	Outside Auditor of the Company
Jun. 2019	Outside Director of the Company (Current)

Important Concurrent Position of the Candidate:

External Director of Osaka University of Education, National University Corporation

Number of Company shares held by the Candidate : None

Attendance to BOD Meetings : 100.0% (12 attended / 12Meetings)

Reason for listing as the candidate for Outside Director of the Board and Overview of expected roles

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 Outside Director of the Board.

【Booklet P19】

Candidate No.11

Name and Date of Birth: Yasushi Tsujii, March 8, 1959 (63 years old, Reassign)

History and Post of the Candidate:

Apr. 1982	Joined Aoki Construction Co., Ltd.
Apr. 2011	Executive Officer General Manager of Osaka Civil Engineering, Asunaro Aoki Construction Co.,Ltd.
Apr. 2015	Managing Officer, General Manager of Osaka Civil Engineering, Asunaro Aoki Construction Co.,Ltd.
Apr. 2016	Managing Officer, General Manager of Tokyo Civil Engineering, Asunaro Aoki Construction Co.,Ltd.
Apr. 2017	Senior Managing Officer, Integrated General Manager of Civil Engineering as well as General Manager of Tokyo Civil Engineering, Asunaro Aoki Construction Co.,Ltd.
Jun. 2017	Director and Senior Managing Officer, Integrated General Manager of Civil Engineering as well as General Manager of Tokyo Civil Engineering, Asunaro Aoki Construction Co.,Ltd.
Apr. 2018	Representative Director and President, Asunaro Aoki Construction Co.,Ltd. (Current)
Jun. 2018	Director of the Company
Jun. 2019	Retired as a director of the Company.
Jun. 2020	Director of the Company (Current)
Jun. 2020	Director of Takamatsu Corporation Co., Ltd.

Number of Company shares held by the Candidate : 3,067

Attendance to BOD Meetings : 100.0% (12 attended / 12Meetings)

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

【Booklet P20】

Candidate No.12

Name and Date of Birth: Nobuko Ishibashi, June 12, 1961 (60 years old, Inaugural,
Outside, Independent)

History and Post of the Candidate:

Apr. 1989	Registered as an attorney at Law
Oct. 1995	Co-established Iguchi & Ishibashi Law Firm
Oct. 2004	Kobe City Law Office Representative Partner Attorney at Law (Current)
Jun. 2019	Outside Auditor of the Company (Current)

Important Concurrent Position of the Candidate:

Kobe City Law Office Representative Partner Attorney at Law

Outside Director of Kamigumi Co.,Ltd.

Outside Director of Fukuoka Financial Group, Inc. (Audit and supervisory committee member)

Number of Company shares held by the Candidate : 563

Attendance to BOD Meetings : 100.0% (12 attended / 12Meetings)

Reason for listing as the candidate for Outside Director of the Board and Overview of expected roles

She has extensive experience as an attorney at Law and a high level of insight; she has served as our outside auditor since June 2019 and has provided effective advice while monitoring overall management. From now on, we nominated her as a candidate for outside director because we expect that our management system can be further strengthened by receiving her candid advice from an independent standpoint with no special interest in the Company by utilizing her broad knowledge and expertise as an outside director.

【Booklet P21】

Note 1. Descriptions of the Limited Liability Contract

The Company has entered contracts with Takayuki Takamatsu, Toshitaka Hagiwara, Masahiro Nishide, Shigehiro Aoyama, Hideyuki Takamatsu, Hideto Nakahara and Yasushi Tujii, 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. If the appointment of the candidate, Nobuko Ishibashi, is approved, she will become a non-executive director and we will enter into a similar agreement with her.

Note 2.

The Company concludes a liability insurance contract for officers, etc. as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. This insurance contract covers damages borne by the insured, including legal costs that may be incurred due to the burden of liability for the execution of the insured's duties and the claim for liability pursuit. All candidates for directors will be insured under this insurance policy, and the insurance premiums will be fully borne by the Company. And the next time we renew this insurance policy, we plan to renew it with the same content.

Note 3.

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

Note 4.

Toshitaka Hagiwara, Shigehiro Aoyama, Hideto Nakahara, and Nobuko Ishibashi are candidates for Outside Directors. The Company has registered Toshitaka Hagiwara, Shigehiro Aoyama and Hideto Nakahara as independent officers in accordance with the regulations of Tokyo Stock Exchange. In addition, Nobuko Ishibashi meets the requirements for independent directors as stipulated by the Tokyo Stock Exchange and will be reported as an independent director if her appointment is approved to the General Meeting of shareholders.

Note 5.

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

Note 6

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

Note 7

Candidate Hideto Nakahara will have served as the Outside Director of the Company for three years at the time of the closing of this Shareholders Meeting. In addition, He was also previously our Outside auditor.

Note 8.

Candidate Nobuko Ishibashi has changed her last name to Iguchi by marriage, but she practices attorney at Law under her last name Ishibashi before her marriage.

Note 9.

The candidate, Nobuko Ishibashi, is currently an outside corporate auditor of the Company. However, she will resign from her position as an outside auditor at the conclusion of this General Meeting of Shareholders. The term of office as an outside auditor was three years until the end of this general meeting of shareholders.

【Booklet P22】

Note 9. Actions to inappropriate operation of other companies within the past five years

1. Mr. Hagiwara served as an Outside 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 its organizational structure with the growth. Thus, when labor hour study of the employees was 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, 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 was 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. Toshitaka Hagiwara served as an outside director of Hino Motors, Ltd. from June 2015 to June 2021. In March 2022, the company announced that it had confirmed fraud in its application for certification regarding emissions and fuel consumption of engines for vehicles for the Japanese market under the 2016 emission regulations. The company received an administrative action from the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) in March 2022 to revoke the type of designation for the subject vehicle models. Considering the importance of the case, the company separated the full investigation from the analysis of the causes and established a special investigation committee consisting of outside experts who have no vested interest in the company to take drastic measures to prevent a recurrence.

During his tenure, this fraud was not confirmed. As an outside director of the company, he fulfilled his duties by actively advising the company from the perspective of ensuring legal compliance and observance daily.

【Booklet P23】

3. Mr. Shigehiro Aoyama had been an outside director of Subaru Corporation from June 2016 to June 2020. 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 Outside 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 P24】

Item No.3 : Election of One (1) Substitute Corporate Auditor

In case the number of corporate auditors is insufficient to meet the number required by law, we request the appointment of one (1) substitute corporate auditor in advance. The validity of such appointment is limited to prior to his/her assumption of office, and the appointment can be revoked by a resolution of the Board of Directors with the consent of the Board of Corporate Auditors. The Board of Corporate Auditors has also consented to this proposal. The candidates for the position of Health Auditor are as follows.

Name and Date of Birth: Mitsuhiro Nishikimi, May 13, 1963 (59 years old, Inaugural, Outside, Independent)

History and Post of the Candidate:

Apr. 1988 Joined Eiwa auditing firm
Mar. 1991 Registered as a Certified Public Accountant
Mar. 1991 Representative of Nishikune Mitsuhiro & Associates (Current)
Jan. 2005 Registered as a tax accountant
Jun. 2008 Outside Auditor of EAT& Co.,Ltd (EAT&HOLDINGS Co.,Ltd)
Jun. 2015 Outside Director of EAT&HOLDINGS Co.,Ltd (Audit and supervisory committee member) (Current)
Jun. 2017 Outside Auditor of Matsuya Research and Development (Current)

Important Concurrent Position of the Candidate:

Outside Director of EAT&HOLDINGS Co.,Ltd (Audit and supervisory committee member)

Outside Auditor of Matsuya Research and Development (Current)

Number of Company shares held by the Candidate : -

Attendance to BOD Meetings : (- attended / -Meetings)

Outline of Reasons for Selection as Substitute Audit & Supervisory Board Member

Candidates and Expected Roles

He has a high track record as a certified accountant and has a high level of management insight. We have nominated him as a candidate for Substitute Audit & Supervisory Board Member because we expect that he will contribute to the further enhancement of our auditing function by receiving frank advice from an independent position with no special interests with us.

Descriptions of the Limited Liability Contract

The Company plans to enter into an agreement with Mr. Mitsuhiro Nishikimi to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act if he assumes office as a

corporate auditor. The maximum amount of liability for damages under such agreement shall be the sum of the amounts stipulated in Article 425, Paragraph 1 of the Companies Act, if he has performed his duties in good faith and without gross negligence.

【Booklet P25】

2. The Company shall enter a directors' and officers' liability insurance policy with an insurance company as stipulated in Article 430-3-1 of the Companies Act, and the insured shall be responsible for the cost of the policy. The insurance policy will cover damages (including legal costs) arising from the assumption of liability for the performance of duties or from claims for the pursuit of such liability. All candidates for the position of corporate auditor are included in the insured under that policy, and the Company will bear all premiums for that policy. Then, at the next renewal of the insurance policy, it will be renewed with the same details. In addition, if Mr. Mitsuhiro Nishikimi becomes a corporate auditor, he will be included as an insured under this policy.
3. There are no special interests between the candidate and the Company.
4. Mr. Mitsuhiro Nishikimi is a candidate for outside auditor.
Mr. Mitsuhiro Nishikimi satisfies the requirements for independent auditors as stipulated by the Tokyo Stock Exchange, and if he is appointed as a corporate auditor, the Company will report him as an independent auditor.

【Booklet P26】

(Reference Materials)

Business Report (From April 1, 2021 through March 31, 2022)

1. Current State of the Affiliated Companies

1. Progress and Results of Business Operations

During the consolidated fiscal year ended March 2022, as we continued to be under the influence of the COVID-19, the search for a lifestyle “New normal” took place. At the same time, the economy remained relatively firm. On the other hand, due to supply chain fragmentation, depreciation of yen, the bad situation in Ukraine, and so on, the trends of economy and business are uncertain.

Under these circumstances, in the domestic construction market, government construction investment, mainly public works, decreased slightly from the previous year. However, private-sector construction investment increased slightly due to a recovery in corporate capital investment and housing demand in the Tokyo metropolitan area, and overall construction investment increased slightly from the previous year.

On the other hand, profits continued to suffer due to rising construction costs caused by the so-called "lumber shortage" originating in North America, soaring prices of steel, cement, and other materials, responses to reforms in the way people work, and rising labor costs due to a shortage of construction technicians.

As the result, orders received for the fiscal year ended March 2022 increased remarkably to 312,889 million yen (up 26.6% from the previous fiscal year) and recovery from the COVID-19 pandemic was remarkable. However, net sales decreased to 263,907 million yen (down 6.8% from the previous fiscal year), due to the decline in orders received in the previous fiscal year.

As for income, operating income decreased by 8.0% to 11,225 million yen, ordinary income decreased by 5.1% to 12,112 million yen, and net income attributable to shareholders of the parent company decreased by 9.9% to 6,727 million yen.

Highlights of Consolidated Results

Net Sales	: 263,907million yen	(-6.8% vs previous year)
Operating Profit	: 11,225million yen	(-8.0% vs previous year)
Ordinary Profit	: 11,490million yen	(-5.1% vs previous year)
Profit attributable to owners of parent.		
	: 6,727million yen	(-9.9% vs previous year)

【Booklet P27】

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

(Million Yen)

<u>Item</u>		<u>Orders carried from previous FY</u>	<u>Orders received</u>	<u>Net Sales</u>	<u>Orders carried to next FY</u>
Constr uction	Architecture	219,262	166,206	125,136	260,332
	Civil Engineering	99,721	104,235	98,826	105,130
	Total	318,983	270,442	223,963	365,462
Real Estate		—	42,447	39,944	2,503
Total		318,983	312,889	263,907	367,966

(2) Fund Procurement
None

(3) Capital Investments
The capital investments conducted during this consolidated fiscal year totaled 5,238 million yen, and its main portion is to build “TCG Building”, our new Tokyo office building and Acquisition of real estate for lease.

(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 P28】

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

None

(8) Issues to be addressed.

In May 2019, Group companies of Takamatsu Construction Group formulated medium-term management plan “Create! 2022” . This mid-term management plan is based on five “create” – 1) Create high-growth, highly profitable companies, 2) Create new business areas for the group, 3) Create a corporate culture that respects diversity and emphasizes compliance, 4) Create synergy effects, 5) Create value for the economy, society, and the environment. During the fiscal year ended March 31, 2022, the final fiscal year of the medium-term management plan, we were aiming for sales of 300 billion yen and an operating profit of 18 billion yen. However, due to the COVID-19 and other factors, we couldn't reach the numerical target. Owing to the inability to foresee the end of the COVID-19, soaring material prices, and a weakening yen due to Russia's invasion of Ukraine, the uncertain domestic economic trends are estimated to continue.

In this situation, Group companies of Takamatsu Construction Group formulated mid-term management plan “Co-creation × 2025”, for the period from the fiscal year ending March 2023 to the fiscal year ending March 2025. In this mid-term management plan, while expanding construction contracting, we will enter solution-providing businesses in upstream supply chain where higher growth is expected and aim for strengthening recurring revenue model of downstream supply chain. Also, we get wooden detached house business on track as the third main component of Takamatsu Construction Group. In addition, by improving technological capabilities related to infrastructure maintenance work, promoting productivity improvement through information and communication technology, and investing in and collaborating with construction technology companies, we attempt to grow TCG group. We ask for shareholders' further support and advice in the future.

【Booklet P29】

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

Item	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)	56th Fiscal Year (From:April 1, 2020 To:March 31, 2021)
Orders Received (Million Yen)	305,257	296,746	256,453	312,889
Net Sales (Million Yen)	249,720	282,366	283,080	263,907
Ordinary Profit (Million Yen)	12,425	14,355	12,112	11,490
Profit attributable to owners of parent. (Million Yen)	7,022	8,698	7,467	6,727
Net earnings per share (Yen)	201.70	249.83	214.48	193.22
Total Assets (Million Yen)	190,590	211,431	220,831	236,719
Net Assets (Million Yen)	118,126	110,139	115,756	121,471

Notes:

1. Net earnings per share is calculated based on average numbers of shares outstanding during the fiscal year (excluding treasury stock).
2. Effective from the current fiscal year, the Company has adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and other related standards. The figures for assets and income/loss for the current consolidated fiscal year are those resulting from the application of this accounting standard.

【Booklet P30】

(10) Major subsidiaries (as of March 31, 2022)

<u>Name</u>	<u>Capital Stock</u>	<u>TCG share</u>	<u>Main business</u>
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.	43,100 000 \$	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)	Renovation & maintenance
Takamatsu Techno Service Co.,Ltd. (Tokyo)	300 Million Yen	— (100.0)	Renovation & 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
TAISHO KOGYO CORPORATION	300 Million Yen	— (100.0)	Architecture and civil engineering
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 of buried cultural properties, general civil engineering works
Asunaro Road Co.,Ltd.	80 Million Yen	— (100.0)	Pavement
Toko Geotech Co.,Ltd.	80 Million Yen	— (100.0)	Slope protection, ground improvement, fireproof
Takamatsu Estate Co.,Ltd. (Osaka)	50 Million Yen	— (100.0)	Building Management, Integrated real estate consulting
Takamatsu Estate Co.,Ltd. (Tokyo)	50 Million Yen	— (100.0)	Building Management, Integrated real estate consulting
Tatsumi Planning Co.,Ltd.	50 Million Yen	— (100.0)	Wooden independent residence, Wooden Apartment business
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
TSK Housing Corporation Co., Ltd.	20 Million Yen	— (100.0)	Wooden Building Business

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, 2022 are as follows:

Name	Address	Total Book Amount	Asset Amount of TCG
Asunaro Aoki Construction Co.,Ltd.	1 Kanda-Mitoshirocho, Chiyoda-ku, Tokyo	17,394 million yen	65,911 million yen

【Booklet P31】

(11) Main businesses (as of March 31, 2022)

Takamatsu Construction Group is made up of the Company and its twenty six (26) consolidated subsidiaries and one (1) equity-method affiliate, 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, 2021)

(13) Major offices (as of March 31, 2022)

- ① TCG Offices
- Head Office : 1-2-3 Shin-Kitano, Yodogawa-ku, Osaka
Tokyo Head Office : 1-1 Kanda-Mitoshirocho, Chiyoda-ku, Tokyo
- ② Offices of Affiliates
- | | |
|-------------------------------------------|----------------------------|
| Takamatsu Corporation Co.,Ltd. | Yodogawa-ku, Osaka City |
| 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) | Yodogawa-ku, Osaka City |
| Takamatsu Techno Service Co.,Ltd. (Tokyo) | Chiyoda-ku, Tokyo |
| Kongo Gumi Co.,Ltd. | Tenno-ji-ku, Osaka City |
| Takamatsu House Co.,Ltd. | Shibuya-ku, Tokyo |
| TAISHO KOGYO CORPORATION | Takatsuki-shi, Osaka Pref. |
| Nakamura Shaji Co.,Ltd. | Ichinomiya-shi, Aichi |
| Mibu Corporation Co.,Ltd | Shibuya-ku, Tokyo |
| Suminoe Kogei Co.,Ltd. | Chuo-ku, Osaka City |
| Aoki Marine Co.,Ltd. | Minato-ku, Tokyo |
| Shimada Gumi Co.,Ltd. | Yao-shi, Osaka Pref. |
| Asunaro Road Co.,Ltd. | Chuo-ku, Sapporo, Hokkaido |
| Toko Geotech Co.,Ltd. | Chuo-ku, Tokyo |
| Takamatsu Estate Co.,Ltd. (Osaka) | Yodogawa-ku, Osaka City |
| 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 Pref. |
| Niigata Mirai Construction Co.,Ltd. | Minami-Uonuma-gun, Niigata |
| TSK Housing Corporation Co., Ltd. | Takatsuki-shi, Osaka Pref. |

【Booklet P32】

13. Employees (As of March 31, 2022)

① Consolidated

<u>Number of employees</u>	<u>Increase / decrease vs last year</u>
4,731	+150

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

② Non-consolidated

<u>Number of employees</u>	<u>+/- vs last year</u>	<u>Average age</u>	<u>Average service years</u>
48	+21	50	12 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, 2022)

① Major lenders towards the Group

<u>Lender</u>	<u>Amount (million yen)</u>
Syndicate Loan (*)	15,000
Resona Bank, Limited	1,100
Mizuho Bank, Ltd.	1,100

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

15. Other important matters concerning the Group

(Group Reorganization)

At a meeting of the Board of Directors held on March 16, 2022, the Company passed the following resolution to establish a more efficient management structure, effective April 1, 2022, with the aim of strengthening the group governance system and group management system.

(1) In order to consolidate and strengthen the wooden detached house business within the group, Takamatsu House, a wholly owned subsidiary (sub-subsidiary) of the Company, will become the wholly owning parent company and Mibu Corporation and Tatsumi Planning, also wholly owned subsidiaries of the Company, will become their wholly owned subsidiaries through share exchange. The share exchange is a no consideration share exchange, and no money or other assets will be delivered upon the share exchange.

(2) Takamatsu Corporation, a wholly owned subsidiary of the Company, will pay a dividend in kind to our company of all shares of Takamatsu House Corporation it holds.

(3) All shares of Mirai Construction Co.,Ltd. and Toko Geotech Co.,Ltd. held by Asunaro Aoki Construction Co.,Ltd., a wholly owned subsidiary of the Company, will be distributed to our company as dividends in kind. As a result, Mirai Construction Co.,Ltd. and Toko Geotech Co.,Ltd. will become subsidiaries directly owned by the Company.

【Booklet P33】

(Merger between consolidated subsidiaries)

Takamatsu Estate Corporation (Osaka Prefecture) and Takamatsu Estate Corporation (Tokyo Prefecture), consolidated subsidiaries of the Company, entered into a merger agreement on March 26, 2022.

(1) Main purpose of the Merger

The Merger aims to integrate the business strategies and optimize the management resources of Takamatsu Estate (Osaka) and Takamatsu Estate (Tokyo), and specifically has the following three objectives.

(i) Strengthen sales force: Improve business performance by developing effective sales measures common to Tokyo and Osaka.

(ii) Promotion of personnel exchanges and education: By integrating personnel systems, business processes, and IT systems, personnel transfers and personnel exchanges can be activated and the quality of personnel education can be improved to achieve more appropriate personnel assignments for future growth areas.

(iii) Improving the efficiency of administrative and operational departments: consolidating duplicated functions to improve operational efficiency and professionalism.

(2) Summary of the Merger

(i) Schedule of the merger

Date of resolution by the Board of Directors (our company): March 16, 2022

Extraordinary shareholders' meeting to approve the merger agreement (the parties to the merger): March 17, 2022

Merger agreement execution date: March 26, 2022

Effective date of merger: October 1, 2022 (scheduled)

(ii) Method of merger

Absorption-type merger with Takamatsu Estate (Osaka) as the surviving company and Takamatsu Estate (Tokyo) as the dissolving company

(iii) Merger consideration

No shares will be issued or money allocated.

(iv) Treatment of stock acquisition rights and bonds with stock acquisition rights in connection with the merger

【Booklet P34】

2. Matters relating to the shares of the Company (as of March 31, 2022)

- (1) Total number of shares authorized to be issued
Ordinary Shares : 52,800,000
- (2) Total number of shares issued
Ordinary Shares : 34,818,578
(Out of the above, Treasury shares =—)
- (3) Total number of shareholders 25,604

(4) Major shareholders (Top 10)

<u>Name</u>	<u>Number of shares</u>	<u>Stockholding ratio%</u>
Takayuki Takamatsu	8,219 000 shares	23.6 %
Sanko-sha Co.,Ltd.	4,800	13.8
Takayasu Takamatsu	2,130	6.1
The Master Trust Bank of Japan ,Ltd. (Trust)	1,733	5.0
Taka Co.,Ltd.	1,226	3.5
Resona Bank, Limited	1,080	3.1
Mizuho Bank, Ltd.	824	2.4
Kokei-sha LLC	680	2.0
Employee stock ownership	552	1.6
STATE STREET BANK AND TRUST COMPANY 505001	382	1.1

- (5) Other issues relating to shares of the Company
On February 28, 2022, we cancelled 4,061,422 shares of treasury stock.

- 3 Share acquisition rights
Not applicable.

【Booklet P35】

4. Matters relating to Directors and Corporate Auditors

(1) Directors and Auditors of the Board (as of March 31, 2022)

<u>Position of the Company</u>	<u>Name</u>	<u>Responsibilities in the Company and significant concurrent positions at other organizations</u>
Director and Honorary Chairperson	Takayuki Takamatsu	
Representative Director and Chairperson	Nobuhiko Yoshitake	
Representative Director And Vice Chairperson	Takayoshi Takamatsu	
Representative Director	Hiroataka Takamatsu	President Officer Representative Director and Vice President Officer of Takamatsu Corporation Co., Ltd.
Representative Director	Takatoshi Takamatsu	Vice President Officer Representative Director and President of Takamatsu Corporation Co.,Ltd.
Director	Toshitaka Hagiwara	Advisor, Komatsu Ltd. Outside Director, Zensho Holdings Co.,Ltd.
Director	Masahiro Nishide	Representative Director and Chairperson of Takamatsu Corporation Co.,Ltd. Representative Director and Chairperson of Takamatsu House Co.,Ltd.
Director	Shigehiro Aoyama	Primary Trustee, The Distribution Economics Institute of Japan (Public Foundation) Outside Director, H.U. Group Holdings, Inc.
Director	Hideyuki Takamatsu	Representative Director and Vice President Officer of Takamatsu Estate Co.,Ltd. (Osaka)
Director	Hideto Nakahara	External Director of Osaka University of Education, National University Corporation
Director	Yasushi Tujii	Representative Director and President Officer of Asunaro Aoki Construction Co., Ltd.
Auditor (Full Time)	Michinari Fujiwara	
Auditor (Full Time)	Yoshinori Matsushita	
Auditor	Tomokuni Tsuno	Representative, Tsuno CPA Office Representative, Izanami Auditing Co. Representative, Izanami Tax Co. Representative Director of the Board, Izanami Research Institute Co.,Ltd. Outside Director, AmidA Holdings Co.,Ltd. Outside Auditor, Software Service, Inc.
Auditor	Nobuko Ishibashi	Representative employee lawyer, Kobe City Law Firm Outside Director, Kamigumi Co.,Ltd. Outside Director, Fukuoka Financial Group, Inc. (Audit and supervisory committee member)

【Booklet P36】

- Notes
1. Our Directors, Toshitaka Hagiwara, Shigehiro Aoyama and Hideto Nakahara are our Outside Directors.
 2. Our Auditors, Michinari Fujiwara, Tomokuni Tsuno and Nobuko Ishibashi are our Outside Auditors.
 3. Our Directors, Toshitaka Hagiwara, Shigehiro Aoyama and Hideto Nakahara, as well as our Auditors, 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 Outside Directors / Auditors of the Board concurrently hold.
 6. On April 1, 2022, there were changes in the following positions and responsibilities at the Company and in the status of important Concurrent Position.
Mr. Hirotaka Takamatsu has changed from Representative Director and Vice President Officer to Representative Director of Takamatsu Corporation Co.,Ltd..

<REFERENCE> The following are our Officers as of April 1, 2022

(* indicates concurrent position with Director and Officer)

<u>Position of the Company</u>	<u>Name</u>	<u>Division</u>
President Officer	※ Hirotaka Takamatsu	In charge of Group Management Strategy Division and Management Reform Department
Vice President Officer	※ Takayoshi Takamatsu	
Managing Officer	Shingo Ueda	In charge of Administration Division and Internal Audit Department
Managing Officer	Masahiro Shimabayashi	Chief of Group Finance Division
Officer	Takuya Oda	Chief of Business Promotion Division

【Booklet P37】

(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) Summary of Directors' and Officers' Liability Takeover Insurance Policy

The Company has concluded a directors' Auditors and officers' liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The scope of the insured under this insurance policy is the Company's directors, auditors, and officers, and the insured does not bear the premiums. This insurance policy covers the legal costs and damages for claims brought against the insured during the insurance period.

However, in order to ensure that the insured's performance of his/her duties is not impaired, there are certain exclusions of liability, such as the insured's acts that are in violation of the law.

(4) Total remuneration of Directors and Auditors

<u>Position</u>	<u>Number of Members</u>	<u>Total Remuneration</u>	<u>Notes</u>
Directors	13	Million yen 206	The maximum amount of remuneration for Directors does not exceed 250million yen per year. There are seven directors at the time of the resolution. (Resolution of Shareholders Meeting on June 29, 2004)
Auditors	4	44	The maximum amount of remuneration for Auditors does not exceed 45million yen per year. There are four auditors at the time of the resolution. (Resolution of Shareholders Meeting on June 25, 1997)
Total	17	250	

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

【Booklet P38】**(5) Matters relating to Outside Directors and Auditors**

Position	Name	Major Activities
Director	Toshitaka Hagiwara	Attended 12 times of Board Meetings out of 12 held during the fiscal year ended Mar 2022. Has provided appropriate and necessary opinions and advice based on abundant managerial experience and broad knowledge. As well as the chairs any Nomination and Compensation Committee, a voluntary body in the process of determining the nomination and compensation of directors and senior management and oversees the directors and senior management through appropriate current events evaluation and staffing.
Director	Shigehiro Aoyama	Attended 12 times of Board Meetings out of 12 held during the fiscal year ended Mar 2022. Has provided appropriate and necessary opinions and advice based on abundant managerial experience and broad knowledge. He serves as a member of the Nominating and Compensation Committee, a voluntary body in the process of determining the nomination and compensation of directors and senior management and supervises directors and senior management through appropriate topical assessments and staffing.
Director	Hideto Nakahara	Attended 12 times of Board Meetings out of 12 held during the fiscal year ended Mar 2022. Has provided appropriate and necessary opinions and advice based on abundant managerial experience and broad knowledge. He serves as a member of the Nominating and Compensation Committee, a voluntary body in the process of determining the nomination and compensation of directors and senior management and supervises directors and senior management through appropriate topical assessments and staffing.

【Booklet P39】

<u>Position</u>	<u>Name</u>	<u>Major Activities</u>
Auditor (Fulltime)	Michinari Fujiwara	Attended 12 Directors of the Board Meetings out of 12 held during fiscal year ended Mar 2022. Has provided appropriate questions and opinions based on experience and knowledge obtained from his background field of financial institutions. Also attended 12 the Board of Auditors Meetings out of 12 Meetings held and exchanged opinions concerning audit as well as engaged in discussions concerning important matters.
Auditor	Tomokuni Tsuno	Attended 12 Directors of the Board Meetings out of 12 held during fiscal year ended Mar 2022. Has provided appropriate questions and opinions based on his experience and knowledge as a CPA. Also attended 12 the Board of Auditors Meetings out of 12 Meetings held and exchanged opinions concerning audit as well as engaged in discussions concerning important topics.
Auditor	Nobuko Ishibashi	Attended 12 Directors of the Board Meetings out of 12 held during fiscal year ended Mar 2022. Has provided appropriate questions and opinions from the professional perspective as a lawyer. Also attended 12 the Board of Auditors Meetings out of 12 Meetings held after June and exchanged opinions concerning audit as well as engaged in discussions concerning important topics.

(6) Compensation of Outside Directors and Auditors

<u>Position</u>	<u># of personnel</u>	<u>Total Remuneration</u>	<u>Compensation from other Group Companies</u>
Outside Directors and Auditors	6	89 million yen	—

【Booklet P40】

(7) Policy regarding decisions regarding the content of individual remuneration for directors

At the Board of Directors meeting held on February 10, 2021, the Board of Directors of the Company resolved a policy regarding the determination of the content of individual remuneration for directors.

1. Remuneration for directors who execute business.

The Board of Directors entrusts Hirotaka Takamatsu, Representative Director and President, to determine the amount of remuneration for each individual director after considering whether the amount of remuneration for each executive director is appropriate. The reason for the delegation to the Representative Director and President is as follows. The reason for delegating this task to the Representative Director and President is that the Representative Director and President is the most suitable person to evaluate the areas of responsibility and duties of each Director while having a bird's eye view of the Company's overall performance. The authority delegated to the Representative Director and President is for the Nomination and Compensation Committee to deliberate and determine the amount of remuneration based on the fairness among directors, the degree of their contribution, the Company's performance, and other factors. Of this pre-determined remuneration, the basic remuneration portion is paid monthly, and the bonus portion is paid in July. The Representative Director and President proposes the amount of remuneration consistent with the above remuneration system established by the Board of Directors, and the Nomination and Compensation Committee, which includes independent outside directors, deliberates, and determines the amount of remuneration.

2. Remuneration for directors who do not execute business.

The Representative Director and President, who has been entrusted by the Board of Directors with the decision on the amount of remuneration for each individual, determines the amount of remuneration to be the same as the regular amount determined in advance through deliberations by the Nomination and Compensation Committee on the social status and contribution of each officer. The Representative Director and President proposes the amount of remuneration consistent with the above remuneration system established by the Board of Directors, and the Nomination and Compensation Committee, which includes independent outside directors, deliberates, and determines the amount of remuneration.

3. Maximum amount of remuneration for directors.

The total amount of remuneration for directors is within the range approved at the general meeting of shareholders.

The maximum amount of total remuneration for directors approved at the General Meeting of Shareholders is as follows.

Remuneration limit for directors: 250 million yen or less per year (Resolved at the Ordinary General Meeting of Shareholders on June 29, 2004)

【Booklet P41】

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	25 million yen
Total amount of money and/or other financial benefits payable to accounting auditor by TCG and/or its Affiliates	78 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) Contents of non-audit services

Not applicable.

(4) 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 P42】

6. Policies Concerning Dividend Payment

Distributing earnings to shareholders is one of our highest priorities. We will pursue 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 2022, 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 32.6%.

For the fiscal year ending March 2023, we plan to pay a dividend of 63 yen per share, with the dividend payout ratio of 32.3%.

Notes: The amounts appearing on the business reports are rounded down to the nearest million yen.

【Booklet P43】

Consolidated Financial Statements

Consolidated balance sheet

(As of March 31, 2022)

(Million yen, figures in parentheses indicate negative amounts)

ACCOUNT TITLE	AMOUNT	ACCOUNT TITLE	AMOUNT
[ASSETS]		[LIABILITIES]	
Current assets	176,582	Current liabilities	86,465
Cash and deposits	67,899	Accounts payable for construction contracts	28,561
Notes receivable, accounts receivable from completed construction contracts and other	79,948	Short-term borrowings	17,200
Real estate for sale	13,759	Income taxes payable	2,315
Costs on construction contracts in progress	1,422	Advances received on construction contracts in progress	23,968
Costs on real estate business	8,519	Provision for warranties for completed construction	703
Accounts receivable – other	3,741	Provision for bonuses	3,785
Other	1,373	Other	9,930
Allowance for doubtful accounts	(82)	Non-current liabilities	28,782
Non-current assets	60,137	Bonds payable	15,000
Property, plant and equipment	38,472	Deferred tax liabilities for land revaluation	256
Buildings and structures, net	6,118	Deferred tax liabilities	501
Machinery, vehicles, tools, furniture and fixtures, net	1,361	Provision for special repairs of vessels	71
Vessels, net	696	Retirement benefit liability	10,627
Land	27,606	Other	2,325
Leased assets, net	151	Total liabilities	115,247
Construction in progress	5,438	[NET ASSETS]	
Intangible assets	2,490	Shareholders' equity	121,689
Goodwill	1,576	Share capital	5,000
Other	914	Capital surplus	797
Investments and other assets	16,073	Retained earnings	115,892
Investment securities	9,442	Accumulated other comprehensive income	(256)
Deferred tax assets	3,900	Valuation difference on available-for-sale securities	748
Other	2,952	Revaluation reserve for land	(1,266)
Allowance for doubtful accounts	(221)	Foreign currency translation adjustment	60
		Remeasurements of defined benefit plans	201
		Non-controlling interests	38
		Total net assets	121,471
Total assets	236,719	Total liabilities and net assets	236,719

【Booklet P44】

(April 1, 2021 — March 31, 2022)

Consolidated statements of income

(Million yen, figures in parentheses indicate negative amounts)

ACCOUNT TITLE	AMOUNT	
Net sales		
Net sales of completed construction contracts	223,963	
Sales in real estate business	39,944	263,907
Cost of sales		
Cost of sales of completed construction contracts	191,074	
Cost of sales in real estate business	34,289	225,364
Gross profit		
Gross profit on completed construction contracts	32,888	
Gross profit-real estate business	5,654	38,542
Selling, general and administrative expenses		27,317
Operating profit		11,225
Non-operating income		
Interest income and Dividend income	112	
Rental income	91	
Exchange profit	221	
Other	186	611
Non-operating expenses		
Interest expenses	232	
Bond issuance costs	56	
Other	56	346
Ordinary profit		11,490
Extraordinary income		
Gain on sale of non-current assets	4	
Gain on sale of shares of subsidiaries and associates	20	24
Extraordinary losses		
Loss on valuation of investment securities	30	
Loss on retirement of non-current assets	117	
Other	50	198
Profit before income taxes		11,316
Income taxes-current	4,489	
Income taxes-deferred	97	4,586
Profit		6,729
Profit attributable to non-controlling interests		2
Profit attributable to owners of parent		6,727

【Booklet P45】
Balance sheet (Non-consolidated)

(As of March 31, 2022)

(Million yen, figures in parentheses indicate negative amounts)

ACCOUNT TITLE	AMOUNT	ACCOUNT TITLE	AMOUNT
[ASSETS]		[LIABILITIES]	
Current assets	9,102	Current liabilities	17,497
Cash and deposits	4,700	Accounts payable - real estate business	3
Real estate for sale	1,058	Short-term borrowings	17,200
Short-term loans receivable from subsidiaries and affiliates	2,447	Income taxes payable	19
Accounts receivable - other	834	Deposit received - real estate business	23
Other	61	Provision for bonuses	42
Allowance for doubtful accounts	(1)	Other	208
Non-current assets	56,808	Non-current liabilities	16,247
Property, plant and equipment	28,565	Bonds payable	15,000
Buildings and structures, net	2,056	Deferred tax liabilities	23
Machinery, equipment and vehicles, net	107	Deferred tax liabilities for land revaluation	40
Tools, furniture and fixtures, net	11	Provision for retirement benefits	48
Land	20,195	Long-term retirement benefits payable to directors	500
Construction in progress	6,194	Long-term guarantee deposits	633
Intangible assets	18	Total liabilities	33,744
Investments and other assets	28,224	[NET ASSETS]	
Investment securities	552	Shareholders' equity	33,401
Shares of subsidiaries and associates	27,229	Share capital	5,000
Other	442	Capital surplus	272
		Legal capital surplus	272
		Retained earnings	28,129
		Legal retained earnings	978
		Other retained earnings	27,151
		General reserve	27,151
		Valuation and translation adjustments	(1,234)
		Valuation differences on available-for-sale securities	61
		Revaluation reserve for land	(1,303)
		Total net assets	32,166
Total assets	65,911	Total liabilities and net assets	65,911

【Booklet P46】

(April 1, 2021—March 31, 2022)

Income statement (Non-consolidated)

(Million yen, figures in parentheses indicate negative amounts)

ACCOUNT TITLE	AMOUNT	
Net sales		
Sales in real estate business	1,486	
Dividends from subsidiaries and associates	4,063	5,549
Cost of sales		
Cost of sales in real estate business	1,147	1,147
Gross profit		4,402
Selling, general and administrative expenses		1,175
Operating profit		3,226
Non-operating income		
Interest income and Dividend income	32	
Exchange difference	218	
Other	2	253
Non-operating expenses		
Interest expenses	62	
Interest on bonds	57	
Commission expenses	22	
Other	0	141
Ordinary profit		3,342
Extraordinary losses		
Loss on valuation of investment securities	6	6
Profit before income taxes		3,334
Income taxes		5
Profit		3,338

【Booklet P47-52】

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.

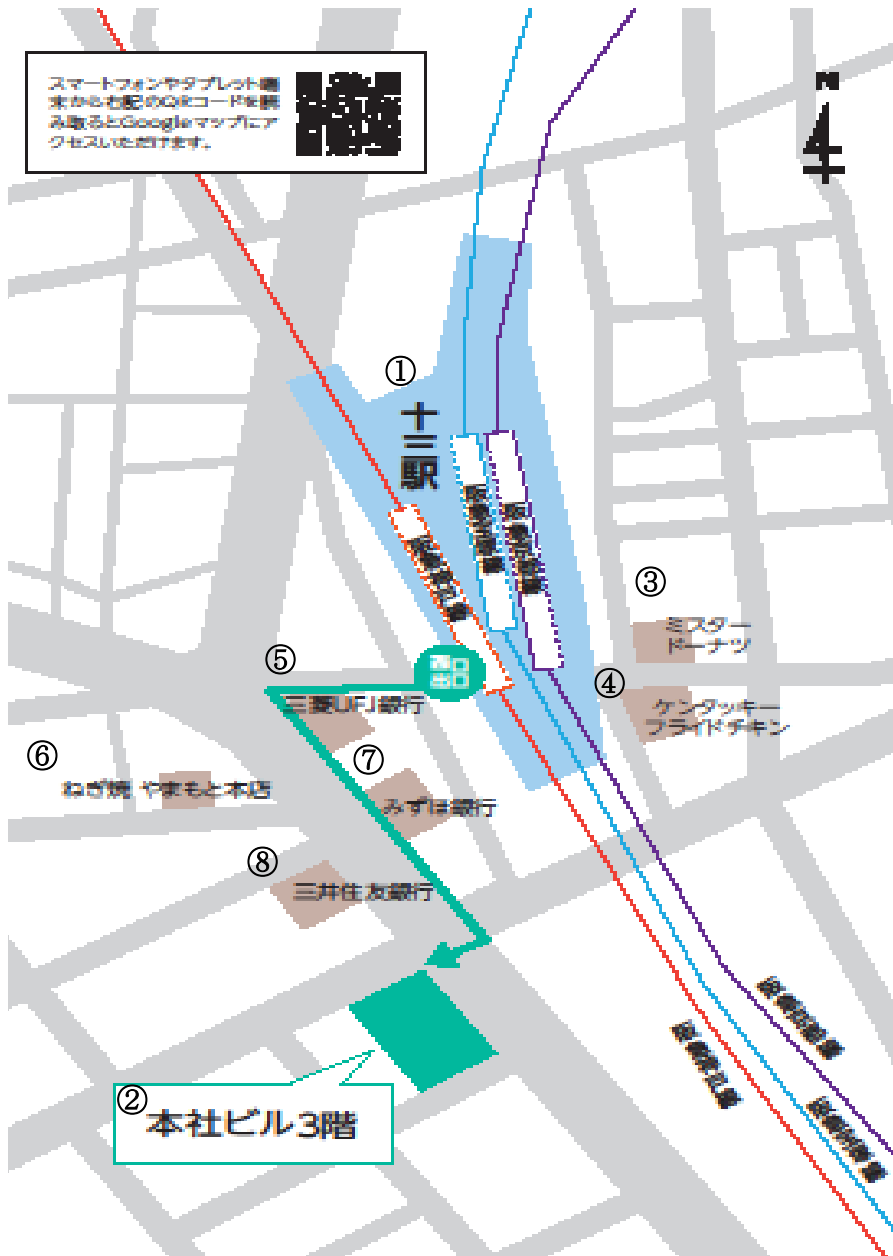
3. No special report is necessary concerning internal control of the Company.

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

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

May 11,2022

スマートフォンやタブレット端末から右記のQRコードを読み取るとGoogleマップにアクセスいただけます。



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

② 本社ビル3階