

November 10,2022

Company Name	Takamatsu Construction Group Co., Ltd.
Representative Name	Representative Director and President Hirotaka Takamatsu (Securities Code 1762 Prime of the Tokyo Stock Exchange)
Contact	Officer, Takuya Oda (TEL +81-3-3455-8108)

Notice of Merger between Consolidated sub-subsidiaries
(Effective date: April 1, 2023)

Takamatsu Construction Group Co., Ltd. hereby announce that our consolidated sub-subsidiaries, Takamatsu Techno Service Osaka Co., Ltd. (head office: Yodogawa-ku Osaka, President and Representative Director: Kenichi Kurihara, referred to as “Takamatsu Techno Service Osaka”) and Takamatsu Techno Service Tokyo Co., Ltd. (head office: Chiyoda-ku Tokyo, President and Representative Director: Kohei Matsui, referred to as “Takamatsu Techno Service Tokyo”), have entered into a merger agreement effective November 9, 2022, and have decided to merge.

Takamatsu Techno Service Osaka and Takamatsu Techno Service Tokyo are wholly owned subsidiaries of Takamatsu Corporation (head office: Yodogawa-ku Osaka, President and Representative Director: Takatoshi Takamatsu) , which is a consolidated subsidiary of the Company, and are therefore consolidated sub-subsidiaries.

Notes

1. Main Purpose of the Merger

The merger aims to integrate the business strategies and optimize the management resources of Takamatsu Techno Service Osaka and Takamatsu Techno Service Tokyo. Specifically, the merger has the following three objectives

- (1) Strengthen sales force: To improve business performance by developing effective sales measures in both Tokyo and Osaka.
- (2) Promotion of human resource exchange and education: By integrating personnel systems, business processes, and IT systems, we can activate personnel transfers and personnel exchanges, and improve the quality of human resources training, thereby realizing more appropriate personnel allocation for future growth areas.
- (3) Improved efficiency in administrative and operations departments: To improve operational efficiency and specialization by consolidating overlapping functions

2. Summary of the Merger

(1) Merger Schedule

Date of resolution by the Board of Directors (the Company) : November 9 , 2022

Merger agreement execution date : November 9, 2022

Extraordinary shareholders' meeting to approve the merger agreement (the merging companies) :
November 24, 2022 (schedule)

Effective date of merger : April 1, 2023 (schedule)

(2) Method of merger

An absorption-type merger in which Takamatsu Techno Service Osaka is the surviving company

and Takamatsu Techno Service Tokyo is the consolidated company.

(3) Merger consideration

There will be no issuance of shares or allotment of money, etc.

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

Not applicable.

3. Summary of companies involved in the merger

	Surviving Company	Consolidated Company
(1) Name	Takamatsu Techno Service (Osaka)	Takamatsu Techno Service (Tokyo)
(2) Location	1-1-20 Shin-kitano, Yodogawa-ku, Osaka	1-1 Kanda Mitoshiro-cho, Chiyoda-ku, Tokyo
(3) Name and position of representative	Kenichi Kurihara, Representative Director & President	Kohei Matsui, Representative Director & President
(4) Description of business	<ul style="list-style-type: none"> • Construction Work • Repair and maintenance work • Real Estate Brokerage 	<ul style="list-style-type: none"> • Construction Work • Repair and maintenance work
(5) Capital	300 million yen	300 million yen
(6) Date of Establishment	March 2, 1993	April 1, 1997
(7) Number of Issued Shares	6,000 shares	6,000 shares
(8) Fiscal year-end	March	March
(9) Shareholders and Stockholding ratio	Takamatsu Corporation owns 100% of the shares	Takamatsu Corporation owns 100% of the shares
(10) Status of the immediately preceding fiscal year (FY ended March 2022)		
Total assets	3,608 million yen	1,664 million yen
Net assets	2,623 million yen	784 million yen
Net sales	4,094 million yen	3,124 million yen
Operating profit	80 million yen	132 million yen
Number of Employees	183	124

4. Post-Merger Outlook

This merger is between consolidated sub-subsidiaries of the Company, the impact of the merger on the Company's consolidated financial results is not material.