

[Please note that the following document intends to be the translation from the Japanese Notice of the 53rd Ordinary General Meeting of Shareholders of Takamatsu Construction Group Co.,Ltd., and is prepared for the convenience of non-Japanese shareholders with voting rights. However, in case of any discrepancy between the translation and the Japanese original, the latter shall prevail.]

Notice of the 53rd Ordinary Shareholders Meeting

Date : Wednesday, 10:00 AM (Japan Standard Time), June 27, 2018

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【Booklet P1】

Notice of the Shareholders Meeting

Securities Code 1762

June 6, 2018

To our Shareholders :

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

Notice of the 53rd Ordinary Shareholders Meeting

You are cordially invited to attend the 53rd Ordinary Shareholders Meeting of the Company. The Meeting will be held as described below.

If you are unable to attend the Meeting, you can exercise your voting rights by paper ballot, or via the internet. Please review “Instructions for Exercising Your Voting Rights” on Page 4 of the booklet to exercise your voting rights in accordance with the guidance hereinafter no later than 5:30 PM, Tuesday, June 26, 2018.

【Exercise by paper ballot】

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

【Exercise via internet】

Please access our voting right exercise website (<https://soukai.mizuho-tb.co.jp/>), and by using the “Exercise Code” and “Password” indicated in the enclosed “Voting Rights Exercise Form” and by following the instructions that show on the screen, indicate your votes (i.e. for or against) for each of the proposals. For nominal shareholders who own the share through trust banks etc., your votes can be exercised through Electronic Exercise Platform operated by ICJ Co., Ltd., provided that the use of the Platform has been requested prior to the exercise thereon.

Details :

1. Date and Time

10:00 AM, Wednesday, June 27, 2018

(Reception will start at 9:20 AM)

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

2. Place

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

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

【Booklet P2】

3. Agenda

Subjects to be Reported

1. Business Report, Consolidated Financial Statements and their auditing reports by Accounting Auditor and Auditors of the Board for the fiscal year that ended March 31, 2018 (the 53rd Business Year commenced on April 1, 2017 and ended March 31, 2018).
2. Non-consolidated Financial Statements for the fiscal year that ended March 31, 2018 (the 53rd Business Year commenced on April 1, 2017 and ended March 31, 2018).

Matters to be Voted Upon by Shareholders

1. Election of Sixteen (16) Directors of the Board
2. Election of One (1) Auditor of the Board
3. Payment of Special Distinction Reward to a Retiring Director of the Board

【Booklet P3】

Notice

(1) If you attend the Meeting in person;

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

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

(2) If you attend the Meeting by Proxy;

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

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

(3) Payment of Fiscal Year End Dividends, 53rd Business Year

At the Board of the Directors Meeting of the Company held on May 11, 2018, it was decided that the Company will pay Thirty Six (36) Japanese yen per share as the Fiscal Year End Dividends of the 53rd Business Year, and that the start date of the dividend payment will be June 28, 2018.

(4) Notice on the Company's Web Site

- This Notice of the 53rd Ordinary Shareholders Meeting is available on our website below.
- English translation of this Notice is available on the following website for courtesy purpose.
<https://www.takamatsu-cg.co.jp/en/>
- In accordance with the relevant laws, regulations and Article 15 of the Articles of Incorporation of the Company, the following explanations are not included in this Notice, as they are available on the Company's Web Site.
 - (i) Business Report → The organizational structure and operational status of how operational appropriateness is secured.
 - (ii) Consolidated Financial Statements → Consolidated Statements of Changes in Equity, Notes to Consolidated Financial Statements
 - (iii) Financial Statements → 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.
<https://www.takamatsu-cg.co.jp/>

【Booklet P4】

Instructions for Exercising Your Voting Right

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

Please exercise your voting right by following the guidance below:

If you can attend the Meeting:

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

Date & Time : Wednesday, June 27, 2018 10:00 AM (JST)

Place : Takamatsu Construction Group 3F Conference Room

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

Exercising your voting right by post

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

Deadline: Please return the Form by post to be received by the Company no later than 5:30 PM, Tuesday, June 26, 2018.

Exercising your voting right via the internet (PC)

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.

Designated Voting Right Exercise Web Site: <https://soukai.mizuho-tb.co.jp/>

Deadline: Please enter your vote no later than 5:30 PM, Tuesday, June 26, 2018.

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

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

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

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

【Booklet P5】

Shareholders Meeting Reference Material

Agenda and Reference Information

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

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

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

Candidate No.1

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

History, Post and Important Concurrent Position of the Candidate:

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

Number of Company shares held by the Candidate: 8,597,700

Candidate No.2

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

History, Post and Important Concurrent Position of the Candidate:

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

Number of Company shares held by the Candidate : 17,130

Important Concurrent Position of the Candidate: Chairperson and Representative Director of the Board,
Kongo-Gumi Co., Ltd.

【Booklet P6】

Candidate No.3

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

History, Post and Important Concurrent Position of the Candidate:

Jun. 2012 Vice President and Representative Director of the Board,
Director of Asunaro Aoki Construction Co., Ltd.

Apr. 2015 Vice President and Representative Director of the Board,
Director integrating Headquarter and Sales Planning Division of
Asunaro Aoki Construction Co., Ltd.

Jun. 2015 Director of the Board of the Company

Apr. 2017 President and Representative Director of the Board, Director of the Company (Current)

Jun. 2017 Director of the Board of Asunaro Aoki Construction Co., Ltd.(Current)

Number of Company shares held by the Candidate : 1,957

Candidate No.4

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

History, Post and Important Concurrent Position of the Candidate:

Apr. 1990 Joined the Company

Apr. 2005 General Manager, President's Office of the Company

Jun. 2005 Director of the Board, General Manager of President's Office of the Company

Mar. 2006 Director of the Board of the Company

Mar. 2006 Director of the Board, Senior Director of Nippon Kensho Co., Ltd. (Osaka)
(Currently Takamatsu Estate Co., Ltd. (Osaka))

Oct. 2008 Director of Management Planning Dept., Takamatsu Corporation Co., Ltd.

Aug. 2009 Director of the Board, Director in charge of Headquarter, Takamatsu Corporation Co.,
Ltd.

Apr. 2011 Director of the Board, Senior Director in charge of Headquarter, Takamatsu Corporation
Co., Ltd.

Apr. 2013 Director of the Board, Senior Director in charge of Administration Division of the
Company

Jun. 2015 Director of the Board, Executive Director in charge of Group Integration Division of the
Company

Jun. 2016 Representative Director of the Board,
Executive Director in charge of Group Integration Division of the Company

Apr. 2017 Representative Director of the Board,
Vice President in charge of Group Integration Division of the Company (Current)

Jun. 2017 Director of the Board, Takamatsu Corporation Co., Ltd. (Current)

Number of Company shares held by the Candidate : 318,316

【Booklet P7】

Candidate No.5

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

History, Post and Important Concurrent Position of the Candidate:

- | | |
|-----------|---|
| Jun. 2007 | Director of the Board of the Company |
| Apr. 2014 | Vice President and Representative Director of the Board, Yamato Construction Co., Ltd. (Osaka) (Currently Takamatsu Techno Service Co., Ltd. (Osaka)) |
| Jun. 2015 | Director of the Board, Senior Director, Takamatsu Corporation Co., Ltd. |
| Apr. 2016 | Director of the Board, Executive Director, Takamatsu Corporation Co., Ltd. |
| Apr. 2017 | Director of the Board, Executive Director in charge of Group Strategy Division, as well as General Manager of Group Management Strategy Department of the Company |
| Apr. 2017 | Director of the Board, Takamatsu Corporation Co., Ltd. |
| Apr. 2018 | Director of the Board, Executive Director in charge of Group Strategy Division of the Company (Current) |
| Apr. 2018 | Vice President and Representative Director of the Board, Takamatsu Corporation Co., Ltd. (Current) |

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

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

Candidate No.6

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

History, Post and Important Concurrent Position of the Candidate:

- | | |
|-----------|--|
| Jan. 2009 | Joined the Company, General Manager of Management Control Division |
| Apr. 2011 | Director of Group Control Division of the Company |
| Apr. 2015 | Senior Director of Administration Division of the Company |
| Jun. 2016 | Director of the Board, Senior Director of Administration Division of the Company |
| Apr. 2017 | Director of the Board, Senior Director in charge of Administration Division of the Company |
| Apr. 2018 | Director of the Board, Senior Director in charge of Group Risk Integration Division as well as General Manager of Group Risk Integration Division as well as Risk & Policy Administration Manager of the Company (Current) |
| Apr. 2018 | President and Representative Director of the Board, Nippon Owners Credit Co., Ltd. (Current) |

Number of Company shares held by the Candidate : 2,138

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

【Booklet P8】

Candidate No.7

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

History, Post and Important Concurrent Position of the Candidate:

Apr. 1968	Joined the Company
Jun. 1994	Director of the Board, General Manager of Architecture, Osaka Headquarter of the Company
Apr. 1999	Director of the Board, Senior Director, General Manager of Osaka Headquarter of the Company
Apr. 2001	Executive Director integrating Architecture, Komatsu Construction Industry Co., Ltd. (Currently Asunaro Aoki Construction Co., Ltd.)
Jun. 2001	Director of the Board, Executive Director in charge of Architecture, Komatsu Construction Industry Co., Ltd.
Apr. 2004	Vice President and Director of the Board, Komatsu Construction Industry Co., Ltd.
Jun. 2004	Director of the Board of the Company
Apr. 2005	Director of the Board, Asunaro Aoki Construction Co., Ltd.
Jun. 2005	President and Representative Director of the Board of the Company
Oct. 2008	Director of the Board of the Company (Current)
Oct. 2008	President and Representative Director of the Board, Takamatsu Corporation Co., Ltd.
Apr. 2014	Chairperson and Representative Director of the Board, Asunaro Aoki Construction Co., Ltd.
Apr. 2014	Director of the Board, Takamatsu Corporation Co., Ltd. (Current)
Apr. 2018	Director of the Board, Asunaro Aoki Construction Co.,Ltd. (Current)

Number of Company shares held by the Candidate : 38,881

Candidate No.8

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

History, Post and Important Concurrent Position of the Candidate:

Jun. 2001	Director of the Board, Senior Director, Nippon Kensho (Osaka) Co., Ltd. (Currently Takamatsu Estate Co., Ltd. (Osaka))
Mar. 2006	Joined the Company, Deputy Director integrating Headquarter of the Company
Apr. 2006	Senior Director, Deputy Director integrating Headquarter of the Company
Jun. 2006	Director of the Board, Senior Director integrating Headquarter of the Company
Jun. 2008	President and Representative Director of the Board, Nippon Owners Credit Co, Ltd.
Oct. 2008	Director of the Board, Senior Director in charge of Management Control Division of the Company
Apr. 2011	Director of the Board, Senior Director in charge of Internal Control of the Company

Jun. 2011	Director of the Board, Asunaro Aoki Construction Co., Ltd.
Jun. 2011	Director of the Board, Takamatsu Corporation Co., Ltd.
Apr. 2012	Director of the Board, Executive Director in charge of Administration Division of the Company
Apr. 2013	Director of the Board, Executive Director in charge of Headquarter of the Company
Jun. 2016	Director of the Board, Executive Director in charge of Administration Division of the Company
Apr. 2017	Director of the Board, Executive Director in charge of Risk Management of the Company
Apr. 2018	Director of the Board of the Company (Current)

Number of Company shares held by the Candidate : 1,215

Candidate No.9

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

History, Post and Important Concurrent Position of the Candidate:

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

Apr. 2014 Chairperson and Representative Director of the Board, Takamatsu Corporation Co., Ltd.
Apr. 2014 Director of the Board, Asunaro Aoki Construction Co., Ltd. (Current)
Apr. 2018 Director of the Board, Takamatsu Corporation Co., Ltd. (Current)

Number of Company shares held by the Candidate : 6,020

Candidate No.10

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

History, Post and Important Concurrent Position of the Candidate:

Mar. 1998 Joined the Company
Jun. 2005 Director of the Board and General Manager of Tokyo Headquarter, JP Home Co., Ltd.
Apr. 2009 Vice President and Representative Director of the Board, JP Home Co., Ltd.
Jun. 2010 Director of the Board of the Company (Current)
Apr. 2012 President and Representative Director of the Board, JP Home Co., Ltd.
Jun. 2013 Director of the Board, Takamatsu Corporation Co., Ltd.
Apr. 2014 Vice President and Representative Director of the Board, Takamatsu Corporation Co., Ltd.

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

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

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

【Booklet P10】

Candidate No.11

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

History, Post and Important Concurrent Position of the Candidate:

- Apr. 1972 Joined Aoki Construction Co., Ltd.
- Jul. 2002 Director of the Board and Senior Director,
General Manager of Osaka Headquarter, Aoki Construction Co., Ltd.
- Apr. 2004 Director of the Board and Executive Director,
General Manager of Osaka Headquarter, Asunaro Aoki Construction Co., Ltd.
- Jun. 2010 Representative Director of the Board and Executive Director, in charge of Civil
Engineering and General Manager of Osaka Civil Engineering Headquarter,
Asunaro Aoki Construction Co., Ltd.
- Apr. 2011 Vice President and Representative Director of the Board,
Director of Civil Engineering Division, Civil Engineering Technology Division
and Osaka Region Affiliates Division, Asunaro Aoki Construction Co., Ltd.
- Apr. 2013 President and Representative Director of the Board,
Asunaro Aoki Construction Co., Ltd.
- Jun. 2013 Director of the Board of the Company (Current)
- Apr. 2018 Chairperson and Director of the Board,
Asunaro Aoki Construction Co., Ltd. (Current)

Number of Company shares held by the Candidate : 1,233

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

Candidate No.12

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

History, Post and Important Concurrent Position of the Candidate:

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

Number of Company shares held by the Candidate : 3,511

Important Concurrent Position of the Candidate: Advisor, Komatsu Co., Ltd., External Director of the Board, Yamato Holdings Co., Ltd., External Director of the Board, Zensho Holdings Co., Ltd., External Director of the Board, Hino Automobile Co., Ltd., Trustee, Waseda University

【Booklet P11】

Candidate No.13

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

History, Post and Important Concurrent Position of the Candidate:

Apr. 1981	Joined the Company
Jun. 2005	Director, General Manager of Sales Planning Department of the Company
Jun. 2007	Director of the Board, Senior Director, General Manager of Osaka Headquarter of the Company
Oct. 2008	Director of Board, Executive Director, General Manager of Osaka Headquarter, Takamatsu Corporation Co., Ltd.
Jun. 2010	Representative Director of the Board, Executive Director, General Manager of Osaka Headquarter, Takamatsu Corporation Co., Ltd.
Apr. 2014	President and Representative Director of the Board, Takamatsu Corporation Co., Ltd.
Jun. 2014	Director of the Board of the Company (Current)
Apr. 2018 (Current)	Chairperson and Representative Director of the Board, Takamatsu Corporation Co., Ltd.

Number of Company shares held by the Candidate : 29,475

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

Candidate No.14

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

History, Post and Important Concurrent Position of the Candidate:

Apr. 1969	Joined Suntory Co., Ltd.
Mar. 1994	Director of the Board and General Manager of Whiskey Division, Suntory Co., Ltd.
Mar. 1999	Director of the Board and Senior Director in charge of Marketing and Advertisement, General Manager of Sales Promotion Division of Suntory Co., Ltd.
Mar. 2003	Director of the Board and Executive Director of Management Planning, Suntory Co., Ltd.
Mar. 2006	Vice President and Director of the Board, Alcohol Beverage Company President, Suntory Co., Ltd.
Feb. 2009	Vice President and Director of the Board, Suntory Holdings Co., Ltd.
Mar. 2010	Vice President and Representative Director of the Board, Suntory Holdings Co., Ltd.
Oct. 2014	Vice Chairperson and Representative Director of the Board, Suntory Holdings Co., Ltd.
Apr. 2015	Supreme Advisor, Suntory Holdings Co., Ltd.
Jun. 2016	External Director of the Board of the Company (Current)
Apr. 2018	Special Advisor, Suntory Holdings Co., Ltd. (Current)

Number of Company shares held by the Candidate : 1,473

Important Concurrent Position of the Candidate:

Special Advisor, Suntory Holdings Co., Ltd.

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

External Director of the Board, SUBARU Corporation

【Booklet P12】

Candidate No.15

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

History, Post and Important Concurrent Position of the Candidate:

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

Jun. 2016 Director of the Board of the Company (Current)

Number of Company shares held by the Candidate : 325,472

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

Candidate No.16

Name and Date of Birth: Yasushi Tsujii (*), March 8, 1959

History, Post and Important Concurrent Position of the Candidate:

Apr. 1982 Joined Aoki Construction Co., Ltd.

April 2011 Upper Director, General Manager of Osaka Civil Engineering, Asunaro Aoki
 Construction Co.,Ltd.

Apr. 2015 Senior Director, General Manager of Osaka Civil Engineering, Asunaro Aoki
 Construction Co.,Ltd.

Apr. 2016 Senior Director, General Manager of Tokyo Civil Engineering, Asunaro Aoki
 Construction Co.,Ltd.

Apr. 2017 Executive Director, Integrated General Manager of Civil Engineering as well as
 General Manager of Tokyo Civil Engineering, Asunaro Aoki Construction Co.,Ltd.

Jun. 2017 Director of the Board, Executive Director, Integrated General Manager of Civil
 Engineering as well as General Manager of Tokyo Civil Engineering,
 Asunaro Aoki Construction Co.,Ltd.

Apr. 2018 President and Representative Director of the Board, Asunaro Aoki Construction Co.,Ltd.
 (Current)

Number of Company shares held by the Candidate : None

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

【Booklet P13】

Note 1. (*) Indicates new Director of the Board candidate.

Note 2. Descriptions of the Limited Liability Contract

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

Note 3.

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

Note 4.

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

Note 5. The reasons for proposing the candidates for External Directors of the Board

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

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

Note 6.

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

Note 7

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

【Booklet P14】

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

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

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

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

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

3. Mr. Shigehiro Aoyama has been serving as an External Director of the Board of SUBARU Corporation since June 2016. Concerning inappropriate treatment of completion inspection at Main Plant and Yajima Plant of Gunma Works, on October 30, 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. The result was submitted to the Ministry of Land, Infrastructure and Transport on December 19, 2017 together with measures to prevent recurrence. In addition, during this inspection procedure, it was recognized that there was possibility of inappropriate re-writing of inspection data at sampling of gas mileage and exhaust gas inspection that belongs to completion inspection procedure. Thus, the investigation concerning abovementioned incident was conducted, and, together with measures to prevent recurrence, the result was reported to the Ministry of Land, Infrastructure and Transport on April 27, 2018. Recognizing the seriousness of the situation, SUBARU Corporation has been working as a team to prevent recurrence and to recover the lost trust from customers. Although Mr. Aoyama was unaware of the abovementioned fact until it was revealed, as an External Director of the Board, he has been duly fulfilling his duties by providing advice to SUBARU Corporation from the viewpoint of legal compliance, and after this matter was revealed, by grasping the situation through timely and multiple reports of the investigation status, and by urging SUBARU Corporation to conduct appropriate and timely response to requests of the Ministry, and to further strengthen and ensure compliance and to implement appropriate measures to prevent recurrence of similar incidents.

【Booklet P15】

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

It is with sorrow that Mr. Kenzo Asaoka, our Auditor of the Board has passed away on December 16, 2017.

Therefore, an election of one (1) Auditor of the Board is proposed.

Concerning Item No.2, the Company has already obtained approval from the Board of the Auditors.

The candidates for the Auditor of the Board is as follows:

Name and Date of Birth: Hideto Nakahara (*), November 27, 1950

History, Post and Important Concurrent Position of the Candidate:

Apr. 1973	Joined Mitsubishi Corporation
Apr. 2004	Director and Executive Manager of Europe, Mitsubishi Corporation
Apr. 2006	Director and Executive Manager of China, Mitsubishi Corporation
Apr. 2007	Senior Director and Executive Manager of China, Mitsubishi Corporation
Jun. 2009	Director of the Board, Senior Director in charge of Corporate, Mitsubishi Corporation (Regional Strategy and Regional Development)
Jun. 2011	Vice President and Representative Director of the Board, Mitsubishi Corporation
Apr. 2016	Director of the Board, Mitsubishi Corporation
Jun. 2016	Advisor, Mitsubishi Corporation

Number of Company shares held by the Candidate : None

Note 1. (*) Indicates new Auditor of the Board candidate.

Note 2. Descriptions of Limited Liability Contract

In the case Hideo Nakahara is approved as the Auditor of the Board, the Company shall enter into contract to limit his maximum liability for damages to the Company as defined in Paragraph 1, Article 423 of the Companies Act. Under this contract, Hideto Nakahara 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 Hideto Nakahara has performed his duties in good faith and without gross negligence.

Note 3.

There are no relationships to be mentioned between the Company and the candidate Hideto Nakahara.

Note 4.

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

Note 5. The reasons for proposing the candidate for External Auditor of the Board

With long years of experience at Mitsubishi Corporation, Mr. Hideto Nakahara has abundant knowledge of corporate management and has provided useful support towards us since June 2017 as an Advisor of the Company. The Company has judged to ask Mr. Hideto Nakahara to be a candidate for the External

Auditor of the Board to seek for overall management auditing and effective advice by utilizing his broad experience and professional knowledge.

Note 6.

Mr. Hideto Nakahara has resigned the position of Advisor, Mitsubishi Corporation in March 2018.

【Booklet P16】

Item No. 3 Payment of Special Distinction Reward to a Retiring Director of the Board

Mr. Yoshio Honoki, the Board of Director of the Company, will retire at the end of this Shareholders' Meeting.

Mr. Yoshio Honoki has been serving the Company for 22 years since November 1996, and has contributed tremendously towards the growth of the Group including listing of Takamatu corporation to public stock exchange, integration and merger of Komatsu Construction and Aoki construction, accepting many companies to our Group including Mirai Construction, as well as working as the first President after the foundation of Takamatsu Construction Group Co., Ltd., as the holding company.

To reward his distinguished achievements during his service, we propose to pay 50 million yen to Mr. Yoshio Honoki as Special Distinction Reward in accordance with standards of the Company.

We ask the payment period and method to be determined by the Directors of the Board Meeting.

The following is the brief personal history of Mr. Honoki;

Nov. 1996	Senior Director of the Board of the Company
Apr. 2000	Executive Director of the Board of the Company
Oct. 2008	President and Representative Director of the Board of the Company
Apr. 2012	Chairperson and Representative Director of the Board of the Company
Jun. 2016	Director of the Board of the Company (Current)

【Booklet P17】

(Reference Materials)

Business Report (From April 1, 2017 through March 31, 2018)

1. Current State of the Affiliated Companies

(1) Progress and Results of Business Operations

During the fiscal year that ended in March 2018, the overall Japanese economy continued to show moderate growth trend due to corporate earnings and employment environment improvements. On the other hand, although the Japanese construction market showed slightly positive growth for the private sector, the public sector as well as the overall Japanese construction market shrunk slightly versus last year due to large project orders a year ago. However, though small ups and downs exist, the overall domestic construction market is continuing to show tight market trend since 2013, and this trend is estimated to continue for the next two to three years.

Under these circumstances, Takamatsu Construction Group celebrated its centenary in October 2017. With this commemorative fiscal year of 2017 as the starting year, we kicked off our new Mid Term Plan "TRY! NEXT CENTURY 2020".

To achieve the new Mid Term Plan, for this fiscal year that ended in March 2018, Takamatsu Corporation, one of our core companies, strived for the growth of the Group by focusing on winning orders to construct condominiums for rental purpose in the Tokyo Metropolitan area, while Asunaro Aoki Construction, the other core company of the Group as well as mid-sized general contractor, worked hard to realize a moderate but steady growth to maintain its high level of profit achieved in the last fiscal year.

Due to these activities, although our orders received for the fiscal year slightly dropped to 254,857million yen (-0.6% vs last year), our revenue soared to 245,107 million yen (+14.5%vs last year) marking our record high for 4 consecutive years as well as 6 years of consecutive growth. We were also able to record good results for our profit figures, with 3 consecution years of record high as well as 5 consecutive years of growth for our operating profit of 13,630 million yen (+5.4%, vs last year) as well as 5 consecutive years of growth for our ordinary profit of 13,702 million yen (+6.0%, vs last year), and net earnings attributable to controlling interest of 7,957 million yen, an increase of 20.6% vs last year.

【Booklet P18】

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>Revenue</u>	<u>Orders carried to next FY</u>
Constr uction	Architecture	148,999	128,461	117,347	160,112
	Civil Engineering	116,944	107,406	108,770	115,580
	Total	265,943	235,867	226,117	275,693
Real Estate		—	18,989	18,989	—
Total		265,943	254,857	245,107	275,693

- (2) Fund Procurement
No special notes are necessary.
- (3) Capital Investments
The capital investments conducted during this consolidated fiscal year totaled 7,173 million yen, with purchase of office building and building of vessel as the major investments.
- (4) Business Transfers and absorption-type or incorporation-type Demerger
None
- (5) Businesses transferred or assigned from other companies
None
- (6) Succession of rights and obligations associated with other entities' businesses due to absorption and merger or demerger transactions with such entities
None
- (7) Acquisition or disposal of stock, ownership interest or share acquisition rights, etc. in other companies
None

【Booklet P19】

(8) Issues to be addressed

Concerning the Japanese domestic construction investment, we are starting to hear that the current optimistic trend will continue for a few years after the Olympic Games of 2020, but we are of the opinion that we cannot expect the expansion of the overall construction market. In addition, we also foresee the response towards work style reform led by the government and the labor cost hike provoked by the rapid decline of overall construction workers to be an inevitable trend in the future.

On the other hand, the current market trend for the construction of condominiums for rental purpose is continuing to be tight due to low interest rates. This trend especially applies for the three big cities of Japan (Osaka, Nagoya and especially Tokyo) where population is expected to increase continuously. We estimate this trend to continue in the near future as well.

Under these circumstances, Takamatsu Construction Group celebrated its centenary in October 2017. With this commemorative fiscal year ended March 2018 as the starting year, we kicked off our new Mid Term Plan “TRY! NEXT CENTURY 2020”.

In our Mid Term Plan, Takamatsu Corporation, one of our core companies, will drive the growth of the Group by focusing on winning construction orders of condominiums for rental purpose in the Tokyo Metropolitan area. On the other hand, Asunaro Aoki Construction, the other core company of the Group as well as mid-sized general contractor, plans to grow at a moderate but steady rate to maintain its currently high level of profit, by considering rather pessimistic future market outlook of the overall construction market.

In our Mid Term Plan, Takamatsu Construction Group was targeting to achieve the revenue of 268 billion JPY and the operating profit of 15 billion JPY in the fiscal year ending March 2020, under the key words “Challenge 268” and “Quality 15”, as well as “Specialty 18 alpha” to aim for further growth of our 18 Group Companies through organic growth as well as aggressive M&A. However, after considering our strong results as well as our aggressive hiring status to secure future growth, for the fiscal year ending March 2019, which is our 101st fiscal year after foundation, we decided our theme for this fiscal year to be “NEXT CENTURY 101! Let’s Achieve our Mid Term Plan Goals One Year Ahead!” to achieve our Mid Term Plan final goals one year in advance. In addition, we plan to change our third key word “Specialty 18 alpha” to “Specialty 20 alpha” by taking into account that Mibu Corporation Co.,Ltd. and TCG-USA Inc. joined our Group from the fiscal year ending March 2019 through M&A and new foundation, respectively, through which, we expect further expansion of our business.

Incidentally, one of our Group companies, Asunaro Aoki Construction Co., Ltd. and its employee, were prosecuted on October 18, 2017 and are currently on trial at Yokohama District Court suspected of violation of “Act of Waste Treatment and Its Cleanup” concerning its construction waste soil treatment business conducted in Yokosuka City for carrying in soils mixed with irregular materials. Takamatsu Construction Group Co., Ltd. will work towards clarifying the incident

along with Asunaro Aoki Construction Co., Ltd. and its employee that are denying the prosecution facts and are insisting innocent due to no recognition of mixture of waste material.

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

【Booklet P20】

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

Item	<u>50th Fiscal Year</u> (<u>From:April 1, 2014</u> <u>To:March 31, 2015</u>)	<u>51st Fiscal Year</u> (<u>From:April 1, 2015</u> <u>To:March 31, 2016</u>)	<u>52nd Fiscal Year</u> (<u>From:April 1, 2016</u> <u>To:March 31, 2017</u>)	<u>53rd Fiscal Year</u> (<u>From:April 1, 2017</u> <u>To:March 31, 2018</u>)
Orders Received (Million Yen)	225,667	237,762	256,488	254,857
Revenue (Million Yen)	189,212	208,883	214,130	245,107
Ordinary Income (Million Yen)	7,212	10,468	12,932	13,702
Net earnings attributable to controlling interest (Million Yen)	6,343	5,799	6,596	7,957
Net earnings per share (Yen)	176.13	161.01	183.13	223.39
Total Assets (Million Yen)	162,158	165,274	180,927	184,914
Net Assets (Million Yen)	99,131	104,592	110,555	113,992

Notes:

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

【Booklet P21】

(10) Major subsidiaries (as of March 31, 2018)

① Major subsidiaries

<u>Name</u>	<u>Capital Stock</u>	<u>TCG share</u>	<u>Main business</u>
Takamatsu Corporation Co.,Ltd.	5,000 <small>Million Yen</small>	100.0 %	Architecture
Asunaro Aoki Construction Co.,Ltd.	5,000	78.0	Civil engineering / Architecture
Mirai Construction Co.,Ltd.	2,500	— (100.0)	Harbor, Marine, Civil engineering / Architecture
Takamatsu Techno Service Co.,Ltd. (Osaka)	300	— (100.0)	Reforms & maintenance
Takamatsu Techno Service Co.,Ltd. (Tokyo)	300	— (100.0)	Reforms & maintenance
Kongo Gumi Co.,Ltd.	300	— (100.0)	Architecture of temples & shrines
JP Home Co.,Ltd.	100	— (100.0)	R.C. individual housing
Nakamura Shaji Co.,Ltd.	100	— (100.0)	Architecture of temples & shrines
Suminoe Kogei Co.,Ltd.	98	— (100.0)	Interiors & reforms
Aoki Marine Co.,Ltd.	90	— (100.0)	Marine Civil Engineering
Shimada Gumi Co.,Ltd.	85	— (100.0)	Excavation & research of archaeological resources
Asunaro Road Co.,Ltd.	80	— (100.0)	Pavement
Toko Geotech Co.,Ltd.	80	— (100.0)	Slope protection / ground improvement
Takamatsu Estate Co.,Ltd. (Osaka)	50	— (100.0)	Integrated real estate consulting
Takamatsu Estate Co.,Ltd. (Tokyo)	50	— (100.0)	Integrated real estate consulting
M's Co.,Ltd.	40	— (90.0)	Renovation of office buildings
Access Co.,Ltd.	40	— (100.0)	Excavation & research of archaeological resources
Niigata Mirai Construction Co.,Ltd.	20	— (100.0)	Pavement and civil engineering

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

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

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

4. Takamatsu Corporation Co.,Ltd. has acquired all shares of Mibu Corporation Co.,Ltd. on April 2, 2018. Mibu Corporation will be a Consolidated Group Company after April 2, 2018.

【Booklet P22】

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

(11) Main businesses (as of March 31, 2018)

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

(12) Major offices (as of March 31, 2018)

- | | |
|---|---------------------------------------|
| ① Headquarter : | 1-2-3 Shin-Kitano, Yodogawa-ku, Osaka |
| Tokyo Headquarter : | 4-8-2 Shiba, Minato-ku, Tokyo |
| ② Offices of Affiliates | |
| Takamatsu Corporation Co.,Ltd. | Yodogawa-ku, Osaka |
| Asunaro Aoki Construction Co.,Ltd. | Minato-ku, Tokyo |
| Mirai Construction Co.,Ltd. | Minato-ku, Tokyo |
| Takamatsu Techno Service Co.,Ltd. (Osaka) | Kita-ku, Osaka |
| Takamatsu Techno Service Co.,Ltd. (Tokyo) | Minato-ku, Tokyo |
| Kongo Gumi Co.,Ltd. | Tenno-ji-ku, Osaka |
| JP Home Co.,Ltd. | Chuo-ku, Tokyo |
| Nakamura Shaji Co.,Ltd. | Ichinomiya-shi, Aichi |
| Suminoe Kogei Co.,Ltd. | Mihara-ku, Sakai, Osaka |
| Aoki Marine Co.,Ltd. | Higashi-Nada-ku, Kobe-shi, Hyogo |
| Shimada Gumi Co.,Ltd. | Yao-shi, Osaka |
| Asunaro Road Co.,Ltd. | Chuo-ku, Sapporo, Hokkaido |
| Toko Geotech Co.,Ltd. | Minato-ku, Tokyo |
| Takamatsu Estate Co.,Ltd. (Osaka) | Yodogawa-ku, Osaka |
| Takamatsu Estate Co.,Ltd. (Tokyo) | Minato-ku, Tokyo |
| M's Co.,Ltd. | Chuo-ku, Tokyo |
| Access Co.,Ltd. | Yao-shi, Osaka |
| Niigata Mirai Construction Co.,Ltd. | Minami-Uonuma-gun, Niigata |

【Booklet P23】

(13) Employees (As of March 31, 2018)

① Consolidated

<u>Number of employees</u>	<u>Increase / decrease vs last year</u>
3,577	+205

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>
28	+5	45	11 years

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

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

(14) Major lenders (As of March 31, 2018)

① Major lenders of the Group

There is no balance of borrowings of the Group.

② Major lenders of the Company

There is no balance of borrowings of the Company.

(15) Other important matters concerning the Group

No special notes are necessary.

【Booklet P24】

2. Matters relating to the shares of the Company (as of March 31, 2018)

(1) Total number of shares authorized to be issued

Ordinary Shares : 52,800,000

(2) Total number of shares issued

Ordinary Shares : 38,880,000

(Out of the above, Treasury shares = 4,061,303)

(3) Total number of shareholders 11,102

(4) Major shareholders (Top 10)

<u>Name</u>	<u>Number of shares</u>	<u>Stockholding ratio%</u>
Takayuki Takamatsu	8,597 000 shares	24.7 %
Sanko-sha Co.,Ltd.	4,800	13.8
Takayasu Takamatsu	2,183	6.3
Taka Co.,Ltd.	1,226	3.5
Nippon Trusty Service Trust Bank (Trust # 9)	1,180	3.4
Resona Bank Co.,Ltd.	1,080	3.1
Mizuho Bank Co.,Ltd.	824	2.4
Northern Trust Co. (AVFC) RE HCR00	657	1.9
Nippon Master Trust Trust Bank (Trust)	641	1.8
Nippon Trusty Service Trust Bank (Trust)	577	1.7

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

2. Percentage of shares excludes Treasury stock.

(5) Other issues relating to shares of the Company

No special notes are necessary.

3. Share acquisition rights

None

【Booklet P25】

4. Matters relating to Directors and Corporate Auditors

(1) Directors and Auditors of the Board (as of March 31, 2018)

<u>Position of the Company</u>	<u>Name</u>	<u>Responsibilities in the Company and significant concurrent positions at other organizations</u>
Honorary Chairperson, Director of the Board	Takayuki Takamatsu	
Chairperson, Representative Director of the Board	Kanji Ogawa	Chairperson and Representative Director of the Board of Kongo-Gumi Co.,Ltd.
President, Representative Director of the Board	Nobuhiko Yoshitake	President
Representative Director of the Board	Takayoshi Takamatsu	Vice President (In charge of Group Integration Division)
Director of the Board	Akira Kitamura	Executive Director (In charge of Risk Management) President and Representative Director of the Board of Nippon Owners Credit Co.,Ltd.
Director of the Board	Hiroataka Takamatsu	Executive Director (in charge of Group Strategy Division as well as General Manager of Group Management Strategy Department)
Director of the Board	Yoshinori Matsushita	Senior Director (in charge of Administration Division)
Director of the Board	Yoshio Honoki	
Director of the Board	Masaru Ishida	Chairperson and Representative Director of the Board, Asunaro Aoki Construction Co.,Ltd.
Director of the Board	Ryoji Ichiki	Chairperson and Representative Director of the Board, Takamatsu Corporation Co.,Ltd.
Director of the Board	Takatoshi Takamatsu	Vice President and Representative Director of the Board, Director of Takamatsu Corporation Co.,Ltd.
Director of the Board	Yasunobu Ueno	President and Representative Director of the Board, Asunaro Aoki Construction Co.,Ltd.
Director of the Board	Toshitaka Hagiwara	Advisor, Komatsu Ltd. External Director of the Board, Yamato Holdings Co.,Ltd. External Director of the Board, Zensho Holdings Co.,Ltd. External Director of the Board, Hino Automobile Co.,Ltd. Trustee, Waseda University
Director of the Board	Masahiro Nishide	President and Representative Director of the Board, Takamatsu Corporation Co.,Ltd.
Director of the Board	Shigehiro Aoyama	Supreme Advisor, Suntory Holdings Co.,Ltd. Primary Trustee, The Distribution Economics Institute of Japan (Public Foundation) External Director of the Board, SUBARU Co.,Ltd
Director of the Board	Hideyuki Takamatsu	President and Representative Director of the Board, Kokeisha Co.,Ltd.
Auditor of the Board (Full Time)	Koji Shibata	
Auditor of the Board (Full Time)	Michinari Fujiwara	
Auditor of the Board	Tomokuni Tsuno	Representative, Tsuno CPA Office Representative, Izanami Auditing Co. Representative, Izanami Tax Co. Representative Director of the Board, Izanami Research Institute Co.,Ltd.

【Booklet P26】

- Notes
1. Our Directors of the Board, Toshitaka Hagiwara and Shigehiro Aoyama, are our External Directors of Board.
 2. Our Auditors of the Board, Koji Shibata, Michinari Fujiwara and Tomokuni Tsuno, are our External Auditors of the Board.
 3. Our Directors of the Board, Toshitaka Hagiwara and Shigehiro Aoyama and our Auditors of Board, Koji Shibata, Michinari Fujiwara and Tomokuni Tsuno, are assigned and registered as independent officers in accordance with the regulations of Tokyo Stock Exchange.
 4. Tomokuni Tsuno, our Auditor of the Board, possesses a considerable knowledge of finance and accounting as a certified public accountant.
 5. There is no special relationship between Takamatsu Construction Group Co.,Ltd. and other organizations, the positions of which our External Directors / Auditors of the Board concurrently hold.
 6. Mr. Kenzo Asaoka, resigned our Auditor of the Board as Mr. Asaoka passed away on December 16, 2017. Mr. Asaoka was President of Asaoka & Taki Legal Office, External Director of the Board, Awa Bank Co.,Ltd., External Auditor of the Board, Kumon Institute of Education Co.,Ltd. at the time of his resignation.
 7. As of April 1, 2018, there has been the following changes of the posts and significant concurrent positions:
 - Akira Kitamura has changed his position from Director of the Board, Executive Director (In charge of Risk Management) to Director of the Board, and resigned from President and Representative Director of the Board of Nippon Owners Credit Co.,Ltd.
 - Hiroataka Takamatsu has changed his position from Director of the Board, Executive Director (in charge of Group Strategy Division as well as General Manager of Group Management Strategy Division) to Director of the Board, Executive Director (in charge of Group Strategy Division) as well as changed from Director of the Board, Takamatsu Corporation Co.,Ltd. to Vice President and Representative Director of the Board, Takamatsu Corporation Co.,Ltd.
 - Yoshinori Matsushita has changed his position from Director of the Board, Senior Director (in charge of Administration Division) to Director of the Board, Senior Director (in charge of Group Risk Integration Division as well as General Manager of Group Risk Integration Division as well as Risk & Policy Administration Manager. He also became President and Representative Director of the Board, Nippon Owners Credit Co.,Ltd.
 - Masaru Ishida has changed his position from Chairperson and Representative Director of the Board to Director of the Board, Asunaro Aoki Construction Co.,Ltd.
 - Ryoji Ichiki has changed his position from Chairperson and Representative Director of the Board to Director of the Board, Takamatsu Corporation Co.,Ltd.
 - Takatoshi Takamatsu has changed his position from Vice President and Representative Director of the Board, to President and Representative Director of the Board, Takamatsu Corporation Co.,Ltd.
 - Yasunobu Ueno has changed his position from President and Representative Director of the Board to Chairperson and Director of the Board, Asunaro Aoki Construction Co.,Ltd.
 - Masahiro Nishide has changed his position from President and Representative Director of the Board to Chairperson and Representative Director of the Board, Takamatsu Corporation Co.,Ltd.
 - Shigehiro Aoyama has changed his position from Supreme Advisor to Special Advisor, Suntory Holdings Co.,Ltd.

【Booklet P27】

<REFERENCE> The following are our Directors as of April 1, 2018.

(* indicates concurrent position with Director of the Board)

<u>Position of the Company</u>	<u>Name</u>	<u>Division</u>
President	※ Nobuhiko Yoshitake	
Vice President	※ Takayoshi Takamastu	In charge of Group Integration Division
Executive Director	※ Hirotaka Takamatsu	In charge of Group Strategy Division
Senior Director	※ Yoshinori Matsushita	In charge of Group Risk integration Division as well as General Manager of Group Risk integration Division as well as Risk & Policy Administration Manager
Senior Director	Hiroyuki Izutsu	General Manager of Group Integration Division as well as General Manager of Integration Department and IR/Publications Department
Director	Minoru Tsunoda	General Manager of Group Strategy Division as well as General Manager of New Business/M&A Department
Director	Shingo Ueda	General Manager of Administration Division as well as General Manager of Legal Department

(2) Outline of Limited Liability Contract

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

(3) Remuneration of Directors and Auditors of the Board

<u>Position</u>	<u>Number of Members</u>	<u>Total Remuneration</u>	<u>Notes</u>
Directors of the Board	16	247 Million yen	The maximum amount of remuneration for Directors of the Board does not exceed 250million yen per year (Resolution of Shareholders Meeting on June 29, 2004)
Auditors of the Board	4	39	The maximum amount of remuneration for Auditors of the Board does not exceed 45million yen per year (Resolution of Shareholders Meeting on June 25, 1997)
Total	20	286	

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

【Booklet P28】

(4) Matters relating to External Directors and Auditors

<u>Position</u>	<u>Name</u>	<u>Major Activities</u>
Director of the Board	Toshitaka Hagiwara	Attended 12 Directors of the Board Meetings out of 12 held during fiscal year ended Mar 2018. Has provided appropriate and necessary advice based on abundant managerial experience and broad knowledge.
Director of the Board	Shigehiro Aoyama	Attended 11 Directors of the Board Meetings out of 12 held during fiscal year ended Mar 2018. Has provided appropriate and necessary opinions and advice based on abundant managerial experience and broad knowledge.
Auditor of the Board (FullTime)	Koji Shibata	Attended 12 Directors of the Board Meetings out of 12 held during fiscal year ended Mar 2018. Has provided appropriate questions and opinions based on experience and knowledge obtained from his background field of financial institutions. Also attended 12 Auditors of the Board Meetings out of 12 Meetings and exchanged opinions concerning audit as well as engaged in discussions concerning important topics.
Auditor of the Board (FullTime)	Michinari Fujiwara	Attended 12 Directors of the Board Meetings out of 12 held during fiscal year ended Mar 2018. Has provided appropriate questions and opinions based on experience and knowledge obtained from his background field of financial institutions. Also attended 12 Auditors of the Board Meetings out of 12 Meetings held and exchanged opinions concerning audit as well as engaged in discussions concerning important matters.
Auditor of the Board	Kenzo Asaoka	Attended 8 Directors of the Board Meetings out of 8 held before his resignation during fiscal year ended Mar 2018. Has provided appropriate questions and opinions based on his experience and knowledge as a lawyer. Also attended 8 Auditors of the Board Meetings out of 8 Meetings held before his resignation and exchanged opinions concerning audit as well as engaged in discussions concerning important matters.
Auditor of the Board	Tsuno Tomokuni	Attended 12 Directors of the Board Meetings out of 12 held during fiscal year ended Mar 2018. Has provided appropriate questions and opinions based on his experience and knowledge as a CPA. Also attended 12 Auditors of the Board Meetings out of 12 Meetings held and exchanged opinions concerning audit as well as engaged in discussions concerning important topics.

【Booklet P29】**(5) Compensation of External Directors and Auditors**

<u>Position</u>	<u># of personnel</u>	<u>Total Remuneration</u>	<u>Compensation from other Group Companies</u>
External Directors and Auditors of the Board	6	79 million yen	—

5. Matters relating to Accounting Auditor

(1) Name KPMG Azusa LLP

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

<u>Item</u>	<u>Amount</u>
Amount of remuneration paid to accounting auditor	21 million yen
Total amount of money and/or other financial benefits payable to accounting auditor by TCG and/or its Affiliates	91 million yen

Notes:

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

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

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

【Booklet P30】

6. Policies concerning dividend payment

Distributing earnings to shareholders is one of our highest priorities. Our basic policy is to maintain stable and consistent dividend payments while distributing earnings in a manner that reflects the results of operations. At the same time, retained earnings will be used effectively from a medium to long-term perspective with the primary objectives of strengthening and upgrading operations of the entire Group and building a sound base for future operations. At the start of the fiscal year, we planned 53 yen per share of dividend, which includes commemorative dividend of 10 yen to celebrate our centenary in October 2017. However, after considering stronger results of the Group operations, dividend payout ratio and total shareholder return ratio, we decided to pay 56 yen per share for the fiscal year that ended in March 2018. For the fiscal year ending March 2019, we plan to continue more than 25% of dividend payout ratio with annual dividend of 60 yen per share, which is further increase in comparison to the fiscal year ended March 2018.



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

[Booklet P31]

(As of March 31, 2018)

Consolidated Financial Statements

(Million yen, figures in parentheses indicate negative amounts)

ACCOUNT TITLE	AMOUNT	ACCOUNT TITLE	AMOUNT
[ASSETS]		[LIABILITIES]	
Current assets	154,322	Current liabilities	58,274
Cash and deposits	68,571	Accounts payable for construction contracts	32,565
Notes receivable, accounts receivable from completed construction contracts and other	68,146	Income taxes payable	2,373
Real estate for sale	7,592	Advances received on uncompleted construction contracts	11,055
Costs on uncompleted construction contracts	781	Provision for warranties for completed construction	690
Costs on real estate business	764	Provision for loss on construction contracts	175
Accounts receivable	5,263	Provision for bonuses	2,797
Deferred tax assets	2,197	Provision for directions retirement benefits	50
Other	1,275	Provision for loss by disaster	240
Allowance for doubtful accounts	(270)	Other	8,326
Noncurrent assets	30,591	Noncurrent liabilities	12,646
Tangible Assets	19,938	Deferred tax liabilities for land revaluation	256
Buildings and structures, net	4,016	Deferred tax liabilities	271
Machinery, vehicles, tools, furniture and fixtures, net	1,199	Provision for special repairs of vessels	52
Vessels, net	1,595	Retirement allowances	10,660
Land	12,916	Other	1,405
Lease assets, net	152	Total liabilities	70,921
Construction in progress	58	[NET ASSETS]	
Intangible assets	473	Shareholders' equity	100,008
Investments and other assets	10,178	Capital stock	5,000
Investment securities	6,436	Capital surplus	391
Deferred tax assets	1,474	Retained earnings	102,100
Other	2,563	Treasury shares	(7,483)
Allowance for doubtful accounts	(295)	Accumulated other comprehensive income	(382)
		Valuation differences on available-for-sales securities	1,129
		Revaluation reserve for land	(1,266)
		Remeasurements of retirement allowance plans	(245)
		Non-controlling interests	14,367
		Total net assets	113,992
Total assets	184,914	Total liabilities and net assets	184,914

【Booklet P32】

(April 1, 2017— March 31, 2018)

Consolidated statements of income

(Million yen, figures in parentheses indicate negative amounts)

ACCOUNT TITLE	AMOUNT	
Net sales		
Net sales of completed construction contracts	226,117	
Sales on real estate business	18,989	245,107
Cost of sales		
Cost of sales of completed construction contracts	194,903	
Cost of sales on real estate business	17,128	212,032
Gross profit		
Gross profit on completed construction contracts	31,213	
Gross profit-real estate business	1,861	33,075
Selling, general and administrative expenses		19,444
Operating income		13,630
Non-operating income		
Interest & Dividend income	102	
Proceeds from compensation income	81	
Rent income	46	
Other	45	276
Non-operating expenses		
Interest expense	163	
Expenses for purchase of treasury stocks	31	
Other	9	204
Ordinary income		13,702
Extraordinary income		
Gain on sales of noncurrent assets	18	
Gain on sales of investment securities	5	23
Extraordinary losses		
Dispute settlement	950	
Loss on disaster	126	
Other	121	1,198
Income before income taxes		12,527
Income taxes-current	4,289	
Income taxes-deferred	(927)	3,361
Net earnings		9,165
Net earnings attributable to non-controlling interests		1,208
Net earnings attributable to controlling interests		7,957

【Booklet P33】
Balance sheet (Unconsolidated)

(As of March 31, 2018)

(Million yen, figures in parentheses indicate negative amounts)

ACCOUNT TITLE	AMOUNT	ACCOUNT TITLE	AMOUNT
[ASSETS]		[LIABILITIES]	
Current assets	10,790	Current liabilities	339
Cash and deposits	9,012	Accounts payable- real estate	166
Real estate for sale	1,123	Income taxes payable	15
Other	654	Accounts payable	37
Allowance for doubtful accounts	(0)	Deposit received-real estate	5
Noncurrent assets	20,448	Provision for bonuses	22
Tangible Assets	10,084	Provision for directors retirement benefits	50
Buildings and structures, net	2,175	Other	42
Machinery, vehicles	255	Noncurrent liabilities	910
Tools, furniture and fixtures net	28	Deferred tax liabilities for land revaluation	40
Land	7,624	Deferred tax liabilities	227
Intangible assets	0	Retirement allowances	34
Investments and other assets	10,363	Directors' retirement benefits payable	502
Investment securities	1,723	Long term warranties received	104
Shares of subsidiaries and affiliates	8,508	Total liabilities	1,250
Other	132	[NET ASSETS]	
Allowance for doubtful accounts	—	Shareholders' equity	30,716
		Capital stock	5,000
		Capital surplus	272
		Legal capital surplus	272
		Retained earnings	32,928
		Legal retained earnings	978
		Other retained earnings	31,950
		General reserve	28,270
		Retained earnings brought forward	3,680
		Treasury shares	(7,483)
		Valuation and translation adjustments	(728)
		Valuation differences on available-for-sale securities	574
		Revaluation reserve for land	(1,303)
		Total net assets	29,988
Total assets	31,238	Total liabilities and net assets	31,238

【Booklet P34】
Income statement (Unconsolidated)

(April 1, 2017—March 31, 2018)

(Million yen, figures in parentheses indicate negative amounts)

ACCOUNT TITLE	AMOUNT	
Net sales		
Sales on real estate business	343	
Dividends from subsidiaries and associates	2,768	
Commissions from subsidiaries and associates	1	3,113
Cost of sales		
Cost of sales on real estate business	307	307
Gross profit		2,805
Selling, general and administrative expenses		1,110
Operating income		1,695
Non-operating income		
Interest and dividend income	47	
Other	2	49
Non-operating expenses		
Expenses for purchase of treasury stocks	31	
Other	0	31
Ordinary income		1,713
Extraordinary losses		
Loss on retirement of noncurrent assets	0	0
Income before income taxes		1,712
Income taxes		3
Net earnings		1,708

【Booklet P35-38】

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.



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

<最寄駅>
阪急電鉄「十三」駅
(西口出口から徒歩約3分)

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

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

Nearest Station: Juso Station (Hankyu Railway)
3 minutes' walk from the Station

No parking space available, thus we ask not to attend the meeting by car. Thank you.