

Last update: June 30, 2020
Takamiya Co., Ltd.

Kazumasa Takamiya, Representative Director, President and Chairman

Contact: Business Management Division +81-6-6375-3918

Stock code: 2445 <http://www.takamiya.co/>

The status of the Company's corporate governance is as follows.

1. Basic Policy on Corporate Governance, Capital Structure, Corporate Attributes, and Other Basic Information

1. Basic concept

Takamiya Group believes that the basic foundation for sound corporate governance involves thoroughly enforcing compliance, ensuring the transparency and efficiency of management, and working to maximize corporate value for all stakeholders, including shareholders and investors.

We will establish a temporary equipment industry that is clearly recognized as sound by the general public and investors and achieve perpetual development within a highly transparent business environment by pursuing high-quality corporate activities centered on the stable supply of safe and high-added-value temporary equipment. We will also implement efforts to improve the position of our industry for the interests of our users and the entire industry, in addition to the Group's development.

[Reasons for not implementing the principles of the Corporate Governance Code]

[Supplemental Principle 1-2-4: Exercise of rights at general meetings of shareholders]

The Company will consider the use of an electronic voting platform, taking into account the convenience of shareholders, when the number of shareholders becomes substantial. In order to help overseas investors understand the general situation of the Company, the Company posts a message from the President, financial statements, financial statements, notice of convocation of general meeting of shareholders, etc. on the English website of the Company.

<https://www.takamiya.co/en/>

[Supplemental Principle 4-1-3: Roles and Responsibilities of the Board of Directors (1)]

The Company does not currently have a specific plan for successors for positions such as the Chief Executive Officer. However, we recognize succession planning as an important management issue and we are nurturing candidates from the management team (Directors and Executive Officers). We will continue to engage in constructive discussions on the approach to the appropriate implementation and supervision of succession planning at Board of Directors meetings.

[Supplemental Principle 4-2-1: Roles and Responsibilities of the Board of Directors (2)]

The Company has introduced stock options as stock-linked compensation for Directors to serve as medium- to long-term incentives. Remuneration for Directors is determined by the President and Representative Director within the scope of the total amount of remuneration approved at the General Meeting of Shareholders, after receiving advice from independent outside directors, taking into consideration the position of each Director, evaluation of their performance of duties, corporate performance and other factors.

[Supplemental Principle 4-3-2, 4-3-3 Roles and Responsibilities of the Board of Directors (3)].

The Company has not established voluntary advisory committees or set any uniform standards on the appointment and evaluation regarding the appointment and dismissal of the President, who is the Chief Executive Officer. However, if it has been objectively deemed that dismissal would be appropriate in the case of a violation of laws, regulations, or the articles of incorporation, or a significant degradation of the Company's corporate value, a resolution shall be made at a meeting of the Board of Directors with Independent Outside Officers in attendance, after sufficient discussions have been held.

[Supplemental Principle 4-10-1: Use of voluntary mechanisms]

The Board of Directors of the Company is always attended by two independent outside directors and two independent outside corporate auditors, and we believe that the transparency and objectivity of the Board of Directors of the Company is ensured because we are able to receive their frank opinions, advice and suggestions on important matters such as nomination and remuneration as well as management matters from an independent and objective standpoint. We believe that the transparency and objectivity of our Board of Directors is ensured. In order to further strengthen transparency and objectivity in the future, we will consider effective governance systems from various perspectives.

[Principle 4-11: Prerequisites for Ensuring the Effectiveness of the Board of Directors and Board of Corporate Auditors]

The Company's Board of Directors currently consists of eight directors (all male, all of Japanese nationality), all of whom have excellent personalities, insights, abilities and abundant experience, as well as high ethical standards. The members have different backgrounds and experiences. However, we recognize that securing appropriate human resources is an issue because we cannot say enough about the gender aspect.

[Principle 5-2: Formulate and disclose management strategies and plans]

In 2018, the Company announced its new medium-term management plan, with the vision of "Create new value through transformation and aim to become a corporate group that drives qualitative development of the industry." with numerical targets of net sales of 50 billion yen, operating income of 4 billion yen, operating margin of 8% or higher, equity ratio of 30% or higher, ROE of 10% or higher, and ROA. Our numerical targets are sales of 50 billion yen, operating income of 4 billion yen, operating margin of 8% or more, equity ratio of 30% or more, ROE of 10% or more, and ROA of 5% or more.

Our basic policies are to "strengthen our management foundation," "Drive innovation in the earnings base," "accelerate overseas business development," and "create new growth businesses." To achieve these goals, we are optimizing investments that will lead to the transformation of our business portfolio. In the future, we will consider setting specific internal decision criteria that will contribute to medium- to long-term growth, using the cost of capital.

[Disclosure based on the principles of the Corporate Governance Code]

[Principle 1-4: Policy-holding Shares]

The Company will hold shares when it judges that it will contribute to the enhancement of the Company's corporate value over the medium to long term by building a good business or transactional relationship, creating business opportunities and smoothly promoting business. In such

cases, the Board of Directors will examine the significance and rationality of continuing to hold the shares and determine whether or not to continue to hold the shares. In addition, the Company does not preclude the sale of shares of the Company's stock held as strategic holdings if the counterparty expresses an intention to sell such shares. With respect to the exercise of voting rights for shares held as policy holdings, the Company shall, in principle, exercise voting rights for all proposals, and shall make decisions after examining taking into consideration such factors as whether the content of the proposal is consistent with the purpose of the Company's holding and whether it will contribute to the enhancement of corporate value over the medium to long term.

Summary of Verification of Policy-holding Shares

As of the financial year end of March 31, 2020, the significance and economic rationale for holding these stocks were generally confirmed. The significance and economic rationality of holding the shares as of the financial year end of March 31, 2020 were generally confirmed. In addition, we will consider reducing or selling some of the stocks whose significance of ownership has been diluted in the future.

[Principle 1-7: Transactions between related parties]

The Company's "Regulations of the Board of Directors" stipulate that in the event that a director engages in a related party transaction, such as a transaction with a conflict of interest or a competing business, the director must obtain the approval of the Board of Directors after explaining the material facts. In addition, the Company conducts a survey on related party transactions every year.

[Principle 2-6: Demonstrating the function of a corporate pension plan as an asset owner]

The Company has established a corporate pension plan, which consists of a defined-benefit corporate pension plan, a defined-contribution pension plan, and a lump-sum retirement benefit plan, and entrusts the management and investment of the reserve funds to an asset management organization that has expressed its acceptance of the Japanese Stewardship Code.

The person in charge of the General Affairs and Accounting Departments receives regular reports from investment institutions and monitors investment performance, asset composition reviews, and appropriate conflict of interest management and stewardship activities through constructive dialogue.

[Principle 3-1: Enhancement of information disclosure]

(1) Management philosophy, management plan, etc.

Our management philosophy is posted on our website.

<https://www.takamiya.co/corporate/vision/philosophy/>

We have also established a medium-term management plan, which is posted on our website.

<https://www.takamiya.co/ir/management/strategy/>

(2) Basic Stance and Basic Policy on Corporate Governance

Our basic stance on corporate governance is as described in "1. 1. Basic Stance" in this report.

(3) Policies and Procedures for Determining Directors' Remuneration

The policies and procedures for determining the remuneration of Directors are as described in "2. 1. [Incentive Relationships] and [Directors' Remuneration Relationships] Details of Disclosure of Policy for Determining Amount of Remuneration or Calculation Method" in this report.

(4) Policies and Procedures for the Board of Directors' Selection and Dismissal of Senior Management and Nomination of Candidates for Directors and Corporate Auditors

The appointment and dismissal of candidates for Directors and Corporate Auditors are determined by a meeting of the Board of Directors with Independent Outside Directors and Independent Outside Corporate Auditors in attendance, based on relevant regulations including the Regulations for Professional Organization of Officers. Comprehensive consideration is given to the career history, track record, knowledge, experience and capabilities of each candidate. Furthermore, the opinions of Outside Officers are requested in advance when necessary, and the Board of Corporate Auditors' consent is obtained in advance for the appointment of Corporate Auditor candidates.

Selection Criteria

1. Directors

The basic requirements for Director candidates are having outstanding character and insight, as well as being such individuals as will contribute to the growth and improvement in the corporate value of the Company and the Group. The candidates must have high levels of knowledge and judgment capabilities in each business field. Outside Director candidates are required to have a high level of expertise in a field such as taxation, accounting, law or management. They must be able to actively state opinions from an objective and external viewpoint, reflecting a diverse background.

2. Corporate auditors

The basic requirements for Corporate Auditor candidates are having high ethical standards and objective, fair and impartial judgment capabilities. The candidates must also have the appropriate experience and capabilities as Corporate Auditors and a high level of expertise in a field such as taxation, accounting, law or management. In addition to the above requirements, Outside Corporate Auditors are required to have no conflicts regarding their independence.

For the dismissal of Officers, if an Officer has deviated from the above appointment criteria and his or her dismissal has been objectively deemed appropriate, a resolution shall be made at a meeting of the Board of Directors with Independent Outside Directors and Independent Outside Corporate Auditors in attendance, after sufficient discussions have been held.

(5) When the Board of Directors selects and dismisses senior management and nominates candidates for Directors and Corporate Auditors based on (4) above, an explanation of the individual selection and dismissal and nomination

Brief personal histories and reasons for the appointment of directors and corporate auditors are provided in the reference materials for the notice of the general meeting of shareholders.

[Supplemental Principle 4-1-1: Roles and Responsibilities of the Board of Directors]

Matters to be discussed at the Board of Directors meetings in accordance with laws and regulations are stipulated in the "Regulations of the Board of Directors. In addition, the "Regulations on the Division of Duties" clearly defines the scope of responsibilities that can be executed by the management team.

[Principle 4-9 Criteria for determining the independence and qualifications of independent outside directors]

The independence of outside directors is subject to the requirements of the Companies Act as well as the independence standards for independent directors stipulated by stock exchanges.

[Supplemental Principle 4-11-1: Prerequisites for Ensuring the Effectiveness of the Board of Directors and Board of Corporate Auditors]

In order to ensure mobility and diversity, the Board of Directors of the Company stipulates that the number of Directors shall not exceed fifteen (15), and is composed of diverse Directors with expertise and various experiences and abilities in their respective business fields. In addition, the policies and procedures for appointment are as described in the section of [Principle 3-1].

[Supplemental Principle 4-11-2: Prerequisites for Ensuring the Effectiveness of the Board of Directors and Board of Corporate Auditors]
The Company's Directors and Corporate Auditors may hold concurrent positions at other companies as stipulated in the "Regulations of the Board of Directors and Matters to be Discussed at the Board of Directors Meetings", and the Company considers such positions to be within a reasonable range that does not interfere with the proper execution of their roles and responsibilities as Directors and Corporate Auditors of the Company. The status of attendance at meetings of the Board of Directors, etc., and the status of execution of other duties indicate that the status of concurrent positions is within a reasonable range, and the details are disclosed in the Business Report, Reference Materials for the General Meeting of Shareholders, and Annual Securities Report.

[Supplemental Principle 4-11-3: Prerequisites for Ensuring the Effectiveness of the Board of Directors and Board of Corporate Auditors]
Since the fiscal year ended March 31, 2018, the Company has conducted questionnaires with Directors and Corporate Auditors regarding the effectiveness of the Board of Directors. Analyses and evaluations on the structure and operations of the Board of Directors and the role of Board of Directors were also conducted to determine management strategy and supervisory function. In the fiscal year ended March 31, 2020, the Board of Directors raised points for improvement, such as the necessity to further enhance discussions between departments, but it was judged that the Board has largely maintained its effectiveness. We will further improve the effectiveness of the Board of Directors based on these analyses and evaluations going forward.

[Supplemental Principle 4-14-2: Training for directors and corporate auditors]

When directors take office, we provide them with opportunities to learn the knowledge necessary for business execution and the business environment in which the Company operates. In order to further improve their knowledge and abilities, the Company continuously conducts training using external organizations. The Company bears the cost of such training in accordance with internal regulations.

[Principle 5-1: Policy on constructive dialogue with shareholders]

In addition to designating the Corporate Communications & Investor Relations Office of the Corporate Management Division as the department in charge of IR and the Director and General Manager of the Corporate Management Division as the contact person, the Corporate Communications & Investor Relations Office works together with the General Affairs Department, the Accounting Department and other related departments to share information and prepare disclosure materials. As opportunities for dialogue with shareholders and investors, we hold general meetings of shareholders, company information meetings, financial results briefings, etc. as needed, and enhance our website to promote understanding of our business.

In addition, in order to ensure fairness in the market, the Company will thoroughly comply with the rules and regulations regarding the management of insider information, and designate the period prior to the announcement of financial results as a silent period, during which the Company will refrain from holding dialogues and interviews with shareholders and investors.

2. Capital structure

Percentage of shares held by foreigners	Less than 10
---	--------------

[Major Shareholders]

Name or Designation	Number of shares held (shares)	Percentage (%)
Takamiya Ltd.	6,945,192	14.91
Takamiya Tojitsu	5,356,604	11.50
(Trust Account) Japan Trustee Services Bank, Ltd.	4,638,000	9.96
Akiyoshi Takamiya	2,288,184	4.91
Takamiya Employee Stock Ownership Plan	2,111,394	4.53
Toyoji Takamiya	1,678,288	3.60
Chikako Takamiya	1,579,824	3.39
Kazumasa Takamiya	1,350,000	2.90
The Master Trust Bank of Japan, Ltd.	1,345,400	2.89
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	907,200	1.95

Controlling shareholder (excluding parent company)	---
--	-----

Parent company or not	None
-----------------------	------

Supplementary explanation

3. Company attributes

Exchange listing and market classification	Tokyo Stock Exchange, First section
Fiscal Year	March
type of industry	Service sector

Number of (consolidated) employees at the end of the previous fiscal year	More than 1000 people
Net sales for the most recent fiscal year (consolidated)	10 billion yen or more but less than 100 billion yen
Number of consolidated subsidiaries at the end of the previous fiscal year	More than 10 companies and less than 50 companies

4. Guidelines on measures to protect minority shareholders in transactions, etc. with controlling shareholders

5. Other special circumstances that may have a significant impact on corporate governance

// Status of Management Control Organization and Other Corporate Governance Systems Related to Management Decision-Making, Execution and Supervision

1. Matters related to the organization structure and organizational management, etc.

organizational form	Company with auditors
---------------------	-----------------------

[Director Relations]

Number of Directors under the Articles of Incorporation	15 people
(Term of Office of Directors under the Articles of Incorporation)	1 year
Chairman of the Board of Directors	President
Number of directors	8 people
Appointment of Outside Directors	Appointed.
Number of Outside Directors	2 people
Number of outside directors who are designated as independent directors	2 people

Relationship with the company (1)

Name	attribute	Relationship with the company (*)												
		A	b	c	d	e	f	g	H	I	J	K		
Koji Shimokawa	People from other companies													
Furuichi Noboru	People from other companies													

Select items regarding the relationship with the company.

If the person corresponds to each item in the "present and recent", "○"; if the person corresponds to each item in the "past", "△".

If a close relative is applicable to each item in the "present and recent" period, "●" is used; if

applicable to the "past" period, "▲" is used.

- Business executors of listed companies or their subsidiaries
- Executive or non-executive director of the parent company of the listed company
- Executives of sibling companies of listed companies
- A person who has a listed company as a major business partner or an executive person of such a person
- Key business partners of listed companies or their business executors
- Consultants, accounting experts, and legal experts who receive a large amount of money or other assets from a listed company other than compensation for their services as directors.
- Major shareholders of the listed company (if the major shareholder is a corporation, the executive person of the corporation)
- Business executors of the listed company's business partners (not falling under any of d, e and f) (only the individual)
- Executives of parties with whom the outside director has a relationship of mutual appointment (only the individual)
- Executives of parties to which the listed company has made donations (only the individual)
- Other

Relationship with the company (2)

Name	Independent Director	Supplementary explanation for conformity items	Reason for appointment
Koji Shimokawa	○	Representative Partner of Shimokawa & Partners Accounting Corporation Chairman of the Board of GLOBAL CORPORATE CONSULTING, INC.	He is qualified as a tax accountant, and we believe that he can appropriately perform his duties as an independent director from an objective and neutral standpoint based on his professional insight on finance and accounting. In addition, there is nothing applicable to the criteria for independence and the weighted disclosure requirements, and we have determined that he is an outside director with no risk of conflicts of interest with general shareholders, and have designated him as an independent director.

Noboru Furuichi	○	---	He was in charge of financial advisory business at a securities company and has advanced management decision-making capabilities. We believe that he can appropriately perform his duties as an independent director based on his knowledge and experience. In addition, there is nothing applicable to the criteria for independence and the weighted disclosure requirements, and we have determined that he is an outside director with no risk of conflict of interest with general shareholders, and have designated him as an independent director.
-----------------	---	-----	---

Whether or not there is a voluntary committee equivalent to the Nomination Committee or the Compensation Committee	None
--	------

[Corporate auditors]

Whether or not a board of corporate auditors has been established	Established
Number of Corporate Auditors under the Articles of Incorporation	4 people
Number of Corporate Auditors	3 people

Status of Collaboration among Corporate Auditors, Accounting Auditors and Internal Audit Department

Outside Directors and Outside Auditors exchange information with Representative Directors, Directors and Full-time Corporate Auditors on various management issues and corporate governance at any time in addition to Board of Directors meetings. In addition to the meetings of the Board of Directors, information is exchanged on various management issues and corporate governance as needed.

In addition, the Company holds periodic accounting audit reporting meetings, which are attended by full-time corporate auditors, external corporate auditors, the accounting department and the internal audit department, and receive reports on accounting audits from the audit corporation and confirm the results of accounting audits.

In addition, full-time corporate auditors and the internal audit department hold regular meetings, where the internal audit department reports on the results of supervision of business audits and the progress of internal control evaluations, and exchanges opinions.

The full-time corporate auditors report this information to the external corporate auditors at meetings of the Board of Corporate Auditors, etc., share issues and hold discussions, and feed back the contents of these discussions to the internal audit division and audit corporation to ensure timely collaboration.

The Corporate Auditors, including the Outside Corporate Auditors, and the Audit Corporation receive reports and materials from the Internal Audit Department and request explanations as necessary.

Through these activities, outside directors supervise business execution, and outside corporate auditors audit business execution and accounting in cooperation with each other.

Appointment of Outside Corporate Auditors	Appointed.
Number of Outside Corporate Auditors	2 people
Number of outside corporate auditors designated as independent directors	2 people

Relationship with the company (1)

Name	attribute	Relationship with the company (*)												
		A	b	c	d	e	f	g	H	I	J	K	l	m
Yoshihiro Sakatani	People from other companies													
Joko Teiji	People from other companies													

Select items regarding the relationship with the company.

If the person corresponds to each item in the "present and recent", "○"; if the person corresponds to each item in the "past", "△".

If a close relative is applicable to each item in the "present and recent" period, "●" is used; if applicable to the "past" period, "▲" is used.

- Business executors of listed companies or their subsidiaries
- Non-executive director or accounting advisor of a listed company or its subsidiary

- c. Executive or non-executive director of the parent company of the listed company
- d. Corporate auditor of the parent company of a listed company
- e. Business executor of a sibling company of a listed company
- f. A person who has a listed company as a major business partner or an executive of such a person
- g. Major business partners of the listed company or their business executors
- h. Consultants, accounting experts, and legal experts who receive large amounts of money or other assets from listed companies other than compensation for their services as directors.
- i. Major shareholders of the listed company (if the major shareholder is a corporation, the executive person of the corporation)
- j. Business executors of the listed company's business partners (not falling under any of f, g and h) (only the individual)
- k. Executives of entities with which the outside director has a relationship of mutual appointment (only the individual)
- l. Executives of parties to which the listed company has made donations (only the individual)
- m. Others

Relationship with the company (2)

Name	Independent Director	Supplementary explanation for conformity items	Reason for appointment
Yoshihiro Sakatani	○	President and Representative Director of Japan Management Consulting K.K. Director of Pressance Corporation Co., Ltd. (Audit Committee Member) Director of Watts Co., Ltd. (Audit Committee Member) Director of SHO-BI Corporation (Audit Committee Member)	He is a certified public accountant and has considerable knowledge of corporate finance and accounting. We believe that receiving his timely advice on the Company's management from the perspective of finance and accounting will contribute to the soundness of the Company's finance and accounting. In addition, there is nothing applicable to the criteria for independence and the weighted requirements for disclosure, and he is judged to be an outside corporate auditor with no risk of conflicts of interest with general shareholders, and has been designated as an independent director.
Teiji Joko	○	Yodoyabashi & Yamagami LPC Corporate Auditor of G-7 HOLDINGS INC. Corporate Auditor of Onamba Co., Ltd.	He is qualified as an attorney-at-law and can be expected to perform objective and neutral supervisory duties from the viewpoint of compliance, and we believe that he will be able to appropriately perform his duties as an independent director. In addition, there is no applicable matter in the criteria for independence and the weighted requirements for disclosure, and we have determined that he is an outside corporate auditor with no risk of conflict of interest with general shareholders, and have designated him as an independent director.

[Relationship with Independent Directors]

Number of independent directors	4 people
---------------------------------	----------

Other matters concerning independent directors

[Incentive-related]

Status of implementation of measures to provide incentives to directors	Introduction of stock option plan, etc.
---	---

Additional information on applicable items

The Company does not have a policy regarding the determination of the ratio of remuneration linked to performance and remuneration other than performance-linked remuneration, but as short-term performance-linked remuneration, bonuses are paid to directors when consolidated operating income targets are achieved.

We have also introduced stock compensation-type stock options, which are positioned as medium- to long-term incentives. Through thorough evaluation based on the interests of shareholders, we are working to ensure the long-term sustainable growth of the entire Group and to enhance corporate value.

Persons to whom stock options are granted	Company director
---	------------------

Additional information on applicable items

As part of the review of the remuneration system for directors and corporate auditors, the Company abolished the retirement benefit system for directors and corporate auditors, and introduced stock options (stock acquisition rights) as stock-based remuneration for the Company's directors (excluding outside directors). The Company has introduced stock options (stock acquisition rights) as stock-based compensation for the Company's directors (excluding outside directors).

[Directors' remuneration]

Status of disclosure (of individual director remuneration)

Only some of them are disclosed individually.

Additional information on applicable items

The total amount of remuneration by type is disclosed for each director and corporate auditor in the Annual Securities Report, and the total amount of consolidated remuneration for directors and corporate auditors whose total amount of consolidated remuneration, etc. is 100 million yen or more is disclosed separately.

The total amount of remuneration, etc. for the fiscal year ended March 31, 2020 is as follows.

Remuneration paid to directors: 241,213 thousand yen (including 8,520 thousand yen for two outside directors)

Remuneration paid to corporate auditors: 15,040 thousand yen (including 5,040 thousand yen for two outside corporate auditors)

In the fiscal year ended March 31, 2020, there were no executives whose total amount of remuneration, etc. on a consolidated basis was 100 million yen or more, so this information is not provided.

Policy for determining the amount of remuneration and its calculation method

existence

Details of disclosure of policy for determining the amount of remuneration or its calculation method

Remuneration for Directors consists of "basic remuneration" by position, "performance-linked remuneration (bonus)" as a short-term incentive linked to single-year performance, and "stock compensation-type stock options" as a medium- to long-term incentive. Remuneration for Outside Directors and Outside Corporate Auditors is limited to basic remuneration from the perspective of their role and independence. Fixed remuneration for Directors is determined by the President and Representative Director, within the limit of the total amount of remuneration resolved at the General Meeting of Shareholders, after comprehensive consideration of the position of each Director, evaluation of the execution of duties, corporate performance and other factors, and after receiving advice from independent outside Directors.

Bonuses, which are short-term performance-linked remuneration, are paid when the consolidated operating income target for a single year is achieved, and the total amount to be paid is submitted to the General Meeting of Shareholders for decision and payment within the total amount resolved. The amount of remuneration for each director is left to the discretion of the President and Representative Director.

Stock compensation-type stock options, which are medium- to long-term incentives, are determined and granted within the limit of the total amount of stock option compensation as resolved at the General Meeting of Shareholders, after consulting with the Board of Directors on a grant proposal based on the coefficient of position in the Company's internal regulations.

[Support system for outside directors (outside corporate auditors)]

In order to supplement the duties of outside directors and outside corporate auditors, the Corporate Management Division (Corporate Planning Office, Accounting Department, and General Affairs Department) and the Internal Audit Office have established a system to provide timely information as necessary.

In addition, on the day of the Board of Directors and Board of Corporate Auditors meetings, we support a system that enables efficient and effective discussions by providing materials in advance.

[Status of persons who have resigned as President and Representative Director, etc.]

Names, etc., of advisors, counselors, etc., who are former representative directors and presidents, etc.

Name	Title and position	Business Description	Type of work and conditions (full-time, part-time, compensation, etc.)	Date of resignation of President, etc.	term of office
Takamiya Tojitsu	honorary president	Business operation advice and executive training (non-management involvement)	Working form: Part-time, Compensation: Yes	April 1, 2006	unspecified

Total number of advisors, counselors, etc. who are former representative directors and presidents, etc.

1

Other matters

One former Chairman and Representative Director is listed.

The Company does not have a system of advisors, but may appoint advisors, etc. (honorary chairman, advisors, and counselors) with the approval of the Board of Directors when it is deemed necessary to achieve the Company's management objectives.

From the perspective of corporate governance, advisors, etc. are responsible for industry group activities, employee education, etc., and are

not involved in management. The appointment and remuneration of advisors shall be determined by the Board of Directors.

1. Matters related to functions such as business execution, auditing and supervision, nomination, and determination of remuneration (Overview of the current corporate governance system)

The Company has a system in place to audit the execution of duties by directors through strategic guidance and management monitoring by the Board of Directors, including outside directors, and the adoption of a Board of Auditors system, including outside auditors, in which auditors attend and express their opinions at meetings of the Board of Directors, Executive Officers' Meetings and other important meetings. In addition, we have introduced an executive officer system, whereby executive officers are appointed separately from directors under the Companies Act. The Board of Directors makes decisions on important management matters and oversees the execution of duties by the Directors, but by appointing outside Directors, we have created a system that enables important decisions to be made by incorporating diverse viewpoints.

The Board of Corporate Auditors consists of three members: one full-time Corporate Auditor and two outside Corporate Auditors. Each corporate auditor audits the legality of the business execution of the Company and its group companies in accordance with the "Regulations of the Board of Corporate Auditors" and the "Corporate Auditor Auditing Standards."

2. Reasons for choosing the current corporate governance system

The Company has in place a system under which the Board of Directors, which includes Outside Directors, provides strategic guidance and management supervision and a Board of Corporate Auditors, whose members, including Outside Auditors, audit Directors' execution of duties by attending and giving their opinions at various important meetings, such as those of the Board of Directors and the Board of Executive Officers. The Company has also introduced an Executive Officer system under which Executive Officers are appointed separately from Directors, who are elected in accordance with Japan's Companies Act. While the Board of Directors makes decisions on important managerial matters and supervises Directors execution of duties, having Outside Directors enables the inclusion of diverse points of view in decision-making.

/// Status of implementation of measures concerning shareholders and other interested parties

1. Status of efforts to revitalize the General Meeting of Shareholders and facilitate the exercise of voting rights

	Supplementary explanation
Early dispatch of notice of convocation of general meetings of shareholders	June 8, 2020.
Set up shareholder meetings to avoid concentrated days.	June 25, 2020.
Provision of the Notice of Convocation (Summary) in English	This information is available on our English website. https://www.takamiya.co/en/
Other	The convocation notice (including matters disclosed on the Internet and the convocation notice in English) will be posted in advance on June 1, 2020 on the Company's website and the Listed Company Information Service page on the Tokyo Stock Exchange website. https://www.takamiya.co/ir/total/meeting/

2. Status of IR-related activities

	Supplementary explanation	Explanation by the representative himself/herself
Preparation and publication of disclosure policy	The Company has established a basic policy on information disclosure, methods of information disclosure, and matters related to future prospects, which are posted on its website. https://www.takamiya.co/ir/stock/disclosure/	
Holding regular briefings for individual investors	May 16, 2019: Osaka June 1, 2019: Nagakute (Aichi prefecture) June 2, 2019: Nagoya June 7, 2019: Osaka October 5, 2019: Osaka January 30, 2020: Tokyo	None
Hold regular briefings for analysts and institutional investors	May 28, 2019: Fiscal Year Ended March 31, 2019 Financial Results Briefing November 26, 2019: Fiscal Year Ended March 31, 2020 Interim Results Briefing June 5, 2020: Investor Meeting on Fiscal Year Ended March 31, 2020 Financial Results (Video Streaming)	existence
Posting of IR materials on the website	We have set up an IR/Investor Relations page on our website to provide timely disclosure information such as "Financial Results", as well as information for investors such as "Financial Results Presentation Materials" and "Shareholders' Newsletter". https://www.takamiya.co/ir/	
Establish a department (person in charge) related to IR	IR Officer Kazumasa Takamiya, Chairman and President Director, Managing Executive Officer, General Manager of Corporate Management Division Hideki Yasuda Department in charge of IR Public Relations & IR Office, Corporate Management Division	

3. Status of Efforts to Respect Stakeholders' Positions

	supplementary explanation
Respect for the position of stakeholders is stipulated in internal regulations, etc.	We have established "Takamiya Corporate Ethics" and "Corporate Code of Conduct", which stipulate the importance of maintaining and developing sound and good relationships with various stakeholders (customers, shareholders, business partners, and local communities) surrounding our group.
Implementation of environmental conservation activities, CSR activities, etc.	Since August 2019, we have been participating in the Osaka Prefecture Adopt-a-Forest system and are engaged in forestation activities for forest maintenance.
Formulation of policies, etc. related to the provision of information to stakeholders	<p>We will strive to promptly provide information to our shareholders and investors based on transparency, fairness, and continuity. In addition to striving to disclose information in compliance with the Financial Instruments and Exchange Act and the timely disclosure rules set forth by the Japan Securities Dealers Association, we will also strive to proactively disclose information that is effective in gaining a better understanding of our company.</p> <p>The disclosure of material information that falls under the Timely Disclosure Rules is made by registering the information on TDnet (Timely Disclosure Network: Timely Disclosure System). The same information will also be posted on the Company's website without delay.</p>
Other	We are taking steps to ensure the diversity of our human resources regardless of gender, nationality, or age, including the active participation of women. In addition to childcare and nursing care leave, we have a full range of leave systems such as birthday leave, wedding anniversary leave, shorter working hours, and marriage allowance for young employees. In addition, in anticipation of future overseas expansion, we are focusing on hiring foreign nationals and actively promoting human resource exchange among group companies, including overseas subsidiaries, in order to improve the skills and capabilities of the entire group. In addition, we will continue to promote the enhancement of systems for securing human resources, developing careers, and balancing work and childcare, with the aim of making efforts to promote the activities of women as a management issue for the development of the Company.

1. Basic Policy on Internal Control System and Status of Its Development

1. Risk management system

The Basic Rules for Risk Management stipulate the basic policy and other matters concerning risk management. In addition, we have established the Risk and Compliance Committee, with the General Affairs Department acting as the administrative office. The Committee discusses issues and measures regarding the promotion of Company-wide risk management in order to appropriately manage and respond to the variety of risks that surround our businesses.

2. Compliance system

For compliance, we have outlined the Compliance Standards and the Code of Conduct in the Compliance Manual. We have established the Risk and Compliance Committee, with the General Affairs Department acting as the administrative office, to discuss specific compliance initiatives to implement internally and to identify at early stages legal issues emerging in the Company. Through these efforts, we aim to further raise and promote compliance awareness, especially concerning legal issues. Additionally, we seek advice and guidance as needed from our corporate lawyers regarding our daily operations and managerial decisions.

3. Status of systems to ensure the appropriateness of operations of subsidiaries

In order to ensure the appropriateness of the Group's business operations, each company in the Group holds a subsidiary meeting on a regular basis and also holds a Group alliance meeting once a year to report monthly business results and important resolutions, etc. as needed. In addition, the Board of Directors of the Company deliberates on matters such as resolutions of the General Meeting of Shareholders and the Board of Directors of each Group company. In addition, the Internal Audit Office conducts internal control audits and operational audits of our group companies.

4. Internal control

For internal control, we have developed a system in which internal checking operates between departments and clarifies the division of duties by establishing internal regulations and other rules. In addition, the Basic Policy for Internal Control and the Basic Policy for Financial Reporting outline systems to ensure that the Directors comply with laws and the articles of incorporation when conducting operations, and also to ensure proper operations of the Company.

Basic Policy for Internal Control

In accordance with the Companies Act and the Enforcement Regulations of the Companies Act, the Company shall establish a system (internal control) to ensure the appropriateness of operations of the Company and its subsidiaries (hereinafter referred to as the "Group") as follows. The Company and its subsidiaries (hereinafter referred to as the "Company Group") shall establish a system (internal control) to ensure the properness of business operations of the Company and its subsidiaries (hereinafter referred to as the "Group") as follows, based on the Companies Act and the Enforcement Regulations of the Companies Act.

1. Rules and other systems for managing the risk of loss of the Group

- (1) Establish a department in charge of each risk category in accordance with the "Basic Rules for Risk Management.
- (2) The General Affairs Department shall be designated as the department in charge of risk management and shall comprehensively and comprehensively manage overall risk.
- (3) The Internal Audit Office shall audit the status of risk management in each department and report the results to the President and Corporate Auditors on a regular basis.

2. System to ensure the efficient execution of duties by directors of the Group

- (1) Directors shall set company-wide goals, and each director and executive officer in charge shall set specific goals for each department and efficient methods for achieving them, including authority.
- (2) Monthly business results shall be reported to the Director in charge and the Board of Directors by promptly converting them into data through the use of information systems.
- (3) The Board of Directors shall review the progress of the targets every month and improve the factors that hinder the achievement of the targets, thereby increasing the certainty of achieving the targets and establishing a system that realizes the efficiency of company-wide operations.

3. Systems to ensure that the execution of duties by directors and employees of the Group complies with laws and regulations and the Articles of Incorporation

- (1) The "Compliance Manual" and the regulations concerning the compliance system shall be the code of conduct for officers and employees to act in compliance with laws, regulations, the Articles of Incorporation and social norms.
- (2) The General Affairs Department shall be designated as the department in charge of compliance and shall supervise compliance efforts across the board, and shall provide education to officers and employees to ensure thorough compliance.
- (3) The Internal Audit Office shall audit the status of compliance. These activities shall be reported to the President and Corporate Auditors on a regular basis.
- (4) The Company shall establish and operate a compliance hotline as a means for employees to directly provide information on legally questionable activities.
- (5) The Company shall clarify its policy for dealing with antisocial forces in the "Corporate Code of Conduct," the "Compliance Manual," and the "Rules for the Elimination of Antisocial Forces, etc." and shall not have any relationship with them. In the event that we are contacted by antisocial forces, we will immediately provide information to the relevant police station, the Corporate Defense Union Council, or other organizations, and we will deal with violent or unreasonable demands in cooperation with outside organizations, including lawyers.

4. System for the preservation and management of information related to the execution of duties by the Company's Directors

(1) The following documents (including electromagnetic records) shall be stored in accordance with the storage method, storage location and storage period specified in the "Document Management Regulations".

- 1) Minutes of the General Meeting of Shareholders
 - 2) Minutes of Board of Directors meetings
 - 3) Minutes of important meetings
 - 4) Budgetary control-related items
 - 5) Items related to accounting books and accounting slips
 - 6) Copies of documents submitted to government and public offices and stock exchanges
 - 7) Approval documents
 - 8) Contract
 - 9) Other documents specified in the "Document Management Regulations"
- (2) Directors and Corporate Auditors shall have access to these documents at all times.

5. System for reporting to the Company on matters related to the duties of directors of each subsidiary company

Each subsidiary company shall report to the Company, in accordance with the "Regulations for the Management of Affiliated Companies," on agenda items for the General Meeting of Shareholders and the General Meeting of Employees, matters decided by the Board of Directors, matters causing significant increase, decrease, or change in the assets of the company, the number of employees as of the end of the fiscal year, monthly financial statements, important business matters, situations that may have a significant impact on the Company's credibility, and the occurrence of serious accidents. Report to the Company.

6. Matters related to employees who are requested by Corporate Auditors to assist them in their duties, and matters related to the independence of such employees from Directors

(1) In consideration of the current situation of the Company, the Company shall not establish specific employees to assist the Corporate Auditors for the time being, but if the Corporate Auditors deem it necessary, employees shall be assigned to assist the Corporate Auditors. In this case, the Corporate Auditors shall notify the Directors in advance.

(2) With respect to the performance of the duties of assisting the Corporate Auditors by the employees set forth in the preceding paragraph, the Directors shall make themselves aware of the independence of such employees and shall ensure that all persons concerned are aware of it.

7. Matters related to ensuring the effectiveness of instructions given by corporate auditors to employees who assist them in their duties
The Company shall ensure that all Directors and employees of the Company are aware that employees who are to assist the Corporate Auditors in their duties are subject to the direction and orders of the Corporate Auditors.

8. System for reporting to corporate auditors by directors and employees of the Group

(1) Directors and Executive Officers shall report the status of the execution of their duties to the Corporate Auditors through the Board of Directors and other important meetings on a regular basis, and whenever necessary, without delay.

(2) Directors, executive officers, and employees shall respond promptly and appropriately to requests from corporate auditors for reports on business or when corporate auditors investigate the status of the Group's operations and assets.

(3) The Company shall establish regulations that stipulate matters to be reported to Corporate Auditors, and Directors shall report the following matters.

1) Matters resolved at important meetings

2) Matters that may cause significant damage to the company

3) Important items as monthly business conditions

4) Internal audit status

5) Important matters related to risk management

6) Serious violations of laws, regulations and the Articles of Incorporation

7) Status and details of compliance hotline reporting

(4) If an employee discovers a material fact related to the preceding paragraph, he or she may report it directly to the Corporate Auditors.

(5) Directors and employees shall communicate the status and details of reporting through the internal reporting system, internal scandals, and important cases of violation of laws and regulations to Corporate Auditors. (6) The whistle-blowing system shall clearly state the prohibition of disadvantageous treatment of whistle-blowers.

9. System to ensure that no disadvantageous treatment is given to a person for reporting to Corporate Auditors

The Company shall prohibit the disadvantageous treatment of any officer or employee of the Group who has made a report to the Corporate Auditors for the reason that such report was made, and shall thoroughly inform all officers and employees of the Group to that effect.

10. Matters concerning the procedures for prepayment or reimbursement of expenses incurred in the execution of duties by Corporate Auditors and other policies concerning the treatment of expenses and debts incurred in the execution of such duties

When a Corporate Auditor makes a request for prepayment of expenses incurred in the execution of his or her duties, the department in charge shall promptly dispose of such expenses or debts after deliberation, unless the expenses or debts related to such request are recognized to be unnecessary for the execution of the duties of the Corporate Auditor.

11. Other systems to ensure that audits by corporate auditors are conducted effectively

(1) The Internal Audit Office shall hold prior discussions with the Board of Corporate Auditors regarding audit policies and plans, periodically report the results of such audits, and work closely with the Board of Corporate Auditors.

(2) The accounting auditor shall periodically report the audit results to the Board of Corporate Auditors.

Basic Financial Reporting Policy

The Company shall establish the following basic policies in order to ensure that financial reporting is accurate and reliable.

1. Implementation of appropriate accounting procedures

(1) Establish accounting rules and regulations and accounting-related rules and regulations that conform to laws, regulations and accounting standards related to accounting procedures, and revise and improve them as necessary.

(2) To ensure that all directors, officers and employees understand and comply with the above, we will make them fully aware of them by posting them on our internal information network.

2. Ensuring the effectiveness of internal controls

(1) In accordance with the provisions of the Financial Instruments and Exchange Act regarding internal control, to ensure the appropriateness of financial reporting, events that may affect the reliability of financial reporting are identified, analyzed and evaluated.

(2) When the existence of deficiencies, etc., is discovered, the internal control system shall be improved as appropriate in accordance with the Internal Control Rules for Financial Reporting by modifying business processes as necessary.

(3) When promoting the development and operation of the internal control system, this shall be done in consideration of the IT environment.

3. System to ensure reliable financial reporting

(1) The Internal Audit Office and the person in charge of J-SOX in the Accounting Department will jointly evaluate the internal controls.

(2) The President and Representative Director and the Director in charge of accounting shall approve the results and disclose reliable financial reports on a company-wide basis through the submission of appropriate internal control reports.

2. Basic policy for eliminating antisocial forces and status of its development

In the "Corporate Code of Conduct" and the "Compliance Manual," the Company has clearly stated its organizational policy and declared that it will not have any relationship with antisocial forces. In the event that we are contacted by antisocial forces, we immediately provide information to the competent police station, the Corporate Defense Union Council, and other organizations, and maintain a system to deal with violent or unreasonable demands in cooperation with outside organizations, including lawyers.

V Other

1. Introduction of takeover defense measures

Whether or not takeover defense measures have been introduced

None

Additional information on applicable items

2. Other matters concerning corporate governance system, etc.

