



# TANSEISHA Co., Ltd.

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## Disclaimer regarding forward-looking statements

The forward-looking statements contained in this integrated report are based on estimates made in light of information available at the time of publication. These forward-looking statements are subject to both known and unknown risks and uncertainties. Please be aware that actual results may differ significantly due to changes in various factors.

Furthermore, under no circumstances does the Company guarantee any of the results of the forecasts presented in this integrated report.

Creating space for  
imaginations to grow.



### Our Philosophy

Tanseisha aims to contribute to the enrichment of society and people's lives by creating better spaces.

### Our Vision

Together with our customers, our employees and society, we will continue to create space for imaginations to grow.

Spaces that touch, inspire and relax the user. Spaces that are user-friendly, tell your company's story, and contribute to its success. Spaces, that help offer solutions to the important issues in your communities and to society as a whole. As space creation specialists, we at Tanseisha create space for imaginations to grow.

As times change, so do the needs of our customers and of society. That's why we're constantly growing and evolving as a company—adding to our know-how and refining our creativity—so as to better respond to those needs.

In order to realize an enriched and sustainable society, we strive to not only think of all stakeholders in it with sincere consideration, but to think with them, and to grow together. That's the kind of company we are. That's Tanseisha.

### Area of Operations

Spaces for social interaction between people, people and things, and people and information.

### Corporate Statement

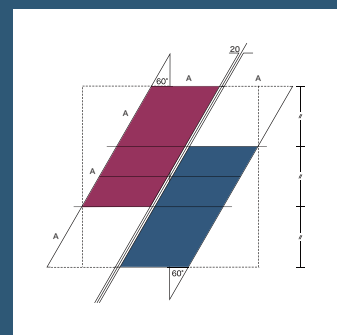
Creating space for imaginations to grow.

# Creating space for imaginations to grow.

### Derivation of Tansei

“丹青”, a term originating from China, consists of 2 basic colors – Red and Blue – and denotes “an abundance of color.” This word also broadly refers to painting, painters and painted artwork. Dedicated to artistic creation, Tanseisha invests its enthusiasm and creativity in creating rich, comfortable spaces in each and every project.

“丹青” is also a much-beloved word from ancient poetry. The famous Tang Dynasty poet Du Fu draws on the word “Tansei” to describe someone who is wholly absorbed in artistic creation. Tanseisha founder WATANABE Masaji loved the poem tremendously for its dedication to artistic creation.



Company logo design specifications  
(Design of our founder, WATANABE Masaji)

“丹青”, also meaning diligence, is etched in the minds of everyone at Tanseisha who is wholeheartedly devoted to creating spaces. We also embrace the well-balanced symmetry of “Red and Blue” as colors of “passion and wisdom” in our company logo.

丹青不<sub>レ</sub>知老將<sub>レ</sub>至  
富貴於<sub>レ</sub>我如<sub>ニ</sub>浮雲<sub>一</sub>

Ancient seven-character  
verse from Du Fu's "Ode on  
Paintings to General Ca Bao"

### The Value: Creating space for imaginations to grow

- 2 Commercial Spaces exciting for sales activities
- 3 Chain Store Spaces connecting with customers in real-world business
- 4 Communication Spaces evoking empathy and increasing admirers
- 5 Culture Spaces conveying and utilizing culture
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Editorial policy TANSEISHA Co., Ltd. publishes an integrated report that summarizes financial and non-financial information with the aim of providing shareholders, investors and all other stakeholders with a better understanding of the Group's medium- to long-term value creation. For detailed information not included in this integrated report, please visit our website (<https://www.tanseisha.co.jp/en/>).

Period of the report February 1, 2022 through January 31, 2023 (with some information from February 2023 and afterward)

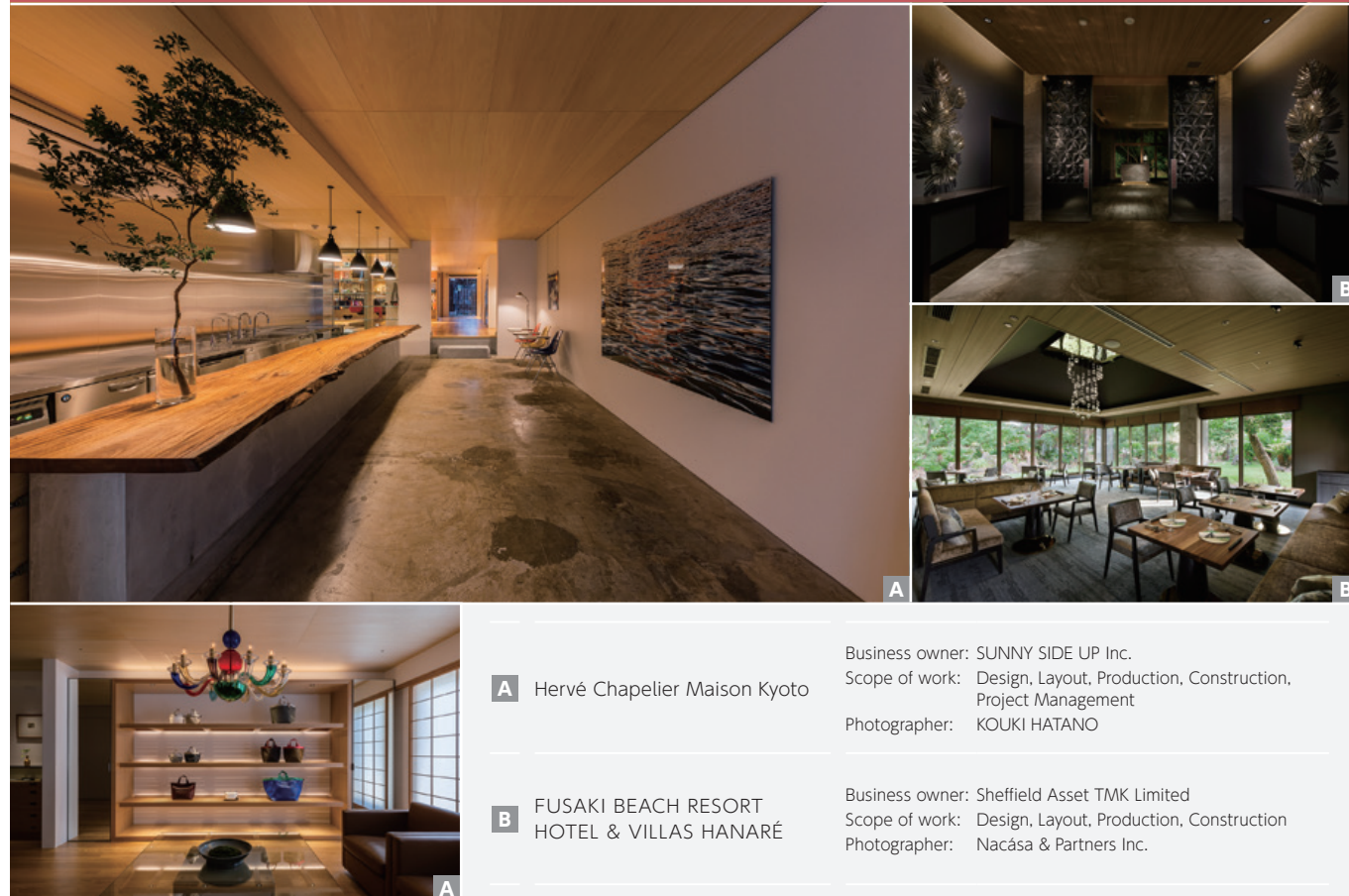


# COMMERCIAL

## Spaces exciting for sales activities

**With planning and realization capabilities matched to business needs, we guide customers to success.**

For large commercial facilities and hotels, we propose pleasant commercial spaces brimming with excitement. We help build connections between products and services and their end-users. We realize unique concepts through diverse presentation techniques that produce deep impressions and satisfaction by enhancing the experience that these spaces offer.



**A** Hervé Chapelier Maison Kyoto

Business owner: SUNNY SIDE UP Inc.  
Scope of work: Design, Layout, Production, Construction, Project Management  
Photographer: KOUKI HATANO

**B** FUSAKI BEACH RESORT HOTEL & VILLAS HANARÉ

Business owner: Sheffield Asset TMK Limited  
Scope of work: Design, Layout, Production, Construction  
Photographer: Nacása & Partners Inc.

This business unit is involved in diverse spatial creation, including commercial facilities, such as specialty shops, department stores and shopping centers, as well as venues in the hospitality sector, public spaces and offices. Our role is to utilize all Tanseisha resources to create solutions that meet the diversifying needs of each market, including digital applications, and solutions for social issues typified by matters related to goals for sustainable development.



HASEGAWA Takahiro  
Executive Officer,  
General Manager,  
Commercial Space Business Unit

### Provided value

#### 1 Ability to pinpoint business and customer needs

Along with business owners, we tap into changes in the business environment and evolving market needs from a medium- to long-term perspective and explore ideas on formats and sales approaches suitable to commercial facilities. We guide business owners toward the perfect concept for boosting end-user satisfaction and design spaces perfectly matched to business purposes.

#### 2 Design capabilities boasting both creativity and efficiency

In spatial design, we balance an excellent aesthetic appearance and an effective layout. This approach fuels the creation of spaces that are comfortable and pleasant not only for visiting end-users but also for the people who work in these places.

#### 3 Realization capabilities underpinned by high technology

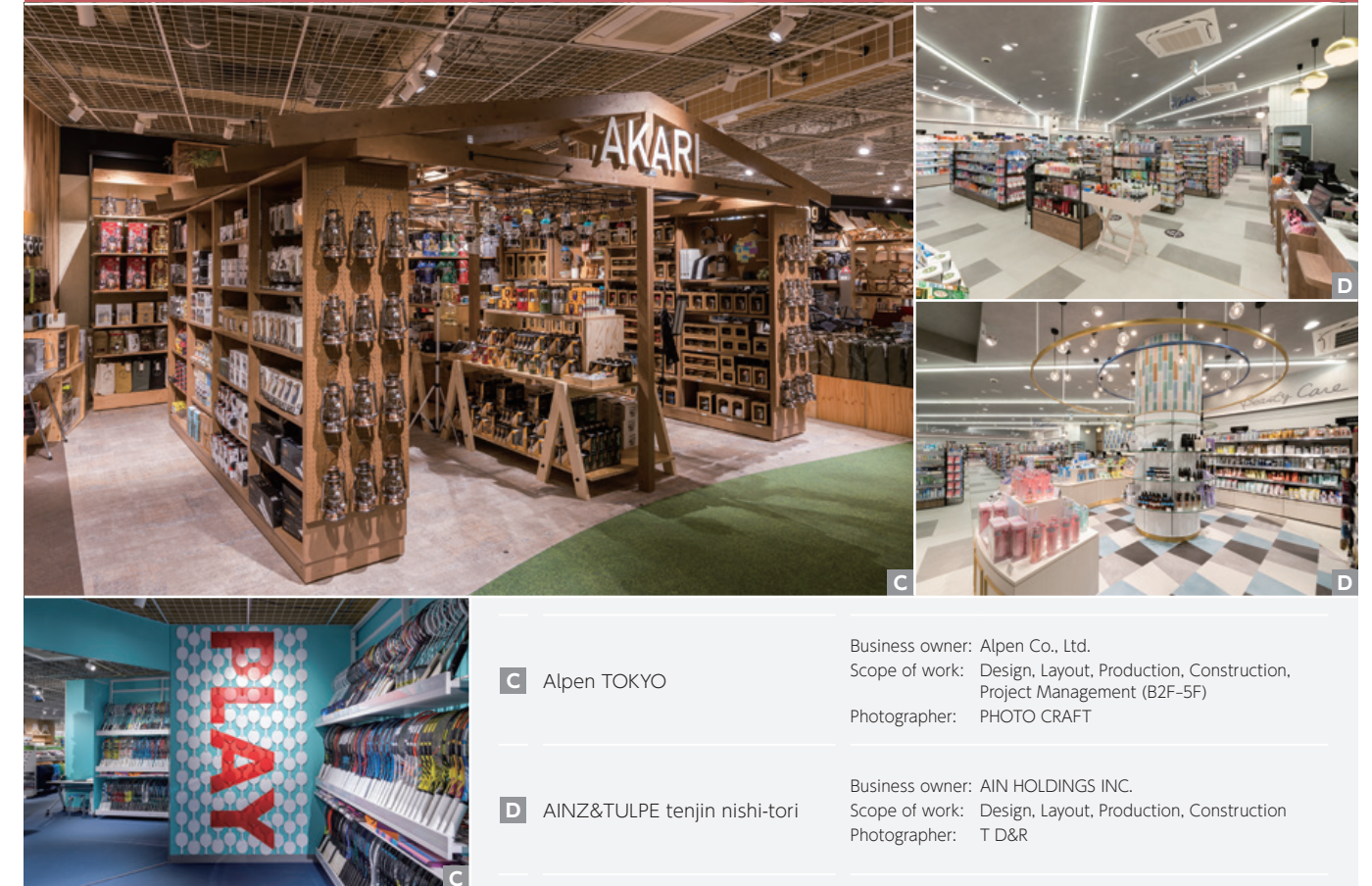
We draw on techniques and experience acquired through the creation of spaces with various areas of specialization to realize designs driven by innovative concepts that transcend business boundaries. We bring original concepts to life through diverse presentation techniques backed by an intuitive awareness of prevailing factors and enhance the experience that these spaces provide.

# CHAIN STORE

## Spaces connecting with customers in real-world business

**We provide total support to deal with issues and problems that accompany multistore development.**

As a pioneer in the chain store sector, whose ideas continue to evolve, we have built a portfolio of space design proposals that lead to solving issues that challenge chain stores. With an extensive track record and insights accumulated through these results, we proactively identify management issues faced by business owners and encourage business innovation.



**C** Alpen TOKYO

Business owner: Alpen Co., Ltd.  
Scope of work: Design, Layout, Production, Construction, Project Management (B2F-5F)  
Photographer: PHOTO CRAFT

**D** AINZ&TULPE tenjin nishi-tori

Business owner: AIN HOLDINGS INC.  
Scope of work: Design, Layout, Production, Construction  
Photographer: T D&R

This business unit seeks to be a partner to customers working to develop multiple points in a national chain store network, particularly for merchandise sales and restaurant locations. Our role is to provide a fully integrated approach to safe and secure store creation that supports customers for as long as the store stands, through planning, design, construction and maintenance after the store begins operations.



SHINOHARA Ikunori  
Executive Officer,  
General Manager,  
Store Engineering Business Unit

### Provided value

#### 1 Driving force powered by knowledge

We possess multifaceted knowledge about design, quality, cost, time management and other components of space creation. Dedicated teams that thoroughly know the multistore development business concurrently promote projects comprising multiple structures and offer consistently high quality even for store openings under time constraints and other special conditions.

#### 2 Response capability matched to business needs

We provide proposals optimized from the perspectives of the construction period, required quality and available budget, and matched to the business strategies of business owners. We procure and arrange construction materials geared to the needs of each store by drawing on accumulated know-how and our own network of manufacturers and manufacturing facilities.

#### 3 Fully integrated support capability

We offer end-to-end support, from planning, design and construction to follow-up services and maintenance, all across Japan. With business owners, we look into issues that come to light during a continuing progression of store openings and constantly make improvements to create better spaces.





# COMMUNICATION

## Spaces evoking empathy and increasing admirers

**We convey information and messages that underpin successful sales promotion and public relations in the most effective ways possible.**

We utilize all types of media as well as leading-edge digital technology and techniques for such events as exhibitions, expositions, sales promotions and other business spaces, including corporate museums, factory tour facilities and showrooms. These efforts help our customers execute successful branding and marketing communication strategies. We create spaces well matched to public venues that acknowledge diversity.

**E** TOKYO GAME SHOW 2022 SHUEISHA GAMES Booth

Business owner: SHUEISHA GAMES Inc.  
Scope of work: Display Planning, Design, Layout, Production, Construction, Operation, Project Management  
Photographer: Taichi Misonoo

**F** KOBE SANNOMIYA HANKYU BUILDING EKIZO KOBE SANNOMIYA

Business owner: Hankyu Corporation  
Architectural design: Kume Sekkei Co., Ltd., OBAYASHI CORPORATION  
Scope of work: Commercial Environmental Design Supervision  
Photographer: Shinwa Co., Ltd. Shinji Kihara  
Photo courtesy of Hankyu Corporation

This business unit's forte is creating spaces where companies foster communication and nurture innovation with each other and where makers attract potential users to their brand—spaces that present that kind of business scene or one where people enjoy entertainment or other events that produce a sensory response. We are always looking to use digital technology, without which any desired expression and experience would be impossible, to take to the next level the know-how gained at numerous real-world venues and our capability for spatial production.



NAGAOKA Kenji  
Executive Officer,  
General Manager,  
Communication Space Business Unit

- Provided value**
- Power to imagine vibrant spaces and venues**  
We merge various media within a space to realize a corporate or service identity and enhance the appeal of the message. Our designs enrich communication between business owners and site visitors and produce new value within a space.
  - Crowd-attracting, business-driving proposal capabilities**  
We pinpoint end-user needs, looking to enhance crowd-drawing potential, and use various media and digital technologies and techniques to present ideas on spaces that allow imaginations to grow. We also offer comprehensive solution-oriented suggestions, including those from an operating perspective, to mitigate management issues faced by business owners.
  - Production capabilities using ICT and display technology**  
We optimize various technologies and ideas to convey to maximum effect the messages that our clients want to communicate. We draw on extensive experience to apply presentation techniques that stimulate the five senses and leverage total production capabilities to elicit new perceptions of value.

# CULTURE

## Spaces conveying and utilizing culture

**We put a shine on cultural resources and interconnect these assets to convey cultural value.**

We introduce elements of experience that inspire and make learning fun in cultural spaces, such as history museums, archives, art museums and environment-related, disaster-prevention and children's experience-based facilities, creating spaces that satisfy intellectual curiosity. In addition, we utilize a system that enables us to provide integrated solutions, from research and planning to design, production and operation, and make suggestions based on plans for continuous activity following a facility's opening.




**G** The Museum of Hanshin Koshien Stadium Renewal

Business owner: HANSHIN ELECTRIC RAILWAY CO., LTD.  
Scope of work: Facility Concept Planning, Display Planning, Design, Layout, Production, Construction  
Photographer: Forward Stroke inc.

**H** Shinagawa Municipal Environment Learning Exchange Facility "ECORU Togoshi"

Business owner: Shinagawa City  
Scope of work: Facility Concept Planning, Display Planning, Design, Layout, Production, Construction, Research and Analysis, Website Creation, Project Management  
Photographer: Nacasa & Partners Inc. KAWANO Masato

This business unit is involved in projects for museums, including history museums and art museums, as well as facilities showcasing topics common in society, such as disaster prevention, the environment and children, and provides integrated services, from research and planning through design, production and construction, all the way to operation. We have a high degree of specialization, built on a strong track record and extensive experience, and we present solutions that address various issues. Of note, from perspectives of regional revitalization and cultural tourism, we lead the next generation through our efforts in creating places bustling with excitement, places that showcase activities that will remain for future generations to enjoy. In this way, we also contribute to regional renaissance and the development of human resources.



SUMIDA Masahiro  
General Manager,  
Cultural Space Business Unit

- Provided value**
- Power to rework historical and cultural assets**  
We take a flexible approach to arrange appealing aspects of historical and cultural assets into story-centered exhibits that express cultural value. We also consistently pass on valuable cultural assets to future generations by applying design considerations and technical measures from the perspective of preserving cultural assets.
  - Ability to create resource value**  
We reassess from new angles various community-rooted tangible and intangible resources, such as local nature, history and culture, to draw out their maximum appeal. We also support efforts from a cultural tourism viewpoint to create a lively atmosphere that permeates the whole community.
  - Ability to present display spaces**  
We develop our own communication tools, including digital technology to attractively showcase exhibition spaces, and ICT to enhance experience value. We are involved in efforts to help create cultural facilities brimming with fun experiences that encourage visitors to return.



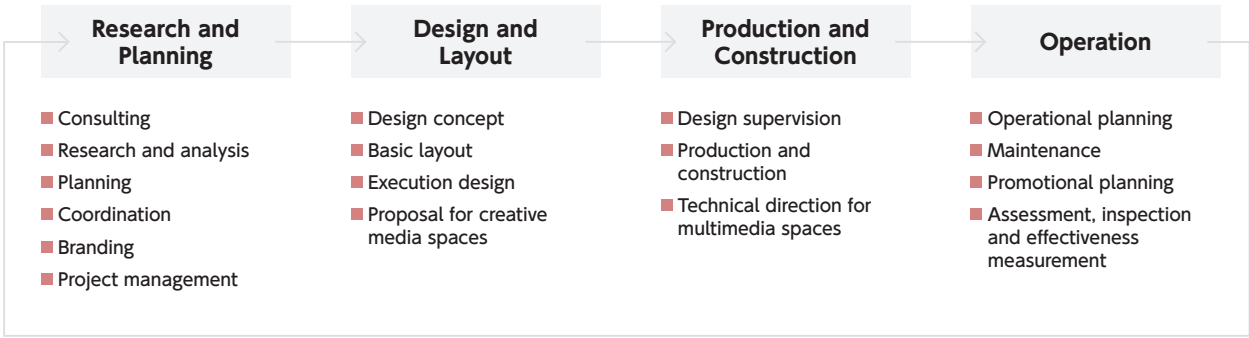
The value that Tanseisha provides is the capability of solving issues by creating spaces.

Business segments



Tanseisha offers total-support solutions.

Tanseisha helps its customers find solutions to issues and generates new value by combining various elements through professional expertise in creating spaces, an extensive network and free thinking.



Tanseisha's strengths

1 A comprehensive display design company

Tanseisha's greatest advantage is the capability to expand our business to accommodate facilities in any sector. We support our customers as a business partner, offering solutions that draw from the spatial design expertise we have gained across a wide range of fields. We provide comprehensive support, covering the entire process of spatial design.

2 Excellent talent and technical capabilities to support spatial design

Creativity is the engine behind our spatial design. Tanseisha has 475 production staff members, including 269 planners and designers, as well as first-class architects and first-class construction management engineers.



3 A robust production base and supplier network

Providing a one-stop service enabling us to execute projects tailored to customer needs requires a strong and well-developed production base. Tanseisha has a network of approximately 1,000 continuing client companies, including 245 partner companies.

Supplier network	
Continuing client companies	About 1,000
Partner companies	245

4 Competitive excellence and top-level share

Having started out as an interior decorator for department stores, Tanseisha has expanded the scope of its business for about eight decades. In the chain store business, which we commercialized ahead of other companies, we have used our position as a pioneer to establish a competitive advantage. Also, in the cultural facilities business, we have a specialized think tank and boast top-level market share.

Display industry fundamentals

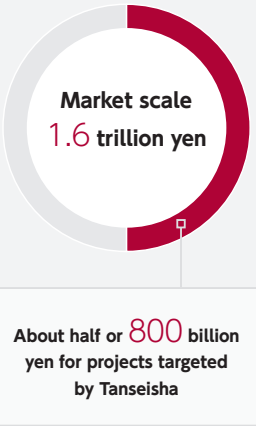
What is a display?

A display is a means of communication that uses space as a medium. The word derives from the Latin verb *dispicare*, which means to open up something that has been folded and, by extension, presentation and exhibition. A display is a means of directly communicating a message to people over time and through a specific space. As a medium for conveying information, a display is unique, facilitating encounters between the communicator and the audience in the exhibition space, where they can enter into direct, interactive communication.

Definition of the display industry

The display business is an all-encompassing business that creates welcoming spaces and environments, typically for purposes such as marketing, educating or raising awareness. It focuses not only on producing displays of objects or constructions but also on providing spaces for people to interact and communicate. An important role of the display business is to design and produce displays that enrich people's lives and culture as a whole. We aim to help improve people's lives by enabling meaningful communication and experiences at exhibition venues, commercial facilities, cultural facilities and events.

Target projects in the display industry



Three Unique Strengths Underpinning Foundation of Value Creation

As spatial design professionals, Tanseisha links extensive know-how with high-level technical capabilities, professional ability and comprehensive strength to create an array of spaces. The power of design that leads to solutions, the power of production technology that gives form to ideas and the power to produce an inspiring experience with technology—each strength enhances value creation capabilities, and in combination, the multiplied effect supports spatial creation built on professional ability and comprehensive strength.

Power of design that leads to solutions


Power of production technology that gives form to ideas

Power to produce an inspiring experience with technology

National presence, from Hokkaido to Kyushu	
About 1,400 people/ 11 locations	
Designers and planners:	About 270
Production staff:	About 480
Engineers with national certification who are among industry's top class	
Number of people with certification: 416	
First-class architects:	60
First-class building operation and management engineers:	239
Building a robust production base with partner companies	
Supplier network: About 1,200 companies	
Continuing client companies:	About 1,000
Partner companies:	245

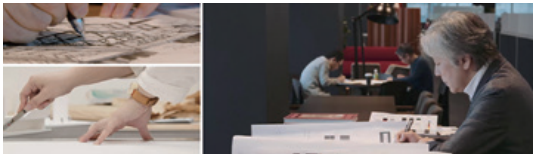
\* As of January 31, 2023  
Above-noted numbers of people are totals for the Group, but number of people with certification is for Tanseisha only

Power of design that leads to solutions



Creators across diverse business areas work together, demonstrating originality unique in the comprehensive display design business. Through repeated dialogue with customers to assess needs, our creators pinpoint issues, even latent factors, and generate designs that turn customer concepts and society's needs into spaces for imaginations to grow.

**Design Center**  
Design Center is a platform that consolidates the innovation of creators across all spatial creation realms, including commercial, public and cultural spaces. Customer needs are identified through close ties with the sales division that facilitate flexible formation of creative teams. Complementing planners and designers from different spatial creation realms, Design Center generates new concepts and ideas from borderless application of creative resources to maximize provided value. In addition, through Design Center, we seek to build a structure under which people constantly grow and develop. Design Center allows engineers to polish their skills and pass knowledge on to others, which translates into improved creativity.



Power of production technology that gives form to ideas



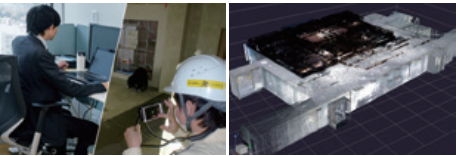
Concepts developed jointly with customer input are realized through technical capabilities backed by know-how and experience. In addition to suggestions on new materials and construction methods from the first stage of design work, based on four core criteria essential to production—safety, process, quality and budget—we undertake verification and supervision from a production perspective to turn ideas into tangible form.

**Technical Center**  
At the Technical Center, which brings together specialists in safety management, regulations, structures and equipment, staff members conduct checks prior to physical creation of a space, based on know-how accumulated in more than 6,000 projects annually. The Technical Center is essential to Tanseisha's efforts to reinforce its production structure through tie-ups with partner companies while using digital tools to facilitate smooth and speedy progress at project sites. In addition, the Technical Center leads efforts to improve overall layout and construction quality, constantly implements training for engineers, including efforts to promote the use of building information modeling (BIM)\*, and supports engineers in their determination to acquire and upgrade specialist skills. We emphasize the development of engineers who can address market needs in changing times.




\* A technology that starts with a computer-produced 3D model, adds in material and component specifications, functions, finishing and other physical details as well as management information and other attribute data, to facilitate use of information and achieve greater efficiency in service delivery at all stages, from design and construction to maintenance and management

**Efforts to enhance efficiency and boost quality using digital tools**  
Taking a robust approach to introducing new technologies, we utilize surveys on technology trends and relationships with partner companies to improve on-site efficiency and quality using digital tools. Specifically, we promote smooth on-site progress on projects through such means as executing online site tours by webcam and verifying construction status with point cloud data gathered by 3D laser scanners.



Power to produce an inspiring experience with technology

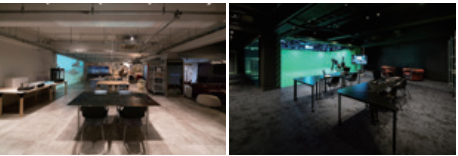


At Tanseisha, we see space as media—but one-of-a-kind media where communication flows. We combine innovative ideas and technologies that enrich the moment, such as ICT and presentation technology, with venue-producing technology and accumulated know-how to deliver an inspiring experience for imaginations to grow.

**CMI Headquarters**  
The CMI (Cross Media Innovation) Headquarters is a team of professionals who focus on approaches to maximize and optimize spatial experience value. The team provides planning and total direction on exhibitions, experiences and spatial production incorporating high-level ICT and presentation technology, and realizes spatial media design that enriches communication with visitors by planning and producing CI/VI design—corporate identity and visual identity design—as well as signage content and VR/MR content—virtual reality and mixed reality content. In addition, the CMI Headquarters looks beyond video, sound and lighting in spatial creation, emphasizing interactive digital technology, models and molding, mechanics and structure building, sensing and other control technology and incorporating diverse presentation techniques into spaces.



**Konan Lab "Mk\_3" ("Mark three")**  
Konan Lab "Mk\_3"—pronounced "Mark three"—is a co-creation platform for exploring the possibilities of space and technology and for creating new value. This platform enables companies and creators with leading-edge technologies and content, particularly in the area of ICT but also in such areas as VR (virtual reality) and AR (augmented reality), interactive technology, and video and sound technologies, to engage in research, demonstration and collaborative pursuits that apply spatial production technologies.



1940s–1960s

The Beginning: Established Display Industry

**1946**  
WATANABE Masaji founded display and decorative design business in Yanaka Shimizu-cho, Shitaya-ku, Tokyo  
Tanseisha opened Kenpoten, the first department store event of the post-World War II era, inside Mitsukoshi Department Store in Nihonbashi

**1949**  
Sanko Co., Ltd., official surviving company, was established, later taking name Nikki Co., Ltd.

**1956**  
First overseas construction project for Japan Products Exhibition, held in Beijing and Shanghai, China

**1959**  
Reorganized and reestablished as Tanseisha Co., Ltd. (in effect, surviving company)

**1960**  
Put in charge of exhibit "National Treasures of Japan" and since then an officially designated contractor for Tokyo National Museum

**1962**  
Put in charge of planning, constructing and operating Japan Railways Fair, which celebrated 90th anniversary of opening of train service in Japan

**1966**  
Registered as general contractor (Tokyo Governor's Registration)

**1967**  
Established Tanseisha Kosakusho Co., Ltd. (now, Tansei TDC Co., Ltd.)

1970s–1990s

Period of Rapid Growth: Challenge and Pursuit of Creativity

**1970**  
Received the most contracts—53 pavilions—among industry peers at Osaka Expo, driving significant expansion in net sales, to ¥3 billion  
Set up Scientific Molding Lab, focused energy into construction and displays for exhibitions at museums, art museums and archival records museums

**1973**  
In 50th-anniversary year, topped net sales of ¥5 billion for first time

**1975**  
Registered as first-class architect office (Tokyo Governor's Registration)

**1978**  
Constructed a company building at Ueno, Taito-ku, Tokyo and relocated the headquarters

**1979**  
Launched Production Center under combined structure reintegrating design and production management divisions  
Net sales exceeded ¥10 billion

**1980**  
Created independent Planning Center to focus on long-term work, looking two to three years ahead

**1983**  
Became first company in display industry to register stock over the counter

**1984**  
Established Tansei Information Institute Co., Ltd. (now, Tansei Institute Co., Ltd.) to strategically promote shift toward better use of information  
Opened Central Technology Center in Mitsukaido, Ibaraki Prefecture, and pushed forward on improvement in design, production and construction technology, and development of new technologies and new products

**1985**  
Became first company ever to win triple crown of Minister of International Trade and Industry Award, Display Design Grand Prize and Asahi Shimbun Prize at Tsukuba Expo

**1987**  
Listed on Second Section of Tokyo Stock Exchange

**1989**  
Unveiled corporate slogan: "Tanseisha is design and technology"

**1990**  
Established design institute as part of efforts to reinforce level of design and technical expertise

**1995**  
Defined basic concepts—customer priority, fundamental priority, action priority, on-site priority and core business priority—to underpin management direction in 38th business year and set up 21st-Century Vision Statement Committee

**1997**  
Established Tansei Display Co., Ltd.

**1999**  
Established Tansei Integrated Design Studio (IDS) as a new design company

2000s

Second Beginning: Road to the Future

**2000**  
Listed on First Section of Tokyo Stock Exchange

**2001**  
Obtained ISO 14001 environmental management system certification

**2002**  
Strengthened Group's overall revenue structure and specialized capabilities through expansion, including addition of Game Co., Ltd. (now, JDN Inc.) as a consolidated subsidiary, and pursued entry into new fields of business

**2003**  
Eyeing China as a new market, established Tansei Creative Design Co., Ltd., in Shanghai

**2005**  
Established Beijing Tansei Co., Ltd.

**2006**  
Opened Tansei Europe Representative Office in Paris, France, to help Japanese companies operating in Europe expedite local promotional activities and function as a Japan-Europe information hub  
Obtained permission to use PrivacyMark

**2011**  
Unveiled new management vision: "Professionals who create spaces for imaginations to grow"

**2015**  
Relocated head office to Konan, Minato-ku, Tokyo

**2016**  
Transitioned to company with an audit and supervisory committee

**2022**  
Transitioned to Prime Market, new market segment of Tokyo Stock Exchange



Yokohama Red Brick Warehouse Warehouse No. 2 (2002)



Osaka Kita Yard Knowledge Capital Trial 2009 (2009)



Nagasaki Prefectural Archaeological Center · IKI CITY IKIKOKU MUSEUM (2010)



Yurakucho Blood Donation Room (2011)



Kabukiza Gallery "Elegance of Kabuki SPRING" (2013)



New headquarters in Shinagawa Creative Meets and Mobile Museum (2015)

Notable Events in Japan and Overseas

**1946**  
Promulgation of the Constitution of Japan

**1951**  
First NHK Kohaku Utagassen (Red & White Year-end Song Festival) at year-end

**1953**  
Nippon TV began first full-scale commercial broadcasting

**1962**  
Population of Tokyo exceeded 10 million people, the first city of this size in the world

**1964**  
Tokyo hosted the 18th Olympic Summer Games

**1968**  
Tokaido Shinkansen (bullet train) commenced operation

**1968**  
GNP eclipsed that of West Germany, becoming second largest in the world

**1969**  
*Apollo 11* successfully landed on the moon

**1970**  
Japan World Exposition (Osaka Expo) held

**1972**  
Okinawa was returned to Japan, and Okinawa Prefecture was formally established  
Sapporo hosted the 11th Olympic Winter Games

**1973**  
First oil shock

**1975**  
Okinawa International Ocean Exposition (Okinawa Ocean Expo) held

**1979**  
Second oil shock

**1982**  
Tohoku Shinkansen and Joetsu Shinkansen commenced operation

**1985**  
International Science and Technology Exposition (Tsukuba Expo) held

**1988**  
Seikan Tunnel—world's longest—opened

**1989**  
Berlin Wall came down

**1993**  
Japan professional soccer league J.League debuted

**1998**  
Nagano hosted the 18th Olympic Winter Games

**2002**  
Soccer World Cup held at sites in South Korea and Japan

**2003**  
Digital terrestrial television broadcasting started in Japan

**2005**  
The 2005 World Exposition, Aichi, Japan (EXPO 2005 AICHI JAPAN) held

**2010**  
Expo 2010 Shanghai China

**2012**  
TOKYO SKYTREE completed

**2021**  
Tokyo hosted the 32nd Olympic Summer Games



Process for Value Creation

Tanseisha has always focused on creating spaces that meet the needs of the times. As spatial design professionals, we deliver creative ideas backed by reliable technology that brings spaces to life. We will continue to contribute to the enrichment of society and people’s lives by creating space for imaginations to grow.

Opportunities

- Rapid advances in digitalization
- Increase in urban redevelopment projects
- Changes to office environments due to work-style reforms
- Regional development and revitalization
- Growing demand from public-private partnerships (PPPs) and private-finance initiatives (PFIs)
- Heightened interest in reducing the environmental impact

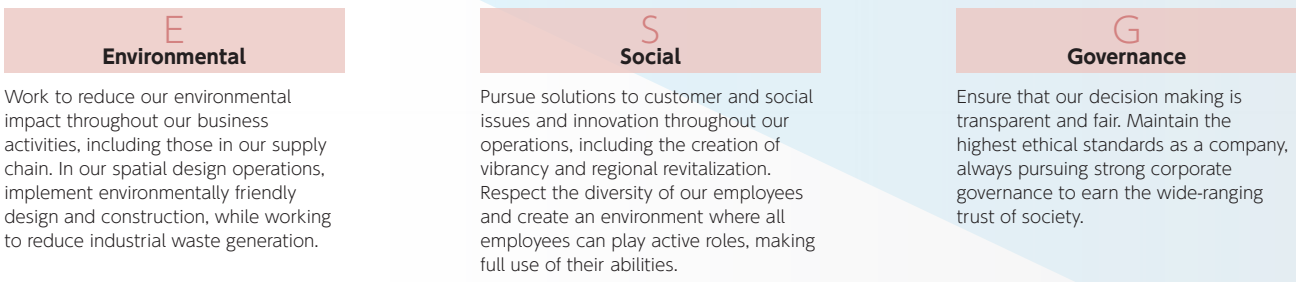
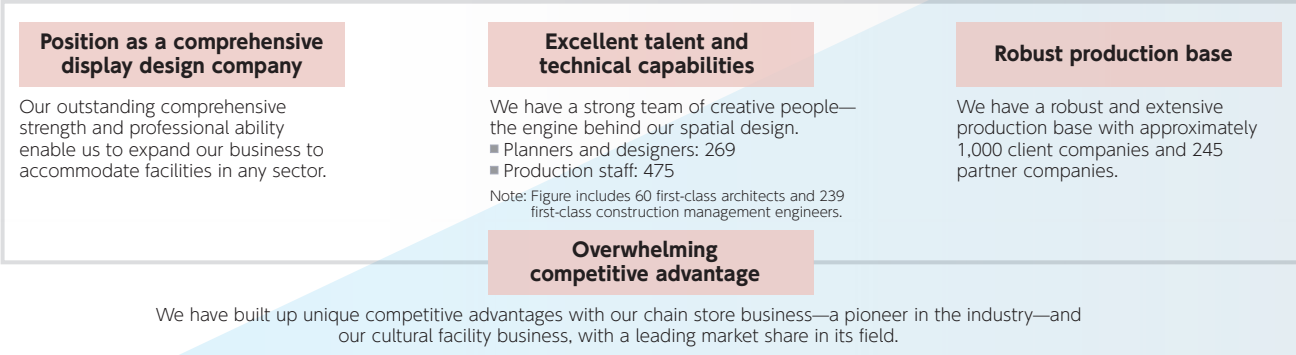
Our Philosophy

Tanseisha aims to contribute to the enrichment of society and people’s lives by creating better spaces.

Risks

- COVID-19 pandemic-related cancellation and postponement of and withdrawal from events, etc.
- Reductions in capital expenditure
- Declining birthrate and aging population
- Disasters, climate change

Allocation of Management Resources



Our Vision

Financial targets

Consolidated net sales	¥76.0 billion
Consolidated operating income ratio	3.9%
Consolidated ROE	7.0%
Consolidated dividend payout ratio	50% or more

Non-financial targets

Work styles	<ul style="list-style-type: none"><li>■ Our employees work energetically. They do not feel exhausted, instead derive satisfaction and enjoyment from their work.</li><li>■ Total working hours have been reduced.</li></ul>
Diversity	Our organization has increasing diversity, with the right mind-set and communication for the inclusion firmly in place.
Environment	We are continuously improving and developing initiatives to reduce the environmental impact.
Solving customer and social issues	We provide solutions to customers and society based on an accurate understanding of their needs and changes.

Together with our customers, our employees and society, we will continue to create space for imaginations to grow.



Progress in the Medium-Term Management Plan (Fiscal 2021–Fiscal 2023)

Prolonged restrictions on economic activity caused by the spread of COVID-19 had a negative impact on our business, notably, reducing demand for services and heightening price competition. As a result, progress on the medium-term management plan was delayed, and we had to again revise our targets for fiscal 2023, the final year of the plan.

From plan formation to revision

■ It had been expected that the Tokyo Olympic and Paralympic Games would be held as scheduled and that COVID-19 would be brought under control during fiscal 2021.

■ The pandemic and spread of worrisome variants curbed economic activity and impaired recovery in demand. In response, on March 11, 2022, management announced revised targets for the second and third years of the medium-term management plan, covering fiscal 2022 and fiscal 2023.

Current view of the business environment

1 Expecting economic activity to return to normal as pandemic restrictions ease, with the business environment for Taiseisha also improving as demand recovers

2 Negative factors also exist, including inflation spurred by developments such as the protracted situation in Ukraine, and uncertainty clouds predictions.

3 Competition with rival companies intensifying

4 Anticipating application of upper limit on overtime work in construction industry and planning to hire more staff (expecting personnel expenses to rise)

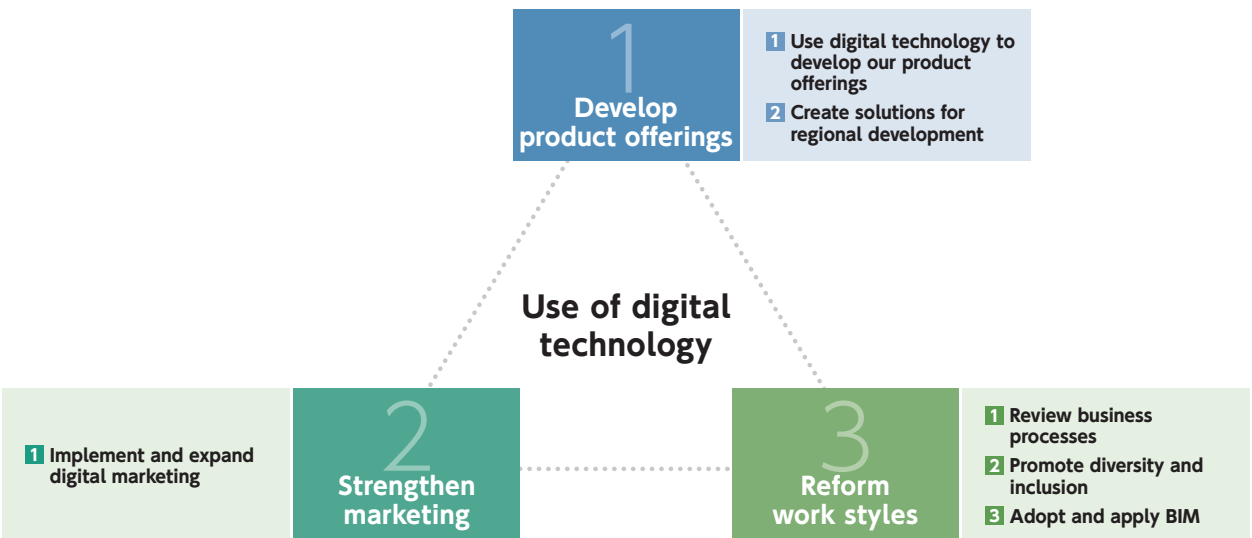
Overview of the medium-term management plan (fiscal 2021–fiscal 2023)

We will achieve recovery in business results diminished by the pandemic while promoting evolution in business and work styles hinging on the use of digital technology and fueling our own transformation into the Taiseisha Group matched to a new era.

Targets for fiscal 2023 (financial/non-financial)			
Consolidated net sales	¥76.0 billion	Work styles	■ Our employees work energetically. They do not feel exhausted, instead derive satisfaction and enjoyment from their work. ■ Total working hours have been reduced.
Consolidated operating income ratio	3.9%	Diversity	■ Our organization has increasing diversity, with the right mind-set and communication for the inclusion firmly in place.
Consolidated ROE	7.0%	Environment	■ We are continuously improving and developing initiatives to reduce the environmental impact.
Consolidated dividend payout ratio	50% or more	Solving customer and social issues	■ We provide solutions to customers and society based on an accurate understanding of their needs and changes.

ESG-related targets and KPIs				
ESG	Desired state	KPI	Progress in FY2022	FY2023 target
S	■ Our employees work energetically. They do not feel exhausted, instead derive satisfaction and enjoyment from their work.	Results of employee awareness survey	×	Exceed previous survey results
		Reduction of total working hours	△	No employee exceeding total internal working-hour specification
	■ Our organization has increasing diversity, with the right mind-set and communication for the inclusion firmly in place.	Percentage of women newly appointed to management positions	△	50% or more
		Percentage of managers attending diversity training	○	100%
	■ We provide solutions to customers and society based on an accurate understanding of their needs and changes.	Results of customer evaluation survey	△	Exceed previous survey results every year
E	■ We are continuously improving and developing initiatives to reduce the environmental impact.	Creation of solutions for regional development	○	¥3.0 billion in business creation
		Maintain EMS (environmental management system) certification	○	Achieve activity goals
G	■ Enhanced business management and financial base ■ Increased shareholder returns		FY2022 results	FY2023 targets
		Consolidated net sales	¥64.2 billion	¥76.0 billion
		Consolidated operating income ratio	1.0%	3.9%
		ROE	1.6%	7.0%
		Dividend payout ratio	309.9%	50% or more

Strategies and measures in the medium-term management plan



Strategy 1 Develop product offerings

Measures Use digital technology to develop our product offerings

1 Create customer experiences through a "real × digital" combination

■ Design and deliver integrated customer experiences that seamlessly connect online and real spaces for imaginations to grow

■ Use our strength in physical experience design capabilities

2 Encourage "spatial × data" initiatives

■ Create new value using spatial design data

3 Co-create and collaborate with external companies

Business tie-ups (in no particular order)

■ NTT DOCOMO, INC.

■ ITOCHU Techno-Solutions Corporation

■ PRISM CO., LTD.

■ HARTi Inc.

■ Pixie Dust Technologies, Inc., etc.

4 Develop talent with expertise in digital technology and data analysis

■ Implementation of companywide training to deepen understanding of digital transformation

■ Implementation of a digital transformation talent development program for sales employees

Strategy 2 Strengthen marketing

Measures Implement and expand digital marketing

1 Strengthen online communication with customers

2 Improve the accuracy of marketing activities by accumulating, maintaining and analyzing data

Strategy 3 Reform work styles

Measures 1 Review business processes

Review each business process and use digital tools to streamline and simplify

Measures 2 Promote diversity and inclusion

Improve the environment to promote the activities of a diverse range of people

Measures 3 Adopt and apply BIM

Streamline design and production work to increase productivity

Results and Targets		
Digital application-related net sales		
FY2021 results	FY2022 results	FY2023 target
¥11.8 billion	¥12.3 billion	¥19.0 billion
■ Thought digital transformation would move forward quickly but progress not nearly as fast as expected. Will revise target for fiscal 2023		
■ Aim for continued growth		

**Fiscal 2022 BIM application and deployment**

- Signed new memorandum with Autodesk, Inc. pertaining to a strategic alliance. Built framework to enhance literacy through precedent studies, study groups at division level and discussions about software utilization by subcommittees, with expectations for future use
- Used e-learning to help target participants acquire basic BIM skills and achieved 100% participation rate
- Increased number of projects using BIM



## Message from the President

In these uncertain times, we will utilize accumulated know-how and boldly pursue opportunities in new domains to create innovative value for society.

KOBAYASHI Osamu  
President and Chief Executive Office



### What is important to me on being appointed President, and a concept I want to pass along

I have worked in sales operations since joining Tanseisha back in 1984. At that time, net sales were about ¥40 billion, roughly half the scale of today's Tanseisha, and even against the backdrop of the bubble economy, I knew in my bones that the Company was poised for rapid growth. Construction of large-scale theme parks and other gathering places offered an increasingly wider array of venues where people could spend their time and presented spaces for fun beyond simply shopping and dining. It amounted to a trend in the creation of spaces that made an impression on the people who entered those spaces. In 2000, Tanseisha was quick among companies in the display industry to meet the requirements for listing on the First Section of the Tokyo Stock Exchange, and the Company takes pride in retaining its status as a leader driving the industry forward.

During my career at Tanseisha, I have been involved in a range of projects, but I would say expositions were my starting point. At the International Science and Technology Exposition, Tsukuba, Japan—Tsukuba Expo '85—which took place the year after I joined Tanseisha, I had a hand in a restaurant project, while at the 2005 World Exposition, Aichi, Japan—EXPO 2005 AICHI JAPAN—I had the job of promoting projects as the leader for sales. These projects continued for several years, beginning with planning, and included theme pavilions for the government of Japan and other public entities, as well as foreign country pavilions and Japanese corporate pavilions. The theme of this expo was "Nature's Wisdom," a concept applied to construction efforts as well, including the development of environmentally friendly materials to build the site, one pavilion at a time. In a way, such events foretell the future of spatial creation, since international expositions use the best available technology, showcased in exhibits and displays. These kinds of projects brought me together with many people—kindred spirits, I'd call them—and the visitor

count exceeded expectations over the six-month run. For me, EXPO 2005 AICHI JAPAN was a wonderful experience. I was involved in expositions again in Shanghai, Milan and Dubai, and each event and associated project were opportunities to gain new insights.

As I go about my work, the well-known saying "Where there's a will, there's a way" is an integral component of my mind-set. A can-do attitude—being confident that any obstacle can be overcome with the determination to persevere—is an essential quality for the success of a project. I embrace challenges with the firm belief that I will reach my destination even if the road ahead is bumpy.

This year, 2023, saw my appointment as President of Tanseisha. I assume this position at a difficult time for the Company, after three years of pandemic-related pressures. For this reason, I know I must take over not only the role but also the commitment of former President (now Chairman of the Board) TAKAHASHI Takashi, who said, "Let's do fine work." For Tanseisha, "fine work," in the corporate sense, is what impresses and delights

customers, as well as the end-users of spaces, and also what gives us, as professionals in spatial creation, a sense of accomplishment. When Mr. Takahashi was the driving force behind corporate activities, I supported his efforts as a member of the executive team. Now it's my job to further refine these initiatives and let them play out to successful conclusion in our business pursuits.

### We'll pass through the challenging business terrain and nurture the seeds of new value creation

Tanseisha engages in three primary businesses as a display design company. The commercial and other facility business covers spatial creation for commercial use, including large-scale shopping complexes and various kinds of specialty stores for promotional activities, including events and exhibitions, and for the service industry, including amusement facilities, offices and hotels.



Our approach is omnidirectional, catering to the needs of a market comprising many different customer sectors, but for the near future, we anticipate huge demand for spatial creation in the office sector and at hotels, airports and other facilities, paralleling a rebound of inbound visitors to Japan.

The chain store business concentrates on chain-type store facilities. A point to consider going forward will be how to expand market share while dealing with diversifying customer needs.

The cultural facility business focuses on interior design and construction at museums, art galleries, corporate museums, etc. Although these projects are longer in duration, few plans are suddenly cancelled, construction is rarely postponed and therefore the segment is able to generate relatively stable results. In recent years, we have seen a rapid increase in the number of public-private partnership (PPP) and private-finance initiative (PFI) projects by government agencies and municipalities, and we are asked not only to create spaces but also to offer suggestions on operating the spaces and enabling these spaces to contribute to regional revitalization. In response, we apply the know-how we have accumulated to date to actively promote such projects.

Since fiscal 2023 is the last year of the current medium-term management plan, a critical issue for us will be to overhaul the business foundation. The situation is not unique to Tanseisha. The display industry is easily influenced by economic conditions and business sentiment. If the business environment deteriorates even slightly, customers hesitate on store-opening plans or trim promotional budgets. That reluctance has a direct impact on the industry, not just individual companies. Creating spaces has been Tanseisha's core business since its establishment, and over about 80 years, the Company has at times passed through a challenging business terrain. Irrespective of past successes, we must complement our core business with another pillar of operations that showcases new added value. The process has already begun.

For example, the e-commerce site 4earth, which went into full-scale operation in April 2021, specializes in

discontinued products such as construction materials, lighting fixtures and interior materials that manufacturers still have in their inventories. For manufacturers, 4earth eliminates the need to dispose of discontinued products as waste when demand is gone and promotes effective utilization of resources if a way to access the products is available. A characteristic of discontinued products is limited inventory, but for home renovations or the back area of a store, the amount might be just right. Meanwhile, end-users with a do-it-yourself interest see discontinued products as a chance to use genuine building materials in their home-improvement projects.

Another activity is the R2 Project—R2 referring to “real estate” and “revitalization”—to revitalize old, small and medium-sized buildings in the Tokyo urban core. The appeal of old buildings in areas neighboring large-scale redevelopment is relatively low, and tenants in such places are leaving. Tanseisha buys these buildings, increases their value through renovation and provides start-ups and other small-scale businesses with comfortable office environments matched to their needs. Renovated buildings under the R2 Project add a new dimension of vibrancy to the neighborhood.

These pursuits exemplify Tanseisha's efforts to use business activities to contribute to creating a circular society. But the value we return to society, enhanced through accumulated know-how and network connections, is different from the original input value. Going forward, I hope this perspective can be more obviously reflected in our core business as well.

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### **We'll turn changing needs and behaviors defined by the times into business opportunities**

Taking a bird's-eye view of the future business environment, we predict that development projects will generate a large amount of demand. We anticipate an increase in large-scale events and will target integrated resort projects that have

We must complement our core business with another pillar of operations that showcases new added value. The process has already begun.



been approved by the Japanese government. Taking advantage of these new business opportunities will be vital.

Fueled by these bustling market conditions, opportunities to advise customers on design displays have returned to the prepandemic level. However, numerous uncertainties still exist, and a pressing issue in fiscal 2023 will be how to connect inquiries to actual orders. World turmoil, starting with the situation in Ukraine, led to skyrocketing costs of materials and delivery instability, and while circumstances have settled down somewhat, adverse impacts have not disappeared. Consequently, our proposals have been hampered by costs as well, prompting revisions and making it more difficult to turn inquiries for design display work into actual orders. This situation is likely to continue for a while, and we recognize that providing proposals that demonstrate high cost performance within a limited budget will be an issue that requires attention.

Another issue is that the pandemic changed the requirements for physical space. The typical structure of a conventional large-scale development would have a commercial area on a lower floor, with offices or a hotel above. But people's shopping-related activities changed dramatically during the pandemic. And now, even though people may check a product and even try on an article of

clothing in a store, they increasingly opt to order online rather than make an in-store purchase. This shift in purchasing requires reconsideration of the need and the importance of drawing people to a physical space. Creating spaces where time spent is meaningful, also called “service consumption” or “time consumption,” is acquiring greater weight in corporate decisions on space development. Our proposals must address this trend.

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### **We aim to boost efficiency not only in-house but also industrywide through digital technology**

To safely traverse this challenging business terrain and achieve corporate growth, we must also promote operational efficiency. Even before the pandemic, we were keen to maximize the benefits of work-style reform and enhanced DX (digital transformation), but additional measures will lead to more obvious results.

In work-style reform, we took advantage of the head office relocation in 2015 to lay out an environment that facilitates work through a free-address work-space system, and we introduced a designer-focused remote work



structure. Having already set the stage, we were in excellent shape, from a remote work perspective, to leverage this work style during the pandemic. Now we are discussing the significance of bringing together people to work in the same physical space using the ideal format for communication. We are certain to apply insights from the discussions and the resulting practices implemented in-house to spatial creation projects for customers.

We have pursued various measures to advance DX as well. In sales, we directed concerted effort into digital marketing to offset the impact of sales staff being unable to move about during the pandemic.

In design, we are vigorously promoting building information modeling (BIM). BIM is a technology that adds material and component specifications, performance, finishing and management information and other attribute data to a computer-generated 3D model to facilitate use of information at all stages, from design and construction to maintenance and management, and thereby achieve greater operational efficiency. To start, we prioritized our own employees, delegating responsibility for in-house classes primarily to the BIM Promotion Committee—a companywide cross-sectional body—and also promoting on-site use to

enable employees to become familiar with the technology. The next step will be to expand use throughout the industry. If customers, manufacturers and constructors like Tanseisha can adopt a fully integrated approach with BIM that covers everything from planning to maintenance and operation, the payoff could be huge. The cost of gaining proficiency will be high in the beginning, but beyond that, the industry is sure to see an overwhelming boost in efficiency.

In other efficiency efforts, we created an intranet environment where chatbots respond to inquiries. Machine-learning AI is used for chatbots, but I am quite certain that automation and mechanization technologies, including AI, will eventually be introduced into all operations. Conversational AI using natural language-processing technology is progressing amazingly fast in 2023. This advance will surely prompt the need to clarify how technology will be used and what role humans will play going forward. AI has the potential to perform such activities as design work, but at Tanseisha, creative work will continue to rely on the expertise of people. That said, we accept that technology presents possibilities, and we will apply technologies little by little, test them and then decide if they merit full adoption.



## We'll establish an environment where all employees can thrive and create places that underscore industry development

Repeated discussions about enhanced DX made me all the more aware of the importance that human capital plays in Tanseisha's success. Although we already have a cross-functional task force to leverage digital technology, every single employee still needs to actively embrace recommendations with a passion for improvement and a self-driven desire to acquire skills. To enable employees with this kind of determination to thrive, Tanseisha must provide training, offer reskilling opportunities and build a work environment conducive to personal development. For employees who take a positive approach, we should steadily allocate some of our budget to respond to ambitions and consider new job categories as necessary.

But today, with the world changing at an ever-faster pace, situations may appear where we cannot fully respond with regular hiring and in-house human resources development alone. Through career recruitment, we will secure human resources with specialized know-how in such areas as data analysis and statistics, which were not priorities in the past.

In addition, the idea of us developing along with the entire industry without clinging to Tanseisha-only development will also become a key factor for growth. If we create opportunities linked to products and services by balancing the market needs we identify with the seeds of manufacturers—that is, special technology and materials—to generate innovative concepts, new technology and know-how, business chances will expand as well. We operate Konan Lab "Mk\_3" (pronounced "Mark three") as a place where such ideas take shape. Here, we seek to realize a joint-creation platform for creators and companies with leading-edge technology and content, and promote research, verification and collaboration utilizing spatial presentation technology. In September 2022, we extended the area and opened Mk\_3 Studio,

a streaming studio with virtual collaboration a top priority. We expect the studio to widen the scope of activities and lead to new value in spatial creation.

I wouldn't say that Tanseisha's journey has always been smooth, but the Company has flexibly approached whatever challenges appeared, adapted to them and ultimately achieved sustained growth as a company able to respond to the times. Today society is looking for diverse issue-solving capabilities delivered faster than ever. I am confident that Tanseisha will make the right responses even under these conditions.

A high percentage of our business activities is domestic, but if you look at the rising number of inbound visitors to Japan and the increasing number of overseas companies entering Japan, then our business activities are actually reaching a more global audience. This environment demands a robust, outward-looking approach. What do we need to do to be a company that embraces the challenges of this operating environment and delivers results? In-house discussions exploring possible answers are in progress. The direction we aim to take will be detailed in the next medium-term management plan but, as always, we hope that you will continue to look forward to the development of Tanseisha.

August 2023

KOBAYASHI Osamu

President and Chief Executive Officer

## Message from the Chief Financial Officer

We will steadily respond to recovering demand and cultivate drivers of medium- to long-term growth through robust investment for the future.

TSUKUI Tetsuo  
Director



### Signs of recovery did appear, albeit later than expected

We assumed demand would recover from pandemic pressures in fiscal 2022, but progress was delayed, with brisk activity starting to return only in the second half. In addition, while direct impacts from the situation in Ukraine, skyrocketing costs for energy and raw materials and the sudden yen depreciation were minimal for Tanseisha, customers' businesses were greatly affected. As a result, we saw many instances of plans for store openings and renovations suspended, postponed or trimmed down in scale. At the end of the fiscal year, inquiries for work had reached an all-time high, but realizing these inquiries as orders and sales is a matter for the future. Consequently, from a performance standpoint, Tanseisha's recovery fell short of expectations. The transition from inquiries to bookable orders and sales should be reflected in actual results beginning in the second half of fiscal 2023.

Against this backdrop, we stayed the course, maintaining a robust approach to forward-looking investment and opting not to squeeze selling expenses to the extreme. Operating expenses have increased, as the predicted recovery in demand unfolds, and we raised wages for the second straight year. In addition, we continued to allocate funds from the investment budget to licenses and training for companywide introduction of BIM. Going forward, management must be resolute in upholding Tanseisha's investment stance for many reasons but particularly to

reinforce the Company's presence and thus its involvement in display design projects at international events in Japan and on the urban redevelopment front.

Of note, Tanseisha has applied the accounting standard for revenue recognition, etc., effective from the beginning of fiscal 2022. At the transition point, the Company moved about ¥10 billion from order backlog to net sales. As a result, it appears that order backlog decreased, but if the former standard is applied, order backlog increases about ¥4 billion.

### The next medium-term management plan will benefit from the achievements of the last year of the current plan

A look back at each business shows that net sales and orders accepted grew in the commercial and other facility business, reflecting steady captured demand as the market recovered. However, the order environment remained very competitive, leading to a drop in income. The chain store business saw a favorable shift in the first half, but the promising tone was tempered in the second half by the delay of projects due to issues in the external environment, leading to lower sales and lower income. The cultural facility business saw weaker-than-usual demand, as fiscal 2022 was an off year for large structures and high-revenue projects, but the business delivered results more or less on target.

Going forward, if the business environment improves and the number and scale of projects stabilize, the very competitive environment will gradually become less challenging. We will collaborate with partner companies and work toward stability on the price front as well.

Fiscal 2018—the term just prior to the pandemic—was notable for record-breaking income, and shareholders and investors have asked when Tanseisha might return to that level. Management set initial targets for the medium-term management plan running from fiscal 2021 through fiscal 2023 with that very goal in mind. Unfortunately, the external environment impacted operations more substantially than management had expected, leading to a revision of performance targets in March 2022 and again just recently.

Since some aspects of the external environment remain uncertain, pinning down a time frame for a bona fide recovery is difficult. Nevertheless, with several big projects moving ahead and business conditions on a real upswing, concerns are fading. Discussion about the next medium-term management plan has started, and management is engaged in preparations toward its announcement.

Management may also provide a more detailed description of investment policy and other financial strategies. Mainly in the digital sector, we are vigorously pursuing alliances with external partners under an open innovation concept, and we would not dismiss the possibility of an M&A if we identified a company with capabilities that would give our businesses an edge. We

will continue to consider all options, excluding none, including treasury stock buybacks, that lead to higher returns through appropriate means when steps need to be taken.

We maintain a shareholder return policy that calls for a payout ratio of 50%. At 309.9%, the payout ratio for fiscal 2022 was exceptionally high, but this reflects a forecast for a certain amount of recovery in the near future and management's strong determination to provide a stable dividend to shareholders. Going forward, we aim to put business results back on track as quickly as possible to ensure that we maintain the 50% payout ratio.

### Emphasize investment in human capital as the driver that fuels the next stage of growth

Going through the three years of the pandemic made me see anew the value in free movement and in-person experiences, which I had taken for granted before COVID-19 so profoundly affected every aspect of life. I mean to say there is a heightened need for spatial creation—Tanseisha's forte field—and that need will spur demand. Since employees are providing the services, their growth is essential for the Company to accurately respond to market demand with innovative proposals. For us to be a company chosen by customers as well as shareholders and investors, we must first be a company where employees choose to continue working.

After joining Tanseisha, I gained experience in sales, on-site management and planning in several departments. The broad exposure enabled me to see the fun side of work and expand my horizons. I will draw on this experience to actively engage in work-style reform, job rotation and other facets of human resources deployment. Looking to the future, I will consider measures to attract and keep employees, further expand recruitment and also redefine required skills and capabilities to boost the value each employee brings to the job.

The pandemic was a difficult time for Tanseisha as it was for other companies. But it allowed us to focus on our strengths and reexamine potential driven by ingenuity to expand our fields of endeavor. The experience will underpin efforts to achieve recovery and growth. More great things can be expected from Tanseisha.



Overview of Business

(Fiscal 2022)

Commercial and  
Other Facility Business

Business description

Interior design (design and construction) of all commercial facilities (excluding those related to the chain store business)

Main facilities

Department stores, large shopping centers, various kinds of specialty stores, restaurants, event and sales promotion facilities, amusement facilities, offices, hotels, other public facilities, etc.

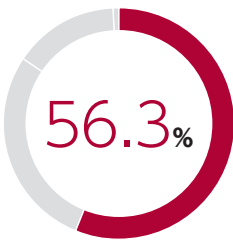
Consolidated net sales

¥36,144 million

Consolidated operating income

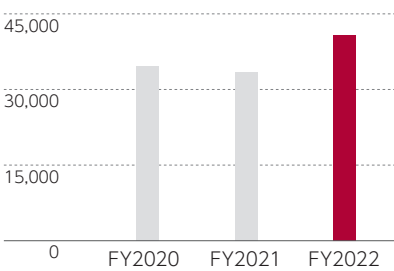
¥123 million

Net sales composition ratio



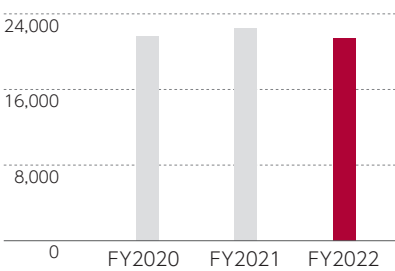
Orders accepted

(Millions of yen)



Order backlog

(Millions of yen)



FUSAKI BEACH RESORT HOTEL & VILLAS HANARÉ

Chain Store Business

Business description

Interior design (design and construction) of chain store facilities

Main facilities

Chain-type restaurants, apparel stores, convenience stores, etc.

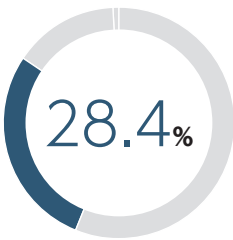
Consolidated net sales

¥18,269 million

Consolidated operating income

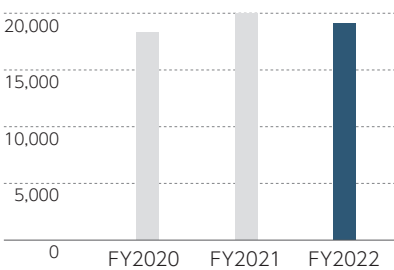
¥336 million

Net sales composition ratio



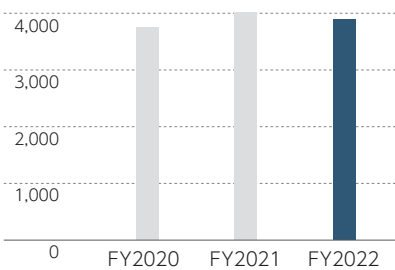
Orders accepted

(Millions of yen)



Order backlog

(Millions of yen)



Alpen TOKYO

Cultural Facility  
Business

Business description

Interior design (design and construction) of museums, art galleries, corporate museums, etc.

Main facilities

Museums, art galleries, corporate museums, etc.

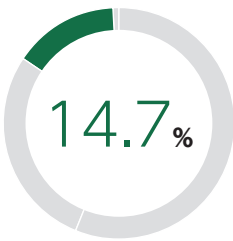
Consolidated net sales

¥9,409 million

Consolidated operating income

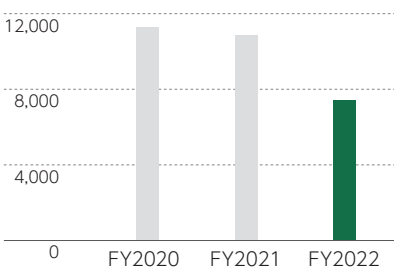
¥70 million

Net sales composition ratio



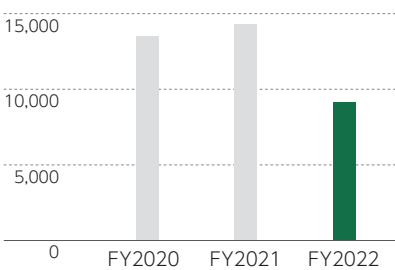
Orders accepted

(Millions of yen)



Order backlog

(Millions of yen)



The Museum of Hanshin Koshien Stadium Renewal

Other

Business description

Administrative services, online information services

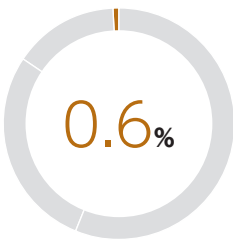
Consolidated net sales

¥397 million

Consolidated operating income

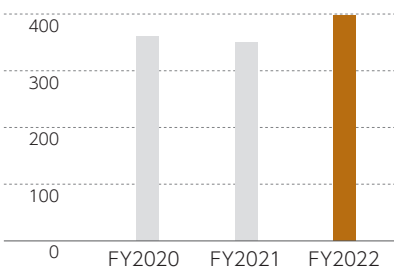
¥83 million

Net sales composition ratio



Orders accepted

(Millions of yen)



## Commercial and Other Facility Business

We aim to more quickly differentiate ourselves from competitors and add value using new digital experiences and value creation.

### Strengths

- The ability to create solutions that combine space with the full range of media and techniques
- Creating communication media that engage the five senses

### Risks and opportunities

- Mainly curbs on capital investment, paralleling impact of skyrocketing costs for energy and raw materials
- Creating needs for spaces that integrate real and digital technologies through rapid advances in digitalization
- Increase in demand for redevelopment projects in the Tokyo metropolitan area and other cities
- Growth in demand in the Kansai area from Expo 2025, Osaka, Kansai integrated resort (IR) plans, etc.

### Key measures of the medium-term management plan

- Combining real and digital elements to create customer experiences
- Using big data on spatial design to create new value
- Aggressive use of digital technology to differentiate ourselves from competitors and add value

### Market conditions and business performance in fiscal 2022

In the commercial and other facility business segment, demand recovered as pandemic-driven restrictions on economic activity eased, leading to an increase in new renovation projects, including large facilities, especially shopping centers, specialty store buildings and outlet malls, as well as amusement facilities, hotels and other venues, which underpinned a year-on-year improvement in sales. But segment income fell year on year, owing to an increase in the number of projects whose profitability was eroded by intensifying price competition. As a result, segment sales reached ¥36,144 million (up 11.1% year on year), while segment income was ¥123 million (down 87.5% year on year).

### Initiatives going forward

Once economic activity normalizes, inbound demand should recover and all sectors should see wider demand for products and services. However, the promise of business opportunities is accompanied by risks, including curbs on capital investment, paralleling the impact of skyrocketing costs for energy and raw materials. Tanseisha must track market conditions while pursuing wider business activities.

Going forward, redevelopment projects in the Tokyo metropolitan area and other cities are likely to open up, along with broader demand outside the Tokyo metropolitan area, especially in the Kansai area, related to Expo 2025 Osaka, Kansai and integrated resort (IR) plans, etc.

In addition, various office space plans with work-style reform in mind as well as investment plans for entertainment facilities are beginning to move forward, and expectations are high that these activities will fuel demand. Hereafter, the commercial and other facility business will strive to capitalize on heightened interest in innovative spatial creation across various sectors to capture orders and increase market share. In fiscal 2023, the commercial and other facility business is expected to achieve segment sales of ¥43.6 billion and segment income of ¥1,610 million.

## Chain Store Business

We aim to expand market share in western Japan, focusing on strengthening relationships with existing customers.

### Strengths

- Planning ability tailored to business needs and highly creative spatial design
- Competitive advantage as a pioneer in the industry, having launched our business ahead of our competitors

### Risks and opportunities

- Cancellation of/changes to store-opening plans, paralleling impact of skyrocketing costs for energy and raw materials
- With some exceptions, an improved demand environment and an increase in renovation projects
- Acceleration of e-commerce; expansion of the store maintenance and facility support markets

### Key measures of the medium-term management plan

- Expand market share of existing customers and develop new customers
- Strengthen relationships with existing customers and improve productivity to expand market share in western Japan
- Target growth in the maintenance sector, where demand is expected to increase; develop new customers

### Market conditions and business performance in fiscal 2022

The chain store business segment saw lower sales and lower income year on year, reflecting a drop in demand, mainly because of curbs on capital investment, paralleling the impact of skyrocketing costs for energy and raw materials, the cancellation of store-opening plans and the additional impact of intensifying price competition.

Consequently, segment sales were ¥18,269 million (down 7.4% year on year), and segment income was ¥336 million (down 42.2% year on year).

### Initiatives going forward

In the restaurant sector, interest in capital investment varied by business type due to the impact of skyrocketing costs for energy and raw materials. Nevertheless, investment is charting upward. Investment is also on the rise at large grocery, daily goods, sports and outdoor goods stores. The maintenance sector is seeing growth in demand for maintenance and facility support in the digital domain.

We will work to expand our share of existing customers and develop new customers. Particularly in western Japan, we plan to strengthen relationships with existing customers to boost market share and also increase productivity. In addition, we will work to expand the maintenance sector, where demand is expected to increase, and develop new customers. For fiscal 2023, we forecast segment sales of ¥21.8 billion and segment income of ¥860 million in the chain store business.



## Cultural Facility Business

We will strive to increase orders in public-private partnership projects, in pursuit of regional development and revitalization.

### Strengths

- Full support from protection of cultural assets to improvement of cultural resource value including planning, design, construction and operation
- Hold top-level market share, backed by a specialized think tank

### Risks and opportunities

- Changes/delays in plans, paralleling impact of skyrocketing costs for energy and raw materials
- Increasing needs relating to regional development and revitalization

### Key measures of the medium-term management plan

- Target increase in orders with focus on projects relating to regional development and public-private partnerships
- Stabilize and grow the cultural exhibition business by utilizing the exhibition experience we have cultivated over many years

### Market conditions and business performance in fiscal 2022

Segment sales and income fell below levels recorded the previous fiscal year, largely due to a decrease in high-revenue projects.

As a result, segment sales were ¥9,409 million (down 6.7% year on year), and segment income was ¥70 million (down 81.6% year on year).

### Initiatives going forward

In the business environment, we see continued growth in the need for the design and construction of exhibition space to achieve regional development and revitalization. Although the operational productions that we handle are limited, we have an increasing number of active initiatives for public-private partnership projects.

Considering this situation, we intend to expand orders with a focus on projects relating to regional development and public-private partnerships. In addition, we will leverage the exhibition expertise we have accumulated over the years to ensure the stable growth of our cultural exhibition business.

For fiscal 2023, we forecast segment sales of ¥10.2 billion and segment income of ¥480 million in the cultural facility business.

### Initiatives for further growth

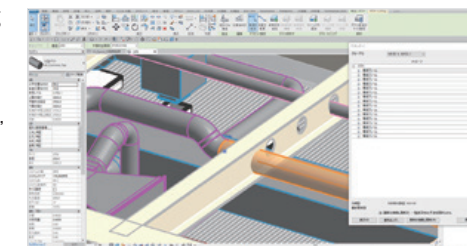
## Enhancing value with BIM

Building information modeling (BIM) uses a computer-generated 3D model with added attribute data such as information on the specifications, performance and finish of materials and components and management information. This enables various kinds of information to be used in all processes, from design and construction to maintenance and management, dramatically increasing operational efficiency. Tanseisha has established the BIM Promotion Committee, a companywide cross-sectional body dedicated to actively promoting the use of BIM. Since BIM was introduced in 2016, it has been used in the planning and proposal of a wide variety of projects, as well as in design and layout, production and construction, and maintenance. In 2022, BIM software was distributed to nearly 600 employees in charge of design and production, underpinning efforts to encourage use of BIM companywide. Tanseisha also presents the BIM Awards every year as an in-house opportunity to deepen awareness about BIM.

### Benefits of BIM utilization

One major advantage of BIM is that it offers the capability of sharing visual concepts, which accelerates decision making. Combining this with 3D modeling and rendering software enables the sharing of 3D perspectives and other easy-to-understand visual concepts from an early stage. It facilitates communication, creating an environment that allows customers to make decisions quickly.

In design activities, we incorporate new designs previously unattainable with computers through the use of even more sophisticated generative design methods and also apply 3D modeling to virtual reality and augmented reality spaces. BIM also uses 3D models to make possible accurate fitting verification and interference checks. Problems can be identified and resolved in advance, eliminating rework in the construction process. In addition, since drawings are prepared from a 3D model, information management is always current and correct. This contributes significantly to ensuring and improving the quality of the work site. Information on facilities and equipment that has been added to the 3D model can be used to plan for repairs, and maintenance can be notified in reasonable time.



Problems difficult to notice on a floor plan, such as the positional relationship between devices and their installation, can be detected in advance with a 3D model.

### Example of utilization [Audi City Kioicho]



3D perspective



Actual store

Corporate Social Responsibility

Our philosophy and vision as a company are reflected in our efforts and responsibility to realize a sustainable society.

**Our Philosophy**

Tanseisha aims to contribute to the enrichment of society and people's lives by creating better spaces.

**Our Vision**

Together with our customers, our employees and society, we will continue to create space for imaginations to grow.

**Tanseisha Group Standards of Practice**

Every company in the Tanseisha Group respectfully upholds social standards and completes services with sound judgment and responsibility, according to the law, in order to realize a sustainable society. To this end, we have set the following 12 criteria to be followed by directors and employees of each Group company.

1 Contribute to a sustainable society

2 Abide by the law

3 Fair business practices

4 Appropriate information management and disclosure, as well as constructive dialogue with stakeholders

5 Respect human rights, prohibit discrimination

6 Relationships of trust with customers and users

7 Protect intellectual property and personal information

8 Create a better work environment

9 Conserve the natural environment

10 Contribute to social participation and development


11 Thorough risk management

12 Measures against misconduct by business executives and top officials

Materiality issues


In February 2019, Tanseisha identified six materiality issues in its CSR efforts. We are promoting initiatives to address these issues throughout our corporate activities and periodically review our materiality to reflect changes in the circumstances of the Company and of society.

1




Contributing to social and cultural development and solutions for related issues

2




Promoting innovation

3




Supporting diversity

4




Promoting supply-chain management

5



Conserving the natural environment

6



Enhancing corporate governance

Initiatives for SDGs

We have defined target SDGs based on our CSR materiality issues. Throughout our business activities, we are pursuing initiatives aligned with these targets.

Materiality issues	SDGs	Our main initiatives and direction
Contributing to social and cultural development and solutions for related issues	4 Quality Education	■ In creating spaces, our main business, we plan and design social education facilities (museums, etc.) centered on various themes.
	8 Decent Work and Economic Growth	■ We contribute to the improvement of economic productivity and the creation of added value such as customer problem-solving practices through spatial creation and the instilling of liveliness.
	11 Sustainable Cities and Communities	■ We contribute to the development and promotion of the appeal of local regions (regional development) and sustainable tourism through space creation projects.
Promoting innovation	9 Industry, Innovation and Infrastructure	■ We create safe and secure spaces.
	11 Sustainable Cities and Communities	■ We practice creating inclusive spaces with consideration of users rich in diversity, including people with disabilities and the elderly (practice of universal design).
Supporting diversity	5 Gender Equality	■ We contribute to the conservation and handing down of culture and nature through spatial creation.
	9 Industry, Innovation and Infrastructure	■ We pursue innovation by engaging in various types of research, including the utilization of technology, and creating added value.
Promoting supply-chain management	4 Quality Education	■ We provide continuous educational opportunities for employees and support their growth.
	8 Decent Work and Economic Growth	■ We place importance on the education and enlightenment of workers and foster culture to promote understanding and acceptance of diversity, as well as the talents of our employees.
Conserving the natural environment	12 Responsible Consumption and Production	■ In addition to hiring diverse talented people, including women, the elderly and people with disabilities, we make efforts to enhance the motivation and diversity of our employees.
	12 Responsible Consumption and Production	■ We contribute to the realization of a circular economy by promoting the reduction, reuse and recycling of waste.
	12 Responsible Consumption and Production	■ We thoroughly manage waste such as chemical substances.
	12 Responsible Consumption and Production	■ We contribute to the realization of a circular economy by promoting the reduction, reuse and recycling of waste.
	12 Responsible Consumption and Production	■ We thoroughly manage waste such as chemical substances.
	13 Climate Action	■ We practice environmentally friendly design.
	13 Climate Action	■ We keep electricity use in offices to a minimum.


CSR Committee

Tanseisha has assembled a CSR Committee headed by the President and composed of all Directors (excluding Audit and Supervisory Committee members and Outside Directors). The committee establishes and inspects crucial guidelines, regularly reviews the Company's CSR efforts and assesses methods for enhancing CSR projects in each category and field.

Outside assessment


Received numerous awards at the 41st Display Industry Awards (2022)  
Tanseisha took home a Display Industry Gold Award and more, including Display Industry Silver Awards, for several projects, at the 41st Display Industry Awards (2022).

Display Industry Gold Award  
Nuclear Waste Management  
Organization of Japan  
GEO-LABO




Business owner: Nuclear Waste Management Organization of Japan  
Scope of work: Design, layout, production, construction  
Photographer: Taira Kurihara

Display Industry Silver Award  
TAKAMIYA TEIEN SARYO



Business owner: Positive dream persons Inc.  
Scope of work: Total direction, facility concept planning, total design supervision, design, production, construction (guesthouse and music hall interior, external signage)  
Photographer: PIPS

Display Industry Silver Award  
Aikei Pharmacy Yanaka



Business owner: Sun IM Planning Co., Ltd.  
Scope of work: Architectural and interior basic plan, design, basic layout, logo and business card design, total design supervision, furniture, store signage and tower clock production and construction  
Photographer: Taichi Misonoo

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Contributing to Social and Cultural Development and Solutions for Related Issues by Creating Spaces

By creating spaces for imaginations to grow, Tanseisha provides places and opportunities to energize and deepen the scope of various social activities, contributing to the creation and continuity of rich and diverse culture. In addition, we help solve issues that concern customers and society as a whole by such measures as creating places bustling with excitement, promoting regional revitalization, perpetuating history and culture and conveying that information to coming generations.

Solving issues through space creation

Our involvement in the creation of various spaces that foster social interaction enables us to help our customers, communities and society as a whole deal with issues of concern.

EKI MARCHÉ OSAKA



Business owner: West Japan Railway Daily Service Net Company Co., Ltd.  
Scope of work: Merchandising plans, tenant leasing support, common area interior design, production and construction (common area interior, signage, furniture, fixtures and equipment), interior design supervision  
Architectural design: JR WEST BUILT CO., LTD.

Renovated as a venue that makes “station time” a pleasant experience with a welcoming feel

“A little wandering through the market” was the concept that guided the reimagining of commercial facilities inside JR West’s Osaka Station as a variety park for food, with reasonably priced, everyday food items in a setting that customers might even be inclined to visit more than once a day.  
The same materials were used to construct the ceiling and the interior walls, and we applied a unified design throughout for consistency. Welcoming and comfortable, EKI MARCHÉ OSAKA is now a place to spend “station time.”

Made open space where north-south and east-west sections intersect to promote accessibility and cultivate sense of cohesiveness

By integrating the previously separate north and south sections, we eliminated the inconvenience of circling around to reach the north side and created an open space—Ekimaru Hiroba—where the north-south and east-west concourses cross to improve accessibility. This area has tables and chairs and is used as a meeting place or for eating a market purchase. The hustle and bustle at Ekimaru Hiroba draws the gaze of visitors and promotes movement throughout the entire facility.

Initiatives in regional revitalization

Aiming to solve community issues, Tanseisha creates spaces that contribute to regional revitalization. In addition, led by the Regional Revitalization Office, we take a multifaceted approach in verifying issues affecting communities and engaging with them as a partner from the initial stage of defining a business concept to drafting an operating plan.

TAKAMIYA TEIEN SARYO



Business owner: Positive dream persons Inc.  
Scope of work: Total direction, facility concept planning, total design supervision, design, production, construction (guesthouse and music hall interior, external signage)  
Architectural design: KAN Architects Studio  
Architectural construction: Q-Shu Kensetsu  
Garden improvement: Toshizouen

Preserving historical value and bringing a traditional building back to life as a place of relaxation driving regional renaissance

The former Takamiya residence of the Kaijima family is located in the Takamiya residential area of Fukuoka. The Kaijima family, one of three major families in the Chikuho region, made its wealth through coal mining, with founder Tasuke earning the nickname “Coal King.”  
With the residence no longer occupied, the building and the huge garden on the property were donated to the city and redeveloped under a public-private partnership project that integrated Japanese culture and history and the lush green surroundings with modern elements to ensure the future of this treasure. As a public park popular with local citizens and a resource for tourism, the revitalized site is a place for cultural exchange, recreating a style of hospitality unique to Japan.

Restored former residence and built structures to provide new services

From the perspective of preserving the architectural design of this cultural asset, the doors, windows and other fittings from the residence were reused as much as possible, and the residence was restored to its original appearance with techniques available today. It is used on a small scale as a place to enjoy tea or a meal.  
The newly built structures are used for weddings, seminars and other events. We successfully combined old and new by reusing wooden materials and roof tiles from collapsed buildings and carefully coordinating colors and materials. For the garden, we selected shrubs and trees with seasonal transitions in mind and used the technique of *shakkei*—borrowing scenery outside the garden as a backdrop—for better enjoyment of the garden setting.

Efforts to create safe, secure spaces

At Tanseisha, we strive as a team to create a better space—one that is safe, secure, comfortable and accessible to all. In addition, we constantly promote measures to enhance technical quality through approaches such as holding construction technology study meetings.

**Employee education to improve technical expertise**  
For production-oriented jobs, we offer production-specific, skill-improvement programs through e-learning, seminars and other platforms to enhance technical expertise related to laws, safety and construction. We also provide risk-assessment e-learning, primarily to facilitate a deeper understanding of risk assessment. In addition, we offer technical seminars for designers where designers as well as planners can improve their understanding of important points related to laws, structures and equipment, thereby averting trouble spots and risks right from the design stage and expediting work flow.

**Promoting awareness through production-related seminars**  
We seek to enhance our services from both quality and technology perspectives by raising awareness of safety and quality control at the planning stage and on-site, and we offer various classes aimed at improving our ability to meet customer needs and boost customer satisfaction.

**Analyzing and sharing information to create safe, secure spaces**  
Working to improve quality, with an emphasis on shorter construction phases, reduced industrial waste and confirmation of laws, Tanseisha holds construction technology study meetings. In addition, the Safety Committee, which meets monthly, analyzes and shares information on customer complaints requiring maintenance or repair and strives to prevent any reoccurrence. The committee also gathers information on ways to enhance technical quality and coordinates, instructs and guides relevant divisions in implementing improvements. Other tasks of the committee are to regularly review the safety handbook and develop various programs such as short courses for General Managers.

**Promoting universal design**  
We promote the creation of universal design spaces that are comfortable and accessible to a variety of users, including the elderly, children, people with disabilities and visitors to Japan. In addition to the hard and soft aspects of universal design, we strive to implement a universal design of the heart. We constantly gather information on universal design and make it available over the intranet and through other methods.

**Maintenance and repair initiatives**  
We support the facility life of shops by utilizing a nationwide network of partner companies that provide fast, high-quality maintenance and repair services. We set up a reception system that operates 24 hours a day, 365 days a year and strive for fast team deployment and response in emergencies to minimize the possibility of lost business opportunities. In addition, we use regular maintenance services to contribute to the stable operation and long life of shops.



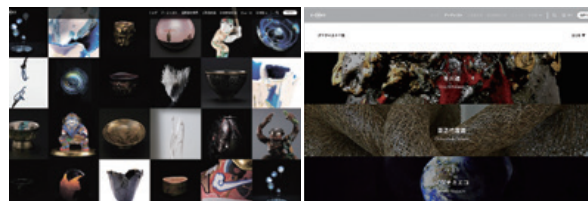
## Promoting Innovation

At Tanseisha, we are always learning how to better respond to the changing society and evolving technology and maintain our reputation as professionals of space creation. We also actively embrace new initiatives such as various research plans and demonstration experiments. We refine our know-how and originality in space creation and bring new value to the spaces we create.

### Develop and leverage new businesses

#### Operating B-OWND, artwork platform using blockchain technology

Tanseisha operates B-OWND, a platform for selling and distributing to buyers worldwide Japanese artwork produced by traditional methods. This service utilizes blockchain technology to issue a digital certificate guaranteeing authenticity of the work and added value in the fine arts market, where value creation through the reciprocal influence of primary and secondary distribution as well as ownership history are crucial, thereby facilitating the process of buying and selling through e-commerce.



By conscientiously introducing artists and their art, we will turn this platform into a link between artists and buyers.

#### Developing/operating THE TOKYO PASS

In collaboration with the Tokyo Metropolitan Foundation for History and Culture, Tokyo Convention & Visitors Bureau and JTB Corp., Tanseisha operates THE TOKYO PASS—Culture, a new service directed at inbound travelers to Japan that makes cultural tourism in Tokyo a more delightful and enriching experience. THE TOKYO PASS—Culture is an excursion pass for admission to 38 private and public cultural facilities in Tokyo, including history museums, art museums, landscaped gardens, zoos, aquariums and botanical gardens, combined with “Tokyo Subway Ticket” for unlimited rides on all Tokyo subway lines. All aspects of the service can be executed by smartphone, from purchasing the pass to physically entering a selected facility. Supported by the front-end cooperation of participating facilities, the service has cashless and touchless features that allow users to enter a facility safely and smoothly. With the app, users can also learn about cultural points in the area around each facility to enrich their cultural tourism experience.



#### Operating 4earth, e-commerce site specializing in discontinued products such as construction and interior materials

Tanseisha operates an e-commerce site—4earth—that specializes in discontinued products and aims to effectively utilize construction materials, lighting fixtures, interior materials and other products no longer being sold due to advances in technology and changing trends. We are creating spaces for clients in various fields, and we connect with manufacturers to select and collect discontinued products for reintroduction into commercial distribution and thereby encourage widespread use of existing materials. In addition, this approach of robustly using discontinued products underpins the structure of a circular society, where waste is reduced and resources are effectively utilized.



#### Promote R2 to use buildings for 100 years

On average, a reinforced concrete office building in Japan is used for about 50 years, but the physical service life of a reinforced concrete building frame is apparently more than 100 years. With seismic retrofit work, proper finishing and improvements, a building could be used for 100 years.

Through R2, we aim to reduce the carbon footprint of a new-build structure and thereby help address climate change by promoting stock utilization, whereby an existing building is used as long as possible, as an alternative to the conventional scrap-and-build method that calls for an old building to be demolished and replaced with a new structure.



#### Promoting NFT projects

In cooperation with many different artists, brands and business operators, Tanseisha has developed spaces by jointly planning and promoting NFT\* content creation brimming with appeal as well as NFT projects utilizing the special features of NFTs. We undertake similar pursuits by connecting virtual and physical spaces. We also promote joint projects linking physical space and NFTs to create new experience value.

\* Initialism for non-fungible tokens that create unique “one-of-a-kind-in-the-world” value. Utilize blockchain technology to turn assets into digital data that reduces the possibility of fraud

### Initiatives with digital applications

#### Initiatives to strengthen ICT and presentation technology

Seeing space as the only type of media that presents an experience, Tanseisha creates spaces that combine accumulated technology and know-how with the latest technologies, including information and communications technology (ICT), virtual reality (VR), augmented reality (AR), interactive technology and video and audio technology, to deliver a moving experience for visitors. We collaborate with professionals in different fields to generate new value in spaces, with efforts hinging on the CMI Headquarters, a team of spatial production professionals who maximize and optimize the value of spatial experience. In October 2022, we enhanced capabilities at Konan Lab Mk\_3, a verification hub for spatial creation ideas and techniques, leading to the opening of a streaming studio to offer information.



Konan Lab Mk\_3 streaming studio

#### Developing VisualTiles®

VisualTiles® is a set of databases and applications co-developed by Tanseisha's CMI Headquarters and Nsystem Co., Ltd., that supports information browsing and presentations optimized for communication spaces. Trademarked as a touch panel-type authoring browser, VisualTiles has been installed as a touch panel information terminal and communication tool in various spaces, including corporate showrooms, art museums and co-working spaces.



Smooth interface using pinch-to-zoom

### Promoting corporate partnerships, alliances and research

#### Seeking carbon-neutral status with point 0 and implementing carbon offset through office renovation

Tanseisha worked with the point 0 consortium to implement a carbon offset for emitted CO<sub>2</sub> by upgrading the meeting room at point 0 marunouchi, a member-type co-working space operated by point 0, to realize carbon-neutral status. Through this effort, we will cut the CO<sub>2</sub> emissions that accompany spatial creation and reduce the environmental impact.



point 0 marunouchi  
Carbon offset room  
Photographer: PIPS

#### “Owakarekai” service in real space as well as virtually

With Kamakura Shinsho, Ltd., which is engaged in end-of-life services, we offer “Owakarekai” (“farewell gathering”) service in real space as well as virtually. By connecting virtual space with physical space, we provide a place that does not become crowded but still welcomes many people who wish to pay their last respects.

#### Promoting use of BIM

The BIM Promotion Committee takes center stage in efforts to realize spatial creation with high value to society, with an emphasis on steps to reinforce the BIM platform and establish a work-flow ideal for workers in the display business, use BIM to contribute to sustainability and provide new design services based on data utilization. In addition, we hold seminars to introduce BIM to employees and partner companies and enhance related skills. We emphasize human resources development and information sharing as well, an approach highlighted by the production of BIM Magazine for employees.

#### Implementing seminar on digital applications

As part of efforts to promote deeper understanding and awareness of digital applications, we hold seminars for participants to acquire basic knowledge and learn about concepts related to digital information applications and digital transformation (DX). The e-learning course designed for all employees has a 100% participation rate, but we also hold webinars through which employees learn points to watch for when installing digital presentation systems as well as inherent risks, standardized processes and other aspects of digital operations.

#### Collaborative research on data science

In joint research with Mr. SATO Akihiro, a professor in the Department of Data Science, Graduate School of Data Science, Yokohama City University, Tanseisha co-sponsored a summer design workshop held by the university, with the online workshop planned and executed by Tanseisha employees. A number of Tanseisha employees participated in the workshop, which also involved students at Yokohama City University and people from co-sponsoring and supporting organizations, including the Ministry of Internal Affairs and Communications' Statistical Research and Training Institute and the Kamakura City Hall.

In addition, results achieved by the research team, which included representatives from Tanseisha, appeared in a publication put out by the Japanese Society of Applied Statistics under the title “SDG initiatives using a self-distributed world grid square statistics platform.”



Supporting Diversity

Tanseisha respects human diversity and aims to realize a society based on universal values. To do so, we create an environment in which our diverse team of employees can fully demonstrate their abilities and play active roles in the Company. We work to create a place where diversity is recognized, and a corporate culture is fostered to make full use of various perspectives, knowledge and know-how.

Fostering a culture of diversity and inclusion

Diversity training

Since 2017, we have been providing diversity training to executives and employees to help them deepen their understanding of diversity. Since 2021, we have been providing training for managers, who play an important role in human resources development and management. These programs deepen participants' understanding of diversity and provide them opportunities to learn and gain insights into their work and work styles. Such training helps foster a corporate culture that supports diversity and accommodates a variety of work styles.

Securing information and consideration for the hearing impaired

To create a more welcoming work environment for employees with disabilities, we introduced UD Talk®, a communication support and conversation app, and we utilize other modes of communication, including hiring sign language interpreters. In addition, we strive to cultivate an inclusive organizational culture by sharing information security methods and procedures on our internal portal site, responding to inquiries and holding in-house meetings in sign language to facilitate the exchange of business-related ideas and updates between hearing-impaired employees and others.

External initiatives

Participation in the Art and Sign Language Project

Since 2011, we have participated in the Art and Sign Language Project. This project addresses various obstacles that people with hearing challenges encounter when engaging in the appreciation of art, placing special importance on art, museums, sign language and the hearing-challenged.



Venue: Contemporary Art Gallery, Art Tower Mito  
Venue and photo courtesy of Chigasaki City Museum of Art

Cooperation in Universal Camp in Hachiojima

We have participated in and cooperated with Universal Camp in Hachiojima since it began in 2005. Organized by the NPO Universal Event Association, this exchange event brings together participants of all ages, disabilities and nationalities. It aims to realize a society where everyone leads active lives together based on the concepts of normalization and diversity.



Diversity program

Promoting diverse work styles

Human resources policy

The diverse individuality and creativity of employees are our most important management resources, and we respect the autonomy and individuality of our employees. Recognizing that employee health is the foundation of creativity and growth, we strive to create a comfortable work environment that considers the health and safety of employees. By developing work styles that take the human body and mind into consideration, as well as human resources development (education, training and career development), we strive to be a company where all employees and the team organization grow sustainably and demonstrate their full potential through a variety of work styles.

1 Respect the basic human rights and individuality of our employees

We respect diverse personalities and values without discrimination based on race, religion, nationality, gender, sexual orientation, gender identity, disability, etc.

2 Create a work environment that is not only easy to work in but worth working in

We take into consideration the health and safety of our employees and create a working environment where employees can work with a sense of value, in ways that suit them best.

3 We support the growth of our employees, teams and organizations

We provide opportunities for growth through challenging jobs aimed to suit the individual tasked and human resources development (education, training and career development).

Human resources development initiatives

As space creation professionals, our employees need certain skills. We design rank-specific and job-specific training and education programs for in-house study but also enable employees to obtain qualifications from external organizations. We conduct career interviews with employees to support their development into managers and specialists, and help employees devise a career path.

Training for new employees (Human Resources Development Project)

As part of new employee education, we have run an original hands-on training program since 2005. Designers and craftsmen on the front line of operations also participate in this program, and through serious competition with them, new employees come to understand the importance of the work they do and learn how to maximize their abilities under a team structure. This is their first experience of success.



New employees in all positions engage in product creation.

Diverse work styles and work-life balance

To enable work flexibility, we have introduced a remote work system for all employees and established shifts that allow employees to change their start time each day. In addition, we have established systems that increase the rate of employees taking childcare leave, shorten hours for employees with small children and encourage employees to take annual paid leave. We are also partnering with corporate-led nursery schools.

In 2005, we formulated the General Business Owner Action Plan, based on the Act on Advancement of Measures to Support Raising Next Generation Children. In 2007, we obtained the Next Generation Certification Mark. Furthermore, we have established our Family-Friendly Promotion Committee to promote work-life balance, workplace creation and work-style reform that make it easier for diverse human resources to demonstrate their abilities.



Promoting work-style reform

We have set a goal of preventing excessive labor and are taking steps companywide to achieve it. In addition, we have established the Work-Style Reform Promotion Committee to review our work styles and office environment.

We are enhancing our IT environment to streamline operations and improve productivity by providing work

terminals tailored to work styles, deploying RPA and AI chatbots and adopting a paperless purchasing transaction system. We are also improving our office environment. Besides adopting a free-address work-space system at the head office and all branch offices, we have set up satellite offices to create a distributed network.

Working to improve employee engagement

Seeking to strengthen communication among employees and improve employee engagement, we put out TANSEI-zine, an in-house newsletter, and organize activities such as Tansei Telewalk, a walking event using a pedometer app, to provide opportunities for employees throughout the Tanseisha Group to connect with one another.

Health care and welfare initiatives

In addition to regular health checkups and stress checks based on the Occupational Safety and Health Act, we provide comprehensive health examinations, medical examinations to prevent illnesses specific to women, influenza vaccinations, interviews with industrial physicians and online counseling.

To protect the lives of employees and their families from unexpected work-related disabilities, we introduced Group Long-Term Disability Income Compensation Insurance and Group Medical Insurance as new benefits to give employees peace of mind, allow them to focus entirely on their recovery and support them for a quick return to work. Furthermore, we offer self-care training for all employees and career-track training for managers to make employees aware of ways to stay healthy in mind and body.

Initiatives in response to the Act on the Promotion of Female Participation and Career Advancement in the Workplace

To create an employment environment that enables women to play active roles in the workplace, we prepared an action plan, and through various measures, we create numerous opportunities for women. We have set a target for the percentage of female managers, provide diversity-related training and career training and promote the use of childcare leave by both male and female employees.

Tanseisha non-financial data	
Percentage of female managers* (as of January 31, 2023) *Section manager and above, excluding Director	9.4%
Monthly average for overtime work* (fiscal 2022) *Including legal working hours on holidays Excluding managers and supervisors	27 hours, 19 minutes
Annual paid leave (January 1, 2022 through December 31, 2022)	12.0 days
Percentage of employees with disabilities (as of January 31, 2023)	2.2%
Percentage of mid-career hires (fiscal 2022)	58%

Promoting Supply-Chain Management

We have established a foundation for creating value, including quality and safety, through the expansion of our network of partner companies and the building of trusting relationships, all the while promoting CSR initiatives throughout the entire supply chain.

Procurement policy

Guided by our philosophy “to contribute to the enrichment of society and people’s lives by creating better spaces,” Tanseisha builds strong bonds of trust with business partners and adheres to the following nine principles in its procurement activities.

- 1

Compliance with laws and regulations
- 2

Fair and equitable transactions
- 3

Maintenance and improvement of health and safety
- 4

Ensuring quality and safety
- 5

Respect for human rights
- 6

Consideration for the environment
- 7

Protection of intellectual property rights
- 8

Information management and security
- 9

Contributions to a sustainable society

Examples of initiatives

Safety and Health Committee (managed by monthly emphasized themes)

Every month, we hold a Safety and Health Committee (Safety Committee) to promote safety management and quality control activities to eliminate accidents and disasters at construction sites by sharing information such as health and safety reports and reports of close calls and near misses at work sites.

Safety Convention and production seminars (conducting educational and awareness-raising activities)

The Tanseisha Safety Convention is held with Group companies and partner companies in conjunction with National Safety Week every year in July. To reinforce safety, we use this opportunity to have in-house and outside speakers give special lectures and have employees share safety management experiences at construction sites, measures that serve to improve and heighten safety awareness at such sites.



Enhancing production base

Through our partnership system and other approaches, we seek to build a stronger network of partner companies, reinforce bonds of trust and enhance our production base for sustainable business growth.

Quality, safety and environmental efforts

Safe construction, high quality and environmental considerations are the fundamentals of all Company practices. We have established various policies and priorities when working together with Tanseisha Group companies and partner companies across a vast spectrum of Company activities.

- Safety:

Basic policy  
—We make prevention the basis of safety and aim for zero disasters and accidents.  
Priority items for disaster and accident prevention  
—The prevention of fires, disasters affecting third parties, crashes and accidental falls at work sites, prevention of vehicular accidents and loading/unloading accidents
- Environment:

Environmental policy  
—Reduction of greenhouse gas emissions, environmentally friendly design, reduction of industrial waste, consideration for facility users, compliance
- Quality:

Compliance with quality control priorities, prohibitions and special management matters

Industrial Waste Management Committee (monitoring industrial waste disposal)

Twice a year, the Industrial Waste Management Committee is held to check the amount of industrial waste we dispose of and the status of waste separation done by each subcontractor. We seriously consider how to reduce the amount of our industrial waste and improve our disposal percentage. Furthermore, we properly and thoroughly scrutinize our subcontractors before selection and hold work-site inspections.

Corporate cooperation

We have organized the Seiwakai, a group comprising partner companies involved in our projects, and conduct safety and health and quality improvement activities centered on the Safety and Education Subcommittee and other subcommittees. Through Seiwakai, we share procurement policies, conduct joint patrols each month and provide training and information to members to improve safety awareness and skills, and support members in obtaining qualifications. In addition, we have set up the Disaster Prevention Council for studying danger awareness.



Protecting the Natural Environment

To protect the natural environment and pass it on to posterity, we work to reduce the environmental impact in our corporate activities, especially during our spatial creation phase.

Environmental policy

In the Tanseisha Group, like society as a whole, we have a strong sense of urgency about climate change. We have established an environmental policy to protect the environment in a sustainable way, while working to improve intellectual creativity and operational efficiency. We hope to inspire continuous change in awareness and behavior, as we work to create spaces for social interaction that enriches people’s lives.

Environmentally friendly design

In addition to striving to reduce the amount of resources and energy consumed and waste disposed of in our space development business, we aim to create spaces that are friendly both to people and the environment. We think of space for social interaction—the main target of our business activities—as part of the environment. We adhere to the six specific principles below in our environmentally friendly design.

Healthy design		3R design	
Energy-saving design		Universal design	
Safe design		Design for preservation of cultural properties	

Sick building response to prevent health problems

To prevent health problems arising from sick building syndrome, we implement environmentally friendly design and construction plans (analyzed by construction review committees) and select certified materials. We also monitor the use of certified materials at construction sites through an on-site management photo registry.

Environmental management system

Our environmental management system is integrated into our business activities and aims to create a comfortable environment for spaces for social interaction. We take into consideration everything from the design stage to the operational aspects of the facility after construction.

Environmental considerations at construction sites

For industrial waste management, we have established items of practice in our own procedures and developed a management plan to reduce the generation of industrial waste. We also record the details of implementation, their effects, the type and amount of waste generated, compliance status with laws, etc., after construction. Feedback is referenced in construction plans to manage industrial waste and produce continuous improvement.

Items of practice in our procedures			
	Use of factory production parts (precut and knock-down method)		Reduction of excessive packaging at the time of delivery of materials
	Rental (reused) materials and fixtures		Reduction of generation of waste offcuts by using economic dimensions
	Reduction of overprocuring materials and guidance on how to return surplus materials		Reduction of mixed waste by separate collection

Environmental activities at our offices

We curb electricity consumption with “Cool Biz” and “Warm Biz” programs, through which we conserve energy by adjusting temperature settings and by encouraging workers to dress casually. We have consolidated our servers to data centers with higher power efficiency and use energy-saving settings for office equipment. We also support the aims of the Ministry of the Environment’s Fun to Share project.



Supporting forest maintenance activities

Tanseisha supports the goals of the Green Fund, promoted by the National Land Afforestation Promotion Organization, and makes donations to the fund. Resources from the Green Fund are used for planting, thinning and other forest maintenance activities in Japan as well as forest environment education for children, international greening support and other initiatives based on the concept of creating forests that ensure a sustainable future for society.

Enhancing Corporate Governance

We will adapt to changes in society, constantly pursuing the best corporate governance and continuously working to ensure its improvement. We will make certain of transparency and fairness in decision making and maintain high ethical standards as a company. In doing so, we will continue to earn the wide-ranging trust of society. Further details are provided on page 42.



Dialogue: A Conversation with Outside Directors



(Honorific titles omitted)  
From left

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YOSHII Kiyonobu  
Outside Director  
(Audit and Supervisory Committee Member)

MAKIHARA Kotaro  
Outside Director  
(Audit and Supervisory Committee Member)

NIIJIMA Yumiko  
Outside Director  
(Audit and Supervisory Committee Member)

ITAYA Toshimasa  
Outside Director

We asked our four Outside Directors, each with deep insights in different fields, to look back on fiscal 2022, comment on our new corporate governance structure and give their expectations for Tanseisha going forward.

A year of steady progress despite a challenging business backdrop

**YOSHII:** The impact of the pandemic lingered in fiscal 2022. Projects that Tanseisha would typically do did not materialize as expected, and delays on projects also appeared, sidelining efforts to reach original performance targets and highlighting the challenges of this operating environment. Even against this backdrop, management had the good sense to push ahead with forward-looking improvements to the business foundation, including opening a studio for information distribution to enhance operations at Konan Lab “Mk\_3” (“Mark three”).

**ITAYA:** Unfortunately, I was unable to visit the Dubai expo before it ended in March 2022, but I heard that the displays were very well received thanks to collaboration with other companies and innovative display concepts, including aerial image projection. Achievements made at that expo will undoubtedly influence efforts at other events, including Expo 2025 Osaka, Kansai.

**NIIJIMA:** When I visit spaces created by Tanseisha, I am inspired. I feel extremely positive about a company that may face tough times but always bounces back and has a bright future. HANASAKA SQUARE of YANMAR TOKYO, which opened in the Yaesu area of Tokyo in January 2023, followed a renewal project—the YANMAR MUSEUM, in Nagahama, Shiga Prefecture—that Tanseisha had been involved in. The Tokyo project reinforced my appreciation of the high quality that goes into spatial creation and the deep trust customers have

in the Company. I noticed, as well, that the use of BIM on these projects dramatically improved operational efficiency.

**MAKIHARA:** A year has passed since I was appointed Outside Director at Tanseisha. My impression is that this is a sincere and open organization. From top to bottom, an atmosphere conducive to free and easy discussion facilitates creative processes, and the accommodating corporate culture that Tanseisha has cultivated gives young employees the opportunity to be actively involved. But the process of growth as an organization through transition to the Prime Market—a new segment on the Tokyo Stock Exchange—brings with it issues not encountered before. Our role as Outside Directors is to offer useful advice to help find solutions to such issues.

Beyond the turning point, paralleling rapid changes in the external environment

**ITAYA:** Today, Tanseisha’s business is at a turning point. The number of special zones, especially in Tokyo, where the government has eased restrictions on building formats, is increasing, and more and more mammoth urban spaces dot the landscape. This presents Tanseisha with huge demand potential. Accordingly, the Company will have to revamp its sales system because these giant urban developments involve unconventional customers such as funds. In addition, the new revenue recognition standard requires changes to business formats, including more precise project management.

**YOSHII:** While more long-term orders can be anticipated, the rising costs of materials and commodities—inflation—and wage increases could erode high revenues, and measures to maintain profitability amid such pressures must assume greater importance in decision making. Management needs to emphasize new methods for executing projects, including the

use of BIM, and consider how to boost the value-added quality of Tanseisha’s services.

**NIIJIMA:** The use of BIM also leads to reducing long working hours. The construction industry, like other industries, will be required to observe an upper limit on overtime, effective April 2024, and management is already taking various steps in preparation. But as measures are explored, latent risks have surfaced. The visualization of risks is an opportunity to remedy the situation, and management must realize that action is urgently required to deal with these once-hidden risks.

**MAKIHARA:** The pandemic was the primary factor affecting business results, but I am concerned that a shrinking number of ideas from individuals might also have played a part. For Tanseisha to demonstrate its expertise as a creative company, it needs an ever-increasing number of spontaneous, forward-looking ideas. In that sense, 2023 could well be the Company’s turning-point year.

New governance system underpins enthusiasm for embracing new challenges matched to the times

**MAKIHARA:** The executive officer system introduced in April 2023 is a strong reflection of the ideals held by former President Takashi Takahashi. A more streamlined Board of Directors will demonstrate agility and prevent the board from becoming a mere mechanism for approving corporate strategies. It is vital to have smooth communication and information sharing between the Board of Directors and Executive Officers.

**YOSHII:** The new governance structure will probably expedite decision making, and I see the potential for animated discussions by the Board of Directors and energetic development of the next generation of management.

President Kobayashi has a wealth of experience in sales operations, and I look forward to changes he will make to sales operations that align with the times.

**ITAYA:** Already Tanseisha has added space operation to its business resumé, mainly in the cultural facility business, to complement space production. When you are participating in a different aspect of business, it is important to be on the lookout for emerging risks. In addition, new skills may be required, so fresh approaches will be needed to build an appropriate structure, train human resources, ensure investment efficiency and procure funds.

**NIIJIMA:** Mr. Takahashi always said, “Let’s do fine work.” I think the idea of doing work that provides joy and a sense of fulfillment and accomplishment to all stakeholders has trickled down to every single employee. And when Mr. Kobayashi spoke about his ambitions on becoming the President, his intention to emphasize management with a human capital focus really struck a chord with me. I would like to see further progress on creating an environment in which every individual can demonstrate maximum potential. Reskilling and other approaches to enhance capabilities may take on greater importance. We Outside Directors will have to support this new direction from the perspectives of compliance and risk management.

**ITAYA:** Talking to on-site managers, I often heard that customers go directly to Tanseisha for advice. That is a reflection of the confidence customers feel in leaving a project in Tanseisha’s hands, knowing that Tanseisha will always create an interesting space that meets their expectations. Connecting people with people and linking experience with experience have earned the Company trust and credibility. However, going forward, that may not be enough. Tanseisha must pursue new approaches to space creation and try out different business models.

**YOSHII:** Tanseisha’s value comes from the demonstration of creativity and individual expression. The development of human resources unique to a specific field is the underlying component of this value, and management must realize this fact. When a company goes into expansion mode, progress sometimes comes at the cost of individuality, so management must strive to enrich the corporate culture as the Company grows.

**MAKIHARA:** I believe Tanseisha’s space creation is based on a dream of connecting people with people and time with time and creating harmony through these connections. As the world becomes more complicated, the need for comfortable spaces for relaxing and unwinding will increase. I am very sensitive to this need, and I look forward to Tanseisha’s efforts to create new spaces to meet growing demand. Tanseisha has a cheery, open corporate culture, but a solid governance system is vital to maintain this atmosphere. As Outside Directors, we must keep close watch on corporate practices to ensure no improprieties occur.

Basic approach

We always pursue the best corporate governance and work continuously to ensure its improvement.

We believe that the keys to corporate governance are to ensure transparency and fairness in decision making, to make full and effective use of our management resources and to increase the vitality of management through swift and accurate decision making, in order to achieve sustainable growth and long-term enhancement of our corporate value. We will work to enhance our corporate governance, in accordance with the following basic approaches.

- We will respect the rights of our shareholders and ensure their equality.
- We will consider the interests of stakeholders and cooperate with them appropriately.
- We will appropriately disclose corporate information and ensure transparency.
- We will establish a system of self-discipline to ensure the effectiveness of the Board of Directors' function of supervising business execution.
- We will engage in constructive dialogue with shareholders who have investment policies that are consistent with the interests of shareholders over the medium to long term.

Outline of the corporate governance system

Main items	Details
Organizational structure	A company with an audit and supervisory committee
Number / term of Directors (excluding Directors who are Audit and Supervisory Committee Members)	6 persons / 1 year
Number / term of Directors who are Audit and Supervisory Committee Members	4 persons / 2 years
Number of Outside Directors	4 persons
Voluntary committee	Nominating and Compensation Advisory Committee
Number of Outside Directors designated Independent Officers	4 persons
Accounting auditor	Deloitte Touche Tohmatsu LLC

Initiatives to strengthen corporate governance

2006	Decided the basic policy on the development of an internal control system
	Transitioned to a company with an audit and supervisory committee
2016	Established the basic policy on corporate governance Reviewed the basic policy on the development of an internal control system
2019	Introduced a performance-linked stock compensation plan for Directors (excluding Directors who are Audit and Supervisory Committee Members)
2020	Abolished takeover defense measures
2021	Establish the policy for determining the compensation, etc., of Directors
2023	Introduced an executive officer system

Board of Directors

The Board of Directors of the Company, which is chaired by the President and Chief Executive Officer, consists of 10 Directors, including six internal Directors and four Outside Directors, and meets once a month as a rule. Each Director, as a member of the Board of Directors, makes decisions swiftly and accurately, and the President and Chief Executive Officer oversees the Company's business operations as the person with the highest responsibility for business execution, on the basis of management policies determined by the Board of Directors.

Some Directors are also in charge of business execution, and information on the status of their business execution is shared, as appropriate, at the Business Execution Committee. On the other hand, to obtain appropriate opinions and advice on management from an objective standpoint, we have appointed four Outside Directors to enhance the transparency and objectivity of management. All Outside Directors have been designated Independent Officers, as stipulated by the Tokyo Stock Exchange.

Nominating and Compensation Advisory Committee

To strengthen the independence, objectivity and accountability of the functions of the Board of Directors related to the nomination and compensation of Directors, the Company has established a voluntary Nominating and Compensation Advisory Committee as an advisory body to the Board of Directors. The Nominating and Compensation Advisory Committee is chaired by a Full-Time Audit and Supervisory Committee Member and consists of five Directors, including one internal Director and four Outside Directors.

The Nominating and Compensation Advisory Committee, which performs the functions of both a nominating committee and a compensation committee, examines matters related to the appointment and dismissal of Directors, as well as policies related to the compensation of Directors and details of individual compensation, and submits its opinions and advice to the Board of Directors.

Audit and Supervisory Committee

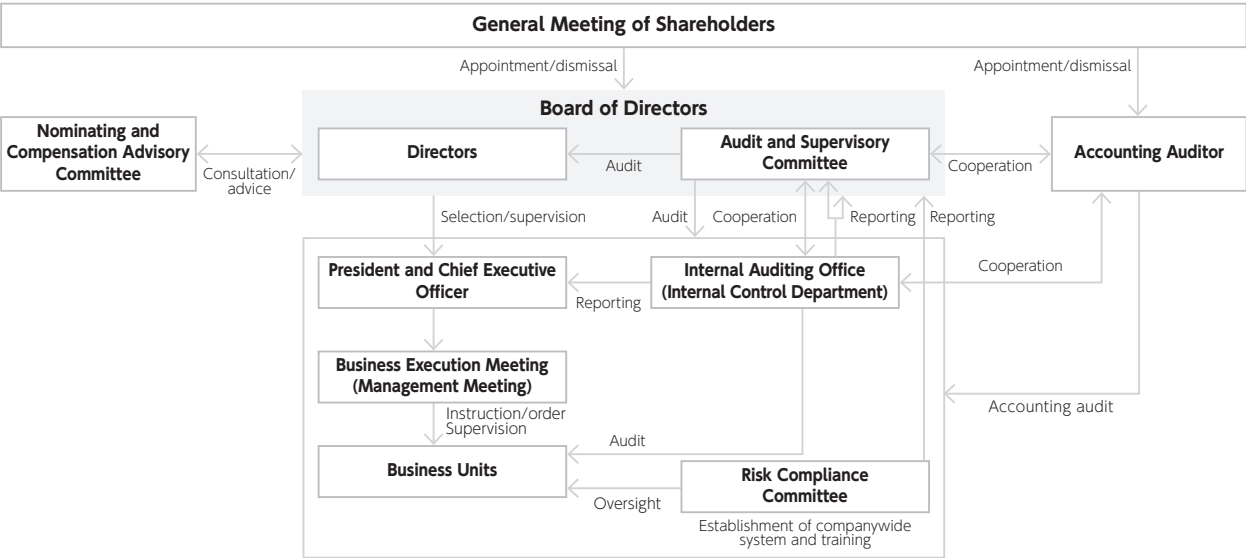
The Company has an Audit and Supervisory Committee, chaired by a Full-Time Audit and Supervisory Committee Member, which consists of four Directors, including one internal Director and three Outside Directors, and meets once a month as a rule.

In addition to attending Board of Directors meetings, a Director who is a Full-Time Audit and Supervisory Committee Member attends other important meetings, expresses opinions and collaborates with the internal audit department to enhance the effectiveness and efficiency of audits.

Evaluations of the effectiveness of the Board of Directors

Every year, the Company requests a third-party evaluation of the effectiveness of the Board of Directors. For fiscal 2022, we confirmed that the Company's Board of Directors is generally effective in terms of the following: composition and operation; management and business strategies; corporate ethics and risk management; performance monitoring and management evaluation and compensation; dialogue and collaboration with shareholders and other stakeholders; and reflections on the fiscal year.

Corporate governance system diagram (As of April 26, 2023)



Reasons for appointment and activities of Outside Directors

Name	Reasons for appointment	Activities
NIIJIMA Yumiko	Ms. NIIJIMA Yumiko is qualified as an attorney-at-law. The Company has appointed her in the expectation that she will exercise her auditing function from an objective standpoint, based on her high level of insight into corporate legal affairs.	Board of Directors: Attended 15 of 15 meetings (Took office in April 2018)
YOSHII Kiyonobu	Mr. YOSHII Kiyonobu has experience as a representative of a consulting group, as well as professional knowledge of finance and accounting, and is qualified as a certified public accountant and certified tax accountant. Therefore, the Company has appointed him in the expectation that he will exercise his auditing function from an objective standpoint.	Board of Directors: Attended 15 of 15 meetings (Took office in April 2020)
ITAYA Toshimasa	Mr. ITAYA Toshimasa has abundant experience and broad insight into corporate management as chairman of Property Data Bank, Inc., and also has expertise in digital utilization, which the Company is promoting. Therefore, the Company has appointed him in the expectation that he will provide management advice and contribute to the improvement of the supervisory function of the Company's management from an objective standpoint.	Board of Directors: Attended 15 of 15 meetings (Took office in April 2021)
MAKIHARA Kotaro	Mr. MAKIHARA Kotaro has a wide range of experience in the public administration field and is qualified as a certified tax accountant. Therefore, the Company has appointed him in the expectation that he will exercise his auditing function from an objective standpoint, using his deep insight into finance and accounting.	Board of Directors: Attended 13 of 13 meetings (Took office in April 2022)



Planning for the succession of the CEO and other executives

Although we do not currently have a specific plan for the succession of the CEO and other executives, we recognize that succession planning is an important issue for improving corporate value. We conduct our own in-house education and external training every year to develop the next generation of managers on the basis of our philosophy and management strategy. The status of implementation is reported to the Board of Directors regularly.

Executive compensation

Basic policy

The Company pays compensation to Directors in an amount commensurate with their performance, after taking into consideration the levels at other companies and other

factors, with the primary aim of motivating Directors to improve the performance of the Group and increase corporate value.

The compensation of Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members) consists of fixed compensation and variable compensation (short-term incentive (bonus) and medium- to long-term incentive (stock-based compensation)), as they are responsible for improving business performance each fiscal year and increasing corporate value over the medium to long term.

Outside Directors and Directors who are Audit and Supervisory Committee Members are paid fixed compensation only, due to their independence from business execution.

Policy for determining individual compensation, etc.

The amount of fixed compensation paid to each Director (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members) is determined by

the Board of Directors on the basis of the position of each Director (expected roles and responsibilities), after it takes into consideration the levels at other companies and other factors, the opinions and advice of the Nominating and Compensation Advisory Committee, whose majority is composed of independent Outside Directors, and the opinions of the Audit and Supervisory Committee, if any.

In addition, a representation allowance, a Chairman of the Board of Directors' allowance, etc., are added based on the fixed compensation.

The amount of fixed compensation paid to each Outside Director (excluding Directors who are Audit and Supervisory Committee Members) is determined by the Board of Directors based on the expected roles and responsibilities, after it takes into consideration the levels at other companies and other factors, the opinions and advice of the Nominating and Compensation Advisory Committee, whose majority is composed of independent Outside Directors, and the opinions of the Audit and Supervisory Committee, if any.

The total amount of fixed compensation paid to Directors who are Audit and Supervisory Committee Members is determined within the limit determined at the General Meeting of Shareholders, after the Company's business performance and earnings status are taken into consideration. The allocation of the total amount of compensation to each Director who is an Audit and Supervisory Committee Member is calculated in accordance with his or her respective duties and determined through discussions among the Directors who are Audit and Supervisory Committee Members.

Internal audits and audits by the Audit and Supervisory Committee

Internal audits of the Company are conducted by the Auditing Office, currently consisting of four members, under the direct control of the Representative Director. Following the internal audit plan formulated at the beginning of each fiscal year, the Auditing Office conducts internal audits of all aspects of the Company's operations, submits an internal audit report to the Representative Director and reports the audit results to the Board of Directors and the Audit and Supervisory Committee. We ensure the effectiveness of internal audits by instructing the audited departments to improve their operations as necessary and by having the audited departments report their improvement plans.

Directors who are Audit and Supervisory Committee Members attend Board of Directors meetings to monitor the execution of duties by Directors and also conduct audits based on audit reports from the accounting auditor and the internal audit department. In addition, they aim to improve the effectiveness and efficiency of audits by working closely with the Auditing Office and the accounting auditor, through such measures as the mutual exchange of information and opinions, whenever necessary.

Information disclosure

To ensure timely and appropriate information disclosure for the entire Group, we have established internal regulations (Group Insider Trading Prevention Regulations), and in accordance with these regulations, we have appointed a person in charge of information handling (executive in charge) and established a department in charge of information handling.

The person in charge of information handling determines whether reported information falls under the category of corporate information requiring disclosure under the Timely Disclosure Rules, after consulting with the department in charge of information handling. If such information falls under the category of corporate information requiring disclosure, the person in charge of information handling or the department in charge of information handling under the direction and order of the person in charge of information handling will disclose the information without delay. If it is difficult to determine whether timely disclosure is required, the Tokyo Stock Exchange is consulted in advance, to ensure that no terms of disclosure are omitted. Applicable information is posted on the Company's website immediately after disclosure.

Composition of executive compensation

	Basic compensation		Performance-linked compensation	
	Fixed compensation		Short-term incentive (bonus)	Medium- to long-term incentive (stock-based compensation)
Recipients	Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members), Outside Directors and Directors who are Audit and Supervisory Committee Members		Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members)	Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members)
Form of compensation	Cash		Cash	Stock and cash
Evaluation indicator	—		Consolidated orders accepted, consolidated operating income, consolidated operating income ratio and net income	Linked to management indicators stressed in the medium-term management plan (fluctuates in a range from 0% to 200%, depending on the achievement of targets)
Method of provision	Payment in cash in monthly installments		Payment in cash after the General Meeting of Shareholders	Shares corresponding to the number of points acquired during the target period and the converted cash equivalent of Company shares

Total amount of compensation, etc., by executive category, total amount by type of compensation, etc., and number of executives in each category

Executive category	Total amount of compensation, etc.	Fixed compensation	Total amount by type of compensation, etc.				Number of executives in category
			Performance-linked compensation		Retirement benefits	Of the left, non-financial compensation, etc.	
			Basic compensation	Bonus			
Directors (excluding Audit and Supervisory Committee Members and Outside Directors)	179	178	—	0	—	0	7 persons
Outside Directors (excluding Audit and Supervisory Committee Members)	7	7	—	—	—	—	1 person
Directors (Audit and Supervisory Committee Members, excluding Outside Directors)	19	19	—	—	—	—	1 person
Outside Directors (Audit and Supervisory Committee Members)	23	23	—	—	—	—	4 persons

Notes:1. Directors who concurrently serve as employees do not receive employee salaries.  
2. Stock-based compensation represents the amount recorded as expense during fiscal 2022.  
3. The cumulative amount of stock-based compensation expensed during the evaluation period (from fiscal 2021 through fiscal 2023) was ¥67 million.

Internal control system

The Company adopted a resolution on the basic policy regarding the development of an internal control system at the Board of Directors meeting held on May 12, 2006. The basic policy regarding the development of an internal control system was reviewed at the Board of Directors meeting held on April 26, 2016 (and partially revised as of December 1, 2022).

Compliance

The system to ensure that the execution of duties by Directors and employees complies with laws and regulations and the Articles of Incorporation will be in accordance with the Basic Compliance Regulations. Under the ultimate authority and responsibility of the Representative Director, the Director in charge of the general management departments is responsible for managing and executing the Groupwide compliance program. In addition, education and training related to compliance are conducted on an ongoing basis to raise the Directors' and employees' awareness of legal compliance, etc., and to enhance corporate ethics.

Board of Directors

(As of April 26, 2023)



TAKAHASHI Takashi  
Chairman and Chief Executive Officer

Number of Board of Directors  
meetings attended:  
15/15

Apr. 1974 Joined the Company  
Jun. 1999 Executive Officer and Senior Manager of First Public Space Dept. of Production Div.  
Apr. 2010 Director, Executive Officer and General Manager of Production Div. of Commercial Space Div.  
Feb. 2013 Director in charge of Design and Production in general, and Quality, Technology, Safety and Business Partners  
Feb. 2015 Managing Director in charge of Design and Production in general  
Feb. 2016 Executive Vice President  
Apr. 2017 President and Chief Executive Officer  
Apr. 2023 Chairman and Chief Executive Officer (current position)



KOBAYASHI Osamu  
President and Chief Executive Officer

Number of Board of Directors  
meetings attended:  
15/15

Apr. 1984 Joined the Company  
Apr. 2006 General Manager of IMC Business Unit 1 of Sales Headquarters  
Feb. 2008 General Manager of IMC Business Div.  
Feb. 2011 Deputy General Manager of CS Business Unit  
Feb. 2015 General Manager of CS Business Unit  
Apr. 2016 Director and General Manager of CS Business Unit, in charge of Commercial and Other Facility Business  
Feb. 2017 Director in charge of Commercial and Other Facility Business  
Feb. 2019 Managing Director in charge of Commercial and Other Facility Business  
Feb. 2021 Managing Director in charge of Sales Operations and Commercial and Other Facility Business  
Feb. 2022 Senior Managing Director in charge of Sales Operations and Commercial and Other Facility Business  
Apr. 2023 President and Chief Executive Officer (current position)



TODAKA Hisayuki  
Director  
(Full-Time Audit and Supervisory Committee Member)

Number of Board of Directors  
meetings attended:  
15/15

Apr. 1981 Joined the Company  
Apr. 1999 Senior Manager of Corporate Planning Dept. of Corporate Planning Office  
Feb. 2008 General Manager of Corporate Planning Div.  
Feb. 2014 General Manager of General Management Div.  
Apr. 2015 Director in charge of Corporate Planning, General Management, Business Management and Groups in general  
Feb. 2017 Managing Director in charge of Corporate Planning, General Management and Groups in general  
Apr. 2023 Director (Full-Time Audit and Supervisory Committee Member) (current position)



NIIJIMA Yumiko  
Outside Director  
(Audit and Supervisory Committee Member)

Number of Board of Directors  
meetings attended:  
15/15

Dec. 2009 Registered as an attorney-at-law (Tokyo Bar Association)  
Jan. 2010 Joined Yamada Law & Patent Office (current position)  
Apr. 2018 Outside Director of the Company (Audit and Supervisory Committee Member) (current position)  
Jun. 2021 Outside Director (Audit Committee Member) of Nomura Micro Science Co., Ltd. (current position)  
Sep. 2021 Registered as a certified fraud examiner



MORINAGA Tomoo  
Director

Number of Board of Directors  
meetings attended:  
14/15

Apr. 1986 Joined the Company  
Apr. 2006 General Manager of Production Div. 1  
Feb. 2008 Deputy General Manager of IMC Business Div.  
Feb. 2013 Deputy General Manager of CS Business Unit  
Feb. 2017 General Manager of Safety/Technology Promotion Center  
Apr. 2017 Director and General Manager of Safety/Technology Promotion Center, in charge of Production  
Feb. 2018 Director and General Manager of Technical Center, in charge of Production  
Apr. 2023 Director in charge of Design and Production (current position)



FUKAYA Toru  
Director

Number of Board of Directors  
meetings attended:  
— (Took office in April 2023)

Apr. 1989 Joined the Company  
Apr. 2006 Senior Manager of Sales Dept. 2 of Commercial Space Div. 1  
Feb. 2012 General Manager of Sales Dept. 2 of CS Business Unit  
Feb. 2015 Deputy General Manager of CS Business Unit  
Feb. 2017 General Manager of Commercial Space Business Unit  
Feb. 2023 Senior Councilor of Commercial Space Business Unit  
Apr. 2023 Director in charge of Sales Operations and Marketing (current position)



YOSHII Kiyonobu  
Outside Director  
(Audit and Supervisory Committee Member)

Number of Board of Directors  
meetings attended:  
15/15

Feb. 1990 Joined Natsume Audit Corporation  
Apr. 1995 Registered as certified public accountant  
Jul. 2002 Established accounting firm  
Mar. 2004 Managing Partner of NTS Sogo Tax Corporation (former Akasakamitsuke Sogo Tax Corporation) (current position)  
Feb. 2008 Managing Partner of Iris Audit Corporation (current position)  
Sep. 2016 Representative of NTS Sogo Consulting Group (current position)  
Apr. 2020 Outside Director of the Company (Audit and Supervisory Committee Member) (current position)



MAKIHARA Kotaro  
Outside Director  
(Audit and Supervisory Committee Member)

Number of Board of Directors  
meetings attended:  
13/13 (Took office in April 2022)

Apr. 1986 Joined National Tax Agency  
Jul. 1993 District Director of Ichinoseki Tax Office of Sendai Regional Taxation Bureau  
Jul. 2007 Deputy Commissioner (Large Enterprise Examination and Criminal Investigation) of Kanazawa Regional Taxation Bureau  
Jul. 2012 Assistant Regional Commissioner of Management and Co-ordination Department of Fukuoka Regional Taxation Bureau  
Jul. 2014 Director (Public Relations) of Commissioner's Secretariat of National Tax Agency  
Apr. 2017 Qualified as certified tax accountant  
Jul. 2019 Regional Commissioner of Hiroshima Regional Taxation Bureau  
Jul. 2020 Deputy Commissioner of Collection Dept. of National Tax Agency  
Apr. 2022 Outside Director of the Company (Audit and Supervisory Committee Member) (current position)  
June 2022 Senior Executive Director of Tokyo Federation of Corporate Associations (current position)  
June 2022 Senior Executive Director of Tohoren Specified Retirement Allowance Mutual Aid Association (current position)



TSUKUI Tetsuo  
Director

Number of Board of Directors  
meetings attended:  
— (Took office in April 2023)

Apr. 1989 Joined the Company  
Feb. 2014 Senior Manager of Business Promotion Dept. of Business Management Div.  
Feb. 2020 General Manager of Corporate Planning Div.  
Feb. 2023 Senior Councilor of Corporate Planning Div.  
Apr. 2023 Director in charge of General Management (current position)



ITAYA Toshimasa  
Outside Director

Number of Board of Directors  
meetings attended:  
15/15

Apr. 1989 Joined SHIMIZU CORPORATION  
Oct. 2000 Established Property Data Bank, Inc. and assumed presidency  
Apr. 2021 Outside Director of the Company (current position)  
Apr. 2022 Chairman of the Board, Property Data Bank, Inc. (current position)  
Apr. 2023 Visiting Professor, Graduate School of Creative Science and Engineering, Waseda University (current position)

Expected roles as members of the Board of Directors

	Position	Name	Corporate management	Finance and accounting	Human resources development	Risk management and compliance	Social environment and safety	Digital advanced technology	Sales	Creative design	Quality and technical production	Audit and supervision
	Chairman and Chief Executive Officer	TAKAHASHI Takashi	○			○						
	President and Chief Executive Officer	KOBAYASHI Osamu	○		○	○			○			
	Director	MORINAGA Tomoo	○				○	○		○	○	
	Director	FUKAYA Toru	○						○			
	Director	TSUKUI Tetsuo	○	○	○	○	○	○				
	Outside Director	ITAYA Toshimasa	○					○				○
	Full-Time Audit and Supervisory Committee Member	TODAKA Hisayuki		○		○						○
	Audit and Supervisory Committee Member (Outside Director)	NIIJIMA Yumiko				○						○
	Audit and Supervisory Committee Member (Outside Director)	YOSHII Kiyonobu		○		○						○
	Audit and Supervisory Committee Member (Outside Director)	MAKIHARA Kotaro		○		○						○



We have established a Risk Compliance Committee in accordance with the Tanseisha Group Standards of Practice and the Basic Compliance Regulations. Together with the Director in charge, the committee is working to raise ongoing awareness by conducting activities such as training.

Compliance training

Tanseisha has established the Tanseisha Group Standards of Practice to ensure compliance with laws and regulations, uphold social standards and complete our services with sound judgment and responsibility. In addition, in light of the importance of compliance, we provide ongoing education and training on compliance. Specifically, we conduct annual e-learning compliance training for all executives and employees of the Tanseisha Group to ensure that they are aware of compliance.

Compliance hotline (Internal reporting window)

The Tanseisha Group has established a reporting and consultation window based on the Whistleblower Protection Act. The window is outsourced to outside lawyers and is open not only to employees but also to business partners of Group companies, allowing them to report misconduct, such as a violation of laws and regulations that has occurred or may occur in connection with the business practices of Group companies. By establishing an internal reporting system, we strive to prevent and detect legal violations early, and take prompt and appropriate action for any legal violation.

Establishment of harassment consultation

In accordance with our Anti-Harassment Regulations, we have established an external harassment consultation desk to offer consultations and receive complaints from employees about harassment.

Information security measures

Tanseisha works continuously to improve information security, including strengthening the security of client computers with remote work as the premise. In addition, the IT Service Management Committee assesses security risks and issues a decision prior to the implementation of initiatives such as large-scale system installations.

Regarding personal information, we have set up the Personal Information Protection Management Systems (PMS) Committee to promote initiatives for protecting personal information using a PDCA cycle, including management reviews, mainly through committee activities. In addition, we have obtained PrivacyMark, which proves that personal

information is appropriately protected, in accordance with management systems to safeguard personal information.

Initiatives for BCP (business continuity plan)

As part of our BCP initiatives, we participate regularly in disaster drills at tenant buildings, conduct safety confirmation drills and carry out initial response drills. In addition, we maintain complete stocks of supplies for any disaster, replacing inventory as necessary.

Refusal to do business with antisocial forces

In line with the basic policy of establishing an internal control system, Tanseisha refuses to have any connection with anti-social forces. In addition, we resolutely reject any unjust demands from antisocial forces. The General Affairs Department, as the corresponding department, takes legal action, both civil and criminal, while seeking guidance from our legal counsel and the police, as necessary. Furthermore, we raise the awareness of all employees by holding regular in-house seminars on how to deal with antisocial forces.

Initiatives for protecting intellectual property rights

In addition to conducting educational programs to acquire knowledge on intellectual property, we actively engage in initiatives to protect intellectual property rights by such measures as holding online seminars on the revised Design Act.

Status of risk management system

The Company has established a Risk Compliance Committee, which includes the relevant directors, to oversee the status of risk management conducted by each department and to carry out necessary evaluations and verifications and convey instructions. The committee takes the initiative in identifying risks, assessing them and setting priority countermeasures for the entire Company and all its business areas. It is also responsible for overall education and awareness, as well as for directing responses to major risk events when they occur. Important decisions and the operational status of these risk management activities are reported to the Board of Directors periodically and as needed.

Business and other risks

The Group constantly identifies, evaluates and analyzes circumstances and takes measures against events that could significantly affect its operating results or financial position or that could impede the smooth operation and growth of its business.

These business risks are identified primarily by the Risk Compliance Committee, which oversees and promotes risk management activities based on the Regulations on Management of Risk of Loss, and are assessed by criteria such as the likelihood of an occurrence of a risk event and the

degree of impact of such an event. On the basis of the assessment results, we identify risks that management should specifically keep in mind, determine risk measures whose implementation is particularly important from an overall perspective and monitor the implementation status of these measures.

Any important choices, decisions, etc., made in identifying risks, assessing them and determining the countermeasures stated above are reported to the Board of Directors and linked to management judgment and decision making.

1 Uncertainty risks

The Group's business consists of meeting the diverse requests of customers and users through spatial design and providing solutions to their problems. Due to these characteristics, the Group's business is subject to economic trends and changes in the needs and demands of the market and society, which could significantly affect operating results and the realization of corporate value.

2 Safety and security damage risks

The business of the Group focuses on spaces, the most familiar environments that surround users and occasionally interact with them. The safety and security of users and other concerned parties are paramount and cannot be compromised. The ability to maintain safety not only in the space the Group has created but also during the creation of that space could significantly affect the credibility and trust of the Group and the smooth execution of its business.

3 Fairness and legal compliance risks

In conducting its business, the Group is subject to various laws and regulations. As a sensible company group that fulfills its social responsibility, it is required not only to comply with such laws and regulations but also to conduct fair corporate activities in conformity with various social standards. Any occurrence of events that runs contrary to such compliance could significantly affect the Group's credibility, its social reputation and the smooth continuation of its business.

4 Information-handling risks

The Group's business is to provide solutions to customers' problems. As such, it receives various types of information, including confidential information, from its customers for use in its work. The Group also holds a wide range of other important information, including business partner information, personal information and technical information. Failure to handle this information properly could significantly affect the credibility and trust of the Group and the smooth execution of its business.

5 Personnel risks

The Group's business is the provision of intangible software services in the form of solutions through spatial design. Much of the value it provides depends on the personal skills of its employees. People are the assets from which value creation and profit generation originate. As such, the condition and performance of the Group's personnel significantly affect the smooth promotion and growth of the business.

6 Disaster and epidemic risks

The occurrence of unavoidable crises such as a large-scale natural disaster or an epidemic could have a significant and compounding impact on the stability and continuity of the Group's business, including repercussions for each of the above risks and their manifestation.

## Consolidated Financial and Non-Financial Highlights for the Past 10 Years

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
<b>Financial results (millions of yen)</b>										
Net sales	57,074	63,373	67,612	70,781	75,156	82,677	81,678	69,225	62,714	64,221
Gross profit	9,392	10,765	11,916	12,337	13,364	14,163	15,406	14,133	11,582	10,710
Selling, general & administrative expenses	7,330	8,015	8,697	8,407	8,777	9,138	9,729	9,084	9,557	10,093
Operating income	2,061	2,749	3,218	3,929	4,587	5,025	5,677	5,049	2,024	616
Net income	2,565	3,936	4,379	2,626	3,221	4,206	4,074	3,437	1,434	459
Orders accepted	60,471	72,510	67,139	72,883	80,490	83,173	85,639	64,615	64,589	67,600
Total assets	31,198	36,506	41,550	41,205	43,968	43,622	46,761	42,557	45,244	41,858
Net assets	14,098	17,488	21,422	23,110	25,510	26,922	28,276	29,248	29,059	29,414
Depreciation and amortization	253	263	468	318	301	218	185	266	171	169
Free cash flow	1,674	1,626	9,163	5,275	263	4,929	(500)	6,209	(171)	735
<b>Financial indicators (%)</b>										
Gross profit margin	15.5	17.0	17.6	17.4	17.8	17.1	18.9	20.4	18.5	16.7
Operating income ratio	3.6	4.3	4.8	5.6	6.1	6.1	7.0	7.3	3.2	1.0
Net income ratio	4.5	6.2	6.5	3.7	4.3	5.1	5.0	5.0	2.3	0.7
SG&A ratio	12.8	12.6	12.9	11.9	11.7	11.1	11.9	13.1	15.2	15.7
ROA (ordinary income to total assets ratio)	7.3	8.7	8.5	9.9	11.1	11.9	13.0	11.8	5.0	1.8
ROE (net income to equity ratio)	20.3	24.9	22.5	11.8	13.3	16.0	14.8	12.0	4.9	1.6
Equity ratio	45.2	47.9	51.6	56.1	58.0	61.7	60.5	68.7	64.2	70.3
Dividend payout ratio	12.5	14.7	16.8	40.3	53.8	43.4	49.1	55.4	86.3	309.9
<b>Per share data* (yen)</b>										
Net income	79.89	81.81	91.03	54.58	66.96	87.63	85.53	72.19	30.13	9.68
Net assets	439.47	363.46	445.28	480.37	530.28	562.70	594.83	613.53	613.11	617.96
Annual dividend	10.00	12.00	18.00	22.00	36.00	38.00	42.00	40.00	26.00	30.00
<b>Non-financial data (persons)</b>										
Number of employees	Male	904	937	931	941	945	976	980	976	1,048
	Female	167	181	177	190	212	258	293	320	362
	Total	1,071	1,118	1,108	1,131	1,157	1,234	1,273	1,296	1,404

\* The Company conducted a 1.5-for-1 share split of common stock effective August 1, 2015. Net assets per share and net income per share are calculated based on the assumption that the share split was carried out at the beginning of the fiscal year ended January 31, 2015. Furthermore, the annual dividend per share for the fiscal year ended January 31, 2016 is the sum of ¥8 per share of the interim dividend paid before the share split and ¥10 per share of the year-end dividend paid after the share split.

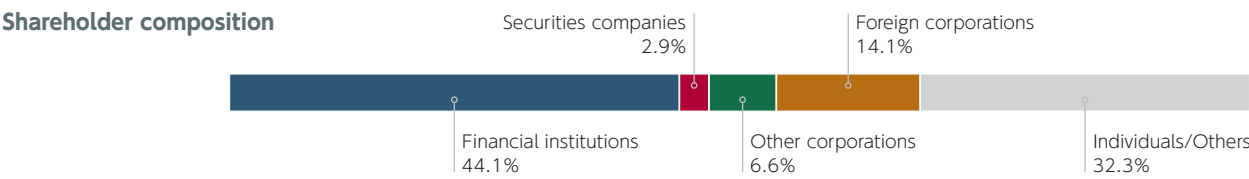


Corporate Information/Investor Information

(As of January 31, 2023)

Company name	TANSEISHA Co., Ltd.																										
Founded	October 1946																										
Established	October 14, 1949 Incorporated: December 25, 1959 (Reestablished under the current effective name)																										
Capital	¥4,026 million (as of January 31, 2023)																										
Number of employees	Consolidated: 1,404 Non-Consolidated: 1,045																										
Description of business	Research, planning, design, layout, production, construction and operation of commercial, hospitality, public, event, business and cultural spaces																										
Head office address	Shinagawa Season Terrace 19F, 1-2-70 Konan, Minato-ku, Tokyo 108-8220, Japan Tel +81-3-6455-8100																										
Major group companies	<table><tr><th>Name</th><th>Capital or equity capital</th><th>Main businesses</th></tr><tr><td>Tansei TDC Co., Ltd.</td><td>¥100 million</td><td>Building, carpentry and interior-finishing work</td></tr><tr><td>Tansei Display Co., Ltd.</td><td>¥50 million</td><td>Display design business</td></tr><tr><td>Tansei Business Co., Ltd.</td><td>¥40 million</td><td>Extensive services business including sale and rental of office supplies and equipment, insurance agency and factoring transactions</td></tr><tr><td>Tansei Institute Co., Ltd.</td><td>¥50 million</td><td>Information collection, research and study of cultural facilities</td></tr><tr><td>JDN Inc.</td><td>¥20 million</td><td>Information-provision services utilizing websites, advertisement sales and contest planning and operation</td></tr><tr><td>Tansei Humanet Co., Ltd.</td><td>¥70 million</td><td>Worker-dispatching business, fee-charging employment placement business and education business mainly for the construction industry</td></tr><tr><td>Tansei Creative Design Co., Ltd. (Shanghai, P.R. China)</td><td>US\$650 thousand</td><td>Design and consulting related to commercial facilities, exhibition facilities and promotion facilities</td></tr></table>			Name	Capital or equity capital	Main businesses	Tansei TDC Co., Ltd.	¥100 million	Building, carpentry and interior-finishing work	Tansei Display Co., Ltd.	¥50 million	Display design business	Tansei Business Co., Ltd.	¥40 million	Extensive services business including sale and rental of office supplies and equipment, insurance agency and factoring transactions	Tansei Institute Co., Ltd.	¥50 million	Information collection, research and study of cultural facilities	JDN Inc.	¥20 million	Information-provision services utilizing websites, advertisement sales and contest planning and operation	Tansei Humanet Co., Ltd.	¥70 million	Worker-dispatching business, fee-charging employment placement business and education business mainly for the construction industry	Tansei Creative Design Co., Ltd. (Shanghai, P.R. China)	US\$650 thousand	Design and consulting related to commercial facilities, exhibition facilities and promotion facilities
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Stock data	Total number of shares authorized to be issued	187,200,000
	Total number of shares issued	48,424,071
	Number of shareholders	13,384
	Stock exchange listing	The Prime Market of the Tokyo Stock Exchange
	Securities code	9743
	Shareholder registry administrator/ account management institution of special accounts	Mitsubishi UFJ Trust and Banking Corporation 4-5, Marunouchi 1-Chome, Chiyoda-ku, Tokyo



Major shareholders

Names of shareholders	Number of shares (thousands of shares)	Percentage of shares (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	7,398	15.38
Custody Bank of Japan, Ltd. (Trust account)	2,966	6.17
Tanseisha's Client Stock Ownership	2,323	4.83
The Dai-ichi Life Insurance Company, Limited	1,907	3.96
Sumitomo Mitsui Banking Corporation	1,500	3.12
Tanseisha's Employee Stock Ownership	1,484	3.09
MUFG Bank, Ltd.	1,482	3.08
Nippon Life Insurance Company	1,446	3.01
The Nomura Trust and Banking Co., Ltd. (Investment trust account)	1,329	2.76
GOVERNMENT OF NORWAY	838	1.74

Note: Percentages of shareholdings are calculated by excluding 317,706 shares of treasury stock. Treasury stock (317,706 shares) does not include the Company's shares (184,700 shares) held by Tanseisha's Employee Stock Ownership Exclusive Trust and the Company's shares (322,952 shares) held by the Executive Compensation BIP Trust.

Tanseisha's websites



https://www.tanseisha.co.jp/en



https://www.tanseisha.co.jp/en/ir/financial