

Summary of Consolidated Financial Results For the Fiscal Year Ended March 31, 2015 [Japan GAAP]

Company: Takamatsu Construction Group Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange (First Section)

Stock code: 1762

URL: <http://www.takamatsu-cg.co.jp/>

Representative Director: Kanji Ogawa, President

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Regular general meeting of shareholders: June 25, 2015 (tentative)

Date of commencement of dividend payment: June 26, 2015 (tentative)

Date of filing of securities report: June 26, 2015 (tentative)

Supplementary explanatory documents: Yes (for analysts)

Earnings presentation: Yes (for analysts)

(Yen in millions, rounded down, figures in parentheses indicate negative amounts or percentages)

1. Consolidated results of operations for the year ended March 2015 (April 1, 2014 – March 31, 2015)

(1) Consolidated result of operations (Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY3/15	189,212	6.5	7,155	9.9	7,212	7.9	6,343	3.1
FY3/14	177,743	18.5	6,509	38.0	6,684	37.8	6,154	111.4

Note: Comprehensive income: FY ended March 31, 2015: 7,980 million yen [18.1%]
FY ended March 31, 2014: 6,755 million yen [75.5%]

	Net income per share	Net income per share (diluted)	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
FY3/15	176.13	-	7.6	4.6	3.8
FY3/14	170.87	-	7.9	4.5	3.7

(Reference) Equity in earnings of equity method affiliates: - million yen for FY3/15 - million yen for FY3/14

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	yen
FY3/15	162,158	99,131	53.3	2,397.37
FY3/14	154,629	94,148	51.7	2,220.53

(Reference) Shareholders' equity: 86,350 million yen for FY3/15 79,981 million yen for FY3/14

(3) Consolidated cash flow position

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
FY3/15	3,823	280	(1,185)	71,762
FY3/14	13,994	(884)	(1,139)	68,843

2. Dividends

	Dividend per share					Total dividends (Annual)	Dividend ratio (Consolidated)	Dividend-to-equity ratio (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of FY	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY3/14	-	11.00	-	14.00	25.00	900	14.6	1.2
FY3/15	-	11.00	-	16.00	27.00	972	15.3	1.2
FY3/16 (Est.)	-	12.00	-	15.00	27.00		21.6	

Notes: FY3/14 year-end dividend includes 2 yen of special dividend
FY3/15 year-end dividend includes 4 yen of special dividend

3. Consolidated forecast for the fiscal year ending March 31, 2016 (April 1, 2015 – March 31, 2016)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Profit (loss) attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	92,000	11.2	2,300	3.5	2,300	1.7	1,250	1.2	34.70
Full year	205,000	8.3	7,600	6.2	7,600	5.4	4,500	(29.1)	124.93

* Notes

(1) Changes in significant subsidiaries (Changes in specific subsidiaries accompanied by changes in the scope of consolidation): No

(2) Changes in accounting principles and estimates, and retrospective restatement

(a) Changes due to revision of accounting standards: Yes

(b) Changes other than in (a): No

(c) Changes in accounting estimates: No

(d) Retrospective restatement: No

Note: For more information, please see 5. Consolidated Financial Statements, (5) Notes on consolidated financial statements (Changes in accounting principles) on page 14.

(3) Number of shares outstanding (common stock)

(a) Shares outstanding (including treasury stock)

As of March 31, 2015: 38,880,000 As of March 31, 2014: 38,880,000

(b) Treasury stock

As of March 31, 2015: 2,860,980 As of March 31, 2014: 2,860,913

(c) Average number of shares

Period ended March 31, 2015: 36,019,020 Period ended March 31, 2014: 36,019,120

(Reference) Non-consolidated Financial Results

Financial results for the fiscal year ended March 2015 (April 1, 2014 – March 31, 2015)

(1) Result of operations (Non-consolidated)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY3/15	2,115	27.1	1,183	39.1	1,230	37.2	3,854	336.9
FY3/14	1,664	(15.9)	850	(24.2)	896	(23.3)	882	(24.1)

	Net income per share	Net income per share (diluted)
	Yen	Yen
FY3/15	107.00	-
FY3/14	24.49	-

(2) Financial Position (Non-consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	yen
FY3/15	34,872	33,103	94.9	919.06
FY3/14	30,987	29,502	95.2	819.08

(Reference) Shareholders' equity: 33,103 million yen for FY3/15 29,502 million yen for FY3/14

* Description of quarterly review procedure implementation status

The rule mandating a review of financial statements (under the Financial Instruments and Exchange Act) does not apply to this Summary of Financial Results. The review procedure process based upon the Financial Instruments and Exchange Act has not been completed at the time of disclosure of this report.

* Cautionary statement regarding forecasts of operating results and special notes

(Note on forward looking statements)

Forward-looking statements in these materials are based on information available to management at the time this report was prepared. Actual results may differ significantly from these statements for a number of reasons.

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1. Analysis of Results of Operations and Financial Condition

(1) Analysis of results of operations

(a) Results of operations in year ended March 2015

During the fiscal year, the Japanese economy was supported by monetary easing by the Bank of Japan and other economic stimulus measures. The yen weakened, stock prices continued to recover and there were higher earnings at some companies. However, there was still some uncertainty about whether or not these improvements would extend to all sectors of the economy.

In the construction industry, public-works investments were strong and there was a recovery in private-sector capital expenditures. Despite these positive trends, the severe shortages of engineers and other skilled construction workers created challenges with regard to profitability.

To achieve Takamatsu Construction Group's theme of "creating a bright future by energetically overcoming turbulence," "leadership and communication" was the key phrase of this fiscal year. Takamatsu Construction Co., Ltd., one of the Group's core companies, made "status quo breakthrough and jump high" its theme with the key phrase of "prioritize and execute." Aoki Asunaro Construction Co., Ltd., the other core company, made "consistent step-up to realize sustainable growth" its theme with the key phrase of "secure workforce and capture rising market of renewal & anti-disaster."

Due to these activities, orders received increased 16.4% to a record 225,667 million yen and sales increased 6.5% to 189,212 million yen, surpassing the previous record. Earnings were higher, too. Operating income increased 9.9% to 7,155 million yen and ordinary income increased 7.9% to 7,212 million yen. Net income in the previous fiscal year that ended in March 2014 included extraordinary gains of 326 million yen from a change in equity and 2,092 million yen from negative goodwill. In the fiscal year that ended in March 2015, there was negative goodwill of 2,199 million yen resulting from the conversion of Aoki Asunaro Construction class A shares into common stock. As a result, net income increased 3.1% to 6,343 million yen.

Business segment performance was as follows. Segment earnings have been adjusted for consistency with operating income on the consolidated statement of income.

(Building construction)

Orders received increased 13.5% to 103,214 million yen, net sales of completed construction contracts increased 7.6% to 87,331 million yen and earnings decreased 4.7% to 4,304 million yen.

(Civil engineering)

Orders received increased 19.9% to 112,393 million yen, net sales of completed construction contracts increased 5.0% to 91,821 million yen and earnings increased 48.7% to 4,169 million yen.

(Real estate)

Sales from real estate transactions, leasing and other operations increased 9.6% to 10,059 million yen and earnings were down 23.6% to 866 million yen.

(b) Outlook for fiscal year ending in March 2016

In Japan, public-works investments will probably remain at the current level for several years because of reconstruction activity associated with the March 2011 earthquake, construction projects for the 2020 Tokyo Olympics, government investments to make Japan more resistant to natural disasters, and other projects. There are also expectations for a high volume of private-sector expenditures, partly due to the return of manufacturing operations to Japan. In the market for rental condominium buildings, where Takamatsu Construction Group has a strong presence, growth is anticipated due to the strong need of real estate owners to utilize property and create inheritance plans. This need is continuing due to the January 2015 revision of the Inheritance Tax Act, the upturn of real estate prices in the Tokyo, Nagoya and Osaka areas, as well as the consistently low interest rate. However, there is a structural shortage of engineers and other skilled construction workers. Due to persistent concerns about the rising cost of construction workers and materials, the business climate is likely to remain challenging with regard to earnings.

In the fiscal year ending in March 2016, we forecast growth in sales and earnings as shown in the table below.

However, we expect a decrease in net income because of the contribution of negative goodwill to net income in the fiscal year that ended in March 2015.

(Million yen, %)

	Consolidated forecast	YoY change vs. FY3/15
Net sales	205,000	8.3
Operating income	7,600	6.2
Ordinary income	7,600	5.4
Profit attributable to owners of parent	4,500	(29.1)

(2) Analysis of financial condition

(a) Assets, liabilities and net assets

(Assets)

Assets totaled 162,158 million yen at the end of the fiscal year, 7,529 million yen more than at the end of the previous fiscal year. This was mainly the result of increases in cash and deposits and notes receivable, accounts receivable from completed construction contracts and other.

(Liabilities)

Liabilities increased 2,545 million yen to 63,027 million yen. The primary reason was an increase in advances received on uncompleted construction contracts.

(Net assets)

Net assets increased 4,983 million yen to 99,131 million yen. There was a 5,121 million yen increase in shareholders' equity mainly because of fiscal year net income of 6,343 million yen and dividend payments of 900 million yen. Minority interests decreased 1,386 million yen.

Shareholders' equity after deducting minority interests was 86,350 million yen and the equity ratio was 53.3%, 1.6 percentage point higher than at the end of the previous fiscal year.

(b) Cash flows

Cash and cash equivalents at the end of the fiscal year totaled 71,762 million yen, 2,918 million yen more than one year earlier.

(Operating activities)

Net cash provided by operating activities was 3,823 million yen compared with 13,994 million yen one year earlier. Major sources of cash were income before income taxes and minority interests of 9,227 million yen and a 1,715 million yen increase in decrease/increase in consumption taxes receivable/payable. Cash flows were reduced by gain on bargain purchase of 2,199 million yen, a 2,313 million yen increase in accounts receivable - other and income taxes paid of 2,852 million yen.

(Investing activities)

Net cash provided by investing activities was 280 million yen compared with a negative cash flow of 884 million yen in the previous fiscal year. There were proceeds of 342 million yen from the sale of property, plant and equipment, 842 million yen from the sale of investment securities and 233 million yen from proceeds from sales of investments in real estates. There were payments of 938 million yen for the purchase of property, plant and equipment and 158 million yen for the purchase of intangible fixed assets.

(Financing activities)

Net cash used in financing activities was 1,185 million yen compared with 1,139 million yen in the previous fiscal year. The main use of cash was cash dividends paid of 899 million yen.

(Reference) Cash flow index trends

	FY3/11	FY3/12	FY3/13	FY3/14	FY3/15
Equity ratio (%)	50.4	53.2	53.2	51.7	53.3
Equity ratio based on market cap (%)	35.6	34.2	35.5	42.7	57.0
Cash flow/ interest-bearing debt (years)	0.2	0.0	-	0.0	0.1
Interest coverage ratio (times)	121.4	47.4	-	102.8	23.1

Notes:

1. Equity ratio: Shareholders' equity/Total assets
2. Equity ratio based on market cap: Market capitalization/Total assets
3. Cash flow/interest-bearing debt: Interest-bearing debt/Operating cash flows
4. Interest coverage ratio: Operating cash flows/Interest expenses

(1) All indicators are based on figures in the consolidated financial statements.

(2) Market capitalization is calculated by share price X number of shares outstanding (excluding treasury stocks) as of the end of the fiscal year.

(3) Interest-bearing debt is the sum of all liabilities on the consolidated balance sheet on which the Company is obligated to pay interest.

(4) Cash flow/interest-bearing debt and the interest coverage ratio are not shown for the FY3/13 because the operating cash flow was negative.

(3) Basic Policy for Earnings Distributions and Dividends for Current and the Next Fiscal Year

Distributing earnings to shareholders is one of our highest priorities. Our basic policy is to maintain stable and consistent dividend payments while distributing earnings in a manner that reflect results of operations. In addition, we will retain earnings in order to strengthen our operations with the goals of increasing our ability to capture orders and building a sound framework for operations.

Retained earnings are used effectively from a medium to long-term perspective with the primary objectives of strengthening and upgrading operations of the entire Group and building a base for upcoming activities.

For the fiscal year that ended in March 2015, based on results of operations, the Group's financial condition and plans for business operations, we plan to pay a dividend of 27 yen per share. This is the sum of an ordinary dividend of 23 yen, including the 11 yen interim dividend, and a special dividend (year-end) of 4 yen.

For the fiscal year ending in March 2016, we plan to pay a dividend of 27 yen per share.

Dividend per share

(yen)

	FY3/13	FY3/14	FY3/15 (E)	FY3/16 (E)
Dividends (Total of ordinary and special dividends)	23	25	27	27

2. Corporate Group

The primary business of Takamatsu Construction Group and the Group companies is building construction and civil engineering. The Group also has a real estate business and operations associated with this business.

This section contains an explanation of major activities of operating companies and a flowchart of these activities.

(Building construction)

Takamatsu Construction (building construction), Kongo Gumi and Nakamura Shaji (shrine and temple construction), JP Home (RC individual residence construction), Suminoe Kogei (interior remodeling), Yamato Construction [Osaka] and Yamato Construction [Tokyo] (remodeling and maintenance), M's (remodeling)

(Building construction and civil engineering)

Aoki Asunaro Construction (civil engineering and building construction), Mirai Construction Engineering (harbor, marine, civil engineering, building construction)

(Mainly civil engineering)

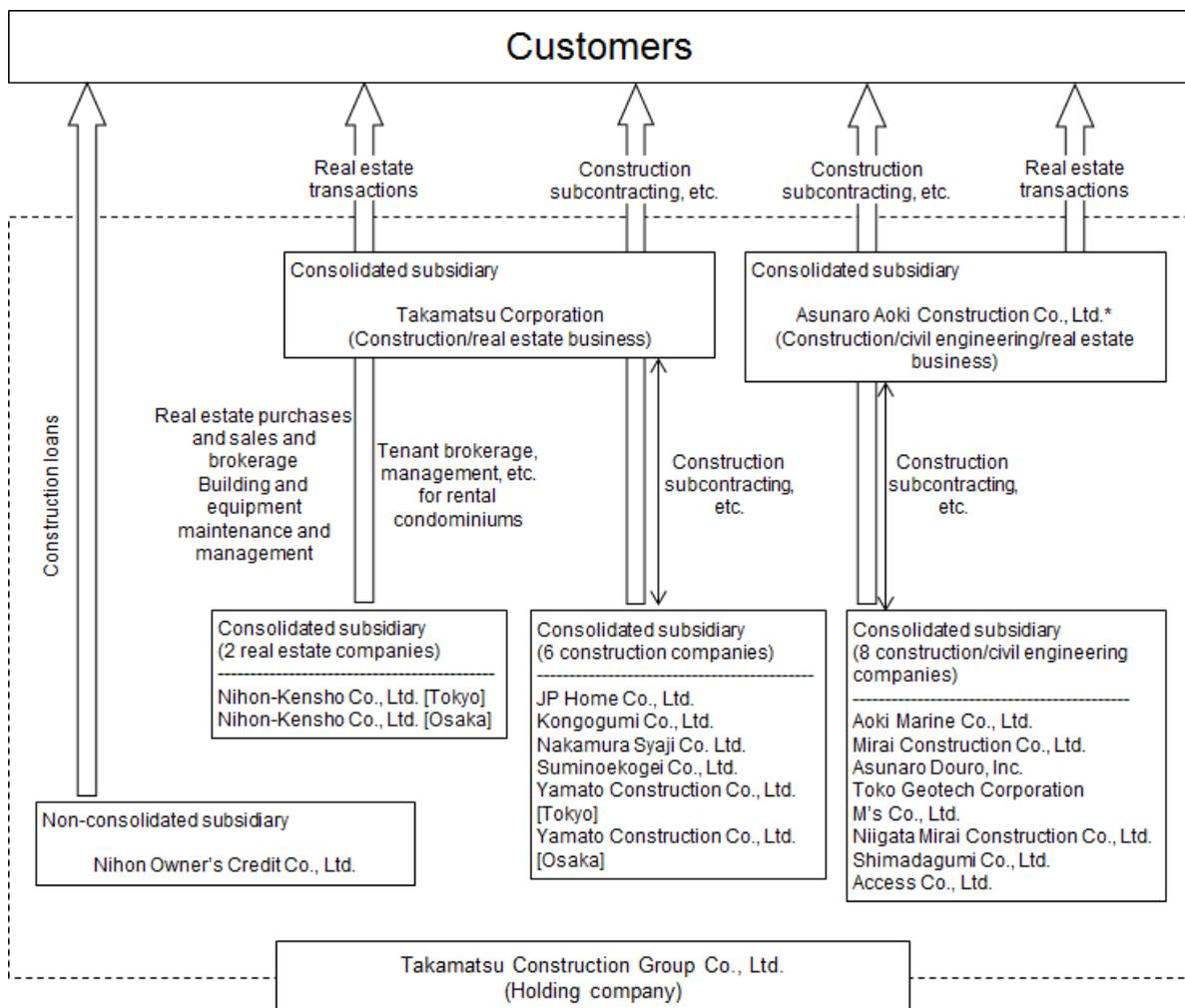
Aoki Marine (marine civil engineering), Asunaro Douro (paving), Toko Geotech (slope protection, site preparation), Niigata Mirai Construction (paving, civil engineering), Shimada Gumi and Access (archeological excavations and studies)

(Real estate)

Nihon Kensho [Osaka] and Nihon Kensho [Tokyo] (comprehensive real estate consulting)

(Other)

Nihon Owners Credit (financing for building construction)



* Listed on the Tokyo Stock Exchange first section

3. Management Policies

(1) Basic policies

The philosophy of Takamatsu Construction Group is to conduct the construction business in order to function as one element of mutually complementary components vital to society. We are dedicated to conducting the business activities of all Group companies in order to earn an excellent reputation among customers, business partners, shareholders and other stakeholders as well as the general public. We believe these activities will lead to growth of the total corporate value of our Group.

To accomplish this objective, we seek growth and profitability. However, our fundamental stance is to refuse to overly prioritize profitability. For example, we will never use improper or fraudulent methods nor seek quick profits.

(2) Targeted performance indicators

We believe that achieving growth of corporate value by increasing earnings and growing will be in the best interests of our shareholders. Our goal is to increase sales and efficiency to achieve a consolidated operating margin of 5%.

(3) Medium and long-term strategies and issues

In Japan, the level of public-works investments will probably be maintained for several years because of reconstruction activity associated with the March 2011 earthquake, construction projects for the 2020 Tokyo Olympics, government investments to make Japan more resistant to natural disasters, and other projects.

There are also expectations for growth in private-sector expenditures because of strong earnings. In the rental condominium building market, where Takamatsu Construction Group has a strong presence, growth is anticipated due to the strong need of real estate owners to utilize property and create inheritance plans. This need is continuing due to the January 2015 revision of the Inheritance Tax Act, the upturn of real estate prices in the Tokyo, Nagoya and Osaka areas, as well as consistently low interest rates. However, there is a structural shortage of engineers and other skilled construction workers. Due to persistent concerns about the rising cost of construction workers and materials, the business climate is likely to remain challenging with regard to earnings.

Takamatsu Construction Group will celebrate its 100th anniversary in 2017. With operations that encompass almost every category of the construction business, the Group is a highly profitable organization that has distinctive strengths for sales activities to develop new business as well as for construction technologies. Our goal is to establish a stable and sustainable growth trajectory for sales and earnings that is backed by favorable conditions surrounding the construction industry. Group companies will work even harder to capture market share in fields where we are competitive. Group companies will also take on the challenge of entering emerging new markets. We have two main objectives. First is to become a corporate group with an outstanding reputation and high profitability. We want to rank among the best in terms of technologies and specialized skills in all our markets through cooperation and competition among Group companies. Second is to be an organization where people have rewarding jobs and take pride in working in our Group. We will continue to aim for a bright future through the teamwork of all our people.

We will implement growth strategies through two groups: Takamatsu Construction Group and Aoki Asunaro Construction Group.

Takamatsu Construction Group

1. Continue the expansion of the rental condominium building business (increase market share).
2. Strengthen comprehensive service capabilities including designing, construction, property management, renovation, and build stronger ties with our customers.
3. Start and expand distinctive business activities within the Group.

Aoki Asunaro Construction Group

1. Enhance the Group's profile by participating in major projects such as the Tokyo Olympics, linear-motor trains, government projects to increase the resilience of Japan to natural disasters and other projects.
2. Make a big improvement in profitability.
3. Accumulate technologies that can contribute to sustainable growth.

4. Basic stance regarding selection of accounting standards

Takamatsu Construction Group will use Japanese accounting standards to prepare consolidated financial statements. Using these standards allows comparing financial data from year to year and with the performance of the other Japanese companies.

We plan to take appropriate actions concerning the use of International Financial Reporting Standards (IFRS) by taking into consideration trends and events in Japan and the other countries.

5. Consolidated Financial Statements

(1) Consolidated balance sheet

(Million yen)

	Fiscal year ended March 2014 (As of March 31, 2014)	Fiscal year ended March 2015 (As of March 31, 2015)
ASSETS		
Current assets		
Cash and deposits	68,843	71,762
Notes receivable, accounts receivable from completed construction contracts and other	48,991	49,785
Real estate for sale	3,386	5,213
Costs on uncompleted construction contracts	1,239	496
Costs on real estate business	1,408	661
Accounts receivable	3,813	6,214
Deferred tax assets	717	1,034
Other	1,186	1,400
Allowance for doubtful accounts	(195)	(197)
Total current assets	129,391	136,370
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	2,895	2,889
Machinery, equipment and vehicles, and tools, furniture and fixtures, net	611	626
Vessels, net	1,220	1,120
Land	9,304	9,449
Lease assets, net	233	194
Construction in progress	25	-
Total property, plant and equipment	14,290	14,280
Intangible assets	244	327
Investments and other assets		
Investment securities	6,011	6,702
Deferred tax assets	1,330	1,150
Other	3,973	3,816
Allowance for doubtful accounts	(611)	(488)
Total investments and other assets	10,703	11,180
Total noncurrent assets	25,238	25,788
Total assets	154,629	162,158

(Million yen)

	Fiscal year ended March 2014 (As of March 31, 2014)	Fiscal year ended March 2015 (As of March 31, 2015)
LIABILITIES		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	26,889	26,663
Income taxes payable	1,732	1,514
Advances received on uncompleted construction contracts	10,858	11,465
Provision for bonuses	1,676	1,971
Provision for warranties for completed construction	700	676
Provision for loss on construction contracts	35	113
Other	5,534	7,649
Total current liabilities	47,427	50,055
Noncurrent liabilities		
Deferred tax liabilities for land revaluation	353	331
Net defined benefit liability	10,307	10,445
Provision for special repairs of ships	87	99
Other	2,306	2,094
Total noncurrent liabilities	13,053	12,971
Total liabilities	60,481	63,027
NET ASSETS		
Shareholder's equity		
Capital stock	5,000	5,000
Capital surplus	272	272
Retained earnings	80,683	85,805
Treasury stock	(4,296)	(4,296)
Total shareholder's equity	81,659	86,781
Accumulated other comprehensive income		
Valuation differences on available-for-sales securities	651	1,520
Revaluation reserve for land	(1,657)	(1,272)
Remeasurements of defined benefit plans	(671)	(678)
Total accumulated other comprehensive income	(1,677)	(430)
Minority interests	14,166	12,780
Total net assets	94,148	99,131
Total liabilities and net assets	154,629	162,158

(2) Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Million yen)

	Fiscal year ended March 2014 (April 1, 2013 - March 31, 2014)	Fiscal year ended March 2015 (April 1, 2014 - March 31, 2015)
Net sales		
Net sales of completed construction contracts	168,565	179,153
Sales on real estate business	9,178	10,059
Total net sales	177,743	189,212
Cost of sales		
Cost of sales of completed construction contracts	150,198	158,572
Cost of sales on real estate business	7,910	8,961
Total cost of sales	158,109	167,534
Gross profit		
Gross profit on completed construction contracts	18,366	20,580
Gross profit-real estate business	1,267	1,097
Total gross profit	19,634	21,677
Selling, general and administrative expenses	13,125	14,522
Operating income	6,509	7,155
Non-operating income		
Interest income	5	19
Dividend income	138	100
Gain on bad debts recovered	110	45
Delinquent charge earned	-	25
Other	65	68
Total non-operating income	320	260
Non-operating expenses		
Interest expense	135	165
Other	9	37
Total non-operating expenses	145	203
Ordinary income	6,684	7,212
Extraordinary income		
Gain on sales of investment securities	0	175
Gain on bargain purchase	2,092	2,199
Gain on change in equity	326	-
Other	25	22
Total extraordinary income	2,445	2,396
Extraordinary losses		
Loss on change in equity	-	255
Loss on litigation	24	49
Impairment loss	30	55
Retirement benefit expenses	85	-
Other	52	22
Total extraordinary losses	192	381
Income before income taxes	8,937	9,227
Income taxes-current	2,505	2,538
Income taxes-deferred	(105)	(342)
Total income taxes	2,399	2,196
Income before minority interests	6,537	7,030
Minority interests in income	383	686
Net income	6,154	6,343

Consolidated statements of comprehensive income

(Million yen)

	Fiscal year ended March 2014 (April 1, 2013 - March 31, 2014)	Fiscal year ended March 2015 (April 1, 2014 - March 31, 2015)
Income before minority interests	6,537	7,030
Other comprehensive income		
Valuation difference on available-for-sale securities	217	947
Revaluation reserve for land	-	20
Remeasurements of defined benefit plans, net of tax	-	(18)
Total other comprehensive income	217	949
Comprehensive income	6,755	7,980
Comprehensive income attributable to owners of the parent	6,363	7,223
Comprehensive income attributable to minority interests	392	757

(3) Consolidated statement of changes in equity
 Previous fiscal year (April 1, 2013 –March 31, 2014)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	5,000	272	75,428	(4,296)	76,404
Cumulative effects of changes in accounting policies					
Restated balance	5,000	272	75,428	(4,296)	76,404
Changes of items during the period					
Dividends from surplus			(504)		(504)
Dividends from surplus (interim)			(396)		(396)
Net income			6,154		6,154
Purchase of treasury stock				(0)	(0)
Reversal of revaluation reserve for land			0		0
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	5,254	(0)	5,254
Balance at the end of current period	5,000	272	80,683	(4,296)	81,659

	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	443	(1,657)	-	(1,213)	16,952	92,142
Cumulative effects of changes in accounting policies						-
Restated balance	443	(1,657)	-	(1,213)	16,952	92,142
Changes of items during the period						
Dividends from surplus						(504)
Dividends from surplus (interim)						(396)
Net income						6,154
Purchase of treasury stock						(0)
Reversal of revaluation reserve for land						0
Net changes of items other than shareholders' equity	208	(0)	(671)	(463)	(2,785)	(3,249)
Total changes of items during the period	208	(0)	(671)	(463)	(2,785)	2,005
Balance at the end of current period	651	(1,657)	(671)	(1,677)	14,166	94,148

Current fiscal year (April 1, 2014 –March 31, 2015)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	5,000	272	80,683	(4,296)	81,659
Cumulative effects of changes in accounting policies			47		47
Restated balance	5,000	272	80,730	(4,296)	81,706
Changes of items during the period					
Dividends from surplus			(504)		(504)
Dividends from surplus (interim)			(396)		(396)
Net income			6,343		6,343
Purchase of treasury stock				(0)	(0)
Reversal of revaluation reserve for land			(368)		(368)
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	5,074	(0)	5,074
Balance at the end of current period	5,000	272	85,805	(4,296)	86,781

	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	651	(1,657)	(671)	(1,677)	14,166	94,148
Cumulative effects of changes in accounting policies						47
Restated balance	651	(1,657)	(671)	(1,677)	14,166	94,195
Changes of items during the period						
Dividends from surplus						(504)
Dividends from surplus (interim)						(396)
Net income						6,343
Purchase of treasury stock						(0)
Reversal of revaluation reserve for land						(368)
Net changes of items other than shareholders' equity	868	384	(6)	1,247	(1,386)	(138)
Total changes of items during the period	868	384	(6)	1,247	(1,386)	4,936
Balance at the end of current period	1,520	(1,272)	(678)	(430)	12,780	99,131

(4) Consolidated statements of cash flow

(Million yen)

	Fiscal year ended March 2014 (April 1, 2013 - March 31, 2014)	Fiscal year ended March 2015 (April 1, 2014 - March 31, 2015)
Cash flows from operating activities		
Income before income taxes and minority interests	8,937	9,227
Depreciation	754	755
Impairment loss	30	55
Gain on bargain purchase	(2,092)	(2,199)
Loss (gain) on change in equity	(326)	255
Increase (decrease) in allowance for doubtful accounts	(410)	(120)
Increase (decrease) in provision for bonuses	158	295
Increase (decrease) in provision for warranties for completed construction	47	(24)
Increase (decrease) in provision for loss on construction contracts	(31)	78
Increase (decrease) in net defined benefit liability	175	232
Increase (decrease) in provision for special repairs-ships	17	12
Interest and dividend income	(144)	(119)
Interest expenses	135	165
Loss (gain) on sales of non-current assets	(12)	(8)
Loss (gain) on sales of investment securities	(0)	(175)
Decrease (increase) in notes and accounts receivable - trade	(2,338)	(794)
Decrease (increase) in bad debts	512	292
Decrease (increase) in inventories	(413)	(335)
Decrease (increase) in accounts receivable - other	1,210	(2,313)
Increase (decrease) in notes and accounts payable - trade	4,495	(225)
Increase (decrease) in advances received on uncompleted construction contracts	3,603	607
Decrease/increase in consumption taxes receivable/payable	1,018	1,715
Other, net	945	(655)
Subtotal	16,272	6,721
Interest and dividend income received	144	119
Interest expenses paid	(136)	(165)
Income taxes paid	(2,286)	(2,852)
Cash flows from operating activities	13,994	3,823
Cash flows from investing activities		
Purchase of property, plant and equipment	(555)	(938)
Proceeds from sales of property, plant and equipment	113	342
Purchase of intangible assets	(89)	(158)
Purchase of investment securities	(10)	(10)
Proceeds from sales of investment securities	71	842
Proceeds from sales of investments in real estates	1	233
Purchase of treasury shares of subsidiaries	(419)	(27)
Other, net	2	(3)
Cash flows from investing activities	(884)	280
Cash flows from financing activities		
Repayments of lease obligations	(79)	(115)
Purchase of treasury shares	(0)	(0)
Cash dividends paid	(899)	(899)
Cash dividends paid to minority shareholders	(160)	(169)
Cash flows from financing activities	(1,139)	(1,185)
Net increase (decrease) in cash and cash equivalents	11,970	2,918
Cash and cash equivalents at beginning of period	56,873	68,843
Cash and cash equivalents at end of period	68,843	71,762

(5) Notes to consolidated financial statements

(Going concern assumptions)

None

(Basis of presenting the consolidated financial statements)

Omitted because there have been no significant change from the latest securities report (filed on June 27, 2014.)

(Changes in accounting policies)

From the current fiscal year, the Company is using Accounting Standard for Retirement Benefits (ASBJ Statement No. 26, May 17, 2012) and Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, March 26, 2015) as prescribed in paragraph 35 of this accounting standard and paragraph 67 of this guidance. The method for setting the discount rate has been changed from a method based on determining a base value for the number of years approximating to employees' average remaining service period to a method using a simple weighted average discount rate that reflects the anticipated payment period for accrued retirement benefits and the amounts to be paid in for each period.

For the application of the accounting standard for retirement benefits, in accordance with the transitional handling prescribed in paragraph 37 of this standard, the effect of the change in the method for calculating retirement benefit liabilities and service cost as of the beginning of the fiscal year is included in retained earnings.

As a result, at the beginning of the fiscal year, retirement benefit liabilities decreased 89 million yen and retained earnings increased 47 million yen.

Also, operating income, ordinary income and income before income taxes and minority interests each increased 8 million yen, and there was a 1.53 yen increase in net assets per share and a 0.22 yen increase in net income per share for the fiscal year that ended on March 31, 2015.

(Consolidated statement of changes in equity)

Previous fiscal year (April 1, 2013 –March 31, 2014)

1. Number and class of shares issued

Class	Shares on April 1, 2013	Increase during the fiscal year	Decrease during the fiscal year	Shares on March 31, 2014
Ordinary share	38,880,000	-	-	38,880,000

2. Number and class of treasury shares

Class	Shares on April 1, 2013	Increase during the fiscal year	Decrease during the fiscal year	Shares on March 31, 2014
Ordinary share	2,860,857	56	-	2,860,913

Note: The reason of increase of treasury shares: Purchase of shares less than one unit: 56

3. Subscription rights to shares

None

4. Dividends

(1) Dividends paid

(Resolution)	Class	Total amount of dividends paid (million yen)	Dividend per share (yen)	Record date	Effective date
Regular general meeting of shareholders (June 26, 2013)	Ordinary share	504	14.0	Mar. 31, 2013	June 27, 2013
Board of directors meeting (Nov.12, 2013)	Ordinary share	396	11.0	Sep. 30, 2013	Dec. 6, 2013

(2) Dividend with a record date in the fiscal year but a payment date in the following fiscal year

(Resolution)	Class	Total amount of dividends paid (million yen)	Source of dividend	Dividend per share (yen)	Record date	Effective date
Regular general meeting of shareholders June 26, 2014	Ordinary share	504	Retained earnings	14.0	Mar. 31, 2014	June 27, 2014

Current fiscal year (April 1, 2014 –March 31, 2015)

1. Number and class of shares issued

Class	Shares on April 1, 2014	Increase during the fiscal year	Decrease during the fiscal year	Shares on March 31, 2015
Ordinary share	38,880,000	-	-	38,880,000

2. Number and class of treasury shares

Class	Shares on April 1, 2014	Increase during the fiscal year	Decrease during the fiscal year	Shares on March 31, 2015
Ordinary share	2,860,913	67	-	2,860,980

Note: The reason of increase of treasury shares: Purchase of shares less than one unit: 67

3. Subscription rights to shares

No

4. Dividends

(1) Dividends paid

(Resolution)	Class	Total amount of dividends paid (million yen)	Dividend per share (yen)	Record date	Effective date
Regular general meeting of shareholders (June 26, 2014)	Ordinary share	504	14.0	Mar. 31, 2014	June 27, 2014
Board of directors meeting (Nov.12, 2014)	Ordinary share	396	11.0	Sep. 30, 2014	Dec. 5, 2014

(2) Dividend with a record date in the fiscal year but a payment date in the following fiscal year

(Planned resolution)	Class	Total amount of dividends paid (million yen)	Source of dividend	Dividend per share (yen)	Record date	Effective date
Regular general meeting of shareholders (June 25, 2015)	Ordinary share	576	Retained earnings	16.0	Mar. 31, 2015	June 26, 2015

(Segment information)

1. Overview of reportable segment information

Reportable business segments are the constituent business units of the Takamatsu Construction Group companies for which separate financial information is available and that the board of directors examines periodically to determine the allocation of resources and to evaluate performance.

Activities of the group are divided into the construction business and the real estate business. In the construction business, there are consolidated subsidiaries engaged solely in the building construction or civil engineering business and consolidated subsidiaries that engage in both of these businesses. For consolidated subsidiaries with both building construction and civil engineering operations, head offices are organized with separate sections for these two businesses.

For these reasons, there are three reportable segments: building construction, civil engineering and real estate.

2. Calculation methods for sales and income (loss) by reportable segments

The accounting methods used for the reportable segments are basically the same as the methods described in basis of presenting the consolidated financial statements.

Operating income is used for reportable segment earnings.

3. Information of sales and income (loss) by reportable segments

Previous fiscal year (April 1, 2013 - March 31, 2014)

	Reportable segments				Adjustment (Note1)	Amount on statements of income (Note 2)
	Building construction	Civil engineering	Real estate	Total		
Net sales (of which to outside customers)	81,125	87,439	9,178	177,743	-	177,743
(of which inter-segment or transfers)	42	6	250	299	(299)	-
Total	81,168	87,445	9,429	178,042	(299)	177,743
Segment income	4,515	2,803	1,134	8,452	(1,943)	6,509

Notes:

1. The 1,943 million yen negative adjustment for segment income is the sum of 1,944 million yen of selling, general and administrative expenses that cannot be allocated to a reportable segment and one million yen of other adjustments.
2. Reportable segment income adjusted with operating income on the consolidated statement of income.

Current fiscal year (April 1, 2014 - March 31, 2015)

	Reportable segments				Adjustment (Note1)	Amount on statements of income (Note 2)
	Building construction	Civil engineering	Real estate	Total		
Net sales (of which to outside customers)	87,331	91,821	10,059	189,212	-	189,212
(of which inter-segment or transfers)	27	15	292	336	(336)	-
Total	87,359	91,837	10,352	189,548	(336)	189,212
Segment income	4,304	4,169	866	9,340	(2,184)	7,155

Notes:

1. The 2,184 million yen negative adjustment for segment income is the sum of 2,186 million yen of selling, general and administrative expenses that cannot be allocated to a reportable segment and one million yen of other adjustments.
2. Reportable segment income adjusted with operating income on the consolidated statement of income.

(Per share information)

(Yen)

	Previous fiscal year (April 1, 2013 – March 31, 2014)	Current fiscal year (April 1, 2014 – March 31, 2015)
Net assets per share	2,220.53	2,397.37
Net income per share (basic)	170.87	176.13
Net income per share (diluted)	Not presented since the company has no potential stock	Not presented since the company has no potential stock

Note 1. The bases for calculating net assets per share are as follows.

	Previous fiscal year (April 1, 2013 – March 31, 2014)	Current fiscal year (April 1, 2014 – March 31, 2015)
Total net assets (million yen)	94,148	99,131
Amount deducted from total net assets (million yen)	14,166	12,780
of which minority interests (million yen)	14,166	12,780
Net assets attributable to common shares (million yen)	79,981	86,350
Number of shares at the end of fiscal year (thousand shares)	36,019	36,019

Note 2. The bases for calculating net income per share are as follows.

	Previous fiscal year (April 1, 2013 – March 31, 2014)	Current fiscal year (April 1, 2014 – March 31, 2015)
Net income (million yen)	6,154	6,343
Amount not attributable to common shareholders (million yen)	-	-
Net income attributable to common shares (million yen)	6,154	6,343
Average number of common shares during the fiscal year (thousand shares)	36,019	36,019

(Subsequent events)

None

6. Non-consolidated Financial Statements

(1) Balance sheet

(Million yen)

	Fiscal year ended March 2014 (As of March 31, 2014)	Fiscal year ended March 2015 (As of March 31, 2015)
ASSETS		
Current assets		
Cash and deposits	12,875	16,091
Real estate for sale	1,252	1,245
Other	228	285
Allowance for doubtful accounts	(0)	(0)
Total current assets	14,355	17,622
Noncurrent assets		
Property, plant and equipment		
Buildings	3,518	3,510
Accumulated depreciation	(2,172)	(2,170)
Buildings, net	1,346	1,339
Structures	86	94
Accumulated depreciation	(64)	(67)
Structures, net	22	27
Machinery and equipment	140	140
Accumulated depreciation	(125)	(128)
Machinery and equipment, net	15	12
Tools, furniture and fixtures	72	83
Accumulated depreciation	(66)	(68)
Tools, furniture and fixtures, net	6	14
Land	4,387	4,817
Total property, plant and equipment	5,778	6,211
Intangible assets		
Software	0	0
Other	0	0
Total intangible assets	1	1
Investments and other assets		
Investment securities	1,956	2,502
Shares of subsidiaries and associates	8,726	8,385
Other	167	150
Allowance for doubtful accounts	-	(0)
Total investments and other assets	10,850	11,037
Total noncurrent assets	16,631	17,250
Total assets	30,987	34,872

(Million yen)

	Fiscal year ended March 2014 (As of March 31, 2014)	Fiscal year ended March 2015 (As of March 31, 2015)
LIABILITIES		
Current liabilities		
Accounts payable - real estate	2	32
Accounts payable - other	24	517
Income taxes payable	0	-
Deposit received - real estate	7	7
Provision for bonuses	10	8
Other	56	44
Total current liabilities	101	610
Non-current liabilities		
Directors' retirement benefits payable	1,002	502
Provision for retirement benefits	25	24
Deferred tax liabilities	149	431
Deferred tax liabilities for land revaluation	47	43
Other	156	156
Total non-current liabilities	1,382	1,158
Total liabilities	1,484	1,769
NET ASSETS		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus		
Legal capital surplus	272	272
Total capital surplus	272	272
Retained earnings		
Legal retained earnings	978	978
Other retained earnings		
General reserve	28,270	28,270
Retained earnings brought forward	635	3,222
Total retained earnings	29,883	32,470
Treasury shares	(4,296)	(4,296)
Total shareholders' equity	30,859	33,446
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	322	962
Revaluation reserve for land	(1,679)	(1,305)
Total valuation and translation adjustments	(1,356)	(342)
Total net assets	29,502	33,103
Total liabilities and net assets	30,987	34,872

(2) Statements of income

(Million yen)

	Fiscal year ended March 2014 (April 1, 2013 - March 31, 2014)	Fiscal year ended March 2015 (April 1, 2014 - March 31, 2015)
Net sales		
Sales on real estate business	337	366
Dividends from subsidiaries and associates	1,315	1,747
Commissions from subsidiaries and associates	12	1
Total net sales	1,664	2,115
Cost of sales		
Cost of sales on real estate business	189	270
Total cost of sales	189	270
Gross profit		
Gross profit on real estate business and other	147	96
Gross profit - other	1,327	1,748
Total gross profit	1,475	1,845
Selling, general and administrative expenses	624	661
Operating income	850	1,183
Non-operating income		
Interest income	0	0
Dividend income	45	50
Other	1	1
Total non-operating income	46	52
Non-operating expenses		
Interest expenses	0	0
Other	-	5
Total non-operating expenses	0	5
Ordinary income	896	1,230
Extraordinary income		
Gain on sales of investment securities	-	9
Gain on sales of shares of subsidiaries and associates	-	2,893
Total extraordinary income	-	2,903
Extraordinary losses		
Loss on retirement of non-current assets	12	0
Impairment loss	2	30
Total extraordinary loss	14	30
Income before income taxes	882	4,104
Income taxes - current	0	250
Total income taxes	0	250
Net income	882	3,854

(3) Statement of changes in equity

Previous fiscal year (April 1, 2013 –Mach. 31, 2014)

(Million yen)

	Shareholders' equity						
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings		Total retained earnings
		Legal capital surplus	Total capital surplus		Other retained earnings		
					General reserve	Retained earnings brought forward	
Balance at the beginning of current period	5,000	272	272	978	28,270	653	29,901
Cumulative effects of changes in accounting policies							
Restated balance	5,000	272	272	978	28,270	653	29,901
Changes of items during the period							
Dividends from surplus						(504)	(504)
Dividends from surplus (interim)						(396)	(396)
Net income						882	882
Purchase of treasury stock							
Net changes of items other than shareholders' equity							
Total changes of items during the period	-	-	-	-	-	(18)	(18)
Balance at the end of current period	5,000	272	272	978	28,270	635	29,883

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at the beginning of current period	(4,296)	30,877	199	(1,679)	(1,479)	29,397
Cumulative effects of changes in accounting policies						-
Restated balance	(4,296)	30,877	199	(1,679)	(1,479)	29,397
Changes of items during the period						
Dividends from surplus		(504)				(504)
Dividends from surplus (interim)		(396)				(396)
Net income		882				882
Purchase of treasury stock	(0)	(0)				(0)
Net changes of items other than shareholders' equity			123	-	123	123
Total changes of items during the period	(0)	(18)	123	-	123	104
Balance at the end of current period	(4,296)	30,859	322	(1,679)	(1,356)	29,502

Current fiscal year (April 1, 2014 –March 31, 2015)

(Million yen)

	Shareholders' equity						
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings		Total retained earnings
		Legal capital surplus	Total capital surplus		Other retained earnings		
					General reserve	Retained earnings brought forward	
Balance at the beginning of current period	5,000	272	272	978	28,270	635	29,883
Cumulative effects of changes in accounting policies						2	2
Restated balance	5,000	272	272	978	28,270	638	29,886
Changes of items during the period							
Dividends from surplus						(504)	(504)
Dividends from surplus (interim)						(396)	(396)
Net income						3,854	3,854
Purchase of treasury stock							
Reversal of revaluation reserve for land						(369)	(369)
Net changes of items other than shareholders' equity							
Total changes of items during the period	-	-	-	-	-	2,584	2,584
Balance at the end of current period	5,000	272	272	978	28,270	3,222	32,470

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at the beginning of current period	(4,296)	30,859	322	(1,679)	(1,356)	29,502
Cumulative effects of changes in accounting policies		2				2
Restated balance	(4,296)	30,861	322	(1,679)	(1,356)	29,505
Changes of items during the period						
Dividends from surplus		(504)				(504)
Dividends from surplus (interim)		(396)				(396)
Net income		3,854				3,854
Purchase of treasury stock	(0)	(0)				(0)
Reversal of revaluation reserve for land		(369)				(369)
Net changes of items other than shareholders' equity			640	373	1,013	1,013
Total changes of items during the period	(0)	2,584	640	373	1,013	3,598
Balance at the end of current period	(4,296)	33,446	962	(1,305)	(342)	33,103

7. Orders received and net sales

(Consolidated)

(Million yen, %)

		Fiscal year ended March 2014 (April 1, 2013 - March 31, 2014)		Fiscal year ended March 2015 (April 1, 2014 - March 31, 2015)	
		Amount	Share	Amount	Share
Orders received	Building construction	90,912	46.9	103,214	45.7
	Civil engineering	93,742	48.4	112,393	49.8
	Total construction	184,655	95.3	215,607	95.5
	Real estate	9,178	4.7	10,059	4.5
Total		193,833	100.0	225,667	100.0
Net sales	Building construction	81,125	45.6	87,331	46.2
	Civil engineering	87,439	49.2	91,821	48.5
	Total construction	168,565	94.8	179,153	94.7
	Real estate	9,178	5.2	10,059	5.3
Total		177,743	100.0	189,212	100.0