

Translated version

# Presentation Materials for FY ended March 2021 Earnings Forecast and Fiscal Year Management Plan for FY ending March 2022

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Takamatsu Construction Group Co.,Ltd.  
Securities Code : 1762

May 28, 2021

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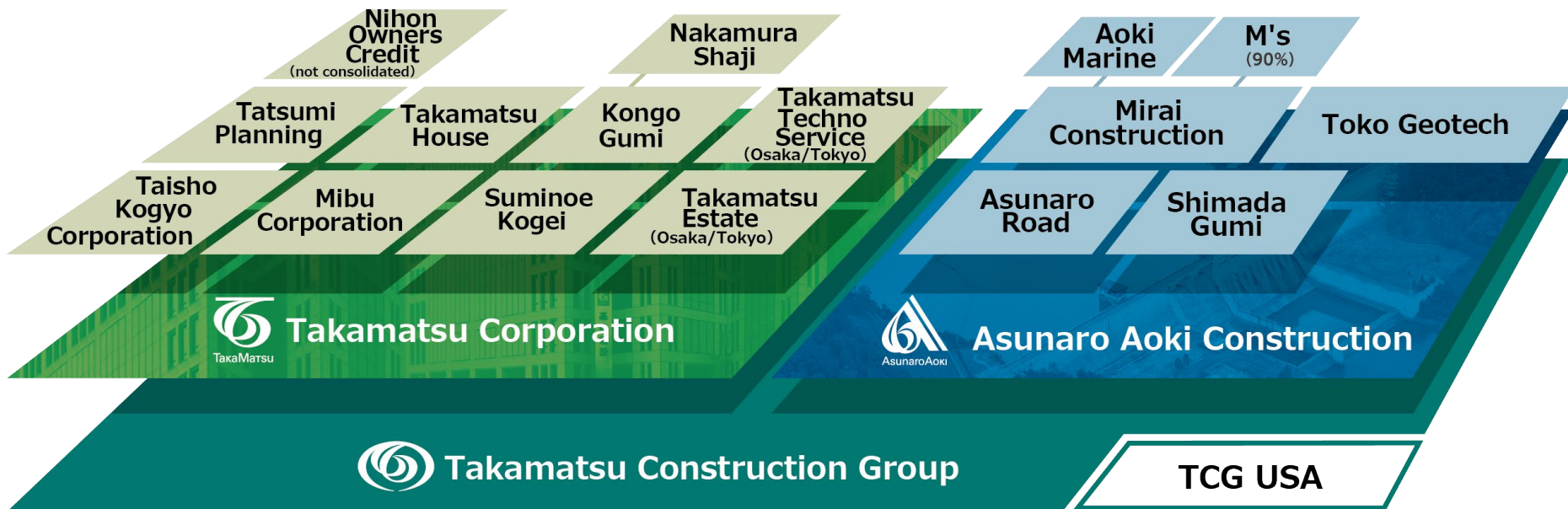
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# Financial results for FY ended March 2021

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# Group formation

- ◆ The Takamatsu Construction Group is composed of Takamatsu Construction Group Co., Ltd., a pure holding company, and Takamatsu Corporation Co., Ltd. and 11 other companies, Asunaro Aoki Construction Co., Ltd. and 6 other companies, and TCG USA, Inc., an overseas subsidiary, for a total of 21 companies on a consolidated basis.
- ◆ On February 26, 2021, Taisho Kogyo Corporation became a member of TCG Group.  
On March 31, 2021, all shares of Niigata Mirai Construction were transferred to HONMAROAD Corporation.  
On April 1, 2021, Niigata Mirai Construction became a wholly owned subsidiary of HONMAROAD Corporation.



\* Shareholding ratio is 100% for all companies except M's.

# Situation of Corporate Group (Consolidated)

	Civil Engineering	Architecture	Real Estate	Main sales areas
Takamatsu Corporation Group		Takamatsu Corporation		Tokyo ・ Nagoya ・ Osaka
		Takamatsu Techno Service (Osaka)		Osaka
		Takamatsu Techno Service (Tokyo)		Tokyo
			Takamatsu Estate (Osaka)	Osaka
			Takamatsu Estate (Tokyo)	Tokyo
		Suminoe Kogei		Japan(nationwide)
		Kongo Gumi		Tokyo ・ Osaka
		Nakamura Shaji		Nagoya
			Takamatsu House	Tokyo ・ Kanagawa
			Mibu Corporation	Tokyo
			Tatsumi Planning	Tokyo ・ Kanagawa
		Taisho Kogyo Corporation		Osaka
Asunaro Aoki Construction Group	Asunaro Aoki Construction			Japan(nationwide)
	Mirai Construction			Japan(nationwide)
	Toko Geotech			Japan(nationwide)
	Aoki Marine			Japan(nationwide)
	Asunaro Road			Hokkaido
	M's			Metropolitan area
	Shimada Gumi			Japan(nationwide)
		TCG USA		USA
Takamatsu Construction Group (Pure Holding Company)				

# TCG Performance for FY ended March 2021 (Consolidated)

- ◆ Orders received were affected by the epidemic of COVID-19. Net sales increased slightly. Orders received and operating profit were lower than the previous fiscal year's results.

(100 million yen)

Item	FY ended March 2020		FY ended March 2020	+/-
Orders received	2,967	↓	2,564	△13.6%
Net sales	2,823	↑	2,830	+0.3%
Gross profit	399	↓	383	△4.1%
Gross profit %	14.2%	↓	13.5%	△0.7pt
Operating profit	147	↓	121	△17.1%
Operating profit %	5.2%	↓	4.3%	△0.9pt
Ordinary profit	143	↓	121	△15.6%
Ordinary profit %	5.1%	↓	4.3%	△0.8pt
Profit attributable to owners of parent	86	↓	74	△14.2%
Profit attributable to owners of parent %	3.1%	↓	2.6%	△0.5pt
Orders carried forward	3,456	↓	3,189	△7.7%

※ Due to the acquisitions of Taisho Kogyo, orders received for FY ended March 2021 include 0.2 billion yen in orders carried over of this.  
 ※ Due to the acquisitions of Tatsumi Planning, orders received for FY ended March 2020 include 5.6 billion yen in orders carried over of this.

# Orders received by segment and group (Consolidated)

- ◆ Decline in architectural orders received was due to decline in Takamatsu Corporation Group's orders received for 1Q, and decline in Asunaro Aoki Construction group's orders received for large scale projects.

(100 million yen)

By Segment		FY ended March 2020	FY ended March 2021	+/-
Architecture	Takamatsu Corporation Group	112,685	94,841	△15.8%
	Asunaro Aoki Construction Group	53,405	46,498	△12.9%
	Total	164,771	131,290	△20.3%
Civil engineering	Takamatsu Corporation Group	17	330	+1841.2%
	Asunaro Aoki Construction Group	104,916	94,456	△10.0%
	Total	104,910	94,445	△10.0%
Real Estate	Takamatsu Corporation Group	25,338	30,460	+20.2%
	Asunaro Aoki Construction Group	1,267	166	△86.9%
	Total	27,065	30,717	+13.5%
TCG Group Consolidation		296,746	256,453	△13.6%

By Group		FY ended March 2020	FY ended March 2021	+/-
Takamatsu Corporation Group	Takamatsu Corporation	94,340	85,494	△9.4%
	Takamatsu Corporation Group Others	43,702	40,137	△8.2%
	Total	138,042	125,631	△9.0%
Asunaro Aoki Construction Group	Asunaro Aoki Construction	96,345	75,120	△22.0%
	Mirai Construction	29,740	30,360	+2.1%
	Toko Geotech	23,604	24,617	+4.3%
	Asunaro Aoki Construction Group Others	9,857	10,982	+11.4%
	Total	159,546	141,079	△11.6%
TCG Group Consolidation		296,746	256,453	△13.6%

※The total of individual figures and the total figures may not match due to consolidation adjustments.

※ Due to the acquisitions of Taisho Kogyo, orders received for FY ended March 2021 include 0.2 billion yen in orders carried over of this.

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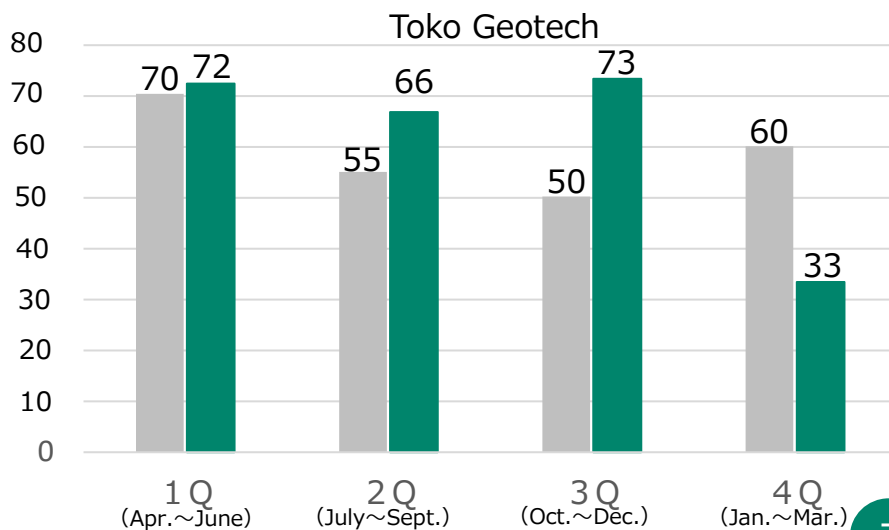
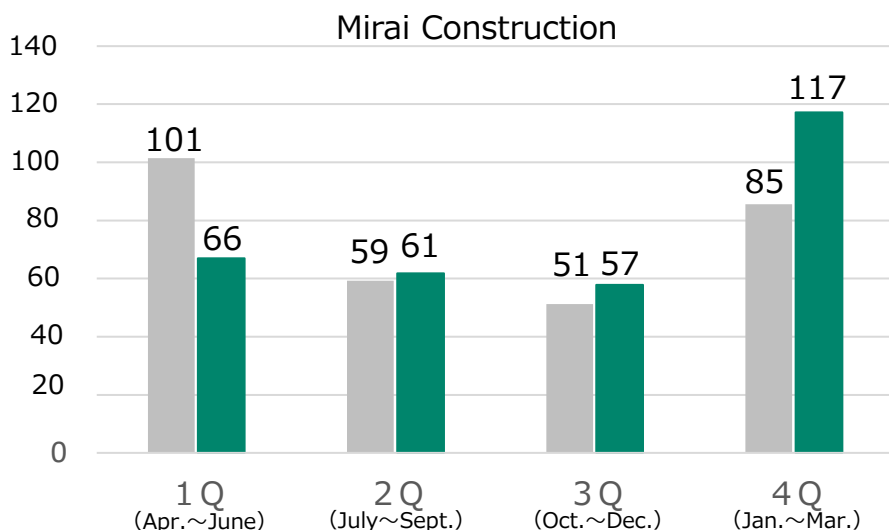
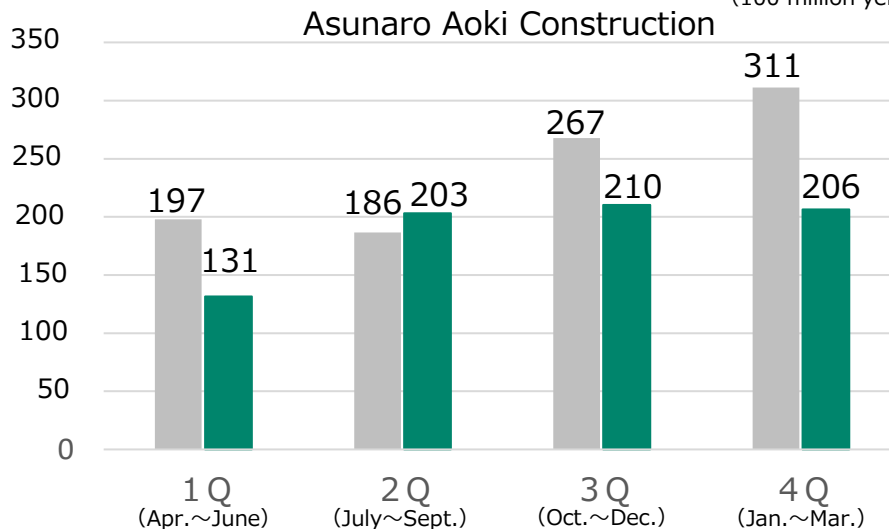
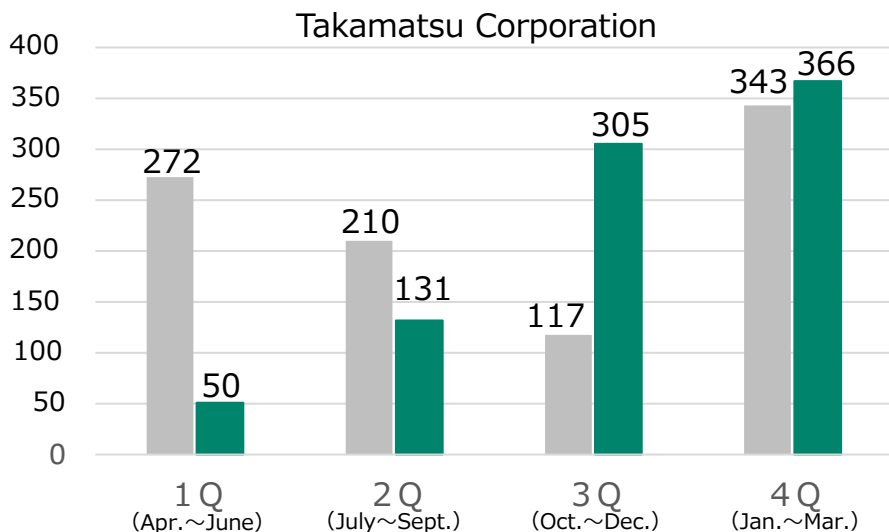
# FY ended March 2021

## Quarterly Orders by the 4 Major Companies Compared to the Previous FY

- ◆ Due to the epidemic of COVID-19, Takamatsu Corporation's orders received in first half quarter was a struggle. Toko Geotech's Orders received slowed down in 4Q (Jan.~Mar.) due to a shortage of engineers.

(※ Figures are quarterly amounts, not cumulative.)

■ FY ended March 2020 ■ FY ended March 2021  
(100 million yen)





# Net sales by segment and group (Consolidated)

- ◆ In architecture business, net sales decreased due to decrease of large scale projects in Asunaro Aoki Construction Group. In Asunaro Aoki Construction Group's real estate business, net sales decreased due to no sales of ABDS brand (Condominium Sales Business of Asunaro Aoki Construction) properties.

(100 million yen)

By Segment		FY ended March 2020	FY ended March 2021	+/-
Architecture	Takamatsu Corporation Group	101,274	100,591	△0.7%
	Asunaro Aoki Construction Group	50,496	41,140	△18.5%
	Total	151,002	140,537	△6.9%
Civil engineering	Takamatsu Corporation Group	335	330	△1.5%
	Asunaro Aoki Construction Group	103,987	111,841	+ 7.6%
	Total	104,299	111,826	+ 7.2%
Real Estate	Takamatsu Corporation Group	25,338	30,460	+ 20.2%
	Asunaro Aoki Construction Group	1,267	166	△86.9%
	Total	27,065	30,717	+ 13.5%
TCG Group Consolidation		282,366	283,080	+ 0.3%

By Group		FY ended March 2020	FY ended March 2021	+/-
Takamatsu Corporation Group	Takamatsu Corporation	86,305	89,425	+ 3.6%
	Takamatsu Corporation Group Others	40,643	41,957	+ 3.2%
	Total	126,948	131,382	+ 3.5%
Asunaro Aoki Construction Group	Asunaro Aoki Construction	95,609	89,578	△6.3%
	Mirai Construction	28,420	27,804	△2.2%
	Toko Geotech	22,076	24,488	+ 10.9%
	Asunaro Aoki Construction Group Others	9,586	11,236	+ 17.2%
	Total	155,691	153,106	△1.7%
TCG Group Consolidation		282,366	283,080	+ 0.3%

※The total of individual figures and the total figures may not match due to consolidation adjustments.

# Gross profit by segment and group (Consolidated)

- ◆ In Architecture, gross profit decreased significantly YoY due to lowprofitable construction works of Asunaro Aoki Construction.
  - ◆ In civil engineering, gross profit decreased due to no profitable construction works of Asunaro Aoki Construction YoY.
- (100 million yen)

By Segment		FY ended March 2020	FY ended March 2021	+/-
Architecture	Takamatsu Corporation Group	18,794	18,938	+0.8%
	Asunaro Aoki Construction Group	3,594	2,589	△28.0%
	Total	22,378	21,081	△5.8%
Civil engineering	Takamatsu Corporation Group	78	76	△2.6%
	Asunaro Aoki Construction Group	13,622	13,391	△1.7%
	Total	13,705	13,395	△2.3%
Real Estate	Takamatsu Corporation Group	3,675	3,832	+4.3%
	Asunaro Aoki Construction Group	93	△89	△195.7%
	Total	3,873	3,829	△1.1%
TCG Group Consolidation		39,957	38,305	△4.1%

By Group		FY ended March 2020	FY ended March 2021	+/-
Takamatsu Corporation Group	Takamatsu Corporation	15,786	16,408	+ 3.9%
	Takamatsu Corporation Group Others	6,762	6,438	△4.8%
	Total	22,548	22,846	+ 1.3%
Asunaro Aoki Construction Group	Asunaro Aoki Construction	9,558	7,114	△25.6%
	Mirai Construction	2,644	2,624	△0.8%
	Toko Geotech	3,234	4,310	+ 33.3%
	Asunaro Aoki Construction Group Others	1,873	1,842	△1.7%
	Total	17,309	15,890	△8.2%
TCG Group Consolidation		39,957	38,305	△4.1%

※The total of individual figures and the total figures may not match due to consolidation adjustments.

# Operating profit by segment and group (Consolidated)

- ◆ In architecture, Asunaro Aoki Construction's operating profit decreased YoY due to lowprofitable construction works, and Takamatsu Corporation's operating profit decreased YoY due to increase in SG&A expenses.
- ◆ In civil engineering, operating profit decreased due to decrease in profitable construction works. (100 million yen)

By Segment		FY ended March 2020	FY ended March 2021	+/-
Architecture	Takamatsu Corporation Group	6,458	5,349	△17.2%
	Asunaro Aoki Construction Group	1,777	686	△61.4%
	Total	8,235	6,035	△26.7%
Civil engineering	Takamatsu Corporation Group	72	77	+ 6.9%
	Asunaro Aoki Construction Group	8,473	8,089	△4.5%
	Total	8,545	8,166	△4.4%
Real Estate	Takamatsu Corporation Group	1,898	2,034	+ 7.2%
	Asunaro Aoki Construction Group	23	△148	△743.5%
	Total	1,921	1,886	△1.8%
TCG Group Consolidation		14,720	12,198	△17.1%

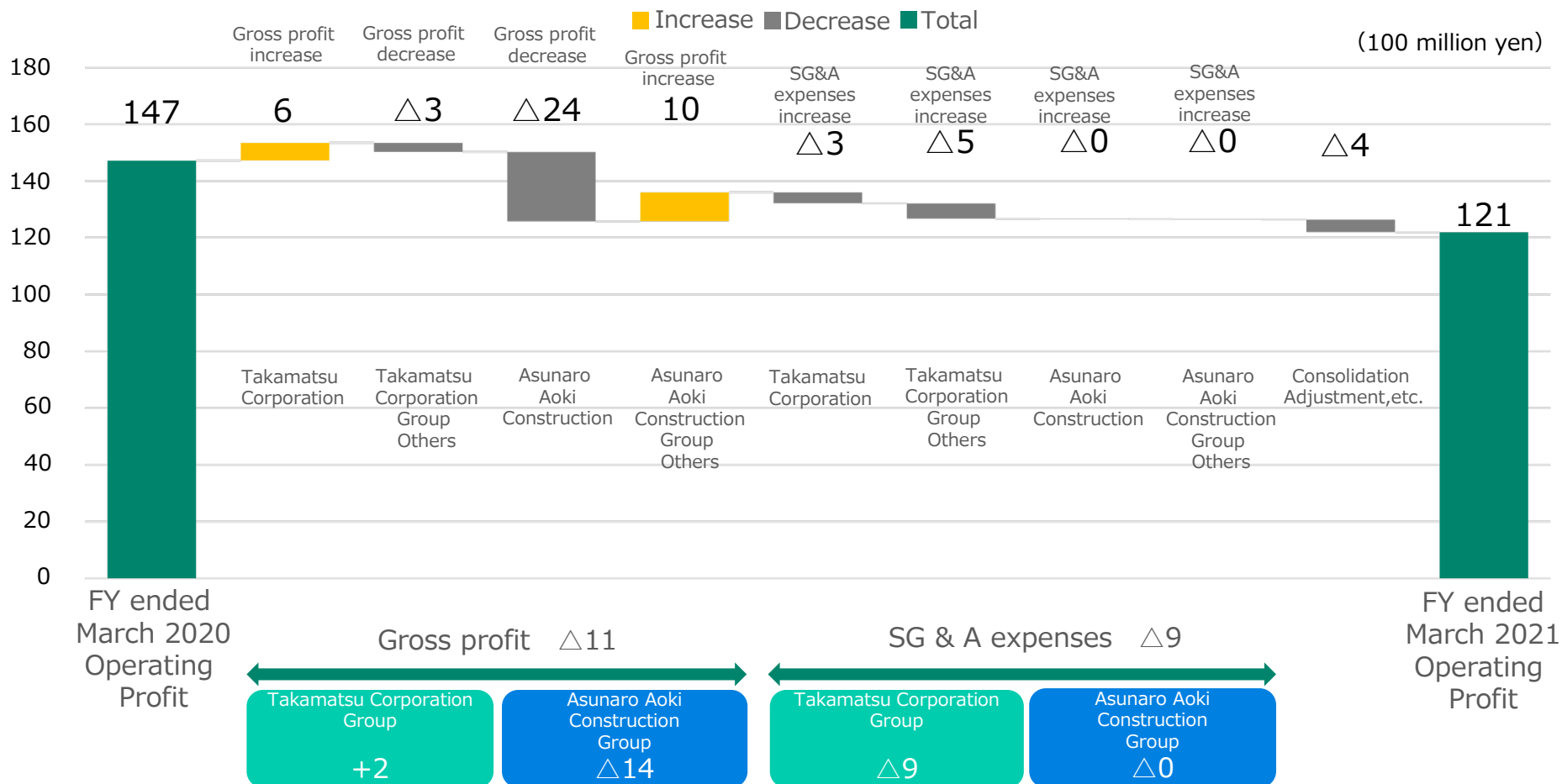
By Group		FY ended March 2020	FY ended March 2021	+/-
Takamatsu Corporation Group	Takamatsu Corporation	5,978	6,206	+ 3.8%
	Takamatsu Corporation Group Others	2,467	1,606	△34.9%
	Total	8,445	7,812	△7.5%
Asunaro Aoki Construction Group	Asunaro Aoki Construction	3,964	1,507	△62.0%
	Mirai Construction	806	816	+ 1.2%
	Toko Geotech	1,652	2,640	+ 59.8%
	Asunaro Aoki Construction Group Others	979	992	+ 1.3%
Total		7,401	5,955	△19.5%
TCG Group Consolidation		14,720	12,198	△17.1%

※The total of individual figures and the total figures may not match due to consolidation adjustments.

# Analysis of Changes in Operating Profit by Gross Profit and SG & A Expenses

- ◆ Takamatsu Corporation's gross profit increased due to steady progress in construction, but this was offset by an increase in SG&A expenses.
- ◆ Asunaro Aoki Construction's gross profit decreased due to unprofitable construction.

## Analysis of Changes in Operating Profit



# Our response and impact on our companies for epidemic of COVID-19

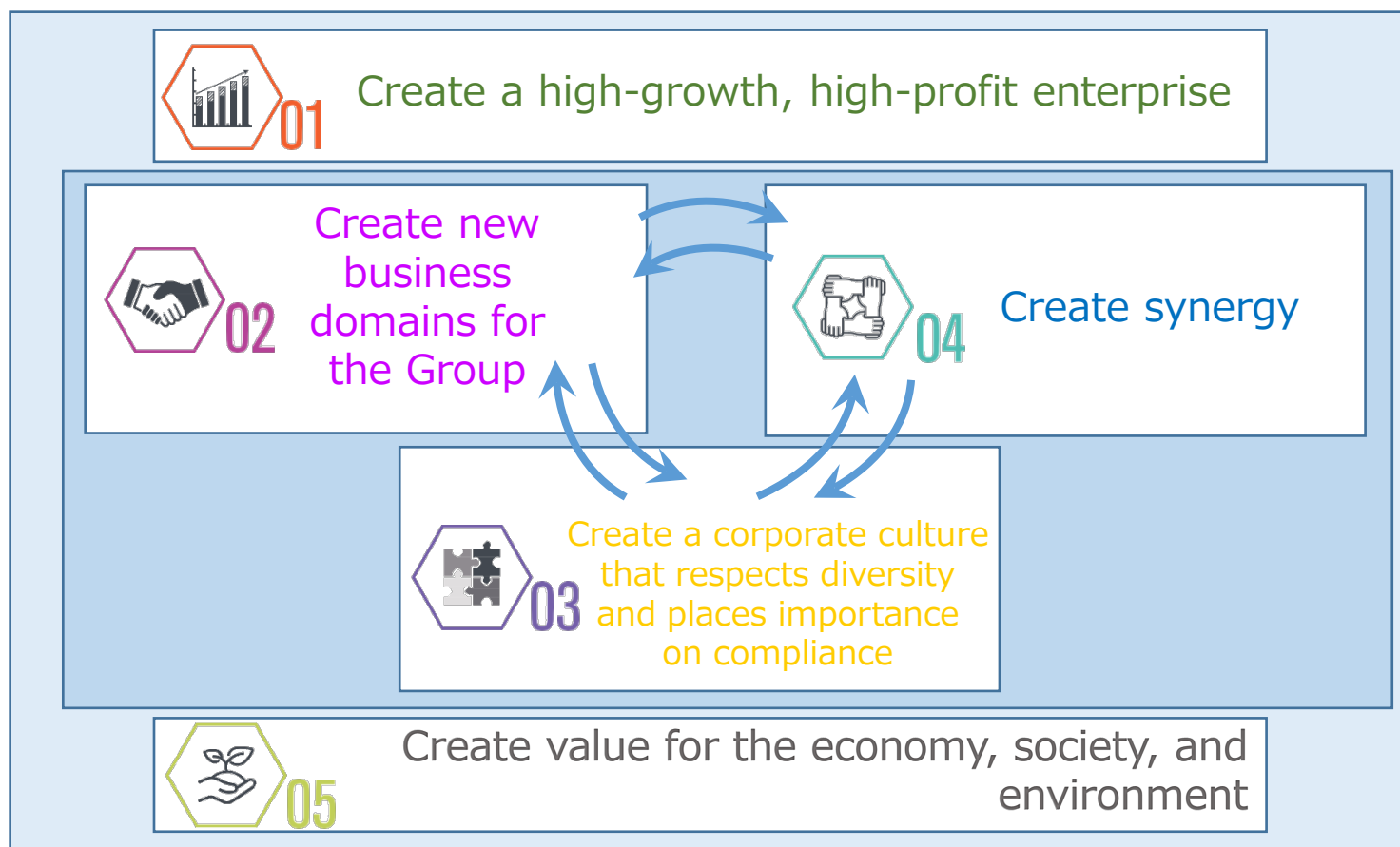
	Item	Our response / Impact on our company
Takamatsu Corporation	sales activities	<p>The impact of the self-restraint on face-to-face sales from April to June was significant, and orders received in 1Q were down 80% YoY, a disastrous situation.</p> <p>A web-based interview system was introduced in June.</p> <p>The system was designed to allow customers to choose between online, telephone, and face-to-face meetings.</p> <p>Face-to-face sales gradually resumed around August 2020.</p> <p>Orders received recovered in tandem with the recovery of face-to-face sales.</p> <p>However, some orders were postponed or cancelled.</p>
	construction	<p>There were no requests from customers to suspend construction due to COVID-19.</p> <p>Therefore, Takamatsu Corporation continued with the construction.</p>
Asunaro Aoki Construction	sales activities (Public)	<p>There were delays in placing orders for some projects.</p> <p>The number of projects for bidding is not small.</p> <p>However, the number of companies participating in the bidding process is gradually increasing, and competition is severe.</p>
	sales activities (Private)	<p>Some orders have been postponed or holded.</p> <p>The private sector's appetite for capital investment has not been generally weak. Some companies are actively making capital investments.</p>
	construction	<p>From April 25 to May 6, Asunaro Aoki Construction suspended construction at about 20 sites (all public projects).</p> <p>Due to the GW holidays, the delay was only about 4-5 business days, so the impact was minimal.</p> <p>No construction work has been suspended since then.</p>

# Progress of Mid-term Management Plan

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# Mid-term Management Plan 「Create ! 2022」

1. With Takamatsu Corporation leading the way, we will continue high growth and create a high profit enterprise together as a Group.
  2. In order to achieve this, we will maximize the creation of synergy within the Group and create new business domains for the Group centered on M&A, while continuing to create a corporate culture that respects diversity and places importance on compliance.
  3. Via the above efforts, we will continue to create value for the economy, society, and environment.
- ⇒ In order to achieve continuous growth, we will demonstrate and increase our Group's superiority over the competition, by honing our reliability, increasing customer satisfaction, and ensuring quality in design, construction, and maintenance.



# SDGs Contribution Sales

- ◆ In mid-term management plan "Create! 2022," we define "SDGs Contribution Sales" as "Net sales of TCG Group that correspond to the 17 goals of the SDGs."
- ◆ In FY ended March 2021, "SDGs Contribution Sales" will account for 100.1 billion yen, accounting for 35.4% of TCG Group's total net sales.

Item	Definition	Net sales (100 million yen)							
		FY ended March 2019 (Actual)	%	FY ended March 2020 (Actual)	%	FY ended March 2021 (Actual)	%		
E	 <b>Contributing to environmental conservation</b>	Total of ①to③ below		<b>420</b>	16.8%	<b>341</b>	12.1%	<b>434</b>	15.3%
	 ①Developing renewable energy	<ul style="list-style-type: none"> <li>• Construction of renewable energy-related facilities</li> <li>• Installation of solar power generation system</li> </ul>	148	5.9%	120	4.2%	151	5.3%	
	②Raw materials and construction methods in harmony with nature	<ul style="list-style-type: none"> <li>• Construction using raw materials and construction methods in harmony with nature</li> </ul>	6	0.2%	8	0.2%	8	0.2%	
	③Promotion of energy conservation	<ul style="list-style-type: none"> <li>• Architecture that complies with standards such as CASBEE and ZEBC</li> </ul>	266	10.6%	213	7.5%	275	9.7%	
S	 <b>Sustainable urban planning</b>	Total of ①to④ below		<b>520</b>	20.9%	<b>586</b>	20.8%	<b>566</b>	20.0%
	 ①Providing secure and long-life spaces	<ul style="list-style-type: none"> <li>• Buildings with anti-seismic performance 15% or more above the Building Standards Act</li> <li>• Anti-seismic reinforcement work</li> <li>• Excellent long-term housing</li> </ul>	397	15.8%	448	15.8%	427	15.0%	
	②Maintaining safety, comfort, and high quality	<ul style="list-style-type: none"> <li>• Large-scale renovation business for condominiums</li> </ul>	50	2.0%	50	1.7%	44	1.5%	
	③Inheriting traditional construction culture, etc.	<ul style="list-style-type: none"> <li>• Temple/shrine construction and buried cultural asset excavation business</li> </ul>	70	2.8%	85	3.0%	91	3.2%	
	④Housing services for the elderly	<ul style="list-style-type: none"> <li>• Administration of serviced homes for the elderly</li> </ul>	3	0.1%	3	0.1%	4	0.1%	
Total net sales related to E/S		941	37.7%	928	32.9%	<b>1,001</b>	<b>35.4%</b>		
TCG Group net sales overall		2,497	100%	2,823	100%	<b>2,830</b>	100%		



# TCG issued Japan's first Sustainability-Linked Green Bonds (SLGB)

- ◆ TCG issued Japan's first Sustainability-Linked Green Bonds (SLGB) in March 2021.
- ◆ This SLGB has set a target for SDGs Contribution Sales, and to allocate all funds raised to a green project.
- ◆ The target is to achieve a cumulative total of 391.1 billion yen in SDGs Contribution Sales in the 4 fiscal years from FY ending March 2022, with a premium paid to investors at the time of redemption if the target is not achieved.
- ◆ In the end, we received more than 3times the demand from investors for the 10 billion yen we issued.



Outline of SLGB	
Maturity	5years
Issue amount	10 billion yen
interest rate	0.290%
Use of funds	(Tentative name) Construction funds for new construction of "TCG Building"
SPTs linked to issuance conditions※	Achieve a cumulative total of 391.1 billion yen in SDGs Contribution Sales of TCG Group over the next 4 FY (FY ending March 2022 and beyond).
Premium	If SPTs are not met, a premium of 0.5 yen per 100 yen of the bond amount is paid.
Rating	A- (Japan Credit Rating Agency, Ltd.)

"TCG Building" (tentative name) under construction in Shiba, Minato-ku, Tokyo  
 Number of floors : 18 floors above ground, 1 floor below ground  
 Scheduled start of construction : September, 2020  
 Scheduled for completion : February, 2023 (Schedule)  
 Main environmental certifications, etc. : Acquired CASBEE A rank  
 Construction : Joint venture between Asunaro Aoki Construction Co., Ltd.  
 and Takamatsu Corporation

※Sustainability Performance Targets (SPTs)  
 A target based on the issuer's business strategy that determines the terms and conditions of the Sustainability-Linked Bonds issue.

# Creating Value for the Economy, Society, and Environment

## Empowerment of women

Item	FY ended March 2020 Achievement	FY ended March 2021 Achievement
Ratio of female employees	14%	17%
Ratio of female employees in new graduates hired	26%	23%
Number of female managers	15 people	16 people

## Promotion of work style reforms (closing sites)

	Target	Efforts
Takamatsu Corporation	8 sites in 4 weeks	<ul style="list-style-type: none"> <li>• Promote on-site utilization of ICT devices</li> <li>• Promote adoption of labor-saving methods</li> <li>• Promote understanding of customers and set construction schedules that take the closing into account</li> <li>• Promote understanding at and assisting partner companies</li> </ul>
Asunaro Aoki Construction	8 sites in 4 weeks	

## Enhance governance/ensure compliance

	Efforts
Enhance management monitoring function	<ul style="list-style-type: none"> <li>• Enhance links with a board of auditors, internal auditing committee, and accounting auditor, enrich systems, and enhance Group internal auditing</li> </ul>
Improve the transparency of management	<ul style="list-style-type: none"> <li>• Enrich the provision of information to external directors and auditors</li> <li>• Enrich opportunities for explanation and provision of information to external stakeholders</li> </ul>
Improve our sense of ethics and social mission	<ul style="list-style-type: none"> <li>• Enrich the content and frequency of education for directors and executives</li> </ul>

# Indicators

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# Takamatsu Corporation : Orders by condominiums and non-condominiums

- ◆ In the middle of 2Q, we resumed face-to-face meeting with private customers, which are Takamatsu Corporation's main customers. However, because it takes time to conclude orders received for condominiums, orders received of condominiums in Tokyo were unable to make up for the delay in orders received in 1Q and 2Q.
- ◆ Although these figures are only for reference, the Osaka Head Office is still focused on non-condominium projects, and the Tokyo Head Office has half and half ratio of condominium construction projects to non-condominium construction projects.

Orders by condominiums and non-condominiums

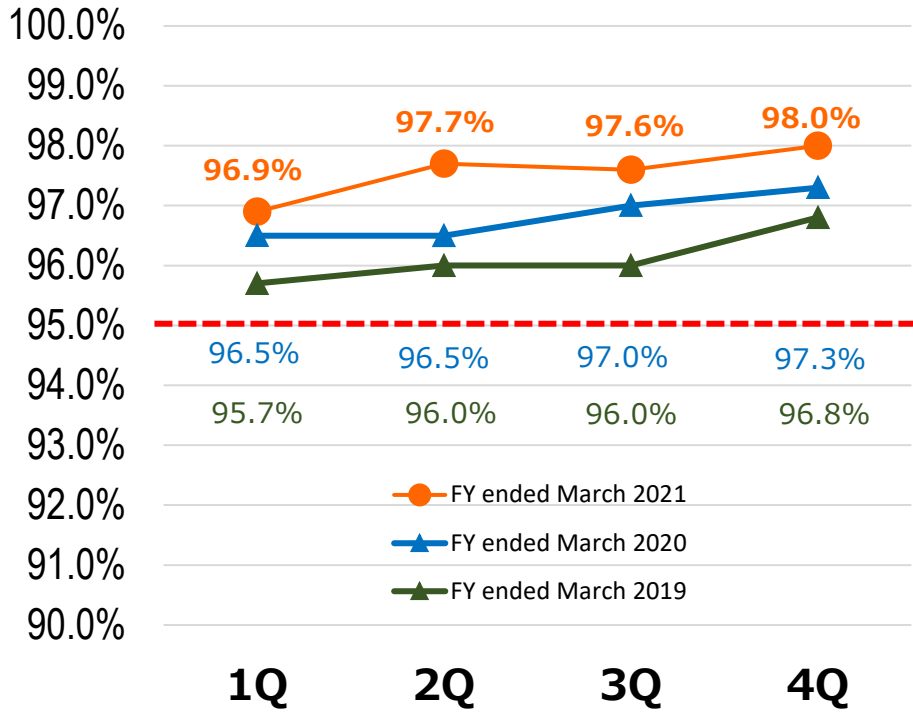
(million yen)

	Osaka				Tokyo			
	2020/3	%	2021/3	%	2020/3	構成比	2021/3	%
condominiums	8,512	24.4%	11,358	32.2%	40,495	68.1%	24,042	47.9%
non-condominiums	26,378	75.6%	23,922	67.8%	18,956	31.9%	26,172	52.1%
Total	34,890	100%	35,280	100%	59,450	100%	50,214	100%

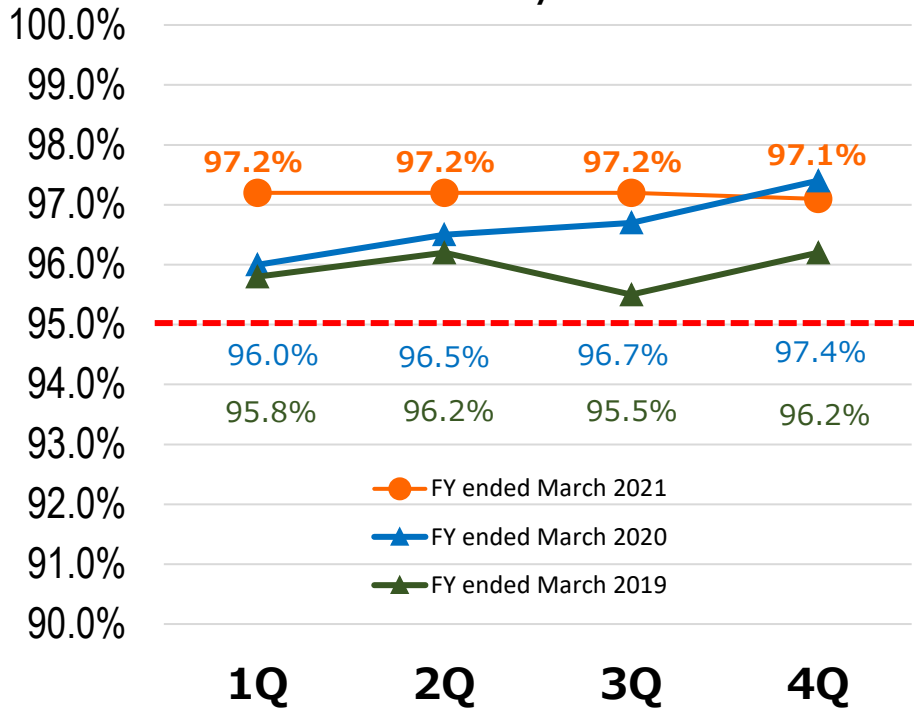
# Occupancy Rate of Properties Constructed by Takamatsu Corporation at Takamatsu Estate

◆ Occupancy rates of 95% or higher have been maintained for FY ended March 2021 in both Tokyo and Osaka.

### Osaka / Nagoya



### Tokyo



**Definitions**  
 "Osaka/Nagoya" : Osaka, Kyoto, Hyogo, and Nagoya  
 "Tokyo" : Tokyo, Kanagawa, Saitama, and Chiba  
 "Occupancy rate" :  $\frac{\text{Number of properties constructed by Takamatsu Corporation managed by Takamatsu Estate (Osaka/Tokyo) that are occupied at the end of each quarter}}{\text{total number of properties constructed by Takamatsu Corporation managed by Takamatsu Estate (Osaka/Tokyo) at the end of each quarter}}$

Earnings Forecast/ Dividend Forecast  
Fiscal Year Management Plan  
for FY ending March 2022

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# Takamatsu Corporation Group Fiscal Year Management Plan

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# Takamatsu Corporation (non-consolidated) & Takamatsu Corporation Group Earnings Forecast for FY ending March 2022

## Takamatsu Corporation Group

Orders received	159 B yen
Net sales	133 B yen
Operating profit	7.1 B yen

## Takamatsu Corporation (non-consolidated)

Orders received	106 B yen
Net sales	84 B yen
Operating profit	4.2 B yen

## Takamatsu Corporation Group Other Companies

Orders received	534 B yen
Net sales	491 B yen
Operating profit	2.9 B yen



# Taisho Kogyo Corporation

Taisho Kogyo Corporation, which has been in business for over 90 years, joined Takamatsu Corporation Group on February 26, 2021. Takamatsu Corporation and Taisho Kogyo Corporation each aim to increase orders for construction of the scale that they are good at. We aim to improve the corporate value of Takamatsu Corporation Group by synergistic effects, such as promoting the effective use of real estate owned by Taisho Kogyo Corporation to improve investment results.

## 【FY2021 Basic Policy】

- Further growth through participation in Takamatsu Corporation Group (Leveraging Group Synergies)

## 【Keywords】

- Change our mindset to immediate action (Improvement of speed, proposal ability, and quality)

## 【 Specific action items 】

- Strengthen cooperation with financial institutions and real estate companies
- Establishment of support system by Takamatsu Corporation
- Strengthen relationships with local commercial and industrial organizations
- Strengthen mediation of land for opening convenience stores through collaboration within the group

## 【Company Profile】

Date of establishment : October 21, 1926

Capital : 0.3 billion yen

Number of employees : 58 people

Business Description :

- Architectural design and construction, renovation work, Civil engineering
- interior finish work
- Land and building brokerage, Real estate leasing
- Development and sale of residential land
- Businesses incidental and related to the above

Group company : TSK housing Corporation Co.,Ltd.



TakaMatsu



# Earnings Forecast for FY ending March 2022

## Takamatsu Corporation Group Basic Policy & Keywords

### Takamatsu Corporation

Retry ! Enhance ability to make proposal and technical ability

- Reviewing the basics and improving accuracy.

### Takamatsu Techno Service (Osaka)

Establish a foundation to step up to a growth company

- Encourage employees to be proactive.

### Takamatsu Techno Service (Tokyo)

Improve the value of our existence as a company in Takamatsu Corporation Group.

- efficiency
- Breaking down stereotypes
- Ability to think flexibly
- Improve your knowledge

### Takamatsu Estate (Osaka)

Growing into an Expert in the Bulk Leasing Business

- Deepening Partnerships with Owners

### Takamatsu Estate (Tokyo)

Trinity of sales, Deepening of group collaboration, Strengthen and expand the real estate business

- Strengthen the system for receiving orders for Takamatsu Corporation-related projects
- Gather information by strengthening contact with old customers
- Investment in human resources and systems, organizational restructuring, development of new products

### Suminoe Kogei

Establish a position as a "high quality construction company" and expand our market share

- Identify and accurately respond to "changes in society," "changes in the market," "changes in sales methods," and "changes in needs."

### Kongo Gumi

Develop sustainable businesses by utilizing tradition and technology

- Strengthen orders
- Strengthen relationship with Shitennoji Temple
- Training of engineers
- Strengthen relationship with old clients
- Pursue group synergy

### Nakamura Shaji

Being sought after by customers for the survival of the company and continuing to give to customers

Organizational efficiency and abundant proposal capabilities

### Mibu Corporation

Expand business by specializing in business and strengthen group collaboration

- Expansion of brokerage business in the Jonan area
- Promotion of sales of Takamatsu House properties
- Expansion of referrals to Tatsumi Planning

### Takamatsu House

Establishment of management base for development business and strengthen group collaboration

- Become profitable by establishing a management base
- Evolve from group collaboration to group integrated management

### Tatsumi Planning

Return to profitability by executing the rehabilitation plan

- Reorganization by adopting a divisional system

### Taisho Kogyo Corporation

Further growth through participation in Takamatsu Corporation Group (Leveraging Group Synergies)

- Change our mindset to immediate action (Improvement of speed, proposal ability, and quality)

## Expected business risk (non-consolidated)

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1. Rising interest rates and falling land prices
2. Decrease in profit margin due to increase in cost
3. Delay in construction due to delay in procurement of materials
4. Decrease in orders due to sluggish consumption, shrinking the scale of orders received due to a decrease in customer assets
5. A cluster of COVID-19 is generated at the construction site, and contract conclusion, construction start, and construction progress are stagnant.

As in the previous fiscal year, the outlook is uncertain because it includes risks related to sales and profits as well as orders.

We will minimize risks by carefully managing contracts and construction starts.

We will refine and promote the ideal sales method based on life during the COVID-19 pandemic.

# Asunaro Aoki Construction Group Fiscal Year Management Plan

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## Recognizing of surroundings

Positive factors

- Investment in infrastructure construction will continue for the time being
- Increasing numbers of updates to social infrastructure
- Promotion of initiatives for building national resilience
- Expansion of the renovation market
- Technological innovations such as AI and robots

- Decreasing numbers of new construction projects
- Decreasing numbers of workers
- Decreasing numbers of households
- Contracting economy due to shrinking population
- Uncertainty about the economy after the Olympics

Negative factors

## Key points

Positive factors

- Unique technologies for construction involving disaster prevention and reduction measures
- Rich experience with construction related to renewable energy
- Joint research via industry-academia collaboration
- Achievements with superior construction for government

- i-Construction requires rapid development
- Continued pressure on on-site engineers
- Improved productivity essential
- Initiatives for work style reform essential

Negative factors

# Basic Policy/Basic Strategy (Mid-term Management Plan)

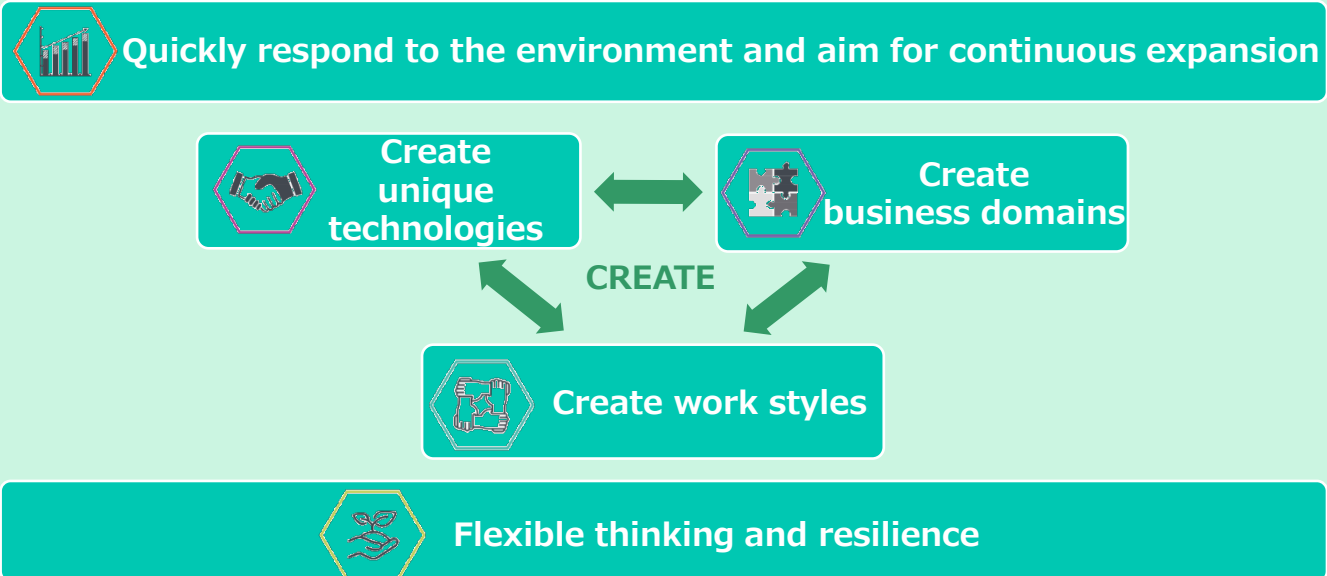
## Basic policy

**Flexible thinking and resilience**

**Quickly respond to the environment and aim for continuous expansion**

## Basic strategy

- ❑ Further enrichment of initiatives for construction related to renovations
- ❑ Progress and expansion in private non-residential construction and private civil engineering construction
- ❑ Develop new fields of business to follow up on ABDS
- ❑ Launch new business (contract) formats (PFI/EPC, etc.)



\*ABDS : Asunaro Aoki Construction's condominium development business

# Summary of Earnings Forecast

- Although the impact of the spread of COVID-19 on economic activity is uncertain, we expect orders received to **increase** due to the steady implementation of our basic strategy.
- Net sales are expected to **decrease** due to the lack of orders received in the previous fiscal year. Although there is a concern that profits will be down due to the decrease in net sales, we expect profits to **increase** due to an improvement in profit margins by cleaning up unprofitable work in Asunaro Aoki Construction's architecture segment.

(rounded down to the nearest 100 million yen) (Unit : 100 million yen)

	Consolidated					Non-consolidated				
	2021/3	2022/3				2021/3	2022/3			
	Actual	Mid-term Plan	Forecast	YoY change	compared to Mid-term Plan	Actual	Mid-term Plan	Forecast	YoY change	compared to Mid-term Plan
Orders received	1,410	1,700	1,600	+13.4 %	△5.9 %	751	1,020	910	+21.1 %	△10.8 %
Net sales	1,531	1,600	1,510	△1.4 %	△5.6 %	895	950	835	△6.8 %	△12.1 %
Operating profit	59	80	64	+7.5 %	△20.0 %	15	45	23	+52.5 %	△48.9 %
Operating profit %	3.9%	5.0%	4.2%	+0.3 pt	△0.8 pt	1.7 %	4.7 %	2.8 %	+1.1 pt	△1.9 pt
Ordinary profit	59	80	63	+6.6 %	△21.3 %	25	57	34	+31.0 %	△40.4 %
profit	40	50	41	+2.2 %	△18.0 %	24	42	26	+7.6 %	△38.1 %

Consolidated profit indicate Profit attributable to owners of parent.

# Earnings Forecast by Segment (consolidated)

(rounded down to the nearest million yen) (Unit : million yen)

	2021/3 Actual	2022/3	
		Forecast	YoY change
<b>Orders received</b>	<b>141,079</b>	<b>160,000</b>	<b>+13.4%</b>
Architecture	46,498	47,500	+2.2%
Civil engineering	94,456	112,500	+19.1%
Real Estate	124	—	Δ100.0%
<b>Net sales</b>	<b>153,106</b>	<b>151,000</b>	<b>Δ1.4%</b>
Architecture	41,140	48,000	+16.7%
Civil engineering	111,841	103,000	Δ7.9%
Real Estate	124	—	Δ100.0%
<b>Gross profit</b>	<b>15,890</b> <b>( 10.4%)</b>	<b>16,400</b> <b>( 10.9%)</b>	<b>+3.2%</b> <b>( +0.5pt)</b>
Architecture	2,589 ( 6.3%)	4,540 ( 9.5%)	+75.3% ( +3.2pt)
Civil engineering	13,390 ( 12.0%)	11,860 ( 11.5%)	Δ11.4% ( Δ0.5pt)
Real Estate	Δ88 ( Δ71.2%)	— ( —%)	—% ( +71.2pt)

Percentage values indicate the gross profit margin.



# Earnings Forecast by Segment (non-consolidated)

(rounded down to the nearest million yen) (Unit : million yen)

	2021/3 Actual	2022/3	
		Forecast	YoY change
<b>Orders received</b>	<b>75,120</b>	<b>91,000</b>	<b>+21.1%</b>
Architecture	44,364	45,000	+1.4%
Civil engineering	30,608	46,000	+50.3%
Real Estate	146	—	Δ100.0%
<b>Net sales</b>	<b>89,578</b>	<b>83,500</b>	<b>Δ6.8%</b>
Architecture	38,887	45,500	+17.0%
Civil engineering	50,543	38,000	Δ24.8%
Real Estate	146	—	Δ100.0%
<b>Gross profit</b>	<b>7,114</b>	<b>7,900</b>	<b>+11.0%</b>
	<b>( 7.9%)</b>	<b>( 9.5%)</b>	<b>( +1.5pt)</b>
Architecture	2,278	4,300	+88.7%
	<b>( 5.9%)</b>	<b>( 9.5%)</b>	<b>( +3.6pt)</b>
Civil engineering	4,890	3,600	Δ26.4%
	<b>( 9.7%)</b>	<b>( 9.5%)</b>	<b>( Δ0.2pt)</b>
Real Estate	Δ54	—	—%
	<b>( Δ37.2%)</b>	<b>( —%)</b>	<b>( +37.2pt)</b>

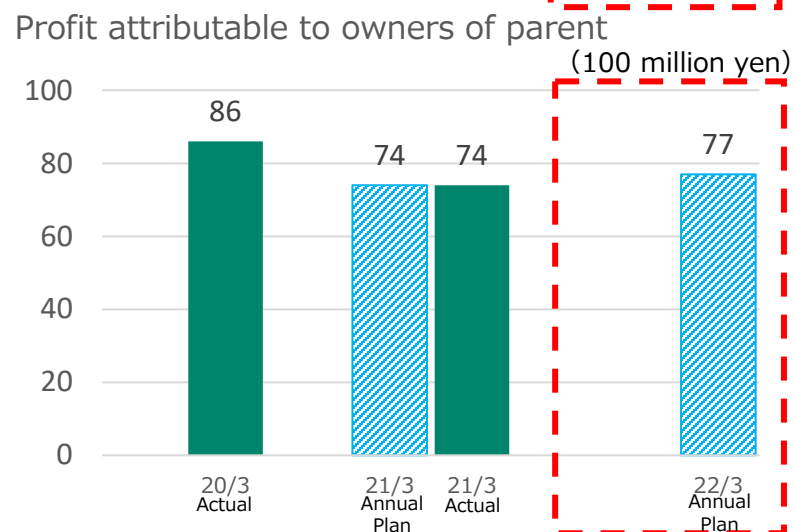
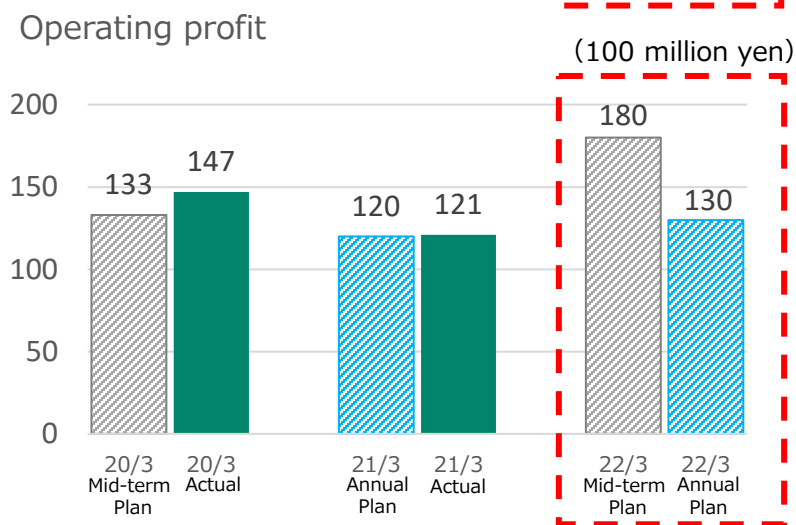
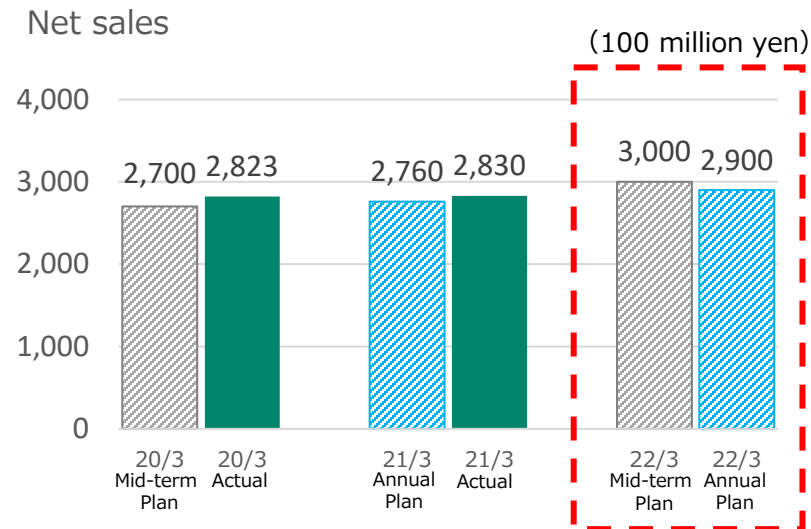
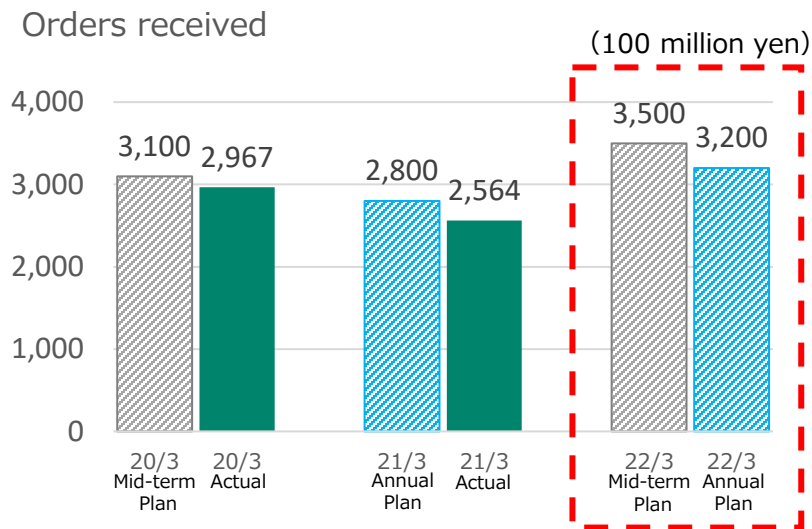
Percentage values indicate the gross profit margin.

TCG Group  
Earnings Forecast & Dividend Forecast  
for FY ending March 2022

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# Earnings Forecast for FY ending March 2022

- ◆ Although the epidemic of COVID-19, Annual plan for FY ending March 2022 is expected to exceed the actual results for FY ended March 2021, although it will not reach the target of the mid-term management plan.

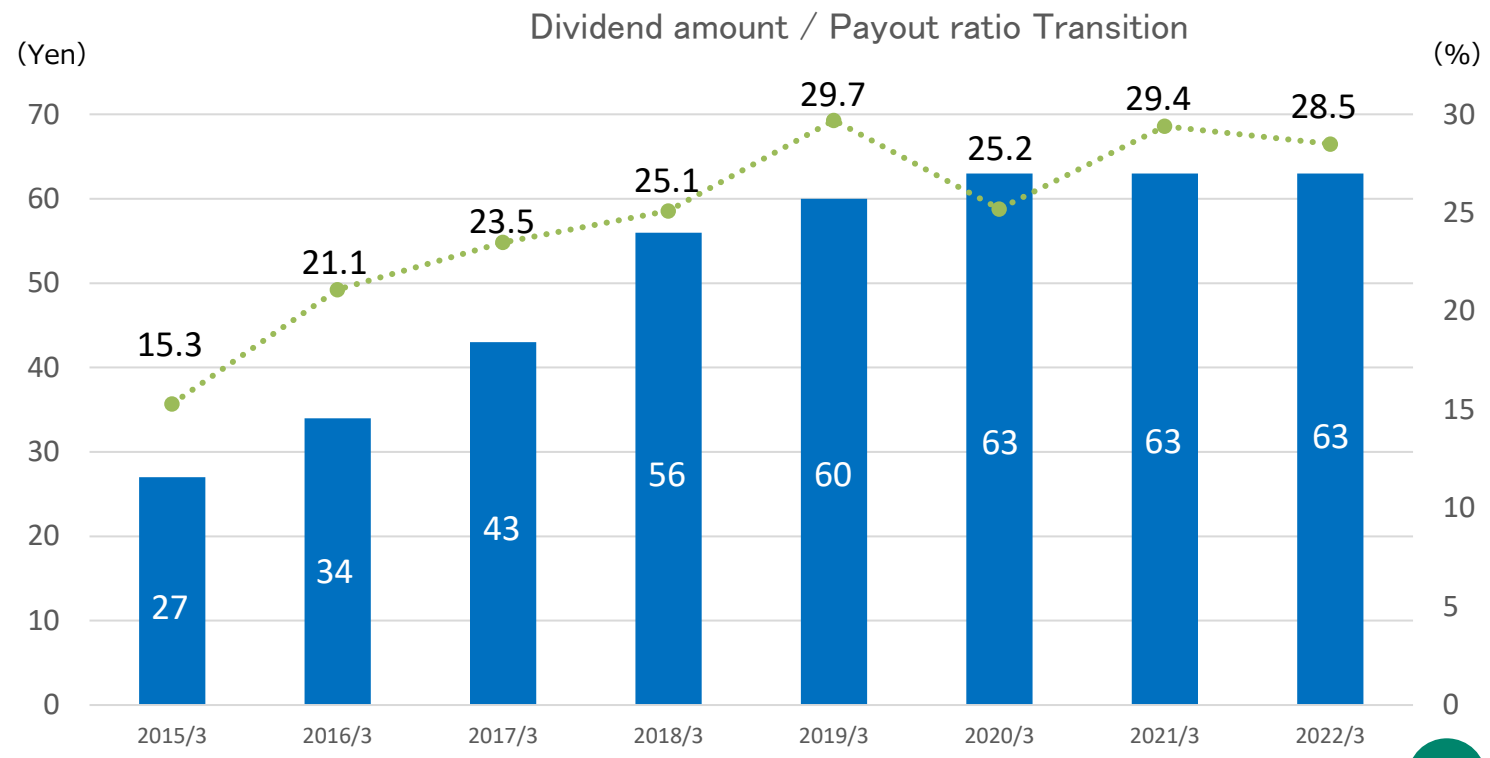


※ In mid-term management plan "Create ! 2022", only orders received, Net sales, and operating profit are disclosed as target figures. Target figures for FY ended March 2021 are not disclosed.

# Dividend Forecast for FY ending March (Dividend amount / Payout ratio)

- ◆ we plan to pay a dividend of 63 yen per share.
- ◆ We plan to continue to pay stable dividends in the future.

	2015/3 Actual	2016/3 Actual	2017/3 Actual	2018/3 Actual	2019/3 Actual	2020/3 Actual	2021/3 Actual	2022/3 Plan
Dividend amount (Yen)	27	34	43	56	60	63	63	63
Payout ratio (%)	15.3	21.1	23.5	25.1	29.7	25.2	29.4	28.5



Topics  
for FY ended March 2021

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# Topics

## ◆ TCG Group Hired 224 new graduate employees ◆ TCG USA 「Blu Laguna Niguel Phase II」

In April 2021, 224 new graduate employees joined TCG Group.

(Takamatsu Corporation Group : 146,  
Asunaro Aoki Construction Group : 78)

We will continue to actively recruit new graduates, and plan to hire 229 new graduates in FY ending March 2022, the final year of our mid-term management plan.

( Takamatsu Corporation Group : 144,  
Asunaro Aoki Construction Group : 85)

## ◆ Taisho Kogyo joined TCG Group

Taisho Kogyo, a general construction company founded in 1926 joined TCG Group on February 26, 2021.

This will enable TCG Group to receive orders for small projects of 300 million yen or less, which Takamatsu Corporation had previously avoided due to shortage of construction personnel.

## ◆ Niigata Mirai Construction became a wholly owned subsidiary of HONMAROAD Corporation

Niigata Mirai Construction was engaged in the paving business mainly in the Yuzawa area of Niigata Prefecture.

Since its establishment, Niigata Mirai Construction has recorded stable earnings, but in order for Niigata Mirai Construction to continue to grow, it was determined that the best option was to become affiliated with a company that had a strong management base in Niigata Prefecture, and all shares were transferred to HONMAROAD Corporation.



Construction of Blu Laguna Niguel Phase II, TCG USA's first rental condominium development project, which began in December 2020, is progressing smoothly. Construction is scheduled to be completed in February 2023.

## ◆ Asunaro Aoki Construction Ceiling with earthquake-resistant structure Construction Example of "AA-TEC" Construction Method



Source of photo:  
Naganohara official site

Asunaro Aoki Construction's proprietary "AA-TEC" method was used for the ceiling of the main hall in the new Naganohara Town government office building.

# Ordered/Completed Projects for FY ended March 2021

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# Major Orders for the Asunaro Aoki Construction Group (Civil Engineering/Architecture)

Company name	Project name	Client name
Asunaro Aoki Construction	(Tentative name) Sanyou Industry Co., Ltd. Head Office and factory relocation new construct Project	Kowa
Asunaro Aoki Construction	Osaka Monorail Prop construction work (Nishiiwata construction site)	Osaka prefecture
Asunaro Aoki Construction	Tateno dam construction (Second phase) Project	Kyushu Regional Development Bureau
Asunaro Aoki Construction	Shimosa (2) Maintenance site New installation, etc. Construction work	North Kanto defense bureau
Mirai Construction	Shin-honmoku reclamation work (Part 1 : Partition embankment construction work)	Port of Yokohama
Mirai Construction	Musashi Hikida Station North Exit Area Clearing, Road and Drainage Work (Acts of Obligation)	Akiruno City, Tokyo
Toko Geotech	Sanyo Expressway (Specific Renewal, etc.) Embankment Reinforcement Work in Hiroshima Expressway Office Area (No.2)	West Nippon Expressway Company Limited Chugoku Regional Branch
Toko Geotech	FY2020 Ground Improvement Work for Runway C in Tokyo International Airport	Ministry of Land, Infrastructure, Transport and Tourism Kanto Regional Development Bureau
Aoki Marine	FY2020 Hachinohe-ko-Hachitaro and Kawaragi area Route harbor (Buried) Dredging works	Tohoku Regional Development Bureau
Asunaro Road	Teshio River repair work inner Teshio River downstream left bank outer top protection work	Rumoi Development and Construction Department
Shimada Gumi	Archaeological excavation work related to football stadium maintenance(Part 2)	(Public interest incorporated foundation) Hiroshima City Cultural Foundation
Shimada Gumi	FY2021 Jyogatani Ruins (Nexco West Japan)Excavation survey business consignment	Kobe, Hyogo



# Major Completed Projects for the Asunaro Aoki Construction Group (Civil Engineering/Architecture)



Asunaro Aoki Construction  
2015 Takata district & Imaizumi district  
residential land maintenance Other construction



Asunaro Aoki Construction  
29-Shinsenri Higashimachi housing complex  
construction work



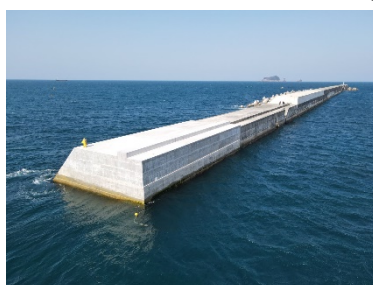
Asunaro Aoki Construction  
KATO SANGYO CO., LTD.  
Nishi-kinokuni Division  
Shinko branch new construction work



Asunaro Aoki Construction  
Katsura City  
Okitsu Solar Power Plant Construction Work  
(Civil Engineering Work)



Mirai Construction  
Yatomi Wharf No. 1 Revetment  
on the north side Maintenance work (1)



Mirai Construction  
FY2020 Hososhima Port (outport area)  
Breakwater (south offshore)  
construction work



Toko Geotech  
FY2020 steep slope collapse  
countermeasure construction  
(public)Part 1



Toko Geotech  
FY2020 Tokyo International Airport C runway, etc.  
Ground improvement work



Asunaro Road  
Nakashibetsu Shibecha Line pavement  
(structural improvement) Construction  
Nakashibetsu branch office construction site



Aoki Marine  
Fukuyama Port Minooki area  
revetment (-10m)  
construction work(Part 2)



M's  
"Watasu Nihonbashi"  
Nihonbashi Mitsui Tower 2nd floor move-in work

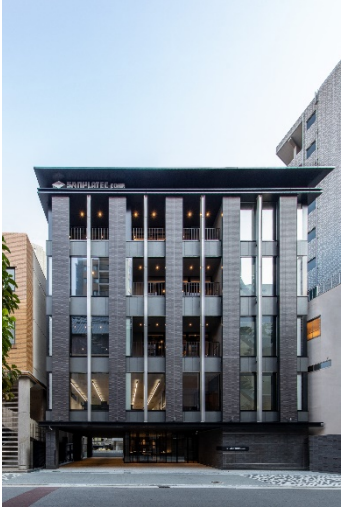


Shimada Gumi  
FY2020 Survey of Buried Cultural Properties  
Subcontracting  
(Location: Takatsuki City)

# Takamatsu Corporation Group: Major Orders (Architecture)

Company name	Project name	Client name
Takamatsu Corporation	Itami City / Logistics Facilities	Undisclosed
Takamatsu Corporation	Otsu City / Headquarters building	Undisclosed
Takamatsu Corporation	Nagahoribashi / condominium new construction	Undisclosed
Takamatsu Corporation	Heiwajima / condominium new construction	Owada Shoten Corporation
Takamatsu Corporation	5 shiba, minato-ku project new construction	Undisclosed
Takamatsu Corporation	Tama Center / condominium new construction	Undisclosed
Kongo Gumi	important cultural property Shofukuji main temple conservation and repair of temple gate Phase 1 Construction	Shofukuji Temple
Kongo Gumi	important cultural property Former Yamada Family's residence preservation	Public Interest Incorporated Foundation Osaka Center For Cultural Heritage
Kongo Gumi	historic landmark Kongoji Temple Precinct improvement project	Amanosan Kongoji Temple

# Takamatsu Corporation Group: Major Completed Works (Architecture)



Takamatsu Corporation  
Ogimachi / Headquarters building  
new construction



Takamatsu Corporation  
Gokiso / condominium  
new construction



Takamatsu Corporation  
Chiba / condominium  
new construction



Takamatsu Corporation  
Ekoda / condominium  
new construction



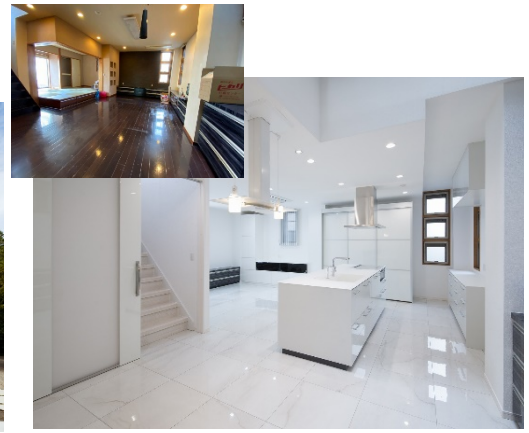
Takamatsu Corporation  
Higashi-nihonbashi / condominium  
new construction



Takamatsu Corporation  
Kusatsu City / Citizen center  
new construction



Kongo Gumi  
Jyusenji main temple  
new construction



Takamatsu Techno Service (Osaka)  
Residence repair work

# TCG Takamatsu Construction Group

Disclaimer: All financial information has been prepared in accordance with generally accepted accounting principles in Japan. This document is a partial English translation of the Japanese Financial Statements which were filed with Stock Exchanges in Japan on May 28, 2021. The Company provides this translation for your reference and convenience only without any warranty as to its accuracy. In case of any discrepancy between the translation and the Japanese original, the latter shall prevail. Additionally, these materials were created with the intention of providing reference information to be used by investors for their investment decisions, and do not constitute any sort of effort to solicit the purchase or sale of Takamatsu Construction Group stock.