

Translated version

Financial Results Briefing for the Fiscal Year Ended March 2020

Earnings Forecast and Fiscal Year Management Plan for the Fiscal Year Ending March 2021

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

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for the Fiscal Year Ending March 2021

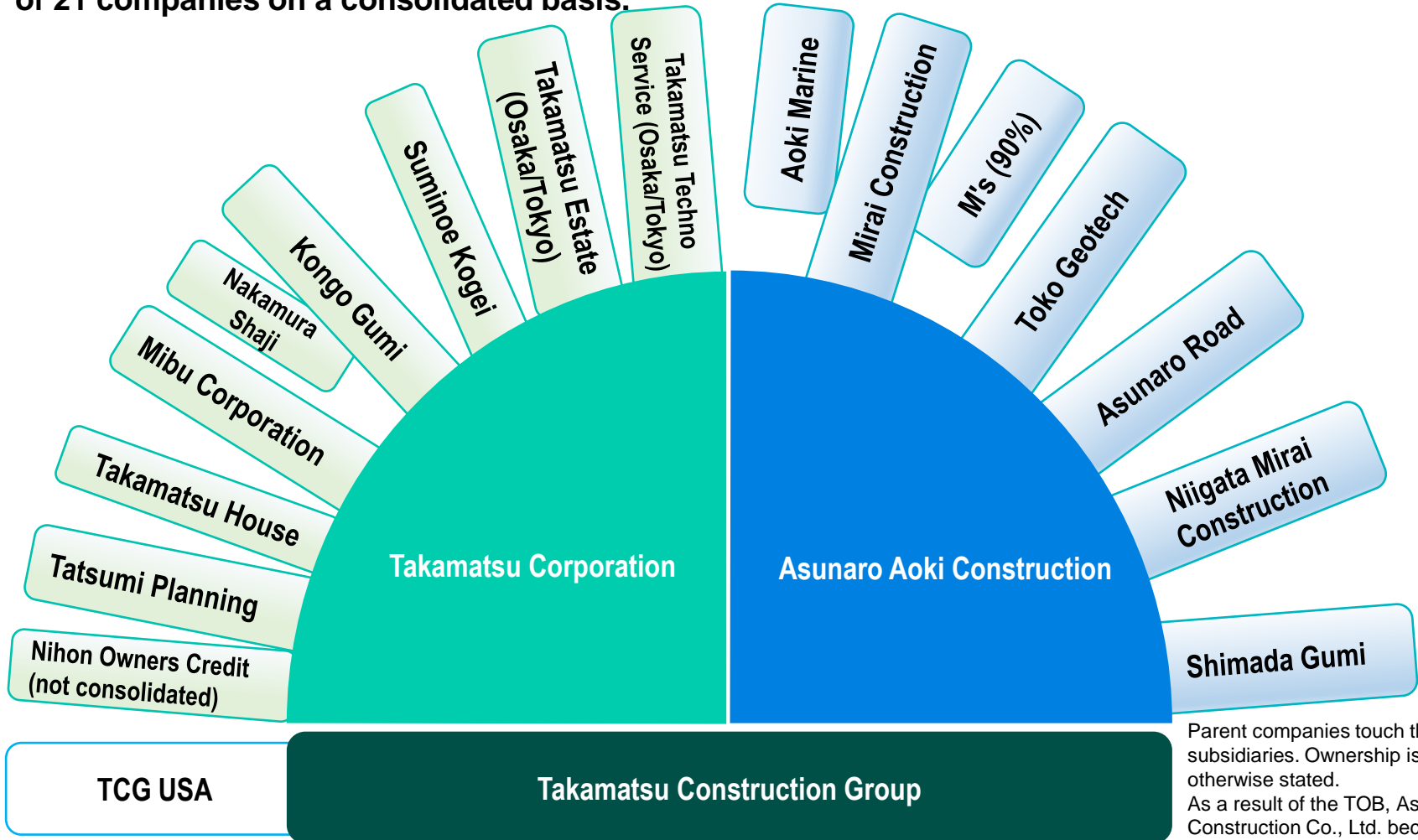
3. Asunaro Aoki Construction Group

3-1. Earnings Forecast and Fiscal Year Management Plan

for the Fiscal Year Ending March 2021

Takamatsu Construction Group: About the Group Companies

The Takamatsu Construction Group is composed of Takamatsu Construction Group Co., Ltd., a pure holding company, and Takamatsu Corporation Co., Ltd. and 10 other companies, Asunaro Aoki Construction Co., Ltd. and 7 other companies, and TCG USA, Inc., an overseas subsidiary, for a total of 21 companies on a consolidated basis.



Parent companies touch the labels of subsidiaries. Ownership is 100% if not otherwise stated.
As a result of the TOB, Asunaro Aoki Construction Co., Ltd. became a wholly owned subsidiary in November, 2019.

1-1. Takamatsu Construction Group Financial Results Briefing for the Fiscal Year Ended March 2020

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TCG Performance for FY Ended March 2020 (Consolidated)

• Revenue increased for the 8th consecutive fiscal year, hitting a record high for the 6th consecutive fiscal year, and operating income also hit a record high

• Orders at Takamatsu Corporation decreased by 8.7 billion yen due to stricter recording criteria

• Orders at Asunaro Aoki Construction decreased by 11.9 billion yen as a reaction to the multiple large highway construction projects received for FY ended March 2019

• Construction orders carried forward hit a record high

(Record high =)

Item	FY ended Mar 2016	FY ended Mar 2017	FY ended Mar 2018	FY ended Mar 2019	FY ended Mar 2020	% year-on-year
	1. Orders (100 million yen)	↗ 2,377	↗ 2,564	↘ 2,548	↗ 3,052	↘ 2,967
2. Revenue (100 million yen)	↗ 2,088	↗ 2,141	↗ 2,451	↗ 2,497	↗ 2,823	13.1
3. Operating income (100 million yen) (operating income %)	↗ 104 (5.0)	↗ 129 (6.0)	↗ 136 (5.6)	↘ 124 (5.0)	↗ 147 (5.2)	18.3 (0.2)
Ordinary income (100 million yen) (ordinary income %)	↗ 104 (5.0)	↗ 129 (6.0)	↗ 137 (5.6)	↘ 124 (5.0)	↗ 143 (5.1)	15.5 (0.1)
Extraordinary gain/loss (100 million yen)	-6	-9	-11	-8	-4	—
4. Net earnings attributable to the owners of the parent (100 million yen) (net earnings %)	↘ 57 (2.8)	↗ 65 (3.1)	↗ 79 (3.2)	↘ 70 (2.8)	↗ 86 (3.1)	16.7 (0.3)
Dividend per share (yen)	↗ 34	↗ 43	↗ 56	↗ 60	↗ 63	3.0
Dividend payout ratio (%)	↗ 21.1	↗ 23.5	↗ 25.1	↗ 29.7	↘ 25.2	(-4.5)
5. Construction orders carried forward (100 million yen)	↗ 2,235	↗ 2,659	↗ 2,756	↗ 3,312	↗ 3,456	4.3

(Consolidated) TCG Results for FY Ended March 2020 by Segment (Orders, Revenue, and Operating Income)

(100 million yen)

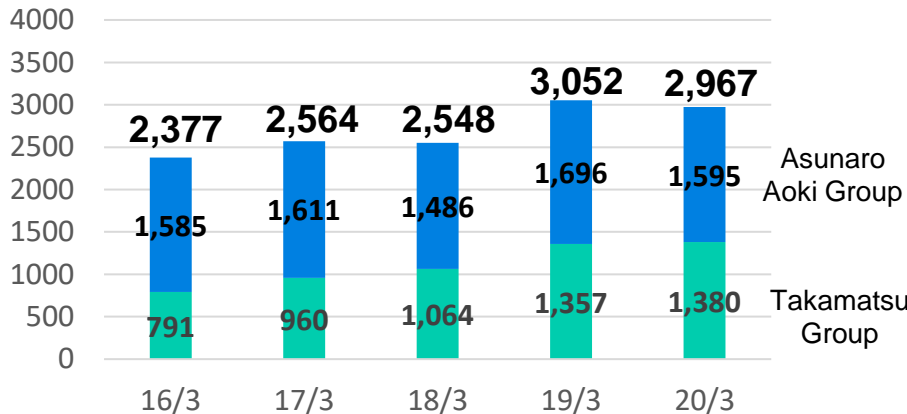
		Takamatsu Construction Group		Orders	Revenue	Operating income
				FY ended Mar 2020	FY ended Mar 2020	FY ended Mar 2019
				(FY ended Mar 2020)	(FY ended Mar 2020)	(FY ended Mar 2019)
Civil Engineering	Takamatsu Corporation Group			1,049	1,042	85
				(1,092)	(1,083)	(69)
Civil Engineering	Asunaro Aoki Construction Group			-4.0%	-3.7%	+23.0%
Architecture	Takamatsu Corporation Group			1,647	1,510	82
				(1,697)	(1,151)	(70)
Architecture	Asunaro Aoki Construction Group			-2.9%	+31.2%	+16.8%
Real Estate	TCG USA			270	270	19
				(262)	(262)	(19)
Real Estate	Takamatsu Corporation Group			+3.1%	+3.1%	-2.7%
Real Estate	Asunaro Aoki Construction Group					

The sum of operating income for each segment does not match company totals due to administration costs.

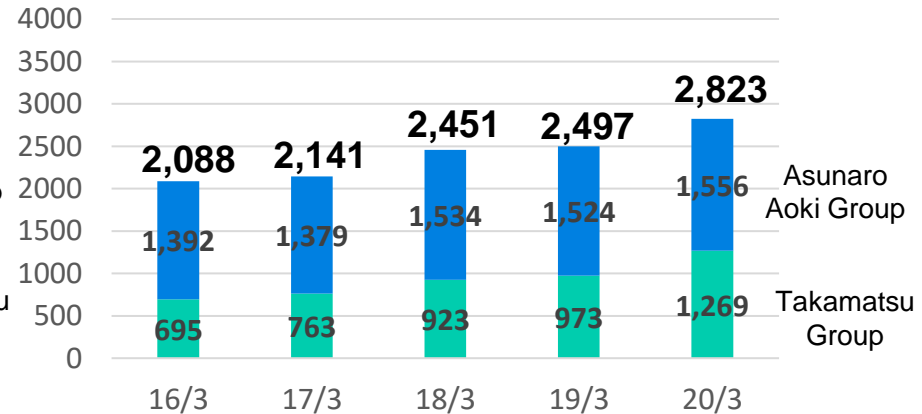
(Consolidated) TCG Results for FY Ended March 2020 by Group (Orders, Revenue, and Operating Income)

- Takamatsu Corporation Co., Ltd. and Asunaro Aoki Construction Co., Ltd. both recorded steady revenue and operating income.
 [Orders] 97.2% year-on-year [Revenue] 113.1% year-on-year
 [Operating income] 118.3% year-on-year [Operating income %] +0.2 pt year-on-year

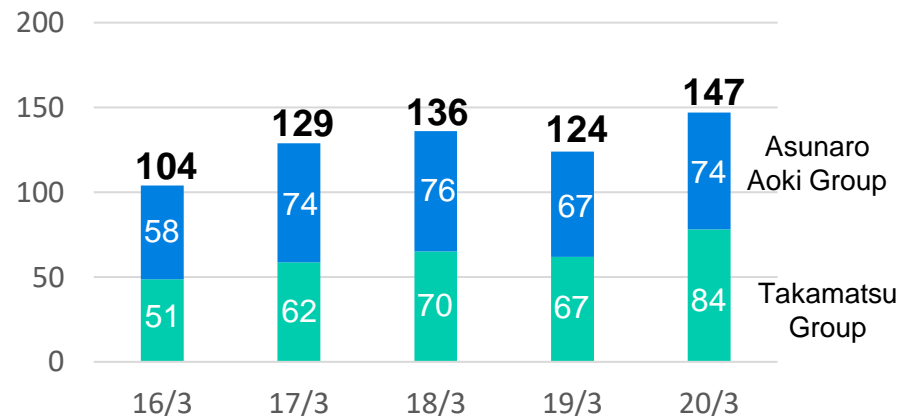
Orders



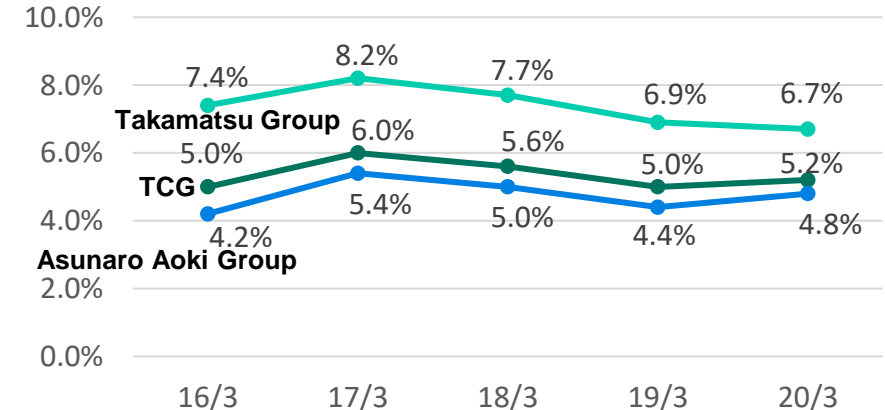
Revenue



Operating income



Operating income %



Operating Results Year-on-Year (Consolidated)

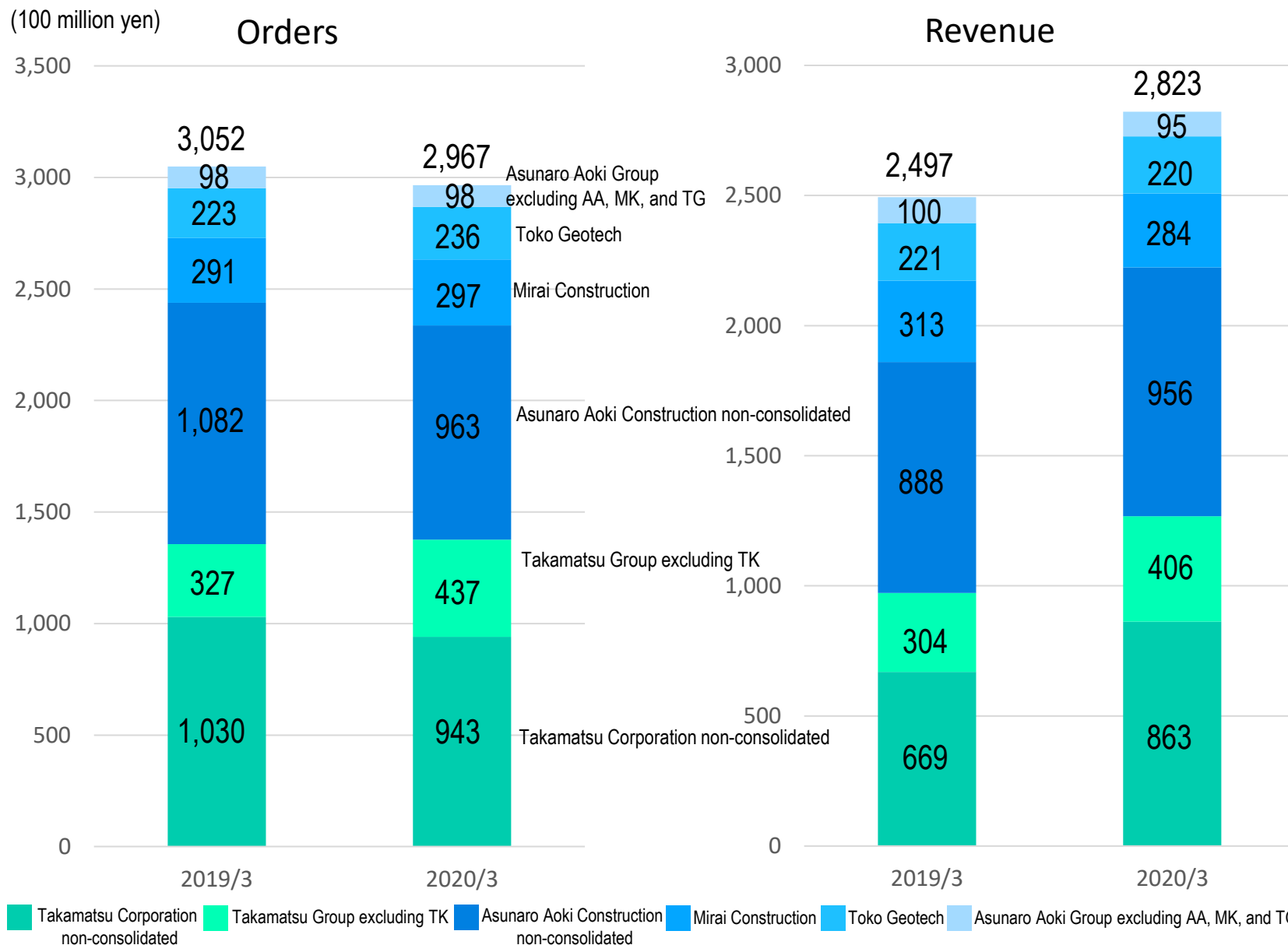
(million yen)

*TK: Takamatsu Corporation AA: Asunaro Aoki Construction MK: Mirai Construction TG: Toko Geotech

	Revenue			Gross profit			SG&A			Operating income		
	Mar 2019	Mar 2020	+/-	Mar 2019	Mar 2020	+/-	Mar 2019	Mar 2020	+/-	Mar 2019	Mar 2020	+/-
Takamatsu Corporation non-consolidated	66,964	86,305	19,341	12,818	15,786	2,968	8,287	9,807	1,520	4,530	5,978	1,448
Takamatsu Group excluding TK	30,416	40,643	10,227	5,414	6,762	1,348	3,201	4,296	1,095	2,214	2,467	253
Takamatsu Group total	97,380	126,948	29,568	18,232	22,548	4,316	11,488	14,103	2,615	6,744	8,445	1,701
Asunaro Aoki Construction non-consolidated	88,866	95,609	6,743	8,875	9,558	683	5,214	5,593	379	3,661	3,964	303
Mirai Construction	31,342	28,420	-2,922	2,325	2,644	319	1,689	1,837	148	636	806	170
Toko Geotech	22,195	22,076	-119	3,272	3,234	-38	1,552	1,582	30	1,720	1,652	-68
Asunaro Aoki Group excluding AA, MK, and TG	10,049	9,586	-463	1,576	1,873	297	891	895	4	684	979	295
Asunaro Aoki Group total	152,452	155,691	3,239	16,048	17,309	1,261	9,346	9,907	561	6,701	7,401	700
TCG consolidated	249,720	282,366	32,646	34,361	39,957	5,596	21,919	25,237	3,318	12,441	14,720	2,279

Orders and Revenue Year-on-Year

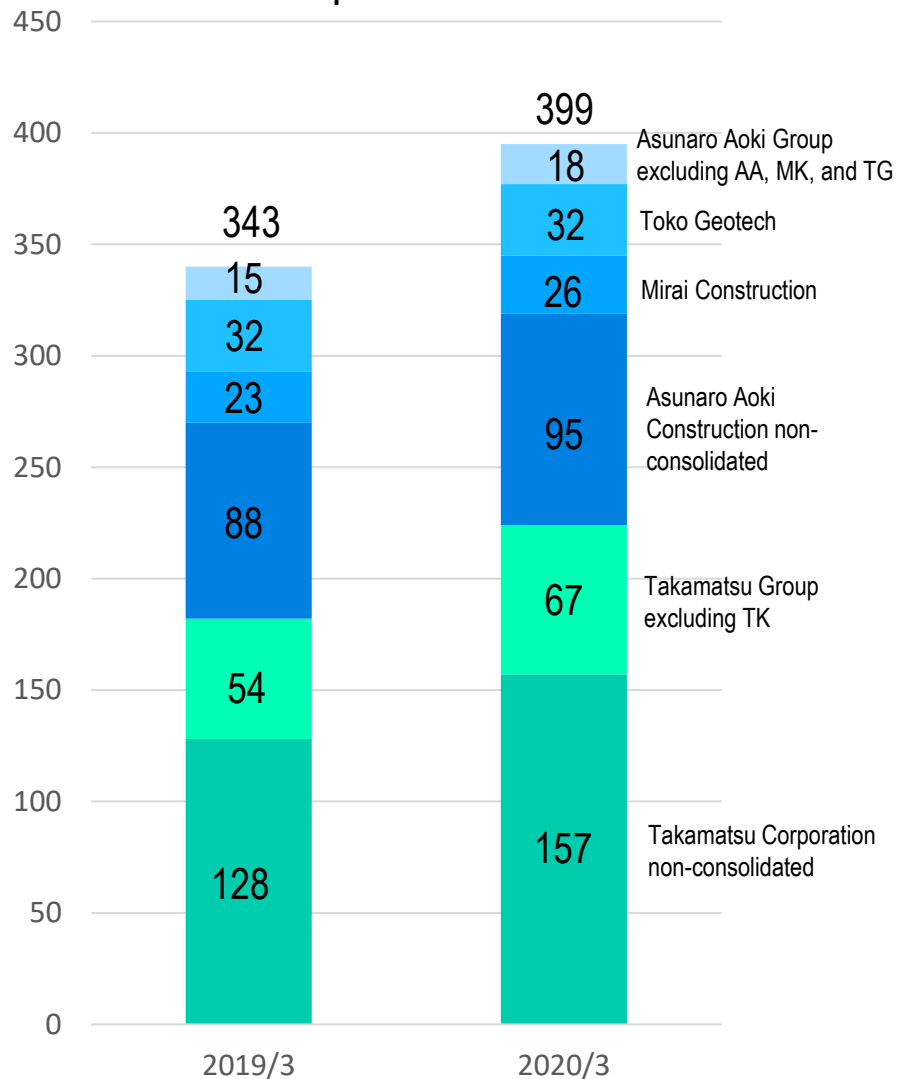
*TK: Takamatsu Corporation AA: Asunaro Aoki Construction MK: Mirai Constriction TG: Toko Geotech



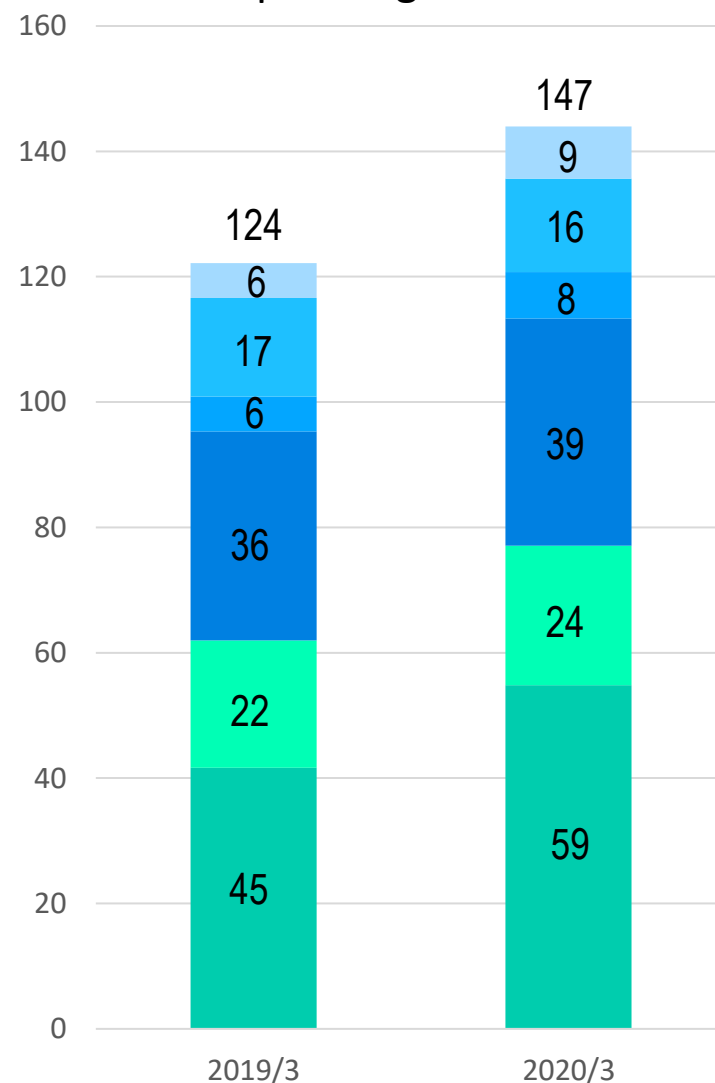
Gross Profit and Operating Income Year-on-Year

*TK: Takamatsu Corporation AA: Asunaro Aoki Construction MK: Mirai Constriction TG: Toko Geotech

Gross profit



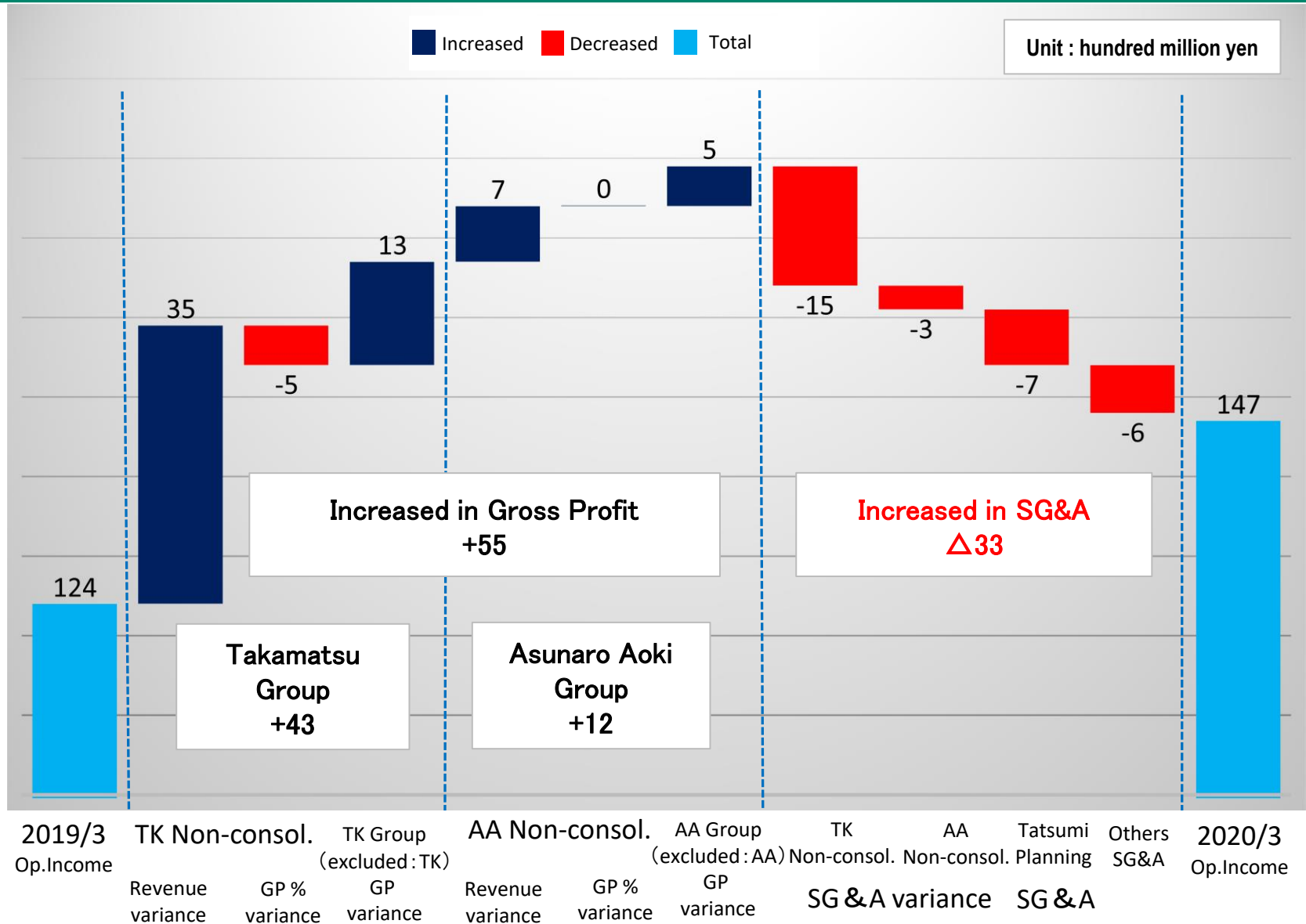
Operating income



■ Takamatsu Corporation non-consolidated
 ■ Takamatsu Group excluding TK
 ■ Asunaro Aoki Construction non-consolidated
 ■ Mirai Construction
 ■ Toko Geotech
 ■ Asunaro Aoki Group excluding AA, MK, and TG

Operating Income Year-on-Year

*TK: Takamatsu Corporation AA: Asunaro Aoki Construction



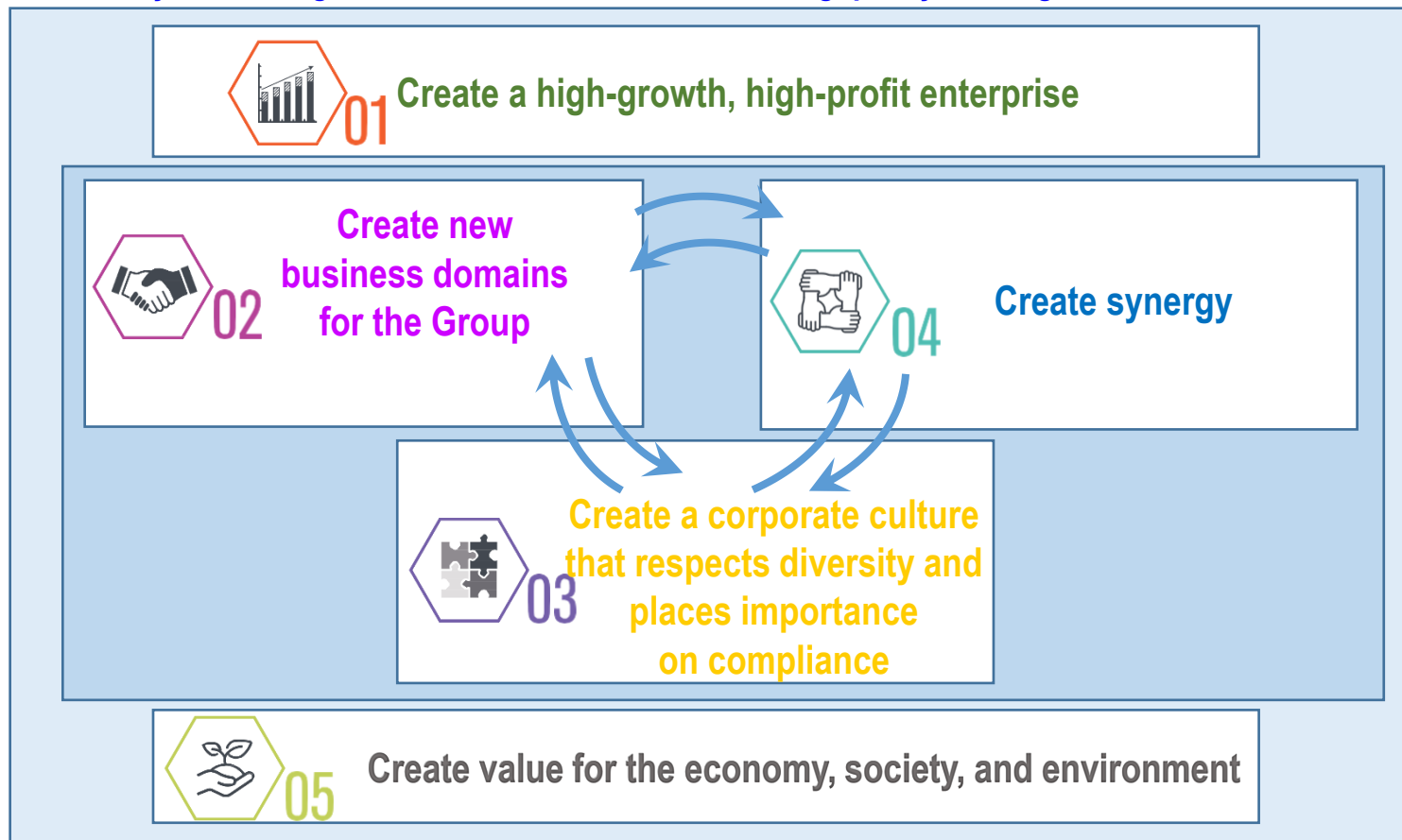
1-2. Takamatsu Construction Group Earnings Forecast and Fiscal Year Management Plan for the Fiscal Year Ending March 2021

**Takamatsu Construction Group Co., Ltd.
Nobuhiko Yoshitake, Representative Director & President**

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Create! 2022 Medium-Term Management Plan: Continued Growth with Five Pillars of Creation!

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.



Takamatsu Construction Group Annual Management Policy

Takamatsu Corporation

Enhance ability to make proposals and technical ability
Improve productivity and precision

Asunaro Aoki Construction
Enhance competitiveness to aim for continuous expansion

Create business domains, create work styles, and create unique technologies

Takamatsu Construction Group

(consolidated)

First year of TCG Group reforms

Full mutual utilization of management resources within the Group

Achieve increased revenue and profit to realize Create! 2022

(non-consolidated)

First year of TCG Group reforms

Link with both cores to create a management platform and synergy

Build a foundation to contribute to increased growth and profitability

Progress Creating Synergy after Making Asunaro Aoki Construction a 100% Owned Subsidiary

Synergy	Measures/specific examples
Sales ↗	<ul style="list-style-type: none"> ■Promote Joint Venture between Group companies →Large-scale logistics warehouses (Takamatsu Corporation/Asunaro Aoki Construction) ■Expand collaborative sales (Takamatsu Corporation/Kongo Gumi) ■Improve the ratio of large-scale repairs/management for properties constructed by Takamatsu Corporation (Takamatsu Estate/Takamatsu Techno Service)
Gross profit ↗	<ul style="list-style-type: none"> ■Share/mutually provide computerized construction such as BIM (Building Information Modeling) ■Share/mutually provide construction expertise
Efficiency ↗ (Costs ↘)	<ul style="list-style-type: none"> ■Create common personnel system (employment, cultivation, evaluation) ■Promote personnel exchange ■Unify information technology system infrastructure
Technical ability ↗	<ul style="list-style-type: none"> ■Share the joint research and achievements of Group companies at the TCG Institute of Technology (Tsukuba) within the Group (Example: Timbering construction methods, long span construction methods, etc.)





1. Respect the diversity and independence of Group companies
2. Room for further expanding the creation of synergy in the future
3. Improve the competitiveness and robustness of the Group to prepare for the risk of a worsening market situation
4. Consider the specialization and individualities of each company when designing systems for the sharing and standardization of platforms, etc. in particular

Revenue Contributing to SDGs

1. SDG efforts are essential for the long-term growth of the Group.
2. 25% of the Group business is revenue that conforms with the SDGs.
3. We will expand our business (revenue) that conforms with the SDGs during the Medium-Term Management Plan and beyond.

Revenue contributing to SDGs

(hundred million yen)

Item	Definition	Revenue											
		FY ended Mar 2019	%	FY ended Mar 2020	%	FY ended Mar 2021	%						
E  	Contributing to environmental conservation	Total of (1) and (2) below						124	5%	108	4%	162	5%
	①Developing renewable energy	Construction revenue related to renewable energy											
	②Raw materials and construction methods in harmony with nature	Construction revenue using raw materials and construction methods in harmony with nature											
S  	Sustainable urban planning	Total of (1) to (4) below						511	20%	523	19%	780	26%
	①Providing secure and long-life spaces	Buildings with anti-seismic performance 15% or more above the Building Standards Act											
	②Maintaining safety, comfort, and high quality	Large-scale renovation business for condominiums, etc.											
	③Inheriting traditional construction culture, etc.	Temple/shrine construction and buried cultural asset excavation business											
	④ Housing services for the elderly	Administration of serviced homes for the elderly											
Total revenue related to E/S				635	25%	631	22%	942	31%				
Group revenue overall				2,497	100%	2,823	100%	3,000	100%				

Creating Value for the Economy, Society, and Environment

Empowerment of women

Item	FY ended Mar 2019 Achievement	FY ended Mar 2020 Achievement
Ratio of female employees	15%	14%
Ratio of female employees in new graduates hired	25%	26%
Number of female managers	11	15

Promotion of work style reforms (closing sites)

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

Enhance governance/ensure compliance

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

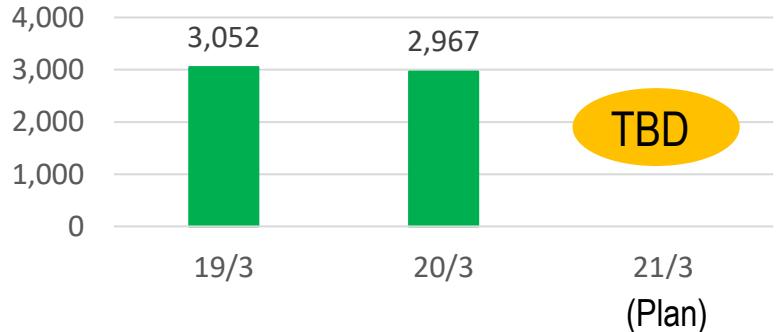
Status of Tackling COVID-19

	Segment	Until May 6	From May 7
Construction	Government sales activities	Continued sales activities except in some municipalities, despite some changes to order schedules, etc.	Continuing sales activities except in some municipalities
	Private sales activities	Refrained from face-to-face sales activities Conducted sales via the Web and phone	Gradually resuming sales activities
	Government construction	Stopped some construction Other construction continued *	Generally resuming construction with measures for preventing the spread of infections implemented
	Private construction	Stopped some construction Other construction continued *	Generally resuming construction with measures for preventing the spread of infections implemented
Real estate	Tenant mediation	Prohibited face-to-face sales	Gradually resuming
	Building management	Provided services required for basic needs	Gradually resuming
Employment	Employment of new graduates	Conducted Web seminars Conducted Web interviews	Same as left

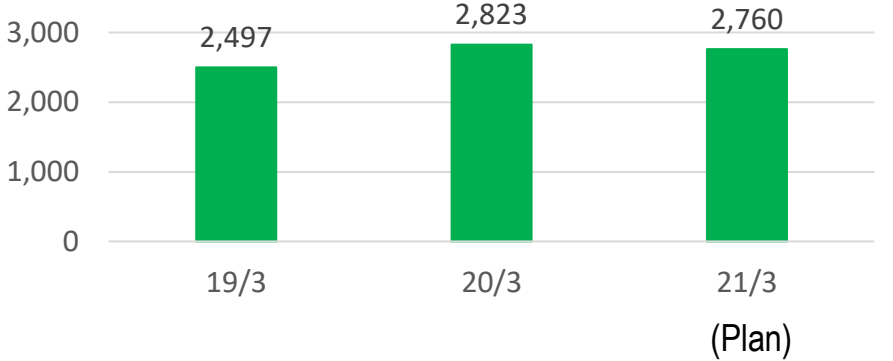
*Continued construction with the agreement of the customer, with measures for preventing the spread of infections implemented

Forecast for Consolidated Business Results in the Fiscal Year Ending March 2021

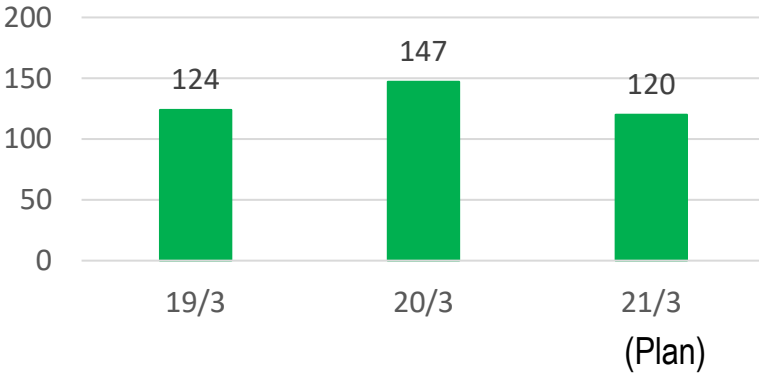
Orders (100 million yen)



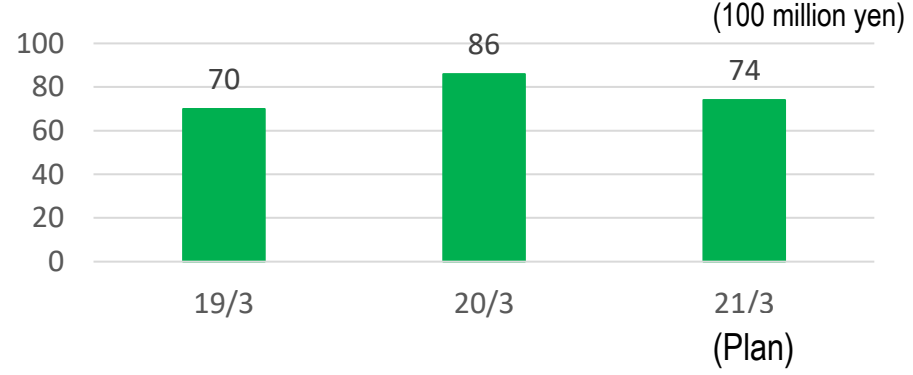
Revenue (100 million yen)



Operating income (100 million yen)



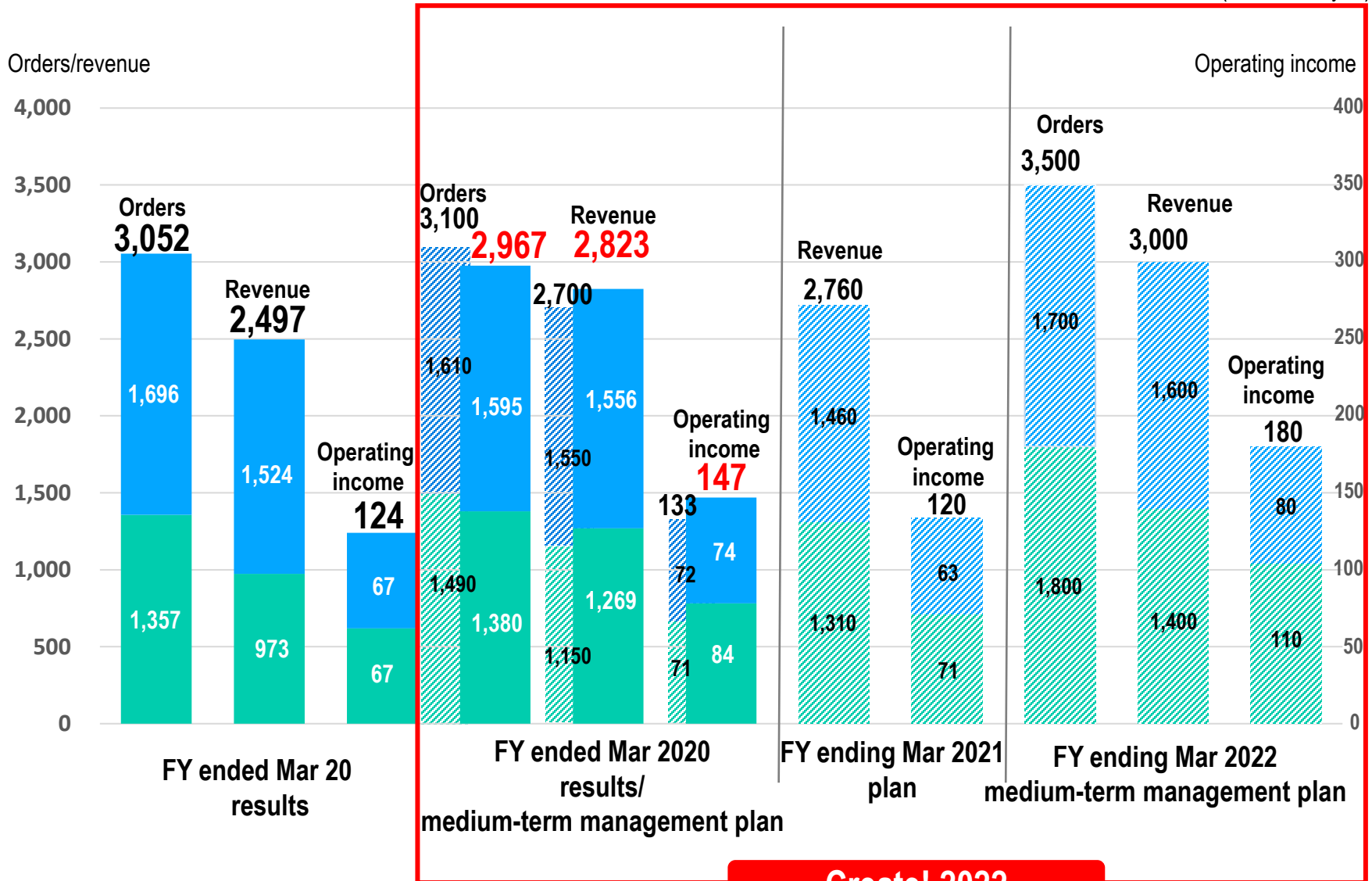
Net earnings attributable to the owners of the parent (100 million yen)



The forecast for consolidated results this fiscal year is TBD because it is currently difficult to reasonably calculate the order forecast due to the impact of COVID-19. Due to the impact of COVID-19, revenue is forecast to decrease 2.3% year-on-year, and operating income is expected to decrease approximately 18.4% year-on-year.

Create! 2022 Medium-Term Management Plan: Progress for Quantitative Goals

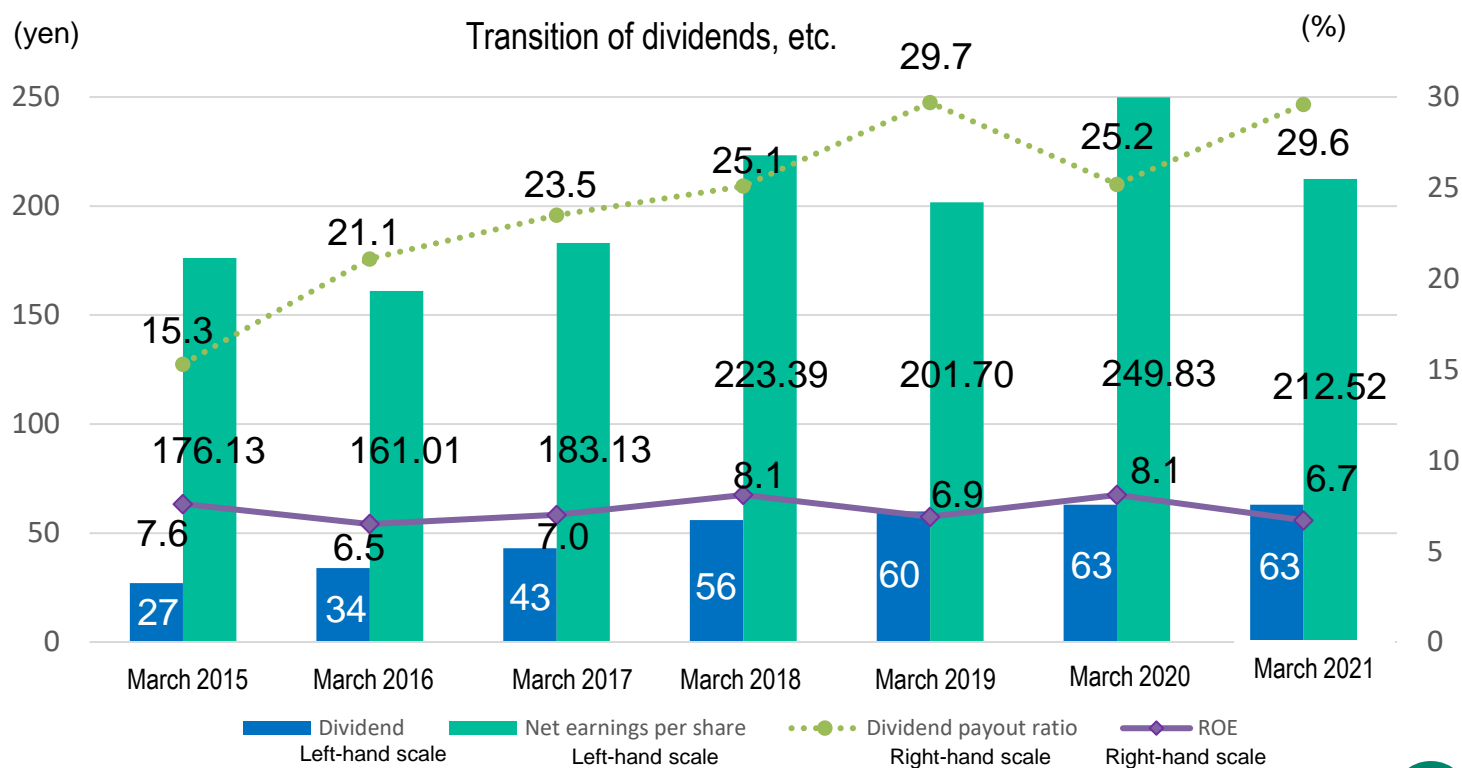
The sum of figures does not match the total due to intracompany offsets and head office costs.
(100 million yen)



Create! 2022

Transition of Dividends

	FY ended Mar 2015 results	FY ended Mar 2016 results	FY ended Mar 2017 results	FY ended Mar 2018 results	FY ended Mar 2019 results	FY ended Mar 2020 results	FY ending Mar 2021 plan
Dividend (yen)	27	34	43	56	60	63	63
Net earnings per share (yen)	176.13	161.01	183.13	223.39	201.70	249.83	212.52
Dividend payout ratio (%)	15.3	21.1	23.5	25.1	29.7	25.2	29.6
ROE (%)	7.6	6.5	7.0	8.1	6.9	8.1	6.7



2-1. Takamatsu Corporation Group Earnings Forecast and Fiscal Year Management Plan for the Fiscal Year Ending March 2021

**Takamatsu Corporation Co., Ltd.
Takatoshi Takamatsu, Representative Director & President**

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Situation of Corporate Group

- The Group is composed of Takamatsu Corporation Co., Ltd. and 11 Group companies, which conduct their main business in the fields of architecture and real estate.

	Architecture	Real estate	Main sales areas
Company	Takamatsu Corporation Co., Ltd.		Tokyo/Nagoya/Osaka
Group companies	Takamatsu Techno Service Co., Ltd. (Osaka)		Osaka
	Takamatsu Techno Service Co., Ltd. (Tokyo)		Tokyo
		Takamatsu Estate Co., Ltd. (Osaka)	Osaka
		Takamatsu Estate Co., Ltd. (Tokyo)	Tokyo
	Suminoe Kogei Co., Ltd.		Japan (nationwide)
	Takamatsu House Co., Ltd.		Tokyo/Kanagawa
	Tatsumi Planning Co., Ltd.		Tokyo/Kanagawa
		Mibu Corporation Co., Ltd.	Tokyo
	Kongo Gumi Co., Ltd.		Tokyo/Osaka
	Nakamura Shaji Co., Ltd.		Nagoya

Group Company Business Strategies

Takamatsu Corporation

Enhance ability to make proposals and technical ability

Takamatsu Techno Service (Osaka)

Aim for a more profitable enterprise for the 30th anniversary of founding the company

Takamatsu Techno Service (Tokyo)

Milestones as the Takamatsu Corporation Group

Takamatsu Estate (Osaka)

The first step towards a new stage as a progressive company!

Takamatsu Estate (Tokyo)

Increase the value of existing business and build new business

Tatsumi Planning

Establish the Tatsumi brand

Takamatsu House

Establish a foundation for the Takamatsu House development business

Build a system for linking Takamatsu House with the Group

Suminoe Kogei

Expand industry share by consolidating the position as a construction company that reliably provides high quality

Mibu Corporation

Reform the profit structure

Kongo Gumi

Build a sustainable business structure

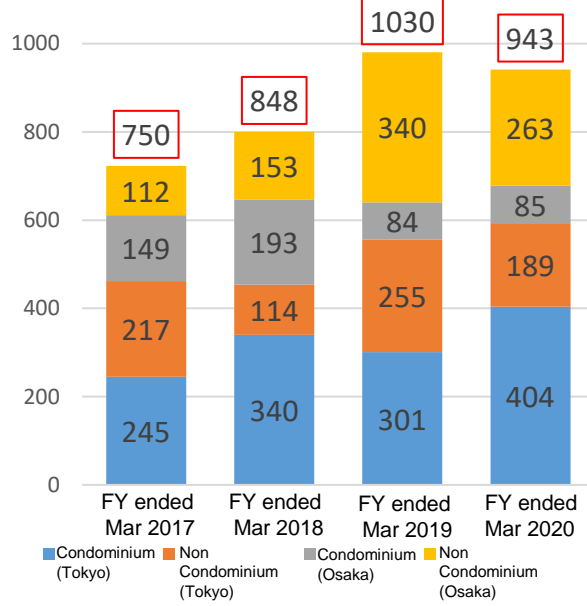
Nakamura Shaji

1050th anniversary since the founding

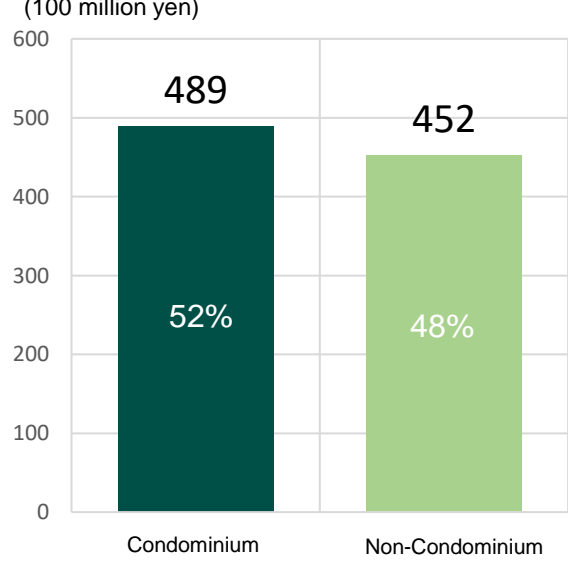
Review of Takamatsu Corporation Group Performance for FY Ended March 2020

(million yen)		Takamatsu Corporation Group overall	Takamatsu Corporation non-consolidated	Takamatsu Corporation Group company total
Orders	Achievement	138,042	94,340	40,688
	Target	149,000	110,000	39,000
	Rate of achievement	92.6%	85.8%	104.3%
Revenue	Achievement	126,948	86,305	42,565
	Target	115,000	84,000	31,000
	Rate of achievement	110.4%	102.7%	137.3%
Operating income	Achievement	8,445	5,978	2,581
	Target	7,100	5,200	1,900
	Rate of achievement	118.9%	115.0%	135.8%

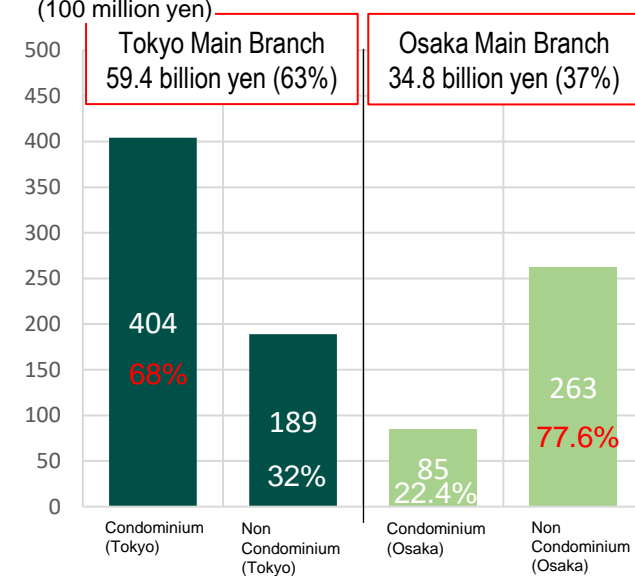
Orders by regional segment (Takamatsu Corporation, non-consolidated)



Orders by segment (Takamatsu Corporation, non-consolidated)



Orders by regional segment (Takamatsu Corporation, non-consolidated)



The sum of figures does not match the total due to intracompany offsets and head office costs.

Takamatsu Corporation Group consolidated performance targets

Orders:	TBD
Revenue:	131 billion yen (103% year-on-year)
Operating income:	7.1 billion yen (84% year-on-year)

The forecast for orders this fiscal year is TBD because it is currently difficult to predict the impact of COVID-19. The forecast for revenue and operating income remains the same as at the start of the fiscal year.

We will swiftly release information when rational forecasts become possible, upon carefully ascertaining the impact on our business.

Business Risks due to COVID-19

- (1) Decreased profit margin due to rising costs
- (2) Delays to construction launches due to delayed materials procurement
- (3) Reduced scope of ordered projects due to fewer assets and orders due to a slump in consumption
- (4) Delays to contract agreements, construction launches, and construction progress due to the pandemic

**The outlook is uncertain because there are risks to not only orders, but also revenue and income.
We will minimize risk by meticulously performing contract management and construction launch management.**

We will also review and promote the sales method to adopt after COVID-19 settles down.

Topic: Takamatsu House

Takamatsu House and Tatsumi Planning joined the Takamatsu Corporation Group in FY2019, and the Group will work together to promote them as the third pillar, after Takamatsu Corporation and Asunaro Aoki Construction.

[Basic themes of FY2020]

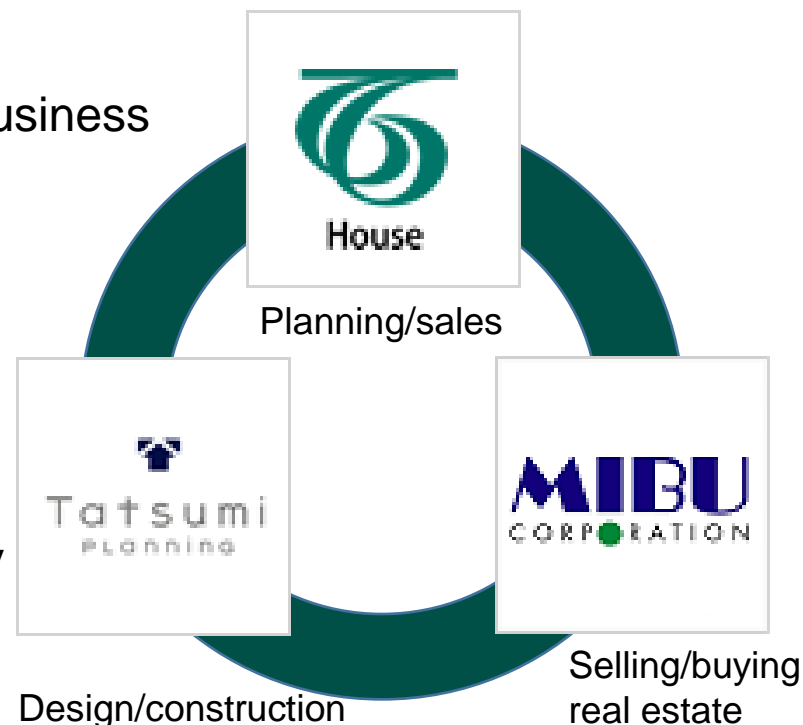
- Establishing a foundation for the Takamatsu House development business
- Building a system for linking Takamatsu House with the Group

[Keywords]

- Absorbing knowledge of the development business
- Building a system for linking with the Group

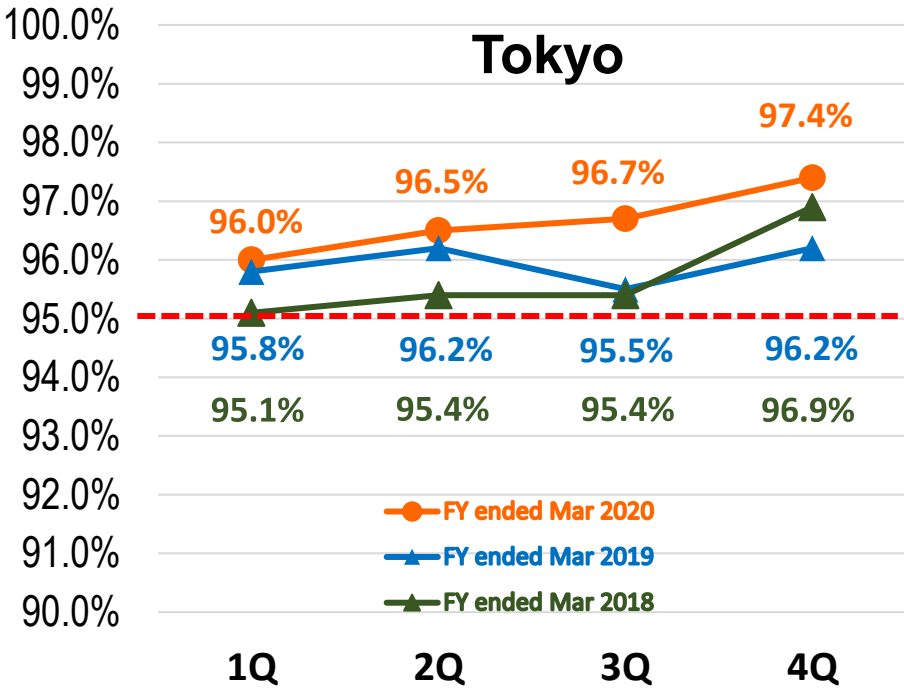
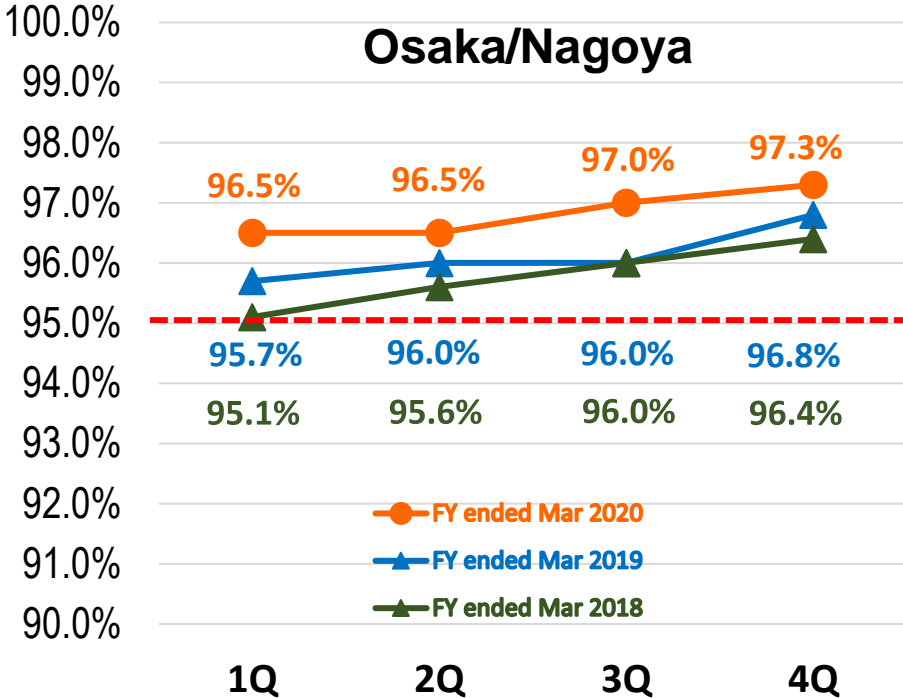
[Specific items for implementation]

- Expanding the strategic area
- Expanding the purchase of sites for sale
- Establishing a method for online marketing
- Conducting test marketing for each property
- Linking Tatsumi Planning with the Group



Occupancy Rate of Properties Constructed by Takamatsu Corporation at Takamatsu Estate

Occupancy rates of 95% or higher have been maintained for the fiscal year ended March 2020 in both Tokyo and Osaka.



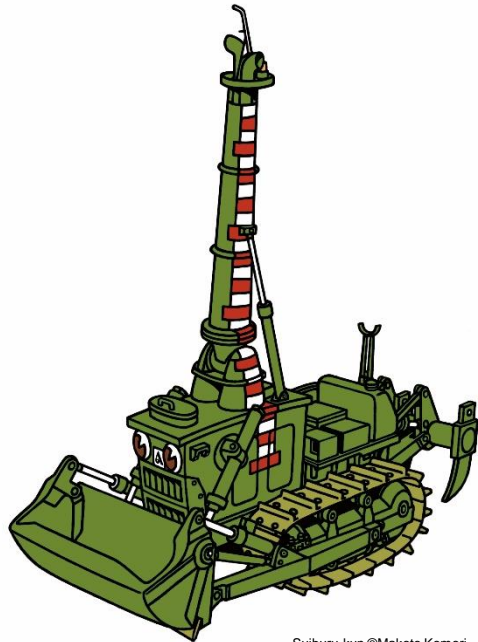
Definitions

"Osaka/Nagoya": Osaka, Kyoto, Hyogo, and Nagoya

"Tokyo": Tokyo, Kanagawa, Saitama, and Chiba

"Occupancy rate": Number of properties constructed by Takamatsu Corporation managed by Takamatsu Estate (Osaka/Tokyo) that are occupied at the end of each quarter ÷ total number of properties constructed by Takamatsu Corporation managed by Takamatsu Estate (Osaka/Tokyo) at the end of each quarter

Financial Results Briefing for the Fiscal Year Ended March 2020



Suiburu-kun ©Makoto Komori

Asunaro Aoki Construction Co., Ltd.
May 27, 2020

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for the Fiscal Year Ended March 2020 (P. 31 to 42)**
- **Fiscal Year Management Plan Briefing
for the Fiscal Year Ending March 2021 (P. 43 to 48)**



Consolidated Financial Results Briefing for the Fiscal Year Ended March 2020

Situation of Corporate Group

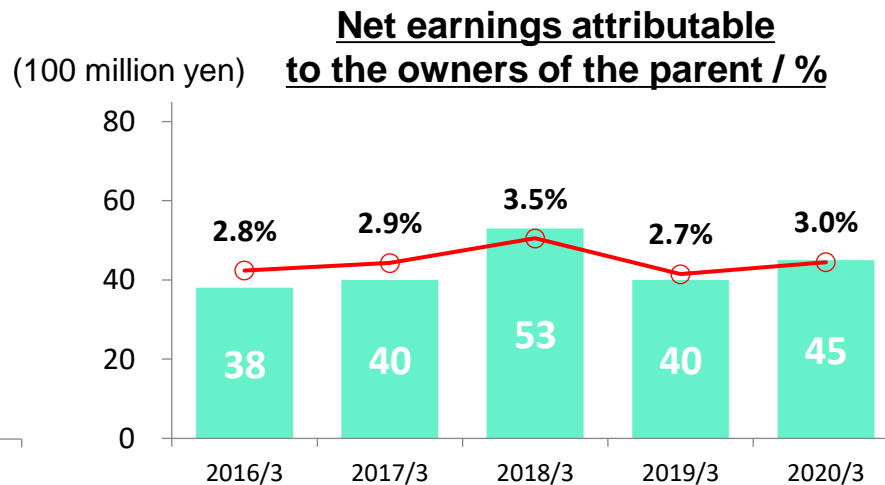
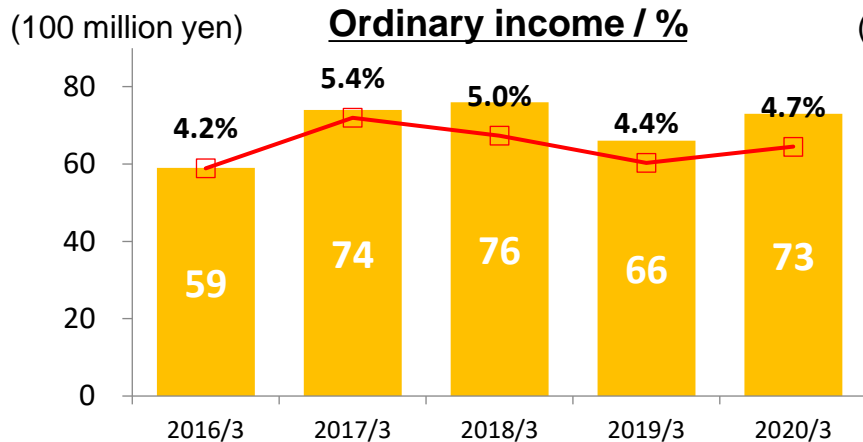
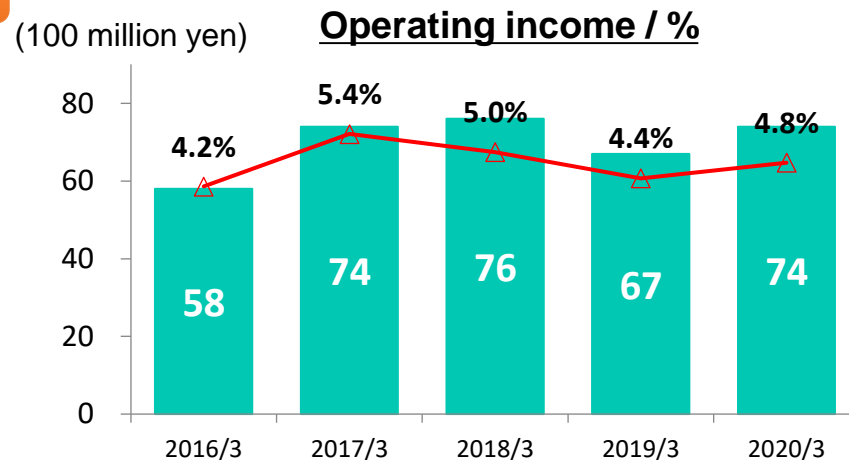
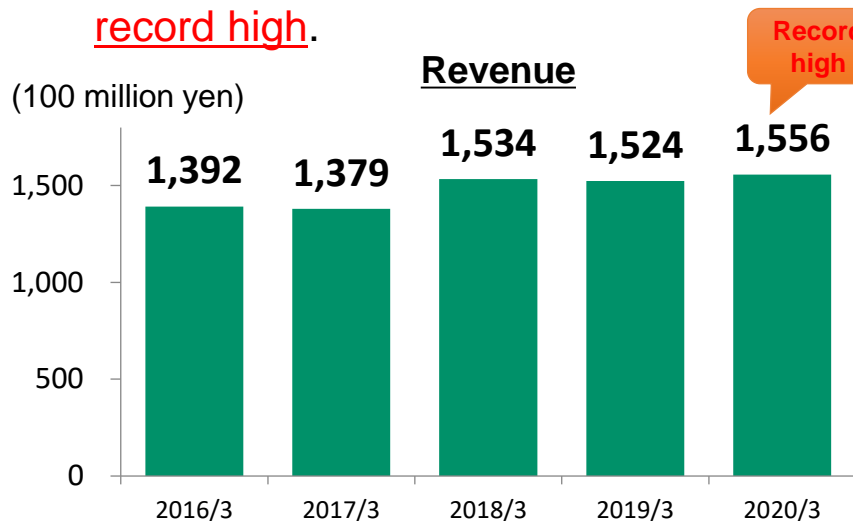
- The Group is composed of Asunaro Aoki Construction Co., Ltd. and 8 Group companies, which conduct their main business in the fields of construction and real estate.

	Architecture	Civil engineering	Real estate	Main sales areas
Company	Asunaro Aoki Construction Co., Ltd.			Japan (nationwide)
Group companies	Mirai Construction Co., Ltd.			Japan (nationwide)
		Toko Geotech Co., Ltd.		Japan (nationwide)
		Aoki Marine Co., Ltd.		Japan (nationwide)
		Asunaro Road Co., Ltd.		Hokkaido
	M's Co., Ltd.			Metropolitan area
		Niigata Mirai Construction Co., Ltd.		Niigata
		Shimada Gumi Co., Ltd.		Japan (nationwide)
		Access Co., Ltd.		Kansai region

Performance Summary (Consolidated)

(rounded down to the nearest 100 million yen)

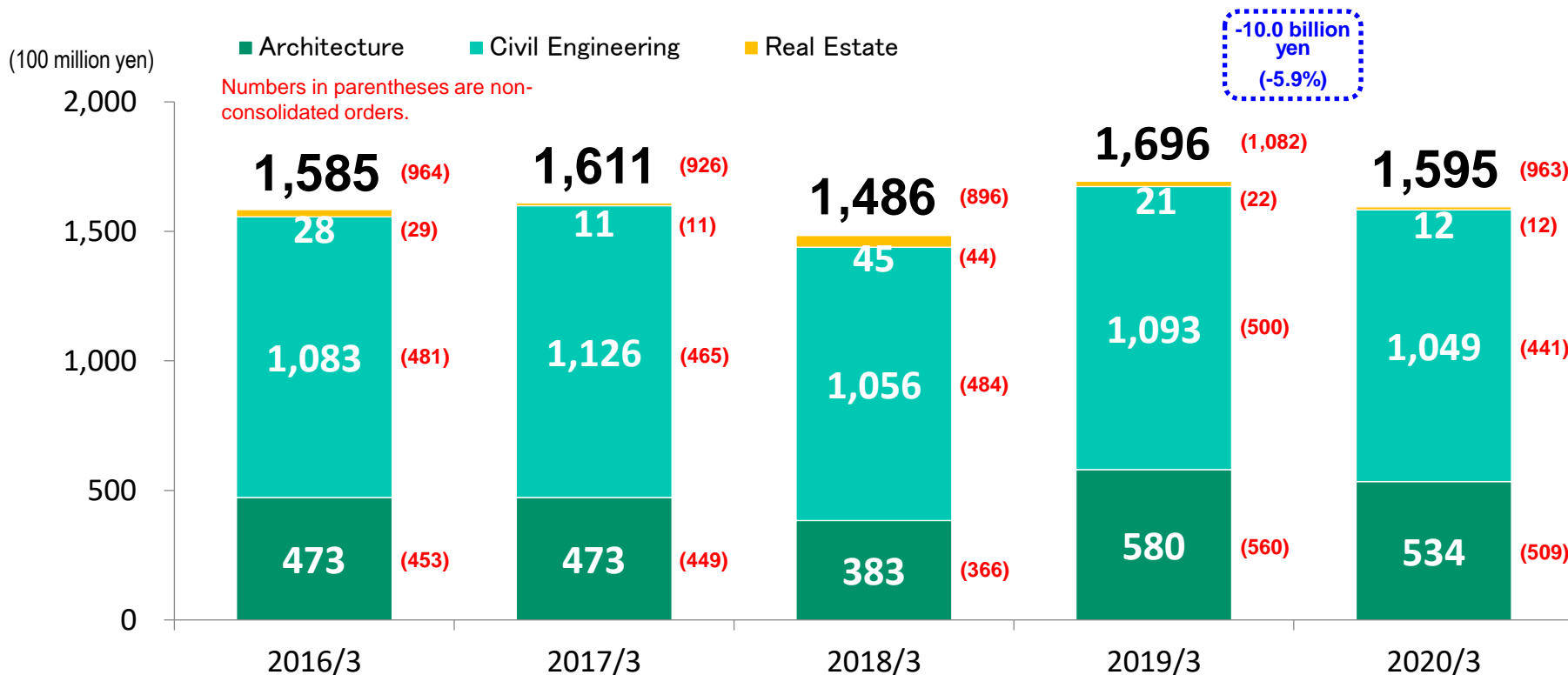
- Revenue **increased** year-on-year, and operating income, ordinary income, and net earnings attributable to the owners of the parent **increased** year-on-year. Revenue **hit a record high**.



Orders (Consolidated)

(rounded down to the nearest 100 million yen)

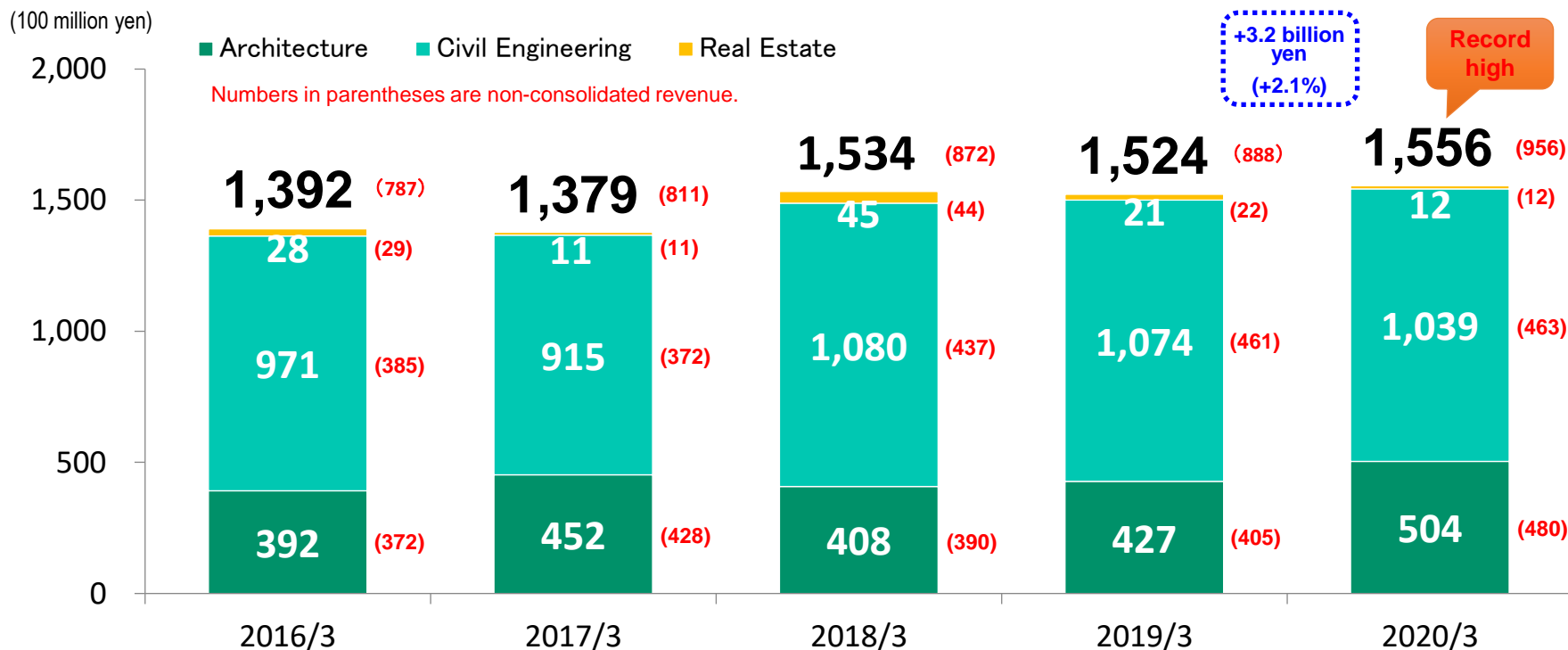
- The architecture business saw **increased** government orders due to a large-scale waste processing facility but a **decrease** in private sector orders due to the reaction to the last minute surge of demand before the hike in consumption tax the previous fiscal year, leading to an overall **decrease of 4.6 billion yen (-8.1%)** year-on-year.
- The civil engineering business saw **increased** private sector orders with a mega solar project in the renewable energy field and site preparation for a large-scale waste processing facility but a **decrease** in government orders after robust railway and road orders in the previous fiscal year, leading to an overall decrease of **4.3 billion yen (-4.0%)** year-on-year, despite an overall increase in orders at Group companies.
- Overall, orders **decreased by 10.0 billion yen (-5.9%)** since the previous fiscal year, which saw a record high.



Revenue (Consolidated)

(rounded down to the nearest 100 million yen)

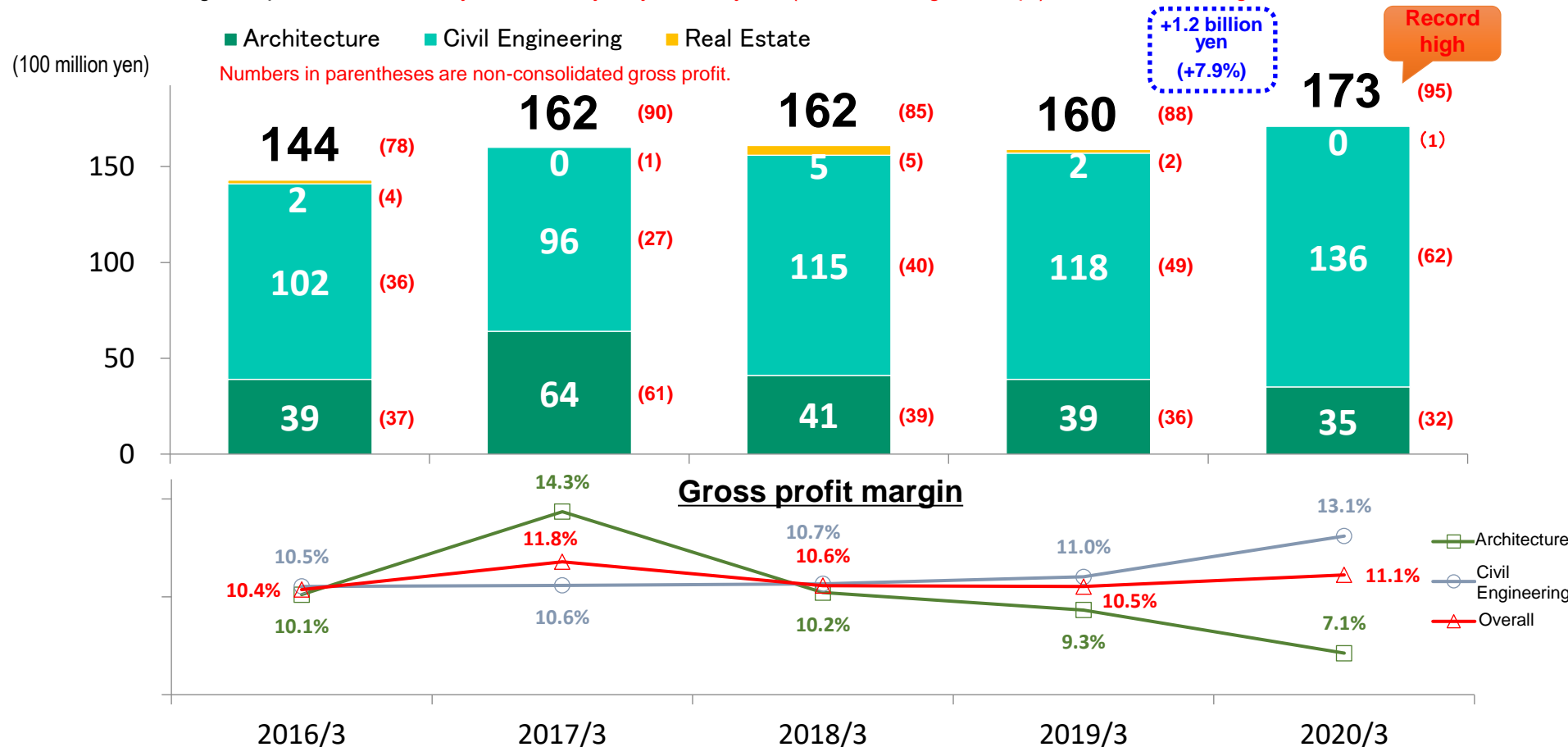
- Architecture revenue **increased by 7.6 billion yen (+18.0%)** year-on-year due to factors such as steady progress in construction brought forward from the previous fiscal year, which hit a record high since the economic downturn of 2008.
- Although there was steady progress in ongoing construction, civil engineering revenue **decreased by 3.4 billion yen (-3.2%)** year-on-year due to a decrease in construction brought forward from the previous fiscal year at some Group companies (a decrease in orders in the previous two fiscal years).
- Overall, revenue **increased by 3.2 billion yen (+2.1%)** year-on-year to **hit a record high**.



Gross Profit (Consolidated)

(rounded down to the nearest 100 million yen)

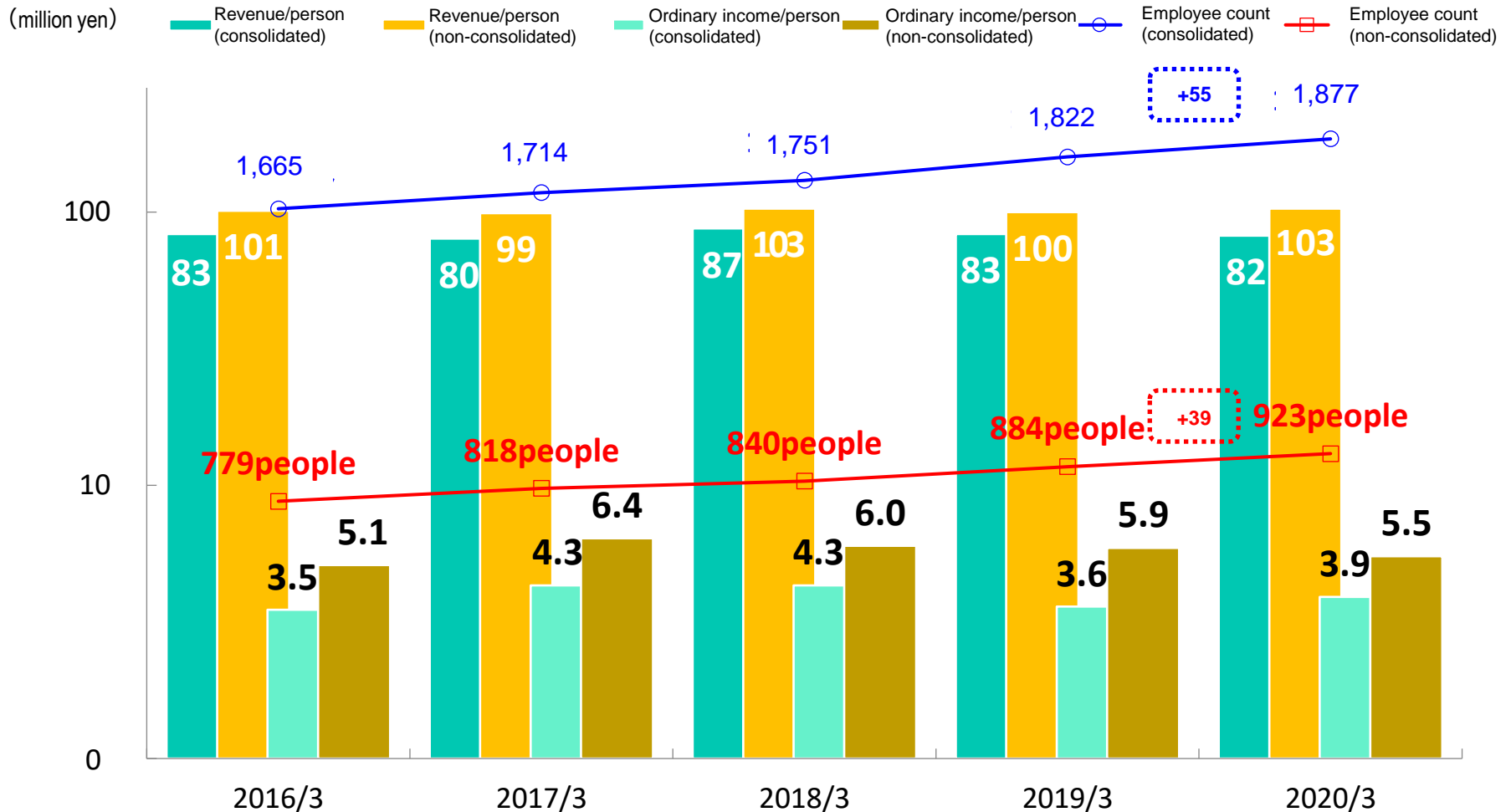
- Architecture profit decreased by 0.3 billion yen year-on-year (-9.9%, margin -2.2pt) due to rising material prices and the progress, etc. of low profitability construction, which was impacted by factors such as labor shortages.
- Civil engineering profit increased by 1.7 billion yen year-on-year (+15.1%, margin +2.1pt) due to progress, etc. of high profitability construction.
- Overall, gross profit increased by 1.2 billion yen year-on-year (+7.9%, margin +0.6pt) to hit a record high.



Employee Headcount and Productivity

(Revenue/person rounded down to the nearest million yen)
 (Ordinary income/person rounded down to the nearest 100,000 yen)

- The employee count at the end of the fiscal year **trended upward** due to the continuous employment of new graduates and the non-consolidated ordinary income per employee **decreased** year-on-year because the increase in general administration costs due to the increased employee count was not completely absorbed.



Balance Sheet (Consolidated)

(rounded down to the nearest 100 million yen)
(hundred million yen)

Current ratio 200% or more	Mar 2019	Mar 2020	Increase/ decrease	Bills payable balance zero	Mar 2019	Mar 2020	Increase/d ecrease	
Current assets	(964)	(1,033)	(69)		(341)	(379)	(37)	
Cash and deposits	241	262	21		Accounts payable for construction contracts	208	233	24
Notes receivable/accounts receivable from completed projects, other.	625	663	37		Advances received on uncompleted construction contracts	68	70	2
Real estate for sale	18	9	-9		Provision for bonuses	15	16	0
Costs from projects in progress	4	0	-3		Other	48	58	9
Costs from real estate business	—	0	0		Non current liabilities	(86)	(86)	(-0)
Accounts receivable	64	71	6		Retirement allowance	80	79	-0
Other	9	25	16		Other	6	6	-0
Allowance for bad debts	-1	-0	0		Total liabilities	428	465	37
Noncurrent assets	(138)	(135)	(-3)		Capital stock	(669)	(702)	(32)
Tangible assets	(63)	(63)	(-0)		Capital	50	50	—
Intangible assets	(3)	(3)	(-0)		Capital surplus	237	237	—
Investment and other assets	(71)	(68)	(-2)		Earned surplus	415	448	32
Investment securities	41	37	-4		Treasury shares	-34	-34	-0
Deferred tax assets	22	24	2		Total accumulated other comprehensive income	(4)	(0)	(-3)
Other	9	8	-1		Non-controlling interest	(0)	(0)	(0)
Allowance for doubtful accounts	-2	-2	0		Total net assets	674	703	29
Total assets	1,102	1,168	66		(Equity ratio)	(61.1%)	(60.1%)	(-1.0pt)
					Total liabilities and net assets	1,102	1,168	66

Performance by Group Company (1)

(rounded down to the nearest 100 million yen)



Asunaro Aoki Construction

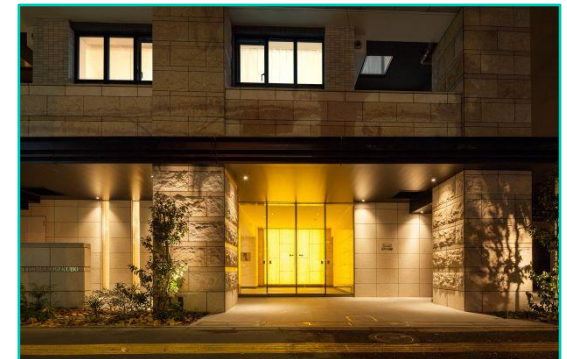
Main business: General construction business



New construction of Kumegawa long-term care health facility (tentative title)



Construction of Tohoku Expressway Hasuda Service Area (inbound)



Tissage Ogikubo (company-built condominiums)

	Mar 2016	Mar 2017	Mar 2018	Mar 2019	Mar 2020	
	Achievement	Achievement	Achievement	Achievement	Achievement	Year-on-year change
Orders	964	926	896	1,082	963	-11.0%
Revenue	787	811	872	888	956	7.6%
Operating income	30	41	40	36	39	8.3%
Ordinary income	40	52	50	52	51	-1.7%
Net income	30	34	34	38	34	-10.1%
Employee count at the end of fiscal year	779	818	840	884	923	

Performance by Group Company (2)

(rounded down to the nearest 100 million yen)

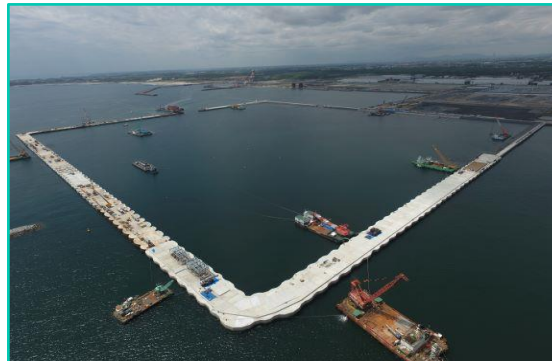


Mirai Construction

Main business: Offshore construction, port and harbor construction, inland civil engineering construction, architecture construction



Quay wall improvement work in the Hakodate Port Wakamatsu District



Construction of waste material bulkhead at the central quay of the Ibaraki Port Hitachinakako District



Ground reinforcement work on facilities adjoining the fairway at the Port of Kobe

	Mar 2016	Mar 2017	Mar 2018	Mar 2019	Mar 2020	
	Achievement	Achievement	Achievement	Achievement	Achievement	Year-on-year change
Orders	306	371	272	291	297	2.2%
Revenue	297	263	336	313	284	-9.3%
Operating income	10	11	12	6	8	26.8%
Ordinary income	10	11	12	6	8	29.1%
Net income	12	8	15	4	5	33.3%
Employee count at the end of fiscal year	289	306	310	324	331	

(hundred million yen)

*Orders and revenue are calculated by excluding intracompany transactions.

Performance by Group Company (3)

(rounded down to the nearest 100 million yen)



Toko Geotech

Main business: Slope protection work, ground reinforcement work, blasting work, insulation/heat-resistance work



Kagawa expressway slope repair work (slope protection work)



Haneda Airport site foundation maintenance work (ground reinforcement work)



Koishiwara River Dam work (blasting work)













Hofu Biomass Power Plant construction (insulation/heat-resistance work)

	Mar 2016	Mar 2017	Mar 2018	Mar 2019	Mar 2020	
	Achievement	Achievement	Achievement	Achievement	Achievement	Year-on-year change
Orders	218	218	226	223	236	5.6%
Revenue	214	208	222	221	220	-0.5%
Operating income	13	13	15	17	16	-4.0%
Ordinary income	13	12	15	17	16	-3.4%
Net income	6	8	9	14	10	-25.6%
Employee count at the end of fiscal year	386	392	396	390	395	

(hundred million yen)

Other Group Companies

(rounded down to the nearest 100 million yen)

Company name	Head office location	Main business	Revenue at the end of Mar 2020	No. of employees (end of Mar 2020)	
 Shimada Gumi Access Co., Ltd.	Osaka Yao	Buried cultural asset excavation survey, civil engineering construction	3.9 billion yen	113	
 M's	Tokyo Chuo-ku	Architecture, renovation, construction	2.3 billion yen	30	
 Aoki Marine	Kobe Higashinada-ku	Land reclamation/dredging, marine transport	2.2 billion yen	49	
 Asunaro Road	Sapporo Chuo-ku	Roadwork, paving, civil engineering constructions, composite material sales	1.8 billion yen	27	
 Niigata Mirai Construction	Niigata Minamiuonuma Yuzawa	Roadwork, paving, civil engineering constructions, composite material sales	0.8 billion yen	9	

Listing in order of higher revenue for the fiscal year ended March 2019

Fiscal Year Management Plan Briefing for the Fiscal Year Ending March 2021

Understanding of the Environment and Its Challenges (Medium-Term Management Plan)

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

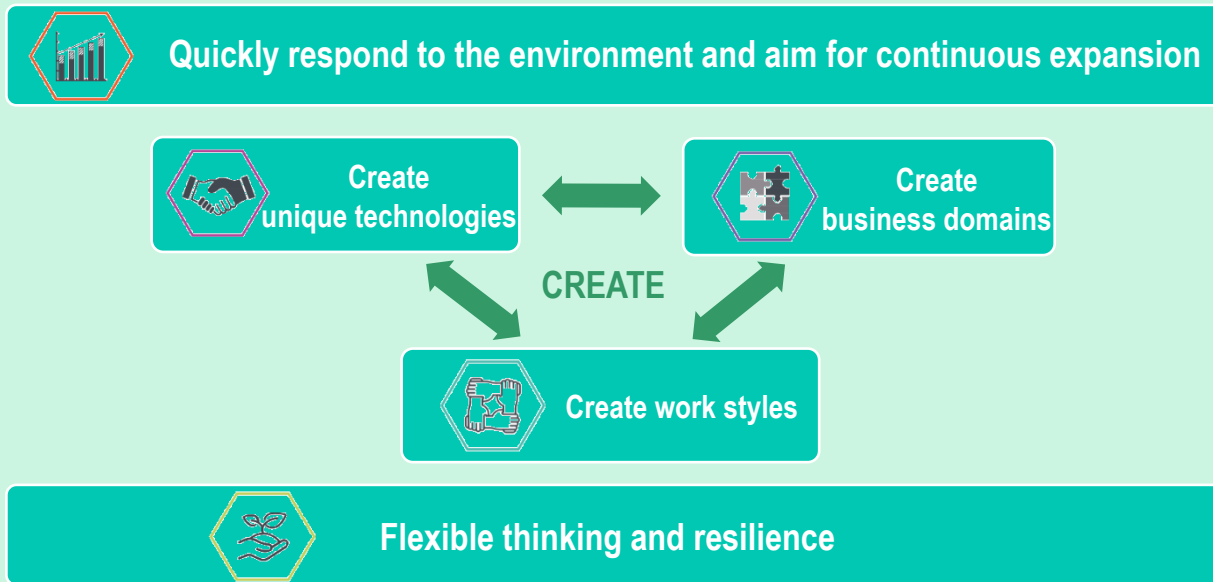
Basic Policy/Basic Strategy (Medium-Term Management Plan)

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.)



Summary of Business Forecast

(rounded down to the nearest 100 million yen)

- Both consolidated and non-consolidated orders are expected to be delayed and decrease due to the economic slowdown caused by COVID-19.
- Because it was the off-season for architecture construction and the amount of construction has decreased due to postponement of orders, both consolidated and non-consolidated revenue and profit are expected to decrease.

	Consolidated					Non-consolidated				
	Mar 2020	Mar 2021				Mar 2020	Mar 2021			
	Achievement	Medium-Term Management Plan	Forecast	Year-on-year % change	% change compared to Medium-Term Management Plan	Achievement	Medium-Term Management Plan	Forecast	Year-on-year % change	% change compared to Medium-Term Management Plan
Orders	159.5 billion yen	165.0 billion yen	143.0 billion yen	-10.4%	-13.3%	96.3 billion yen	98.0 billion yen	81.0 billion yen	-15.9%	-17.3%
Revenue	155.6 billion yen	159.0 billion yen	146.0 billion yen	-6.2%	-8.2%	95.6 billion yen	94.0 billion yen	83.0 billion yen	-13.2%	-11.7%
Operating income	7.4 billion yen	7.7 billion yen	6.3 billion yen	-14.9%	-18.2%	3.9 billion yen	4.2 billion yen	2.8 billion yen	-29.4%	-33.3%
Operating income %	4.8%	4.8%	4.3%	-0.4pt	-0.5pt	4.1%	4.5%	3.4%	-0.8pt	-1.1pt
Ordinary income	7.3 billion yen	7.7 billion yen	6.1 billion yen	-17.2%	-20.8%	5.1 billion yen	5.4 billion yen	3.8 billion yen	-26.1%	-29.6%
Net income	4.5 billion yen	5.0 billion yen	3.8 billion yen	-17.3%	-24.0%	3.4 billion yen	4.0 billion yen	2.8 billion yen	-19.8%	-30.0%

Business Forecast by Segment (Consolidated)

(rounded down to the nearest million yen)

(million yen)

	Mar 2020 Achievement	Mar 2021	
		Forecast	Year-on-year change
Orders	159,546	143,000	-10.4%
Architecture	53,404	37,000	-30.7%
Civil engineering	104,916	106,000	+1.0%
Real Estate	1,225	—	-100.0%
Revenue	155,691	146,000	-6.2%
Architecture	50,478	38,500	-23.7%
Civil engineering	103,987	107,500	+3.4%
Real Estate	1,225	—	-100.0%
Gross profit	17,309	16,300	-5.8%
	(11.1%)	(11.2%)	(+0.0pt)
Architecture	3,594	3,700	+2.9%
	(7.1%)	(9.6%)	(+2.5pt)
Civil engineering	13,622	12,600	-7.5%
	(13.1%)	(11.7%)	(-1.4pt)
Real Estate	92	—	-100.0%
	(7.6%)	(-%)	(-7.6pt)

Business Forecast by Segment (Non-Consolidated)

(rounded down to the nearest million yen)

(million yen)

	Mar 2020 Achievement	Mar 2021	
		Forecast	Year-on-year change
Orders	96,345	81,000	-15.9%
Architecture	50,928	34,500	-32.3%
Civil engineering	44,170	46,500	+5.3%
Real Estate	1,246	—	-100.0%
Revenue	95,609	83,000	-13.2%
Architecture	48,052	36,000	-25.1%
Civil engineering	46,310	47,000	+1.5%
Real Estate	1,246	—	-100.0%
Gross profit	9,558	8,400	-12.1%
	(10.0%)	(10.1%)	(+0.1pt)
Architecture	3,230	3,400	+5.2%
	(6.7%)	(9.4%)	(+2.7pt)
Civil engineering	6,200	5,000	-19.4%
	(13.4%)	(10.6%)	(-2.8pt)
Real Estate	126	—	-100.0%
	(10.2%)	(-%)	(-10.2pt)



AsunaroAoki

Note: Forward-looking statements in this document are based on information available at the time the document was created. Actual results may differ significantly for a number of reasons.

Ordered/Completed Projects for the Year Ended March 2020

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

Company name	Project name	Client name
Asunaro Aoki Construction	Maintenance/administration of new waste treatment facility (construction work)	Kodaira/Murayama/Yamato Eisei Kumiai
Asunaro Aoki Construction	Kobe General Children's Center transfer/maintenance construction work	Kobe
Asunaro Aoki Construction	Kanan Agricultural Irrigation Naka-ku Facility construction work	Tohoku Regional Agricultural Administration Office
Asunaro Aoki Construction	Kyushu Shinkansen Omura Railyard roadbed construction	Japan Railway Construction, Transport and Technology Agency
Mirai Construction	Dismantlement and removal, etc. of disaster-affected buildings, etc. in Tomioka (2)	Ministry of the Environment
Mirai Construction	Shin-Meishin Expressway Joyo #2 Viaduct West (lower part) construction	West Nippon Expressway Company Limited
Toko Geotech	Sanyo Expressway (special renewal, etc.) banking reinforcement between Fukuyama interchange and Mihara-Kui interchange	West Nippon Expressway Company Limited
Toko Geotech	Three furnace flue construction	Nippon Steel Corporation
Aoki Marine	Mizushima Port Tamashima District fairway/anchorage (-12 m), etc. dredging work	(Original client) Chugoku Regional Development Bureau
Asunaro Road	National Route 44 Nemuro Honioihigashi paving work	Kushiro Development and Construction Bureau
M's	WBG (World Business Garden) toilet renewal work (phase 4/5)	Mitsui Fudosan Co., Ltd.
Niigata Mirai Construction	Construction for FY2019 Nagaoka anti-flood measures 2	Hokuriku Regional Development Bureau Nagaoka National Highway Office
Shimada Gumi	Ai River Dam Oiwa District site foundation maintenance work	Osaka

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



Asunaro Aoki Construction
Construction of Tohoku Expressway Hasuda
Service Area (inbound)



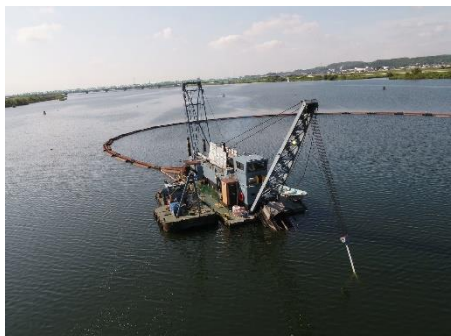
Asunaro Aoki Construction
New construction of Kumegawa long-term care health
facility (tentative title)



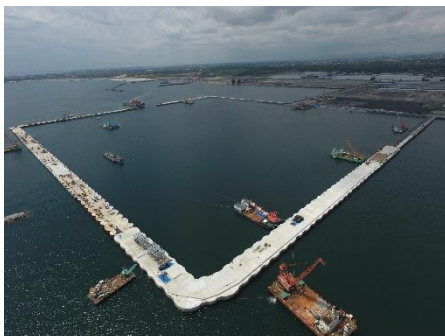
Asunaro Aoki Construction
Pacifico Energy Sakuto Mega-Solar Power Plant
construction site preparation (A and G blocks)



Asunaro Aoki Construction
Okinota River flood damage recovery work (3)



Mirai Construction
Nagara River Shimosakate river dredging work



Mirai Construction
Construction of waste material bulkhead at the
central quay of the Ibaraki Port Hitachinakako
District



Toko Geotech
Miyazono District emergency steep sloping
land collapse prevention work at site 1



Toko Geotech
National Route 185 Sando Bridge repair work #2



Aoki Marine
Mitobe River adjacent area disaster recovery work



Asunaro Road
National Route 272 Betsukai Nishi-
Shumbetsu work excluding paving and repair



Niigata Mirai Construction
Niigata Prefectural Road Route 462 Yuzawa Onsen Dori
landscape improvement paving work



Shimada Gumi
FY2019 Hamamatsu Castle site
27th excavation survey assistance work

Takamatsu Corporation Group: Major Orders (Architecture)

Company name	Project name	Client name
Takamatsu Corporation	Yoyogi/Company O building	Undisclosed
Takamatsu Corporation	Company T/Nishikamata Building	Undisclosed
Takamatsu Corporation	Musashi-Shinjo/Condominium L	Undisclosed
Takamatsu Corporation	Nishi-Kasai/Condominium Y	Undisclosed
Takamatsu Corporation	Gojo/Hotel T	Undisclosed
Takamatsu Corporation	Sannomiya 1-Chome Project	Undisclosed
Takamatsu Corporation	Noda/Company N condominium	Undisclosed
Takamatsu Corporation	Takaoka/Company F condominium	Undisclosed
Kongo Gumi	New construction of Daihonzan Sumadera Manreido	(Suma-ku, Kobe, Hyogo) Fukusho-ji

Takamatsu Corporation Group: Major Completed Works (Architecture)



Takamatsu Corporation Tokyo
Shiomi, condominium



Takamatsu Corporation Tokyo
Ryogoku, condominium



Takamatsu Corporation Tokyo
Ikebukuro, commercial building



Takamatsu Corporation Tokyo
Omiya, condominium



Takamatsu Corporation Osaka
Suita, condominium



Takamatsu
Corporation Osaka
Minami-morimachi,
condominium



Takamatsu Corporation Osaka
Konan-Yamate, company
building



Takamatsu Corporation Osaka
Hyogo, factory



Kongo Gumi
(Tsukuba, Ibaraki)
Tsukubasan Shrine Shinkyo Bridge (cultural asset
designated by Ibaraki) repair work



Kongo Gumi
(Tennoji-ku, Osaka)
New construction of Shitenno-ji Yomeiden

TCG Takamatsu Construction Group