



## Summary of Consolidated Financial Results For the Fiscal Year Ended March 31, 2021 [Japan GAAP]

Company: Takamatsu Construction Group Co., Ltd.  
 Stock exchange listing: Tokyo Stock Exchange (First Section)  
 Stock code: 1762  
 URL: <https://www.takamatsu-cg.co.jp/>  
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 Date of Ordinary Shareholders Meeting: June 23, 2021 (tentative)  
 Date of commencement of dividend payment: June 24, 2021 (tentative)  
 Date of filing of securities report: June 24, 2021 (tentative)  
 Supplementary explanatory documents: Yes  
 Earnings presentation meeting: No

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

### 1. Consolidated results of operations for the year ended March 2021 (April 1, 2020 – March 31, 2021)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY3/21	283,080	0.3	12,198	(17.1)	12,112	(15.6)	7,467	(14.2)
FY3/20	282,366	13.1	14,720	18.3	14,355	15.5	8,698	23.9

Note: Comprehensive income: FY3/21: 7,813 million yen, (6.1) % FY3/20: 8,320 million yen, 15.8 %

	Earnings per share	Earnings per share (diluted)	Return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
FY3/21	214.48	—	6.6	5.6	4.3
FY3/20	249.83	—	8.1	7.1	5.2

(Reference) Share of profit (loss) of entities accounted for using equity method: FY3/21: (1) million yen  
 FY3/20: - million yen

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY3/21	220,831	115,756	52.4	3,323.38
FY3/20	211,431	110,139	52.1	3,162.22

(Reference) Shareholders' equity: FY3/21: 115,715 million yen FY3/20: 110,104 million yen

### (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
FY3/21	(4,116)	(7,298)	12,336	72,625
FY3/20	21,791	(11,988)	(65)	71,730

### 2. Dividends

	Dividend per share					Total Dividends (Annual)	Dividend payout 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	%	%
FY3/20	—	23.00	—	40.00	63.00	2,193	25.2	2.0
FY3/21	—	23.00	—	40.00	63.00	2,193	29.4	1.9
FY3/22 (Est.)	—	23.00	—	40.00	63.00		28.5	

### 3. Consolidated forecast for the fiscal year ending March 31, 2022 (April 1, 2021 – March 31, 2022)

(Percentage figures represent year on year changes)

	Orders received		Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	152,000	48.5	137,000	0.2	3,700	2.8	3,700	2.5	2,100	5.8	60.31
Full year	320,000	24.8	290,000	2.4	13,000	6.6	13,000	7.3	7,700	3.1	221.15

\* **Notes**

(1) Changes in significant subsidiaries (Changes of specific subsidiaries that accompanies scope change of consolidation): No

Included — (company name) Excluded — (company name)

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

(a) Changes due to revision of accounting standards: No

(b) Changes other than (a): No

(c) Changes in accounting estimates: No

(d) Retrospective restatement: No

(3) Number of shares outstanding (ordinary shares)

(a) Shares outstanding (including treasury shares)

As of March 31, 2021:	38,880,000	As of March 31, 2020:	38,880,000
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(b) Treasury shares

As of March 31, 2021:	4,061,341	As of March 31, 2020:	4,061,303
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(c) Average number of shares

Period ended March 31, 2021	34,818,664	Period ended March 31, 2020:	34,818,697
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\* Auditing of financial statements by CPA and/or CPA firm is not conducted to this summary of financial results.

\* Cautionary statement regarding forecasts and special notes

(Note on forward looking statements)

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

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## 1. Analysis of Results of Operations and Financial condition

### (1) Overview of operating results for the fiscal year ended March 2021

During the consolidated fiscal year ended March 2021, the pandemic of the COVID-19 has severely curtailed economic activities and the flow of people correspondence to overseas. As the result the economy was extremely challenging. The economy showed some signs of gradual recovery due to the economic activities that resumed in stages from the middle of the second quarter and the economic measures taken by the government. However, with the renewed spread of the COVID-19 infection, there have been negative effects such as a weakening of consumer spending.

Group companies of Takamatsu Construction Group were particularly affected in terms of orders. Orders from private customers declined significantly from the first quarter to the second quarter as we refrained from face-to-face sales, especially to private customers. From the middle of the second quarter, web-based interviews with private customers started to take off, and face-to-face sales gradually returned, so we made up a lot of ground, but group companies were unable to make up for the delay in the first quarter. As for our corporate clients, the uncertainty of the economic outlook caused orders to be pushed back and put on hold, and in some cases, there were delays in placing orders due to the introduction of work remotely. As a result of these factors, the number of construction projects for which orders were received during the fiscal year ended March 2021 and which will contribute to net sales during fiscal year ended March 2021 decreased, but the progress of construction projects on hand exceeded expectations.

As a result, orders received for fiscal year ended March 2021 decreased significantly to 256,453 million yen (down 13.6% from the previous fiscal year), but net sales increased to 283,080 million yen (up 0.3% from the previous fiscal year), marking the ninth consecutive fiscal year of increased sales and the seventh consecutive fiscal year of record highs.

Operating income decreased by 17.1% to 12,198 million yen, ordinary income decreased by 15.6% to 12,112 million yen, and net income attributable to shareholders of the parent company decreased by 14.2% to 7,467 million yen and due to the occurrence of low profitable projects in the architectural projects.

In February of this year, Takamatsu Corporation made Taisho Kogyo Corporation and its subsidiary TSK Housing Corporation Co., Ltd, which are business area in the Takatsuki and Hokusetsu areas of Osaka Prefecture, its subsidiaries. Takamatsu Construction Group aims to increase the number of orders for its specialty architectural projects by utilizing the sales information owned by Takamatsu Corporation and Taisho Kogyo Corporation. In addition, the Group companies of Takamatsu Construction Group will aim to increase corporate value by achieving synergy effects.

And Niigata Mirai Co., Ltd., which spun off Mirai Construction Co., Ltd., has achieved solid results based in Uonuma area of Niigata prefecture. However, The Group companies of Takamatsu Construction Group have made progress in selecting business regions in order to strengthen corporate governance and management systems, so we transferred all the shares to HONMA ROAD Corporation in March this year.

By-segment performance were as shown below, however segment income is adjusted with operating income on the consolidated income statement. Adjustments for segment income are general and administrative expenses of 3,672 million yen and other adjustments of 216 million yen, which are not attributable to each reporting segment.

(Architecture)

Orders received decreased by 20.3% to 131,290 million yen, net sales decreased by 6.9% to 140,537 million yen and the segment operating profit decreased by 26.7% to 6,035 million yen due to the occurrence of low profitable projects.

(Civil engineering)

Orders received decreased by 10.0% to 94,445 million yen, net sales increased by 7.2% to 111,826 million yen and the segment operating profit decreased by 4.4% to 8,166 million yen.

(Real estate)

Sales from real estate transactions, leasing and other operations increased by 13.5% to 30,717 million yen and the segment operating profit decreased by 1.8% to 1,886 million yen.

(2) Overview of financial position for the fiscal year ended March 2021

(Assets)

Total assets at the consolidated the fiscal year ended March 2021 increased by 9,400 million yen from the end of the previous consolidated fiscal year to 220,831 million yen.

The main reasons for this were that while Notes receivable, accounts receivable from completed construction contracts and other decreased by 3,372 million yen, real estate for sale increased by 4,287 million yen, Property, plant and equipment increased by 5,790 million yen, and investment securities increased by 1,950 million yen.

(Liabilities)

Liabilities increased by 3,783 million yen from the end of the fiscal year ended March 2020 to 105,075 million yen. Mainly due to a decrease of 6,704 million yen in accounts payable for construction contracts and 4,028 million yen in advances received on construction contracts in progress, and an increase of 15,000 million yen in bonds payable.

(Net assets)

Net assets increased by 5,617 million yen compared to the end of the fiscal year ended March 2020 to 115,756 million yen. This was mainly due to an increase of 5,274 million yen in retained earnings resulting from the recording of 7,467 million yen in profit attributable to owners of parent and the payment of 2,193 million yen in dividends.

As a result of the above, the amount of shareholders' equity, which is net assets minus non-controlling interests, amounted to 115,715 million yen, and the shareholders' equity ratio increased by 0.3 percentage points from the end of the fiscal year ended March 2020 to 52.4%.

(3) Overview of cash flows for fiscal year ended March 2021

Consolidated cash and cash equivalents (hereinafter 'cash') at the end of the fiscal year ended March 2021 totaled 72,625 million yen, 894 million yen more than the end of the fiscal year ended March 2020. Details are as follows.

(Operating cash flow)

Operating activities resulted in a decrease in cash of 4,116 million yen (compared to an increase of 21,791 million yen in the end of the fiscal year ended March 2020). This was mainly due to an increase in inventories of 5,385 million yen, a decrease in trade payables of 7,259 million yen, and income taxes paid of 6,029 million yen, despite the inflow of profit before income taxes of 12,028 million yen.

(Investing cash flow)

Net cash used in investing activities decreased by 7,298 million yen (11,988 million yen decrease in the end of the fiscal year ended March 2020). This was mainly due to expenditures of 3,450 million yen for the purchase of property, 1,551 million yen for the purchase of investment securities, and 2,286 million yen for the purchase of shares of subsidiaries resulting in change in scope of consolidation.

(Financing cash flow)

Financing activities resulted in an increase of 12,336 million yen (a decrease of 65 million yen in the end of the fiscal year ended March 2020). This is because while income from the issuance of bonds was 15,000 million yen, dividends payment was 2,191 million yen.

(Reference) Cash flow index trends

	FY3/17	FY3/18	FY3/19	FY3/20	FY3/21
Equity ratio (%)	53.2	53.9	54.6	52.1	52.4
Equity ratio based on market cap (%)	51.8	56.8	43.7	38.2	34.0
Interest-bearing debt /Annual Cash flow	0.1	0.1	0.1	0.8	—
Interest coverage ratio	49.2	31.6	23.9	127.8	—

- Notes: 1. Equity ratio: Shareholders' equity / Total assets  
 2. Equity ratio based on market cap: Market capitalization / Total assets  
 3. Interest-bearing debt/ Annual Cash flow: Interest-bearing debt/Annual 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 times the number of shares outstanding (excluding treasury shares) 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) The ratio of interest-bearing debt to cash flow and the interest coverage ratio for the fiscal year ended March 31, 2021 are not shown because cash flows from operating activities was negative.

(4) Outlook for the future

The government's two declarations of emergency in epidemic of COVID-19, along with the term "new normal," has changed the way people live and work. As the state of emergency restricts freedom and the epidemic of COVID-19 expands, cabin fever is also occurring.

In the fiscal year ending March 2022, the number of infected people is expected to decrease due to the government's full-scale vaccination program against the new coronavirus. However, the situation is expected to remain uncertain due to concerns about the prolonged spread of the new coronavirus variant. In the domestic construction market, government construction investment, mainly in public works, is expected to remain at the same level as the previous year, but private-sector construction investment is expected to decrease significantly due to a decline in investment sentiment. Another issue is how to respond to work style reforms and the rise in labor costs due to the shortage of workers in the construction industry.

In order to respond to this change in environment, Takamatsu construction group will consider entering into new developer business in addition to strengthening competitiveness in non-condominium business in Takamatsu Corporation group. In addition, Takamatsu House, which was established in April 2019 for the purpose of entering the wooden detached house business, will begin full-scale activities in the fiscal year ending March 2022 with the aim of becoming a new core company, as preparations have been completed with the securing of sufficient product inventory.

Asunaro Aoki Construction Co., Ltd. group will improve its technical proposal capabilities, such as earthquake-resistant technology, in order to respond to infrastructure repair work such as national land toughening. In addition, we will promote productivity improvement through the use of information and communication technology, such as Building Information Modeling and Construction Information Modeling. We will also seek orders in new fields such as chemical and medical plants and develop carbon-neutral businesses.

The business results for the fiscal year ending March 2022 are expected as follows.

(Million yen)

	Consolidated Earnings Forecast	Rate of increase / decrease compared to the fiscal year ended March 2021
Orders received	320,000	24.8%
Net sales	290,000	2.4%
Operating profit	13,000	6.6%
Ordinary profit	13,000	7.3%
Profit attributable to owners of parent	7,700	3.1%

(5) Basic Principles on profit distribution and dividends for the current and next fiscal years

Takamatsu construction group positions the return of profits to shareholders as one of the most important management Principles and has a disciplined capital Principles that seeks the optimal balance between strengthening and expanding the management base for sustainable development and steadily returning profits to shareholders. The basic Principles of the Takamatsu construction group is to maintain stable dividends, expand shareholder returns, and strengthen the management base by enhancing retained earnings.

We will make effective use of internal reserves from a medium- to long-term perspective to further strengthen and enhance the management structure of the Takamatsu construction group as a whole and for future business development.

For the fiscal year ended March 31, 2021, we will pay an annual dividend of 63 yen per share as planned. The resulting dividend payout ratio is 29.4%.

The Company plans to pay a dividend of 63 yen per share for the fiscal year ending March 31, 2022. (Dividend payout ratio: 28.5%)

Dividends per share

(Yen)

	FY3/19	FY3/20	FY3/21	FY3/22 (Est.)
Dividends	60	63	63	63

## 2. Selection of Accounting Principles

Takamatsu Construction Group uses Japanese Accounting Principle to prepare consolidated financial statements. Using this standard allows comparing our financial data with the other Japanese companies as well as with our previous results.

We will take appropriate actions to study the possibility of adopting International Financial Reporting Standards (IFRS) by considering trends and events in Japan and the other countries, with the current view that the possibility to switch the standard in the near future is very limited.

### 3. Consolidated Financial Statements and Major Notes

#### (1) Consolidated balance sheet

(Million yen)

	Fiscal year ended March 2020 (As of March 31, 2020)	Fiscal year ended March 2021 (As of March 31, 2021)
<b>ASSETS</b>		
Current assets		
Cash and deposits	71,730	73,372
Notes receivable, accounts receivable from completed construction contracts and other	74,320	70,948
Real estate for sale	7,412	11,699
Costs on construction contracts in progress	2,275	1,443
Costs on real estate business	2,359	3,397
Accounts receivable – other	4,976	3,339
Other	1,643	1,894
Allowance for doubtful accounts	(115)	(112)
<b>Total current assets</b>	<b>164,602</b>	<b>165,982</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,566	6,138
Machinery, vehicles, tools, furniture and fixtures, net	1,343	1,551
Vessels, net	880	757
Land	24,014	28,642
Leased assets, net	183	168
Construction in progress	694	1,213
<b>Total Property, plant and equipment</b>	<b>32,681</b>	<b>38,472</b>
Intangible assets		
Goodwill	2,069	1,822
Other	642	980
<b>Total Intangible assets</b>	<b>2,711</b>	<b>2,803</b>
Investments and other assets		
Investment securities	4,623	6,573
Deferred tax assets	4,362	4,356
Other	2,671	2,858
Allowance for doubtful accounts	(223)	(214)
<b>Total investments and other assets</b>	<b>11,434</b>	<b>13,573</b>
<b>Total non-current assets</b>	<b>46,828</b>	<b>54,849</b>
<b>Total assets</b>	<b>211,431</b>	<b>220,831</b>



(Million yen)

	Fiscal year ended March 2020 (As of March 31, 2020)	Fiscal year ended March 2021 (As of March 31, 2021)
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable for construction contracts	33,634	26,930
Short-term borrowings	16,300	16,000
Income taxes payable	3,732	2,739
Advances received on construction contracts in progress	21,484	17,455
Provision for warranties for completed construction	489	1,243
Provision for loss on construction contracts	29	—
Provision for bonuses	3,656	3,582
Other	8,687	7,505
<b>Total current liabilities</b>	<b>88,013</b>	<b>75,455</b>
Non-current liabilities		
Bonds payable	—	15,000
Deferred tax liabilities for land revaluation	256	256
Deferred tax liabilities	4	650
Provision for special repairs of vessels	70	62
Retirement benefit liability	11,286	11,283
Other	1,660	2,367
<b>Total non-current liabilities</b>	<b>13,279</b>	<b>29,619</b>
<b>Total liabilities</b>	<b>101,292</b>	<b>105,075</b>
<b>NET ASSETS</b>		
Shareholders' equity		
Share capital	5,000	5,000
Capital surplus	797	797
Retained earnings	113,567	118,842
Treasury shares	(7,483)	(7,483)
<b>Total shareholders' equity</b>	<b>111,881</b>	<b>117,155</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	208	550
Revaluation reserve for land	(1,266)	(1,266)
Foreign currency translation adjustment	(21)	(216)
Remeasurements of defined benefit plans	(697)	(508)
<b>Total accumulated other comprehensive income</b>	<b>(1,777)</b>	<b>(1,440)</b>
Non-controlling interests	34	40
<b>Total net assets</b>	<b>110,139</b>	<b>115,756</b>
<b>Total liabilities and net assets</b>	<b>211,431</b>	<b>220,831</b>

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

(Million yen)

	Fiscal year ended March 2020 (April 1, 2019-March 31, 2020)	Fiscal year ended March 2021 (April 1, 2020-March 31, 2021)
<b>Net sales</b>		
Net sales of completed construction contracts	255,301	252,363
Sales in real estate business	27,065	30,717
<b>Total net sales</b>	<b>282,366</b>	<b>283,080</b>
<b>Cost of sales</b>		
Cost of sales of completed construction contracts	219,216	217,886
Cost of sales in real estate business	23,192	26,888
<b>Total cost of sales</b>	<b>242,408</b>	<b>244,775</b>
<b>Gross profit</b>		
Gross profit on completed construction contracts	36,084	34,476
Gross profit - real estate business	3,873	3,828
<b>Total gross profit</b>	<b>39,957</b>	<b>38,305</b>
Selling, general and administrative expenses	25,237	26,106
<b>Operating profit</b>	<b>14,720</b>	<b>12,198</b>
<b>Non-operating income</b>		
Interest income	0	4
Dividend income	86	94
Rental income	73	95
Subsidy income	3	77
Other	66	102
<b>Total non-operating income</b>	<b>230</b>	<b>374</b>
<b>Non-operating expenses</b>		
Interest expenses	170	201
Bond issuance costs	—	91
Other	424	166
<b>Total non-operating expenses</b>	<b>595</b>	<b>460</b>
<b>Ordinary profit</b>	<b>14,355</b>	<b>12,112</b>
<b>Extraordinary income</b>		
Gain on sale of non-current assets	72	25
Gain on sale of investment securities	22	—
Gain on sale of shares of subsidiaries and associates	—	54
Insurance claim income	35	—
Gain on bargain purchase	—	52
Other	—	0
<b>Total extraordinary income</b>	<b>130</b>	<b>132</b>
<b>Extraordinary losses</b>		
Loss on valuation of investment securities	—	100
Loss on retirement of non-current assets	57	92
Loss on valuation of inventories	305	—
Other	183	23
<b>Total extraordinary losses</b>	<b>546</b>	<b>215</b>
Profit before income taxes	13,939	12,028
Income taxes - current	5,252	4,690
Income taxes - deferred	(289)	(138)
<b>Total income taxes</b>	<b>4,962</b>	<b>4,552</b>
<b>Profit</b>	<b>8,976</b>	<b>7,476</b>
Profit attributable to non-controlling interests	277	9
<b>Profit attributable to owners of parent</b>	<b>8,698</b>	<b>7,467</b>

## Consolidated statement of comprehensive income

(Million yen)

	Fiscal year ended March 2020 (April 1, 2019-March 31, 2020)	Fiscal year ended March 2021 (April 1, 2020-March 31, 2021)
Profit	8,976	7,476
Other comprehensive income		
Valuation difference on available-for-sale securities	(434)	342
Foreign currency translation adjustment	(27)	(194)
Remeasurements of defined benefit plans, net of tax	(194)	189
Total other comprehensive income	(656)	337
Comprehensive income	8,320	7,813
Comprehensive income attributable to owners of parent	8,040	7,804
Comprehensive income attributable to non-controlling interests	279	9

(3) Consolidated statement of changes in equity  
Previous fiscal year (April 1, 2019 –March 31, 2020)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,000	524	107,097	(7,483)	105,138
Changes during period					
Dividends of surplus			(1,323)		(1,323)
Interim dividends from surplus			(800)		(800)
Change in scope of consolidation			(104)		(104)
Profit attributable to owners of parent			8,698		8,698
Purchase of treasury shares					—
Purchase of share of consolidated subsidiaries treasury stock		(0)			(0)
Change in ownership interest of parent due to transactions with non-controlling interests		274			274
Net changes in items other than shareholders' equity					
Total changes during period	—	273	6,470	—	6,743
Balance at end of period	5,000	797	113,567	(7,483)	111,881

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	635	(1,266)	5	(493)	(1,119)	14,108	118,126
Changes during period							
Dividends of surplus							(1,323)
Interim dividends from surplus							(800)
Change in scope of consolidation							(104)
Profit attributable to owners of parent							8,698
Purchase of treasury shares							—
Purchase of share of consolidated subsidiaries treasury stock							(0)
Change in ownership interest of parent due to transactions with non-controlling interests							274
Net changes in items other than shareholders' equity	(426)	—	(27)	(204)	(657)	(14,073)	(14,731)
Total changes during period	(426)	—	(27)	(204)	(657)	(14,073)	(7,987)
Balance at end of period	208	(1,266)	(21)	(697)	(1,777)	34	110,139

Current fiscal year (April 1, 2020 –March 31, 2021)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,000	797	113,567	(7,483)	111,881
Changes during period					
Dividends of surplus			(1,392)		(1,392)
Interim dividends from surplus			(800)		(800)
Change in scope of consolidation					—
Profit attributable to owners of parent			7,467		7,467
Purchase of treasury shares				(0)	(0)
Purchase of share of consolidated subsidiaries treasury stock					—
Change in ownership interest of parent due to transactions with non-controlling interests					—
Net changes in items other than shareholders' equity					
Total changes during period	—	—	5,274	(0)	5,274
Balance at end of period	5,000	797	118,842	(7,483)	117,155

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	208	(1,266)	(21)	(697)	(1,777)	34	110,139
Changes during period							
Dividends of surplus							(1,392)
Interim dividends from surplus							(800)
Change in scope of consolidation							—
Profit attributable to owners of parent							7,467
Purchase of treasury shares							(0)
Purchase of share of consolidated subsidiaries treasury stock							—
Change in ownership interest of parent due to transactions with non-controlling interests							—
Net changes in items other than shareholders' equity	342	—	(194)	189	337	5	343
Total changes during period	342	—	(194)	189	337	5	5,617
Balance at end of period	550	(1,266)	(216)	(508)	(1,440)	40	115,756

## (4) Consolidated statement of cash flows

(Million yen)

	Fiscal year ended March 2020 (April 1, 2019-March 31, 2020)	Fiscal year ended March 2021 (April 1, 2020-March 31, 2021)
<b>Cash flows from operating activities</b>		
Profit before income taxes	13,939	12,028
Depreciation	1,219	1,266
Loss on valuation of inventories	305	—
Gain on bargain purchase	—	(52)
Loss (gain) on sale of shares of subsidiaries and associates	—	(54)
Amortization of goodwill	227	246
Increase (decrease) in allowance for doubtful accounts	(81)	(10)
Increase (decrease) in provision for warranties for completed construction	177	752
Increase (decrease) in provision for loss on construction contracts	(50)	(29)
Increase (decrease) in provision for bonuses	503	(93)
Increase (decrease) in retirement benefit liability	56	160
Interest and dividend income	(87)	(98)
Interest expenses	170	201
Loss (gain) on sales of non-current assets	(72)	(25)
Loss (gain) on valuation of investment securities	—	100
Decrease (increase) in trade receivables	(1,663)	3,973
Decrease (increase) in inventories	1,231	(5,385)
Decrease (increase) in accounts receivable - other	1,300	1,943
Increase (decrease) in trade payables	1,600	(7,259)
Increase (decrease) in advances received on construction contracts in progress	5,569	(4,124)
Decrease/increase in consumption taxes receivable/payable	122	(950)
Increase (decrease) in deposits received	84	(728)
Other, net	881	99
<b>Subtotal</b>	<b>25,433</b>	<b>1,960</b>
Interest and dividends received	87	98
Interest paid	(170)	(199)
Payments for loss on litigation	(68)	(19)
Payments associated with disaster loss	(99)	—
Income taxes paid	(3,390)	(6,029)
Income taxes refund	—	74
<b>Net cash provided by (used in) operating activities</b>	<b>21,791</b>	<b>(4,116)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(10,936)	(3,450)
Proceeds from sales of property, plant and equipment	99	88
Purchase of intangible assets	(222)	(193)
Purchase of investment securities	(110)	(1,551)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(903)	(2,286)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	—	92
Other, net	84	3
<b>Net cash provided by (used in) investing activities</b>	<b>(11,988)</b>	<b>(7,298)</b>

(Million yen)

	Fiscal year ended March 2020 (April 1, 2019-March 31, 2020)	Fiscal year ended March 2021 (April 1, 2020-March 31, 2021)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	16,300	(300)
Proceeds from issuance of bonds	—	15,000
Repayments of lease obligations	(164)	(167)
Purchase of treasury shares	—	(0)
Purchase of treasury shares of subsidiaries	(0)	—
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(13,802)	—
Dividends paid	(2,122)	(2,191)
Dividends paid to non-controlling interests	(275)	(3)
Net cash provided by (used in) financing activities	(65)	12,336
Effect of exchange rate change on cash and cash equivalents	0	(28)
Net increase (decrease) in cash and cash equivalents	9,738	894
Cash and cash equivalents at beginning of period	62,074	71,730
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(82)	—
Cash and cash equivalents at end of period	71,730	72,625

- (5) Notes to consolidated financial statements  
(Going concern assumptions)  
None

(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 either architecture or civil engineering business and consolidated subsidiaries that engage in both of these businesses. For consolidated subsidiaries that engage in both architecture and civil engineering operations, offices are organized with separate sections for these two businesses. For these reasons, there are three reportable segments: architecture, civil engineering and real estate.

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

The accounting methods used for the reportable segments are basically the same as the methods used to present the consolidated financial statements.

Operating profit is used for reportable segment earnings.

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

Previous fiscal year (April 1, 2019 - March 31, 2020)

(Million yen)

	Reportable segments				Adjustment (Note1)	Amount on statements of income (Note 2)
	Architecture	Civil engineering	Real estate	Total		
Net sales (of which to outside customers)	151,002	104,299	27,065	282,366	—	282,366
(of which inter-segment or transfers)	937	24	1,108	2,070	(2,070)	—
Total	151,940	104,323	28,173	284,437	(2,070)	282,366
Segment profit	8,235	8,545	1,921	18,702	(3,982)	14,720

Notes:

- 3,982million yen negative adjustment for segment profit is the sum of 3,867 million yen of selling, general and administrative expenses that cannot be allocated to a reportable segment and 115 million yen of other adjustments.
- Reportable segment profit is adjusted to match with operating profit on the consolidated statement of income.

Current fiscal year (April 1, 2020 - March 31, 2021)

(Million yen)

	Reportable segments				Adjustment (Note1)	Amount on statements of income (Note 2)
	Architecture	Civil engineering	Real estate	Total		
Net sales (of which to outside customers)	140,537	111,826	30,717	283,080	—	283,080
(of which inter-segment or transfers)	1,778	345	1,287	3,411	(3,411)	—
Total	142,315	112,171	32,005	286,492	(3,411)	283,080
Segment profit	6,035	8,166	1,886	16,088	(3,889)	12,198

Notes:

- 3,889 million yen negative adjustment for segment profit is the sum of 3,672million yen of selling, general and administrative expenses that cannot be allocated to a reportable segment and 216 million yen of other adjustments.
- Reportable segment profit is adjusted to match with operating profit on the consolidated statement of income.

(Per share information)

(Yen)

	Previous fiscal year (April 1, 2019 – March 31, 2020)	Current fiscal year (April 1, 2020 – March 31, 2021)
Net assets per share	3,162.22	3,323.38
Earnings per share	249.83	214.48
Earnings 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, 2019 – March 31, 2020)	Current fiscal year (April 1, 2020 – March 31, 2021)
Total net assets (million yen)	110,139	115,756
Amount deducted from total net assets (million yen)	34	40
of which non-controlling interests (million yen)	34	40
Net assets attributable to ordinary shares (million yen)	110,104	115,715
Number of shares at the end of fiscal year (thousand shares)	34,818	34,818

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

	Previous fiscal year (April 1, 2019 – March 31, 2020)	Current fiscal year (April 1, 2020 – March 31, 2021)
Comprehensive income attributable to owners of parent (million yen)	8,698	7,467
Amount not attributable to ordinary shareholders (million yen)	—	—
Comprehensive income attributable to owners of parent attributable to ordinary shares (million yen)	8,698	7,467
Average number of ordinary shares during the fiscal year (thousand shares)	34,818	34,818

(Important subsequent events)

None

#### 4. Consolidated Orders Received and Net Sales

(Million yen, %)

		Fiscal year ended March 2020 (April 1, 2019 - March 31, 2020)		Fiscal year ended March 2021 (April 1, 2020 - March 31, 2021)		Changes	
		Amount	Share	Amount	Share	Amount	%
Orders received	Architecture	164,771	55.5	131,290	51.2	(33,480)	(20.3)
	Civil engineering	104,910	35.4	94,445	36.8	(10,464)	(10.0)
	Total construction	269,681	90.9	225,736	88.0	(43,945)	(16.3)
	Real estate	27,065	9.1	30,717	12.0	3,652	13.5
	Total	296,746	100.0	256,453	100.0	(40,293)	(13.6)
Net sales	Architecture	151,002	53.5	140,537	49.6	(10,464)	(6.9)
	Civil engineering	104,299	36.9	111,826	39.5	7,526	7.2
	Total construction	255,301	90.4	252,363	89.1	(2,937)	(1.2)
	Real estate	27,065	9.6	30,717	10.9	3,652	13.5
	Total	282,366	100.0	283,080	100.0	714	0.3