

Translated version

Analysis Material for 3Q, FY ending March 2022

Takamatsu Construction Group Co.,Ltd.
Securities Code : 1762
February 9, 2022

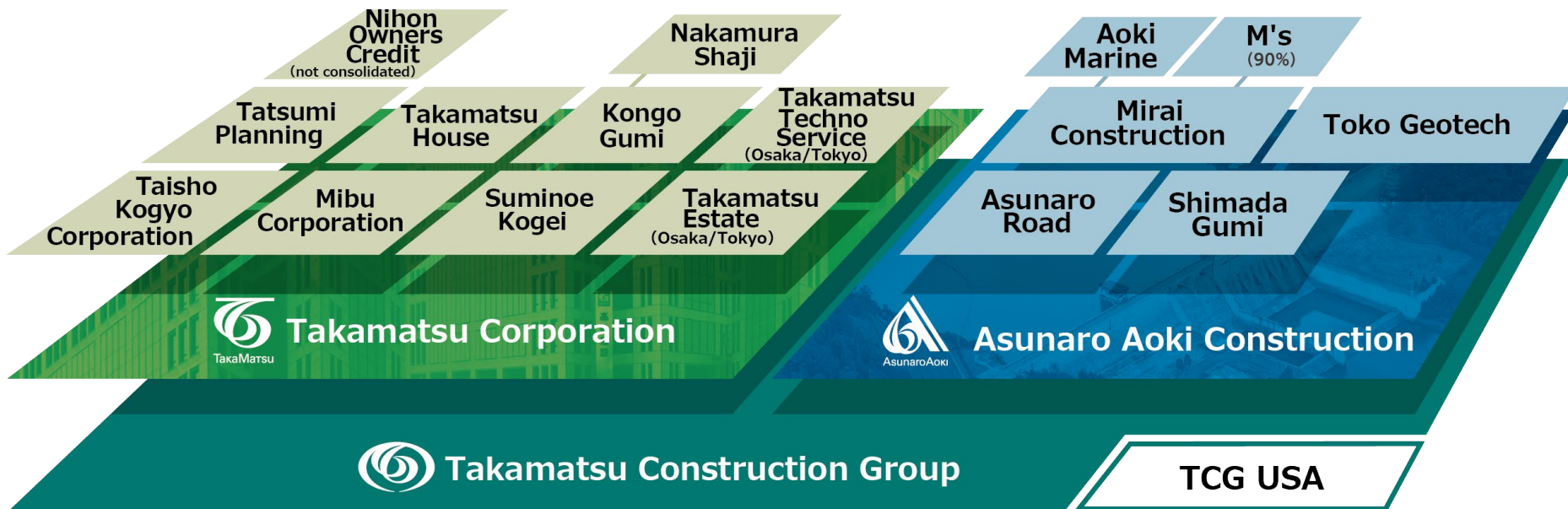
Table of contents

1. Financial results for 3Q, FY ending March 2022	2
2. Earnings Forecast & Dividend Forecast for FY ending March 2022	15
3. Topics	18
4. Reference Materials	20

Financial results for 3Q, FY ending March 2022

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 subsidiary companies, Asunaro Aoki Construction Co., Ltd. and 6 subsidiary 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)				

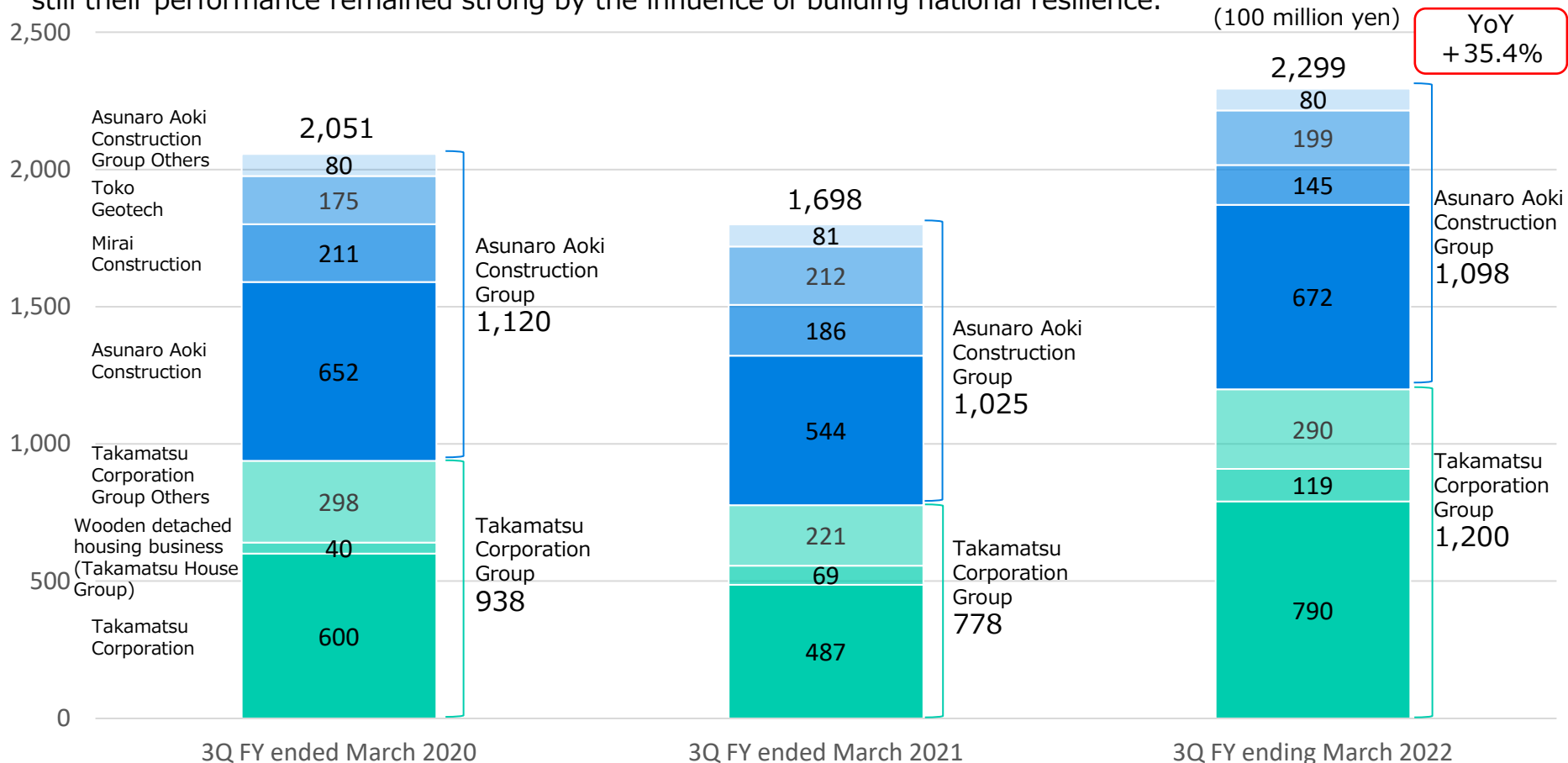
TCG Performance for 3Q FY ending March 2022 (Consolidated)

(100 million yen)

Item	3Q FY ended March 2020	3Q FY ended March 2021	3Q FY ending March 2022	+/-
Orders received	2,051	1,698	2,299	+35.4%
Net sales	1,998	2,097	1,906	(9.1%)
Gross profit	289	274	273	(0.4%)
Gross profit %	14.5%	13.1%	14.3%	+1.2pt
Operating profit	104	80	67	(15.9%)
Operating profit %	5.2%	3.9%	3.6%	(0.3pt)
Ordinary profit	101	81	68	(15.4%)
Ordinary profit %	5.1%	3.9%	3.6%	(0.3pt)
Net profit attributable to owners of parent	57	48	41	(14.3%)
Net profit attributable to owners of parent %	2.9%	2.3%	2.2%	(0.1pt)

3Q total orders received (Consolidated)

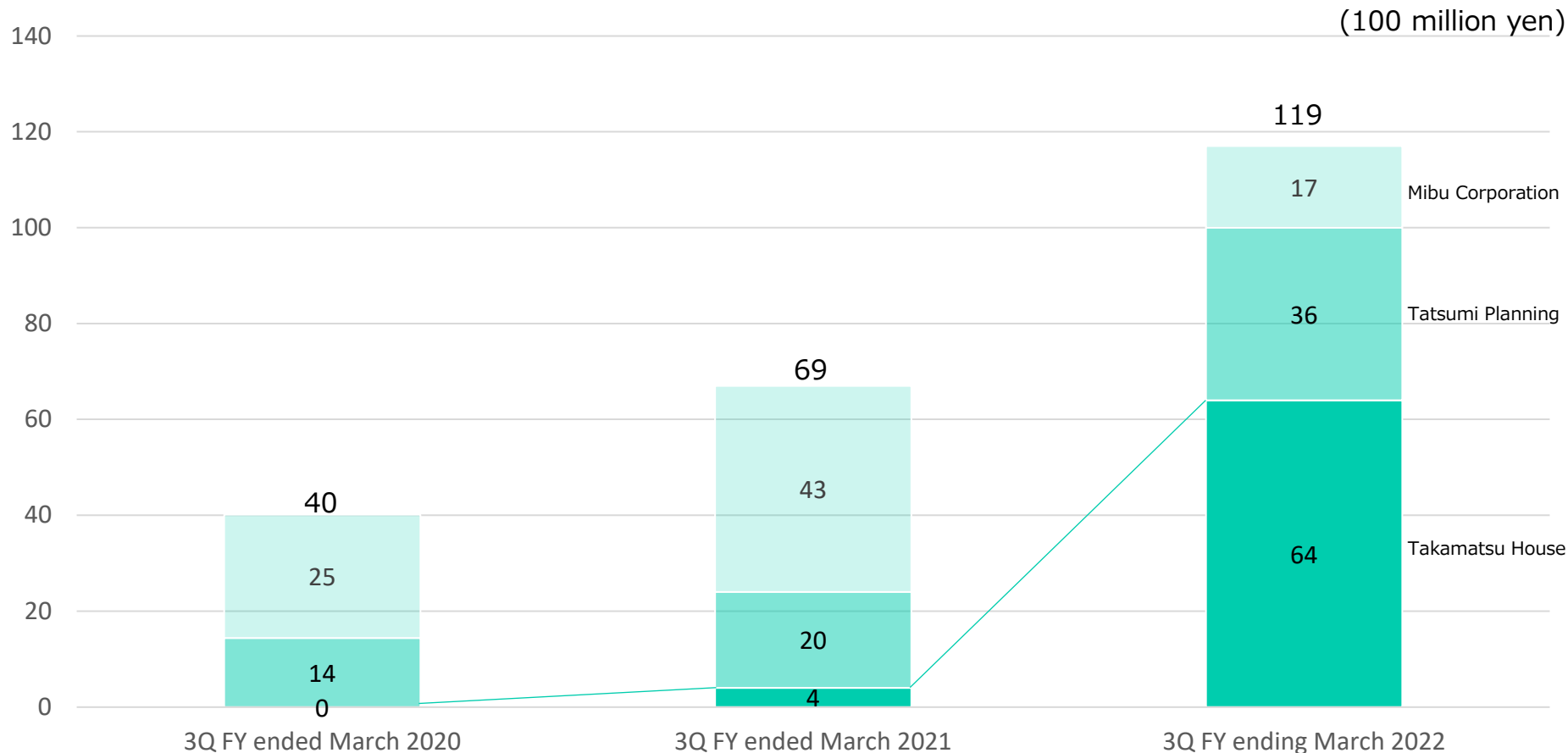
- ◆ Takamatsu Corporation Group's orders received increased 1.5 times YoY. It's because the large impact of increasing reaction by Takamatsu Corporation, refraining sales activities until middle of previous 2Q. Takamatsu House, wooden detached housing business, is growing steadily.
- ◆ Asunaro Aoki Construction Group's orders received increased 7.2% YoY. It's because they got their lost orders of Asunaro Aoki at 1Q. Mirai Construction's orders received decreased 21.8% YoY due to lost ocean civil engineering orders. Toko Geotech's orders received decreased YoY due to delays in the delivery of some subcontracted projects, still their performance remained strong by the influence of building national resilience.



※Wooden detached housing business (Takamatsu House Group) : Takamatsu House, Mibu Corporation, Tatsumi Planning.
 ※The total of individual figures and the total figures may not match due to consolidation adjustments.

Wooden detached housing business(Takamatsu House Group)orders received

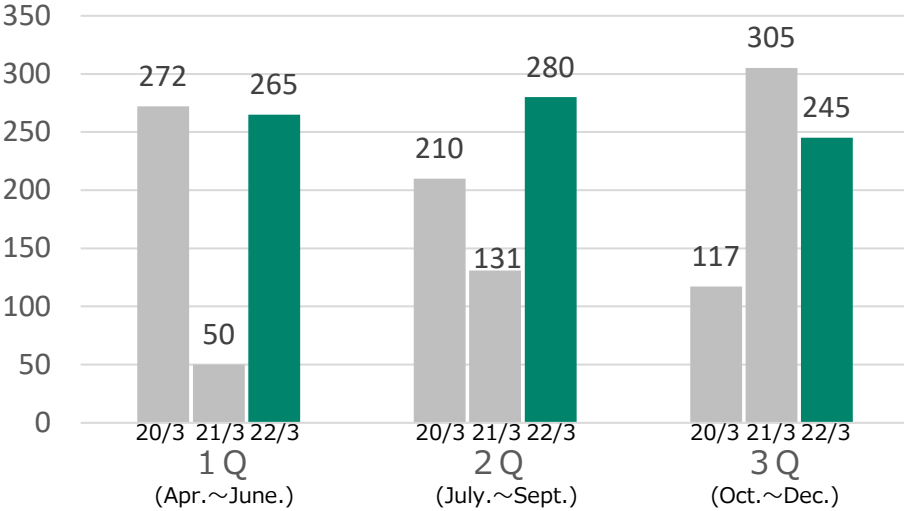
- ◆ Takamatsu House has grown rapidly; it was practically FY ended March 2021 when they started their business. They sell their branded houses for sale, including some land with building conditions, called “MIRAKURAS” mainly in Tokyo, Kanagawa and Saitama.
- ◆ Mibu Corporation’s orders received decreased YoY, because they’re out of the development business and they decided to specialize in the land brokerage business.



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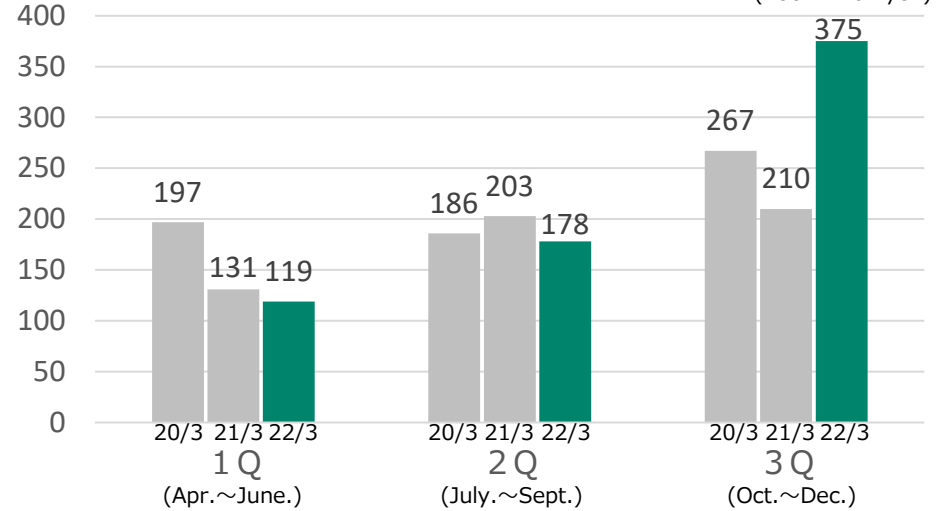
Orders received per 3 months by the 4 Major Companies

Takamatsu Corporation

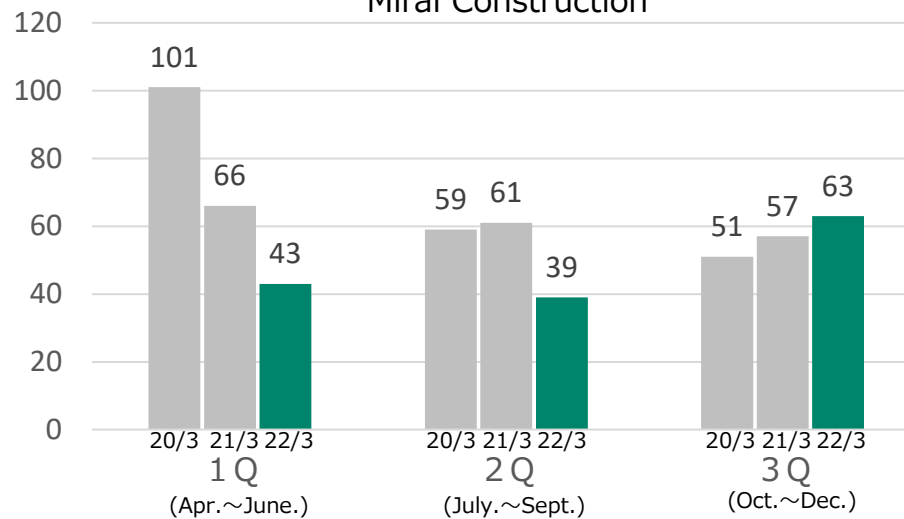


Asunaro Aoki Construction

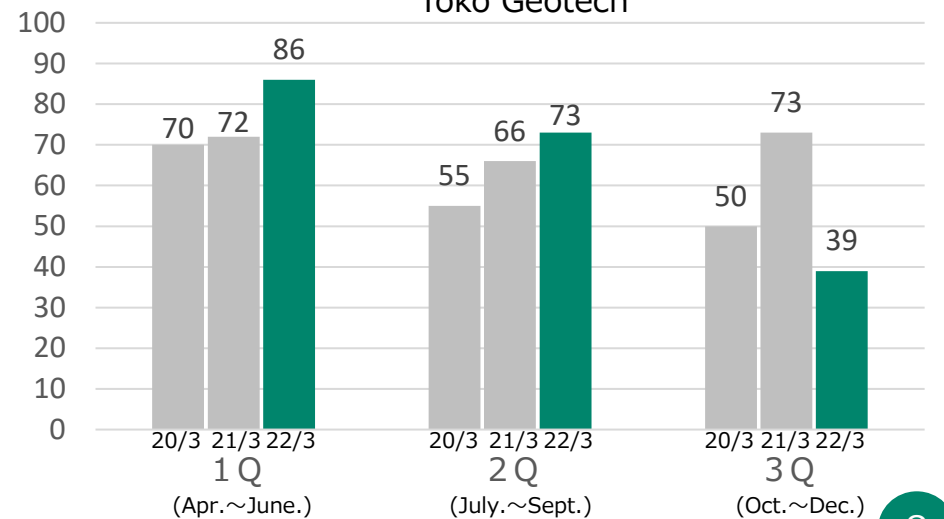
(100 million yen)



Mirai Construction



Toko Geotech



Takamatsu Corporation : Orders by rental apartments and non-residentials

- ◆ Orders received of Osaka and Tokyo is more than that before a pandemic of the COVID-19. There is a strong demand for building rental apartments, although this amount was included part of previous orders because Takamatsu Corporation has been refraining from business activities until 2Q by the influence of the declaration of a state of emergency etc.
- ◆ The ratio of rental apartments and non-residentials is 4 to 6 at Osaka, 7 to 3 at Tokyo at 3Q. Probably this trend is to be continue, that Osaka has the high ratio of non-residentials and Tokyo has the high ratio of rental apartments.

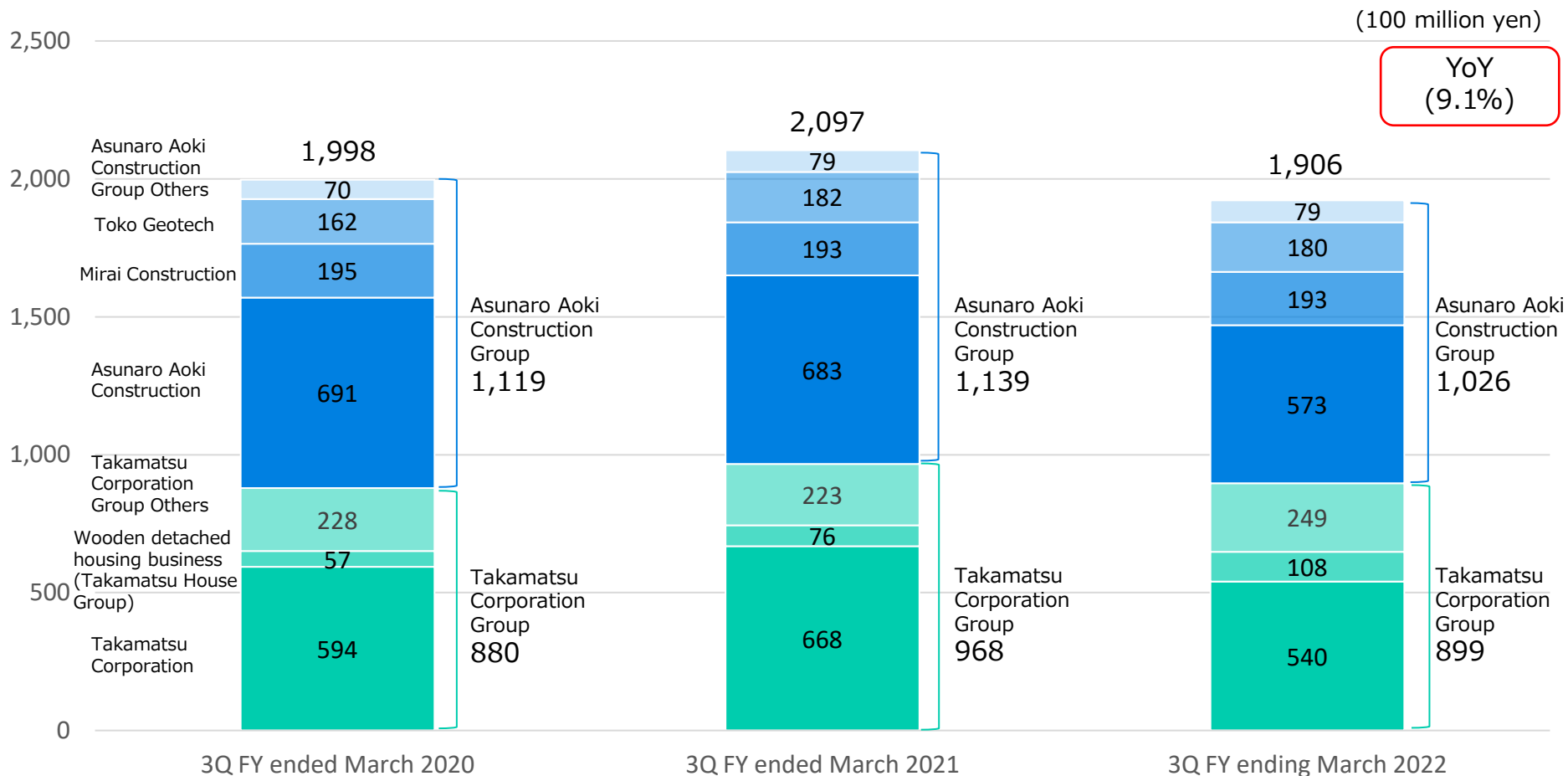
Orders by rental apartments and non-residentials

(100 million yen)

	Osaka						Tokyo					
	2020/3 3Q	%	2021/3 3Q	%	2022/3 3Q	%	2020/3 3Q	%	2021/3 3Q	%	2022/3 3Q	%
rental apartments	57	20.2	68	25.4	131	38.1	202	63.6	97	45.2	316	70.9
non-residentials	224	79.8	202	74.6	213	61.9	115	36.4	118	54.8	129	29.1
Total	281	100	271	100	344	100	318	100	216	100	446	100

3Q total net sales (Consolidated)

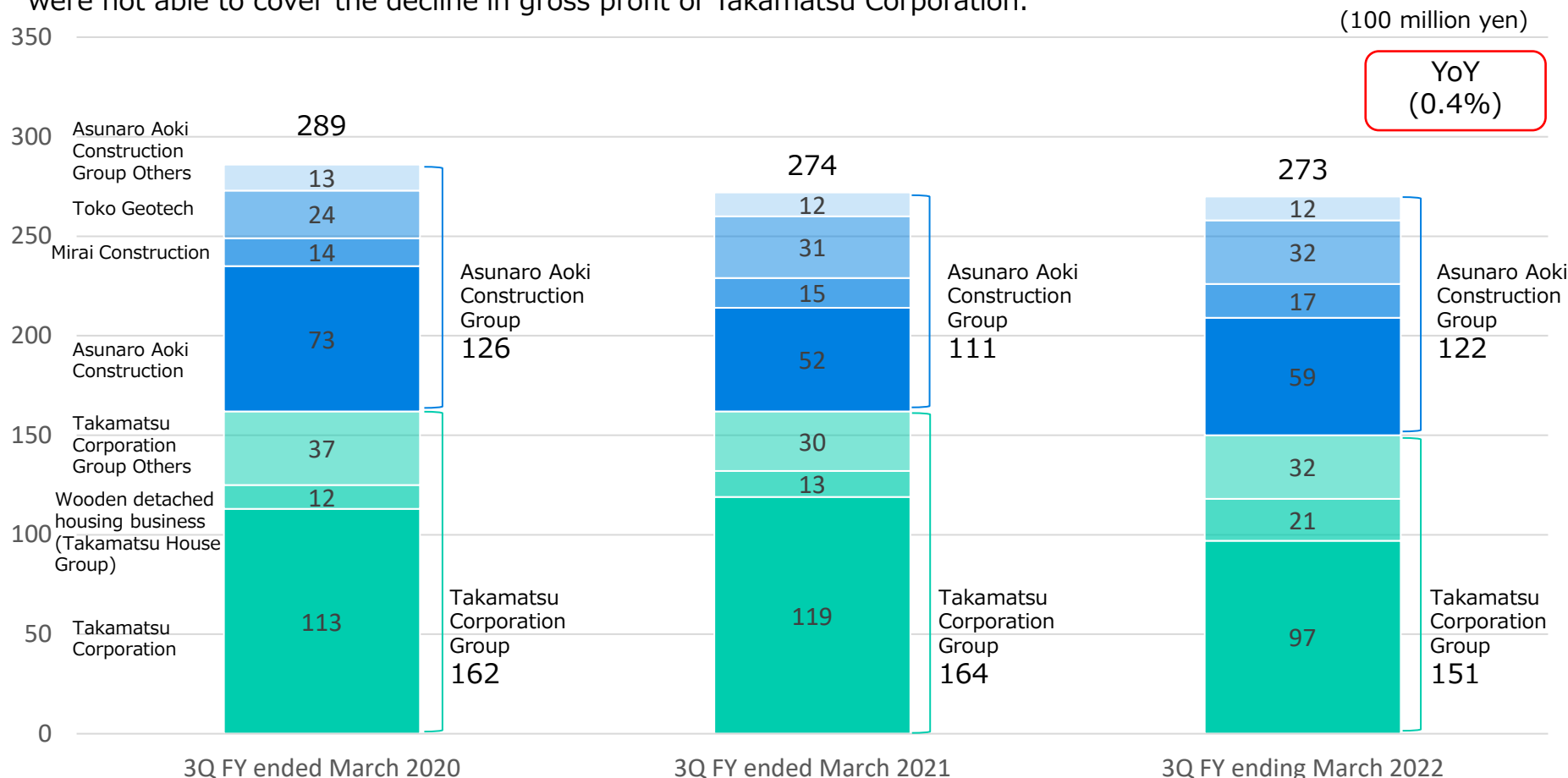
- ◆ Takamatsu Corporation's net sales will be better steadily for the end of this March because they took many orders in the second half of previous fiscal year, so there were also many cases started construction after November 2021.
- ◆ Asunaro Aoki Construction didn't have much cases of large projects and it affected the volumes. Mirai Construction's net sales were on par with YoY because there wasn't much work to carry over from YoY and they didn't have many orders in the first half of this fiscal year too. Wooden detached housing business sales are increasing steadily.



※Wooden detached housing business (Takamatsu House Group) : Takamatsu House, Mibu Corporation, Tatsumi Planning.
 ※The total of individual figures and the total figures may not match due to consolidation adjustments.

3Q total gross profit (Consolidated)

- ◆ Takamatsu Corporation's gross profit decreased 18.4% YoY. It was one of the reasons that the profit margin of selling large real estate project was low in the current 2Q and also they have a lot of non-residential works that haven't started construction.
- ◆ Asunaro Aoki Construction's gross profit increased YoY despite a decrease in net sales because they didn't have low-profit constructions. But total gross profit decreased 100 million yen YoY because other group companies were not able to cover the decline in gross profit of Takamatsu Corporation.



※Wooden detached housing business (Takamatsu House Group) : Takamatsu House, Mibu Corporation, Tatsumi Planning.
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Analysis of Changes in Operating Profit

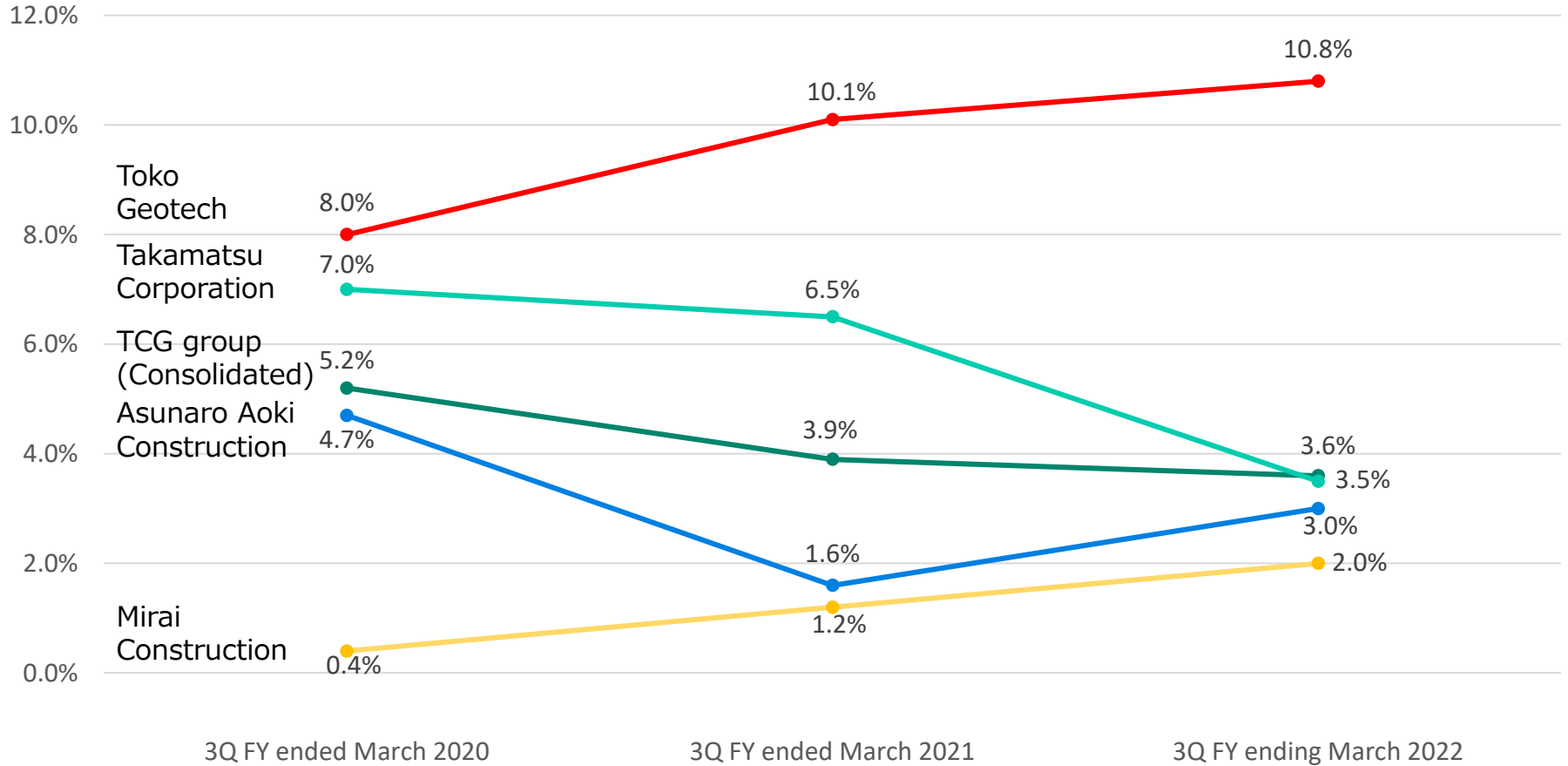
- ◆ The whole gross profit decreased 100 million yen despite the decrease in gross profit due to lower sales at Takamatsu Corporation was offset by higher gross profit, mainly Takamatsu Estate and wooden detached housing business from the Takamatsu Corporation Group and Asunaro Aoki Construction Group.
- ◆ SG&A expenses increased by 700 million yen in the Takamatsu Corporation Group others, largely due to the impact of Takamatsu House, which is actively hiring sales personnel.

Analysis of Changes in Operating Profit



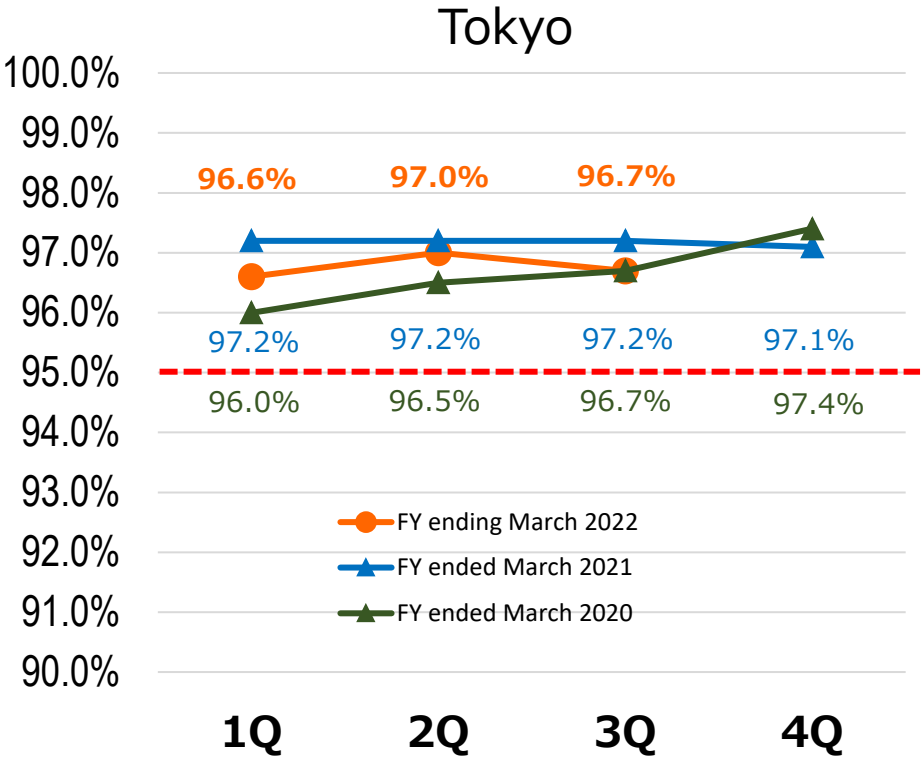
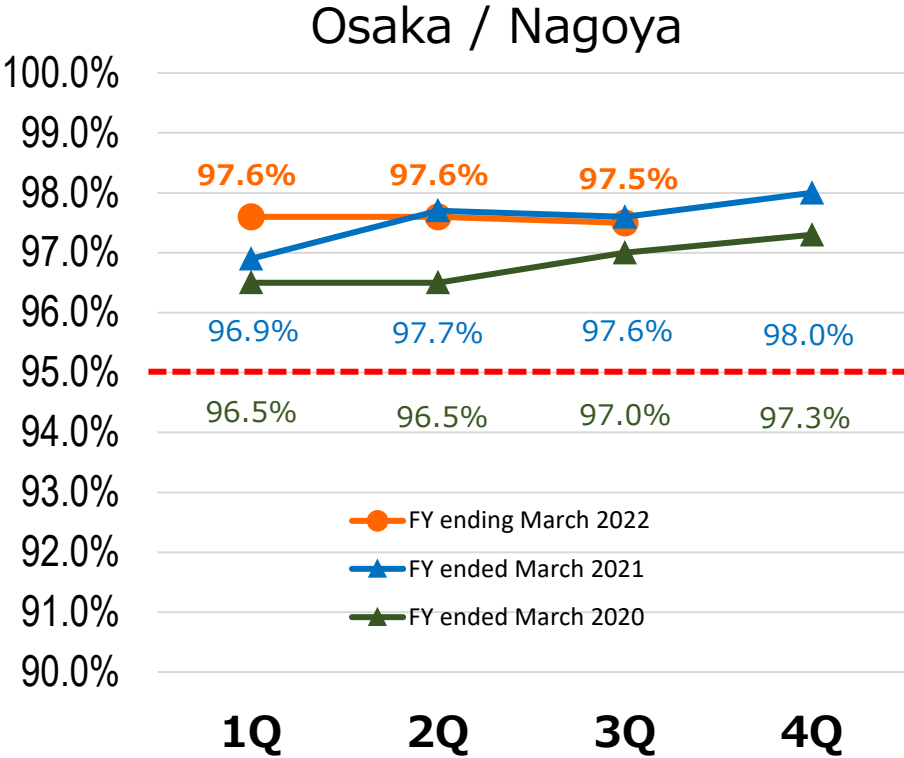
Operating profit ratio by TCG group (Consolidated) and the 4 Major Companies

- ◆ Toko Geotech, who has strengths in slope reinforcement work, remained high profit ratio by the effect of building national resilience.
- ◆ Takamatsu Corporation greatly reduced their operating margin despite increasing cases started construction after November 2021 a lot because there was not much construction works before that.



Occupancy Rate of Properties Constructed by Takamatsu Corporation at Takamatsu Estate

◆ Occupancy rates of 95% or higher have been maintained for 3Q FY ending March 2022 in both Tokyo and Osaka.



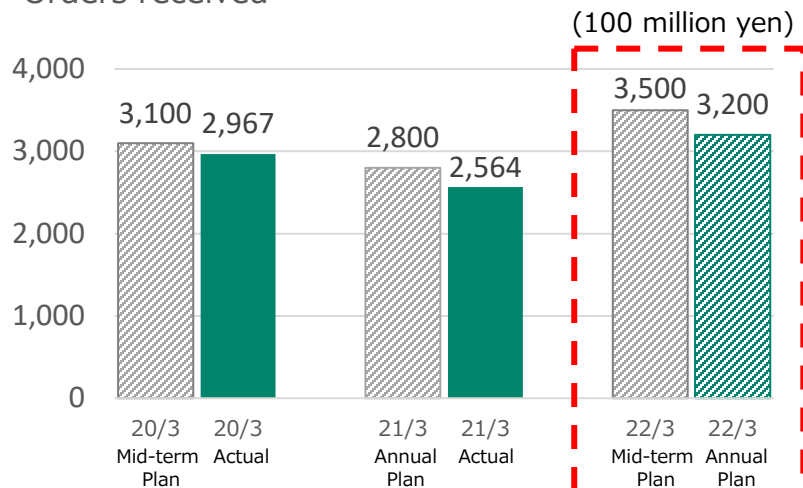
Definitions
 "Osaka/Nagoya" : Osaka, Kyoto, Hyogo, and Nagoya
 "Tokyo" : Tokyo, Kanagawa, Saitama, and Chiba
 "Occupancy rate" : Number of properties constructed by Takamatsu Corporation managed by Takamatsu Estate (Osaka/Tokyo) that are occupied at the end of each quarter ÷ total number of properties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

Earnings Forecast & Dividend Forecast for FY ending March 2022

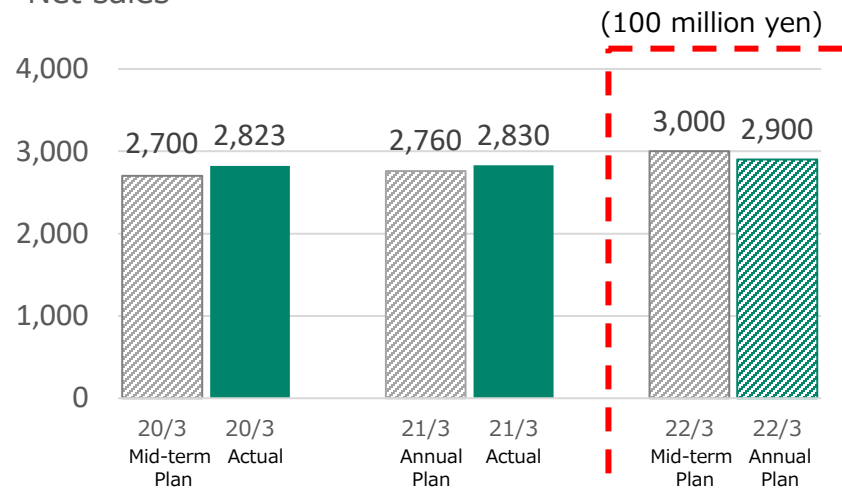
Earnings Forecast for FY ending March 2022

- ◆ There is no change from May 2021 announcement. Although the epidemic of the 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.

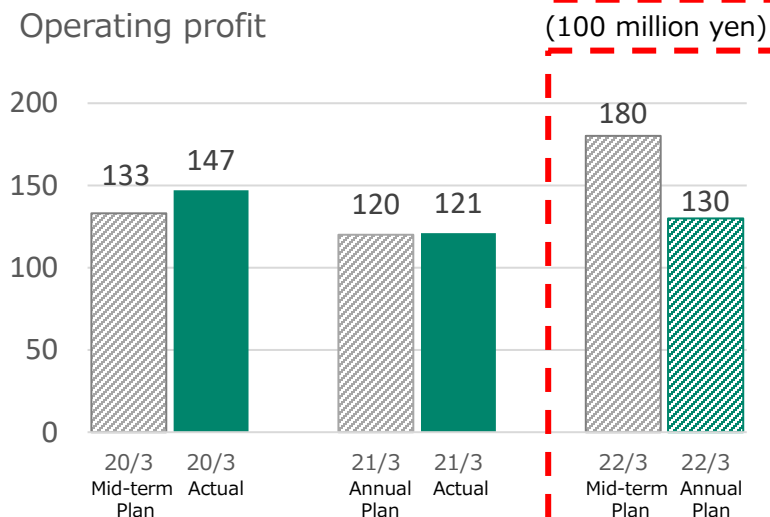
Orders received



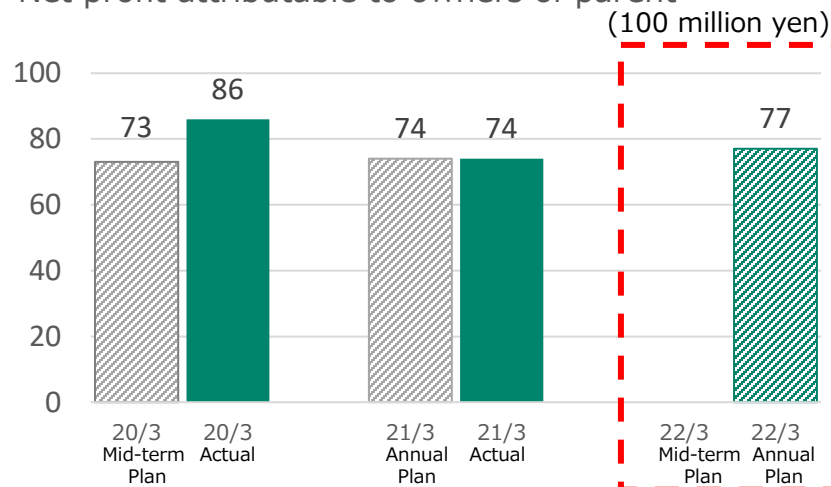
Net sales



Operating profit



Net profit attributable to owners of parent

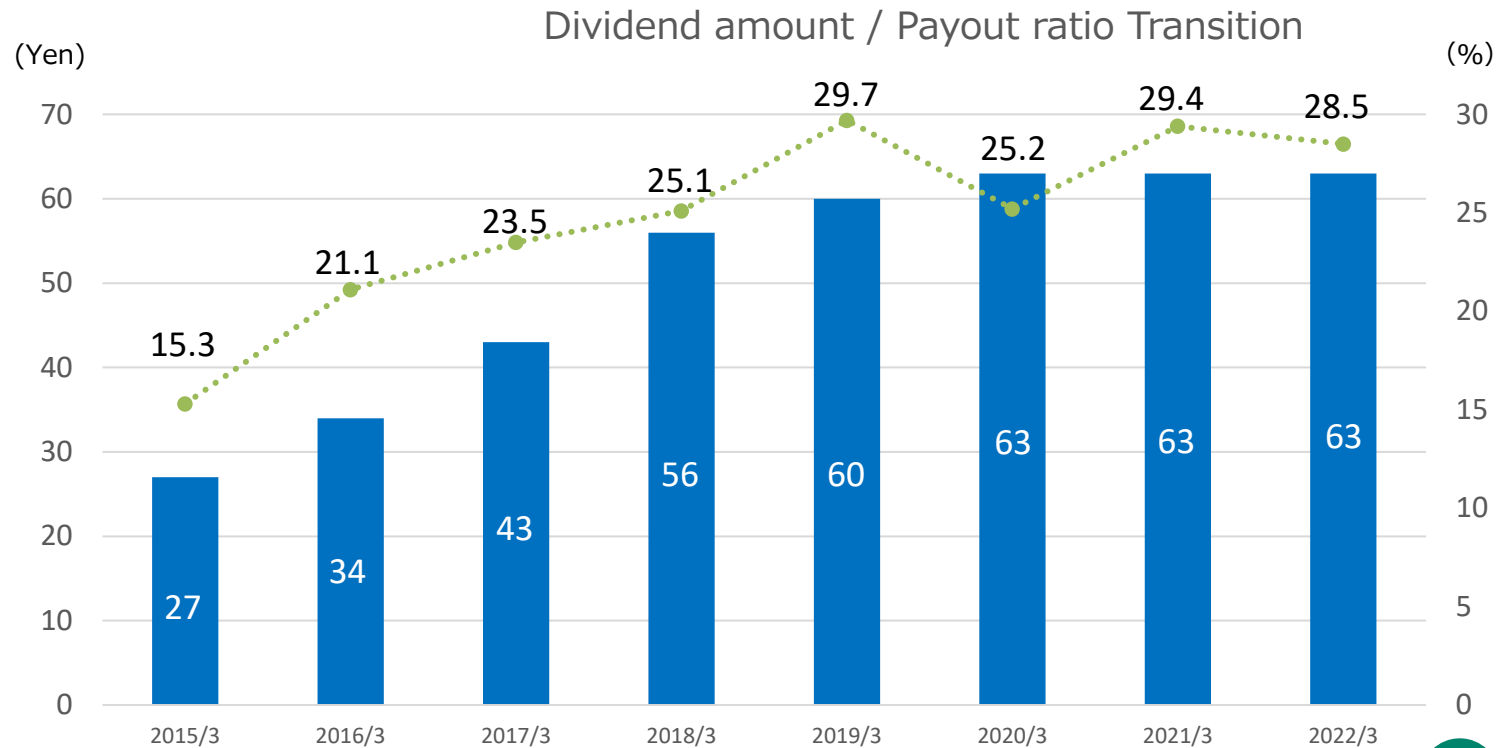


※ In mid-term management plan "Create ! 2022", only orders received, Net sales, and operating profit are disclosed as target figures. Target figures for FY ended March 2021 are not disclosed.

Dividend Forecast for FY ending March 2022 (Dividend amount / Payout ratio)

- ◆ There is no change from May 2021 announcement. 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

Topics

◆ Takamatsu House



○MIRAKURAS
Kamisoshigaya II
Construction was completed at the end of November.
8 minutes' walk from Chitosekarasuyama station on the Keio line.

◆ Asunaro Aoki Construction



○Hokuriku Shinkansen
Minamiechizen Nanjo viaduct, etc.
It's the Minamiechizen Nanjo viaduct construction of the Hokuriku Shinkansen, between 445km356m~446km196m(extension 840m)starting from Takasaki.



○Marushin
Transportation Co., Ltd.'s new construction of logistics center in Osaka
It's a large logistics facility of a steel-framed, 3 floors above ground with 1 basement floor building in Habikino city, Osaka.
Building area: 15,412.37㎡
Total floor area: 40,427.70㎡

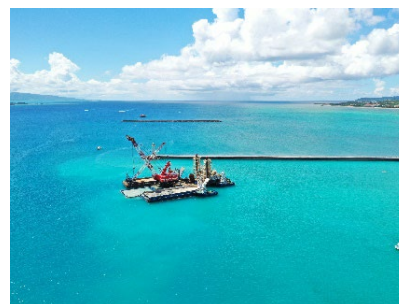
◆ TCG USA



○Blu Laguna Niguel Phase I
We've acquired a 49.9% equity interest in "Blu Laguna Niguel Phase I" developed rental condominium, neighboring "Blu Laguna Niguel Phase II", TCG USA's first rental condominium development project and the construction started in 2020 in California, USA.



◆ Mirai Construction



○Ishigaki port (Shinko Area) harbor (-10m) and one other dredging work
It's dredging and other works ordered by Okinawa General Bureau in and around Painuhama town Ishigaki city, Okinawa.
※This work was a joint venture with Zaha Construction Co., LTD.

Reference Materials

Orders received by segment

(million yen)

By Segment		3Q FY ended March 2020	3Q FY ended March 2021	3Q FY ending March 2022
Architecture	Takamatsu Corporation Group	78,175	58,229	91,516
	Asunaro Aoki Construction Group	34,119	35,390	34,163
	Total	111,078	83,358	125,599
Civil engineering	Takamatsu Corporation Group	17	330	20
	Asunaro Aoki Construction Group	76,752	67,027	75,661
	Total	76,746	67,011	75,674
Real Estate	Takamatsu Corporation Group	15,689	19,310	28,498
	Asunaro Aoki Construction Group	1,187	93	74
	Total	17,306	19,503	28,726
TCG Group Consolidation		205,131	169,873	229,999

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

Orders received by group

(million yen)

By Group		3Q FY ended March 2020	3Q FY ended March 2021	3Q FY ending March 2022
Takamatsu Corporation Group	Takamatsu Corporation	60,030	48,797	79,083
	Wooden detached housing business (Takamatsu House · Mibu Corporation · Tatsumi Planning)	4,012	6,910	11,926
	Takamatsu Corporation Group Others	29,840	22,162	29,024
	Total	93,882	77,869	120,033
Asunaro Aoki Construction Group	Asunaro Aoki Construction	65,211	54,491	67,271
	Mirai Construction	21,184	18,644	14,582
	Toko Geotech	17,588	21,272	19,946
	Asunaro Aoki Construction Group Others	8,044	8,102	8,098
	Total	112,028	102,511	109,897
TCG Group Consolidation		205,131	169,873	229,999

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Net sales by segment

(million yen)

By Segment		3Q FY ended March 2020	3Q FY ended March 2021	3Q FY ending March 2022
Architecture	Takamatsu Corporation Group	72,010	77,212	61,423
	Asunaro Aoki Construction Group	35,598	31,175	29,023
	Total	107,012	107,652	88,326
Civil engineering	Takamatsu Corporation Group	335	330	25
	Asunaro Aoki Construction Group	75,189	82,642	73,565
	Total	75,504	82,633	73,586
Real Estate	Takamatsu Corporation Group	15,689	19,310	28,497
	Asunaro Aoki Construction Group	1,187	93	73
	Total	17,306	19,503	28,726
TCG Group Consolidation		199,823	209,788	190,639

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Net sales by group

(million yen)

By Group		3Q FY ended March 2020	3Q FY ended March 2021	3Q FY ending March 2022
Takamatsu Corporation Group	Takamatsu Corporation	59,446	66,863	54,079
	Wooden detached housing business (Takamatsu House · Mibu Corporation · Tatsumi Planning)	5,781	7,617	10,896
	Takamatsu Corporation Group Others	22,808	22,372	24,970
	Total	88,035	96,852	89,945
Asunaro Aoki Construction Group	Asunaro Aoki Construction	69,157	68,355	57,336
	Mirai Construction	19,521	19,375	19,300
	Toko Geotech	16,215	18,224	18,090
	Asunaro Aoki Construction Group Others	7,031	7,956	7,936
	Total	111,926	113,911	102,662
TCG Group Consolidation		199,823	209,788	190,639

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Gross profit by segment

(million yen)

By Segment		3Q FY ended March 2020	3Q FY ended March 2021	3Q FY ending March 2022
Architecture	Takamatsu Corporation Group	13,870	13,853	11,187
	Asunaro Aoki Construction Group	2,807	1,557	2,715
	Total	16,670	15,276	13,832
Civil engineering	Takamatsu Corporation Group	78	81	4
	Asunaro Aoki Construction Group	9,733	9,605	9,542
	Total	9,815	9,608	9,546
Real Estate	Takamatsu Corporation Group	2,291	2,469	3,929
	Asunaro Aoki Construction Group	91	(1)	(9)
	Total	2,498	2,550	5,006
TCG Group Consolidation		28,985	27,436	27,330

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Gross profit by group

(million yen)

By Group		3Q FY ended March 2020	3Q FY ended March 2021	3Q FY ending March 2022
Takamatsu Corporation Group	Takamatsu Corporation	11,315	11,937	9,745
	Wooden detached housing business (Takamatsu House · Mibu Corporation · Tatsumi Planning)	1,223	1,375	2,171
	Takamatsu Corporation Group Others	3,702	3,092	3,203
	Total	16,240	16,404	15,119
Asunaro Aoki Construction Group	Asunaro Aoki Construction	7,319	5,245	5,958
	Mirai Construction	1,465	1,597	1,787
	Toko Geotech	2,484	3,106	3,242
	Asunaro Aoki Construction Group Others	1,363	1,212	1,261
	Total	12,632	11,161	12,248
TCG Group Consolidation		28,985	27,436	27,330

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Operating profit by segment

(million yen)

By Segment		3Q FY ended March 2020	3Q FY ended March 2021	3Q FY ending March 2022
Architecture	Takamatsu Corporation Group	4,889	3,987	908
	Asunaro Aoki Construction Group	1,486	132	1,139
	Total	6,375	4,119	1,979
Civil engineering	Takamatsu Corporation Group	73	82	41
	Asunaro Aoki Construction Group	5,861	5,626	5,556
	Total	5,934	5,708	5,560
Real Estate	Takamatsu Corporation Group	1,025	1,157	2,096
	Asunaro Aoki Construction Group	41	(45)	(21)
	Total	1,066	1,112	2,246
TCG Group Consolidation		10,473	8,085	6,798

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Operating profit by group

(million yen)

By Group		3Q FY ended March 2020	3Q FY ended March 2021	3Q FY ending March 2022
Takamatsu Corporation Group	Takamatsu Corporation	4,139	4,345	1,911
	Wooden detached housing business (Takamatsu House · Mibu Corporation · Tatsumi Planning)	(142)	(305)	147
	Takamatsu Corporation Group Others	2,002	1,229	952
	Total	5,999	5,269	3,010
Asunaro Aoki Construction Group	Asunaro Aoki Construction	3,228	1,102	1,693
	Mirai Construction	77	237	385
	Toko Geotech	1,294	1,847	1,956
	Asunaro Aoki Construction Group Others	714	561	691
	Total	5,315	3,748	4,725
TCG Group Consolidation		10,473	8,085	6,798

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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 February 9, 2022. 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.