

Translated version

Analysis Material for 3Q, FY ending March 2021

Takamatsu Construction Group Co.,Ltd.
Securities Code : 1762
February 10, 2021

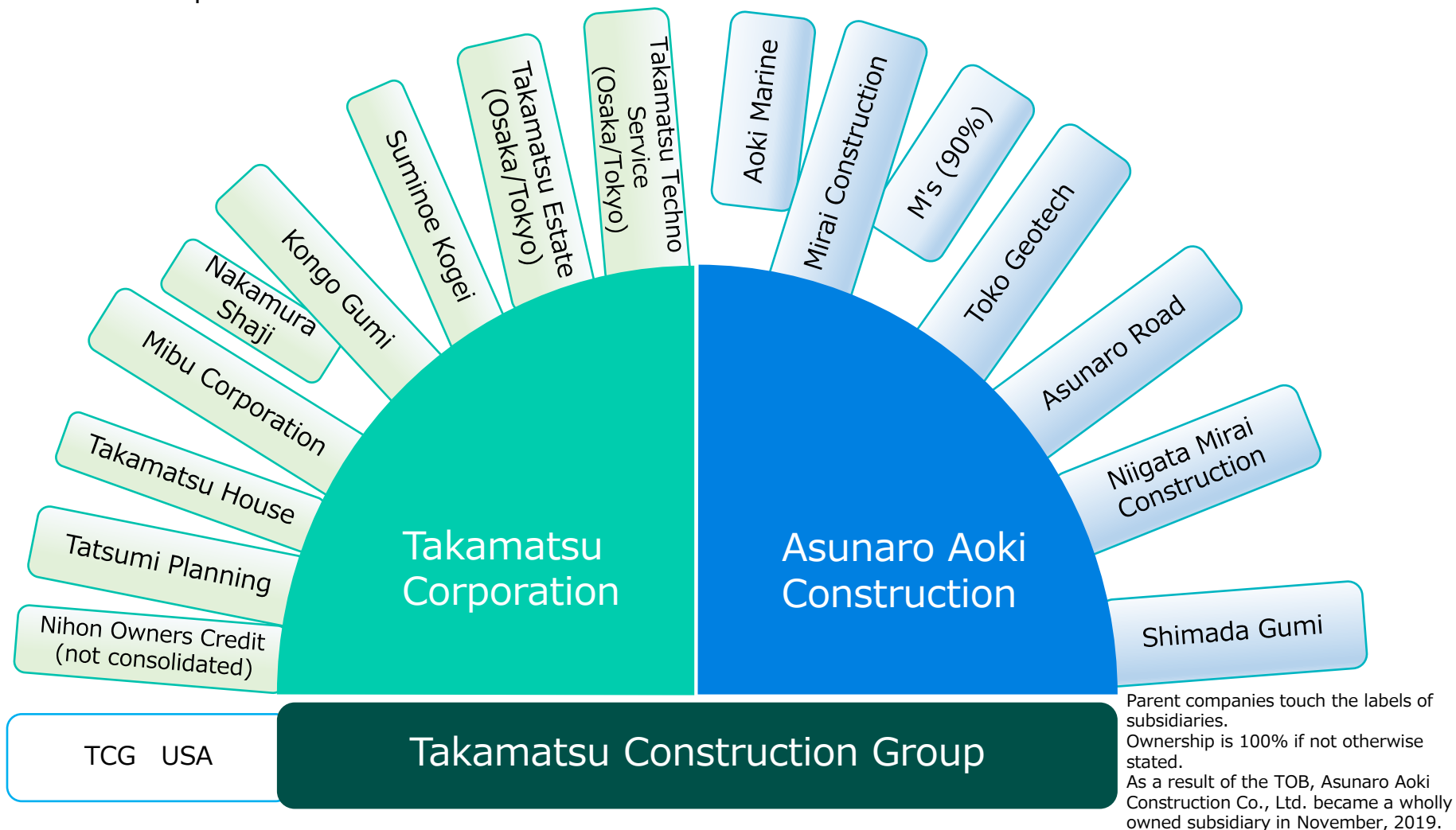
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Financial results for 3Q, FY ending March 2021

Group formation

- ◆ 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.



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
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
	Niigata Mirai Construction			Niigata
	Shimada Gumi			Japan(nationwide)
		TCG USA	USA	
Takamatsu Construction Group (Pure Holding Company)				

TCG Performance for 3Q, FY ending March 2021 (Consolidated)

Due to the acquisitions of Tatsumi Planning, orders for FY ended March 31, 2020 include 5.6 billion yen in orders carried over of this.

- ◆ Orders are on a recovery trend compared to 1Q and 2Q, have recovered to a 17.2% decrease from the previous FY. Revenue increased due to steady construct of construction works in progress. Profits were down YoY due to the impact of unprofitable construction works completed through the first half of the year and a decrease in profitable construction works.

(100 million yen)

Item	3Q FY ended March 2020		3Q FY ending March 2021	+ / -
Orders	2,051	↓	1,698	△17.2%
Revenue	1,998	↑	2,097	+5.0%
Gross Profit	289	↓	274	△5.3%
Gross Profit %	14.5%	↓	13.1%	△1.4pt
Operating Income	104	↓	80	△22.8%
Operating Income %	5.2%	↓	3.9%	△1.3pt
Ordinary income	101	↓	81	△20.2%
Ordinary income %	5.1%	↓	3.9%	△1.2pt
Net earnings attributable to the owners of the parent	57	↓	48	△15.7%
Net earnings attributable to the owners of the parent %	2.9%	↓	2.3%	△0.6pt

Orders by segment (Consolidated)

* The total of individual figures and the total figures may not match due to consolidation adjustments.
Due to the acquisitions of Tatsumi Planning, orders for FY ended March 31, 2020 include 5.6 billion yen in orders carried over of this.

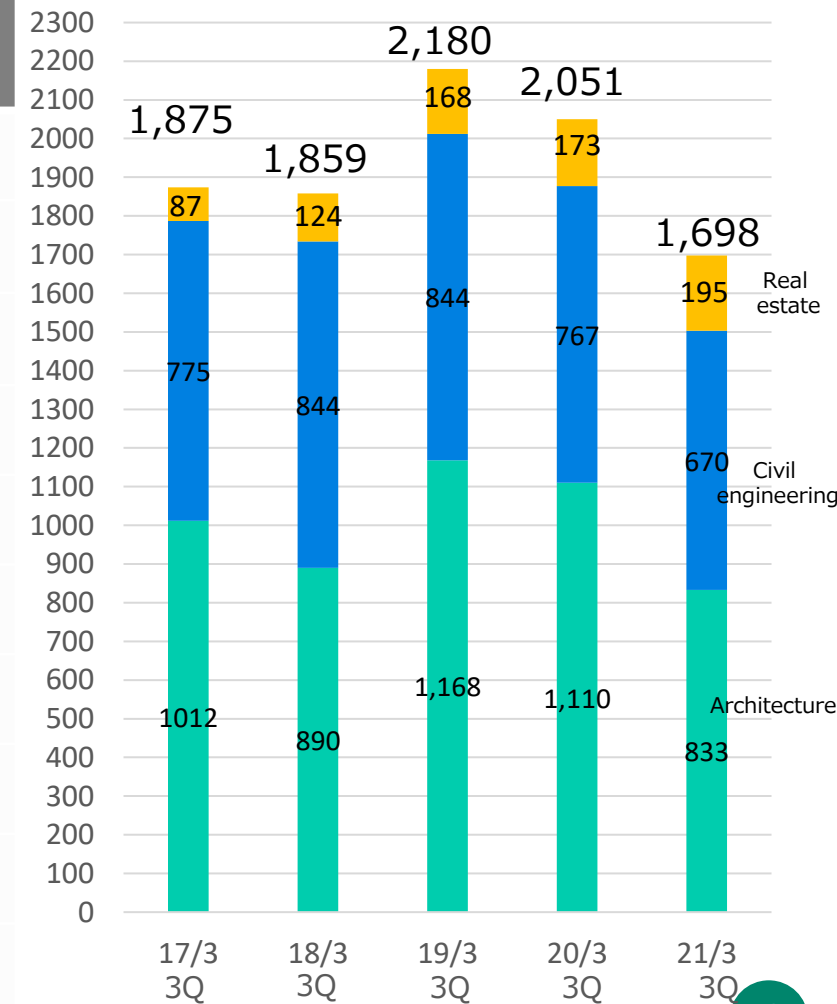
- ◆ In architecture business, due to the recovery in orders by Takamatsu Corporation, the decline in orders narrowed to 25.0% YoY in 3Q compared to the 39.6% YoY decline in 2Q. In civil engineering business, Asunaro Aoki Construction Co., Ltd. planned to receive orders for projects in the second half of FY, and the decline was narrowed from 25.0% YoY in 2Q to 12.7% YoY in 3Q.

Segment		3Q FY ended March 2020	3Q FY ending March 2021	+/-
Architecture	Takamatsu Corporation Group	78,175	58,229	△25.5%
	Asunaro Aoki Construction Group	34,119	35,390	+3.7%
	Total	111,078	83,358	△25.0%
Civil engineering	Takamatsu Corporation Group	17	330	+1759.2%
	Asunaro Aoki Construction Group	76,752	67,027	△12.7%
	Total	76,746	67,011	△12.7%
Real estate	Takamatsu Corporation Group	15,689	19,310	+23.1%
	Asunaro Aoki Construction Group	1,187	93	△92.1%
	Total	17,306	19,503	+12.7%
TCG Group Consolidation		205,131	169,873	△17.2%

(million yen)

Orders

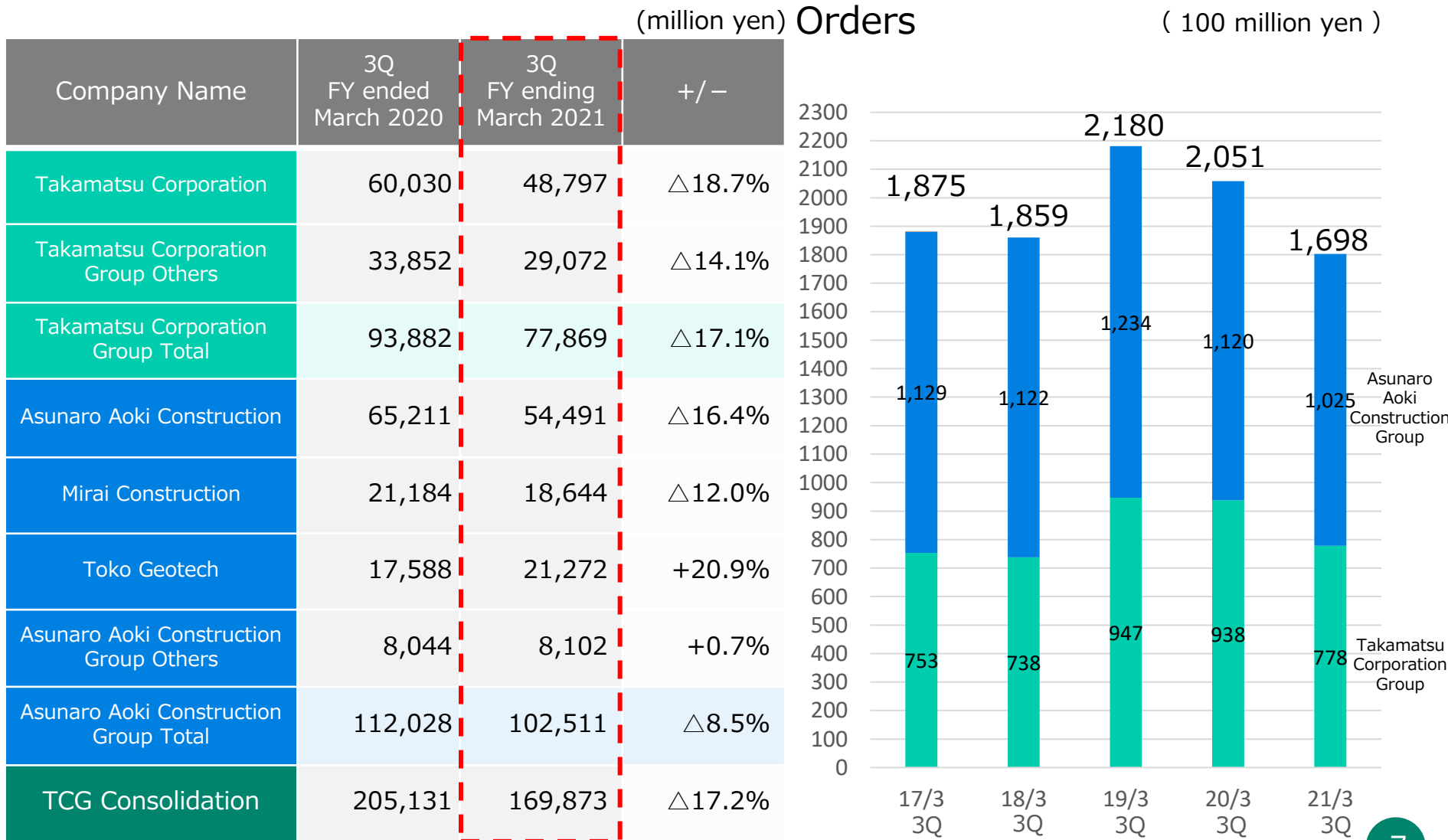
(100 million yen)



Orders by group (Consolidated)

* The total of individual figures and the total figures may not match due to consolidation adjustments.
 Due to the acquisitions of Tatsumi Planning, orders for FY ended March 31, 2020 include 5.6 billion yen in orders carried over of this.

- ◆ Takamatsu Corporation is on a recovery track with 1Q: $\Delta 81.3\%$ YoY, 2Q: $\Delta 62.1\%$ YoY, 3Q: $\Delta 18.7\%$ YoY.
- ◆ Toko Geotech performed well, increased 20.9% YoY due to orders for large-scale construction projects.



Revenue by segment (Consolidated)

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

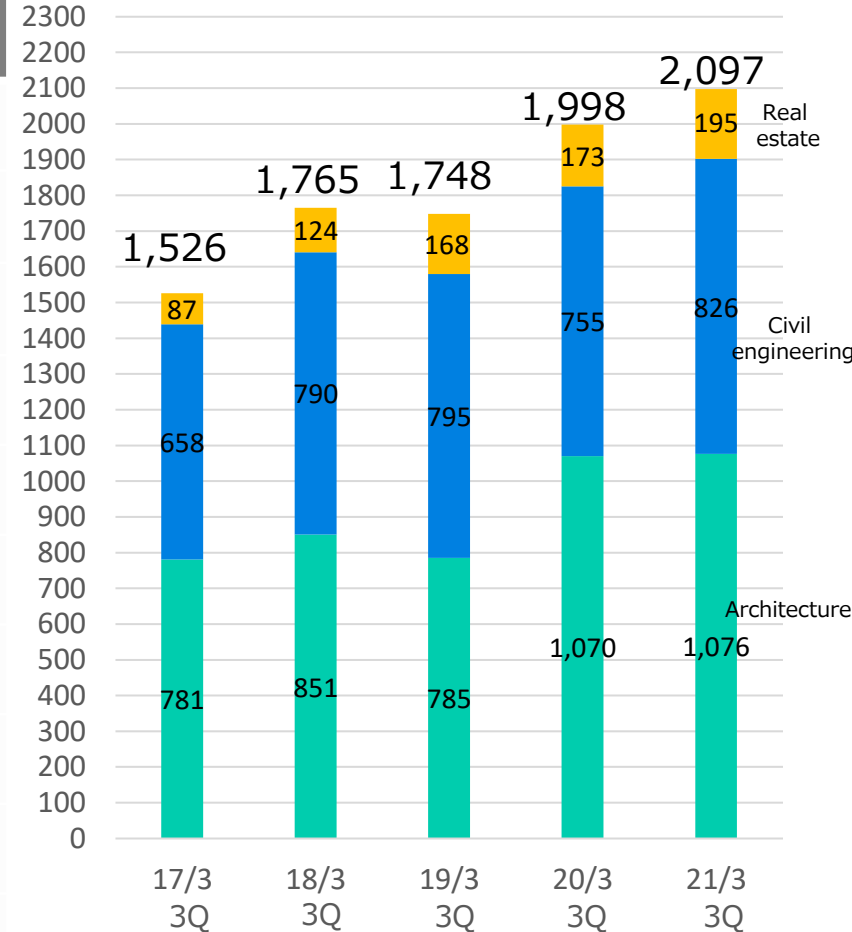
- ◆ In civil engineering business, revenue increased by 9.4% YoY due to steady construct of construction work in progress. In architecture business, steady progress in construction contributed to revenue in Takamatsu Corporation Group, on the other hand, Asunaro Aoki Construction Group's revenue declined due to a decrease in the completion of large-scale construction projects YoY.

(million yen)

Segment		3Q FY ended March 2020	3Q FY ending March 2021	+/-
Architecture	Takamatsu Corporation Group	72,010	77,212	+7.2%
	Asunaro Aoki Construction Group	35,598	31,175	△12.4%
	Total	107,012	107,652	+0.6%
Civil engineering	Takamatsu Corporation Group	335	330	△1.7%
	Asunaro Aoki Construction Group	75,189	82,642	+9.9%
	Total	75,504	82,633	+9.4%
Real estate	Takamatsu Corporation Group	15,689	19,310	+23.1%
	Asunaro Aoki Construction Group	1,187	93	△92.1%
	Total	17,306	19,503	+12.7%
TCG Group Consolidation		199,823	209,788	+5.0%

Revenue

(100 million yen)



Revenue by group (Consolidated)

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

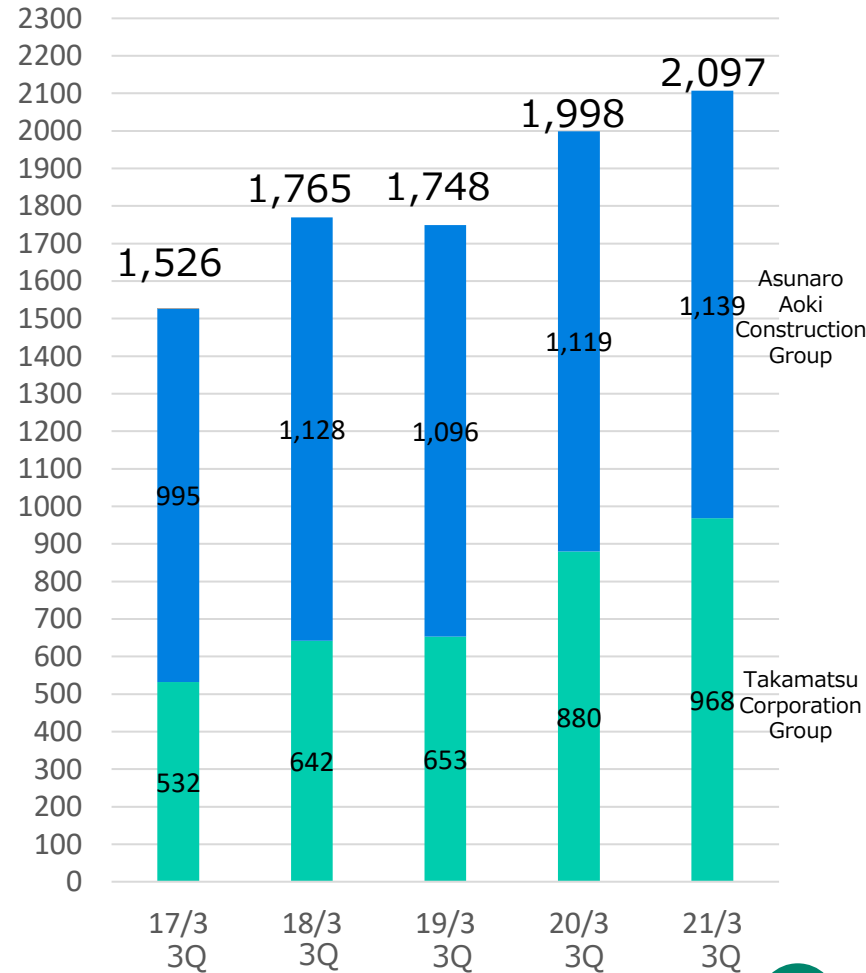
- ◆ Takamatsu Corporation Group's revenue increased by 10% YoY due to steady progress in construction.
- ◆ Asunaro Aoki Construction Group's revenue remained almost unchanged from the previous FY.

Company Name	3Q FY ended March 2020	3Q FY ending March 2021	+/-
Takamatsu Corporation	59,446	66,863	+12.5%
Takamatsu Corporation Group Others	28,589	29,989	+4.9%
Takamatsu Corporation Group Total	88,035	96,852	+10.0%
Asunaro Aoki Construction	69,157	68,355	△1.2%
Mirai Construction	19,521	19,375	△0.8%
Toko Geotech	16,215	18,224	+12.4%
Asunaro Aoki Construction Group Others	7,031	7,956	+13.2%
Asunaro Aoki Construction Group Total	111,926	113,911	+1.8%
TCG Consolidation	199,823	209,788	+5.0%

(million yen)

Revenue

(100 million yen)



Gross Profit by segment (Consolidated)

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

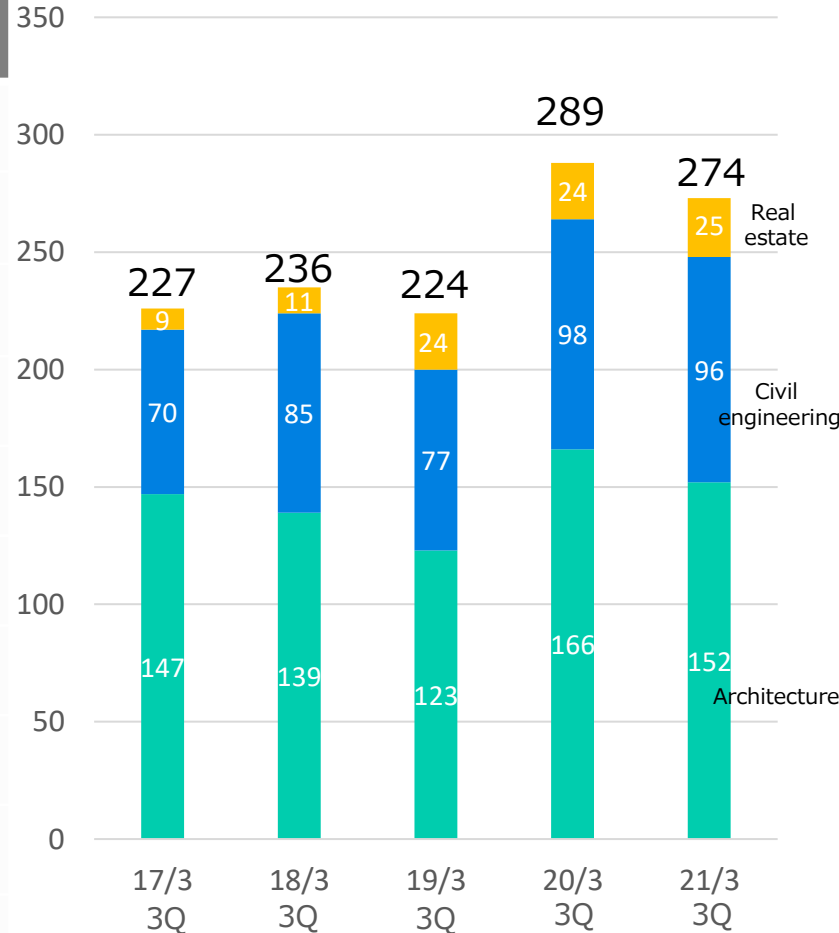
◆ In architecture business, Takamatsu Corporation Group's gross profit remained almost unchanged from the previous FY. Gross profit % declined due to increase of non-condominium. Asunaro Aoki Construction Group's gross profit decreased by 44.5%YoY in architecture segment due to unprofitable construction in architecture.

(million yen)

Gross Profit

(100 million yen)

Segment		3Q FY ended March 2020	3Q FY ending March 2021	+/-
Architecture	Takamatsu Corporation Group	13,870	13,853	△0.1%
	Asunaro Aoki Construction Group	2,807	1,557	△44.5%
	Total	16,670	15,276	△8.4%
Civil engineering	Takamatsu Corporation Group	78	81	+3.9%
	Asunaro Aoki Construction Group	9,733	9,605	△1.3%
	Total	9,815	9,608	△2.1%
Real estate	Takamatsu Corporation Group	2,291	2,469	+7.8%
	Asunaro Aoki Construction Group	91	△1	△101.3%
	Total	2,498	2,550	+2.1%
TCG Group Consolidation		28,985	27,436	△5.3%



Gross Profit by group (Consolidated)

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

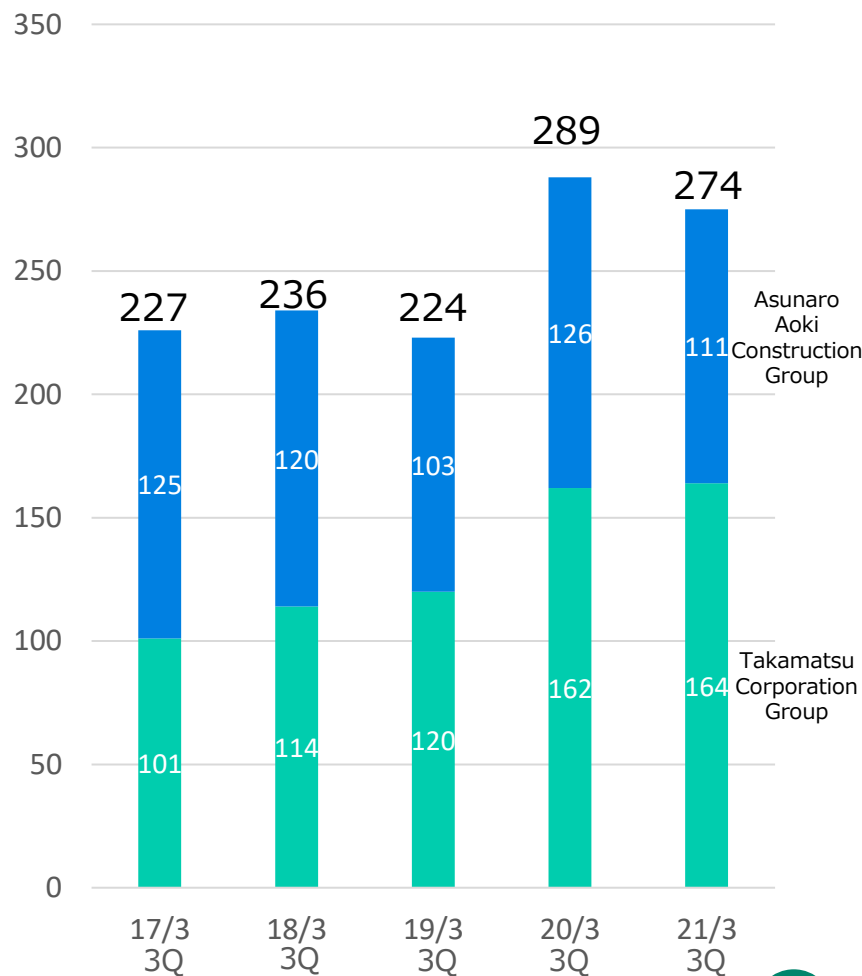
- ◆ Takamatsu Corporation Group's gross profit remained unchanged from the previous FY. On the other hand, Consolidated revenue decreased by 5.3% YoY due to the inability of the group to cover the impact of unprofitable construction works in architecture segment of Asunaro Aoki Construction.

(million yen)

Company Name	3Q FY ended March 2020	3Q FY ending March 2021	+/-
Takamatsu Corporation	11,315	11,937	+5.5%
Takamatsu Corporation Group Others	4,924	4,467	△9.3%
Takamatsu Corporation Group Total	16,240	16,404	+1.0%
Asunaro Aoki Construction	7,319	5,245	△28.3%
Mirai Construction	1,465	1,597	+9.0%
Toko Geotech	2,484	3,106	+25.0%
Asunaro Aoki Construction Group Others	1,363	1,212	△11.1%
Asunaro Aoki Construction Group Total	12,632	11,161	△11.6%
TCG Consolidation	28,985	27,436	△5.3%

Gross Profit

(100 million yen)



Operating Income by segment (Consolidated)

※Segment operating income figures are before intersegment eliminations.
* The total of individual figures and the total figures may not match due to consolidation adjustments.

- ◆ Takamatsu Corporation Group's operating income was unable to offset the increase in SG&A expenses with the increase in gross profit. Asunaro Aoki Construction Group's operating income in architecture segment decreased significantly due to unprofitable construction works at Asunaro Aoki Construction. Consolidated operating income decreased by 22.8% YoY.

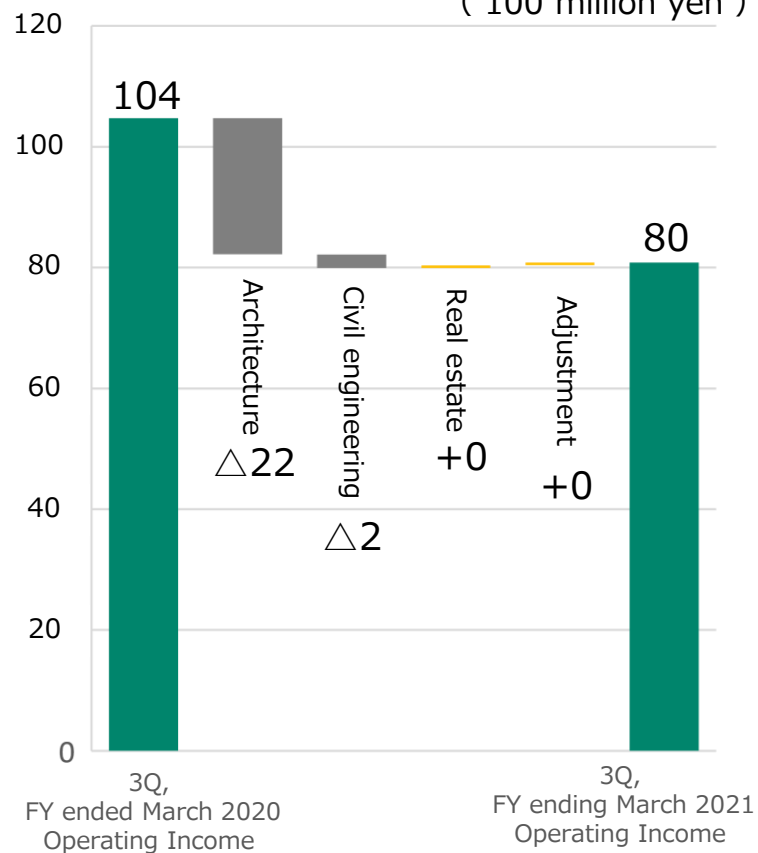
(million yen)

Segment		3Q FY ended March 2020	3Q FY ending March 2021	+/-
Architecture	Takamatsu Corporation Group	4,889	3,987	△18.4%
	Asunaro Aoki Construction Group	1,486	132	△91.1%
	Total	6,375	4,119	△35.3%
Civil engineering	Takamatsu Corporation Group	73	82	+12.3%
	Asunaro Aoki Construction Group	5,861	5,626	△4.0%
	Total	5,934	5,708	△3.8%
Real estate	Takamatsu Corporation Group	1,025	1,157	+12.8%
	Asunaro Aoki Construction Group	41	△45	△209.8%
	Total	1,066	1,112	+4.3%
TCG Group Consolidation		10,473	8,085	△22.8%

Analysis of Changes in Operating Income

■ Increase ■ Decrease ■ Total

(100 million yen)



Operating Income by group (Consolidated)

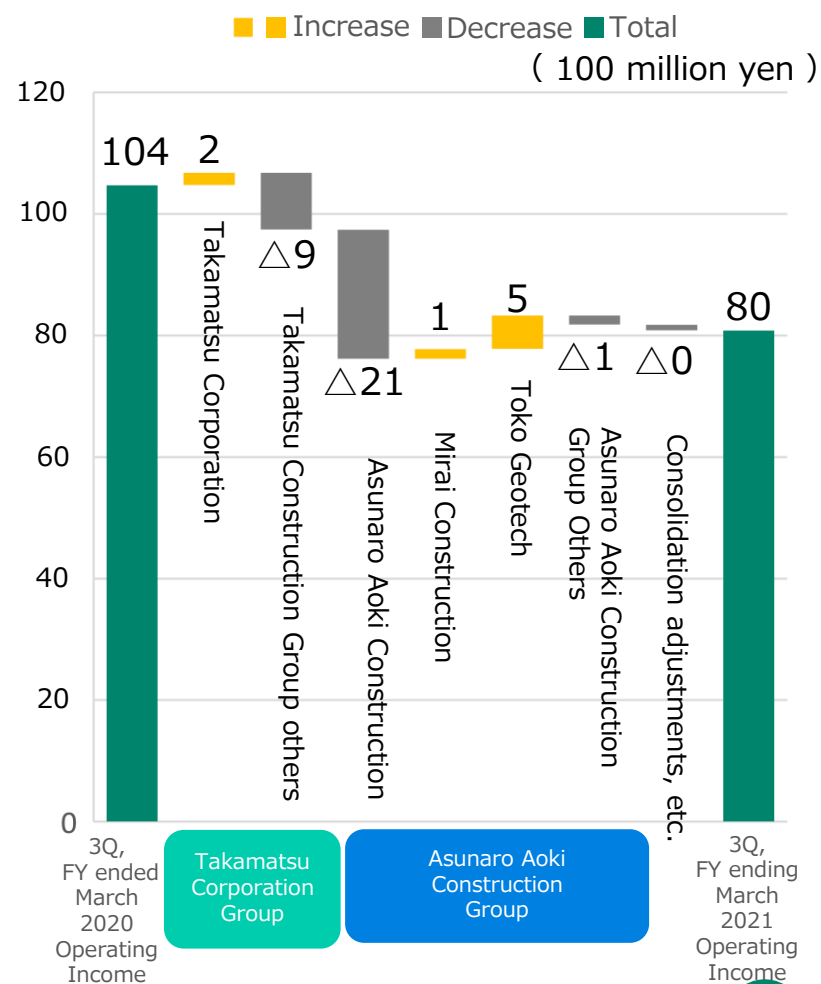
* The total of individual figures and the total figures may not match due to consolidation adjustments.

- ◆ Takamatsu Corporation Group's operating income decreased due to high SG&A expenses in the wooden detached house business due to the founding period of the business. Asunaro Aoki Construction Group's operating income decreased due to decrease in gross profit of Asunaro Aoki Construction.

(million yen)

Company Name	3Q FY ended March 2020	3Q FY ending March 2021	+/-
Takamatsu Corporation	4,139	4,345	+5.0%
Takamatsu Corporation Group Others	1,859	923	△50.4%
Takamatsu Corporation Group Total	5,999	5,269	△12.2%
Asunaro Aoki Construction	3,228	1,102	△65.8%
Mirai Construction	77	237	+206.0%
Toko Geotech	1,294	1,847	+42.7%
Asunaro Aoki Construction Group Others	714	561	△21.5%
Asunaro Aoki Construction Group Total	5,315	3,748	△29.5%
TCG Consolidation	10,473	8,085	△22.8%

Analysis of Changes in Operating Income



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

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

Analysis of Changes in Operating Income



Our response and Impact on our company for re-issuance of the emergency declaration

	Item	Our response / Impact on our company
Takamatsu Corporation	sales activities	After listening to the customer's requests, we choose to conduct business negotiations via the Internet, telephone, or face-to-face. Unlike when issuance of the emergency declaration in April and May, it has been able to conduct face-to-face business negotiations after taking countermeasures against infectious diseases. Due to COVID-19, some orders were postponed or suspended.
	construction	If there is a request from the client to suspend construction, we will consider how to respond. As there is no request for suspension of construction at this time, it is continuing with the construction.
Asunaro Aoki Construction	sales activities (Public)	Even before the re-issuance of the emergency declaration , there were delays in placing orders for some projects. No changes have been seen in response to the reissuance.
	sales activities (Private)	Even before the re-issuance of the emergency declaration , orders for some projects had been postponed or suspended due to COVID-19. No changes have been seen in response to the reissuance.
	construction	If there is a request from the client to suspend construction, it will consider how to respond. As there is no request for suspension of construction at this time, it is continuing with the construction.

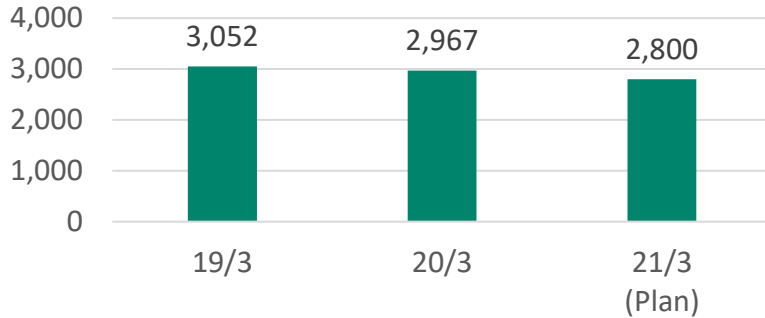
* The re-issuance of the emergency declaration will have no particular impact on our business performance.

Earnings forecast for FY ending March 31, 2021

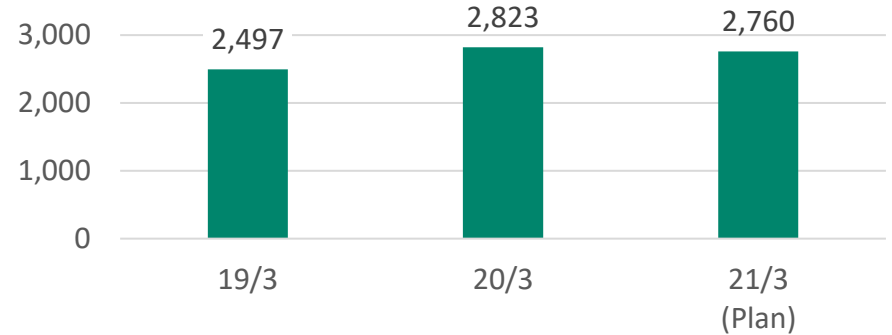
Earnings forecast for FY ending March 31, 2021

◆ There is no change in the previously announced figures for orders, revenue, and profit.

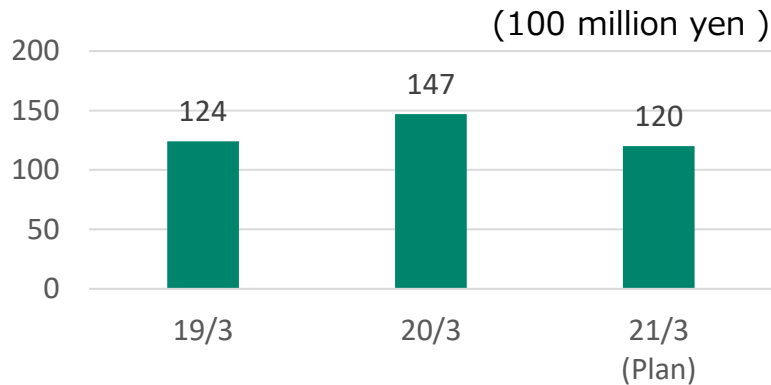
Orders (100 million yen)



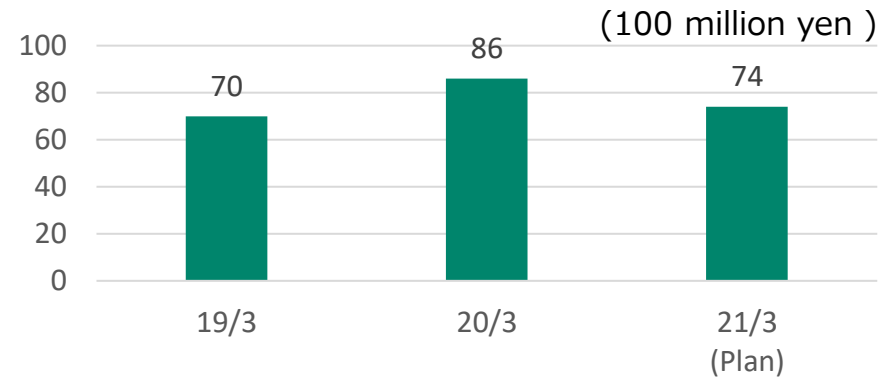
Revenue (100 million yen)



Operating Income



Net earnings attributable to the owners of the parent

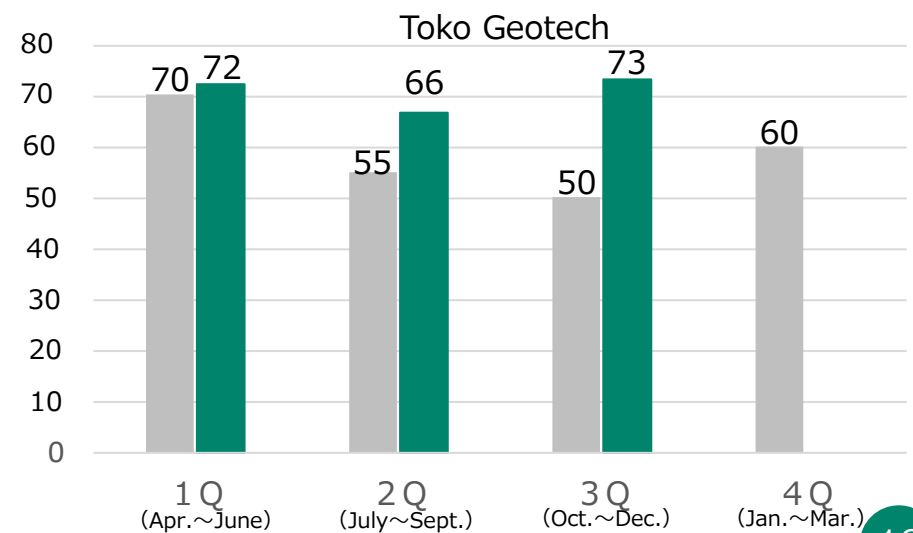
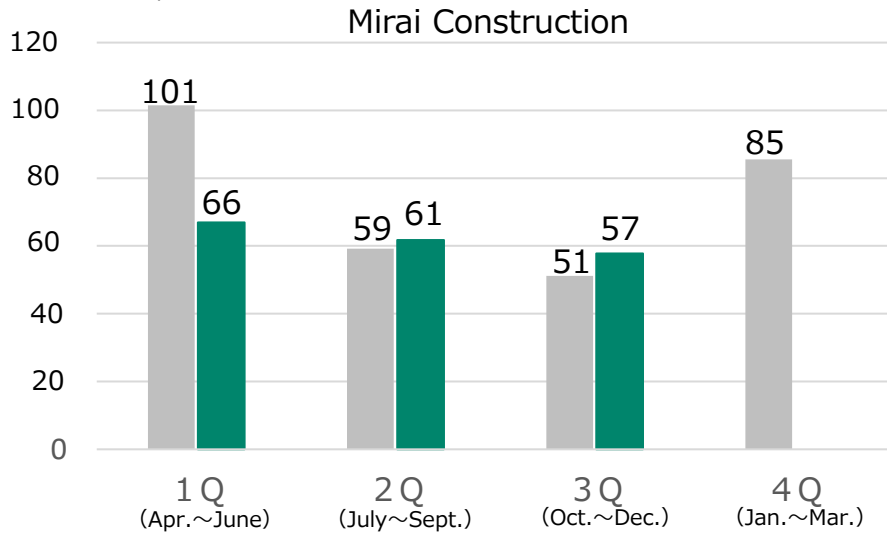
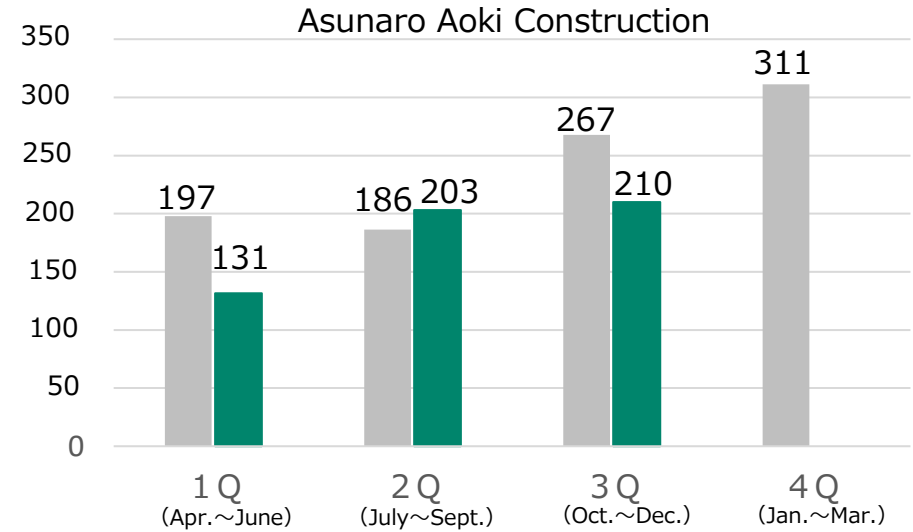
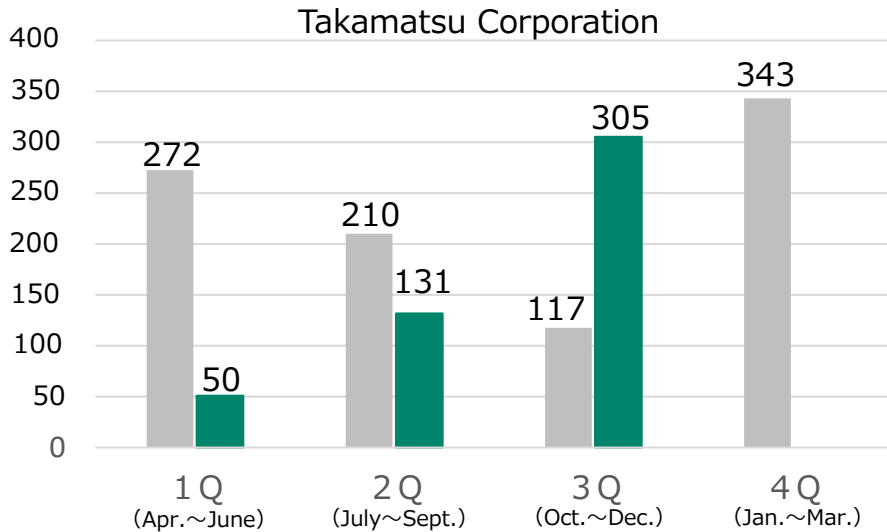


FY ending March, 2021

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

◆ Takamatsu Corporation's orders were sluggish in the first half of FY due to COVID-19, but recovered significantly in the 3Q. Toko Geotech maintained its strong performance. (※ Figures are quarterly amounts, not cumulative.)

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

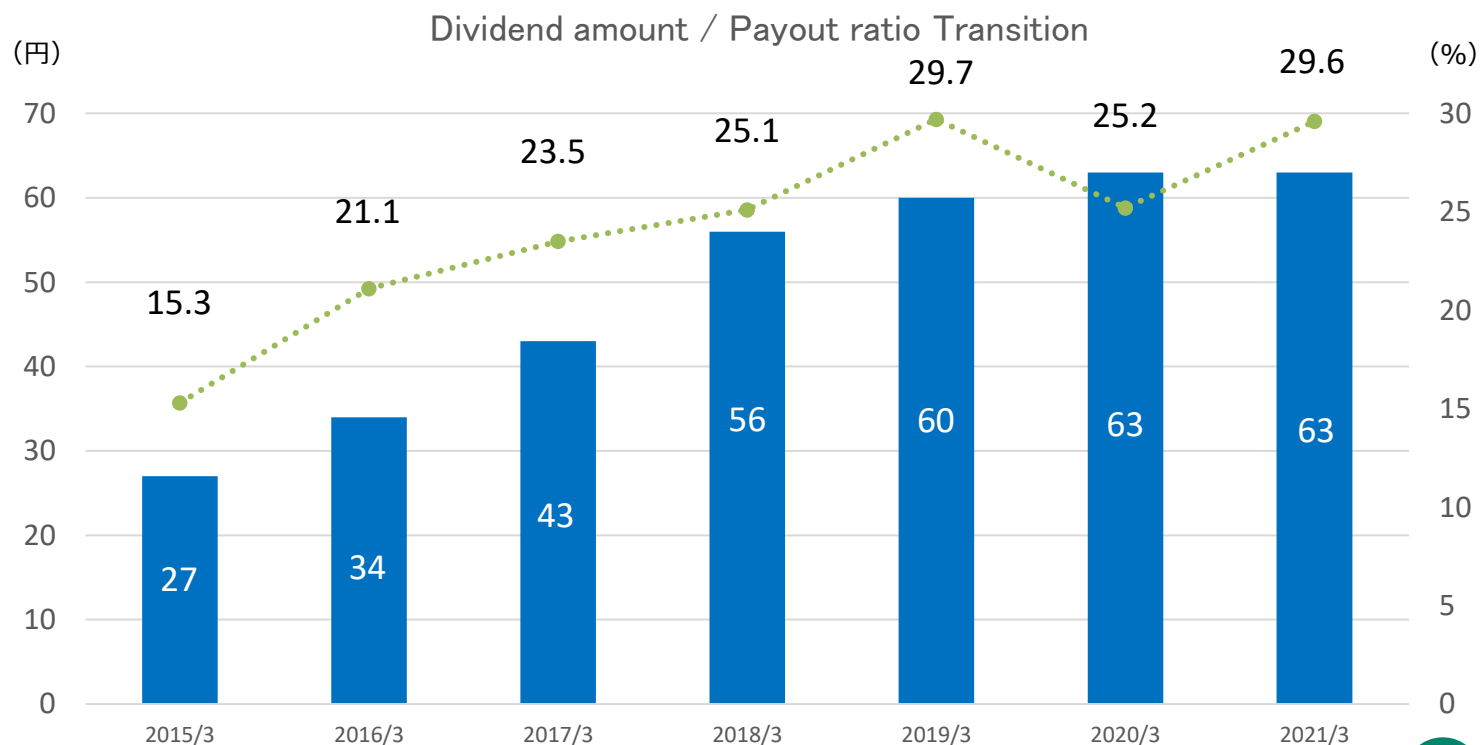


Shareholder Returns

FY ending March 2021 Shareholder Returns (Dividend amount / Payout ratio)

- ◆ As announced at the beginning of the FY, we plan to pay a dividend of 63 yen per share.
- ◆ Although net income of this FY is expected to decrease, we do not plan to reduce the dividend in order to realize stable dividends.

	2015/3 Actual	2016/3 Actual	2017/3 Actual	2018/3 Actual	2019/3 Actual	2020/3 Actual	2021/3 Plan
Dividend amount (Yen)	27	34	43	56	60	63	63
Payout ratio (%)	15.3	21.1	23.5	25.1	29.7	25.2	29.6



Indicators

Takamatsu Corporation : Orders received by condominiums and non-condominiums

- ◆ In the middle of 2Q, we resumed meeting with private customers, which are Takamatsu Corporation's main customers. However, because it takes time to conclude orders for condominiums, orders of condominiums in Tokyo were down by almost half from the previous FY. We expect to recover in 4Q.
- ◆ Although these figures are only for reference, the Osaka Head Office is still focused on non-condominium projects, and the Tokyo Head Office has half and half ratio of condominium construction projects to non-condominium construction projects.

Percentage of condominiums and non-condominiums
Year-on-year comparison (%)

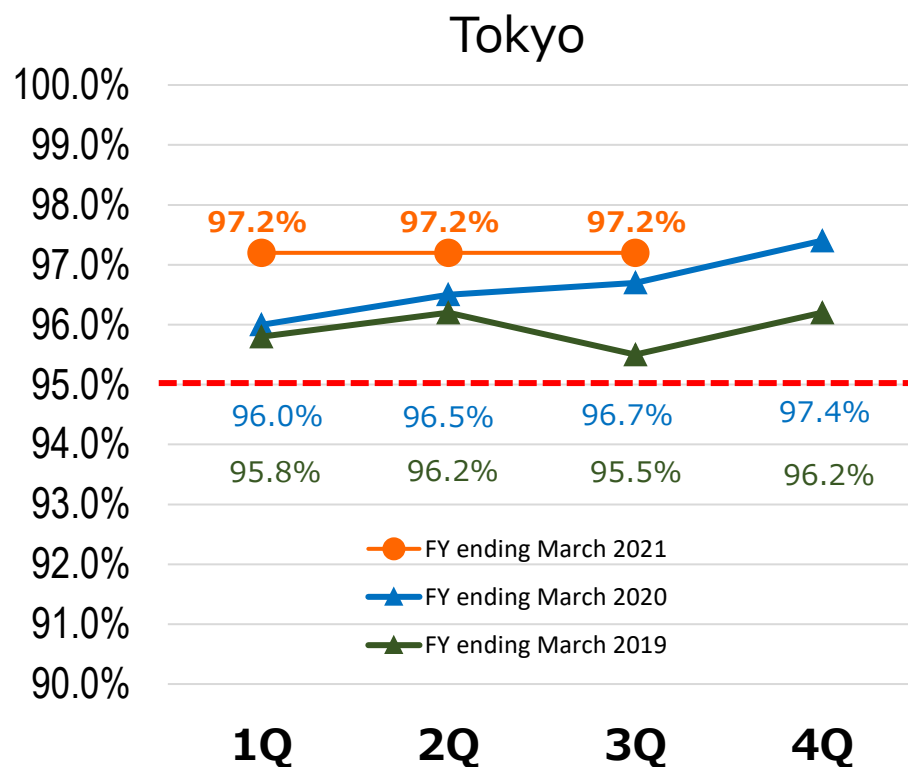
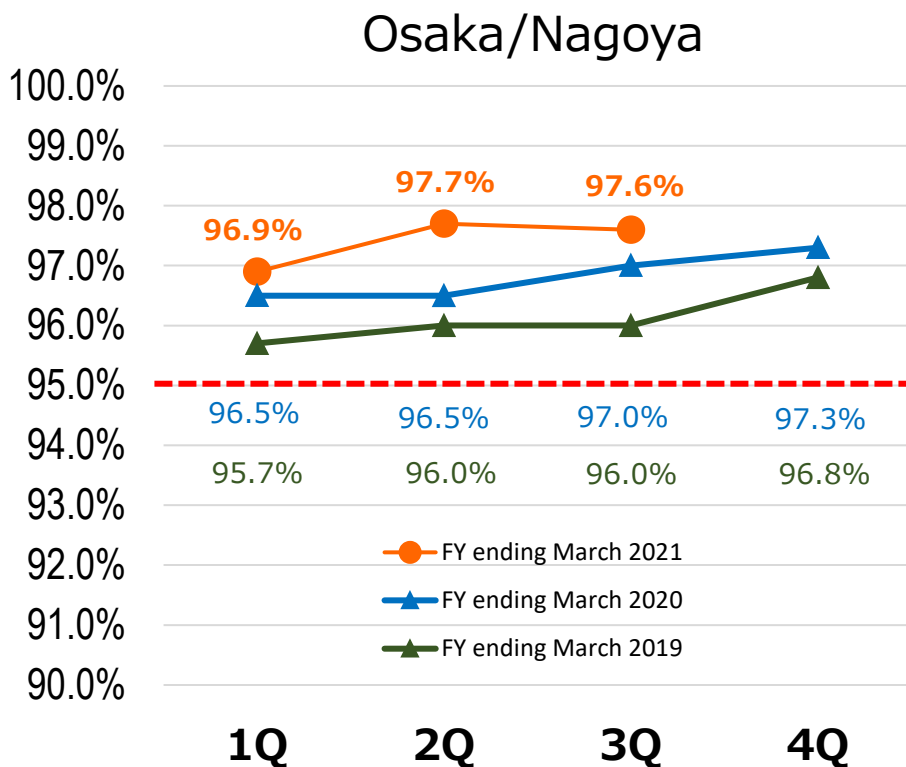
	Osaka		Tokyo	
	2020/3 3Q	2021/3 3Q	2020/3 3Q	2021/3 3Q
condominiums	20.2	25.4	63.6	45.2
non-condominiums	79.8	74.6	36.4	54.8
Total	100	100	100	100

Orders by condominiums and non-condominiums
(million yen)

	Osaka		Tokyo	
	2020/3 3Q	2021/3 3Q	2020/3 3Q	2021/3 3Q
condominiums	5,705	6,896	20,244	9,798
non-condominiums	22,489	20,223	11,591	11,880
Total	28,194	27,119	31,835	21,678

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 2021 in both Tokyo and Osaka.



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

Topics

Topics

- ◆ Providing benefits and other support to newly hired graduates who have difficulty living

Due to the spread of the new coronavirus, Takamatsu Corporation and Asunaro Aoki Construction have implemented a number of support measures, including benefits, for new graduates who are in financial difficulties, starting in June 2020.

In order to help them spend the rest of their lives in a stable manner, if they meet certain conditions, we will provide them with necessary support money, offer them part-time work opportunities, and subsidize their communication expenses for online classes at school. The results as of January 25, 2021 are as follows.

Contents	Actual (people)
1) Benefits for livelihood support (100,000 yen)	20
2) Benefit for second semester tuition (350,000 yen)	0
3) Hiring as a part-time worker (Only Takamatsu Corporation)	2
4) subsidizing their communication expenses for online classes at school	1

- ◆ Takamatsu House sells Land with construction conditions



Two plots of land with construction conditions are currently for sale near the Nakamachidai Station on the Yokohama Municipal Subway Blue Line in Tsuzuki-ku, Yokohama City, 5-minutes walk from the station.

- ◆ Start of construction of TCG USA “Blu Laguna Niguel Phase II”



Construction of “Blu Laguna Niguel Phase II”, TCG USA's first rental housing development project, began in December 2020. The project is scheduled for completion in February 2023.

- ◆ Toko Geotech Completion of Fireproofing of CFB Boiler for Kaita Biomass Power Plant



The Ceramic Engineering Division of Toko Geotech is focusing on fireproofing work for biomass power plants. Orders in FY ended March 2020 totaled approximately 1.1 billion yen (7 projects).

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 10, 2021. The Company provides this translation for your reference and convenience only without any warranty as to its accuracy. In case of any discrepancy between the translation and the Japanese original, the latter shall prevail. Additionally, these materials were created with the intention of providing reference information to be used by investors for their investment decisions, and do not constitute any sort of effort to solicit the purchase or sale of Takamatsu Construction Group stock.