

Translated version

# Analysis Material for 2Q, FY ending March 2022

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

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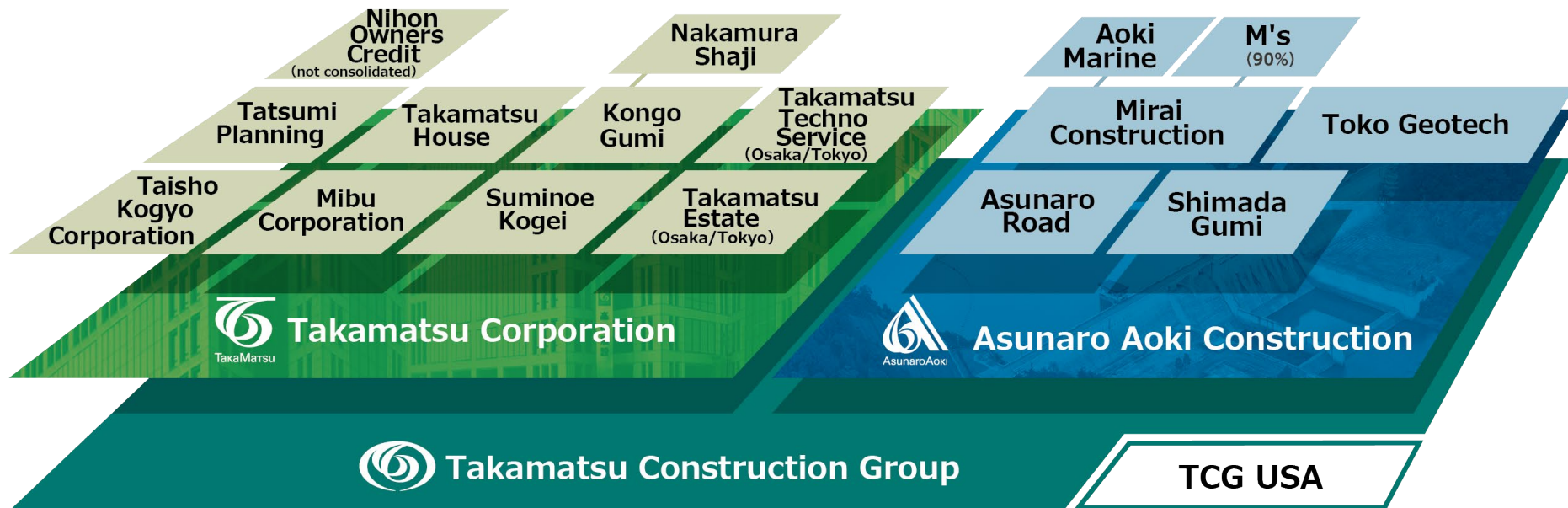
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Financial results for 2Q, FY ending March 2022

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# Group formation

- ◆ The Takamatsu Construction Group is composed of Takamatsu Construction Group Co., Ltd., a pure holding company, and Takamatsu Corporation Co., Ltd. and 11 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)				

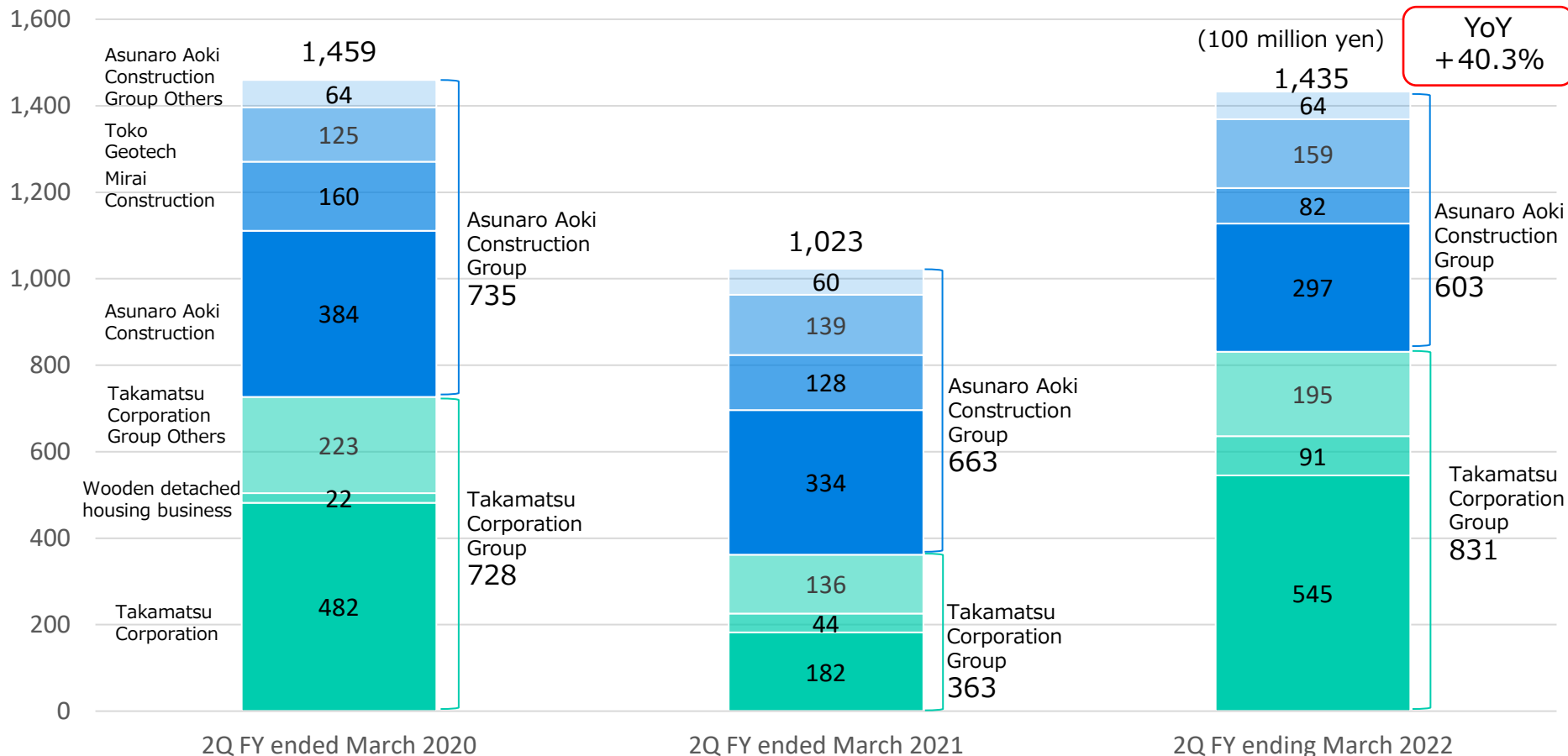
# TCG Performance for 2Q FY ending March 2022 (Consolidated)

(100 million yen)

Item	2Q FY ended March 2020	2Q FY ended March 2021	2Q FY ending March 2022	+/-
Orders received	1,459	1,023	1,435	+40.3%
Net sales	1,293	1,366	1,259	-7.8%
Gross profit	180	166	168	+1.1%
Gross profit %	14.0%	12.2%	13.4%	+1.2pt
Operating profit	56	35	31	-13.1%
Operating profit %	4.4%	2.6%	2.5%	-0.1pt
Ordinary profit	53	36	31	-12.8%
Ordinary profit %	4.2%	2.6%	2.5%	-0.1pt
Net profit attributable to owners of parent	24	19	16	-15.2%
Net profit attributable to owners of parent %	1.9%	1.5%	1.3%	-0.2pt

# 2Q total orders received (Consolidated)

- ◆ Takamatsu Corporation Group's orders received increased 2.3 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 decreased 8.6% YoY. It was affected by losing several large projects of Asunaro Aoki, also losing ocean civil engineering of Mirai Construction at 1Q. Toko Geotech's performance remained strong by the influence of building national resilience, one of the Japanese policies.

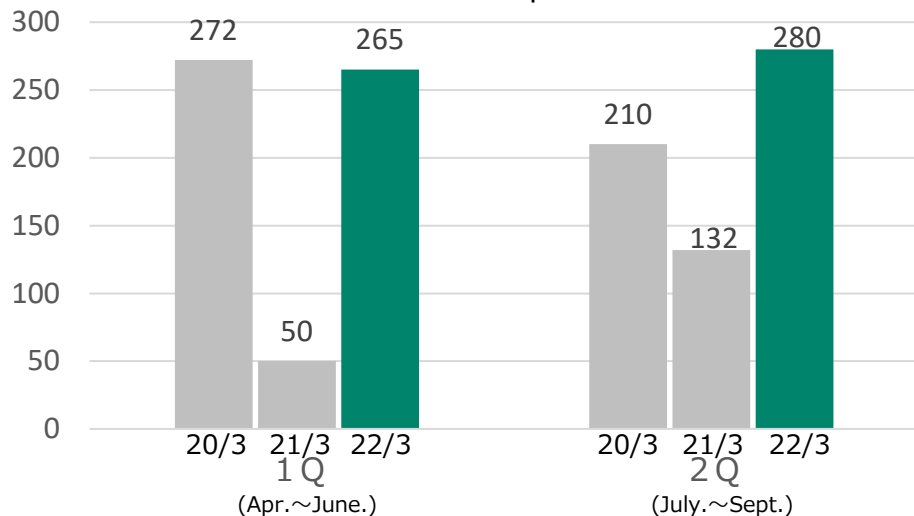


※Wooden detached housing business : Takamatsu House, Mibu Corporation, Tatsumi Planning.  
 ※The total of individual figures and the total figures may not match due to consolidation adjustments.

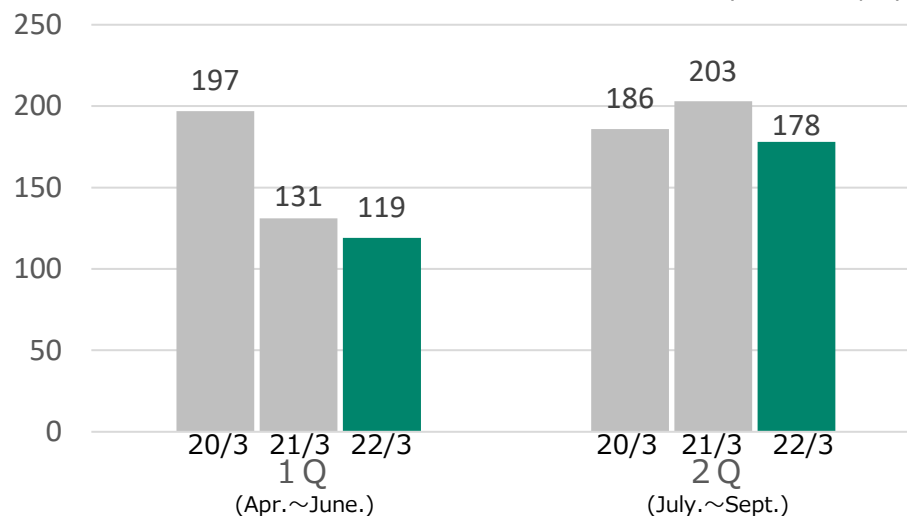
# Quarterly Orders by the 4 Major Companies

(※ Figures are quarterly amounts, not cumulative.)

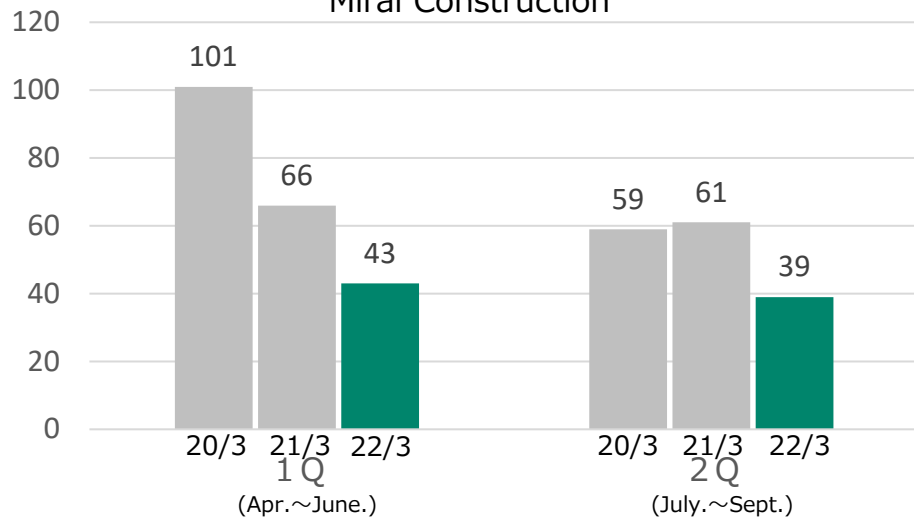
### Takamatsu Corporation



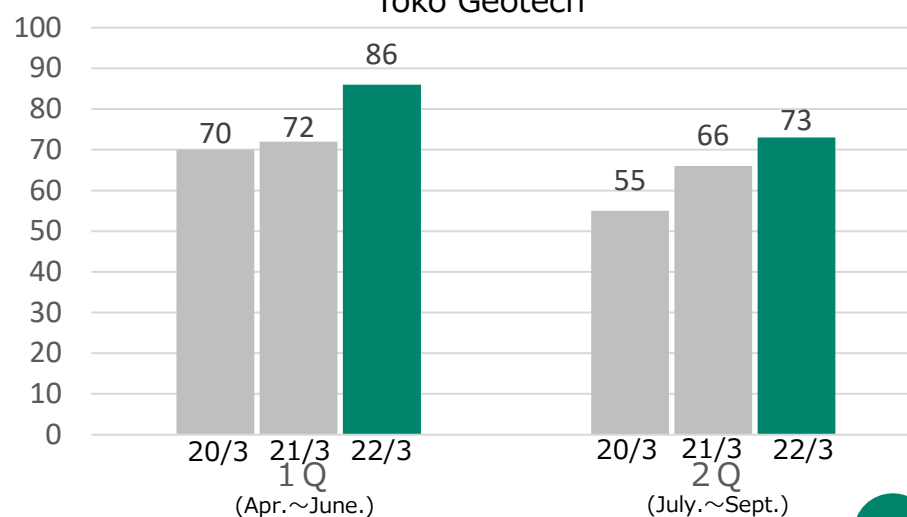
### Asunaro Aoki Construction (100 million yen)



### Mirai Construction



### Toko Geotech





# Takamatsu Corporation : Orders by condominiums and non-condominiums

- ◆ Orders received of Osaka is the same level 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.
- ◆ In the business year, the ratio of condominiums and non-condominiums at Tokyo and Osaka seems to be almost the same level at the end of fiscal year, though the condominiums ratio of Tokyo was more than 80% as usual.

Orders by condominiums and non-condominiums

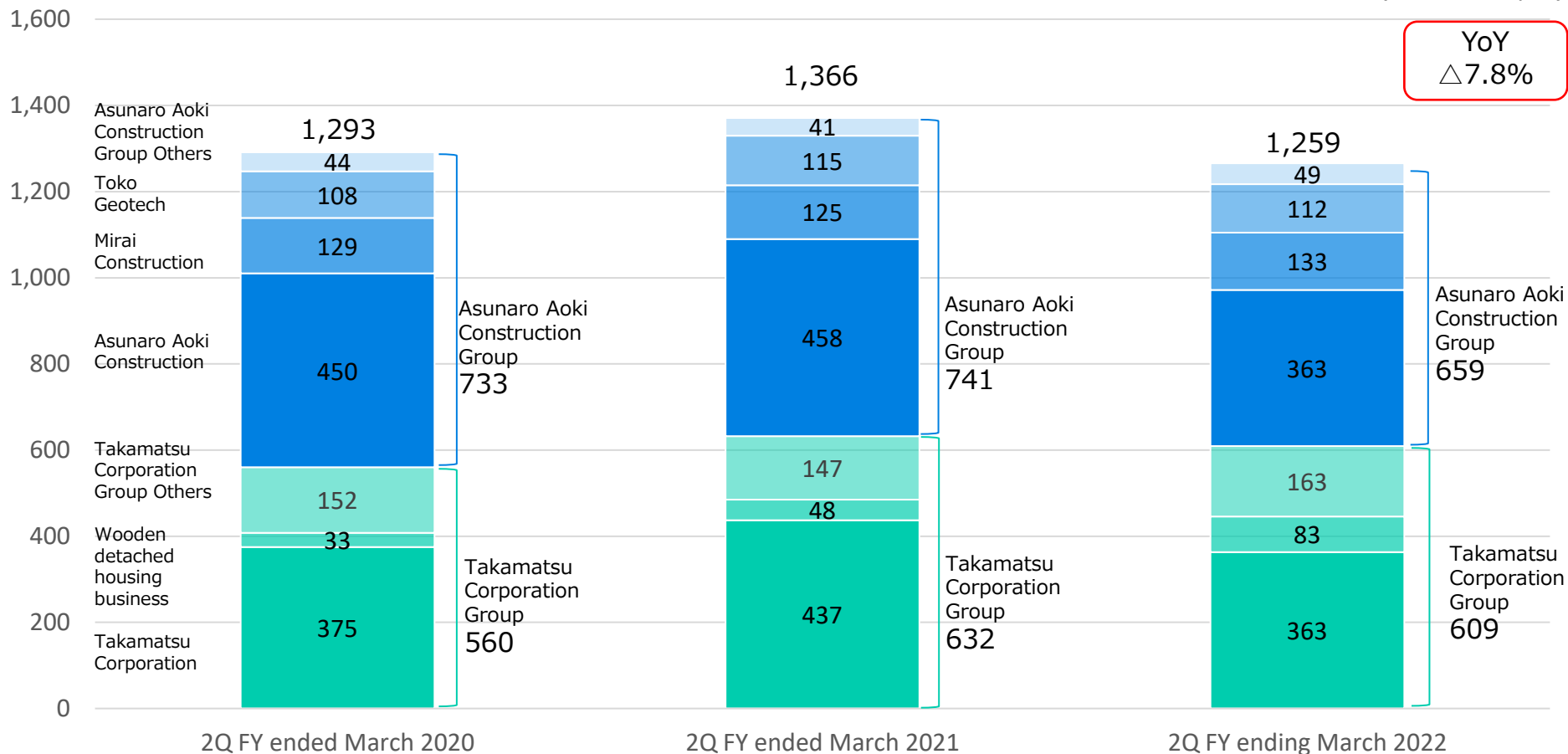
(100 million yen)

	Osaka						Tokyo					
	2020/3 2Q	%	2021/3 2Q	%	2022/3 2Q	%	2020/3 2Q	%	2021/3 2Q	%	2022/3 2Q	%
condominiums	68	29.5%	19	20.1%	80	34.8%	139	55.7%	44	51.3%	258	82.6%
non-condominiums	163	70.5%	77	79.9%	151	65.2%	110	44.3%	41	48.7%	54	17.4%
Total	232	100%	96	100%	231	100%	250	100%	86	100%	313	100%

# 2Q total net sales (Consolidated)

- ◆ Takamatsu Corporation's sales in the current 2Q was influenced by decreasing orders at previous 1Q and 2Q because they refrain from business activities by the COVID-19. This situation will be better steadily for the end of this March because they took many orders in the second half of the FY2020, so there were also many cases started construction after 3Q. Though Asunaro Aoki Construction has almost the same numbers of case in hand YoY, it affected the volumes that they didn't have much cases of large projects.

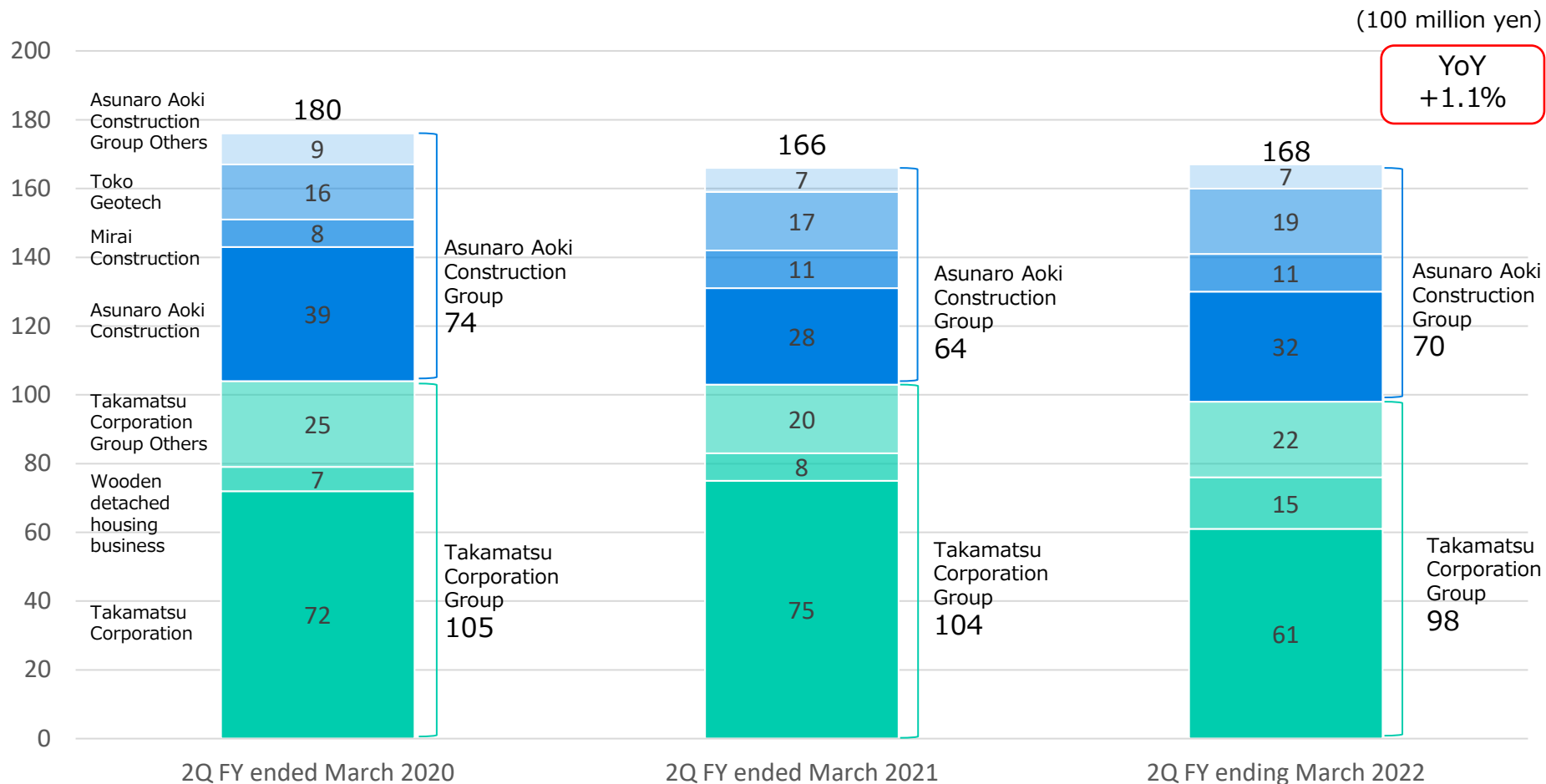
(100 million yen)



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

# 2Q total gross profit (Consolidated)

- ◆ Takamatsu Corporation's gross profit % decreased by 0.4pt. It was one of the reason that the profit margin of selling large real estate project was low in the current 2Q. Their gross profit decreased 18.6% by the impact of decreasing net sales YoY. Asunaro Aoki Construction's gross profit % increased by 2.7pt and gross profit increased 14.5% YoY despite a decrease in net sales because they didn't have low-profit constructions.

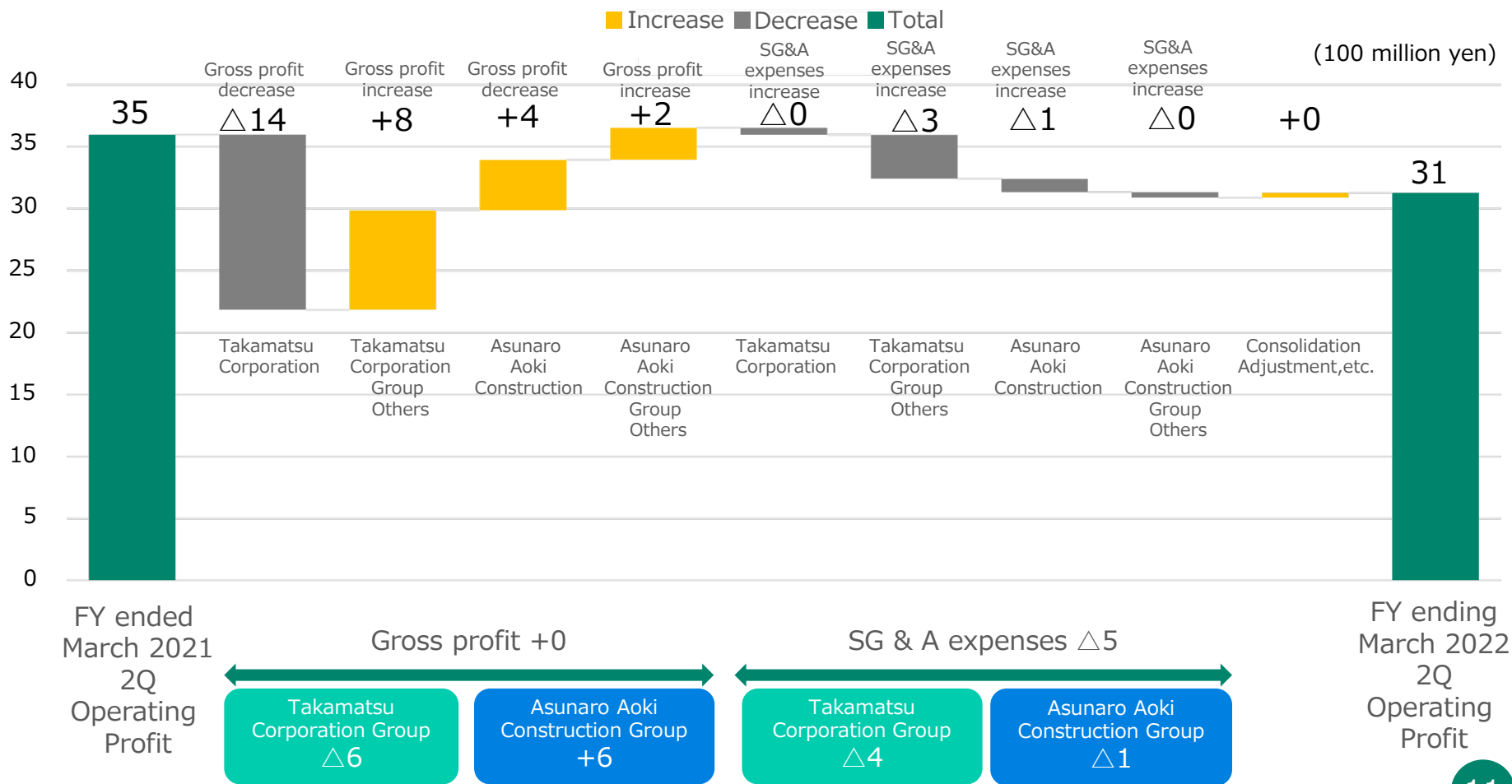


※Wooden detached housing business : Takamatsu House, Mibu Corporation, Tatsumi Planning.  
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# Analysis of Changes in Operating Profit

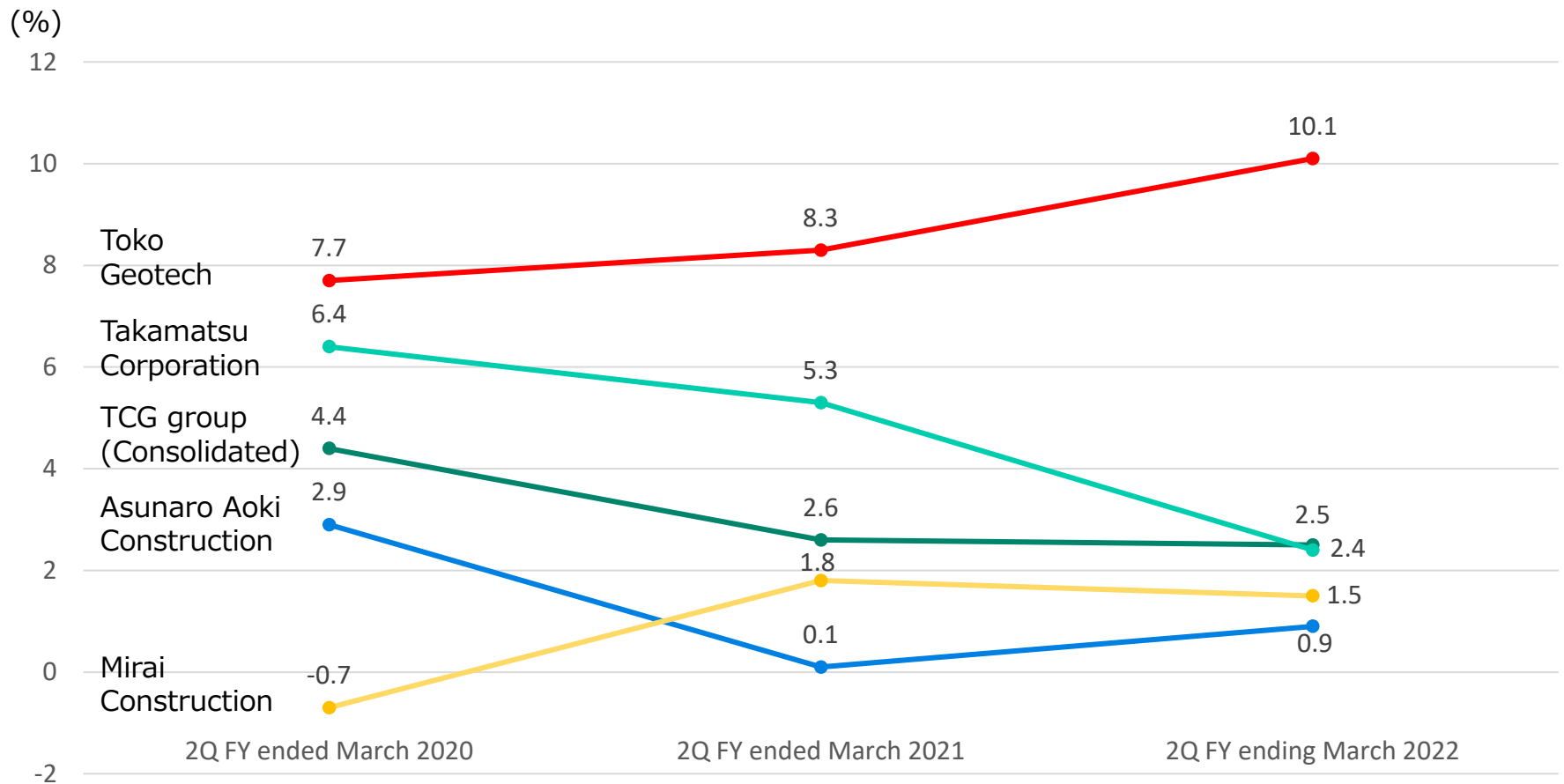
- The decrease in gross profit due to lower sales at Takamatsu Corporation was offset by higher gross profit mainly in the real estate segment of the Takamatsu Corporation Group (Takamatsu Estate, Takamatsu House, Mibu Corporation) and Asunaro Aoki Construction Group. SG&A expenses increased by ¥0.3 billion 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



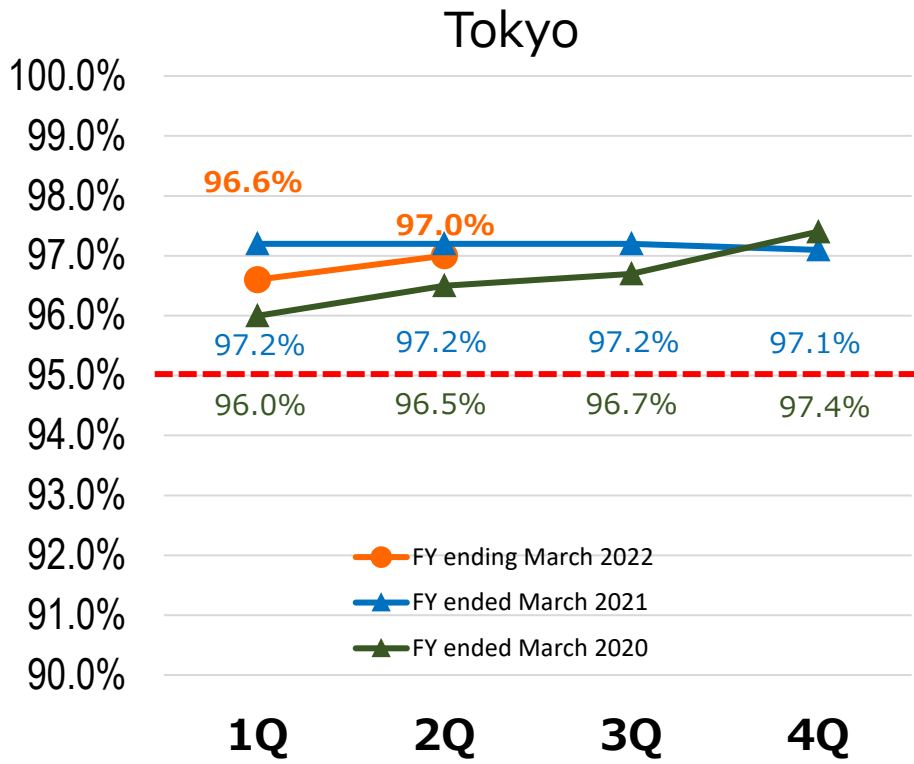
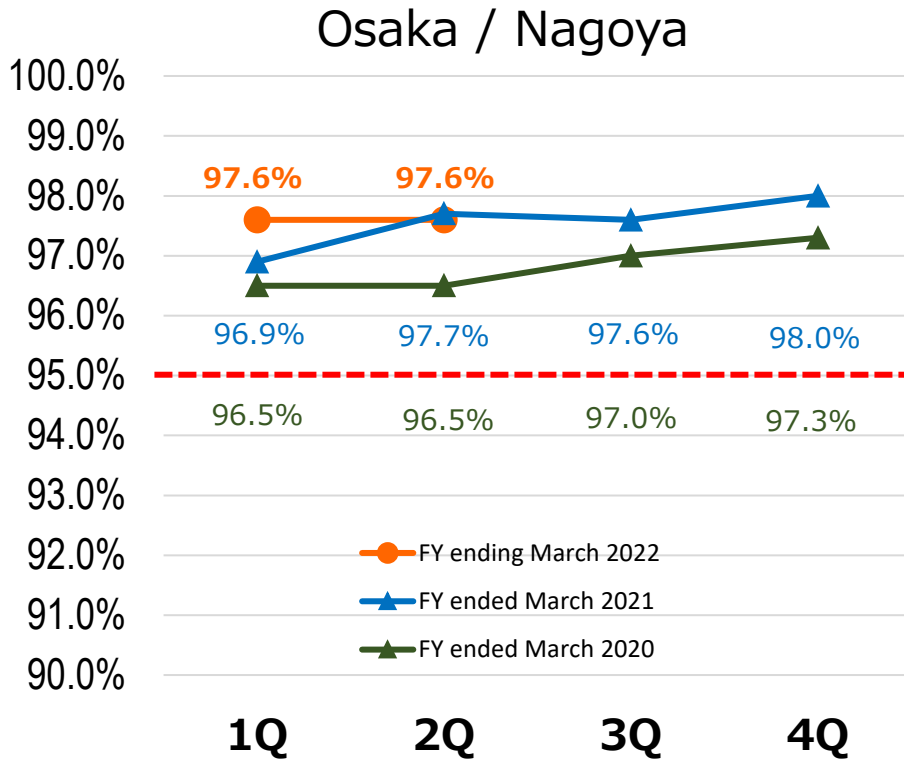
# Operating profit ratio by TCG group (Consolidated) and the 4 Major Companies

- ◆ 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 due to decreasing net sales and heavy burden of SG&A expenses caused by COVID-19.



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

◆ Occupancy rates of 95% or higher have been maintained for 2Q 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

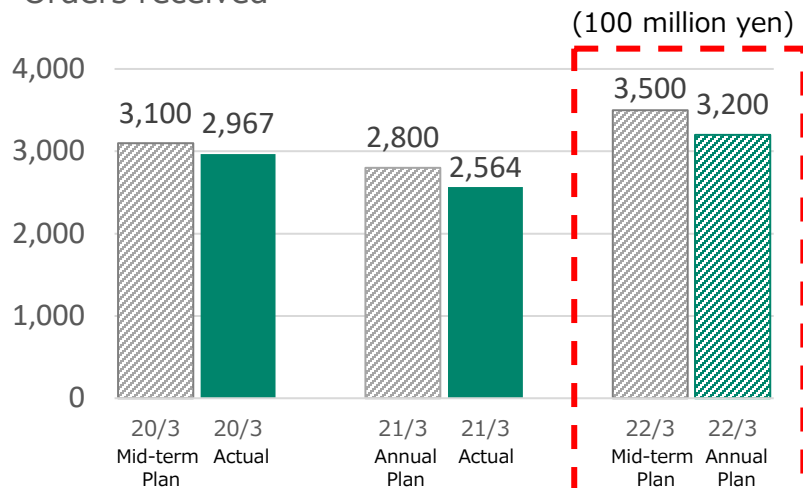
# Earnings Forecast & Dividend Forecast for FY ending March 2022

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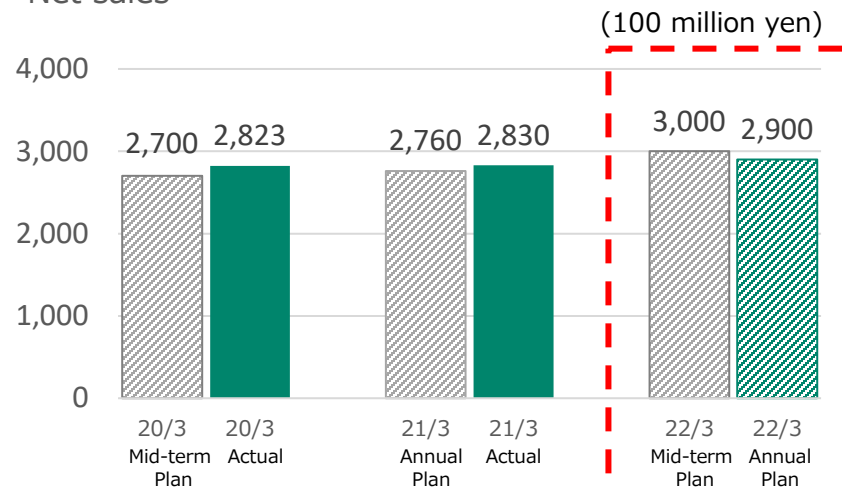
# Earnings Forecast for FY ending March 2022

- ◆ There is no change from our 1Q report. 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.

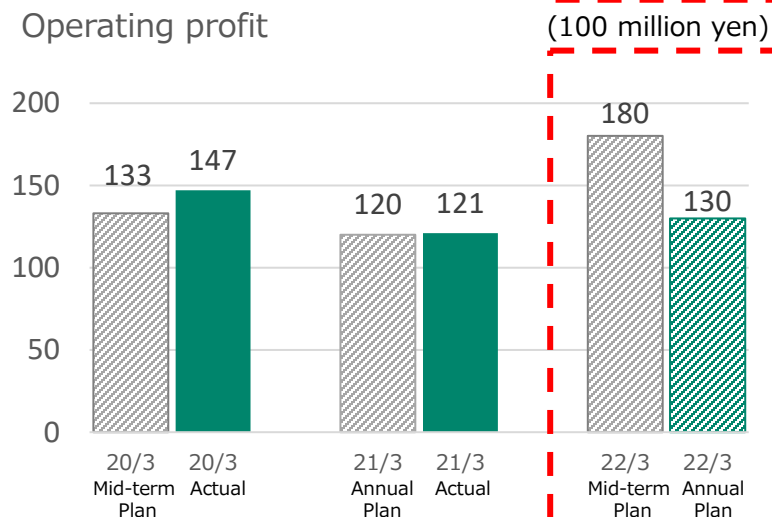
Orders received



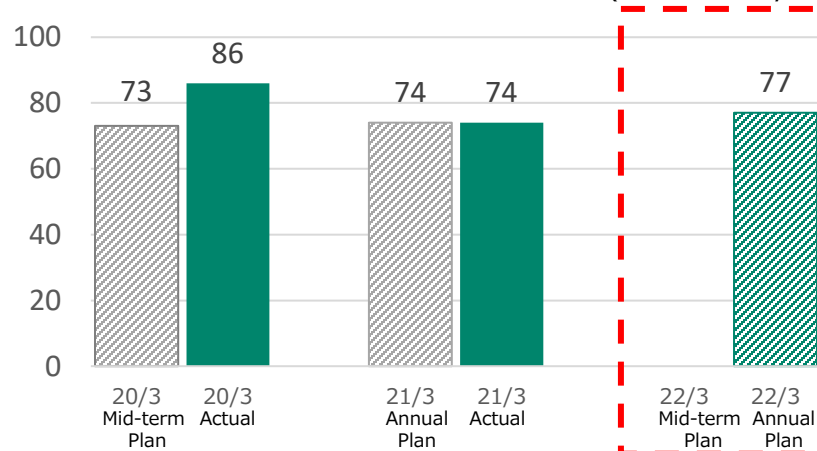
Net sales



Operating profit



Net profit attributable to owners of parent  
(100 million yen)



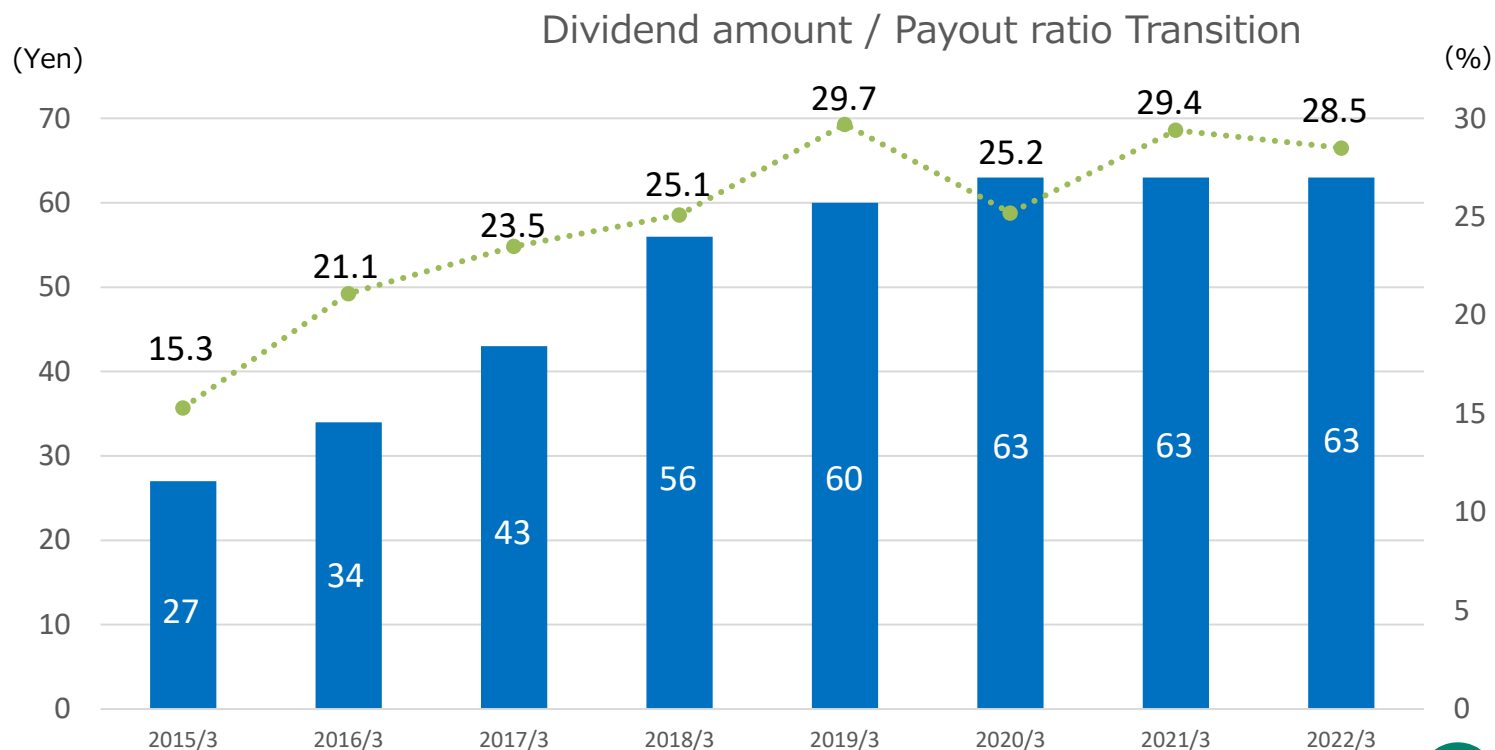
※ In mid-term management plan "Create ! 2022", only orders received, Net sales, and operating profit are disclosed as target figures. Target figures for FY ended March 2021 are not disclosed.



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

- ◆ There is no change from our 1Q report. 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

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# Topics

## ◆ Wooden detached housing business (Takamatsu House/Mibu Corporation/Tatsumi Planning)

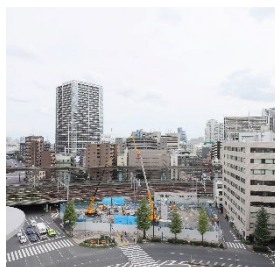
- The number of Takamatsu House's sales staff increased from 28 to 53 as of April to October 2021.
- In September 2021, Takamatsu House increased and relocated its headquarters office in the building due to the expansion of staff.
- To strengthen synergies with Takamatsu House, Mibu Corporation relocated their headquarters to Ebisu Prime Square Tower same as Takamatsu House in October 2021.



Newly built houses located in Kamisoshigaya 1-chome. Within 10 minutes walk from Chitosekarasuyama station. The four all houses, completion in July 2021, have been closed.

## ◆ New TCG building

- New TCG Building's construction is progressing smoothly in Shiba, Minato Ward, Tokyo, where construction began in September 2020. Construction is scheduled to be completed in February 2023.



September  
2020



July  
2021



September  
2021



October  
2021

Fixed point pictures new TCG building.

# Reference Materials

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# Orders received by segment

(million yen)

By Segment		FY ended March 2020	FY ended March 2021	FY ending March 2022
Architecture	Takamatsu Corporation Group	63,005	23,824	61,565
	Asunaro Aoki Construction Group	14,019	22,651	19,249
	Total	76,256	46,053	80,753
Civil engineering	Takamatsu Corporation Group	17	330	12
	Asunaro Aoki Construction Group	58,548	43,592	41,061
	Total	58,566	43,922	41,070
Real Estate	Takamatsu Corporation Group	9,821	12,225	21,554
	Asunaro Aoki Construction Group	935	61	48
	Total	11,175	12,354	21,712
TCG Group Consolidation		145,998	102,330	143,535

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

# Orders received by group

By Group		(million yen)		
		FY ended March 2020	FY ended March 2021	FY ending March 2022
Takamatsu Corporation Group	Takamatsu Corporation	48,274	18,277	54,506
	Wooden detached housing business (Takamatsu House · Mibu Corporation · Tatsumi Planning)	2,243	4,443	9,161
	Takamatsu Corporation Group Others	22,327	13,660	19,466
	Total	72,844	36,380	83,133
Asunaro Aoki Construction Group	Asunaro Aoki Construction	38,434	33,477	29,721
	Mirai Construction	16,068	12,867	8,228
	Toko Geotech	12,561	13,932	15,955
	Asunaro Aoki Construction Group Others	6,440	6,029	6,456
	Total	73,503	66,305	60,360
TCG Group Consolidation		145,998	102,330	143,535

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# Net sales by segment

(million yen)

By Segment		FY ended March 2020	FY ended March 2021	FY ending March 2022
Architecture	Takamatsu Corporation Group	45,897	50,801	39,408
	Asunaro Aoki Construction Group	23,101	21,744	17,485
	Total	68,560	71,755	55,884
Civil engineering	Takamatsu Corporation Group	335	268	5
	Asunaro Aoki Construction Group	49,298	52,295	48,379
	Total	49,634	52,564	48,382
Real Estate	Takamatsu Corporation Group	9,821	12,225	21,554
	Asunaro Aoki Construction Group	935	61	48
	Total	11,175	12,354	21,712
TCG Group Consolidation		129,370	136,674	125,980

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# Net sales by group

(million yen)

By Group		FY ended March 2020	FY ended March 2021	FY ending March 2022
Takamatsu Corporation Group	Takamatsu Corporation	37,525	43,720	36,346
	Wooden detached housing business (Takamatsu House · Mibu Corporation · Tatsumi Planning)	3,315	4,841	8,371
	Takamatsu Corporation Group Others	15,214	14,735	16,251
	Total	56,054	63,296	60,968
Asunaro Aoki Construction Group	Asunaro Aoki Construction	45,000	45,841	36,379
	Mirai Construction	12,983	12,523	13,354
	Toko Geotech	10,863	11,570	11,273
	Asunaro Aoki Construction Group Others	4,489	4,167	4,906
	Total	73,335	74,101	65,912
TCG Group Consolidation		129,370	136,674	125,980

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# Gross profit by segment

(million yen)

By Segment		FY ended March 2020	FY ended March 2021	FY ending March 2022
Architecture	Takamatsu Corporation Group	8,995	8,779	6,860
	Asunaro Aoki Construction Group	1,788	879	1,340
	Total	10,732	9,408	8,042
Civil engineering	Takamatsu Corporation Group	78	67	1
	Asunaro Aoki Construction Group	5,553	5,545	5,757
	Total	5,632	5,615	5,749
Real Estate	Takamatsu Corporation Group	1,501	1,577	2,951
	Asunaro Aoki Construction Group	73	△2	△6
	Total	1,690	1,625	3,019
TCG Group Consolidation		18,055	16,649	16,840

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

# Gross profit by group

(million yen)

By Group		FY ended March 2020	FY ended March 2021	FY ending March 2022
Takamatsu Corporation Group	Takamatsu Corporation	7,239	7,589	6,174
	Wooden detached housing business (Takamatsu House · Mibu Corporation · Tatsumi Planning)	795	811	1,592
	Takamatsu Corporation Group Others	2,542	2,024	2,046
	<b>Total</b>	<b>10,576</b>	<b>10,424</b>	<b>9,812</b>
Asunaro Aoki Construction Group	Asunaro Aoki Construction	3,999	2,810	3,217
	Mirai Construction	844	1,123	1,138
	Toko Geotech	1,620	1,783	1,989
	Asunaro Aoki Construction Group Others	952	707	746
	<b>Total</b>	<b>7,415</b>	<b>6,423</b>	<b>7,090</b>
<b>TCG Group Consolidation</b>		<b>18,055</b>	<b>16,649</b>	<b>16,840</b>

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# Operating profit by segment

(million yen)

By Segment		FY ended March 2020	FY ended March 2021	FY ending March 2022
Architecture	Takamatsu Corporation Group	2,979	1,876	△214
	Asunaro Aoki Construction Group	908	△73	286
	Total	3,887	1,803	72
Civil engineering	Takamatsu Corporation Group	72	68	1
	Asunaro Aoki Construction Group	2,989	2,929	3,109
	Total	3,061	2,997	3,110
Real Estate	Takamatsu Corporation Group	623	714	1,949
	Asunaro Aoki Construction Group	39	△31	△14
	Total	662	683	1,935
TCG Group Consolidation		5,682	3,599	3,128

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# Operating profit by group

		(million yen)		
By Group		FY ended March 2020	FY ended March 2021	FY ending March 2022
Takamatsu Corporation Group	Takamatsu Corporation	2,392	2,329	856
	Wooden detached housing business (Takamatsu House・Mibu Corporation・ Tatsumi Planning)	△36	△338	381
	Takamatsu Corporation Group Others	1,374	793	519
	<b>Total</b>	<b>3,730</b>	<b>2,784</b>	<b>1,756</b>
Asunaro Aoki Construction Group	Asunaro Aoki Construction	1,306	41	339
	Mirai Construction	△86	221	199
	Toko Geotech	837	962	1,133
	Asunaro Aoki Construction Group Others	527	303	372
	<b>Total</b>	<b>2,584</b>	<b>1,527</b>	<b>2,043</b>
<b>TCG Group Consolidation</b>		<b>5,682</b>	<b>3,599</b>	<b>3,128</b>

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# TCG Takamatsu Construction Group

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