



## Summary of Consolidated Financial Results For the Third Quarter of the Fiscal Year Ending March 31, 2024 [Japan GAAP]

Company: Takamatsu Construction Group Co., Ltd.  
 Stock exchange listing: Tokyo Stock Exchange  
 Stock code: 1762  
 URL: <https://www.takamatsu-cg.co.jp/>  
 Representative: Hirotaka Takamatsu, President and Representative Director of the Board  
 Contact: Norihiko Fuwa, Officer  
 Contact: 03-3455-8108, [info@takamatsu-cg.co.jp](mailto:info@takamatsu-cg.co.jp)  
 Date of filing of quarterly securities report: February 8, 2024  
 Date of commencement of dividend payment: —  
 Supplementary explanatory documents: Yes  
 Earnings presentation: No

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

### 1. Financial results for the third quarter of the fiscal year ending March 2024 (April 1, 2023 – December 31, 2023)

(1) Consolidated result of operations (year-to-date) (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	%
Third quarter ended December 2023	223,709	9.9	6,595	(4.0)	6,439	(8.8)	3,564	(13.0)
Third quarter ended December 2022	203,647	6.8	6,871	1.1	7,060	2.9	4,096	(0.6)

Note: Comprehensive income: Third quarter of FYMar.2024: 3,931 million yen, (27.9)% vs. last year Third quarter of FYMar.2023: 5,457 million yen, 17.1% vs. last year

	Earnings per share	Earnings per share (diluted)
	Yen	Yen
Third quarter ended December 2023	102.39	—
Third quarter ended December 2022	117.64	—

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2023	250,784	129,114	51.5
As of March 31, 2023	233,963	127,759	54.6

(Reference) Shareholders' equity: As of December 31, 2023: 129,076million yen As of March 31, 2023: 127,723 million yen

### 2. Dividends

	Dividend per share				
	End of 1Q	End of 2Q	End of 3Q	End of FY	Annual
	Yen	Yen	Yen	Yen	Yen
FY3/23	—	23.00	—	47.00	70.00
FY3/24	—	27.00	—		
FY3/24 (Est.)				50.00	77.00

Note: Change in the estimation of dividend from the latest announcement: No

### 3. Consolidated forecast for the fiscal year ending March 31, 2024 (April 1, 2023 – March 31, 2024)

(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
Full year	360,000	6.6	310,000	9.7	11,000	(8.6)	10,400	(11.6)	7,600	0.9	218.27

Note: Change in the forecast from the latest announcement: Yes

\* **Notes**

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

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

(2) Use of accounting methods specifically for the preparation of the quarterly consolidated financial statements: No

(3) 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

(4) Number of shares outstanding (ordinary shares)

(a) Shares outstanding (including treasury shares)

As of December 31, 2023:	34,818,578	As of March 31, 2023:	34,818,578
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(b) Treasury shares

As of December 31, 2023:	36	As of March 31, 2023:	—
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(c) Average number of shares (quarterly cumulative period)

Period ended December 31, 2023:	34,818,554	Period ended December 31, 2022	34,818,578
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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. Qualitative Information on Quarterly Financial Results

### (1) Explanation of business results

During the third quarter of the current fiscal year ending March 31, 2024, the Japanese economy showed signs of gradual recovery, as consumer spending and the employment and income environment showed signs of improvement, partly due to the effects of various government policies. On the other hand, the downturn in overseas economies, such as the effects of global monetary tightening and concerns about the outlook for the Chinese economy, pose a risk of downward pressure on the Japanese economy. In addition, prolonged uncertainty over international conflicts and other factors continue to make it difficult to foresee the economic outlook.

In this business environment, both public construction investment and private-sector construction investment remained steady, reflecting the "Five-Year Acceleration Measures for Disaster Prevention, Disaster Mitigation, and National Land Resilience" and the recovery trend in the external environment, respectively. However, the business environment remains unpredictable due to soaring raw material and equipment prices and rising construction costs associated with the chronic shortage of construction workers. With regard to private-sector housing investment, the government's housing support measures are continuing and variable interest rates on housing loans are stabilizing at low levels. Meanwhile, the number of new housing starts continues to decline due to rising fixed interest rates and the impact of persistently high construction costs on housing prices.

During the third quarter of the current fiscal year ended March 2024, orders received were 249,686 million yen (down 3.4% from the same period of the previous year), net sales were 223,709 million yen (up 9.9% from the same period of the previous year). As for profits, operating profit decreased by 4.0% to 6,595 million yen, ordinary profit decreased by 8.8% to 6,439 million yen, and profit attributable to owners of parent decreased by 13.0% to 3,564 million yen due to office relocation expenses incurred for the new building.

Results by business segment are as follows.

Segment profit is adjusted with operating profit on the quarterly consolidated statements of income. Adjustments to segment profit include -3,453 million yen in general and administrative expenses that do not belong to any reportable segment and -197 million yen in other adjustments. (Architecture)

Orders received were 131,159 million yen (down 11.1% vs previous Q3) and net sales were 109,506 million yen (up 13.2% vs previous Q3), resulting in the segment profit of 3,017 million yen (down 11.5% vs previous Q3).

(Civil Engineering)

Orders received were 76,522 million yen (up 4.0% vs previous Q3) and net sales were 74,465 million yen (up 7.1% vs previous Q3), resulting in the segment profit of 4,609 million yen (up 4.3% vs previous Q3).

(Real Estate)

Net sales from real estate sales and leasing were 39,737 million yen (up 6.3% vs previous Q3), while segment profit were 2,619 million yen (down 8.1% vs previous Q3).

### (2) Explanation of Financial Condition

(Assets)

Total assets at the end of the third quarter of the current fiscal year were 250,784 million yen, up 16,820 million yen from the end of the previous fiscal year.

The main factors were increases of 10,995 million yen in notes receivable, accounts receivable from completed construction contracts and other, 9,511 million yen in real estate for sale, 4,658 million yen in costs on real estate business, 9,489 million yen in buildings and structures, while cash and deposits decreased by 10,713 million yen and construction in progress decreased by 10,562 million yen.

(Liabilities)

Liabilities increased by 15,464 million yen from the end of the previous fiscal year to 121,669 million yen.

The main factors were increases of 16,500 million yen in short-term borrowings, 3,300 million yen in advances received on construction contracts in progress while there were decreases of 1,988 million yen in income taxes payable, 1,890 million yen in provision for bonuses.

(Net Assets)

Net assets increased by 1,355 million yen from the end of the previous fiscal year to 129,114 million yen.

The main factors were increases of 988 million yen in retained earnings due to profit attributable to owners of parent of 3,564 million yen and dividend payments of 2,576 million yen, 688 million yen in foreign currency translation adjustment.

As a result of the above, shareholders' equity, which is net assets less non-controlling interests, totaled 129,076 million yen, and the shareholders' equity ratio decreased 3.1 percentage points from the end of the previous fiscal year to 51.5%.

(3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Statements

There are revisions of the consolidated performance forecast for the fiscal year ending March 31, 2024, announced on May 10, 2023.

For details, please refer to "Notice Regarding Revision of the Financial Forecasts for the Fiscal Year ending March 31, 2024" released today (February 7, 2024).

## 2. Quarterly Consolidated Financial Statements and Major Notes

### (1) Quarterly consolidated balance sheet

(Million yen)

	Fiscal year ended March 2023 (As of March 31, 2023)	Third quarter ended December 2023 (As of December 31, 2023)
<b>ASSETS</b>		
Current assets		
Cash and deposits	36,047	25,333
Notes receivable, accounts receivable from completed construction contracts and other	91,742	102,737
Real estate for sale	23,404	32,915
Costs on construction contracts in progress	1,429	2,046
Costs on real estate business	11,415	16,074
Accounts receivable - other	2,544	3,718
Other	2,228	4,525
Allowance for doubtful accounts	(102)	(102)
<b>Total current assets</b>	<b>168,709</b>	<b>187,248</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,521	16,010
Machinery, vehicles, tools, furniture and fixtures, net	1,627	2,304
Vessels, net	1,075	1,010
Land	27,720	27,744
Leased assets, net	69	72
Construction in progress	10,566	4
<b>Total property, plant and equipment</b>	<b>47,580</b>	<b>47,147</b>
Intangible assets		
Goodwill	845	718
Other	887	975
<b>Total intangible assets</b>	<b>1,732</b>	<b>1,694</b>
Investments and other assets		
Investment securities	8,976	8,066
Deferred tax assets	4,554	4,203
Other	2,665	2,658
Allowance for doubtful accounts	(253)	(233)
<b>Total investments and other assets</b>	<b>15,941</b>	<b>14,694</b>
<b>Total non-current assets</b>	<b>65,254</b>	<b>63,535</b>
<b>Total assets</b>	<b>233,963</b>	<b>250,784</b>

(Million yen)

	Fiscal year ended March 2023 (As of March 31, 2023)	Third quarter ended December 2023 (As of December 31, 2023)
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable for construction contracts	29,271	29,572
Short-term borrowings	–	16,500
Income taxes payable	3,074	1,085
Advances received on construction contracts in progress	29,270	32,570
Provision for warranties for completed construction	675	699
Provision for bonuses	3,995	2,105
Other	10,787	9,198
Total current liabilities	77,075	91,733
Non-current liabilities		
Bonds payable	15,000	15,000
Deferred tax liabilities for land revaluation	256	256
Deferred tax liabilities	498	495
Provision for special repairs of vessels	44	60
Retirement benefit liability	10,838	11,579
Other	2,491	2,543
Total non-current liabilities	29,129	29,935
Total liabilities	106,204	121,669
<b>NET ASSETS</b>		
Shareholders' equity		
Share capital	5,000	5,000
Capital surplus	797	797
Retained earnings	121,233	122,221
Treasury shares	–	(0)
Total shareholders' equity	127,030	128,018
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	615	305
Revaluation reserve for land	(1,266)	(1,266)
Foreign currency translation adjustment	881	1,570
Remeasurements of defined benefit plans	462	447
Total accumulated other comprehensive income	692	1,057
Non-controlling interests	36	38
Total net assets	127,759	129,114
Total liabilities and net assets	233,963	250,784

(2) Quarterly consolidated statement of income and consolidated statement of comprehensive income  
Quarterly consolidated statement of income  
For the third quarter of the fiscal year ending March 2024 (April 1, 2023 – December 31, 2023)

(Million yen)

	Third quarter ended December 2022 (April 1, 2022- December 31, 2022)	Third quarter ended December 2023 (April 1, 2023-December 31, 2023)
<b>Net sales</b>		
Net sales of completed construction contracts	166,275	183,972
Sales in real estate business	37,371	39,737
<b>Total net sales</b>	<b>203,647</b>	<b>223,709</b>
<b>Cost of sales</b>		
Cost of sales of completed construction contracts	142,579	159,536
Cost of sales in real estate business	31,987	34,044
<b>Total cost of sales</b>	<b>174,566</b>	<b>193,581</b>
<b>Gross profit</b>		
Gross profit on completed construction contracts	23,696	24,435
Gross profit - real estate business	5,384	5,692
<b>Total gross profit</b>	<b>29,080</b>	<b>30,127</b>
<b>Selling, general and administrative expenses</b>	<b>22,209</b>	<b>23,532</b>
<b>Operating profit</b>	<b>6,871</b>	<b>6,595</b>
<b>Non-operating income</b>		
Interest income	4	11
Dividend income	109	101
Foreign exchange gains	–	114
Other	361	221
<b>Total non-operating income</b>	<b>475</b>	<b>449</b>
<b>Non-operating expenses</b>		
Interest expenses	155	141
Share of loss of entities accounted for using equity method	3	380
Other	127	82
<b>Total non-operating expenses</b>	<b>286</b>	<b>604</b>
<b>Ordinary profit</b>	<b>7,060</b>	<b>6,439</b>
<b>Extraordinary income</b>		
Gain on sale of non-current assets	2	2
Gain on sale of investment securities	121	1,261
<b>Total extraordinary income</b>	<b>124</b>	<b>1,264</b>
<b>Extraordinary losses</b>		
Office relocation expenses	–	530
Retirement benefit expenses	–	194
Other	6	79
<b>Total extraordinary losses</b>	<b>6</b>	<b>804</b>
<b>Profit before income taxes</b>	<b>7,179</b>	<b>6,899</b>
<b>Income taxes - current</b>	<b>2,492</b>	<b>2,742</b>
<b>Income taxes - deferred</b>	<b>595</b>	<b>589</b>
<b>Total income taxes</b>	<b>3,087</b>	<b>3,332</b>
<b>Profit</b>	<b>4,091</b>	<b>3,567</b>
<b>Profit (loss) attributable to non-controlling interests</b>	<b>(4)</b>	<b>2</b>
<b>Profit attributable to owners of parent</b>	<b>4,096</b>	<b>3,564</b>



Quarterly consolidated statement of comprehensive income  
For the third quarter of the fiscal year ending March 2024 (April 1, 2023– December 31, 2023)

(Million yen)

	Third quarter ended December 2022 (April 1, 2022- December 31, 2022)	Third quarter ended December 2023 (April 1, 2023-December 31, 2023)
Profit	4,091	3,567
Other comprehensive income		
Valuation difference on available-for-sale securities	(97)	(309)
Foreign currency translation adjustment	961	183
Remeasurements of defined benefit plans, net of tax	19	(14)
Share of other comprehensive income of entities accounted for using equity method	481	505
Total other comprehensive income	1,365	364
Comprehensive income	5,457	3,931
Comprehensive income attributable to owners of parent	5,461	3,929
Comprehensive income attributable to non-controlling interests	(4)	2

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

(Significant change in shareholders' equity)  
 None

### 3. Consolidated Orders Received and Net Sales

(Million yen, %)

		Third quarter FY3/23 (April 1, 2022 – December 31, 2022)		Third quarter FY3/24 (April 1, 2023 – December 31, 2023)		Changes	
		Amount	Share	Amount	Share	Amount	%
Orders received	Architecture	147,565	57.1	131,159	52.5	(16,406)	(11.1)
	Civil engineering	73,611	28.5	76,522	30.7	2,911	4.0
	Total construction	221,177	85.6	207,681	83.2	(13,495)	(6.1)
	Real estate	37,299	14.4	42,004	16.8	4,705	12.6
	Total	258,476	100.0	249,686	100.0	(8,789)	(3.4)
Net sales	Architecture	96,767	47.5	109,506	49.0	12,738	13.2
	Civil engineering	69,508	34.1	74,465	33.2	4,957	7.1
	Total construction	166,275	81.6	183,972	82.2	17,696	10.6
	Real estate	37,371	18.4	39,737	17.8	2,365	6.3
	Total	203,647	100.0	223,709	100.0	20,061	9.9