



## Summary of Consolidated Financial Results For the Fiscal Year Ended March 31, 2023 [Japan GAAP]

Company: Takamatsu Construction Group Co., Ltd.  
 Stock exchange listing: Tokyo Stock Exchange  
 Stock code: 1762  
 URL: <https://www.takamatsu-cg.co.jp/>  
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 Date of Ordinary Shareholders Meeting: June 21, 2023 (tentative)  
 Date of commencement of dividend payment: June 22, 2023 (tentative)  
 Date of filing of securities report: June 22, 2023 (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 2023 (April 1, 2022 – March 31, 2023)

(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	%
FY3/23	282,495	7.0	12,038	7.2	11,768	2.4	7,534	12.0
FY3/22	263,907	(6.8)	11,225	(8.0)	11,490	(5.1)	6,727	(9.9)

Note: Comprehensive income: FY3/23: 8,482 million yen, 7.2 % FY3/22: 7,913 million yen, 1.3 %

	Earnings per share	Earnings per share (diluted)	Return on Equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
FY3/23	216.38	—	6.0	5.0	4.3
FY3/22	193.22	—	5.7	5.0	4.3

(Reference) Share of profit (loss) of entities accounted for using equity method:

FY3/23: (335) million yen FY3/22: (3) million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY3/23	233,963	127,759	54.6	3,668.25
FY3/22	236,719	121,471	51.3	3,487.60

(Reference) Shareholders' equity: FY3/23: 127,723 million yen FY3/22: 121,433 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
FY3/23	(6,281)	(5,351)	(19,556)	36,047
FY3/22	2,513	(6,547)	(1,179)	67,407

### 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	%	%
FY3/22	—	23.00	—	40.00	63.00	2,193	32.6	1.8
FY3/23	—	23.00	—	47.00	70.00	2,437	32.4	2.0
FY3/24 (Est.)	—	27.00	—	50.00	77.00		33.5	

### 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	390,000	15.5	340,000	20.4	15,000	24.6	14,000	19.0	8,000	6.2	229.76

\* **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: Yes

(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, 2023:	34,818,578	As of March 31, 2022:	34,818,578
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(b) Treasury shares

As of March 31, 2023:	—	As of March 31, 2022:	—
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(c) Average number of shares

Period ended March 31, 2023:	34,818,578	Period ended March 31, 2022:	34,818,596
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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 2023

During the consolidated fiscal year ended March 2023, the Japanese economy saw a gradual return to normality in social and economic activities due to the easing of restrictions on movement due to the new Coronavirus infection and the effects of various policies, raising expectations for a full-fledged economic recovery. On the other hand, there is a possibility that a downturn in overseas economies could affect the Japanese economy as a result of fluctuations in global financial and capital markets caused by financial instability such as bank failures in the United States. In addition, due to the prolonged situation in Ukraine, it is necessary to pay close attention to the impact on household budgets and companies due to soaring global energy costs, raw materials and equipment prices, and supply-side constraints. Therefore, the economic outlook remains uncertain. Under such a business environment, public sector construction investment has remained firm because of the supplementary budget, etc. against the background of the national resilience plan. Private sector construction investment is showing signs of recovery due to the resumption of capital investment that was postponed due to the new Coronavirus infection. In addition, private housing investment, although the number of new housings starts for owner-occupied homes decreased year-on-year, the number of housings for rent and housing for sale increased, and the situation continued to be firm. On the other hand, the business environment surrounding the construction industry continues to be severe due to soaring construction materials and labor prices, procurement of construction materials and equipment, problems in securing human resources for construction workers, and the aging of human resources.

Under these circumstances, orders received in the current consolidated fiscal year reached a record high of 337,680 million yen (7.9% year-on-year increase), net sales were 282,495 million yen (7.0% year-on-year increase). As for profits, operating profit were 12,038 million yen (7.2% year-on-year increase), ordinary profit were 11,768 million yen (2.4% year-on-year increase), and profit attributable to owners of parent were 7,534 million yen (12.0% year-on-year increase).

Results by business segment are as follows.

Segment profit is adjusted with operating profit on the consolidated statement of income. Adjustments to segment profit include -4,310 million yen in general and administrative expenses that do not belong to any reportable segment and -1,148 million yen in other adjustments.

(Architecture)

Orders received were 183,241 million yen (up 10.2% to the previous fiscal year) and net sales were 136,774 million yen (up 9.3% to the previous fiscal year), resulting in the segment profit of 7,035 million yen (up 40.4% to the previous fiscal year).

(Civil engineering)

Orders received were 103,438 million yen (down 0.8% to the previous fiscal year) and net sales were 94,902 million yen (down 4.0% to the previous fiscal year), resulting in the segment profit of 6,702 million yen (down 8.2% to the previous fiscal year).

(Real estate)

Due to growth in the wood-frame detached housing business, net sales from real estate sales and leasing were 50,818 million yen (up 27.2% to the previous fiscal year), and the segment profit significantly increased to 3,761 million yen (up 16.5% to the previous fiscal year).

### (2) Overview of financial position for the fiscal year ended March 2023

(Assets)

Total assets at the end of the consolidated fiscal year ended March 2023 decreased by 2,755 million yen compared to the end of the previous fiscal year to 233,963 million yen. The main factors were a 11,793 million yen increase in notes receivable, accounts receivable from completed construction contracts and other, and a 2,896 million yen increase in real estate for sale and a 9,644 million yen increase in costs on real estate business due to increased purchases associated with the expansion of the wooden detached housing business, and a 5,127 million yen increase in construction in progress due to the construction of a Tokyo office building, while cash and deposits decreased by 31,852 million yen.

(Liabilities)

Total liabilities decreased by 9,043 million yen from the end of the previous fiscal year to 106,204 million yen.

The main factors were a 5,301 million yen increase in advances received on construction contracts in progress, while a 17,200 million yen decrease in short-term borrowings.

(Net assets)

Net assets increased by 6,287 million yen compared to the end of the previous fiscal year to 127,759 million yen.

The main factor was the recording of 7,534 million yen in profit attributable to owners of parent, dividends paid of 2,192 million yen, and an increase in accumulated other comprehensive income of 949 million yen.

As a result of the above, the amount of shareholders' equity, which is net assets minus non-controlling interests, amounted to 127,723 million yen, and the shareholders' equity ratio increased by 3.3 percentage points from the end of the fiscal year ended March 2022 to 54.6%.

(3) Overview of cash flows for fiscal year ended March 2023

Consolidated cash and cash equivalents (hereinafter 'cash') at the end of the fiscal year ended March 2023 totaled 36,047 million yen, down 31,360 million yen from the end of the fiscal year ended March 2022. Details are as follows.

(Operating cash flow)

Operating activities resulted in a decrease in cash of 6,281 million yen (an increase of 2,513 million yen in the end of the fiscal year ended March 2022). This was mainly due to an increase in trade receivables of 11,988 million yen, an increase in inventories of 12,423 million yen, and income taxes paid of 4,025 million yen was among the outflows, while there was the inflow of profit before income taxes of 11,755 million yen and an increase of 5,318 million yen in advances received on construction contracts in progress, and an increase of 2,522 million yen in deposits received.

(Investing cash flow)

Net cash used in investing activities decreased by 5,351 million yen (a decrease of 6,547 million yen at the end of the fiscal year ended March 2022). This was mainly because there was the inflow of 742 million yen for proceeds from sale of investment securities, while there was expenditure of 6,969 million yen for the purchase of property, plant and equipment.

(Financing cash flow)

Financing activities resulted in a decrease of 19,556 million yen (a decrease of 1,179 million yen at the end of the fiscal year ended March 2022). This was because while a decrease in short-term borrowings was 17,200 million yen, there was a dividends paid of 2,192 million yen.

(Reference) Cash flow index trends

	FY3/19	FY3/20	FY3/21	FY3/22	FY3/23
Equity ratio (%)	54.6	52.1	52.4	51.3	54.6
Equity ratio based on market cap (%)	43.7	38.2	34.0	30.3	30.2
Interest-bearing debt /Annual Cash flow	0.1	0.8	—	13.0	—
Interest coverage ratio	23.9	127.8	—	10.8	—

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 and 2023 are not shown because cash flows from operating activities was negative.

(4) Outlook for the future

Under the vision of "contributing to the creation of 'recycling and sustainable social infrastructure' that leads to the happiness of 'products' and 'hearts' of all people in the community," we have formulated a medium-term management plan "Co-creation x 2025" for the period from the fiscal year ended March 2023 to the fiscal year ending March 2025 in May 2022.

In the current consolidated fiscal year, which was the first year of the medium-term management plan, sales were slightly below the plan due to the continued impact of the new Coronavirus infection. But, we were able to achieve our targets for operating income and profit attributable to owners of the parent company, and we were able to proceed with our business as planned in general. However, the environment surrounding us remains severe, the global economy has yet to fully recover from the Coronavirus infection, and the situation in Ukraine is far from the end, and unpredictable. Due to these factors, such as soaring resource prices and currency fluctuations, the economy remains uncertain, and uncertainty is increasing.

Under these circumstances, aiming for future business growth, we will expand the construction contracting business while advancing into the solution-providing business in the upstream area where higher growth is expected. Furthermore, we are working to strengthen our stock business in downstream areas, and we will further accelerate these business transformations in the future. In addition, as the environment surrounding the construction industry becomes increasingly severe due to the aging of human resources, etc., human resources are positioned as an important resource, and by working on "challenge to become a leading Company", the Group's business will achieve growth.

The business results for the next fiscal year (ending March 2024) are expected to be as follows.

(Million yen)

	Consolidated Earnings Forecast	Rate of increase / decrease compared to the fiscal year ended March 2024
Orders received	390,000	15.5%
Net sales	340,000	20.4%
Operating profit	15,000	24.6%
Ordinary profit	14,000	19.0%
Profit attributable to owners of parent	8,000	6.2%

- (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 disciplined capital Principles that seek 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.
- Regarding the dividends for the current fiscal year (ended March 31, 2023), the profit attributable to owners of parent company for the fiscal year ended March 31, 2023 was 7,534 million yen, it was exceeding the initial forecast. Therefore, we have decided to increase the dividend by 7 yen from the forecast of 63 yen per share to 70 yen per share (dividend payout ratio of 32.4%).
- In addition, the basic policy is to pay progressive dividends during the target years of the medium-term management plan “Co-creation x 2025” (fiscal year ending March 2023 to fiscal year ending March 2025). As a result, we will set the minimum annual dividend per share at 70 yen and will return profits linked to business performance.
- For the next fiscal year (ending March 31, 2024), we plan to pay a dividend of 77 yen per share (dividend payout ratio of 33.5%).
- 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.

Dividends per share			(Yen)
FY3/21	FY3/22	FY3/23	FY3/24 (Est.)
63	63	70	77

## 2. Selection of Accounting Principles

Takamatsu Construction Group uses the 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 2022 (As of March 31, 2022)	Fiscal year ended March 2023 (As of March 31, 2023)
<b>ASSETS</b>		
Current assets		
Cash and deposits	67,899	36,047
Notes receivable, accounts receivable from completed construction contracts and other	79,948	91,742
Real estate for sale	13,759	23,404
Costs on construction contracts in progress	1,422	1,429
Costs on real estate business	8,519	11,415
Accounts receivable - other	3,741	2,544
Other	1,373	2,228
Allowance for doubtful accounts	(82)	(102)
<b>Total current assets</b>	<b>176,582</b>	<b>168,709</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,118	6,521
Machinery, vehicles, tools, furniture and fixtures, net	1,361	1,627
Vessels, net	696	1,075
Land	27,808	27,720
Leased assets, net	151	69
Construction in progress	5,438	10,566
<b>Total property, plant and equipment</b>	<b>41,573</b>	<b>47,580</b>
Intangible assets		
Goodwill	1,576	845
Other	914	887
<b>Total intangible assets</b>	<b>2,490</b>	<b>1,732</b>
Investments and other assets		
Investment securities	9,442	8,976
Deferred tax assets	3,900	4,554
Other	2,952	2,665
Allowance for doubtful accounts	(221)	(253)
<b>Total investments and other assets</b>	<b>16,073</b>	<b>15,941</b>
<b>Total non-current assets</b>	<b>60,137</b>	<b>65,254</b>
<b>Total assets</b>	<b>236,719</b>	<b>233,963</b>



(Million yen)

	Fiscal year ended March 2022 (As of March 31, 2022)	Fiscal year ended March 2023 (As of March 31, 2023)
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable for construction contracts	28,561	29,271
Short-term borrowings	17,200	—
Income taxes payable	2,315	3,074
Advances received on construction contracts in progress	23,968	29,270
Provision for warranties for completed construction	703	675
Provision for bonuses	3,785	3,995
Other	9,930	10,787
Total current liabilities	86,465	77,075
Non-current liabilities		
Bonds payable	15,000	15,000
Deferred tax liabilities for land revaluation	256	256
Deferred tax liabilities	501	498
Provision for special repairs of vessels	71	44
Retirement benefit liability	10,627	10,838
Other	2,325	2,491
Total non-current liabilities	28,782	29,129
Total liabilities	115,247	106,204
<b>NET ASSETS</b>		
Shareholders' equity		
Share capital	5,000	5,000
Capital surplus	797	797
Retained earnings	115,892	121,233
Total shareholders' equity	121,689	127,030
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	748	615
Revaluation reserve for land	(1,266)	(1,266)
Foreign currency translation adjustment	60	881
Remeasurements of defined benefit plans	201	462
Total accumulated other comprehensive income	(256)	692
Non-controlling interests	38	36
Total net assets	121,471	127,759
Total liabilities and net assets	236,719	233,963

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

(Million yen)

	Fiscal year ended March 2022 (April 1, 2021-March 31, 2022)	Fiscal year ended March 2023 (April 1, 2022-March 31, 2023)
<b>Net sales</b>		
Net sales of completed construction contracts	223,963	231,677
Sales in real estate business	39,944	50,818
<b>Total net sales</b>	<b>263,907</b>	<b>282,495</b>
<b>Cost of sales</b>		
Cost of sales of completed construction contracts	191,074	196,955
Cost of sales in real estate business	34,289	43,517
<b>Total cost of sales</b>	<b>225,364</b>	<b>240,472</b>
<b>Gross profit</b>		
Gross profit on completed construction contracts	32,888	34,721
Gross profit - real estate business	5,654	7,301
<b>Total gross profit</b>	<b>38,542</b>	<b>42,022</b>
<b>Selling, general and administrative expenses</b>	<b>27,317</b>	<b>29,983</b>
<b>Operating profit</b>	<b>11,225</b>	<b>12,038</b>
<b>Non-operating income</b>		
Interest income	4	3
Dividend income	107	110
Rental income	91	82
Foreign exchange gains	221	—
Recoveries of written off receivables	6	87
Insurance claim income	12	111
Other	167	129
<b>Total non-operating income</b>	<b>611</b>	<b>524</b>
<b>Non-operating expenses</b>		
Interest expenses	232	188
Share of loss of entities accounted for using equity method	3	335
Commission expenses	22	82
Settlement payments	—	118
Other	88	68
<b>Total non-operating expenses</b>	<b>346</b>	<b>794</b>
<b>Ordinary profit</b>	<b>11,490</b>	<b>11,768</b>
<b>Extraordinary income</b>		
Gain on sale of non-current assets	4	140
Gain on sale of investment securities	20	294
Gain on sale of shares of subsidiaries and associates	—	119
<b>Total extraordinary income</b>	<b>24</b>	<b>554</b>
<b>Extraordinary losses</b>		
Loss on sale of non-current assets	30	—
Loss on retirement of non-current assets	117	23
Impairment losses	—	545
Office relocation expenses	50	—
<b>Total extraordinary losses</b>	<b>198</b>	<b>568</b>
<b>Profit before income taxes</b>	<b>11,316</b>	<b>11,755</b>
Income taxes - current	4,489	4,931
Income taxes - deferred	97	(709)
<b>Total income taxes</b>	<b>4,586</b>	<b>4,221</b>
<b>Profit</b>	<b>6,729</b>	<b>7,533</b>
Profit (loss) attributable to non-controlling interests	2	(0)
<b>Profit attributable to owners of parent</b>	<b>6,727</b>	<b>7,534</b>

## Consolidated statement of comprehensive income

(Million yen)

	Fiscal year ended March 2022 (April 1, 2021-March 31, 2022)	Fiscal year ended March 2023 (April 1, 2022-March 31, 2023)
Profit	6,729	7,533
Other comprehensive income		
Valuation difference on available-for-sale securities	197	(133)
Foreign currency translation adjustment	114	236
Remeasurements of defined benefit plans, net of tax	709	261
Share of other comprehensive income of entities accounted for using equity method	162	584
Total other comprehensive income	1,183	949
Comprehensive income	7,913	8,482
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,911	8,483
Comprehensive income attributable to non-controlling interests	2	(0)

(3) Consolidated statement of changes in equity  
 Previous fiscal year (April 1, 2021 – March 31, 2022)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,000	797	118,842	(7,483)	117,155
Changes during period					
Dividends of surplus			(1,392)		(1,392)
Interim dividends from surplus			(800)		(800)
Profit attributable to owners of parent			6,727		6,727
Purchase of treasury shares				(0)	(0)
Cancellation of treasury shares			(7,483)	7,483	—
Net changes in items other than shareholders' equity					
Total changes during period	—	—	(2,949)	7,483	4,533
Balance at end of period	5,000	797	115,892	—	121,689

	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	550	(1,266)	(216)	(508)	(1,440)	40	115,756
Changes during period							
Dividends of surplus							(1,392)
Interim dividends from surplus							(800)
Profit attributable to owners of parent							6,727
Purchase of treasury shares							(0)
Cancellation of treasury shares							—
Net changes in items other than shareholders' equity	197	—	276	709	1,183	(2)	1,181
Total changes during period	197	—	276	709	1,183	(2)	5,715
Balance at end of period	748	(1,266)	60	201	(256)	38	121,471

Current fiscal year (April 1, 2022 –March 31, 2023)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,000	797	115,892	—	121,689
Changes during period					
Dividends of surplus			(1,392)		(1,392)
Interim dividends from surplus			(800)		(800)
Profit attributable to owners of parent			7,534		7,534
Purchase of treasury shares				—	—
Cancellation of treasury shares			—	—	—
Net changes in items other than shareholders' equity					
Total changes during period	—	—	5,340	—	5,340
Balance at end of period	5,000	797	121,233	—	127,030

	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	748	(1,266)	60	201	(256)	38	121,471
Changes during period							
Dividends of surplus							(1,392)
Interim dividends from surplus							(800)
Profit attributable to owners of parent							7,534
Purchase of treasury shares							—
Cancellation of treasury shares							—
Net changes in items other than shareholders' equity	(133)	—	821	261	949	(2)	947
Total changes during period	(133)	—	821	261	949	(2)	6,287
Balance at end of period	615	(1,266)	881	462	692	38	127,759

## (4) Consolidated statement of cash flows

(Million yen)

	Fiscal year ended March 2022 (April 1, 2021-March 31, 2022)	Fiscal year ended March 2023 (April 1, 2022-March 31, 2023)
<b>Cash flows from operating activities</b>		
Profit before income taxes	11,316	11,755
Depreciation	1,384	1,381
Impairment losses	–	545
Amortization of goodwill	246	246
Increase (decrease) in allowance for doubtful accounts	(23)	52
Increase (decrease) in provision for warranties for completed construction	(539)	(27)
Increase (decrease) in provision for loss on construction contracts	28	137
Increase (decrease) in provision for bonuses	203	227
Increase (decrease) in retirement benefit liability	163	602
Increase (decrease) in provision for special repairs of vessels	8	(26)
Interest and dividend income	(112)	(113)
Interest expenses	232	188
Share of loss (profit) of entities accounted for using equity method	3	335
Insurance claim income	(12)	(111)
Settlement payments	–	118
Loss (gain) on sale of non-current assets	25	(140)
Loss (gain) on sale of investment securities	(20)	(294)
Loss (gain) on sale of shares of subsidiaries and associates	–	(119)
Decrease (increase) in trade receivables	(9,000)	(11,988)
Decrease (increase) in inventories	(6,101)	(12,423)
Increase (decrease) in trade payables	1,631	752
Increase (decrease) in advances received on construction contracts in progress	6,513	5,318
Decrease (increase) in accounts receivable - other	(477)	1,068
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	2,943	(1,922)
Increase (decrease) in deposits received	(675)	2,522
Other, net	(284)	(452)
Subtotal	7,456	(2,367)
Interest and dividends received	112	285
Interest paid	(232)	(187)
Income taxes paid	(4,883)	(4,025)
Income taxes refund	50	20
Proceeds from insurance income	12	111
Settlement paid	–	(118)
Net cash provided by (used in) operating activities	2,513	(6,281)

(Million yen)

	Fiscal year ended March 2022 (April 1, 2021-March 31, 2022)	Fiscal year ended March 2023 (April 1, 2022-March 31, 2023)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(4,397)	(6,969)
Proceeds from sale of property, plant and equipment	11	252
Purchase of intangible assets	(154)	(189)
Purchase of investment securities	(2,302)	(126)
Proceeds from sale of investment securities	40	742
Proceeds from withdrawal of time deposits	255	492
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	–	446
Other, net	0	0
Net cash provided by (used in) investing activities	(6,547)	(5,351)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	1,200	(17,200)
Repayments of lease liabilities	(182)	(163)
Purchase of treasury shares	(0)	–
Dividends paid	(2,192)	(2,192)
Dividends paid to non-controlling interests	(4)	(1)
Net cash provided by (used in) financing activities	(1,179)	(19,556)
Effect of exchange rate change on cash and cash equivalents	(4)	(170)
Net increase (decrease) in cash and cash equivalents	(5,217)	(31,360)
Cash and cash equivalents at beginning of period	72,625	67,407
Cash and cash equivalents at end of period	67,407	36,047

(5) Notes to consolidated financial statements

(Going concern assumptions)

None

(Changes in Accounting Policies)

The "Guidance on Accounting Standard for Measurement of Fair Value" (ASBJ Guidance No. 31, June 17, 2021). The "Guidance on Accounting Standard for Measurement of Fair Value" (ASBJ Guidance No. 31, June 17, 2021; hereinafter referred to as the "Guidance on Accounting Standard for Measurement of Fair Value") was applied from the beginning of the period under review. The new accounting policy prescribed by the "Guidance on Accounting Standard for Measurement of Fair Value" (ASBJ Guidance No. 31, June 17, 2021) is applied from the beginning of the current fiscal year, and the new accounting policy prescribed by the Guidance is applied prospectively in accordance with the transitional treatment prescribed in Paragraph 27-2 of the Guidance. There is no impact on the consolidated financial statements.



(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, 2021 - March 31, 2022)

(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)	125,136	98,826	39,944	263,907	—	263,907
(of which inter- segment or transfers)	4,831	77	1,362	6,271	(6,271)	—
Total	129,968	98,903	41,307	270,179	(6,271)	263,907
Segment profit	5,011	7,297	3,227	15,536	(4,311)	11,225

Notes:

1. 4,311 million yen negative adjustment for segment profit is the sum of 3,791 million yen of selling, general and administrative expenses that cannot be allocated to a reportable segment and 519 million yen of other adjustments.
2. Reportable segment profit is adjusted to match with operating profit on the consolidated statement of income.

Current fiscal year (April 1, 2022 - March 31, 2023)

(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)	136,774	94,902	50,818	282,495	—	282,495
(of which inter- segment or transfers)	6,572	56	1,410	8,038	(8,038)	—
Total	143,346	94,959	52,228	290,534	(8,038)	282,495
Segment profit	7,035	6,702	3,761	17,498	(5,459)	12,038

Notes:

1. 5,459 million yen negative adjustment for segment profit is the sum of 4,310 million yen of selling, general and administrative expenses that cannot be allocated to a reportable segment and 1,148 million yen of other adjustments.
2. 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, 2021 – March 31, 2022)	Current fiscal year (April 1, 2022 – March 31, 2023)
Net assets per share	3,487.60	3,668.25
Earnings per share	193.22	216.38
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, 2021 – March 31, 2022)	Current fiscal year (April 1, 2022 – March 31, 2023)
Total net assets (million yen)	121,471	127,759
Amount deducted from total net assets (million yen)	38	36
of which non-controlling interests (million yen)	38	36
Net assets attributable to ordinary shares (million yen)	121,433	127,723
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, 2021 – March 31, 2022)	Current fiscal year (April 1, 2022 – March 31, 2023)
Comprehensive income attributable to owners of parent (million yen)	6,727	7,534
Amount not attributable to ordinary shareholders (million yen)	—	—
Comprehensive income attributable to owners of parent attributable to ordinary shares (million yen)	6,727	7,534
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 2022 (April 1, 2021 – March 31, 2022)		Fiscal year ended March 2023 (April 1, 2022 – March 31, 2023)		Changes	
		Amount	Share	Amount	Share	Amount	%
Orders received	Architecture	166,206	53.1	183,241	54.3	17,034	10.2
	Civil engineering	104,235	33.3	103,438	30.6	(797)	(0.8)
	Total construction	270,442	86.4	286,679	84.9	16,237	6.0
	Real estate	42,447	13.6	51,000	15.1	8,553	20.1
	Total	312,889	100.0	337,680	100.0	24,790	7.9
Net sales	Architecture	125,136	47.4	136,774	48.4	11,637	9.3
	Civil engineering	98,826	37.5	94,902	33.6	(3,923)	(4.0)
	Total construction	223,963	84.9	231,677	82.0	7,713	3.4
	Real estate	39,944	15.1	50,818	18.0	10,873	27.2
	Total	263,907	100.0	282,495	100.0	18,587	7.0