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May 14, 2025

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)



Company name: Takamatsu Construction Group Co., Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities code: 1762  
 URL: <https://www.takamatsu-cg.co.jp/>  
 Representative: Hirotaka Takamatsu, President and Representative Director of the Board  
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 Scheduled date of annual general meeting of shareholders: June 18, 2025  
 Scheduled date to commence dividend payments: June 19, 2025  
 Scheduled date to file annual securities report: June 17, 2025  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes (for analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2025	346,685	10.9	11,460	(1.6)	10,619	(6.1)	6,452	(29.6)
March 31, 2024	312,680	10.7	11,651	(3.2)	11,310	(3.9)	9,165	21.7

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥7,033 million [ (20.9)%]  
 For the fiscal year ended March 31, 2024: ¥8,886 million [ 4.8%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	185.32	—	4.7	4.1	3.3
March 31, 2024	263.25	—	7.0	4.7	3.7

Reference: Share of profit (loss) of entities accounted for using equity method  
 For the fiscal year ended March 31, 2025: ¥(633) million  
 For the fiscal year ended March 31, 2024: ¥(608) million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	269,725	137,756	51.1	3,954.94
March 31, 2024	245,149	134,069	54.7	3,849.26

Reference: Equity As of March 31, 2025: ¥137,705 million  
 As of March 31, 2024: ¥134,025 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	5,132	(1,699)	5,458	35,723
March 31, 2024	(10,476)	(2,066)	3,244	26,785

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	–	27.00	–	55.00	82.00	2,855	31.1	2.2
Fiscal year ended March 31, 2025	–	41.00	–	41.00	82.00	2,855	44.2	2.1
Fiscal year ending March 31, 2026 (Forecast)	–	45.00	–	45.00	90.00		40.2	

## 3. Consolidated forecast for the fiscal year ending March 31, 2026 (April 1, 2025 – March 31, 2026)

(Percentages indicate year-on-year changes.)

	Orders received		Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	420,000	7.3	370,000	6.7	15,000	30.9	14,000	31.8	7,800	20.9	224.02

**\* Notes**

(1) Significant changes in the scope of consolidation during the period: None

Newly included – companies (—)

Excluded – companies (—)

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2025	34,818,578 shares
As of March 31, 2024	34,818,578 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2025	36 shares
As of March 31, 2024	36 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	34,818,542 shares
Fiscal year ended March 31, 2024	34,818,548 shares

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

\* Proper use of earnings forecasts, and other special matters

(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 Operating Results and Financial Position

### (1) Overview of operating results

During the consolidated fiscal year ended March 2025, the Japanese economy continued to show signs of gradual recovery with improved employment and an increase in nominal wages, but the outlook remains uncertain due to the continued rise in prices and heightened downside risks to the economy from the U.S. trade policy and other factors.

The construction market has maintained a solid order environment overall. Public construction investment remains solid due to measures such as national resilience initiatives, while private construction investment shows steady corporate capital investment intentions. However, the business environment remains challenging in terms of profitability due to soaring raw material and equipment prices, as well as labor shortages.

In the detached housing market, while government support measures for home acquisition are continued and variable mortgage rates remain at low levels, we cannot be optimistic about the situation due to potential future interest rate increases, soaring housing prices caused by persistently high construction costs, and stagnant real wage growth.

Under these circumstances, orders received amounted to 391,378 million yen (up 20.1% to the previous fiscal year) and net sales were 346,685 million yen (up 10.9% to the previous fiscal year) in the current consolidated fiscal year, both of which were the highest ever. As for profits, operating profit was 11,460 million yen (down 1.6% to the previous fiscal year), ordinary profit was 10,619 million yen (down 6.1% to the previous fiscal year), and profit attributable to owners of parent was 6,452 million yen (down 29.6% to the previous fiscal year).

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 -5,479 million yen in general and administrative expenses that do not belong to any reportable segment and 96 million yen in other adjustments.

#### (Architecture)

Orders received amounted to 209,298 million yen (up 31.2% to the previous fiscal year), and net sales of completed construction contracts amounted to 163,044 million yen (up 8.4% to the previous fiscal year), due to difficulties in negotiations with clients regarding the burden of increased construction costs such as soaring prices of materials, equipment and labor costs in some construction projects, resulting in the segment profit of 3,778 million yen (down 30.0% to the previous fiscal year).

#### (Civil Engineering)

Orders received amounted to 99,008 million yen (down 4.0% to the previous fiscal year), and net sales of completed construction contracts amounted to 101,399 million yen (up 1.8% to the previous fiscal year), resulting in the segment profit of 5,876 million yen (down 14.4% 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 82,241 million yen (up 31.1% to the previous fiscal year), resulting in the segment profit of 7,188 million yen (up 69.0% to the previous fiscal year).

### (2) Overview of financial position

#### (Assets)

Total assets increased by 24,576 million yen compared to the end of the previous consolidated fiscal year, amounting to 269,725 million yen. This was mainly due to an increase of 8,938 million yen in cash and deposits, an increase of 11,796 million yen in notes receivable, accounts receivable from completed construction contracts and other and an increase of 10,749 million yen in costs on real estate business, while real estate for sale decreased by 4,601 million yen.

#### (Liabilities)

Liabilities increased by 20,889 million yen compared to the end of the previous consolidated fiscal year, amounting to 131,968 million yen. This was mainly due to an increase of 5,021 million yen in accounts payable for construction contracts, an increase of 9,000 million yen in short-term borrowings and an increase of 4,314 million yen in advances received on construction contracts in progress.

(Net Assets)

Net assets increased by 3,687 million yen compared to the end of the previous consolidated fiscal year, amounting to 137,756 million yen. The main factor was an increase of 3,110 million yen in retained earnings due to profit attributable to owners of parent of 6,452 million yen and dividend payments of 3,342 million yen.

As a result of the above, the amount of shareholders' equity, excluding non-controlling interests, amounted to 137,705 million yen, and the shareholders' equity ratio decreased by 3.6 percentage points from the end of the previous fiscal year, reaching 51.1%.

(3) Overview of cash flows

Consolidated cash and cash equivalents (hereinafter 'cash') totaled 35,723 million yen, up 8,938 million yen from the end of the previous fiscal year. Details are as follows.

(Cash flows from operating activities)

Operating activities resulted in a increase in cash of 5,132 million yen (a decrease of 10,476 million yen in the previous fiscal year). This was mainly due to inflows of profit before income taxes of 10,585 million yen, an increase in trade payables of 5,021 million yen, an increase in advances received on construction contracts in progress of 4,314 million yen, while there were outflows of an increase in trade receivables of 11,796 million yen, an increase in inventories of 5,308 million yen, income taxes paid of 4,700 million yen.

(Cash flows from investing activities)

Investing activities resulted in a decrease in cash of 1,699 million yen (a decrease of 2,066 million yen in the previous fiscal year). This was mainly due to inflows of proceeds from sale of investment securities of 430 million yen, while there were outflows of purchase of property, plant and equipment of 1,374 million yen and purchase of investment securities of 508 million yen.

(Cash flows from financing activities)

Financing activities resulted in an increase of 5,458 million yen (an increase of 3,244 million yen in the previous fiscal year). This was mainly due to inflows of an increase in short-term borrowings of 9,000 million yen, while there were outflows of dividends paid of 3,343 million yen.

(Reference) Cash flow index trends

	FY3/21	FY3/22	FY3/23	FY3/24	FY3/25
Equity-to-asset ratio (%)	52.4	51.3	54.6	54.7	51.1
Equity-to-asset ratio based on market cap (%)	34.0	30.3	30.2	40.3	35.7
Interest-bearing debt /Annual Cash flow	—	13.0	—	—	6.0
Interest coverage ratio	—	10.8	—	—	20.6

Notes:1. Equity-to-asset ratio: Shareholders' equity / Total assets

2. Equity-to-asset 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 2021, 2023 and 2024 are not shown because cash flows from operating activities was negative.

(4) Outlook for the future

Our group has been making progress by implementing our mid-term management plan "Co-creation x 2025" since the fiscal year ended March 2023, aiming to realize the "Takamatsu Group 2030 vision" of providing solutions that contribute to the creation of a circular and sustainable social infrastructure.

As a result, our sales exceeded 300 billion yen, for the first time in the fiscal year before last (ended March 2024), and reached 346.6 billion yen in the fiscal year ended March 2025, marking three consecutive years of sales increase.

However, profits fell short of our initial plan mainly due to soaring material prices and construction costs remaining high by a chronic shortage of construction workers.

In response to these circumstances, in our newly formulated mid-term business plan (from the fiscal year ending March 2026 to the fiscal year ending March 2028), we will accelerate the implementation of various measures to further strengthen the business foundation established in our previous mid-term business plan.

Specifically, we will implement efficient business management systems by appropriately allocating business management resources to profitable businesses and improve the productivity of core businesses through digital transformation and AI technologies. At the same time, we will strive for group-wide growth by promoting the sharing of resources within the group and strengthening cross-sectional collaboration. In addition, we will continue to develop diverse recruitment activities, including hiring foreigners, and establish a variety of work styles.

Through all these initiatives, our group aims for further business growth and contributes to the construction of a "circular-oriented and sustainable social infrastructure" that will bring the happiness to all people in the community.

(Millions of yen)

	Consolidated Earnings Forecast	Rate of increase / decrease compared to the previous fiscal year
Orders received	420,000	7.3%
Net sales	370,000	6.7%
Operating profit	15,000	30.9%
Ordinary profit	14,000	31.8%
Profit attributable to owners of parent	7,800	20.9%

(5) Basic Principles on profit distribution and dividends for the current and next fiscal years

Distributing earnings to shareholders is one of our highest priorities. We will pursue disciplined capital policy by seeking the optimal balance between strengthening business management basis towards persistent growth of the Group and the steady distribution of profits to our shareholders. Regarding dividends for the fiscal year ended March, 2025, although the consolidated net profit attributable to owners of parent for the fiscal year ended March, 2025 was 6,452 million yen, which was below our initial forecast, we set the annual dividend per share at 82 yen (dividend payout ratio 44.2%), as forecast at the beginning of the fiscal year based on our policy of "maintaining stable dividends while aiming to strengthen our equity capital".

In addition, during the target years of our new mid-term business plan (fiscal year ending March 2026 to fiscal year ending March 2028), we will set a minimum annual dividend amount per share at 90 yen and distribute profits in line with our business performance, basically adopting progressive dividends on a dividend payout ratio of approximately 40%.

For the fiscal year ending March 2026, we plan to pay a dividend of 90 yen per share, with the dividend payout ratio of 40.2%. Retained earnings will be used effectively from a medium to long term perspective with the primary objective of strengthening and enhancing our business management structure and building a sound base for future operations.

Dividends per share

(Yen)

FY3/23	FY3/24	FY3/25	FY3/26 (Forecast)
70	82	82	90

## **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

(Millions of yen)

	Fiscal year ended March 31, 2024 (As of March 31, 2024)	Fiscal year ended March 31, 2025 (As of March 31, 2025)
<b>ASSETS</b>		
Current assets		
Cash and deposits	26,785	35,723
Notes receivable, accounts receivable from completed construction contracts and other	97,248	109,044
Real estate for sale	28,005	22,662
Costs on construction contracts in progress	1,573	1,475
Costs on real estate business	18,209	28,958
Accounts receivable - other	4,972	2,915
Other	2,911	2,662
Allowance for doubtful accounts	(100)	(115)
Total current assets	179,605	203,327
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	15,702	15,413
Machinery, vehicles, tools, furniture and fixtures, net	2,353	2,156
Vessels, net	988	1,181
Land	27,733	27,757
Leased assets, net	88	195
Construction in progress	13	113
Total property, plant and equipment	46,880	46,816
Intangible assets		
Goodwill	676	507
Other	933	927
Total intangible assets	1,610	1,434
Investments and other assets		
Investment securities	7,982	7,518
Deferred tax assets	6,628	8,061
Other	2,640	2,762
Allowance for doubtful accounts	(198)	(195)
Total investments and other assets	17,053	18,146
Total non-current assets	65,543	66,398
Total assets	245,149	269,725

(Millions of yen)

	Fiscal year ended March 31, 2024 (As of March 31, 2024)	Fiscal year ended March 31, 2025 (As of March 31, 2025)
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable for construction contracts	29,779	34,801
Short-term borrowings	6,000	15,000
Current portion of bonds payable	–	10,000
Income taxes payable	2,804	3,635
Advances received on construction contracts in progress	28,982	33,297
Provision for warranties for completed construction	730	601
Provision for bonuses	4,311	4,706
Other	8,828	9,654
<b>Total current liabilities</b>	<b>81,436</b>	<b>111,695</b>
Non-current liabilities		
Bonds payable	15,000	5,000
Deferred tax liabilities	505	494
Deferred tax liabilities for land revaluation	231	238
Provision for special repairs of vessels	65	64
Retirement benefit liability	11,728	12,312
Other	2,110	2,163
<b>Total non-current liabilities</b>	<b>29,642</b>	<b>20,273</b>
<b>Total liabilities</b>	<b>111,079</b>	<b>131,968</b>
<b>NET ASSETS</b>		
Shareholders' equity		
Share capital	5,000	5,000
Capital surplus	797	797
Retained earnings	127,822	130,932
Treasury shares	(0)	(0)
<b>Total shareholders' equity</b>	<b>133,619</b>	<b>136,729</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	275	115
Revaluation reserve for land	(1,242)	(1,248)
Foreign currency translation adjustment	1,089	1,864
Remeasurements of defined benefit plans	282	244
<b>Total accumulated other comprehensive income</b>	<b>405</b>	<b>975</b>
Non-controlling interests	43	51
<b>Total net assets</b>	<b>134,069</b>	<b>137,756</b>
<b>Total liabilities and net assets</b>	<b>245,149</b>	<b>269,725</b>

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

(Millions of yen)

	Fiscal year ended March 2024 (April 1, 2023-March 31, 2024)	Fiscal year ended March 2025 (April 1, 2024-March 31, 2025)
<b>Net sales</b>		
Net sales of completed construction contracts	249,963	264,444
Sales in real estate business	62,716	82,241
<b>Total net sales</b>	<b>312,680</b>	<b>346,685</b>
<b>Cost of sales</b>		
Cost of sales of completed construction contracts	215,463	231,645
Cost of sales in real estate business	54,164	70,413
<b>Total cost of sales</b>	<b>269,628</b>	<b>302,059</b>
<b>Gross profit</b>		
Gross profit on completed construction contracts	34,499	32,798
Gross profit - real estate business	8,552	11,827
<b>Total gross profit</b>	<b>43,052</b>	<b>44,626</b>
<b>Selling, general and administrative expenses</b>	<b>31,400</b>	<b>33,165</b>
<b>Operating profit</b>	<b>11,651</b>	<b>11,460</b>
<b>Non-operating income</b>		
Interest income	4	0
Dividend income	102	56
Foreign exchange gains	248	-
Rental income	92	88
Compensation income	-	38
Other	176	68
<b>Total non-operating income</b>	<b>624</b>	<b>253</b>
<b>Non-operating expenses</b>		
Interest expenses	189	249
Share of loss of entities accounted for using equity method	608	633
Other	167	211
<b>Total non-operating expenses</b>	<b>965</b>	<b>1,094</b>
<b>Ordinary profit</b>	<b>11,310</b>	<b>10,619</b>
<b>Extraordinary income</b>		
Gain on sale of non-current assets	5	1
Gain on sale of investment securities	1,426	52
<b>Total extraordinary income</b>	<b>1,431</b>	<b>54</b>
<b>Extraordinary losses</b>		
Loss on sale of non-current assets	-	2
Loss on retirement of non-current assets	108	85
Loss on sale of investment securities	-	0
Office relocation expenses	554	-
Retirement benefit expenses	194	-
<b>Total extraordinary losses</b>	<b>857</b>	<b>88</b>
<b>Profit before income taxes</b>	<b>11,884</b>	<b>10,585</b>
<b>Income taxes - current</b>	<b>4,663</b>	<b>5,394</b>
<b>Income taxes - deferred</b>	<b>(1,951)</b>	<b>(1,272)</b>
<b>Total income taxes</b>	<b>2,711</b>	<b>4,121</b>
<b>Profit</b>	<b>9,173</b>	<b>6,463</b>
<b>Profit attributable to non-controlling interests</b>	<b>7</b>	<b>11</b>
<b>Profit attributable to owners of parent</b>	<b>9,165</b>	<b>6,452</b>

## Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 2024 (April 1, 2023-March 31, 2024)	Fiscal year ended March 2025 (April 1, 2024-March 31, 2025)
Profit	9,173	6,463
Other comprehensive income		
Valuation difference on available-for-sale securities	(339)	(160)
Revaluation reserve for land	24	(6)
Foreign currency translation adjustment	(61)	325
Remeasurements of defined benefit plans, net of tax	(179)	(37)
Share of other comprehensive income of entities accounted for using equity method	269	449
Total other comprehensive income	(287)	569
Comprehensive income	8,886	7,033
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,878	7,022
Comprehensive income attributable to non-controlling interests	7	11

(3) Consolidated statement of changes in equity  
Previous fiscal year (April 1, 2023 – March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,000	797	121,233	—	127,030
Changes during period					
Dividends of surplus			(1,636)		(1,636)
Interim dividends from surplus			(940)		(940)
Profit attributable to owners of parent			9,165		9,165
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	—	—	6,589	(0)	6,589
Balance at end of period	5,000	797	127,822	(0)	133,619

	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	615	(1,266)	881	462	692	36	127,759
Changes during period							
Dividends of surplus							(1,636)
Interim dividends from surplus							(940)
Profit attributable to owners of parent							9,165
Purchase of treasury shares							(0)
Net changes in items other than shareholders' equity	(339)	24	207	(179)	(287)	7	(279)
Total changes during period	(339)	24	207	(179)	(287)	7	6,309
Balance at end of period	275	(1,242)	1,089	282	405	43	134,069

Current fiscal year (April 1, 2024 –March 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,000	797	127,822	(0)	133,619
Changes during period					
Dividends of surplus			(1,915)		(1,915)
Interim dividends from surplus			(1,427)		(1,427)
Profit attributable to owners of parent			6,452		6,452
Purchase of treasury shares				–	–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	3,110	–	3,110
Balance at end of period	5,000	797	130,932	(0)	136,729

	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	275	(1,242)	1,089	282	405	43	134,069
Changes during period							
Dividends of surplus							(1,915)
Interim dividends from surplus							(1,427)
Profit attributable to owners of parent							6,452
Purchase of treasury shares							–
Net changes in items other than shareholders' equity	(160)	(6)	774	(37)	569	7	577
Total changes during period	(160)	(6)	774	(37)	569	7	3,687
Balance at end of period	115	(1,248)	1,864	244	975	51	137,756

## (4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 2024 (April 1, 2023-March 31, 2024)	Fiscal year ended March 2025 (April 1, 2024-March 31, 2025)
<b>Cash flows from operating activities</b>		
Profit before income taxes	11,884	10,585
Depreciation	1,973	2,051
Amortization of goodwill	169	169
Increase (decrease) in allowance for doubtful accounts	(57)	11
Increase (decrease) in provision for warranties for completed construction	54	(128)
Increase (decrease) in provision for bonuses	316	394
Increase (decrease) in long-term retirement benefits payable to directors	(300)	–
Increase (decrease) in retirement benefit liability	810	531
Increase (decrease) in provision for special repairs of vessels	21	(1)
Interest and dividend income	(106)	(57)
Interest expenses	189	249
Share of loss (profit) of entities accounted for using equity method	608	633
Foreign exchange losses (gains)	(248)	27
Loss (gain) on investments in capital	(6)	(6)
Compensation for damage	71	–
Loss (gain) on sale of non-current assets	(5)	1
Loss on retirement of non-current assets	108	85
Loss (gain) on sale of investment securities	(1,426)	(52)
Office relocation expenses	554	–
Decrease (increase) in trade receivables	(5,505)	(11,796)
Decrease (increase) in inventories	(11,538)	(5,308)
Increase (decrease) in trade payables	508	5,021
Increase (decrease) in advances received on construction contracts in progress	(288)	4,314
Decrease (increase) in accounts receivable - other	(2,004)	932
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	944	(182)
Increase (decrease) in deposits received	(1,581)	875
Other, net	408	355
Subtotal	(4,445)	8,703
Interest and dividends received	259	215
Interest paid	(190)	(248)
Income taxes paid	(5,501)	(4,700)
Income taxes refund	13	1,162
Compensation paid for damage	(71)	–
Payments of office relocation expenses	(540)	–
Net cash provided by (used in) operating activities	(10,476)	5,132

(Millions of yen)

	Fiscal year ended March 2024 (April 1, 2023-March 31, 2024)	Fiscal year ended March 2025 (April 1, 2024-March 31, 2025)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(3,163)	(1,374)
Purchase of intangible assets	(271)	(201)
Payments for retirement of non-current assets	(64)	(28)
Purchase of investment securities	(881)	(508)
Proceeds from sale of investment securities	2,306	430
Long-term loan advances	(7)	(20)
Other, net	14	4
Net cash provided by (used in) investing activities	(2,066)	(1,699)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	6,000	9,000
Repayments of lease liabilities	(181)	(195)
Purchase of treasury shares	(0)	–
Dividends paid	(2,573)	(3,343)
Dividends paid to non-controlling interests	–	(3)
Net cash provided by (used in) financing activities	3,244	5,458
Effect of exchange rate change on cash and cash equivalents	37	47
Net increase (decrease) in cash and cash equivalents	(9,261)	8,938
Cash and cash equivalents at beginning of period	36,047	26,785
Cash and cash equivalents at end of period	26,785	35,723

## (5) Notes to consolidated financial statements

(Notes on going concern assumption)

None

## (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, 2023 - March 31, 2024)

(Millions of 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)	150,403	99,559	62,716	312,680	—	312,680
(of which inter- segment or transfers)	1,248	1	1,235	2,485	(2,485)	—
Total	151,652	99,561	63,952	315,166	(2,485)	312,680
Segment profit	5,401	6,861	4,253	16,516	(4,864)	11,651

Notes:

- Adjustments to segment profit include general and administrative expenses of -4,750 million yen that cannot be allocated to reportable segments and -114 million yen of other adjustments.
- Reportable segment profit is adjusted to match with operating profit on the consolidated statement of income.

Current fiscal year (April 1, 2024 - March 31, 2025)

(Millions of 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)	163,044	101,399	82,241	346,685	—	346,685
(of which inter- segment or transfers)	1,396	31	1,167	2,595	(2,595)	—
Total	164,441	101,431	83,408	349,281	(2,595)	346,685
Segment profit	3,778	5,876	7,188	16,843	(5,383)	11,460

Notes:

- Adjustments to segment profit include general and administrative expenses of -5,479 million yen that cannot be allocated to reportable segments and 96 million yen of other adjustments.
- 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, 2023 – March 31, 2024)	Current fiscal year (April 1, 2024 – March 31, 2025)
Net assets per share	3,849.26	3,954.94
Basic earnings per share	263.25	185.32
Diluted earnings per share	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, 2023 – March 31, 2024)	Current fiscal year (April 1, 2024 – March 31, 2025)
Total net assets (Millions of yen)	134,069	137,756
Amount deducted from total net assets (Millions of yen)	43	51
of which non-controlling interests (Millions of yen)	43	51
Net assets attributable to ordinary shares (Millions of yen)	134,025	137,705
Number of shares at the end of fiscal year (Thousands of shares)	34,818	34,818

Note 2. The bases for calculating earnings per share are as follows.

	Previous fiscal year (April 1, 2023 – March 31, 2024)	Current fiscal year (April 1, 2024 – March 31, 2025)
Comprehensive income attributable to owners of parent (Millions of yen)	9,165	6,452
Amount not attributable to ordinary shareholders (Millions of yen)	—	—
Comprehensive income attributable to owners of parent attributable to ordinary shares (Millions of yen)	9,165	6,452
Average number of ordinary shares during the fiscal year (Thousands of shares)	34,818	34,818

(Important subsequent events)

None

#### 4. Consolidated Orders Received and Net Sales

(Millions of yen, %)

		Fiscal year ended March 31, 2024 (April 1, 2023 March 31, 2024)		Fiscal year ended March 31, 2025 (April 1, 2024 March 31, 2025)		Changes	
		Amount	Share	Amount	Share	Amount	%
Orders received	Architecture	159,570	49.0	209,298	53.5	49,728	31.2
	Civil engineering	103,114	31.6	99,008	25.3	(4,105)	(4.0)
	Total construction	262,685	80.6	308,307	78.8	45,622	17.4
	Real estate	63,229	19.4	83,070	21.2	19,841	31.4
	Total	325,914	100.0	391,378	100.0	65,463	20.1
Net sales	Architecture	150,403	48.1	163,044	47.0	12,641	8.4
	Civil engineering	99,559	31.8	101,399	29.3	1,839	1.8
	Total construction	249,963	79.9	264,444	76.3	14,480	5.8
	Real estate	62,716	20.1	82,241	23.7	19,524	31.1
	Total	312,680	100.0	346,685	100.0	34,005	10.9