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Summary of Results for the First Quarter of the Fiscal Year Ending March 2022 (Japanese Standards) (Consolidated Basis)

August 4, 2021

Name of listed company	Takuma Co., Ltd.	Listed stock exchange	Tokyo Stock Exchange
Listing code	6013	URL	https://www.takuma.co.jp/english/
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Planned quarterly report submission date		August 4, 2021	
Planned dividend payment start date		None	
Availability of supplementary quarterly results materials:		None	
Quarterly results briefing:		None	

(All amounts rounded down to the nearest million yen)

1. Consolidated results for Q1 FY2021 (April 1, 2021, to June 30, 2021)

(1) Consolidated results (cumulative)

(Percentages indicate percent of change from the corresponding quarter of the previous year.)

	Net sales		Operating profit		Ordinary profit		Quarterly profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Q1 FY2021	27,112	(16.0)	1,045	(52.8)	1,268	(49.8)	792	(57.6)
Q1 FY2020	32,289	22.9	2,217	75.8	2,526	65.8	1,870	200.1

(Note) Comprehensive income: Q1 FY2021 435 million yen (down 83.5 %)
Q1 FY2020 2,639 million yen (— %)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Q1 FY2021	9.76	—
Q1 FY2020	23.05	—

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
Q1 FY2021	162,007	89,676	55.1
FY2020	177,741	90,555	50.7

(Reference) Equity Q1 FY2021 89,265 million yen
FY2020 90,142 million yen

2. Dividend status

	Annual dividend				
	Q1	Q2	Q3	Q4	Total
	Yen	Yen	Yen	Yen	Yen
FY2020	—	18.00	—	18.00	36.00
FY2021	—				
FY2021 (forecast)		18.00	—	18.00	36.00

(Note) Revisions of the most recently announced dividend forecast: None

3. Consolidated earnings forecast for FY2021 (April 1, 2021, to March 31, 2022)

(Percentages indicate percent of change from the previous year.)

	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	%	Yen
FY2021	137,000	(6.6)	10,400	(0.7)	11,000	(0.3)	7,600	0.9	93.57

(Note) Revisions of the most recently announced earnings forecast: None

○ Attachments

1. Qualitative information related to the quarterly results under review	2
(1) Explanation of business results.....	2
(2) Explanation concerning forward-looking statements such as consolidated earnings forecasts	5
2. Quarterly Consolidated Financial Statements.....	6
(1) Quarterly Consolidated Balance Sheet	6
(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income	8
3. Supplementary forecast materials.....	10
(1) Consolidated earnings forecast by segment.....	10
(2) Consolidated capital investment, depreciation, and research and development expenses.....	10

1. Qualitative information related to the quarterly results under review

Forward-looking statements in the text reflect the judgment of management as of the last day of the quarterly consolidated accounting period under review.

(1) Explanation of business results

(Unit: Millions of yen)

Segment	Q1 consolidated cumulative period of FY2021				Change from the corresponding period of FY 2020		
	Orders received	Net sales	Operating profit	Backlog	Orders received	Net sales	Operating profit
Domestic Environment and Energy Business	28,658	22,393	1,610	383,408	(41,042)	(4,810)	(1,165)
Overseas Environment and Energy Business	231	124	(98)	534	9	(117)	(44)
Package Boiler Business	5,063	3,192	(129)	6,391	84	(19)	(32)
Equipment and Systems Business	1,664	1,572	169	5,440	(937)	(110)	73
Total	35,616	27,282	1,551	395,775	(41,885)	(5,057)	(1,169)
Adjustments	(85)	(170)	(505)	(203)	108	(119)	(2)
Total	35,531	27,112	1,045	395,571	(41,777)	(5,177)	(1,171)

During the Q1 consolidated cumulative period of FY2021, orders received fell 41,777 million yen compared to the corresponding period of FY2020 to 35,531 million yen, and net sales fell 5,177 million yen to 27,112 million yen. The decline was due primarily to a contraction in the Domestic Environment and Energy Business.

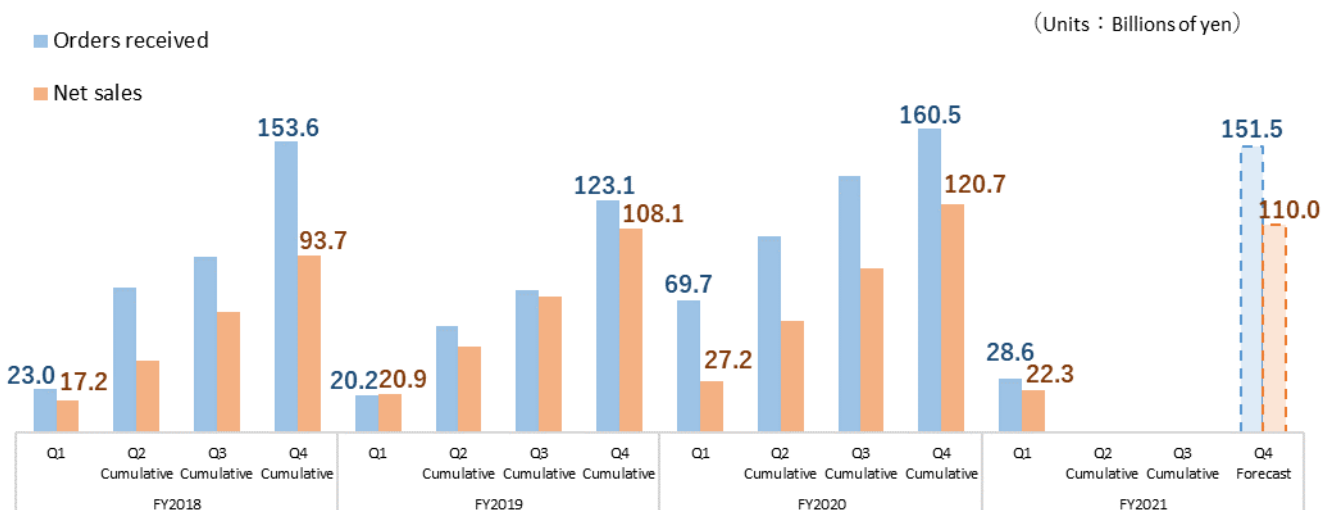
Operating profit fell 1,171 million yen compared to the corresponding period of FY2020 to 1,045 million yen, while ordinary profit fell 1,258 million yen to 1,268 million yen. Profit attributable to owners of parent fell 1,078 million yen to 792 million yen. These results were due primarily to a decline in profits in the Domestic Environment and Energy Business.

While uncertainty about the future caused by the COVID-19 pandemic had some impact, for example by weighing on capital investment appetite and spurring delays in plans, performance during the Q1 consolidated cumulative period of FY2021 remained robust overall, and no serious effects materialized.

A description of each segment's results follows.

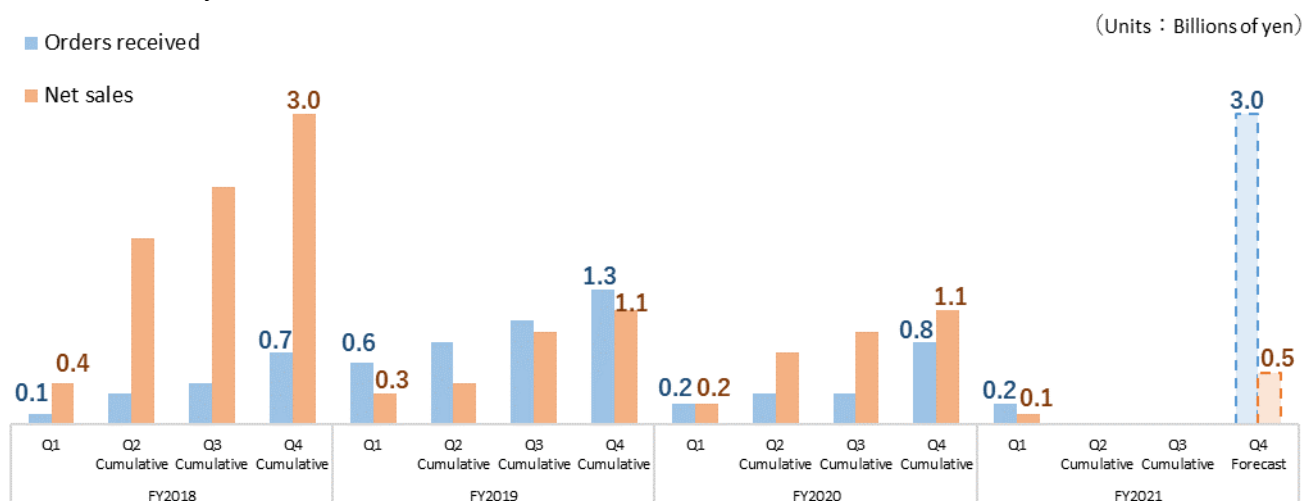
Domestic Environment and Energy Business

During the Q1 consolidated cumulative period of FY2021, efforts to take advantage of continued robust demand yielded orders including one waste treatment plant long-term O&M project and one biomass power plant construction project. However, orders received fell 41,042 million yen to 28,658 million yen compared to the corresponding period of FY2020. The decline reflects the fact that we received more orders for comparatively large projects, including two new waste treatment plant construction projects with a DBO component (encompassing construction and operation) and one primary equipment improvement project, in the corresponding period of FY2020. In addition, net sales fell 4,810 million yen to 22,393 million yen compared to the corresponding period of FY2020, and operating profit fell 1,165 million yen to 1,610 million yen. This decline was due primarily to changes in the mix of projects in the EPC business.



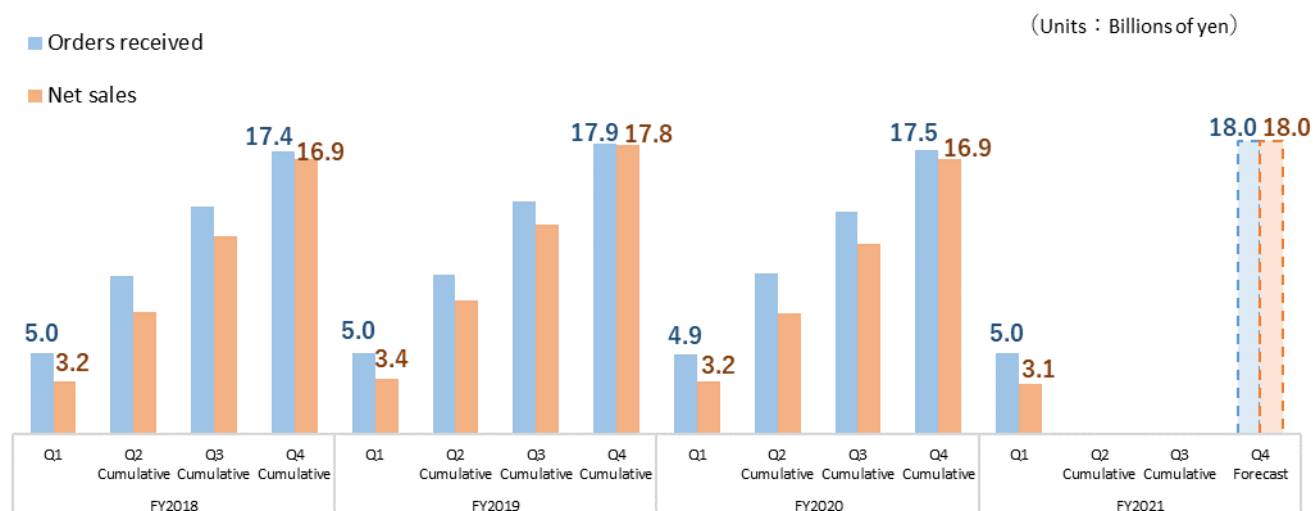
Overseas Environment and Energy Business

During the Q1 consolidated cumulative period of FY2021, orders received remained on par with the corresponding period of FY2020 at 231 million yen due to an absence of orders for new plant construction. In addition, net sales fell 117 million yen to 124 million yen compared to the corresponding period of FY2020, when we posted net sales from a new plant construction project. The cumulative result was an operating loss of 98 million yen, increased from a loss of 53 million yen.



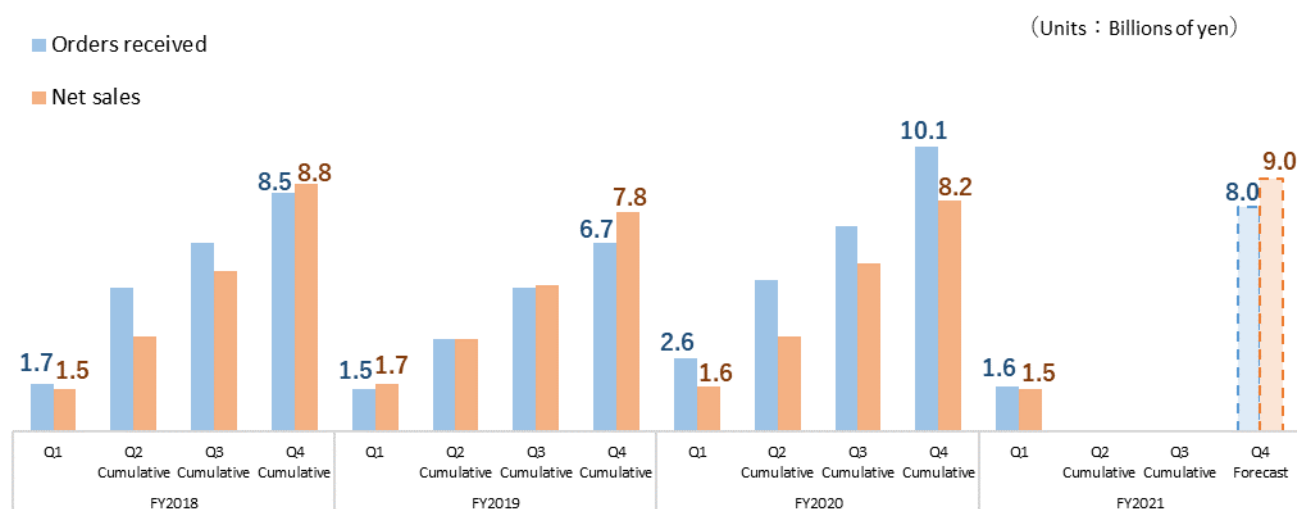
Package Boiler Business

Although the impacts of demand that has fallen due to the effects of the COVID-19 pandemic continued in sectors such as the hotel industry, overall the economy is showing signs of a gradual recovery. During the Q1 consolidated cumulative period of FY2021, orders received, net sales, and operating profit remained on par with the corresponding period of FY2020 at 5,063 million yen, 3,192 million yen, and a loss of 129 million yen, respectively, thanks to continued efforts to capture demand.



Equipment and Systems Business

During the Q1 consolidated cumulative period of FY2021, orders received fell 937 million yen compared to the corresponding period of FY2020 to 1,664 million yen. This decline was result of factors including delays in private-sector building and equipment construction plans due to the impact of the COVID-19 pandemic. At the same time, net sales fell slightly compared to the corresponding period of FY2020 to 1,572 million yen, and operating profit rose 73 million yen to 169 million yen, as demand for semiconductor industry equipment firmed as a result of an expanding market environment.



We expect to receive orders in our Domestic Environment and Energy Business for waste treatment plant construction and operation as well as biomass power plant construction during or after Q2, and we continue to make steady progress in the construction of previously ordered plants. The COVID-19 pandemic has not yet had a substantial impact on the Group's performance, and we will continue to do our utmost to achieve our goals for FY2021, specifically orders received of 180,000 million yen and ordinary profit of 11,000 million yen.

However, potential effects in the event of a worsening of the pandemic might include fewer new orders if demand slows and new orders are delayed, as well as lower net sales if delivery of existing orders is delayed.

(2) Explanation concerning forward-looking statements such as consolidated earnings forecasts

The Group expects to see continued demand for its principal products, including replacements and service life extensions for aging waste treatment plants, and construction of biomass power plants, against a backdrop of favorable energy policies. That said, the number of COVID-19 infections remains high, and there is a continued lack of clarity concerning the future direction of the economy.

Against this backdrop, the Group's performance during FY2021 remained robust during the Q1 consolidated cumulative period of FY2021, and FY2021 earnings forecast announced on May 14, 2021, has not been changed.

The Group manages its results exclusively on an annual basis because our results tend to fluctuate seasonally, for example Q4 net sales significantly exceed those of other quarters. The reason is that many projects are delivered just before the end of the consolidated fiscal year, so progress and transfers of facilities to customers tend to increase as Q4 progresses.

Additionally, should the effects of the COVID-19 pandemic broaden or last longer than anticipated, our performance could be affected, for example in the form of a decline in new orders due to contracting demand or delayed orders or a slowdown in net sales as a result of delays in deliveries of previously ordered projects. These earnings forecasts do not take such potential impacts into account. In the event it becomes necessary to revise the earnings forecast due to an expansion in the effects of the pandemic, we will make that information available in a timely and appropriate manner.

- Earnings forecasts and other forward-looking statements in this document are based on information currently available to the Company and on certain assumptions that are deemed to be reasonable. They do not constitute a commitment on the part of the Company to achieve any particular level of performance. Actual performance may diverge significantly for a variety of reasons.

2. Quarterly Consolidated Financial Statements
 (1) Quarterly Consolidated Balance Sheet

(Unit: Millions of yen)

	Q4 FY2020 (March 31, 2021)	Q1 FY2021 (June 30, 2021)
Assets		
Current assets		
Cash and deposits	44,422	68,867
Notes and accounts receivable – trade	84,222	-
Notes and accounts receivable - trade, and contract assets	-	42,956
Inventories	4,465	5,929
Other	1,962	2,903
Allowance for doubtful accounts	(16)	(14)
Total current assets	135,056	120,642
Non-current assets		
Property, plant and equipment	9,759	9,913
Intangible assets	267	261
Investments and other assets		
Investment securities	17,740	16,874
Other	15,058	14,450
Allowance for doubtful accounts	(142)	(135)
Total investments and other assets	32,657	31,190
Total non-current assets	42,685	41,364
Total assets	177,741	162,007

(Unit: Millions of yen)

	Q4 FY2020 (March 31, 2021)	Q1 FY2021 (June 30, 2021)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	30,717	27,709
Electronically recorded obligations - operating	13,184	11,091
Short-term borrowings	5,602	400
Income taxes payable	2,569	76
Advances received	9,349	-
Contract liabilities	-	9,927
Provision for bonuses	3,364	1,420
Provision for product warranties	66	63
Provision for loss on construction contracts	3,946	3,105
Provision for loss on liquidation of subsidiaries and associates	1,003	-
Other	6,354	7,199
Total current liabilities	76,157	60,993
Non-current liabilities		
Long-term borrowings	80	60
Provision for retirement benefits for directors (and other officers)	241	201
Retirement benefit liability	10,451	10,623
Other	256	452
Total non-current liabilities	11,029	11,338
Total liabilities	87,186	72,331
Net assets		
Shareholders' equity		
Share capital	13,367	13,367
Capital surplus	3,840	3,840
Retained earnings	70,850	70,328
Treasury shares	(2,087)	(2,087)
Total shareholders' equity	85,970	85,448
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,461	4,081
Deferred gains or losses on hedges	36	29
Foreign currency translation adjustment	30	41
Remeasurements of defined benefit plans	(355)	(335)
Total accumulated other comprehensive income	4,172	3,816
Non-controlling interests	412	410
Total net assets	90,555	89,676
Liabilities and net assets	177,741	162,007

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income

Quarterly Consolidated Statement of Income

First quarterly consolidated cumulative accounting period (Q1)

(Unit: Millions of yen)

	Q1 FY2020 (April 1, 2020, to June 30, 2020)	Q1 FY2021 (April 1, 2021, to June 30, 2021)
Net sales	32,289	27,112
Cost of sales	26,307	22,147
Gross profit	5,981	4,965
Selling, general and administrative expenses	3,764	3,919
Operating profit	2,217	1,045
Non-operating income		
Interest income	5	3
Dividend income	277	247
Share of profit of entities accounted for using equity method	-	2
Other	54	27
Total non-operating income	337	280
Non-operating expenses		
Interest expenses	3	2
Share of loss of entities accounted for using equity method	5	-
Commitment fees	7	7
Loss on disposal of non-current assets	1	38
Other	10	10
Total non-operating expenses	28	58
Ordinary profit	2,526	1,268
Extraordinary losses		
New factory construction expenses	-	76
Total extraordinary losses	-	76
Quarterly profit before income taxes	2,526	1,191
Income taxes	657	405
Quarterly profit	1,869	786
Quarterly loss attributable to non-controlling interests	(1)	(6)
Quarterly profit attributable to owners of parent	1,870	792

Quarterly Consolidated Statement of Comprehensive Income
 First quarterly consolidated cumulative accounting period (Q1)

(Unit: Millions of yen)

	Q1 FY2020 (April 1, 2020, to June 30, 2020)	Q1 FY2021 (April 1, 2021, to June 30, 2021)
Quarterly profit	1,869	786
Other comprehensive income		
Valuation difference on available-for-sale securities	735	(379)
Deferred gains or losses on hedges	(1)	(6)
Foreign currency translation adjustment	5	15
Remeasurements of defined benefit plans, net of tax	29	19
Total other comprehensive income	769	(350)
Quarterly comprehensive income	2,639	435
Comprehensive income attributable to		
Quarterly comprehensive income attributable to owners of parent	2,639	437
Quarterly comprehensive income attributable to non-controlling interests	(0)	(1)

3. Supplementary forecast materials

(1) Consolidated earnings forecast by segment

(Unit: Millions of yen)

Segment	FY2021 (forecast)		
	Orders received	Net sales	Backlog
Domestic Environment and Energy Business	151,500	110,000	418,643
Overseas Environment and Energy Business	3,000	500	2,927
Package Boiler Business	18,000	18,000	4,521
Equipment and Systems Business	8,000	9,000	4,348
Total	180,500	137,500	430,441
Adjustments	(500)	(500)	(288)
Total	180,000	137,000	430,152

(2) Consolidated capital investment, depreciation, and research and development expenses forecast

(Unit: Millions of yen)

	FY2020 (actual)	FY2021 (forecast)	Change
Capital investment	2,420	4,000	1,579
Depreciation	1,036	1,000	(36)
Research and development expenses	1,047	1,400	352