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

November 10, 2021

Name of listed company	Takuma Co., Ltd.	Listed stock exchange	Tokyo Stock Exchange
Listing code	6013	URL	<a href="https://www.takuma.co.jp/english/">https://www.takuma.co.jp/english/</a>
Representative	President and Representative Director	Hiroaki Nanjo	
Contact for inquiries	Manager, Corporate Communications & Investor Relations Department Corporate Planning & Administration Division	Hiroyuki Kobayashi	(E-mail) koho-ir@takuma.co.jp
Planned quarterly report submission date		November 10, 2021	
Planned dividend payment start date		December 6, 2021	
Availability of supplementary quarterly results materials:		None	
Quarterly results briefing:		None	

(All amounts rounded down to the nearest million yen)

### 1. Consolidated results for Q2 FY2021 (April 1, 2021, to September 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	%
Q2 FY2021	59,234	(15.8)	2,938	(49.6)	3,222	(48.4)	2,257	(52.2)
Q2 FY2020	70,352	21.8	5,826	56.2	6,244	54.2	4,725	51.0

(Note) Comprehensive income: Q2 FY2021 2,427 million yen (down 50.6 %)  
Q2 FY2020 4,911 million yen (up 160.6 %)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Q2 FY2021	27.78	—
Q2 FY2020	58.22	—

#### (2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
Q2 FY2021	165,198	91,745	55.3
FY2020	177,741	90,555	50.7

(Reference) Equity Q2 FY2021 91,338 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	—	18.00			
FY2021 (forecast)			—	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	93.53

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

○ Attachments

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## 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	Q2 consolidated cumulative period of FY2021				Change from the corresponding period of FY2020		
	Orders received	Net sales	Operating profit	Backlog	Orders received	Net sales	Operating profit
Domestic Environment and Energy Business	77,554	48,142	3,591	406,554	(25,968)	(10,765)	(2,951)
Overseas Environment and Energy Business	395	459	(86)	364	0	(294)	(76)
Package Boiler Business	9,339	7,543	110	6,316	(576)	105	70
Equipment and Systems Business	5,045	3,463	324	6,930	(386)	49	31
Total	92,334	59,609	3,939	420,166	(26,931)	(10,903)	(2,925)
Adjustments	(200)	(375)	(1,000)	(114)	131	(214)	37
Total	92,133	59,234	2,938	420,052	(26,799)	(11,118)	(2,888)

During the Q2 consolidated cumulative period of FY2021, orders received fell 26,799 million yen compared to the corresponding period of FY2020 to 92,133 million yen, and net sales fell 11,118 million yen to 59,234 million yen. The decline was due primarily to a contraction in the Domestic Environment and Energy Business.

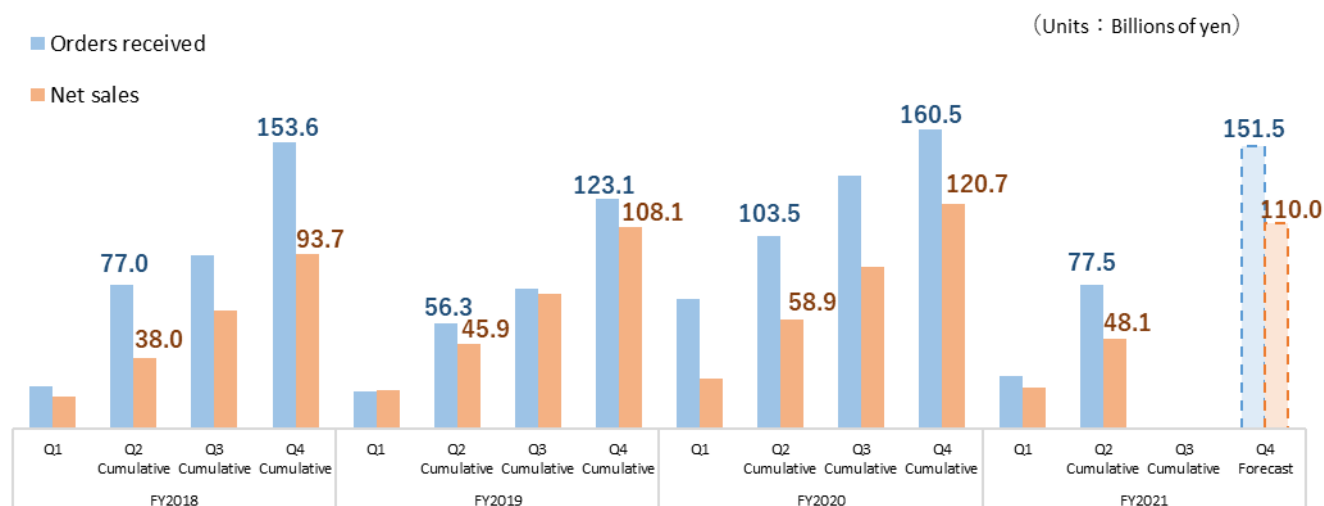
Operating profit fell 2,888 million yen compared to the corresponding period of FY2020 to 2,938 million yen, while ordinary profit fell 3,022 million yen to 3,222 million yen. Profit attributable to owners of parent fell 2,468 million yen to 2,257 million yen. These results were due primarily to a decline in profits in the Domestic Environment and Energy Business.

While future uncertainty caused by the COVID-19 pandemic had some impact, for example by weighing on capital investment appetite and spurring delays in plans, and while recent trends such as the rising costs of steel and other materials and equipment dictate caution with regard to the future direction of the economy, no serious effects materialized in the Company's business performance during the Q2 consolidated cumulative period of FY2021.

A description of each segment's results follows.

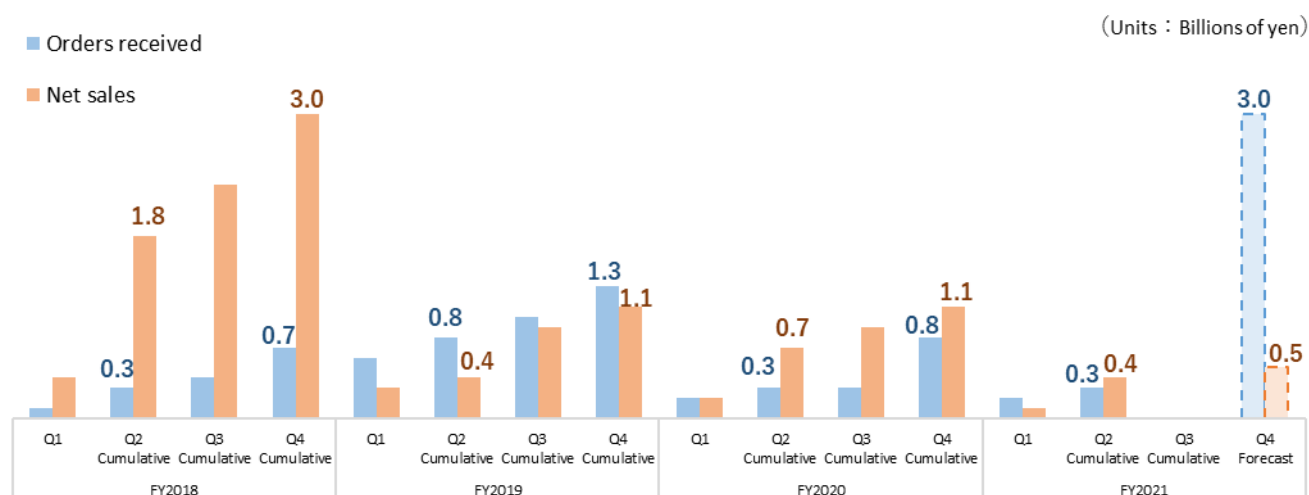
## Domestic Environment and Energy Business

During the Q2 consolidated cumulative period of FY2021, efforts to take advantage of continued robust demand yielded orders including one DBO project (encompassing construction and operation) and one long-term O&M project, both for waste treatment plants, and two biomass power plant construction projects. However, orders received fell 25,968 million yen to 77,554 million yen compared to the corresponding period of FY2020. The decline reflects the fact that we received more orders for comparatively large projects, including three new waste treatment plant construction projects with a DBO component (encompassing construction and operation) and two primary equipment improvement projects, in the corresponding period of FY2020. In addition, net sales fell 10,765 million yen compared to the corresponding period of FY2020 to 48,142 million yen, and operating profit fell 2,951 million yen to 3,591 million yen. This decline was due primarily to changes in the mix of projects in the EPC business.



## Overseas Environment and Energy Business

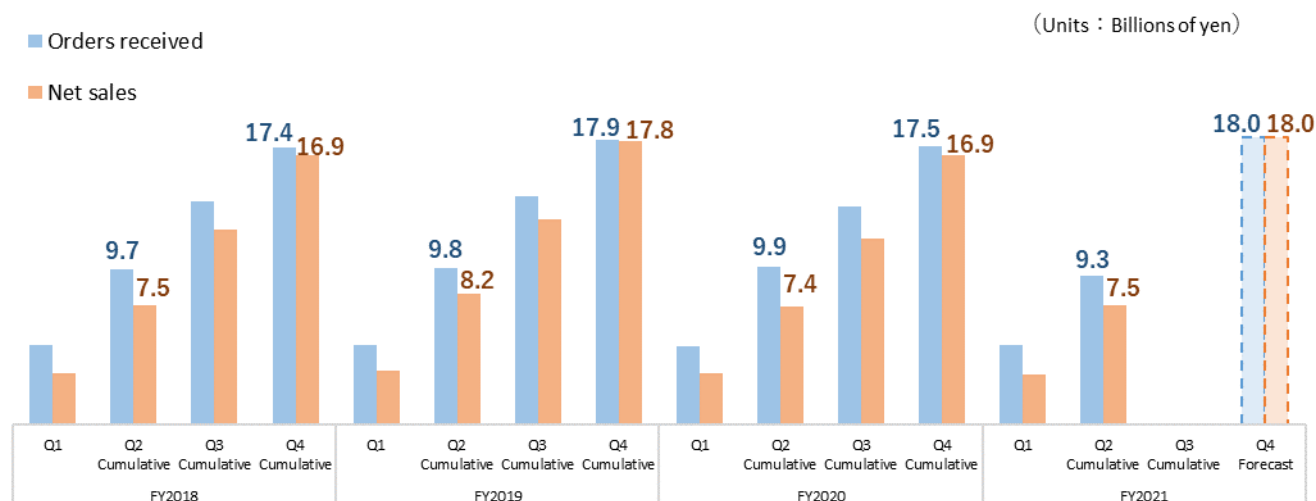
During the Q2 consolidated cumulative period of FY2021, orders received remained on par with the corresponding period of FY2020 at 395 million yen due to an absence of orders for new plant construction. In addition, net sales fell 294 million yen to 459 million yen compared to the corresponding period of FY2020, when we posted net sales from a new plant construction project. The cumulative result was an operating loss of 86 million yen, increased from a loss of 10 million yen.



## Package Boiler Business

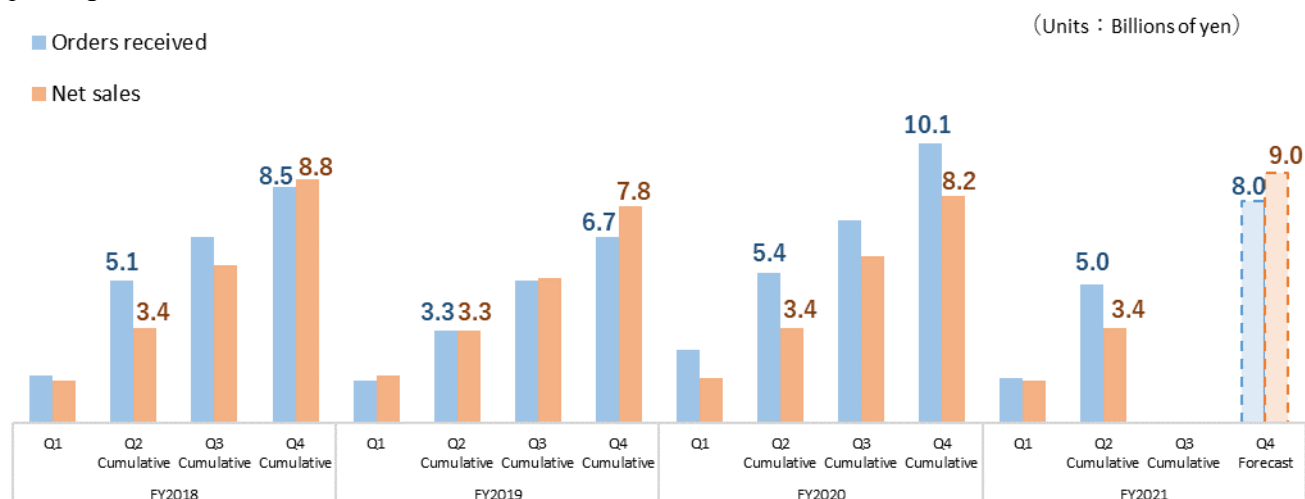
Although there were signs of a partial recovery in demand that had fallen due to the effects of the COVID-19 pandemic, a robust recovery failed to materialize during the Q2 consolidated cumulative period of FY2021 due to the imposition of periodic states of emergency and the implementation of targeted measures to prevent the spread of infection.

As a result, orders received fell 576 million yen to 9,339 million yen compared to the corresponding period of FY2020, when we booked orders for a substantial number of large projects, even as net sales and operating profit rose slightly to 7,543 million yen and 110 million yen, respectively, thanks to continued efforts to capture demand.



## Equipment and Systems Business

During the Q2 consolidated cumulative period of FY2021, orders received fell 386 million yen compared to the corresponding period of FY2020 to 5,045 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, both net sales and operating profit rose slightly compared to the corresponding period of FY2020 to 3,463 million yen and 324 million yen, respectively, 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 Q3, 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. At the same time, progress in vaccinations and other factors have led to a downward trend in the number of COVID-19 infections. Nonetheless, it remains unclear when the pandemic will be brought under control, 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 Q2 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)	Q2 FY2021 (September 30, 2021)
<b>Assets</b>		
Current assets		
Cash and deposits	44,422	56,410
Notes and accounts receivable – trade	84,222	-
Notes and accounts receivable - trade, and contract assets	-	55,688
Inventories	4,465	6,462
Other	1,962	4,202
Allowance for doubtful accounts	(16)	(14)
Total current assets	135,056	122,748
Non-current assets		
Property, plant and equipment	9,759	10,043
Intangible assets	267	259
Investments and other assets		
Investment securities	17,740	17,593
Other	15,058	14,688
Allowance for doubtful accounts	(142)	(135)
Total investments and other assets	32,657	32,146
Total non-current assets	42,685	42,449
<b>Total assets</b>	<b>177,741</b>	<b>165,198</b>



(Unit: Millions of yen)

	Q4 FY2020 (March 31, 2021)	Q2 FY2021 (September 30, 2021)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	30,717	30,006
Electronically recorded obligations - operating	13,184	11,292
Short-term borrowings	5,602	300
Income taxes payable	2,569	879
Advances received	9,349	-
Contract liabilities	-	10,655
Provision for bonuses	3,364	2,685
Provision for product warranties	66	66
Provision for loss on construction contracts	3,946	2,500
Provision for loss on liquidation of subsidiaries and associates	1,003	-
Other	6,354	3,594
Total current liabilities	76,157	61,981
Non-current liabilities		
Long-term borrowings	80	40
Provision for retirement benefits for directors (and other officers)	241	216
Retirement benefit liability	10,451	10,765
Other	256	449
Total non-current liabilities	11,029	11,471
Total liabilities	87,186	73,453
Net assets		
Shareholders' equity		
Share capital	13,367	13,367
Capital surplus	3,840	3,872
Retained earnings	70,850	71,792
Treasury shares	(2,087)	(2,017)
Total shareholders' equity	85,970	87,014
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,461	4,549
Deferred gains or losses on hedges	36	40
Foreign currency translation adjustment	30	47
Remeasurements of defined benefit plans	(355)	(313)
Total accumulated other comprehensive income	4,172	4,323
Non-controlling interests	412	406
Total net assets	90,555	91,745
Liabilities and net assets	177,741	165,198

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income  
Quarterly Consolidated Statement of Income  
Second quarterly consolidated cumulative accounting period (Q2)

(Unit: Millions of yen)

	Q2 FY2020 (April 1, 2020, to September 30, 2020)	Q2 FY2021 (April 1, 2021, to September 30, 2021)
Net sales	70,352	59,234
Cost of sales	56,815	48,461
Gross profit	13,537	10,772
Selling, general and administrative expenses	7,710	7,833
Operating profit	5,826	2,938
Non-operating income		
Interest income	11	8
Dividend income	288	263
Share of profit of entities accounted for using equity method	60	45
Other	103	59
Total non-operating income	464	377
Non-operating expenses		
Interest expenses	7	3
Commitment fees	14	14
Loss on disposal of non-current assets	3	51
Other	20	24
Total non-operating expenses	46	93
Ordinary profit	6,244	3,222
Extraordinary income		
Insurance claim income	-	300
Gain on sale of investment securities	1,002	-
Total extraordinary income	1,002	300
Extraordinary losses		
New factory construction expenses	-	167
Provision for loss on liquidation of subsidiaries and associates	882	-
Total extraordinary losses	882	167
Quarterly profit before income taxes	6,364	3,354
Income taxes	1,626	1,086
Quarterly profit	4,738	2,268
Quarterly profit attributable to non-controlling interests	12	11
Quarterly profit attributable to owners of parent	4,725	2,257

Quarterly Consolidated Statement of Comprehensive Income  
 Second quarterly consolidated cumulative accounting period (Q2)

(Unit: Millions of yen)

	Q2 FY2020 (April 1, 2020, to September 30, 2020)	Q2 FY2021 (April 1, 2021, to September 30, 2021)
Quarterly profit	4,738	2,268
Other comprehensive income		
Valuation difference on available-for-sale securities	126	87
Deferred gains or losses on hedges	(10)	4
Foreign currency translation adjustment	5	24
Remeasurements of defined benefit plans, net of tax	51	42
Total other comprehensive income	173	158
Quarterly comprehensive income	4,911	2,427
Comprehensive income attributable to		
Quarterly comprehensive income attributable to owners of parent	4,898	2,408
Quarterly comprehensive income attributable to non-controlling interests	13	18

### (3) Quarterly Consolidated Statement of Cash Flows

(Unit: Millions of yen)

	Q2 FY2020 (April 1, 2020, to September 30, 2020)	Q2 FY2021 (April 1, 2021, to September 30, 2021)
<b>Cash flows from operating activities</b>		
Quarterly profit before income taxes	6,364	3,354
Depreciation	456	455
Loss (gain) on sale of investment securities	(1,002)	-
Loss (gain) on disposal of non-current assets	3	51
Increase (decrease) in provision for bonuses	(552)	(682)
Increase (decrease) in provision for loss on construction contracts	(593)	(1,445)
Increase (decrease) in provision for loss on liquidation of subsidiaries and associates	624	(1,003)
Increase (decrease) in retirement benefit liability	322	374
Interest and dividend income	(300)	(272)
Interest expenses	7	3
Share of loss (profit) of entities accounted for using equity method	(60)	(45)
Decrease (increase) in trade receivables	5,372	29,856
Decrease (increase) in inventories	(1,714)	(1,996)
Decrease (increase) in other current assets	(1,770)	(1,721)
Increase (decrease) in trade payables	614	(3,042)
Increase (decrease) in other current liabilities	(257)	(2,773)
Other, net	(1,980)	725
Subtotal	5,533	21,838
Interest and dividends received	370	342
Interest paid	(6)	(6)
Income taxes refund (paid)	(1,850)	(2,734)
Net cash provided by (used in) operating activities	4,046	19,440
<b>Cash flows from investing activities</b>		
Net decrease (increase) in time deposits	-	(218)
Purchase of property, plant and equipment	(1,258)	(739)
Purchase of intangible assets	(28)	(27)
Purchase of investment securities	(739)	(0)
Proceeds from sale of investment securities	1,151	-
Loan advances	(30)	(597)
Proceeds from collection of loans receivable	57	12
Other, net	13	(28)
Net cash provided by (used in) investing activities	(833)	(1,600)

(Unit: Millions of yen)

	Q2 FY2020 (April 1, 2020, to September 30, 2020)	Q2 FY2021 (April 1, 2021, to September 30, 2021)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(50)	(5,200)
Repayments of long-term borrowings	(40)	(142)
Dividends paid	(1,460)	(1,461)
Dividends paid to non-controlling interests	(20)	(23)
Other, net	(12)	(15)
Net cash provided by (used in) financing activities	(1,583)	(6,843)
Effect of exchange rate change on cash and cash equivalents	2	16
Net increase (decrease) in cash and cash equivalents	1,631	11,013
Cash and cash equivalents at beginning of period	44,753	42,957
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	-	747
Cash and cash equivalents at end of period	46,385	54,719

### 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