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

February 9, 2022

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	
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Planned quarterly report submission date		February 9, 2022	
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 Q3 FY2021 (April 1, 2021, to December 31, 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	%
Q3 FY2021	93,679	(11.3)	5,306	(36.5)	5,907	(34.0)	4,080	(38.5)
Q3 FY2020	105,584	16.2	8,359	36.9	8,954	34.1	6,635	28.8

(Note) Comprehensive income: Q3 FY2021 4,225 million yen (down 41.1 %)  
Q3 FY2020 7,178 million yen (up 43.0 %)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Q3 FY2021	50.22	—
Q3 FY2020	81.73	—

#### (2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
Q3 FY2021	171,392	92,080	53.5
FY2020	177,741	90,555	50.7

(Reference) Equity Q3 FY2021 91,649 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	135,000	(8.0)	9,700	(7.4)	10,300	(6.6)	7,300	(3.0)	89.83

(Note) Revisions of the most recently announced earnings forecast: Yes

Basic earnings per share figures in the consolidated earnings forecast do not take into account a share buyback resolution adopted by Takuma's Board of Directors on February 9, 2022.

○ 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	Q3 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	86,795	75,880	5,975	388,058	(49,073)	(11,252)	(2,972)
Overseas Environment and Energy Business	1,510	690	(141)	1,247	1,120	(294)	(68)
Package Boiler Business	13,409	11,876	441	6,054	(376)	109	131
Equipment and Systems Business	6,945	5,706	565	6,588	(355)	(346)	(206)
Total	108,662	94,154	6,840	401,949	(48,683)	(11,783)	(3,115)
Adjustments	(206)	(474)	(1,534)	(20)	321	(121)	61
Total	108,455	93,679	5,306	401,929	(48,362)	(11,905)	(3,053)

During the Q3 consolidated cumulative period of FY2021, orders received fell 48,362 million yen compared to the corresponding period of FY2020 to 108,455 million yen, and net sales fell 11,905 million yen to 93,679 million yen. The decline was due primarily to a contraction in the Domestic Environment and Energy Business.

Operating profit fell 3,053 million yen compared to the corresponding period of FY2020 to 5,306 million yen, while ordinary profit fell 3,046 million yen to 5,907 million yen. Profit attributable to owners of parent fell 2,554 million yen to 4,080 million yen. These results were due primarily to a decline in profits in the Domestic Environment and Energy Business.

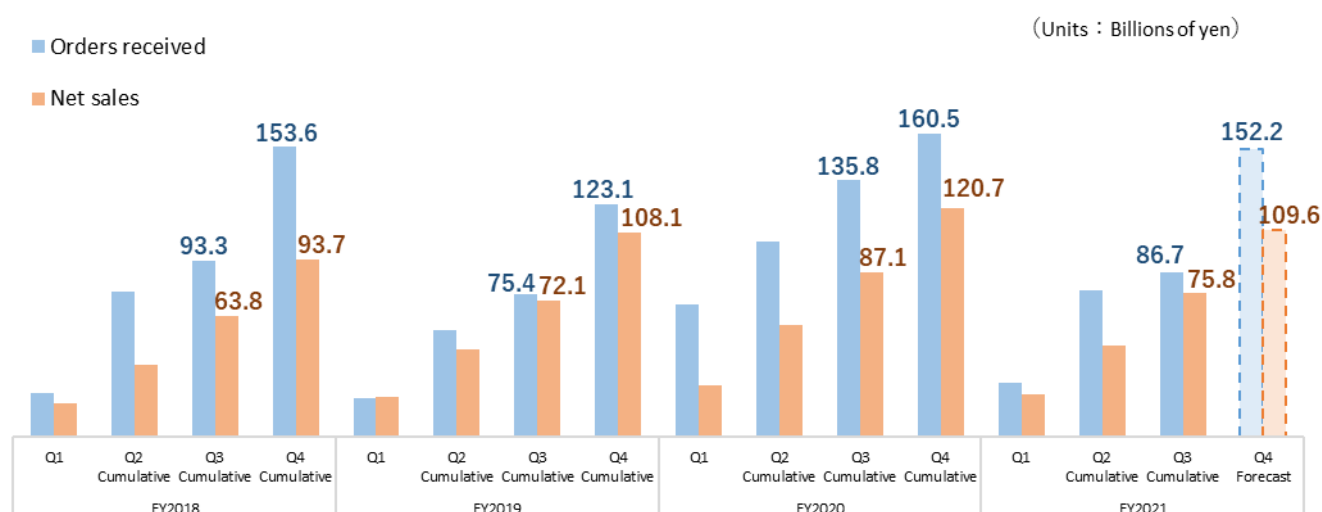
Future uncertainty caused by the COVID-19 pandemic has had some impact, for example by weighing on capital investment appetite and spurring delays in plans, and recent trends such as the rising costs of steel and other materials and equipment dictate caution with regard to the future direction of the economy.

A description of each segment's results follows.

## Domestic Environment and Energy Business

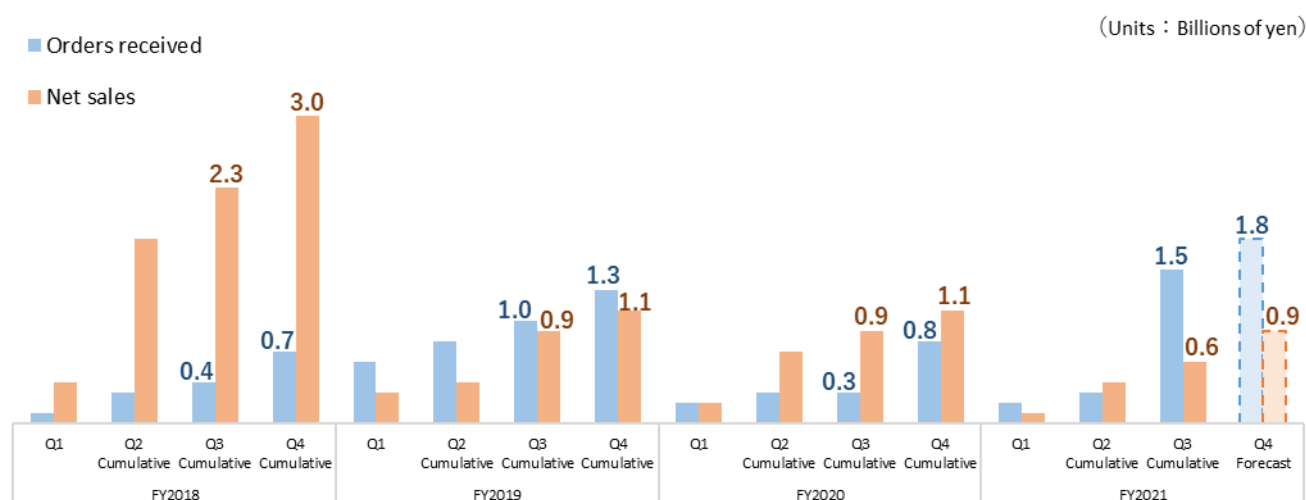
During the Q3 consolidated cumulative period of FY2021, efforts to take advantage of continued robust demand yielded orders including one DBO project (encompassing construction and operation), one long-term O&M project, two biomass power plant construction projects, one industrial waste treatment plant construction project, and one large-scale equipment replacement project for a sand filtration system at a sewage treatment plant. However, orders received fell 49,073 million yen to 86,795 million yen compared to the corresponding period of FY2020. The decline reflects the fact that we received more orders for comparatively large projects in the corresponding period of FY2020 as well as the termination of the contract for one project received in a previous fiscal year due to the project's cancellation. In addition, net sales fell 11,252 compared to the corresponding period of FY2020 to 75,880 million yen, and operating profit fell 2,972 million yen to 5,975 million yen. This decline was due primarily to changes in the mix of projects in the EPC business.

\*Principal orders received during the corresponding period of FY2020: Three new construction projects, including one DBO project (encompassing construction and operation) for a municipal solid waste treatment plant, two primary equipment improvement projects, one long-term O&M project, one biomass power plant construction project, and one sewage sludge-fueled power plant construction project.



## Overseas Environment and Energy Business

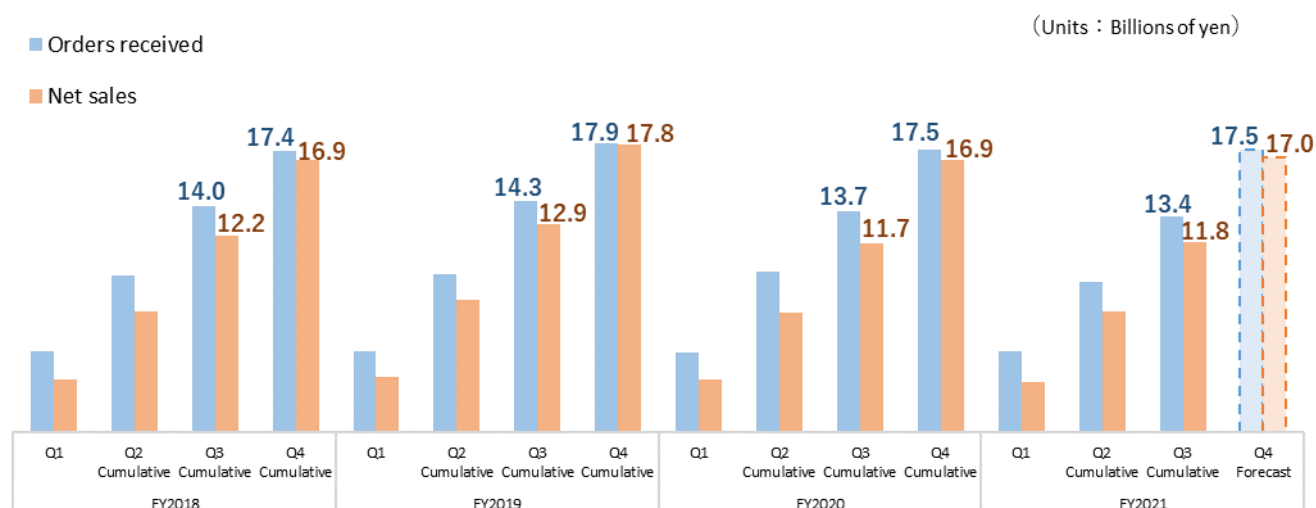
During the Q3 consolidated cumulative period of FY2021, orders received rose 1,120 million yen to 1,510 million yen thanks in part to an order for an equipment replacement project at an Energy from Waste plant in Taiwan. Nonetheless, net sales fell 294 million yen to 690 million yen compared to the corresponding period of FY2020, when we posted net sales from a new biomass power plant project. The cumulative result was an operating loss of 141 million yen, increased from a loss of 73 million yen.



## Package Boiler Business

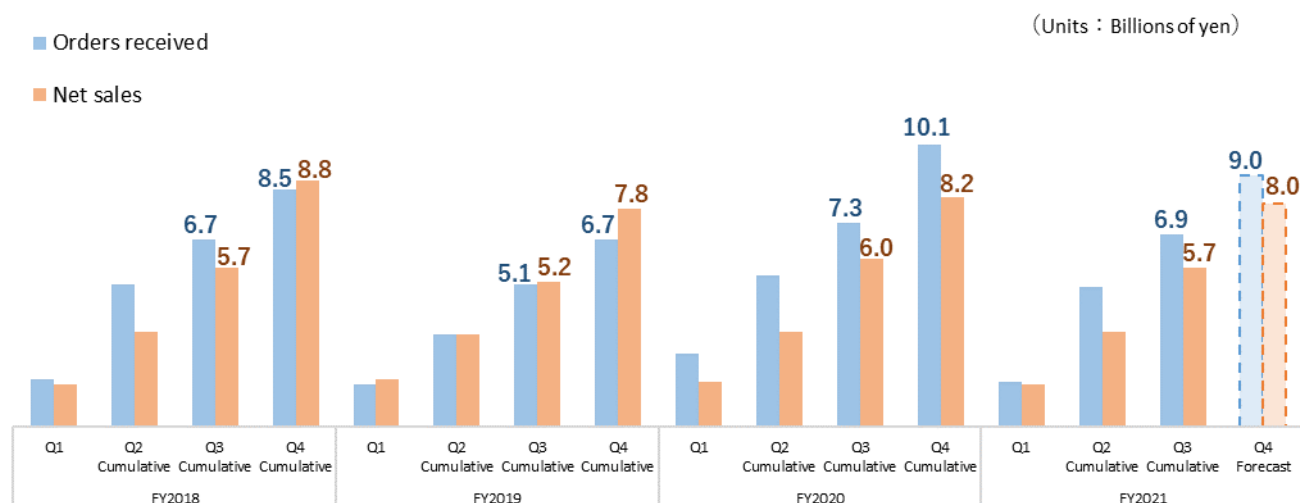
Although there were signs of a partial recovery in demand that had fallen due to the effects of the COVID-19 pandemic, a robust recovery failed to materialize during the Q3 consolidated cumulative period of FY2021 due to a continued lack of clarity concerning the future direction of the economy as a result of the imposition of periodic states of emergency, the implementation of targeted measures to prevent the spread of infection, and concern over a new surge in infections.

As a result, orders received fell 376 million yen to 13,409 million yen compared to the corresponding period of FY2020, when we booked orders for a substantial number of large projects, even as net sales rose 109 million yen to 11,876 million yen and operating profit rose 131 million yen to 441 million yen, thanks to continued efforts to capture demand.



## Equipment and Systems Business

During the Q3 consolidated cumulative period of FY2021, orders received fell 355 million yen compared to the corresponding period of FY2020 to 6,945 million yen. This decline was the result of factors including delays in private-sector building and equipment construction plans caused by the COVID-19 pandemic, which offset firming demand for semiconductor industry equipment resulting from an expanding market environment. Net sales fell 346 million yen to 5,706 million yen, while operating profit fell 206 million to 565 million yen due to factors including delays in the delivery of supplies and equipment in the architectural equipment business.



We are seeing the effects of falling appetite for capital investment in certain sectors and delays in planned projects stemming from a lack of clarity concerning the future direction of the economy due to the COVID-19 pandemic. As a result, we have revised the full-year earnings forecast based on a consideration of factors including performance through Q3 FY2021 and the current business environment. For details, please see “(2) Explanation concerning forward-looking statements such as consolidated earnings forecasts.”

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

【FY2021 Forecast】

(Unit: Millions of yen)

Segment	FY2021 Forecast (May 14, 2021) (①)		FY2021 Forecast (February 9, 2022) (②)		Change (② – ①)	
	Orders received	Net sales	Orders received	Net sales	Orders received	Net sales
Domestic Environment and Energy Business	151,500	110,000	152,200	109,600	700	(400)
Overseas Environment and Energy Business	3,000	500	1,800	900	(1,200)	400
Package Boiler Business	18,000	18,000	17,500	17,000	(500)	(1,000)
Equipment and Systems Business	8,000	9,000	9,000	8,000	1,000	(1,000)
Total	180,500	137,500	180,500	135,500	—	(2,000)
Adjustments	(500)	(500)	(500)	(500)	—	0
Total	180,000	137,000	180,000	135,000	—	(2,000)

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, although the number of COVID-19 infections was exhibiting a declining trend for a time, factors including growth in infections due to new strains are contributing to a continued lack of clarity concerning the future direction of the economy.

Against this backdrop, we expect net sales of 135,000 million yen, which is less than the previous forecast, during FY2021 even as we continue to anticipate order volume in line with our initial outlook of 180,000 million yen at the beginning of the year. This decline reflects the effects of falling appetite for capital investment in certain sectors and delays in planned projects stemming from the lack of clarity concerning the future direction of the economy due to the COVID-19 pandemic. We expect operating profit of 9,700 million yen, ordinary profit of 10,300 million yen, and current profit attributable to owners of the parent of 7,300 million yen, all of which are less than the previous outlook, due to the effects of lower net sales as well as a failure to reduce costs in line with initial targets due to factors including the rising cost of steel and other materials and equipment.

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 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)	Q3 FY2021 (December 31, 2021)
<b>Assets</b>		
Current assets		
Cash and deposits	44,422	49,268
Notes and accounts receivable – trade	84,222	-
Notes and accounts receivable - trade, and contract assets	-	66,185
Inventories	4,465	7,753
Other	1,962	5,716
Allowance for doubtful accounts	(16)	(15)
<b>Total current assets</b>	<b>135,056</b>	<b>128,909</b>
Non-current assets		
Property, plant and equipment	9,759	10,345
Intangible assets	267	277
Investments and other assets		
Investment securities	17,740	17,515
Other	15,058	14,480
Allowance for doubtful accounts	(142)	(134)
<b>Total investments and other assets</b>	<b>32,657</b>	<b>31,860</b>
<b>Total non-current assets</b>	<b>42,685</b>	<b>42,483</b>
<b>Total assets</b>	<b>177,741</b>	<b>171,392</b>



(Unit: Millions of yen)

	Q4 FY2020 (March 31, 2021)	Q3 FY2021 (December 31, 2021)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	30,717	31,854
Electronically recorded obligations - operating	13,184	16,581
Short-term borrowings	5,602	300
Income taxes payable	2,569	113
Advances received	9,349	-
Contract liabilities	-	10,351
Provision for bonuses	3,364	2,040
Provision for product warranties	66	65
Provision for loss on construction contracts	3,946	2,039
Provision for loss on liquidation of subsidiaries and associates	1,003	-
Other	6,354	4,318
Total current liabilities	76,157	67,665
Non-current liabilities		
Long-term borrowings	80	20
Provision for retirement benefits for directors (and other officers)	241	231
Retirement benefit liability	10,451	10,937
Other	256	457
Total non-current liabilities	11,029	11,645
Total liabilities	87,186	79,311
Net assets		
Shareholders' equity		
Share capital	13,367	13,367
Capital surplus	3,840	3,872
Retained earnings	70,850	72,153
Treasury shares	(2,087)	(2,017)
Total shareholders' equity	85,970	87,375
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,461	4,440
Deferred gains or losses on hedges	36	60
Foreign currency translation adjustment	30	63
Remeasurements of defined benefit plans	(355)	(291)
Total accumulated other comprehensive income	4,172	4,273
Non-controlling interests	412	431
Total net assets	90,555	92,080
Liabilities and net assets	177,741	171,392

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

Quarterly Consolidated Statement of Income

Third quarterly consolidated cumulative accounting period (Q3)

(Unit: Millions of yen)

	Q3 FY2020 (April 1, 2020, to December 31, 2020)	Q3 FY2021 (April 1, 2021, to December 31, 2021)
Net sales	105,584	93,679
Cost of sales	85,481	76,545
Gross profit	20,103	17,133
Selling, general and administrative expenses	11,743	11,827
Operating profit	8,359	5,306
Non-operating income		
Interest income	16	13
Dividend income	430	424
Share of profit of entities accounted for using equity method	149	119
Other	132	156
Total non-operating income	729	714
Non-operating expenses		
Interest expenses	10	4
Commitment fees	21	21
Loss on disposal of non-current assets	81	55
Other	21	31
Total non-operating expenses	135	112
Ordinary profit	8,954	5,907
Extraordinary income		
Insurance claim income	-	300
Gain on sale of investment securities	1,002	80
Total extraordinary income	1,002	380
Extraordinary losses		
New factory construction expenses	-	255
Provision for loss on liquidation of subsidiaries and associates	882	-
Other	105	-
Total extraordinary losses	988	255
Quarterly profit before income taxes	8,968	6,032
Income taxes	2,309	1,920
Quarterly profit	6,658	4,112
Quarterly profit attributable to non-controlling interests	23	31
Quarterly profit attributable to owners of parent	6,635	4,080

Quarterly Consolidated Statement of Comprehensive Income  
 Third quarterly consolidated cumulative accounting period (Q3)

(Unit: Millions of yen)

	Q3 FY2020 (April 1, 2020, to December 31, 2020)	Q3 FY2021 (April 1, 2021, to December 31, 2021)
Quarterly profit	6,658	4,112
Other comprehensive income		
Valuation difference on available-for-sale securities	464	(21)
Deferred gains or losses on hedges	(24)	24
Foreign currency translation adjustment	6	45
Remeasurements of defined benefit plans, net of tax	74	64
Total other comprehensive income	520	113
Quarterly comprehensive income	7,178	4,225
Comprehensive income attributable to		
Quarterly comprehensive income attributable to owners of parent	7,154	4,182
Quarterly comprehensive income attributable to non-controlling interests	23	43

### 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	152,200	109,600	419,743
Overseas Environment and Energy Business	1,800	900	1,327
Package Boiler Business	17,500	17,000	5,021
Equipment and Systems Business	9,000	8,000	6,348
Total	180,500	135,500	432,441
Adjustments	(500)	(500)	(288)
Total	180,000	135,000	432,152

#### (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