

(3) Status of 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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2022	32,191	(5,604)	(4,280)	63,911
FY2021	9,000	(2,394)	(9,112)	41,244

2. Dividend status

	Annual dividend					Total dividend	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	Q1	Q2	Q3	Q4	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY2021	—	18.00	—	18.00	36.00	2,916	39.3	3.2
FY2022	—	19.00	—	24.00	43.00	3,437	35.8	3.6
FY2023 (forecast)	—	24.00	—	24.00	48.00		46.2	

3. Consolidated earnings forecast for FY2023 (April 1, 2023, to March 31, 2024)

(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
FY2023	146,000	2.3	11,300	(18.2)	12,000	(18.3)	8,300	(13.7)	103.81

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1. Business results

Forward-looking statements in the text reflect the judgment of the Group's management as of the end of the consolidated fiscal year under review.

(1) Overview of results for FY2022

Orders received during FY2022 remained robust at 168,558 million yen, even though that figure fell slightly below our target at the beginning of the year (170,000 million yen) thanks to reliable conversion of continued robust demand including waste treatment plants, biomass power plants, and other products into orders.

Net sales rose to 142,651 million yen, up 8,558 million yen from the previous fiscal year, as a result of steady progress on previously ordered plant construction projects. As a result, the order backlog rose 25,907 million yen to 471,211 million yen.

Operating profit rose 3,884 million yen compared to FY2021 to 13,813 million yen as a result of an increase in net sales and improved profitability, while ordinary profit rose 4,036 million yen to 14,684 million yen. Profit attributable to owners of parent rose 2,187 million yen to 9,621 million yen.

The demand downturn seen in some segments and other effects of the COVID-19 pandemic generally improved, and no serious impacts made themselves felt in the business results for FY2022.

Performance by segment during the consolidated fiscal year

(Unit: Millions of yen)

Segment	Consolidated FY2022				Change from consolidated FY2021		
	Orders received	Net sales	Operating profit	Backlog	Orders received	Net sales	Operating profit
Domestic Environment and Energy Business	130,280	115,985	14,875	447,646	(34,584)	7,328	3,968
Overseas Environment and Energy Business	5,922	1,351	(172)	6,028	3,887	346	45
Package Boiler Business	18,400	17,312	915	5,940	1,570	813	242
Equipment and Systems Business	14,328	8,360	826	11,644	5,410	(230)	169
Total	168,932	143,010	16,444	471,260	(23,716)	8,257	4,427
Adjustments	(373)	(358)	(2,630)	(48)	30	300	(542)
Total	168,558	142,651	13,813	471,211	(23,685)	8,558	3,884

The Group's operating segments consist of the following four businesses: Domestic Environment and Energy, Overseas Environment and Energy, Package Boiler, and Equipment and Systems business. The flagship Domestic Environment and Energy segment accounts for most net sales. (During FY2022, this segment accounted for about 80% of total net sales before excluding inter-segment sales and about 90% of total operating profit before excluding adjustments.)

Domestic Environment and Energy Business

During FY2022, efforts to take advantage of continued robust demand yielded orders in our waste treatment plant BTO business and for biomass power plant construction, including a number of fuel transition projects. Nonetheless, orders received fell 34,584 million yen compared to the previous fiscal year, when we received orders for three waste treatment plant DBO projects, to 130,280 million yen.

<<Major orders received during FY2022>>

Municipal solid waste plants: One waste treatment plant BTO business project, one primary equipment improvement project, one long-term O&M project

Energy plants : Six biomass power plant new construction projects, one industrial waste treatment plant new construction project

As a result of changes in the project mix in our EPC business and growth in recurring revenue model businesses such as O&M and power retail businesses, net sales rose 7,328 million yen from the previous fiscal year to 115,985 million yen, while operating profit rose 3,968 million yen to 14,875 million yen.

Long-term O&M such as the DBO business (contracts with a duration of at least 10 years, including with private-sector businesses) accounted for about 50% of the order backlog of 447,646 million yen.

In addition to continuing to work to maintain and expand our position as a leading company by securing orders for waste treatment plants, biomass power plants, and sewage sludge incineration power plants, we will work to expand our recurring revenue model businesses, for example by improving quality and strengthening profitability in our operations business, pursuing service life extension and solution proposals, and expanding our power retail business.

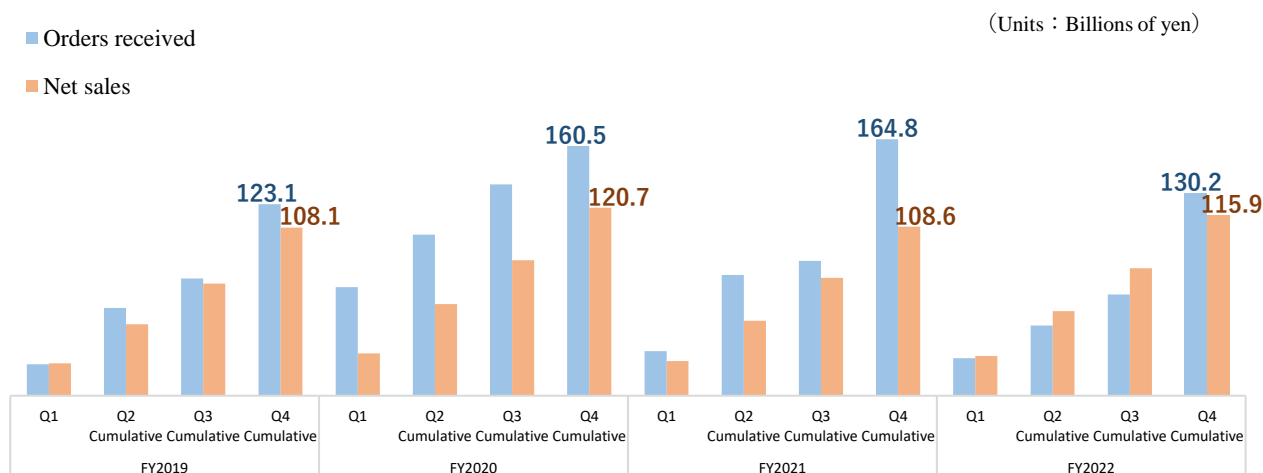
* EPC : Engineering, procurement, and construction; one approach we use in our plant construction business.

O&M : Operation and maintenance; one approach we use in our plant operation business.

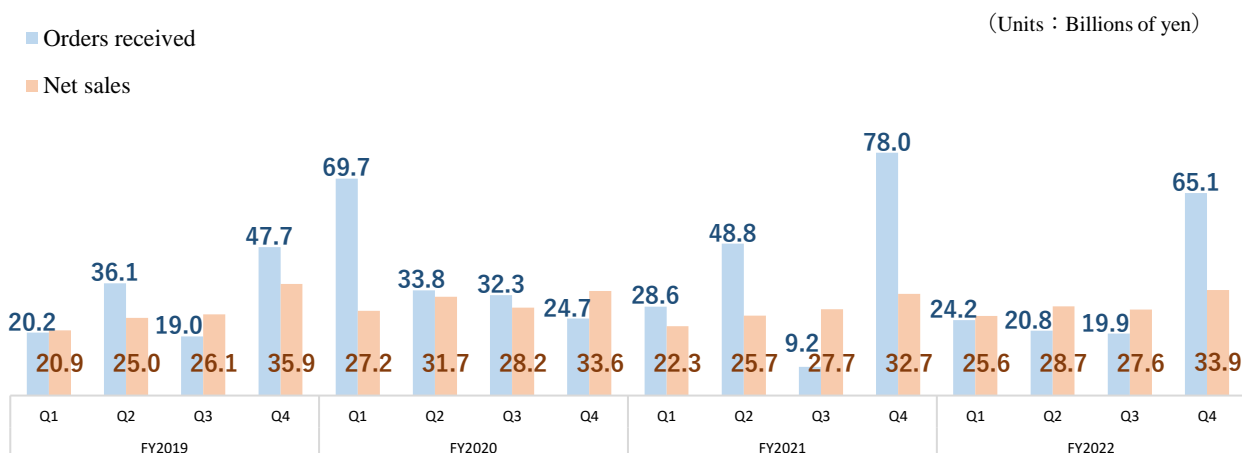
BTO : Build, transfer, and operate; one approach we use in our plant construction and operation businesses (EPC + O&M).

DBO : Design, build, and operate; one approach we use in our plant construction and operation businesses (EPC + O&M).

<Orders received and net sales (cumulative quarterly total)>



<Orders received and net sales (by quarter)>



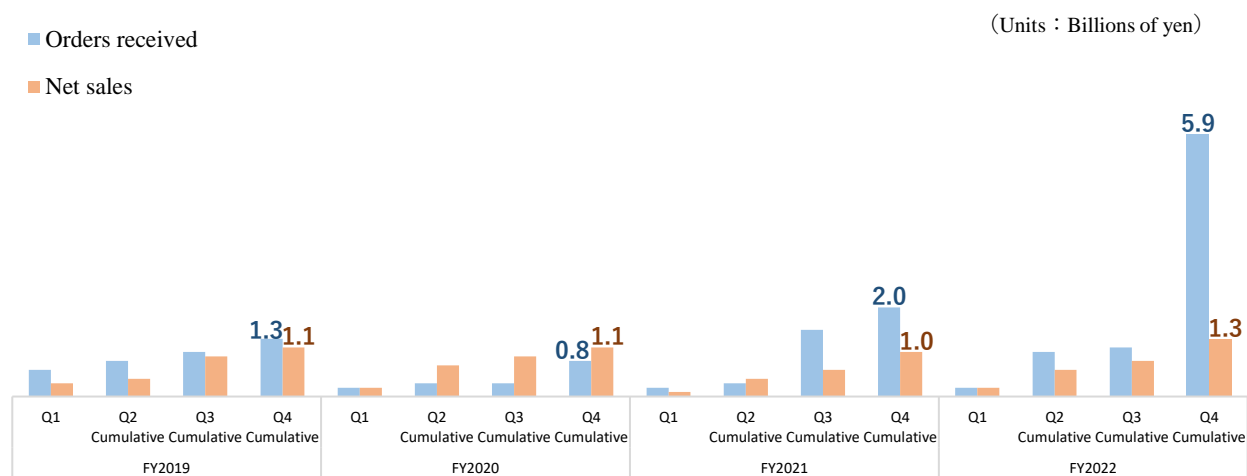
Overseas Environment and Energy Business

During FY2022, orders received rose 3,887 million yen to 5,922 million yen as we booked orders for new construction of an energy plant in Thailand and a waste treatment plant in Vietnam.

Net sales rose to 1,351 million yen, up 346 million yen from the previous fiscal year, thanks in part to progress in an equipment replacement project at an Energy from Waste plant as part of an order received last year, while the segment's operating loss improved from 218 million yen to 172 million yen.

In addition to redoubling ongoing cost-cutting effort, for example by expanding the scope of overseas procurement, we will work to increase added value and differentiate ourselves from our competitors, including by accommodating new biomass fuels and enhancing maintenance services offered through our local subsidiary in Thailand, as we continue to strive to earn biomass power plant orders. In addition, we will build structures to secure orders for Energy from Waste plants, including partnerships with local companies, so that we can capture future demand, particularly in Thailand and Taiwan.

<Orders received and net sales (cumulative quarterly total)>

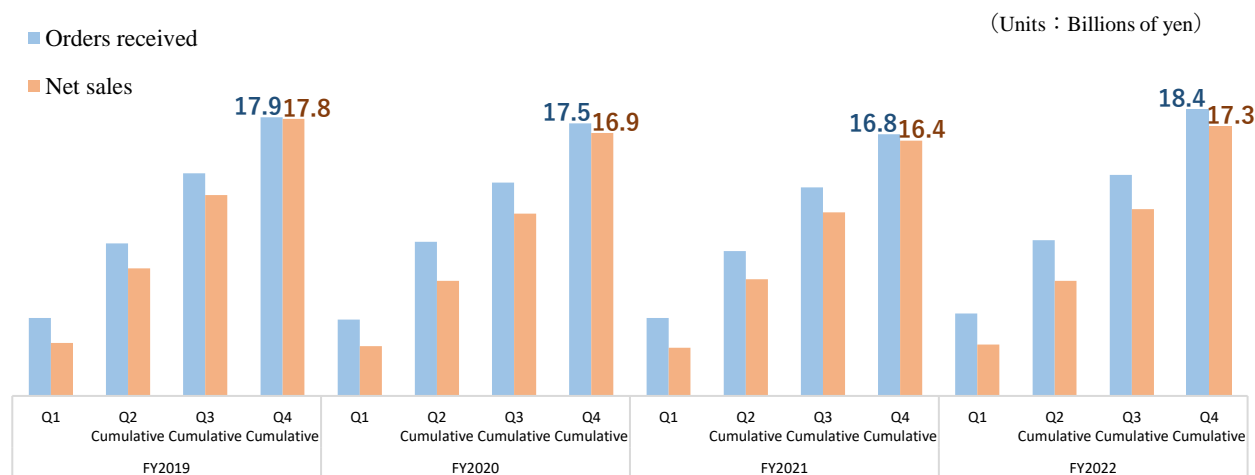


Package Boiler Business

During FY2022, orders received rose 1,570 million yen from the previous fiscal year to 18,400 million yen as net sales rose 813 million yen to 17,312 million yen and operating profit rose 242 million yen to 915 million yen on a recovery in equipment utilization and new-equipment demand, both of which had been weighed down by the effects of the COVID-19 pandemic.

We will continue to maintain and expand the domestic business with a focus on replacement demand and maintenance while striving to expand the overseas business through efforts centered on our local subsidiary in Thailand. Additionally, we will work to develop new heat source system markets anticipating the decarbonized society of the future, including hybrid hot water supply systems that combine heat pumps with vacuum-type hot water heaters as well as wood chip-fueled biomass boilers.

<Orders received and net sales (cumulative quarterly total)>



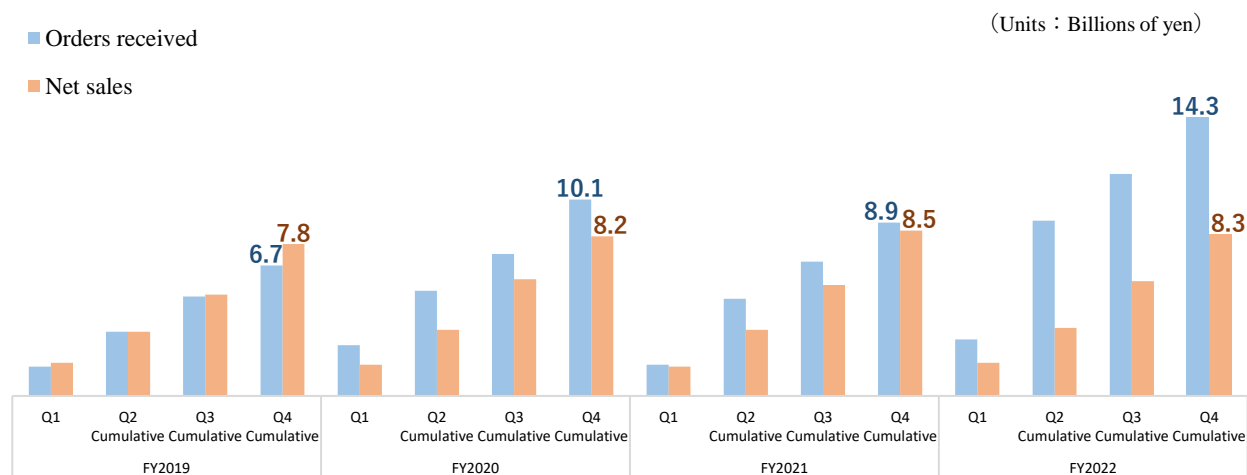
Equipment and Systems Business

During FY2022, orders received rose 5,410 million yen to 14,328 million yen as performance benefited from robust demand for semiconductor industry equipment and orders received for large projects in the building equipment business.

In addition, net sales fell 230 million yen from the previous fiscal year to 8,360 million yen due to factors including lengthening lead times, while operating profit rose 169 million yen to 826 million yen as a result of factors including improved profitability in the building equipment business.

Going forward, we will continue to work to expand orders in the building equipment business by strengthening our sales and construction capabilities as well as to increase profit in our semiconductor industry equipment by strengthening product competitiveness.

<Orders received and net sales (cumulative quarterly total)>



The Takuma Group is implementing its 13th Medium-Term Management Plan, which covers FY2021 to FY2023, establishing a cumulative consolidated ordinary profit target of 36.0 billion yen for its three-year period. Cumulative ordinary profit up to and including FY2022 totaled 25.3 billion yen, indicating generally steady progress towards the plan's target. We will continue to diligently work toward the plan's targets.

(2) Future outlook

The Group expects to see continued demand for its principal products, including replacement and service life extensions for aging waste treatment plants, and construction of biomass power plants against a backdrop of favorable energy policies. However, uncertainty about the future continues, including due to confusion from the situation in Russia-Ukraine, rising prices for steel and other materials and equipment, and growing lead times.

During FY2023, in light of these circumstances, we expect to see continued robust demand for facilities such as waste treatment plants and biomass power plants, and we have set a target of 170,000 million yen for orders received.

Turning to profitability, we expect net sales to surpass FY2022 at 146,000 million yen, but anticipate operating profit, ordinary profit, and profit attributable to owners of parent to fall below FY2022 levels at 11,300 million yen, 12,000 million yen, and 8,300 million yen, respectively, as changes in the project mix in the EPC business are aggravated by an expected increase in operating expenses, particularly with regard to investments in R&D and human resources, and an increase in depreciation charges associated with operations at the new Harima Factory, among other factors.

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.

- 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.

(3) Basic policy concerning profit allocation and dividends during FY2022 and FY2023

Takuma has adopted a policy of returning profits to shareholders founded on the principle of maintaining a stable dividend while working to strengthen its constitution to ensure competitiveness in an increasingly challenging market and taking into account a comprehensive range of factors, including business performance.

We award a total of two dividends each fiscal year, namely, an interim dividend and a year-end dividend. The former is determined by resolution of the Board of Directors, while the latter is determined by resolution of the Regular General Meeting of Shareholders.

In keeping with this policy, we are planning to offer a year-end dividend of 24 yen per share, as announced on February 9, 2023, which combined with the interim dividend paid in December 2022 will yield an annual dividend of 43 yen per share.

In addition, we plan to increase the dividend for FY2023 from 43 yen per share to 48 yen per share (including an interim dividend of 24 yen and an end-of-year dividend of 24 yen), reflecting the outlook for achieving ordinary profit of 36 billion yen (three-year cumulative total), our target under the 13th Medium-Term Management Plan.

We plan to increase our corporate value by continuing to strengthen our financial position through enhancement of our internal reserve and utilizing it to finance capital investment and R&D investment to facilitate the future development of our businesses.

2. Management policies

Forward-looking statements in the text reflect the judgment of the Group's management as of the end of the consolidated fiscal year under review.

(1) Basic policies on management

Company motto

Value Technology, Value People, Value the Earth

Management Principles

Takuma will strive for social contribution, corporate value enhancement, long-term corporate development and the satisfaction of all stakeholders by providing goods and services that are needed and recognized as valuable in society.

Long-term Vision

Takuma aims for sustainable growth with customers and society by implementing ESG management and maintenance of its role of being an indispensable presence in society as a leading company in the field of renewable energy utilization and environmental protection, and we will strive to achieve ordinary profit of 20 billion yen by 2030.

[1] Management Principles

Founder Tsunekichi Takuma invented the Takuma boiler in 1912, making a significant contribution to the development of Japanese industry. He then founded Takuma in 1938 with the founding spirit of "Serve society through boiler manufacturing." Since that time, we have carried on Takuma's philosophy while manufacturing an array of boiler types and entered the environmental and sanitation field such as waste treatment plants and water treatment plants while taking advantage of boiler technologies. Also, we have contributed to the development of society and to providing solutions for challenges while broadening our businesses with a focus on energy use and environmental protection. The Group's Management Principles derive from its founding philosophy, and Takuma retains an unchanging system of values that seek to contribute to the long-term, sustainable development of society through its business activities.

[2] Long-Term Vision (Vision 2030)

Global issues that merit concern include the growing seriousness of the problem of climate change; the worsening of the sanitation environment due to rapid population growth and urbanization, particularly in emerging nations; and increasing energy demand. At the same time, domestic challenges like falling internal demand caused by the shrinking and aging of Japan's population, shortages of human resources and future leaders, tight financial conditions affecting government, and aging infrastructure are triggering major concerns about how a sustainable society can be realized going forward. Based on these medium- and long-term trends and social issues, we have formulated Vision 2030 as a long-term vision that will serve as guidelines for the Group's medium- and long-term management.

In keeping with this vision, the Takuma Group will implement Environment, Social, and Governance (ESG) management, an approach that consists of addressing key ESG-related issues in an effort to achieve sustainable growth by resolving issues faced by customers and society through business activities. In pursuing business activities built on a core of ESG management, we will strive to become a great partner for our customers by leveraging the technologies and expertise related to energy utilization and environmental protection that are the Group's strengths, along with the relationships of trust we have developed with customers through long-term after-sales service and other interactions. Through the useful technologies and services created through innovation by the Group, which carries on the spirit of a tenacious inventor, we will resolve challenges faced by customers and society, with a focus on the fields of renewable energy utilization and environmental protection. We will work to achieve ordinary profit of 20 billion yen in 2030 by addressing important ESG-related issues through our business activities and pursuing sustainable growth alongside our customers and society.

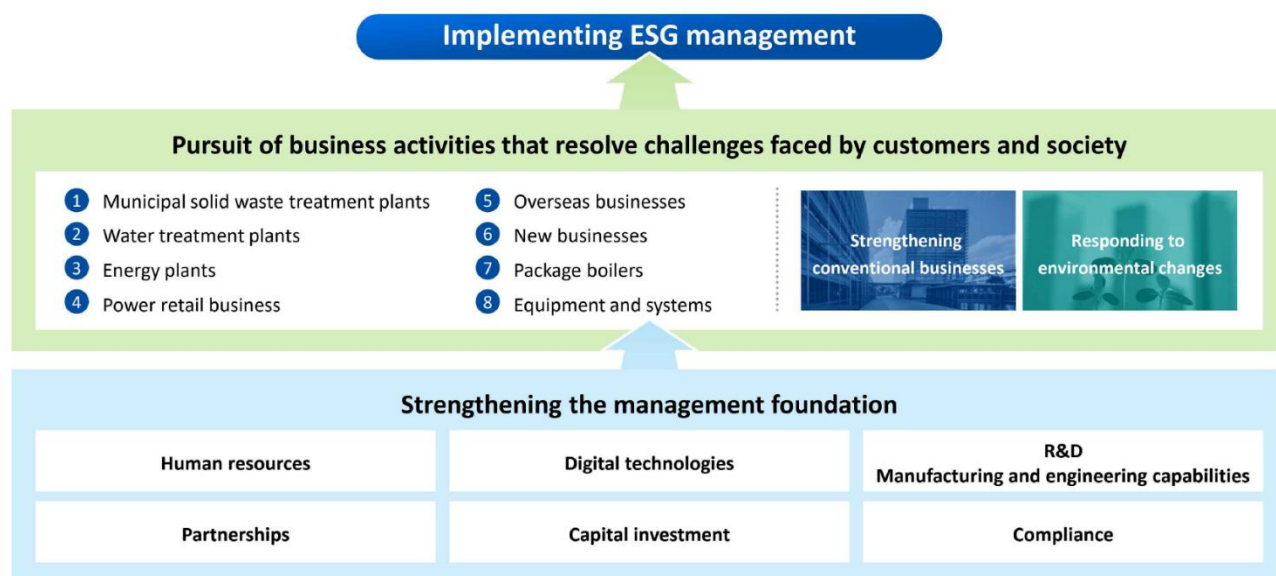
(2) Medium- and long-term management strategy and issues that need to be addressed

13th Medium-Term Management Plan (FY2021 to FY2023)

The Group launched its 13th Medium-Term Management Plan (FY2021 to FY2023) in April 2021 as the first step towards realizing Vision 2030. The plan's theme is laying the foundation for further growth based on the management foundation and business foundation that the Group has built under previous Medium-Term Management Plans.

Policies of the 13th Medium-Term Management Plan

We will strengthen conventional businesses by reinforcing the Group's management foundation and at the same time accelerate its response to future environmental changes. We will strive to realize sustainable growth alongside customers and society by implementing ESG management through these business activities.



a. Implementing ESG management

In order to realize sustainable growth alongside customers and society by implementing ESG management as set forth in Vision 2030, the Group has approached the task of formulating the 13th Medium-Term Management Plan by organizing various ESG issues from the dual standpoints of their importance for stakeholders on the one hand, and their importance for the Group on the other. This process led to the identification of seven key issues (Materiality) that deserve to be given priority by the Group.

Key issues (Materiality)

Environment	Helping combat climate change
	Conserving resources and protecting the environment
Social	Strengthening relationships of trust with customers and communities
	Pursuing partnerships and innovation
	Promoting activities of human resources
	Ensuring safety and health
Governance	Strengthening corporate governance

Going forward, we will report on specific initiatives and targets related to materialities as well as progress towards them through our CSR Report and other resources.

b. Strengthening the management foundation

In order to anticipate change and realize additional growth as environmental change gathers pace, for example in the rapid development of digital technologies and the goal of achieving carbon neutrality by 2050, the Group will work to strengthen its management foundation through active allocation and investment of resources in human resources, digital technologies, and other areas of its operations. Through this initiative, we will strengthen conventional businesses and accelerate our response to future environmental changes.

c. Financial targets

In order to achieve the goal of posting ordinary profit of 20 billion yen in FY2030 as set forth in Vision 2030, the 13th Medium-Term Management Plan sets the achievement of steady growth and a target of cumulative consolidated ordinary profit of 36 billion yen over the course of the plan's three years as the first step in that process.

(3) Business environment

As the impacts of climate change increasingly manifest themselves, for example in the form of larger-scale natural disasters, renewable energy is attracting high expectations as a path by which we can realize a carbon-free society. In addition, there is continuing robust demand in the Group's principal business domains, such as demand for replacements and service life extensions of aging infrastructure. At the same time, the business environment is expected to undergo major changes over the medium and long term, including shifts in demand in response to changes in the structure of society, for example due to the shrinking and aging of Japan's population; increased reliance on comprehensive contracts as part of a trend to outsource government services; and increasing sophistication and diversity in customer needs in order to solve regional issues.

Domestic Environment and Energy Business

The primary focus of our Domestic Environment and Energy Business is the construction of waste treatment plants and sewage treatment plants for local governments and facilities such as biomass power plants for private-sector customers (EPC business) as well as after-sales service including plant maintenance, operational management, O&M, and power retail business services (recurring revenue model businesses).

Our EPC business is susceptible to the effects of factors such as government policy, for example environmental and other laws and regulations and policy guiding subsidies for local governments and private-sector businesses, as well as trends affecting public investment and private-sector capital investment. As a result, demand will fluctuate significantly over the medium and long term. At the same time, we expect stable demand for our after-sales service business, which comprises maintenance and other services, across the plant life cycle of 20 to 30 years after the start of operation.

Demand remains brisk in our EPC business, and we expect that trend to continue for the time being thanks to demand for replacement and service life extensions due to aging (for waste treatment plants), demand for energy-saving and energy-creating conversions as part of updates to sludge incineration plants (in the sewage treatment field), and demand for facilities such as power plants that use biomass or waste plastic as fuel and utilize the feed-in tariff program for power (for private-sector customers). We also expect to see growing demand in the future in our after-sales service business thanks to trends such as an increase in comprehensive contracts for plant operation in waste treatment, growing reliance on comprehensive contracts in sewage treatment, and increases in the number of plants eligible for after-sales service and in demand for operational outsourcing due to growth in the number of plants delivered by Takuma to private-sector customers.

Overseas Environment and Energy Business

The primary focus of our Overseas Environment and Energy Business is the construction and maintenance of biomass power plants and Energy from Waste plants overseas. We are developing these businesses primarily in Southeast Asia, particularly in Thailand and Taiwan, where we have local subsidiaries.

Although we expect to see continued demand for biomass power plants in Southeast Asia on the back of the region's rich biomass resources and recognize the market's high potential over the medium and long term, competition with Indian and Chinese manufacturers remains intense for our flagship bagasse-fired boiler plants. In addition, while demand for Energy from Waste facilities is rising as a result of urbanization, a stable market has not yet formed to date due to factors including a lack of programs and standards and insufficient funding from governments.

Package Boiler Business

The primary focus of our Package Boiler Business is the manufacture, sale, and maintenance of general-purpose boilers such as compact once-through boilers and vacuum-type hot water heaters, which are used as heat-source equipment at shopping centers, factories, and other facilities.

Although the domestic general-purpose boiler market is a mature market, we expect to see a certain amount of ongoing demand centering on equipment updates, and we also expect demand overseas to grow, primarily in Southeast Asia.

Equipment and Systems Business

The primary focus of our Equipment and Systems Business is the design and fabrication of building equipment like air-conditioning, water, and wastewater systems as well as the manufacture, sale, and maintenance of equipment for use in the semiconductor industry, including clean equipment and washing systems.

Building demand is expected to firm in the near future, and the semiconductor manufacturing equipment market is expected to grow over the medium and long term, despite short-term fluctuations.

3. Basic approach to the selection of accounting standards

The Group's policy for the immediate future is to compile consolidated financial statements in accordance with Japanese standards.

We intend to carefully consider a future transition to International Financial Reporting Standards (IFRS) based on a comprehensive consideration of factors including our future business activities and trends in the market environment.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Unit: Millions of yen)

	FY2021 (March 31, 2022)	FY2022 (March 31, 2023)
Assets		
Current assets		
Cash and deposits	42,979	65,242
Notes receivable – trade	3,065	3,175
Accounts receivable – trade	30,850	33,304
Contract assets	48,185	24,371
Merchandise and finished goods	834	839
Work in process	2,139	3,247
Raw materials and supplies	1,630	1,924
Other	4,646	2,159
Allowance for doubtful accounts	(16)	(15)
Total current assets	134,315	134,249
Non-current assets		
Property, plant and equipment		
Buildings and structures (net amount)	4,825	10,738
Machinery, equipment and vehicles (net amount)	1,514	3,871
Land	2,393	2,605
Other (net amount)	3,613	1,221
Total property, plant and equipment	12,346	18,436
Intangible assets	298	540
Investments and other assets		
Investment securities	17,012	18,280
Long-term loans receivable	722	248
Deferred tax assets	4,748	4,159
Retirement benefit asset	38	37
Other	5,187	3,871
Allowance for doubtful accounts	(134)	(135)
Total investments and other assets	27,574	26,462
Total non-current assets	40,220	45,439
Total assets	174,535	179,688

(Unit: Millions of yen)

	FY2021 (March 31, 2022)	FY2022 (March 31, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	33,070	26,610
Electronically recorded obligations – operating	16,493	14,749
Short-term borrowings	300	220
Income taxes payable	500	3,362
Contract liabilities	8,669	11,059
Provision for bonuses	3,375	3,789
Provision for product warranties	52	215
Provision for loss on construction contracts	1,516	625
Other	4,724	6,208
Total current liabilities	68,704	66,840
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	246	266
Retirement benefit liability	10,791	10,980
Other	439	433
Total non-current liabilities	11,477	11,680
Total liabilities	80,181	78,521
Net assets		
Shareholders' equity		
Share capital	13,367	13,367
Capital surplus	3,872	3,873
Retained earnings	75,507	82,045
Treasury shares	(2,765)	(3,916)
Total shareholders' equity	89,981	95,370
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,956	5,227
Deferred gains or losses on hedges	110	48
Foreign currency translation adjustment	79	91
Remeasurements of defined benefit plans	(220)	(138)
Total accumulated other comprehensive income	3,926	5,229
Non-controlling interests	445	567
Total net assets	94,354	101,167
Liabilities and net assets	174,535	179,688

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

(Unit: Millions of yen)

	FY2021 (April 1, 2021, to March 31, 2022)	FY2022 (April 1, 2022, to March 31, 2023)
Net sales	134,092	142,651
Cost of sales	107,909	111,096
Gross profit	26,183	31,554
Selling, general and administrative expenses		
Salaries and allowances	5,895	6,079
Welfare expenses	1,591	1,688
Provision for bonuses	1,285	1,531
Retirement benefit expenses	448	455
Provision for retirement benefits for directors (and other officers)	60	55
Commission expenses	1,631	1,706
Travel and transportation expenses	621	813
Depreciation	277	286
Rent expenses	838	856
Taxes and dues	474	698
Research and development expenses	1,003	1,147
Other	2,125	2,421
Total selling, general and administrative expenses	16,254	17,741
Operating profit	9,928	13,813
Non-operating income		
Interest income	18	19
Dividend income	434	549
Share of profit of entities accounted for using equity method	178	145
Other	235	236
Total non-operating income	866	950
Non-operating expenses		
Interest expenses	5	2
Commitment fees	45	28
Loss on disposal of non-current assets	66	19
Other	30	28
Total non-operating expenses	148	80
Ordinary profit	10,647	14,684

(Unit: Millions of yen)

	FY2021 (April 1, 2021, to March 31, 2022)	FY2022 (April 1, 2022, to March 31, 2023)
Extraordinary income		
Gain on sale of investment securities	197	195
Insurance claim income	300	-
Total extraordinary income	497	195
Extraordinary losses		
New factory construction expenses	355	598
Loss on valuation of investment securities	-	177
Total extraordinary losses	355	776
Profit before income taxes	10,789	14,102
Income taxes – current	618	4,411
Income taxes – deferred	2,697	8
Total income taxes	3,315	4,420
Profit	7,473	9,682
Profit (loss) attributable to non-controlling interests	38	60
Profit attributable to owners of parent	7,434	9,621

Consolidated statement of comprehensive income

(Unit: Millions of yen)

	FY2021 (April 1, 2021, to March 31, 2022)	FY2022 (April 1, 2022, to March 31, 2023)
Profit	7,473	9,682
Other comprehensive income		
Valuation difference on available-for-sale securities	(504)	1,271
Deferred gains or losses on hedges	74	(61)
Foreign currency translation adjustment	67	15
Remeasurements of defined benefit plans, net of tax	135	81
Total other comprehensive income	(226)	1,306
Comprehensive income	7,246	10,989
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,189	10,925
Comprehensive income attributable to non-controlling interests	57	64

(3) Consolidated Statement of Cash Flows

(Unit: Millions of yen)

	FY2021 (April 1, 2021, to March 31, 2022)	FY2022 (April 1, 2022, to March 31, 2023)
Cash flows from operating activities		
Profit before income taxes	10,789	14,102
Depreciation	961	1,136
Loss (gain) on sale of investment securities	(197)	(195)
Loss (gain) on valuation of investment securities	21	177
Loss (gain) on disposal of non-current assets	66	19
Increase (decrease) in provision for bonuses	7	413
Increase (decrease) in provision for loss on construction contracts	(2,429)	(891)
Increase (decrease) in provision for loss on liquidation of subsidiaries and associates	(1,003)	-
Increase (decrease) in retirement benefit liability	535	306
Interest and dividend income	(452)	(569)
Interest paid	5	2
Share of loss (profit) of entities accounted for using equity method	(178)	(145)
Decrease (increase) in trade receivables	1,457	23,795
Decrease (increase) in inventories	(138)	(1,379)
Decrease (increase) in other current assets	(108)	700
Increase (decrease) in trade payables	3,745	(10,990)
Increase (decrease) in other current liabilities	(2,633)	2,618
Other, net	2,669	2,227
Subtotal	13,119	31,330
Interest and dividends received	522	619
Interest paid	(8)	(2)
Income taxes refund (paid)	(4,633)	244
Net cash provided by (used in) operating activities	9,000	32,191
Cash flows from investing activities		
Net decrease (increase) in time deposits	(246)	411
Purchase of property, plant and equipment	(1,510)	(5,808)
Proceeds from sale of property, plant and equipment	117	98
Purchase of intangible assets	(61)	(101)
Purchase of investment securities	(352)	(323)
Proceeds from sale of investment securities	377	390
Loan advances	(610)	-
Proceeds from collection of loans receivable	171	50
Other, net	(278)	(322)
Net cash provided by (used in) investing activities	(2,394)	(5,604)

(Unit: Millions of yen)

	FY2021 (April 1, 2021, to March 31, 2022)	FY2022 (April 1, 2022, to March 31, 2023)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(5,200)	-
Repayments of long-term borrowings	(182)	(80)
Purchase of treasury shares	(747)	(1,252)
Dividends paid	(2,924)	(2,972)
Dividends paid to non-controlling interests	(23)	(32)
Other, net	(33)	56
Net cash provided by (used in) financing activities	(9,112)	(4,280)
Effect of exchange rate change on cash and cash equivalents	45	16
Net increase (decrease) in cash and cash equivalents	(2,461)	22,323
Cash and cash equivalents at beginning of period	42,957	41,244
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	747	343
Cash and cash equivalents at end of period	41,244	63,911

5. Supplementary forecast materials

(1) Consolidated earnings forecast by segment

(Unit: Millions of yen)

Segment	FY2023(forecast)		
	Orders received	Net sales	Backlog
Domestic Environment and Energy Business	141,500	116,000	473,146
Overseas Environment and Energy Business	3,000	2,000	7,028
Package Boiler Business	18,000	18,000	5,940
Equipment and Systems Business	8,000	10,500	9,144
Total	170,500	146,500	495,260
Adjustments	(500)	(500)	(48)
Total	170,000	146,000	495,211

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

(Unit: Millions of yen)

	FY2022 (actual)	FY2023 (forecast)	Change
Capital investment	7,100	3,600	(3,500)
Depreciation	1,136	1,900	763
Research and development expenses	1,150	2,000	849

6. Supplementary Materials
 Domestic Environment and Energy Business Breakdown

(Unit : Billions of yen)

	FY2022(actual)		
	Orders received	Net sales	Backlog
Municipal Solid Waste Plants (EPC)	34.0	28.2	127.3
Municipal Solid Waste Plants (after sales service business)	52.9	41.8	232.9
Energy Plants	32.2	33.5	75.8
Water Treatment Plants, other	10.7	12.1	11.5
Adjustments	0.2	0.2	0
Total	130.2	115.9	447.6