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Summary of Results for the First Quarter of the Fiscal Year Ending March 2023 (Japanese Standards) (Consolidated Basis)

August 4, 2022

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, 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 Q1 FY2022 (April 1, 2022, to June 30, 2022)

(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 FY2022	30,940	14.1	2,194	109.8	2,536	100.0	1,730	118.4
Q1 FY2021	27,112	(16.0)	1,045	(52.8)	1,268	(49.8)	792	(57.6)

(Note) Comprehensive income: Q1 FY2022 1,859 million yen (up 327.1 %)
Q1 FY2021 435 million yen (down 83.5 %)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Q1 FY2022	21.56	—
Q1 FY2021	9.76	—

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
Q1 FY2022	167,554	93,396	55.5
FY2021	174,535	94,354	53.8

(Reference) Equity Q1 FY2022 92,929 million yen
FY2021 93,908 million yen

2. Dividend status

	Annual dividend				
	Q1	Q2	Q3	Q4	Total
	Yen	Yen	Yen	Yen	Yen
FY2021	—	18.00	—	18.00	36.00
FY2022	—				
FY2022 (forecast)		18.00	—	18.00	36.00

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

3. Consolidated earnings forecast for FY2022 (April 1, 2022, to March 31, 2023)

(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
FY2022	143,000	6.6	11,800	18.8	12,500	17.4	8,800	18.4	110.03

(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	Q1 consolidated cumulative period of FY2022				Change from the corresponding period of FY 2021		
	Orders received	Net sales	Operating profit	Backlog	Orders received	Net sales	Operating profit
Domestic Environment and Energy Business	24,293	25,619	2,752	432,025	(4,364)	3,226	1,141
Overseas Environment and Energy Business	287	284	(70)	1,460	56	159	27
Package Boiler Business	5,389	3,354	(67)	6,887	326	162	62
Equipment and Systems Business	2,967	1,771	145	6,872	1,303	199	(24)
Total	32,938	31,030	2,759	447,245	(2,678)	3,747	1,207
Adjustments	(82)	(89)	(565)	(26)	3	81	(59)
Total	32,855	30,940	2,194	447,219	(2,675)	3,828	1,148

During the Q1 consolidated cumulative period of FY2022, orders received totaled 32,855 million yen, down 2,675 million yen from the corresponding quarter of FY2021, due primarily to a contraction in the Domestic Environment and Energy Business, while net sales rose 3,828 million yen to 30,940 million yen, due primarily to an increase in the Domestic Environment and Energy Business.

Operating profit rose 1,148 million yen compared to the corresponding period of FY2021 to 2,194 million yen, while ordinary profit rose 1,268 million yen to 2,536 million yen. Profit attributable to owners of parent rose 938 million yen to 1,730 million yen. These results were due primarily to an increase in profits in the Domestic Environment and Energy Business.

Although there are signs of a recovery from the contraction in demand caused in some segments by the COVID-19 pandemic, the future trajectory of the market remains difficult to predict due to a resurgence in infections. Prices for equipment and materials such as steel continue to rise, making caution with regard to future developments.

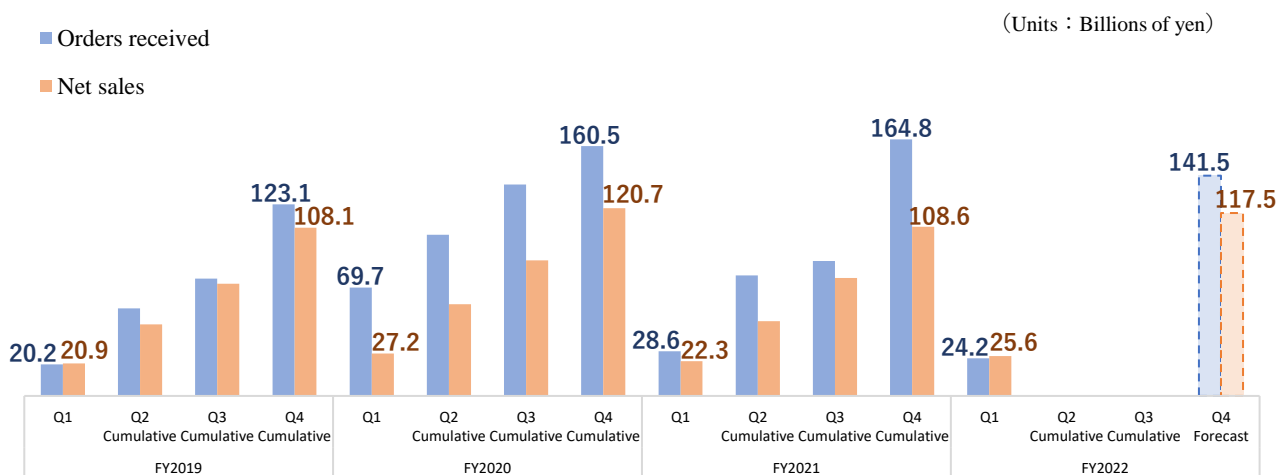
A description of each segment's results follows.

Domestic Environment and Energy Business

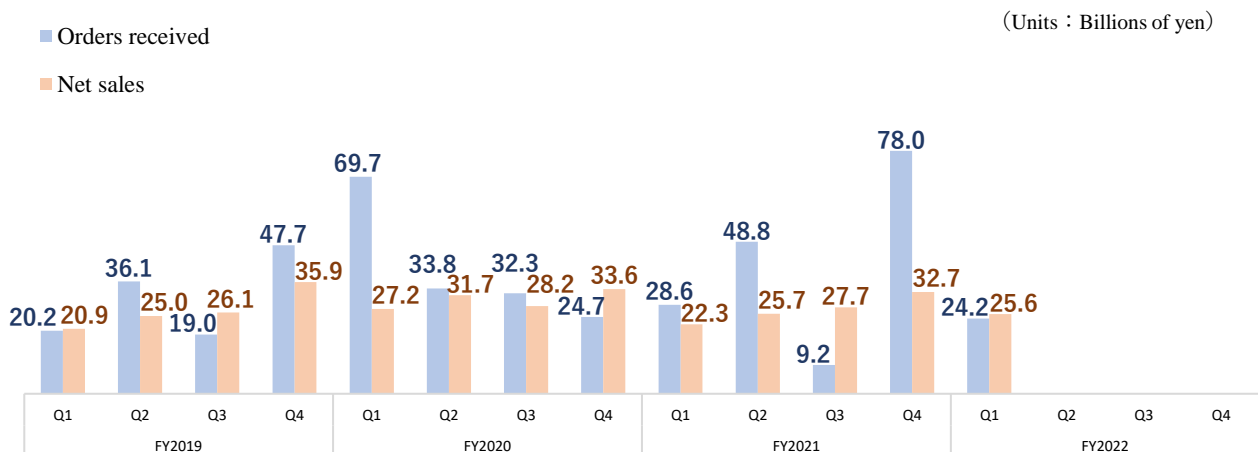
During the Q1 consolidated cumulative period of FY2022, continued efforts to take advantage of robust demand yielded orders that included one primary equipment improvement project at a waste treatment plant and two new biomass power plant construction projects. However, orders received fell 4,364 million yen to 24,293 million yen compared to the corresponding period of FY2021*. Net sales rose 3,226 million yen to 25,619 million yen due primarily to changes in the project mix in the EPC business, while operating profit rose 1,141 million yen to 2,752 million yen.

*Principal orders during the corresponding period of FY2021 included one long-term O&M project at a waste treatment plant and one new biomass power plant construction project.

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



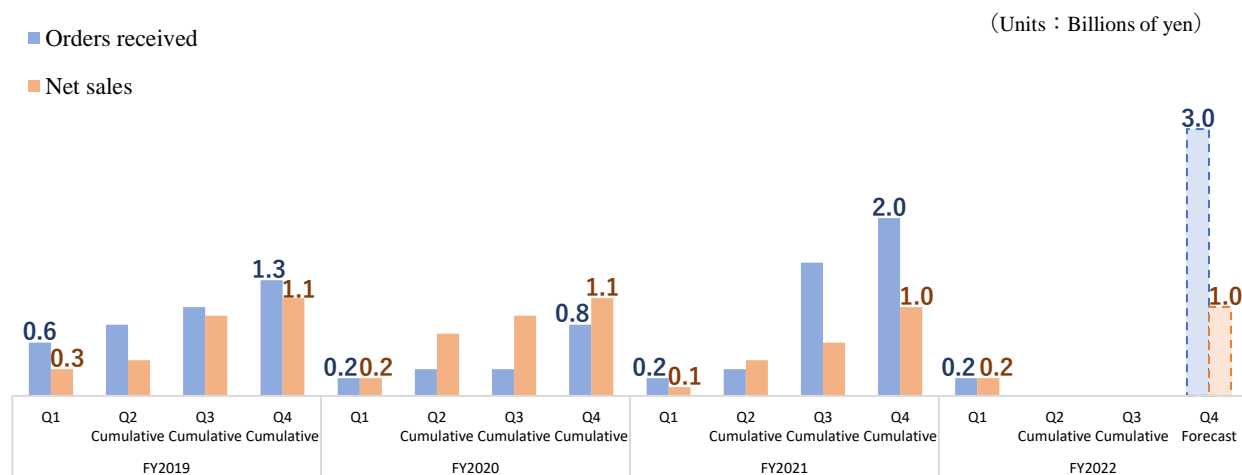
<Orders received and net sales (by quarter)>



Overseas Environment and Energy Business

As during the Q1 consolidated cumulative period of FY2022, maintenance service offered by our local subsidiaries in Taiwan and Thailand accounted for a substantial share of both orders and sales during the quarter under review as the segment notched orders received of 287 million yen, net sales of 284 million yen, and operating loss of 70 million yen, all slight improvements over the previous fiscal year.

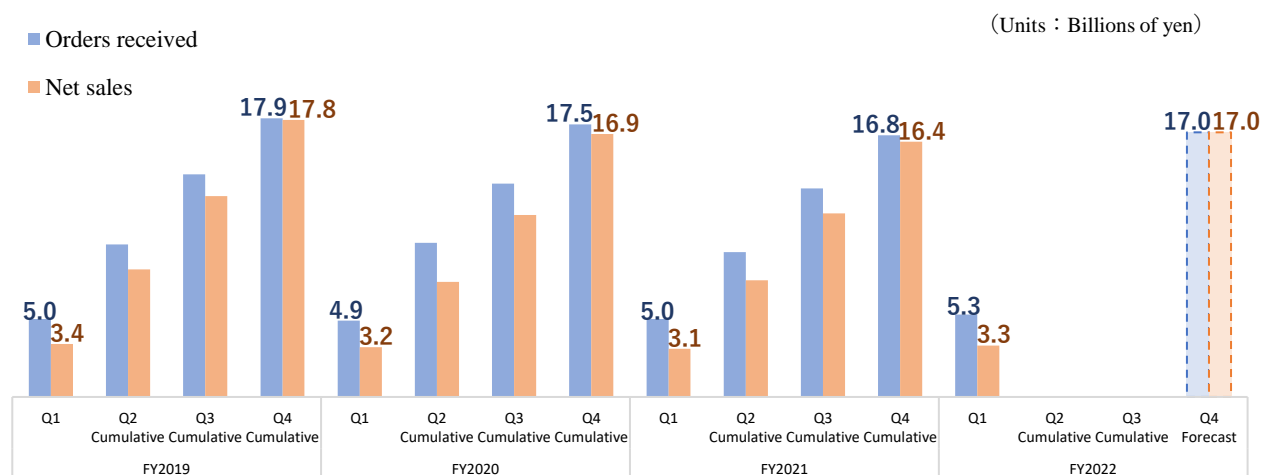
<Orders received and net sales (cumulative quarterly total)>



Package Boiler Business

Thanks to a recovery trend in equipment utilization and new-equipment demand, both of which had fallen due to the pandemic, orders received during the Q1 consolidated cumulative period of FY2022 rose 326 million yen from the previous fiscal year to 5,389 million yen, while net sales rose 162 million yen to 3,354 million yen. Operating loss fell from 129 million yen to 67 million yen.

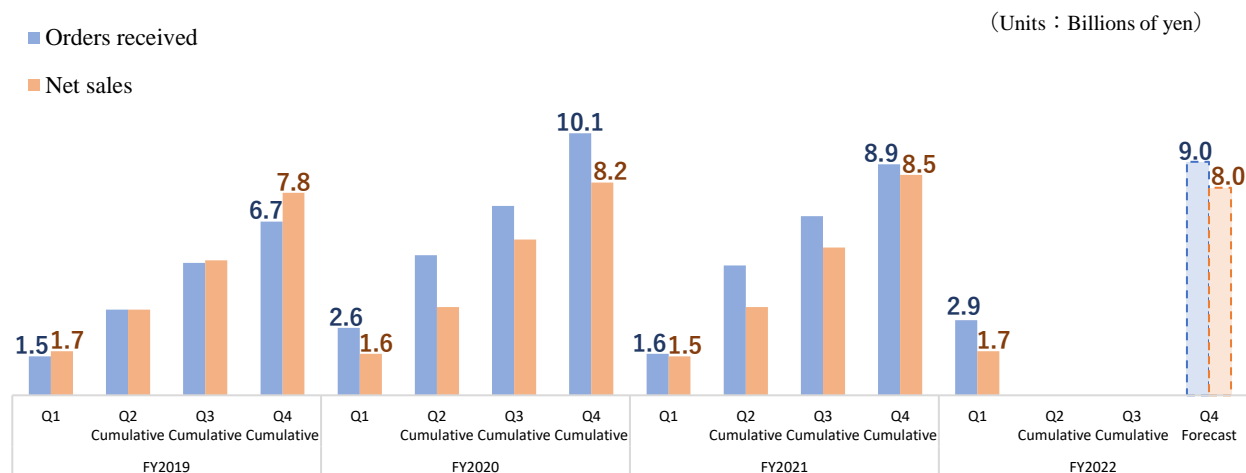
<Orders received and net sales (cumulative quarterly total)>



Equipment and Systems Business

Orders received the Q1 consolidated cumulative period of FY2022 rose 1,303 million yen from the previous fiscal year to 2,967 million yen amid a brisk market for semiconductor industry equipment and signs of a recovery in demand from the effects of the pandemic in the building equipment business. In addition, net sales rose 199 million yen from FY2021 to 1,771 million yen, while operating profit fell 24 million yen to 145 million yen due to factors including rising equipment and material prices.

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



During the second quarter and beyond, we expect to book orders in our Domestic Environment and Energy Business for waste treatment plant construction and operation projects, as well as biomass power plants and other facilities, and we continue to make steady progress on the construction of previously ordered plants. The Group's performance has not been substantially affected by the COVID-19 pandemic, and we continue to work to realize our fiscal-year targets of 170,000 million yen in orders received and 12,500 million yen in ordinary profit. 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. In addition, uncertainty about the future continues, including due to the resurgence of infections in the COVID-19 pandemic, confusion from the situation in Russia-Ukraine, rising prices for steel and other materials and equipment, and growing lead times.

Against this backdrop, the Group's performance during FY2022 remained robust during the Q1 consolidated cumulative period of FY2022, and FY2022 earnings forecast announced on May 13, 2022, 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 FY2021 (March 31, 2022)	Q1 FY2022 (June 30, 2022)
Assets		
Current assets		
Cash and deposits	42,979	73,333
Notes and accounts receivable - trade, and contract assets	82,101	41,250
Inventories	4,604	6,451
Other	4,646	5,379
Allowance for doubtful accounts	(16)	(15)
Total current assets	134,315	126,398
Non-current assets		
Property, plant and equipment	12,346	14,206
Intangible assets	298	470
Investments and other assets		
Investment securities	17,012	16,323
Other	10,697	10,290
Allowance for doubtful accounts	(134)	(134)
Total investments and other assets	27,574	26,479
Total non-current assets	40,220	41,156
Total assets	174,535	167,554

(Unit: Millions of yen)

	Q4 FY2021 (March 31, 2022)	Q1 FY2022 (June 30, 2022)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	33,070	21,553
Electronically recorded obligations - operating	16,493	17,106
Short-term borrowings	300	280
Income taxes payable	500	426
Contract liabilities	8,669	12,058
Provision for bonuses	3,375	1,467
Provision for product warranties	52	212
Provision for loss on construction contracts	1,516	1,240
Other	4,724	8,182
Total current liabilities	68,704	62,526
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	246	238
Retirement benefit liability	10,791	10,958
Other	439	434
Total non-current liabilities	11,477	11,631
Total liabilities	80,181	74,158
Net assets		
Shareholders' equity		
Share capital	13,367	13,367
Capital surplus	3,872	3,872
Retained earnings	75,507	75,673
Treasury shares	(2,765)	(4,017)
Total shareholders' equity	89,981	88,895
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,956	3,954
Deferred gains or losses on hedges	110	157
Foreign currency translation adjustment	79	123
Remeasurements of defined benefit plans	(220)	(201)
Total accumulated other comprehensive income	3,926	4,033
Non-controlling interests	445	467
Total net assets	94,354	93,396
Liabilities and net assets	174,535	167,554

(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 FY2021 (April 1, 2021, to June 30, 2021)	Q1 FY2022 (April 1, 2022, to June 30, 2022)
Net sales	27,112	30,940
Cost of sales	22,147	24,583
Gross profit	4,965	6,357
Selling, general and administrative expenses	3,919	4,162
Operating profit	1,045	2,194
Non-operating income		
Interest income	3	4
Dividend income	247	322
Share of profit of entities accounted for using equity method	2	—
Other	27	59
Total non-operating income	280	386
Non-operating expenses		
Interest expenses	2	0
Share of loss of entities accounted for using equity method	—	19
Commitment fees	7	7
Other	48	17
Total non-operating expenses	58	44
Ordinary profit	1,268	2,536
Extraordinary losses		
New factory construction expenses	76	51
Total extraordinary losses	76	51
Quarterly profit before income taxes	1,191	2,485
Income taxes	405	748
Quarterly profit	786	1,736
Quarterly profit (loss) attributable to non-controlling interests	(6)	5
Quarterly profit attributable to owners of parent	792	1,730

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

(Unit: Millions of yen)

	Q1 FY2021 (April 1, 2021, to June 30, 2021)	Q1 FY2022 (April 1, 2022, to June 30, 2022)
Quarterly profit	786	1,736
Other comprehensive income		
Valuation difference on available-for-sale securities	(379)	(2)
Deferred gains or losses on hedges	(6)	46
Foreign currency translation adjustment	15	59
Remeasurements of defined benefit plans, net of tax	19	18
Total other comprehensive income	(350)	122
Quarterly comprehensive income	435	1,859
Comprehensive income attributable to		
Quarterly comprehensive income attributable to owners of parent	437	1,838
Quarterly comprehensive income attributable to non-controlling interests	(1)	21

3. Supplementary forecast materials

(1) Consolidated earnings forecast by segment

(Unit: Millions of yen)

Segment	FY2022 (forecast)		
	Orders received	Net sales	Backlog
Domestic Environment and Energy Business	141,500	117,500	457,351
Overseas Environment and Energy Business	3,000	1,000	3,457
Package Boiler Business	17,000	17,000	4,852
Equipment and Systems Business	9,000	8,000	6,676
Total	170,500	143,500	472,337
Adjustments	(500)	(500)	(33)
Total	170,000	143,000	472,304

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

(Unit: Millions of yen)

	FY2021 (actual)	FY2022 (forecast)	Change
Capital investment	3,844	9,000	5,155
Depreciation	961	1,300	338
Research and development expenses	1,006	1,600	593

4. Supplementary Materials
 Domestic Environment and Energy Business Breakdown

(Unit : Billions of yen)

	Q1 FY2022 (actual)		
	Orders received	Net sales	Backlog
Municipal Solid Waste Plants (EPC)	2.4	6.4	117.4
Municipal Solid Waste Plants (after sales service business)	13.6	7.2	228.1
Energy Plants	6.6	9.5	74.2
Water Treatment Plants, other	1.5	2.2	12.1
Adjustments	0	0	0
Total	24.2	25.6	432.0