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Summary of Results for the First Quarter of the Fiscal Year Ending March 2024 (Japanese Standards) (Consolidated Basis)

August 8, 2023

Name of listed company	Takuma Co., Ltd.	Listed stock exchange	Tokyo Stock Exchange
Listing code	6013	URL	https://www.takuma.co.jp/english/
Representative	President and Representative Director	Hiroaki Nanjo	
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Planned quarterly report submission date		August 8, 2023	
Planned dividend payment start date		None	
Availability of supplementary quarterly results materials:		Yes	
Quarterly results briefing:		None	

(All amounts rounded down to the nearest million yen)

1. Consolidated results for Q1 FY2023 (April 1, 2023, to June 30, 2023)

(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 FY2023	29,821	(3.6)	1,142	(47.9)	1,538	(39.4)	936	(45.9)
Q1 FY2022	30,940	14.1	2,194	109.8	2,536	100.0	1,730	118.4

(Note) Comprehensive income: Q1 FY2023 2,728 million yen (up 46.7 %)
Q1 FY2022 1,859 million yen (up 327.1 %)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Q1 FY2023	11.71	—
Q1 FY2022	21.56	—

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
Q1 FY2023	173,396	101,930	58.5
FY2022	179,688	101,167	56.0

(Reference) Equity Q1 FY2023 101,372 million yen
FY2022 100,599 million yen

2. Dividend status

	Annual dividend				
	Q1	Q2	Q3	Q4	Total
	Yen	Yen	Yen	Yen	Yen
FY2022	—	19.00	—	24.00	43.00
FY2023	—				
FY2023 (forecast)		24.00	—	24.00	48.00

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

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

(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 FY2023				Change from the corresponding period of FY 2022		
	Orders received	Net sales	Operating profit	Backlog	Orders received	Net sales	Operating profit
Domestic Environment and Energy Business	26,166	24,025	1,555	449,787	1,873	(1,594)	(1,196)
Overseas Environment and Energy Business	753	425	(31)	6,356	466	141	39
Package Boiler Business	6,028	3,550	25	8,418	638	195	92
Equipment and Systems Business	1,701	1,913	192	11,432	(1,266)	141	47
Total	34,650	29,915	1,742	475,995	1,712	(1,115)	(1,016)
Adjustments	(102)	(94)	(599)	(56)	(19)	(4)	(34)
Total	34,548	29,821	1,142	475,938	1,692	(1,119)	(1,051)

During the Q1 consolidated cumulative period of FY2023, orders received totaled 34,548 million yen, up 1,692 million yen from the corresponding quarter of FY2022, due primarily to growth in the Domestic Environment and Energy Business, while net sales fell 1,119 million yen to 29,821 million yen, due to a decrease in the Domestic Environment and Energy Business.

Operating profit fell 1,051 million yen compared to the corresponding period of FY2022 to 1,142 million yen, while ordinary profit fell 998 million yen to 1,538 million yen. Profit attributable to owners of parent fell 794 million yen to 936 million yen. These results were due to a decrease in profits in the Domestic Environment and Energy Business.

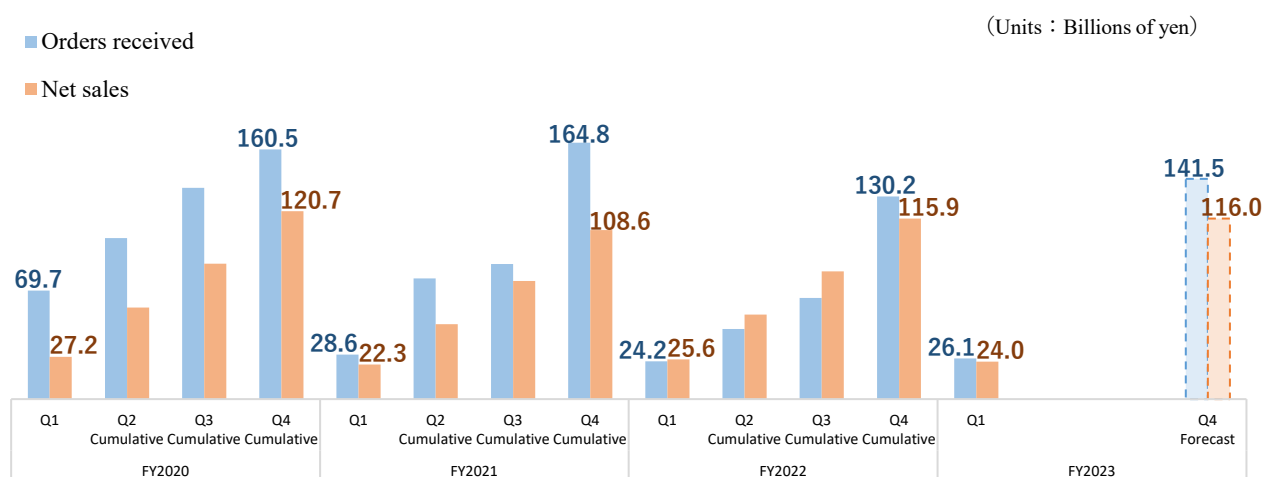
A description of each segment's results follows.

Domestic Environment and Energy Business

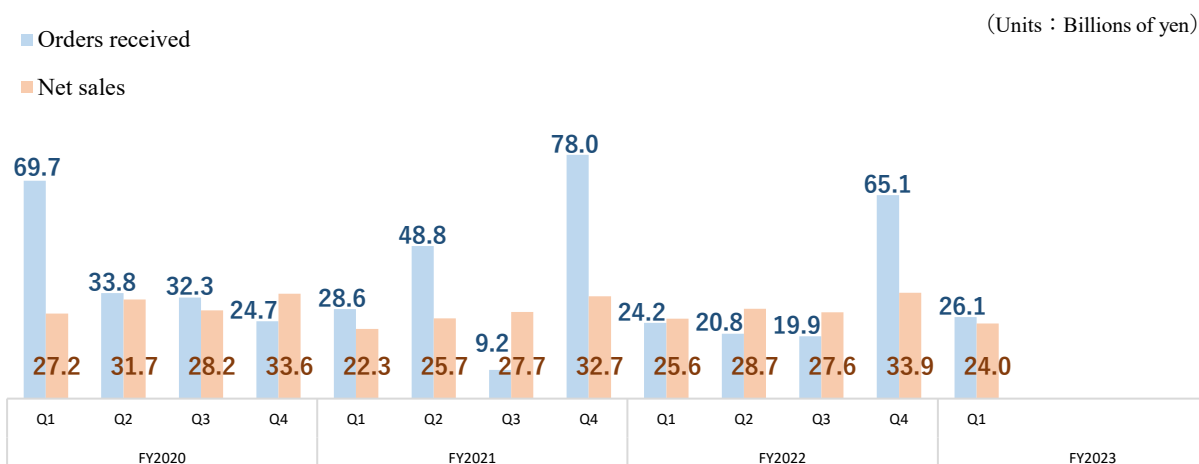
During the Q1 consolidated cumulative period of FY2023, orders received rose 1,873 million yen to 26,166 million yen compared to the corresponding period of FY2022* as a result of factors including the orders received for the two new biomass power plant construction projects and growth in after-sales service orders, including for waste treatment plant operation management and maintenance. Net sales fell 1,594 million yen to 24,025 million yen due primarily to changes in the project mix in the EPC business, an increased depreciation burden accompanying operations at the new Harima Factory, and growth in operating expenses such as personnel expenses and R&D costs. Operating profit fell 1,196 million yen to 1,555 million yen.

*Principal orders during the corresponding period of FY2022 included one waste treatment plant primary equipment improvement project and two new biomass power plant construction projects.

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



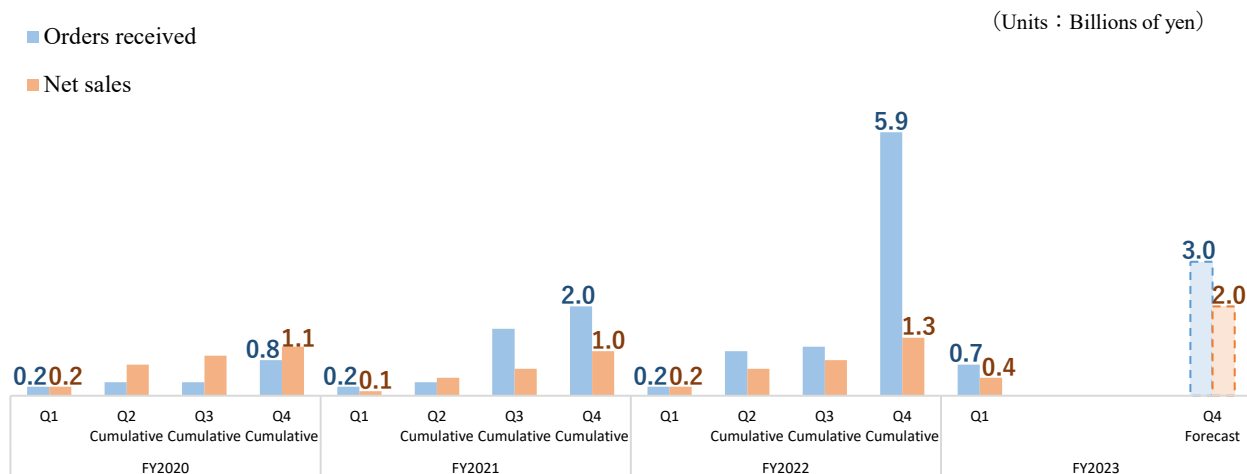
<Orders received and net sales (by quarter)>



Overseas Environment and Energy Business

During the Q1 consolidated cumulative period of FY2023, orders received totaled 753 million yen, up 466 million yen from the corresponding period of FY2022 thanks to factors including growth in maintenance service offered by our overseas subsidiaries. At the same time, net sales rose, and the operating loss improved, slightly compared to the corresponding period of FY2022 to 425 million yen and 31 million yen, respectively, as a result of factors including growth in maintenance sales and progress in construction of previously ordered plants.

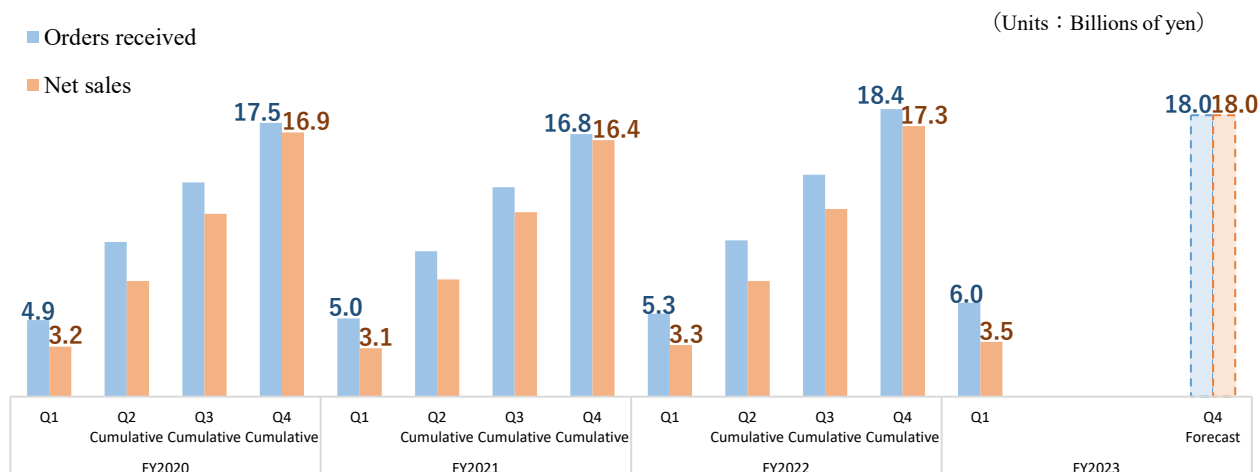
<Orders received and net sales (cumulative quarterly total)>



Package Boiler Business

During the Q1 consolidated cumulative period of FY2023, orders received rose 638 million yen from the corresponding period of FY2022 to 6,028 million yen thanks to orders received for large projects. Net sales rose 195 million yen to 3,550 million yen, while operating profit totaled 25 million yen, improved from a 67 million yen operating loss during the corresponding cumulative period of FY2022.

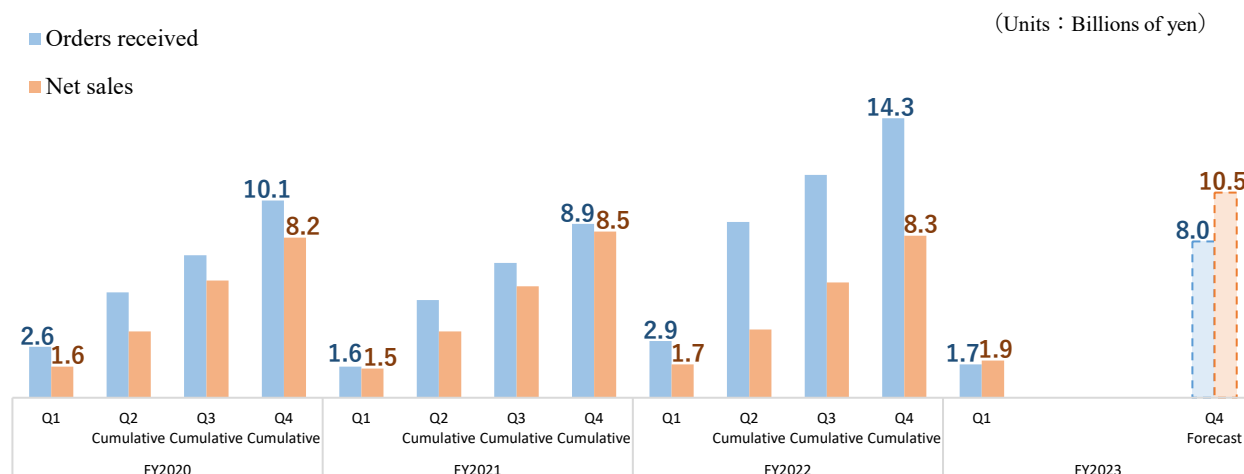
<Orders received and net sales (cumulative quarterly total)>



Equipment and Systems Business

Orders received during the Q1 consolidated cumulative period of FY2023 fell 1,266 million yen from the corresponding period of FY2022 to 1,701 million yen due primarily to a contraction of semiconductor industry equipment. However, net sales rose 141 million yen to 1,913 million yen, while operating profit rose 47 million yen to 192 million yen thanks to progress on previously ordered projects.

<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. and we continue to work to realize our fiscal-year targets of 170,000 million yen in orders received and 12,000 million yen in ordinary profit.

(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. 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.

With regard to the Group's FY2023 performance under these conditions, performance remained generally robust during the Q1 consolidated cumulative period, and there has been no change in the consolidated full-year performance outlook announced on May 12, 2023.

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.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

(Unit: Millions of yen)

	Q4 FY2022 (March 31, 2023)	Q1 FY2023 (June 30, 2023)
Assets		
Current assets		
Cash and deposits	65,242	76,220
Notes and accounts receivable - trade, and contract assets	60,851	39,046
Inventories	6,011	9,128
Other	2,159	3,720
Allowance for doubtful accounts	(15)	(15)
Total current assets	134,249	128,101
Non-current assets		
Property, plant and equipment	18,436	18,568
Intangible assets	540	610
Investments and other assets		
Investment securities	18,280	20,645
Other	8,317	5,605
Allowance for doubtful accounts	(135)	(135)
Total investments and other assets	26,462	26,115
Total non-current assets	45,439	45,295
Total assets	179,688	173,396

(Unit: Millions of yen)

	Q4 FY2022 (March 31, 2023)	Q1 FY2023 (June 30, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	26,610	23,392
Electronically recorded obligations - operating	14,749	12,444
Short-term borrowings	220	220
Income taxes payable	3,362	471
Contract liabilities	11,059	12,954
Provision for bonuses	3,789	1,618
Provision for product warranties	215	159
Provision for loss on construction contracts	625	582
Other	6,208	7,790
Total current liabilities	66,840	59,634
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	266	227
Retirement benefit liability	10,980	11,175
Other	433	428
Total non-current liabilities	11,680	11,831
Total liabilities	78,521	71,465
Net assets		
Shareholders' equity		
Share capital	13,367	13,367
Capital surplus	3,873	3,873
Retained earnings	82,045	81,063
Treasury shares	(3,916)	(3,916)
Total shareholders' equity	95,370	94,387
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,227	6,909
Deferred gains or losses on hedges	48	70
Foreign currency translation adjustment	91	131
Remeasurements of defined benefit plans	(138)	(126)
Total accumulated other comprehensive income	5,229	6,984
Non-controlling interests	567	557
Total net assets	101,167	101,930
Liabilities and net assets	179,688	173,396

(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 FY2022 (April 1, 2022, to June 30, 2022)	Q1 FY2023 (April 1, 2023, to June 30, 2023)
Net sales	30,940	29,821
Cost of sales	24,583	24,202
Gross profit	6,357	5,618
Selling, general and administrative expenses	4,162	4,475
Operating profit	2,194	1,142
Non-operating income		
Interest income	4	5
Dividend income	322	337
Other	59	86
Total non-operating income	386	429
Non-operating expenses		
Interest expenses	0	0
Share of loss of entities accounted for using equity method	19	21
Commitment fees	7	7
Other	17	5
Total non-operating expenses	44	34
Ordinary profit	2,536	1,538
Extraordinary losses		
New factory construction expenses	51	159
Total extraordinary losses	51	159
Quarterly profit before income taxes	2,485	1,378
Income taxes	748	419
Quarterly profit	1,736	958
Quarterly profit attributable to non-controlling interests	5	22
Quarterly profit attributable to owners of parent	1,730	936

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

(Unit: Millions of yen)

	Q1 FY2022 (April 1, 2022, to June 30, 2022)	Q1 FY2023 (April 1, 2023, to June 30, 2023)
Quarterly profit	1,736	958
Other comprehensive income		
Valuation difference on available-for-sale securities	(2)	1,682
Deferred gains or losses on hedges	46	21
Foreign currency translation adjustment	59	54
Remeasurements of defined benefit plans, net of tax	18	11
Total other comprehensive income	122	1,769
Quarterly comprehensive income	1,859	2,728
Comprehensive income attributable to		
Quarterly comprehensive income attributable to owners of parent	1,838	2,691
Quarterly comprehensive income attributable to non-controlling interests	21	36

3. 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

4. Supplementary Materials
 Domestic Environment and Energy Business Breakdown

(Unit: Billions of yen)

	Q1 FY2023 (actual)		
	Orders received	Net sales	Backlog
Municipal Solid Waste Plants (EPC)	0.1	6.6	120.8
Municipal Solid Waste Plants (after sales service business)	16.1	7.5	241.5
Energy Plants	6.9	7.0	75.8
Water Treatment Plants, other	2.8	2.7	11.5
Adjustments	0	0	0
Total	26.1	24.0	449.7