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

February 14, 2024

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	
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		February 14, 2024	
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 Q3 FY2023 (April 1, 2023, to December 31, 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	%
Q3 FY2023	104,852	4.2	6,264	(32.0)	7,095	(29.0)	4,947	(29.5)
Q3 FY2022	100,668	7.5	9,212	73.6	9,986	69.0	7,019	72.0

(Note) Comprehensive income: Q3 FY2023 8,622 million yen (up 14.6%)
Q3 FY2022 7,524 million yen (up 78.1%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Q3 FY2023	61.85	—
Q3 FY2022	87.67	—

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
Q3 FY2023	182,485	105,979	57.8
FY2022	179,688	101,167	56.0

(Reference) Equity Q3 FY2023 105,405 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	—	24.00	—		
FY2023 (forecast)				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	10,300	(25.4)	11,000	(25.1)	7,700	(20.0)	96.25

(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	Q3 consolidated cumulative period of FY2023				Change from the corresponding period of FY2022		
	Orders received	Net sales	Operating profit	Backlog	Orders received	Net sales	Operating profit
Domestic Environment and Energy Business	115,031	83,154	6,549	479,522	49,913	1,131	(3,436)
Overseas Environment and Energy Business	1,834	1,652	43	6,209	682	790	167
Package Boiler Business	14,863	13,513	895	7,290	649	1,425	356
Equipment and Systems Business	6,758	6,828	621	11,574	(4,660)	867	22
Total	138,487	105,150	8,109	504,597	46,584	4,214	(2,890)
Adjustments	(264)	(297)	(1,845)	(15)	7	(30)	(58)
Total	138,223	104,852	6,264	504,582	46,591	4,184	(2,948)

During the Q3 consolidated cumulative period of FY2023, orders received rose 46,591 million yen from the corresponding quarter of FY2022 to 138,223 million yen due primarily to growth in the Domestic Environment and Energy Business, while net sales rose 4,184 million yen to 104,852 million yen on growth in all segments.

Operating profit fell 2,948 million yen compared to the corresponding period of FY2022 to 6,264 million yen, while ordinary profit fell 2,891 million yen to 7,095 million yen. Profit attributable to owners of parent fell 2,071 million yen to 4,947 million yen. These results were due to a decrease in profits in the Domestic Environment and Energy Business.

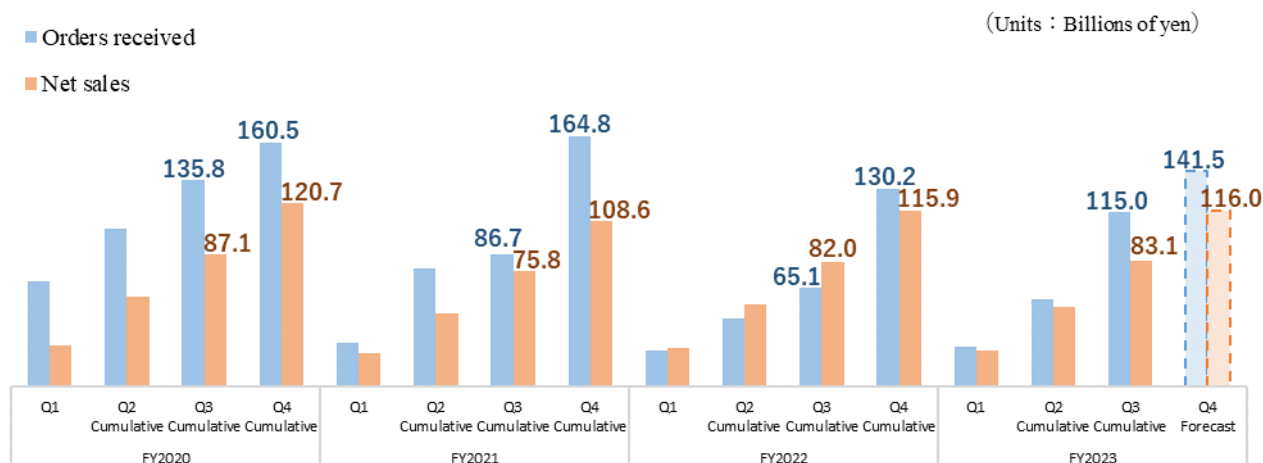
A description of each segment's results follows.

Domestic Environment and Energy Business

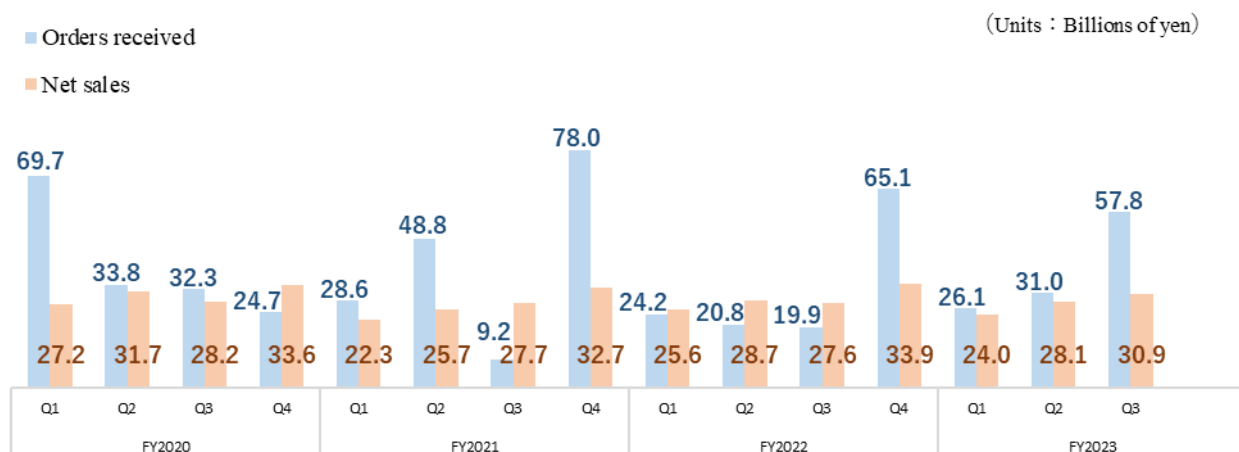
During the Q3 consolidated cumulative period of FY2023, orders received rose 49,913 million yen from the corresponding period of FY2022* to 115,031 million yen thanks to orders for one DBO project (encompassing construction and operation) for a waste treatment plant; seven orders for new energy-plant construction, including for biomass power generation; a new large equipment replacement project involving a sand filtration system at a sewage treatment plant; and a sewage sludge-fueled power plant. Net sales rose 1,131 million yen from the corresponding period of FY2022 to 83,154 million yen due primarily to growth in after-sales service. Turning to profitability, operating profit fell 3,436 million yen to 6,549 million yen due to changes in the project mix in the EPC business, an increased depreciation burden accompanying operations at the new Harima Factory, growth in operating expenses such as personnel expenses and R&D costs, and a charge to restore operations during the Q2 consolidated accounting period following an equipment issue at a waste treatment plant (gasification melting furnaces) we operate under an O&M contract. The impact of that charge on profit during the Q3 consolidated cumulative period of FY2023 is about 1 billion yen.

*Principal orders during the corresponding period of FY2022 included one waste treatment plant primary equipment improvement project, one long-term O&M project, and six new energy-plant construction projects.

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



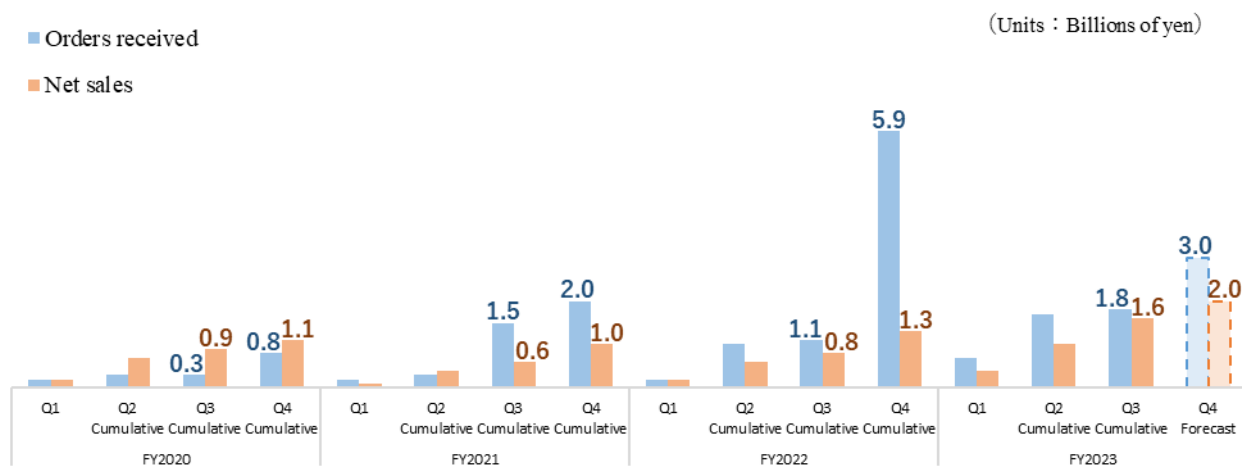
<Orders received and net sales (by quarter)>



Overseas Environment and Energy Business

During the Q3 consolidated cumulative period of FY2023, orders received rose 682 million yen from the corresponding period of FY2022 to 1,834 million yen thanks primarily to the posting of additional orders as part of a waste treatment plant project in Vietnam for which we booked an order during FY2022. At the same time, net sales rose 790 million yen from the corresponding period of FY2022 to 1,652 million yen, while operating profit totaled 43 million yen, improved from a 124 million yen operating loss, due to factors including growth in maintenance sales and progress on previously ordered plants.

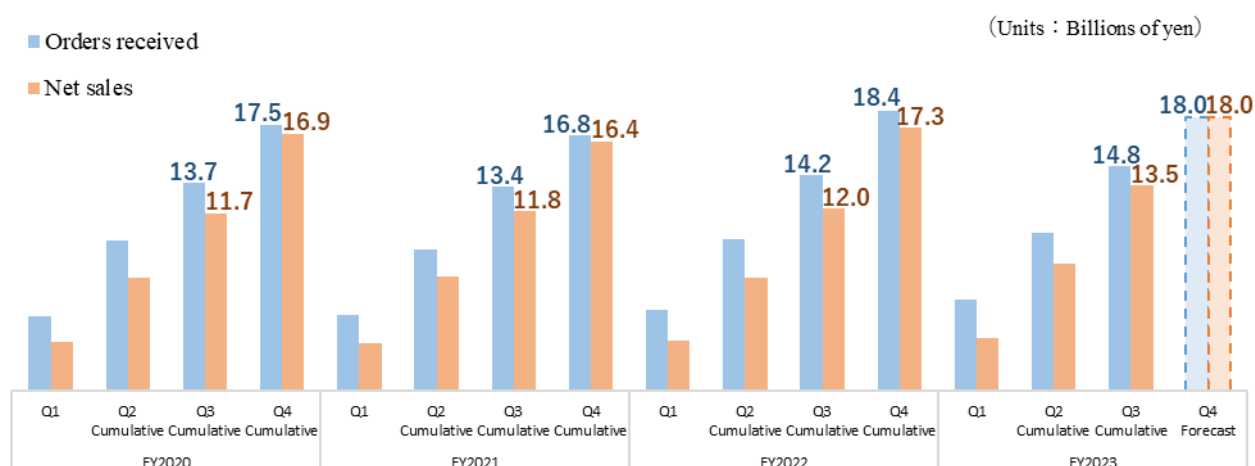
<Orders received and net sales (cumulative quarterly total)>



Package Boiler Business

During the Q3 consolidated cumulative period of FY2023, orders received rose 649 million yen from the corresponding period of FY2022 to 14,863 million yen as we booked orders for large projects. Net sales climbed 1,425 million yen to 13,513 million yen, while operating profit rose 356 million yen to 895 million yen, reflecting factors including progress on previously ordered projects and completion of large projects.

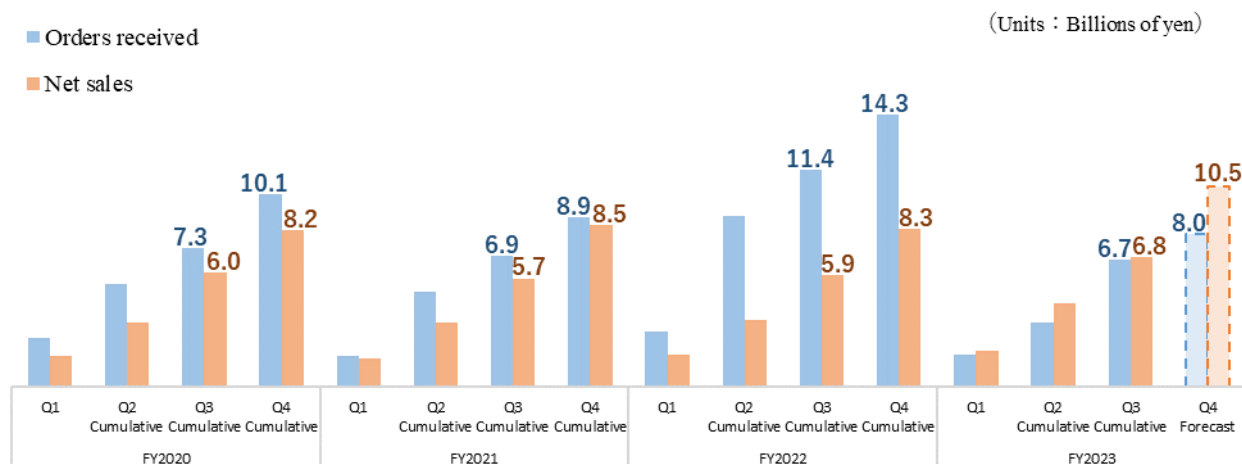
<Orders received and net sales (cumulative quarterly total)>



Equipment and Systems Business

Orders received during the Q3 consolidated cumulative period of FY2023 fell 4,660 million yen from the corresponding period of FY2022 to 6,758 million yen as the pace of orders slowed following the receipt of orders for a number of large projects in the building equipment business during FY2022 and as sales of semiconductor manufacturing equipment fell. However, net sales rose 867 million yen to 6,828 million yen, while operating profit rose 22 million yen to 621 million yen thanks to progress on previously ordered projects.

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



The Domestic Environment and Energy Business expects to book orders for waste treatment plant construction and operation during Q4. In addition, we're making smooth progress on 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 11,000 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 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, rising prices for steel and other materials and equipment, and growing lead times.

With regard to the Group's FY2023 performance under these conditions has been no change in the consolidated full-year performance outlook announced on November 8, 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)	Q3 FY2023 (December 31, 2023)
Assets		
Current assets		
Cash and deposits	65,242	51,078
Notes and accounts receivable - trade, and contract assets	60,851	64,100
Inventories	6,011	12,091
Other	2,159	5,277
Allowance for doubtful accounts	(15)	(15)
Total current assets	134,249	132,533
Non-current assets		
Property, plant and equipment	18,436	19,527
Intangible assets	540	702
Investments and other assets		
Investment securities	18,280	23,369
Other	8,317	6,487
Allowance for doubtful accounts	(135)	(135)
Total investments and other assets	26,462	29,721
Total non-current assets	45,439	49,952
Total assets	179,688	182,485

(Unit: Millions of yen)

	Q4 FY2022 (March 31, 2023)	Q3 FY2023 (December 31, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	26,610	24,948
Electronically recorded obligations - operating	14,749	17,549
Short-term borrowings	220	220
Income taxes payable	3,362	565
Contract liabilities	11,059	12,594
Provision for bonuses	3,789	2,340
Provision for product warranties	215	178
Provision for loss on construction contracts	625	1,073
Other	6,208	4,849
Total current liabilities	66,840	64,319
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	266	257
Retirement benefit liability	10,980	11,501
Other	433	427
Total non-current liabilities	11,680	12,186
Total liabilities	78,521	76,505
Net assets		
Shareholders' equity		
Share capital	13,367	13,367
Capital surplus	3,873	3,886
Retained earnings	82,045	83,153
Treasury shares	(3,916)	(3,827)
Total shareholders' equity	95,370	96,580
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,227	8,829
Deferred gains or losses on hedges	48	(23)
Foreign currency translation adjustment	91	121
Remeasurements of defined benefit plans	(138)	(102)
Total accumulated other comprehensive income	5,229	8,824
Non-controlling interests	567	574
Total net assets	101,167	105,979
Liabilities and net assets	179,688	182,485

(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 FY2022 (April 1, 2022, to December 31, 2022)	Q3 FY2023 (April 1, 2023, to December 31, 2023)
Net sales	100,668	104,852
Cost of sales	78,823	84,813
Gross profit	21,844	20,039
Selling, general and administrative expenses	12,631	13,774
Operating profit	9,212	6,264
Non-operating income		
Interest income	14	18
Dividend income	534	610
Share of profit of entities accounted for using equity method	104	110
Other	181	142
Total non-operating income	834	882
Non-operating expenses		
Interest expenses	1	1
Commitment fees	21	21
Loss on disposal of non-current assets	17	12
Other	20	15
Total non-operating expenses	60	51
Ordinary profit	9,986	7,095
Extraordinary income		
Gain on sale of investment securities	153	486
Total extraordinary income	153	486
Extraordinary losses		
New factory construction expenses	185	438
Other	-	63
Total extraordinary losses	185	501
Quarterly profit before income taxes	9,955	7,079
Income taxes	2,875	2,061
Quarterly profit	7,079	5,018
Quarterly profit attributable to non-controlling interests	60	70
Quarterly profit attributable to owners of parent	7,019	4,947

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

(Unit: Millions of yen)

	Q3 FY2022 (April 1, 2022, to December 31, 2022)	Q3 FY2023 (April 1, 2023, to December 31, 2023)
Quarterly profit	7,079	5,018
Other comprehensive income		
Valuation difference on available-for-sale securities	398	3,602
Deferred gains or losses on hedges	(17)	(72)
Foreign currency translation adjustment	6	38
Remeasurements of defined benefit plans, net of tax	56	35
Total other comprehensive income	444	3,603
Quarterly comprehensive income	7,524	8,622
Comprehensive income attributable to		
Quarterly comprehensive income attributable to owners of parent	7,462	8,542
Quarterly comprehensive income attributable to non-controlling interests	61	79

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)

	Q3 FY2023 (actual)		
	Orders received	Net sales	Backlog
Municipal Solid Waste Plants (EPC)	12.1	23.5	115.9
Municipal Solid Waste Plants (after sales service business)	45.0	29.0	248.9
Energy Plants	32.2	22.8	85.3
Water Treatment Plants, other	25.3	7.5	29.3
Adjustments	0.2	0.2	0
Total	115.0	83.1	479.5