

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Summary of Results for the Fiscal Year Ended March 2024 (Japanese Standards) (Consolidated Basis)

May 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 General Manager, Hiroyuki Kobayashi (E-mail)
Corporate Communications & Investor koho-ir@takuma.co.jp
Relations Department Corporate Planning & Administration Division
Planned regular general shareholders' meeting convocation date June 25, 2024
Planned securities report submission date June 25, 2024
Planned dividend payment start date June 26, 2024
Availability of supplementary results materials: Yes
Financial results briefing: Yes (For securities analysis and institutional investors)

(All amounts rounded down to the nearest million yen)

1. Consolidated results for FY2023 (April 1, 2023, to March 31, 2024)

(1) Consolidated results

(Percentages indicate percent of change from the previous year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2023	149,166	4.6	10,229	(25.9)	11,166	(24.0)	8,754	(9.0)
FY2022	142,651	6.4	13,813	39.1	14,684	37.9	9,621	29.4

(Note) Comprehensive income: FY2023 13,612 million yen (up 23.9 %)
FY2022 10,989 million yen (up 51.6 %)

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
FY2023	109.43	—	8.3	6.0	6.9
FY2022	120.22	—	9.9	8.3	9.7

(Reference) Equity in net income of affiliates FY2023 181 million yen
FY2022 145million yen

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2023	191,180	111,000	57.7	1,378.90
FY2022	179,688	101,167	56.0	1,258.24

(Reference) Equity FY2023 110,341 million yen
FY2022 100,599 million yen

(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
FY2023	(12,222)	(8,438)	(3,379)	39,938
FY2022	32,191	(5,604)	(4,280)	63,911

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	%	%
FY2022	—	19.00	—	24.00	43.00	3,437	35.8	3.6
FY2023	—	24.00	—	24.00	48.00	3,841	43.9	3.6
FY2024 (forecast)	—	28.00	—	28.00	56.00		50.2	

3. Consolidated earnings forecast for FY2024 (April 1, 2024, to March 31, 2025)

(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
FY2024	143,000	(4.1)	11,200	9.5	12,000	7.5	8,800	0.5	111.56

Meeting on May 14, 2024, the Board of Directors adopted resolutions concerning the acquisition and disposal of treasury stock. The net income per share figure in the consolidated earnings forecast outlook for FY2024 takes into account the effect of those changes to treasury stock.

○ Attachments

1. Business results	2
(1) Overview of results for FY2023.....	2
(2) Future outlook	6
(3) Basic policy concerning profit allocation and dividends during FY2023 and FY2024	6
2. Management policies	7
(1) Basic policies on management	7
(2) Medium- and long-term management strategy and issues that need to be addressed	8
(3) Business environment	10
3. Basic approach to the selection of accounting standards	11
4. Consolidated Financial Statements	12
(1) Consolidated Balance Sheet.....	12
(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income.....	14
(3) Consolidated Statement of Cash Flows.....	17
5. Supplementary forecast materials	19
(1) Consolidated earnings forecast by segment	19
(2) Consolidated capital investment, depreciation, and research and development expense forecast	19
6. Supplementary Materials	20
Domestic Environment and Energy Business Breakdown	20

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 FY2023

Orders received during FY2023 remained robust at 160,568 million yen, even though that figure fell 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 across all segments, increasing 6,515 million yen from the previous fiscal year to 149,166 million yen. As a result, the order backlog rose 11,401 million yen to 482,612 million yen.

Operating profit fell 3,584 million yen compared to FY2022 to 10,229 million yen as a result of primarily to a decrease in profits in the Domestic Environment and Energy Business, while ordinary profit fell 3,517 million yen to 11,166 million yen. Profit attributable to owners of parent fell 867 million yen to 8,754 million yen.

Performance by segment during the consolidated fiscal year

(Unit: Millions of yen)

Segment	Consolidated FY2023				Change from consolidated FY2022		
	Orders received	Net sales	Operating profit	Backlog	Orders received	Net sales	Operating profit
Domestic Environment and Energy Business	131,567	119,190	11,228	460,023	1,286	3,204	(3,646)
Overseas Environment and Energy Business	2,280	2,440	184	5,868	(3,641)	1,088	357
Package Boiler Business	18,666	18,492	1,177	6,115	265	1,179	261
Equipment and Systems Business	8,403	9,437	341	10,610	(5,925)	1,076	(484)
Total	160,918	149,560	12,932	482,617	(8,014)	6,550	(3,511)
Adjustments	(350)	(393)	(2,703)	(4)	23	(34)	(72)
Total	160,568	149,166	10,229	482,612	(7,990)	6,515	(3,584)

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 FY2023, 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 FY2023, efforts to take advantage of continued robust demand yielded orders for two waste treatment plants in our DBO business as well as orders for construction of new biomass power plants and sewage sludge incineration power plants, offsetting contract cancellations due to the termination of some planned energy plants (which reduced orders received by more than 10 billion yen) and boosting orders received by 1,286 million yen from the previous fiscal year to 131,567 million yen.

<<Major orders received during FY2023>>

Municipal solid waste plants: Two waste treatment plant DBO business projects

Energy plants : Seven biomass plants, one industrial waste treatment plant

Water treatment plants : One large-scale replacement project involving a sand filtration system, one sludge incineration power plant

Net sales rose 3,204 million yen from the previous fiscal year to 119,190 million yen due primarily to growth in waste treatment plant EPC and after-sales service. Turning to profitability, operating profit fell 3,646 million yen to 11,228 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 FY2023 is about 1 billion yen)

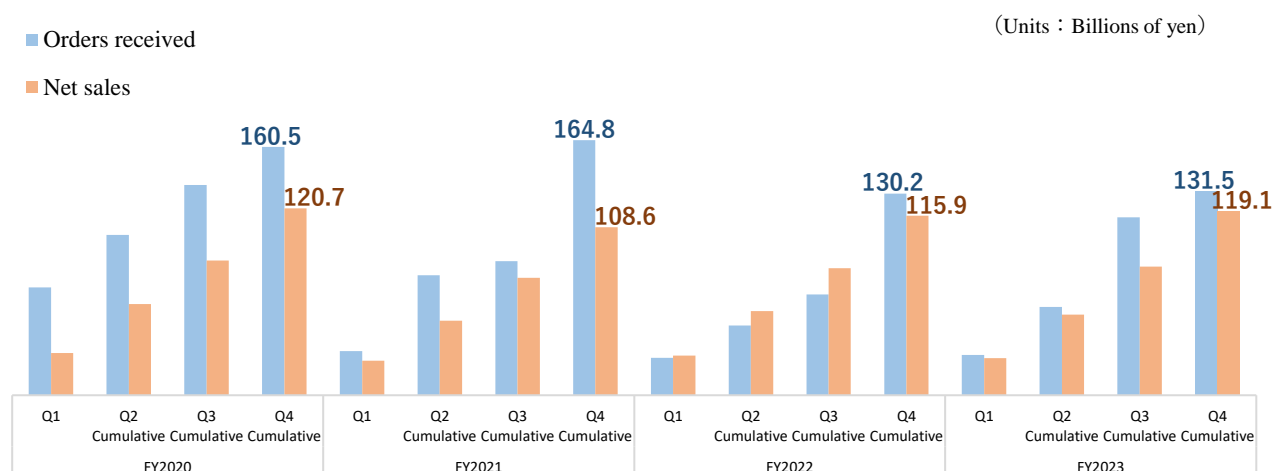
In addition to continuing to work to maintain and expand our market position in the EPC business by securing orders for biomass power plants, sewage sludge incineration power plants, and other facilities with a focus on waste treatment plants, we will strive to establish a revenue model that takes maximum advantage of our installed base, including by improving quality and strengthening profitability in our operations business by utilizing data, strengthening 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.

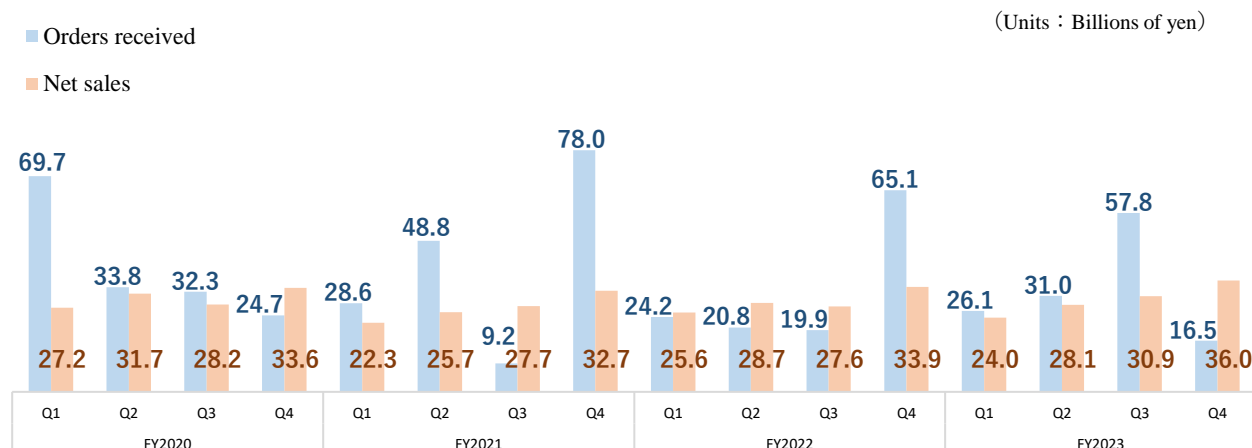
O&M : Operation and maintenance; one approach we use in our plant operation business.

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)>



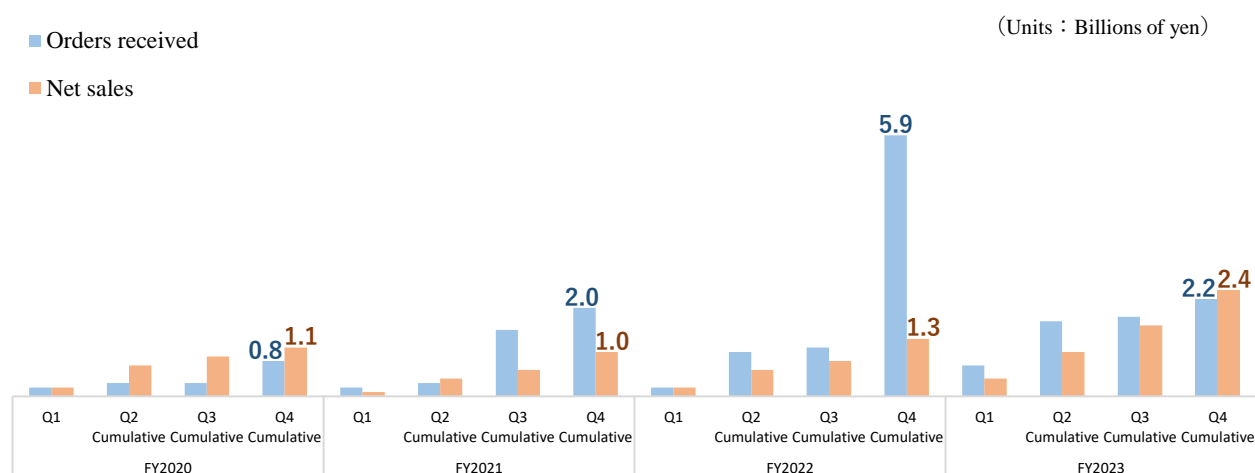
Overseas Environment and Energy Business

Orders received during FY2023 fell 3,641 million yen from the previous fiscal year to 2,280 million yen as orders for new-build plants were limited to additional orders for work at a waste treatment plant in Vietnam that was booked during the previous fiscal year.

At the same time, net sales rose 1,088 million yen from the previous fiscal year to 2,440 million yen due to progress on construction of previously ordered plants, while the previous year's operating loss of 172 million yen improved to an operating profit of 184 million yen.

In addition to continuing to work to secure orders for biomass power plants by differentiating our offerings from those of our competitors through the ability to accommodate a wider range of fuels, including new biomass fuels, we will lay the groundwork for future performance and 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)>

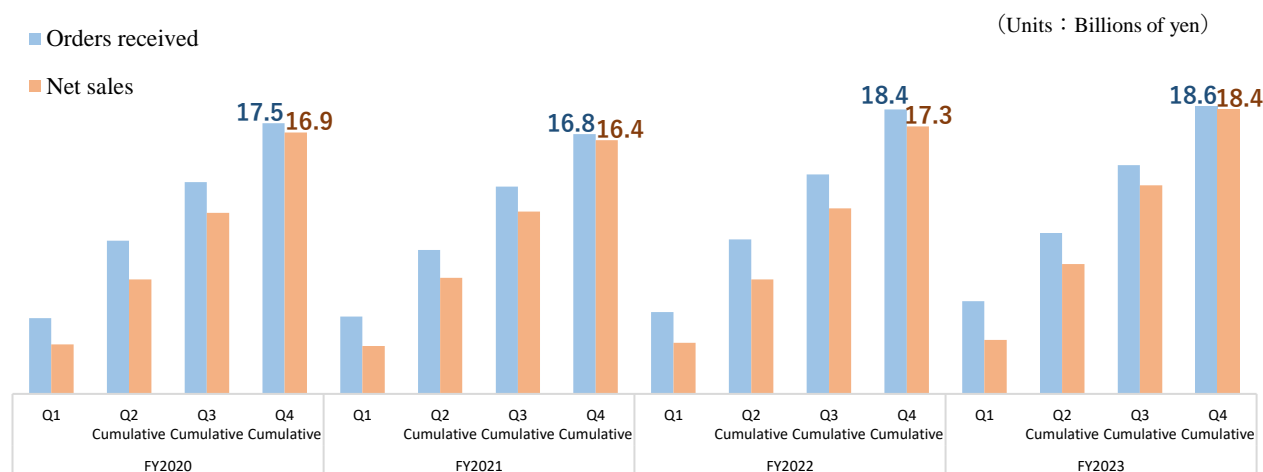


Package Boiler Business

During FY2023, orders received rose 265 million yen from the previous fiscal year to 18,666 million yen as the gradual recovery from the COVID-19 pandemic continued. In addition, net sales rose 1,179 million yen to 18,492 million yen, while operating profit rose 261 million yen to 1,177 million yen thanks to factors including progress on previously ordered projects and completion of large projects.

We will work 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 by updating existing products like hydrogen, biomass, and electrical offerings.

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



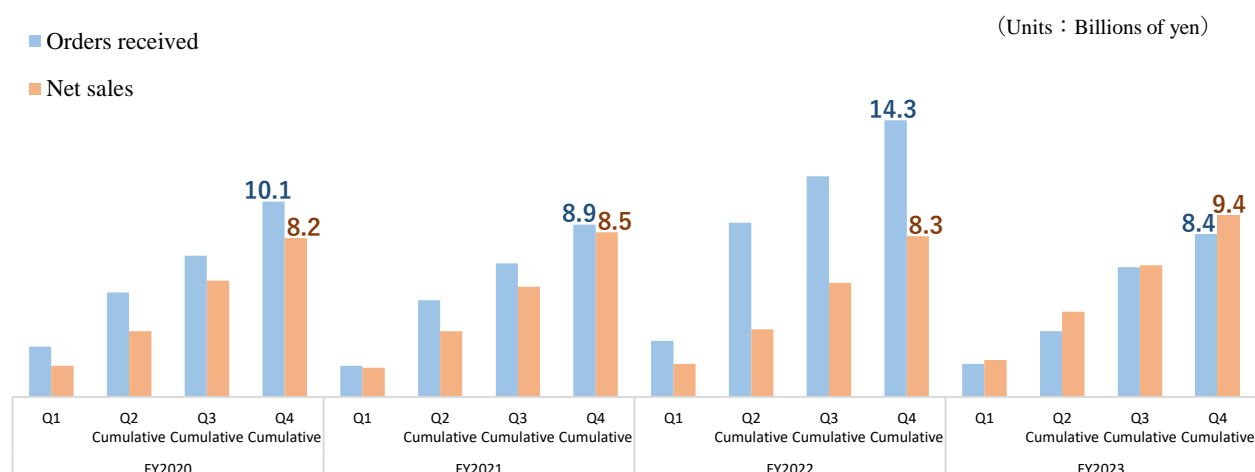
Equipment and Systems Business

Orders received during FY2023 fell 5,925 million yen from the previous fiscal year to 8,403 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.

In addition, net sales rose 1,076 million yen from the previous fiscal year to 9,437 million yen due to progress on previously ordered projects, while operating profit fell 484 million yen to 341 million yen due to the posting of additional expenses for some projects in the building equipment business.

In the building equipment business, we will work to steadily expand the scale of orders and profit by strengthening our sales and construction capabilities while emphasizing profitability in our efforts to secure orders. In addition, we will work to boost profits from semiconductor industry equipment by maintaining and expanding domestic sales and strengthening overseas sales.

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



(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, rising prices for steel and other materials and equipment, and growing lead times.

With regard to the Group's performance during FY2024, in light of these circumstances, we expect to see continued robust demand for facilities such as waste treatment plants, and we have set a target of 230,000 million yen for orders received.

Although we anticipate net sales of 143,000 million yen, which represents a decline relative to FY2023, we expect operating profit, ordinary profit, and profit attributable to owners of parent to surpass FY2023 levels at 11,200 million yen, 12,000 million yen, and 8,800 million yen, respectively, due to factors including changes in the project mix in the EPC business.

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 FY2023 and FY2024

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 May 12, 2023, which combined with the interim dividend paid in December 2023 will yield an annual dividend of 48 yen per share.

In addition, the 14th Medium-Term Management Plan, which began in April 2024, establishes as a target whichever is higher of the two amounts calculated based on a dividend ratio of 50% and a dividend on equity (DOE) ratio of 4.0%.

As a result, we plan to increase the dividend for FY2024 from 48 yen per share to 56 yen per share (including an interim dividend of 28 yen and an end-of-year dividend of 28 yen).

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

1. Reflections on the 13th Medium-Term Management Plan (FY2021 to FY2023)

The 13th Medium-Term Management Plan established the theme of laying the groundwork for further growth based on the management foundation and business foundation that the Group has built under the 12th Medium-Term Management Plans as the first step for realizing Vision 2030. Although performance varied from year to year due to factors such as the number of EPC projects and the timing at which projects are completed, the trend since the 12th Medium-term Management Plan was for orders received, net sales, and operating profit to firm as after-sales service and other recurring-revenue model businesses have provided base revenue. As a result, cumulative consolidated ordinary profit during the period covered by the plan totaled 36.4 billion yen, exceeding the target of 36.0 billion yen. In addition, orders received, which totaled 521.3 billion yen, significantly exceeded the reference target of 450.0 billion yen.

2. 14th Medium-Term Management Plan (FY2024 to FY2026)

The Group launched its 14th Medium-Term Management Plan (FY2024 to FY2026) in April 2024 as the second step towards realizing Vision 2030. The 14th Medium-Term Management Plan's theme is to give shape to initiatives undertaken during the 13th Medium-Term Management Plan in the areas of strengthening our management foundation, strengthening conventional businesses, and responding to future environmental changes and prepare to reap the benefits of those measures during the years covered by the 15th Medium-Term Management Plan and beyond.

Policies of the 14th Medium-Term Management Plan

We've contended with issues such as securing sufficient human resources to implement Vision 2030, but we took a careful look at our business environment in order to resolve such challenges during the 13th Medium-Term Management Plan to lay a foundation for growth, including by strengthening hiring. During the 14th Medium-Term Management Plan, we will prioritize the investment of management resources with the goals of booking orders for municipal solid waste treatment plans (replacement and primary equipment improvement) and establishing a revenue model that maximizes use of our installed base while formulating and implementing measures to resolve the challenges facing us as we give shape to a growth narrative that will allow us to realize our vision during the 15th Medium-Term Management Plan and beyond.



a. Strengthening the management foundation

To give shape to this growth narrative, it will be necessary to continue strengthening our management foundation. In particular, we will work to do that by hiring a diverse workforce and implementing human resources development as we look to expand the resources available to our recurring revenue model business and EPC business. In addition, we will strive to put in place an internal environment in which we can realize further improvements in employee motivation and engagement as well as worker-friendliness over the long term. Moreover, we will work to improve productivity and ensure that skills can be passed down in a smooth manner through computerization and knowledge management* in each business segment.

*Knowledge management: The process of visualizing individual employees' knowledge and information as a data resource that can be shared and used throughout the organization to facilitate skill transfer and human resource development.

b. Capital policy

We have established a quantitative target (ROE) based on an awareness of capital costs to deliver business growth that meets market expectations, and we will allocate management resources in an appropriate manner, including through a new policy on shareholder returns. At the same time, we will work to balance capital efficiency improvements with business growth while maintaining a robust financial foundation to support our EPC business and long-term O&M business.

c. ESG initiatives

To implement our goal of realizing sustainable growth alongside customers and society through the implementation of ESG management as set forth in Vision 2030, we have identified seven key issues (Materiality) that deserve to be given priority by the Group. The 14th Medium-Term Management Plan establishes new KPIs related to employee engagement and customer satisfaction, and we will continue to advance initiatives to address ESG issues through our business activities.

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

We will report on specific initiatives and KPIs as well as progress towards them through our Integrated Report and other resources.

d. 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 14th Medium-Term Management Plan identifies the process of giving shape to a growth narrative as the second step of that process and establishes a target of cumulative consolidated ordinary profit of 38 billion yen over the course of the plan's three years. In addition, we have established cumulative consolidated orders received of 600 billion yen and ROE (return on equity) of 9% or greater during the fiscal year ending March 2027 as new targets and will work hard to achieve them.

(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 small and medium-size biomass power plants and the conversion of plants to non-fossil fuels (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 demand for biomass power plants and fuel conversions of existing coal boilers in Southeast Asia as a result of government-led policies designed to increase power from renewable energy and progressively eliminate fossil fuel use 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 expect demand to grow in the market for low-carbon and decarbonized products. In addition, we expect demand for advanced, high-efficiency models and fuel conversions to grow overseas, particularly 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)

	FY2022 (March 31, 2023)	FY2023 (March 31, 2024)
Assets		
Current assets		
Cash and deposits	65,242	45,337
Notes receivable – trade	3,175	3,406
Accounts receivable – trade	33,304	29,325
Contract assets	24,371	46,247
Merchandise and finished goods	839	1,004
Work in process	3,247	6,295
Raw materials and supplies	1,924	2,440
Other	2,159	5,434
Allowance for doubtful accounts	(15)	(15)
Total current assets	134,249	139,477
Non-current assets		
Property, plant and equipment		
Buildings and structures (net amount)	10,738	12,464
Machinery, equipment and vehicles (net amount)	3,871	3,550
Land	2,605	2,610
Other (net amount)	1,221	953
Total property, plant and equipment	18,436	19,579
Intangible assets	540	900
Investments and other assets		
Investment securities	18,280	24,567
Long-term loans receivable	248	218
Deferred tax assets	4,159	2,967
Retirement benefit asset	37	25
Other	3,871	3,579
Allowance for doubtful accounts	(135)	(135)
Total investments and other assets	26,462	31,222
Total non-current assets	45,439	51,702
Total assets	179,688	191,180

(Unit: Millions of yen)

	FY2022 (March 31, 2023)	FY2023 (March 31, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	26,610	26,517
Electronically recorded obligations – operating	14,749	16,896
Short-term borrowings	220	753
Income taxes payable	3,362	2,301
Contract liabilities	11,059	10,803
Provision for bonuses	3,789	4,370
Provision for product warranties	215	183
Provision for loss on construction contracts	625	1,352
Other	6,208	5,022
Total current liabilities	66,840	68,201
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	266	263
Retirement benefit liability	10,980	11,178
Other	433	535
Total non-current liabilities	11,680	11,978
Total liabilities	78,521	80,179
Net assets		
Shareholders' equity		
Share capital	13,367	13,367
Capital surplus	3,873	3,886
Retained earnings	82,045	86,960
Treasury shares	(3,916)	(3,827)
Total shareholders' equity	95,370	100,387
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,227	9,837
Deferred gains or losses on hedges	48	20
Foreign currency translation adjustment	91	136
Remeasurements of defined benefit plans	(138)	(40)
Total accumulated other comprehensive income	5,229	9,953
Non-controlling interests	567	658
Total net assets	101,167	111,000
Liabilities and net assets	179,688	191,180

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

(Unit: Millions of yen)

	FY2022 (April 1, 2022, to March 31, 2023)	FY2023 (April 1, 2023, to March 31, 2024)
Net sales	142,651	149,166
Cost of sales	111,096	119,627
Gross profit	31,554	29,539
Selling, general and administrative expenses		
Salaries and allowances	6,079	6,439
Welfare expenses	1,688	1,821
Provision for bonuses	1,531	1,735
Retirement benefit expenses	455	439
Provision for retirement benefits for directors (and other officers)	55	59
Commission expenses	1,706	1,863
Travel and transportation expenses	813	918
Depreciation	286	321
Rent expenses	856	892
Taxes and dues	698	674
Research and development expenses	1,147	1,626
Other	2,421	2,517
Total selling, general and administrative expenses	17,741	19,309
Operating profit	13,813	10,229
Non-operating income		
Interest income	19	26
Dividend income	549	629
Share of profit of entities accounted for using equity method	145	181
Other	236	188
Total non-operating income	950	1,024
Non-operating expenses		
Interest expenses	2	2
Commitment fees	28	28
Loss on investments in investment partnerships	-	15
Loss on disposal of non-current assets	19	12
Other	28	26
Total non-operating expenses	80	86
Ordinary profit	14,684	11,166

(Unit: Millions of yen)

	FY2022 (April 1, 2022, to March 31, 2023)	FY2023 (April 1, 2023, to March 31, 2024)
Extraordinary income		
Gain on sale of investment securities	195	1,848
Total extraordinary income	195	1,848
Extraordinary losses		
New factory construction expenses	598	524
Disaster recovery cost	-	63
Loss on valuation of investment securities	177	-
Total extraordinary losses	776	587
Profit before income taxes	14,102	12,427
Income taxes – current	4,411	4,277
Income taxes – deferred	8	(723)
Total income taxes	4,420	3,554
Profit	9,682	8,873
Profit attributable to non-controlling interests	60	118
Profit attributable to owners of parent	9,621	8,754

Consolidated statement of comprehensive income

(Unit: Millions of yen)

	FY2022 (April 1, 2022, to March 31, 2023)	FY2023 (April 1, 2023, to March 31, 2024)
Profit	9,682	8,873
Other comprehensive income		
Valuation difference on available-for-sale securities	1,271	4,611
Deferred gains or losses on hedges	(61)	(28)
Foreign currency translation adjustment	15	58
Remeasurements of defined benefit plans, net of tax	81	97
Total other comprehensive income	1,306	4,739
Comprehensive income	10,989	13,612
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,925	13,478
Comprehensive income attributable to non-controlling interests	64	134

(3) Consolidated Statement of Cash Flows

(Unit: Millions of yen)

	FY2022 (April 1, 2022, to March 31, 2023)	FY2023 (April 1, 2023, to March 31, 2024)
Cash flows from operating activities		
Profit before income taxes	14,102	12,427
Depreciation	1,136	1,797
Loss (gain) on sale of investment securities	(195)	(1,848)
Loss (gain) on valuation of investment securities	177	-
Loss (gain) on disposal of non-current assets	19	12
Increase (decrease) in provision for bonuses	413	581
Increase (decrease) in provision for loss on construction contracts	(891)	727
Increase (decrease) in retirement benefit liability	306	339
Interest and dividend income	(569)	(655)
Interest paid	2	2
Share of loss (profit) of entities accounted for using equity method	(145)	(181)
Decrease (increase) in trade receivables	23,795	(18,418)
Decrease (increase) in inventories	(1,379)	(3,728)
Decrease (increase) in other current assets	700	(2,891)
Increase (decrease) in trade payables	(10,990)	4,520
Increase (decrease) in other current liabilities	2,618	(1,261)
Other, net	2,227	1,049
Subtotal	31,330	(7,525)
Interest and dividends received	619	704
Interest paid	(2)	(2)
Income taxes refund (paid)	244	(5,398)
Net cash provided by (used in) operating activities	32,191	(12,222)
Cash flows from investing activities		
Net decrease (increase) in time deposits	411	(4,041)
Purchase of property, plant and equipment	(5,808)	(5,010)
Proceeds from sale of property, plant and equipment	98	1
Purchase of intangible assets	(101)	(499)
Purchase of investment securities	(323)	(593)
Proceeds from sale of investment securities	390	2,357
Proceeds from collection of loans receivable	50	30
Other, net	(322)	(682)
Net cash provided by (used in) investing activities	(5,604)	(8,438)

(Unit: Millions of yen)

	FY2022 (April 1, 2022, to March 31, 2023)	FY2023 (April 1, 2023, to March 31, 2024)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-	533
Repayments of long-term borrowings	(80)	-
Purchase of treasury shares	(1,252)	(0)
Dividends paid	(2,972)	(3,839)
Dividends paid to non-controlling interests	(32)	(78)
Other, net	56	4
Net cash provided by (used in) financing activities	(4,280)	(3,379)
Effect of exchange rate change on cash and cash equivalents	16	67
Net increase (decrease) in cash and cash equivalents	22,323	(23,973)
Cash and cash equivalents at beginning of period	41,244	63,911
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	343	-
Cash and cash equivalents at end of period	63,911	39,938

5. Supplementary forecast materials

(1) Consolidated earnings forecast by segment

(Unit: Millions of yen)

Segment	FY2024(forecast)		
	Orders received	Net sales	Backlog
Domestic Environment and Energy Business	198,700	109,400	549,323
Overseas Environment and Energy Business	4,000	5,000	4,868
Package Boiler Business	18,800	18,600	6,315
Equipment and Systems Business	9,000	10,500	9,110
Total	230,500	143,500	569,617
Adjustments	(500)	(500)	(4)
Total	230,000	143,000	569,612

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

(Unit: Millions of yen)

	FY2023 (actual)	FY2024 (forecast)	Change
Capital investment	3,527	1,600	(1,927)
Depreciation	1,797	2,000	202
Research and development expenses	1,629	2,200	570

6. Supplementary Materials

Domestic Environment and Energy Business Breakdown

(Unit: Billions of yen)

	FY2023(actual)		
	Orders received	Net sales	Backlog
Municipal Solid Waste Plants (EPC)	19.6	33.5	113.3
Municipal Solid Waste Plants (after sales service business)	57.8	45.3	245.4
Energy Plants	25.7	28.8	72.8
Water Treatment Plants, other	28.0	11.1	28.4
Adjustments	0.3	0.3	0
Total	131.5	119.1	460.0