

Main Q&A at Financial Briefing for Q2 FY2025 (ending 3/2026), held on November 21, 2025

Q1. The order backlog is increasing. Are there enough personnel to further increase orders in the future?

A1. To handle the order volume for the fiscal year 2030 ordinary profit target, we believe a scale of 1,200 personnel is necessary for Takuma alone (as of the end of March 2025: 1,087 personnel). There is a time lag of several years from order received to revenue recognition for EPC projects, and we have taken this into account when planning recruitment and training of personnel. In terms of handling the current order backlog, we are currently sufficiently staffed, including personnel who can be immediately effective. We will continue recruitment activities toward a 1,200-personnel structure.

Q2. Tell me regarding the current demand and future outlook for large-scale maintenance work (life extension, major renovations, etc.).

A2. At present, due to factors such as the soaring construction costs, there is an increasing demand for larger renewal projects compared to traditional maintenance work, such as projects that reuse existing buildings and only update internal plant parts, as well as primary equipment improvement work and large-scale renewal work. We expect that similar projects will continue to increase in the future.

Q3. Please tell us the reasons Takuma has been able to win bids in waste treatment plant projects despite the competition.

A3. The bidding projects are evaluated using a comprehensive evaluation method, assessing both price and non-price factors such as technical capability. To receive high evaluations in the latter, it is very important to accurately grasp customer needs (such as power generation, landscape, and base functions during disasters). We believe that the projects we were able to win were the result of being able to make accurate proposals on non-price factors and being comprehensively evaluated.

Q4. Please explain the reasons behind the profit decline in the first half. Will the factors causing the profit decline be resolved in the second half, leading to an increase in profits?

A4. The largest decrease compared to the same period of the previous year is in the overseas environment and energy business, but the main factor for profit fluctuation is the project mix of the domestic environment and energy business. In addition to the tendency for sales and profits to increase in this segment toward the second half of the year, this term saw fewer deliverable projects at the end of the fiscal year compared to the previous term, resulting

in a profit decrease in the first half, but it is expected to grow in the second half. Since the overseas business is small in scale, we believe it can generally be made up for by the domestic environment and energy business.

Q5. Will the CO₂ separation and recovery demonstration facility (on a scale of 6 tons per day), whose performance will be evaluated from fiscal year 2027, be able to recover all the CO₂ from the waste treatment plants of a scale handled by Takuma? Are there any cost or technical challenges?

A5. A separation and recovery capacity of 60 tons is assumed for the commercialization of the CO₂ separation and recovery device, and the pilot test is conducted at one-tenth of that scale. This capability is designed for the recovery of the non-biomass CO₂ portion (40%) of the CO₂ emitted by waste treatment facilities processing 100 to 300 tons per day (two-furnace configuration), and it can be applied to many waste treatment plants. The challenge moving forward is cost, so it is necessary to improve efficiency to reduce costs.

Q6. Please tell us your thoughts on future share buybacks, including whether there is room for additional share buybacks.

A6. At present, the policy is to steadily execute a three-year share buyback of 18 billion yen for fiscal years 2024 to 2026 based on our capital policy. Additional share buybacks will be considered based on the status of operating cash flow and funding needs, such as working capital.

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