

January 10, 2020

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Notice Regarding Revision of the Consolidated Forecast for the Fiscal Year Ending February 2020

The Takeuchi Group has revised the consolidated forecast for the fiscal year ending February 2020 (March 1, 2019 to February 29, 2020), which was announced on October 10, 2019, to reflect current trends in sales and earnings. There is no change in the forecast for the dividend to be paid at the end of the fiscal year.

1. Consolidated Forecast for the Fiscal Year Ending February 2020 (March 1, 2019 - February 29, 2020)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Earnings per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	115,000	12,300	11,900	8,700	182.43
Revised forecast (B)	114,500	12,000	11,800	8,550	179.28
Amount of change (B-A)	(500)	(300)	(100)	(150)	-
Percent of change (%)	(0.4)	(2.4)	(0.8)	(1.7)	-
(Reference) Actual results of FY ended Feb.2019	110,175	15,411	15,496	11,391	238.83

2. Reasons for Revision

A company in Japan that manufactures parts for Takeuchi products was unable to supply these parts for some time because of flooding caused by a powerful typhoon that made landfall on October 12, 2019. Takeuchi continued to ship its products by temporarily using alternate parts. The original supplier of these parts resumed manufacturing operations in December and is gradually restoring output to the normal volume. Due to these events, Takeuchi reexamined its consolidated forecast for the fiscal year.

Takeuchi was forced to reduce production starting immediately after the typhoon damage occurred. As a result, Takeuchi expects that production volume and sales volume in the current fiscal year will be less than in the previous forecast. However, Takeuchi has also revised the assumed yen exchange rates in the fiscal year's fourth quarter and afterward due to the outlook for the yen to be weaker. The result is a decrease of 500 million yen in the fiscal year consolidated sales forecast to 114,500 million yen.

Earnings forecasts have been revised to reflect the lower sales forecast, the decrease in haulage expenses due to the decline in shipments, higher expenses due to activities associated with the impact of the October 2019 typhoon, and other factors. The fiscal year forecasts have been reduced 300 million yen to 12,000 million yen for operating income, 100 million yen to 11,800 million yen for ordinary income and 150 million yen to 8,550 million yen for profit attributable to owners of parent.

The assumed exchange rates for the fourth quarter and thereafter are 108 yen to the U.S. dollar, 141 yen to the British pound, 120 yen to the euro and 15.5 yen to the yuan.

(The assumed exchange rates for the previous forecast were 104 yen to the U.S. dollar, 127 yen to the British pound, 115 yen to the euro and 14.5 yen to the yuan.)

(Reference)

(Million yen)

Net sales by region		Actual results of 3 quarters FY Feb./2020	Previous forecast (full year)	Revised forecast		
				Full year	Change (amount)	Change (%)
Japan		445	740	490	(250)	(33.8)
North America		42,711	52,620	52,520	(100)	(0.2)
Europe		47,090	59,960	59,980	20	0.0
Asia		355	480	390	(90)	(18.8)
Others		881	1,200	1,120	(80)	(6.7)
Net sales		91,483	115,000	114,500	(500)	(0.4)
Operating income		10,696	12,300	12,000	(300)	(2.4)
Ordinary income		10,446	11,900	11,800	(100)	(0.8)
Profit attributable to owners of parent		7,565	8,700	8,550	(150)	(1.7)

3 Cautionary statement regarding forecasts of operating results and special notes

Forward-looking statements in these materials are based on information available to management at the time this report was prepared and assumptions that management believes are reasonable. Actual results may differ significantly from these statements for a number of reasons.