

October 13, 2022

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Notice Regarding Revisions of Earnings Forecast and Dividend Forecast

We hereby confirm that in light of recent earnings trends the earnings forecast announced on July 12, 2022, and dividend forecast announced on April 12, 2022, have been revised as appears below.

1. Consolidated Forecast for the Fiscal Year Ending February 2023 (March 1, 2022, to February 28, 2023)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Per share Profit
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	165,000	16,100	16,600	12,200	255.84
Revised forecast (B)	173,000	20,000	21,000	15,500	325.12
Amount of change (B-A)	8,000	3,900	4,400	3,300	-
Percentage change (%)	4.8%	24.2%	26.5%	27.0%	-
(Reference) Actual results for FY ended Feb. 2022	140,892	17,764	18,080	13,348	279.91

Reasons for Revision

The demand for our products remained strong in both North America and Europe, the major markets of the Group, and orders received in the first half of the year amounted to 130,833 million yen, up 15.6% year on year. Sales volume in the first half exceeded the previous forecast. In addition, the yen's depreciation against major currencies compared to our assumptions provided a tailwind, and consolidated financial results for the first half of the fiscal year exceeded our previous forecast in terms of both sales and profit.

On the other hand, the outlook for parts procurement remains uncertain, as there are still delays in logistics and receiving parts due to a combination of factors, including the prolonged impact of the spread of COVID-19 and unstable overseas conditions. Based on this situation, we have revised our full-year consolidated forecasts. Full-year sales volume is expected to slightly exceed the previous forecast. In addition, mainly due to the revision of the assumed exchange rate for the US dollar to a weaker yen in the second half of the fiscal year, the full-year

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consolidated financial results are expected to exceed the previous forecast in terms of both sales and profit and reach a record high.

The actual exchange rates (averaged during the period) for the first half of the current consolidated fiscal year are 1 US dollar = 126.74 yen, 1 British pound = 160.63 yen, 1 Euro = 136.90 yen, 1 yuan = 19.13 yen, and from the third quarter the assumed exchange rates are 1 US dollar = 135 yen, 1 British pound = 150 yen, 1 Euro = 133 yen, 1 yuan = 19.10 yen. (The previous forecast rates were: 1 US dollar = 128 yen, 1 British pound = 157 yen, 1 Euro = 135 yen, 1 yuan = 19.10 yen)

(Reference)

Millions of yen

Net Sales by Region	Previous forecast		Revised forecast		
	First half	Full year	First half (results)	Full year	Change (%)
Japan	1,190	2,570	1,156	1,950	(24.1)%
North America	42,150	86,670	47,192	93,940	8.4%
Europe	34,150	72,180	35,418	72,990	1.1%
Asia	230	330	277	430	30.3%
Others	1,880	3,250	1,987	3,690	13.5%
Net sales	79,600	165,000	86,033	173,000	4.8%
Operating profit	8,000	16,100	9,328	20,000	24.2%
Ordinary profit	8,450	16,600	10,339	21,000	26.5%
Profit attributable to owners of parent	6,250	12,200	7,663	15,500	27.0%

2. Dividend forecast

	Annual dividend (yen)		
	At the end of the second quarter	Year-end	Total
Previous forecast (Announced on April 12, 2022)		68	68
Revised Forecast		98	98
Results for the fiscal year ending February 2023	0		
Results for the fiscal year ended February 2022	0	68	68

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Reasons for Revision

The Company regards the distribution of profits to our shareholders as one of our management priorities. The Company's basic policy for profit distribution is to strive to maintain stable dividends with a target consolidated payout ratio of 30% while securing the internal reserves necessary to strengthen its management structure and prepare for future business development.

Based on this basic policy, and after comprehensively considering the profit level and financial position for the fiscal year ending February 28, 2023, the Company has revised its year-end dividend forecast for the fiscal year ending February 28, 2023, to 98 yen per share, an increase of 30 yen per share from the previous forecast. This is an increase of 30 yen from the previous year's payment.

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.