

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.

January 12, 2024

## Summary of Consolidated Financial Results For the Nine Months Ended November 30, 2023 [Japan GAAP]

Name of Company:	TAKEUCHI MFG. CO., LTD.
Stock Code:	6432
Stock Exchange Listing:	Tokyo Stock Exchange
URL:	<a href="https://www.takeuchi-mfg.co.jp/">https://www.takeuchi-mfg.co.jp/</a>
Representative:	Title: President & Representative Director
	Name: Toshiya Takeuchi
Contact Person:	Title: Director, Manager of Business Management Department
	Name: Osamu Kobayashi
Phone:	+81-(0)268-81-1200
Date of quarterly securities report (tentative):	January 12, 2024
Date of commencement of dividend payment (tentative):	-
Quarterly earnings supplementary explanatory documents:	No
Quarterly financial results briefing:	No

(Yen in millions, rounded down)

### 1. Financial results for the nine months ended November 2023 (March 1, 2023 – November 30, 2023)

(1) Result of operations (Consolidated, year-to-date) (Percentage figures represent year on year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended November 30, 2023	158,831	19.5	25,621	83.6	25,798	74.7	18,948	73.3
Nine months ended November 30, 2022	132,926	24.3	13,952	(1.5)	14,770	2.6	10,931	3.0

(Note) Comprehensive income: For the nine months ended November 30, 2023: 26,188 million yen [31.3%],  
For the nine months ended November 30, 2022: 19,946 million yen [54.4%]

	Earnings per share		Earnings per share fully diluted	
	Yen		Yen	
Nine months ended November 30, 2023	397.52		-	
Nine months ended November 30, 2022	229.29		-	

(2) Financial Position (Consolidated)

	Total assets		Net assets		Equity ratio	
	Million yen		Million yen		%	
As of November 30, 2023	186,104		143,311		77.0	
As of February 28, 2023	158,785		121,802		76.7	

(Reference) Shareholders' equity

As of November 30, 2023:	143,311 million yen	As of February 28, 2023:	121,802 million yen
--------------------------	---------------------	--------------------------	---------------------

### 2. Dividends

	Dividend per share				
	End of Q1	End of Q2	End of Q3	End of FY	Full year
	Yen		Yen		Yen
Fiscal year ended Feb. 2023	-	0.00	-	98.00	98.00
Fiscal year ending Feb. 2024	-	0.00	-	-	-
Fiscal year ending Feb. 2024 (est.)	-	-	-	158.00	158.00

(Note) Change in the estimation of dividend from the latest announcement: None

(Note) Breakdown of the year-end dividends per share for the fiscal year ending Feb. 2024 (estimated):

Ordinary dividends: 153.00 yen, Commemorative dividends for the 60th anniversary of founding: 5.00 yen

### 3. Forecast for the fiscal year ending February 2024 (Consolidated, March 1, 2023 to February 29, 2024)

(Percentage figures represent year on year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	205,000	14.5	33,100	56.0	33,200	55.3	24,200	51.4	507.68

(Note) Change in the forecast from the latest announcement: None

#### \* Notes

(1) Changes in significant subsidiaries (Changes in specific subsidiaries accompanied by changes in the scope of consolidation): None

(2) Application of accounting methods specifically for the preparation of the quarterly consolidated financial statements: None

(3) Changes in accounting principles and estimates, and retrospective restatement

(a) Changes due to revision of accounting standards: None

(b) Changes other than in (a): None

(c) Changes in accounting estimates: None

(d) Retrospective restatement: None

(4) Number of shares outstanding (common shares)

(a) Shares outstanding (including treasury shares)

As of November 30, 2023: 48,999,000 As of February 28, 2023: 48,999,000

(b) Treasury shares

As of November 30, 2023: 1,331,635 As of February 28, 2023: 1,331,562

(c) Average number of shares (quarterly consolidated cumulative period)

Period ended November 30, 2023: 47,667,390 Period ended November 30, 2022: 47,677,366

(Note) Treasury shares include shares held by the Board Incentive Plan Trust (77,640 shares as of February 28, 2023 and 77,640 shares as of November 30, 2023).

\* This report is exempt from the quarterly audit review.

\* 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. For information about the forecasts, please see "Explanation of Forecast Information such as Consolidated Earnings Forecast, etc." on page 3.

## **Index for Supplementary Information**

<b>1. Qualitative Information on Quarterly Financial Results .....</b>	<b>2</b>
(1) Explanation of Operating Results.....	2
(2) Explanation of Financial Position.....	3
(3) Explanation of Forecast Information such as Consolidated Earnings Forecast, etc. ....	3
<b>2. Quarterly Consolidated Financial Statements and Important Notes.....</b>	<b>4</b>
(1) Quarterly Consolidated Balance Sheet.....	4
(2) Quarterly Consolidated Statements of Income and Consolidated Statements of Comprehensive Income.....	6
(Quarterly Consolidated Statements of Income) .....	6
(For the Nine Months) .....	6
(Quarterly Consolidated Statements of Comprehensive Income) .....	7
(For the Nine Months) .....	7
(3) Notes to Quarterly Consolidated Financial Statement .....	8
(Notes to Going Concern Assumptions) .....	8
(Significant Change in Shareholders' Equity).....	8
(Segment Information, Other).....	9
(Subsequent Events).....	9

## 1. Qualitative Information on Quarterly Financial Results

### (1) Explanation of Operating Results

During the first nine months of the current fiscal year (March 1, 2023 to November 30, 2023), the outlook for the global economy remained uncertain due to the prolonged Ukraine situation, global inflation, and financial instability caused by higher policy interest rates in various countries, however, consumer spending remained strong in the US due to favorable employment conditions and rising wages. The economy of Europe is currently weak, but there are signs of a recovery, as the inflation rate, which was a big concern, is now declining, and real income is expected to improve and personal consumption to recover.

Under this environment, Takeuchi Group's sales continued to be strong in both Europe and the US. The sales volume of compact excavators, hydraulic excavators, and track loaders exceeded those of the same period of the previous fiscal year. In March 2023, we launched the TB350R compact excavator and the TB395W wheeled excavator, and in October 2023, we launched the TB320 compact excavator on the market. With the addition of these new products to our product portfolio, we aim to expand our market share.

In our third mid-term business plan (from the fiscal year ended February 28, 2023, to the fiscal year ending February 28, 2025), we are working to increase production capacity. Following the factory in South Carolina, the US, which started production of track loaders by the semi-knockdown method in September 2022, we sequentially started production of mid-sized excavators (4 to 9 tons) at our Aoki factory in Aoki-mura, Chiisagata-gun, Nagano Prefecture from September 2023. Both factories are expected to achieve the production capacity targets set in the mid-term business plan by the end of August 2024, and combined with the existing home office factory, production capacity is expected to increase approximately 1.5 times higher than the previous level.

Orders received in the nine months of the current consolidated fiscal year totaled 125,522 million yen (down 29.4% year on year), and the order backlog at the end of the third quarter of the current consolidated fiscal year was 157,437 million yen, a decrease of 33,309 million yen from the end of the previous fiscal year. Orders received decreased significantly year on year, but this is due to the fact that both our customers and the Group are adjusting orders received and placed continuously in order to bring the accumulated order backlog to a normal volume.

Net sales for the nine months of the current fiscal year were 158,831 million yen (up 19.5% year on year). On the profit front, operating profit was 25,621 million yen (up 83.6% year on year) and ordinary profit was 25,798 million yen (up 74.7% year on year) due to an increase in sales volume, product price increases, lower transportation costs, and the impact of the yen's depreciation, despite factors that reduced profits, including soaring raw material prices and depreciation and labor costs at the US factory that started operation in September 2022 and the Aoki factory that started operation in September 2023. After income taxes of 6,849 million yen, profit attributable to owners of parent was 18,948 million yen (up 73.3% year on year).

The performance by geographic segment was as follows.

#### (a) Japan

Shipments to distributors in Europe account for most of the sales in this segment. In Europe, product sales were strong due to robust non-residential construction work, including urban infrastructure works and construction investment, although rising mortgage interest rates and soaring energy and other living costs were pushing down housing demand. Net sales increased by 27.0% year on year to 56,325 million yen due to an increase in sales volume for European distributors, as well as price increases of products and the impact of the yen's depreciation. Segment profit increased by 176.6% to 20,850 million yen due to sales volume increase, lower transportation costs, and the impact of the yen's depreciation, despite factors that reduced profits, such as higher raw material prices.

#### (b) United States

In the US segment, housing starts continued to be in an adjustment phase due to factors such as high mortgage rates and housing prices. However, product sales remained strong due to strong latent demand for housing and brisk non-housing related construction work such as infrastructure work and construction investment. Net sales increased by 15.3% year on year to 84,925 million yen due to an increase in sales volume, as well as price increases of products and the impact of the yen's depreciation. Segment profit increased by 0.5% year on year to 7,650 million yen due to sales volume increase and the yen's depreciation, despite factors that reduced profits such as depreciation and labor costs for the US factory, which started operation in September 2022.

#### (c) United Kingdom

In the UK, rising mortgage rates and the rising cost of living, including energy prices, are pushing down housing demand. And the sales of excavators of 3 tons or less decreased due to inventory adjustments at dealers, however, net sales increased by 8.2% year on year to 10,114 million yen and segment profit

increased by 9.8% year on year to 943 million yen due to the impact of product price increases and the yen's depreciation.

(d) France

In the France segment, machine sales were strong due to robust non-residential construction work, including urban infrastructure works and construction investment, although rising mortgage interest rates and soaring energy and other living costs were pushing down housing demand. As a result, net sales increased by 34.8% year on year to 7,381 million yen and segment profit increased by 57.7% to 793 million yen, due to an increase in the sales volume of compact excavators compared to the same period last year, as well as product price increases and the impact of the yen's depreciation.

(e) China

In the China segment, the main business is the manufacture and sale of construction machinery parts for the Japan segment, and net sales to external customers decreased by 34.9% year on year to 83 million yen. Segment profit increased by 4,690.0% to 77 million yen.

(2) Explanation of Financial Position

(Assets)

Total assets at the end of the third quarter of the current consolidated fiscal year increased by 27,318 million yen compared to the end of the previous fiscal year to 186,104 million yen. This was mainly due to an increase in notes and accounts receivable-trade of 12,062 million yen due to higher sales, 5,001 million yen in inventories due to increased production, 2,375 million yen in other current assets, and 6,011 million yen in property, plant and equipment due to the acquisition of the Aoki factory.

(Liabilities)

Total liabilities at the end of the third quarter of the current consolidated fiscal year increased by 5,809 million yen compared to the end of the previous fiscal year to 42,792 million yen. This was mainly due to increases in accounts payable - trade of 2,973 million yen due to the production volume increase, and income taxes payable of 2,018 million yen.

(Net assets)

Total net assets at the end of the third quarter of the current consolidated fiscal year increased by 21,508 million yen compared to the end of the previous fiscal year to 143,311 million yen. This was mainly due to the increase in retained earnings because of an increase in profit attributable to owners of parent of 18,948 million yen notwithstanding a decrease of 4,679 million yen for dividend payments, and the increase in foreign currency translation adjustments of 7,208 million yen.

(3) Explanation of Forecast Information such as Consolidated Earnings Forecast, etc.

There is no change to the full-year earnings forecast announced in the "Notice Regarding Revisions of Earnings Forecast and Dividend Forecast" dated October 12, 2023. The assumed exchange rates for the third quarter onward in this forecast are 137 yen to the US dollar, 174 yen to the British pound, 149 yen to the euro and 18.70 yen to the yuan.

## 2. Quarterly Consolidated Financial Statements and Important Notes

### (1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of February 28, 2023	As of November 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	43,995	44,820
Notes and accounts receivable - trade	35,739	47,802
Merchandise and finished goods	22,013	22,246
Work in process	15,346	15,489
Raw materials and supplies	10,363	14,988
Other	4,138	6,513
Allowance for doubtful accounts	(1,137)	(1,226)
Total current assets	130,459	150,633
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,592	17,373
Machinery, equipment and vehicles, net	2,491	5,061
Land	3,553	4,012
Other, net	7,082	2,284
Total property, plant and equipment	22,721	28,732
Intangible assets	759	852
Investments and other assets		
Deferred tax assets	2,882	4,006
Other	1,985	1,900
Allowance for doubtful accounts	(21)	(21)
Total investments and other assets	4,846	5,885
Total non-current assets	28,326	35,470
Total assets	158,785	186,104

(Millions of yen)

	As of February 28, 2023	As of November 30, 2023
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	26,755	29,728
Income taxes payable	1,869	3,887
Provision for bonuses	639	507
Provision for product warranties	2,058	2,696
Other	5,053	5,313
Total current liabilities	36,376	42,134
Non-current liabilities		
Provision for share awards for directors (and other officers)	94	109
Retirement benefit liability	72	95
Other	439	454
Total non-current liabilities	606	658
Total liabilities	36,983	42,792
<b>Net assets</b>		
Shareholders' equity		
Share capital	3,632	3,632
Capital surplus	3,631	3,631
Retained earnings	109,177	123,447
Treasury shares	(2,032)	(2,032)
Total shareholders' equity	114,409	128,679
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	16	42
Foreign currency translation adjustment	7,387	14,596
Remeasurements of defined benefit plans	(11)	(6)
Total accumulated other comprehensive income	7,392	14,632
Total net assets	121,802	143,311
Total liabilities and net assets	158,785	186,104

(2) Quarterly Consolidated Statements of Income and Consolidated Statements of Comprehensive Income  
(Quarterly Consolidated Statements of Income)  
(For the Nine Months)

(Millions of yen)

	Nine months ended November 30, 2022	Nine months ended November 30, 2023
Net sales	132,926	158,831
Cost of sales	101,863	120,335
Gross profit	31,063	38,496
Selling, general and administrative expenses		
Transportation costs	11,142	5,402
Provision for product warranties	1,052	1,335
Provision of allowance for doubtful accounts	0	(0)
Remuneration for directors (and other officers)	248	280
Salaries and allowances	1,884	2,284
Provision for bonuses	127	156
Retirement benefit expenses	40	52
Provision for share awards for directors (and other officers)	21	14
Other	2,594	3,347
Total selling, general and administrative expenses	17,110	12,874
Operating profit	13,952	25,621
Non-operating income		
Interest income	50	337
Foreign exchange gains	948	—
Other	69	72
Total non-operating income	1,068	410
Non-operating expenses		
Loss on retirement of non-current assets	230	7
Foreign exchange losses	—	226
Other	20	0
Total non-operating expenses	250	234
Ordinary profit	14,770	25,798
Profit before income taxes	14,770	25,798
Income taxes - current	4,782	7,989
Income taxes - deferred	(943)	(1,139)
Total income taxes	3,838	6,849
Profit	10,931	18,948
Profit attributable to owners of parent	10,931	18,948



(Quarterly Consolidated Statements of Comprehensive Income)  
(For the Nine Months)

(Millions of yen)

	Nine months ended November 30, 2022	Nine months ended November 30, 2023
Profit	10,931	18,948
Other comprehensive income		
Valuation difference on available-for-sale securities	6	25
Foreign currency translation adjustment	9,010	7,208
Remeasurements of defined benefit plans, net of tax	(2)	4
Total other comprehensive income	9,014	7,239
Comprehensive income	19,946	26,188
Comprehensive income attributable to owners of parent	19,946	26,188
Comprehensive income attributable to non-controlling interests	—	—

- (3) Notes to Quarterly Consolidated Financial Statement  
(Notes to Going Concern Assumptions)  
None
- (Significant Change in Shareholders' Equity)  
None

(Segment Information, Other)

[Segment Information]

I. For the Nine Months Ended November 2022 (March 1, 2022 – November 30, 2022)

1. Information about Sales and Profit (Loss) by Reporting Segments and Disaggregation of Revenue

(Million yen)

	Reporting segments					Total	Adjustments (Note 1)	Amount on the quarterly consolidated statements of income (Note 2)
	Japan	USA	UK	France	China			
Net sales Revenue from contracts with customers	44,347	73,625	9,347	5,477	128	132,926	—	132,926
Net sales (of which to outside customers)	44,347	73,625	9,347	5,477	128	132,926	—	132,926
(of which inter- segment/transfer)	63,539	1	10	2	2,460	66,014	(66,014)	—
Total	107,886	73,627	9,358	5,480	2,588	198,941	(66,014)	132,926
Segment profit	7,538	7,613	859	503	1	16,515	(2,563)	13,952

Notes: 1. Adjustment in segment profit of -2,563 million yen includes -1,296 million yen for elimination of inter-segment trade and -1,267 million yen for corporate expenses, which has not been distributed in the segments. The corporate expenses are general expenses that are not attributed to the segments.

2. Segment profit is adjusted for operating profit in the quarterly consolidated statements of income.

3. The information on revenue breakdown is the same as the information on sales of reporting segments in the segment information, etc., and the breakdown information is provided by geographic region.

II. For the Nine Months Ended November 2023 (March 1, 2023 – November 30, 2023)

1. Information about Sales and Profit (Loss) by Reporting Segments and Disaggregation of Revenue

(Million yen)

	Reporting segments					Total	Adjustments (Note 1)	Amount on the quarterly consolidated statements of income (Note 2)
	Japan	USA	UK	France	China			
Net sales Revenue from contracts with customers	56,325	84,925	10,114	7,381	83	158,831	—	158,831
Net sales (of which to outside customers)	56,325	84,925	10,114	7,381	83	158,831	—	158,831
(of which inter- segment/transfer)	81,981	2	15	6	2,883	84,889	(84,889)	—
Total	138,307	84,928	10,130	7,387	2,967	243,721	(84,889)	158,831
Segment profit	20,850	7,650	943	793	77	30,315	(4,693)	25,621

Notes: 1. Adjustment in segment profit of -4,693 million yen includes -3,057 million yen for elimination of inter-segment trade and -1,635 million yen for corporate expenses, which has not been distributed in the segments. The corporate expenses are general expenses that are not attributed to the segments.

2. Segment profit is adjusted for operating profit in the quarterly consolidated statements of income.

3. The information on revenue breakdown is the same as the information on sales of reporting segments in the segment information, etc., and the breakdown information is provided by geographic region.

(Subsequent Events)

None