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April 12, 2024

Summary of Consolidated Financial Results For the Fiscal Year Ended February 29, 2024 [Japan GAAP]

Name of Company:	TAKEUCHI MFG. CO., LTD.
Stock Code:	6432
Stock Exchange Listing:	Tokyo Stock Exchange
URL:	https://www.takeuchi-mfg.co.jp/
Representative	Title: President & Representative Director
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Contact Person	Title: Director, Manager of Business Management Department
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Date of regular general meeting of shareholders (tentative):	May 29, 2024
Date of commencement of dividend payment (tentative):	May 30, 2024
Date of securities report (tentative):	May 29, 2024
Supplementary explanatory documents:	Yes
Financial results briefing:	Yes (for institutional investors and analysts)

(Yen in millions, rounded down)

1. Consolidated financial results for the fiscal year ended February 2024 (March 1, 2023 – February 29, 2024)

(1) Result of operations (Consolidated)

(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	%
Fiscal year ended Feb. 2024	212,627	18.8	35,296	66.3	35,455	65.8	26,149	63.6
Fiscal year ended Feb. 2023	178,966	27.0	21,221	19.5	21,379	18.2	15,979	19.7

(Note) Comprehensive income: FY Feb./2024: 30,502 million yen [45.2%], FY Feb./2023: 21,012 million yen [25.8 %]

	Earnings per share	Earnings per share fully diluted	Return on equity	Ratio of ordinary profit to assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended Feb. 2024	548.58	-	19.4	19.9	16.6
Fiscal year ended Feb. 2023	335.19	-	14.1	14.4	11.9

(Reference) Equity in earnings/losses of affiliates: FY Feb./2024 - million yen FY Feb./2023 - million yen

(2) Financial position (Consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of February 29, 2024	198,153	147,625	74.5	3,096.99
As of February 28, 2023	158,785	121,802	76.7	2,555.26

(Reference) Shareholders' equity: As of February 29, 2024: 147,625 million yen As of February 28, 2023: 121,802 million yen

(3) Cash flow position (Consolidated)

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Feb. 2024	24,640	(7,771)	(4,714)	54,682
Fiscal year ended Feb. 2023	8,537	(8,863)	(3,320)	43,519

2. Dividends

	Dividend per share					Annual total amount	Payout ratio (Consolidated)	Dividends/ net assets (Consolidated)
	End of Q1	End of Q2	End of Q3	End of FY	Full year			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Feb. 2023	-	0.00	-	98.00	98.00	4,679	29.2	4.1
Fiscal year ended Feb. 2024	-	0.00	-	158.00	158.00	7,543	28.8	5.6
Fiscal year ending Feb. 2025 (estimated)	-	0.00	-	200.00	200.00		34.7	

(Note) Breakdown of the year-end dividend per share for the fiscal year ended Feb. 2024:

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

3. Forecast for the fiscal year ending February 2025 (Consolidated, March 1, 2024 to February 28, 2025)

(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
First half	112,000	6.5	21,000	23.8	20,800	21.8	14,800	16.8	310.48
Full year	224,000	5.3	38,500	9.1	38,500	8.6	27,500	5.2	576.91

* Notes

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

(2) 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

(3) Number of shares outstanding (common stock)

(a) Shares outstanding (including treasury shares)

As of February 29, 2024: 48,999,000 As of February 28, 2023: 48,999,000

(b) Treasury shares

As of February 29, 2024: 1,331,635 As of February 28, 2023: 1,331,562

(c) Average number of shares

Period ended February 29, 2024: 47,667,383 Period ended February 28, 2023: 47,674,918

(Note) Treasury shares include shares held by the Board Incentive Plan Trust (77,640 shares as of February 29, 2024 and 77,640 shares as of February 28, 2023).

(Reference) Overview of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended February 2024 (March 1, 2023 – February 29, 2024)

(1) Result of operations (Non-consolidated)

(Percentage figures represent year on year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Feb. 2024	192,847	22.7	28,493	147.2	28,186	138.2	20,210	138.0
Fiscal year ended Feb. 2023	157,199	28.1	11,524	4.6	11,833	6.6	8,492	8.0

	Earnings per share		Earnings per share fully diluted	
	Yen	Yen	Yen	Yen
Fiscal year ended Feb. 2024	423.99	-	-	-
Fiscal year ended Feb. 2023	178.12	-	-	-

(2) Financial Position (Non-consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of February 29, 2024	140,500	96,718	68.8	2,029.04
As of February 28, 2023	115,099	81,147	70.5	1,702.36

(Reference) Shareholders' equity As of Feb. 29, 2024: 96,718 million yen As of Feb. 28, 2023: 81,147 million yen

* This report is exempt from the requirement of review by a certified public accountant or audit firm.

* Cautionary statement regarding forecasts of operating results and special notes

(1) Financial Outlook

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 "1. Results of Operations (4) Future Outlook" on page 4 of the Supplementary Information

(2) Access to supplementary explanatory materials for financial results and contents of financial results briefing

We plan to hold a financial results briefing for institutional investors and securities analysts on April 22, 2024. The financial results briefing materials will be posted on our website immediately after the meeting.

Index for Supplementary Information

1. Results of Operations	2
(1) Overview of Consolidated Business Performance	2
(2) Overview of Financial Condition.....	3
(3) Overview of Cash Flows	3
(4) Future Outlook.....	4
2. Basic Stance for the Selection of Accounting Standards	4
3. Consolidated Financial Statements and Important Notes	5
(1) Consolidated Balance Sheet.....	5
(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income	7
(Consolidated Statement of Income)	7
(Consolidated Statement of Comprehensive Income)	8
(3) Consolidated Statement of Changes in Equity	9
(4) Consolidated Statement of Cash Flows	11
(5) Notes to the Consolidated Financial Statements	12
(Notes to Going Concern Assumptions).....	12
(Changes in Accounting Principles)	12
(Segment Information, etc.).....	13
(Per Share Information).....	15
(Important Subsequent Events)	15

1. Results of Operations

(1) Overview of Consolidated Business Performance

During the current consolidated fiscal year (March 1, 2023 to February 29, 2024), 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, but in the US, consumer spending remained strong due to favorable employment conditions and rising wages. In Europe, the economy remained sluggish, although there were signs of improvement from the worst period, such as a recent decline in inflation and expectations of an improvement in real incomes and a recovery in consumer spending.

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 medium-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 medium-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 current consolidated fiscal year totaled 150,777 million yen (down 36.1% year on year), and the order backlog at the end of the current consolidated fiscal year was 128,897 million yen, a decrease of 61,850 million yen from the end of the previous fiscal year. Orders received decreased significantly from the same period of the previous year. This is due to the continued adjustment of orders received and placed by both the customer and the Group in order to normalize the order backlog that has built up, and also because the timing of orders from a major US rental company was different than in the past, and it has been postponed to the next fiscal year.

Due to the above, net sales for the current consolidated fiscal year reached a record high of 212,627 million yen (up 18.8% year on year), and profits at each stage also reached a record high, respectively. Operating profit increased by 66.3% to 35,296 million yen and ordinary profit increased by 65.8% to 35,455 million yen due to the increase in net sales, higher product prices, lower transportation costs, and the effect of the yen's depreciation, etc., despite factors to reduce profits, such as soaring raw material prices and depreciation and labor costs for the US factory, which started operation in September 2022, and the Aoki factory, which started operation in September 2023. After income taxes of 9,306 million yen, profit attributable to owners of parent was 26,149 million yen (up 63.6% 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 24.3% year on year to 75,404 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 132.6% to 30,724 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 16.9% year on year to 115,183 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 9.8% year on year to 10,870 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 segment, 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, resulting in the year on year sales volume reduction. However, net sales increased by 0.0% year on year to 12,131 million yen due to the impact of product price increases and the yen's depreciation. And segment profit decreased by 17.2% year on year to 912 million yen.

(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 30.2% year on year to 9,794 million yen and segment profit increased by 42.5% to 972 million yen, due to an increase in the sales volume 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. Net sales to external customers decreased by 23.1% year on year to 113 million yen. Segment profit increased by 587.4% to 139 million yen.

(2) Overview of Financial Condition

(Assets)

Assets were 198,153 million yen at the end of the current consolidated fiscal year, 39,367 million yen more than at the end of the previous consolidated fiscal year. This was mainly due to increases in cash and deposits of 11,180 million yen, notes and accounts receivable-trade of 8,832 million yen due to higher sales, inventories of 10,540 million yen due to a production increase and an increase in product inventories at the UK subsidiary and the effect of the yen's depreciation, and property, plant and equipment of 5,475 million yen due to the acquisition of the Aoki factory, etc.

(Liabilities)

Total liabilities at the end of the current consolidated fiscal year increased by 13,544 million yen compared to the end of the previous consolidated fiscal year to 50,527 million yen. This was mainly due to increases in accounts payable-trade of 9,625 million yen, and income taxes payable of 4,689 million yen.

(Net assets)

Net assets at the end of the current consolidated fiscal year increased by 25,822 million yen compared to the end of the previous consolidated fiscal year to 147,625 million yen. This was mainly due to an increase in retained earnings of 26,149 million yen due to profit attributable to owners of parent, despite a decrease in retained earnings of 4,679 million yen due to dividends paid. And foreign currency translation adjustments increased by 4,216 million yen.

(3) Overview of Cash Flows

Cash and cash equivalents (hereinafter referred to as "cash") at the end of the current consolidated fiscal year increased by 11,162 million yen compared to the end of the previous consolidated fiscal year to 54,682 million yen. The status of each cash flow and their factors during the current consolidated fiscal year are as follows.

(Cash-flow from operating activities)

Net cash provided by operating activities increased by 16,102 million yen compared to the previous consolidated fiscal year to 24,640 million yen. This was mainly due to income before income taxes of 35,455 million yen, despite expenditures such as an increase in notes and accounts receivable of 6,889 million yen and income taxes paid of 6,923 million yen.

(Cash-flow from investing activities)

Net cash used in investing activities decreased by 1,092 million yen compared to the previous consolidated fiscal year to 7,771 million yen. This was mainly due to payments for the purchase of property, plant and equipment of 7,537 million yen and for purchase of intangible assets of 325 million yen.

(Cash-flow from financing activities)

Net cash used in financial activities increased by 1,394 million yen compared to the previous consolidated fiscal year to 4,714 million yen. This was mainly due to dividends paid of 4,679 million yen.

(Reference) Cash flow indices

	FY Feb./2020	FY Feb./2021	FY Feb./2022	FY Feb./2023	FY Feb./2024
Equity ratio (%)	76.8	77.8	75.9	76.7	74.5
Market capitalization equity ratio (%)	72.4	111.2	89.1	87.3	126.5
Cash flow to debt ratio (years)	-	-	-	-	-
Interest coverage ratio (times)	-	-	-	-	-

Equity ratio = Shareholders' equity/Total assets

Market capitalization equity ratio = Market capitalization/Total assets

Cash flow to debt ratio = Interest-bearing debts/Operating cash flows

Interest coverage ratio = Operating cash flows/Interest expenses paid

Notes:

1. Consolidated financial data are used for all ratios.
2. Market capitalization is based on the number of shares issued after deducting treasury shares.
3. Interest-bearing debt is all balance sheet liabilities on which interest is paid.
4. Operating cash flows and interest expenses paid are the corresponding figures on the statements of cash flows.
5. No cash flow to debt ratio is shown because there were no interest-bearing debts.
6. No interest coverage ratio is shown because there were no interest expenses paid.

(4) Future Outlook

Consolidated Earnings Forecast

	Results for FY Feb./2024	Forecast for FY Feb./2025	Change
	Million yen	Million yen	%
Net sales	212,627	224,000	5.3
Operating profit	35,296	38,500	9.1
Ordinary profit	35,455	38,500	8.6
Profit attributable to owners of parent	26,149	27,500	5.2

Exchange rates

	Average in FY Feb./2024	Assumption for FY Feb./2025
	Yen	Yen
US dollar	143.25	140.00
British pound	177.55	180.00
Euro	155.05	153.00
Yuan	19.87	19.50

Consolidated results for the fiscal year ending February 2025, are expected to be as shown in the table above.

The Group's main markets are the United States and Europe, where our products are used in housing-related construction projects, living infrastructure development projects, and public and private-sector construction investment. We believe that demand for our products, which are deeply related to housing and indispensable for essential businesses will continue to grow steadily in the medium to long term.

In the US, we expect product sales to remain strong due to persistent demand for housing, aging living infrastructure, and increased construction investment supported by government measures. Utilizing the increased production capacity created by the new factories, we expect a significant increase in sales with higher unit sales of compact excavators, hydraulic excavators, and track loaders than in the current consolidated fiscal year. In Europe, the economic outlook is becoming increasingly uncertain due to sluggish consumer spending and housing demand caused by protracted inflation and rising geopolitical tensions, including the prolonged war in Ukraine, the war in the Israel Gaza Strip, and restrictions on passage through the Suez Canal. Even in Europe, where the economy is sluggish, maintenance work on aging infrastructure is indispensable, and sales of hydraulic excavators, which are often used for such purposes, are expected to remain stable; however, sales of compact excavators, which are mainly used for housing-related work, are expected to decline due to inventory adjustments at dealers and distributors in the UK and Europe.

As a result of the above, sales volume for the fiscal year ending February 2025 is expected to increase by only 1.0% over the current consolidated fiscal year (17.2% increase in the US and 10.2% decrease in Europe), and consolidated net sales are expected to increase by 5.3% to 224,000 million yen. Earnings forecasts are: operating profit of 38,500 million yen (up 9.1% year on year), ordinary profit of 38,500 million yen (up 8.6% year on year), and profit attributable to owners of parent of 27,500 million yen (up 5.2% year on year). Although we expect factors for the decrease in profit, including an increase in manufacturing costs due to higher fixed costs at suppliers, an increase in fixed costs such as labor and depreciation costs related to the start of operations of the Aoki factory, an increase in labor costs as an investment in human capital, and an increase in ocean freight costs, the increase in profits is mainly due to factors such as higher sales, increased selling prices, and the depreciation of the yen against the US dollar, British pound, and Euro when taking into account the transportation and inventory period from Japan to the sales subsidiaries in the US, UK, and France.

This forecast is based on information that was available when this document was released. The forecast is vulnerable to many uncertainties including, but not limited to, changes in demand and other aspects of market conditions and foreign exchange rate movements. Consequently, actual results of operations may differ from this forecast because of changes in a variety of factors.

2. Basic Stance for the Selection of Accounting Standards

The policy of the Takeuchi Group is to continue preparing consolidated financial statements based on Japanese accounting standards for the time being.

For the application of international accounting standards, actions will be taken in an appropriate manner based on all relevant factors in Japan and other countries.

3. Consolidated Financial Statements and Important Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	As of February 28, 2023	As of February 29, 2024
Assets		
Current assets		
Cash and deposits	43,995	55,175
Notes and accounts receivable - trade	35,739	44,572
Merchandise and finished goods	22,013	29,820
Work in process	15,346	12,216
Raw materials and supplies	10,363	16,226
Other	4,138	5,101
Allowance for doubtful accounts	(1,137)	(1,192)
Total current assets	130,459	161,920
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,592	17,660
Machinery, equipment and vehicles, net	2,491	4,765
Tools, furniture and fixtures, net	758	1,192
Land	3,553	3,940
Construction in progress	6,324	637
Total property, plant and equipment	22,721	28,196
Intangible assets	759	829
Investments and other assets		
Investment securities	1,008	767
Deferred tax assets	2,882	5,190
Retirement benefit asset	218	329
Other	757	941
Allowance for doubtful accounts	(21)	(21)
Total investments and other assets	4,846	7,206
Total non-current assets	28,326	36,233
Total assets	158,785	198,153

(Millions of yen)

	As of February 28, 2023	As of February 29, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	26,755	36,381
Income taxes payable	1,869	6,558
Provision for bonuses	639	675
Provision for product warranties	2,058	2,247
Other	5,053	4,009
Total current liabilities	36,376	49,872
Non-current liabilities		
Provision for share awards for directors (and other officers)	94	113
Retirement benefit liability	72	102
Other	439	439
Total non-current liabilities	606	655
Total liabilities	36,983	50,527
Net assets		
Shareholders' equity		
Share capital	3,632	3,632
Capital surplus	3,631	3,631
Retained earnings	109,177	130,648
Treasury shares	(2,032)	(2,032)
Total shareholders' equity	114,409	135,879
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	16	57
Foreign currency translation adjustment	7,387	11,604
Remeasurements of defined benefit plans	(11)	84
Total accumulated other comprehensive income	7,392	11,745
Total net assets	121,802	147,625
Total liabilities and net assets	158,785	198,153

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

(Millions of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Net sales	178,966	212,627
Cost of sales	135,928	160,481
Gross profit	43,037	52,146
Selling, general and administrative expenses		
Transportation costs	13,871	7,189
Provision for product warranties	1,231	1,232
Provision of allowance for doubtful accounts	0	(0)
Remuneration for directors (and other officers)	336	380
Salaries and allowances	2,678	3,212
Provision for bonuses	110	121
Retirement benefit expenses	72	91
Provision for share awards for directors (and other officers)	24	19
Other	3,489	4,603
Total selling, general and administrative expenses	21,816	16,849
Operating profit	21,221	35,296
Non-operating income		
Interest income	170	513
Dividend income	3	3
Foreign exchange gains	206	—
Other	98	97
Total non-operating income	478	614
Non-operating expenses		
Loss on retirement of non-current assets	299	13
Foreign exchange losses	—	341
Loss on valuation of derivatives	—	99
Other	20	0
Total non-operating expenses	320	455
Ordinary profit	21,379	35,455
Profit before income taxes	21,379	35,455
Income taxes - current	5,855	11,663
Income taxes - deferred	(456)	(2,357)
Total income taxes	5,399	9,306
Profit	15,979	26,149
Profit attributable to owners of parent	15,979	26,149

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Profit	15,979	26,149
Other comprehensive income		
Valuation difference on available-for-sale securities	18	40
Foreign currency translation adjustment	5,060	4,216
Remeasurements of defined benefit plans, net of tax	(46)	95
Total other comprehensive income	5,032	4,352
Comprehensive income	21,012	30,502
Comprehensive income attributable to owners of parent	21,012	30,502
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statement of Changes in Equity
 Previous fiscal year (March 1, 2022 – February 28, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,632	3,631	96,444	(1,985)	101,723
Changes during period					
Dividends of surplus			(3,246)		(3,246)
Profit attributable to owners of parent			15,979		15,979
Purchase of treasury shares				(47)	(47)
Net changes in items other than shareholders' equity					
Total changes during period	—	—	12,733	(47)	12,686
Balance at end of period	3,632	3,631	109,177	(2,032)	114,409

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	(1)	2,326	34	2,360	104,083
Changes during period					
Dividends of surplus					(3,246)
Profit attributable to owners of parent					15,979
Purchase of treasury shares					(47)
Net changes in items other than shareholders' equity	18	5,060	(46)	5,032	5,032
Total changes during period	18	5,060	(46)	5,032	17,718
Balance at end of period	16	7,387	(11)	7,392	121,802

Current fiscal year (March 1, 2023 – February 29, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,632	3,631	109,177	(2,032)	114,409
Changes during period					
Dividends of surplus			(4,679)		(4,679)
Profit attributable to owners of parent			26,149		26,149
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	—	—	21,470	(0)	21,470
Balance at end of period	3,632	3,631	130,648	(2,032)	135,879

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	16	7,387	(11)	7,392	121,802
Changes during period					
Dividends of surplus					(4,679)
Profit attributable to owners of parent					26,149
Purchase of treasury shares					(0)
Net changes in items other than shareholders' equity	40	4,216	95	4,352	4,352
Total changes during period	40	4,216	95	4,352	25,822
Balance at end of period	57	11,604	84	11,745	147,625

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Cash flows from operating activities		
Profit before income taxes	21,379	35,455
Depreciation	2,039	3,321
Increase (decrease) in allowance for doubtful accounts	0	(0)
Increase (decrease) in provision for bonuses	206	28
Increase (decrease) in provision for product warranties	209	104
Decrease (increase) in retirement benefit asset	3	26
Increase (decrease) in provision for share awards for directors (and other officers)	24	19
Interest and dividend income	(173)	(516)
Foreign exchange losses (gains)	1,969	1,927
Loss (gain) on sale of non-current assets	(2)	(5)
Loss on retirement of non-current assets	299	13
Decrease (increase) in trade receivables	(8,132)	(6,889)
Decrease (increase) in inventories	(3,205)	(8,506)
Increase (decrease) in trade payables	(664)	8,501
Decrease (increase) in other assets	(401)	(1,213)
Increase (decrease) in other liabilities	1,916	(1,212)
Other, net	(4)	(4)
Subtotal	15,463	31,050
Interest and dividends received	173	514
Income taxes paid	(7,098)	(6,923)
Net cash provided by (used in) operating activities	8,537	24,640
Cash flows from investing activities		
Decrease (increase) in time deposits	(165)	(18)
Proceeds from redemption of securities	—	100
Purchase of property, plant and equipment	(8,766)	(7,537)
Proceeds from sale of property, plant and equipment	4	12
Purchase of intangible assets	(235)	(325)
Proceeds from redemption of investment securities	300	—
Other, net	(1)	(3)
Net cash provided by (used in) investing activities	(8,863)	(7,771)
Cash flows from financing activities		
Purchase of treasury shares	(47)	(0)
Dividends paid	(3,246)	(4,679)
Repayments of lease liabilities	(27)	(34)
Net cash provided by (used in) financing activities	(3,320)	(4,714)
Effect of exchange rate change on cash and cash equivalents	517	(991)
Net increase (decrease) in cash and cash equivalents	(3,128)	11,162
Cash and cash equivalents at beginning of period	46,648	43,519
Cash and cash equivalents at end of period	43,519	54,682

(5) Notes to the Consolidated Financial Statements
(Notes to Going Concern Assumptions)
None

(Changes in Accounting Principles)
None

(Segment Information, etc.)

a. Segment information

1. Summary of reportable segments

The reportable segments of the Group are based on the constituent units of the group for which separate financial information is available and the Board of Directors performs periodic examinations for determining the allocation of resources and evaluating performance.

The manufacture and sale of construction machinery is the primary business of the Group. Takeuchi Mfg. operates in Japan and Takeuchi Mfg. and its subsidiaries operate in other countries. Each subsidiary is managed as an independent unit, conducting business operations based on its own regional comprehensive strategy for the products handled.

Consequently, there are five reportable geographic segments based on manufacturing and sales operations: Japan, US, UK, France, and China

2. Method for determining sales, profits/losses, assets, liabilities, and other items for reportable segments

The accounting methods used for the reported segments are the same as those used in the preparation of the consolidated financial statements.

Reportable segments' profits are operating profit. Inter-segment sales and transfers are based on market prices.

3. Reportable segment sales, profits/losses, assets, liabilities, and other items

Previous fiscal year (March 1, 2022 – February 28, 2023)

(Million yen)

	Reporting segments					Total	Adjustments (Note 1)	Amount on the consolidated statements of income (Note 2)
	Japan	US	UK	France	China			
Net sales								
Revenue from contracts with customers	60,658	98,506	12,130	7,523	147	178,966	-	178,966
(Of which to outside customers)	60,658	98,506	12,130	7,523	147	178,966	-	178,966
(Of which inter-segment /transfer)	96,540	1	14	5	3,440	100,003	(100,003)	-
Total	157,199	98,508	12,144	7,529	3,588	278,969	(100,003)	178,966
Segment profit	13,209	9,895	1,101	682	20	24,910	(3,689)	21,221
Segment assets	78,794	54,898	8,963	5,637	3,114	151,408	7,377	158,785
Others								
Depreciation	1,070	561	14	34	164	1,845	193	2,039
Increase in property, plant and equipment and intangible assets	3,910	4,689	13	11	56	8,680	205	8,885

(Notes)

1. The adjustments are as follows.

(1) Adjustment in segment profit of -3,689 million yen includes -1,979 million yen for elimination of inter-segment trade and -1,709 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) Adjustment in segment assets of 7,377 million yen includes -30,085 million yen for elimination of inter-segment trade and 37,463 million yen for corporate assets which has not been distributed in the segments. Corporate assets are primarily unused funds (cash and deposits) at Takeuchi Mfg. and assets associated with administrative departments.

(3) The depreciation adjustment of 193 million yen is corporate expenses which has not been distributed in the segments.

(4) The 205 million yen adjustment for increase in property, plant and equipment and intangible assets is corporate assets which has not been distributed in the segments.

2. Segment profit was adjusted for operating profit on the 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.

Current fiscal year (March 1, 2023 – February 29, 2024)

(Million yen)

	Reporting segments					Total	Adjustments (Note 1)	Amount on the consolidated statements of income (Note 2)
	Japan	US	UK	France	China			
Net sales								
Revenue from contracts with customers	75,404	115,183	12,131	9,794	113	212,627	-	212,627
(Of which to outside customers)	75,404	115,183	12,131	9,794	113	212,627	-	212,627
(Of which inter- segment /transfer)	117,442	3	22	8	3,977	121,454	(121,454)	-
Total	192,847	115,187	12,153	9,803	4,090	334,082	(121,454)	212,627
Segment profit	30,724	10,870	912	972	139	43,619	(8,322)	35,296
Segment assets	97,126	76,102	10,965	8,366	3,477	196,038	2,115	198,153
Others								
Depreciation	1,739	1,093	15	39	169	3,056	264	3,321
Increase in property, plant and equipment and intangible assets	5,357	1,063	7	14	137	6,580	1,563	8,144

(Notes)

1. The adjustments are as follows.

- (1) Adjustment in segment profit of -8,322 million yen includes -6,082 million yen for elimination of inter-segment trade and -2,240 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) Adjustment in segment assets of 2,115 million yen includes -42,504 million yen for elimination of inter-segment trade and 44,619 million yen for corporate assets which has not been distributed in the segments. Corporate assets are primarily unused funds (cash and deposits) at Takeuchi Mfg. and assets associated with administrative departments.
- (3) The depreciation adjustment of 264 million yen is corporate expenses which has not been distributed in the segments.
- (4) The 1,563 million yen adjustment for increase in property, plant and equipment and intangible assets is corporate assets which has not been distributed in the segments.

2. Segment profits are adjusted for operating profit on the 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.

(Per Share Information)

	Fiscal year ended February 2023 (Mar.1, 2022 – Feb. 28, 2023)	Fiscal year ended February 2024 (Mar.1, 2023 – Feb. 29, 2024)
Net asset per share	2,555.26 yen	3,096.99 yen
Earnings per share	335.19 yen	548.58 yen

- (Notes) 1. Earnings per share (diluted) is not presented since there is no potential stock that has a dilution effect.
2. Stock held by the Board Incentive Plan Trust (70,160 shares in the fiscal year ended February 2023 and 77,640 shares in the fiscal year ended February 2024) is included in treasury shares, which are deducted from the average number of shares during the period used for calculating earnings per share. Also, 77,640 shares in the fiscal year ended February 2023 and 77,640 shares in the fiscal year ended February 2024 are included in treasury shares, which are deducted from the number of shares outstanding at fiscal year-end used for calculating net asset per share.
3. The following basis is used for calculating earnings per share.

	Fiscal year ended February 2023 (Mar.1, 2022 – Feb. 28, 2023)	Fiscal year ended February 2024 (Mar.1, 2023 – Feb. 29, 2024)
Profit attributable to owners of parent (million yen)	15,979	26,149
Amount not attributed to common shareholders (million yen)	-	-
Profit attributable to owners of parent applicable to common stock (million yen)	15,979	26,149
Average number of shares during the period (shares)	47,674,918	47,667,383

(Important Subsequent Events)

None