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July 12, 2024

## Summary of Consolidated Financial Results For the Three Months Ended May 31, 2024 [Japanese 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
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Date of quarterly securities report (tentative):	July 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 three months ended May 31, 2024 (March 1, 2024 – May 31, 2024)

(1) Results of operations (Consolidated, cumulative) (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	%
Three months ended May 31, 2024	55,174	4.0	11,121	30.2	11,739	40.0	8,464	38.7
Three months ended May 31, 2023	53,039	25.0	8,542	59.5	8,383	45.1	6,103	44.2

(Note) Comprehensive income: For the three months ended May 31, 2024: 12,783 million yen [90.2%],  
For the three months ended May 31, 2023: 6,720 million yen [1.4%]

	Earnings per share		Earnings per share fully diluted	
	Yen		Yen	
Three months ended May 31, 2024	177.56		-	
Three months ended May 31, 2023	128.04		-	

(2) Financial Position (Consolidated)

	Total assets		Net assets		Equity ratio	
	Million yen		Million yen		%	
As of May 31, 2024	198,377		152,864		77.1	
As of February 29, 2024	198,153		147,625		74.5	

(Reference) Shareholders' equity As of May 31, 2024: 152,864 million yen As of February 29, 2024: 147,625 million yen

### 2. Dividends

	Dividends per share				
	End of Q1	End of Q2	End of Q3	End of FY	Full year
	Yen				
Fiscal year ended Feb. 2024	-	0.00	-	158.00	158.00
Fiscal year ending Feb. 2025	-				
Fiscal year ending Feb. 2025 (estimated)		0.00	-	200.00	200.00

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

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

Ordinary dividends: 153.00 yen, Commemorative dividends 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

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

#### \* Notes

- (1) Changes in significant subsidiaries during the period (Changes in specific subsidiaries accompanied by changes in the scope of consolidation): None
- (2) Use 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 May 31, 2024: 48,999,000 As of February 29, 2024: 48,999,000

##### (b) Treasury shares

As of May 31, 2024: 1,331,669 As of February 29, 2024: 1,331,635

##### (c) Average number of shares (cumulative period)

Period ended May 31, 2024: 47,667,346 Period ended May 31, 2023: 47,667,422

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 May 31, 2024).

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

\* 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 “(3) Explanation of Forecast Information such as Consolidated Earnings Forecast, etc.” on page 3 of the Supplementary information.

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## 1. Qualitative Information on Quarterly Financial Results

### (1) Explanation of Operating Results

The Group's third medium-term business plan (covering the fiscal year ended February 2023 to the fiscal year ending February 2025) focuses on the following key measures: (1) Investment in human capital; (2) Speed up product development; (3) Production capacity expansion; (4) Expand sales network and aftermarket parts sales; and (5) Promote sustainable management. Following the factory in South Carolina, the US, which started production of track loaders by the semi-knockdown method in September 2022, we started production of mid-sized excavators (4 to 9 tons) at our Aoki factory in Aoki-mura, Chiisagata-gun, Nagano Prefecture from September 2023. We expect 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.

In the first quarter of the current consolidated fiscal year (from March 1, 2024 to May 31, 2024), which is the final year of the current medium-term business plan, the sales situation for the Group was strong in North America due to demand for non-residential construction work, such as infrastructure construction and construction investment. In Europe, sales of compact excavators and hydraulic excavators were significantly lower than in the same period of the previous year due to factors such as the slump in consumer spending caused by the high interest rates and the slowdown of capital investment. Orders received in the first quarter of the current consolidated fiscal year reached 61,519 million yen (up 29.2% year on year) and the order backlog at the end of the first quarter of the current consolidated fiscal year increased by 6,345 million yen compared to the end of the previous consolidated fiscal year to 135,242 million yen. This was a result of the impact of orders from major rental companies in the US being pushed back from the previous period to the current period.

As a result of the above, sales volume for the first quarter of the current consolidated fiscal year was lower than the same period of the previous fiscal year, but due to the impact of the yen's depreciation and product price increases, etc., net sales were 55,174 million yen (up 4.0% year on year). On the profit front, operating profit was 11,121 million yen (up 30.2% year on year), and ordinary profit was 11,739 million yen (up 40.0% year on year), due to factors such as the impact of the yen's depreciation, product price increases, and changes in product and customer composition, etc., despite the impact of the increased cost of raw materials, and depreciation and labor costs at the Aoki factory, which began operations in September 2023, etc. After income taxes of 3,275 million yen, profit attributable to owners of parent was 8,464 million yen (up 38.7% 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, demand for housing is weak due to the high interest rates on mortgages and the rising cost of living, including energy prices. And non-residential construction work, such as construction investment, is also softening. As a result, sales volume to European distributors fell significantly year on year, and net sales were 15,822 million yen (down 17.3% year on year). Segment profit was 11,298 million yen (up 102.6% year on year), due to factors such as the impact of the yen's depreciation and product price increases.

#### (b) United States

In the US segment, the number of housing starts continued to be in an adjustment phase due to factors such as the high level of mortgage interest rates and housing prices, but machine sales remained strong due to demand for non-residential construction work such as infrastructure construction and construction investment. As a result, net sales increased by 16.7% year on year to 32,359 million yen, and segment profit increased by 54.7% year on year to 3,873 million yen, due to an increase in sales volume compared to the same period of the previous year, as well as price increases and the impact of the yen's depreciation.

#### (c) United Kingdom

In the UK segment, the high interest rates on mortgages and the rising cost of living, including energy prices, are suppressing demand for housing, and sales of compact excavators, which are mainly used in housing-related construction work, are slow. Net sales were 3,710 million yen (down 2.7% year on year) and segment profit was 9 million yen (down 98.1% year on year) due to the fact that sales volumes were significantly lower than in the same period of the previous year, and price reductions implemented to promote sales.

#### (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 the high mortgage interest rates and soaring energy prices and other living costs were pushing down housing demand. As a result, net sales increased by 37.8% year on year to 3,264 million yen, and segment profit increased by 24.0% year on year to 334 million yen, due to an increase in sales

volume compared to the same period of the previous year, as well as 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 increased by 137.5% year on year to 18 million yen. Segment profit increased by 1,307.8% to 73 million yen.

(2) Explanation of Financial Position

(Assets)

Total assets at the end of the first quarter of the current consolidated fiscal year increased by 224 million yen compared to the end of the previous consolidated fiscal year to 198,377 million yen. This was mainly due to a 3,134 million yen increase in notes and accounts receivable - trade, a 6,650 million yen increase in inventories, and a 1,428 million yen increase in deferred tax assets, despite a 11,810 million yen decrease in cash and deposits. Of the inventories, merchandise and finished goods increased by 4,822 million yen to 34,643 million yen. This is mainly due to the impact of the yen's depreciation when converting the local currency denominated inventories held by the subsidiaries in the US, UK and France into yen, as well as the longer inventory periods required for logistics due to marine transportation that bypasses the Red Sea, and the accumulation of product inventories at the US sales subsidiary, which is expecting an increase in sales volume for the full year.

(Liabilities)

Liabilities at the end of the first quarter of the current consolidated fiscal year decreased by 5,014 million yen compared to the end of the previous fiscal year to 45,513 million yen. This was mainly due to a 5,168 million yen decrease in accounts payable - trade.

(Net assets)

Total net assets at the end of the first quarter of the current consolidated fiscal year increased by 5,239 million yen compared to the end of the previous fiscal year to 152,864 million yen. This was mainly due to the increase in retained earnings because of an increase in profit attributable to owners of parent of 8,464 million yen despite a decrease of 7,543 million yen for dividend payments, and the increase in foreign currency translation adjustments of 4,307 million yen.

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

There are no changes to the consolidated earnings forecasts for the first half and full year of the fiscal year ending February 28, 2025, which were announced in the financial results on April 12, 2024.

This forecast for the current fiscal year is based on assumed exchange rates of 140 yen to the US dollar, 180 yen to the British pound, 153 yen to the euro, and 19.50 yen to the yuan.

## 2. Quarterly Consolidated Financial Statements and Important Notes

### (1) Quarterly consolidated balance sheet

(Millions of yen)

	As of February 29, 2024	As of May 31, 2024
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	55,175	43,364
Notes and accounts receivable - trade	44,572	47,707
Merchandise and finished goods	29,820	34,643
Work in process	12,216	12,555
Raw materials and supplies	16,226	17,714
Other	5,101	5,646
Allowance for doubtful accounts	(1,192)	(1,247)
<b>Total current assets</b>	<b>161,920</b>	<b>160,384</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	17,660	17,914
Machinery, equipment and vehicles, net	4,765	4,606
Land	3,940	4,123
Other, net	1,829	1,890
<b>Total property, plant and equipment</b>	<b>28,196</b>	<b>28,535</b>
Intangible assets	829	814
<b>Investments and other assets</b>		
Deferred tax assets	5,190	6,619
Other	2,037	2,045
Allowance for doubtful accounts	(21)	(21)
<b>Total investments and other assets</b>	<b>7,206</b>	<b>8,643</b>
<b>Total non-current assets</b>	<b>36,233</b>	<b>37,992</b>
<b>Total assets</b>	<b>198,153</b>	<b>198,377</b>

(Millions of yen)

	As of February 29, 2024	As of May 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	36,381	31,212
Income taxes payable	6,558	4,898
Provision for bonuses	675	1,197
Provision for product warranties	2,247	2,372
Other	4,009	5,162
Total current liabilities	49,872	44,843
Non-current liabilities		
Provision for share awards for directors (and other officers)	113	117
Retirement benefit liability	102	109
Other	439	441
Total non-current liabilities	655	669
Total liabilities	50,527	45,513
Net assets		
Shareholders' equity		
Share capital	3,632	3,632
Capital surplus	3,631	3,631
Retained earnings	130,648	131,568
Treasury shares	(2,032)	(2,033)
Total shareholders' equity	135,879	136,799
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	57	73
Foreign currency translation adjustment	11,604	15,911
Remeasurements of defined benefit plans	84	79
Total accumulated other comprehensive income	11,745	16,064
Total net assets	147,625	152,864
Total liabilities and net assets	198,153	198,377

(2) Quarterly consolidated statements of income and consolidated statements of comprehensive income  
 (Quarterly consolidated statements of income)  
 (For the three months)

(Millions of yen)

	Three months ended May 31, 2023	Three months ended May 31, 2024
Net sales	53,039	55,174
Cost of sales	40,070	39,444
Gross profit	12,968	15,730
Selling, general and administrative expenses		
Transportation costs	2,110	1,766
Provision for product warranties	412	368
Provision of allowance for doubtful accounts	0	(0)
Remuneration for directors (and other officers)	84	97
Salaries and allowances	648	770
Provision for bonuses	106	104
Retirement benefit expenses	16	19
Provision for share awards for directors (and other officers)	5	4
Other	1,043	1,478
Total selling, general and administrative expenses	4,426	4,609
Operating profit	8,542	11,121
Non-operating income		
Interest income	67	150
Foreign exchange gains	—	671
Other	20	34
Total non-operating income	88	856
Non-operating expenses		
Loss on retirement of non-current assets	0	6
Foreign exchange losses	245	—
Loss on valuation of derivatives	—	231
Other	0	1
Total non-operating expenses	246	238
Ordinary profit	8,383	11,739
Profit before income taxes	8,383	11,739
Income taxes - current	2,360	4,656
Income taxes - deferred	(80)	(1,380)
Total income taxes	2,280	3,275
Profit	6,103	8,464
Profit attributable to owners of parent	6,103	8,464



(Quarterly consolidated statements of comprehensive income)  
(For the three months)

(Millions of yen)

	Three months ended May 31, 2023	Three months ended May 31, 2024
Profit	6,103	8,464
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	16
Foreign currency translation adjustment	615	4,307
Remeasurements of defined benefit plans, net of tax	1	(4)
Total other comprehensive income	616	4,319
Comprehensive income	6,720	12,783
Comprehensive income attributable to owners of parent	6,720	12,783
Comprehensive income attributable to non-controlling interests	—	—

(3) Notes to quarterly consolidated financial statements  
(Notes to going concern assumptions)  
None

(Significant changes in shareholders' equity)  
None

(Segment information, etc.)

I. For the three months ended May 2023 (March 1, 2023 – May 31, 2023)

1. Information about sales and profit (loss) by reporting segments and disaggregated revenue

(Millions of yen)

	Reporting segments					Total	Adjustments (Note 1)	Amount on the quarterly consolidated statements of income (Note 2)
	Japan	US	UK	France	China			
Net sales Revenue from contracts with customers	19,128	27,721	3,813	2,368	7	53,039	—	53,039
Net sales (Of which to outside customers)	19,128	27,721	3,813	2,368	7	53,039	—	53,039
(Of which inter- segment /transfer)	24,498	0	3	1	798	25,302	(25,302)	—
Total	43,626	27,721	3,817	2,370	806	78,341	(25,302)	53,039
Segment profit	5,577	2,503	514	269	5	8,870	(328)	8,542

Notes:

1. Adjustment in segment profit of -328 million yen includes 190 million yen for elimination of inter-segment trade and -518 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 are adjusted for operating profit on 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 three months ended May 2024 (March 1, 2024 – May 31, 2024)

1. Information about sales and profit (loss) by reporting segments and disaggregated revenue

(Millions of yen)

	Reporting segments					Total	Adjustments (Note 1)	Amount on the quarterly consolidated statements of income (Note 2)
	Japan	US	UK	France	China			
Net sales Revenue from contracts with customers	15,822	32,359	3,710	3,264	18	55,174	—	55,174
Net sales (Of which to outside customers)	15,822	32,359	3,710	3,264	18	55,174	—	55,174
(Of which inter- segment / transfer)	37,212	6	11	1	1,109	38,341	(38,341)	—
Total	53,034	32,365	3,722	3,266	1,127	93,516	(38,341)	55,174
Segment profit	11,298	3,873	9	334	73	15,590	(4,469)	11,121

Notes:

1. Adjustment in segment profit of -4,469 million yen includes -3,781 million yen for elimination of inter-segment trade and -687 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 on 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