

Presentation Materials for the Fiscal Year Ended February 2023

April 24, 2023



TAKEUCHI MFG. CO., LTD.
(Securities code: 6432)

- ▶ **FY2022 Consolidated Results**
- ▶ FY2023 Consolidated Forecast
- ▶ Progress of the Third Medium-Term Business Plan
- ▶ Reference Materials

(1) Robust product demand drives significant sales volume growth in both the US and Europe

- North American sales volume increased **+15.5%** (1st H: +24.1%, 2nd H: +7.5%, YoY)
- European sales volume increased **+4.7%** (1st H : -10.2%, 2nd H : +25.3%, YoY)
- Total sales volume increased **+ 9.1%** (1st H : +2.7%, 2nd H : +16.6%, YoY)

(2) Record-high net sales and profits (net sales +27.0%, operating profit +19.5%, YoY)

- Despite a softened housing market due to rising interest rates and material shortages, product demand remained strong.
- Demand continued to boom for water and gas pipeline infrastructure projects in both the US and Europe.
- Despite factors that reduced profits, such as rising raw material prices and **soaring transportation costs**, significant profit growth was achieved through higher sales, product price increases, and the impact of foreign exchange (forex) fluctuations.

Transportation costs softened starting in 4Q

(Billions of yen)

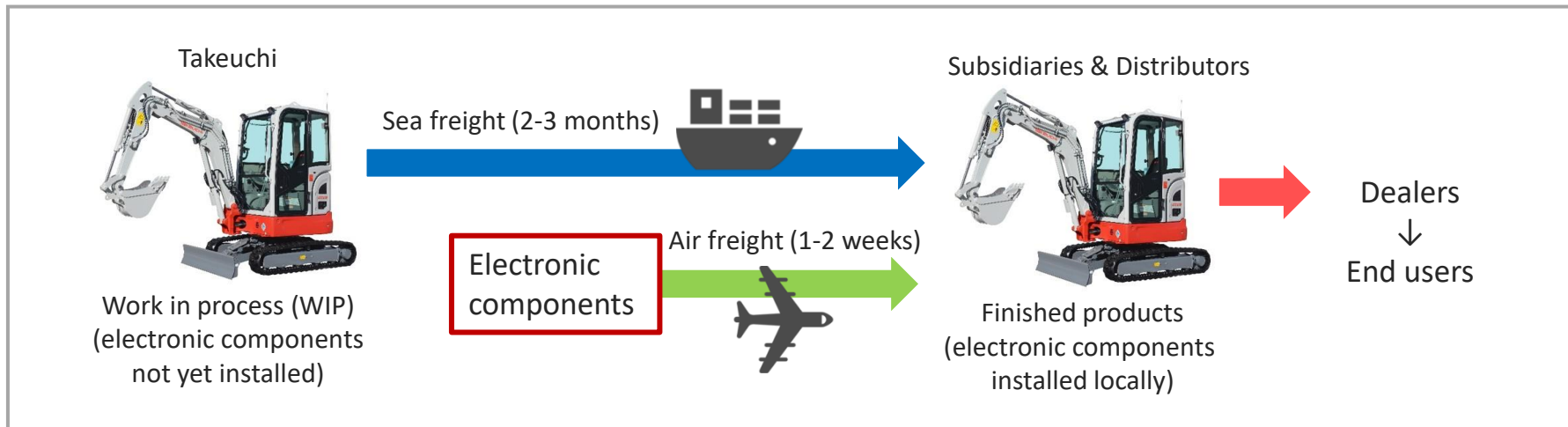
	FY2021					FY2022				
	1Q	2Q	3Q	4Q	Full	1Q	2Q	3Q	4Q	Full
SG&A expenses	2.9	3.1	3.1	3.3	12.5	4.4	6.1	6.4	4.7	21.8
of these, transportation costs	1.3	1.5	1.5	1.7	6.2	2.6	4.1	4.3	2.7	13.8

(3) Sustained high level of orders received

(Billions of yen)

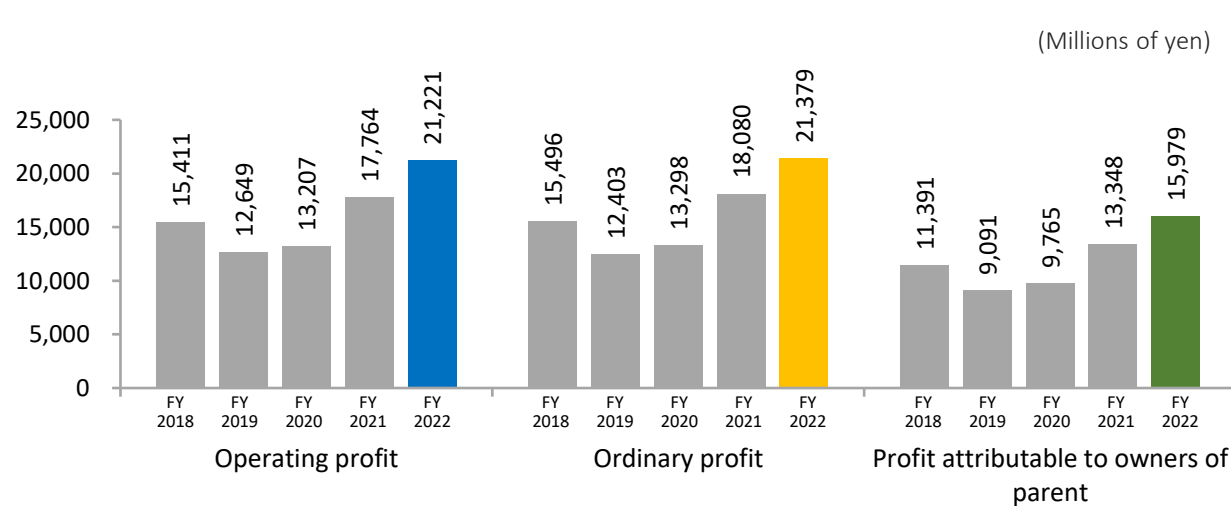
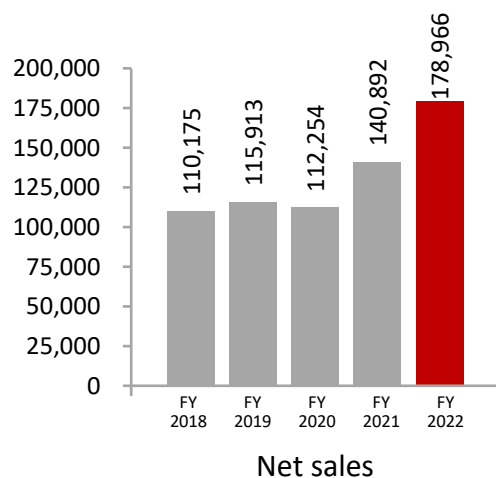
	FY2021					FY2022				
	1Q	2Q	3Q	4Q	Full	1Q	2Q	3Q	4Q	Full
Orders received	60.1	52.9	63.5	53.1	229.8	66.5	64.2	47.0	57.9	235.8
Order backlog	71.7	83.7	114.7	133.8	—	158.0	178.6	178.8	190.7	—

(4) Shortage of electronic components for some models (since August 2021)



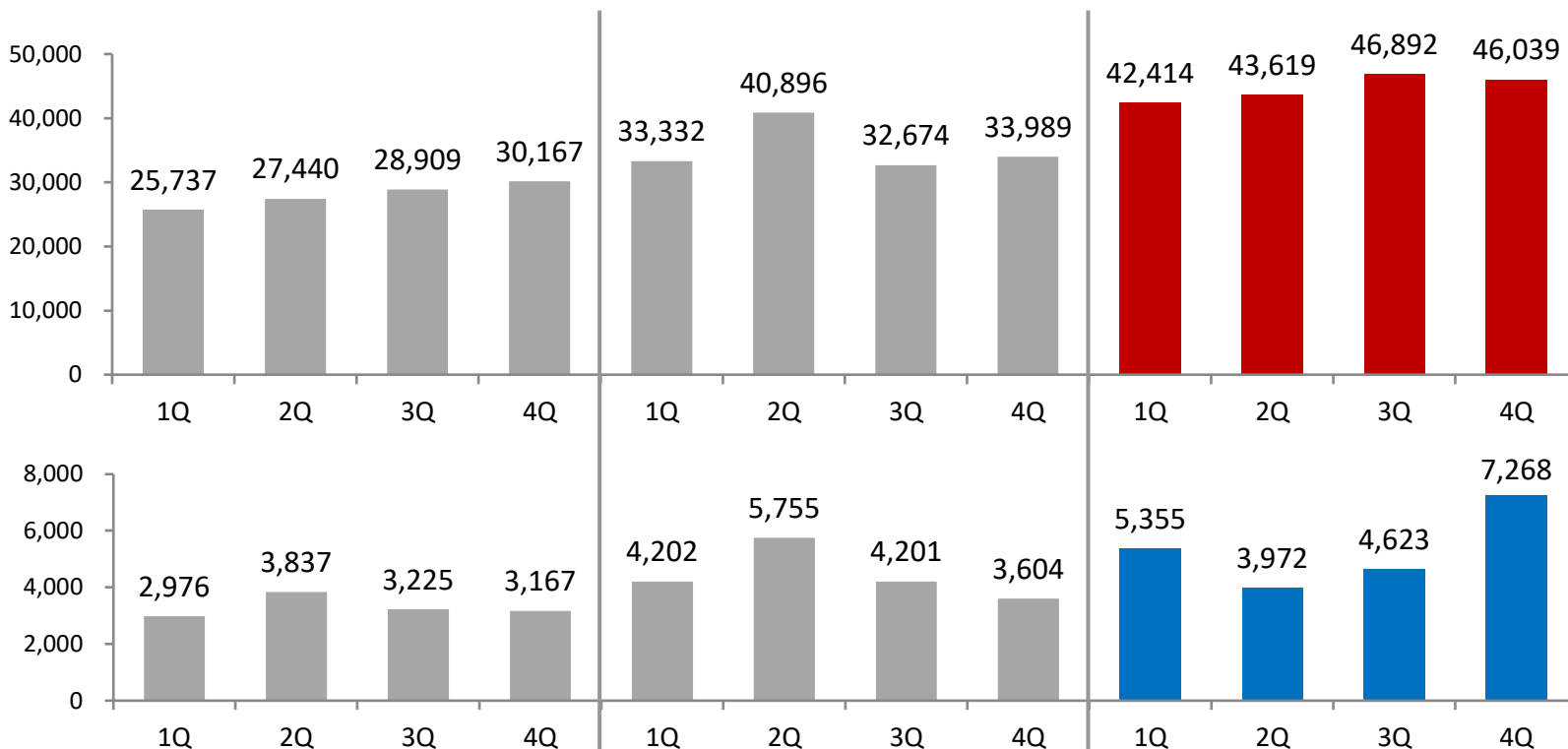
Consolidated Financial Highlights for FY2022

(Millions of yen)	FY2021		FY2022					
	Full year	Sales ratio	1st half	2nd half	Full year	Sales ratio	Change	(%)
Net sales	140,892	—	86,033	92,932	178,966	—	+38,074	+27.0%
Operating profit	17,764	12.6%	9,328	11,892	21,221	11.9%	+3,456	+19.5%
Ordinary profit	18,080	12.8%	10,339	11,039	21,379	11.9%	+3,298	+18.2%
Profit attributable to owners of parent	13,348	9.5%	7,663	8,316	15,979	8.9%	+2,631	+19.7%
Capital investment	4,420	3.1%	4,959	3,670	8,629	4.8%	+4,209	+95.2%
Depreciation	1,586	1.1%	780	1,258	2,039	1.1%	+452	+28.5%
Orders received	229,862	—	130,833	105,030	235,864	—	+6,002	+2.6%
Order backlog	133,849	—	178,649	190,747	190,747	—	+56,898	+42.5%



Quarterly Net Sales and Operating Profit

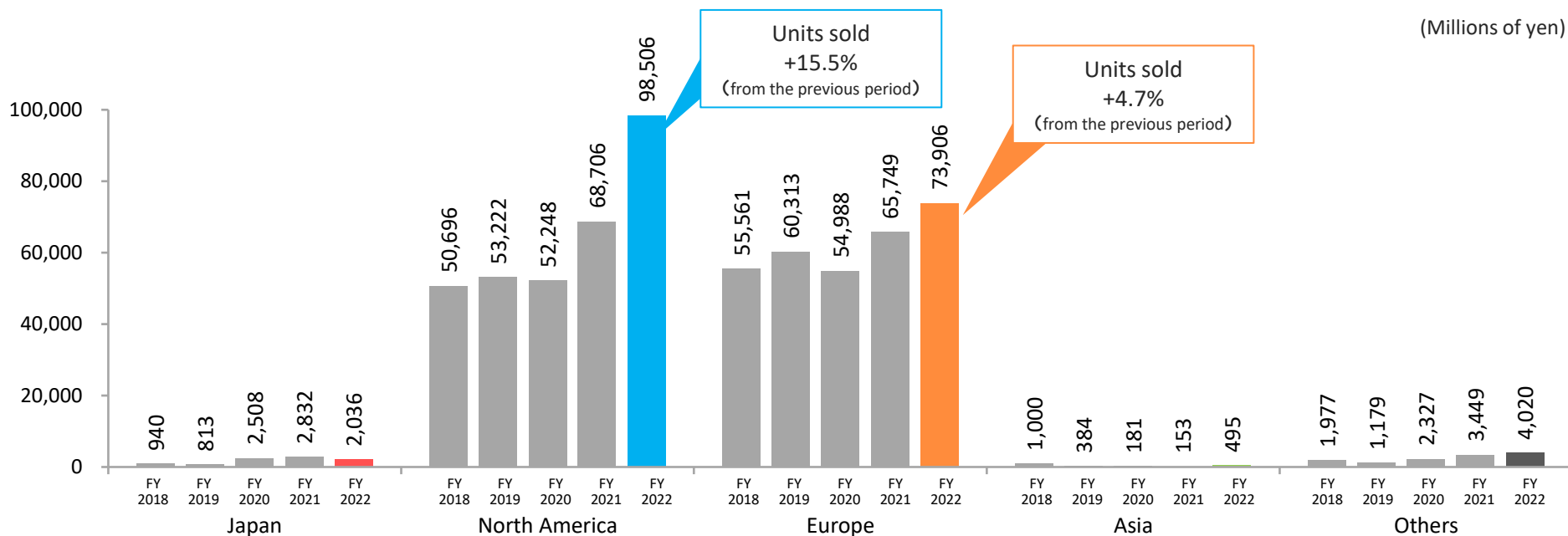
(Millions of yen)



Exchange rates	FY2020				FY2021				FY2022			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
JPY/USD	108.44	106.90	105.19	104.01	108.89	109.96	110.66	114.70	121.43	133.43	143.54	134.12
JPY/GBP	135.64	133.65	136.89	140.48	151.26	153.60	152.21	154.07	157.87	163.51	166.55	163.00
JPY/EUR	120.10	120.70	123.89	125.77	130.43	131.70	130.56	129.41	133.83	138.77	142.85	142.51
JPY/RMB	15.50	15.10	15.28	15.76	16.45	17.07	17.08	17.90	18.56	19.70	20.11	19.60

Financial Results by Region for FY2022

(Millions of yen)	FY2021		FY2022					
	Full year	Sales ratio	1st half	2nd half	Full year	Sales ratio	Change	(%)
Japan	2,832	2.1%	1,156	879	2,036	1.1%	(795)	(28.1%)
North America	68,706	48.8%	47,192	51,313	98,506	55.0%	+29,800	+43.4%
Europe	65,749	46.7%	35,418	38,488	73,906	41.3%	+8,157	+12.4%
Asia	153	0.1%	277	218	495	0.3%	+342	+222.8%
Others	3,449	2.4%	1,987	2,032	4,020	2.2%	+570	+16.5%
Total net sales	140,892	100.0%	86,033	92,932	178,966	100.0%	+38,074	+27.0%
Net sales overseas	138,060	98.0%	84,876	92,053	176,930	98.9%	+38,870	+28.2%



(Millions of yen)		FY2021		FY2022					
		Full year	Profit ratio	1st half	2nd half	Full year	Profit ratio	Change	(%)
Japan	Net sales	48,981	—	29,448	31,210	60,658	—	+11,677	+23.8%
	Segment profit	12,449	25.4%	5,739	7,469	13,209	21.8%	+760	+6.1%
USA	Net sales	68,712	—	47,192	51,313	98,506	—	+29,793	+43.4%
	Segment profit	6,345	9.2%	4,980	4,915	9,895	10.0%	+3,550	+56.0%
UK	Net sales	13,923	—	6,022	6,107	12,130	—	(1,793)	(12.9%)
	Segment profit	1,256	9.0%	510	591	1,101	9.1%	(155)	(12.3%)
France	Net sales	9,207	—	3,282	4,240	7,523	—	(1,684)	(18.3%)
	Segment profit	623	6.8%	236	445	682	9.1%	+59	+9.6%
China	Net sales	66	—	87	60	147	—	+81	+122.7%
	Segment profit	85	—	(13)	33	20	13.8%	(64)	(76.1%)

– **Japan Segment: (TAKEUCHI MFG. CO., LTD.)**

- Development and manufacture of construction machinery
- Sales of construction machinery in Japan / Sales of construction machinery to distributors in Europe and Asia/Oceania

– **US Segment: (Takeuchi Mfg. (US), Ltd.)**

- Sales of construction machinery in the US and Canada
- **[NEW]** Manufacture of construction machinery in the US

– **UK Segment: (Takeuchi Manufacturing UK Ltd.)**

- Sales of construction machinery in the UK

– **France Segment (Takeuchi France S.A.S.)**

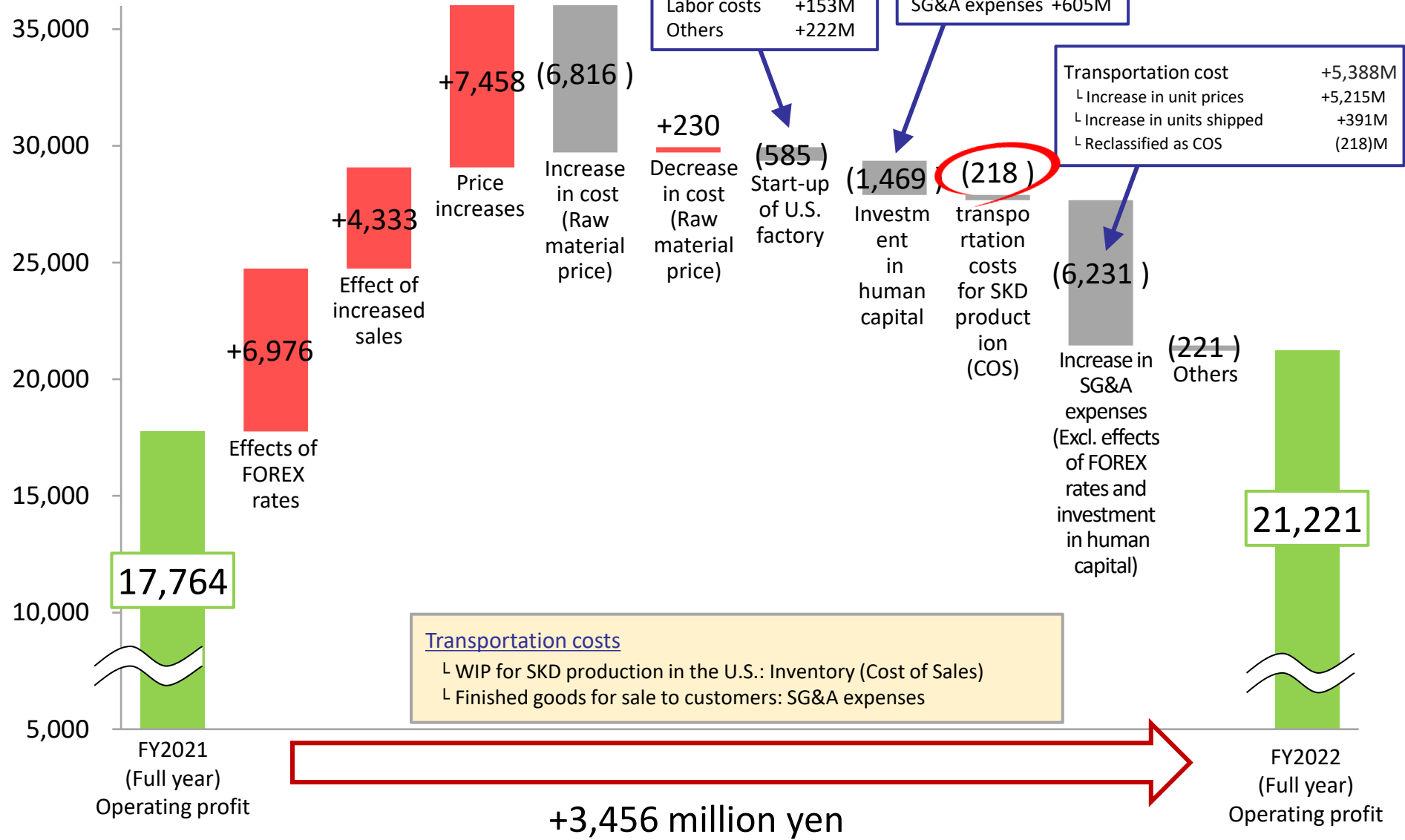
- Sales of construction machinery in France

– **China Segment: (Takeuchi Qingdao Mfg. Co., Ltd.)**

- Sales of construction machinery in China
- Manufacture of construction machinery for China and other parts of Asia
- Manufacture, procurement, and sales of construction machinery components for the Japan segment

Factors of Increase/Decrease in Operating Profit (FY2022 Full year)

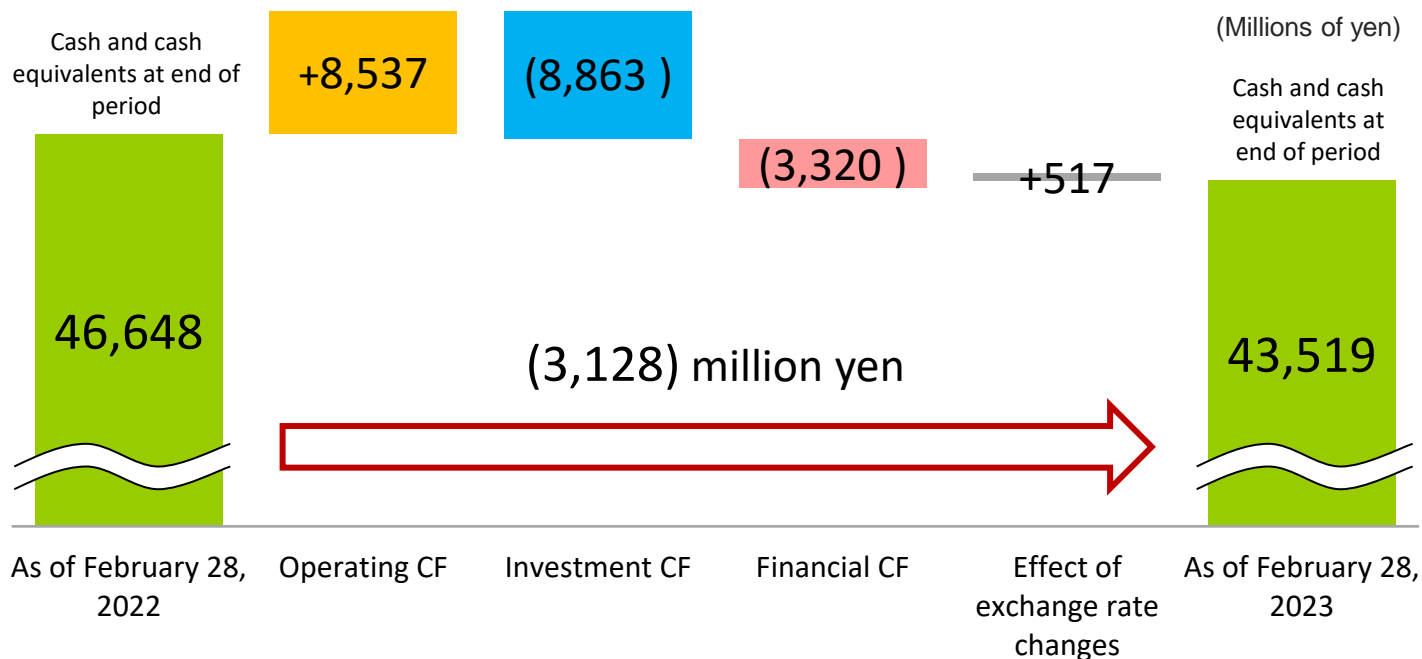
(Millions of yen)



Consolidated Balance Sheets (As of February 28, 2023)

		As of Feb. 28, 2022		As of Feb. 28, 2023			
		Balance	Composition ratio	Balance	Composition ratio	Change	(%)
Assets	Cash and deposits	47,258	34.4%	43,995	27.7%	(3,263)	(6.9%)
	Notes and accounts receivable - trade	25,737	18.8%	35,739	22.5%	+10,002	+38.9%
	Merchandise and finished goods	41,353	30.1%	47,723	30.1%	+6,369	+15.4%
	Other	2,356	1.7%	3,001	1.9%	+645	+27.4%
	Current assets	116,705	85.1%	130,459	82.2%	+13,754	+11.8%
	Non-current assets	20,496	14.9%	28,326	17.8%	+7,830	+38.2%
Total		137,201	100.0%	158,785	100.0%	+21,584	+15.7%
Liabilities and Net assets	Notes and accounts payable - trade	24,491	17.9%	26,755	16.9%	+2,263	+9.2%
	Other current liabilities	8,045	5.9%	9,620	6.1%	+1,575	+19.6%
	Current liabilities	32,537	23.7%	36,376	22.9%	+3,838	+11.8%
	Non-current liabilities	580	0.4%	606	0.4%	+26	+4.6%
	Total Liabilities	33,117	24.1%	36,983	23.3%	+3,865	+11.7%
	Total net assets	104,083	75.9%	121,802	76.7%	+17,718	+17.0%
Total		137,201	100.0%	158,785	100.0%	+21,584	+15.7%

Consolidated Statements of Cash Flows (FY2022, Results)



(Millions of yen)

Cash flows from operating activities	Change	Cash flows from investing activities	Change	Cash flows from financing activities	Change
Profit before income taxes	21,379	Net (increase) decrease in term deposits	(165)	Dividends paid	(3,246)
Depreciation	2,039	Purchase of property, plant and equipment	(8,766)		
Decrease (increase) in merchandise and finished goods	(3,205)	Acquisition of intangible assets	(235)		
Increase in working capital	(8,797)	Proceeds from redemption of securities	300		
Income taxes paid	(7,098)	Others	3	Others	(74)
Others	4,220				
Total	+8,537	Total	(8,863)	Total	(3,320)

- ▶ FY2022 Consolidated Results
- ▶ **FY2023 Consolidated Forecast**
- ▶ Progress of the Third Medium-Term Business Plan
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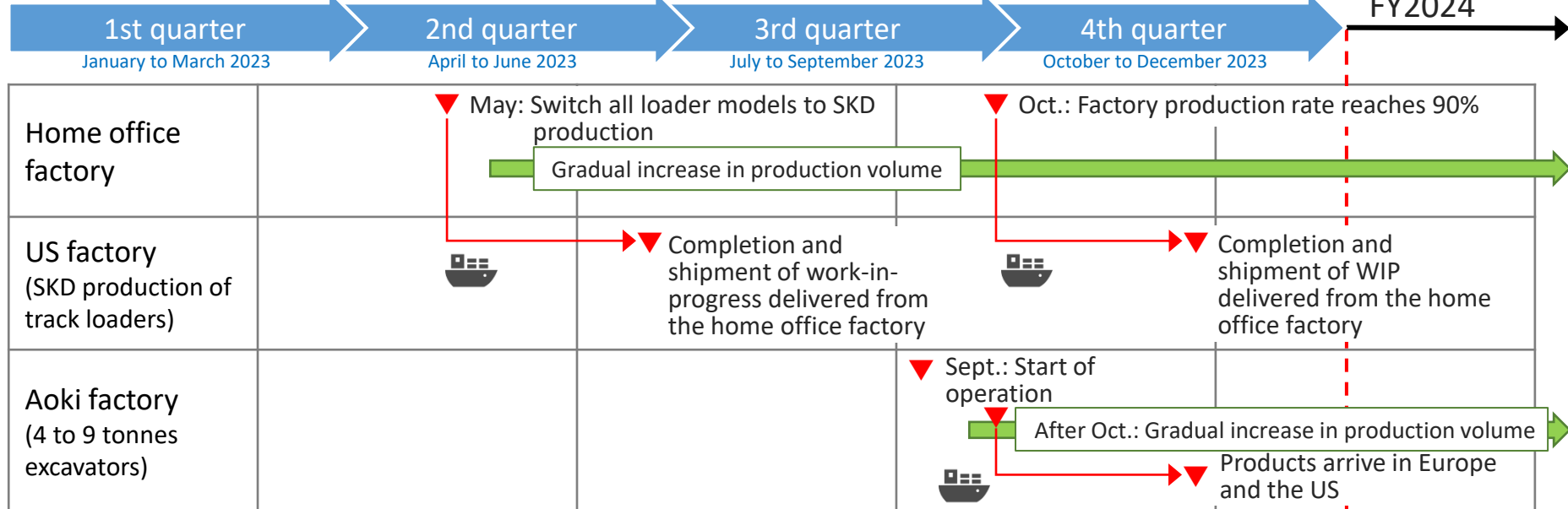
(1) Sales volume forecast

- North America: **+2.4%** expected (1st H: +2.1%, 2nd H: +2.7%, YoY)
- Europe: **+1.2%** expected (1st H: +2.5%, 2nd H: -0.2%, YoY)
- Total: **+1.8%** expected (1st H: +2.2%, 2nd H: +1.3%, YoY)

We expect the contribution of the US & Aoki factories to be reflected from FY2024.

	FY2023			
	1st quarter (March to May 2023)	2nd quarter (June to August 2023)	3rd quarter (September to November 2023)	4th quarter (December 2023 to February 2024)

Accounting period of sales subsidiaries (US, UK, and France)



(2) Demand forecast

Strong product demand is expected to continue in FY2023

Qualitative background

- The housing market has softened, but housing demand is strong (recovery trend)
- Aging infrastructure requires ongoing maintenance work

Quantitative basis

- Orders received in the previous fiscal year (12 months): 235.8 billion yen (record high)
- Order backlog at the end of the previous fiscal year: 190.7 billion yen (record high)

(3) Profit forecast ... Factors that could lead to **increased profits** include:

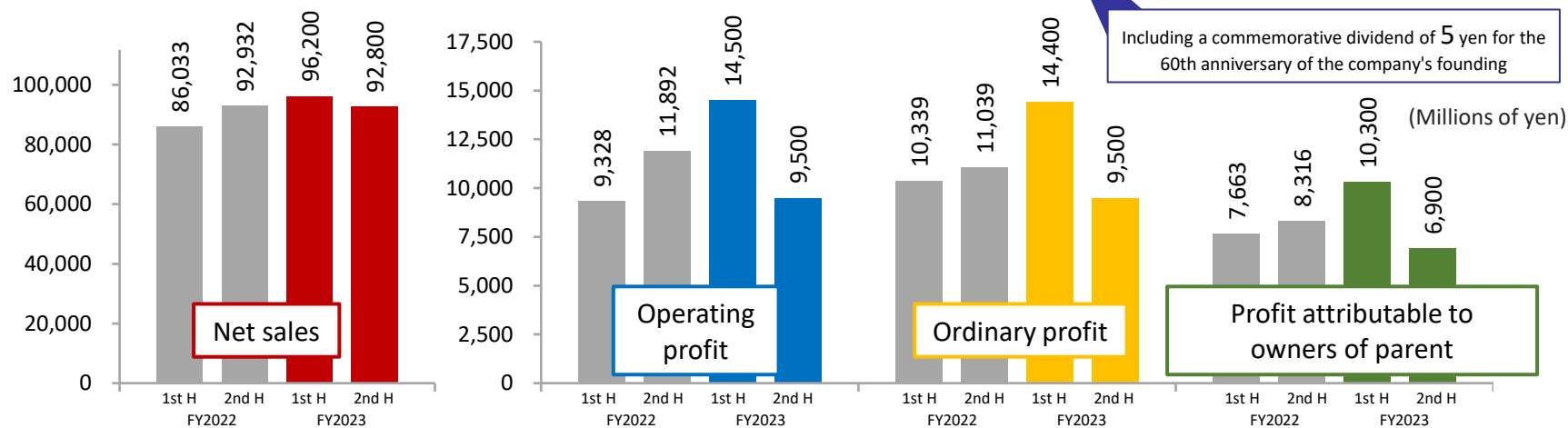
Despite factors that could reduce profits, such as:

- Rising raw material prices
- Investment in human capital (increase in personnel and labor costs)
- Depreciation expenses for new factories and increasing expenses

- Product price increases (in both the US and Europe)
- Softening of ocean freight rates
- Increase in sales
- Foreign exchange impact (positive in 1st H)

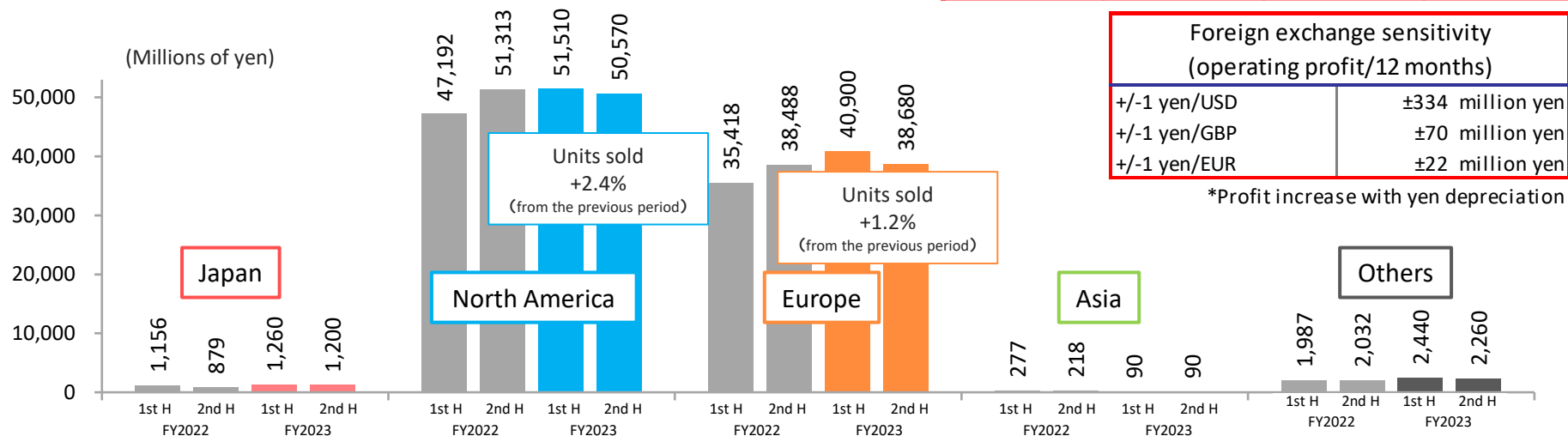
Expected Consolidated Financial Highlights for FY2023

(Millions of yen)	FY2022		FY2023 (forecast)					
	Full year	Sales ratio	1st half	2nd half	Full year	Sales ratio	Change	(%)
Net sales	178,966	—	96,200	92,800	189,000	—	+10,033	+5.6%
Operating profit	21,221	11.9%	14,500	9,500	24,000	12.7%	+2,778	+13.1%
Ordinary profit	21,379	11.9%	14,400	9,500	23,900	12.6%	+2,520	+11.8%
Profit attributable to owners of parent	15,979	8.9%	10,300	6,900	17,200	9.1%	+1,220	+7.6%
Capital investment	8,629	4.8%	1,688	7,362	9,050	4.8%	+420	+4.9%
Depreciation	2,039	1.1%	1,413	2,341	3,754	2.0%	+1,715	+84.1%
Earnings per share (yen)	335.19	Dividend payout ratio 29.2%	—	—	360.83	Dividend payout ratio 31.9%	+25.64	+7.6%
Dividends per share (yen)	98.00		—	—	115.00		+17.00	+17.3%



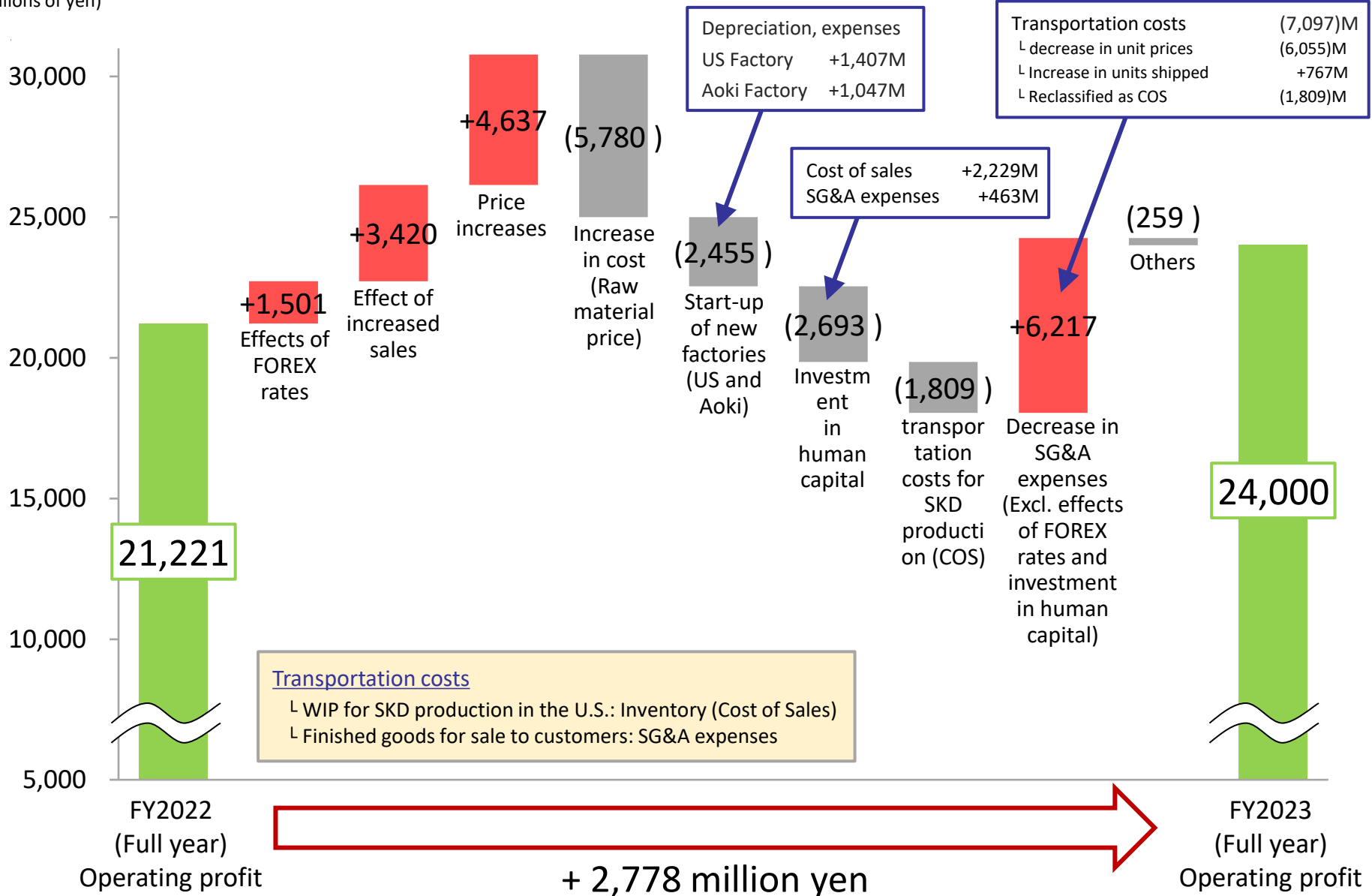
Earnings Forecast by Region for FY2023

(Millions of yen)	FY2022		FY2023 (forecast)					
	Full year	Sales ratio	1st half	2nd half	Full year	Sales ratio	Change	(%)
Japan	2,036	1.1%	1,260	1,200	2,460	1.3%	+423	+20.8%
North America	98,506	55.0%	51,510	50,570	102,080	54.0%	+3,573	+3.6%
Europe	73,906	41.3%	40,900	38,680	79,580	42.1%	+5,673	+7.7%
Asia	495	0.3%	90	90	180	0.1%	(315)	(63.7%)
Others	4,020	2.2%	2,440	2,260	4,700	2.5%	+679	+16.9%
Total net sales	178,966	100.0%	96,200	92,800	189,000	100.0%	+10,033	+5.6%
JPY/USD	133.12	—	127.00	127.00	127.00	—	(6.12)	—
JPY/GBP	162.58	—	154.00	154.00	154.00	—	(8.58)	—
JPY/EUR	139.81	—	136.00	136.00	136.00	—	(3.81)	—
JPY/RMB	19.49	—	18.70	18.70	18.70	—	(0.79)	—

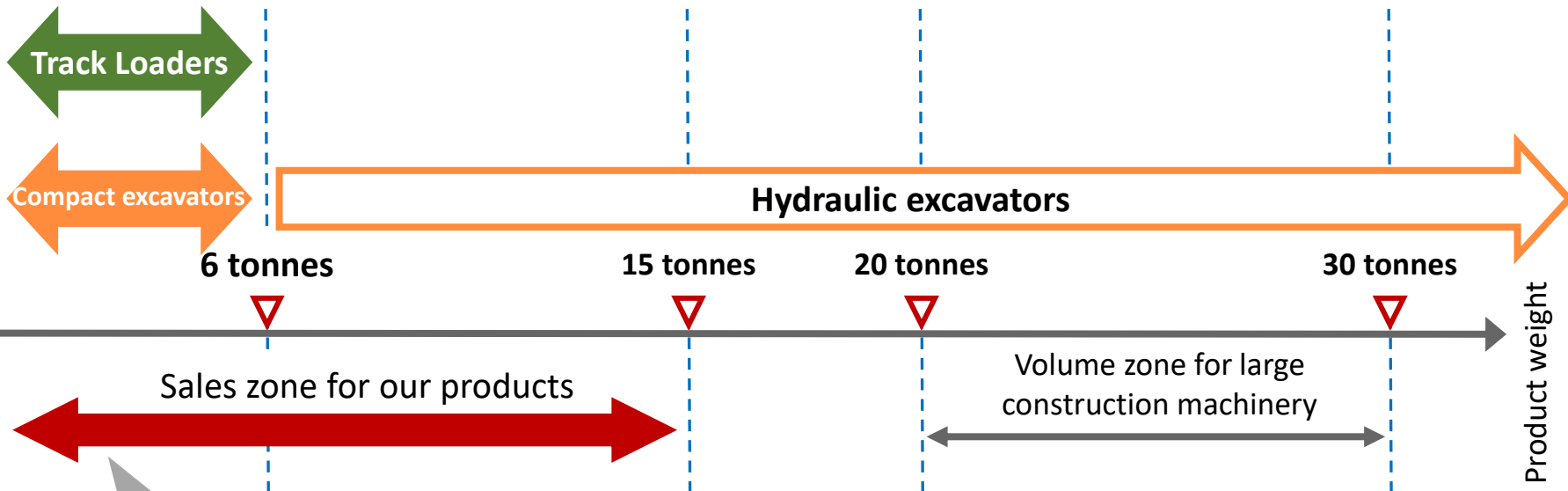


Factors of Increase/Decrease in Operating Profit (FY2023 Full year forecast) **TAKEUCHI** From World First to World Leader

(Millions of yen)



- ▶ FY2022 Consolidated Results
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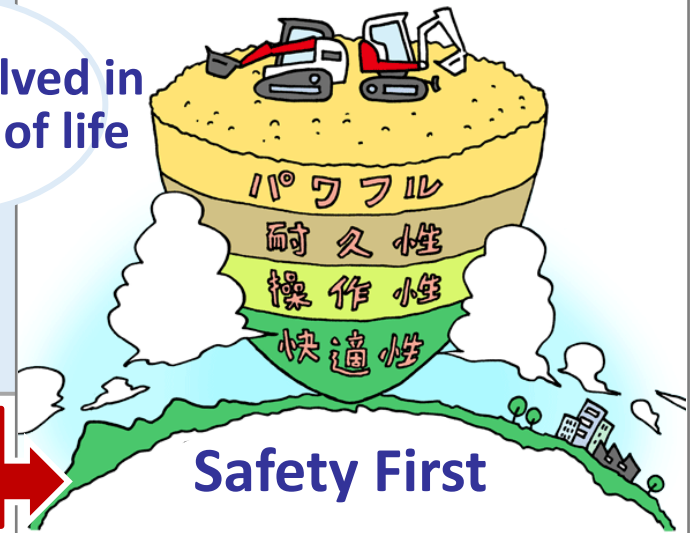
Typical applications of our products

Urban and small-scale civil engineering work (mainly in residential areas)

- ✓ Housing (foundation work)
- ✓ Transportation infrastructure (community roads)
- ✓ Lifelines (water, sewer, gas, electricity)
- ✓ Construction investment (factories, commercial facilities, hotels)
- ✓ Urban greening (landscaping, tree planting, gardening)
- ✓ Disaster recovery (earthquakes, typhoons, hurricanes, wildfires)
- ✓ Other (agriculture, forestry, demolition)

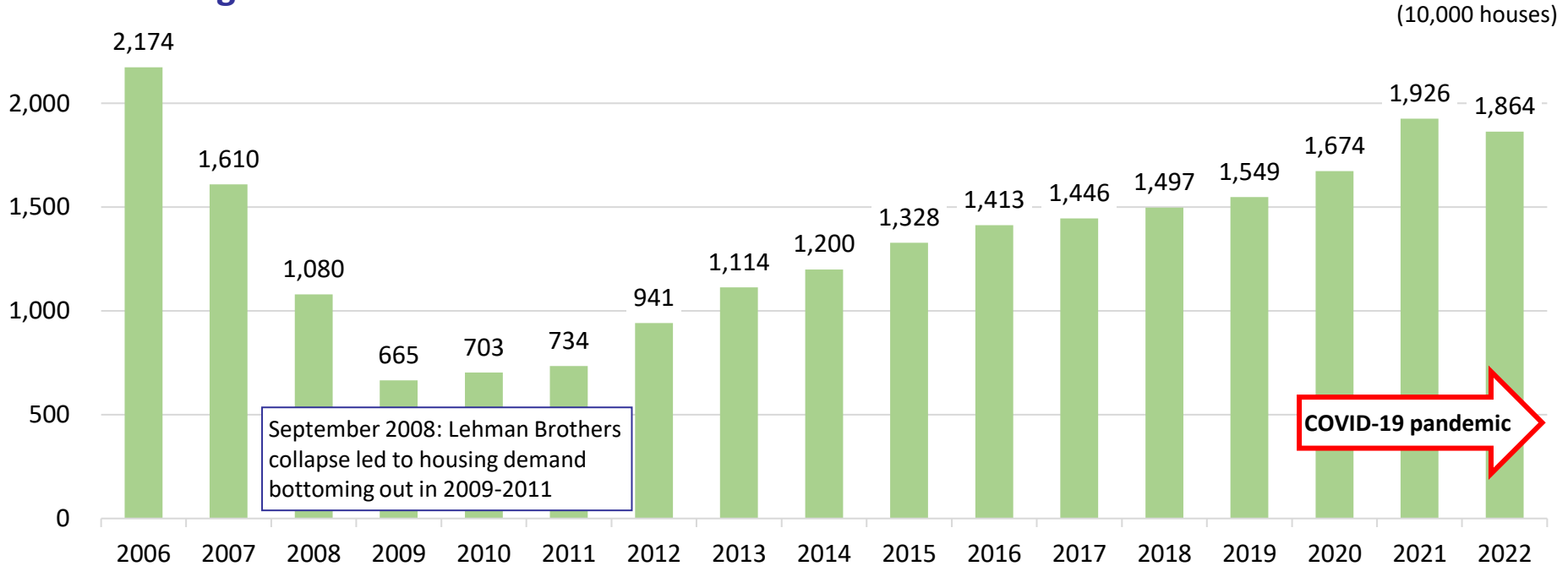
Deeply involved in
necessities of life

Strengths of Takeuchi's products



Creating and expanding Takeuchi fans with
unique added value

US Housing Starts

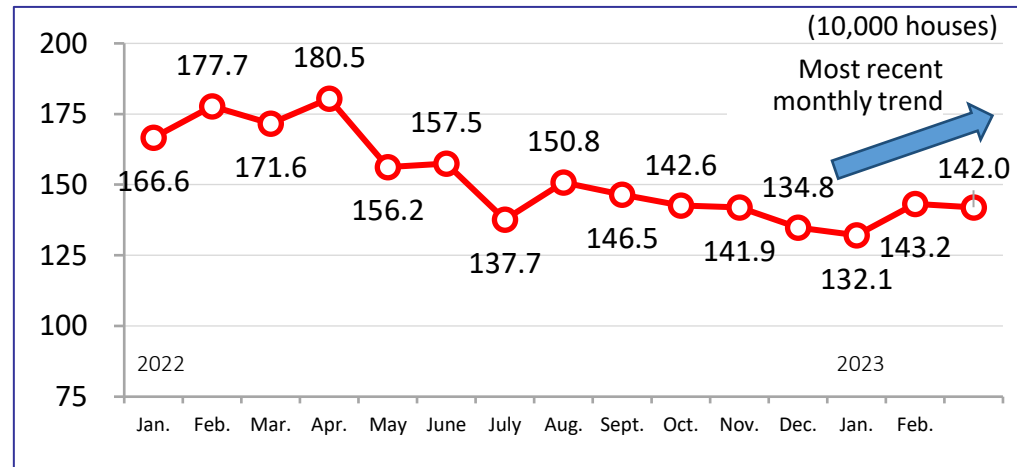


March 2022: US Federal Reserve ended its zero-interest rate policy



US housing starts slowdown due to high mortgage rates and inflation

Housing demand remains strong
(Postponement of timing → Eventual recovery)

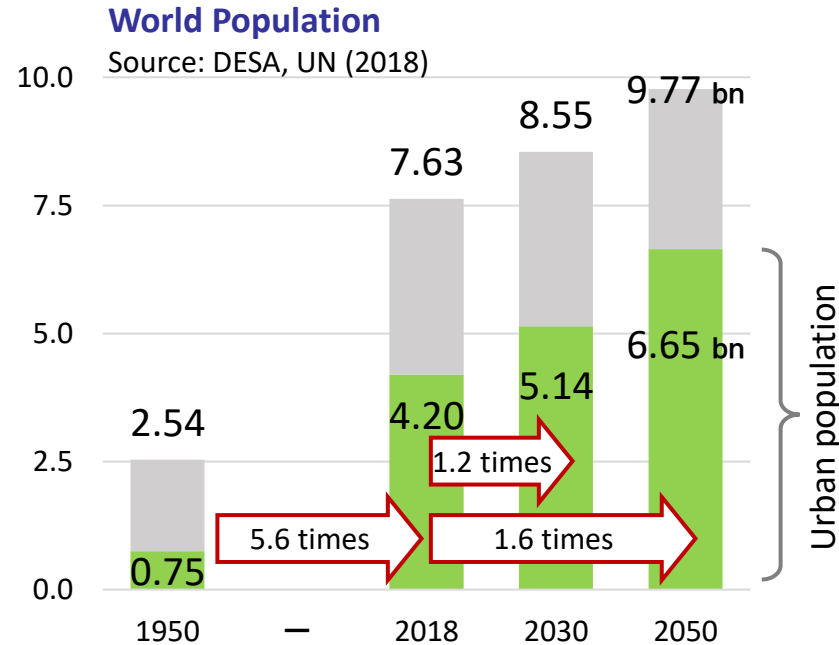


- Urban population is growing worldwide, with no signs of slowing down.
- Cities and infrastructure inevitably age, making maintenance work essential.

11 SUSTAINABLE CITIES AND COMMUNITIES

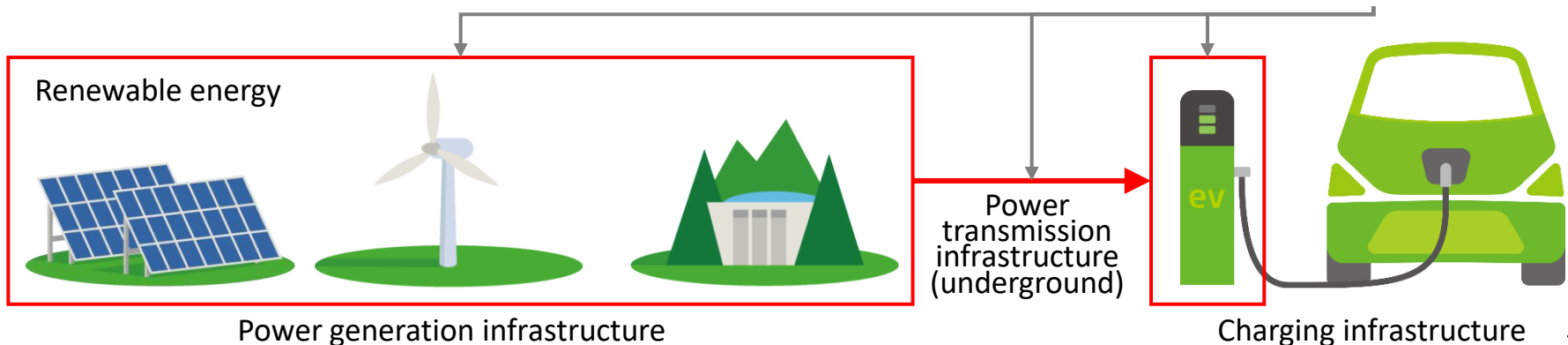
Cities generate employment and wealth

There is a need to address overcrowding, housing shortages, and aging infrastructure, as well as to improve public health.



Green Transformation (GX)
Social and economic transformation towards decarbonization

→ Renovating social infrastructure is essential
Rising construction demand and new construction machinery demand



Challenge: Increase Sales by 100 billion Yen

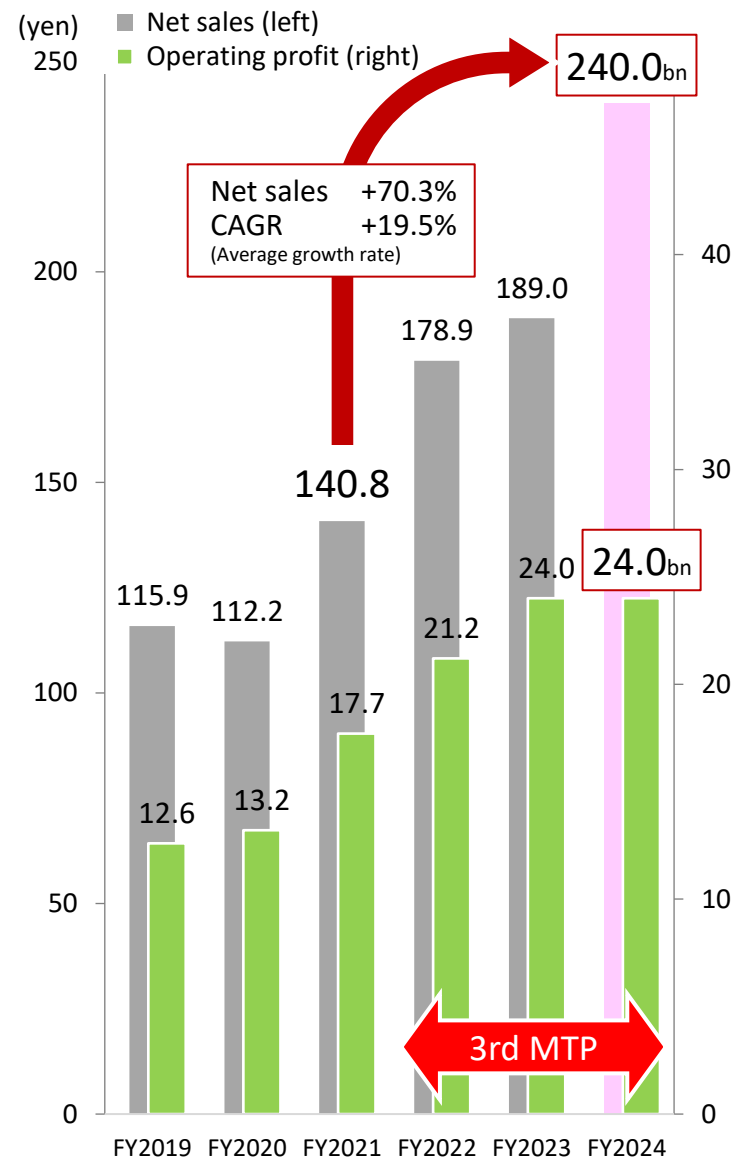
by Power Up, Speed Up, and Scale Up

Increase consolidated net sales from

140.8 billion yen (current) to 240.0 billion yen

	FY2021	FY2024	Change (%)
Net sales	140.8 bn	240.0 bn	+70.3%
Operating profit	17.7 bn	24.0 bn	+35.1%
↳ rate	12.6%	10.0%	
Earnings per share (yen)	279.91	377.00	+34.7%
ROE	13.8%	14.0%	—
JPY/USD	111.72	115.00	+3.28
JPY/GBP	153.06	152.00	(1.06)
JPY/EUR	130.57	127.00	(3.57)
JPY/RMB	17.12	18.00	+0.88

Note: Based on the following CAPM formula, **we recognize a cost of equity of 8%**.
Risk free rate (1%) + beta (1.2) × Market risk premium (6%)



- Basic Policy:**
- Human capital is the source of corporate strength, and distributing to human capital is **an investment in the future.**
 - Securing the human resources necessary **to achieve the goal of the Medium-Term Business Plan**

Investment
(FY2024)

3.8 bn



Increasing workforce: 2.3 bn

- For business growth
- To create excess workforce capacity
(allow a margin for education, multi-skilling and work-life balance)

Raising wages and salaries: 1.5 bn

Increase in labor costs in FY2024 compared to FY2021
(manufacturing costs, SG&A expenses)

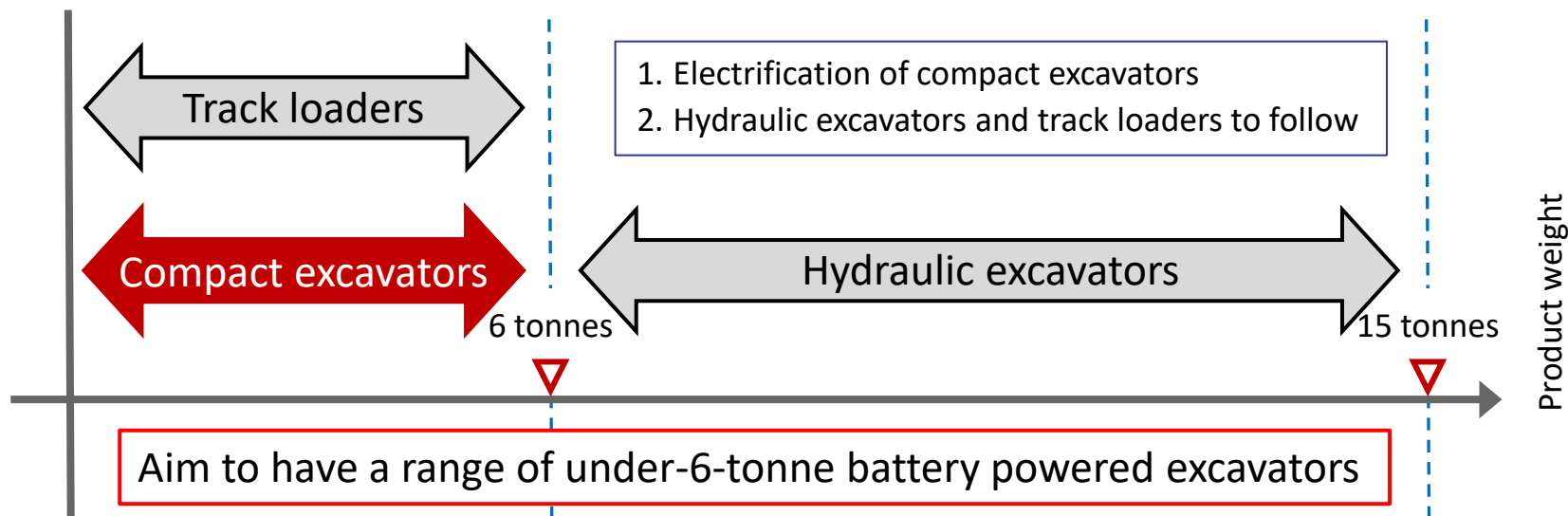
	As of February 28, 2022			As of February 28, 2023		
	Employees	Temp staff*	Total	Employees	Temp staff*	Total
Takeuchi MFG	557	386	943	612	393	1,005
Takeuchi US	125	2	127	204	3	207
Takeuchi UK	24	1	25	22	1	23
Takeuchi France	21	1	22	20	2	22
Takeuchi China	190	37	227	195	22	217
	917	426	1,343	1,053	419	1,472

*Temp staff: permanent part-timers, part-timers, temporary employees from staffing agencies, seasonal employees, etc.

- **Connected** Improving customer satisfaction by adding features to TFM and Takeuchi Connect
- **Autonomous** Implementation of “a feature to perform some tasks automatically”
- **Sharing & Services**
- **Electric** Expansion of battery powered excavator lineup
Development of battery powered track loaders

Open Innovation

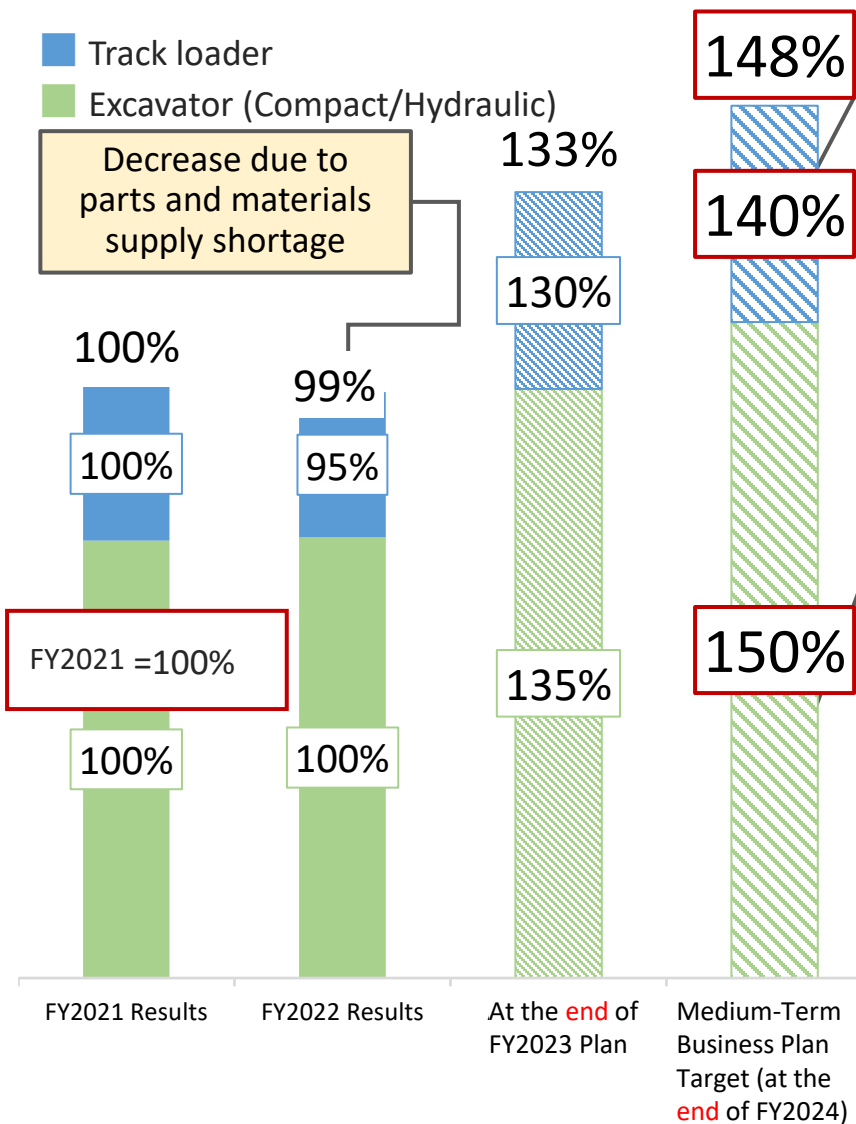
In research and development of advanced technologies for electrification and automation, we will work with other companies and collaborate with Academia



Track loader

Excavator (Compact/Hydraulic)

Decrease due to parts and materials supply shortage



US Factory (started operation on September 23, 2022)

- Full operation: Planned for **FY2024**
- Start production of track loaders using the semi knock down (SKD) method. Home office factory production ends at ready to drive, then they are finished in the US factory.
- Work on building a US supply chain.
- Eventually aim for a complete knock down (CKD) method, where all production will be done at the US factory.

Aoki Factory (planned to start operation in September 2023)

- Full operation: Planned for **FY2024**
- Transfer production of medium-weight class excavators (4 to 9 tonnes) from the home office factory to the Aoki factory.

		Home Office Factory	US Factory	Aoki Factory
Excavator	Less than 3 tonnes	○	—	—
	4 -9 tonnes	—	—	○
	9 – 15 tonnes	○	—	—
Track loader		Semi Knock Down		—

Aoki Factory (Construction Progress)

Sept. 2022

Start operation (plan): Sept. 2023

- Site area: approx. 50,000 m²
- Building area: approx. 27,800 m²
- Total floor space: approx. 31,600 m²



Aoki Factory (Construction Progress)

April 2023

Start operation (plan): Sept. 2023

- Site area: approx. 50,000 m²
- Building area: approx. 27,800 m²
- Total floor space: approx. 31,600 m²

Most of the electricity consumed is generated by solar power, and together with CO₂-free electricity, **the factory operates on 100% renewable energy.**

Expand sales, mainly in European and North American countries, in response to increased production capacity

North America

Increase production and expand sales of track loaders by starting operation of the US Factory

North America and Europe

Increase production and expand sales of excavators (compact & hydraulic) by starting operation of the Aoki Factory

Expand Takeuchi fans and improve customer satisfaction by introducing new products (including battery powered models)

Aftermarket Parts Sales

Aftermarket parts warehouses already established in the US and Europe

Promote the benefits of genuine parts (branding → peace of mind)

Promote sales of secondary genuine parts (competitive pricing)

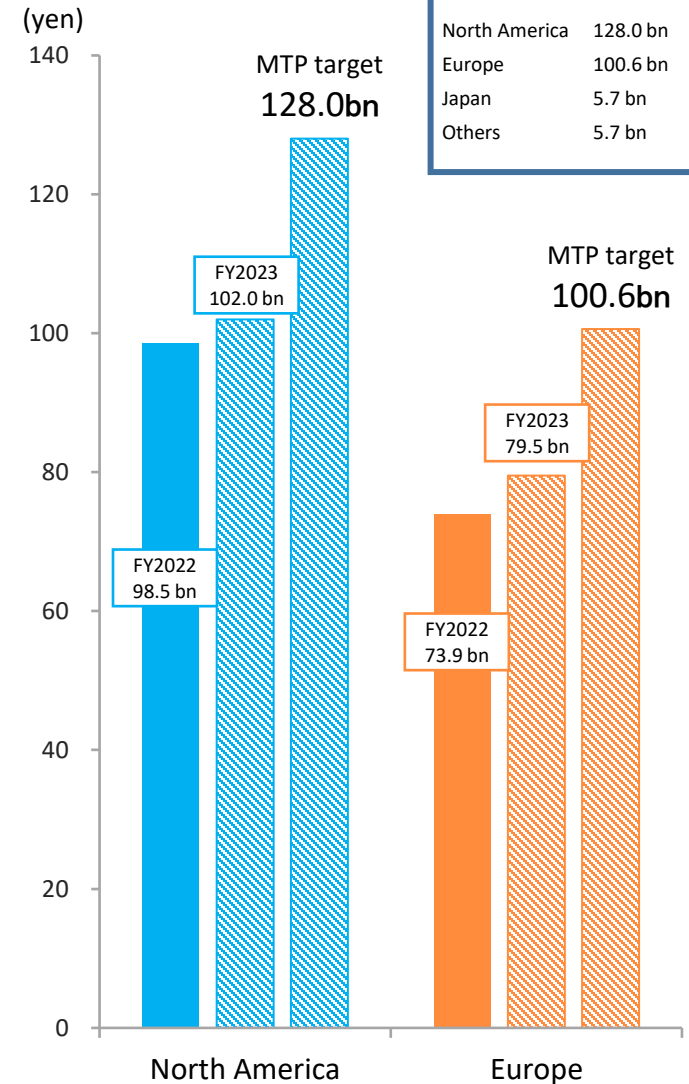
- Genuine parts: Same parts as those installed in new vehicles
- Secondary genuine parts: Different from parts installed in new vehicles, but quality assured by our company



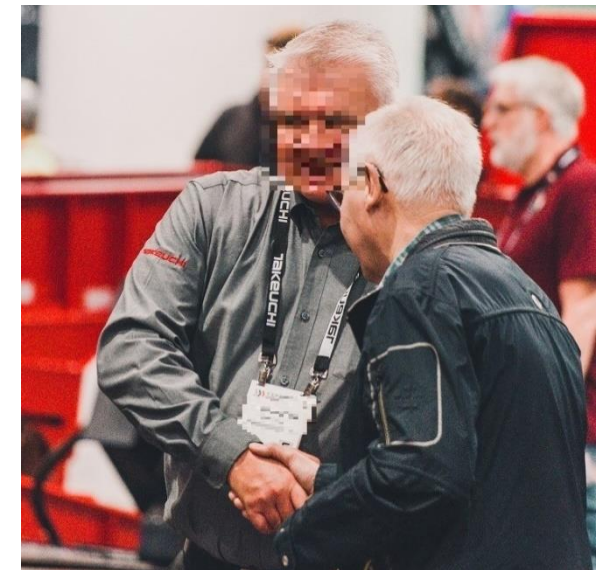
European parts center (The Netherlands)



US subsidiary and warehouse



► From March 14 (Tue.) to 18 (Sat.), 2023



ESG Issues and Targets

		Social Issues	Themes	By When	What Level
1	E	Mitigate climate change	CO2 emissions from product use	FY2030 (compared with FY2010)	Reduce by 30%
2			CO2 emissions at factories	FY2030 (compared with FY2015)	Reduce by 50%
3	S	Occupational health and safety Employees' health	Occupational accidents resulting in absence from work for one day or more	Every year	Zero
4		Human Resource Development	Training hours per person	Every year	Announce actual results
5		Promoting work-life balance	Ratio of employees taking childcare leave (by gender)	Every year	Announce actual results
6		Child Labor	Collection rate of agreement forms for our CSR procurement policy	Every year	95% or more
7	G	Diversity	<ol style="list-style-type: none"> Appointment of a female director* Ratio of female managers to female staff Ratio of local staff in management positions in subsidiaries 	<ol style="list-style-type: none"> FY2023 FY2030 Every year 	<ol style="list-style-type: none"> Appointment of a female director Same as the ratio of male managers to male staff Announce actual results

Note: The target deadline for the appointment of a female director, originally set for FY2024, has been changed to FY2023.



Our Group's business itself



GHG emission reduction and TCFD initiatives
Goals 1 and 2



Occupational health and safety
Employees' health
Goal: 3, 4, 5 and 6



Diversity and Inclusion
Goal 7

2°C Scenario (sustainability-oriented)

- Introduction of carbon tax and increased taxation
- Significant tightening of regulations on exhaust gas and GHG emissions
- Increase consumer awareness of decarbonization

4°C Scenario (current transitions)

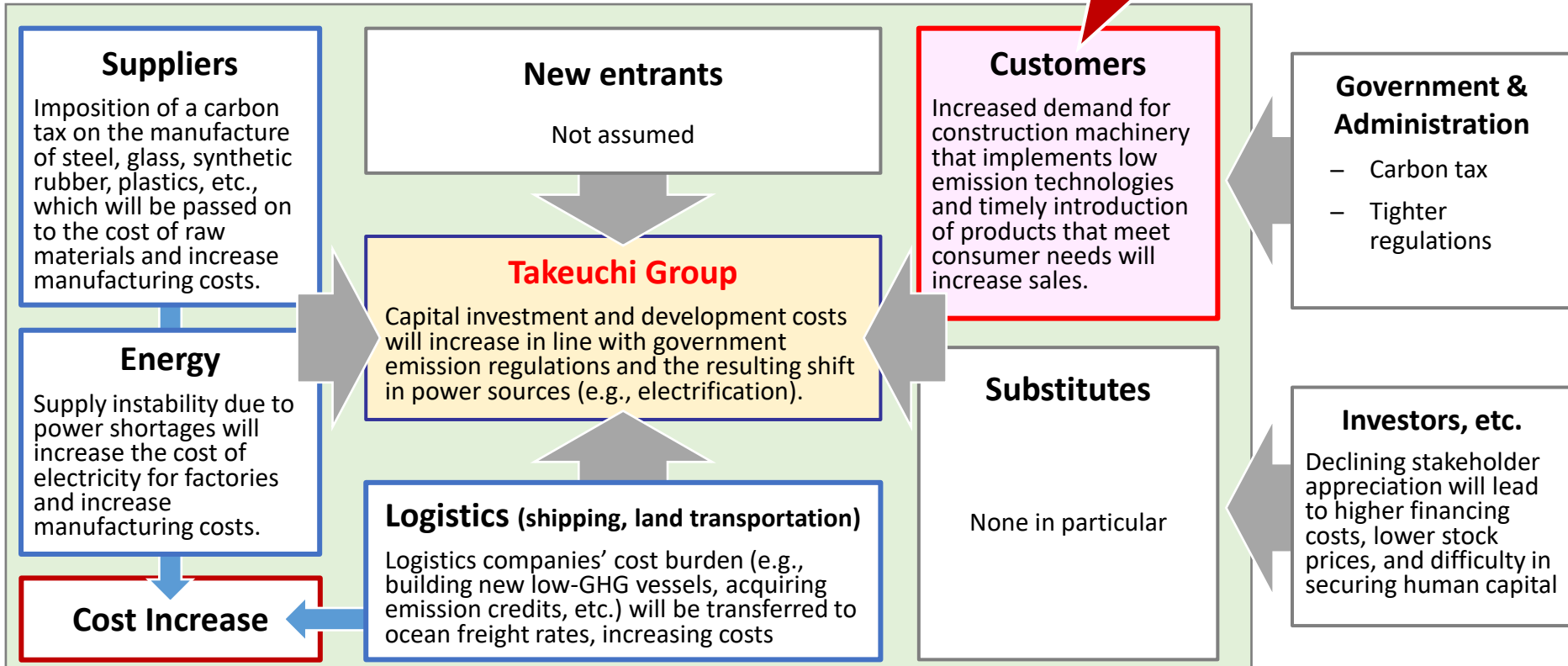
- No significant regulatory tightening
- Increased damage due to typhoons, floods, and other extreme weather events

Electrification of Construction Machinery

Counter measures

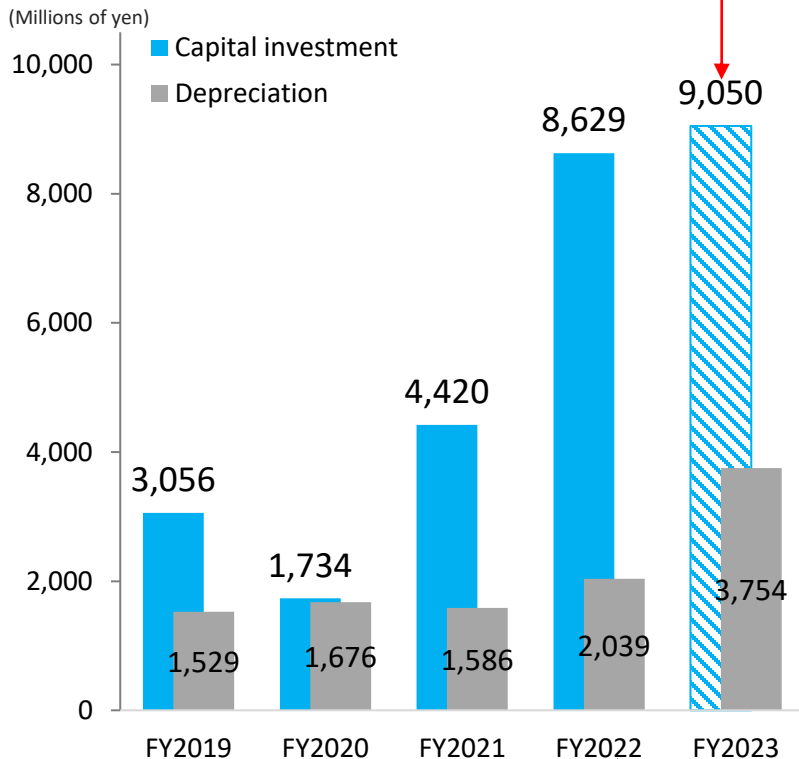
Development of low-GHG fueled construction machinery
Improvement of fuel consumption of engine-powered construction machinery

2°C Scenario Analysis, Worldview in 2030



Capital Investment Plan

FY2023 Capital Expenditure Plan Breakdown



Aoki Factory	5.0 bn	Payment for this fiscal year: 5.0 bn Payment already made (construction in progress): 6.0 bn
US. Factory	1.5 bn	Solar panels (US office and factory): 0.48 bn Slat conveyor: 0.45 bn Factory machinery and equipment: 0.4 bn etc.
Employee dormitories	1.5 bn	Construction on land adjacent to the home office factory and Aoki Factory
Others	1.0 bn	Jigs, molds, prototypes, and maintenance and renewal equipment
Total	9.0 bn	

FY2022 Capital investment Breakdown

Aoki Factory	3.0 bn	Payment for this fiscal year (construction in progress): 3.0 bn Payment already made (construction in progress): 3.0 bn
US Factory	4.7 bn	land/buildings/equipment
Others	1.0 bn	Jigs, molds, prototypes, and maintenance and renewal equipment
Total	8.7 bn	

FY2020: Takeuchi US warehouse expansion (approx. 0.54 bn) **FY2021:** US training center (approx. 0.5 bn)



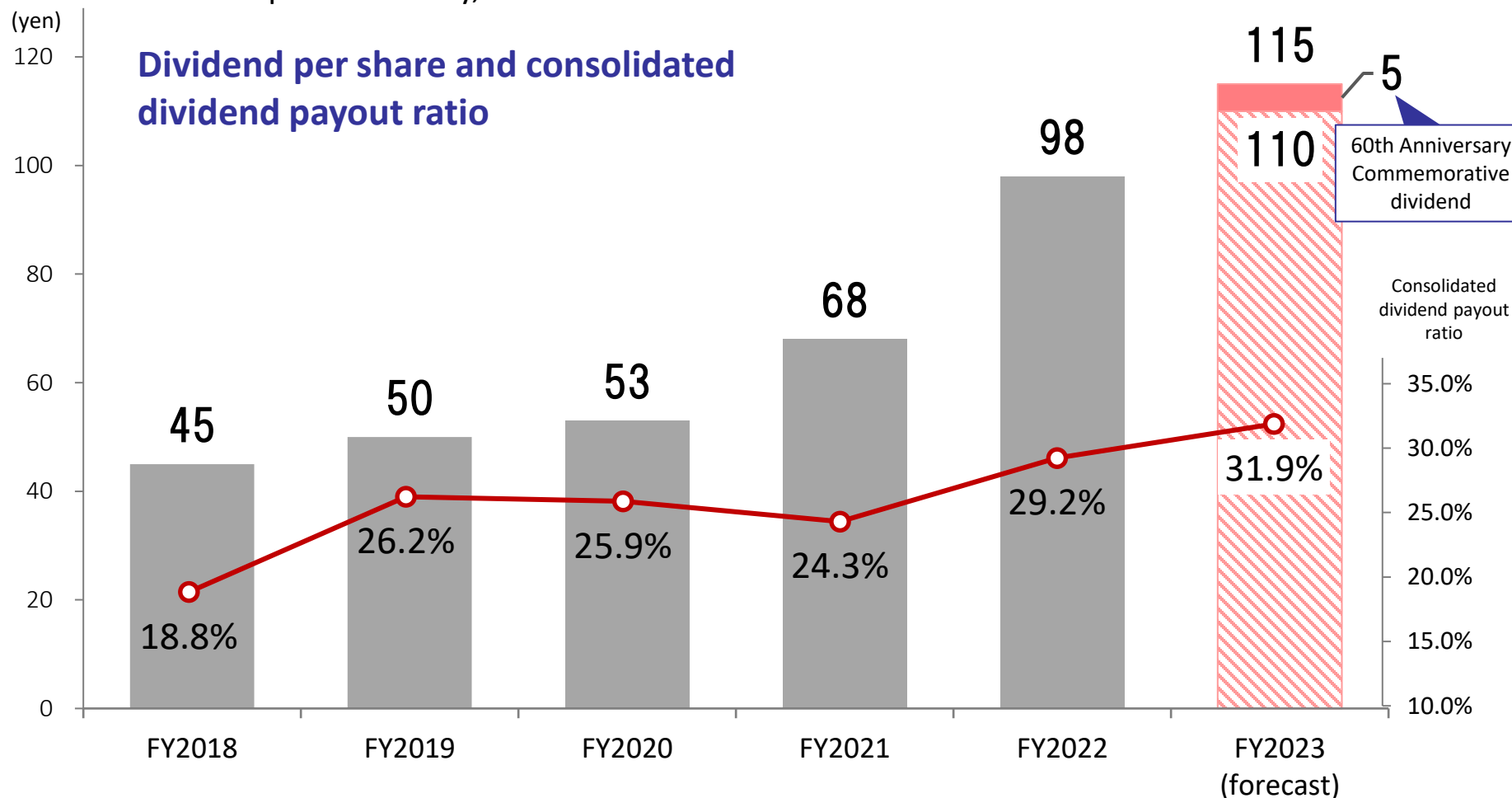
[NEW] FY2022: US Factory (approx. 4.7 bn)

[NEW] FY2023: Aoki Factory (approx. 11.0 bn)



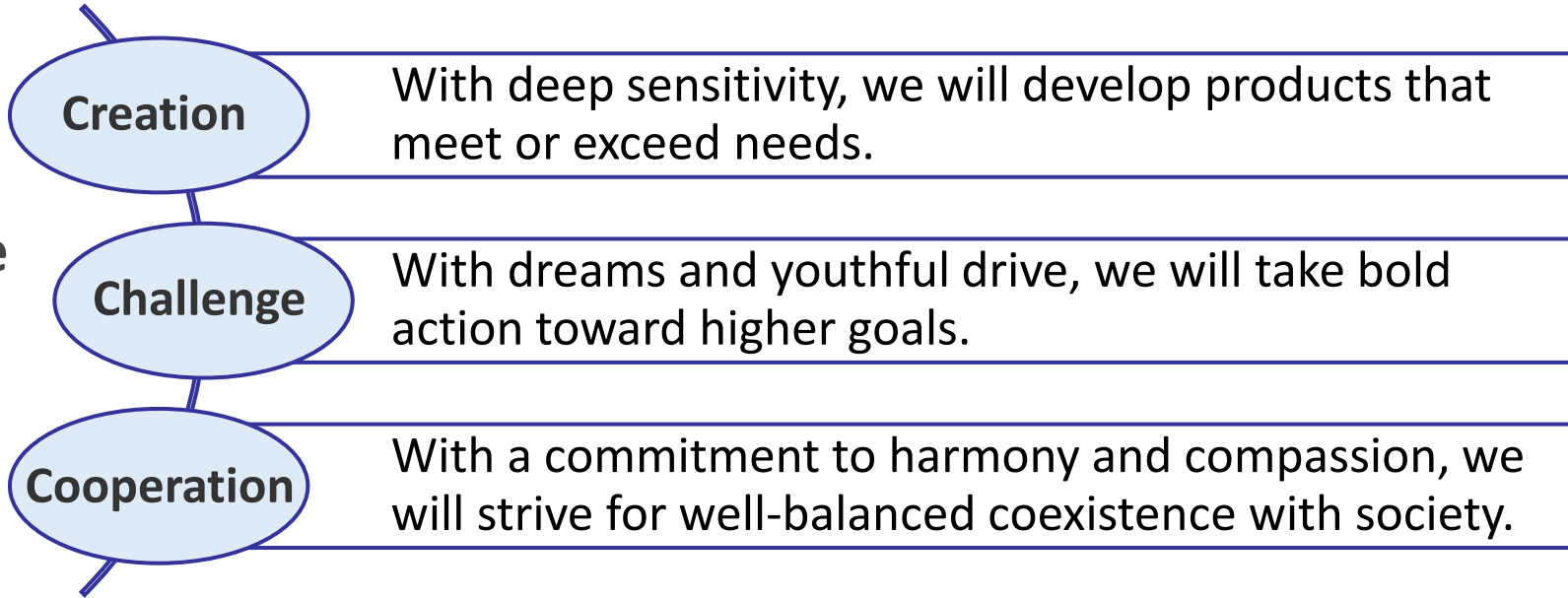
Basic Policy: Strive to maintain a stable dividend payout with **a target consolidated dividend payout ratio of 30%** in mind, while securing the internal reserves necessary to strengthen the management structure and develop future businesses

Share buybacks: **Implement share buybacks** as appropriate, taking into consideration stock price levels, capital efficiency, and other factors.



- ▶ FY2022 Consolidated Results
- ▶ FY2023 Consolidated Forecast
- ▶ Progress of the Third Medium-Term Business Plan
- ▶ **Reference Materials**

Corporate Policies



Business Philosophy

From World First to World Leader, **TAKEUCHI**

We will pursue manufacturing excellence by working hard in **the spirit of Creation, Challenge, and Cooperation.**

With a global perspective and awareness, we will provide products and services that are trusted by our customers.

Leveraging the abilities of every employee, we will help to create an environmentally friendly, prosperous society.

Name	TAKEUCHI MFG. CO., LTD.	
Representative	Toshiya Takeuchi President and Representative Director	
Home Office	205, Uwadaira, Sakaki-machi, Hanishina-gun, Nagano Japan	
Established	August 21, 1963	
Accounting Period	February	
Capital	3,632 million yen (As of February 28, 2023)	
Sales (Consolidated)	178,966 million yen (FY2022)	
Employees (Consolidated)	1,053 (As of February 28, 2023)	
Listed Market	Tokyo Stock Exchange, Prime Market, Securities code: 6432	
Subsidiaries	US	Takeuchi Mfg. (US), Ltd. (Established February 1979)
	UK	Takeuchi Mfg. (U.K.) Ltd. (Established October 1996)
	France	Takeuchi France S.A.S. (Established June 2000)
	China	Takeuchi Qingdao Mfg. Co., Ltd. (Established April 2005)

Main Products

Compact excavators and hydraulic excavators

- We developed and began production of the world's first compact excavator (September 1971)
- Compact excavators: Products weighing less than 6 tonnes
- Hydraulic excavators: Products weighing 6 tonnes or more

Main applications

- Foundation work for housing construction
- Piping work for water, gas and other supplies
- Landscaping work to plant trees in parks and gardens
- Demolition and renovations of dilapidated buildings



Track Loaders

- We developed and began production of the world's first track loader (September 1986)
- Faster traveling speed than compact/hydraulic excavators, suitable for transportation work
- Demand and sales mostly in North America

Main applications

- Transportation of earth and sand excavated by compact excavators
- Excavating and leveling the ground
- Various operations are possible by changing the bucket



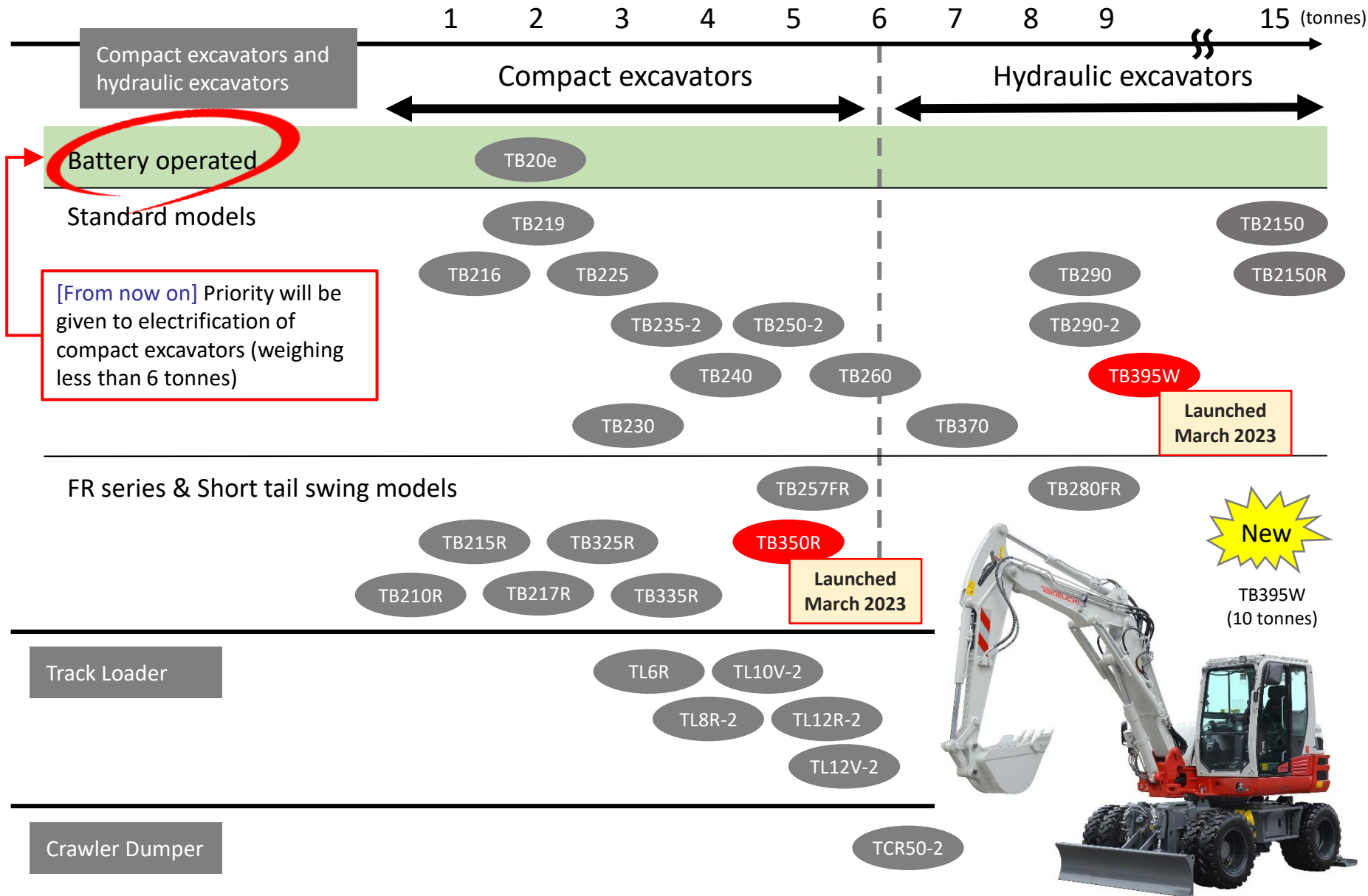
Business Performances

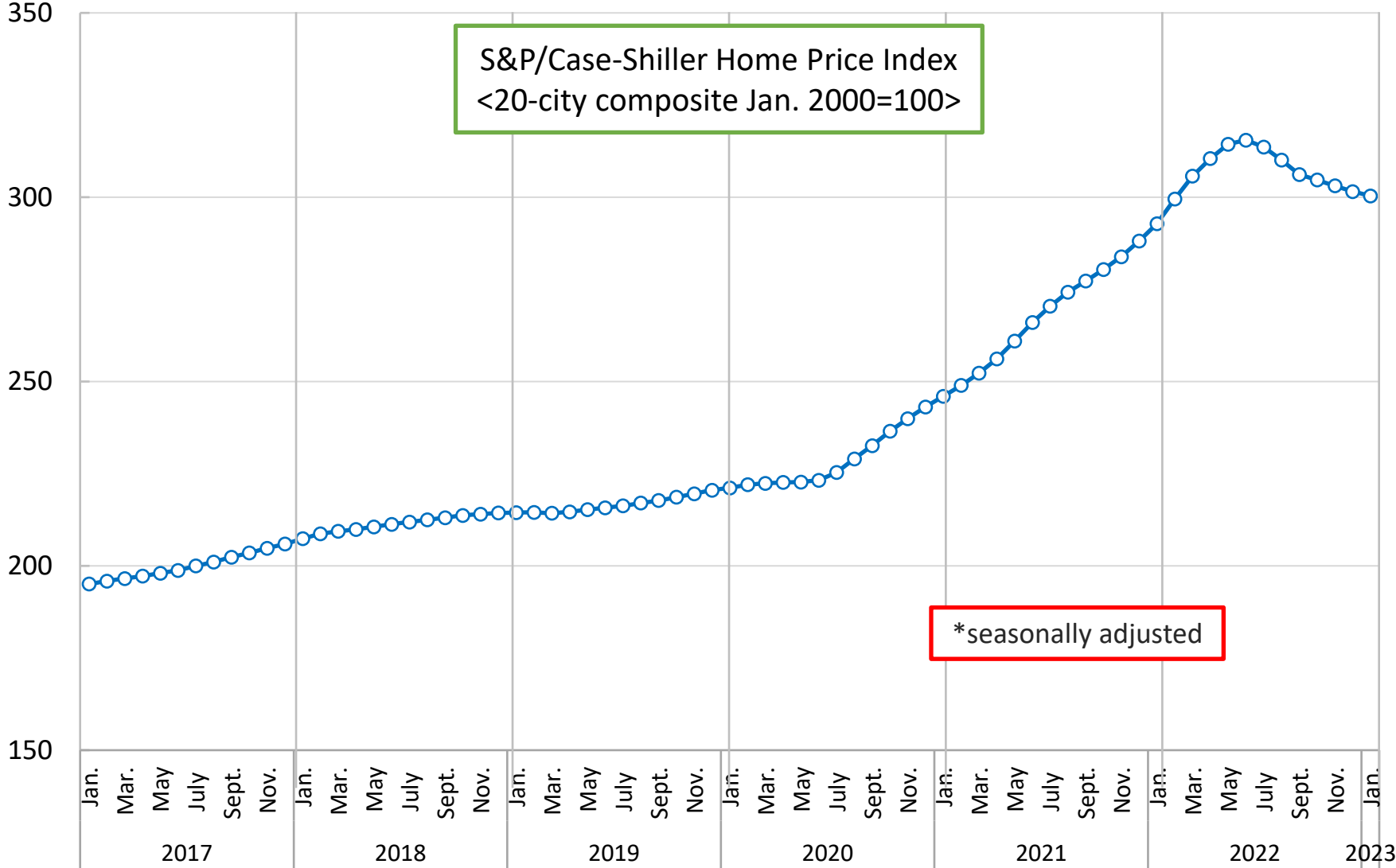
(Millions of yen)	FY2018	FY2019	FY2020	FY2021	FY2022	Forecast	
						FY2023	Change
Japan	940	813	2,508	2,832	2,036	2,460	+423
North America	50,696	53,222	52,248	68,706	98,506	102,080	+3,573
Europe	55,561	60,313	54,988	65,749	73,906	79,580	+5,673
Asia	1,000	384	181	153	495	180	(315)
Others	1,977	1,179	2,327	3,449	4,020	4,700	+679
Net sales	110,175	115,913	112,254	140,892	178,966	189,000	+10,033
Operating profit	15,411	12,649	13,207	17,764	21,221	24,000	+2,778
Ordinary profit	15,496	12,403	13,298	18,080	21,379	23,900	+2,520
Profit attributable to owners of parent	11,391	9,091	9,765	13,348	15,979	17,200	+1,220
Earnings per share (yen)	238.83	190.64	204.78	279.91	335.19	360.83	+25.64
Dividends per share (yen)	45.00	50.00	53.00	68.00	98.00	115.00	+17.00
JPY/USD ¹ (yen)	110.06	109.21	106.13	111.72	133.12	127.00	(6.12)
JPY/GBP ¹ (yen)	145.91	139.49	137.88	153.06	162.58	154.00	(8.58)
JPY/EUR ¹ (yen)	129.16	121.46	122.91	130.57	139.81	136.00	(3.81)
JPY/RMB ¹ (yen)	16.64	15.82	15.41	17.12	19.49	18.70	(0.79)
Net assets	77,180	83,683	89,908	104,083	121,802		
Total assets	103,557	108,982	115,525	137,201	158,785		
Equity ratio	74.5%	76.8%	77.8%	75.9%	76.7%		
ROE ²	15.7%	11.3%	11.3%	13.8%	14.1%		
ROA ³	15.9%	11.7%	11.8%	14.3%	14.4%		

*1 Exchange rates are the average rates for the 12-month period.

*2 ROE (Return on Equity) = Net profit / Net assets × 100 (Net assets are the average of the beginning and the end of the period)

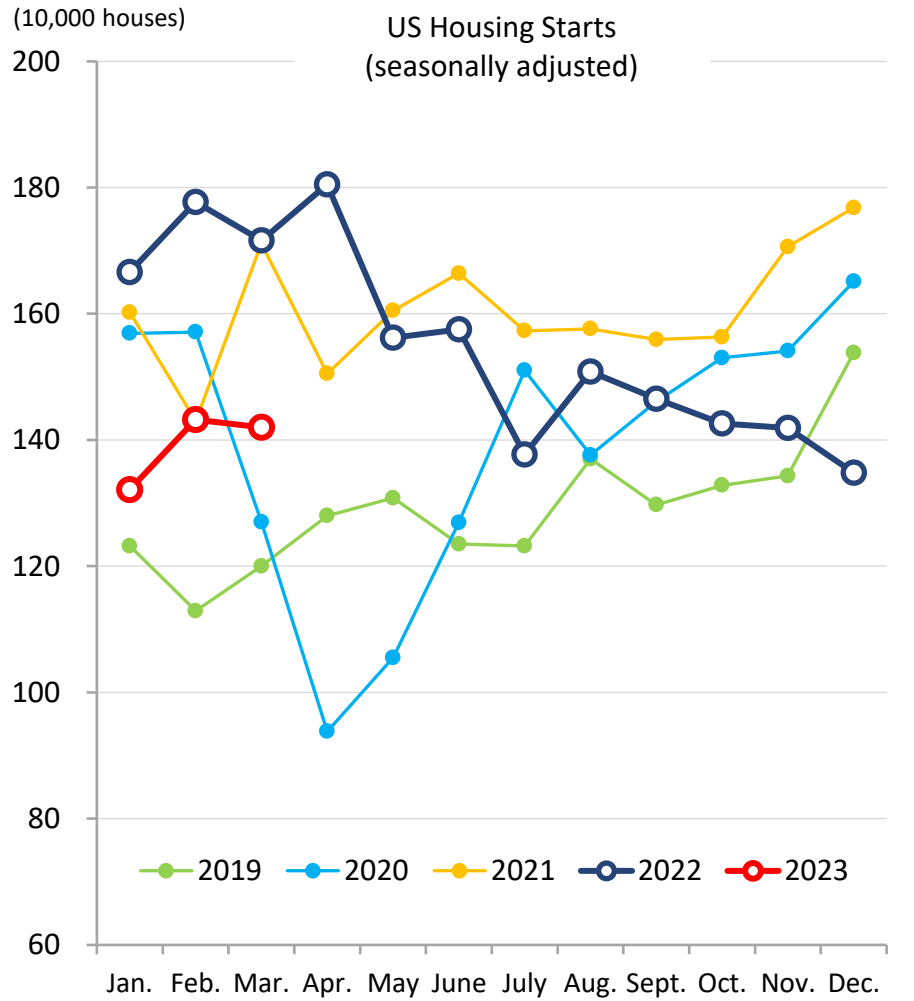
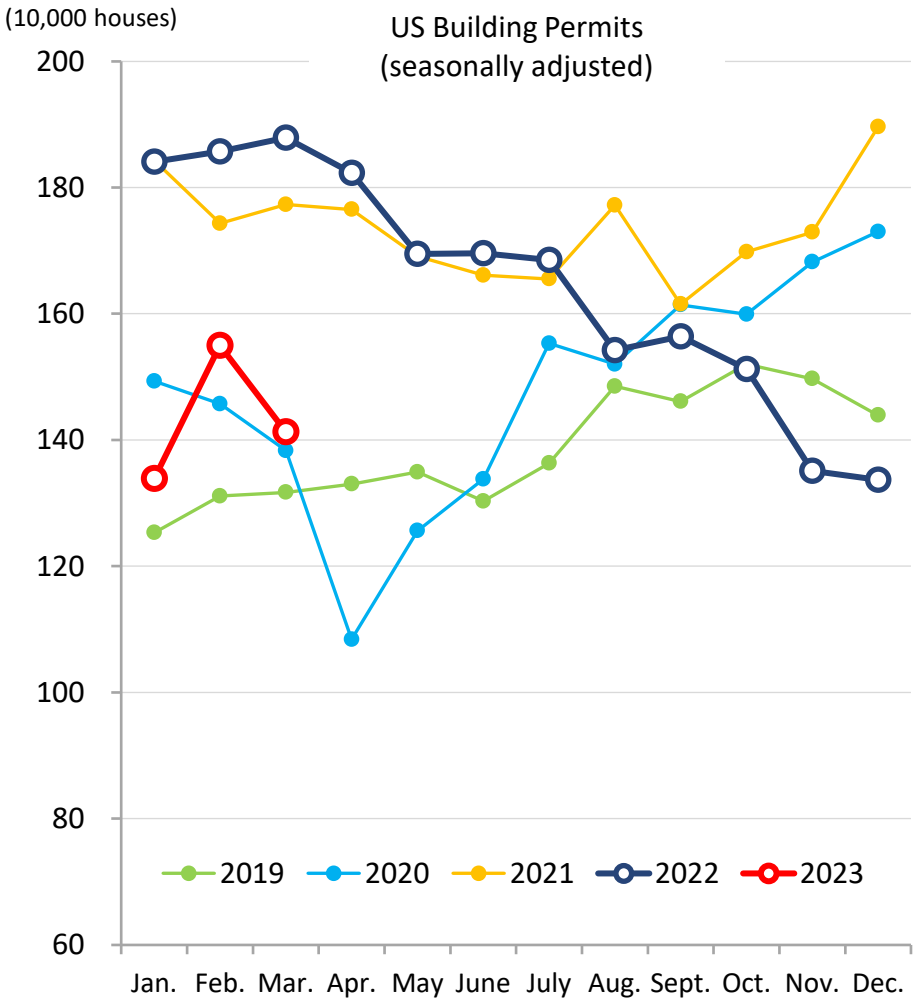
*3 ROA (Return on Assets) = Ordinary profit / Total assets × 100 (Total assets are the average of the beginning and the end of the period)



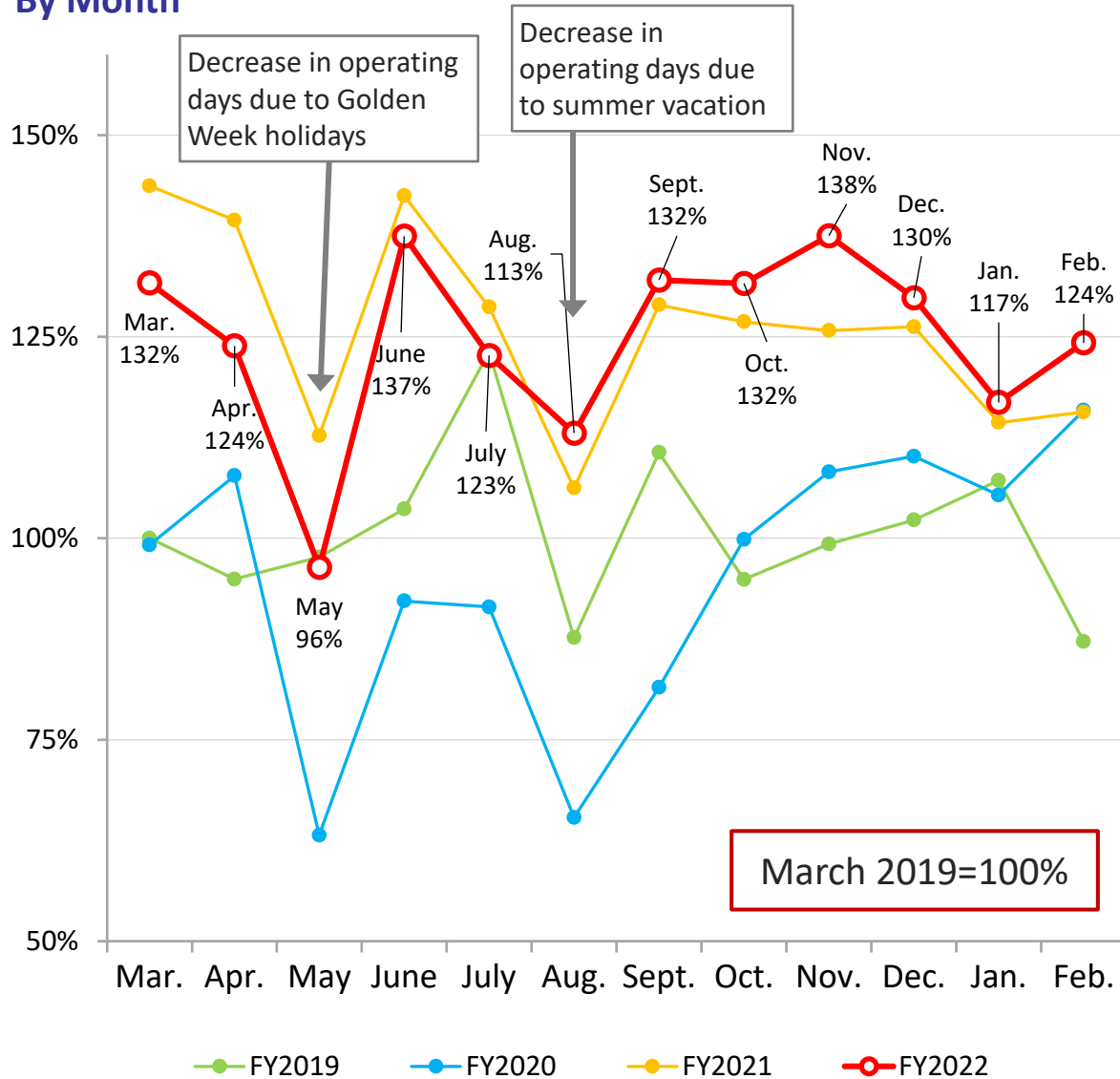


(source) S&P

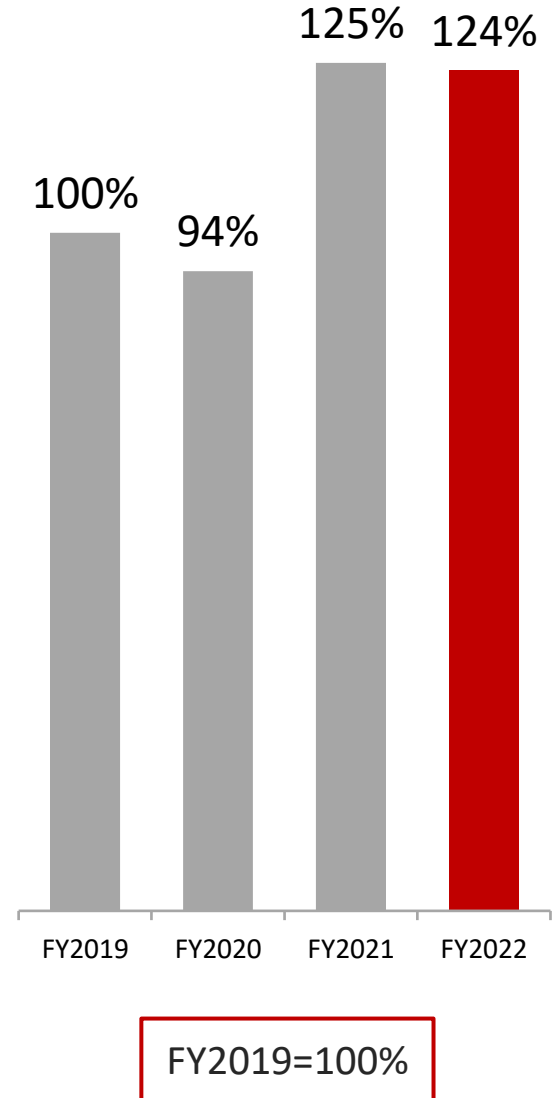
- From February to April 2020, housing demand plummeted due to the COVID-19 pandemic.
- Since May 2020, economic activity has resumed, achieving a **V-shaped recovery** and maintaining a high level after that.
- Since March 2022, demand for housing is currently weak due to US interest rate hikes, but **in 2023, future housing demand is expected to remain firm.**



By Month



By Fiscal Year



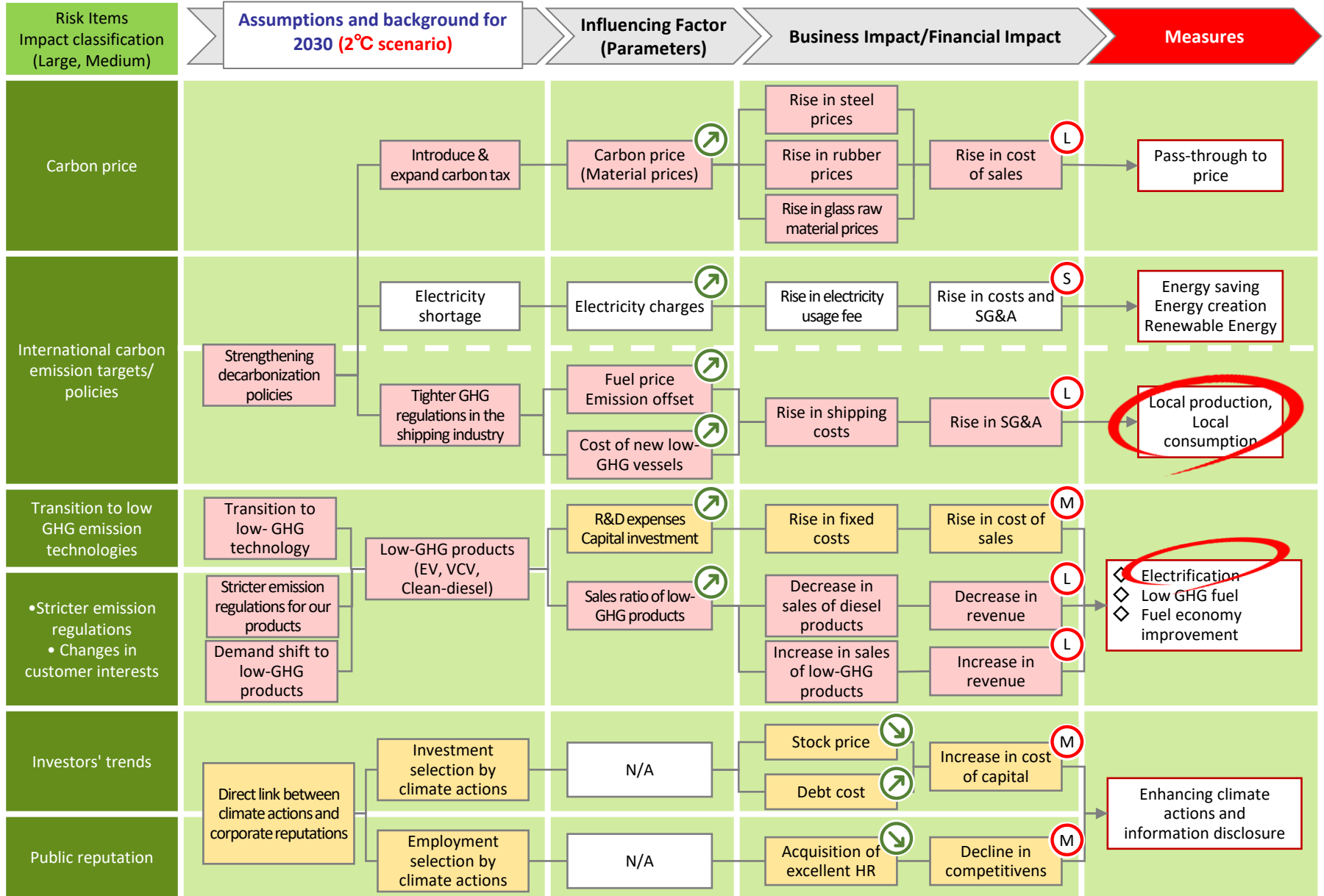
List of Material Issues

#	E	S	G	SDGs	Social Issues	Theme	Goal
1	○			13	Mitigate climate change	Develop, manufacture, and sell battery-powered compact excavators	1
2	○			13		Reducing GHG emissions at factories	2
3	○			7 13		Improving factory energy efficiency Expanding the use of renewable energy	2
4	○			12	Realizing a circular economy	3R factory initiatives	
5	○			12 13	Reducing our environmental impact Preventing pollution Managing chemical substances	Develop, manufacture and sell construction machinery with reduced environmental impact	1
6	○			6 12		Reducing chemical emissions and wastewater from factories	
7	○			12		Complying with SDSs, REACH regulations, and RoHS Directive	
8	○			8	Sustainable urban development	Improving productivity and work efficiency at sites where construction machinery is operated, by developing products that precisely meet market needs.	
9	○			11		Developing, manufacturing, and selling construction machinery that contributes to building and maintaining resilient cities and infrastructure	
10	○			8	Dealing responsibly with customers	Strengthening connections with end users by increasing the amount of information on products and services	
11	○			10 16	Respect for human rights Effective labor practices	Eliminating employment discrimination (employment of handicapped person, etc.)	
12	○			10 16		Prevention of harassment (harassment prevention education)	4
13	○			3	Occupational health and safety Employees' health	Elimination of work-related accidents and promotion of health management	3
14	○			4	Human resources	Promotion of human resources development	4
15	○			5 8	Promoting work-life balance	Encouraging the use of internal systems, such as childcare and nursing care leave, and shorter working hours	5
16	○	○		5 8	Promoting female participation	Diversity (promotion of women and foreigners)	7
17	○			4 16	Developing the next generation in the community	Factory tours at Takeuchi (nonconsolidated), sending out lecturers, and cooperating with special needs schools	
18	○	○		8 12	Establishing an environmentally and socially conscious supply chain	Establishing and implementing a CSR procurement policy	6
19	○	○		8 12		Asking suppliers to agree to our CSR procurement policy	6
20	○			12		Dismantling, collecting, and recycling at the stage of product disposal	
21		○		16	Compliance	Compliance with laws and regulations, and the exclusion of Organized Crime (implementation of education)	4
22		○		16	Corporate Governance	Strengthening global governance	
23		○		16	Risk management	Crisis management systems, BCPs, and information security(IT-BCP)	

Climate Change Initiatives (Response Measures)

 : Direction of Change

Large influence	Medium influence	Small influence
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Forecasts are based on information that was available when this document was prepared. 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 fluctuations.

Consequently, the actual results of operations could differ significantly from this forecast because of changes in a variety of factors.