



Presentation Materials for the Fiscal Year Ended February 2024

April 22, 2024

TAKEUCHI MFG. CO., LTD.

(Securities code: 6432)

TAKEUCHI
From World First to World Leader

- ▶ **FY2023 Consolidated Results**
- ▶ **FY2024 Consolidated Forecast**
- ▶ **Progress of the Third Medium-Term Business Plan**
- ▶ **Reference Materials**

Summary of FY2023 Earnings Results

(1) Sales volume growth in both the US and Europe

- North American sales volume increased **+6.1%** (1st H: +3.6%, 2nd H: +8.8%, YoY)

Although the housing market entered an adjustment phase due to continued high interest rates and housing prices, latent demand for housing remained strong.

Demand for products remained strong due to firm demand for water and gas pipeline infrastructure projects.

- European sales volume increased **+5.3%** (1st H: +7.0%, 2nd H: +3.5%, YoY)

Rising mortgage rates and energy prices pushed down housing demand.

Demand was firm for non-housing-related construction such as infrastructure work and construction investment.

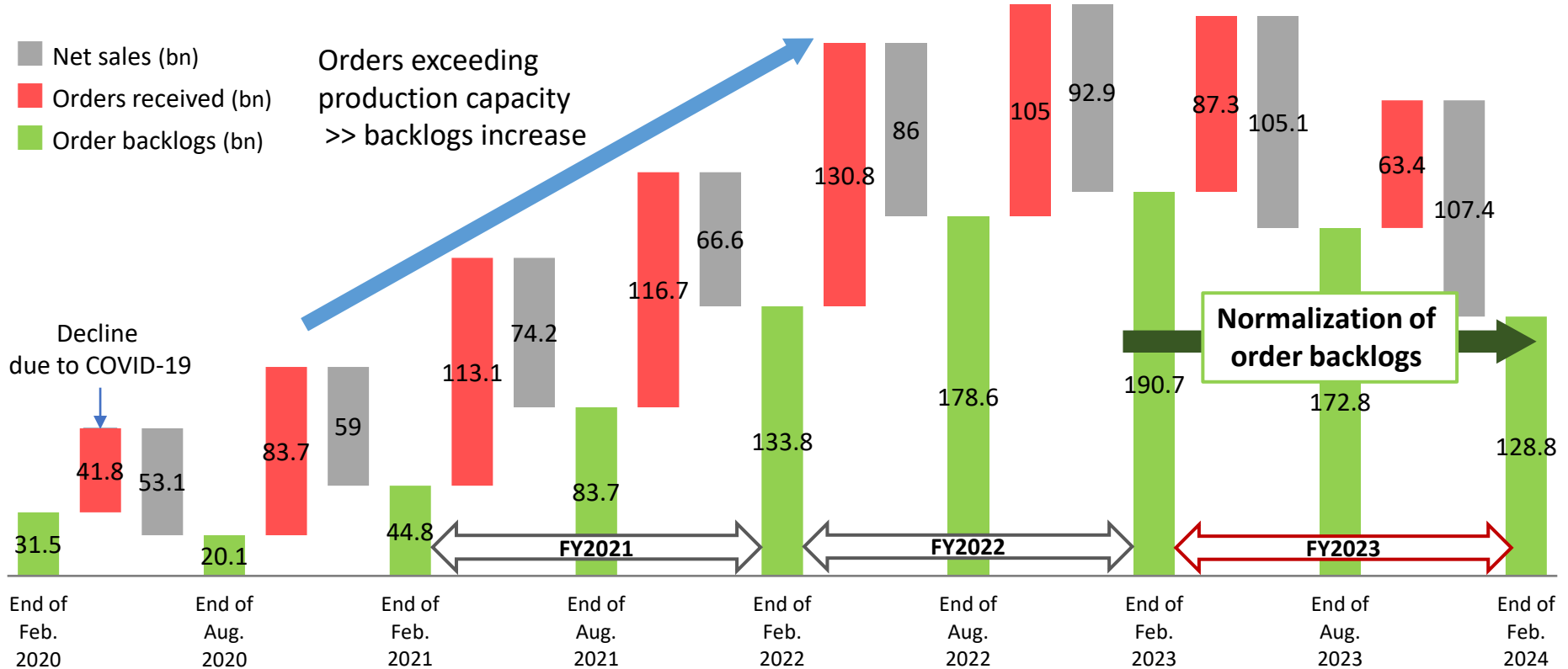
- Total sales volume increased **+5.7%** (1st H: +5.5%, 2nd H: +6.0%, YoY)

(2) Record-high net sales and profits (net sales +18.8%, operating profit +66.3%, YoY) (Billions of yen)

	FY2022					FY2023				
	1Q	2Q	3Q	4Q	Full year	1Q	2Q	3Q	4Q	Full year
Net sales	42.4	43.6	46.8	46.0	178.9	53.0	52.1	53.6	53.7	212.6
Gross profit	9.8	10.1	11.1	11.9	43.0	12.9	12.5	12.9	13.6	52.1
SG&A expenses	4.4	6.1	6.4	4.7	21.8	4.4	4.1	4.3	3.9	16.8
of these, transportation costs	2.6	4.1	4.3	2.7	13.8	2.1	1.5	1.7	1.7	7.1
Operating profit	5.3	3.9	4.6	7.2	21.2	8.5	8.4	8.6	9.6	35.2

Summary of FY2023 Earnings Results

(3) Net Sales, Orders Received, and Order Backlogs by Half Year

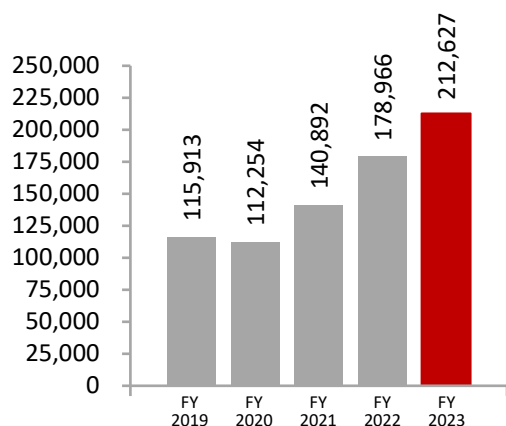


- ✓ Order adjustments by both customers and Takeuchi to normalize accumulated backlogs
- >> Normal level of order backlogs: 3 to 4 months of sales
- >> Reduce order backlogs by expanding production volume and sales volume with new factories

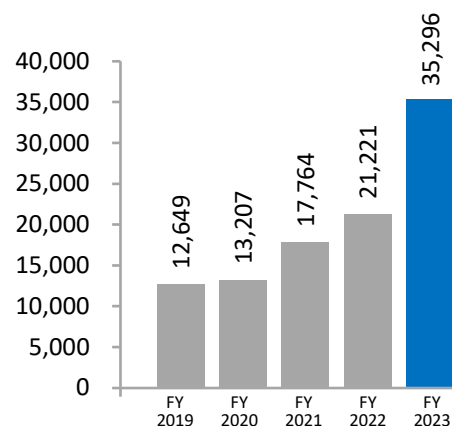
	FY2022				FY2023			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net sales	42.4	43.6	46.8	46.0	53.0	52.1	53.6	53.7
Orders received	66.5	64.2	47.0	57.9	47.6	39.6	38.2	25.2
Order backlogs	158.0	178.6	178.8	190.7	185.3	172.8	157.4	128.8

Consolidated Financial Highlights for FY2023

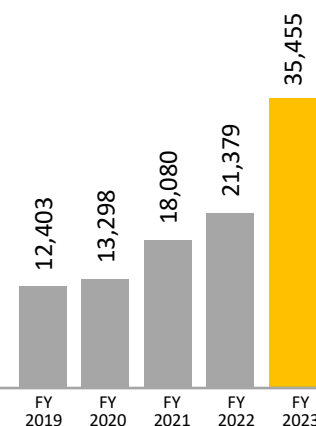
(Millions of yen)	FY2022		FY2023					
	Full year	Sales ratio	1st half	2nd half	Full year	Sales ratio	Change	(%)
Net sales	178,966	-	105,176	107,451	212,627	-	+33,661	+18.8%
Operating profit	21,221	11.9%	16,969	18,327	35,296	16.6%	+14,075	+66.3%
Ordinary profit	21,379	11.9%	17,072	18,382	35,455	16.7%	+14,076	+65.8%
Profit attributable to owners of parent	15,979	8.9%	12,670	13,479	26,149	12.3%	+10,169	+63.6%
Capital investment	8,629	4.8%	4,798	3,272	8,070	3.8%	(558)	(6.5)%
Depreciation	2,039	1.1%	1,285	2,036	3,321	1.6%	+1,282	+62.9%
Orders received	235,864	-	87,309	63,468	150,777	-	(85,086)	(36.1)%
Order backlog	190,747	-	172,880	128,897	128,897	-	(61,850)	(32.4)%



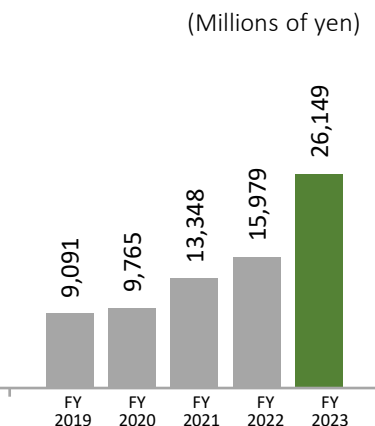
Net sales



Operating profit



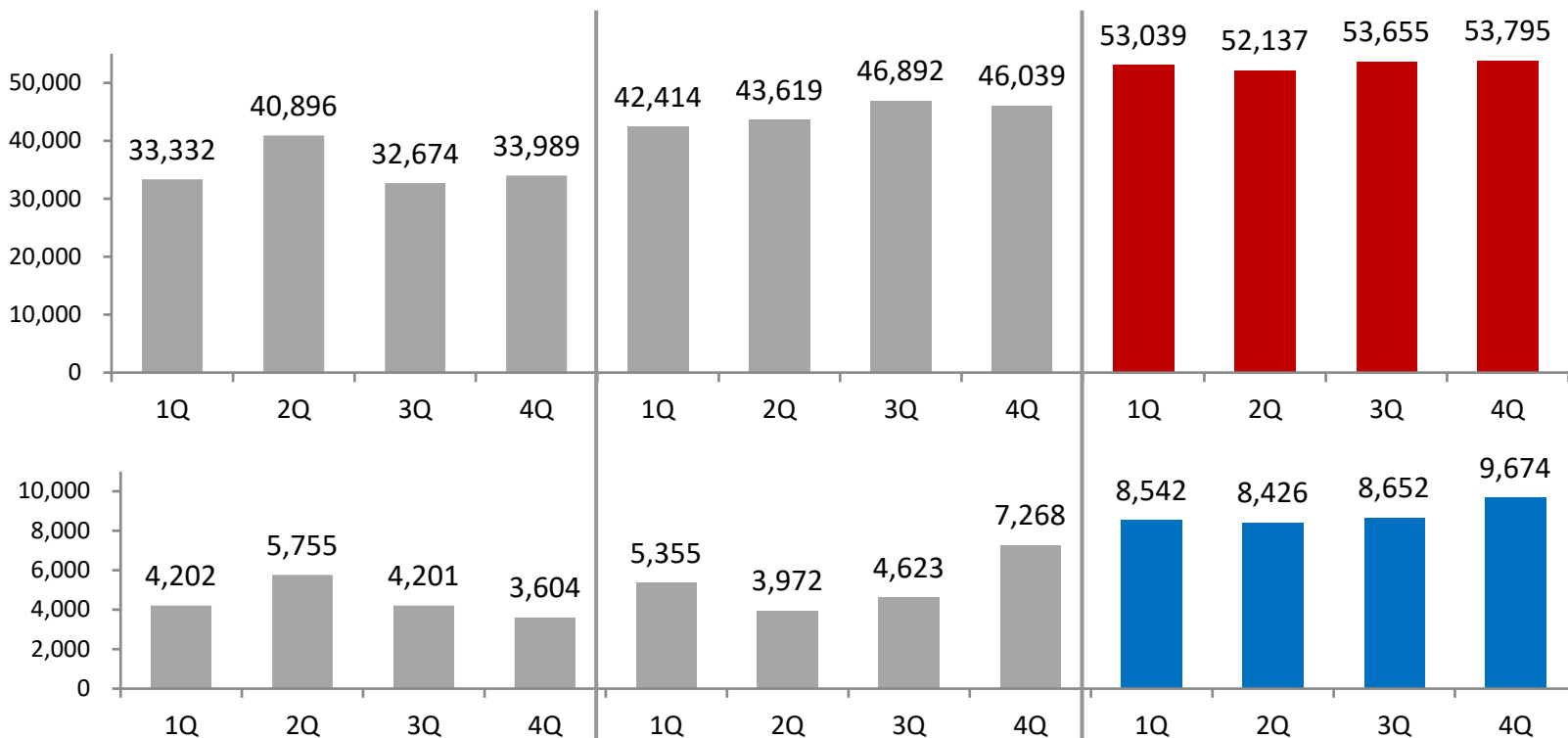
Ordinary profit



Profit attributable to owners of parent

Quarterly Net Sales and Operating Profit

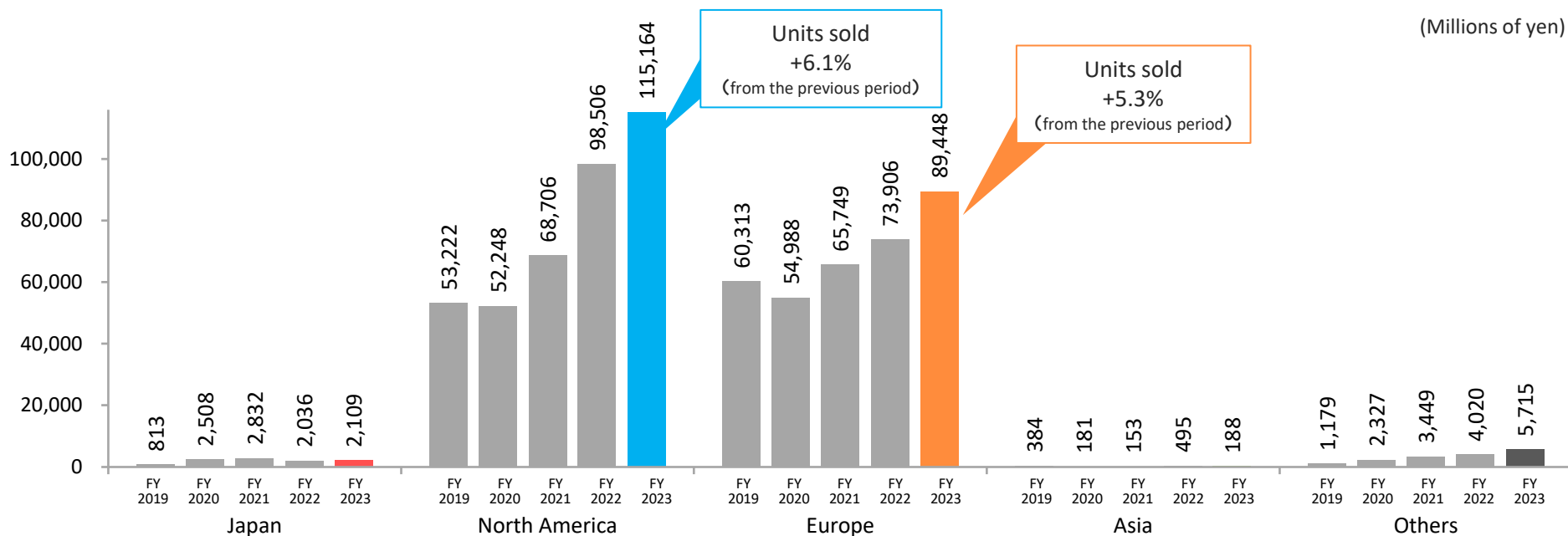
(Millions of yen)



Exchange rates	FY2021				FY2022				FY2023			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
JPY/USD	108.89	109.96	110.66	114.70	121.43	133.43	143.54	134.12	134.74	140.48	148.62	145.93
JPY/GBP	151.26	153.60	152.21	154.07	157.87	163.51	166.55	163.00	165.80	179.25	183.10	185.38
JPY/EUR	130.43	131.70	130.56	129.41	133.83	138.77	142.85	142.51	146.10	154.14	158.55	159.56
JPY/RMB	16.45	17.07	17.08	17.90	18.56	19.70	20.11	19.60	19.43	19.66	20.08	20.31

Earnings by Region for FY2023

(Millions of yen)	FY2022		FY2023					
	Full year	Sales ratio	1st half	2nd half	Full year	Sales ratio	Change	(%)
Japan	2,036	1.1%	1,094	1,015	2,109	1.0%	+73	+3.6%
North America	98,506	55.0%	56,610	58,554	115,164	54.2%	+16,658	+16.9%
Europe	73,906	41.3%	44,318	45,129	89,448	42.1%	+15,541	+21.0%
Asia	495	0.3%	60	128	188	0.1%	(307)	(61.9)%
Others	4,020	2.2%	3,092	2,623	5,715	2.7%	+1,695	+42.2%
Total net sales	178,966	100.0%	105,176	107,451	212,627	100.0%	+33,661	+18.8%
Net sales overseas	176,930	98.9%	104,082	106,435	210,518	99.0%	+33,587	+19.0%



Geographic Segment Information and Results for FY2023

(Millions of yen)		FY2022		FY2023					
		Full year	Profit ratio	1st half	2nd half	Full year	Profit ratio	Change	(%)
Japan	Net sales	60,658	—	36,166	39,238	75,404	—	+14,745	+24.3%
	Segment profit	13,209	21.8%	12,458	18,266	30,724	40.7%	+17,514	+132.6%
USA	Net sales	98,506	—	56,618	58,565	115,183	—	+16,677	+16.9%
	Segment profit	9,895	10.0%	5,167	5,703	10,870	9.4%	+974	+9.8%
UK	Net sales	12,130	—	7,488	4,642	12,131	—	+1	+0.0%
	Segment profit	1,101	9.1%	842	69	912	7.5%	(189)	(17.2)%
France	Net sales	7,523	—	4,867	4,926	9,794	—	+2,271	+30.2%
	Segment profit	682	9.1%	520	452	972	9.9%	+290	+42.5%
China	Net sales	147	—	35	78	113	—	(34)	(23.1)%
	Segment profit	20	13.8%	26	112	139	123.1%	+119	+587.4%

– **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. (U.S.), Ltd.)**

- Sales of construction machinery in the US and Canada
- Manufacture of construction machinery in the US

– **UK Segment: (Takeuchi Mfg. (U.K.) Ltd.)**

- Sales of construction machinery in the UK

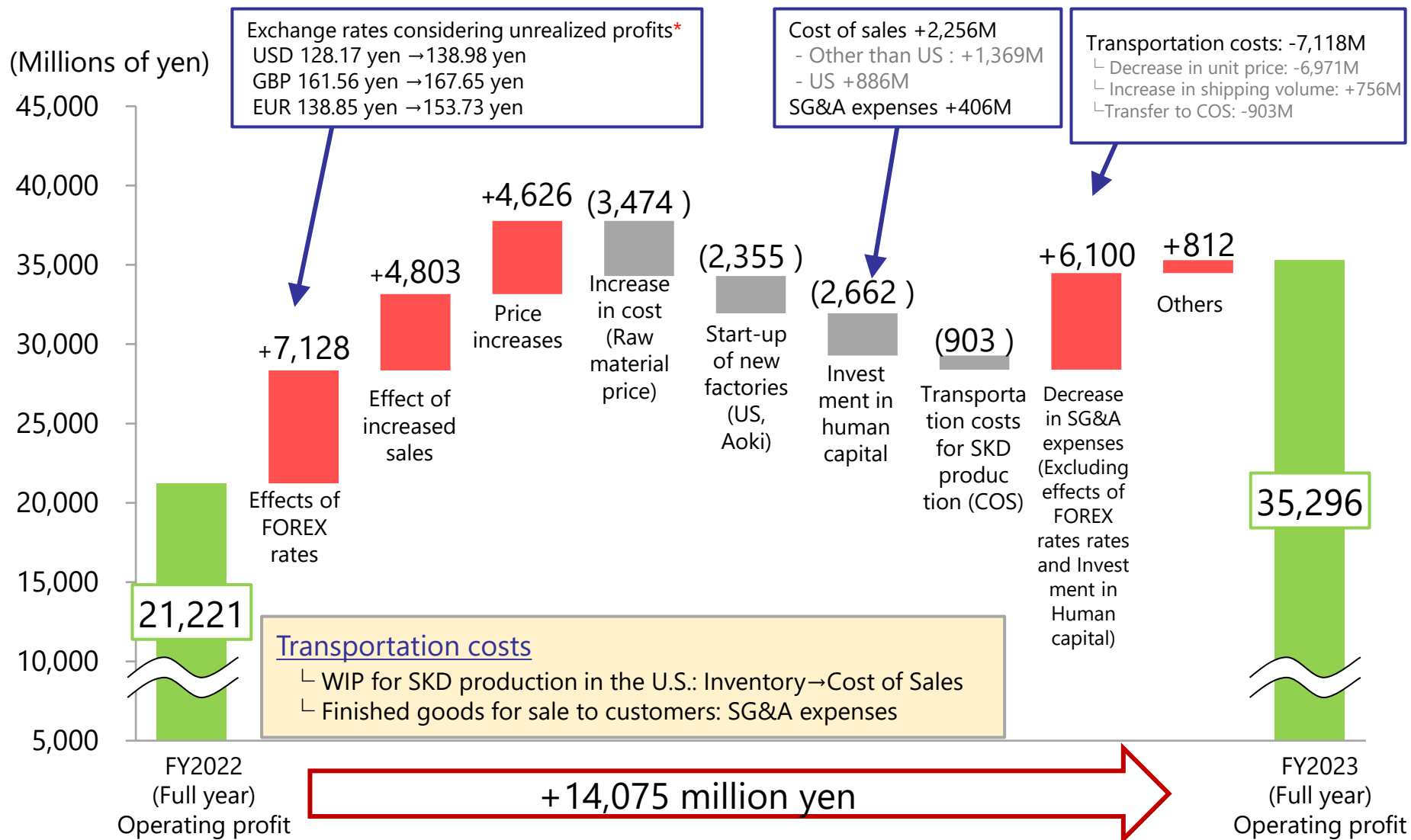
– **France Segment (Takeuchi France S.A.S.)**

- 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 (FY2023 Full year)

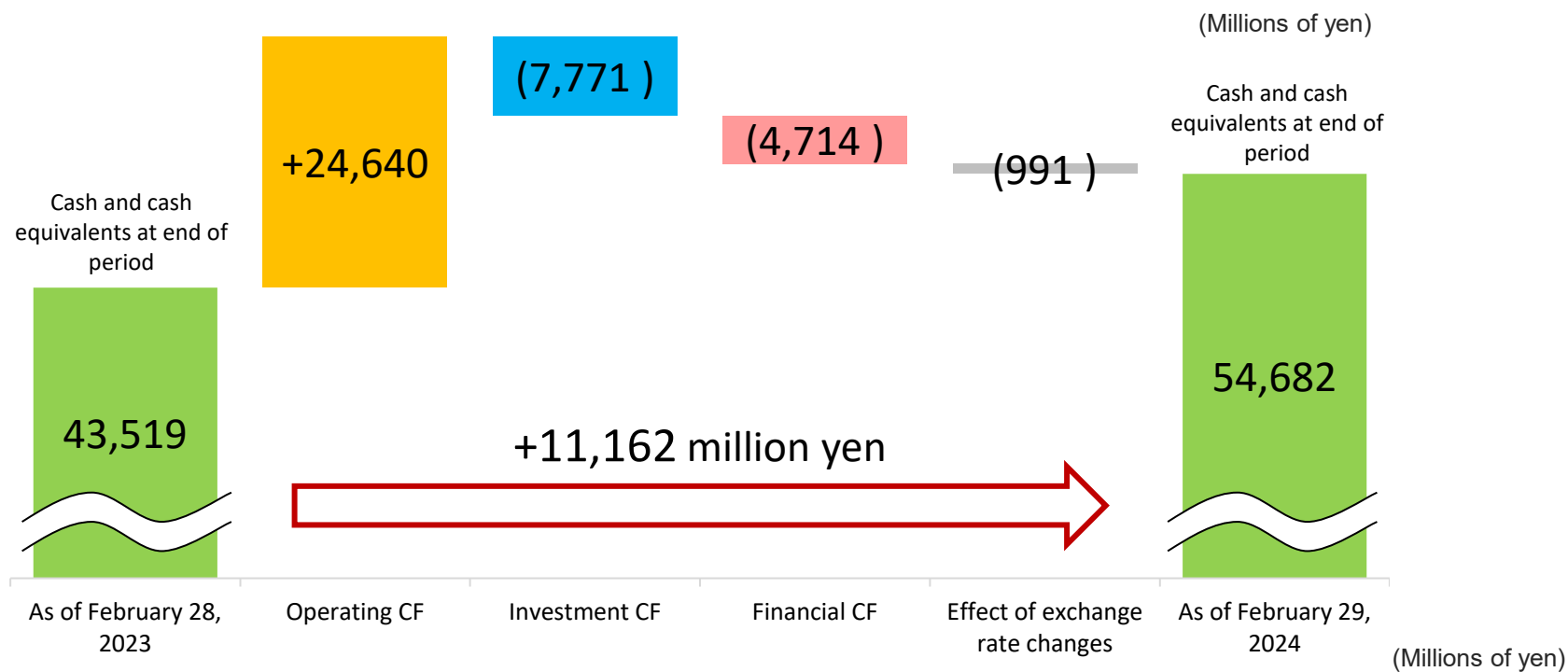


*Exchange rates considering unrealized profits: Rates take into account transportation and inventory periods from Japan to sales subsidiaries in the US, UK, and France.

Consolidated Balance Sheets (As of February 29, 2024)

		As of Feb. 28, 2023		As of Feb. 29, 2024			
		Balance	Composition ratio	Balance	Composition ratio	Change	(%)
		(Millions of yen)					
Assets	Cash and deposits	43,995	27.7%	55,175	27.8%	+11,180	+25.4%
	Notes and accounts receivable - trade	35,739	22.5%	44,572	22.5%	+8,832	+24.7%
	Inventories	47,723	30.1%	58,263	29.4%	+10,540	+22.1%
	Other	3,001	1.9%	3,908	2.0%	+907	+30.2%
	Current assets	130,459	82.2%	161,920	81.7%	+31,460	+24.1%
	Non-current assets	28,326	17.8%	36,233	18.3%	+7,907	+27.9%
Total		158,785	100.0%	198,153	100.0%	+39,367	+24.8%
Liabilities and Net assets	Notes and accounts payable - trade	26,755	16.9%	36,381	18.4%	+9,625	+36.0%
	Other current liabilities	9,620	6.1%	13,490	6.8%	+3,869	+40.2%
	Current liabilities	36,376	22.9%	49,872	25.2%	+13,495	+37.1%
	Non-current liabilities	606	0.4%	655	0.3%	+49	+8.1%
	Total Liabilities	36,983	23.3%	50,527	25.5%	+13,544	+36.6%
	Total net assets	121,802	76.7%	147,625	74.5%	+25,822	+21.2%
Total		158,785	100.0%	198,153	100.0%	+39,367	+24.8%

Consolidated Statements of Cash Flows (FY2023, Results)



Cash flows from operating activities	Change	Cash flows from investing activities	Change	Cash flows from financing activities	Change
Profit before income taxes	35,455	Net (increase) decrease in term deposits	(18)	Dividends paid	(4,679)
Depreciation	3,321	Purchase of property, plant and equipment	(7,537)		
Decrease (increase) in inventories	(8,506)	Acquisition of intangible assets	(325)		
Decrease in working capital	1,612	Proceeds from redemption of securities	100		
Income taxes paid	(6,923)	Others	9	Others	(35)
Others	(318)				
Total	+24,640	Total	(7,771)	Total	(4,714)

- ▶ FY2023 Consolidated Results
- ▶ **FY2024 Consolidated Forecast**
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FY2024 Earnings Forecasts (Full Year)

(1) Net sales forecast... Increase

Despite a decline in Europe, performance will remain strong in North America

- North American sales volume increased **+17.2%** (1st H: +15.6%, 2nd H: +18.9%, YoY)
 - The housing market has softened temporarily, but housing demand is still strong
 - Aging infrastructure requires ongoing maintenance work
 - Sales increases expected for compact excavators, hydraulic excavators and track loaders, backed by expanded production capacity from new factories
- European sales volume decreased **-10.2%** (1st H: -11.0%, 2nd H: -9.4%, YoY)
 - Housing demand will decline due to inflation and interest rate hikes, but infrastructure work will remain firm
 - Decline in sales volume of compact excavators used in housing construction
 - Solid demand projected for hydraulic excavators weighing 6 tonnes or more used in infrastructure work
- Total sales volume increased **+1.0%** (1st H: -0.2%, 2nd H: +2.2%, YoY)

(2) Profit forecast ... Increase (Operating profit, ordinary profit and net profit)

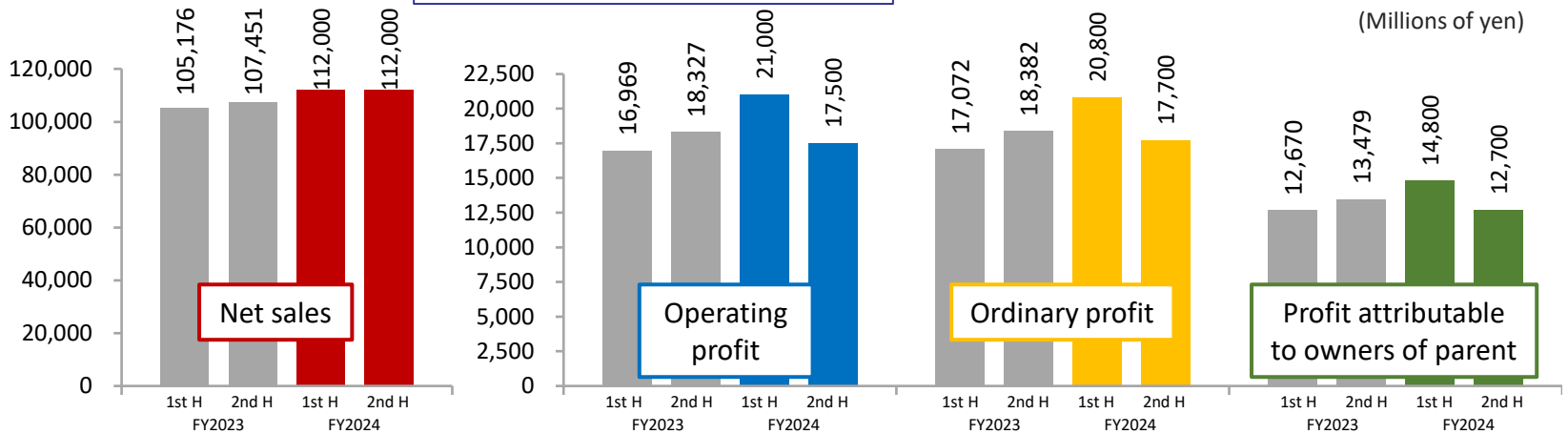
Factors that could increase profits: Price increases (Europe and North America), sales growth, forex impact (unrealized profit)

Factors that could reduce profits: Continued rise in raw material prices, investment in human capital (increase in personnel and labor costs), Aoki Factory expenses for full year, ocean freight rates hikes

Expected Consolidated Financial Highlights for FY2024

(Millions of yen)	FY2023		FY2024 (forecast)					
	Full year	Sales ratio	1st half	2nd half	Full year	Sales ratio	Change	(%)
Net sales	212,627	-	112,000	112,000	224,000	-	+11,372	+5.3%
Operating profit	35,296	16.6%	21,000	17,500	38,500	17.2%	+3,203	+9.1%
Ordinary profit	35,455	16.7%	20,800	17,700	38,500	17.2%	+3,044	+8.6%
Profit attributable to owners of parent	26,149	12.3%	14,800	12,700	27,500	12.3%	+1,350	+5.2%
Capital investment	8,070	3.8%	1,794	3,458	5,253	2.3%	(2,817)	(34.9)%
Depreciation	3,321	1.6%	1,809	2,196	4,005	1.8%	+683	+20.6%
Earnings per share (yen)	548.58	Dividend payout ratio 28.8%	-	-	576.91	Dividend payout ratio 34.7%	+28.33	+5.2%
Dividends per share (yen)	158.00		-	-	200.00		+42.00	+26.6%

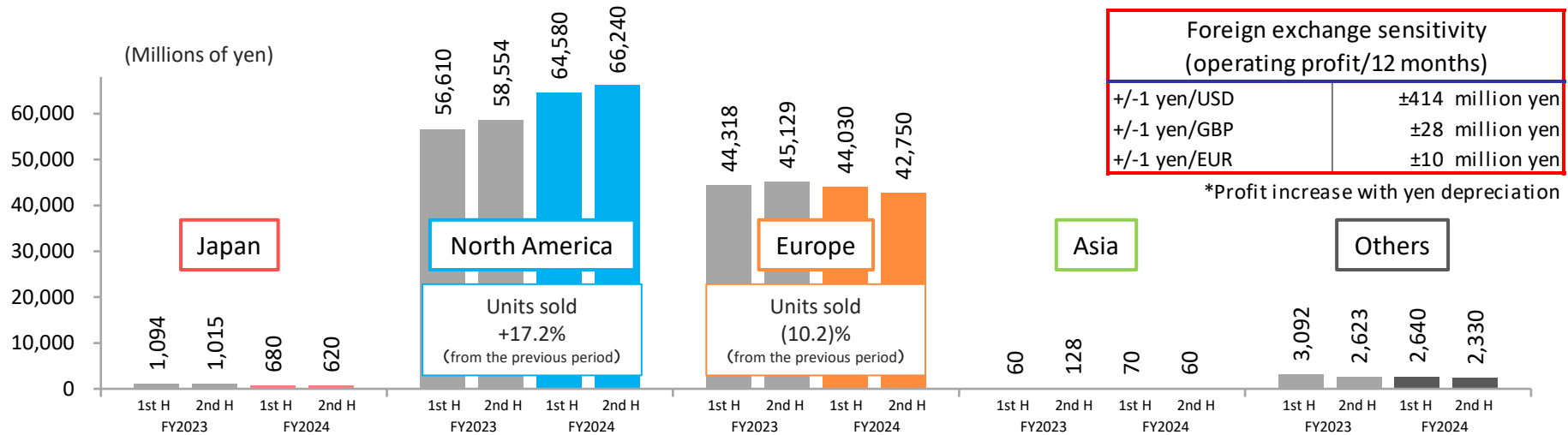
Including a commemorative dividend of 5 yen for the 60th anniversary of the company's founding



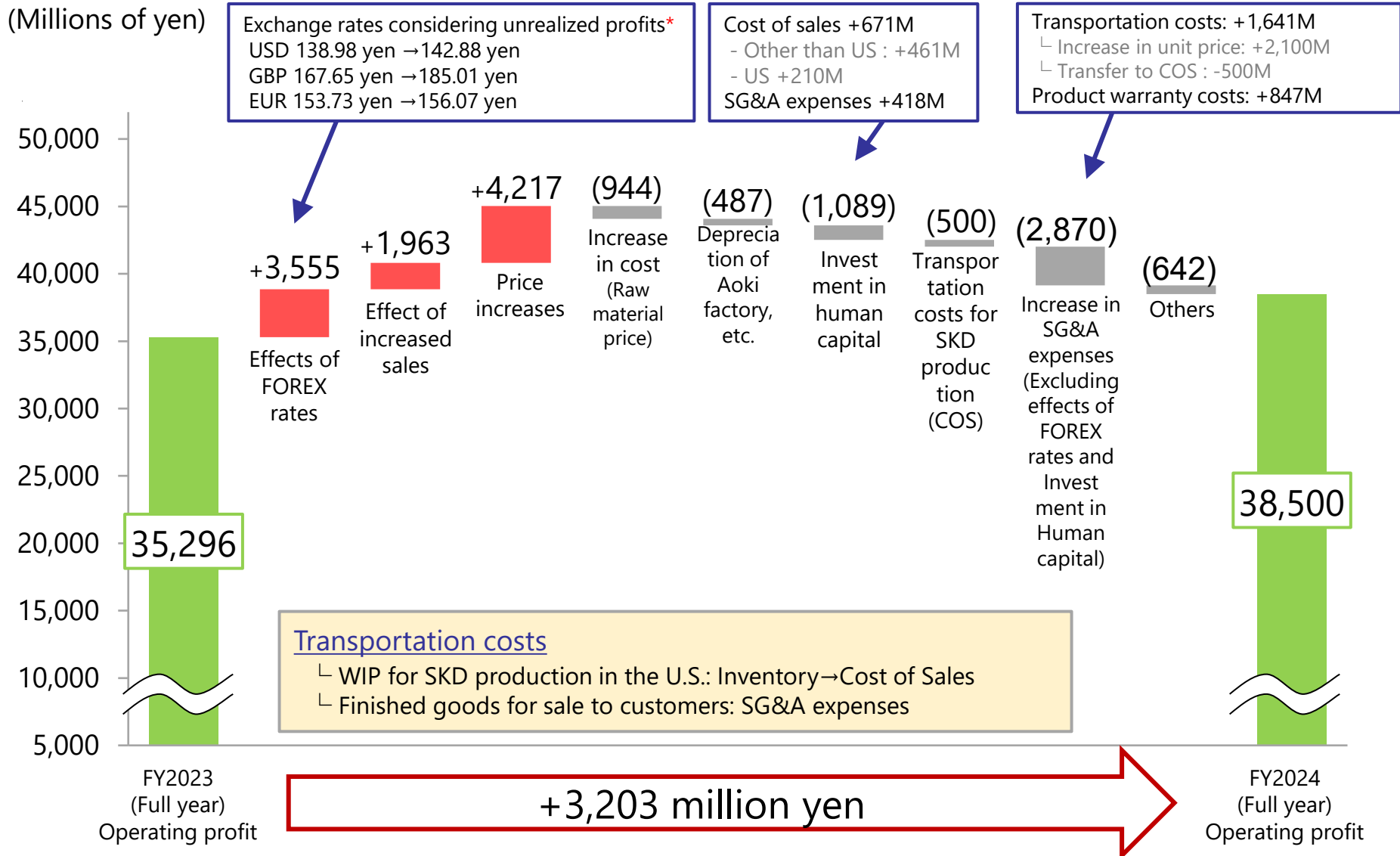
Earnings Forecast by Region for FY2024

(Millions of yen)	FY2023		FY2024 (forecast)					
	Full year	Sales ratio	1st half	2nd half	Full year	Sales ratio	Change	(%)
Japan	2,109	1.0%	680	620	1,300	0.6%	(809)	(38.4)%
North America	115,164	54.2%	64,580	66,240	130,820	58.4%	+15,655	+13.6%
Europe	89,448	42.1%	44,030	42,750	86,780	38.7%	(2,668)	(3.0)%
Asia	188	0.1%	70	60	130	0.1%	(58)	(31.2)%
Others	5,715	2.7%	2,640	2,330	4,970	2.2%	(745)	(13.0)%
Total net sales	212,627	100.0%	112,000	112,000	224,000	100.0%	+11,372	+5.3%

JPY/USD	143.25	-	140.00	140.00	140.00	-	(3.25)	-
JPY/GBP	177.55	-	180.00	180.00	180.00	-	+2.45	-
JPY/EUR	155.05	-	153.00	153.00	153.00	-	(2.05)	-
JPY/RMB	19.87	-	19.50	19.50	19.50	-	(0.37)	-



Factors of Increase/Decrease in Operating Profit (FY2024 Full Year Forecast)



*Exchange rates considering unrealized profits: Rates take into account transportation and inventory periods from Japan to sales subsidiaries in the US, UK, and France.

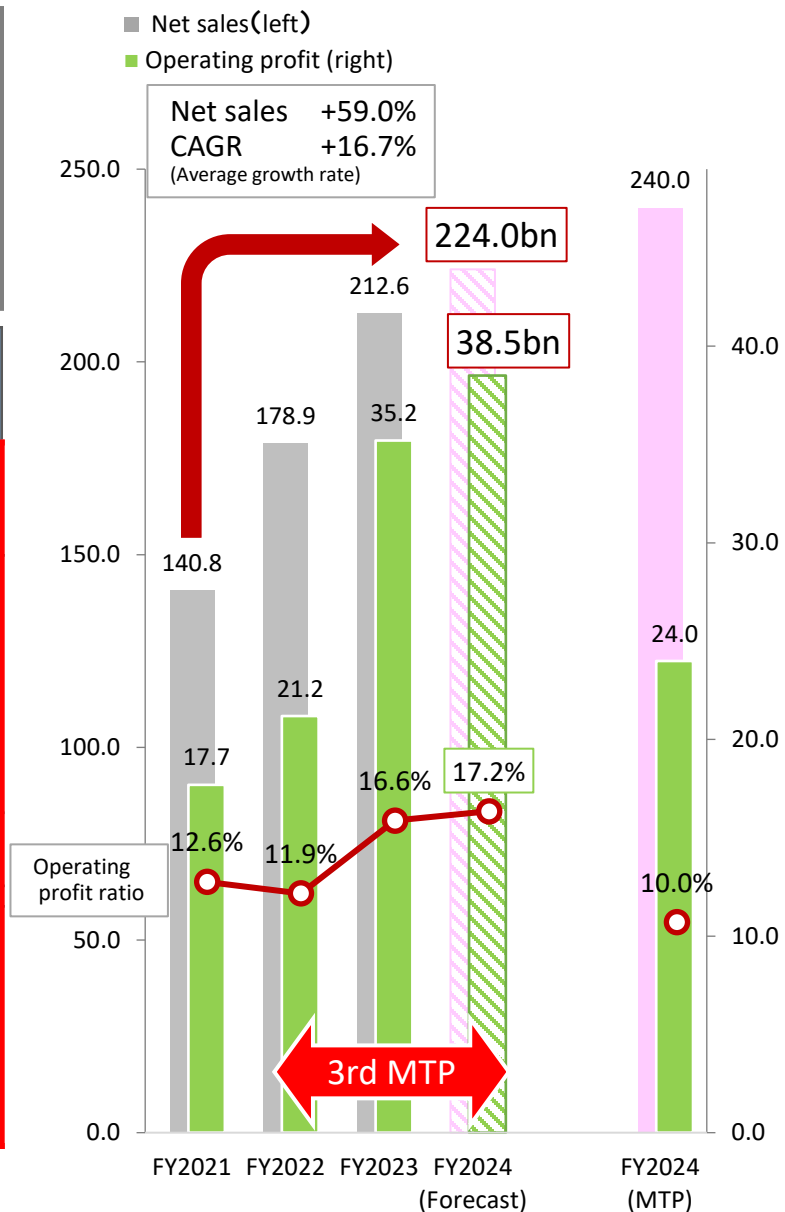
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Slogans, numerical targets

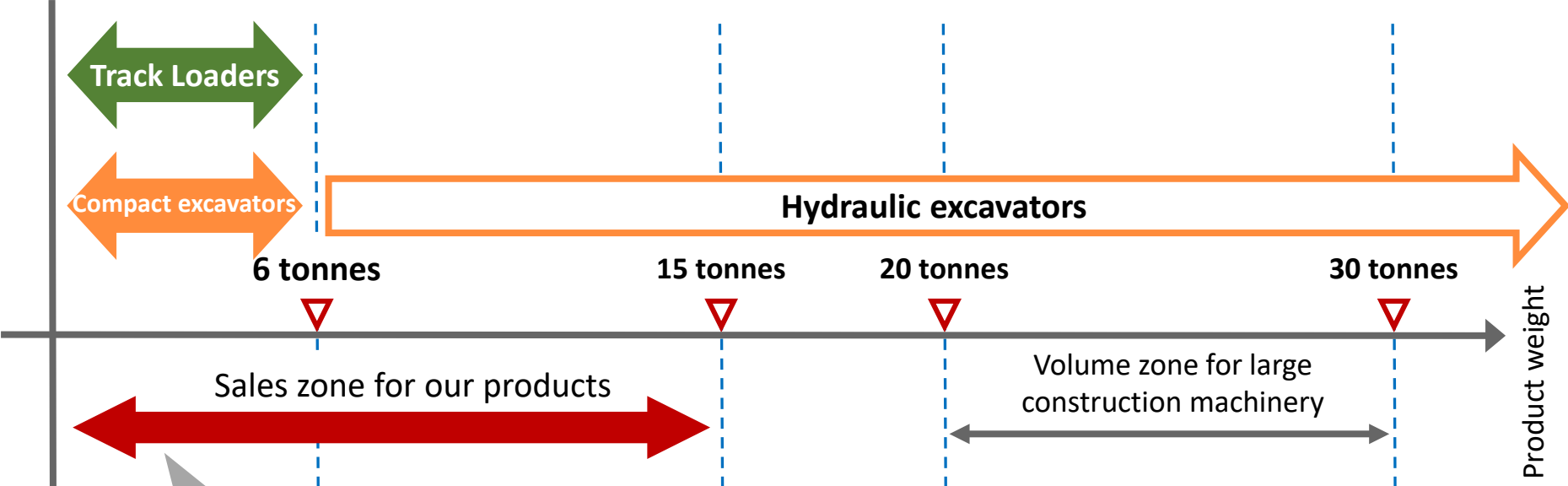
Increase Sales by 100 billion Yen
 by Power Up, Speed Up, and Scale Up
 (Increase consolidated net sales from
 140.8 billion yen to 240.0 billion yen)

	Consolidated Financial results for FY2024		
	Forecast April 12, 2024	MTP targets April 12, 2024	Change
Net sales	224.0 bn	240.0 bn	(16.0) bn
Operating profit ↳ ratio	38.5 bn 17.2%	24.0 bn 10.0%	+14.5 bn +7.2 pts
Earnings per share (yen)	576.91	377.00	+199.91
ROE	17~18%	14.0%	-
JPY/USD	140.00	115.00	+25.00
JPY/GBP	180.00	152.00	+28.00
JPY/EUR	153.00	127.00	+26.00
JPY/RMB	19.50	18.00	+1.50

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%)



Our Position in the Marketplace



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

Medium- to Long-Term Outlook (Existing Solid Product Demand)



Electricity

Gas

Sewer

Communication networks

Transportation

Infrastructure (Lifelines)

- ✓ US
Faced the **aging problem** in the 1980s, as infrastructure development took place under the New Deal of the 1930s.
- ✓ Europe
In Europe, which has many historical towns, infrastructure is aging in the majority of EU countries. Notably, there is a **rapidly increasing need for sewer repairs**, which have been financially neglected.

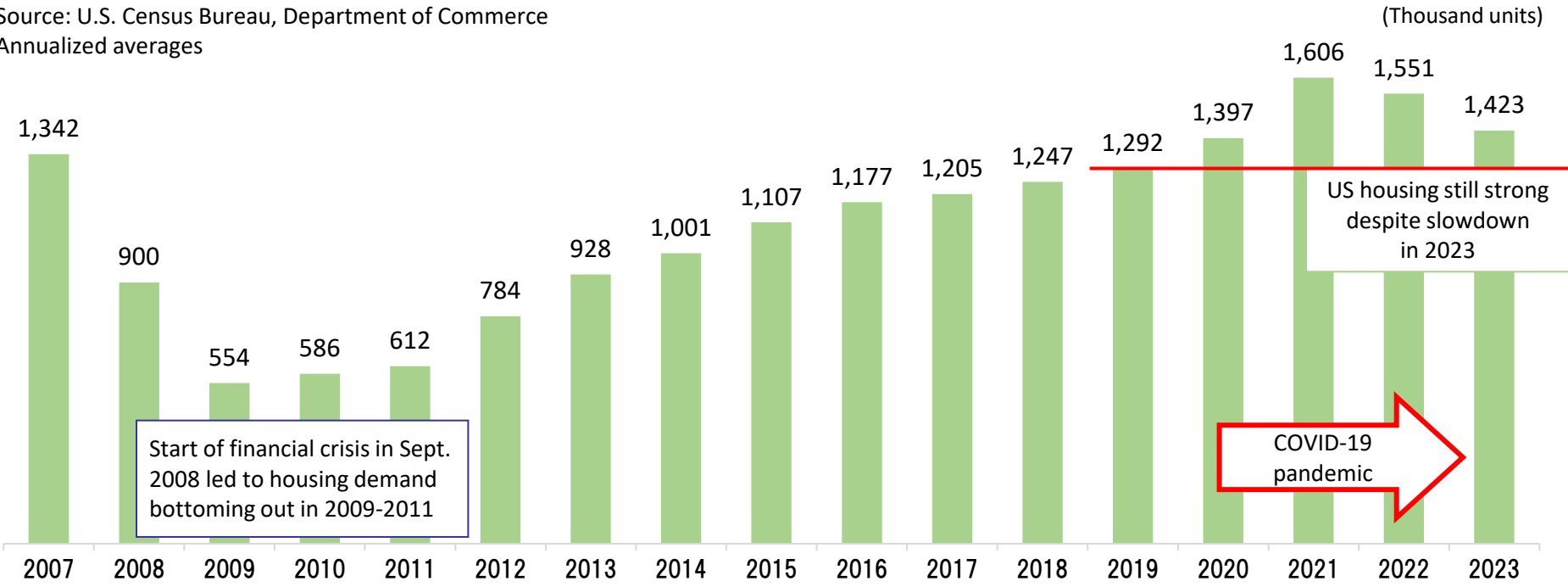
Infrastructure is aging in many countries, and maintenance work is required.



Our products are an essential part of everyday life.

US Housing Starts

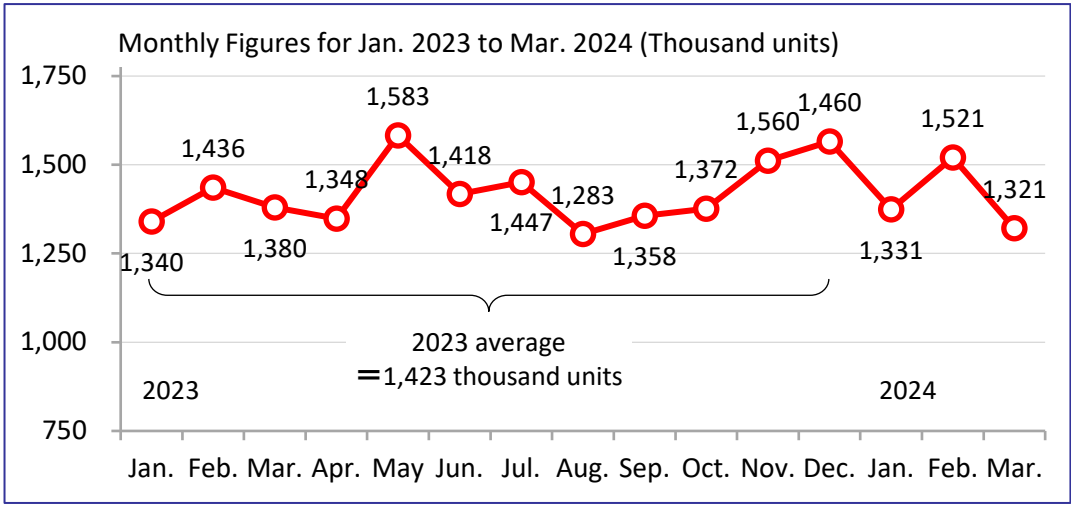
Source: U.S. Census Bureau, Department of Commerce
Annualized averages



Even minor cuts to mortgage rates draw a positive response. If the rate reduction is more substantial, housing starts will probably turn back upward due to pent-up demand.

--From comment by chairman of National Association of Home Builders (NAHB)

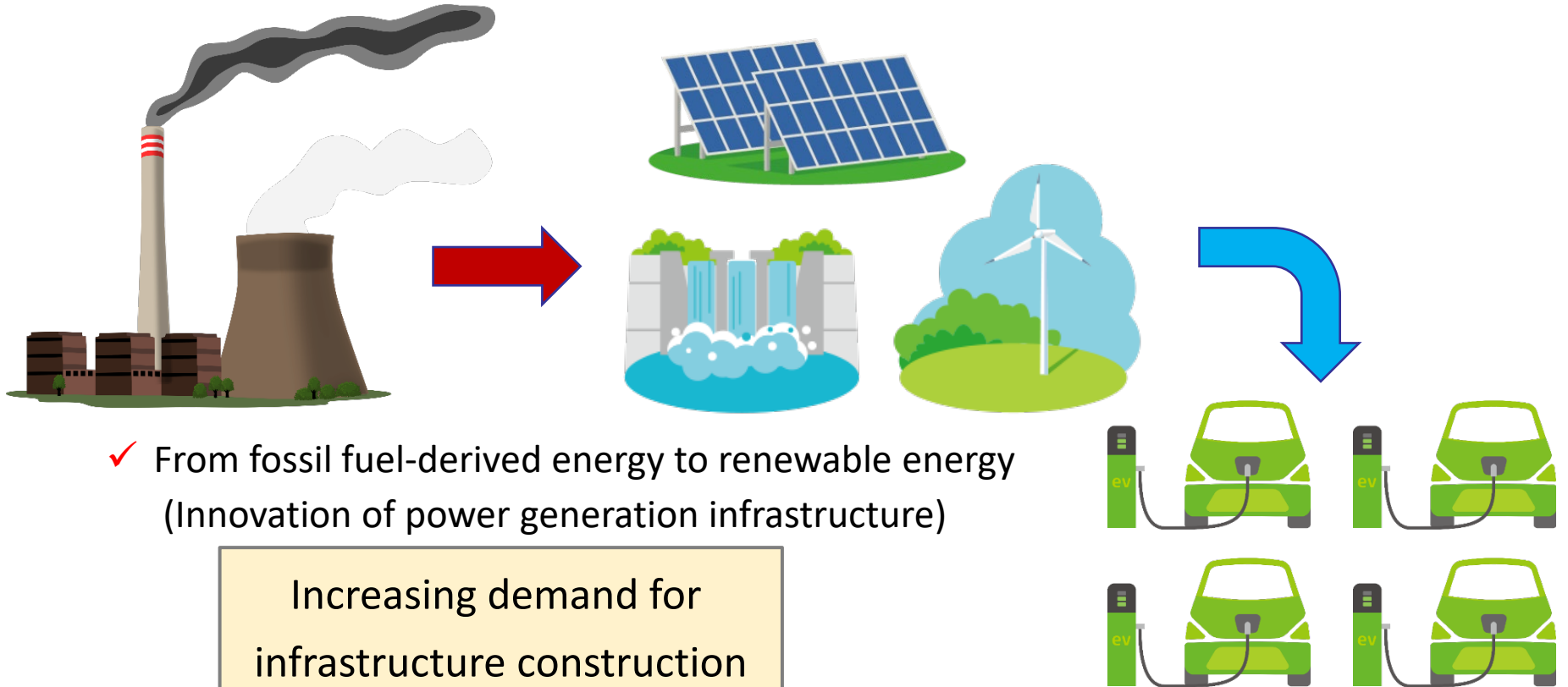
Housing demand is strong
(Only postponed → Will eventually recover)



Medium- to Long-Term Outlook (Projected Product Demand)

➤ Green Transformation (GX)

(Social and economic transformation toward decarbonization)



- 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 amount in Human Capital** *Increase in labor costs in FY2024 compared to FY2021 (Manufacturing costs, SG&A expenses)

The 3 rd MTP (April 12, 2022)	Expected amount (April 12, 2024)
3.8 bn	5.6 bn

Increasing workforce: 3.4 bn (MTP: 2.3 bn)

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

Raising wages and salaries: 1.5 bn (MTP: 1.5 bn)

Exchange rates: 0.7 bn

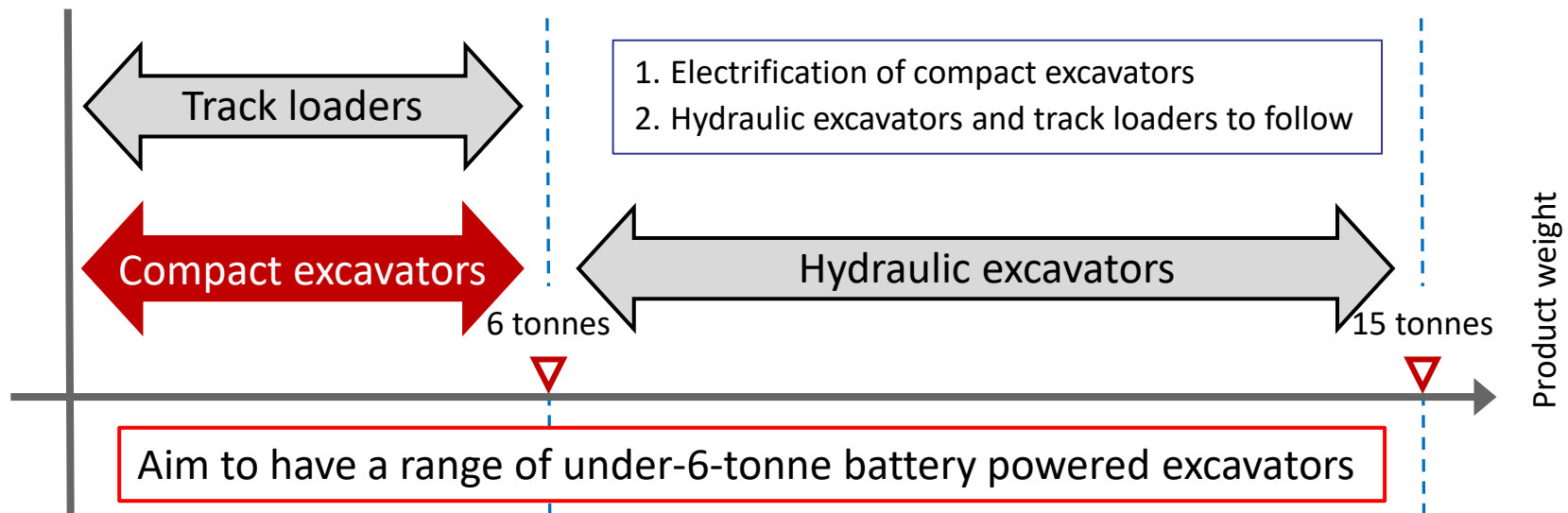
	As of February 28, 2022			As of February 29, 2024			
	Employees	Temp staff*	Total	Employees	Temp staff*	Total	Change
Takeuchi MFG	557	386	943	674	495	1,169	+226
Takeuchi US	125	2	127	272	4	276	+149
Others	235	39	274	252	22	274	0
Total	917	426	1,343	1,198	521	1,719	+376

*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

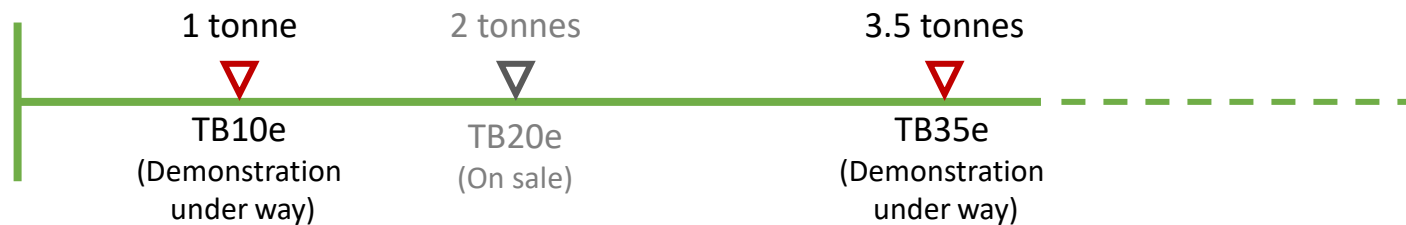


➤ Expanding lineup of battery-powered compact excavators

1-tonne class and 3.5-tonnes class

➔ Demonstrations with prototype models have begun in Japan/Europe/North America

Note: Start of sales is yet to be determined



➤ Remote operation of construction machinery

Started demonstrations in Japan/Europe/North America

INTERMAT Paris 2024
(April 24-27)

- ✓ Demand exists for work in hazardous areas (tunnel construction, work on cliff edges, disaster recovery, etc.)



Remote operation at construction sites within view

TB20e Among First Certified GX Construction Machines (MLIT)

➤ Challenges in electrifying construction machinery

1. **Battery cost reduction – More expensive than diesel (generally 2-3 times)**
2. Battery performance improvement – Longer operating time, shorter charging time
3. Charging infrastructure development – Insufficient in urban areas, virtually nonexistent in mountainous regions
4. Creating low-GHG power infrastructure – Current infrastructure leads to indirect emissions (Scope 2) when charging

➤ Decarbonization Promotion Project (Ministry of the Environment)

- ✓ Project to promote electrification of construction machinery (cooperative project between METI and MLIT)

Project Goal:

Provide assistance for electrification of construction machinery, create model cases for construction with electric machinery at various sites, and gain the knowledge necessary for promoting the widespread use of electric construction machinery.

Project Description:

Assist businesses that introduce **GX construction machinery certified by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT)** by subsidizing part of the cost of introducing such machinery and charging equipment, and create model cases for use of electric construction machinery at various sites.

Subsidy Rate:

2/3 of the cost difference compared with diesel-powered equipment in the same weight class



TB20e lithium-ion battery-powered compact excavator

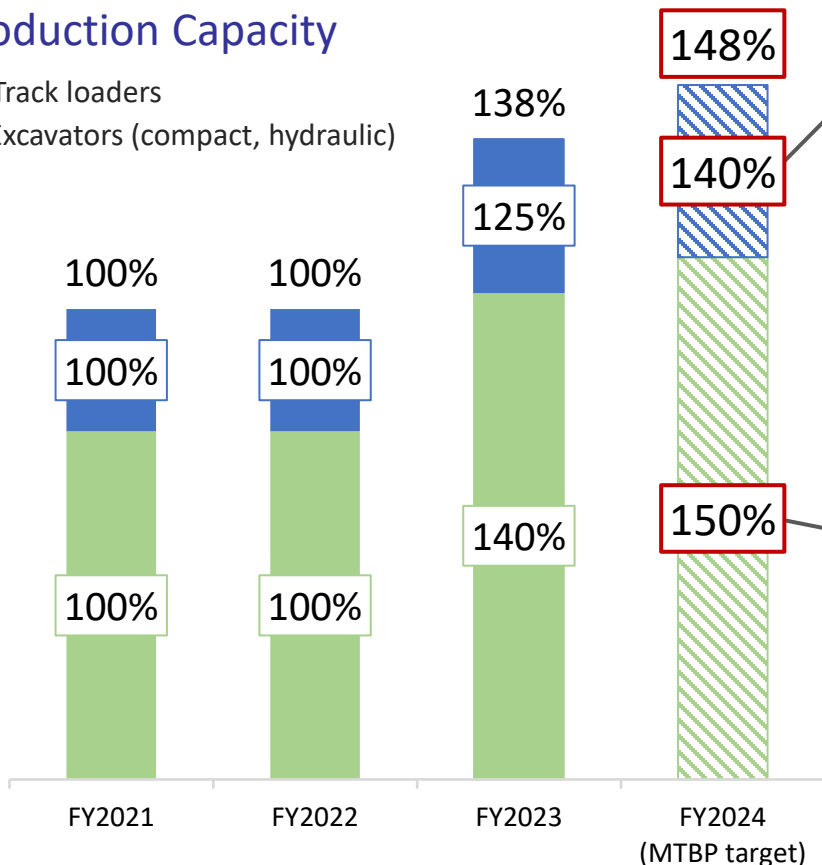


Certification label

Source: Ministry of the Environment <https://www.env.go.jp/content/000182713.pdf#page=5> (Japanese)

Production Capacity

- Track loaders
- Excavators (compact, hydraulic)



Track loaders

US Factory started production of track loaders using SKD* method in September 2022.

* Semi knock down: a production method in which the product is assembled at Home Office Factory until ready for driving. Finishing is completed at US Factory.

◇ **August 2024**

Production capacity of US Factory will reach target

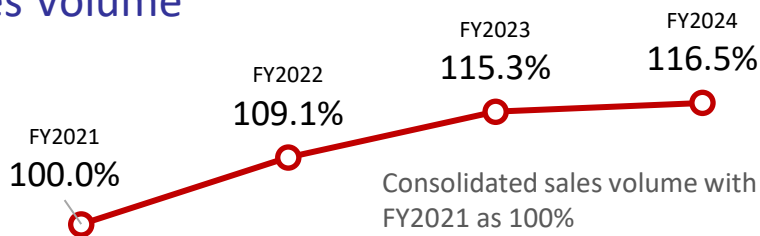
Excavators (compact, hydraulic)

Aoki Factory began production of medium-weight class excavators (4-9 tonnes) in September 2023.

◇ **August 2024**

Production capacity of Aoki Factory will reach target

Sales Volume



Softening of markets in UK and Europe

We are necessarily cautious in our sales volume projection for FY2024 due to slumping personal consumption (housing market).

→ **Expand sales by fully utilizing production capacity**

Initiatives in the US and Europe

Dealer Summit at Takeuchi US (held in Texas)

- ◇ When: March 25-26, 2024
- ◇ Number of participants: 52 companies (85 people) + 25 Takeuchi US staff



INTERMAT Paris 2024

Held once every 3 years; cancelled in 2021 due to pandemic

- ◇ When: April 24-27, 2024
- ◇ Exhibiting companies: Approx. 1,000 (2024, est.)
- ◇ Visitors: 173,300 people (2018, actual)



Takeuchi France exhibit

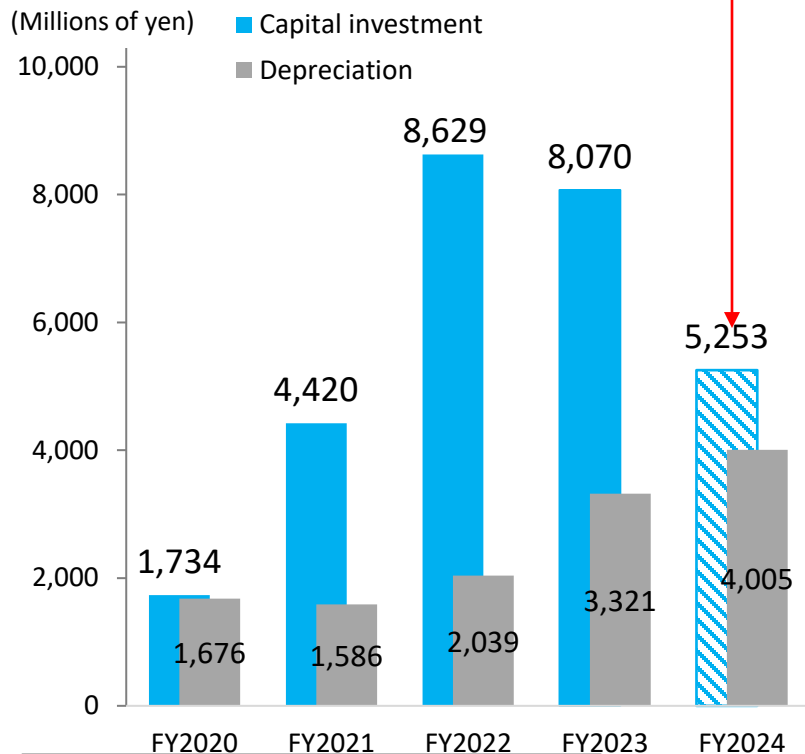
Takeuchi France

- ◇ Exhibiting 20 models (nearly all models handled by TFR) (including battery-powered excavators and track loaders)
- ◇ Demonstration of remote operation with TB20e
→ Showcasing the high performance and enhanced value of our products



Capital Investment Plan

◇ FY2024 Capital Investment Plan Breakdown



◇ FY2023 Capital Investment Breakdown

Home Office	¥1.1 bn	Jigs, molds, prototypes, and equipment maintenance and renewal
Aoki Factory	¥5.0 bn	This fiscal year: ¥5.0 bn Until previous fiscal year: ¥6.0 bn
Employee dormitories	¥0.9 bn	Two buildings on land adjacent to Home Office Factory and Aoki Factory
US Factory	¥1.0 bn	Solar panels (Takeuchi US home office and US Factory); Production facilities and painting facilities (US Factory)
Total	¥8.0 bn	

Home Office Aoki Factory	¥3.5 bn	Jigs, molds, and equipment maintenance and renewal 1.3 bn Home office parts center renewal & expansion 1.0 bn Factory expansion & production streamlining 0.8 bn Safety reinforcement, workplace improvements 0.4 bn
Employee dormitories	¥0.7 bn	One building in Ueda, Nagano Prefecture
Takeuchi US	¥0.5 bn	Expansion of US Factory, sales promotion, IT investment
Other	¥0.5 bn	
Total	¥5.2 bn	

FY2020

Takeuchi US warehouse extension (¥0.54 bn)



FY2021

US Training Center (¥0.5 bn)



FY2022

US Factory (approx. ¥4.7 bn)



FY2023 【New】

Aoki Factory (approx. ¥11.0 bn)



Management with Cost of Capital and Stock Price in Mind

Cost of Equity

- ① Roughly capture the return (%) expected by shareholders/investors

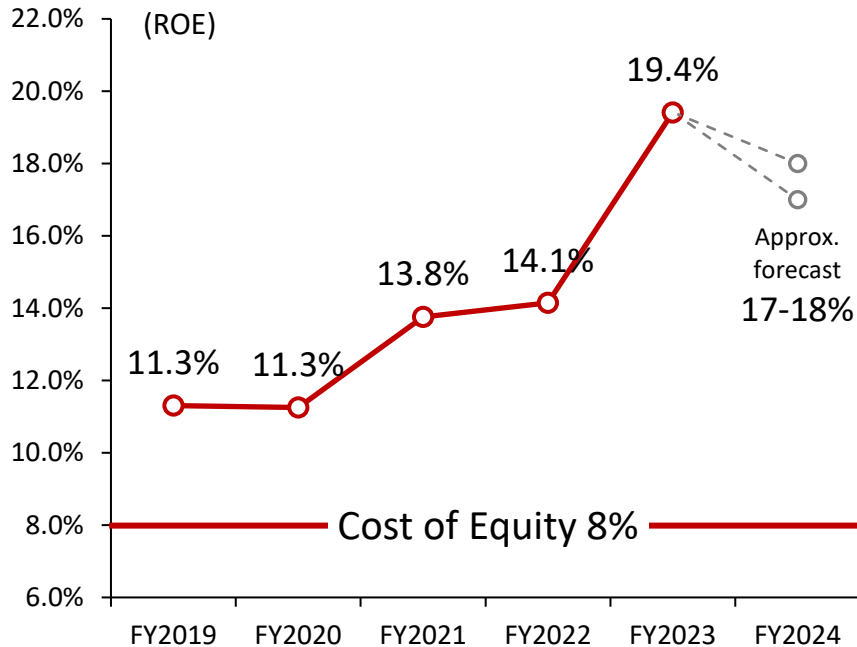
We recognize cost of equity to be **8%**

CAPM

$$\text{Risk-free rate} + \text{Beta value} \times \text{Market risk premium}$$

1% 1.2 6%

- ② Set cost of equity at the hurdle rate of ROE (ROE > Cost of equity)



Future Tasks

- ① Quantitatively explain our growth strategy
 - Sales targets, profit targets, capital efficiency, etc.
 - Profit distribution (growth investment, shareholder returns, internal reserves)
 - Disclosure of **cash allocation policy**
- ② Share our management vision with stakeholders to help them understand **the sustainability of business growth**

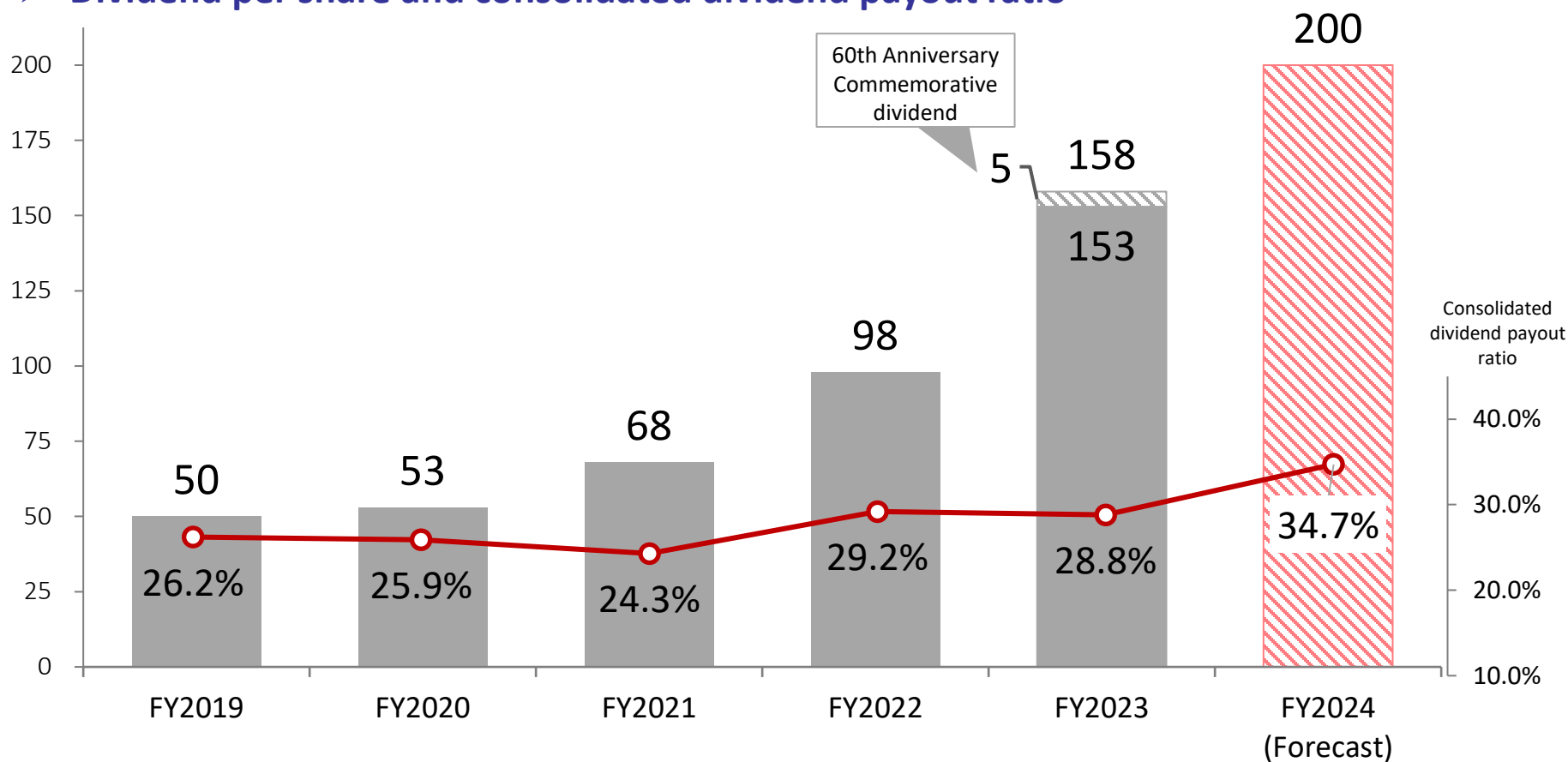
Cost of equity will decline as a result of high-quality information disclosure.

Shareholder Return and Dividend Payout Ratio

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.

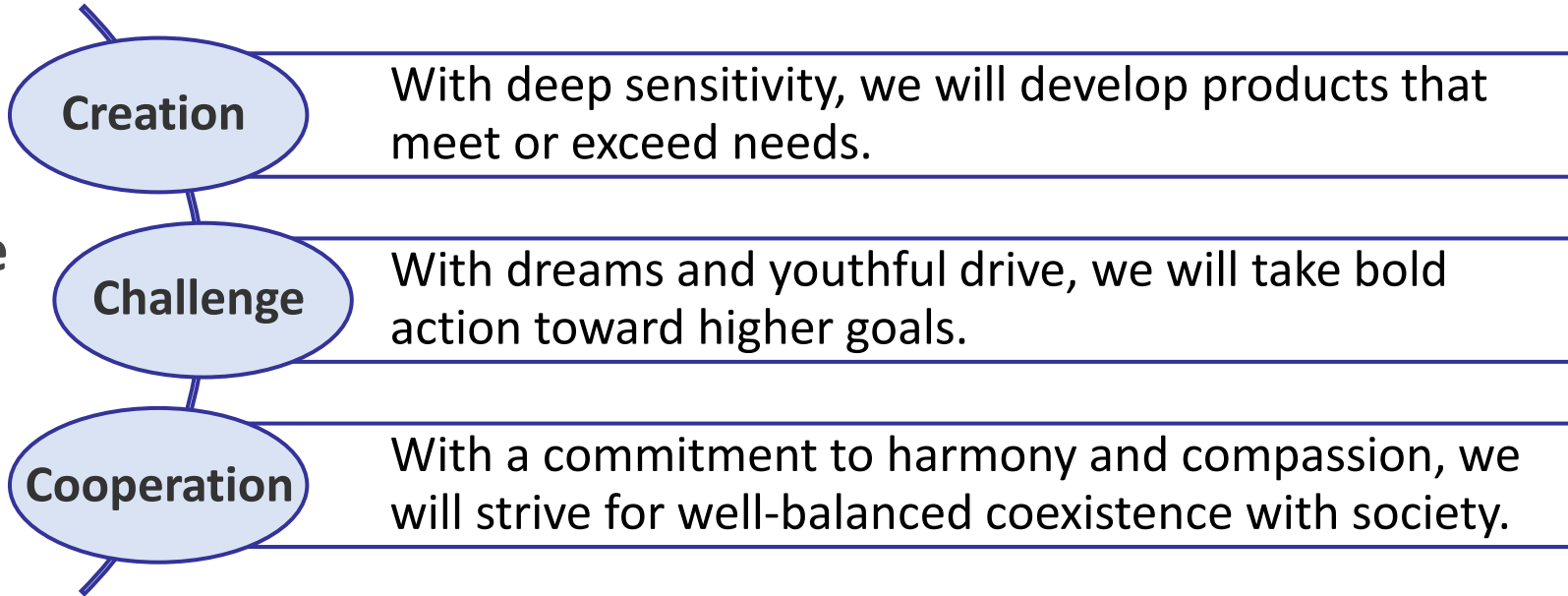
➤ Dividend per share and consolidated dividend payout ratio



- ▶ FY2023 Consolidated Results
- ▶ FY2024 Consolidated Forecast
- ▶ Progress of the Third Medium-Term Business Plan
- ▶ **Reference Materials**

Corporate Policies and Business Philosophy

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.

Corporate Profile

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 29, 2024)	
Sales (Consolidated)	212,627 million yen (FY2023)	
Employees (Consolidated)	1,198 (As of February 29, 2024)	
Listed Market	Tokyo Stock Exchange, Prime Market, Securities code: 6432	
Subsidiaries	US	Takeuchi Mfg. (U.S.), Ltd. (Established February 1979)
	UK	Takeuchi Mfg. (U.K.) Ltd. (Established October 1996)
	France	Takeuchi France S.A.S. (Established May 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

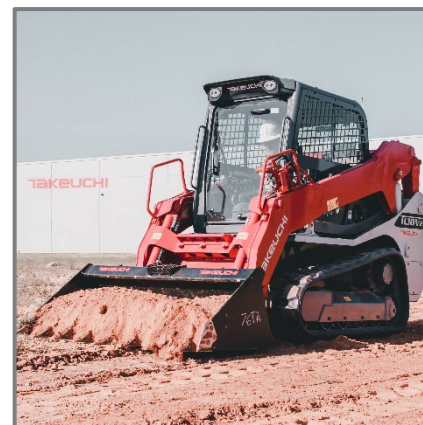


Track Loaders

- 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)	FY2019	FY2020	FY2021	FY2022	FY2023	Forecast	
						FY2024	Change
Japan	813	2,508	2,832	2,036	2,109	1,300	(809)
North America	53,222	52,248	68,706	98,506	115,164	130,820	+15,655
Europe	60,313	54,988	65,749	73,906	89,448	86,780	(2,668)
Asia	384	181	153	495	188	130	(58)
Others	1,179	2,327	3,449	4,020	5,715	4,970	(745)
Net sales	115,913	112,254	140,892	178,966	212,627	224,000	+11,372
Operating profit	12,649	13,207	17,764	21,221	35,296	38,500	+3,203
Ordinary profit	12,403	13,298	18,080	21,379	35,455	38,500	+3,044
Profit attributable to owners of parent	9,091	9,765	13,348	15,979	26,149	27,500	+1,350
Earnings per share (yen)	190.64	204.78	279.91	335.19	548.58	576.91	+28.33
Dividends per share (yen)	50.00	53.00	68.00	98.00	158.00	200.00	+42.00
JPY/USD ¹ (yen)	109.21	106.13	111.72	133.12	143.25	140.00	(3.25)
JPY/GBP ¹ (yen)	139.49	137.88	153.06	162.58	177.55	180.00	+2.45
JPY/EUR ¹ (yen)	121.46	122.91	130.57	139.81	155.05	153.00	(2.05)
JPY/RMB ¹ (yen)	15.82	15.41	17.12	19.49	19.87	19.50	(0.37)

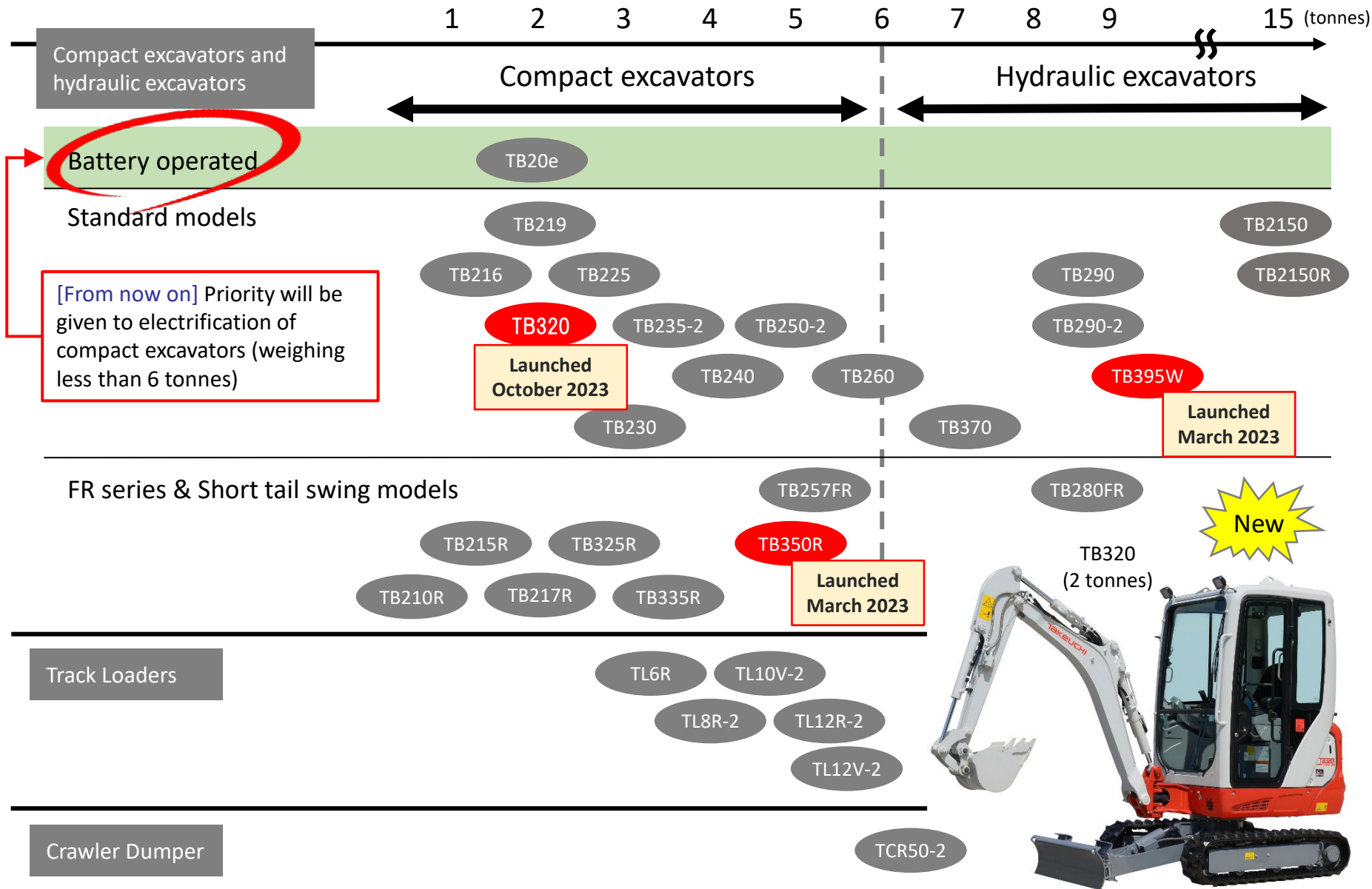
Net assets	83,683	89,908	104,083	121,802	147,625
Total assets	108,982	115,525	137,201	158,785	198,153
Equity ratio	76.8%	77.8%	75.9%	76.7%	74.5%
ROE ²	11.3%	11.3%	13.8%	14.1%	19.4%
ROA ³	11.7%	11.8%	14.3%	14.4%	19.9%

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

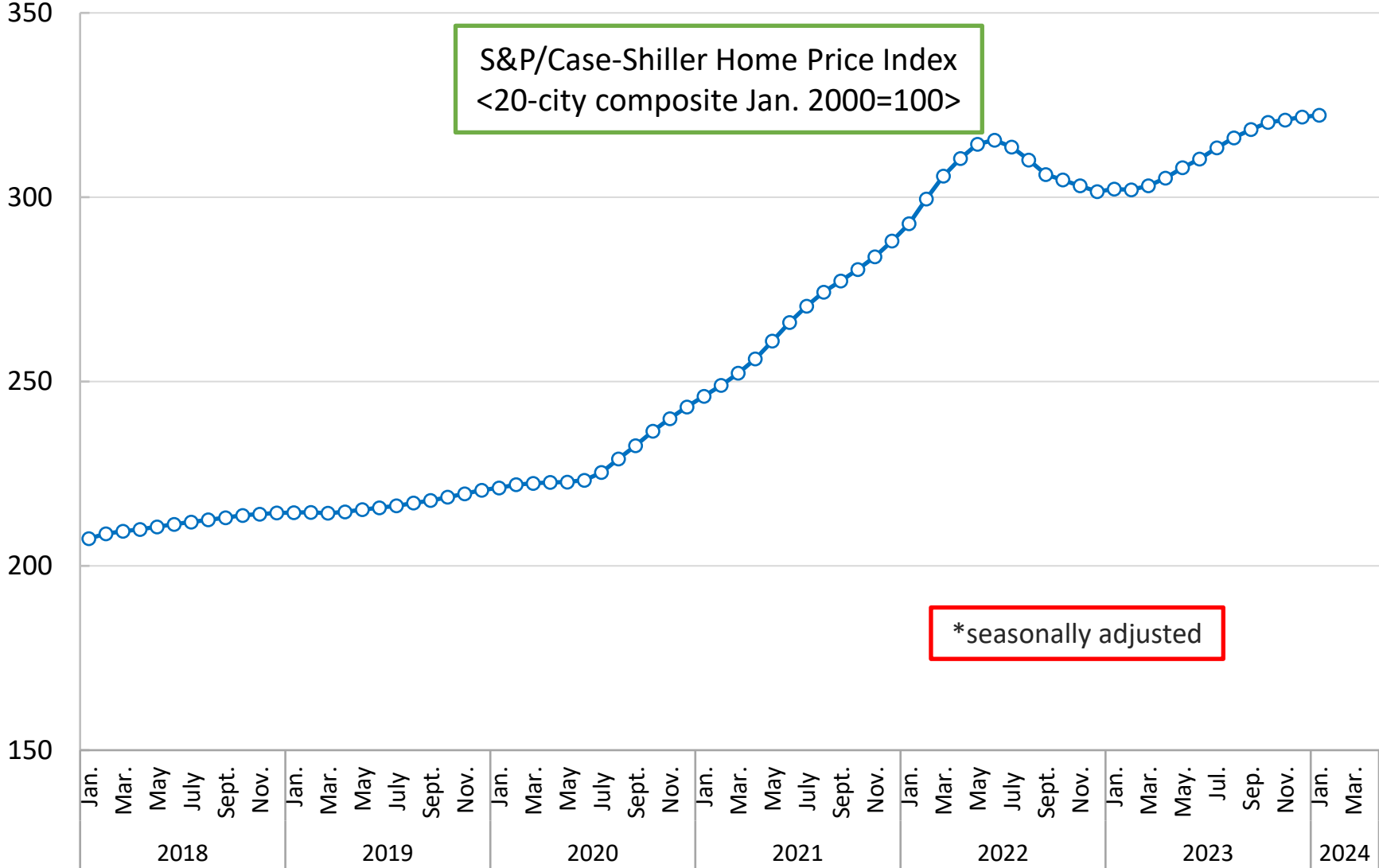
*2 ROE (Return on Equity) = Net profit / Net assets × 100 (Net assets are the average of the beginning and the end of the period)

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

Product Lineup



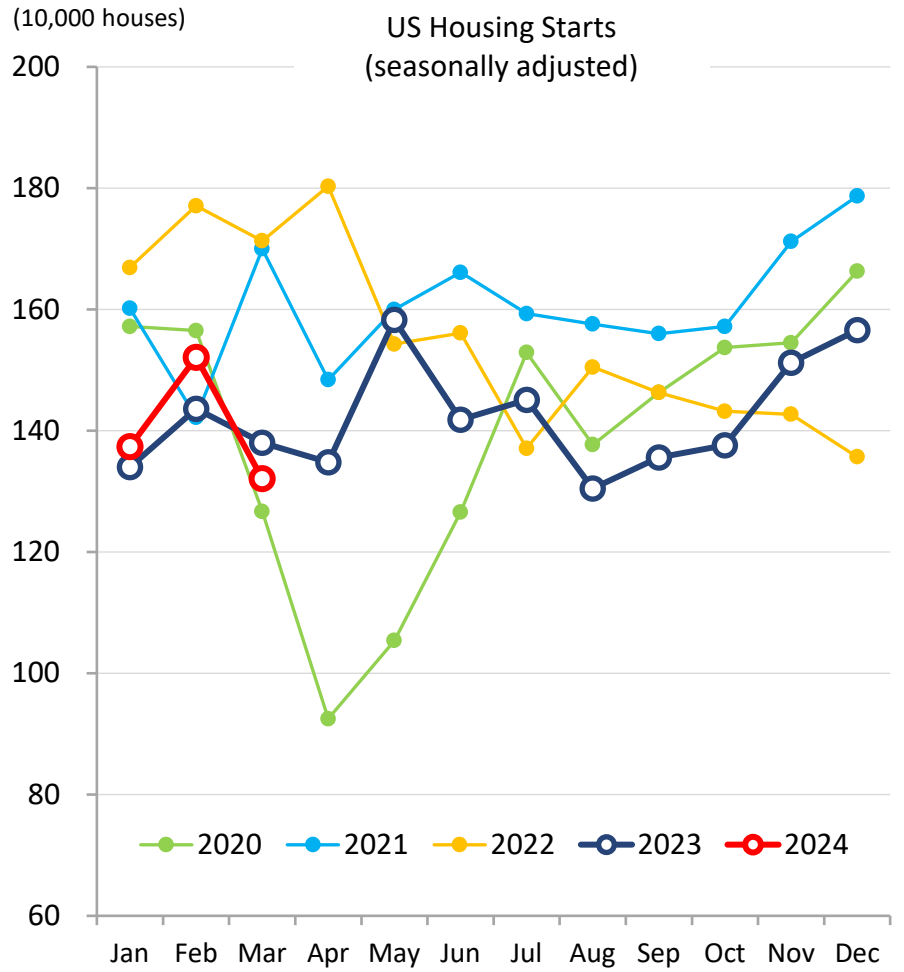
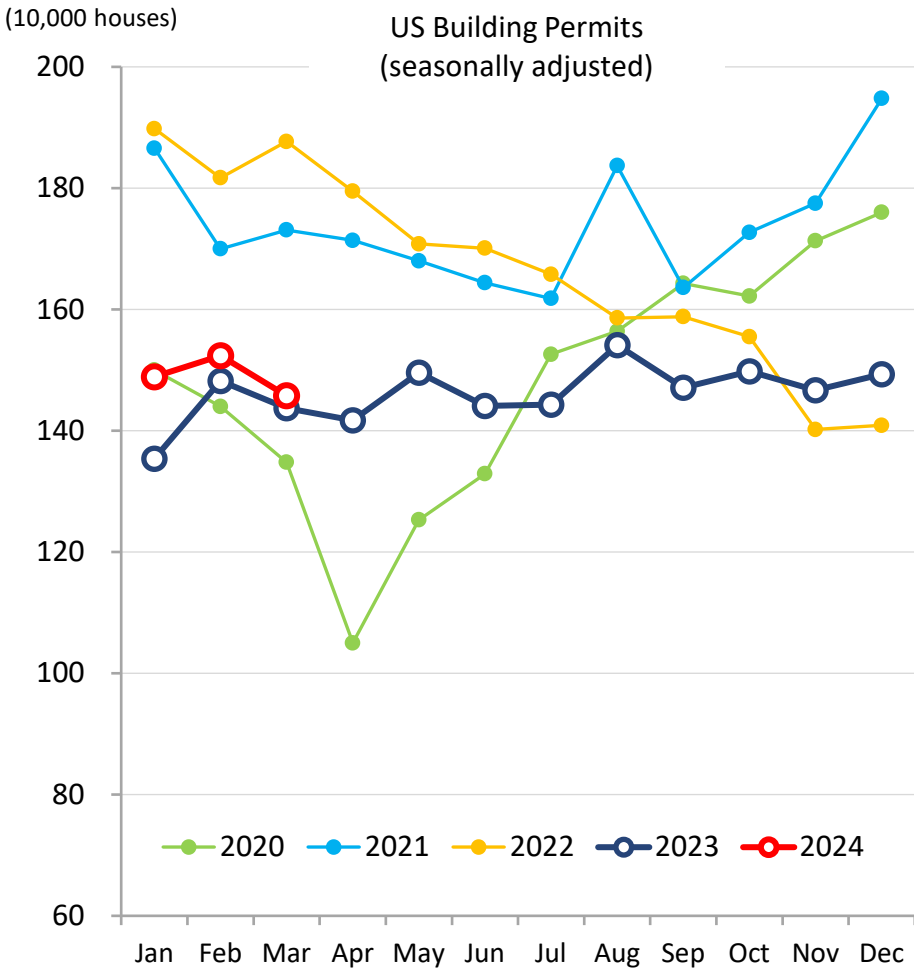
Market Outlook



(source) S&P

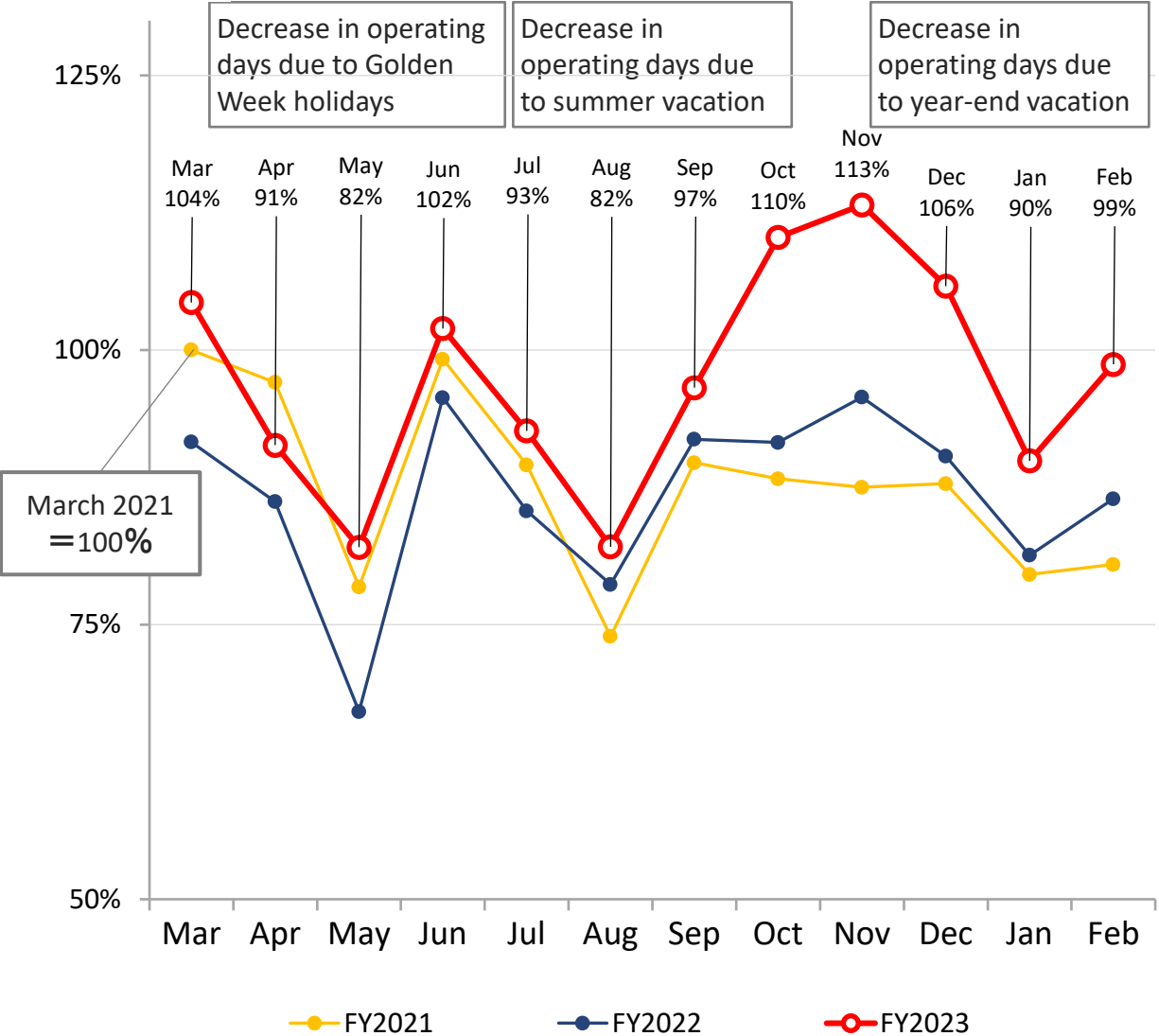
Market Outlook

- 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 had been weak due to US interest rate hikes, but the demand remains firm and recovered gradually in 2023.

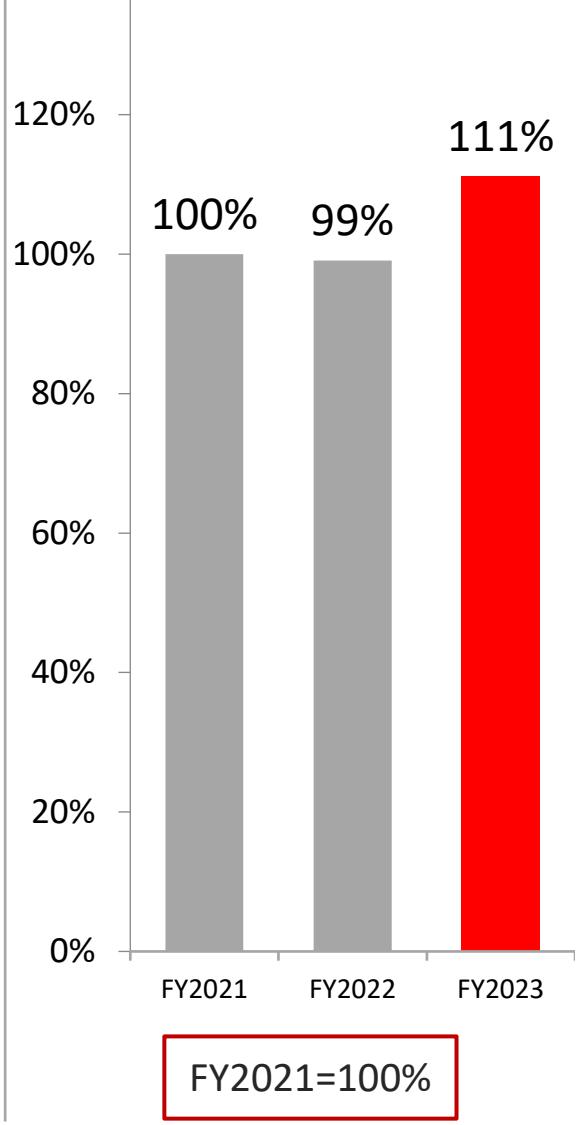


Production Volume Trends

By Month



By Fiscal Year



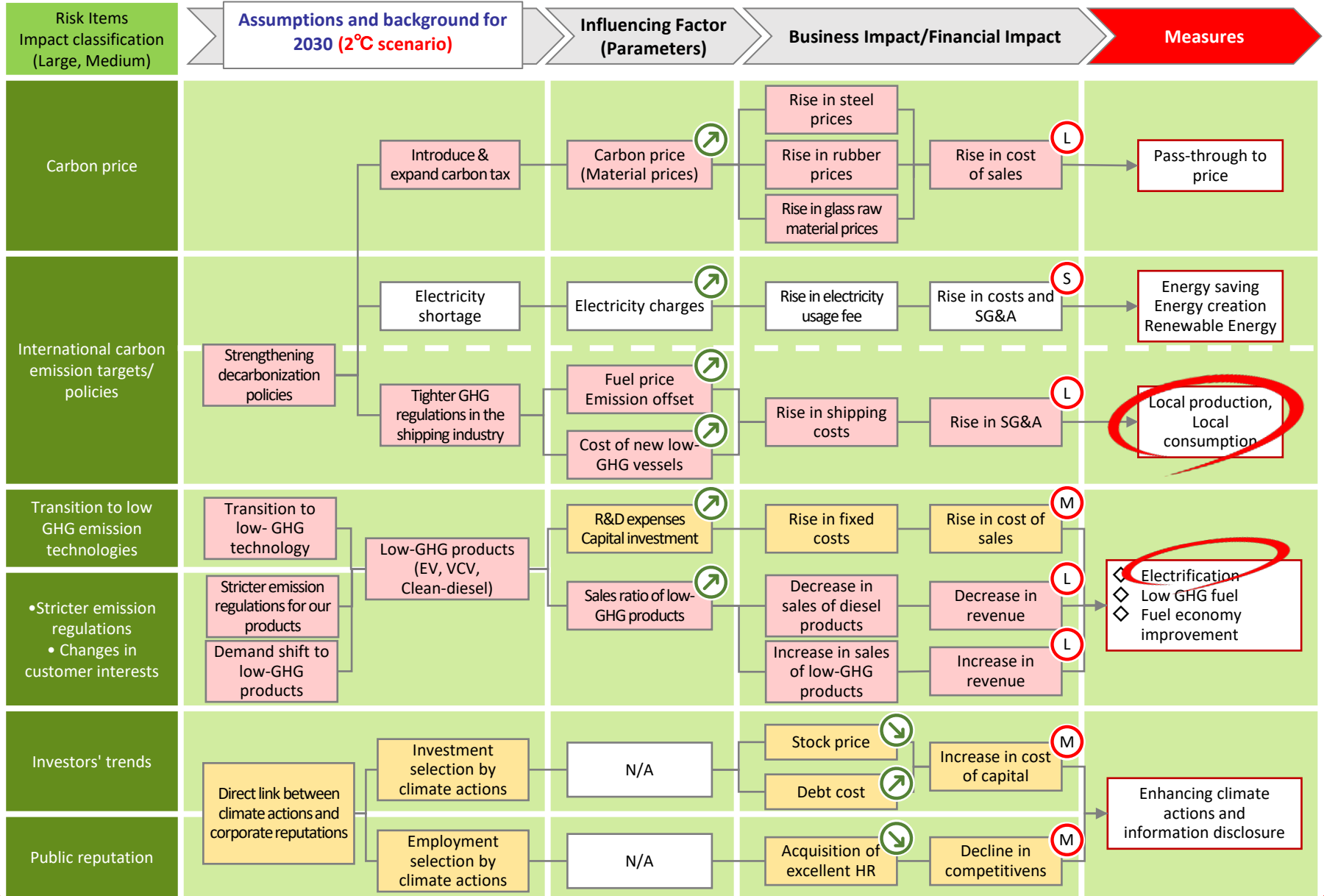
List of Material Issues

#	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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TAKEUCHI MFG. CO., LTD.

Corporate Planning Section and ESG Promotion Section,
Business Management Dept.

TEL: +81-(0)268-81-1200

FAX: +81-(0)268-81-1127

E-mail: ir@takeuchi-mfg.com

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.



TAKEUCHI®