

Presentation Materials for the Second Quarter of the Fiscal Year Ending February 2025

October 22, 2024

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

- ▶ **FY2024 First Half Consolidated Results**
- ▶ **FY2024 Consolidated Forecast**
- ▶ **Topics**
- ▶ **Reference Materials**

Summary of Earnings Results for the First Half of FY2024

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

- North American sales volume decreased 2.5% (1Q: +2.1%, 2Q: -7.1%, YoY)
The housing market remained in an adjustment phase, and sales of compact excavators were sluggish. Defects in purchased parts delayed shipments of some track loaders until the third quarter.
- European sales volume decreased 16.2% (1Q: -23.2%, 2Q: -8.5%, YoY)
High mortgage interest rates and rising energy prices have increased the cost of living and depressed housing demand.
- Total sales volume decreased 11.0% (1Q: -13.0%, 2Q: -8.9%, YoY)

(2) Record-high net sales and profits for 1H (net sales +4.2%, operating profit +46.5%, YoY)

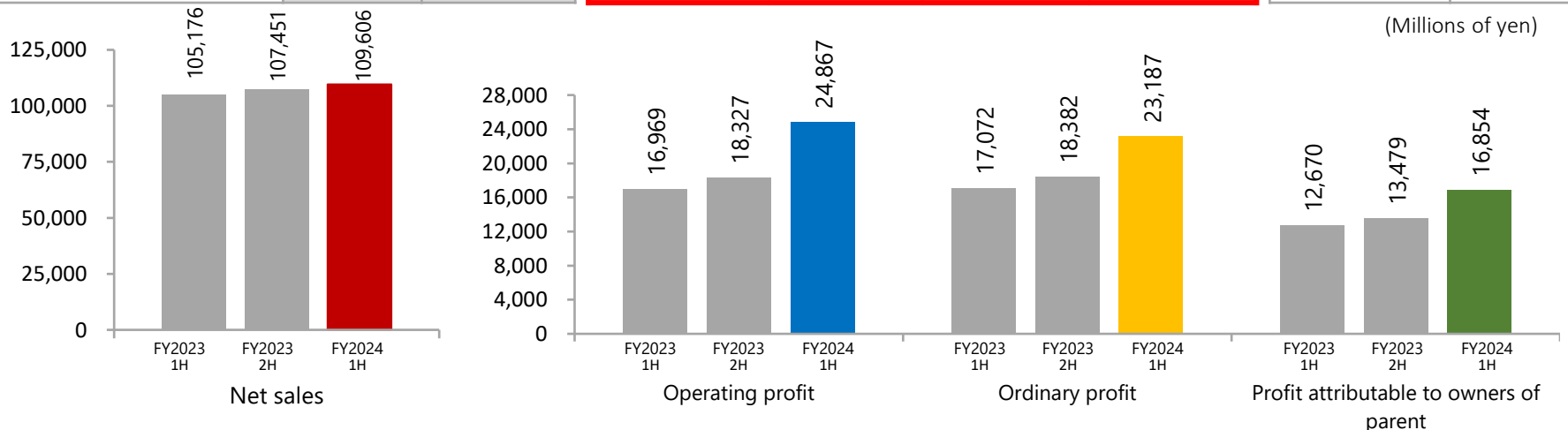
- Factors that reduced profits included a decrease in sales volume and increases in raw material prices and fixed costs. However, profits increased significantly due to positive factors including the weak yen, price increases, and changes in the product and customer mix.

(Billions of yen)

	FY2023 (Previous FY)						FY2024 (Current FY)		
	1Q	2Q	1H	3Q	4Q	2H	1Q	2Q	1H
Net sales	53.0	52.1	105.1	53.6	53.7	107.4	55.1	54.4	109.6
Gross profit	12.9	12.5	25.5	12.9	13.6	26.6	15.7	18.5	34.2
SG&A expenses	4.4	4.1	8.5	4.3	3.9	8.2	4.6	4.8	9.4
of these, transportation costs	2.1	1.5	3.6	1.7	1.7	3.5	1.7	1.9	3.7
Operating profit	8.5	8.4	16.9	8.6	9.6	18.3	11.1	13.7	24.8

Consolidated Financial Highlights for the First Half of the FY2024

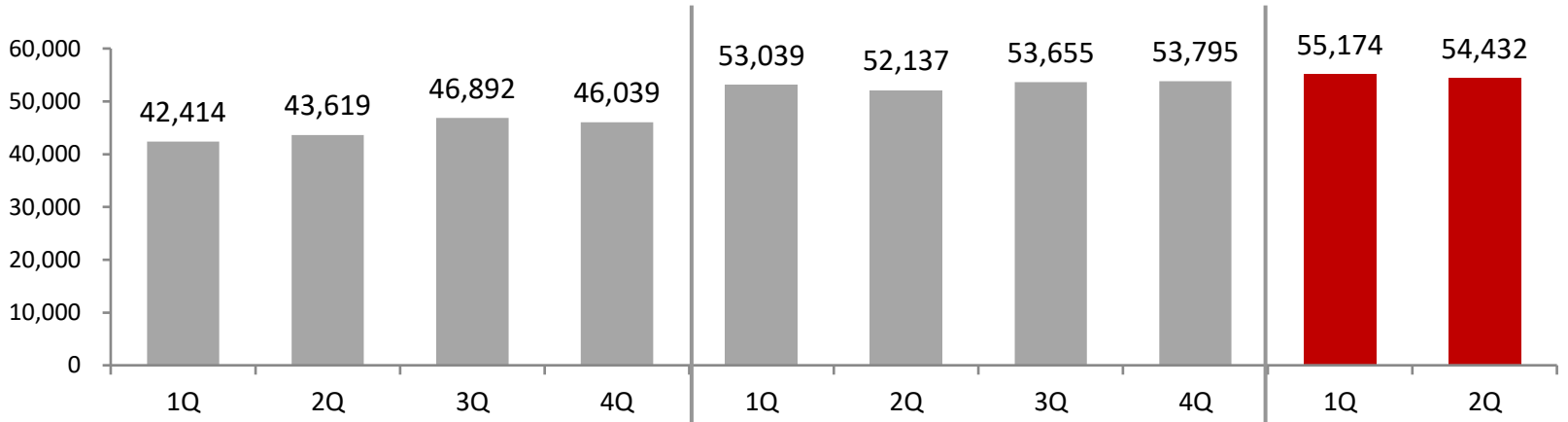
Millions of yen	FY2023		FY2024				1H Initial Forecast	Change
	1st half	Sales ratio	1st half	Sales ratio	Change	(%)		
Net sales	105,176	-	109,606	-	+4,430	+4.2%	112,000	(2,393)
Operating profit	16,969	16.1%	24,867	22.7%	+7,898	+46.5%	21,000	+3,867
Ordinary profit	17,072	16.2%	23,187	21.2%	+6,114	+35.8%	20,800	+2,387
Profit attributable to owners of parent	12,670	12.0%	16,854	15.4%	+4,183	+33.0%	14,800	+2,054
Capital investment	4,798	4.6%	1,397	1.3%	(3,401)	(70.9)%	1,794	(396)
Depreciation	1,285	1.2%	1,807	1.6%	+522	+40.7%	1,809	(1)
Orders received	87,309	-	97,311	-	+10,002	+11.5%	***	-
Order backlog	172,880	-	116,602	-	(56,278)	(32.6)%	***	-



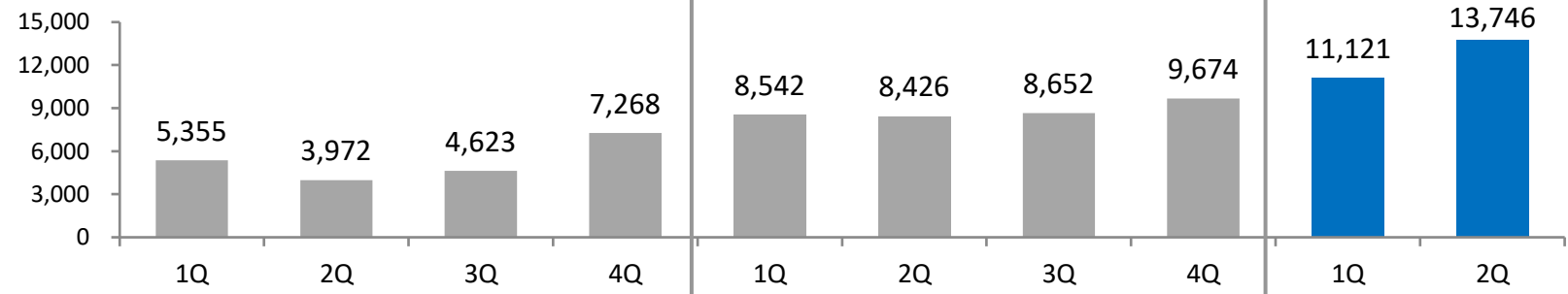
Quarterly Net Sales and Operating Profit

(Millions of yen)

Net sales



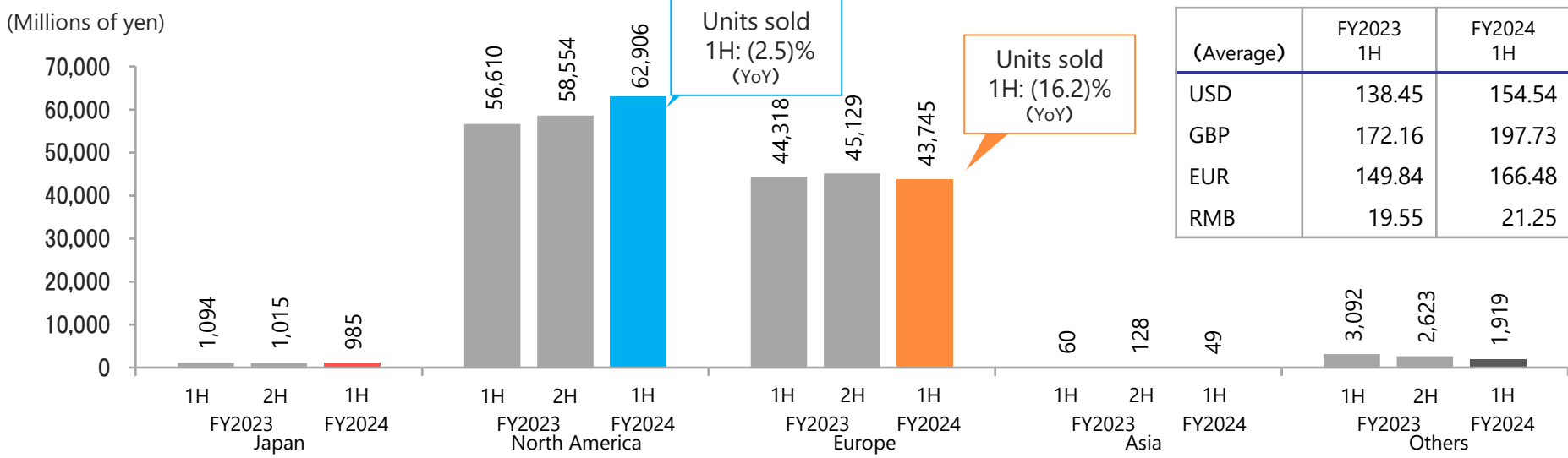
Operating profit



Exchange rates	FY2022				FY2023				FY2024	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
JPY/USD	121.43	133.43	143.54	134.12	134.74	140.48	148.62	145.93	152.45	156.84
JPY/GBP	157.87	163.51	166.55	163.00	165.80	179.25	183.10	185.38	194.22	199.39
JPY/EUR	133.83	138.77	142.85	142.51	146.10	154.14	158.55	159.56	164.58	168.43
JPY/RMB	18.56	19.70	20.11	19.60	19.43	19.66	20.08	20.31	20.75	21.76

Financial Results by Region for First Half FY2024

(Millions of yen)	FY2023		FY2024				1H Prev. Forecast	Change
	1st half	Sales ratio	1st half	Sales ratio	Change	(%)		
Japan	1,094	1.0%	985	0.9%	(108)	(9.9)%	680	+305
North America	56,610	53.8%	62,906	57.4%	+6,296	+11.1%	64,580	(1,673)
Europe	44,318	42.1%	43,745	39.9%	(573)	(1.3)%	44,030	(284)
Asia	60	0.1%	49	0.0%	(10)	(18.1)%	70	(20)
Others	3,092	2.9%	1,919	1.8%	(1,173)	(37.9)%	2,640	(720)
Total net sales	105,176	100.0%	109,606	100.0%	+4,430	+4.2%	112,000	(2,393)
Net sales overseas	104,082	99.0%	108,621	99.1%	+4,538	+4.4%	111,320	(2,698)



Geographic Segment Information and Results for 1H FY2024

(Millions of yen)		FY2023		FY2024			
		1H	Profit ratio	1H	Profit ratio	Change	(%)
Japan	Net sales	36,166	-	33,163	-	(3,002)	(8.3)%
	Segment profit	12,458	34.4%	22,400	67.5%	+9,942	+79.8%
USA	Net sales	56,618	-	62,921	-	+6,303	+11.1%
	Segment profit	5,167	9.1%	6,975	11.1%	+1,807	+35.0%
UK	Net sales	7,488	-	7,346	-	(142)	(1.9)%
	Segment profit	842	11.2%	110	1.5%	(731)	(86.8)%
France	Net sales	4,867	-	6,132	-	+1,264	+26.0%
	Segment profit	520	10.7%	533	8.7%	+12	+2.5%
China	Net sales	35	-	42	-	+6	+18.9%
	Segment profit	26	75.4%	192	457.4%	+165	+621.4%

➤ **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

➤ **U.S. 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

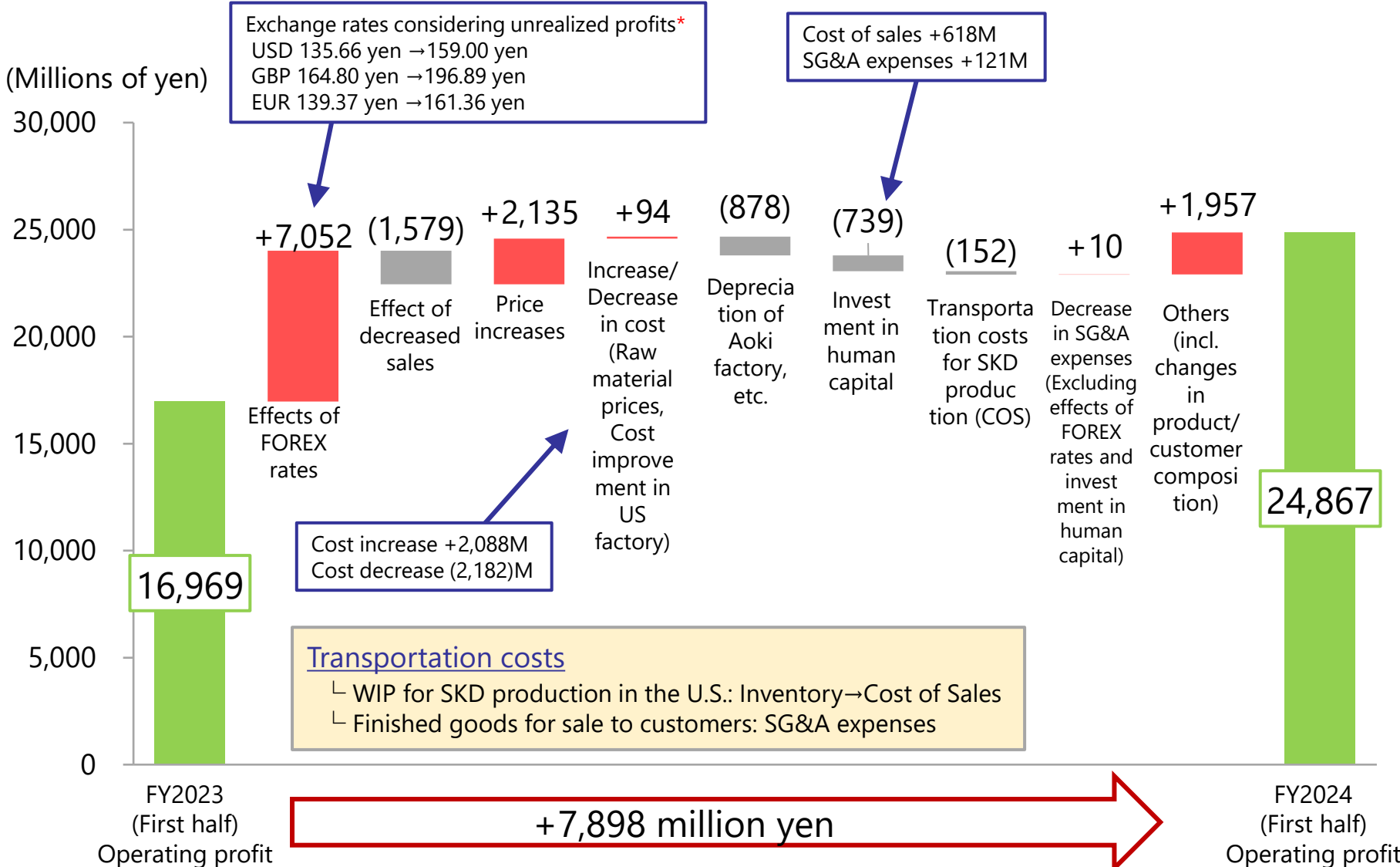
➤ **France Segment (Takeuchi France S.A.S.)**

- 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 (FY2024 First Half)

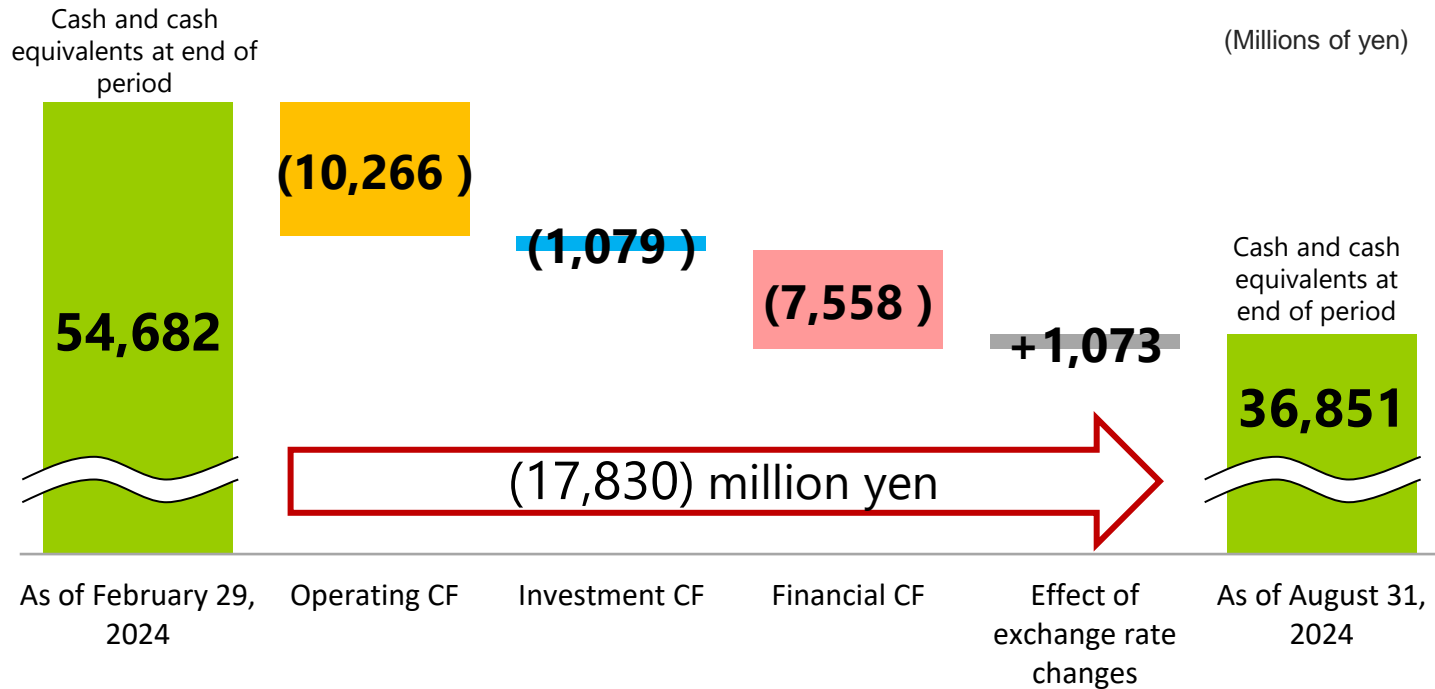


*Exchange rates considering unrealized profits: Rates take into account transportation and inventory periods from Japan to sales subsidiaries in the US, UK, and France.

Consolidated Balance Sheets (As of August 31, 2024)

		As of Feb. 29, 2024		As of Aug. 31, 2024			
		(Millions of yen)	Balance	Composition ratio	Balance	Composition ratio	Change
Assets	Cash and deposits	55,175	27.8%	37,382	18.0%	(17,792)	(32.2)%
	Notes and accounts receivable - trade	44,572	22.5%	51,086	24.6%	+6,513	+14.6%
	Inventories	58,263	29.4%	76,308	36.8%	+18,045	+31.0%
	Other	3,908	2.0%	3,771	1.8%	(137)	(3.5)%
	Current assets	161,920	81.7%	168,548	81.3%	+6,628	+4.1%
	Non-current assets	36,233	18.3%	38,801	18.7%	+2,568	+7.1%
	Total	198,153	100.0%	207,350	100.0%	+9,197	+4.6%
Liabilities and Net assets	Notes and accounts payable - trade	36,381	18.4%	26,387	12.7%	(9,993)	(27.5)%
	Other current liabilities	13,490	6.8%	14,260	6.9%	+769	+5.7%
	Current liabilities	49,872	25.2%	40,647	19.6%	(9,224)	(18.5)%
	Non-current liabilities	655	0.3%	695	0.3%	+39	+6.0%
	Total Liabilities	50,527	25.5%	41,342	19.9%	(9,184)	(18.2)%
	Total net assets	147,625	74.5%	166,007	80.1%	+18,381	+12.5%
	Total	198,153	100.0%	207,350	100.0%	+9,197	+4.6%

Consolidated Statements of Cash Flows (1H FY2024, Results)



(Millions of yen)

Cash flows from operating activities		Cash flows from investing activities		Cash flows from financing activities	
	Change		Change		Change
Profit before income taxes	23,187	Purchase of property, plant and equipment	(1,302)	Dividends paid	(7,537)
Depreciation	1,807	Acquisition of intangible assets	(39)		
Increase in inventories	(11,860)	Proceeds from redemption of securities	300		
Increase in working capital	(16,769)				
Income taxes paid	(8,693)	Others	(37)	Others	(20)
Others	2,061				
Total	(10,266)	Total	(1,079)	Total	(7,558)

- ▶ FY2024 First Half Consolidated Results
- ▶ **FY2024 Consolidated Forecast**
- ▶ Topics
- ▶ Reference Materials

FY2024 Earnings Forecasts (full year)

(Millions of yen)	Previous forecast (announced on April 12, 2024)			Revised forecast (announced on October 10, 2024)				
	1st half	2nd half	Full year	1st half (results)	2nd half	Full year	Change	(%)
Japan	680	620	1,300	985	874	1,860	+560	+43.1%
North America	64,580	66,240	130,820	62,906	59,353	122,260	(8,560)	(6.5)%
Europe	44,030	42,750	86,780	43,745	43,604	87,350	+570	+0.7%
Asia	70	60	130	49	100	150	+20	+15.4%
Others	2,640	2,330	4,970	1,919	1,960	3,880	(1,090)	(21.9)%
Total net sales	112,000	112,000	224,000	109,606	105,893	215,500	(8,500)	(3.8)%
Operating profit	21,000	17,500	38,500	24,867	19,632	44,500	+6,000	+15.6%
Ordinary profit	20,800	17,700	38,500	23,187	18,812	42,000	+3,500	+9.1%
Profit attributable to owners of parent	14,800	12,700	27,500	16,854	13,145	30,000	+2,500	+9.1%

(1) Demand for products in 2H

- Product demand in the European and US markets is expected to remain at the same level as in 1H
- In North America, sales volume is expected to increase as some shipments have been delayed to the 2H and due to the acquisition of new customers

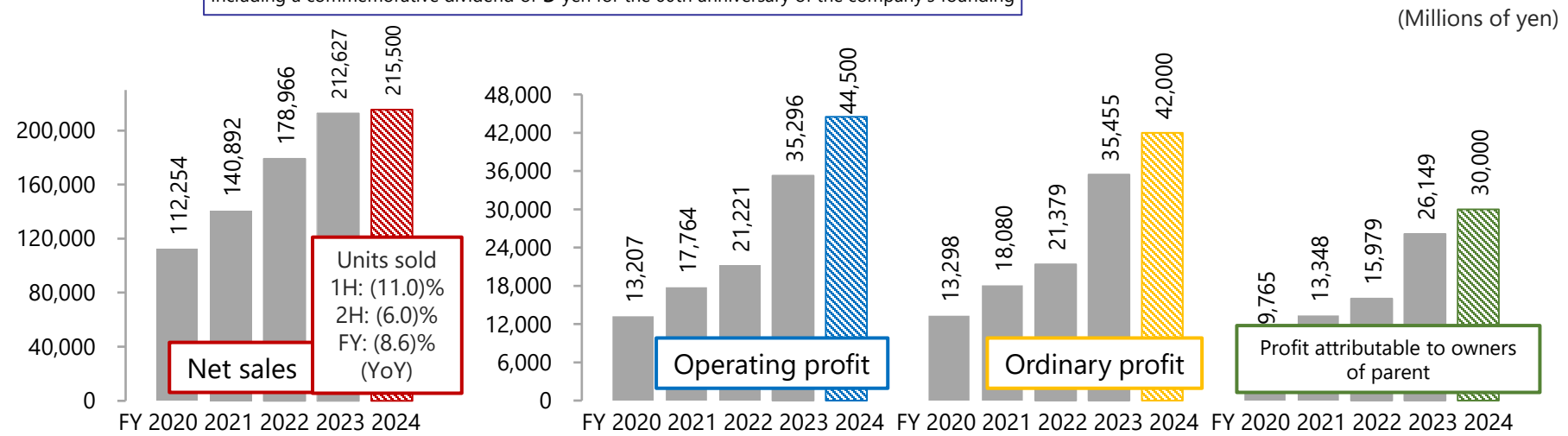
(2) Forecasting **record-high net sales and profits even though net sales may be below forecast**

- Full-year sales volume forecast is lower than the previous forecast due to a lull in North America (North America -13.3%, Europe -5.3% compared with previous forecast)
- All earnings forecasts to be higher than expected due to lower ocean freight rates and the weak yen

Expected Consolidated Financial Highlights for FY2024

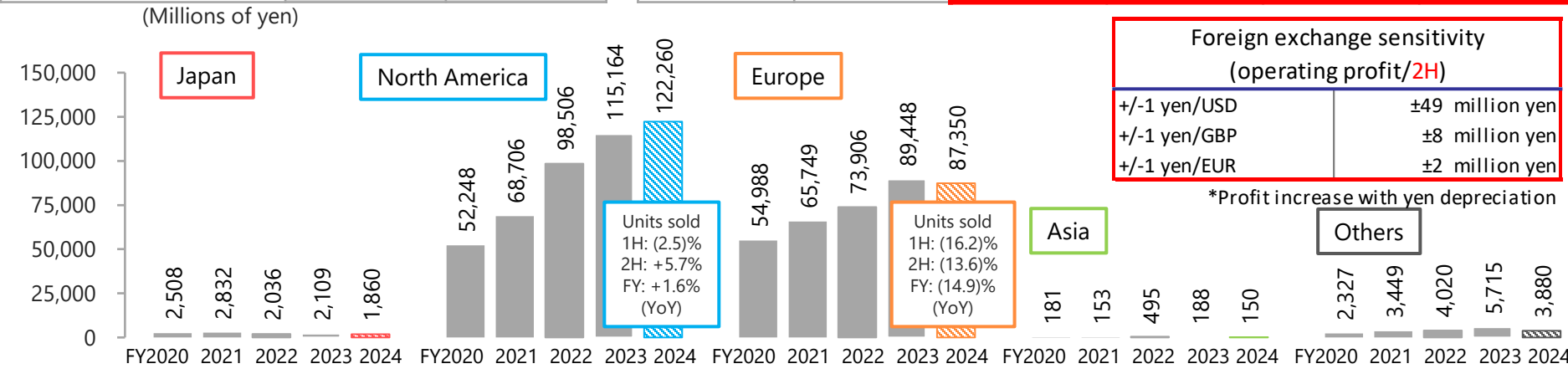
(Millions of yen)	FY2023		FY2024					
	Full year	Sales ratio	1st half (results)	2nd half (forecast)	Full year (forecast)	Sales ratio	Change	(%)
Net sales	212,627	-	109,606	105,893	215,500	-	+2,872	+1.4%
Operating profit	35,296	16.6%	24,867	19,632	44,500	20.6%	+9,203	+26.1%
Ordinary profit	35,455	16.7%	23,187	18,812	42,000	19.5%	+6,544	+18.5%
Profit attributable to owners of parent	26,149	12.3%	16,854	13,145	30,000	13.9%	+3,850	+14.7%
Capital investment	8,070	3.8%	1,397	4,007	5,404	2.5%	(2,666)	(33.0)%
Depreciation	3,321	1.6%	1,807	2,147	3,954	1.8%	+632	+19.0%
Earnings per share (yen)	548.58	Dividend payout ratio 28.8%	353.58	-	629.36	Dividend payout ratio 31.8%	+80.78	+14.7%
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

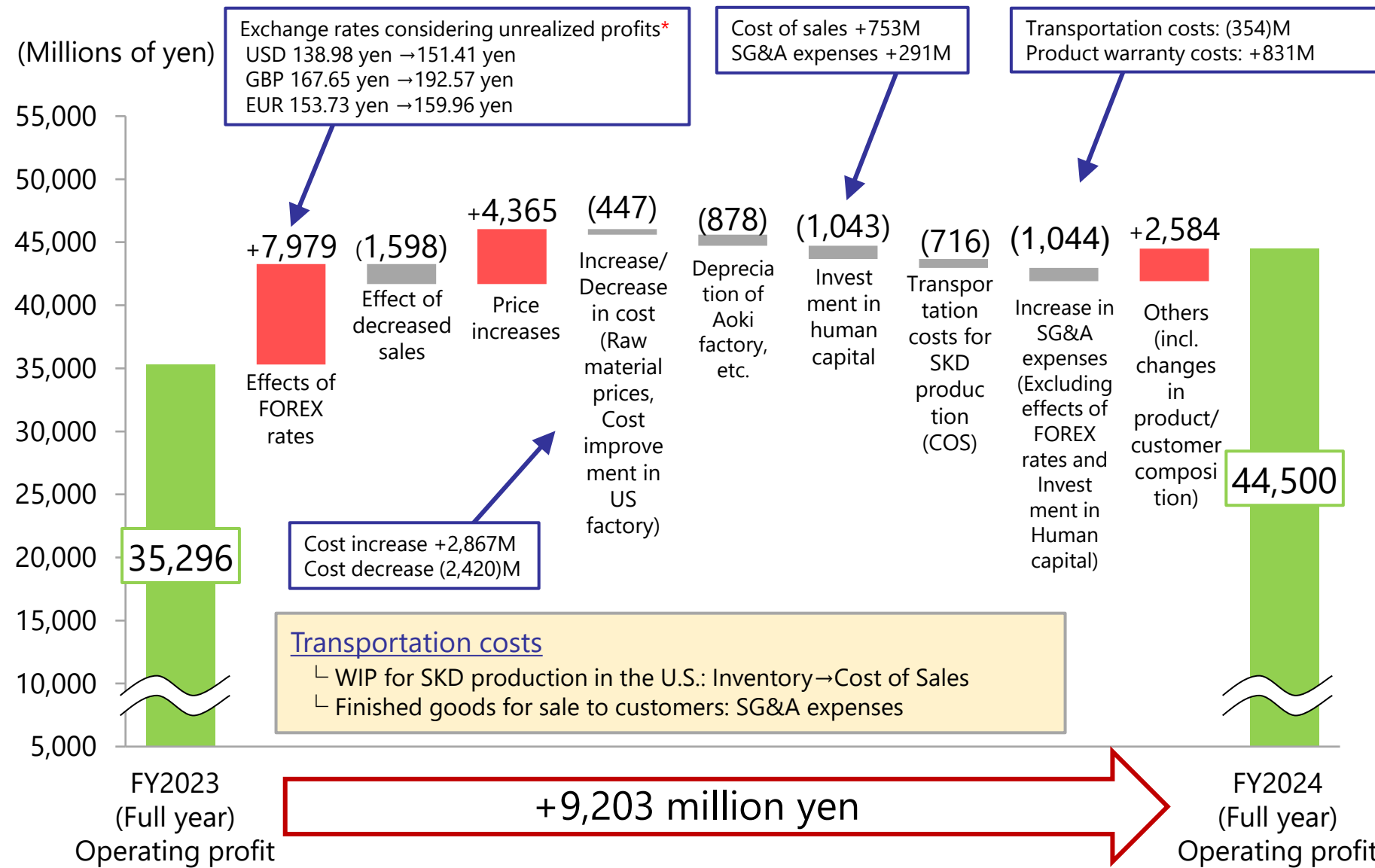


Earnings Forecast by Region for FY2024

(Millions of yen)	FY2023		FY2024 (forecast)					
	Full year	Sales ratio	1st half (results)	2nd half (forecast)	Full year (forecast)	Sales ratio	Change	(%)
Japan	2,109	1.0%	985	874	1,860	0.9%	(249)	(11.8)%
North America	115,164	54.2%	62,906	59,353	122,260	56.7%	+7,095	+6.2%
Europe	89,448	42.1%	43,745	43,604	87,350	40.5%	(2,098)	(2.3)%
Asia	188	0.1%	49	100	150	0.1%	(38)	(20.6)%
Others	5,715	2.7%	1,919	1,960	3,880	1.8%	(1,835)	(32.1)%
Total net sales	212,627	100.0%	109,606	105,893	215,500	100.0%	+2,872	+1.4%
JPY/USD	143.25	-	154.54	138.00	147.54	-	+4.29	+3.0%
JPY/GBP	177.55	-	197.73	179.00	188.03	-	+10.48	+5.9%
JPY/EUR	155.05	-	166.48	152.00	159.71	-	+4.66	+3.0%
JPY/RMB	19.87	-	21.25	19.30	20.47	-	+0.60	+3.0%

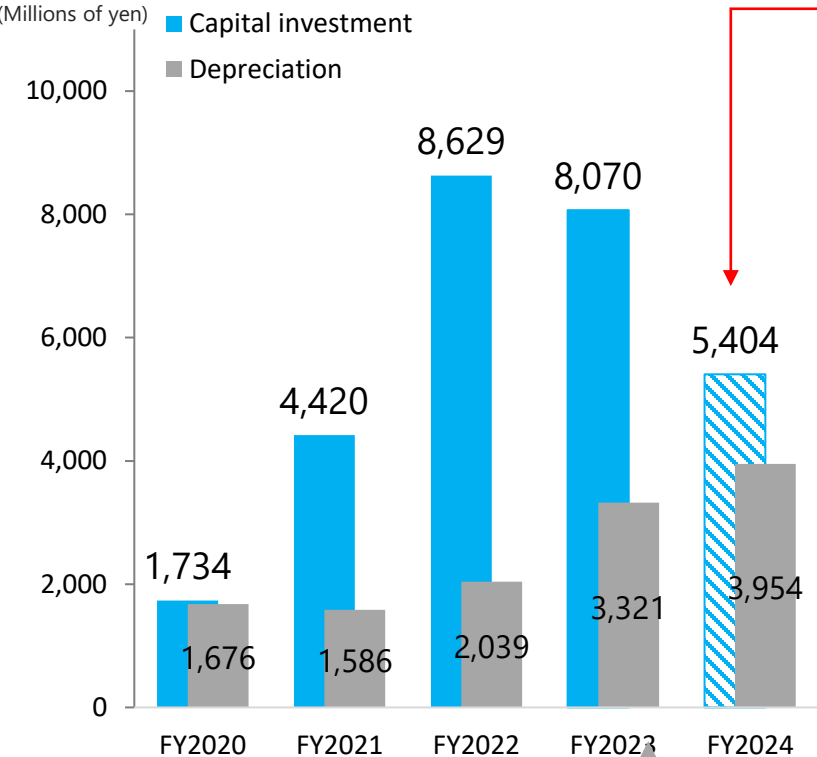


Factors of Increase/Decrease in Operating Profit (FY2024 Full Year Forecast)



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Capital Investment Plan



◇ FY2024 Capital Investment Plan Breakdown

Home office Aoki Factory	3.5 bn	Jigs, molds, maintenance and renewal of equipment: 1.3 bn Home office parts center equipment renewal, building expansion: 1.0 bn Factory equipment expansion, production streamlining: 0.8 bn Safety enhancement, work environment improvement: 0.4 bn
Employee dormitories	0.7 bn	1 Building in Ueda, Nagano Prefecture
Takeuchi US	0.5 bn	Expansion of US Factory facilities, marketing enhancements, IT investment
Others	0.7 bn	
Total	5.4 bn	

FY2020: Takeuchi US warehouse expansion (approx. 0.54 bn)



FY2021: US training center (approx. 0.5 bn)



FY2022: US Factory (approx. 4.7 bn)



FY2023: Aoki Factory (approx. 11.0 bn)



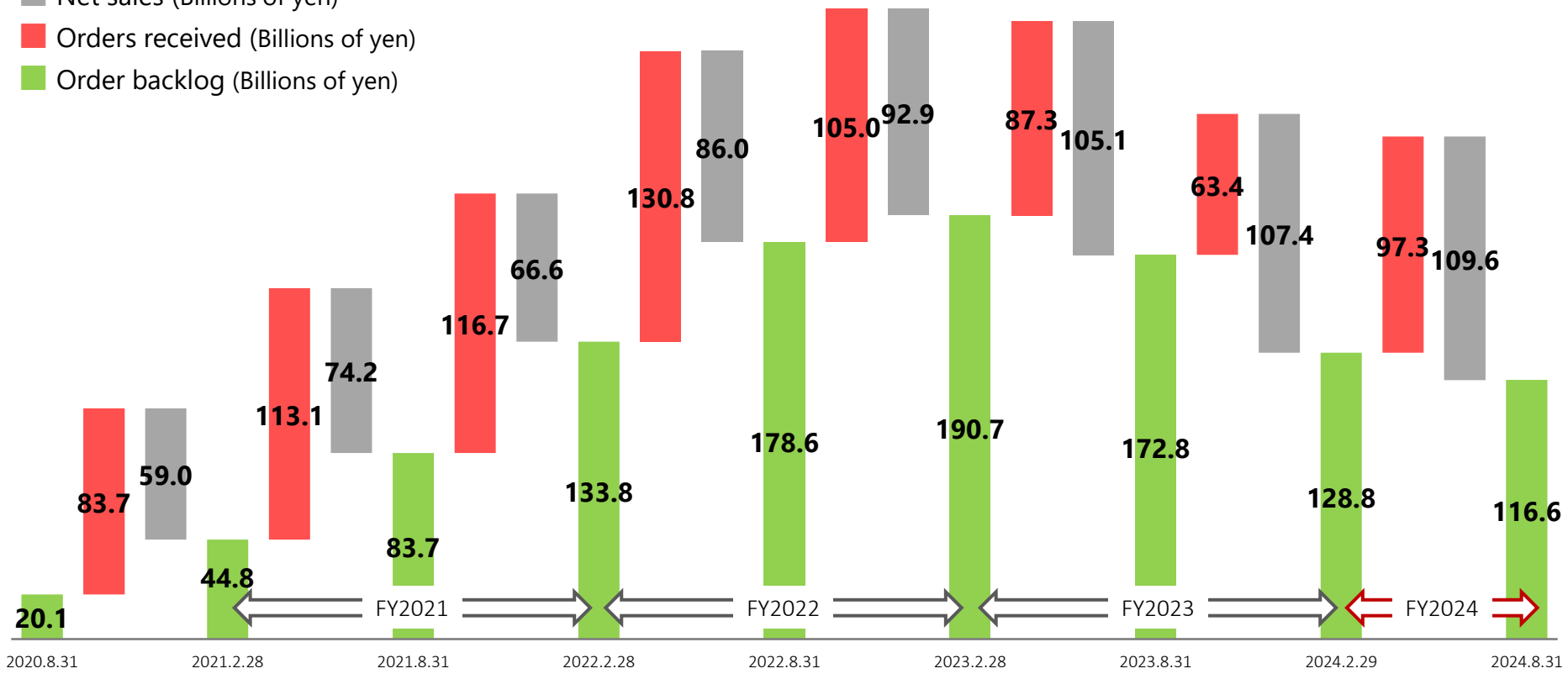
◇ FY2023 Capital Investment Plan Breakdown

Home office	1.1 bn	Maintenance and renewal of jigs, molds, prototype machines, and equipment
Aoki Factory	5.0 bn	FY2023: 5.0 bn Through the previous FY: 6.0 bn
Employee dormitories	0.9 bn	Two buildings, each next to the home office factory and the Aoki Factory, respectively
Takeuchi US	1.0 bn	Solar panels (US headquarter and factory) Production and painting equipment (US factory)
Total	8.0 bn	

- ▶ **FY2024 First Half Consolidated Results**
- ▶ **FY2024 Consolidated Forecast**
- ▶ **Topics**
- ▶ **Reference Materials**

Net Sales, Orders Received and Order Backlog

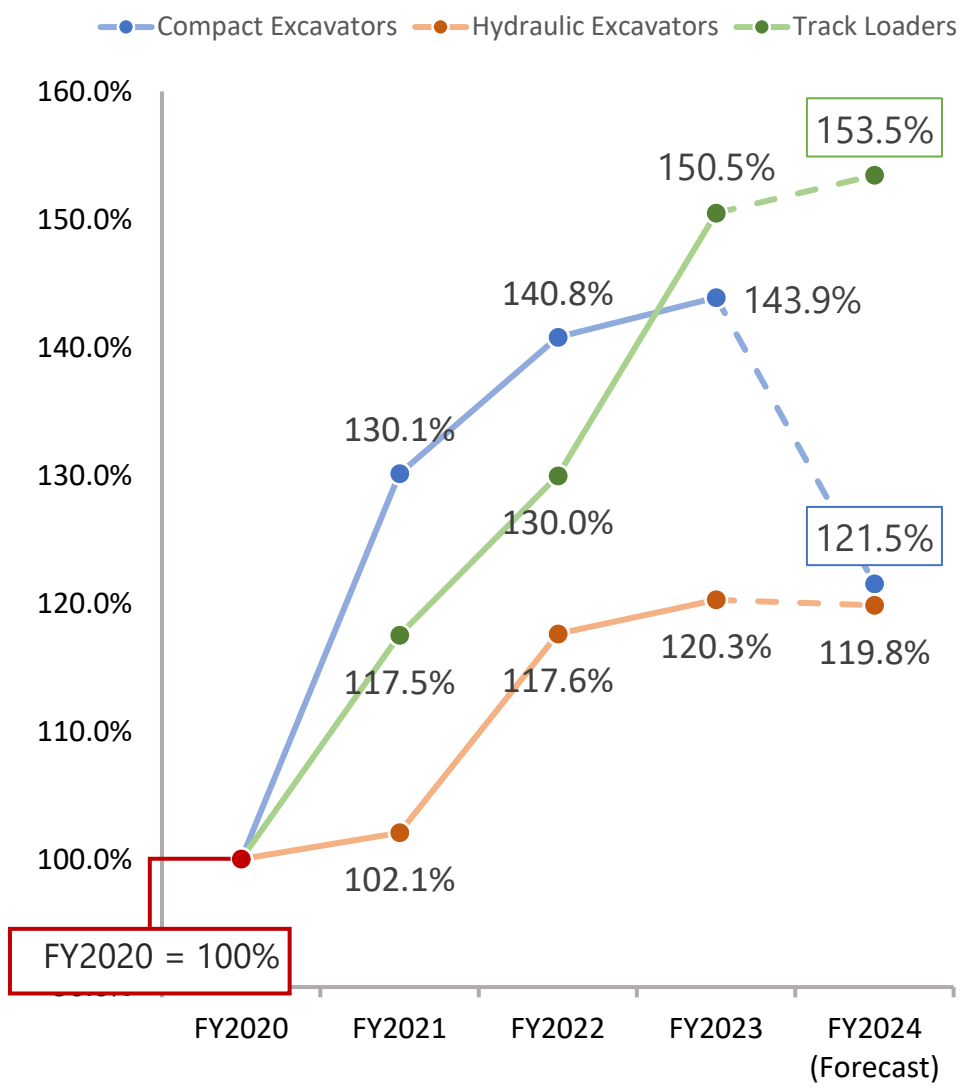
- Net sales (Billions of yen)
- Orders received (Billions of yen)
- Order backlog (Billions of yen)



(Billions of yen)	FY2021				FY2022				FY2023				FY2024	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Net sales	33.3	40.8	32.6	33.9	42.4	43.6	46.8	46.0	53.0	52.1	53.6	53.7	55.1	54.4
Orders received	60.1	52.9	63.5	53.1	66.5	64.2	47.0	57.9	47.6	39.6	38.2	25.2	61.5	35.7
Order backlog	71.7	83.7	114.7	133.8	158.0	178.6	178.8	190.7	185.3	172.8	157.4	128.8	135.2	116.6

Sales by Model (Excavators (Compact/Hydraulic) and Track Loaders)

Sales Volume Growth Rates (Group Totals)

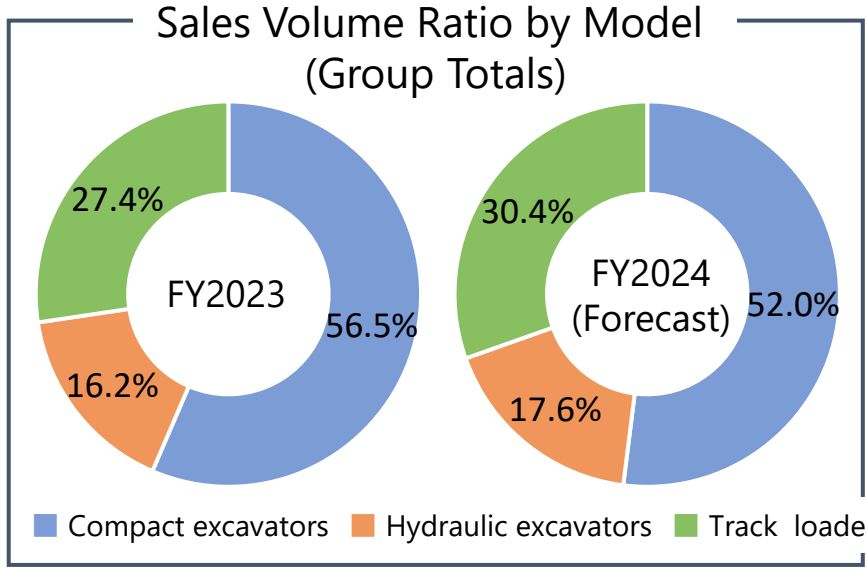


Compact Excavators

- Primary products in Europe
Sales in Europe are slowing, especially for models under 3 tonnes, due to lackluster personal consumption and rising housing interest rates.
- Compact excavator sales in North America are strong and we expect sales volume to exceed FY2023.

Track Loaders

- Primary products in North America
The Group sells most of its track loaders in North America.
- Sales are also beginning to grow gradually in Europe.

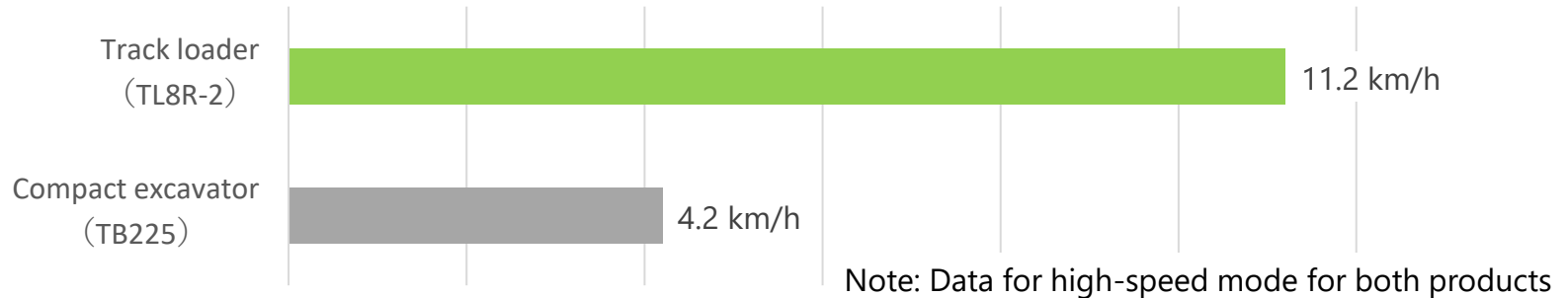


Compact and hydraulic excavators are good for excavation.

Track loaders excel at transporting earth and leveling land

- ✓ Takeuchi developed and began producing the world's first track loader in September 1986

1. Faster than compact and hydraulic excavators



2. Primarily popular in the United States

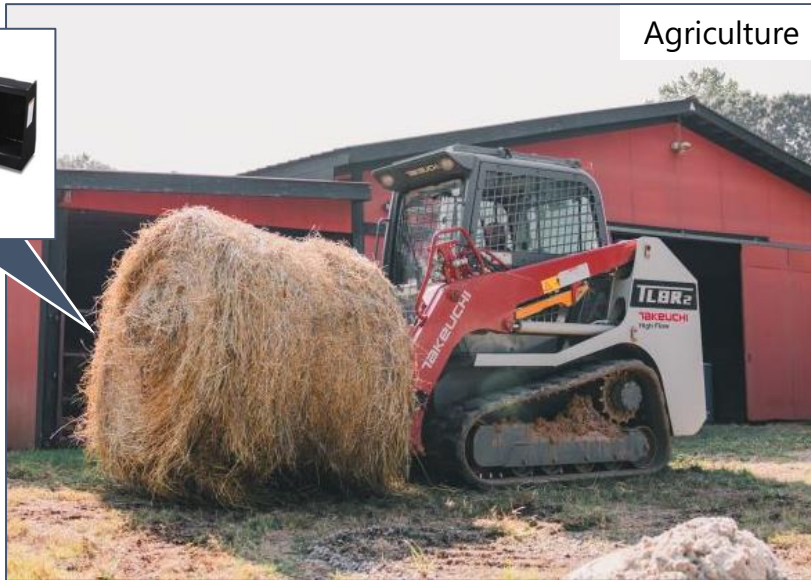
Expansive U.S. construction sites increase efficiency using specialized construction machinery.

- ✓ Excavation
 - Compact and hydraulic excavators
- ✓ Transporting earth and leveling land
 - Fast-moving track loaders are more efficient

Track Loader Features

3. Various operations are possible by changing the attachment

→ Capable of multiple uses ranging from construction and agriculture to forestry and landscaping



Agriculture



Transporting building materials (solar panels)



Ground leveling



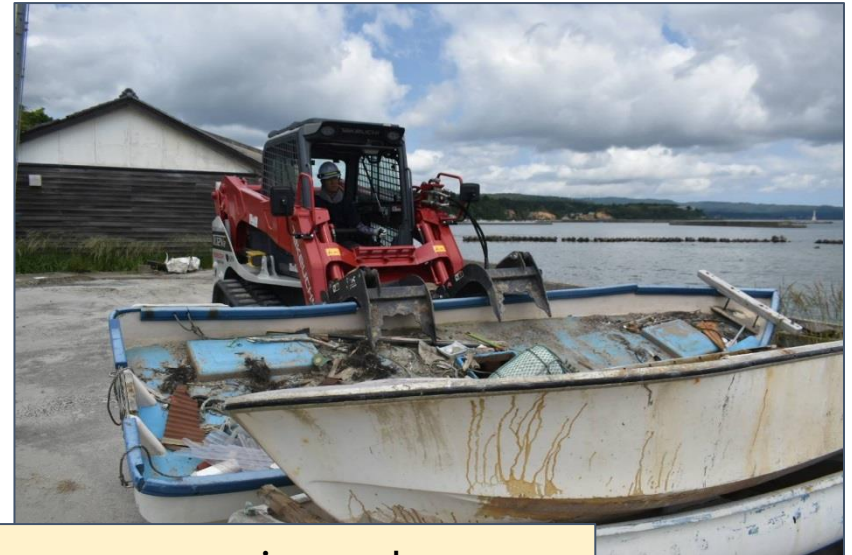
Landscaping



Forestry

Track Loader Features

4. Also useful for post-disaster reconstruction such as debris removal



Noto Peninsula Earthquake reconstruction volunteers



European Market Status (Exhibition in Nuremberg, Germany, September 11-14, 2024)



Track loader on display.

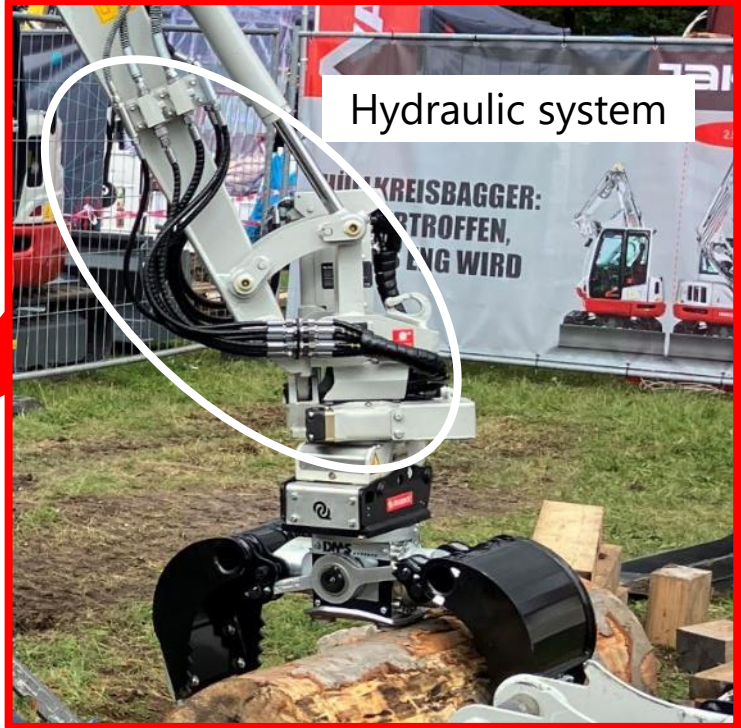
- Equipped with a brush cutter (mulcher). Mainly used for forestry.

<https://www.youtube.com/watch?v=HTnRStp9ELk>

- ✓ Many customers visited our booth as soon as it opened at 9:00 AM. (The booth served many customers who wanted to see and touch our premium products.)
- ✓ The jobs of end users have not decreased.
- ✓ Dealers purchased extra products during the product shortage after COVID-19, so they are now in a period of inventory adjustment.
- ✓ In the German construction machinery market, sales of small excavators under 3 tonnes are lackluster, but sales of those over 4 tonnes are solid.

Outdoor demonstration area

- ✓ Demonstration with different attachments
- ✓ Demonstrated the appeal of product features and the expandability and versatility of our products



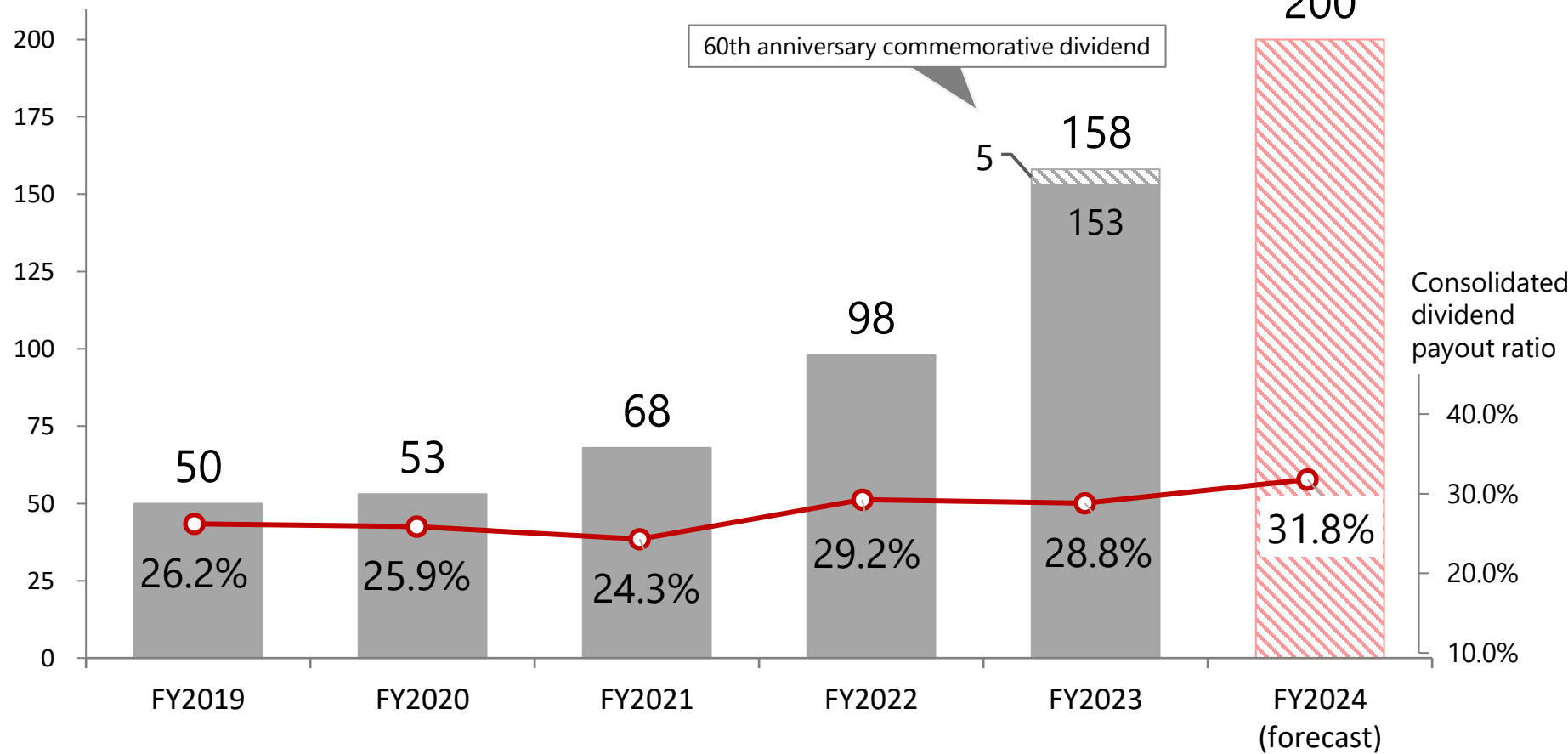
To operate attachments that perform complex movements such as grabbing, releasing and rotating, construction machinery needs to be equipped with a full hydraulic system.

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



Share Buybacks

- 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.

➤ Share Buyback Resolution by the Board of Directors (October 10, 2024)

Total number of shares to be repurchased	Up to 2 million shares (4.2% of total number of issued shares (excluding treasury shares))
Total amount of share repurchase costs	Up to 7.0 billion yen
Period of repurchases	October 11, 2024 to January 31, 2025
Buyback rationale	The buyback is based on the current shareholder return policy with due consideration of issues including share price and capital efficiency, and is an additional means of providing returns to shareholders.

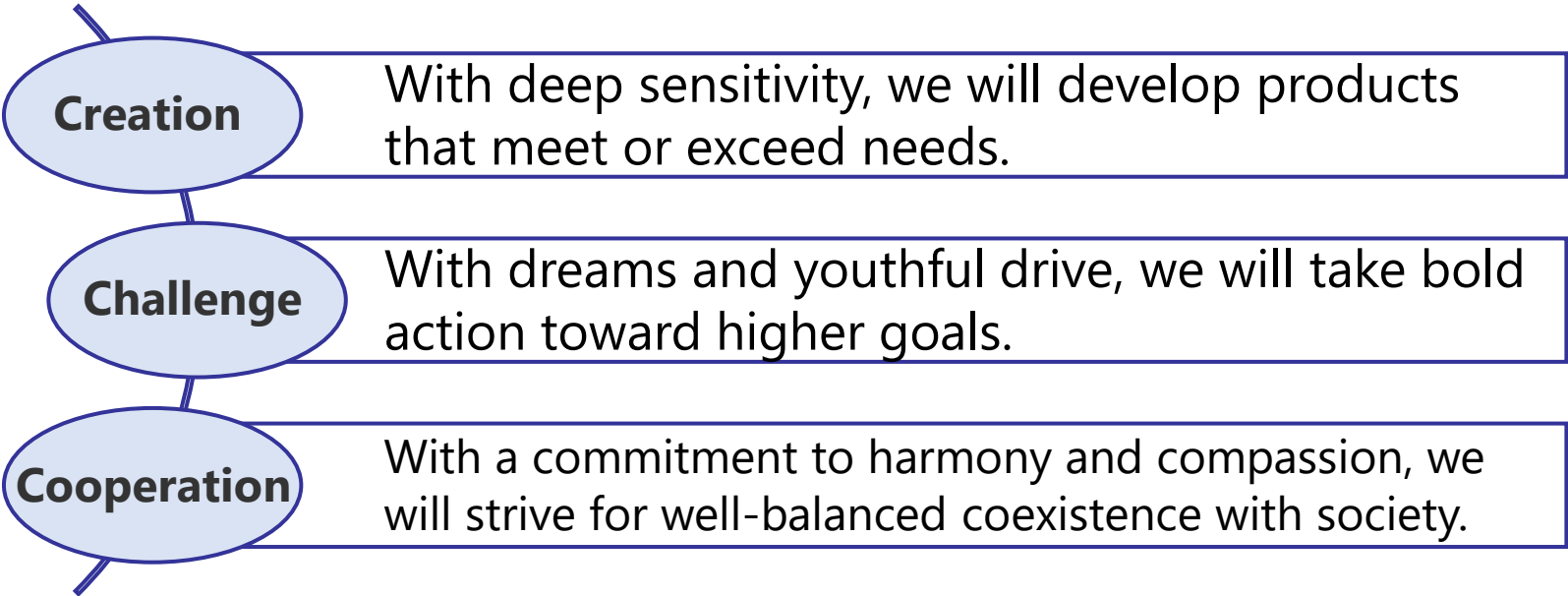
Reference

- ✓ Total number of issued shares (excluding treasury shares): 47,744,971 shares (as of September 30, 2024)
- ✓ Number of treasury shares: 1,254,029 shares (as of September 30, 2024)

- ▶ **FY2024 First Half Consolidated Results**
- ▶ **FY2024 Consolidated Forecast**
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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)	1,265 (As of August 31, 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
- Most of the demand is in North America, but demand is growing in Europe

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	1,860	(249)
North America	53,222	52,248	68,706	98,506	115,164	122,260	+7,095
Europe	60,313	54,988	65,749	73,906	89,448	87,350	(2,098)
Asia	384	181	153	495	188	150	(38)
Others	1,179	2,327	3,449	4,020	5,715	3,880	(1,835)
Net sales	115,913	112,254	140,892	178,966	212,627	215,500	+2,872
Operating profit	12,649	13,207	17,764	21,221	35,296	44,500	+9,203
Ordinary profit	12,403	13,298	18,080	21,379	35,455	42,000	+6,544
Profit attributable to owners of parent	9,091	9,765	13,348	15,979	26,149	30,000	+3,850
Earnings per share (yen)	190.64	204.78	279.91	335.19	548.58	629.36	+80.78
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	147.54	+4.29
JPY/GBP ¹ (yen)	139.49	137.88	153.06	162.58	177.55	188.03	+10.48
JPY/EUR ¹ (yen)	121.46	122.91	130.57	139.81	155.05	159.71	+4.66
JPY/RMB ¹ (yen)	15.82	15.41	17.12	19.49	19.87	20.47	+0.60
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%		

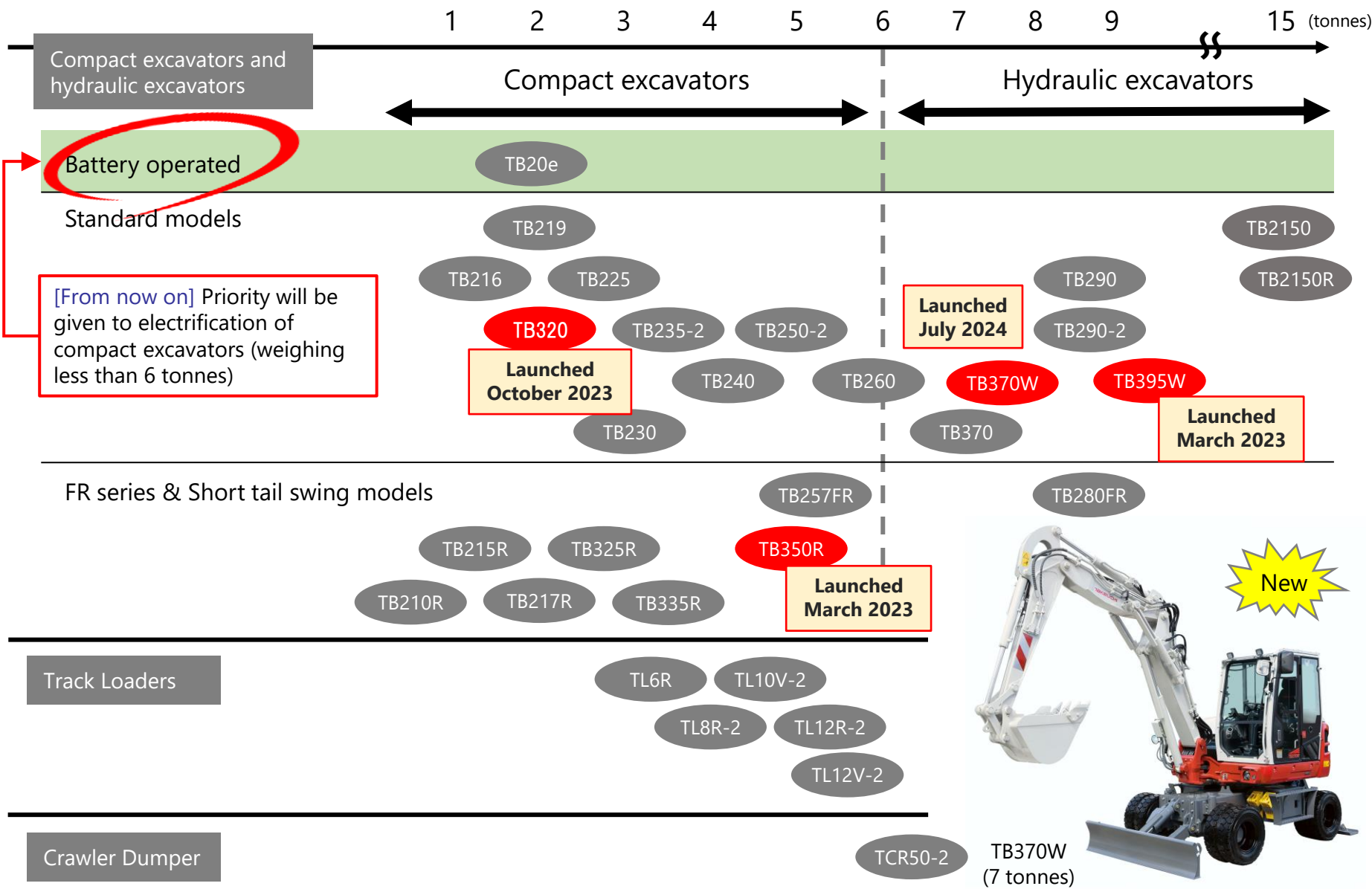
(Yen)	1H(results)	2H(Assumption)
USD	154.54	138.00
GBP	197.73	179.00
EUR	166.48	152.00
RMB	21.25	19.30

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

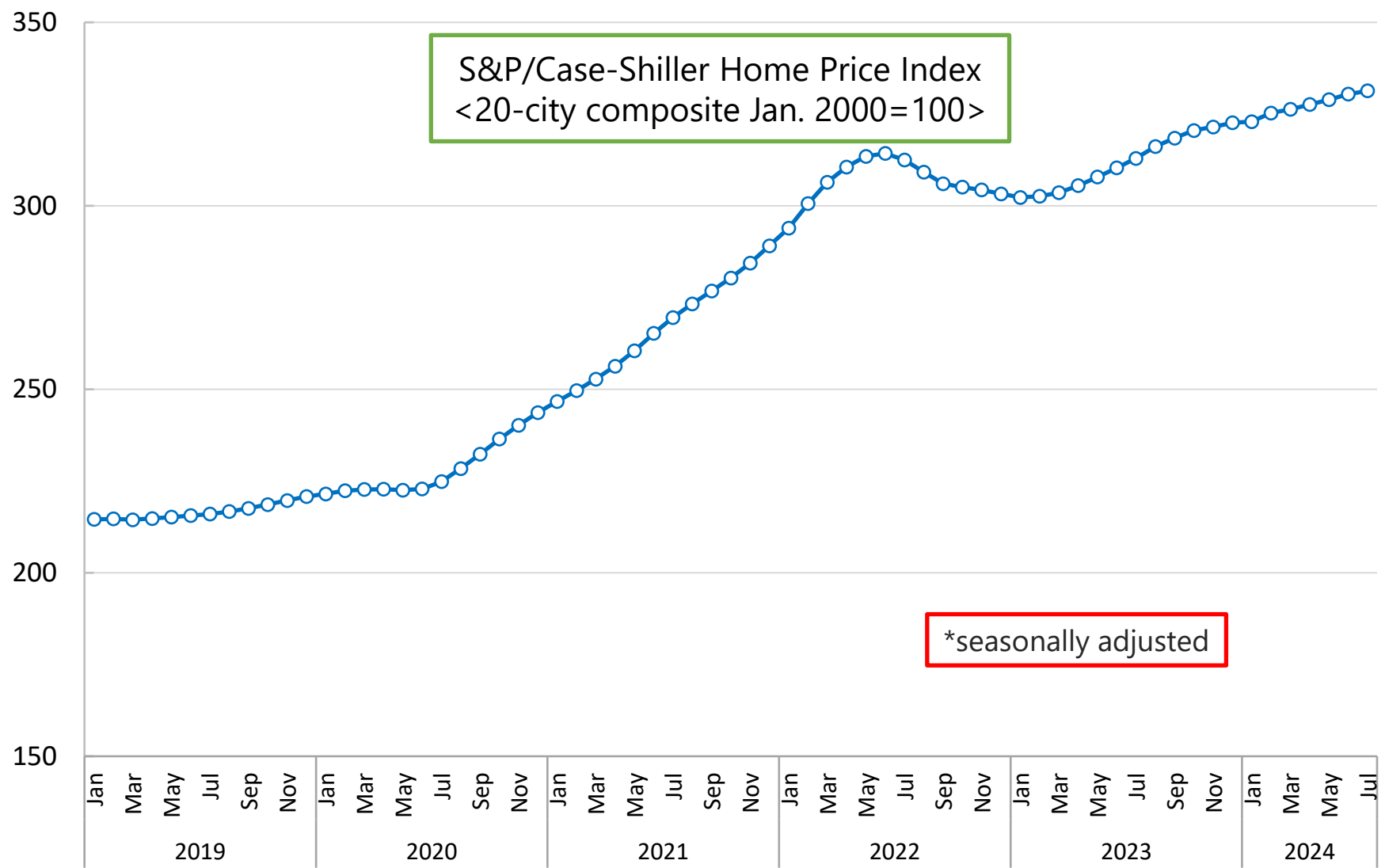
*2 ROE (Return on Equity) = Net profit / Net assets × 100 (Net assets are the average of the beginning and the end of the period)

*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



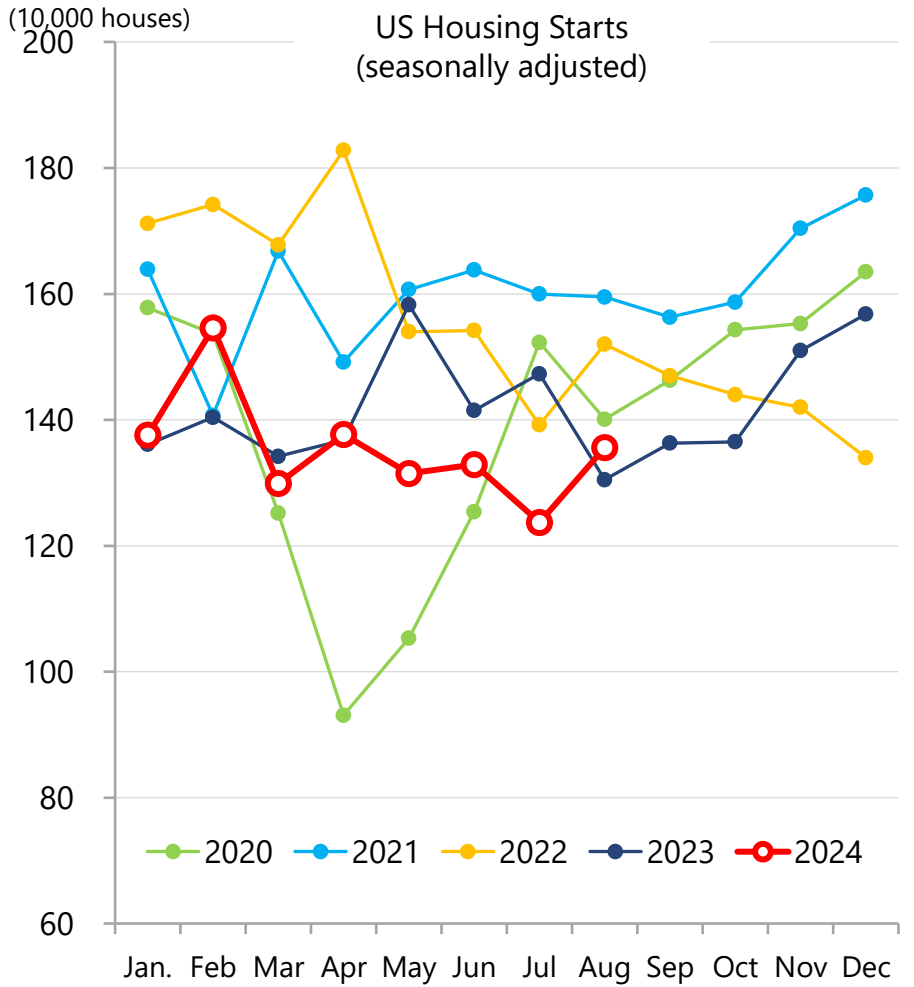
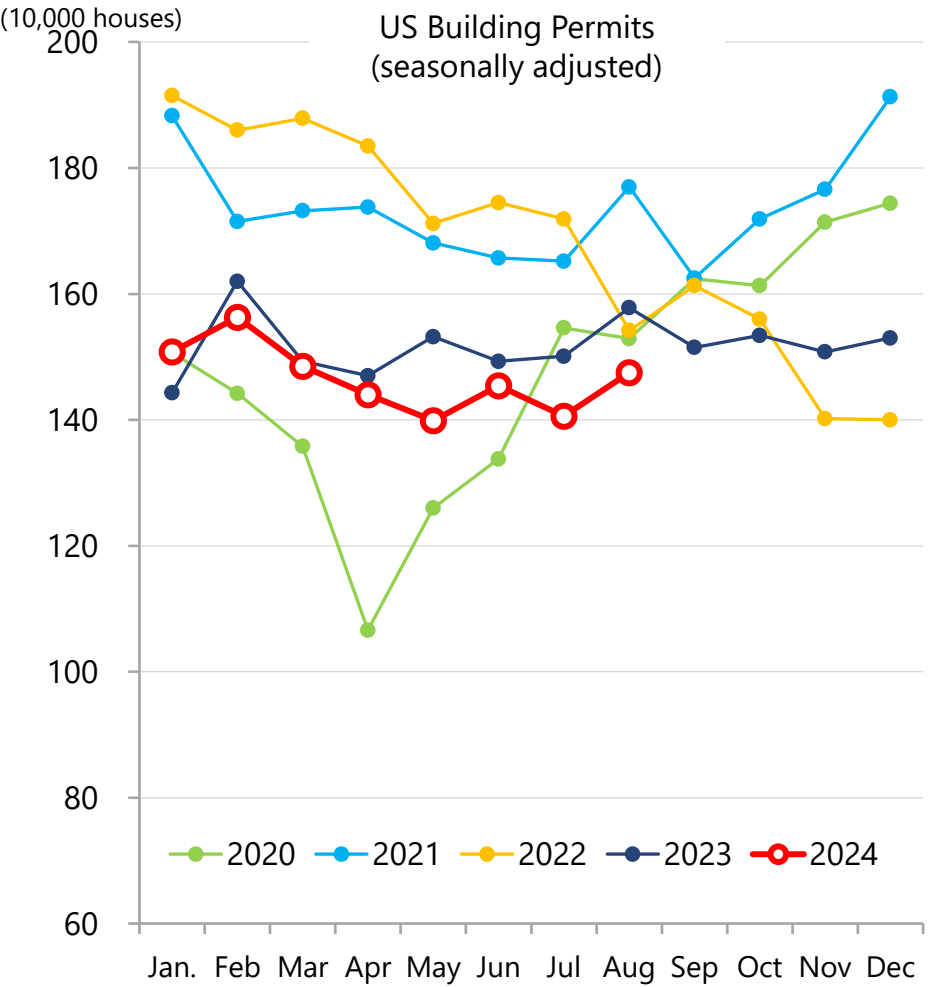
Market Outlook



(source) S&P

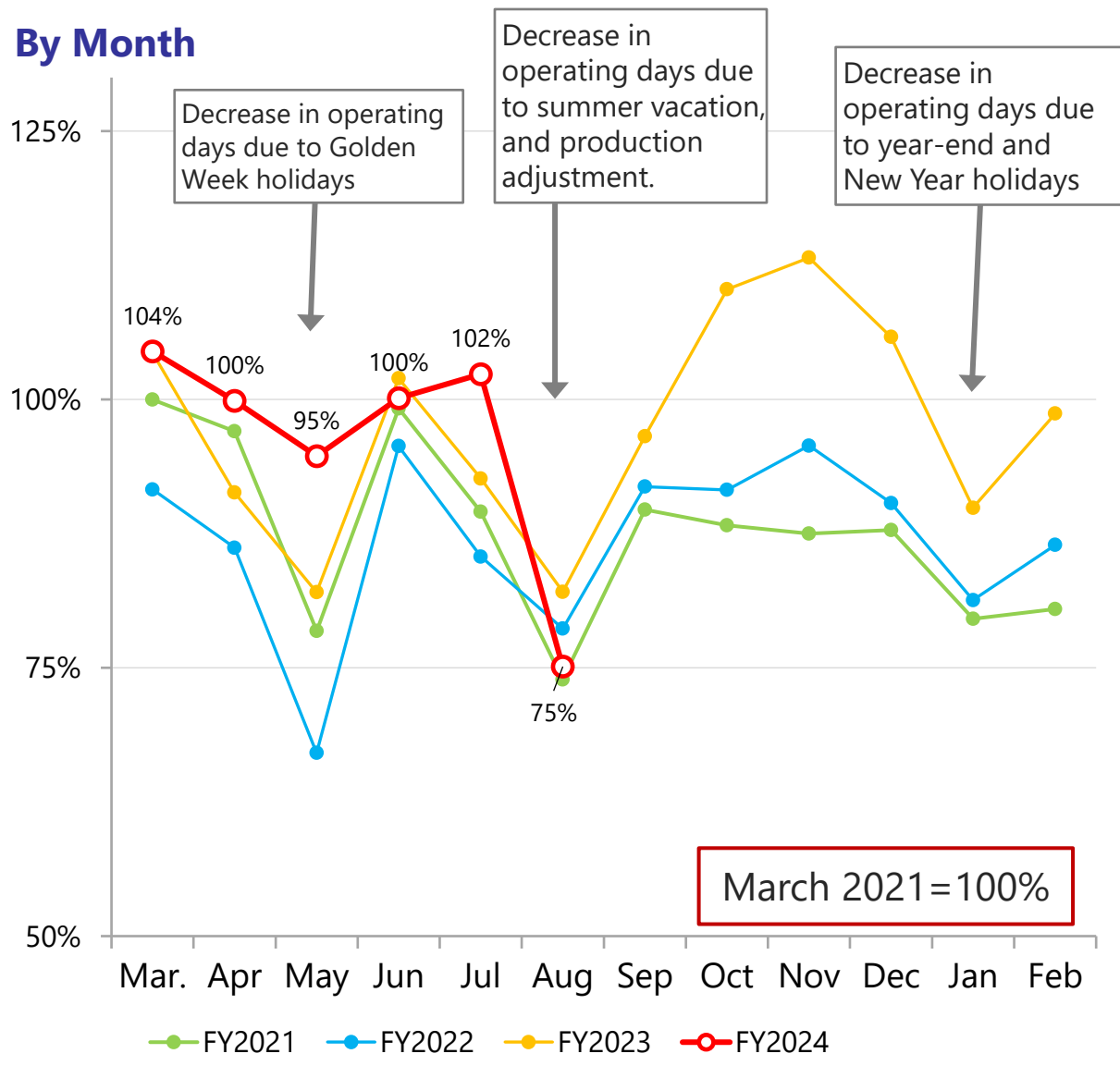
Market Outlook

- In the first half of 2020, housing demand declined due to the COVID-19 pandemic, but along with the resumption of economic activity, there was a **V-shaped recovery**
- In 2021, it remained at a high level, but from March 2022 onwards, it slowed down due to interest rate hikes in the US
- In 2023, although the adjustment period continued, housing demand itself was strong, and it has recently shown signs of recovery

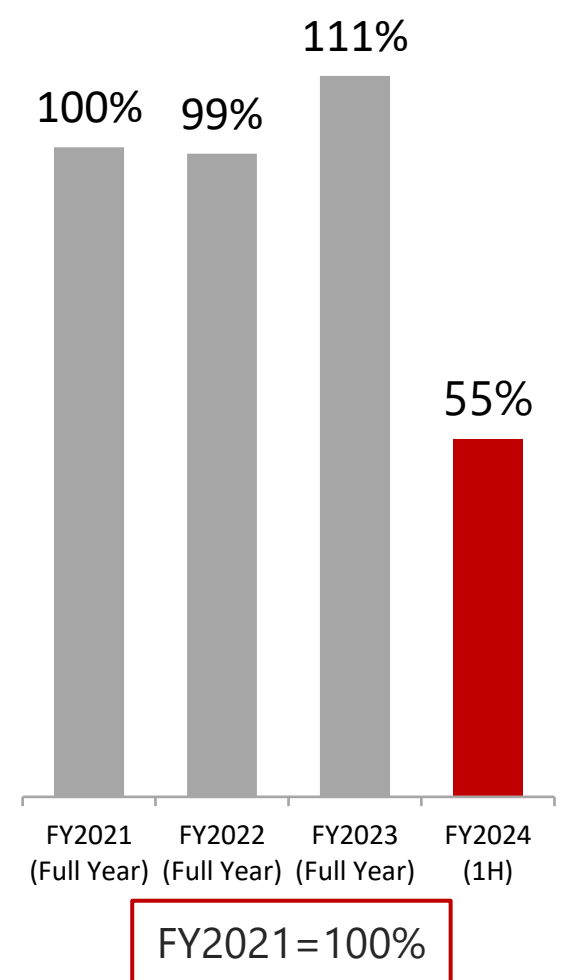


Production Volume Trends

By Month




By Fiscal Year



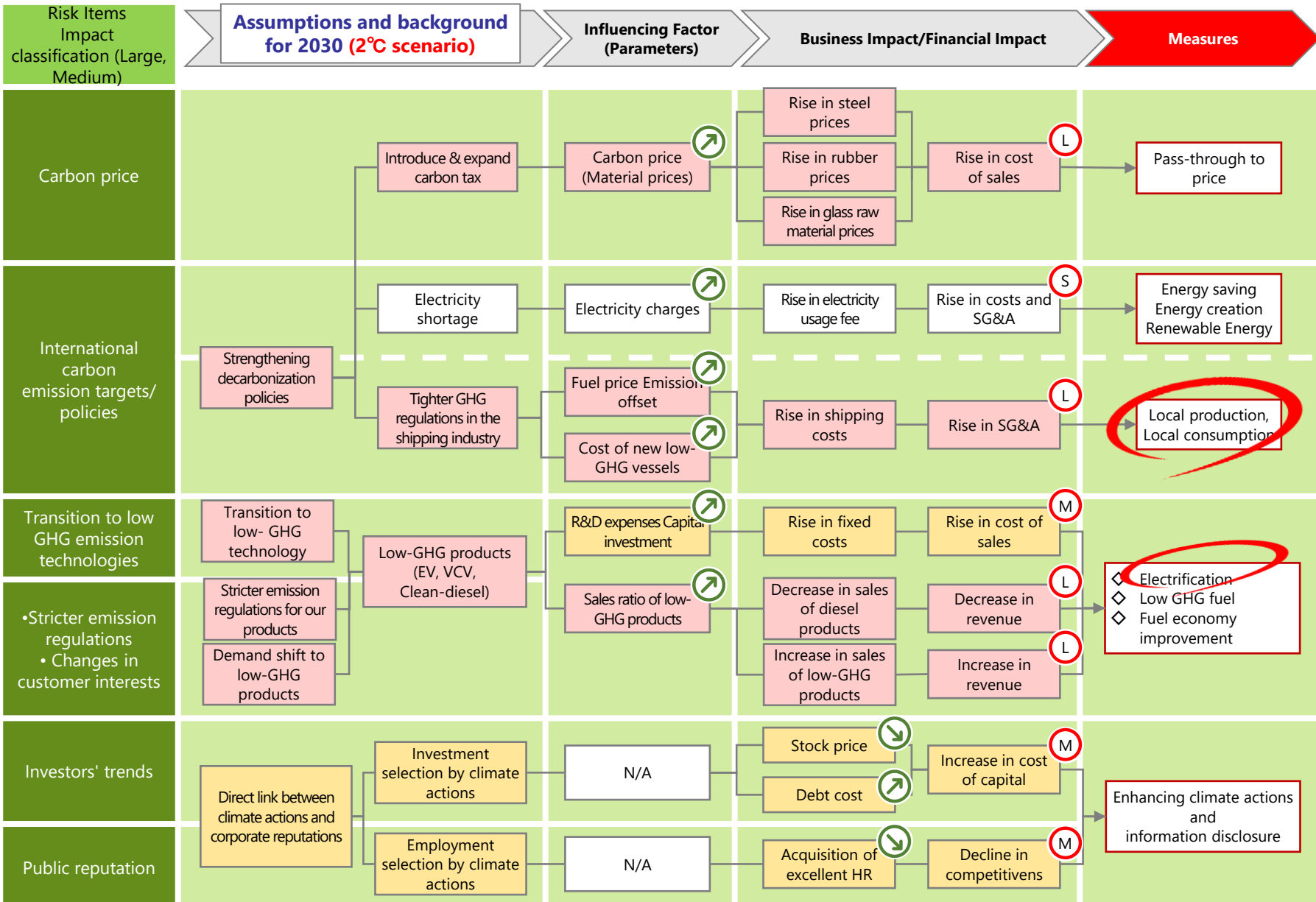
List of Material Issues

#	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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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.



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