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April 11, 2025

Consolidated Financial Results for the Fiscal Year Ended February 28, 2025 [Under Japanese GAAP]

Name of Company:	TAKEUCHI MFG. CO., LTD.
Stock Code:	6432
Stock Exchange Listing:	Tokyo Stock Exchange
URL:	https://www.takeuchi-mfg.co.jp/
Representative Title:	President & Representative Director
Name:	Toshiya Takeuchi
Contact Person Title:	Manager of Business Management Department
Name:	Atsushi Horiuchi
Phone:	+81-(0)268-81-1200
Date of regular general meeting of shareholders (tentative):	May 23, 2025
Date of commencement of dividend payment (tentative):	May 26, 2025
Date of securities report (tentative):	May 23, 2025
Supplementary explanatory documents:	Yes
Financial results briefing:	Yes (for institutional investors and analysts)

(Yen in millions, rounded down)

1. Consolidated financial results for the fiscal year ended February 2025 (March 1, 2024 – February 28, 2025)

(1) Result of operations (Consolidated) (Percentage figures represent year on year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Feb. 2025	213,230	0.3	37,142	5.2	35,608	0.4	26,113	(0.1)
Fiscal year ended Feb. 2024	212,627	18.8	35,296	66.3	35,455	65.8	26,149	63.6

(Note) Comprehensive income: FY Feb./2025: 33,918 million yen [11.2%], FY Feb./2024: 30,502 million yen [45.2%]

	Earnings per share	Earnings per share fully diluted	Return on equity	Ratio of ordinary profit to assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended Feb. 2025	552.45	-	16.6	17.1	17.4
Fiscal year ended Feb. 2024	548.58	-	19.4	19.9	16.6

(Reference) Equity in earnings/losses of affiliates: FY Feb./2025 - million yen FY Feb./2024 - million yen

(2) Financial position (Consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of February 28, 2025	217,718	167,000	76.7	3,614.13
As of February 29, 2024	198,153	147,625	74.5	3,096.99

(Reference) Shareholders' equity: As of February 28, 2025: 167,000 million yen As of February 29, 2024: 147,625 million yen

(3) Cash flow position (Consolidated)

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Feb. 2025	8,283	(2,348)	(14,583)	46,047
Fiscal year ended Feb. 2024	24,640	(7,771)	(4,714)	54,682

2. Dividends

	Dividend per share					Annual total amount	Payout ratio (Consolidated)	Dividends/ net assets (Consolidated)
	End of Q1	End of Q2	End of Q3	End of FY	Full year			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Feb. 2024	-	0.00	-	158.00	158.00	7,543	28.8	5.6
Fiscal year ended Feb. 2025	-	0.00	-	200.00	200.00	9,257	36.2	6.0
Fiscal year ending Feb. 2026(est.)	-	0.00	-	-	-		-	

(Note) The forecast for the year-end dividend for the fiscal year ending February 2026 is not yet determined. It is scheduled to be disclosed around the time of the announcement of the six months financial results, which is scheduled for October 2025, taking into account the impact of the U.S. tariff policies on the consolidated financial results of the Group.

3. Forecast for the fiscal year ending February 2026 (Consolidated, March 1, 2025 to February 28, 2026)

(Percentage figures represent year on year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	113,000	3.1	22,600	(9.1)	21,500	(7.3)	15,300	(9.2)	331.11
Full year	225,000	5.5	42,000	13.1	41,000	15.1	29,200	11.8	631.93

(Note) The consolidated earnings forecasts do not take into account the impact of the U.S. tariff policies.

*** Notes**

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

(2) Changes in accounting principles and estimates, and retrospective restatement
- (a) Changes due to revision of accounting standards: None
- (b) Changes other than in (a): None
- (c) Changes in accounting estimates: None
- (d) Retrospective restatement: None

(3) Number of shares outstanding (common stock)

(a) Shares outstanding (including treasury shares)

As of February 28, 2025: 48,999,000 As of February 29, 2024: 48,999,000

(b) Treasury shares

As of February 28, 2025: 2,791,467 As of February 29, 2024: 1,331,635

(c) Average number of shares

Period ended February 28, 2025: 47,268,353 Period ended February 29, 2024: 47,667,383

(Note) Treasury shares include shares held by the Board Incentive Plan Trust (77,640 shares as of February 28, 2025 and 77,640 shares as of February 29, 2024).

(Reference) Overview of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended February 2025 (March 1, 2024 – February 28, 2025)

(1) Result of operations (Non-consolidated) (Percentage figures represent year on year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Feb. 2025	200,612	4.0	31,380	10.1	29,350	4.1	20,753	2.7
Fiscal year ended Feb. 2024	192,847	22.7	28,493	147.2	28,186	138.2	20,210	138.0

	Earnings per share	Earnings per share fully diluted
	Yen	Yen
Fiscal year ended Feb. 2025	439.06	-
Fiscal year ended Feb. 2024	423.99	-

(2) Financial Position (Non-consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of February 28, 2025	142,590	102,928	72.2	2,227.53
As of February 29, 2024	140,500	96,718	68.8	2,029.04

(Reference) Shareholders' equity As of Feb. 28, 2025: 102,928 million yen As of Feb. 29, 2024: 96,718 million yen

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

* Cautionary statement regarding forecasts of operating results and special notes

(1) Financial Outlook

Forward-looking statements in these materials are based on information available to management at the time this report was formulated and assumptions that management believes are reasonable. Actual results may differ significantly from these statements for a number of reasons. For information about the forecasts, please see "1. Results of Operations (4) Future Outlook" on page 4 of the Supplementary Information

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

We plan to hold a financial results briefing for institutional investors and securities analysts on April 23, 2025. The financial results briefing materials will be posted on our website on the day of the briefing.

Index for Supplementary Information

1. Results of Operations

(1) Overview of Consolidated Business Performance

The Takeuchi Group has focused on five key measures in its Third Medium-Term Business Plan running from the fiscal year 2022 to fiscal year 2024. These include: 1) investing in human capital, 2) accelerating product development, 3) increasing production capacity, 4) expanding our sales network and increasing sales of aftermarket parts, and 5) promoting sustainability management. At our Aoki factory in Nagano Prefecture, we launched production of 4- to 9-tonne mid-size excavators in September 2023. This followed the start of production of track loaders by the semi-knockdown method at our plant in South Carolina in September 2022. Both factories achieved the medium-term business plan production capacity targets at the end of August 2024. Combined with the existing home office factory, production capacity has risen by around 1.5 times. In addition, we launched the TB370W wheeled hydraulic excavator in July 2024 and worked to expand market share with our extensive product lineup that includes new products.

The Group's cumulative sales volume for fiscal year 2024 (March 1, 2024 to February 28, 2025), the final fiscal year of the current medium-term business plan, decreased compared to the previous fiscal year, mainly due to a slowdown in demand for construction machinery in the European market.

In North America, the number of new housing starts remains in an adjustment phase due to elevated mortgage rates and home prices, and there is growing uncertainty due to concerns about the effects of higher tariffs. Due to the drop off in sales of mainstay products in the fourth quarter, sales volume declined compared to the previous fiscal year. In Europe, the economic environment remains sluggish, causing a decline in investment appetite not only in construction machinery but also across all industries. Sales of track loaders were positive, but sales of compact excavators and hydraulic excavators were sluggish, although this varied by country, resulting in a significant downturn in sales volume compared to the previous fiscal year.

Orders received in the current fiscal year totaled 162,750 million yen, up 7.9% from the previous fiscal year. The increase in orders received compared to the previous fiscal year was mainly due to an increase in orders from dealers of our U.S. sales subsidiary in the fourth quarter. The order backlog as of the end of the fiscal year under review totaled 78,417 million yen, down 50,479 million yen from the end of the previous fiscal year.

As a result, sales volume for this fiscal year was down year on year. However, net sales rose 0.3% year on year to 213,230 million yen, a new record high, buoyed by the weak yen and product price increases. Operating profit came to 37,142 million yen, up 5.2% year on year, and ordinary profit was 35,608 million yen, up 0.4%. Although increasing parts procurement costs and valuation losses on raw materials inventories, coupled with depreciation and labor costs at the Aoki factory, which began operations in September 2023, were reducing profits, these were offset by the weak yen and product price increases. The valuation loss on raw materials inventories was because sales of battery-powered excavators were significantly lower than expected, and related parts such as batteries that were ordered in advance in anticipation of increased sales became slow moving inventory, resulting in a write-down of the book value of 2,659 million yen. After income taxes of 9,495 million yen, profit attributable to owners of parent was 26,113 million yen (down 0.1% year on year).

The performance by geographic segment was as follows.

(a) Japan

Shipments to distributors in Europe account for most of the sales in this segment. In Europe, housing demand is sluggish due to elevated mortgage rates and rising cost of living, including energy prices, and demand for non-residential construction work including construction investment is also weakening. In this environment, sales volume for distributors in Europe fell significantly compared to the previous fiscal year, resulting in net sales of 67,133 million yen, down 11.0% year on year. Segment profit increased 11.7% year on year to 34,305 million yen, driven by product price increases and the weak yen.

(b) United States

In the U.S. segment, the number of new housing starts remained in an adjustment phase due to elevated mortgage rates and home prices, and investors became more cautious about investment due to the assessment of the incoming president's tariff and trade policies. In this environment, there was a trend to postpone product purchases, resulting in a decline in product sales in the fourth quarter and a decrease in sales volume compared to the previous fiscal year. However, due to product price increases and the impact of the weak yen, net sales reached 120,103 million yen, up 4.3% year on year, and segment profit was 10,911 million yen, up 0.4%.

(c) United Kingdom

In the UK segment, elevated mortgage rates and rising cost of living, including energy prices, were pushing down demand for housing. However, signs of recovery in personal consumption were seen as the inflation rate declined, and price reductions implemented to promote sales also proved successful, resulting in higher sales volume compared to the previous fiscal year. In this environment, the weak yen and other factors helped push net sales to 14,547 million yen, up 19.9% year on year. However, price reductions and other factors caused segment profit to drop 45.2% to 499 million yen.

(d) France

In the France segment, elevated mortgage rates and surging cost of living, including energy prices, are pushing down housing demand, and coupled with the persistent weakness in the economic environment, are causing a downturn in investment appetite not only in construction machinery, but also in general. Amid this environment, sales volume of products exceeded the previous year due to discounts for sales promotions, and owing to the weak yen, among other factors, net sales totaled 11,325 million yen, up 15.6% year on year, but segment profit was 816 million yen, down 16.1% due to hikes of the invoice price from the home office.

(e) China

The China segment's main business is the manufacture and sale of construction machinery parts for the Japan segment. Net sales to external customers totaled 120 million yen, up 6.5% year on year, and segment profit reached 297 million yen, up 113.2%.

(2) Overview of Financial Condition

(Assets)

Net assets at the end of the current fiscal year increased by 19,565 million yen compared to the end of the previous fiscal year to 217,718 million yen. This was mainly due to increases in notes and accounts receivable-trade of 1,014 million yen, in inventories of 22,234 million yen, and in deferred tax assets of 3,897 million yen which offset the decrease in cash and deposits of 8,693 million yen from the use of 7,000 million yen for the purchase of treasury shares. Among our inventories, merchandise and finished goods increased by 20,522 million yen to 50,343 million yen. This was mainly due to the longer inventory periods required for logistics due to ships bypassing the Red Sea, rising product inventories at the U.S. sales subsidiary in anticipation of higher sales volume in fiscal year 2025 and beyond, and the weak yen. Additionally, raw materials and supplies decreased by 1,748 million yen to 14,477 million yen, due to factors such as a write-down of 2,659 million yen in the book value of battery-powered excavator parts that had become slow moving inventory.

(Liabilities)

Total liabilities at the end of the current fiscal year decreased by 190 million yen compared to the end of the previous fiscal year to 50,718 million yen. This was mainly due to decreases in accounts payable-trade of 358 million yen and in income taxes payable of 691 million yen, which offset the increase in provision for product warranties of 846 million yen.

(Net assets)

Net assets at the end of the current fiscal year increased by 19,374 million yen compared to the end of the previous fiscal year to 167,000 million yen. This was mainly due to increases of 26,113 million yen from profit attributable to owners of parent and of 7,698 million yen in foreign currency translation adjustments, despite decreases of 7,543 million yen from the payment of dividends and 7,000 million yen for the purchase of treasury shares.

(3) Overview of Cash Flows

Cash and cash equivalents (hereinafter referred to as "cash") at the end of the current fiscal year decreased by 8,634 million yen compared to the end of the previous fiscal year to 46,047 million yen. The status of each cash flow and their factors during the current fiscal year are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities decreased by16,357 million yen compared to the previous fiscal year to 8,283 million yen.

This was mainly due to inflows from the decrease in trade receivables of 1,856 million yen and profit before income taxes of 35,608 million yen, compared to outflows from the increase in inventories of 17,171 million yen and expenditures of 15,072 million yen or profit before income taxes.

(Cash flows from investing activities)

Net cash used in investing activities decreased by 5,423 million yen compared to the previous fiscal year to 2,348 million yen.

This was mainly due to payments for purchase of property, plant and equipment of 3,269 million yen, despite proceeds from redemption of marketable securities of 600 million yen and proceeds from redemption of investment securities of 300 million yen.

(Cash flows from financing activities)

Net cash used in financing activities increased by 9,868 million yen compared to the previous fiscal year to 14,583 million yen. This was mainly due to 7,000 million yen for the purchase of treasury shares and 7,539 million yen for dividends paid.

(Reference) Cash flow indices

	FY Feb./2021	FY Feb./2022	FY Feb./2023	FY Feb./2024	FY Feb./2025
Equity ratio (%)	77.8	75.9	76.7	74.5	76.7
Market capitalization equity ratio (%)	111.2	89.1	87.3	126.5	108.9
Cash flow to debt ratio (years)	—	—	—	—	—
Interest coverage ratio (times)	—	—	—	—	—

Equity ratio = Shareholders' equity/Total assets
Market capitalization equity ratio = Market capitalization/Total assets
Cash flow to debt ratio = Interest-bearing debts/Operating cash flows
Interest coverage ratio = Operating cash flows/Interest expenses paid

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

(4) Future Outlook

Forward looking statements do not include the U.S. tariff policies. Although the impact of U.S. tariff policies has many uncertainties, assuming that the sales volume in the U.S. is down 10% compared to the fiscal year ended February 2025 (21.4% down compared to the forecast of the sales volume for the fiscal year ending 2026) and the tariff costs of 24% are absorbed by the Group without being passed on in terms of prices, there is a possibility that the consolidated net sales would decrease by 24.0 billion yen and the consolidated operating profit would decrease by 13.0 billion yen compared to the forecast below.

Consolidated Earnings Forecast

	Results for FY Feb./2025	Forecast for FY Feb./2026	Change
	Million yen	Million yen	%
Net sales	213,230	225,000	5.5%
Operating profit	37,142	42,000	13.1%
Ordinary profit	35,608	41,000	15.1%
Profit attributable to owners of parent	26,113	29,200	11.8%

Exchange rates

	Average in FY Feb./2025	Assumption for FY Feb./2026
	Yen	Yen
US dollar	152.65	145.00
British pound	194.85	183.00
Euro	163.74	152.00
Yuan	21.13	20.00

Takeuchi Group launched its Fourth Medium-Term Business Plan (for the period from fiscal year ending February 2026 to fiscal year ending February 2028) in March 2025. Consolidated results for the fiscal year ending February 28, 2026, the first year of the plan, are expected to be as shown in the table above.

The Group's main markets are North America and Europe, where our products are used in housing-related construction projects, lifeline development projects (electricity, gas, water and sewage, roads, etc.), and public and private-sector construction investment in North American and European countries. Housing shortages and aging lifelines are serious social issues not only in North America and Europe, but all over the world. Additionally, it is possible that construction of renewable energy-related infrastructure will grow in order to realize a decarbonized society. Given this background, we believe that demand for our products is likely to grow steadily over the medium to long term.

In North America, there are concerns about sluggish home sales caused by soaring home prices and elevated mortgage rates. However, underlying housing demand remains strong, and against the backdrop of robust public infrastructure investment, solid employment, and favorable personal consumption, we expect product sales to progress steadily, particularly for our mainstay product, track loaders. Our sales subsidiary in the United States is working to strengthen its dealer network and expand its market share, which we expect will result in sales volume of both excavators and track loaders exceeding the current fiscal year. In Europe, sales of excavators, our mainstay product, have been sluggish due to a decline in investment sentiment against the backdrop of a prolonged macroeconomic slowdown. This situation is expected to continue into the next fiscal year, with sales volume of both excavators and track loaders forecast to be slightly lower than in the current fiscal year.

As a result, sales volume for the fiscal year ending February 28, 2026, is expected to increase 7.6% compared to the current fiscal year (comprising a 14.5% increase in North America and a 2.7% decrease in Europe), and consolidated net sales are expected to increase 5.5% to 225,000 million yen. Earnings forecasts are: operating profit of 42,000 million yen (up 13.1% year on year), ordinary profit of 41,000 million yen (up 15.1%), and profit attributable to owners of parent of 29,200 million yen (up 11.8%). We assumed that there would be factors reducing profits, such as the yen's appreciation against major currencies, price discounts on sales, an increase in manufacturing costs due to an increase in fixed costs at the suppliers, and an increase in personnel expenses as investment in human capital. However, we also assumed that there would be factors increasing profits, such as higher sales due to an increase in sales volume, and that the impact of the write-down of parts for battery operated excavators that occurred in the current consolidated fiscal year would be greatly reduced in the next term. As a result, we forecast increases in revenue and profits.

The forecast above is based on information that was available when the plan for the next fiscal year was formulated. The forecast is vulnerable to many uncertainties including, but not limited to, changes in demand and other aspects of market conditions and foreign exchange rate movements. Consequently, actual results may differ from this forecast because of changes in a variety of factors.

(5) Basic Policy of Profit Distribution and Dividends for the Current and Next Fiscal Years

Regarding dividend payouts, our basic policy has been to strive to continue paying stable dividends, aiming for a dividend payout ratio of 30%, while securing the necessary internal reserves to strengthen our management structure and prepare for future business development. Based on this policy, we plan to pay a year-end dividend of 200 yen per share for the current fiscal year, an increase of 42 yen from the previous fiscal year.
In formulating our Fourth Medium-term Business Plan, we have decided to revise our basic policy as follows and increase dividend payouts to shareholders.

(Basic policy)
We will prioritize allocation of cash flow to growth investment and secure working capital equivalent to 2 to 2.5 months of monthly sales as a guideline, after which we will allocate any surplus funds to shareholder returns.
(1) Aiming for a Dividend Payout Ratio of 40%, we will gradually increase it.
(2) We will flexibly acquire treasury shares, taking into consideration stock price levels and capital efficiency.

The forecast for the year-end dividend for the fiscal year ending February 2026 is not yet determined. It is scheduled to be disclosed around the time of the announcement of the six months financial results, which is scheduled for October 2025, taking into account the impact of the U.S. tariff policies on the consolidated financial results of the Group.

(Note) For an overview of the Fourth Medium-term Business Plan, please refer to the "Announcement of the Fourth Medium-term Business Plan (FY2025-FY2027)" released today, April 11, 2025.

2. Basic Stance for the Selection of Accounting Standards

The policy of the Takeuchi Group is to continue preparing consolidated financial statements based on Japanese accounting standards for the time being.
For the application of international accounting standards, actions will be taken in an appropriate manner based on all relevant factors in Japan and other countries.

3. Consolidated Financial Statements and Important Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	As of February 29, 2024	As of February 28, 2025
Assets		
Current assets		
Cash and deposits	55,175	46,482
Notes and accounts receivable - trade	44,572	45,586
Merchandise and finished goods	29,820	50,343
Work in process	12,216	15,676
Raw materials and supplies	16,226	14,477
Other	5,101	5,886
Allowance for doubtful accounts	(1,192)	(1,198)
Total current assets	161,920	177,254
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,660	18,729
Machinery, equipment and vehicles, net	4,765	3,875
Tools, furniture and fixtures, net	1,192	1,098
Land	3,940	4,287
Construction in progress	637	1,100
Total property, plant and equipment	28,196	29,091
Intangible assets	829	672
Investments and other assets		
Investment securities	767	168
Deferred tax assets	5,190	9,088
Retirement benefit asset	329	481
Other	941	983
Allowance for doubtful accounts	(21)	(21)
Total investments and other assets	7,206	10,700
Total non-current assets	36,233	40,464
Total assets	198,153	217,718

(Millions of yen)

	As of February 29, 2024	As of February 28, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	36,381	36,022
Income taxes payable	6,558	5,867
Provision for bonuses	675	792
Provision for product warranties	2,247	3,094
Other	4,009	4,197
Total current liabilities	49,872	49,974
Non-current liabilities		
Provision for share awards for directors (and other officers)	113	130
Retirement benefit liability	102	138
Other	439	475
Total non-current liabilities	655	744
Total liabilities	50,527	50,718
Net assets		
Shareholders' equity		
Share capital	3,632	3,632
Capital surplus	3,631	3,631
Retained earnings	130,648	149,217
Treasury shares	(2,032)	(9,033)
Total shareholders' equity	135,879	147,448
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	57	58
Foreign currency translation adjustment	11,604	19,303
Remeasurements of defined benefit plans	84	190
Total accumulated other comprehensive income	11,745	19,551
Total net assets	147,625	167,000
Total liabilities and net assets	198,153	217,718

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

(Millions of yen)

	Fiscal year ended February 29, 2024	Fiscal year ended February 28, 2025
Net sales	212,627	213,230
Cost of sales	160,481	157,221
Gross profit	52,146	56,009
Selling, general and administrative expenses		
Transportation costs	7,189	6,707
Provision for product warranties	1,232	1,959
Provision of allowance for doubtful accounts	(0)	(0)
Remuneration for directors (and other officers)	380	428
Salaries and allowances	3,212	3,598
Provision for bonuses	121	134
Retirement benefit expenses	91	111
Provision for share awards for directors (and other officers)	19	17
Other	4,603	5,909
Total selling, general and administrative expenses	16,849	18,866
Operating profit	35,296	37,142
Non-operating income		
Interest income	513	526
Dividend income	3	4
Other	97	234
Total non-operating income	614	766
Non-operating expenses		
Loss on retirement of non-current assets	13	44
Foreign exchange losses	341	2,252
Loss on valuation of derivatives	99	—
Other	0	2
Total non-operating expenses	455	2,300
Ordinary profit	35,455	35,608
Profit before income taxes	35,455	35,608
Income taxes - current	11,663	13,311
Income taxes - deferred	(2,357)	(3,816)
Total income taxes	9,306	9,495
Profit	26,149	26,113
Profit attributable to owners of parent	26,149	26,113

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Fiscal year ended February 29, 2024	Fiscal year ended February 28, 2025
Profit	26,149	26,113
Other comprehensive income		
Valuation difference on available-for-sale securities	40	0
Foreign currency translation adjustment	4,216	7,698
Remeasurements of defined benefit plans, net of tax	95	106
Total other comprehensive income	4,352	7,805
Comprehensive income	30,502	33,918
Comprehensive income attributable to owners of parent	30,502	33,918
Comprehensive income attributable to non-controlling interests	–	–

(3) Consolidated Statement of Changes in Equity

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

(Millions of yen)

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

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

Current fiscal year (March 1, 2024 – February 28, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,632	3,631	130,648	(2,032)	135,879
Changes during period					
Dividends of surplus			(7,543)		(7,543)
Profit attributable to owners of parent			26,113		26,113
Purchase of treasury shares				(7,000)	(7,000)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	18,569	(7,000)	11,568
Balance at end of period	3,632	3,631	149,217	(9,033)	147,448

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	57	11,604	84	11,745	147,625
Changes during period					
Dividends of surplus					(7,543)
Profit attributable to owners of parent					26,113
Purchase of treasury shares					(7,000)
Net changes in items other than shareholders' equity	0	7,698	106	7,805	7,805
Total changes during period	0	7,698	106	7,805	19,374
Balance at end of period	58	19,303	190	19,551	167,000

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended February 29, 2024	Fiscal year ended February 28, 2025
Cash flows from operating activities		
Profit before income taxes	35,455	35,608
Depreciation	3,321	3,755
Increase (decrease) in allowance for doubtful accounts	(0)	(96)
Increase (decrease) in provision for bonuses	28	114
Increase (decrease) in provision for product warranties	104	680
Decrease (increase) in retirement benefit asset	26	0
Increase (decrease) in provision for share awards for directors (and other officers)	19	17
Interest and dividend income	(516)	(531)
Foreign exchange losses (gains)	1,927	2,140
Loss (gain) on sale of non-current assets	(5)	(22)
Loss on retirement of non-current assets	13	41
Decrease (increase) in trade receivables	(6,889)	1,856
Decrease (increase) in inventories	(8,506)	(17,171)
Increase (decrease) in trade payables	8,501	(3,548)
Decrease (increase) in other assets	(1,213)	(117)
Increase (decrease) in other liabilities	(1,212)	100
Other, net	(4)	(3)
Subtotal	31,050	22,823
Interest and dividends received	514	532
Income taxes paid	(6,923)	(15,072)
Net cash provided by (used in) operating activities	24,640	8,283
Cash flows from investing activities		
Decrease (increase) in time deposits	(18)	58
Proceeds from redemption of securities	100	600
Purchase of property, plant and equipment	(7,537)	(3,269)
Proceeds from sale of property, plant and equipment	12	37
Purchase of intangible assets	(325)	(71)
Proceeds from redemption of investment securities	–	300
Other, net	(3)	(3)
Net cash provided by (used in) investing activities	(7,771)	(2,348)
Cash flows from financing activities		
Purchase of treasury shares	(0)	(7,000)
Dividends paid	(4,679)	(7,539)
Repayments of lease liabilities	(34)	(43)
Net cash provided by (used in) financing activities	(4,714)	(14,583)
Effect of exchange rate change on cash and cash equivalents	(991)	14
Net increase (decrease) in cash and cash equivalents	11,162	(8,634)
Cash and cash equivalents at beginning of period	43,519	54,682
Cash and cash equivalents at end of period	54,682	46,047

(5) Notes to the Consolidated Financial Statements

(Notes to Going Concern Assumptions)

None

(Segment Information, etc.)

a. Segment information

1. Summary of reportable segments

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

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

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

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

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

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

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

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

(Million yen)

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

(Notes)

1. The adjustments are as follows.
   (1) Adjustment in segment profit of (8,322) million yen includes (6,082) million yen for elimination of inter-segment trade and (2,240) million yen for corporate expenses which has not been distributed in the segments. The corporate expenses are general expenses that are not attributed to the segments.
   (2) Adjustment in segment assets of 2,115 million yen includes (42,504) million yen for elimination of inter-segment trade and 44,619 million yen for corporate assets which has not been distributed in the segments. Corporate assets are primarily unused funds (cash and deposits) at Takeuchi Mfg. and assets associated with administrative departments.
   (3) The depreciation adjustment of 264 million yen is corporate expenses which has not been distributed in the segments.
   (4) The 1,563 million yen adjustment for increase in property, plant and equipment and intangible assets is corporate assets which has not been distributed in the segments.
2. Segment profits are adjusted for operating profit on the consolidated statements of income.
3. The information on revenue breakdown is the same as the information on sales of reporting segments in the segment information, etc., and the breakdown information is provided by geographic region.

Current fiscal year (March 1, 2024 – February 28, 2025)

(Million yen)

	Reporting segments					Total	Adjustments (Note 1)	Amount on the consolidated statements of income (Note 2)
	Japan	US	UK	France	China			
Net sales Revenue from contracts with customers	67,133	120,103	14,547	11,325	120	213,230	−	213,230
(Of which to outside customers)	67,133	120,103	14,547	11,325	120	213,230	−	213,230
(Of which inter-segment /transfer)	133,478	9	17	10	4,673	138,188	(138,188)	−
Total	200,612	120,113	14,564	11,335	4,793	351,418	(138,188)	213,230
Segment profit	34,305	10,911	499	816	297	46,830	(9,688)	37,142
Segment assets	99,519	100,508	11,626	10,895	3,569	226,118	(8,399)	217,718
Others Depreciation	2,234	896	17	43	180	3,373	381	3,755
Increase in property, plant and equipment and intangible assets	203	591	13	12	81	902	2,480	3,383

(Notes)

1. The adjustments are as follows.
   (1) Adjustment in segment profit of (9,688) million yen includes (6,764) million yen for elimination of inter-segment trade and (2,923) million yen for corporate expenses which has not been distributed in the segments. The corporate expenses are general expenses that are not attributed to the segments.
   (2) Adjustment in segment assets of (8,399) million yen includes (52,824) million yen for elimination of inter-segment trade and 44,424 million yen for corporate assets which has not been distributed in the segments. Corporate assets are primarily unused funds (cash and deposits) at Takeuchi Mfg. and assets associated with administrative departments.
   (3) The depreciation adjustment of 381 million yen is corporate expenses which has not been distributed in the segments.
   (4) The 2,480 million yen adjustment for increase in property, plant and equipment and intangible assets is corporate assets which has not been distributed in the segments.
2. Segment profits are adjusted for operating profit on the consolidated statements of income.
3. The information on revenue breakdown is the same as the information on sales of reporting segments in the segment information, etc., and the breakdown information is provided by geographic region.

(Per Share Information)

	Fiscal year ended February 2024 (Mar.1, 2023 – Feb. 29, 2024)	Fiscal year ended February 2025 (Mar.1, 2024 – Feb. 28, 2025)
Net asset per share	3,096.99 yen	3,614.13 yen
Earnings per share	548.58 yen	552.45 yen

(Notes) 1. Earnings per share (diluted) is not presented since there is no potential stock that has a dilution effect.
2. Stock held by the Board Incentive Plan Trust (77,640 shares in the fiscal year ended February 2024 and 77,640 shares in the fiscal year ended February 2025) is included in treasury shares, which are deducted from the average number of shares during the period used for calculating earnings per share. Also, 77,640 shares in the fiscal year ended February 2024 and 77,640 shares in the fiscal year ended February 2025 are included in treasury shares, which are deducted from the number of shares outstanding at fiscal year-end used for calculating net asset per share.
3. The following basis is used for calculating earnings per share.

	Fiscal year ended February 2024 (Mar.1, 2023 – Feb. 29, 2024)	Fiscal year ended February 2025 (Mar.1, 2024 – Feb. 28, 2025)
Profit attributable to owners of parent (million yen)	26,149	26,113
Amount not attributed to common shareholders (million yen)	-	-
Profit attributable to owners of parent applicable to common stock (million yen)	26,149	26,113
Average number of shares during the period (shares)	47,667,383	47,268,353

(Significant subsequent events)

Acquisition of fixed assets

At a meeting held on March 27, 2025, the Board of Directors resolved to acquire a factory site on land adjacent to the current Aoki Factory and construct a new track loader (hereinafter referred to as "loader") factory.

(1) Reason for acquisition

In anticipation of the future business expansion of our group, we will acquire a new factory site and construct a new factory in order to increase our production capacity. The new factory is scheduled to begin operations around January 2028, and when it reaches full capacity, the Group's production capacity is expected to increase by 1.3 times. The Group's main markets are North America and Europe, and its main products in North America are loaders and excavators, while its main products in Europe are excavators. The Group has already increased its production capacity of loaders by 1.4 times through its factory in South Carolina, which started operation in September 2022, and its production capacity of excavators by 1.5 times through its Aoki Factory in Aoki-mura, Nagano Prefecture, which started operation in September 2023.

However, demand for loaders continues to be favorable in the mainstay North American market, and furthermore, demand is expected to grow in the European market as well, making it necessary to further increase production capacity. The new factory will serve as the cornerstone of our growth strategy for the next 5 to 10 years.

(2) Regarding the asset to be acquired

Name and Location of Assets	Acquisition cost (approximate)
<Land, buildings, production equipment, etc.> Location: Aoki-mura, Nagano Prefecture Site area: 28,000 sq. meters (approximately 22,600 sq. meters of land for the factory and 5,400 sq. meters of land for parking lots) Building area: approx. 19,250 sq. meters Total floor area: approx. 24,100 sq. meters (2 stories) Production equipment: Painting equipment, cranes, conveyors, etc.	Approx. 18.0 billion yen (Total amount of factory land, buildings, and production equipment)

(3) Acquisition schedule

- Land acquisition: September 2025 to January 2026
- Land development: February 2026 to July 2026 (6 months)
- Factory construction: August 2026 to July 2027 (12 months)
- Production equipment construction: Completion in December 2027
  (as some equipment will be installed after the completion of the factory construction work)
- Start of factory operations: Around January 2028

(4) Future Outlook

The impact of the acquisition of the relevant fixed assets on consolidated business results for the fiscal years ending February 2026 will be minimal. The new factory is scheduled to begin operations around January 2028, and we expect it to contribute to business results from the fiscal year ending February 2029 onwards.