

TAKEEI CORPORATION (Tokyo 1st; Code: 2151) Supplementary Documents to the Financial Results for the Second Quarter of Fiscal Year ending March 31, 2021



Bus stop donated by Daisen Biomass Power Generation Co., Ltd.

Summary of Financial Results for 2Q of FY2021 【consolidated】

<Full-year results>

Millions of yen (rounded to the nearest million yen)

	2019/9		2020/9			2020/9				
	<Actual results>		<Forecast>			<Actual results>			First six months earnings forecast	% of change
		% of net sales		% of net sales	YoY change		% of net sales	YoY change		
Net sales	17,744	—	36,600	—	+106.3%	19,678	—	+10.9%	18,330	7.4%
Operating income	1,434	8.1%	3,100	8.5%	+116.0%	1,750	8.9%	+22.0%	1,000	75.0%
Ordinary income	1,256	7.1%	2,800	7.7%	+122.9%	1,657	8.4%	+31.9%	890	86.2%
Quarterly net income ◆	680	3.8%	1,500	4.1%	+120.6%	856	4.4%	+25.9%	430	99.2%

◆ Quarterly net income attributable to the parent company's shareholders

* Both net sales and operating income for the six months of FY2021 marked a record high.

* We have revised the financial results forecasts for FY2021, previously announced May 15, 2020.

* Revision details are presented on page 17 of this document under the heading of 'Financial Results Outlook for FY2021 ending March 31, 2021 【Consolidated】', also in 'Notice regarding Differences between Forecasts and Actual Results in Consolidated Financial Results for the Second Quarter of FY2021 Ending March 31, 2021 and Revisions to the Consolidated Earnings Forecasts for Full-FY2021 ending March 31, 2021' released on October 30, 2020.

<Quarterly results>

Millions of yen (rounded to the nearest million yen)

	1Q			2Q		
	<Actual results>	% of net sales	YoY change	<Actual results>	% of net sales	YoY change
Net sales	9,035	—	+7.1%	10,642	—	+14.4%
Operating income	650	7.2%	+38.2%	1,100	10.3%	+14.1%
Ordinary income	623	6.9%	+45.2%	1,034	9.7%	+24.9%
Quarterly net income ◆	316	3.5%	+42.9%	540	5.1%	+17.7%

◆ Quarterly net income attributable to the parent company's shareholders

Factors that influenced the results

- * Stable operations at each TAKEEI-managed intermediary processing works; continued implementation of cost reduction programs and the provision of assistance to a number of post-Great East Japan Earthquake reconstruction projects in Fukushima prefecture.
- * Steady performance at three power generation plants and electric power sales businesses operating in the Tohoku region.
- * Solid operation at Green Power Ichihara Co., Ltd., which has been included in the scope of consolidation from 2Q.

Net Sales and Operating Income by Business Category <for 1H>

(Millions of yen)

	Net sales			Operating income			OI ratio	
	2019/9	2020/9	YoY change	2019/9	2020/9	YoY change	2019/9	2020/9
Consolidated	17,744	19,678	+10.9%	1,434	1,750	+22.0%	8.1%	8.9%
<Waste Treatment / Recycling>	12,122	11,981	-1.2%	996	1,115	11.9%	8.2%	9.3%
TAKEEI CORPORATION	8,801	8,567	-2.7%	633	653	3.1%	7.2%	7.6%
<Materials & Landfill>	3,321	3,414	2.8%	363	462	27.2%	10.9%	13.5%
<Renewable Energy Business>	3,703	5,887	59.0%	335	541	61.4%	9.1%	9.2%
<Environmental Engineering Business>	2,587	2,728	5.4%	37	152	313.2%	1.4%	5.6%
<Environmental Consulting Business>	607	579	-4.5%	50	39	-22.2%	8.3%	6.8%
Consolidated eliminations	-1,274	-1,497		17	-96			

※ The above figures are rounded to the nearest million yen, with the exception of consolidated figures, which are rounded down to the nearest million yen.

Note 1: Each business category-specific net sales and operating profit represents simple aggregates of those before consolidated eliminations reported by Group companies.

Note 2: As on release date, the audit was not completed.

Note 3: From 1Q of this year, TAKEEI Green Recycling Co., Ltd. has been reclassified from <Materials and Landfill> as <Renewable Energy Business>.

Note 4: Green Power Ichihara Co., Ltd., a newly incorporated consolidated subsidiary from 2Q of this fiscal year, has been classified as <Renewable Energy Business>.

(Millions of yen)

	2020/3		2021/3			First six months	
	<Actual results>		<Forecast>			<Actual results>	
		% of net sales		% of net sales	YoY change		YoY change
Net sales	37,713	—	41,000	—	+8.7%	19,678	+10.9%
Operating income	3,298	8.7%	3,700	9.0%	+12.2%	1,750	+22.0%
Ordinary income	3,025	8.0%	3,450	8.4%	+14.0%	1,657	+31.9%
Net income ◆	1,765	4.7%	1,940	4.7%	+9.9%	856	+25.9%

◆Net income attributable to the parent company's shareholders (Figures are rounded to the nearest million yen)

* Based on the actual 2Q results, we have revised the full-year earnings outlook.

For details, please refer to 'Notice regarding Differences between Forecasts and Actual Results in Consolidated Financial Results for the Second Quarter of FY2021 ending March 31, 2021 and Revisions to the Consolidated Earnings Forecasts for the Full Fiscal Year ending March 31, 2021' released on October 30, 2020.

<Factors expected to affect earnings>

- Stable operation of TAKEE Green Recycling Co., Ltd. (Yokosuka Biomass Power Plant).
 - Successful completion of construction and the commencement of commercial operation of Tamura Biomass Power Generation Co., Ltd. (construction scheduled to be completed on November 12, 2020 and commercial operation is slated to commence next spring).
 - Risk of lingering impact from the novel coronavirus pandemic (there is a time lag between infection outbreak and its noticeable effect on business).
- Restraints on material deliveries or operations at power plants and other facilities, due to bad weather such as heavy rain and winter storms.

【Topics】 Agreement with Chiba City / Recycling waste carpet tiles

TAKEEI and Chiba City signed an 'Agreement on the Cooperation of Emergency Measures against Natural Disasters'



The agreement constitutes that, when Chiba City needs emergency measures to tackle waste and refuse, in the event of large-scale disasters involving damage by earthquakes, wind or flooding etc., TAKEEI can deploy its human, material and technical resources immediately upon request for support from the city.



Tokyo Recycle Center - Revamped facilities for recycling waste carpet tiles



Processing the PVC (polyvinyl chloride) layer to reproduce 'eco-flake', a reclaimed material.

Carpet tiles are made of a top textile layer glued tightly to a bottom PVC layer. Due to this structure, it is technically difficult to reprocess them, therefore many have been discarded in landfill. In this social context, TAKEEI has developed technology and established a mill within the Tokyo Recycling Center to recycle waste carpet tiles into reclaimed materials, capable of meeting the high-level quality requirements of carpet manufacturers.



The power plant, from a different viewpoint



Lifting the lorry loaded with fuel and tipping out the fuel...



Generator turbine

Power generator

Output capacity	49,900KW (one of the largest in the Tokyo Metropolitan Region)		
Composition percentages of fuels used * Figures represent target values as actual annual usages vary according to the change in conditions.	Fuel type	% of total	Estimated annual usage
	Chips derived from the construction industry	Approximately 80%	200,000
	RPF and others	Approximately 20%	50,000

Green Power Ichihara Co., Ltd. is a newly incorporated subsidiary of the TAKEEI Group on April 30, 2020, having been included in the scope of consolidation from 2Q of this year. Operations of the the power generator have been stable.

Daisen Biomass Power Generation Co., Ltd. - Donation of new bus stop to Daisen City



The 'Ochiai' bus stop stands right in front of the Kyowa Power Generation Plant of Daisen Biomass Power Generation Co., Ltd.



The bus stop uses a local icon, 'Akita-sugi cedar'.



General Incorporated Foundation TAKEEI Foundation for SDGs Promotion also subscribed to part of its building costs.

As the original bus stop in front of Kyowa Power Generation Plant had deteriorated, due to snow and age, Daisen Biomass Power Generation, in collaboration with two firms - Kadowaki Mokuzai and Takigami Kogyo, built and donated a new bus stop to Daisen City.

[Daisen Biomass Power Generation's unique application of waste heat]
The bus stop is equipped with an under-floor heating facility. It uses the cooling water (with a temperature of around 40°C) from the boiler for power generation. Northern Japan often has bitterly cold winters. Thanks to the heating facility, passengers at the bus stop can now wait comfortably for the bus.

Tamura Biomass Power Generation Co., Ltd. - Construction of new power plant is nearing completion



The new plant will be named 'Tamura Biomass Power Generation Plant'.



Turbine house



Cooling tower

The construction of Tamura Biomass Power Generation's 'Tamura Biomass Power Generation Plant' is about to complete. Following post-construction checks including test runs, the plant is slated to commence commercial operation in the spring of 2021.

Monzen Clean Park Co., Ltd. - An update on the construction of new controlled final landfill site



Aerial photograph of the site (taken in October 2020)



The construction continues to focus, in large part, on land creation work near the 'disaster prevention pond'. We remain fully aware of environmental conservation and ensure that safe working practices are in place.

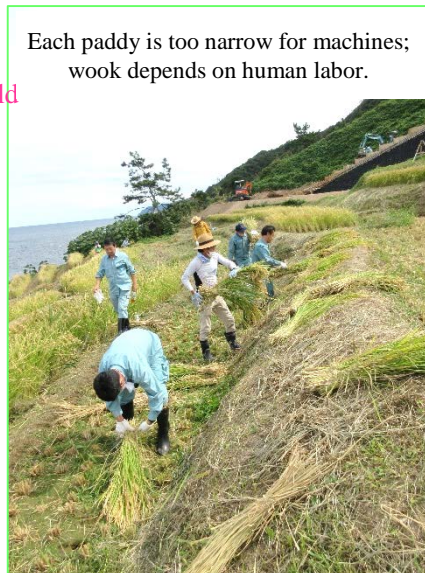
Volunteer staff from Monzen Clean Park Co., Ltd., and Hokuriku Environmental Services Co., Ltd. involved in rice harvesting in Shirayone Senmaida rice field (Wajima city, Ishikawa) !



Wajima city
Shirayone Senmaida rice field

Monzen Clean Park Co., Ltd.

Shirayone Senmaida is a terraced rice field overlooking the Sea of Japan. The rice field comprises a total of 1,004 paddies and is designated a World Agricultural Heritage site.



Each paddy is too narrow for machines; work depends on human labor.



Under an autumn sky, volunteers and local people toiled to harvest the rice.