

# Financial Results for the Nine Months Ended December 31, 2024 (April – December)

February 13, 2025

**KATO** KATO WORKS CO., LTD.

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# Status by segment (manufacturing base)

## Japan

Net sales **31,240** million yen Operating profit **630** million yen

Same period of the previous fiscal year  
Net sales 34,997 million yen  
Operating profit 1,755 million yen

### Manufacturing bases

- Ibaraki
- Gunma

### Destinations

- Japan
- United States
- Southeast Asia
- Taiwan
- Middle and Near East, etc.

### Key products

- Mobile cranes
- Construction equipment

### TOPICS

- Sales decreased year-on-year due to the impact of delayed sales of large-scale new vehicles and a decline in demand.
- The large-scale sales to Southeast Asia recorded in the same period of the previous year did not occur this period.
- Exports to the US declined due to a decrease in demand ahead of the presidential election.

## Europe

Net sales **3,422** million yen Operating profit **43** million yen

Same period of the previous fiscal year  
Net sales 3,879 million yen  
Operating profit 1 million yen

### Manufacturing base

- Italy

### Destinations

- EU countries, etc.

### Key products

- Construction equipment

### TOPICS

- Sales decreased due to a decrease in demand.

## China

Net sales **2,152** million yen Operating profit **(68)** million yen

Same period of the previous fiscal year  
Net sales 1,489 million yen  
Operating profit (88) million yen

### Manufacturing bases

- Kunshan
- Xiamen

### Destination

- China, etc.

### Key products

- Construction equipment

### TOPICS

- Sales increased by 663 million yen year-on-year due to progress in sales of inventory machines in China.
- Loss on liquidation of subsidiaries due to dissolution and liquidation of 2 Chinese subsidiaries recorded as 2Q.

# Summary of consolidated financial results

(Unit: millions of yen)


## Net sales

**36,815**

Year on year  
(  -8.8%)


## Operating profit and margin

**897**


Year on year  
(  +1.1%)

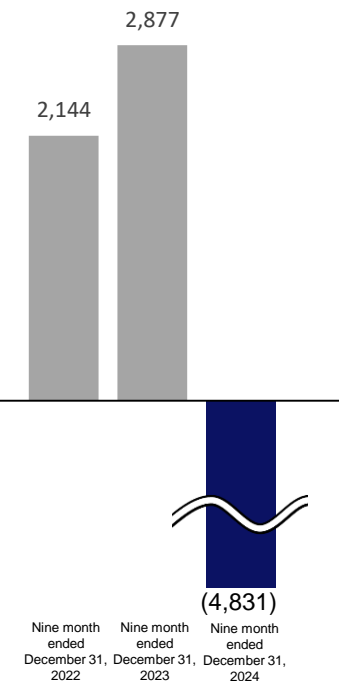
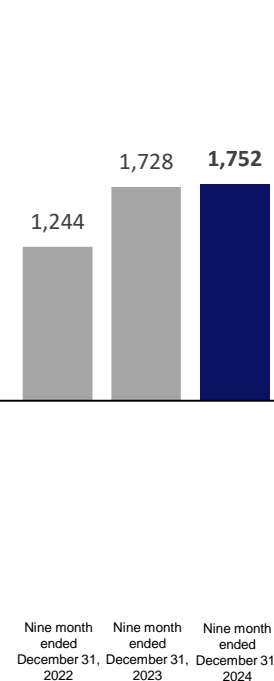
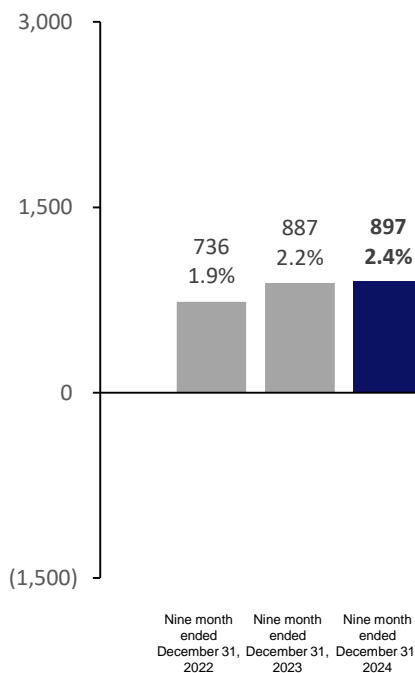
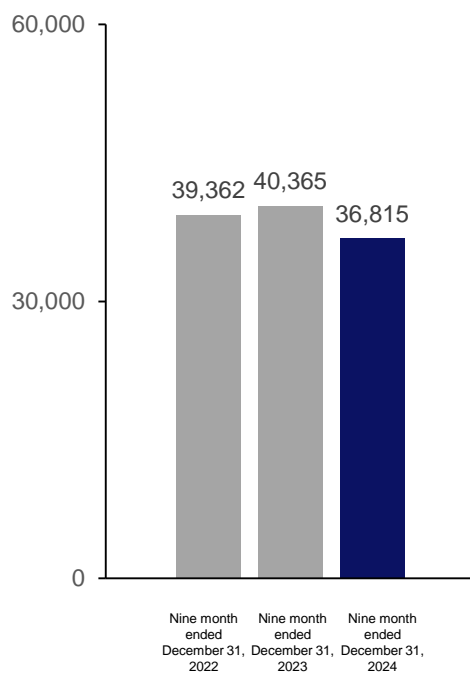
## Ordinary profit

**1,752**

Year on year  
(  +1.4%)

**Profit**  
attributable to  
owners of parent  
**(4,831)**

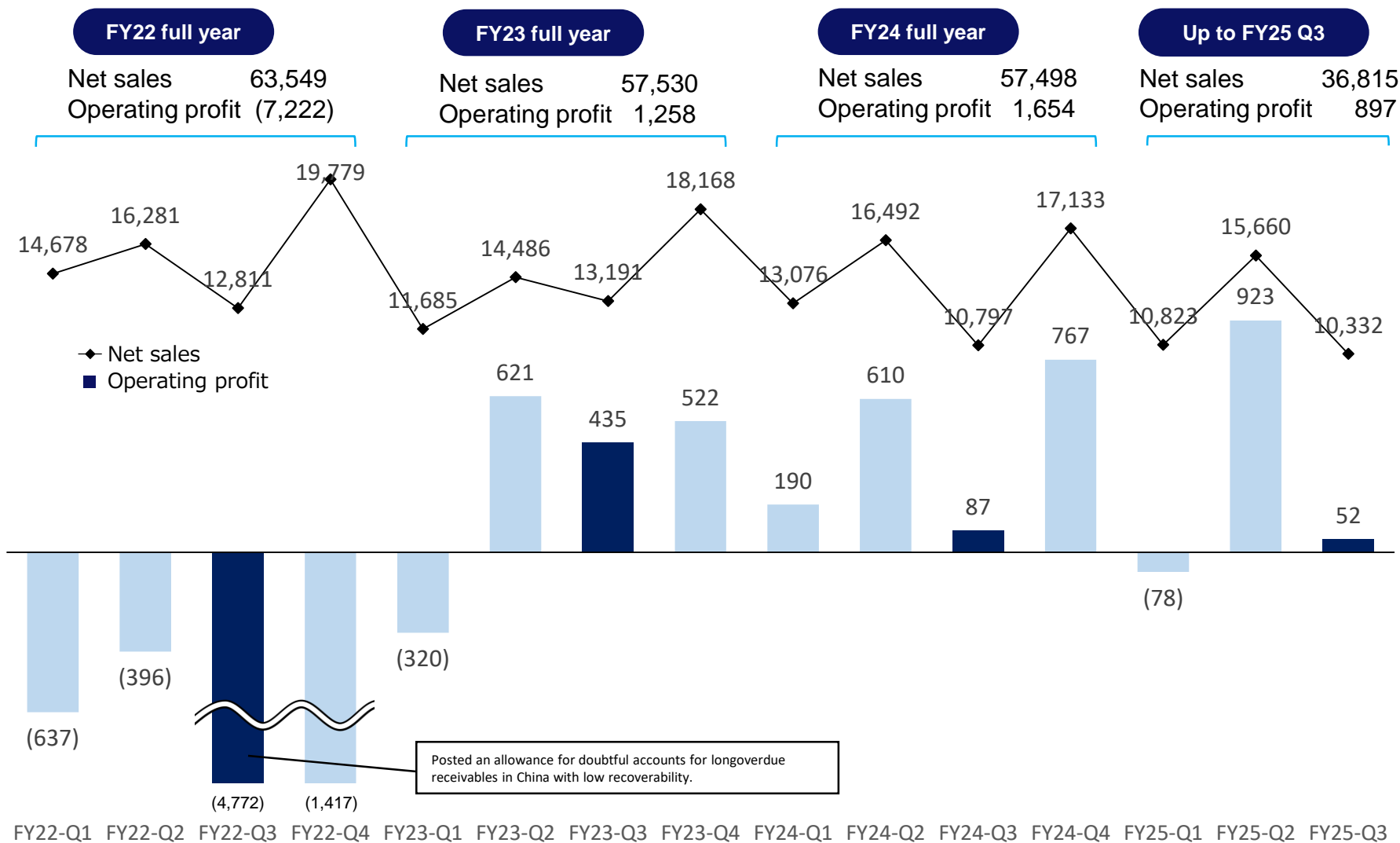
Year on year  
(  -%)



# Summary of consolidated financial results (Quarterly net sales and operating profit)

(Unit: millions of yen)

✓ **Seasonality:** Sales tend to be concentrated in Q2 and Q4.



FY22-Q1 FY22-Q2 FY22-Q3 FY22-Q4 FY23-Q1 FY23-Q2 FY23-Q3 FY23-Q4 FY24-Q1 FY24-Q2 FY24-Q3 FY24-Q4 FY25-Q1 FY25-Q2 FY25-Q3

# Consolidated statement of income

(Unit: millions of yen)

	For the three months ended December 31, 2023		For the three months ended December 31, 2024		Year-on-Year	
	Amount	Percentage	Amount	Percentage	Amount change	Percentage change
<b>Net sales</b>	<b>40,365</b>	<b>100.0%</b>	<b>36,815</b>	<b>100.0%</b>	<b>(3,549)</b>	<b>(8.8)%</b>
Cost of sales	33,051	81.9%	30,316	82.3%	(2,734)	(8.3)%
Gross profit	7,314	18.1%	6,499	17.7%	(815)	(11.1)%
Selling, general and administrative expenses	6,426	15.9%	5,601	15.2%	(825)	(12.8)%
<b>Operating profit</b>	<b>887</b>	<b>2.2%</b>	<b>897</b>	<b>2.4%</b>	<b>10</b>	<b>1.1%</b>
Non-operating income (expenses)	840	2.1%	854	2.3%	13	1.6%
<b>Ordinary profit</b>	<b>1,728</b>	<b>4.3%</b>	<b>1,752</b>	<b>4.8%</b>	<b>23</b>	<b>1.4%</b>
Extraordinary income (losses)	1,377	3.4%	(6,509)	(17.7)%	(7,886)	-
Profit before income taxes	3,106	7.7%	(4,756)	(12.9)%	(7,863)	-
Income taxes	330	0.8%	152	0.4%	(177)	(53.8)%
Profit (loss) attributable to non-controlling interests	(100)	(0.3)%	(77)	(0.2)%	23	-
<b>Profit (loss) attributable to owners of parent</b>	<b>2,877</b>	<b>7.1%</b>	<b>(4,831)</b>	<b>(13.1)%</b>	<b>(7,708)</b>	-

✓ **Net sales:** Revenues fell below initial expectations due to delays in sales of new models of high-priced large-scale Rough terrain cranes and a decline in demand in the U.S. market prior to the presidential election.

✓ **Non-operating income:** Compensation received from suppliers, foreign exchange gains, rent received from hotel business, etc.

✓ **Extraordinary income (losses):** Posted an extraordinary loss due to a loss on liquidation of subsidiaries after readjusting businesses in China.

# Consolidated balance sheet

(Unit: millions of yen)

Total assets as of March 31, 2024  
105,330



Total assets as of December 31, 2024  
97,548 (-7,781)

<b>Current assets</b> 82,814	<b>Current liabilities</b> 38,420
<ul style="list-style-type: none"> <li>• Cash and deposits 22,566</li> <li>• Trade receivables 26,132</li> <li>• Inventories 35,521</li> <li>• Other (1,405)</li> </ul>	<ul style="list-style-type: none"> <li>• Trade payables 13,624</li> <li>• Short-term borrowings 20,906</li> <li>• Other 3,887</li> </ul>
	<b>Non-current liabilities</b> 15,358
	<ul style="list-style-type: none"> <li>• Long-term borrowings 14,780</li> <li>• Other 576</li> </ul>
	<b>Net assets</b> 51,551
	<ul style="list-style-type: none"> <li>• Retained earnings 34,431</li> <li>• Valuation and translation adjustments 5,977</li> <li>• Other 11,141</li> </ul>
<b>Non-current assets</b> 22,515	
<ul style="list-style-type: none"> <li>• Property, plant and equipment 16,833</li> <li>• Intangible assets 706</li> <li>• Investments and other assets 4,976</li> </ul>	

Assets

Liabilities and Net assets

<b>Current assets</b> 75,126	<b>Current liabilities</b> 37,070
<ul style="list-style-type: none"> <li>• Cash and deposits 9,706</li> <li>• Trade receivables 15,183</li> <li>• Inventories 47,603</li> <li>• Other 2,632</li> </ul>	<ul style="list-style-type: none"> <li>• Trade payables 13,425</li> <li>• Short-term borrowings 20,272</li> <li>• Other 3,368</li> </ul>
	<b>Non-current liabilities</b> 14,489
	<ul style="list-style-type: none"> <li>• Long-term borrowings 14,219</li> <li>• Other 268</li> </ul>
	<b>Net assets</b> 45,989
	<ul style="list-style-type: none"> <li>• Retained earnings 28,662</li> <li>• Valuation and translation adjustments 6,172</li> <li>• Other 11,155</li> </ul>
<b>Non-current assets</b> 22,422	
<ul style="list-style-type: none"> <li>• Property, plant and equipment 16,319</li> <li>• Intangible assets 1,095</li> <li>• Investments and other assets 5,006</li> </ul>	

Assets

Liabilities and Net assets

✓ **Trade receivables \***

- Japan 13,207
  - Europe 1,985
  - China 1,314
- Turnover period  
Q2: 135.2 days  
Q3: 112.9 days (improved)

✓ **Inventories \***

- Japan 42,641
  - Europe 3,336
  - China 1,757
- Turnover period  
Q2: 291.7 days  
Q3: 353.9 days (worsened)

\*These are reference figures prior to consolidation adjustments and do not match those in the balance sheet.

✓ **Capital efficiency**

With the liquidation and dissolution of two Chinese subsidiaries, sales of inventory machines and collection of trade receivables in China remained steady. Meanwhile, inventories increased due to a decline in demand in Japan.

✓ **Retained earnings**

Decreased due to the posting of extraordinary losses related to the liquidation and dissolution of two Chinese subsidiaries.

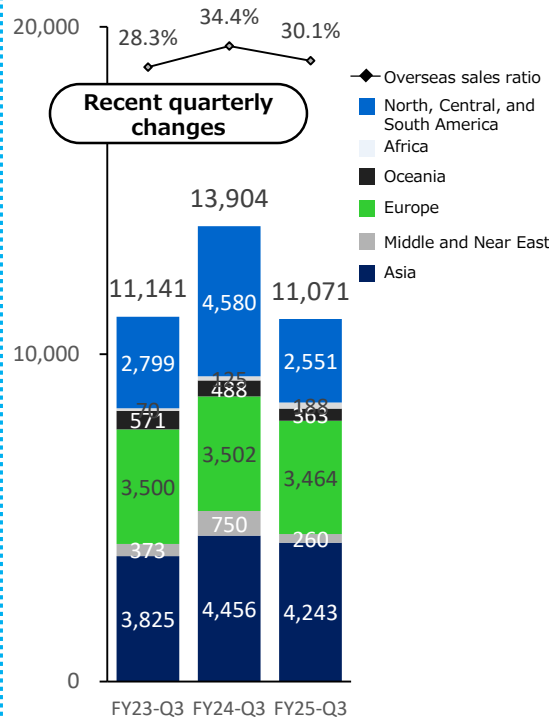
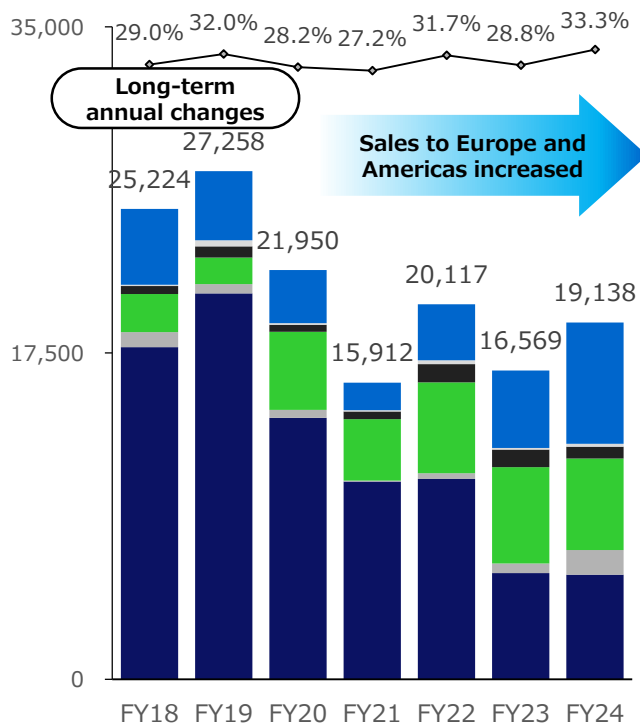
✓ **Equity ratio**

Maintained a high equity ratio of 47.2%.

# Changes in net sales by destination (excluding Japan)

(Unit: millions of yen)

	For the nine months ended December 31, 2022		For the nine months ended December 31, 2023		For the nine months ended December 31, 2024		Year-on-Year		Composition ratio of total net sales
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Amount change	Percent change	
Asia	3,825	34.3%	4,456	32.1%	4,243	38.3%	(213)	(4.8)%	11.5%
Middle and Near East	373	3.3%	750	5.4%	260	2.3%	(490)	(65.3)%	0.7%
Europe	3,500	31.4%	3,502	25.2%	3,464	31.3%	(37)	(1.1)%	9.4%
Oceania	571	5.1%	488	3.5%	363	3.3%	(124)	(25.5)%	1.0%
Africa	70	0.6%	125	0.9%	188	1.7%	62	49.4%	0.5%
North, Central, and South America	2,799	25.1%	4,580	32.9%	2,551	23.0%	(2,029)	(44.3)%	6.9%
<b>Total overseas sales</b>	<b>11,141</b>	<b>100.0%</b>	<b>13,904</b>	<b>100.0%</b>	<b>11,071</b>	<b>100.0%</b>	<b>(2,832)</b>	<b>(20.4)%</b>	<b>30.1%</b>



**Transformation of Overseas Business**  
Long-term annual changes

**Shift from Asia to Europe and Americas**

Sales ratio in Asia decreased, mainly due to continued sales decline in China, while focus shifted to Europe and Americas to maintain overseas revenue.

**North, Central and South America**

Sales declined due to cautious spending ahead of the U.S. presidential election.

**Europe**

Recorded large-scale sales to Ukraine despite an economic slowdown.

**Asia**

Sales decline due to ongoing dissolution and liquidation of two local subsidiaries in China.



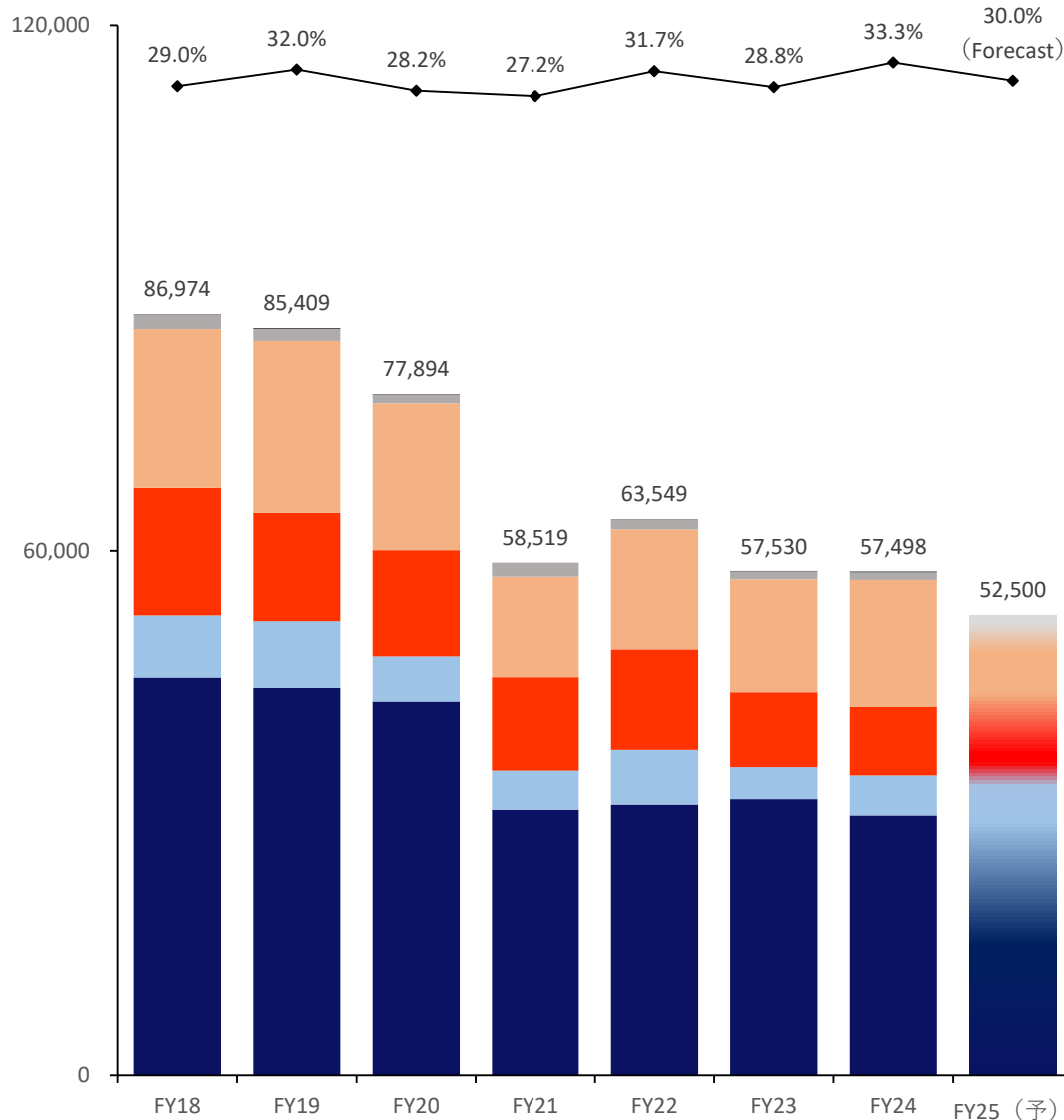
# Changes in net sales by principal item

(Unit: millions of yen)

	For the nine months ended December 31, 2022		For the nine months ended December 31, 2023		For the nine months ended December 31, 2024		Year-on-Year	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Amount change	Percent change
<b>Mobile Cranes</b>								
Domestic sales	21,504	54.6%	20,106	49.8%	19,686	53.5%	-420	(2.1)%
Overseas sales	2,592	6.6%	3,593	8.9%	3,003	8.2%	-589	(16.4)%
Subtotal	<b>24,097</b>	<b>61.2%</b>	<b>23,700</b>	<b>58.7%</b>	<b>22,690</b>	<b>61.6%</b>	<b>-1,009</b>	<b>(4.3)%</b>
<b>Construction equipment</b>								
Domestic sales	5,979	15.2%	5,743	14.2%	5,360	14.6%	-382	(6.7)%
Overseas sales	8,547	21.7%	10,264	25.4%	8,016	21.8%	-2,248	(21.9)%
Subtotal	<b>14,527</b>	<b>36.9%</b>	<b>16,007</b>	<b>39.7%</b>	<b>13,377</b>	<b>36.3%</b>	<b>-2,630</b>	<b>(16.4)%</b>
<b>Industrial equipment</b>								
Domestic sales	736	1.9%	611	1.5%	696	1.9%	85	14.0%
Overseas sales	0	0.0%	46	0.1%	51	0.1%	4	10.6%
Subtotal	<b>737</b>	<b>1.9%</b>	<b>657</b>	<b>1.6%</b>	<b>748</b>	<b>2.0%</b>	<b>90</b>	<b>13.8%</b>
<b>Total</b>								
Domestic sales	28,221	71.7%	26,460	65.6%	25,744	69.9%	-716	(2.7)%
Overseas sales	11,141	28.3%	13,904	34.4%	11,071	30.1%	-2,832	(20.4)%
Subtotal	<b>39,362</b>	<b>100.0%</b>	<b>40,365</b>	<b>100.0%</b>	<b>36,815</b>	<b>100.0%</b>	<b>-3,549</b>	<b>(8.8)%</b>

# Changes in net sales by principal item

(Unit: millions of yen)



## Mobile cranes

**Domestic sales:** Decreased due to a decrease in demand in the Japanese market and delays in sales of new models of large-scale rough terrain cranes with high price ranges.

**Overseas sales:** There will be no large-scale sales to Southeast Asia this period, unlike in the previous fiscal year.

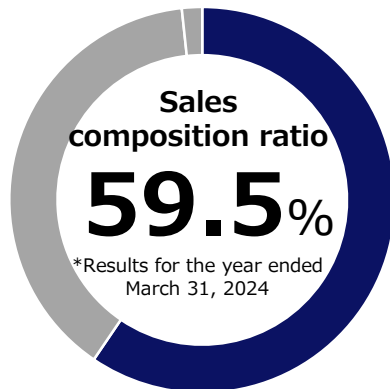
## Construction equipment

**Domestic sales:** Sales decreased due to the maintenance of a sales strategy with an emphasis on profitability and a decline in demand.

**Overseas sales:** Sales declined due to restrained purchases by the presidential election in the U.S. market and a rapid slump in demand in the European market.

- ◆ Ratio of overseas net sales
- Overseas sales of industrial equipment
- Domestic sales of industrial equipment
- Overseas sales of construction equipment
- Domestic sales of construction equipment
- Overseas sales of mobile cranes
- Domestic sales of mobile cranes

## Mobile cranes



### Line up



### ✓ Rough terrain cranes

\*cabin integrated for traveling and crane operation

### ✓ All terrain cranes

\*cabins separated for traveling and crane operation

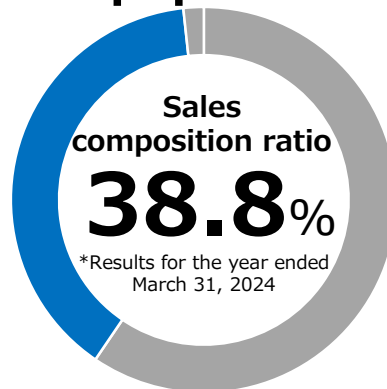
### ✓ Crawler cranes

and other various mobile cranes, manufactured and sold

### Purposes

✓ Used at construction sites for infrastructure, buildings, and residential housing.

## Construction equipment



### Hydraulic excavators



✓ Mini excavators (vehicle body weight: 0.9-10 tons)

✓ Mid- and large-sized excavators

(vehicle body weight: 8-50 tons)

manufactured and sold widely

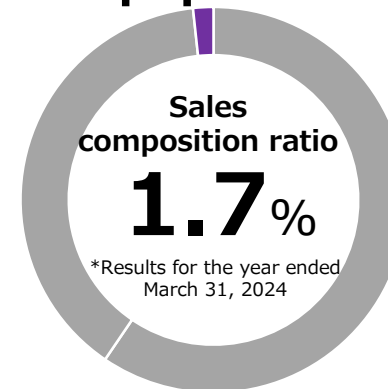
✓ Used for developing land for construction and demolishing structures

### Crawler carriers



✓ Used for carrying materials on rough terrain, such as infrastructure development, civil works and , and disaster areas

## Industrial equipment



### Street sweepers



### Vacuum trucks



### Snow sweepers



✓ Customers include public institutions and airports. Sales composition ratio is low, but competition is limited, with a wide range of special-purpose vehicles manufactured and sold.

# Revised full-year consolidated financial results forecast for fiscal year ending March 31, 2025

✓ Based on recent performance trends, Consolidated Financial Results Forecast for the full year of Fiscal year ending March 31, 2025 announced on 8 November, 2024 was revised as follows.

✓ Although the company initially planned to increase sales based on the medium-term management plan and strengthened its production structure, in the Japanese market, in addition to delays in sales of new models of large-scale rough terrain cranes with high price ranges, a decline in replacement demand due to a decline in used car prices in the global market as a whole, and a decline in the operation of construction work due to a chronic shortage of operators, the severe sales environment continues. Overseas, the company forecasts a significant decline in sales from the initial forecast of Net sales 70 billion yen due to a refrain from buying in the U.S. market due to the presidential election and a sharp slump in demand in the European market.

✓ Operating profit is at the same level as the previous forecast due to the continued emphasis on profitability in its sales strategy. Ordinary profit revised upward from the previous forecast, due in part to coverage received and strong performance in the hotel business. Net income is at the same level as the previous forecast.

Net sales

**61,500** → **52,500**

Year on year: 57,498 (↓ -8.7%)

(Unit: millions of yen)

Operating profit

**1,500** → **1,500**

Year on year: 1,654 (↓ -9.3%)

Ordinary profit

**1,600** → **2,100**

Year on year: 2,575 (↓ -18.5%)

Profit

Attributable to owners of parent

**(4,200)** → **(4,200)**

Year on year: 4,235 (↓ -%)

Exchange rate	Fiscal year ending March 31, 2025	
	First half	Second half
USD / JPY	135.0	140.0 → 150.0
CNY / JPY	22.0	19.0 → 20.0
EUR / JPY	150.0	155.0 → 155.0

# TOPICS

1

Launch of SL-750RfIII,  
a new 75t lifting rough terrain crane\*

\*cabin integrated for traveling and crane operation.



\*Image

- **Features**
  - ★ New Cummins engine compliant with the latest emission standards (European Stage V).
  - ★ Slope departure support equipment as a new standard.
- **Suggested sales price**  
From 93 million yen (excluding tax)
- **Launch date**  
April 2025
- **Sales Targets**  
50 units/1 year

\*February 3, 2025 press release

# TOPICS

2

Launch of KA-1300R,  
a new 130t lifting all-terrain crane \*

\*Vehicle operator's seat crane separate type



\*Image

▪ **Features**

- ★ To the newest emission standards for carrier engines (European Stage V) Adapted Daimler engines.
- ★ Lateral Collision Alarm Equipped with New Standard.
- ★ Acquired the designation of "low-noise construction machinery" by the Ministry of Land, Infrastructure, Transport and Tourism.

▪ **Suggested sales price**

From 180 million yen (excluding tax)

▪ **Launch date**

Jan 2025

▪ **Sales Targets**

20 units / 1 year

\*January 20, 2025 press release

The KATO logo is displayed in white capital letters on a dark blue rectangular background.

株式会社 加藤製作所

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## Notes

Contents on the present plans and the forecasts included in these materials are based on information presently obtained and certain premises deemed reasonable by the Company.

Actual business results, etc. may be significantly different due to various factors. Therefore, the materials do not promise or guarantee the realization of the plans or forecasts.

進化の奥の更なる真価へ