

# Financial Results for the Fiscal Year Ended March 31, 2025 (April – March)

May 14, 2025

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

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# Status by segment (manufacturing base)

## Japan

Net sales **45,421** million yen Operating profit **621** million yen

Same period of the previous fiscal year  
Net sales 49,587 million yen  
Operating profit 2,022 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 **4,781** million yen Operating profit **(11)** million yen

Same period of the previous fiscal year  
Net sales 5,617 million yen  
Operating profit 71 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 **2,729** million yen Operating profit **(63)** million yen

Same period of the previous fiscal year  
Net sales 2,292 million yen  
Operating profit (1,210) million yen

### Manufacturing bases

- Kunshan
- Xiamen

### Destination

- China, etc.

### Key products

- Construction equipment

### TOPICS


- Sales increased by 437 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 Q2.

# Summary of consolidated financial results

(Unit: millions of yen)


## Net sales

**52,932**

Year on year  
(  -7.9%)

## Operating profit and margin

**903**


Year on year  
(  -45.4%)

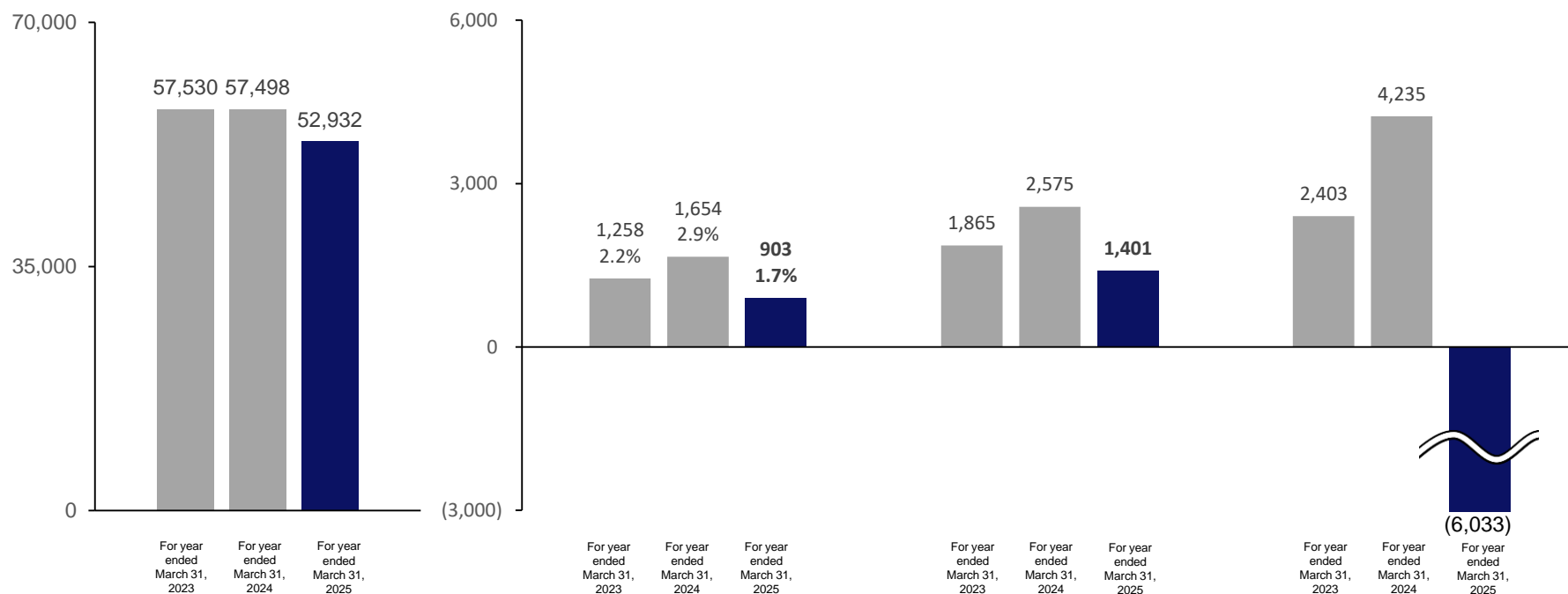
## Ordinary profit

**1,401**

Year on year  
(  -45.6%)

**Profit**  
attributable to  
owners of parent  
**(6,033)**

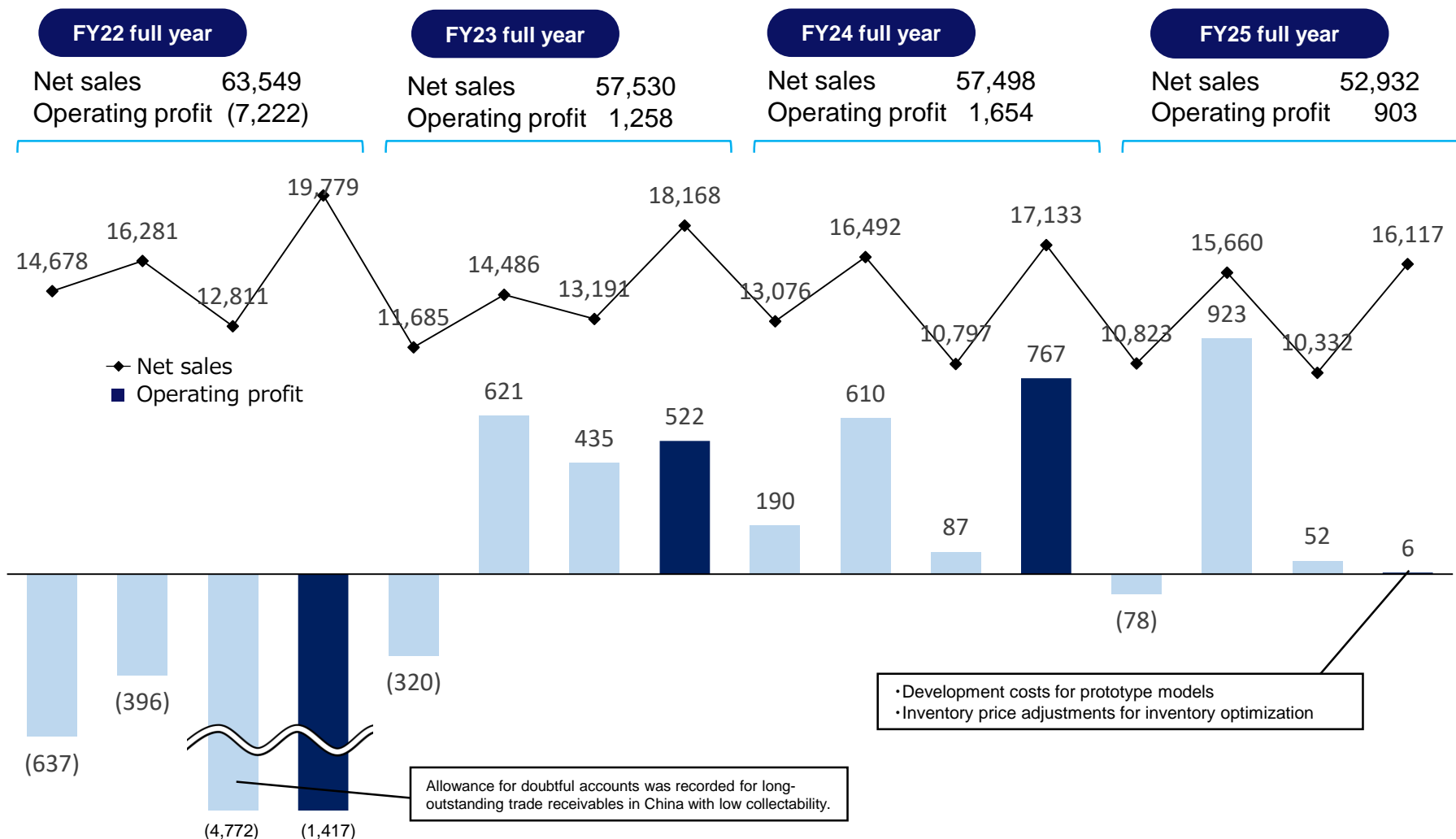
Year on year  
(  -%)



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

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

(Unit: millions of yen)



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 FY25-Q4

# Consolidated statement of income

(Unit: millions of yen)

	For the year ended March 31, 2024		For the year ended March 31, 2025		Year-on-Year	
	Amount	Percentage	Amount	Percentage	Amount change	Percentage change
<b>Net sales</b>	<b>57,498</b>	<b>100.0%</b>	<b>52,932</b>	<b>100.0%</b>	<b>(4,566)</b>	<b>(7.9)%</b>
Cost of sales	46,978	81.7%	44,332	83.8%	(2,645)	(5.6)%
Gross profit	10,520	18.3%	8,599	16.2%	(1,921)	(18.3)%
Selling, general and administrative expenses	8,866	15.4%	7,695	14.5%	(1,170)	(13.2)%
<b>Operating profit</b>	<b>1,654</b>	<b>2.9%</b>	<b>903</b>	<b>1.7%</b>	<b>(750)</b>	<b>(45.4)%</b>
Non-operating income (expenses)	921	1.6%	498	0.9%	(423)	(45.9)%
<b>Ordinary profit</b>	<b>2,575</b>	<b>4.5%</b>	<b>1,401</b>	<b>2.6%</b>	<b>(1,173)</b>	<b>(45.6)%</b>
Extraordinary income (losses)	531	0.9%	(7,000)	(13.2)%	(7,531)	-
Profit before income taxes	3,106	5.4%	(5,598)	(10.6)%	(8,705)	-
Income taxes	(992)	(1.7)%	505	1.0%	1,497	-
Profit (loss) attributable to non-controlling interests	(136)	(0.2)%	(70)	(0.1)%	65	-
<b>Profit (loss) attributable to owners of parent</b>	<b>4,235</b>	<b>7.4%</b>	<b>(6,033)</b>	<b>(11.4)%</b>	<b>(10,268)</b>	<b>-</b>
ROE	9.1%		(13.4)%		-22.5points	

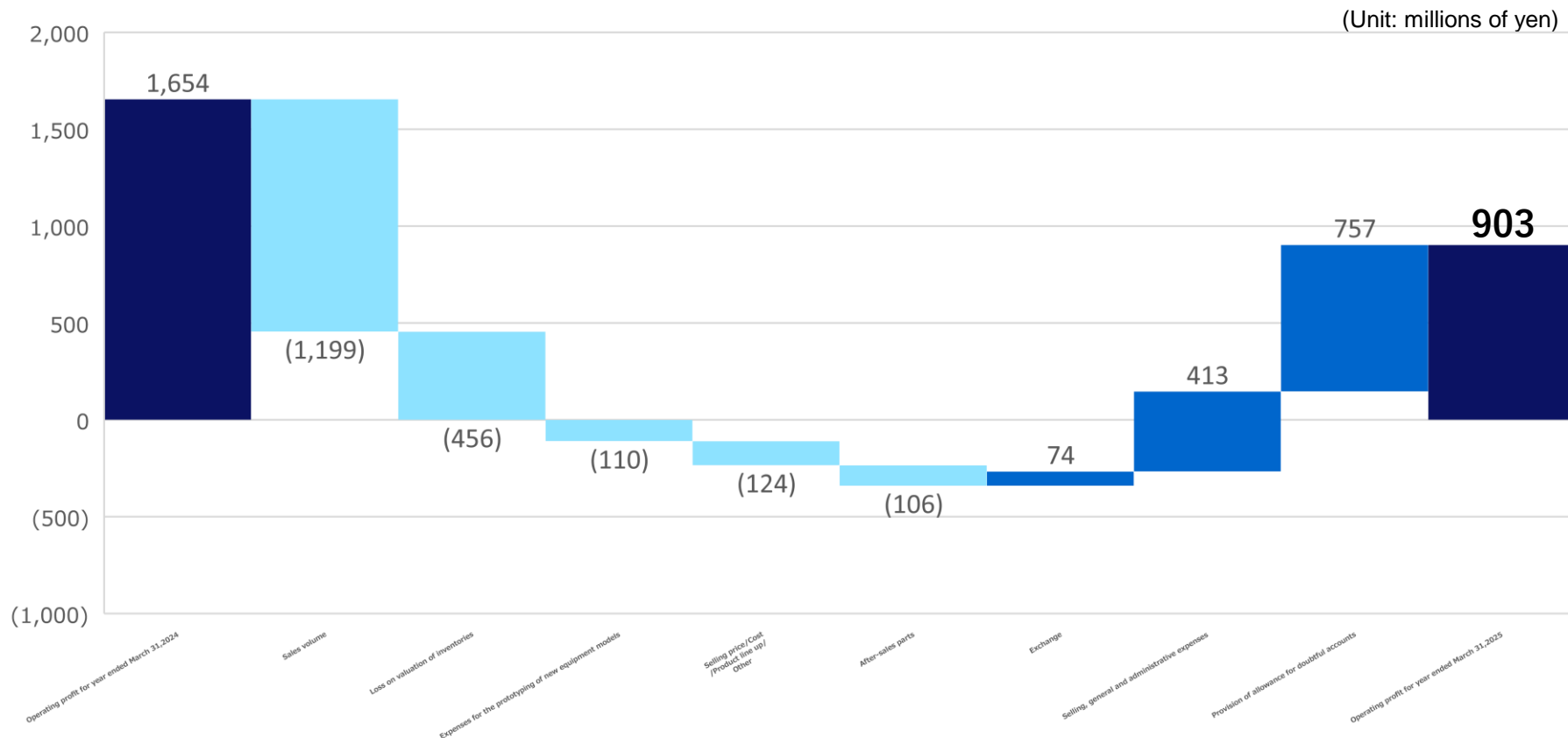
✓ **Net sales:** Net sales declined as demand in key overseas markets fell short of initial expectations.

✓ **Cost of sales ratio:** 81.7% → 83.8% (an increase of 2.1 percentage points) Development costs for prototype models and inventory price adjustments for inventory optimization were incurred.

✓ **Non-operating income:** While rental income from the hotel business was maintained and compensation was received from suppliers, foreign exchange gains decreased.

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

# Analysis of changes in operating profit and loss



- Decrease in sales volume
- Loss on valuation of inventories
- Expenses for the prototyping of new equipment models
- Changes in sales volume, selling price, cost, product mix, and other factors
- Decrease in sales of aftermarket parts
- Exchange rate fluctuations
- Decrease in selling, general and administrative expenses
- Reduction in provision for doubtful accounts

(1,199)  
(456)  
(110)  
(124)  
(106)  
+74  
+413  
+757



**903**  
Year-on-year  
↓ (750)

**Operating profit declined year on year, mainly due to sluggish sales in key overseas markets, inventory adjustments to reflect prevailing market prices, and development costs for new models.**

# Consolidated balance sheet

(Unit: millions of yen)

**Total assets as of March 31, 2024**  
**105,330**



**Total assets as of March 31, 2025**  
**102,747 (-2,582)**

Current assets 82,814		Current liabilities 38,420	
•Cash and deposits	22,566	•Trade payables	13,624
•Trade receivables	26,132	•Short-term borrowings	20,906
•Inventories	35,521	•Other	3,887
•Other	(1,405)		
Non-current assets 22,515		Non-current liabilities 15,358	
•Property, plant and equipment	16,833	•Long-term borrowings	14,780
•Intangible assets	706	•Other	576
•Investments and other assets	4,976		
Net assets 51,551		Net assets 51,551	
		•Retained earnings	34,431
		•Valuation and translation adjustments	5,977
		•Other	11,141

Current assets 80,292		Current liabilities 40,630	
•Cash and deposits	14,763	•Trade payables	10,536
•Trade receivables	17,983	•Short-term borrowings	26,470
•Inventories	45,272	•Other	3,624
•Other	2,274		
Non-current assets 22,454		Non-current liabilities 17,513	
•Property, plant and equipment	16,277	•Long-term borrowings	17,308
•Intangible assets	1,318	•Other	205
•Investments and other assets	4,858		
Net assets 44,603		Net assets 44,603	
		•Retained earnings	27,457
		•Valuation and translation adjustments	5,978
		•Other	11,167

## ✓ Trade receivables \*

- Japan 17,493 → 16,178
- Europe 2,837 → 2,240
- China 7,623 → 981

## ✓ Inventories \*

- Japan 27,979 → 41,365
- Europe 2,611 → 3,220
- China 5,388 → 819

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

## ✓ Capital efficiency

Operating capital (trade receivables + inventories – trade payables) increased from 51,117 to 52,719; however, trade receivables and inventories in the China business, which had been impairing capital efficiency, decreased.

## ✓ Liabilities

Borrowings increased due to increased production.

## ✓ Retained earnings

Decreased due to the recording of an extraordinary loss associated with the dissolution and liquidation of two subsidiaries in the China business.

## ✓ Equity Ratio

Maintaining a high equity ratio of 43.5%.

Assets

Liabilities and Net assets

Assets

Liabilities and Net assets



# Consolidated cash flow statement

(Unit: millions of yen)

		FY24-4Q	FY25-4Q
		Amount	Amount
Operating Cash Flow	Profit before income taxes	3,106	(5,598)
	Depreciation	1,424	1,351
	Increase/decrease in trade receivables	(178)	8,317
	Increase/decrease in inventories	(3,905)	(13,486)
	Increase/decrease in trade payables	(761)	(3,291)
	Other	(382)	(612)
<b>Total operating cash flow</b>		<b>(696)</b>	<b>(13,319)</b>
Investing Cash Flow	Acquisition of fixed assets	(852)	(1,281)
	Loans or disbursements from loans	-	-
	Other	2,480	351
<b>Total investing cash flow</b>		<b>1,627</b>	<b>(930)</b>
Financing Cash Flow	Increase/decrease in interest-bearing debt	1,986	7,578
	Other	(584)	(940)
<b>Total financing cash flow</b>		<b>1,401</b>	<b>6,638</b>
Net Increase/Decrease	Effect of exchange rate change	56	8
	<b>Total net increase/decrease</b>	<b>2,389</b>	<b>(7,602)</b>
Cash and cash equivalents at beginning of period		<b>19,977</b>	<b>22,366</b>
Cash and cash equivalents at end of period		<b>22,366</b>	<b>14,763</b>
<b>Balance of interest-bearing debt</b>		<b>36,665</b>	<b>43,809</b>

## Operating Cash Flow

Operating cash flow decreased due to an increase in inventories.

## Investing Cash Flow

Factory equipment updates, introduction of core systems, etc.

## Financing Cash Flow

Borrowings increased due to increased production.

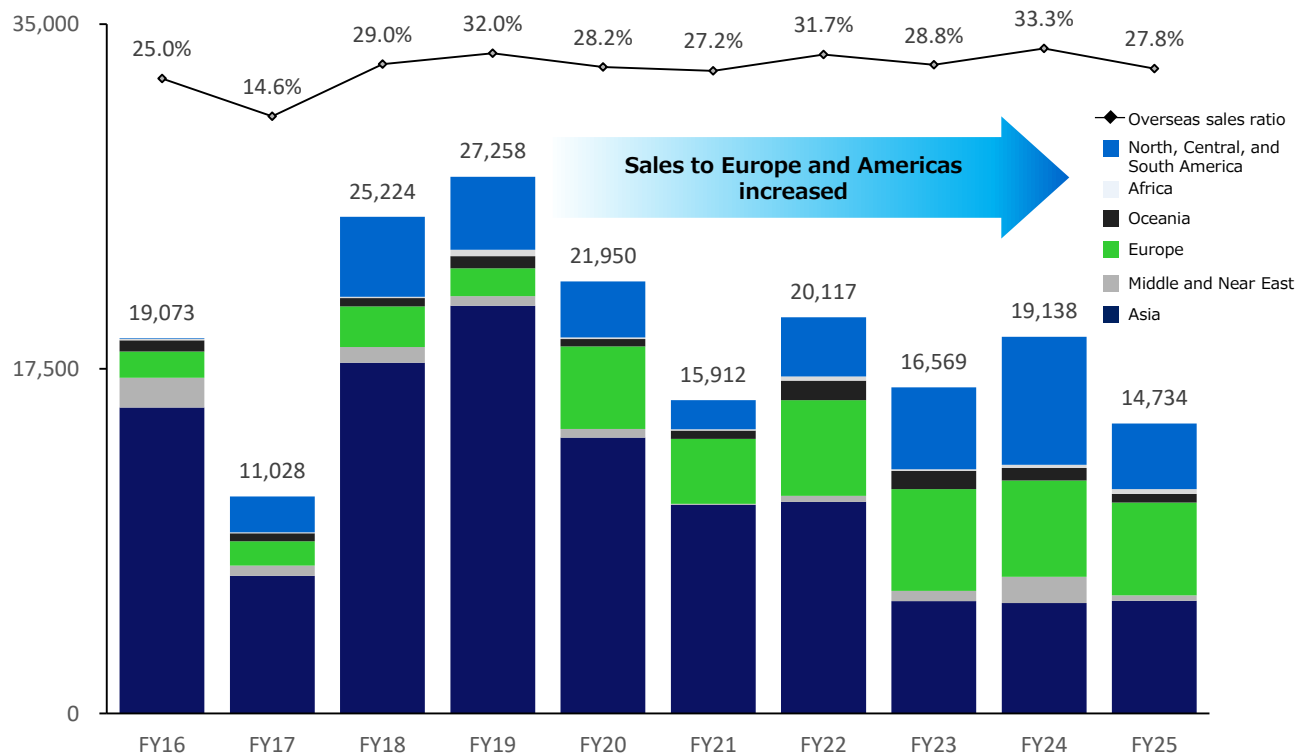
## Cash and cash equivalents at end of period

Decreased from 22,366 to 14,763.

# Changes in net sales by destination (excluding Japan)

(Unit: millions of yen)

	For the year ended March 31, 2023		For the year ended March 31, 2024		For the year ended March 31, 2025		Year-on-Year		Composition ratio of total net sales
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Amount change	Percent change	
Asia	5,698	34.4%	5,616	29.3%	5,718	38.8%	101	1.8%	10.8%
Middle and Near East	523	3.2%	1,323	6.9%	288	2.0%	(1,034)	(78.2)%	0.5%
Europe	5,166	31.2%	4,900	25.6%	4,703	31.9%	(197)	(4.0)%	8.9%
Oceania	934	5.6%	632	3.3%	445	3.0%	(186)	(29.5)%	0.8%
Africa	82	0.5%	160	0.8%	243	1.6%	82	51.0%	0.5%
North, Central, and South America	4,163	25.1%	6,504	34.0%	3,334	22.6%	(3,169)	(48.7)%	6.3%
Total overseas sales	16,569	100.0%	19,138	100.0%	14,734	100.0%	(4,403)	(23.0)%	27.8%



**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.

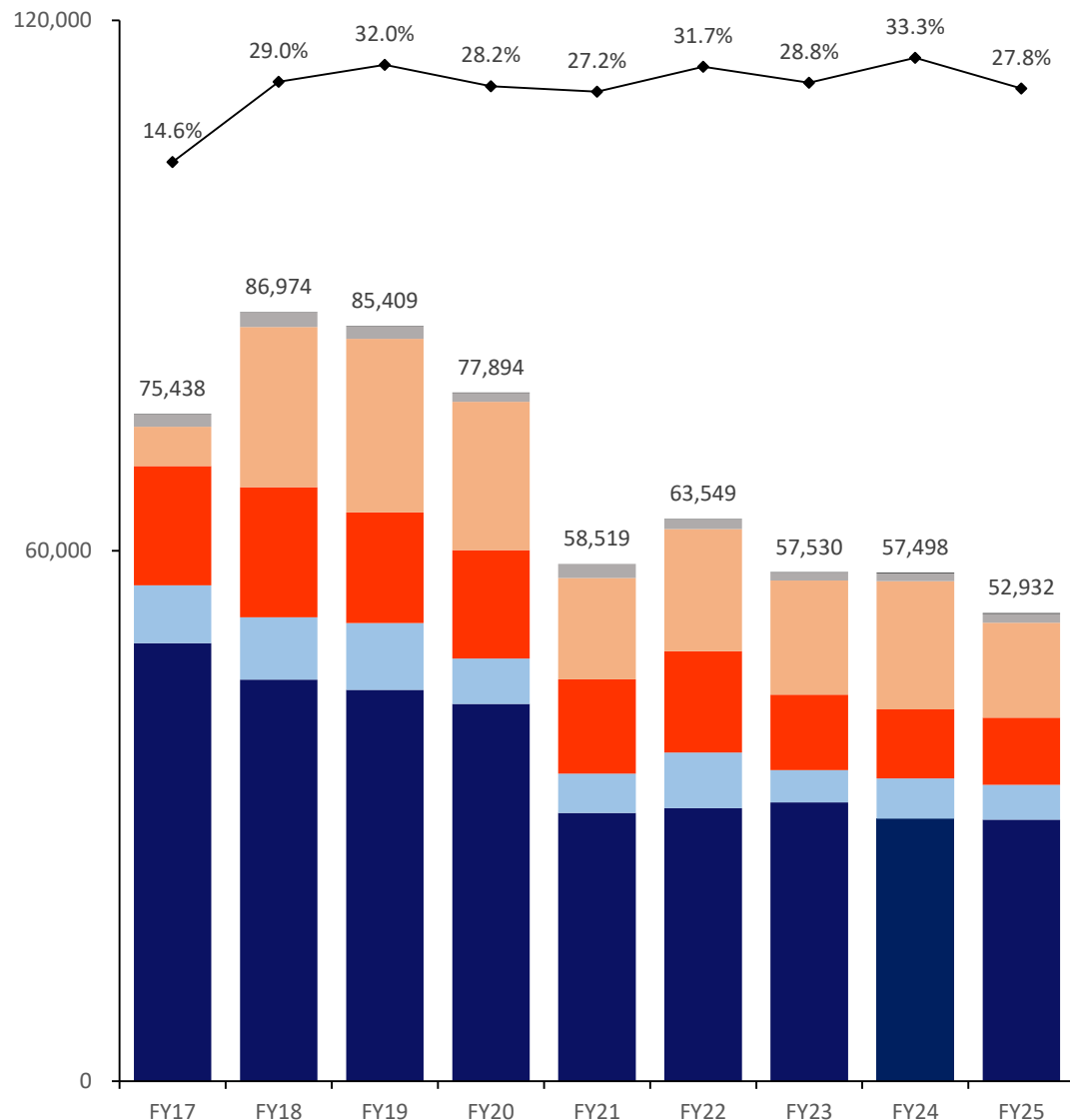
# Changes in net sales by principal items

(Unit: millions of yen)

	For the year ended March 31, 2023		For the year ended March 31, 2024		For the year ended March 31, 2025		Year-on-Year	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Amount change	Percent change
<b>Mobile Cranes</b>								
Domestic sales	31,521	54.8%	29,673	51.6%	29,564	55.9%	-109	(0.4)%
Overseas sales	3,669	6.4%	4,560	7.9%	3,944	7.5%	-616	(13.5)%
Subtotal	<b>35,190</b>	<b>61.2%</b>	<b>34,234</b>	<b>59.5%</b>	<b>33,508</b>	<b>63.3%</b>	<b>-725</b>	<b>(2.1)%</b>
<b>Construction equipment</b>								
Domestic sales	8,533	14.8%	7,803	13.6%	7,620	14.4%	-182	(2.3)%
Overseas sales	12,898	22.4%	14,504	25.2%	10,738	20.3%	-3,766	(26.0)%
Subtotal	<b>21,431</b>	<b>37.3%</b>	<b>22,308</b>	<b>38.8%</b>	<b>18,359</b>	<b>34.7%</b>	<b>-3,948</b>	<b>(17.7)%</b>
<b>Industrial equipment</b>								
Domestic sales	906	1.6%	883	1.5%	1,012	1.9%	129	14.7%
Overseas sales	1	0.0%	72	0.1%	51	0.1%	-21	(29.3)%
Subtotal	<b>908</b>	<b>1.6%</b>	<b>955</b>	<b>1.7%</b>	<b>1,063</b>	<b>2.0%</b>	<b>108</b>	<b>11.3%</b>
<b>Total</b>								
Domestic sales	40,961	71.2%	38,360	66.7%	38,197	72.2%	-162	(0.4)%
Overseas sales	16,569	28.8%	19,138	33.3%	14,734	27.8%	-4,403	(23.0)%
Subtotal	<b>57,530</b>	<b>100.0%</b>	<b>57,498</b>	<b>100.0%</b>	<b>52,932</b>	<b>100.0%</b>	<b>-4,566</b>	<b>(7.9)%</b>

# Changes in net sales by principal items

(Unit: millions of yen)



## Mobile cranes

**Domestic sales:** Although the launch of new models was delayed, results remained at the same level as the previous fiscal year.

**Overseas sales:** No large-scale sales to southeast asia were recorded in the current fiscal year, unlike in the previous year.

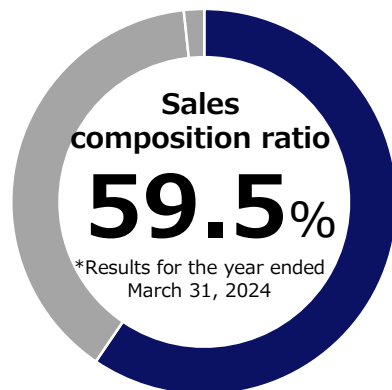
## Construction equipment

**Domestic sales:** Despite intensified competition, results remained at the same level as the previous fiscal year.

**Overseas sales:** Tightened demand in the U.S. market before and after the presidential election and decreased 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

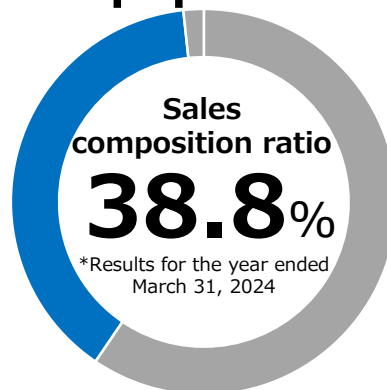
#### ✓ Crawler cranes

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

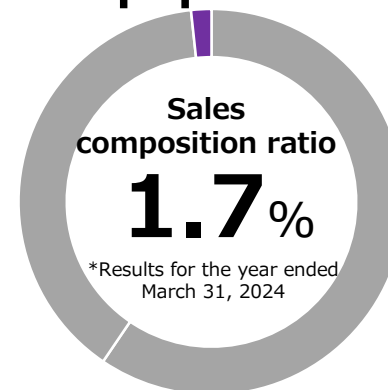
#### ✓ Used for developing land for construction and demolishing structures

### 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.

# Consolidated earnings forecast for FY26

(Unit: millions of yen)

	For year ended March 31, 2025	For year ended March 31, 2026	
	Amount	Amount	Percent change
Net sales	52,932	57,000	7.7%
Operating profit(loss)	903	1,700	88.1%
Ordinary profit	1,401	1,200	(14.4)%
Profit (loss) attributable to owners of parent	(6,033)	1,200	—

\*Assumed exchange rate USD/JPY=¥145, EUR/JPY=¥155, CNY/JPY=¥20

Regarding the consolidated financial results for the fiscal year ending March 31, 2025, as disclosed in the "notice regarding the difference between the full-year consolidated earnings forecast and actual results" released on May 14, 2025, profit attributable to owners of parent temporarily declined due to the recording of a one-time loss on the reorganization of subsidiaries associated with the restructuring of our business in China.

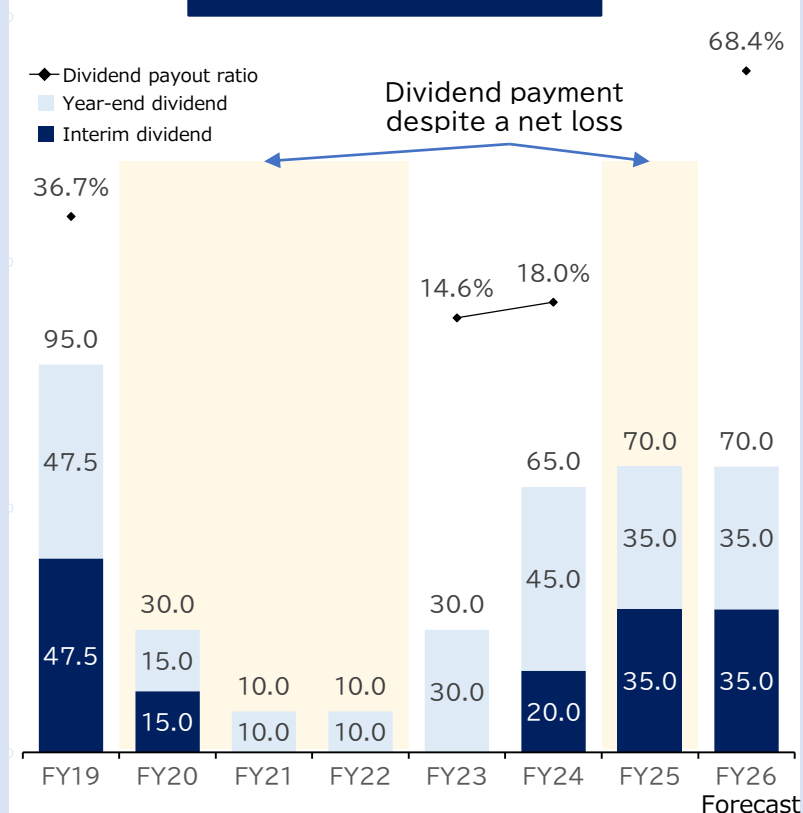
As for the consolidated earnings forecast for the fiscal year ending March 31, 2026, while the business environment remains uncertain—such as ongoing tariff policies in the U.S.—and a rapid demand increase in domestic and overseas markets is not expected, we anticipate net sales of 57.0 billion yen, up 7.7% year on year. This is based on full-year sales of high-priced large rough terrain cranes, the market launch of which was delayed in the previous year, as well as expected revenue growth from our india business starting mid-year.

With respect to net profit, we expect a significant recovery from the previous fiscal year, which recorded a one-time loss. We believe that, in addition to the effects of initiatives implemented under the previous and current medium-term management plans, the steady execution of the new medium-term initiatives starting this fiscal year will lead to further improvement in our consolidated earnings and capital efficiency going forward.

# Dividend Forecast and stock repurchase of treasury stock

- ✓ Based on the Mid-Term Management Plan announced on March 27, 2025, the dividend forecast for the current fiscal year is set at ¥70 per share.
- ✓ In addition, the company plans to repurchase its own shares during the period of the Mid-Term Management Plan, targeting approximately 5% of the total number of outstanding shares. As announced on May 14, 2025, the company intends to repurchase up to 400,000 shares, with a maximum acquisition amount of ¥600 million.

## Dividend



## Stock repurchase of treasury stock

Total amount

\*Maximum number

**¥600million**

Number of shares  
acquired

\*Maximum number

**400,000shares**  
(3.4% of the total number of issued shares)

Period

**May 15, 2025 to August 29, 2025**

Method

**Market purchase by the trust method**

# TOPICS

1

## World's First Hybrid Power Mobile Crane\* to Accept Orders from November 8, 2024

\*Rough terrain crane with an integrated driver's seat and crane operator's seat



- **Zero CO<sub>2</sub> emissions at construction sites**

Using the standard-equipped external power hydraulic unit "EK-UNIT" achieves zero CO<sub>2</sub> emissions at construction sites

- **Worry-free operation without run-down battery**

Operates on both a diesel engine and electric motor, enabling uninterrupted road travel without the worry of a run-down battery

- **Affordable price**

Achieves a hybrid power model at approximately half price of a fully electric crane (a fully electric crane is estimated to cost four times more than traditional diesel models)

- **Standard retail price**

73.8 million yen (excluding tax)

- **Sales target**

100 units/5 years

*\*Press release on November 8, 2024*



# TOPICS

## 2

### Full-Rotating Crawler Carrier IC70R Wins Good Design Award



- **Awarded the Good Design Award**  
KATO WORKS received the 2024 Good Design Award for its Crawler Carrier IC70R.
- **Judge's Comment**  
"By redesigning the layout of the equipment, it ensures good visibility, and with features like automatic restriction functions to address risks during operation and movement, its thorough commitment to safety is commendable."  
(\*Excerpt)

\*Press release on October 16, 2024

# TOPICS

## 3

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

\*cabin integrated for traveling and crane operation



- **Features**

- ★ New 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

## 4

### Social Contribution

Support for Noto Peninsula Earthquake Recovery



#### ▪ Free Excavator Training

Free training conducted in Kanazawa for local students to support development of future demolition workers.

\*April 15, 2024 press release



#### ▪ Construction Equipment Donation to Japan Aviation Academy (Ishikawa)

A multi-purpose track loader (CL45) was donated free of charge for use in snow removal, earth transport, and as an educational tool, supporting the restart of educational activities.

\*November 13, 2024 press release

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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.