

Financial Results for the Three Months Ended June 30, 2025 (April – June)

130th Anniversary
Since 1895

KATO 株式会社 加藤製作所

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Status by segment (manufacturing base)



Evolution Towards True Value

*Year-on-year change.

Japan

Net sales
10,973million yen +18.0% *

Operating profit
(594) million yen -%

Manufacturing bases	Destinations	Key products
▪Ibaraki ▪Gunma	▪Japan ▪United States ▪Southeast Asia ▪Taiwan ▪Middle and Near East, etc.	▪Mobile cranes ▪Construction equipment

TOPICS Japan

- Sales of medium- and large-sized mobile cranes for the domestic market recovered.

TOPICS US(Export destination)

- Net sales of hydraulic excavators for the US market declined, as customers postponed investment decisions due to uncertainty over tariff policies.

Europe

Net sales
859million yen (23.9)%*

Operating profit
(83) million yen -%

Manufacturing bases	Destinations	Key products
▪Italy	▪EU countries, etc.	▪Construction equipment

TOPICS Italy

- Net sales decreased due to the economic downturn in Europe.
- Capital Increase Implemented for Italian Subsidiary

Others

Net sales
903million yen +28.5% *

Operating profit
43million yen -%

Manufacturing bases	Destinations	Key products
▪None	▪China etc.	▪Construction equipment

TOPICS China

- The China segment will be reclassified under "Others" from FY2026 due to a decrease in net sales scale.

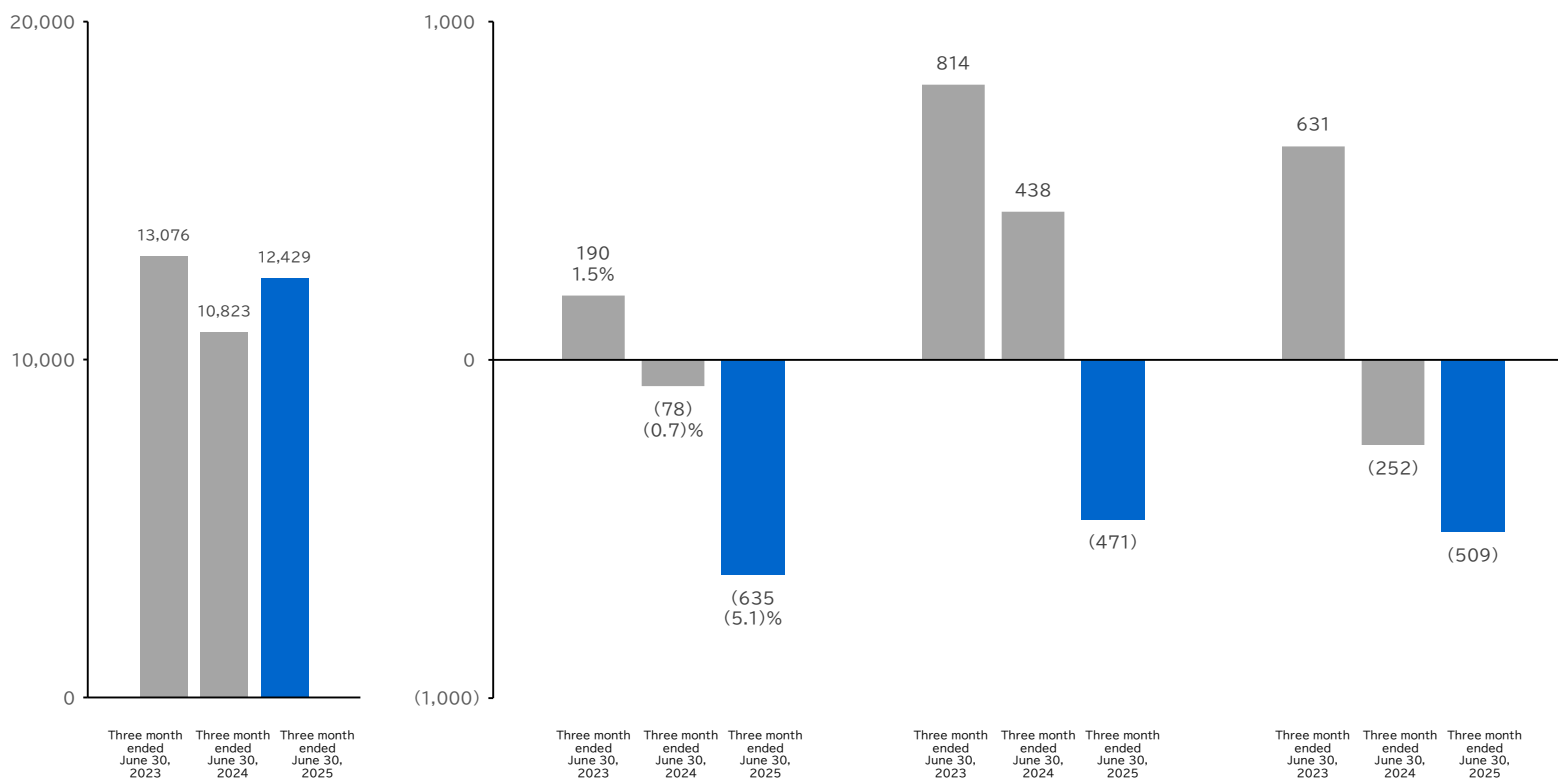
Summary of consolidated financial results



Evolution Towards True Value

(Unit: millions of yen)

	Net sales		Operating profit and margin		Ordinary profit		Profit attributable to owners of parent	
	Year on year		Year on year		Year on year		Year on year	
FY26-Q1	12,429	14.8%	(635)	-	(471)	-	(509)	-
Consolidated earnings forecast for FY2026	57,000	7.7%	1,700	88.1%	1,200	△14.4%	1,200	-

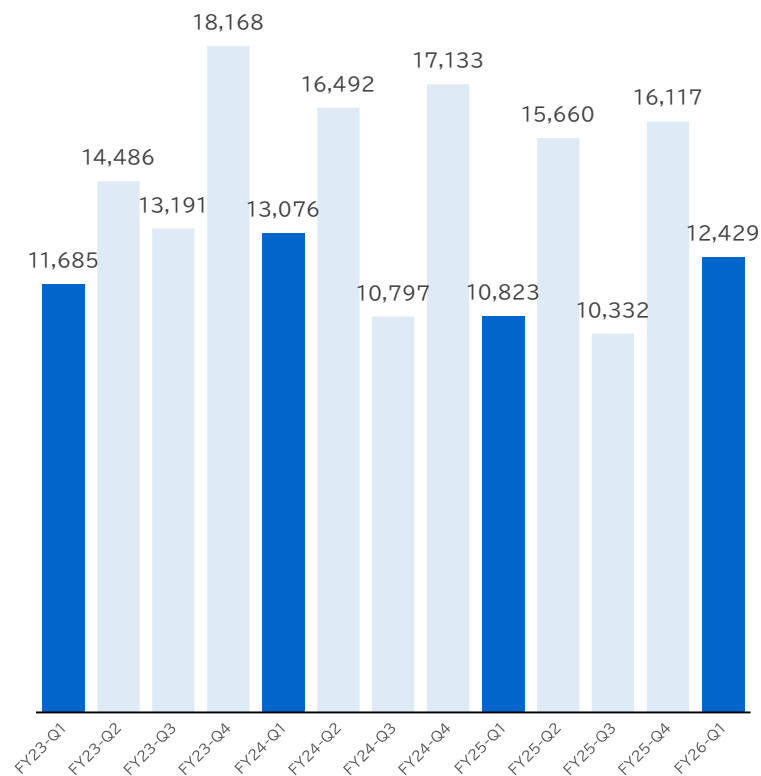


Summary of consolidated financial results (Quarterly net sales and operating profit)

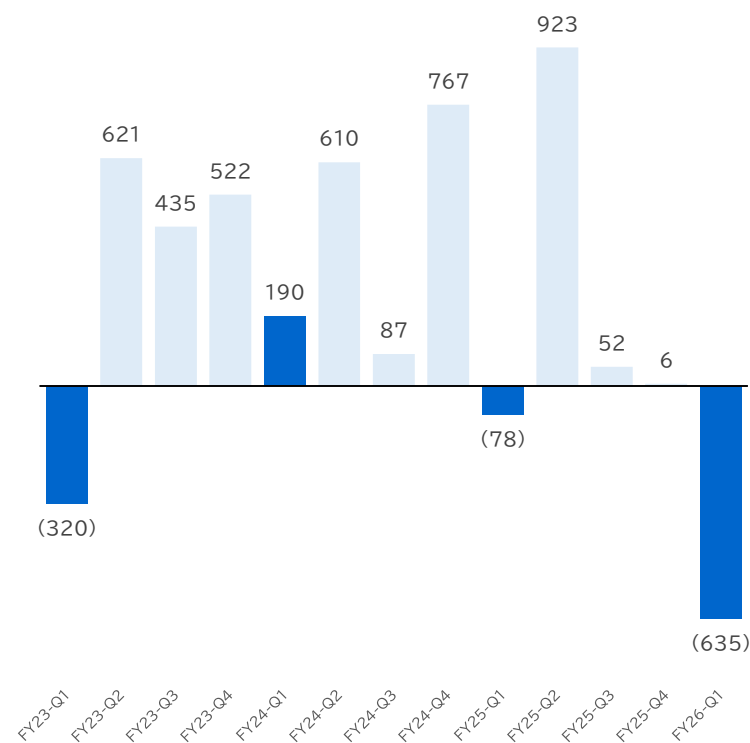
(Unit: millions of yen)

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

Net sales



Operating profit



Consolidated statement of income

(Unit: millions of yen)

	For the three months ended June 30, 2024		For the three months ended June 30, 2025		Year-on-Year	
	Amount	Percentage	Amount	Percentage	Amount change	Percentage change
Net sales	10,823	100.0%	12,429	100.0%	1,605	14.8%
Cost of sales	9,074	83.8%	11,140	89.6%	2,065	22.8%
Gross profit	1,749	16.2%	1,289	10.4%	(460)	(26.3)%
Selling, general and administrative expenses	1,827	16.9%	1,924	15.5%	96	5.3%
Operating profit	(78)	(0.7)%	(635)	(5.1)%	(556)	-
Non-operating income (expenses)	517	4.8%	163	1.3%	(353)	(68.3)%
Ordinary profit	438	4.0%	(471)	(3.8)%	(910)	-
Extraordinary income (losses)	(427)	(3.9)%	(3)	0.0%	424	-
Profit before income taxes	10	0.1%	(474)	(3.8)%	(485)	-
Income taxes	270	2.5%	42	0.3%	(227)	(84.2)%
Profit (loss) attributable to non-controlling interests	(6)	(0.1)%	(7)	(0.1)%	0	-
Profit (loss) attributable to owners of parent	(252)	(2.3)%	(509)	(4.1)%	(257)	-

✓ **Net sales:** Increased year-on-year due to the recovery in sales of medium and large construction cranes for the domestic market and flexible sales strategies for construction equipment such as hydraulic excavators.

✓ **Cost of sales ratio:** 83.8% → 89.6% (an increase of 5.8 points) due to a reassessment aimed at optimizing inventories.

✓ **Non-operating income:** The foreign exchange gains recorded in the same period of the previous year have fallen off.

Consolidated balance sheet

(Unit: millions of yen)

Total assets as of
March 31, 2025
102,747



Total assets as of
June 30, 2025
97,264 (-5,482)

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			
		•Retained earnings	27,457
		•Valuation and translation adjustments	5,978
		•Other	11,167

Assets

Liabilities and Net assets

Current assets 74,842		Current liabilities 37,865	
•Cash and deposits	12,479	•Trade payables	9,051
•Trade receivables	16,293	•Short-term borrowings	25,390
•Inventories	44,040	•Other	3,420
•Other	2,028		
Non-current assets 22,422		Non-current liabilities 16,347	
•Property, plant and equipment	16,123	•Long-term borrowings	16,147
•Intangible assets	1,318	•Other	199
•Investments and other assets	4,980		
Net assets 43,052			
		•Retained earnings	26,536
		•Valuation and translation adjustments	5,870
		•Other	10,644

Assets

Liabilities and Net assets

✓Trade receivables *

- Japan 16,178 → 14,565
- Europe 2,240 → 2,261
- Others 981 → 944

✓Inventories *

- Japan 41,365 → 41,042
- Europe 3,220 → 3,002
- Others 819 → 152

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

Optimization of trade receivables and inventories is underway through flexible sales strategies and other measures.

✓Liabilities

Liabilities decreased due to improved cash flow.

✓Equity Ratio

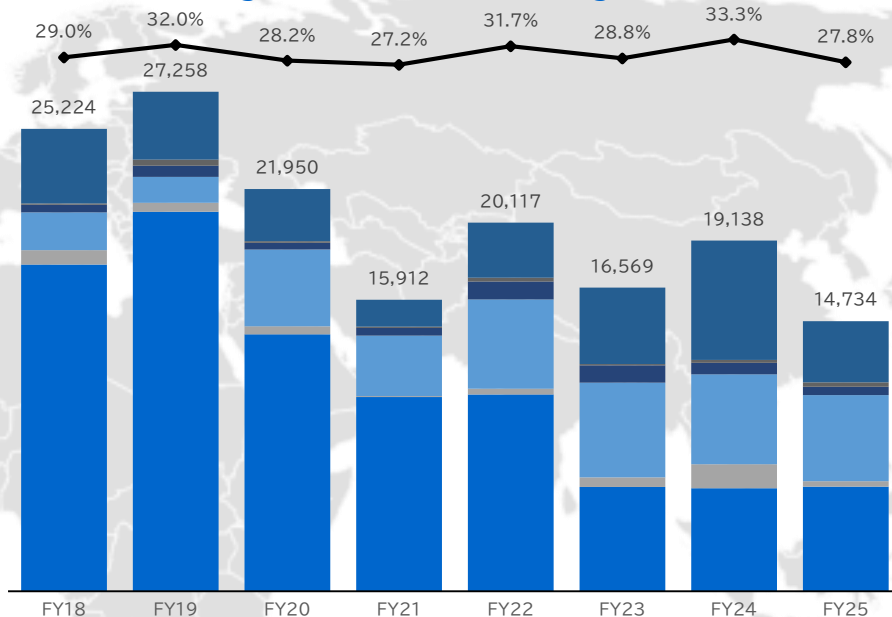
Maintaining a high equity ratio of 44.2%.

Changes in net sales by destination (excluding Japan)

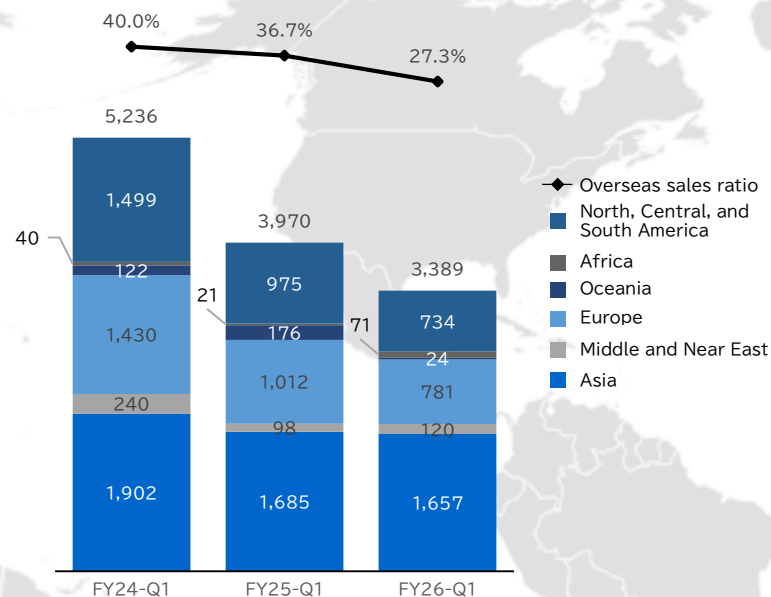
(Unit: millions of yen)

	For the three months ended June 30, 2023		For the three months ended June 30, 2024		For the three months ended June 30, 2025		Year-on-Year		Composition ratio of total net sales
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Amount change	Percent change	
Asia	1,902	36.3%	1,685	42.5%	1,657	48.9%	(28)	(1.7)%	13.3%
Middle and Near East	240	4.6%	98	2.5%	120	3.6%	22	23.0%	1.0%
Europe	1,430	27.3%	1,012	25.5%	781	23.0%	(231)	(22.9)%	6.3%
Oceania	122	2.3%	176	4.4%	24	0.7%	(151)	(86.0)%	0.2%
Africa	40	0.8%	21	0.6%	71	2.1%	49	226.4%	0.6%
North, Central, and South America	1,499	28.6%	975	24.6%	734	21.7%	(241)	(24.8)%	5.9%
Total overseas sales	5,236	100.0%	3,970	100.0%	3,389	100.0%	(581)	(14.6)%	27.3%

Long-term annual changes



Recent quarterly changes

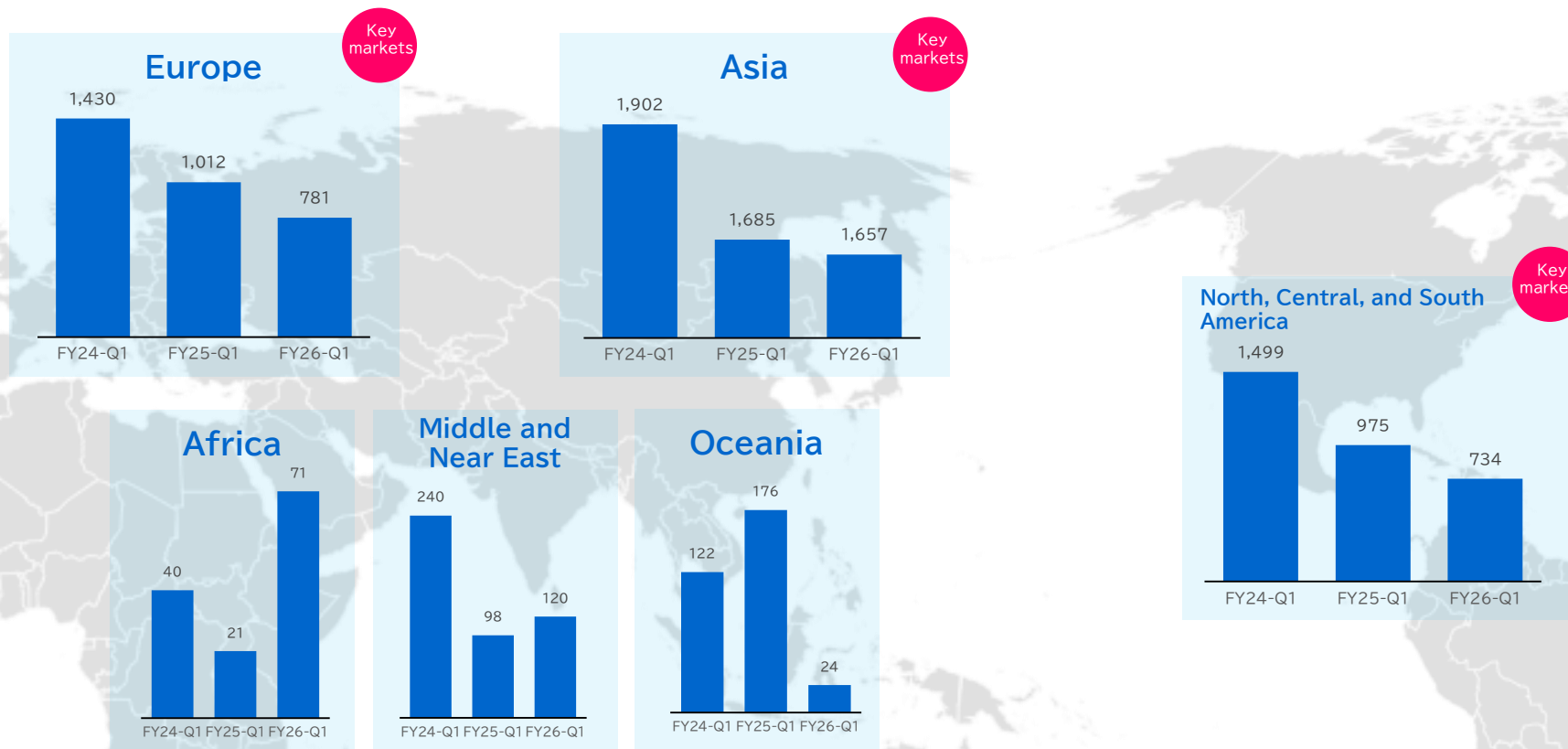


Changes in net sales by destination (excluding Japan)

(Unit: millions of yen)

Current initiatives in overseas markets

- ✓ **North, Central and South America:** Despite a decrease in revenue due to the uncertainty of US tariff policies, efforts are being explored to strengthen the revenue base as outlined in the Mid-term plan.
- ✓ **Europe:** Although revenue decreased due to the economic downturn in Europe, capital reinforcement was implemented for the Italian subsidiary to strengthen the business foundation.
- ✓ **Asia:** Even as the rationalization of the Chinese business is underway, sales have remained roughly flat compared to the same period last year. In India, preparations are underway for the establishment of a joint venture with a local company.

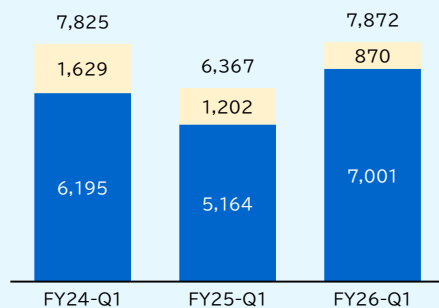


Changes in net sales by principal items

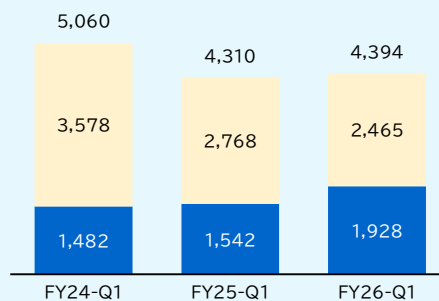
(Unit: millions of yen)

	For the three months ended June 30, 2023		For the three months ended June 30, 2024		For the three months ended June 30, 2025		Year-on-Year	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Amount change	Percent change
Mobile Cranes								
Domestic sales	6,195	47.4%	5,164	47.7%	7,001	56.3%	1,836	35.6%
Overseas sales	1,629	12.5%	1,202	11.1%	870	7.0%	-331	(27.6)%
Subtotal	7,825	59.8%	6,367	58.8%	7,872	63.3%	1,504	23.6%
Construction equipment								
Domestic sales	1,482	11.3%	1,542	14.3%	1,928	15.5%	386	25.0%
Overseas sales	3,578	27.4%	2,768	25.6%	2,465	19.8%	-302	(10.9)%
Subtotal	5,060	38.7%	4,310	39.8%	4,394	35.4%	83	1.9%
Industrial equipment								
Domestic sales	162	1.2%	145	1.3%	109	0.9%	-36	(24.9)%
Overseas sales	27	0.2%	0	0.0%	53	0.4%	53	-
Subtotal	190	1.5%	145	1.3%	162	1.3%	17	11.7%
Total								
Domestic sales	7,840	60.0%	6,853	63.3%	9,039	72.7%	2,186	31.9%
Overseas sales	5,236	40.0%	3,970	36.7%	3,389	27.3%	-581	(14.6)%
Subtotal	13,076	100.0%	10,823	100.0%	12,429	100.0%	1,605	14.8%

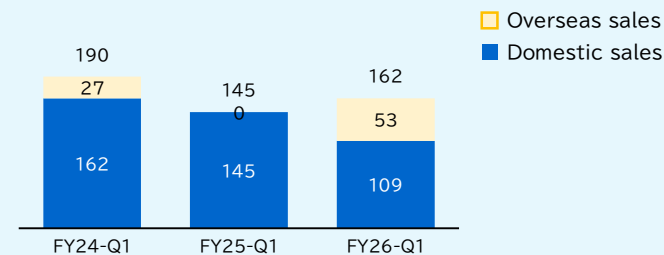
Mobile cranes



Construction equipment

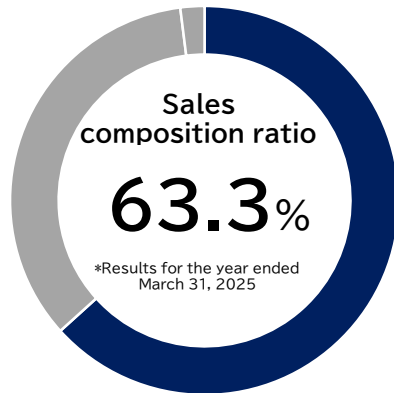


Industrial equipment



Principal items

Mobile cranes



Line up



✓Rough terrain cranes

*cabin integrated for traveling and crane operation

✓All terrain cranes

*cabins separated for traveling and crane operation

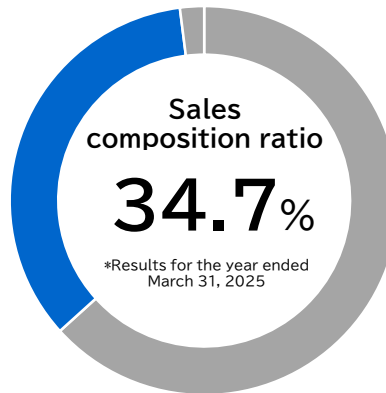
✓Crawler cranes

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

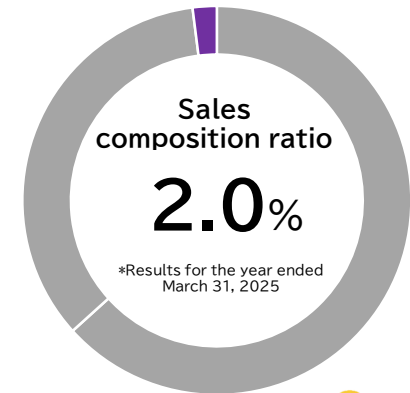
- ✓Used for developing land for construction and demolishing structures

Crawler carriers



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

Industrial equipment



Street sweepers



Vacuum trucks



Snow sweepers



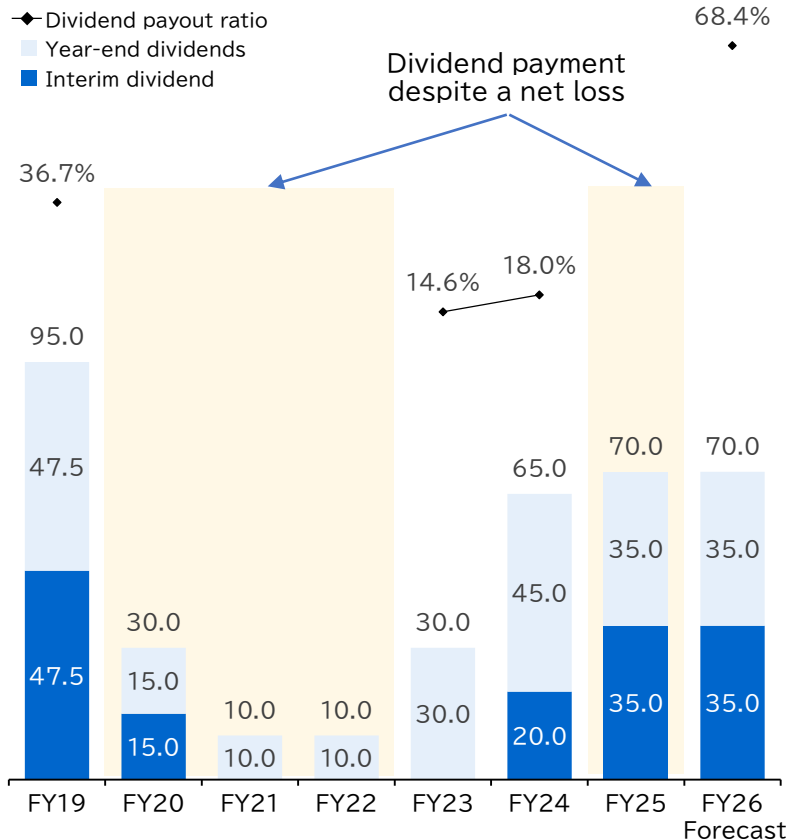
- ✓Customers include public institutions and airports. Sales composition ratio is low, but competition is limited, with a wide range of special-purpose vehicles manufactured and sold.

Shareholder returns

Includes previously disclosed information as of May 14, 2025.

- ✓ **Dividend:** Based on the Mid-term management plan announced on March 27, 2025, the dividend forecast for this term is set at 70 yen per share.
- ✓ **Acquisition of Treasury Stock:** Acquired 3.4% of the total number of issued shares(excluding treasury stock) from May 15 to June 11, 2025.

Dividend



Stock repurchase of treasury stock(Implemented)

Period

From May 15, 2025 to June 11, 2025

Class of shares

Common stock of KATO WORKS CO., LTD.

Total number of shares

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

Total acquisition cost

515,324,700 yen

Acquisition method

Market purchase by the trust method

Launch of KA-3000R, a new 300t lifting all-terrain crane



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 “super-low-noise construction machinery” by the Ministry of Land, Infrastructure, Transport and Tourism.

Suggested sales price

From 410 million yen (excluding tax)

Launch month

June 2025

Sales targets

10units / 1year

*May 8, 2025 press release



Application

A purpose-built crane designed to support transportation and lifting operations for tower installation in mountainous and sloped terrain. Expected to be increasingly used in new and replacement tower construction projects, where demand is projected to grow.

Features

All units have been redesigned to improve assembly, maintenance, and transportability.

- Installation method of swivel bearings and power unit structure were revised, reducing assembly time and labor burden.
- Adopted outriggers with integrated tilt-angle adjustment to reduce weight and assembly man-hours.
- Component optimization achieved overall weight reduction, improving transportability to mountainous and narrow sites.

Suggested sales price

From 40 million yen (excluding tax)

Launch month

June 2025

Sales targets

20units / 1year

*June 25, 2025 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.