

Financial Results Briefing Materials for the Nine Months Ended December 31, 2025 (April – December)

KATO 株式会社 加藤製作所

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Status by segment (manufacturing base)

*Year-on-year change.

Japan

Net sales
34,188million yen +6.0%*

Operating profit
(1,802) million yen -%

Manufacturing bases

- Ibaraki
- Gunma

Destinations
■ Japan
■ United States
■ Europe (intercompany transactions)
■ Southeast Asia
■ Taiwan
■ Middle and Near East, etc.

Key products
■ Mobile cranes
■ Construction equipment

TOPICS Japan

- Recovery in sales of large construction cranes for the domestic market.
- Flexible sales of hydraulic excavators for the domestic market are being implemented.

TOPICS US(Export destination)

- Demand for hydraulic excavators in the U.S. is sluggish.

Europe

Net sales
2,871million yen (16.2)%*

Operating profit
(163) million yen -%

Manufacturing bases

- Italy

Destinations
■ EU countries, etc.

Key products
■ Construction equipment

TOPICS Italy

- The downturn in construction machinery demand in Europe continues.
- A capital increase was implemented for the Italian subsidiary in the first quarter.

Others

Net sales
1,081million yen (50.0)%*

Operating profit
25million yen -%

Manufacturing bases

- None

Destinations
■ China etc.

Key products
■ Construction equipment

TOPICS China

- The Company transferred its equity interest in one of its Chinese subsidiaries.

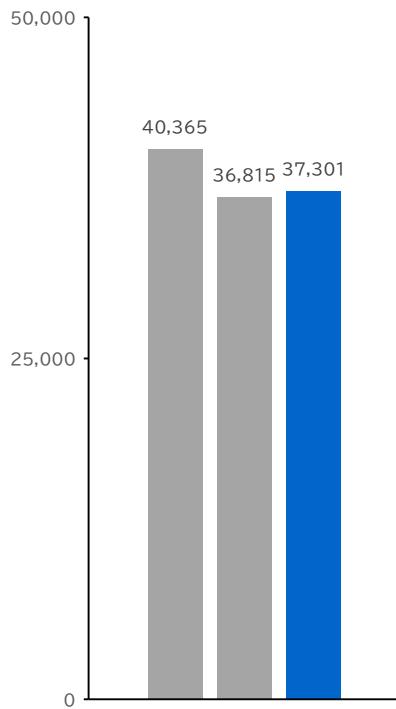
Summary of consolidated financial results

(Unit: millions of yen)

Net sales

37,301

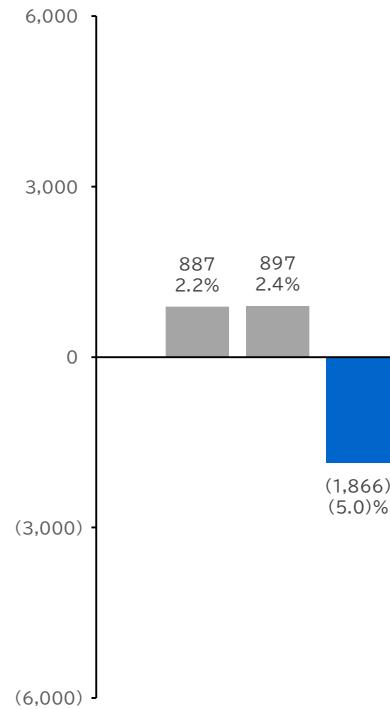
Year on year
( +1.3%)



Operating profit and margin

(1,866)

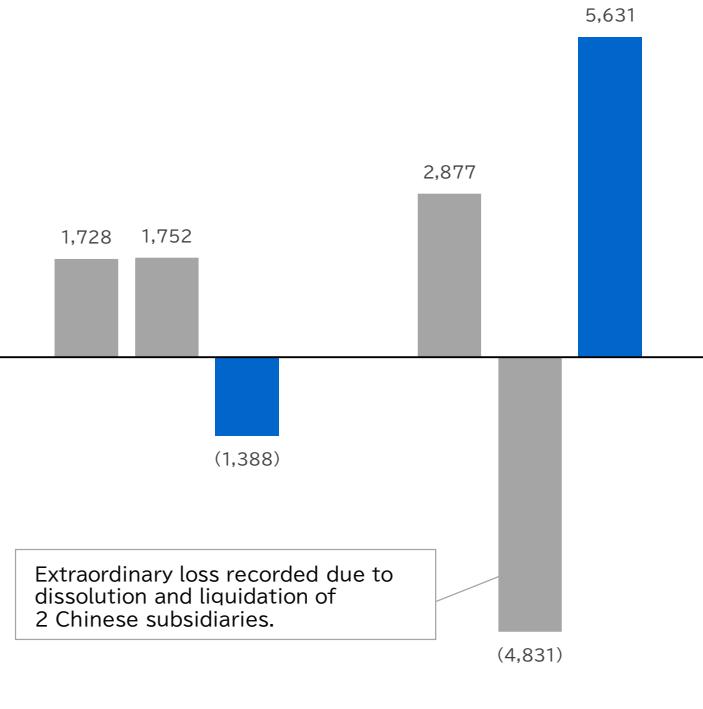
Year on year
( -%)



Ordinary profit

(1,388)

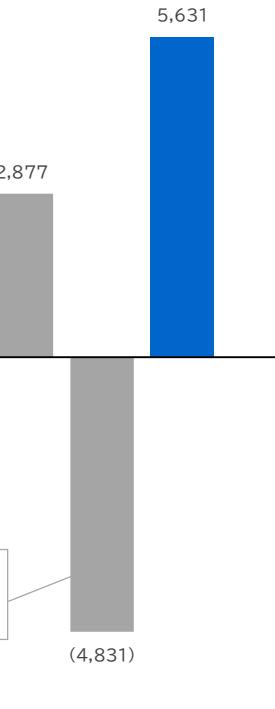
Year on year
( -%)



Profit attributable to owners of parent

5,631

Year on year
( -%)



Nine months ended December 31, 2023
Nine months ended December 31, 2024
Nine months ended December 31, 2025

Nine months ended December 31, 2023
Nine months ended December 31, 2024
Nine months ended December 31, 2025

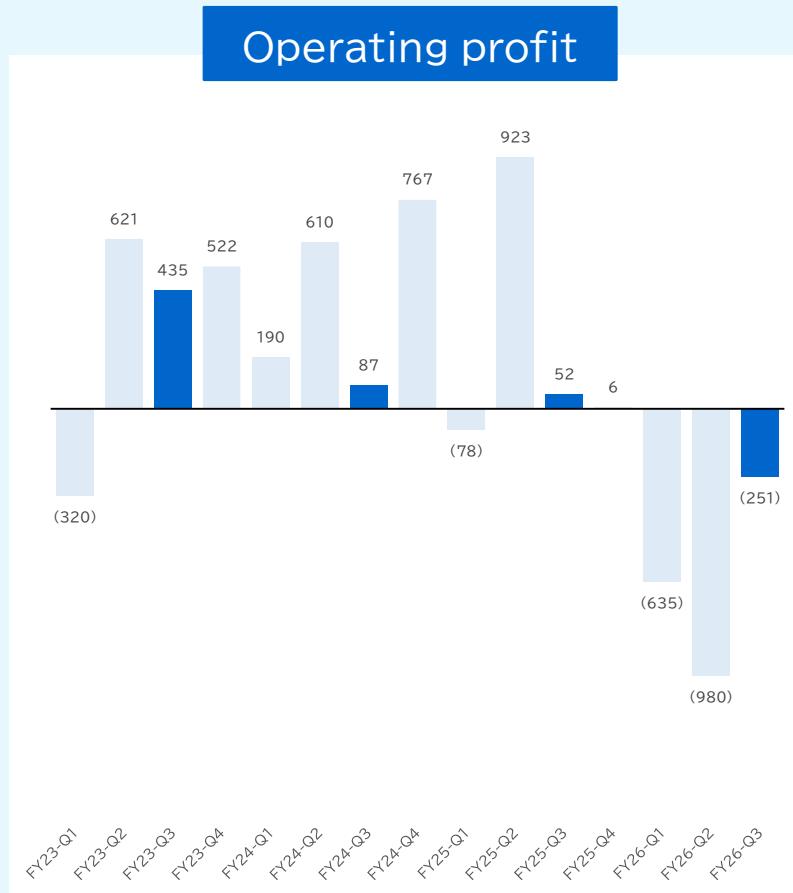
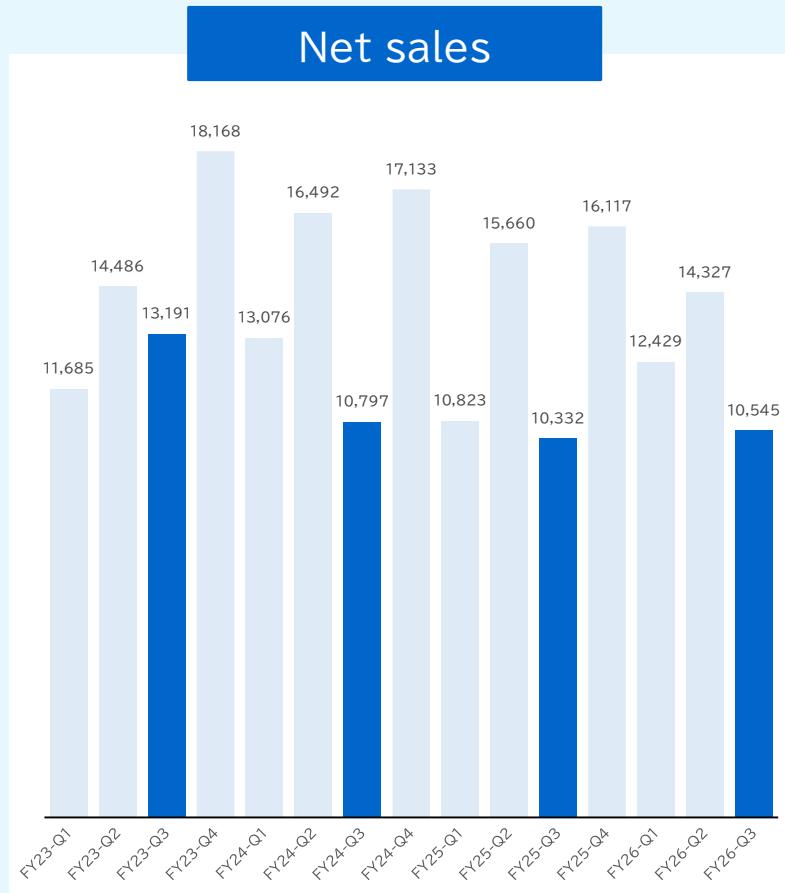
Nine months ended December 31, 2023
Nine months ended December 31, 2024
Nine months ended December 31, 2025

Nine months ended December 31, 2023
Nine months ended December 31, 2024
Nine months ended December 31, 2025

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.



Consolidated statement of income

(Unit: millions of yen)

	For the nine months ended December 31, 2024		For the nine months ended December 31, 2025		Year-on-Year	
	Amount	Percentage	Amount	Percentage	Amount change	Percentage change
Net sales	36,815	100.0%	37,301	100.0%	485	1.3%
Cost of sales	30,316	82.3%	33,341	89.4%	3,024	10.0%
Gross profit	6,499	17.7%	3,960	10.6%	(2,539)	(39.1)%
Selling, general and administrative expenses	5,601	15.2%	5,827	15.6%	225	4.0%
Operating profit	897	2.4%	(1,866)	(5.0)%	(2,764)	-
Non-operating income (expenses)	854	2.3%	477	1.3%	(376)	(44.1)%
Ordinary profit	1,752	4.8%	(1,388)	(3.7)%	(3,141)	-
Extraordinary income (losses)	(6,509)	(17.7)%	7,082	19.0%	13,591	-
Profit before income taxes	(4,756)	(12.9)%	5,693	15.3%	10,449	-
Income taxes	152	0.4%	75	0.2%	(77)	(50.7)%
Profit (loss) attributable to non-controlling interests	(77)	(0.2)%	(13)	0.0%	63	-
Profit (loss) attributable to owners of parent	(4,831)	(13.1)%	5,631	15.1%	10,463	-

✓ **Net Sales:** Although overseas revenue decreased year-on-year due to the readjustments of business in China and sluggish demand in the US and Europe, in Japan we promoted improvements in selling prices across almost all products except for certain hydraulic excavators, and sales of medium- and large-sized construction cranes recovered, resulting in a 1.3% year-on-year increase in consolidated net sales.

✓ **Cost of Sales Ratio:** 82.3% → 89.4% (an increase of 7.1 percentage points) In the second quarter, a valuation loss was recorded in connection with the optimization of inventories, including certain hydraulic excavators and service parts. The quarterly cost ratio showed an improving trend, moving from 89.6% in Q1 to 92.5% in Q2 and then improving to 84.9% in Q3.

✓ **Extraordinary income (losses):** Recorded a gain on sale of shares of a subsidiary of 7,100 million yen associated with the transfer of equity interest in a Chinese subsidiary.

Consolidated balance sheet

Total assets as of
March 31, 2025
102,747

Assets		Liabilities and Net assets	
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 liabilities 17,513	
·Long-term borrowings 17,308		·Other 205	
		Net assets 44,603	
·Retained earnings 27,457		·Foreign currency translation adjustments 5,623	
·Foreign currency translation adjustments 5,623		·Other 11,523	
Non-current assets 22,454			
·Property, plant and equipment 16,277			
·Intangible assets 1,318			
·Investments and other assets 4,858			

Total assets as of
December 31, 2025
96,491 (-6,256)

Assets		Liabilities and Net assets	
Current assets 74,775		Current liabilities 40,110	
·Cash and deposits 13,945		·Trade payables 10,001	
·Trade receivables 14,592		·Short-term borrowings 27,546	
·Inventories 45,178		·Other 2,563	
·Other 1,058			
		Non-current liabilities 12,944	
·Long-term borrowings 12,743		·Other 199	
·Other 199			
Net assets 43,436			
·Retained earnings 32,274			
·Foreign currency translation adjustments 339			
·Other 10,823			
		Non-current assets 21,716	
·Property, plant and equipment 15,446			
·Intangible assets 1,076			
·Investments and other assets 5,193			

(Unit: millions of yen)

✓ Trade receivables *

- Japan 16,178 → 13,911
- Europe 2,240 → 2,644
- Others 981 → 85

✓ Inventories *

- Japan 41,365 → 41,908
- Europe 3,220 → 3,415
- Others 819 → 10

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

Promoting the optimization of inventories.

✓ Liabilities

Liabilities decreased due to the repayment of long-term borrowings.

✓ Net assets

As a result of the deconsolidation of one Chinese subsidiary, Foreign currency translation adjustments decreased and retained earnings increased by 5,300 million yen.

✓ Equity Ratio

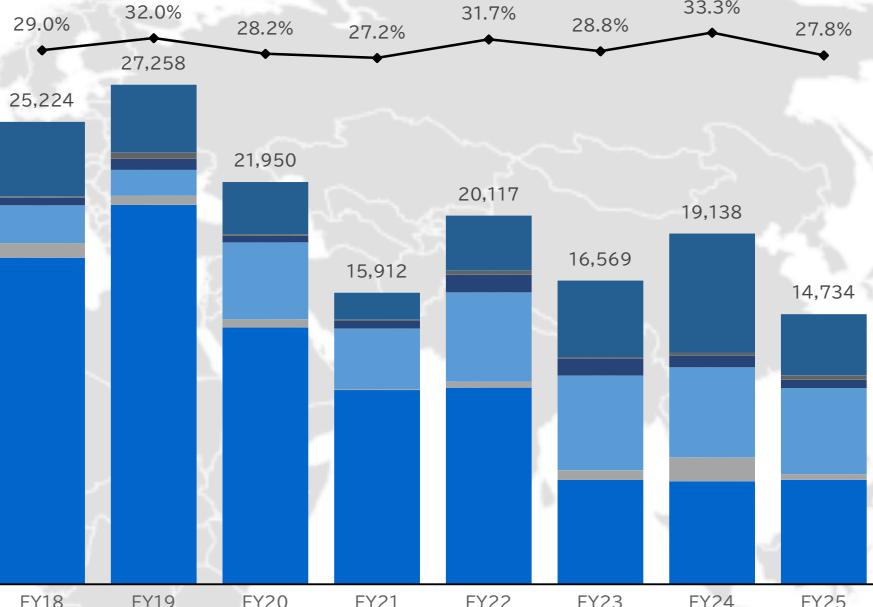
Maintaining a high equity ratio of 45.0%.

Changes in net sales by destination (excluding Japan)

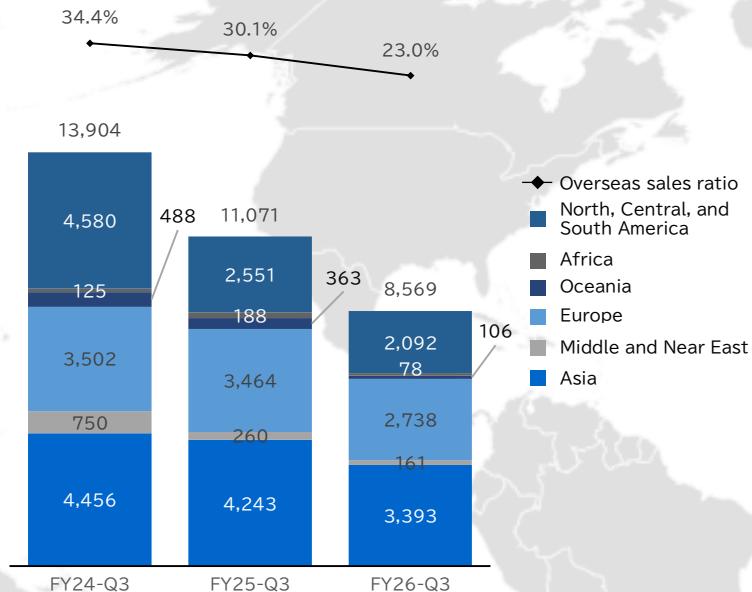
(Unit: millions of yen)

	For the nine months ended December 31, 2023		For the nine months ended December 31, 2024		For the nine months ended December 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	4,456	32.1%	4,243	38.3%	3,393	39.6%	(849)	(20.0)%	9.1%
Middle and Near East	750	5.4%	260	2.3%	161	1.9%	(98)	(37.9)%	0.4%
Europe	3,502	25.2%	3,464	31.3%	2,738	32.0%	(726)	(21.0)%	7.3%
Oceania	488	3.5%	363	3.3%	106	1.2%	(257)	(70.9)%	0.3%
Africa	125	0.9%	188	1.7%	78	0.9%	(109)	(58.3)%	0.2%
North, Central, and South America	4,580	32.9%	2,551	23.0%	2,092	24.4%	(459)	(18.0)%	5.6%
Total overseas sales	13,904	100.0%	11,071	100.0%	8,569	100.0%	(2,501)	(22.6)%	23.0%

Long-term annual changes



Recent quarterly changes

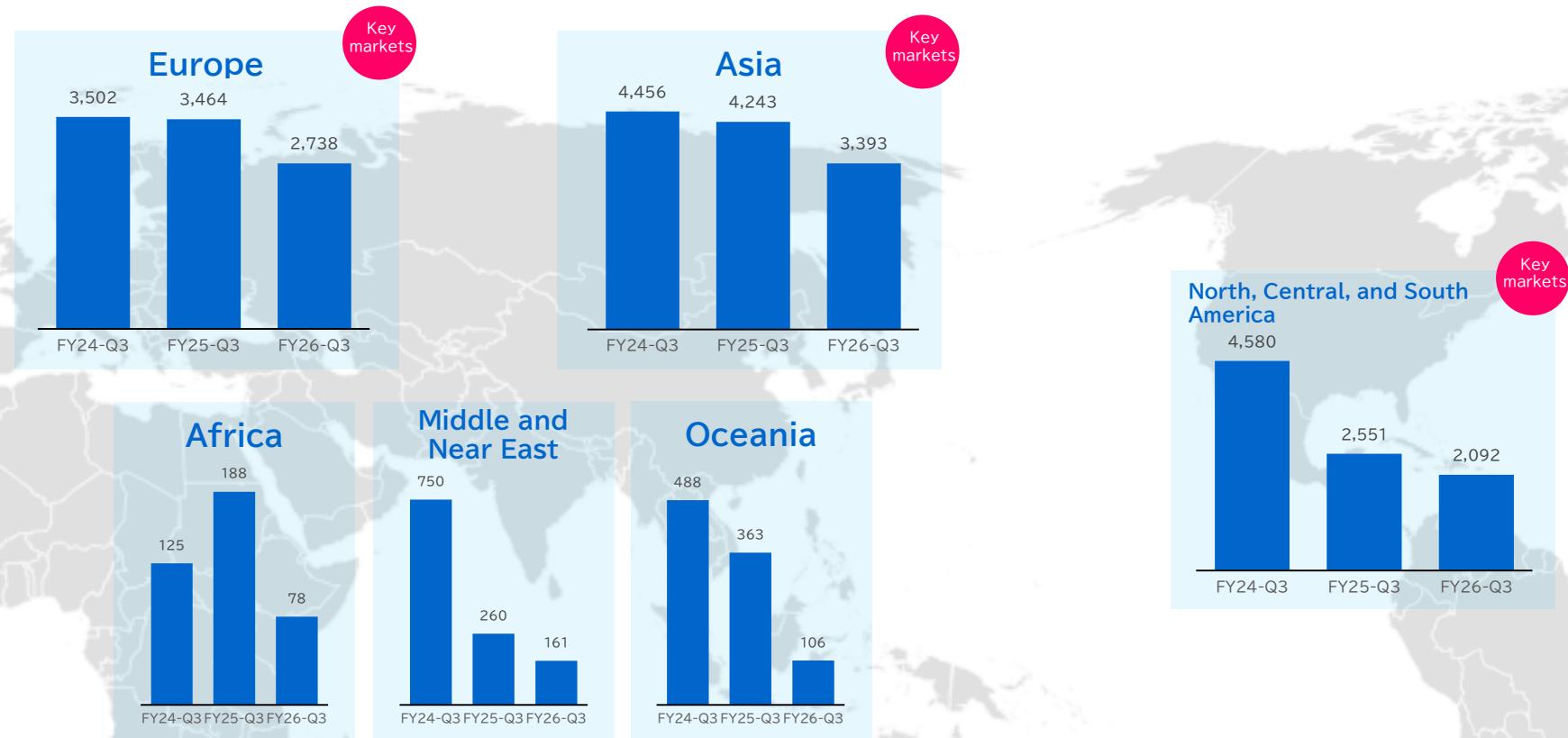


Changes in net sales by destination (excluding Japan)

(Unit: millions of yen)

Current initiatives in overseas markets

- ✓ **North, Central and South America:** Although sales decreased due to sluggish demand in the US market, the Company has been exploring initiatives to strengthen its earnings base as outlined in the medium-term management plan.
- ✓ **Europe:** Despite continued sluggish demand in Europe, a capital increase was implemented in the first quarter for the Italian subsidiary with the aim of strengthening the business foundation for the future.
- ✓ **Asia:** The transfer of equity interest in one Chinese subsidiary was completed, and a joint venture was established with a local partner in India, which is expected to be a growth market.



Changes in net sales by principal items

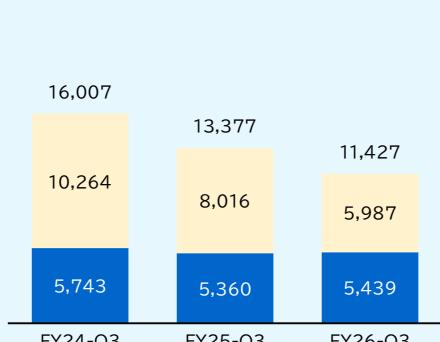
(Unit: millions of yen)

	For the nine months ended December 31, 2023		For the nine months ended December 31, 2024		For the nine months ended December 31, 2025		Year-on-Year	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Amount change	Percent change
Mobile Cranes								
Domestic sales	20,106	49.8%	19,686	53.5%	22,437	60.2%	2750	14.0%
Overseas sales	3,593	8.9%	3,003	8.2%	2,529	6.8%	(474)	(15.8)%
Subtotal	23,700	58.7%	22,690	61.6%	24,966	66.9%	2275	10.0%
Construction equipment								
Domestic sales	5,743	14.2%	5,360	14.6%	5,439	14.6%	78	1.5%
Overseas sales	10,264	25.4%	8,016	21.8%	5,987	16.1%	(2029)	(25.3)%
Subtotal	16,007	39.7%	13,377	36.3%	11,427	30.7%	(1950)	(14.6)%
Industrial equipment								
Domestic sales	611	1.5%	696	1.9%	854	2.3%	158	22.7%
Overseas sales	46	0.1%	51	0.1%	53	0.1%	2	4.2%
Subtotal	657	1.6%	748	2.0%	908	2.4%	160	21.4%
Total								
Domestic sales	26,460	65.6%	25,744	69.9%	28,731	77.0%	2987	11.6%
Overseas sales	13,904	34.4%	11,071	30.1%	8,569	23.0%	(2501)	(22.6)%
Subtotal	40,365	100.0%	36,815	100.0%	37,301	100.0%	485	1.3%

Mobile cranes



Construction equipment



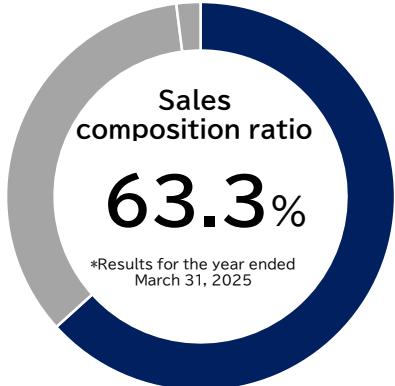
Industrial equipment



Overseas sales
Domestic sales

Principal items

Mobile cranes



Line up



Small ←Lifting capacity→ Large

✓ Rough terrain cranes

*cabin integrated for traveling and crane operation

✓ All terrain cranes

*cabins separated for traveling and crane operation

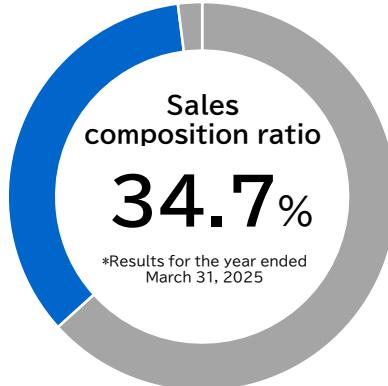
✓ Crawler cranes

and other various mobile cranes, manufactured and sold

Purposes

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

Construction equipment



Hydraulic excavators



Vehicle body weight:
0.9-50 tons

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

✓ Mid- and large-sized excavators (vehicle body weight: 8-50 tons)

manufactured and sold widely

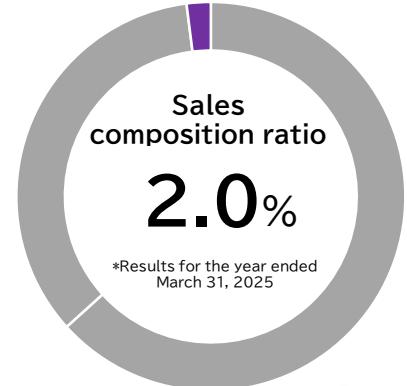
✓ Used for developing land for construction and demolishing structures

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.

(Unit: millions of yen)

	For the year ended March 31, 2025	For the year ending March 31, 2026 (As previously announced)	For the year ending March 31, 2026 (Revised forecast)
	Amount	Amount	Amount
Net sales	52,932	57,000	57,000
Operating profit(loss)	903	(500)	(500)
Ordinary profit	1,401	(1,000)	(1,000)
Profit (loss) attributable to owners of parent	(6,033)	200	5,800
Dividend per share	Interim	35yen	35yen
	Year-end	35yen	35yen
	Annual	70yen	70yen

Reason for revision to consolidated financial forecast

- ✓ In connection with the transfer of equity interest in KATO WORKS (CHINA) LTD. (announced on October 29, 2025), the final transfer price and accounting treatment have been finalized.
- ✓ The gain on sale of shares of a subsidiary increased from the previously estimated 1,500 million yen to 1,800 million yen.
- ✓ Upon deconsolidation, the foreign currency translation adjustments of 5,300 million yen were reversed in full and recorded as a gain on sale in accordance with the applicable accounting treatment.
- ✓ As a result, the total gain on sale of shares of a subsidiary amounted to 7,100 million yen, and Profit attributable to Owners of Parent has been revised upward.

✓ Gain on sale of shares of a subsidiary

Increased from the previously estimated 1,500 million yen (announced on October 29, 2025) to 1,800 million yen.

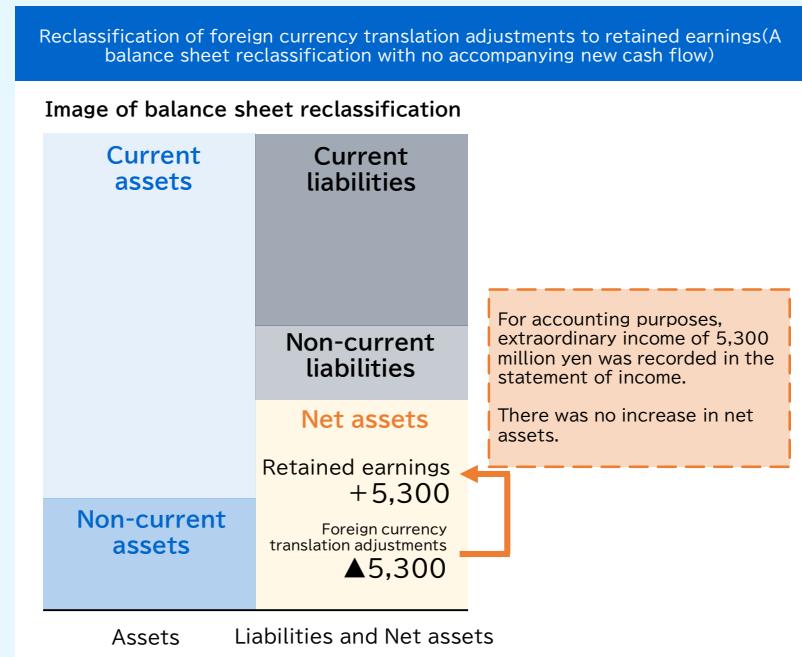
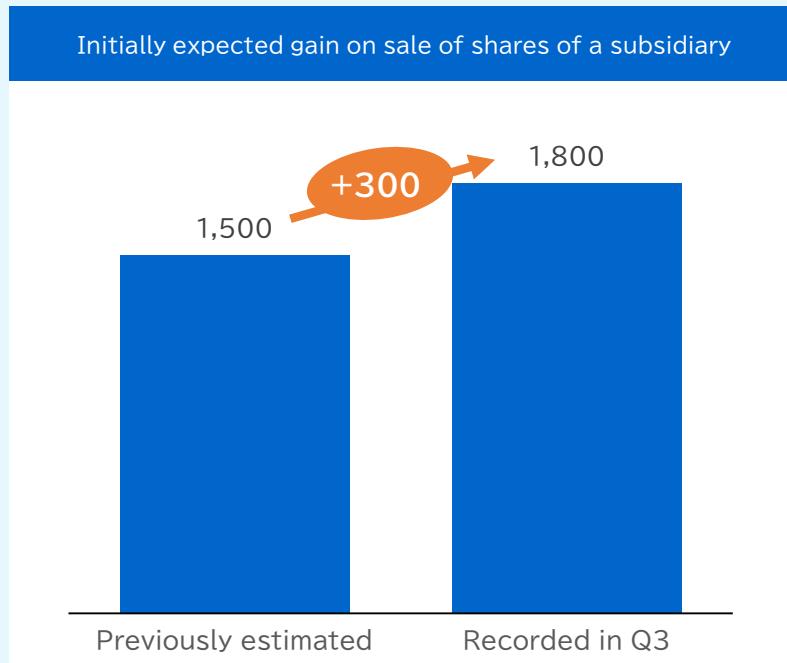
✓ Reclassification of foreign currency translation adjustments to retained earnings

Substantially a reclassification within the net assets section of the balance sheet resulting from the deconsolidation of an overseas subsidiary. The recording of 5,300 million yen as extraordinary income is attributable to accounting treatment.

✓ Dividend forecast

Although Profit attributable to Owners of Parent is expected to increase significantly, the majority of the impact arises from balance sheet reclassifications that do not generate new cash flow. Therefore, there is no change to the previous forecast (annual dividend of 70 yen per share).

(Unit: millions of yen)



Notice Concerning Partnership with a Local Company

- The investment amount and investment ratio have been determined with Action Construction Equipment Ltd. (hereinafter, "ACE") as the joint investment partner for the joint venture company planned to be established in India.
- The joint venture aims to commence operations from April 2026 and plans to produce heavy cranes for the Indian domestic market and overseas markets for the time being.
- This business is part of the overseas net sales expansion set forth in our Mid-Term Management Plan, and in the future, we plan to enhance product competitiveness through technology licensing and expand business in the Asian and Middle Eastern markets.

Overview of the joint venture

*Further details will be announced in due course.

Proposed Company Name: ACE KATO Pvt.Ltd.

Capital : 2.0 billion INR (approximately 3.4 billion JPY), jointly invested by the KATO WORKS CO., LTD. and ACE (50% ownership by KATO WORKS CO., LTD.)

Location : Haryana State, Republic of India

Business : Production of heavy cranes (truck cranes, crawler cranes, and rough terrain cranes)

Schedule

March 2026: Execution of investment and shareholders' agreements with ACE

April 2026: Establishment of the joint venture (commencement of operations)

*Timely Disclosure (February 13, 2026)

*cabin integrated for traveling and crane operation



Features

A next-generation rough terrain crane developed to enhance work efficiency, safety, and environmental performance through comprehensive upgrades to operation systems, safety equipment, and the cab environment.

- ★Adoption of a hydraulic telescoping EJIB two-stage SL jib, improving work efficiency
- ★Introduction of electric control levers and pedals, enhancing operability
- ★Standardization of a setup remote controller, reducing labor during work preparation
- ★Upgraded cab interior, improving operator comfort
- ★Integrated monitor system, enhancing visibility and operability

Suggested sales price

From 51 million yen (excluding tax)

Launch month

December 2025

Sales targets

360 units / year

*Press release (December 12, 2025)

*Vehicle operator's seat crane separate type



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 190 million yen (excluding tax)

Launch month

December 2025

Sales targets

12 units / year

*Press release (December 16, 2025)

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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.