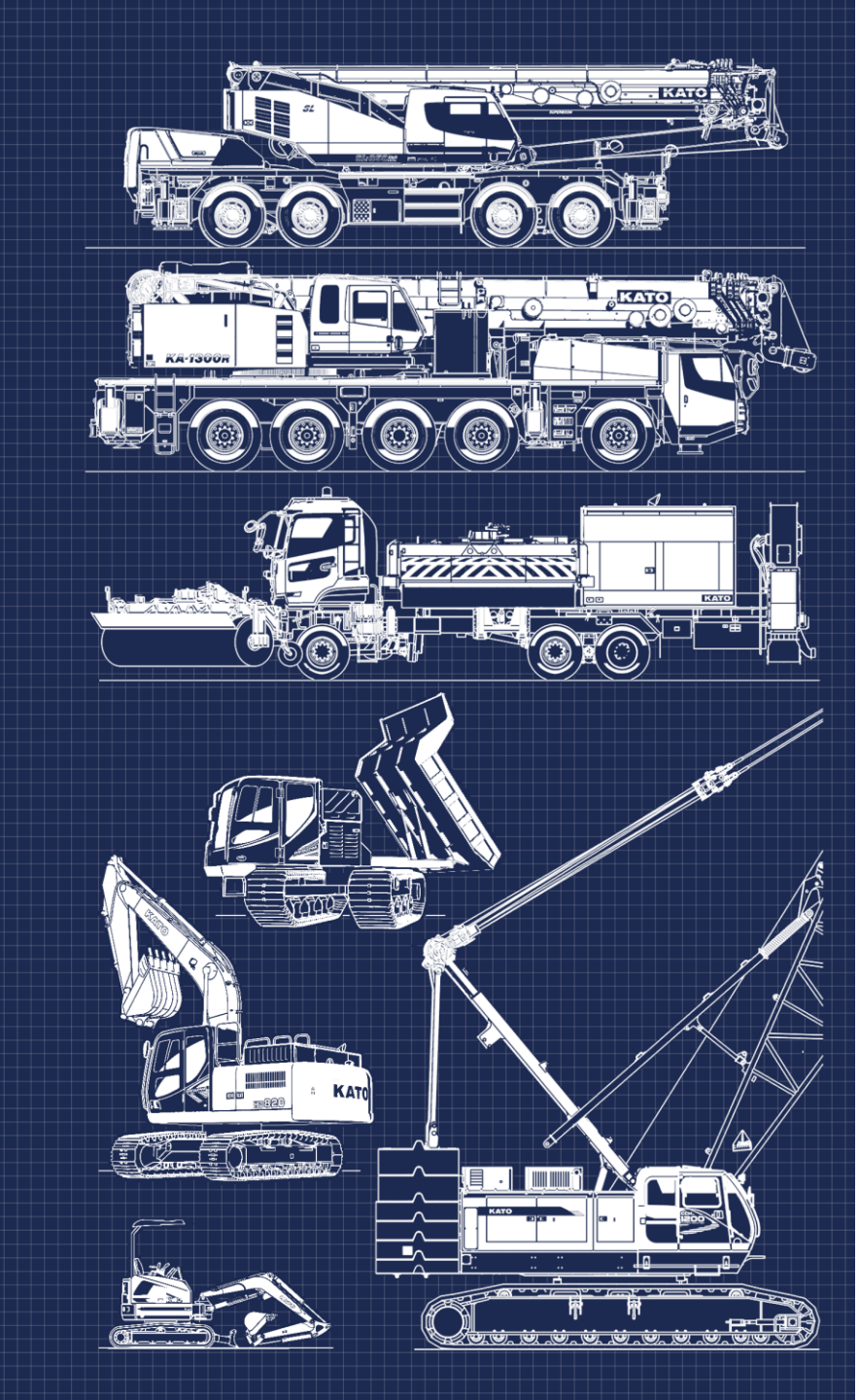


Financial Results Briefing Materials for the Six Months Ended September 30, 2026 (April – September)

KATO 株式会社 加藤製作所

Disclaimer: This document is an English translation of the original Japanese document and has been prepared for reference purposes only. In the event of any discrepancy between the English translation and the original Japanese document, the latter shall prevail.

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Status by segment (manufacturing base)

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*Year-on-year change.

Japan

Net sales
22,914million yen (6.6)% *

Operating profit
(944) million yen -%

Manufacturing bases
- Ibaraki
- Gunma

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

Key products
- Mobile cranes
- Construction equipment

TOPICS US(Export destination)

- In addition to the tariff impact on hydraulic excavators for the U.S. having run its course, private investment demand recovered.

TOPICS Japan

- Weak demand for construction machinery in Japan continues.

Europe

Net sales
2,257million yen +21.7%*

Operating profit
(39) million yen -%

Manufacturing bases
- Italy

Destinations
- EU countries, etc.

Key products
- Construction equipment

TOPICS Italy

- Demand in major European markets on a recovery trend.

China and Others

Net sales
5million yen (99.4)% *

Operating profit
(40)million yen -%

Manufacturing bases
- None

Destinations
- China etc.

Key products
- Construction equipment

Summary of consolidated financial results

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(Unit: millions of yen)

Net sales

24,309

Year on year
(↓ (9.1)%)

Operating profit and margin

(900)

Year on year
(↓ -%)

Ordinary profit

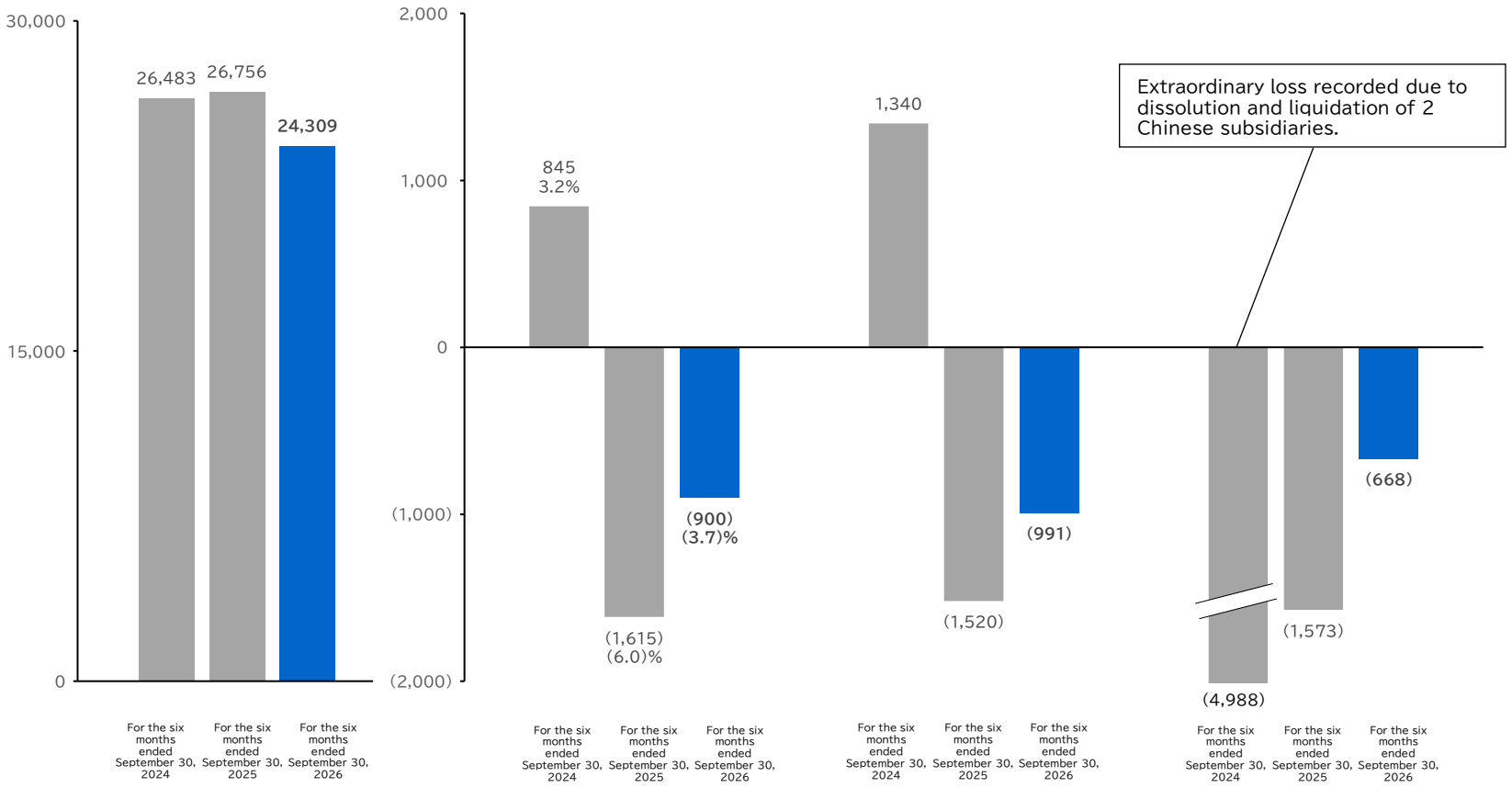
(991)

Year on year
(↓ -%)

Profit attributable to owners of parent

(668)

Year on year
(↓ -%)



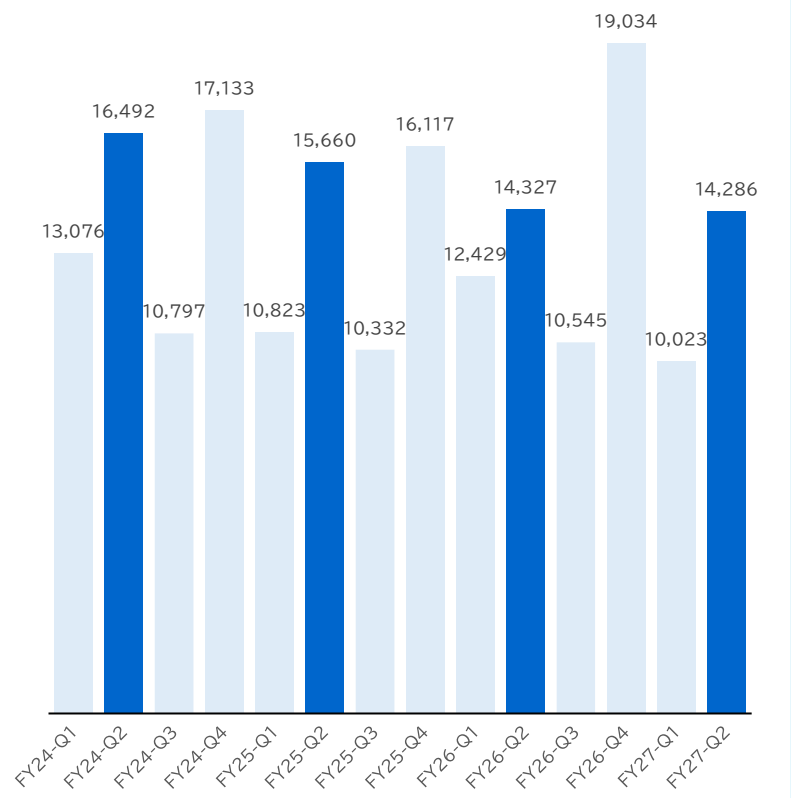
Summary of consolidated financial results (Quarterly net sales and operating profit)

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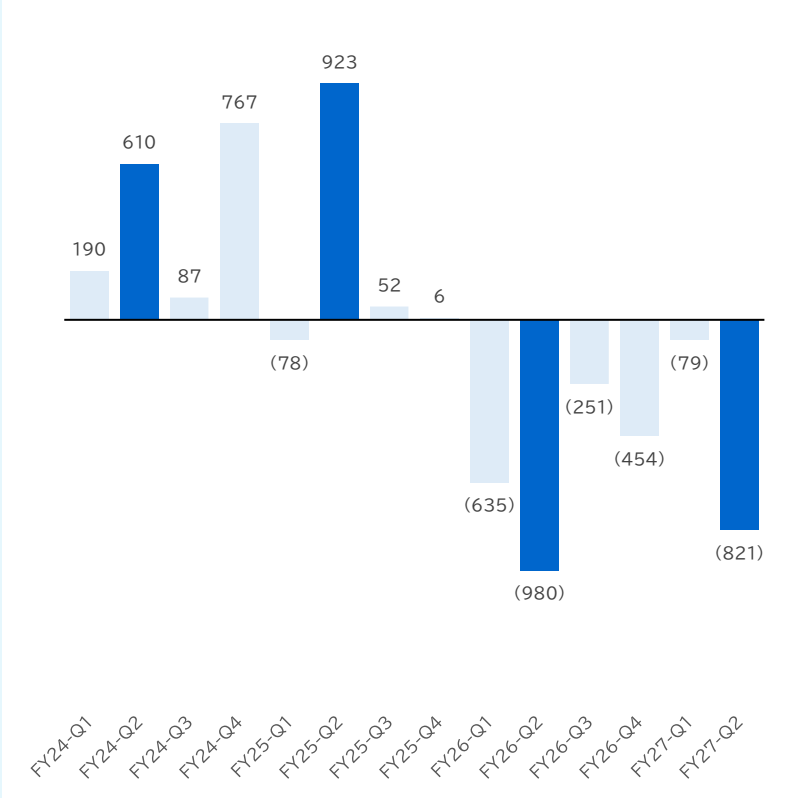
(Unit: millions of yen)

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

Net sales



Operating profit



Consolidated statement of income

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(Unit: millions of yen)

	For the six months ended September 30, 2025		For the six months ended September 30, 2026		Year-on-Year	
	Amount	Percentage	Amount	Percentage	Amount change	Percentage change
Net sales	**26,756**	**100.0%**	**24,309**	**100.0%**	**(2,447)**	**(9.1)%**
Cost of sales	24,386	91.1%	21,533	88.6%	(2,852)	(11.7)%
Gross profit	2,370	8.9%	2,775	11.4%	405	17.1%
Selling, general and administrative expenses	3,985	14.9%	3,676	15.1%	(309)	(7.8)%
Operating profit	**(1,615)**	**(6.0)%**	**(900)**	**(3.7)%**	**714**	-
Non-operating income (expenses)	94	0.4%	(91)	(0.4)%	(185)	-
Ordinary profit	**(1,520)**	**(5.7)%**	**(991)**	**(4.1)%**	**529**	-
Extraordinary income (losses)	(3)	0.0%	386	1.6%	389	-
Profit before income taxes	(1,523)	(5.7)%	(604)	(2.5)%	919	-
Income taxes	58	0.2%	63	0.3%	5	8.7%
Profit (loss) attributable to non-controlling interests	(9)	0.0%	0	0.0%	9	-
Profit (loss) attributable to owners of parent	**(1,573)**	**(5.9)%**	**(668)**	**(2.7)%**	**904**	-

✓ **Net sales:** Sales from the China business, which had been recorded in FY26, were lost due to the withdrawal from the China business. Domestic net sales also decreased, down (9.1)%.

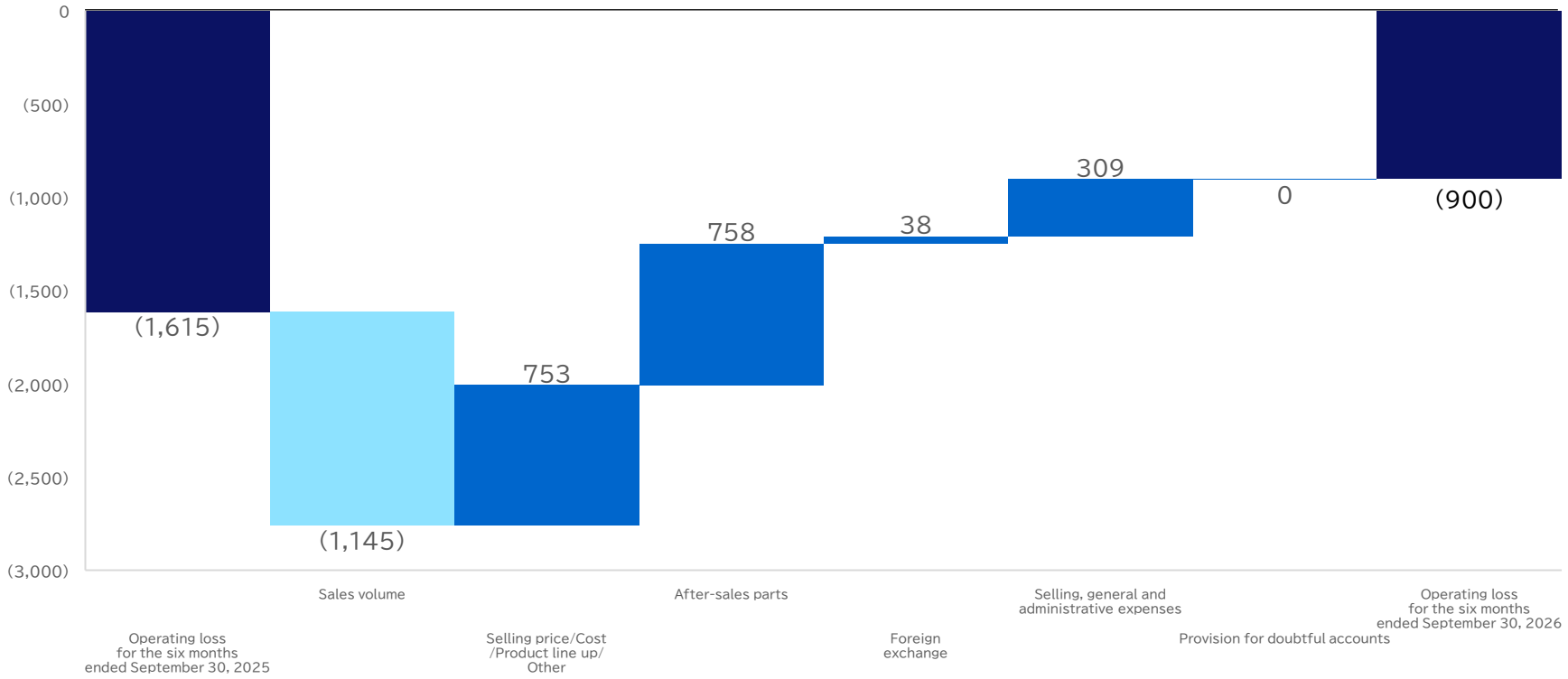
✓ **Cost of sales ratio:** 91.1% → 88.6% (2.5-point improvement) The cost of sales ratio improved year on year through measures such as strengthening sales of high-margin replacement parts.

✓ **Extraordinary income (losses):** Recorded a gain on sale of shares of subsidiaries of 393 million yen due to withdrawal from the China business

Analysis of changes in operating profit (loss)

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(Unit: millions of yen)



・Sales volume	(1,145)
・Selling price/Cost/ Product line up/Other	753
・After-sales parts	758
・Foreign exchange	38
・Selling, general and administrative expenses	309
・Provision of doubtful accounts	0

(900)

Year-on-year ↗ +715

Although domestic unit sales declined, the operating loss narrowed year on year, owing to factors such as efforts to strengthen sales of high-margin replacement parts.

Consolidated balance sheet

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(Unit: millions of yen)

Total assets as of March 31, 2026 92,365

Current assets 71,047

·Cash and deposits	11,068
·Trade receivables	19,468
·Inventories	39,936
·Other	574

Non-current assets 21,318

·Property, plant and equipment	15,025
·Intangible assets	1,062
·Investments and other assets	5,230

Current liabilities 36,469

·Trade payables	6,436
·Short-term borrowings	26,963
·Other	3,070

Non-current liabilities 13,428

·Long-term borrowings	13,220
·Other	208

Net assets 42,467

·Retained earnings	31,168
·Valuation and translation adjustments	889
·Other	10,409

Assets | Liabilities and Net assets

Total assets as of September 30, 2026 91,934 (-431)

Current assets 68,599

·Cash and deposits	7,504
·Trade receivables	17,902
·Inventories	41,549
·Other	1,642

Non-current assets 23,334

·Property, plant and equipment	15,004
·Intangible assets	2,674
·Investments and other assets	5,655

Current liabilities 37,629

·Trade payables	6,638
·Short-term borrowings	28,384
·Other	2,607

Non-current liabilities 11,605

·Long-term borrowings	11,382
·Other	223

Net assets 42,698

·Retained earnings	30,096
·Valuation and translation adjustments	515
·Other	12,085

Assets | Liabilities and Net assets

✓Trade receivables *

·Japan	18,490	→	17,657
·Europe	2,915	→	2,957
·Others	122	→	0

✓Inventories *

·Japan	36,771	→	37,657
·Europe	3,297	→	3,527
·Others	11	→	0

✓Intangible assets

Goodwill of 1,665 was recorded in connection with the commencement of business in India.

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

Measures to optimize inventory levels are being implemented.

✓Liabilities

Short-term borrowings increased.
Long-term borrowings decreased.

✓Equity Ratio

Maintaining a high equity ratio of 44.7%.

Consolidated cash flow statement

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(Unit: millions of yen)

		FY26-Q2	FY27-Q2
		Amount	Amount
Operating Cash Flow	Profit before income taxes	(1,523)	(604)
	Depreciation	837	808
	Increase/decrease in trade receivables	(1,042)	1,514
	Increase/decrease in inventories	3,667	(1,283)
	Increase/decrease in trade payables	(430)	22
	Other	1,127	(1,840)
	Total operating cash flow	**2,635**	**(1,383)**
Investing Cash Flow	Acquisition of fixed assets	(697)	(496)
	Other	266	(892)
	Total investing cash flow	**(430)**	**(1,388)**
Financing Cash Flow	Increase/decrease in interest-bearing debt	(3,734)	(437)
	Other	(936)	(343)
	Total financing cash flow	**(4,671)**	**(780)**
Net Increase/Decrease	Effect of exchange rate change	52	(10)
	Total net increase/decrease	(2,414)	(3,563)
	Cash and cash equivalents at beginning of period	**14,763**	**11,068**
	Cash and cash equivalents at end of period	**12,349**	**7,504**

Operating Cash Flow

Focused on selling down stock with the aim of optimizing inventories.

Investing Cash Flow

Deconsolidation of a Chinese subsidiary.
Investment in an Indian joint venture, etc.

Financing Cash Flow

Short-term borrowings increased.
Long-term borrowings decreased.

Cash and cash equivalents at end of period

Decreased from 11,068 to 7,504

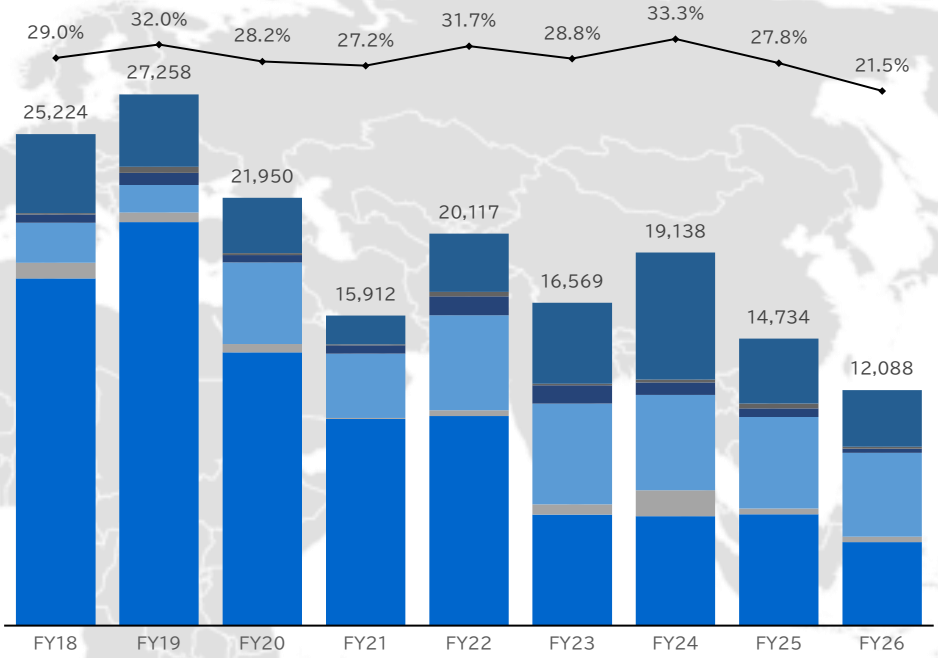
Changes in net sales by destination (excluding Japan)

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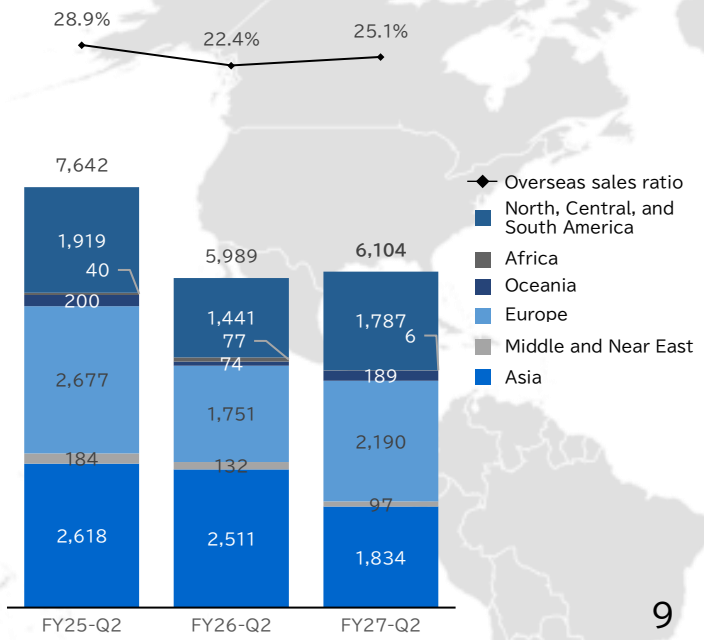
(Unit: millions of yen)

	For the six months ended September 30, 2024		For the six months ended September 30, 2025		For the six months ended September 30, 2026		Year-on-Year		Composition ratio of total net sales
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Amount change	Percent change	
Asia	2,618	34.3%	2,511	41.9%	1,834	30.1%	(676)	(26.9)%	7.5%
Middle and Near East	184	2.4%	132	2.2%	97	1.6%	(35)	(26.8)%	0.4%
Europe	2,677	35.0%	1,751	29.2%	2,190	35.9%	438	25.0%	9.0%
Oceania	200	2.6%	74	1.3%	189	3.1%	114	152.2%	0.8%
Africa	40	0.5%	77	1.3%	6	0.1%	(71)	(92.0)%	0.0%
North, Central, and South America	1,919	25.1%	1,441	24.1%	1,787	29.3%	345	24.0%	7.4%
Total overseas sales	**7,642**	**100.0%**	**5,989**	**100.0%**	**6,104**	**100.0%**	**114**	**1.9%**	**25.1%**

Long-term annual changes



Recent quarterly changes



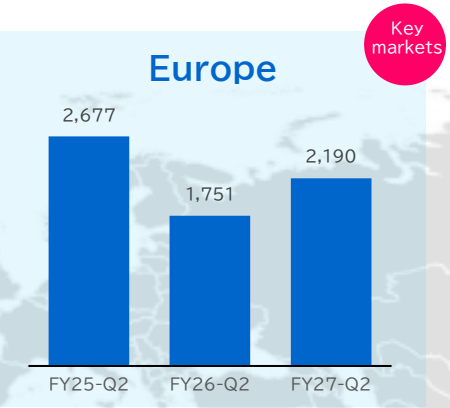
Changes in net sales by destination (excluding Japan)

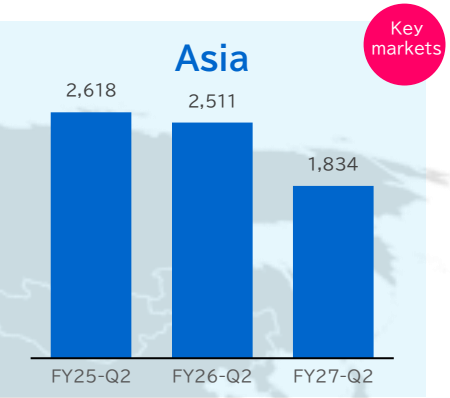
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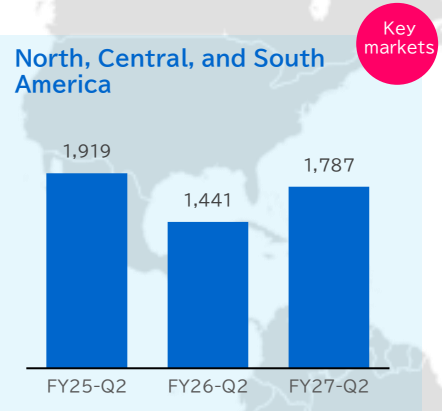
(Unit: millions of yen)

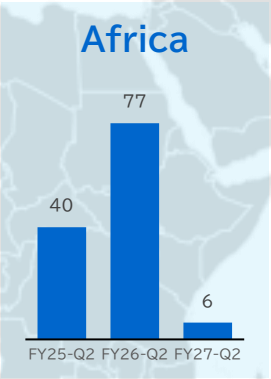
Current initiatives in overseas markets

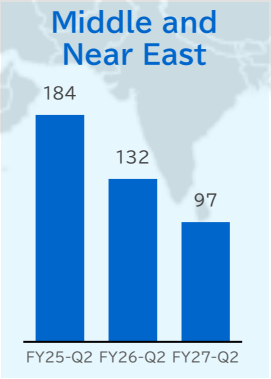
✓ **North, Central and South America:** In addition to the tariff impact on hydraulic excavators for the U.S. having run its course, private investment demand recovered.
✓ **Europe:** Demand in major European markets is on a recovery trend.
✓ **Asia:** We established a joint venture with a local company in India, a promising growth market, and expect to begin recognizing revenue in the second half.

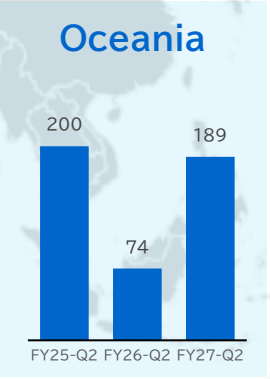












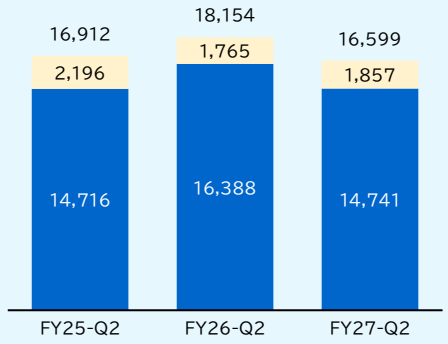
Changes in net sales by principal items

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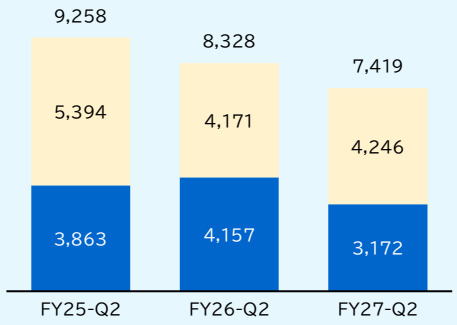
(Unit: millions of yen)

	For the six months ended September 30, 2024		For the six months ended September 30, 2025		For the six months ended September 30, 2026		Year-on-Year	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Amount change	Percent change
Mobile Cranes								
Domestic sales	14,716	55.6%	16,388	61.3%	14,741	60.6%	-1,647	(10.1)%
Overseas sales	2,196	8.3%	1,765	6.7%	1,857	7.7%	92	5.2%
Subtotal	**16,912**	**63.9%**	**18,154**	**67.9%**	**16,599**	**68.3%**	**-1,554**	**(8.6)%**
Construction equipment								
Domestic sales	3,863	14.6%	4,157	15.5%	3,172	13.1%	-984	(23.7)%
Overseas sales	5,394	20.3%	4,171	15.5%	4,246	17.4%	75	1.8%
Subtotal	**9,258**	**35.0%**	**8,328**	**31.1%**	**7,419**	**30.5%**	**-908**	**(10.9)%**
Industrial equipment								
Domestic sales	260	1.0%	220	0.8%	290	1.2%	69	31.7%
Overseas sales	51	0.2%	53	0.1%	-	-	-53	(100.0)%
Subtotal	**311**	**1.2%**	**273**	**1.0%**	**290**	**1.2%**	**16**	**6.0%**
Total								
Domestic sales	18,840	71.1%	20,766	77.6%	18,204	74.9%	-2,561	(12.3)%
Overseas sales	7,642	28.9%	5,989	22.4%	6,104	25.1%	114	1.9%
Subtotal	**26,483**	**100.0%**	**26,756**	**100.0%**	**24,309**	**100.0%**	**-2,447**	**(9.1)%**

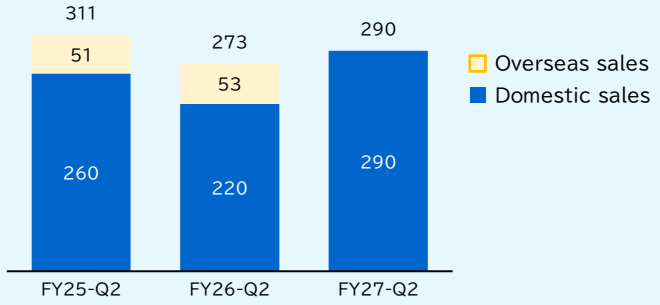
Mobile cranes



Construction equipment



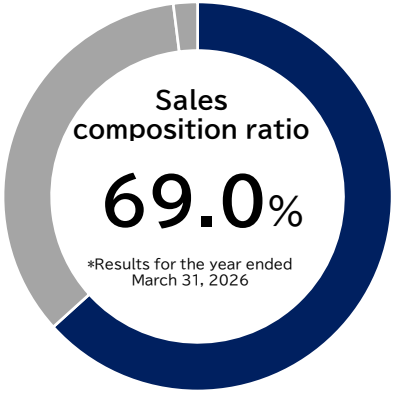
Industrial equipment



Principal items

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Mobile cranes



Line up

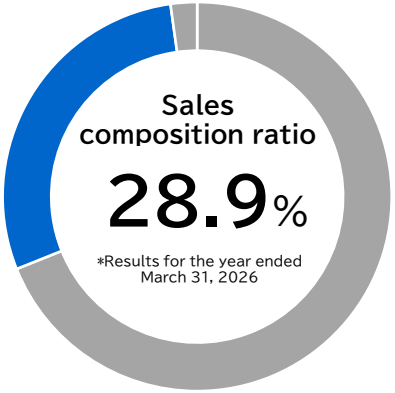


✓Rough terrain cranes
*cabin integrated for traveling and crane operation
✓All terrain cranes
*cabins separated for traveling and crane operation
✓Crawler cranes
and other various mobile cranes, manufactured and sold

Purposes

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

Construction equipment



Hydraulic excavators



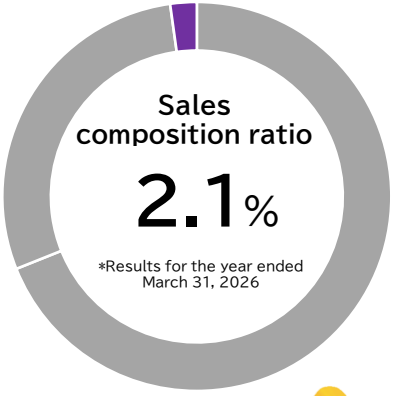
✓Mini excavators (vehicle body weight: 0.9-10 tons)
✓Mid- and large-sized excavators
(vehicle body weight: 8-50 tons)
manufactured and sold widely
✓Used for developing land for construction and demolishing structures

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.

Consolidated earnings forecast for FY27

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(Unit: millions of yen)

		For the year ended March 31,2026	For year ended March 31,2027(Forecast)	
		Amount	Amount	Percent change
Net sales		56,335	61,000	8.3%
Operating profit(loss)		(2,320)	600	—
Ordinary profit		(1,841)	120	—
Profit (loss) attributable to owners of parent		4,526	0	—
Dividend per share	Interim	35yen	35yen	
	Year-end	35yen	35yen	
	Annual	70yen	70yen	

✓ Although operating losses continued during the interim consolidated accounting period, the loss narrowed year on year, mainly due to cost containment.
In the second half, domestic demand for construction machinery typically rises, and we expect the effects of pricing optimization, sales initiatives, and cost reductions to materialize progressively. Accordingly, we have left unchanged the full-year Consolidated Financial Results Forecast announced on May 14, 2026.

TOPICS

Official Establishment and Commencement of Operations of the Joint Venture “ACE KATO Private Limited” in India

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Official Establishment and Commencement of Operations

・Completion of incorporation and related procedures for ”ACE KATO Private Limited” a joint venture with Action Construction Equipment Ltd. (hereinafter, “ACE”)
・Commencement of mobile crane operations for Indian and overseas markets, leveraging ACE’s existing production base

Overview of the joint venture

Company Name：ACE KATO Private Limited
Capital：364 million 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)

Future Business Development and Impact on Earnings

・Integration of ACE’s production base with KATO WORKS CO., LTD.’s technologies and product development capabilities to offer products competitive in both price and performance
・Expansion into new markets and development of new customer bases in India, Asia, the Middle East, and neighboring countries
・Gradual recognition of revenue following commencement of operations, with contributions to consolidated earnings expected from the fiscal year ending March 31,2027 onward
・Projected earnings from this business already reflected in the consolidated earnings forecast for the fiscal year ending March 2027, announced on May 14, 2026

*Timely Disclosure (November 12, 2026)

TOPICS

Launch of KA-2200R, a new 220t lifting all-terrain crane*

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*An all-terrain crane refers to a crane with separate cabs for driving and crane operation.



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 422 million yen (excluding tax)

Launch month

September 2026

Sales targets

4 units / year

*Press release (September 7, 2026)

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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.