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February 13, 2026

Company name: KATO WORKS CO., LTD.
Representative: Kimiyasu Kato,
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(Code number: 6390)
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Notice Regarding Progress on the Partnership with a Local Company for the Establishment of a Joint Venture in the Republic of India

KATO WORKS CO., LTD. hereby announces that its Board of Directors, at a meeting held today, has resolved the amount of capital contribution and shareholding ratio the company will undertake for the planned establishment of a joint venture company in India. Moving forward, following the execution of an agreement with Action Construction Equipment Ltd. (hereinafter “ACE”), one of India’s leading manufacturers and distributors of cranes and our joint venture partner, we aim to commence business operations from April 2026.

KATO WORKS CO., LTD. will invest 1.0 billion INR (approximately 1.7 billion JPY) in the newly established joint venture which will make heavy cranes for Indian and International markets.

Under our three-year Mid-Term Management Plan beginning in the fiscal year ending March 31, 2026, we have identified “Strategy for growth with effective investment” as one of our key policies. We are implementing initiatives aimed at gradually expanding our overseas sales ratio. Establishing a business base in India, now the most populous country in the world, provides us with the opportunity to capture the strong and stable demand for construction machinery in the region. In the future, we plan to transfer our proprietary technologies to the joint venture to enhance product competitiveness in terms of both performance and cost, and to expand into new markets such as Asia and the Middle East.

Following the signing of the investment agreement resolved today, we will proceed with preparations for establishing the joint venture company and strive to build a solid business foundation to ensure the steady growth of this initiative as a key driver of our medium- to long-term earnings.

1. Overview of the joint venture

- (1) **Proposed Company Name:** ACE KATO Pvt. Ltd.
- (2) **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.)
- (3) **Location:** Haryana State, Republic of India
- (4) **Business:** Production of heavy cranes (truck cranes, crawler cranes, and rough terrain cranes)

2. Schedule

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

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

3. Outlook

At present, the impact of this matter on the company's consolidated financial results is expected to be minor; however, should any material impact arise, it will be disclosed promptly.

Further details of the joint venture will be announced as they are determined through continued discussions with ACE.

[Reference] Overview of the Partner Company

Company Name: Action Construction Equipment Ltd. (ACE)

Head office: Haryana, India

Established: January 13, 1995

Representative: Mr. Vijay Agarwal

Capital: 227 million INR

Net sales (For the fiscal year ended March 31, 2025): 34,274 million INR

Business description: Manufacture and sale of cranes, construction equipment, agricultural machinery, etc.

Stock exchange listings: Bombay Stock Exchange (BSE), National Stock Exchange of India (NSE)

Website: <https://www.ace-cranes.com>

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