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November 12, 2026

Company name: KATO WORKS CO., LTD.
Representative: Kimiyasu Kato,
President and Representative Director
(Code number: 6390)
Contact: Yasushi Ishimaru,
Executive Officer and General
Manager, General Affairs and
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Notice Regarding Completion of Establishment and Commencement of Operations of the Indian Joint Venture "ACE KATO Private Limited" (Progress Report)

KATO WORKS CO., LTD. hereby announces that, with regard to the establishment of a joint venture company in India as disclosed in the "Notice Regarding Progress on the Partnership with a Local Company for the Establishment of a Joint Venture in the Republic of India" dated February 13, 2026, the company registration procedures and various formalities between the Company and its joint venture partner, Action Construction Equipment Ltd. (hereinafter "ACE"), have been completed. Accordingly, the new company, "ACE KATO Private Limited" (hereinafter the "Joint Venture"), has been officially established.

1. Overview of the joint venture

(1) Company Name	ACE KATO PRIVATE LIMITED	
(2) Location	State of Haryana, Republic of India	
(3) Position and Name of Representative	Chairman of the Board and Chief Executive Officer: Nobuaki Kaida	
(4) Business	Production of heavy cranes (truck cranes, crawler cranes, and rough-terrain cranes)	
(5) Capital	364 million JPY	
(6) Date of Establishment	March 11, 2026	
(7) Major Shareholders and Shareholding Ratios	Joint investment by KATO WORKS CO., LTD. and ACE (50% equity interest held by KATO WORKS CO., LTD.)	
(8) Relationship between KATO WORKS CO., LTD. and ACE KATO Private Limited	Personnel Relationship	An employee of KATO WORKS CO., LTD. serves as Chairman and CEO of the company concerned, and one Director of KATO WORKS CO., LTD. serves as an officer (part-time) of the company concerned.
	Business Relationship	The Company will provide technical know-how and extend working capital loans to the Joint Venture. The Joint Venture will manufacture products and sell them to the Company on a wholesale basis.
	Status as a Related Party	The Joint Venture will become a consolidated subsidiary of the Company from the fiscal year ending March 31, 2027.

2. Strategic significance of this transaction

In our Medium-Term Management Plan FY2025–2027, we have set forth “Strategy for Growth with Effective Investment,” positioning overseas business as a medium- to long-term growth driver and making an increase in overseas sales as a percentage of total sales a key initiative. This transaction will enable us to establish a business foundation at an early stage in the Indian market, which is expected to continue growing at a high rate backed by the world’s largest population, and we position this as a core investment in our global strategy. Furthermore, by integrating ACE’s production base with our technological capabilities and product development expertise, we will develop and offer products that are highly competitive in terms of both price and performance. In the future, we plan to leverage our sales network to strengthen our market presence and develop new customer segments in Asia, the Middle East, and neighboring regions.

3. Future outlook

Following the commencement of operations, the Joint Venture is expected to begin recognizing revenue on a phased basis and make a steady contribution to the Company’s consolidated results from the fiscal year ending March 31, 2027 onward.

The earnings from this business have already been incorporated into our consolidated earnings forecast for the fiscal year ending March 31, 2027, announced on May 14, 2026.

We position this business as one of our medium- to long-term earnings bases and aim to sustainably enhance corporate value by strengthening our competitiveness in global markets.

End