

February 25, 2022

To whom it may concern,

Name of Company:	TAKEUCHI MFG. CO., LTD.
Representative	President & Representative Director Toshiya Takeuchi (Tokyo Stock Exchange, First Section Stock code: 6432)
Contact Person	Director of Business Management Department Osamu Kobayashi and General Affairs Department (Phone: +81-(0)268-81-1200)

Notice Regarding Acquisition of Fixed Assets by a Consolidated Subsidiary

We hereby announce that the Board of Directors has resolved at a meeting held today that TAKEUCHI MFG.(U.S.), LTD. (hereinafter referred to as "TUS"), a consolidated subsidiary, will enter into a real estate purchase and sale agreement with Kobelco Construction Machinery U.S.A. Inc. (hereinafter referred to as "KCMU") regarding the acquisition of fixed assets at TUS.

1. Reasons for acquisition

In anticipation of the future expansion of the Group's business, TUS will acquire the construction machinery factory located in South Carolina, USA, currently owned by KCMU, for the purpose of manufacturing track loaders in the United States. The production capacity of track loaders is expected to increase by approximately 40% when the factory reaches full operation, but additional investment in the future will allow for further increase in production capacity.

Currently, all track loaders are manufactured at our Head Office factory (Sakaki, Nagano), but more than 90% of them are sold in the United States. By manufacturing in the United States, the largest global market for track loaders, we aim to increase sales volume and market share by shortening lead times and establishing a more responsive supply system.

2. About the asset to be acquired

Name and location of the asset	Acquisition cost	Current situation
<Land, buildings, and ancillary equipment> <ul style="list-style-type: none">● Location 1876 Moore Duncan Hwy, Moore, SC 29369 USA● Site area: Approx. 310,000 sq. meters (approx. 3,336,000 sq. feet)● Building area<ul style="list-style-type: none">Factory building: Approx. 14,500 sq. meters (approx. 156,000 sq. feet)Office building: Approx. 1,600 sq. meters (approx. 17,000 sq. feet)Demonstration center: Approx. 300 sq. meters (approx. 3,200 sq. feet)	34,350,000 U.S. dollars	Construction machinery factory

※ The factory and TUS are geographically close to each other, and we believe that production and sales can be carried out efficiently.

3. Outline of the relevant consolidated subsidiary (as of September 30, 2021)

(1) Title	TAKEUCHI MFG.(U.S.), LTD.	
(2) Headquarters location	519 Bonnie Valentine Way, Pendergrass, GA 30567 USA	
(3) Name and title of representative	Jeff Stewart, President	
(4) Description of Business	Sales of construction machinery	
(5) Capital	3,177,000 U.S. dollars	
(6) Date of establishment	February 13, 1979	
(7) Net assets	248,861,771 U.S. dollars	
(8) Total assets	345,301,191 U.S. dollars	
(9) Major shareholders and their shareholding ratios	TAKEUCHI MFG. CO., LTD. (100.0%)	
(10) Relationship etc. between the listed company and the relevant company	Capital relationship	A wholly-owned consolidated subsidiary of TAKEUCHI MFG. CO., LTD.
	Personnel relationship	There are concurrent directors and employees seconded from TAKEUCHI MFG. CO., LTD.
	Business relationship	It sells products manufactured by the parent.
	Status of related parties	None

4. Outline of the counterparty (as of December 30, 2021)

(1) Title	Kobelco Construction Machinery U.S.A. Inc.	
(2) Headquarters location	22350 Merchants Way, Katy, TX 77449 USA	
(3) Name and title of representative	Naoto Suzuki, President	
(4) Description of Business	Manufacturing of hydraulic excavators and sales and service of construction machinery in North America	
(5) Capital	2,300 U.S. dollars	
(6) Date of establishment	July 2, 2001	
(7) Net assets	65,151,315 U.S. dollars	
(8) Total assets	152,517,786 U.S. dollars	
(9) Major shareholders and their shareholding ratios	KOBELCO CONSTRUCTION MACHINERY CO., LTD. (100.0%)	
(10) Relationship etc. between the listed company and the relevant company	Capital relationship	None
	Personnel relationship	None
	Business relationship	None
	Status of related parties	None

※ Kobelco Construction Machinery U.S.A. Inc. and KOBELCO CONSTRUCTION MACHINERY CO., LTD. are affiliated companies of Kobe Steel, Ltd.

5. Acquisition schedule

(1) Resolution by the Board of Directors	February 25, 2022
(2) Date of contract	February 25, 2022 (planned)
(3) Date of Closing	April 15, 2022 (planned)
(4) Start of operation	Within calendar 2022 (planned)

※ The Closing date may be subject to change depending on the progress of future procedures.

6. Future outlook

The impact of the acquisition of the fixed assets on the consolidated financial results for the fiscal year ending February 28, 2022 will be minimal.

The impact of the acquisition of the fixed assets will be factored into the consolidated earnings forecast for the fiscal year ending February 28, 2023, and the Third medium-term management plan (three-year plan from the fiscal year ending February 28, 2023 to the fiscal year ending February 28, 2025) scheduled to be announced on April 12, 2022.