TAKEUCHI MFG. CO., LTD.

Financial Results Briefing for the Fiscal Year Ended February 2026

April 22, 2026

Event Summary

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[Number of Speakers]	4

Toshiya Takeuchi	President and Representative Director
Osamu Kobayashi	Director
Atsushi Horiuchi	Executive Officer, General Manager of Business Management Department
Hiroshi Sakai	Manager of ESG Promotion Section, Business Management Department

Presentation

Kobayashi: I am Director Kobayashi. Thank you very much for taking the time out of your busy schedules to attend our financial results briefing today.

I will now explain the consolidated financial results for the fiscal year ended February 2026.

Summary of Earnings Results (FY2025 Results)

(1) Sales volume increased in both North America and Europe

- **North America sales volume: up 1.5% (1H: up 1.9% / 2H: up 1.0% YoY)**

  Underlying demand for housing remains solid, despite a slowdown in home purchases caused by the continuously elevated housing prices.
  Sales of track loaders were strong due to steady demand for lifeline infrastructure work, such as water and gas pipes.

- **Europe sales volume: up 1.5% (1H: up 8.5% / 2H: down 5.5% YoY)**

  Although results varied by country, the sluggish product demand bottomed out and gradually recovered.
  Sales of excavators were strong at our UK sales subsidiary and European distributors.

- **Total sales volume: up 2.4% (1H: up 5.8% / 2H: down 1.2% YoY)**

(2) Record highs in both sales and profits (Net sales: up 5.7%, Operating profit: up 1.5% YoY)

- Sales and profits both increased mainly due to the increase in net sales and reduction in write-down that occurred in the previous fiscal year, which offset the impacts of tariffs and foreign exchange rates.

(Billions of yen)

	FY2024 (Previous FY)					FY2025 (Current FY)				
	1Q	2Q	3Q	4Q	Full	1Q	2Q	3Q	4Q	Full
Net sales	55.1	54.4	56.7	46.8	213.2	50.6	63.4	58.7	52.4	225.2
Gross profit	15.7	18.5	13.1	8.5	56.0	15.4	16.9	12.5	11.2	56.1
SG&A expenses	4.6	4.8	4.1	5.2	18.8	4.4	4.5	4.5	4.9	18.4
of these, transportation costs	1.7	1.9	1.4	1.5	6.7	1.4	1.4	1.3	1.3	5.5
Operating profit	11.1	13.7	8.9	3.3	37.1	10.9	12.4	8.0	6.2	37.6

Please turn to page two. I will explain the key points regarding the results for the fiscal year ended February 2026, comparing them to the previous fiscal year.

In North America, the housing market is stagnant, but life infrastructure construction is strong, and sales of track loaders and other products were strong.

In Europe, demand for products that had been stagnant bottomed out and recovered moderately. Excavator sales were strong at our UK sales subsidiary and our European distributors.

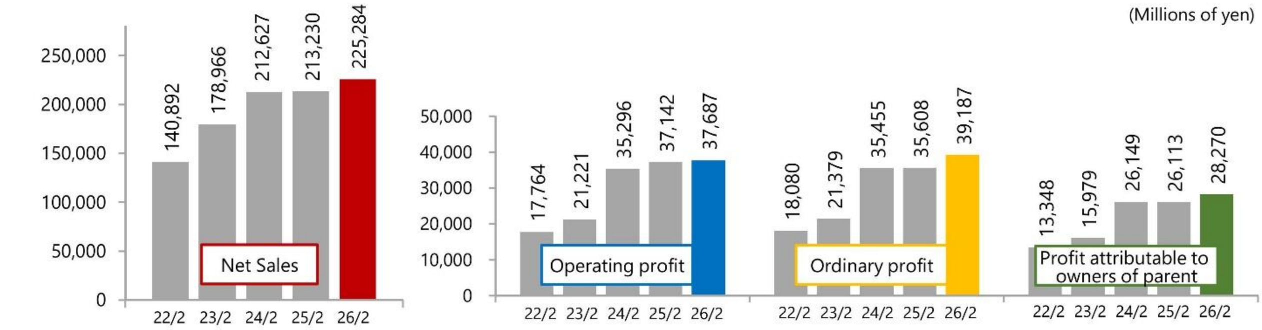
As a result, sales volume increased 1.5% in both North America and Europe, resulting in an overall increase of 2.4%. Driven primarily by price hikes and higher sales volume in both North America and Europe compared to the same period last year, net sales and all profit levels reached record highs.

The impact of the US tariffs will be explained in detail later, including the outlook for the next fiscal year.

Consolidated Financial Highlights (FY2025 Results)

(Millions of yen)	FY2024 Full year	FY2024 Sales ratio	FY2025 1H	FY2025 2H	FY2025 Full year	FY2025 Sales ratio	FY2025 Change	FY2025 (%)
Net sales	213,230	-	114,103	111,180	225,284	-	+12,054	+5.7%
Operating profit	37,142	17.4%	23,402	14,284	37,687	16.7%	+544	+1.5%
Ordinary profit	35,608	16.7%	23,692	15,494	39,187	17.4%	+3,578	+10.1%
Profit attributable to owners of parent	26,113	12.2%	17,055	11,214	28,270	12.5%	+2,156	+8.3%
Capital investment	3,333	1.6%	1,651	1,563	3,215	1.4%	(118)	(3.5)%
Depreciation	3,755	1.8%	1,514	1,652	3,166	1.4%	(588)	(15.7)%
Orders received	162,750	-	98,582	91,851	190,434	-	+27,683	+17.0%
Order backlog	78,417	-	62,897	43,568	43,568	-	(34,849)	(44.4)%

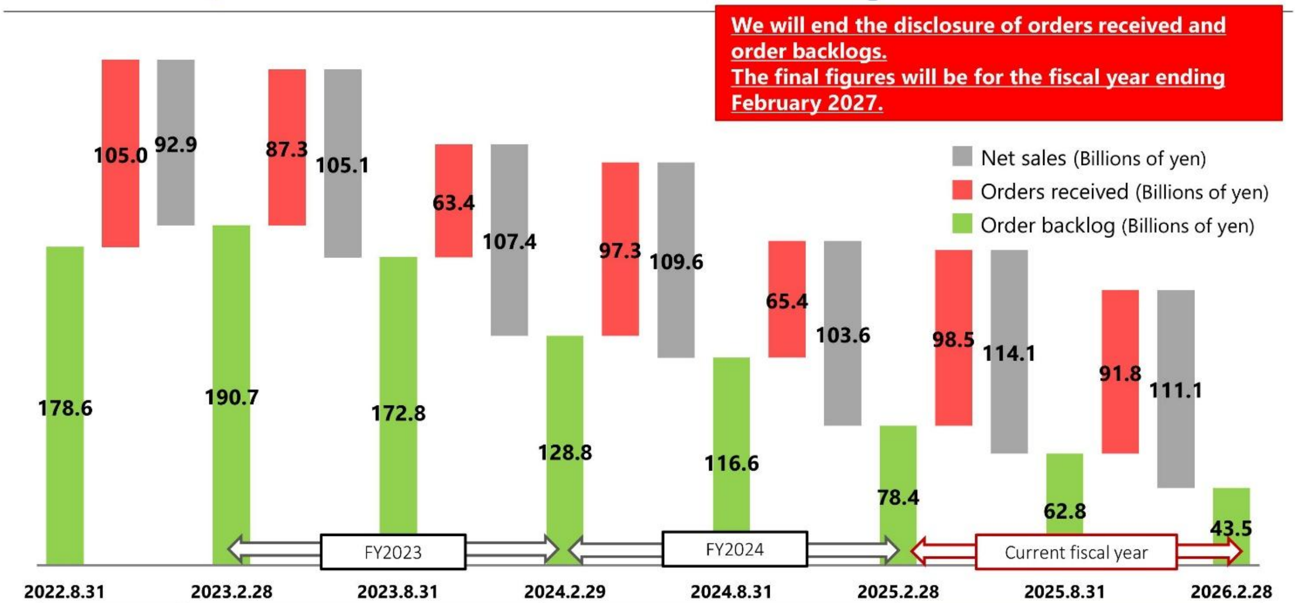
(Millions of yen)



See page three. Please refer to the consolidated financial highlights as stated.

The reasons for the increase or decrease in operating profit will be explained later on page eight.

Net Sales, Orders Received and Order Backlog



(Billions of yen)	FY2023				FY2024				FY2025			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net sales	53.0	52.1	53.6	53.7	55.1	54.4	56.7	46.8	50.6	63.4	58.7	52.4
Orders received	47.6	39.6	38.2	25.2	61.5	35.7	22.4	43.0	56.7	41.8	37.3	54.4
Order backlog	185.3	172.8	157.4	128.8	135.2	116.6	82.2	78.4	84.5	62.8	41.5	43.5

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See page four. This is the trends in orders received and order backlog.

As for orders received, orders from Europe remained steady, especially for excavators, but in North America, our sales subsidiary in the US experienced a change in the customer order cycle. Partly due to this, orders received temporarily declined in Q3, but began to recover in Q4.

As a result, as shown on page three, full-year orders received increased JPY27.683 billion to JPY190.434 billion, and orders backlog decreased JPY34.849 billion to JPY43.568 billion.

We have been incorporating this information into our quarterly disclosure materials based on the understanding that the quarterly notification of orders received and order backlog is effective reference information for the purpose of explaining past sales trends and providing forward-looking indicators of future sales fluctuations.

However, as you are aware, during the past few years, orders received and order backlogs have surged due to parts procurement difficulties and transportation disruptions under the pandemic, as well as tight product inventories resulting from advance orders from customers that exceeded actual demands.

In the post-pandemic market since then, the Company's production capacity has been increased to fill product inventories on the product sales channels. Furthermore, the economic environment is changing at a dizzying pace, especially in the major markets of Europe and the United States, due to recent political instability and short-term fluctuations in US tariffs.

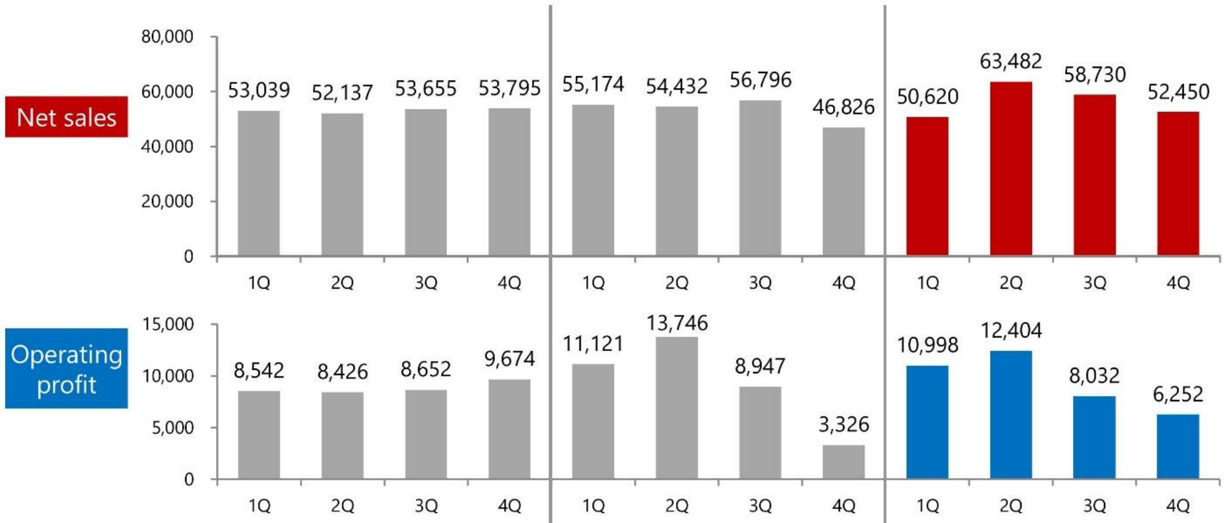
As you can see, the current situation has led us to conclude that while orders received and order backlogs have fluctuated widely, sales have remained relatively stable, and that providing trends in orders received and order backlogs as a leading cost indicator is no longer effective as reference information.

Therefore, we would like to ask for your understanding that the quarterly disclosure of orders received and order backlogs will be limited to the current fiscal year ending February 28, 2027.

The Company will continue to disclose this information in the Annual Securities Report in accordance with legal requirements.

Quarterly Net Sales and Operating Profit

(Millions of yen)



Exchange rates	FY2023				FY2024				FY2025			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
JPY/USD	134.74	140.48	148.62	145.93	152.45	156.84	146.94	153.67	147.56	145.81	151.05	155.69
JPY/GBP	165.80	179.25	183.10	185.38	194.22	199.39	192.51	192.40	191.31	196.92	200.26	210.23
JPY/EUR	146.10	154.14	158.55	159.56	164.58	168.43	160.60	160.32	158.62	167.39	175.04	182.89
JPY/RMB	19.43	19.66	20.08	20.31	20.75	21.76	20.66	21.34	20.75	19.93	20.74	22.05

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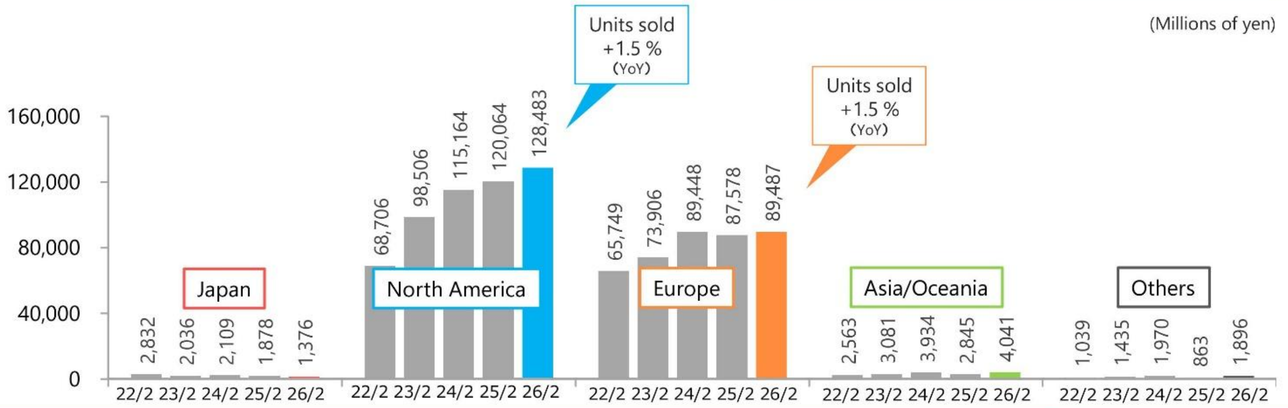
See page five. These are quarterly sales and operating profit trends.

Operating profit decreased in stages from Q3 to Q4 due to the greater impact of tariffs. This was due to five months' worth of inventory that was not tariffed at the beginning of the period and the gradual increase in tariff rates.

Sales by Region and Parts Sales (FY2025 Results)

(Millions of yen)	FY2024		FY2025					
	Full year	Sales ratio	1H	2H	Full year	Sales ratio	Change	(%)
Japan	1,878	0.9%	737	639	1,376	0.6%	(502)	(26.7)%
North America	120,064	56.3%	63,367	65,116	128,483	57.0%	+8,419	+7.0%
Europe	87,578	41.1%	46,885	42,601	89,487	39.7%	+1,908	+2.2%
Asia/Oceania	2,845	1.3%	1,620	2,420	4,041	1.8%	+1,195	+42.0%
Others	863	0.4%	1,492	403	1,896	0.8%	+1,032	+119.6%
Total net sales	213,230	100.0%	114,103	111,180	225,284	100.0%	+12,054	+5.7%
Parts sales	17,362	8.1%	9,081	9,491	18,573	8.2%	+1,210	+7.0%



See page six. This is sales by region and aftermarket parts sales.

As explained earlier, the increase in sales volume in both Europe and the US has led to an increase in net sales. In Asia and Oceania, which have been positioned as priority sales regions since the current fiscal year, sales volume increased significantly, mainly due to contributions from new distributors, and net sales also exceeded the same period of the previous year.

Sales of after-sales parts increased 7% YoY to JPY18.573 billion and are steadily increasing.

Geographic Segment Information (FY2025 Results)

(Millions of yen)		FY2024		FY2025					
		Full year	Profit ratio	1H	2H	Full year	Profit ratio	Change	(%)
Japan	Net sales	67,133	–	35,703	32,109	67,812	–	+679	+1.0%
	Segment profit	34,305	51.1%	15,226	16,137	31,363	46.3%	(2,941)	(8.6)%
US	Net sales	120,103	–	63,585	65,126	128,711	–	+8,607	+7.2%
	Segment profit	10,911	9.1%	4,426	2,308	6,735	5.2%	(4,175)	(38.3)%
UK	Net sales	14,547	–	9,757	8,219	17,976	–	+3,429	+23.6%
	Segment profit	499	3.4%	728	509	1,238	6.9%	+738	+147.7%
France	Net sales	11,325	–	5,054	5,722	10,776	–	(548)	(4.8)%
	Segment profit	816	7.2%	321	256	578	5.4%	(238)	(29.2)%
China	Net sales	120	–	3	3	6	–	(113)	(94.4)%
	Segment profit	297	246.6%	114	140	254	3775.5%	(42)	(14.4)%

- Japan Segment: (TAKEUCHI MFG. CO., LTD.)
  - Development and manufacture of construction machinery
  - Sales of construction machinery in Japan / Sales of construction machinery to distributors in Europe and Asia/Oceania
- US Segment: (Takeuchi Mfg. (U.S.), Ltd.)
  - Sales of construction machinery in the US and Canada
  - Manufacture of construction machinery in the US
- UK Segment: (Takeuchi Mfg. (U.K.) Ltd.)
  - Sales of construction machinery in the UK
- France Segment (Takeuchi France S.A.S.)
  - Sales of construction machinery in France
- China Segment: (Takeuchi Qingdao Mfg. Co., Ltd.)
  - Manufacture, procurement, and sales of steel fabricated products (construction machinery components) for the Japan segment

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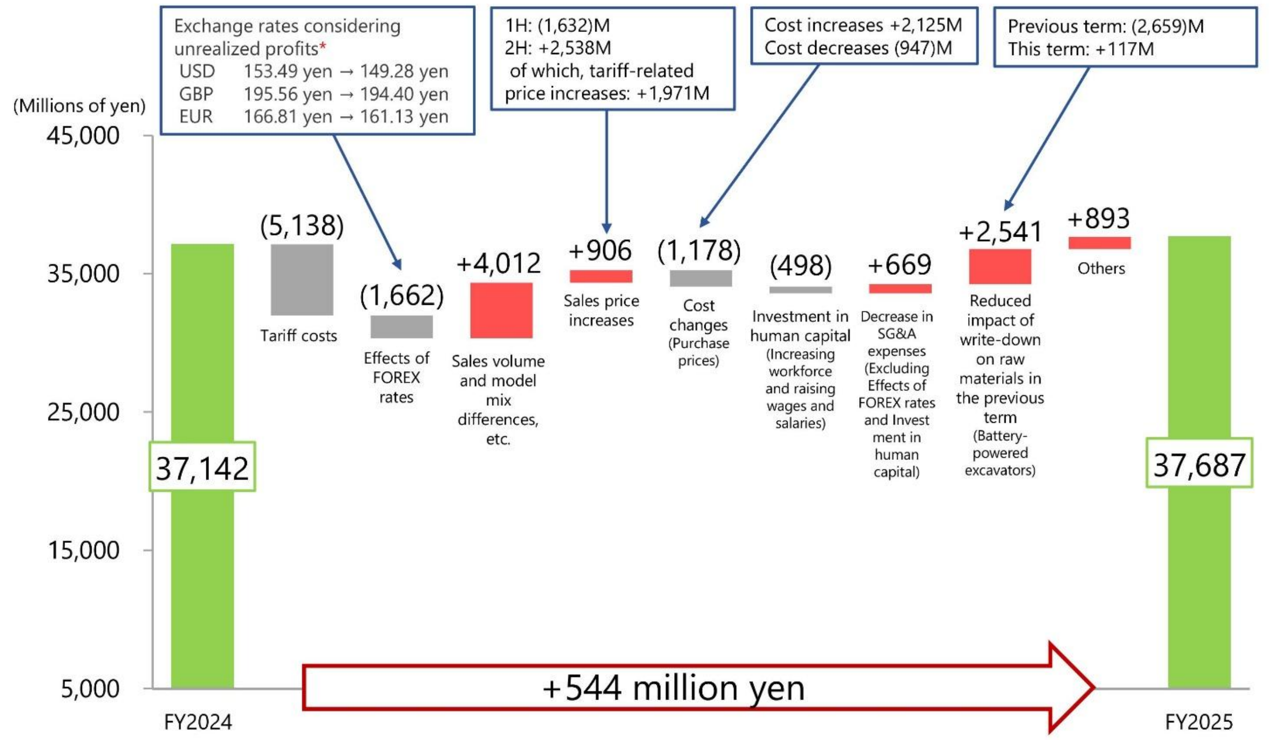
See page seven. The segment information by location is as shown on the slide, so please take a look.

Factors of Increase/Decrease in Operating Profit (FY2025 Results)



*Exchange rates considering unrealized profits: Rates take into account transportation and inventory periods from Japan to sales subsidiaries in the US, UK, and France.

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See page eight. I will now explain the factors contributing to the change in consolidated operating profit.

As you can see in the breakdown, the increase in tariff costs of approximately JPY5.1 billion was offset by price increases of approximately JPY2 billion, resulting in a decrease of approximately JPY3.1 billion in profit, and the impact of exchange rates, higher procurement prices, and ongoing investment in human capital were the main factors behind the decrease in profit. Operating profit increased by JPY544 million to JPY37.687 billion due mainly to an increase in sales volume and a reduction in the impact of raw material write-downs from the previous year.

Consolidated Balance Sheets (As of February 28, 2026)

(Millions of yen)			As of Feb.28, 2025		As of Feb.28, 2026			
			Balance	Composition ratio	Balance	Composition ratio	Change	(%)
Assets		Cash and deposits	46,482	21.3%	57,170	25.4%	+10,688	+23.0%
		Notes and accounts receivable - trade	45,586	20.9%	44,829	19.9%	(757)	(1.7)%
		Inventories	80,497	37.0%	77,966	34.6%	(2,530)	(3.1)%
		Other current assets	4,687	2.2%	3,982	1.8%	(705)	(15.0)%
	Current assets		177,254	81.4%	183,948	81.7%	+6,694	+3.8%
	Non-current assets		40,464	18.6%	41,184	18.3%	+719	+1.8%
	Total		217,718	100.0%	225,133	100.0%	+7,414	+3.4%
Liabilities and Net assets		Account payable - trade	36,022	16.5%	25,304	11.2%	(10,718)	(29.8)%
		Other current liabilities	13,951	6.4%	12,101	5.4%	(1,849)	(13.3)%
	Current liabilities		49,974	23.0%	37,405	16.6%	(12,568)	(25.2)%
	Non-current liabilities		744	0.3%	791	0.4%	+47	+6.4%
	Total liabilities		50,718	23.3%	38,197	17.0%	(12,520)	(24.7)%
	Total net assets		167,000	76.7%	186,935	83.0%	+19,935	+11.9%
	Total		217,718	100.0%	225,133	100.0%	+7,414	+3.4%

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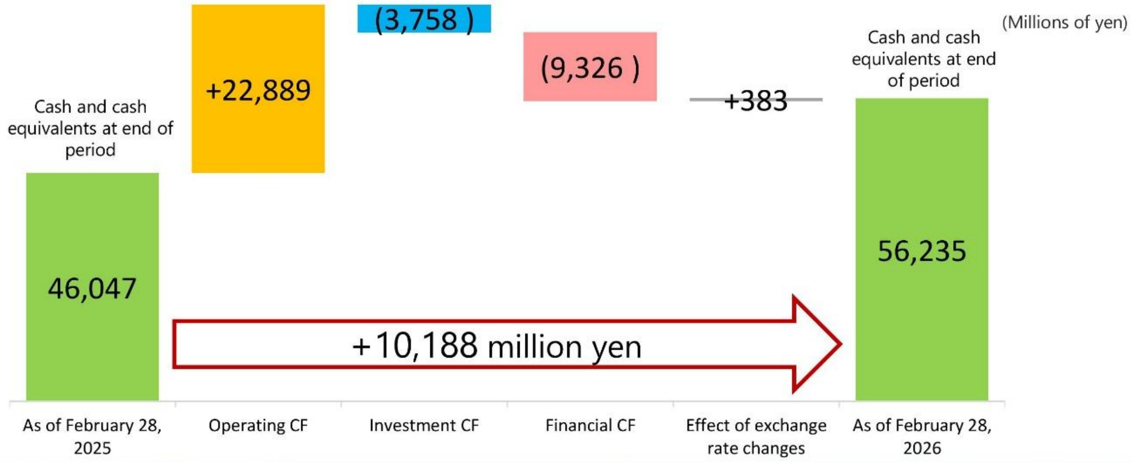
See page nine. I will now explain the consolidated balance sheet.

The decrease in accounts payable exceeded the decrease in notes and accounts receivable and inventories, resulting in a decrease in working capital. However, an increase in net assets due to higher profits boosted the cash and cash equivalents balance by JPY10.688 billion to JPY57.17 billion, equivalent to about 2.8 months of monthly sales.

Consolidated Statements of Cash Flows (FY2025 Results)



Cash flows from operating activities	Change
Profit before income taxes	+39,187
Depreciation	+3,166
Increase/decrease in inventories (negative number indicates an increase)	+2,431
Increase/decrease in working capital (negative number indicates an increase)	(9,188)
Income taxes paid	(12,625)
Others	(82)
Total	22,889

Cash flows from investing activities	Change
Net increase/decrease in time deposits (negative number indicates an increase)	(500)
Purchase of property, plant and equipment	(2,853)
Purchase of intangible assets	(416)
Others	+11
Total	(3,758)

Cash flows from financing activities	Change
Dividends paid	(9,218)
Repayments of lease liabilities	(37)
Purchase of treasury shares	(70)
Others	0
Total	(9,326)

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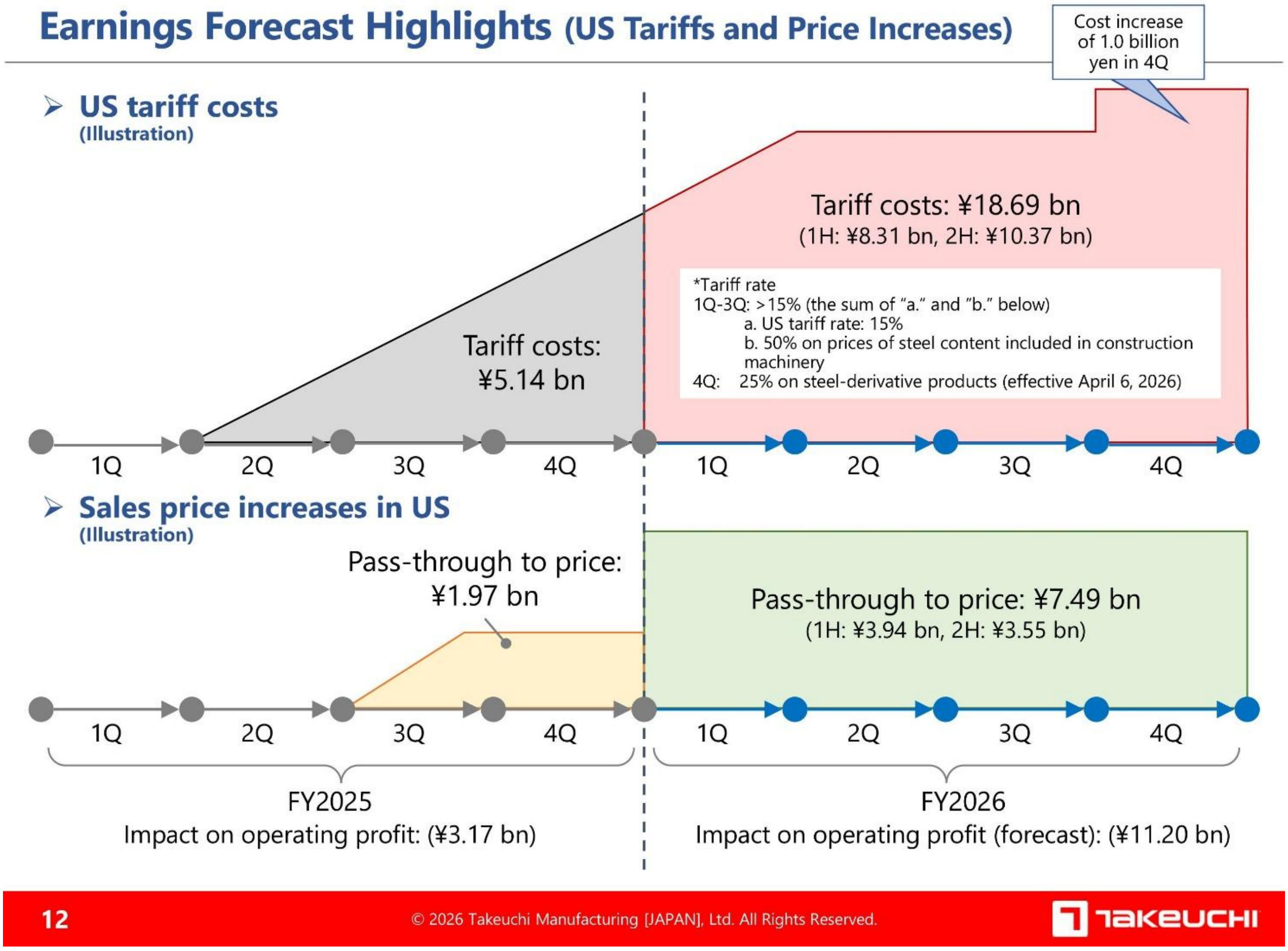
See page 10. Please refer to the consolidated statement of cash flows, which is presented as shown.



I will now explain the full-year forecast for consolidated results for the fiscal year ending February 2027.

See page 12. Here is an illustration of the US tariffs and pass-through to price. The left half shows the actual results for the previous fiscal year, and the right half shows the forecast for the current fiscal year.

Upon the tariffs taking effect in April 2025, tariff costs increased gradually from Q2 of the previous fiscal year to Q1 of this fiscal year due to approximately five months of inventory on site and the gradual increase in tariff rates.

However, under the new tariff system effective from the sixth of this month, a 25% tariff will be imposed on steel-derived products, and since our construction machinery falls under this category, we expect to sell the products cleared in April 2026 after October, that is, after Q4 of our US subsidiary, and the additional cost of the JPY1 billion is expected in Q4.

Next is pass-through to price. In the previous fiscal year, the effect of pass-through to price was about JPY2 billion, which was less than the initial forecast of JPY2.6 billion. This was mainly due to weak demand for excavators in the US, which resulted in discounts after the price increase, as well as unachieved sales volume.

In the current fiscal year, we expect a net price pass-through effect of approximately JPY7.5 billion by combining price hikes implemented since January 2026 with discount programs aimed at strengthening excavator sales in the US.

Earnings Forecast Highlights (Middle East Situation)

➢ Marine transportation

- European shipments have long avoided the Red Sea and Suez route, detouring via the Cape of Good Hope.
  → Direct impact is limited for the current tensions in the Middle East.
- In response to the rising global crude oil prices, container rates have been increased for both Europe and North America from March 2026.
  → Factoring in an annual increase of 700 million yen in transportation costs as fuel surcharges.

➢ Procurement

- If the Middle East conflict prolongs, parts procurement and their prices could be affected from the mid-2026 onwards, but this has not been factored into our earnings forecast.
  * The most serious are thinners used in paints and painting processes. Next is naphtha, which serves as a raw material for plastic resins, synthetic rubber, and thinners.

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See page 13. We would like to explain our current understanding of the impact of the situation in the Middle East on our group's business.

First, in marine transportation, we believe that the impact on product transportation to Europe will be limited. However, due to high global crude oil prices, shipping companies have been approached to impose fuel surcharges. In response, we have increased the unit price of containers for both Europe and the US since March of this year, and we have incorporated a JPY700 million increase in annual transportation costs into our earnings forecast.

Next, regarding procurement, prolonged conflict in the Middle East could affect the procurement of parts and their prices after mid-2026. At this time, it is very difficult to quantitatively estimate the impact of this change, so we have not factored it into our earnings forecast.

Of greatest concern is the procurement of highly volatile paints and thinners. These are in low stock, and if supplies run low, procurement of plastic parts and other materials will be hampered, and the coating process of the products will be affected. Therefore, our purchasing department works closely with our suppliers to ensure stable procurement to maintain production.

Earnings Forecast Highlights (FY2026 Forecast)

(1) Expect sales volume to increase in both the North American and European markets

- **North America sales volume: up 3.9%** **(1H: down 0.2% / 2H: up 8.3% YoY)**
  - Sales volume of both excavators and track loaders are expected to exceed the previous fiscal year.
  - Elevated housing prices are slowing the pace of purchases, despite declining mortgage rates.
  - Robust demand for non-residential construction (lifeline maintenance work and data center construction).
- **Europe sales volume: up 6.1%** **(1H: up 3.3% / 2H: up 9.4% YoY)**
  - Expecting increased sales volume at sales subsidiaries in the UK and France as well as for many of European distributors.
  - Demand for compact excavators continues to recover in Europe, except France.
- **Total sales volume: up 5.7%** **(1H: up 2.1% / 2H: up 9.7% YoY)**
  - Net Sales are expected to reach a record high due to increased sales volume.

(2) Expect operating profit to be at a similar level to the same period last year

- Operating profit: down 1.0% YoY
  Factors for profit increases: growing sales volume and sales price increases in Europe and North America.
  Factors for profit decreases: tariff impacts, fuel surcharges, rising parts prices, and human capital investments.
- Ordinary profit: down 6.9% YoY
  Expect exchange rate losses due to the assumption of a stronger yen.

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See page 14. I will now explain the sales outlook.

We expect unit sales in both Europe and the United States to exceed those of the previous fiscal year and to reach a record high.

In North America, although mortgage rates are on a downward trend, homebuying is slowing down due to high home prices, while non-residential related construction, such as lifeline maintenance work and data center construction, is robust. While we forecast steady sales of track loaders, we expect demand for mini excavators to remain weak, but we aim to recover sales volume and increase market share through an aggressive sales program.

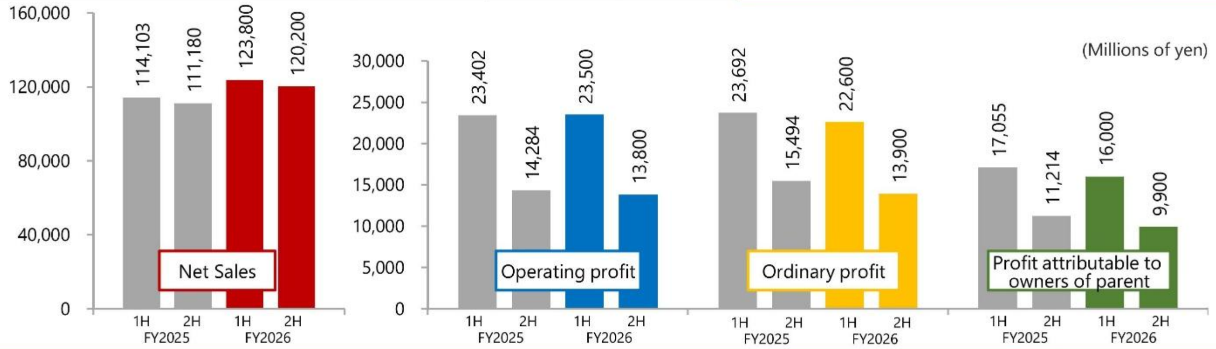
In Europe, we expect the demand recovery trend for our core product, mini excavators, to continue, and sales volume is expected to exceed that of the same period last year at most of our sales subsidiaries in the UK and France and our European distributors. Although the French market has not yet recovered, we aim to recover sales volume and increase market share through an aggressive sales program here as well.

As a result, operating profit is expected to be almost the same level as the previous year, and ordinary profit is expected to decrease due to the assumed exchange rate set to a stronger yen this fiscal year, as opposed to the foreign exchange gains recorded in the previous fiscal year.

Please note that the factors affecting the change in operating profit will be explained later on page 17.

Consolidated Financial Highlights (FY2026 Forecast)

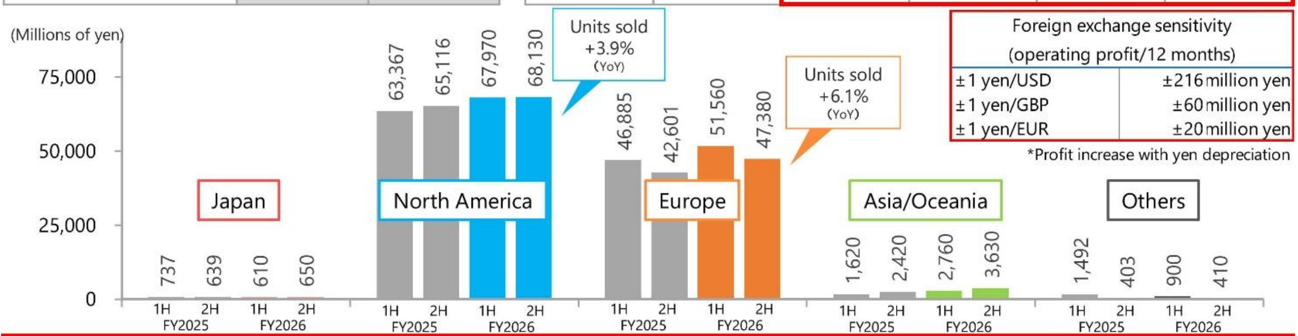
(Millions of yen)	FY2025		FY2026 (forecast)					
	Full year	Sales ratio	1H	2H	Full year	Sales ratio	Change	(%)
Net sales	225,284	–	123,800	120,200	244,000	–	+18,715	+8.3%
Operating profit	37,687	16.7%	23,500	13,800	37,300	15.3%	(387)	(1.0)%
Ordinary profit	39,187	17.4%	22,600	13,900	36,500	15.0%	(2,687)	(6.9)%
Profit attributable to owners of parent	28,270	12.5%	16,000	9,900	25,900	10.6%	(2,370)	(8.4)%
Capital investment	3,215	1.4%	3,189	8,108	11,297	4.6%	+8,082	+251.4%
Depreciation	3,166	1.4%	1,622	2,311	3,933	1.6%	+766	+24.2%
Earnings per share (yen)	611.92	Dividend payout ratio 34.3%	–	–	560.69	Dividend payout ratio 39.2%	(51.23)	(8.4)%
Dividends per share (yen)	210.00		–	–	220.00		–	–



See page 15. Please refer to the consolidated financial highlights as presented.

Sales Forecast by Region and Parts Sales (FY2026 Forecast)

(Millions of yen)	FY2025		FY2026 (forecast)					
	Full year	Sales ratio	1H	2H	Full year	Sales ratio	Change	(%)
Japan	1,376	0.6%	610	650	1,260	0.5%	(116)	(8.4)%
North America	128,483	57.0%	67,970	68,130	136,100	55.8%	+7,616	+5.9%
Europe	89,487	39.7%	51,560	47,380	98,940	40.5%	+9,452	+10.6%
Asia / Oceania	4,041	1.8%	2,760	3,630	6,390	2.6%	+2,348	+58.1%
Others	1,896	0.8%	900	410	1,310	0.5%	(586)	(30.9)%
Total net sales	225,284	100.0%	123,800	120,200	244,000	100.0%	+18,715	+8.3%
Parts sales	18,573	8.2%	10,282	10,467	20,750	8.5%	+2,177	+11.7%
JPY/USD	149.97	–	147.00	147.00	147.00	–	(2.97)	(2.0)%
JPY/GBP	200.58	–	200.00	200.00	200.00	–	(0.58)	(0.3)%
JPY/EUR	169.63	–	174.00	174.00	174.00	–	+4.37	+2.6%
JPY/RMB	20.87	–	21.20	21.20	21.20	–	+0.33	+1.6%



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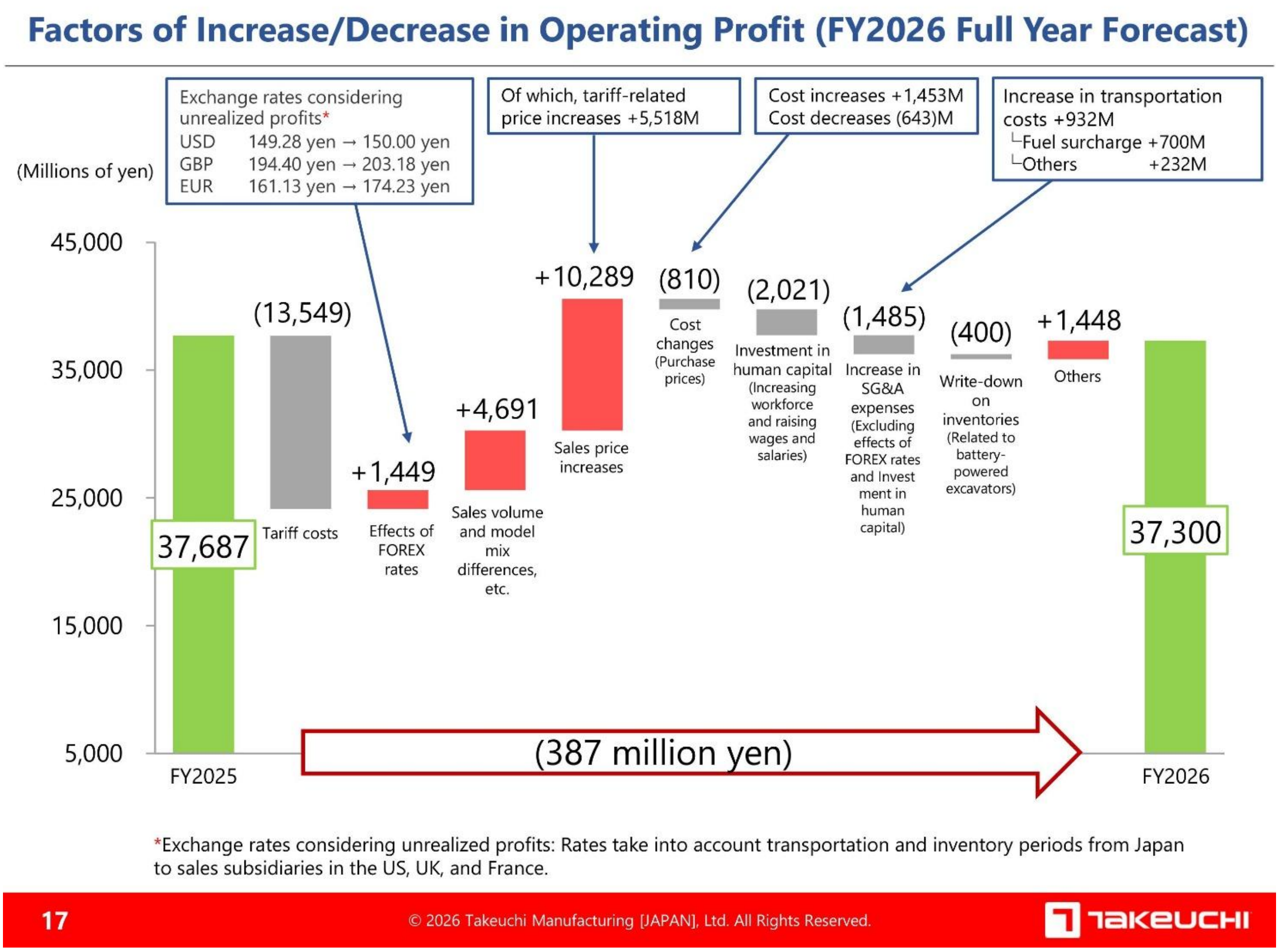
See page 16. The full-year sales and aftermarket parts sales forecasts by region are as shown.

The annual exchange rate sensitivity in operating profit is expected to be JPY216 million for the US dollar, JPY60 million for the UK pound, and JPY20 million for the euro.

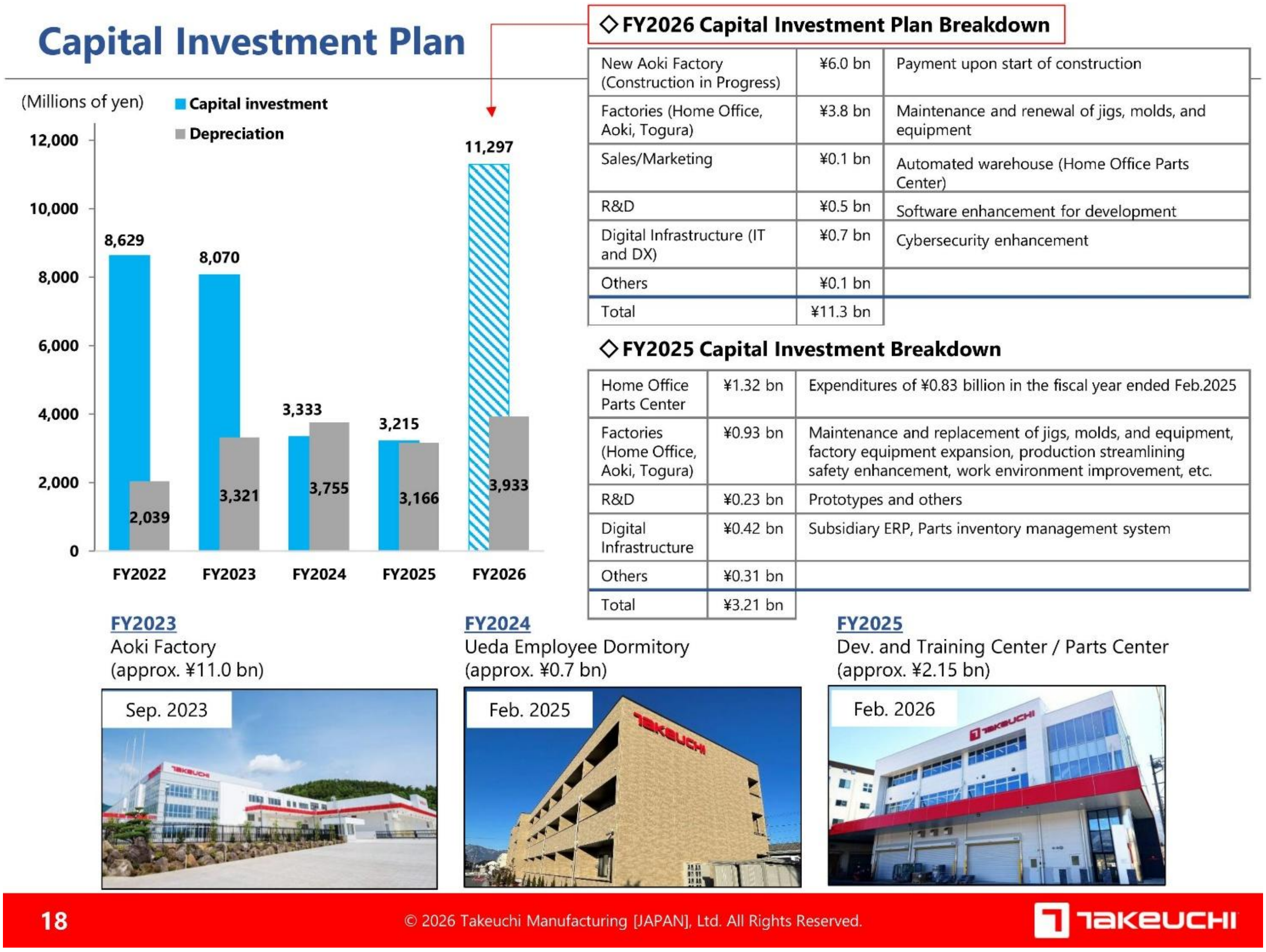


See page 17. I will now explain the factors contributing to the increase or decrease in the full-year forecast for consolidated operating profit.

As you can see in the breakdown, we expect a decrease of JPY387 million to JPY37.3 billion due to the expected decrease in profit as described, although there are factors to increase profit such as sales volume expansion and price increase.

The Company plans to pass on JPY5.518 billion of the increased tariff costs of JPY13.549 billion to its customers, resulting in a net effect of JPY8.031 billion in lower profits due to tariffs.

In addition to this, we expect a decrease in income, including JPY2.021 billion in ongoing investment in human capital and an increase in SG&A expenses of JPY1.485 billion, including the JPY700 million in fuel surcharges due to the sharp rise in crude oil prices that I explained earlier.



◇FY2026 Capital Investment Plan Breakdown

New Aoki Factory (Construction in Progress)	¥6.0 bn	Payment upon start of construction
Factories (Home Office, Aoki, Togura)	¥3.8 bn	Maintenance and renewal of jigs, molds, and equipment
Sales/Marketing	¥0.1 bn	Automated warehouse (Home Office Parts Center)
R&D	¥0.5 bn	Software enhancement for development
Digital Infrastructure (IT and DX)	¥0.7 bn	Cybersecurity enhancement
Others	¥0.1 bn	
Total	¥11.3 bn	

◇FY2025 Capital Investment Breakdown

Home Office Parts Center	¥1.32 bn	Expenditures of ¥0.83 billion in the fiscal year ended Feb.2025
Factories (Home Office, Aoki, Togura)	¥0.93 bn	Maintenance and replacement of jigs, molds, and equipment, factory equipment expansion, production streamlining safety enhancement, work environment improvement, etc.
R&D	¥0.23 bn	Prototypes and others
Digital Infrastructure	¥0.42 bn	Subsidiary ERP, Parts inventory management system
Others	¥0.31 bn	
Total	¥3.21 bn	

See page 18. As you can see, capital and IT investments are projected to total JPY11.297 billion.

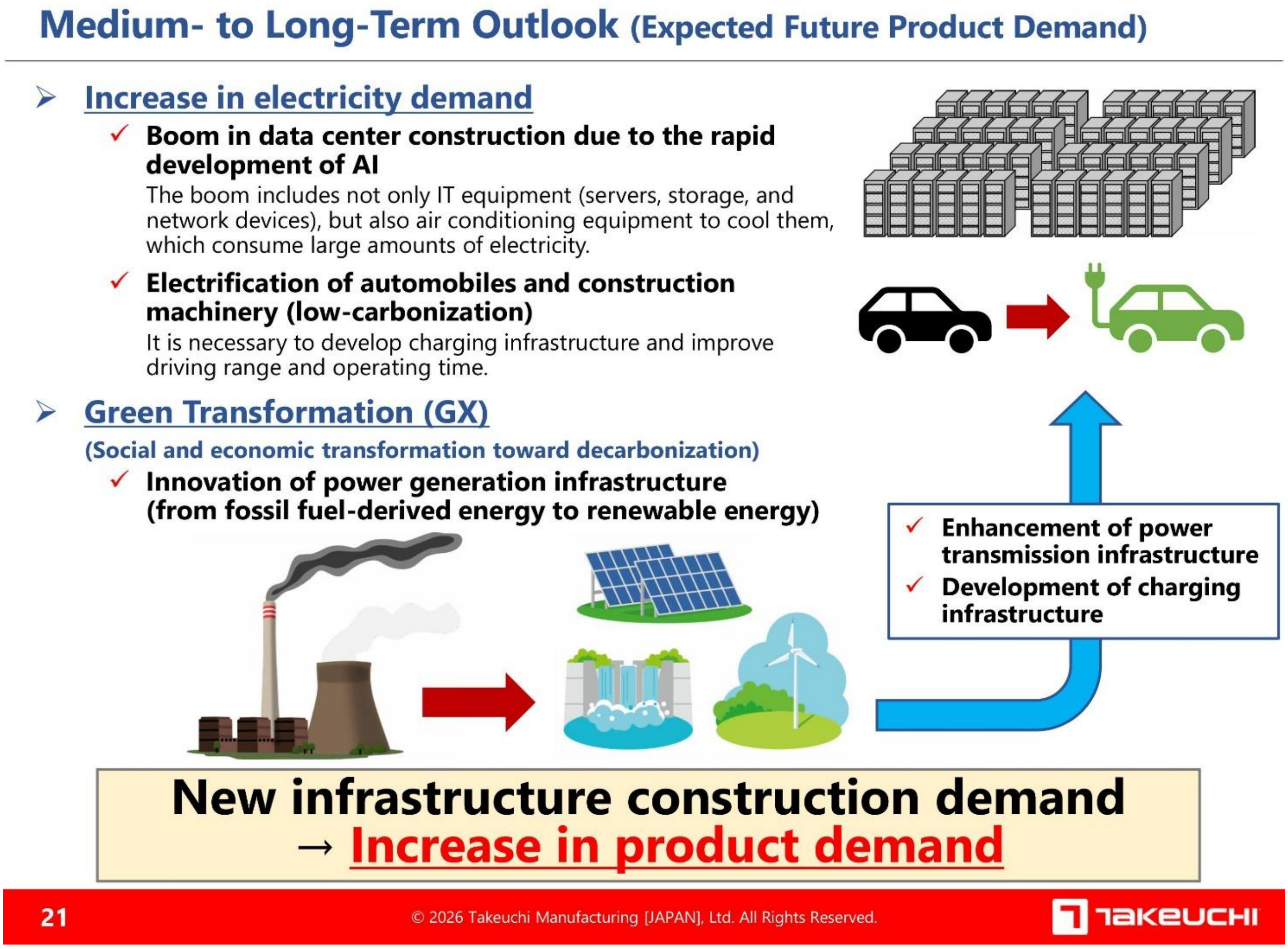
This concludes my presentation. From this point onward, President Takeuchi will take over the presentation.

Takeuchi: I am Takeuchi, President and Representative Director. I will now explain the progress of the fourth medium-term business plan.

Please turn to page 20.

In many countries around the world, the aging of living infrastructure has become a serious social issue. Inspection and maintenance work on infrastructure essential to our daily lives, such as electricity, gas, water, sewage, roads, and bridges, is a never-ending business that continues for decades, and this is an attractive area that generates stable product demand.

We are confident that this current solid demand for our products will support our business well into the future.



Please turn to page 21.

The rapid development of AI is spurring data center construction and creating new infrastructure demands.

As the spread of electrification in automobiles and construction equipment has been far less than expected, we intend to steadily seize future growth opportunities by flexibly reviewing our development and sales strategies for electric motors in accordance with market needs and the maturity of related technologies.

The global trend of tightening environmental regulations in many countries and transitioning to a decarbonized society is constant, and a shift to renewable energy is essential to meet the growing demand for electricity from AI and the increase in data centers, which means large-scale infrastructure construction expansion for power generation, transmission, and charging, and a great business opportunity for us.

Fourth Medium-term Business Plan (FY2025 – FY2027)

Slogan and Basic Policy

Building Excellence

✓ **Through the steadfast commitment to High Quality, High Performance, and High Engagement, we will strive to achieve consolidated net sales of 300 billion yen. (increase consolidated sales volume by 50%)**

Numerical targets	FY2024	FY2025	FY2027
North America net sales └ Sales volume growth rate	¥120.0 bn	¥128.4 bn +1.5%	¥178.4 bn +60%
Europe net sales └ Sales volume growth rate	¥87.5 bn	¥89.4 bn +1.5%	¥108.7 bn +30%
Other regions net sales (Japan, Oceania, etc.)	¥5.5 bn	¥7.3bn	¥12.9 bn
Consolidated net sales └ Sales volume growth rate	¥213.2 bn	¥225.2 bn +2.4%	¥300.0 bn +50%
Aftermarket parts sales	¥17.3 bn	¥18.5 bn	¥20.8 bn
Operating profit └ ratio	¥37.1 bn 17.4%	¥37.6 bn 16.7%	¥52.0 bn 17.3%
Earnings per share (EPS)	¥552	¥611	¥800
ROE	16.6%	16.0%	17% or more

Cash allocation (FY2025 – FY2027)	
Growth investment Capital investment + Human capital investment	¥36.0 bn Initial Estimate: ¥ 45.8 bn
Shareholder returns Total dividends over three years	¥36.5 bn Initial Estimate: ¥ 39.0 bn
Working capital Monthly sales	2.0 to 2.5 months

Exchange rate	FY2024	FY2025	FY2027
JPY/USD	¥152.65	¥149.97	¥140.00
JPY/GBP	¥194.85	¥200.58	¥177.00
JPY/EUR	¥163.74	¥169.63	¥147.00
JPY/RMB	¥21.13	¥20.87	¥19.30

22 TAKEUCHI

Please turn to page 22.

In the fourth medium-term business plan for the three-year period, of which the current fiscal year is the second year, we have set the goal of increasing sales volume by 50% and taking on the challenge of achieving consolidated sales of JPY300 billion. The core of achieving this sales goal is to double the number of loaders sold in Europe and the United States.

As you are aware, nearly 90% of our group’s loader sales are in the United States. The business environment has changed drastically between the time when the medium-term business plan was finalized and the present time, including the implementation of major tariff policies in the United States. Therefore, we recognize that the hurdles to achieving our sales volume and consolidated sales targets are high.

However, there is no change in the priority measures that the Group will undertake to achieve its goals. At this point in time, when there are many uncertainties, we have determined that it will be difficult to revise the numerical targets for the final fiscal year of the medium-term plan and have decided to leave them unchanged.

Management Issue and Key Measures

Management issues		Key measures
Achieve consolidated net sales of 300 billion yen (increase sales volume by 50%)		● Establish solid position in European and North American markets ● Expand sales in Oceania market ● Expand sales of aftermarket parts **Sales**
High quality	Thoroughly pursue the development, manufacturing and sales of the world's highest quality compact construction machinery	The Group's core competence
	Strengthen foundation to increase management quality globally	● Sustainability management (G) ● Growth investment
	Improve operational quality of employees	● Expected return on human capital investment
High performance	Effective utilization of existing management resources and capital investment for the future	● Reorganization of production models ● Construction of new track loader factory (New Aoki Factory) **Production**
	Markedly strengthen R&D capability and create new products	● Control GHG emissions from construction machinery (E) ● Autonomous driving, remote operation, and industry-academia-government collaboration
	Increase return of profits to shareholders	● Cash allocation ● Dividend policy and shareholder returns **Capital Policy**
High engagement	Promote human capital management →Improve wellbeing of employees	● Sharing of Purpose, Values and Mission ● Provide learning opportunities ● Promote health & productivity management and work-life balance
	Strengthen collaboration with the value chain	● Sustainability management (S)
	Proactive and honest dialogue with investors	● Sustainability management (S)

23 TAKEUCHI

Please turn to page 23. As you can see, the priority measures set forth in the fourth medium-term business plan are as follows. Today, I would like to explain our sales, production, including the new Aoki plant, and capital policies.

Sales Expansion in North America

1. Expand dealer network

As of December 31, 2024: 280 locations → In 2027: 360 locations
└ As of December 31, 2025: **307 locations** (expanding as planned)

One of our new US dealers

1. **Name** McClung-Logan Equipment Company, Inc.
2. **Overview** Operates 10 locations in Maryland, Delaware, and Virginia

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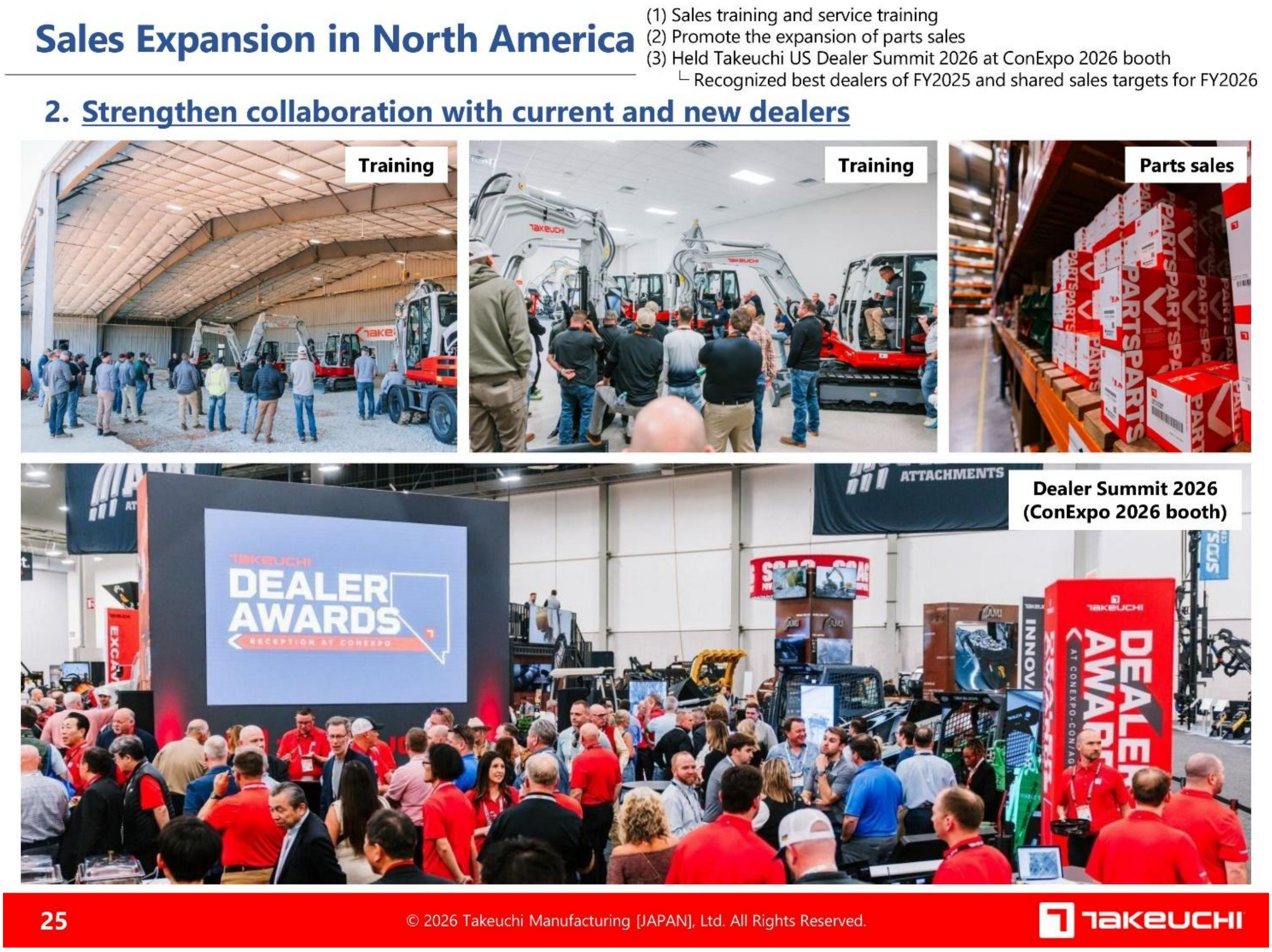
Please turn to page 24. I will explain our measures to expand sales in North America, which is the core of our group.

The number of dealer locations has reached 307 in the first year against the target of 360 in three years, and is expanding according to plan. This includes McClung-Logan, which operates 10 locations in the eastern United States.



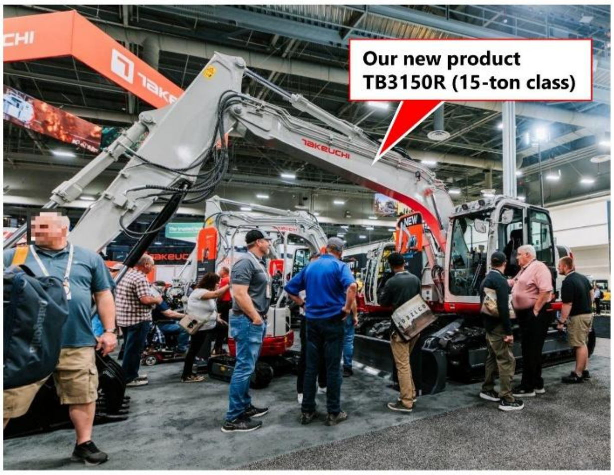
Please turn to page 25.

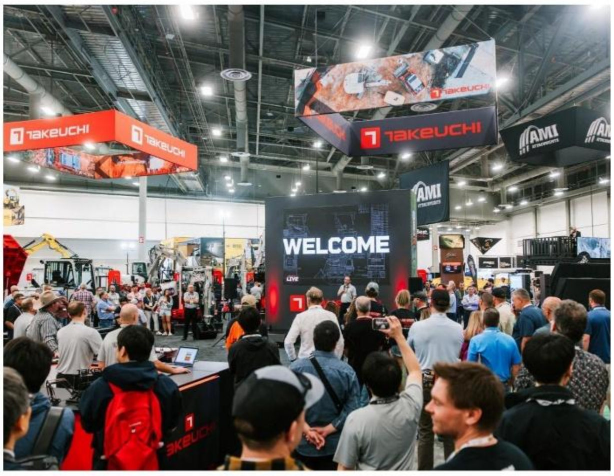
Dealer strategy is not just about numbers. It is about sharing goals and challenges and facing the market as Team Takeuchi.

Ongoing training is provided to dealers to ensure that end-users are comfortable with the product throughout its lifecycle.

We also hold a Dealer Summit every spring to reflect on successes and challenges and share goals for the following year through the exchange of ideas and awards for outstanding dealers. This year’s event was held in March at the Las Vegas exhibition hall.

Trade Show ConExpo 2026 (Las Vegas, March 3 to 7, 2026)





ConExpo 2026

Customer / Dealer Sentiment

Report from Takeuchi US

There is generally a positive sentiment from both customers and dealers about the outlook for 2026. This is driven primarily by the significant investment in data center and AI infrastructure build out as well as the investment in public infrastructure jobs funded by the Infrastructure Investment and Jobs Act which includes road, bridge and water systems projects through 2026. Our machines will be used on many of these jobsites creating especially strong demand for Compact Track Loaders.

We have seen improved stability in the general economy while recent geo-political events could change this. Overall, customers feel more confident about making machine purchases than they did a year ago.

The other part of the industry that is strong is the equipment rental business. We continue to see good rental equipment utilization which supports continued fleet growth and replacing aging fleets.

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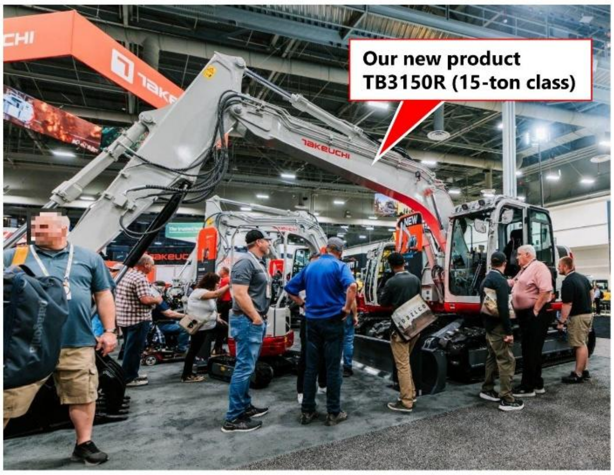
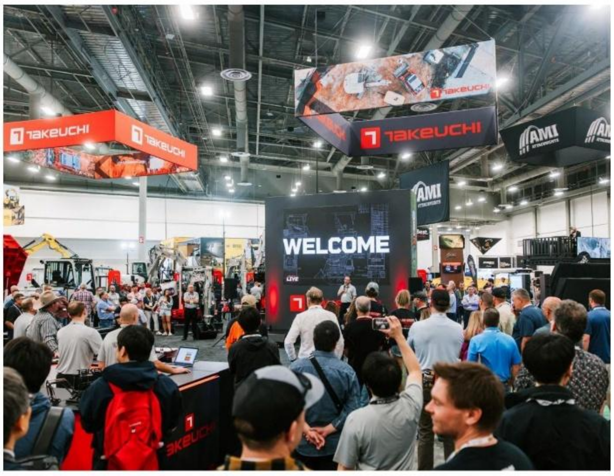
See page 26. This is about ConExpo, which took place in Las Vegas in March.

Here is the original English text of the report submitted by the Sales Manager of Takeuchi US. Please see later.

Trade Show ConExpo 2026 (Las Vegas, March 3 to 7, 2026)





ConExpo 2026

Customer / Dealer Sentiment

Japanese translation of the report from Takeuchi US

2026年の見通しに関して、顧客とディーラー双方から概ね好意的な見解が寄せられています。これは主に、データセンターおよびAIインフラ構築への大規模な投資と、インフラ投資雇用法により資金提供される公共インフラへの投資が背景にあります。これらのプロジェクトは、道路、橋、水システムプロジェクトを含み、2026年まで継続されます。当社の機械は、これらの多くの現場で使用されるため、特にクローラーローダーの需要が非常に高まっています。

地政学的な最近の出来事によって変化する可能性はあるものの、私たちは一般経済の安定性が改善したことを確認しています。全体として、顧客は1年前よりも機械の購入に対して自信を持っていると感じています。

業界のもう一つの好調な部分は、機器レンタル事業です。私たちは引き続き良好なレンタル機器の稼働率を確認しており、これは継続的なフリートの成長と老朽化したフリートの交換を支えています。

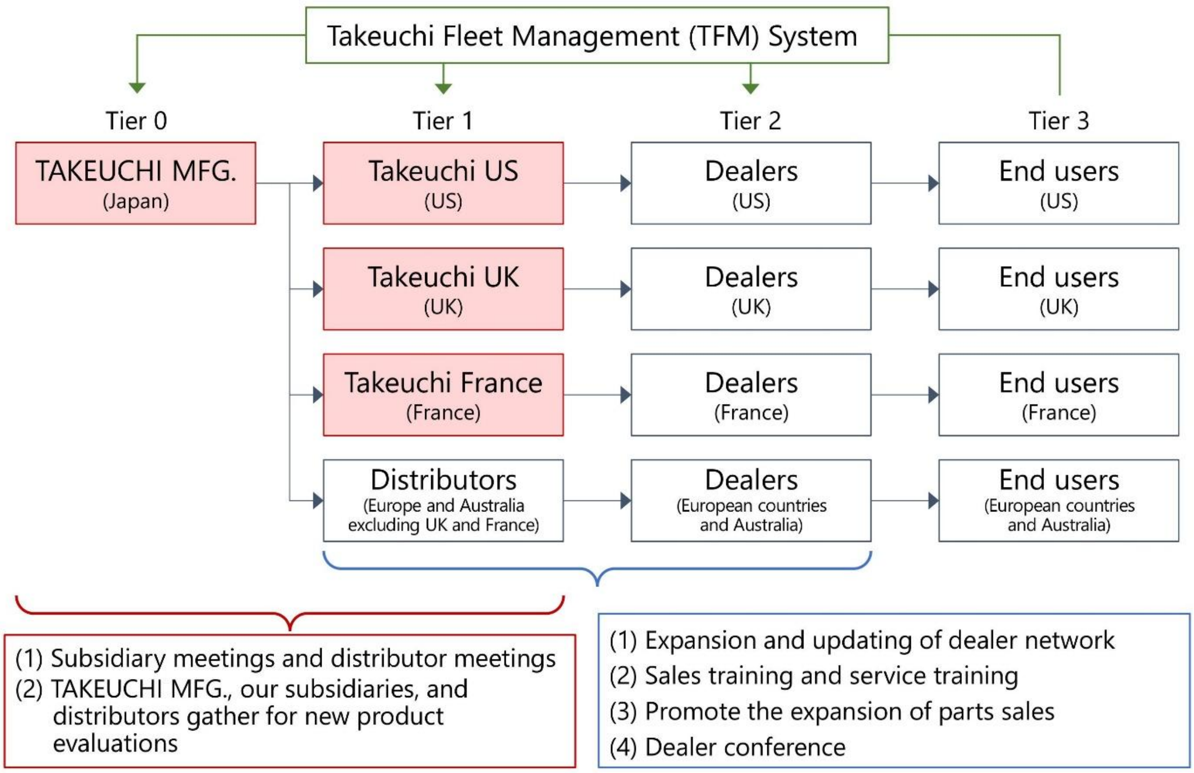
27 TAKEUCHI

See page 27. Here is the Japanese translation of the report.

With regard to the outlook for 2026, customers have expressed a favorable view, and they expect the product demand to grow, especially for loaders, driven by data centers, AI infrastructure investment, and public infrastructure investment.

In addition, the US rental companies have confirmed that they are maintaining high occupancy rates. We expect to expand sales by increasing the number of machines they own and by capturing demand for replacement of aging machines.

Same Initiatives as North America, in Europe and Australia



Please turn to page 28. Similar activities to those introduced today in the US are being developed in Europe and Australia.

In the process of delivering our products from Takeuchi Manufacturing to end users around the world, our sales subsidiaries and distributors work closely with local dealers, which is the source of our sales strength.

Although we have limited opportunities to meet directly with end-users, we use the operational data obtained from the communication systems and TFMs installed in our products to improve customer service.

The collaboration between Takeuchi Manufacturing and the Tier 1s is also of great significance in the development of our products. We visit each other on a regular basis to listen directly to each other's feedback from the field, which is reflected in the improvement of existing products and the development of new products.

In addition, once a year, we invite you to our product testing facility for a pre-release evaluation of new products. These activities are positioned as important efforts to accelerate product development incorporating customer feedback and to provide products that the market demands.

Expansion of the Home Office Parts Center

3F Dedicated floor for the development team

Offer an environment that maximizes ideas and promote creative product development

2F Meeting and training spaces

Increase learning opportunities for employee growth and the sustainable growth of the company

1F Aftermarket parts shipment space

Provide a faster and more efficient supply system to expand aftermarket parts sales

1. **Investment amount** 2.15 billion yen
2. **Completion** February 2026
3. **Overview of building**

Name	Development and Training Center / Parts Center
Address	205 Uwadaira, Sakaki-machi, Hanishina-gun, Nagano Japan (built at the Home Office Factory site next to the existing Home Office Parts Center)
Building footprint	approx. 1,200 m^2 / total floor area: approx. 3,000 m^2 (steel-frame/3 floors)

Exterior

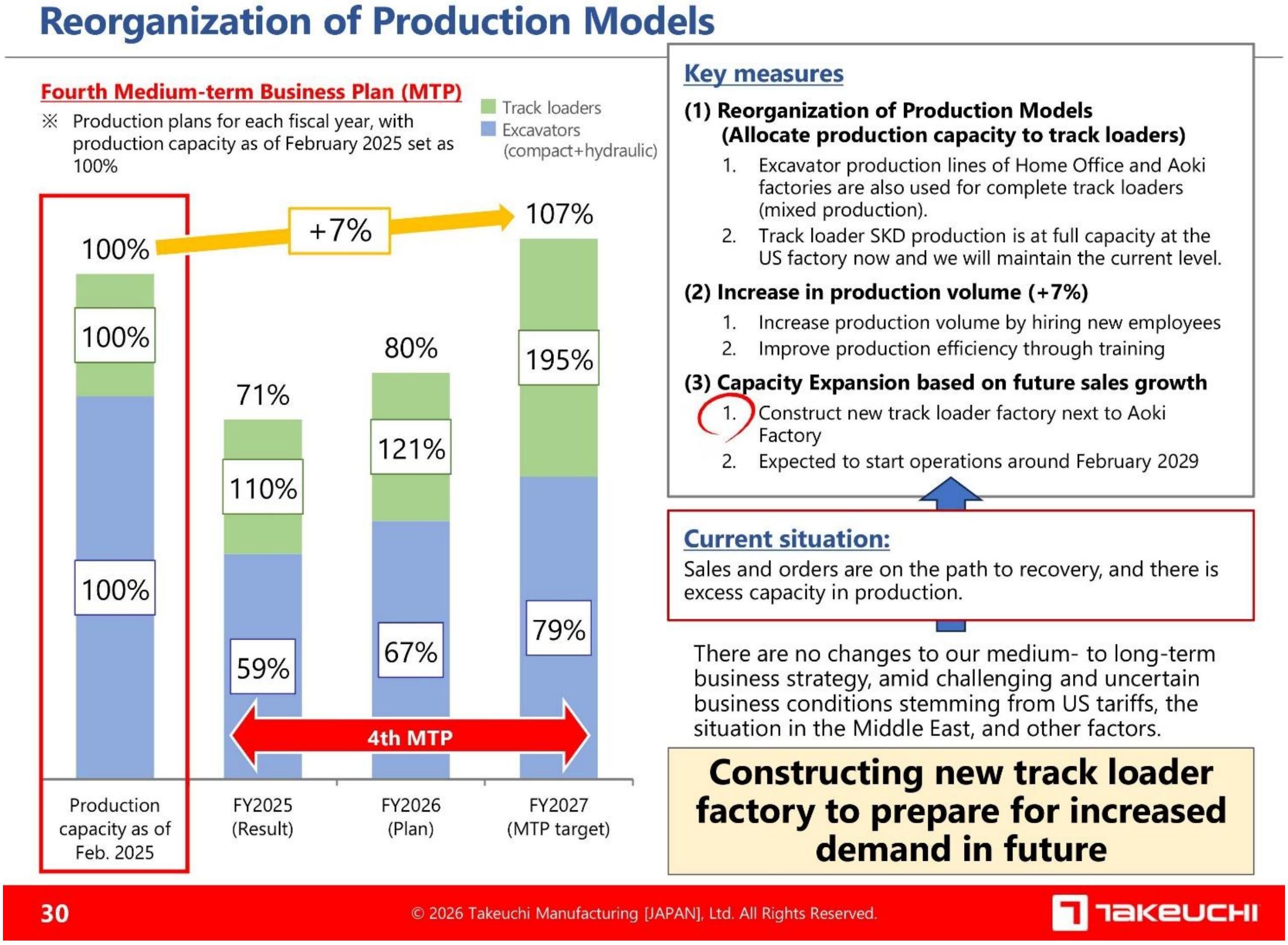
Interior


2F Training center
(Scene from new employee training)

29 TAKEUCHI

See page 29.

The construction of a new building has been completed on the grounds of our head office factory. The first floor is a dedicated shipping space for aftermarket parts, which will help expand aftermarket sales, a key priority in our mid-term business plan. The third floor is a dedicated floor for product development staff, while the second floor is for meetings and training. This facility serves as a hub for developing the products and human capital that are the sources of our growth.



See page 30. The actual production results for the fiscal year ended February 2026 and the production plan for the fiscal year ending February 2027 in relation to production capacity are shown below.

Although the current business environment is challenging due to US tariffs, there are no changes to our future growth prospects or medium- to long-term management strategies. We will steadily promote investments in growth for the future, namely, the construction of a new track loader plant.

New Track Loader Factory (next to Aoki Factory)→Postponed by approx. one year

Production capacity: 30% up

Total for excavators and track loaders comparing production capacity in February 2025

Total investment: 18.0 billion yen

Total of land, building and production equipment (estimate)

Overview of New Factory

Production models: Track loaders

Building footprint: 19,000㎡
Floor area: 24,000㎡ (two stories)
Land area: 22,600㎡ (factory site)
5,400㎡ (parking lot site)

Timeline

	Revised Plan	Initial Plan
Site preparation	September 2026	February 2026
Start of factory construction	February 2027	August 2026
Completion	August 2028	July 2027
Equipment installation	January 2029	December 2027
Start of operations	around February 2029	around January 2028

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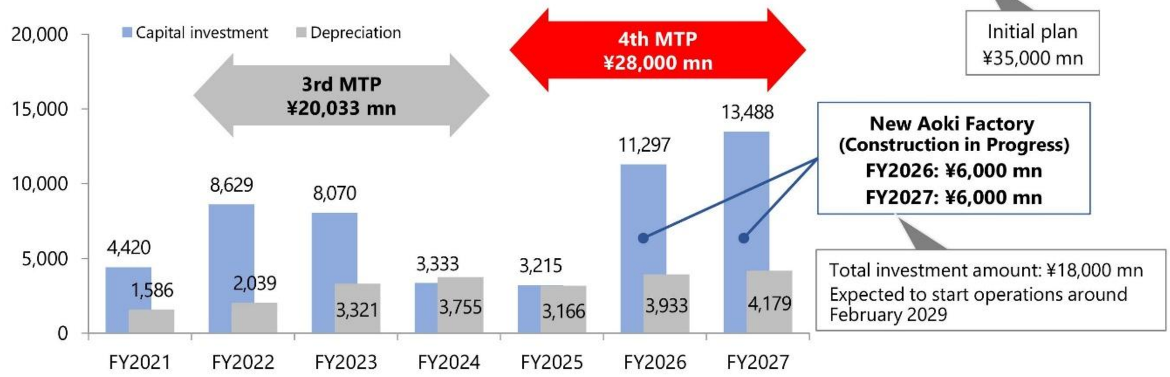
See page 31.

There will be no change in the size or production capacity of the new plant. The total investment amount may be higher due to the upward trend in construction costs in Japan. The start of operations will be postponed by approximately one year because it took longer than expected to secure the necessary electric power.

Growth Investment (Capital Investment and IT Investment)

(Millions of yen)	Fourth Medium-term Business Plan			
	FY2025	FY2026	FY2027	Total
New Aoki Factory	–	6,000	6,000	12,000
Production (including maintenance and replacement of jigs, molds, and equipment)	934	3,841	3,225	8,000
Sales & Marketing	1,324	125	151	1,600
R&D	228	484	2,788	3,500
Digital infrastructure (IT & DX)	422	712	366	1,500
Human capital (employee dormitory, etc.)	–	–	600	600
Others	307	135	358	800
Total	3,215	11,297	13,488	28,000

Initial plan ¥35,000 mn

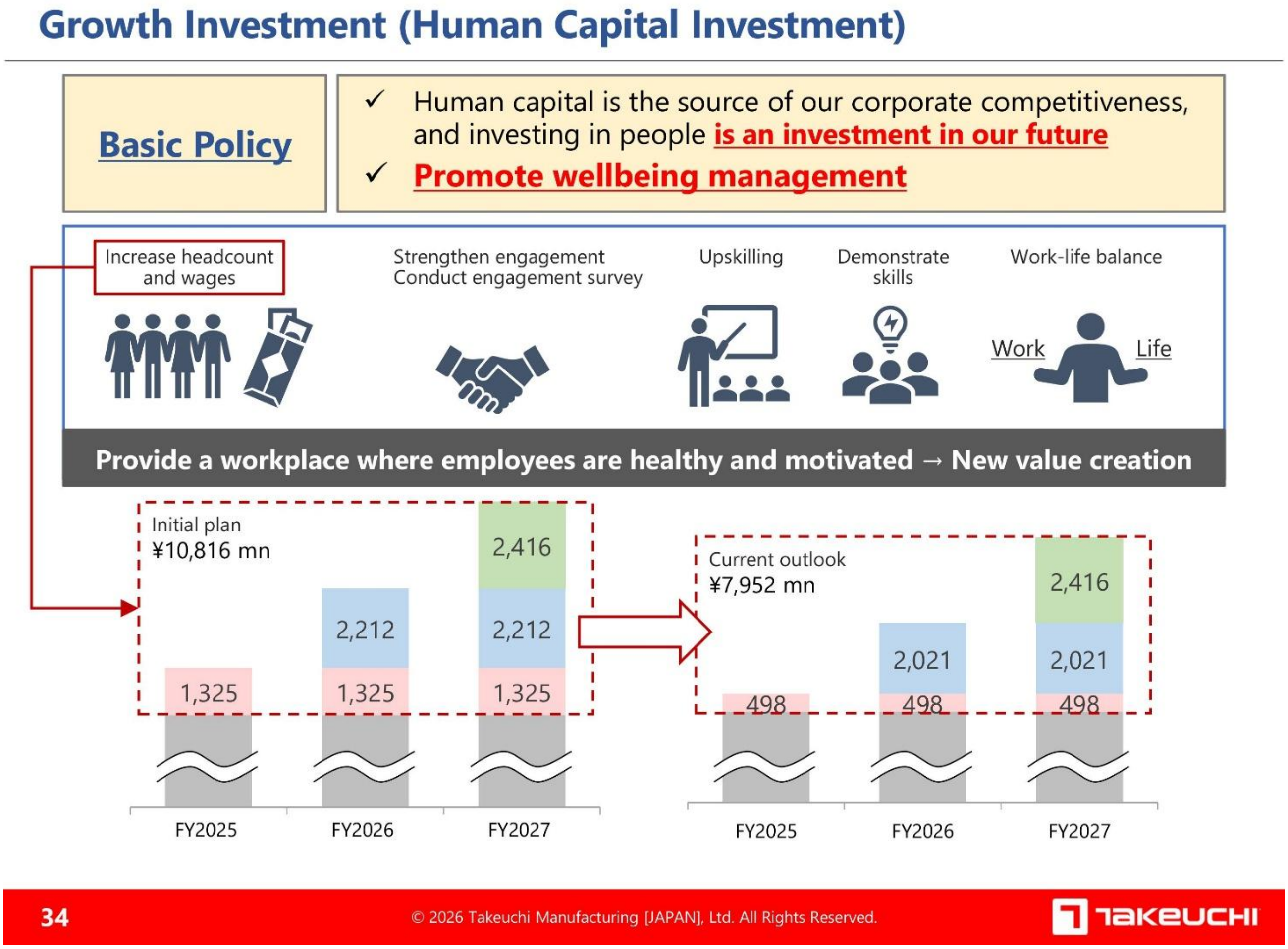


33 TAKEUCHI

The following is an explanation of the changes in cash allocation.

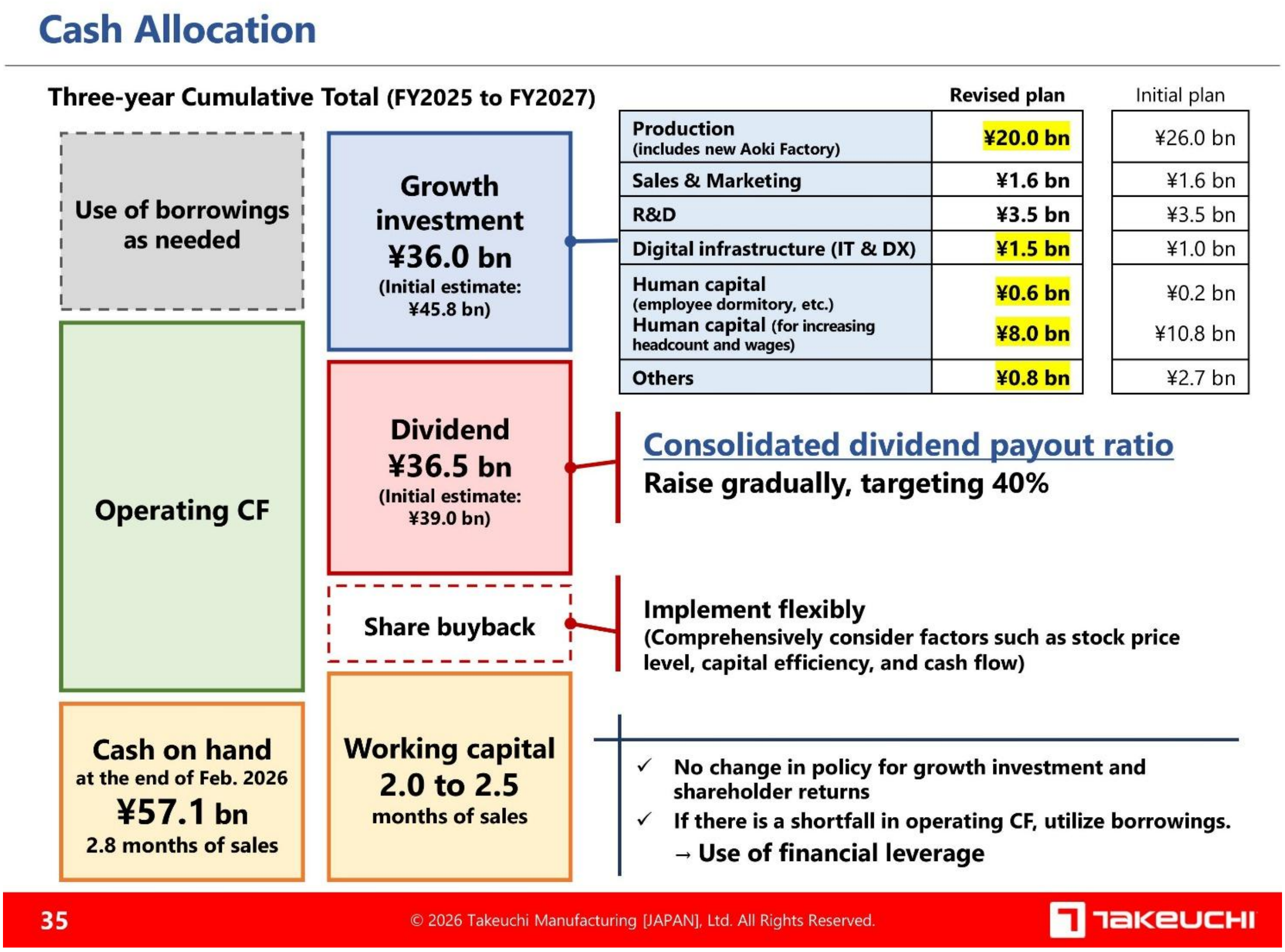
See page 33. There are two major types of growth investment: capital investment and human capital investment. Let's start with capital investment.

The original plan of one year ago called for JPY35 billion, but we have revised it to JPY28 billion. This is largely due to a reduction in the amount due to the postponement of the new Aoki plant by one year, and an increase due to IT investments and the construction of employee dormitories.



Please turn to page 34. Next is human capital investment.

In our initial plan from one year ago, we had projected approximately JPY10.8 billion, but we are revising this to approximately JPY8 billion. The downward revision for the fiscal year ended February 2026 is due to the fact that the wage increase was implemented as planned, but the increase in the number of employees did not meet the plan.



Please turn to page 35.

For growth investment, we are revising our initial forecast of JPY45.8 billion to JPY36 billion, a reduction of JPY7 billion for capital investment and JPY2.8 billion for human capital investment, for a total reduction of JPY9.8 billion.

We have revised our dividend forecast from JPY39 billion to JPY36.5 billion, taking into consideration the dividend forecast through the fiscal year ending February 28, 2027.

I will explain our approach to the acquisition of treasury stock on the next slide.

Equity Cost and ROE (Long-term View)

➢ **We recognize our cost of equity as 10%**

(1) Survey method: Conducted interviews with institutional investors, and most responded "around 10%"

(2) CAPM method: Risk free rate 2.0% + beta value 1.5 x Market risk premium 6% ≈ 11%

(3) Earnings yield method (inverse P/E ratio): P/E ratio = trending from 9x to 11x → Therefore, 1/9 ≈ 11%, 1/11 ≈ 9%

➢ **Long-term range of ROE**

	End of FY2024	End of FY2025	End of FY2027	Long-term range	
ROE (A x B x C) Net profit / Net assets Net assets represent average of beginning and year-end amounts	16.6% ¥26.1 bn / ¥157.3 bn	16.0% ¥28.2 bn / ¥176.9 bn	17% or higher	15-18%	Consistently and stably maintain ROE at a level above the cost of equity.
A. Net profit ratio Net profit / Net sales	12.2% ¥26.1 bn / ¥213.2 bn	12.5% ¥28.2 bn / ¥225.2 bn	12.3% ¥37.0 bn / ¥300.0 bn	10-12%	Reference: Net profit ratio for FY2027 based on the following rates. USD = ¥130, GBP = ¥164, EUR = ¥141 → 10.6% USD = ¥140, GBP = ¥177, EUR = ¥147 → 12.3%
B. Asset turnover Net sales / Total assets Total assets represent average of beginning and year-end amounts	1.03x ¥213.2 bn / ¥207.9 bn	1.02x ¥225.2 bn / ¥221.4 bn	1.10x	1.10x or more	● Cash and deposits: around 2 to 2.5 months of sales ● Inventory assets turnover: around 5 months
C. Financial leverage Total assets / Net assets Both represent average of beginning and year-end amounts	1.32x ¥207.9 bn / ¥157.3 bn	1.25x ¥221.4 bn / ¥176.9 bn	1.30x Equity ratio Around 77%	1.30x or more	● Equity ratio maintained at the same level ● Agile share buybacks ● Use of borrowings as necessary

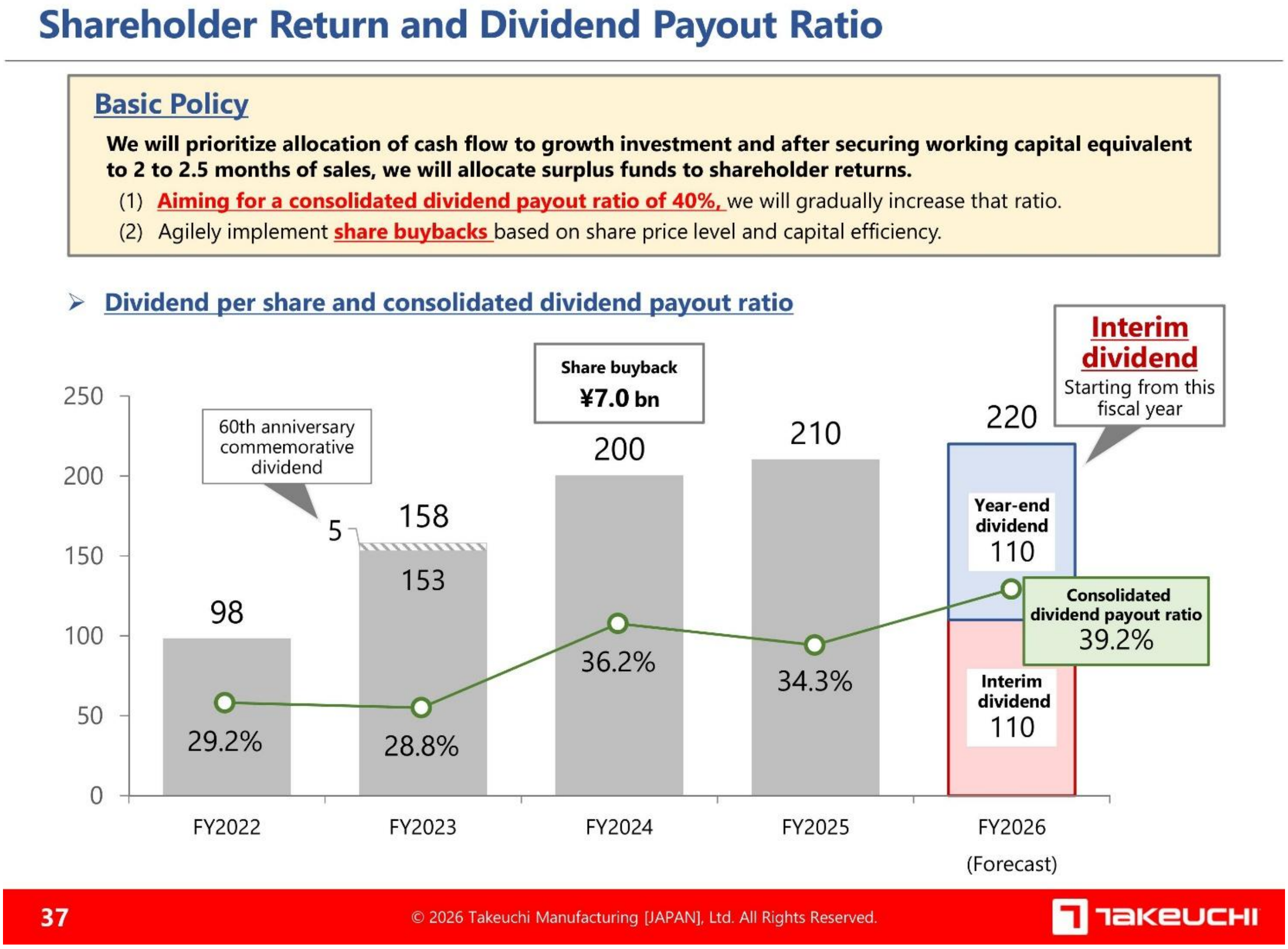
36 TAKEUCHI

See page 36.

We recognize that maintaining ROE above cost of shareholders' equity on a stable and continuous basis is an important management issue.

Here is a chart showing ROE trends and the long-term picture. Over the past two fiscal years, ROE has remained in the 16% range. However, we believe that the ROE must be maintained and improved by increasing total asset turnover and financial leverage in order to maintain and improve the ROE, as the US tariffs are expected to have a significant impact on our forecast for the fiscal year ending February 2027, resulting in a net income of 10.6%.

As part of these measures, we intend to consider share buyback flexibly and agilely, taking into consideration the overall stock price level and cash flow situation.



See page 37.

Based on the basic policy as presented and taking into consideration the financial position and financial forecast of the Group, we have decided to pay an interim dividend of JPY110 and a year-end dividend of JPY110, for a total of JPY220 per share for the current fiscal year.

This concludes my presentation. Thank you for your kind attention.

[END]

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Document Notes

1. This document has been translated by SCRIPTS Asia.

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