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.

October 29, 2025

Company name: KATO WORKS CO., LTD.
Representative: Kimiyasu Kato,
President and Representative Director
(Code number: 6390)
Contact: Takatsugu Ishii,
Director, Managing Executive Officer
Manager of Corporate Planning Office
(Phone: +81-3-3458-1111)

Notice Regarding the Completion of Transfer of Equity Interest in a Consolidated Subsidiary and Recording of Extraordinary Income (Progress of Disclosure)

KATO WORKS CO., LTD. hereby announces that, as disclosed in the **“Notice Regarding the Transfer of Equity Interest in a Consolidated Subsidiary”** dated June 20, 2025, the procedures for transferring the equity interest of its subsidiary to the transferee have been completed, as detailed below.

1.Reasons for the transfer of equity interest

As announced in the **“Notice Regarding the Dissolution and Liquidation of a Consolidated Subsidiary”** dated July 12, 2024, KATO WORKS CO., LTD. had resolved to dissolve and liquidate its consolidated subsidiary, KATO WORKS (CHINA) LTD., and since then had been exploring appropriate measures for the disposal of its assets.

Subsequently, as an agreement was reached with a domestic company in China considering the acquisition of the subsidiary, KATO WORKS CO., LTD. decided to withdraw the dissolution and liquidation process and proceeded with the transfer of its equity interest in the subsidiary.

2. Overview of subsidiaries subject to transfer (As of March 31, 2025)

(1) Company Name	KATO WORKS (CHINA) LTD.
(2) Location	Kunshan City, Jiangsu Province, China
(3) Name and Title of Representative	Chairman: Yasunori Bando
(4) Business Description	Manufacture and sale of hydraulic excavators and its parts
(5) Capital	USD 62,500 thousand
(6) Date of Establishment	February 18, 2004

3. Details of transferred assets (As of March 31, 2025)

(1) Description	All equity interest of KATO WORKS (CHINA) LTD. (100%)
(2) Location	Kunshan City, Jiangsu Province, China
(3) Book Value	4,092 million yen
(4) Estimated Gain on Transfer	The estimated extraordinary income from this transfer is about 1,500 million yen, but the final amount may change as taxation on capital gains in China is not yet finalized.

4. Overview of the transferee

Regarding the transferee, detailed information such as the name will not be disclosed based on the confidentiality agreement. The transferee is a private company in China, and there are no capital, personnel, or business relationships with our company.

Furthermore, we have assessed the reliability and business activities of the transferee and determined that it is an appropriate counterpart.

5. Scheduled date of transfer of equity interest

(1) Date of provisional contract signing	June 17, 2025
(2) Date of board of directors resolution	June 20, 2025
(3) Date of delivery	October 28, 2025

6. Outlook

As stated in the **"Notice Regarding the Transfer of Equity Interest in a Consolidated Subsidiary"** dated June 20, 2025, the gain on the transfer of equity interest arising from this transaction has not been incorporated into the earnings forecast for the fiscal year ending March 31, 2026, announced on May 14, 2025.

KATO WORKS CO., LTD. is currently reviewing its earnings forecast, including this transaction, and will promptly disclose any necessary revisions should they arise.

7. Other

In April 2025, KATO WORKS CO., LTD. established liaison offices in Kunshan City and Xiamen City. Through these offices, we intend to maintain close coordination with our operations in Japan and continue providing support to local customers and assistance to our suppliers for the time being.

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