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July 10, 2025

Consolidated Financial Results for the Three Months Ended May 31, 2025 [Under Japanese GAAP]

| | |
|---|---|
| Name of Company: | TAKEUCHI MFG. CO., LTD. |
| Stock Code: | 6432 |
| Stock Exchange Listing: | Tokyo Stock Exchange |
| URL: | https://www.takeuchi-mfg.co.jp/ |
| Representative | Title: President & Representative Director |
| | Name: Toshiya Takeuchi |
| Contact Person | Title: Executive Officer, Manager of Business Management Department |
| | Name: Atsushi Horiuchi |
| Phone: | +81-(0)268-81-1200 |
| Date of commencement of dividend payment (tentative): | - |
| Quarterly earnings supplementary explanatory documents: | None |
| Quarterly financial results briefing: | None |

(Yen in millions, rounded down)

1. Financial Results for the Three Months Ended May 2025 (March 1, 2025 – May 31, 2025)

(1) Results of Operations (Consolidated, Cumulative) (Percentage figures represent year on year changes)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|---------------------------------|-------------|-------|------------------|-------|-----------------|--------|---|--------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| Three months ended May 31, 2025 | 50,620 | (8.3) | 10,998 | (1.1) | 10,413 | (11.3) | 7,418 | (12.4) |
| Three months ended May 31, 2024 | 55,174 | 4.0 | 11,121 | 30.2 | 11,739 | 40.0 | 8,464 | 38.7 |

(Note) Comprehensive income: For the three months ended May 31, 2025: 3,201 million yen [(75.0)%],
For the three months ended May 31, 2024: 12,783 million yen [90.2%]

| | Earnings per share | Earnings per share fully diluted |
|---------------------------------|--------------------|----------------------------------|
| | Yen | Yen |
| Three months ended May 31, 2025 | 160.54 | - |
| Three months ended May 31, 2024 | 177.56 | - |

(2) Financial Position (Consolidated)

| | Total assets | Net assets | Equity ratio |
|-------------------------|--------------|-------------|--------------|
| | Million yen | Million yen | % |
| As of May 31, 2025 | 197,061 | 160,944 | 81.7 |
| As of February 28, 2025 | 217,718 | 167,000 | 76.7 |

(Reference) Shareholders' equity As of May 31, 2025: 160,944 million yen As of February 28, 2025: 167,000 million yen

2. Dividends

| | Dividends per share | | | | |
|--|---------------------|-----------|-----------|-----------|-----------|
| | End of Q1 | End of Q2 | End of Q3 | End of FY | Full year |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended Feb. 2025 | - | 0.00 | - | 200.00 | 200.00 |
| Fiscal year ending Feb. 2026 | - | | | | |
| Fiscal year ending Feb. 2026 (estimated) | | 0.00 | - | 200.00 | 200.00 |

(Note) Change in the estimation of dividends from the latest announcement: Yes

3. Forecast for the Fiscal Year Ending February 2026 (Consolidated, March 1, 2025, to February 28, 2026)

(Percentage figures represent year on year changes)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Earnings per share |
|------------|-------------|-------|------------------|--------|-----------------|--------|---|--------|--------------------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Yen |
| First half | 109,400 | (0.2) | 21,800 | (12.3) | 20,800 | (10.3) | 14,800 | (12.2) | 320.29 |
| Full year | 211,200 | (1.0) | 33,600 | (9.5) | 32,800 | (7.9) | 23,200 | (11.2) | 502.08 |

(Note) Change in the forecast from the latest announcement: Yes

* Notes

- (1) Important changes in the scope of consolidation during the period: None
- (2) Use of accounting methods specifically for the preparation of the quarterly consolidated financial statements: None
- (3) Changes in accounting principles and estimates, and retrospective restatement
 - (a) Changes due to revision of accounting standards: Yes
 - (b) Changes other than in (a): None
 - (c) Changes in accounting estimates: None
 - (d) Retrospective restatement: None

(4) Number of shares outstanding (common shares)

(a) Shares outstanding (including treasury shares)

As of May 31, 2025: 48,999,000 As of February 28, 2025: 48,999,000

(b) Treasury shares

As of May 31, 2025: 2,791,537 As of February 28, 2025: 2,791,467

(c) Average number of shares (cumulative period)

Period ended May 31, 2025: 46,207,521 Period ended May 31, 2024: 47,667,346

Note: Treasury shares include shares held by the Board Incentive Plan Trust (77,640 shares as of February 28, 2025, and 77,640 shares as of May 31, 2025).

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Cautionary statement regarding forecasts of operating results and special notes

Forward-looking statements in these materials are based on information available to management at the time this report was prepared and assumptions that management believes are reasonable. Actual results may differ significantly from these statements for a number of reasons. For information about the forecasts, please see “(3) Explanation of Future Forecasts Including Consolidated Earnings Forecasts ” on page 3 of the Supplementary information.

Index for Supplementary Information

| | |
|---|----------|
| 1. Qualitative Information on Quarterly Financial Results..... | 2 |
| (1) Explanation of Operating Results | 2 |
| (2) Explanation of Financial Position | 3 |
| (3) Explanation of Future Forecasts Including Consolidated Earnings Forecasts | 3 |
| 2. Quarterly Consolidated Financial Statements and Important Notes | 4 |
| (1) Quarterly Consolidated Balance Sheet | 4 |
| (2) Quarterly Consolidated Statements of Income and Consolidated Statements of Comprehensive Income | 6 |
| (Quarterly Consolidated Statements of Income)..... | 6 |
| (For the Three Months)..... | 6 |
| (Quarterly Consolidated Statements of Comprehensive Income)..... | 7 |
| (For the Three Months)..... | 7 |
| (3) Notes to Quarterly Consolidated Financial Statements..... | 8 |
| (Notes to Segment Information, etc.) [Segment Information] | 8 |
| (Notes to Changes in Accounting Principles) | 9 |
| (Notes to Significant Changes in Shareholders' Equity)..... | 9 |
| (Notes to Going Concern Assumptions) | 9 |
| (Notes to Quarterly Consolidated Statement of Cash Flows) | 9 |
| (Significant Subsequent Events)..... | 9 |

1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

In its Fourth Medium-term Business Plan (FY2025-FY2027), Takeuchi Group has adopted the slogan “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,” and is focusing on the following key measures: (1) Expand sales network and aftermarket parts sales; (2) Reorganize production models and construction of new track loader factory; (3) Expand lineup of battery-powered compact excavators; (4) Invest in human capital; and (5) Promote sustainable management.

The Group's cumulative sales volume for the first three months of fiscal year 2025 (March 1, 2025 to May 31, 2025) decreased compared to the same period of fiscal year 2024, mainly due to a slowdown in product sales in the North American market.

In North America, there was a trend to postpone product purchases due to heightened uncertainty and lack of clarity about the future associated with the tariff and trade policies of the new US president. As a result, sales volume of both excavators and track loaders declined greatly year on year. In Europe, despite the ongoing sluggish economic environment, the demand for products, which had been depressed, bottomed out and showed signs of recovery, and the sales volume of both excavators and track loaders increased year on year. In Asia and Oceania, which we have newly positioned as our focus market, sales volume increased year on year, primarily due to inventory replenishment of a new distributor in Australia.

Orders received in the first three months of this fiscal year amounted to 56,740 million yen, down 7.8% year on year. This was mainly due to appreciation of the yen, which pushed down the orders received despite the year-on-year increase in the number of orders due to the recovery in orders of our UK sales subsidiary and European distributors, as well as a large number of orders from a major rental company in the US. The order backlog at the end of the first quarter under review totaled 84,537 million yen, up 6,120 million yen compared to the end of the previous fiscal year.

As a result of the above, the cumulative sales volume for the first three months of the fiscal year 2025 was lower than the same period of the previous year, resulting in net sales of 50,620 million yen, down 8.3% year on year. In terms of profit, operating profit came to 10,998 million yen, down 1.1% year on year, due to profit-reducing factors such as discounts, although some of the impact of the decline in net sales was absorbed by the depreciation of the yen when considering unrealized gains. Ordinary profit came to 10,413 million yen, down 11.3% year on year, due to the recording of foreign exchange losses of 772 million yen in the quarter under review, compared to the same period of the previous year, when foreign exchange gains of 671 million yen were recorded. Profit attributable to owners of parent was 7,418 million yen, down 12.4% year on year, because tax expenses of 2,995 million yen were incurred.

Operating results by geographic segments were as follows.

(a) Japan

Sales to the European distributors account for most of the net sales in this segment. In Europe, although the economic environment remained sluggish, product demand had bottomed out and there were signs of recovery. In this environment, sales volume for distributors in Europe rose year on year, resulting in net sales of 17,143 million yen, up 8.4% year on year. Segment profit was 7,879 million yen, down 30.3% year on year, mainly due to the decline in net sales to our US subsidiary led by the production adjustments, as well as the impact of the stronger yen.

(b) United States

In the US Segment, the number of new housing starts remained in an adjustment phase due to elevated mortgage rates and home prices, and there was hesitation toward investment due to heightened uncertainty and lack of clarity about the future associated with the tariff and trade policies of the new US president. In this environment, there was a trend to postpone product purchases, causing a decline in sales volume year on year, and as a result, net sales totaled 26,866 million yen, down 17.0% year on year. Segment profit was 2,234 million yen, down 42.3% due to the invoice price increases from the home office and profit-reducing factors such as discounts.

(c) United Kingdom

In the UK Segment, although the economic environment remained sluggish, product demand, which had been depressed, bottomed out and showed signs of recovery. In this environment, as investments in replacing our products, which had been restrained in the previous year, began to recover, net sales rose to 4,208 million yen, up 13.4% year on year, due to an increase in sales volume year on year. Segment profit, which was 9 million yen in the same period of the previous year, resulted in 295 million yen mainly due to reductions in the invoice price from the home office.

(d) France

In the France Segment, the continued unstable political situation and sluggish economic environment are reducing investment appetite not only in construction machinery but in general. As a result, net sales totaled 2,400 million yen, down 26.5% year on year, due to a decrease in product sales volume year on year. Segment profit was 157 million yen, down 53.0% year on year, due to the invoice price increases from the home office and profit-reducing factors such as discounts.

(e) China

The China Segment's main business is the manufacture and sale of construction machinery parts for the Japan Segment. In the first three months of the fiscal year 2025, the China Segment recorded sales to external customers of 1 million yen, down 91.9% year on year, and segment profit of 71 million yen, down 3.2% year on year.

(2) Explanation of Financial Position

(Assets)

Total assets at the end of the first quarter under review decreased by 20,656 million yen compared to the end of the previous fiscal year to 197,061 million yen. This was mainly due to decreases in cash and deposits of 14,808 million yen and in inventories of 4,212 million yen. Among our inventories, work in process decreased by 3,301 million yen to 12,374 million yen. This was mainly due to the impact of the strong yen and the temporary production adjustments at the Home Office Factory due to the high local work-in-process inventory levels in the production of track loaders using the semi-knockdown method at the US Factory.

(Liabilities)

Total liabilities at the end of the first quarter under review declined by 14,600 million yen compared to the end of the previous fiscal year to 36,117 million yen. This was mainly due to decreases in accounts payable-trade of 11,960 million yen and income taxes payable of 3,784 million yen.

(Net assets)

Net assets at the end of the first quarter under review decreased by 6,055 million yen compared to the end of the previous fiscal year to 160,944 million yen. This was mainly due to a decrease of 9,257 million yen by the dividend payments and a decrease of 4,228 million yen in foreign currency translation adjustments, despite an increase of 7,418 million yen by the profit attributable to owners of parent.

(3) Explanation of Future Forecasts Including Consolidated Earnings Forecasts

Regarding the full-year consolidated earnings forecast for the fiscal year ending February 2026, we have revised the earnings forecast announced on April 11, 2025. For details, please refer to the "Notice Regarding Revisions of Earnings Forecast and Dividend Forecast" announced today (July 10, 2025). The forecast uses the following exchange rate assumptions from the second quarter onwards: 140 yen to 1 US dollar, 190 yen to 1 British pound, 160 yen to 1 Euro, and 19.50 yen to 1 Chinese yuan.

2. Quarterly Consolidated Financial Statements and Important Notes

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

| | As of February 28, 2025 | As of May 31, 2025 |
|--|-------------------------|--------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 46,482 | 31,674 |
| Notes and accounts receivable - trade | 45,586 | 45,434 |
| Merchandise and finished goods | 50,343 | 50,207 |
| Work in process | 15,676 | 12,374 |
| Raw materials and supplies | 14,477 | 13,702 |
| Other | 5,886 | 5,211 |
| Allowance for doubtful accounts | (1,198) | (1,138) |
| Total current assets | 177,254 | 157,465 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 18,729 | 18,301 |
| Machinery, equipment and vehicles, net | 3,875 | 3,897 |
| Land | 4,287 | 4,196 |
| Other, net | 2,198 | 2,075 |
| Total property, plant and equipment | 29,091 | 28,470 |
| Intangible assets | 672 | 667 |
| Investments and other assets | | |
| Deferred tax assets | 9,088 | 8,848 |
| Other | 1,633 | 1,631 |
| Allowance for doubtful accounts | (21) | (21) |
| Total investments and other assets | 10,700 | 10,458 |
| Total non-current assets | 40,464 | 39,595 |
| Total assets | 217,718 | 197,061 |

(Millions of yen)

| | As of February 28, 2025 | As of May 31, 2025 |
|---|-------------------------|--------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 36,022 | 24,062 |
| Income taxes payable | 5,867 | 2,082 |
| Provision for bonuses | 792 | 1,346 |
| Provision for product warranties | 3,094 | 2,942 |
| Other | 4,197 | 4,963 |
| Total current liabilities | 49,974 | 35,397 |
| Non-current liabilities | | |
| Provision for share awards for directors (and other officers) | 130 | 135 |
| Retirement benefit liability | 138 | 118 |
| Other | 475 | 466 |
| Total non-current liabilities | 744 | 720 |
| Total liabilities | 50,718 | 36,117 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 3,632 | 3,632 |
| Capital surplus | 3,631 | 3,631 |
| Retained earnings | 149,217 | 147,378 |
| Treasury shares | (9,033) | (9,033) |
| Total shareholders' equity | 147,448 | 145,609 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 58 | 82 |
| Foreign currency translation adjustment | 19,303 | 15,074 |
| Remeasurements of defined benefit plans | 190 | 178 |
| Total accumulated other comprehensive income | 19,551 | 15,334 |
| Total net assets | 167,000 | 160,944 |
| Total liabilities and net assets | 217,718 | 197,061 |

(2) Quarterly Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Quarterly Consolidated Statements of Income)
(For the Three Months)

(Millions of yen)

| | Three months ended May 31, 2024 | Three months ended May 31, 2025 |
|---|------------------------------------|------------------------------------|
| Net sales | 55,174 | 50,620 |
| Cost of sales | 39,444 | 35,179 |
| Gross profit | 15,730 | 15,441 |
| Selling, general and administrative expenses | | |
| Transportation costs | 1,766 | 1,477 |
| Provision for product warranties | 368 | 405 |
| Provision of allowance for doubtful accounts | (0) | (0) |
| Remuneration for directors (and other officers) | 97 | 112 |
| Salaries and allowances | 770 | 853 |
| Provision for bonuses | 104 | 121 |
| Retirement benefit expenses | 19 | 19 |
| Provision for share awards for directors (and other officers) | 4 | 4 |
| Other | 1,478 | 1,449 |
| Total selling, general and administrative expenses | 4,609 | 4,442 |
| Operating profit | 11,121 | 10,998 |
| Non-operating income | | |
| Interest income | 150 | 57 |
| Foreign exchange gains | 671 | - |
| Gain on valuation of derivatives | - | 80 |
| Other | 34 | 50 |
| Total non-operating income | 856 | 188 |
| Non-operating expenses | | |
| Loss on retirement of non-current assets | 6 | 0 |
| Foreign exchange losses | - | 772 |
| Loss on valuation of derivatives | 231 | - |
| Other | 1 | 0 |
| Total non-operating expenses | 238 | 773 |
| Ordinary profit | 11,739 | 10,413 |
| Profit before income taxes | 11,739 | 10,413 |
| Income taxes - current | 4,656 | 2,855 |
| Income taxes - deferred | (1,380) | 139 |
| Total income taxes | 3,275 | 2,995 |
| Profit | 8,464 | 7,418 |
| Profit attributable to owners of parent | 8,464 | 7,418 |

(Quarterly Consolidated Statements of Comprehensive Income)
(For the Three Months)

(Millions of yen)

| | Three months ended May 31, 2024 | Three months ended May 31, 2025 |
|--|------------------------------------|------------------------------------|
| Profit | 8,464 | 7,418 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 16 | 24 |
| Foreign currency translation adjustment | 4,307 | (4,228) |
| Remeasurements of defined benefit plans, net of tax | (4) | (12) |
| Total other comprehensive income | 4,319 | (4,216) |
| Comprehensive income | 12,783 | 3,201 |
| Comprehensive income attributable to owners of parent | 12,783 | 3,201 |
| Comprehensive income attributable to non-controlling interests | - | - |

(3) Notes to Quarterly Consolidated Financial Statements

(Notes to Segment Information, etc.)

[Segment Information]

I. For the Three Months Ended May 2024 (March 1, 2024 – May 31, 2024)

1. Information About Net Sales and Profit (Loss) by Reporting Segments and Disaggregated Revenue

(Millions of yen)

| | Reporting segments | | | | | Total | Adjustments (Note 1) | Amount on the quarterly consolidated statements of income (Note 2) |
|--|--------------------|--------|-------|--------|-------|--------|-------------------------|---|
| | Japan | US | UK | France | China | | | |
| Net sales Revenue from contracts with customers | 15,822 | 32,359 | 3,710 | 3,264 | 18 | 55,174 | — | 55,174 |
| Net sales (Of which to outside customers) | 15,822 | 32,359 | 3,710 | 3,264 | 18 | 55,174 | — | 55,174 |
| (Of which inter- segment /transfer) | 37,212 | 6 | 11 | 1 | 1,109 | 38,341 | (38,341) | — |
| Total | 53,034 | 32,365 | 3,722 | 3,266 | 1,127 | 93,516 | (38,341) | 55,174 |
| Segment profit | 11,298 | 3,873 | 9 | 334 | 73 | 15,590 | (4,469) | 11,121 |

Notes:

1. Adjustment in segment profit of -4,469 million yen includes -3,781 million yen for elimination of inter-segment trade and -687 million yen for corporate expenses, which has not been distributed in the segments. The corporate expenses are general expenses that are not attributed to the segments.
2. Segment profits are adjusted for operating profit on the quarterly consolidated statements of income.
3. The information on revenue breakdown is the same as the information on net sales of reporting segments in the segment information, etc., and the breakdown information is provided by geographic region.

II. For the Three Months Ended May 2025 (March 1, 2025 – May 31, 2025)

1. Information About Net Sales and Profit (Loss) by Reporting Segments and Disaggregated Revenue

(Millions of yen)

| | Reporting segments | | | | | Total | Adjustments (Note 1) | Amount on the quarterly consolidated statements of income (Note 2) |
|--|--------------------|--------|-------|--------|-------|--------|-------------------------|---|
| | Japan | US | UK | France | China | | | |
| Net sales Revenue from contracts with customers | 17,143 | 26,866 | 4,208 | 2,400 | 1 | 50,620 | — | 50,620 |
| Net sales (Of which to outside customers) | 17,143 | 26,866 | 4,208 | 2,400 | 1 | 50,620 | — | 50,620 |
| (Of which inter- segment / transfer) | 32,573 | 2 | 1 | 3 | 1,015 | 33,595 | (33,595) | — |
| Total | 49,716 | 26,868 | 4,210 | 2,404 | 1,016 | 84,216 | (33,595) | 50,620 |
| Segment profit | 7,879 | 2,234 | 295 | 157 | 71 | 10,639 | 359 | 10,998 |

Notes:

1. Adjustment in segment profit of 359 million yen includes 1,101 million yen for elimination of inter-segment trade and -742 million yen for corporate expenses, which has not been distributed in the segments. The corporate expenses are general expenses that are not attributed to the segments.
2. Segment profits are adjusted for operating profit on the quarterly consolidated statements of income.
3. The information on revenue breakdown is the same as the information on net sales of reporting segments in the segment information, etc., and the breakdown information is provided by geographic region.

(Notes to Changes in Accounting Principles)

(Application of Accounting Standards for Income Taxes)

We have applied the “Accounting Standards for Income Taxes” (ASBJ Statements No. 27, October 28, 2022) from the beginning of the first quarter of the current consolidated fiscal year. This change has no impact on the quarterly consolidated financial statements.

(Notes to Significant Changes in Shareholders’ Equity)

None

(Notes to Going Concern Assumptions)

None

(Notes to Quarterly Consolidated Statement of Cash Flows)

A quarterly consolidated statement of cash flows for the first three months of the current consolidated fiscal year has not been prepared. Depreciation (including amortization of intangible fixed assets) for the first three months of the current consolidated fiscal year is as follows.

| (Millions of yen) | | |
|-------------------|------------------------------------|------------------------------------|
| | Three months ended May 31, 2024 | Three months ended May 31, 2025 |
| Depreciation | 876 | 746 |

(Significant Subsequent Events)

None