[Reference Translation]

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Notice Regarding the Revision of Earnings Forecast and Dividend Forecast

Takeuchi Mfg. Co., Ltd. hereby announces that in light of recent earnings trends, it has revised the first six months and full-year earnings forecasts for the fiscal year ending February 2026, which were announced on April 11, 2025, and the dividend forecast as follows.

1. Revision of Earnings Forecast

(1) Consolidated Forecast for the First Six Months of the Fiscal Year Ending February 2026 (March 1, 2025 to August 31, 2025)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Consolidated earnings per share
Previous forecast (A)	Million yen 113,000	Million yen 22,600	Million yen 21,500	Million yen 15,300	Yen 331.11
Revised forecast (B)	109,400	21,800	20,800	14,800	320.29
Change (B-A)	(3,600)	(800)	(700)	(500)	(10.82)
Change (%)	(3.2)%	(3.5)%	(3.3)%	(3.3)%	(3.3)%
(Reference) Actual consolidated results for the six months ended August 2024	109,606	24,867	23,187	16,854	353.58

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

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Consolidated earnings per share
Previous forecast (A)	Million yen 225,000	Million yen 42,000	Million yen 41,000	Million yen 29,200	Yen 631.93
Revised forecast (B)	211,200	33,600	32,800	23,200	502.08
Change (B-A)	(13,800)	(8,400)	(8,200)	(6,000)	(129.85)
Change (%)	(6.1)%	(20.0)%	(20.0)%	(20.5)%	(20.5)%
(Reference) Actual consolidated results for the fiscal year ended February 2025	213,230	37,142	35,608	26,113	552.45

[Reference Translation]

(3) Reasons for Revision

In North America, sales volume of both excavators and track loaders declined greatly during the first quarter, as there was a continued trend to postpone product purchases mainly due to growing uncertainty over the tariffs and trade policies of the new US president. Sales volume in North America has been increasing in the second quarter due to favorable sales to rental companies, but it is expected to decline gradually through the second half of the fiscal year and to fall short of the previous full-year forecast.

In Europe, sales of excavators, our mainstay product, were sluggish in the previous fiscal year due to a decline in investment sentiment against the backdrop of the prolonged macroeconomic downturn, and this situation was expected to continue in the current fiscal year. Although sales volume in France is expected to be significantly lower than the previous forecast, product demand in the UK and other major European countries has bottomed out and can be expected to compensate for the decline in France. The overall sales volume in Europe is therefore expected to be on par with the previous forecast.

In Asia and Oceania, which we position as our focus market, sales volume is expected to be significantly lower than the previous forecast, mainly due to the longer-than-expected preparation period for sales and service training at our new distributor in Australia and the sluggish Australian market.

As we have revised our consolidated earnings forecast based on this situation, both sales and profits are expected to be lower than the previously announced forecast. This is mainly due to an increase in costs of 4.37 billion yen due to the US tariff policy (Assuming a tariff rate of 10% during the 90-day suspension of reciprocal tariffs, and 24% thereafter), a downward revision in sales volume, and a revision of the assumed US dollar exchange rate to a stronger yen. The decline in the profit to sales ratio at each stage in the second half of the fiscal year is mainly due to the fact that increased costs from US tariff policies will occur mostly in the second half of the fiscal year.

The actual exchange rates (averaged during the period) for the first quarter of the current consolidated fiscal year are 1 US dollar = 147.56 yen, 1 British pound = 191.31 yen, 1 Euro = 158.62 yen, 1 yuan = 20.75 yen, and the assumed exchange rates for the second quarter onwards are 1 US dollar = 140 yen, 1 British pound = 190 yen, 1 Euro = 160 yen, 1 yuan = 19.50 yen. (The previous forecast rates were: 1 US dollar = 145 yen, 1 British pound = 183 yen, 1 Euro = 152 yen, 1 yuan = 20 yen)

(Reference)

Million yen

Net sales by region	Previous forecast		Revised forecast		
	First half	Full year	First half	Full year	Change (%)
Japan	750	1,480	790	1,510	+2.0%
North America	66,580	134,200	62,730	121,000	(9.8)%
Europe	42,180	82,350	43,470	84,660	+2.8%
Asia/Oceania	2,730	5,910	1,530	2,850	(51.8)%
Others	760	1,060	880	1,180	+11.3%
Net sales	113,000	225,000	109,400	211,200	(6.1)%
Operating profit	22,600	42,000	21,800	33,600	(20.0)%
Ordinary profit	21,500	41,000	20,800	32,800	(20.0)%
Profit attributable to owners of parent	15,300	29,200	14,800	23,200	(20.5)%

Change in sales volume forecast (year on year)

	Previous forecast			Revised forecast		
	First half	Second half	Full year	First half	Second half	Full year
North America	+9.9%	+19.4%	+14.5%	+2.5%	+3.6%	+3.0%
Europe	+0.7%	(6.0)%	(2.7)%	+1.6%	(6.0)%	(2.2)%
Asia/Oceania	+123.3%	+95.1%	+107.0%	+13.8%	(10.2)%	0.0%
Consolidated	+6.8%	+8.5%	+7.6%	+1.8%	(1.5)%	+0.2%

2. Revision of Dividend Forecast

	Annual dividend (yen)		
	At the end of the second quarter	At the end of the fiscal year	Total
Previous forecast (announced on April 11,2025)	0	TBD	TBD
Revised forecast	0	200	200
Results for the fiscal year ending February 2026			
Results for the fiscal year ended February 2025	0	200	200

Reasons for Revision

We regard the distribution of profits to our shareholders as one of our management priorities and have established the following basic policy to strengthen shareholder returns. Based on this basic policy, and after comprehensively considering the profit level and financial position for the fiscal year ending February 2026, we have revised the year-end dividend forecast for the fiscal year ending February 2026, which had been undecided until now, to 200 yen per share.

[Basic Policy]

We will prioritize allocation of cash flow to growth investment, and after securing working capital equivalent to 2 to 2.5 months of sales, we will allocate surplus funds to shareholder returns.

(1) Aiming for a consolidated dividend payout ratio of 40%, we will gradually increase that ratio.

(2) Agilely implement share buybacks based on share price level and capital efficiency, etc.

3. 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 from these statements for a number of reasons.