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October 10, 2025

Consolidated Financial Results for the Six Months Ended August 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/>
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 Name: Toshiya Takeuchi
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 Date of semiannual securities report (tentative): October 14, 2025
 Date of commencement of dividend payment (tentative): -
 Supplementary explanatory documents for financial results: Yes
 Financial results briefing: Yes (for institutional investors and analysts)

(Yen in millions, rounded down)

1. Financial results for the six months ended August 2025 (March 1, 2025 – August 31, 2025)

(1) Results of operations (Consolidated, year-to-date)

(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	%
Six months ended August 31, 2025	114,103	4.1	23,402	(5.9)	23,692	2.2	17,055	1.2
Six months ended August 31, 2024	109,606	4.2	24,867	46.5	23,187	35.8	16,854	33.0

(Note) Comprehensive income: For the six months ended August 31, 2025: 11,208 million yen [(56.8)%],

For the six months ended August 31, 2024: 25,925 million yen [42.3%]

	Earnings per share	Earnings per share fully diluted
	Yen	Yen
Six months ended August 31, 2025	369.13	-
Six months ended August 31, 2024	353.58	-

(2) Financial Position (Consolidated)

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of August 31, 2025	212,094	168,882	79.6
As of February 28, 2025	217,718	167,000	76.7

(Reference) Shareholders' equity

As of August 31, 2025: 168,882 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 February 2025	-	0.00	-	200.00	200.00
Fiscal year ending February 2026	-	0.00			
Fiscal year ending February 2026 (est.)			-	210.00	210.00

(Note) Change in the estimation of dividend 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
Full year	223,000	4.6	38,000	2.3	37,300	4.8	26,400	1.1	571.44

(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 interim 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 August 31, 2025: 48,999,000 As of February 28, 2025: 48,999,000

(b) Treasury shares

As of August 31, 2025: 2,805,964 As of February 28, 2025: 2,791,467

(c) Average number of shares (cumulative period)

Period ended August 31, 2025: 46,204,360 Period ended August 31, 2024: 47,667,339

(Note): Treasury shares include shares held by the Board Incentive Plan Trust (77,640 shares as of February 28, 2025 and 92,040 shares as of August 31, 2025).

* This report is exempt from the audit review.

* Cautionary statement regarding forecasts of operating results and special notes

(1) Forward-looking statements

Forward-looking statements in this material 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 "Explanation of Forecast Information such as Consolidated Earnings Forecast, etc." on page 3.

(2) Access to supplementary explanatory materials for financial results and contents of financial results briefing
We plan to hold a financial results briefing for institutional investors and securities analysts on October 23, 2025. The financial results briefing materials will be posted on our website on the day of the briefing.

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1. Qualitative Information on Interim 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. During the first six months under review, the Company launched a new crawler dumper, the TCR50-3, in July 2025 and actively conducted sales activities.

The Group's cumulative sales volume for the first half of the current consolidated fiscal year (March 1, 2025 to August 31, 2025) exceeded figures for the same period of the previous fiscal year in both Europe and the US.

In North America, customers deferred product purchases in the first quarter due to growing uncertainty and lack of clarity about the future caused by the US government's tariffs and trade policies. However, sales to rental companies were strong in the second quarter, and track loaders contributed to an increase in sales volume, leading to overall US sales exceeding the same period of the previous fiscal year. In Europe, although results varied by country, there were signs that product demand had bottomed out, and sales volumes of both excavators and track loaders exceeded those of the same period of the previous fiscal 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 our new distributor in Australia.

Orders received in the first half of the current consolidated fiscal year amounted to 98,582 million yen, up 1.3% year on year. The number of orders increased mainly due to a recovery in orders from our UK sales subsidiary and European distributors, a large order from the major rental company in the first quarter at our US sales subsidiary, and strong orders from dealers in the second quarter. However, orders received were pushed down due to appreciation of the yen, remaining almost at the same level as the previous fiscal year. Order backlogs as of the end of the first half of the current consolidated fiscal year totaled 62,897 million yen, a decrease of 15,520 million yen compared to the end of the previous consolidated fiscal year, which is equivalent to 3.4 months of monthly sales, a level that the Group considers appropriate.

As a result of the above, the cumulative sales volume for the first half of the current consolidated fiscal year was higher than the same period of the previous year, resulting in net sales of 114,103 million yen, up 4.1% year on year. In terms of profit, operating profit came to 23,402 million yen, down 5.9% year on year, due to the appreciation of the yen and discounts, etc. Ordinary profit was 23,692 million yen, up 2.2% year on year, because of the recording of interest income of 193 million yen and other factors. Profit attributable to owners of parent was 17,055 million yen, up 1.2% year on year, because tax expenses of 6,637 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 signs of recovery had continued since the first quarter. In this environment, sales volume for distributors in Europe rose year on year, resulting in net sales of 35,703 million yen, up 7.7% year on year. Segment profit was 15,226 million yen, down 32.0% 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 had been hesitation toward investment due to heightened uncertainty and lack of clarity about the future associated with the tariff and trade policies of the US administration. Despite this environment, sales to major rental companies were strong in the second quarter, and sales volume increased compared to the same period of the previous fiscal year, resulting in net sales of 63,585 million yen (up 1.1% year on year). In terms of profits, segment profits totaled 4,426 million yen (down 36.5% year on year) due to profit-reducing factors, such as an increase in transfer prices from the home office implemented in the first quarter of the previous fiscal year, discounts to boost sluggish sales, and an increase in the sales ratio to major rental companies eligible for volume discounts.

(c) United Kingdom

In the UK Segment, although the economic environment remained sluggish, product demand, which had been depressed, bottomed out and continued to show signs of recovery since the first quarter. In this environment, net sales rose to 9,757 million yen, up 32.8% year on year, due to an increase in sales volume year on year as investments in replacing our products, which had been restrained in the previous year, began to recover. Segment profit totaled 728 million yen, up 556.9% year on year, mainly due to the transfer price reduction from the home office implemented in the first quarter of the previous fiscal year.

(d) France

In the France Segment, the continued unstable political situation and sluggish economic environment were reducing investment appetite not only in construction machinery but in general. As a result, net sales totaled 5,054 million yen, down 17.6% year on year, due to a decrease in product sales volume year on year. Segment profit was 321 million yen, down 39.7% year on year, due to the transfer price increase 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 six months, the China Segment recorded sales to external customers of 3 million yen, down 92.6% year on year, and segment profit of 114 million yen, down 40.3% year on year.

(2) Explanation of Financial Position

(a) Assets, liabilities, and net assets

(Assets)

Total assets at the end of the first half of the current consolidated fiscal year decreased by 5,624 million yen compared to the end of the previous consolidated fiscal year to 212,094 million yen. This was mainly due to decreases in cash and deposits of 7,139 million yen, in inventories of 7,884 million yen, in other current assets of 1,070 million yen, and in deferred tax assets of 1,221 million yen, which offset an increase in notes and accounts receivable-trade of 12,090 million yen.

(Liabilities)

Total liabilities at the end of the first half of the current consolidated fiscal year declined by 7,506 million yen compared to the end of the previous consolidated fiscal year to 43,211 million yen. This was mainly due to decreases in accounts payable-trade of 7,431 million yen.

(Net assets)

Net assets as of the end of the first half of the current consolidated fiscal year increased by 1,882 million yen compared to the end of the previous consolidated fiscal year to 168,882 million yen. This was mainly due to an increase of 17,055 million yen by the profit attributable to owners of parent, despite a decrease of 9,257 million yen by the dividend payments and a decrease of 5,878 million yen in foreign currency translation adjustments.

(b) Cash flows

Cash and cash equivalents (hereinafter referred to as "cash") at the end of the first half of the current consolidated fiscal year decreased by 7,157 million yen compared to the end of the previous fiscal year to 38,890 million yen. The status and factors of each cash flow during the first half of the current consolidated fiscal year are as follows.

(Cash-flow from operating activities)

Net cash provided by operating activities totaled 3,549 million yen. (10,266 million yen used in the previous fiscal year). This was mainly due to inflows from profit before income taxes of 23,692 million yen and the decrease in inventories of 2,872 million yen, compared to outflows from the increase in trade receivables of 13,835 million yen, the decrease in trade payables of 5,281 million yen, and expenditures for income taxes paid of 6,627 million yen.

(Cash-flow from investing activities)

Net cash used in investing activities totaled 1,081 million yen, an increase of 2 million yen year on year. This was mainly due to expenditures of 978 million yen for the purchase of property, plant and equipment and other factors.

(Cash-flow from financing activities)

Net cash used in financing activities totaled 9,311 million yen, an increase of 1,752 million yen year on year. This was mainly due to expenditures of 9,215 million yen for dividends paid.

(3) Explanation of Forecast Information such as Consolidated Earnings Forecast, etc.

The consolidated earnings forecast for the fiscal year ending February 2026 has been revised from the forecast announced on July 10, 2025. For details, please refer to the "Notice Regarding Revisions of Earnings Forecast and Dividend Forecast" announced today (October 10, 2025). The forecast uses the following exchange rate assumptions from the third quarter onwards: 140 yen to 1 US dollar, 190 yen to 1 British pound, 164 yen to 1 Euro, and 19.50 yen to 1 Chinese yuan.

2. Interim Consolidated Financial Statements and Important Notes

(1) Interim Consolidated Balance Sheet

(Millions of yen)

	As of February 28, 2025	As of August 31, 2025
Assets		
Current assets		
Cash and deposits	46,482	39,343
Notes and accounts receivable - trade	45,586	57,677
Merchandise and finished goods	50,343	46,690
Work in process	15,676	12,852
Raw materials and supplies	14,477	13,069
Other	5,886	4,815
Allowance for doubtful accounts	(1,198)	(1,116)
Total current assets	177,254	173,333
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	18,729	17,949
Machinery, equipment and vehicles, net	3,875	3,629
Land	4,287	4,180
Other, net	2,198	2,805
Total property, plant and equipment	29,091	28,564
Intangible assets	672	684
Investments and other assets		
Deferred tax assets	9,088	7,866
Other	1,633	1,666
Allowance for doubtful accounts	(21)	(21)
Total investments and other assets	10,700	9,511
Total non-current assets	40,464	38,760
Total assets	217,718	212,094

	As of February 28, 2025	As of August 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	36,022	28,591
Income taxes payable	5,867	4,202
Provision for bonuses	792	931
Provision for product warranties	3,094	2,755
Other	4,197	5,986
Total current liabilities	49,974	42,468
Non-current liabilities		
Provision for share awards for directors (and other officers)	130	173
Retirement benefit liability	138	115
Other	475	454
Total non-current liabilities	744	743
Total liabilities	50,718	43,211
Net assets		
Shareholders' equity		
Share capital	3,632	3,632
Capital surplus	3,631	3,631
Retained earnings	149,217	157,015
Treasury shares	(9,033)	(9,103)
Total shareholders' equity	147,448	155,177
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	58	114
Foreign currency translation adjustment	19,303	13,424
Remeasurements of defined benefit plans	190	165
Total accumulated other comprehensive income	19,551	13,705
Total net assets	167,000	168,882
Total liabilities and net assets	217,718	212,094

(2) Interim Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Interim Consolidated Statements of Income)

(Millions of yen)

	Six months ended August 31, 2024	Six months ended August 31, 2025
Net sales	109,606	114,103
Cost of sales	75,309	81,720
Gross profit	34,297	32,382
Selling, general and administrative expenses		
Transportation costs	3,703	2,915
Provision for product warranties	692	883
Provision of allowance for doubtful accounts	(0)	(0)
Remuneration for directors (and other officers)	205	237
Salaries and allowances	1,610	1,750
Provision for bonuses	200	220
Retirement benefit expenses	41	40
Provision for share awards for directors (and other officers)	8	42
Other	2,967	2,889
Total selling, general and administrative expenses	9,429	8,980
Operating profit	24,867	23,402
Non-operating income		
Interest income	310	193
Other	206	141
Total non-operating income	517	334
Non-operating expenses		
Loss on retirement of non-current assets	35	2
Foreign exchange losses	2,158	39
Other	2	3
Total non-operating expenses	2,197	45
Ordinary profit	23,187	23,692
Profit before income taxes	23,187	23,692
Income taxes - current	7,781	5,574
Income taxes - deferred	(1,447)	1,062
Total income taxes	6,333	6,637
Profit	16,854	17,055
Profit attributable to owners of parent	16,854	17,055

(Interim Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Six months ended August 31, 2024	Six months ended August 31, 2025
Profit	16,854	17,055
Other comprehensive income		
Valuation difference on available-for-sale securities	(2)	56
Foreign currency translation adjustment	9,082	(5,878)
Remeasurements of defined benefit plans, net of tax	(8)	(24)
Total other comprehensive income	9,071	(5,846)
Comprehensive income	25,925	11,208
Comprehensive income attributable to owners of parent	25,925	11,208
Comprehensive income attributable to non-controlling interests	—	—

(3) Interim Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended August 31, 2024	Six months ended August 31, 2025
Cash flows from operating activities		
Profit before income taxes	23,187	23,692
Depreciation	1,807	1,514
Increase (decrease) in allowance for doubtful accounts	(0)	(0)
Increase (decrease) in provision for bonuses	205	141
Increase (decrease) in provision for product warranties	53	(188)
Decrease (increase) in retirement benefit asset	10	(26)
Increase (decrease) in provision for share awards for directors (and other officers)	8	42
Interest and dividend income	(313)	(197)
Foreign exchange losses (gains)	1,138	(225)
Loss (gain) on sale of non-current assets	(8)	(4)
Loss on retirement of non-current assets	33	1
Decrease (increase) in trade receivables	(3,010)	(13,835)
Decrease (increase) in inventories	(11,860)	2,872
Increase (decrease) in trade payables	(13,759)	(5,281)
Decrease (increase) in other assets	(124)	425
Increase (decrease) in other liabilities	748	1,049
Other, net	(2)	(1)
Subtotal	(1,886)	9,978
Interest and dividends received	312	198
Income taxes paid	(8,693)	(6,627)
Net cash provided by (used in) operating activities	(10,266)	3,549
Cash flows from investing activities		
Decrease (increase) in time deposits	(38)	(18)
Proceeds from redemption of securities	300	-
Purchase of property, plant and equipment	(1,302)	(978)
Proceeds from sale of property, plant and equipment	8	11
Purchase of intangible assets	(39)	(94)
Other, net	(7)	(2)
Net cash provided by (used in) investing activities	(1,079)	(1,081)
Cash flows from financing activities		
Purchase of treasury shares	(0)	(69)
Dividends paid	(7,537)	(9,215)
Repayments of lease liabilities	(20)	(26)
Net cash provided by (used in) financing activities	(7,558)	(9,311)
Effect of exchange rate change on cash and cash equivalents	1,073	(313)
Net increase (decrease) in cash and cash equivalents	(17,830)	(7,157)
Cash and cash equivalents at beginning of period	54,682	46,047
Cash and cash equivalents at end of period	36,851	38,890

(4) Notes to Interim Consolidated Financial Statement

(Notes to Segment Information, etc.)

[Segment information]

I. For the six months ended August 2024 (March 1, 2024 – August 31, 2024)

1. Information about sales and profit (loss) by reporting segments and disaggregation of revenue

(Million yen)

	Reporting segments					Total	Adjustments (Note 1)	Amount on the interim consolidated statements of income (Note 2)
	Japan	US	UK	France	China			
Net sales								
Revenue from contracts with customers	33,163	62,921	7,346	6,132	42	109,606	—	109,606
Net sales								
(of which to outside customers)	33,163	62,921	7,346	6,132	42	109,606	—	109,606
(of which inter- segment)	74,380	7	15	3	2,578	76,985	(76,985)	—
Total	107,543	62,929	7,362	6,135	2,620	186,592	(76,985)	109,606
Segment profit	22,400	6,975	110	533	192	30,212	(5,344)	24,867

Notes: 1. Adjustment in segment profit of (5,344) million yen includes (3,955) million yen for elimination of inter-segment trade and (1,388) 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 profit is adjusted for operating profit in the interim consolidated statements of income.

3. The information on revenue breakdown is the same as the information on sales of reporting segments in the segment information, etc., and the breakdown information is provided by geographic region.

II. For the six months ended August 2025 (March 1, 2025 – August 31, 2025)

1. Information about sales and profit (loss) by reporting segments and disaggregation of revenue

(Million yen)

	Reporting segments					Total	Adjustments (Note 1)	Amount on the interim consolidated statements of income (Note 2)
	Japan	US	UK	France	China			
Net sales								
Revenue from contracts with customers	35,703	63,585	9,757	5,054	3	114,103	—	114,103
Net sales								
(of which to outside customers)	35,703	63,585	9,757	5,054	3	114,103	—	114,103
(of which inter- segment)	60,026	3	2	6	2,038	62,077	(62,077)	—
Total	95,730	63,588	9,760	5,060	2,041	176,181	(62,077)	114,103
Segment profit	15,226	4,426	728	321	114	20,818	2,584	23,402

Notes: 1. Adjustment in segment profit of 2,584 million yen includes 4,117 million yen for elimination of inter-segment trade and (1,533) 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 profit is adjusted for operating profit in the interim consolidated statements of income.

3. The information on revenue breakdown is the same as the information on 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 half of the current consolidated fiscal year. This change has no impact on the interim consolidated financial statements.

(Notes to Significant Changes in Shareholders’ Equity)

None

(Notes to Going Concern Assumptions)

None

(Significant Subsequent Events)

None