



Presentation Materials for FY2024 & Fourth Medium-term Business Plan (FY2025-FY2027)

April 23, 2025

TAKEUCHI MFG. CO., LTD.
(Securities code: 6432)

Note that the forward-looking statements in this document do not take into account the impact of the US tariff policies.

- ▶ **FY2024 Consolidated Results**
- ▶ **FY2025 Consolidated Forecast**
- ▶ **Review of the Third Medium-term Business Plan**
(FY2022 – FY2024)
- ▶ **Framework of the Fourth Medium-term Business Plan**
(FY2025 – FY2027)
- ▶ **Reference Materials**

Summary of FY2024 Earnings Results

(1) Sales volume was down in both North America and Europe

- North America sales volume: down 5.1% (H1: down 2.5% / H2: down 7.8% YoY)

Housing markets remain in an adjustment phase due to elevated interest rates and home prices, and sales growth in North America has come to a pause. Furthermore, there were moves to postpone purchases depending on the new president's tariff and trade policies.

- Europe sales volume: down 15.1% (H1: down 16.2% / H2: down 13.9% YoY)

Housing demand was sluggish amid rising mortgage rates and energy prices

Loosening non-housing related demand, such as construction, weakened investment appetite

- Total sales volume: down 11.8% (H1: down 11.0% / H2: down 12.6% YoY)

(2) Net sales, operating profit, and ordinary profit reached record highs

- Buoyed by the weak yen and product price increases, although the sales volume decreased.

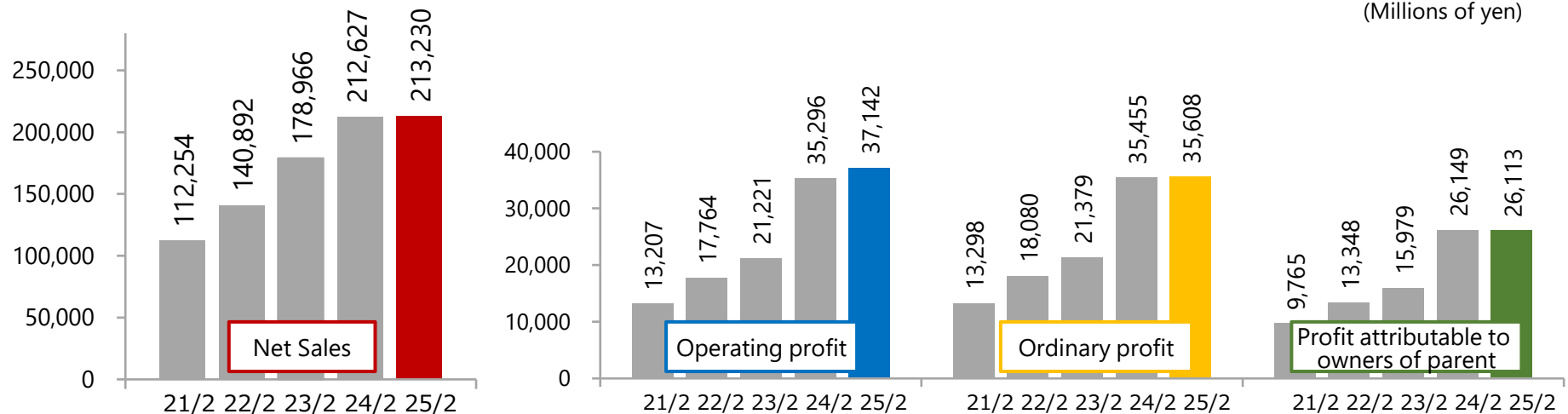
Factors of decrease in operating profit (down 5,621 million yen compared to the third quarter)

Sales factors	① Profit decline due to lower sales in North America	(1,911)M
Accounting factors	② Write-downs of related parts for battery-powered excavators	(2,659)M
Increase in SG&A	③ Increase in product warranty costs	(487)M
	④ Increase in personnel expenses	(139)M
	⑤ Increase in taxes and dues	(128)M
	⑥ Increase in transportation costs	(91)M
	⑦ Other SG&A	(206)M
Total		(5,621)M

Consolidated Financial Highlights for FY2024

(Millions of yen)	FY2023		FY2024					
	Full year	Sales ratio	1st half	2nd half	Full year	Sales ratio	Change	(%)
Net sales	212,627	-	109,606	103,623	213,230	-	+602	+0.3%
Operating profit	35,296	16.6%	24,867	12,274	37,142	17.4%	+1,845	+5.2%
Ordinary profit	35,455	16.7%	23,187	12,420	35,608	16.7%	+153	+0.4%
Profit attributable to owners of parent	26,149	12.3%	16,854	9,258	26,113	12.2%	(36)	(0.1)%
Capital investment	8,070	3.8%	1,397	1,936	3,333	1.6%	(4,737)	(58.7)%
Depreciation	3,321	1.6%	1,807	1,947	3,755	1.8%	+433	+13.0%
Orders received	150,777	-	97,311	65,438	162,750	-	+11,973	+7.9%
Order backlog	128,897	-	116,602	78,417	78,417	-	(50,479)	(39.2)%

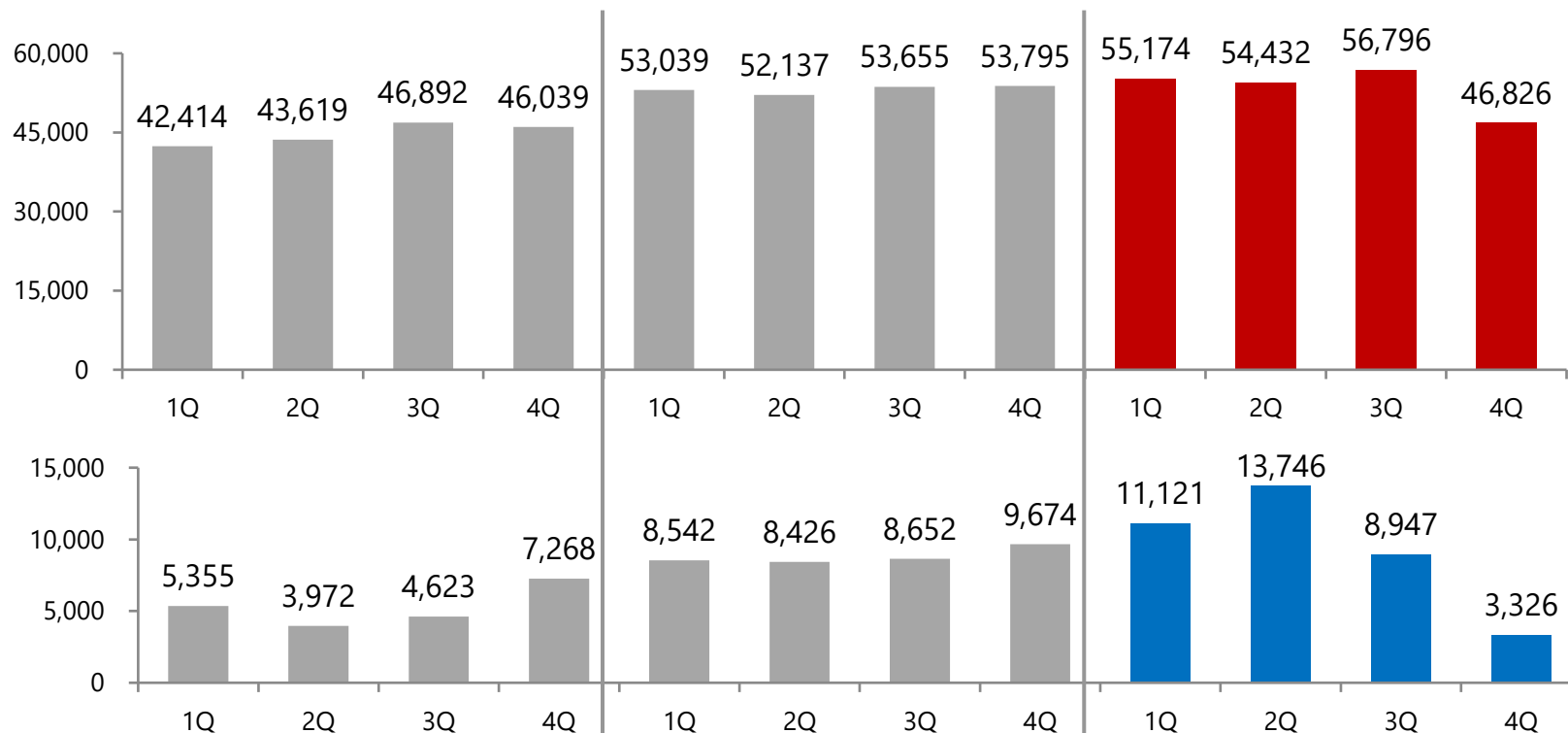
(Millions of yen)



Quarterly Net Sales and Operating Profit

(Millions of yen)

Net sales



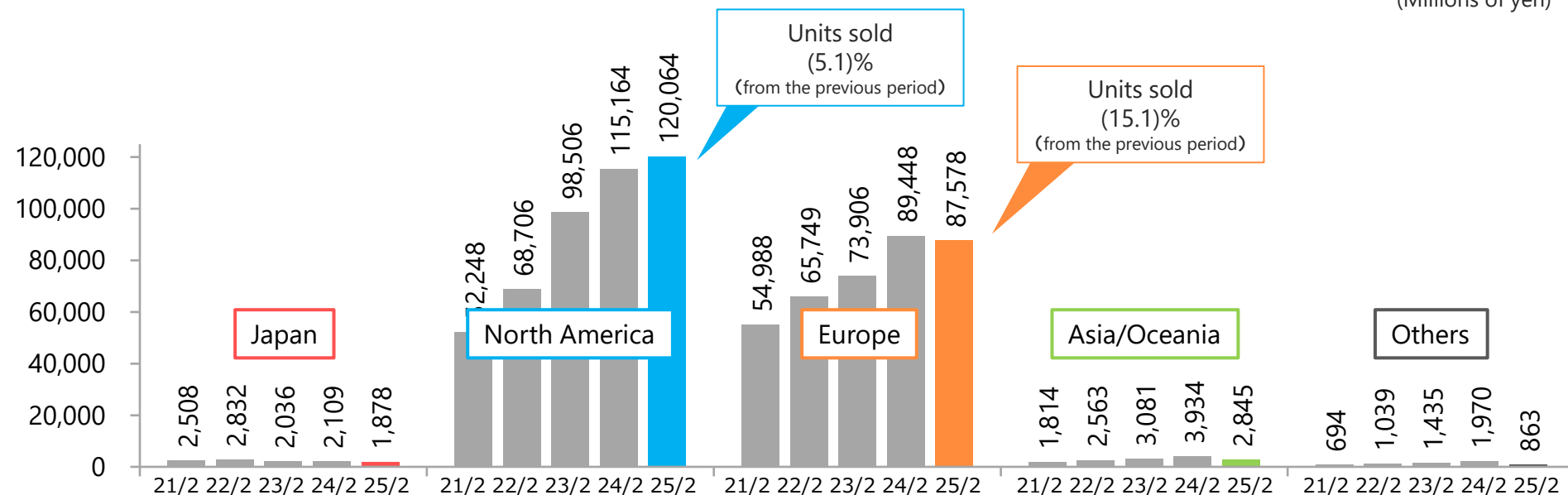
Operating profit

Exchange rates	FY2022				FY2023				FY2024			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
JPY/USD	121.43	133.43	143.54	134.12	134.74	140.48	148.62	145.93	152.45	156.84	146.94	153.67
JPY/GBP	157.87	163.51	166.55	163.00	165.80	179.25	183.10	185.38	194.22	199.39	192.51	192.40
JPY/EUR	133.83	138.77	142.85	142.51	146.10	154.14	158.55	159.56	164.58	168.43	160.60	160.32
JPY/RMB	18.56	19.70	20.11	19.60	19.43	19.66	20.08	20.31	20.75	21.76	20.66	21.34

Sales by Region for FY2024

(Millions of yen)	FY2023		FY2024					
	Full year	Sales ratio	1st half	2nd half	Full year	Sales ratio	Change	(%)
Japan	2,109	1.0%	985	892	1,878	0.9%	(231)	(11.0)%
North America	115,164	54.2%	62,906	57,157	120,064	56.3%	+4,899	+4.3%
Europe	89,448	42.1%	43,745	43,833	87,578	41.1%	(1,869)	(2.1)%
Asia/Oceania	3,934	1.9%	1,153	1,691	2,845	1.3%	(1,089)	(27.7)%
Others	1,969	0.9%	814	48	863	0.4%	(1,106)	(56.2)%
Total net sales	212,627	100.0%	109,606	103,623	213,230	100.0%	+602	+0.3%
Net sales overseas	210,518	99.0%	108,621	102,730	211,352	99.1%	+834	+0.4%

(Millions of yen)

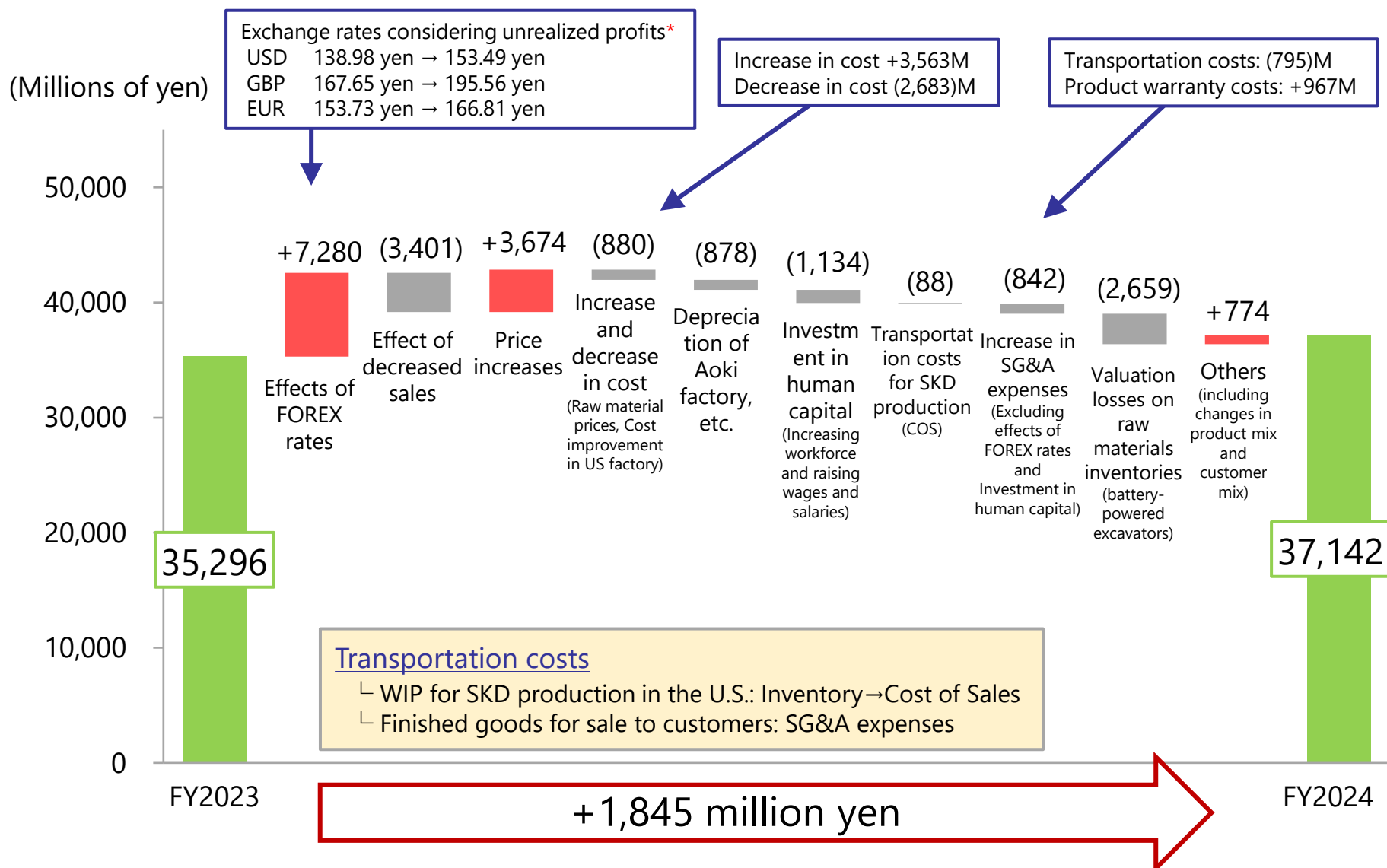


Geographic Segment Information and Results for FY2024

(Millions of yen)		FY2023		FY2024					
		Full year	Profit ratio	1st half	2nd half	Full year	Profit ratio	Change	(%)
Japan	Net sales	75,404	-	33,163	33,969	67,133	-	(8,271)	(11.0)%
	Segment profit	30,724	40.7%	22,400	11,905	34,305	51.1%	+3,581	+11.7%
US	Net sales	115,183	-	62,921	57,181	120,103	-	+4,919	+4.3%
	Segment profit	10,870	9.4%	6,975	3,936	10,911	9.1%	+40	+0.4%
UK	Net sales	12,131	-	7,346	7,200	14,547	-	+2,416	+19.9%
	Segment profit	912	7.5%	110	388	499	3.4%	(412)	(45.2)%
France	Net sales	9,794	-	6,132	5,192	11,325	-	+1,530	+15.6%
	Segment profit	972	9.9%	533	283	816	7.2%	(156)	(16.1)%
China	Net sales	113	-	42	78	120	-	+7	+6.5%
	Segment profit	139	123.1%	192	105	297	246.6%	+158	+113.2%

- 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 construction machinery components for the Japan segment

Factors of Increase/Decrease in Operating Profit (FY2024 Full year)



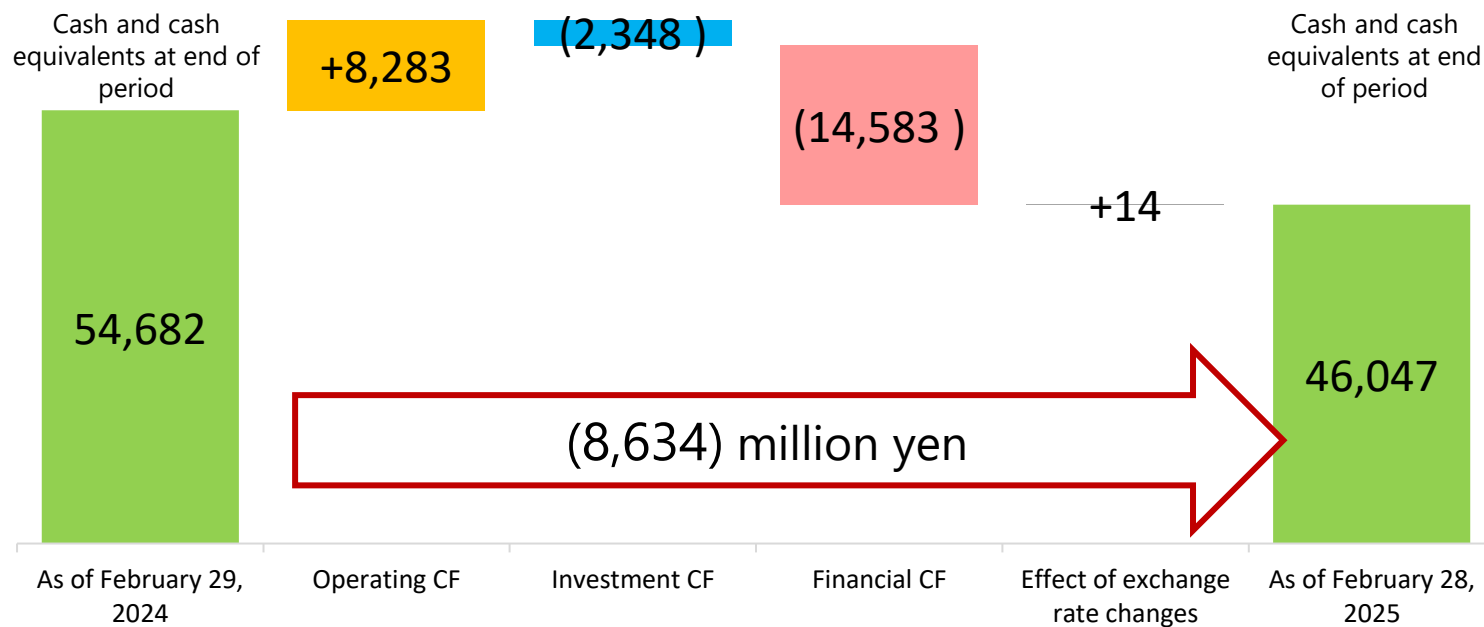
*Exchange rates considering unrealized profits: Rates take into account transportation and inventory periods from Japan to sales subsidiaries in the US, UK, and France.

Consolidated Balance Sheets (As of February 28, 2025)

(Millions of yen)			As of Feb. 29, 2024		As of Feb. 28, 2025			
			Balance	Composition ratio	Balance	Composition ratio	Change	(%)
Assets		Cash and deposits	55,175	27.8%	46,482	21.3%	(8,693)	(15.8)%
		Notes and accounts receivable - trade	44,572	22.5%	45,586	20.9%	+1,014	+2.3%
		Inventories	58,263	29.4%	80,497	37.0%	+22,234	+38.2%
		Other current assets	3,908	2.0%	4,687	2.2%	+778	+19.9%
		Current assets	161,920	81.7%	177,254	81.4%	+15,334	+9.5%
		Non-current assets	36,233	18.3%	40,464	18.6%	+4,231	+11.7%
		Total	198,153	100.0%	217,718	100.0%	+19,565	+9.9%
Liabilities and Net assets		Notes and accounts payable - trade	36,381	18.4%	36,022	16.5%	(358)	(1.0)%
		Other current liabilities	13,490	6.8%	13,951	6.4%	+460	+3.4%
		Current liabilities	49,872	25.2%	49,974	23.0%	+102	+0.2%
		Non-current liabilities	655	0.3%	744	0.3%	+88	+13.4%
		Total Liabilities	50,527	25.5%	50,718	23.3%	+190	+0.4%
		Total net assets	147,625	74.5%	167,000	76.7%	+19,374	+13.1%
		Total	198,153	100.0%	217,718	100.0%	+19,565	+9.9%

Consolidated Statements of Cash Flows (FY2024, Results)

(Millions of yen)



Cash flows from operating activities	Change	Cash flows from investing activities	Change	Cash flows from financing activities	Change
Profit before income taxes	35,608	Net decrease in term deposits	+58	Dividends paid	(7,539)
Depreciation	3,755	Purchase of property, plant and equipment	(3,269)	Purchase of treasury shares	(7,000)
Increase in inventories	(17,171)	Acquisition of intangible assets	(71)		
Increase in working capital	(1,691)	Proceeds from redemption of securities	600		
Income taxes paid	(15,072)	Proceeds from redemption of investment securities	300		
Others	+2,855	Others	+34	Others	(43)
Total	+8,283	Total	(2,348)	Total	(14,583)

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The consolidated earnings forecast for FY2025 does not take into account the impacts from the US tariff policies.

If we assume the following, consolidated net sales and consolidated operating profit may fall short of the forecasts in this presentation by 24.0 billion yen and 13.0 billion yen, respectively.

Assumptions

1. If the US sales volume fall 10% below FY2024 level
(down 21.4% compared to the sales volume forecast in this presentation)
2. If we cannot pass on the 24% tariff cost to product prices and absorb it within our group.

Reference

As of March 31, 2025, our US subsidiary has approximately five months' worth of inventory that is not affected by tariffs (on a volume basis) and therefore expects to be able to sell without being affected by tariffs for the time being.

The impact of the US tariff policies remains unclear and it is difficult to factor this into earnings forecasts at this time. However, we will disclose forecasts in a timely manner once the sales volumes, selling prices, etc. in the US become available.

Summary of FY2025 Earnings Forecasts

(1) Europe sales are expected to slow, but North America will progress steadily, leading to **increased sales volume**

- North America sales volume: **up 14.5%** (H1: up 9.9% / H2: up 19.4% YoY)
 - Although sales growth in North America has slowed, housing demand remains strong and public infrastructure investment is also moving ahead steadily.
 - With sufficient supply capacity, we will expand our dealer network and increase our market share.
 - Product sales, especially of track loaders, are forecast to be steady.
- Europe sales volume: **down 2.7%** (H1: up 0.7% / H2: down 6.0% YoY)
 - Excavator sales continue to stagnate due to declining investment sentiment
 - Sales of both excavators and track loaders are expected to be slightly lower YoY
- Total sales volume: **up 7.6%** (H1: up 6.8% / H2: up 8.5% YoY)

(2) Profit is expected to **increase** (operating profit, ordinary profit and net profit)

[Factors that could increase profits]

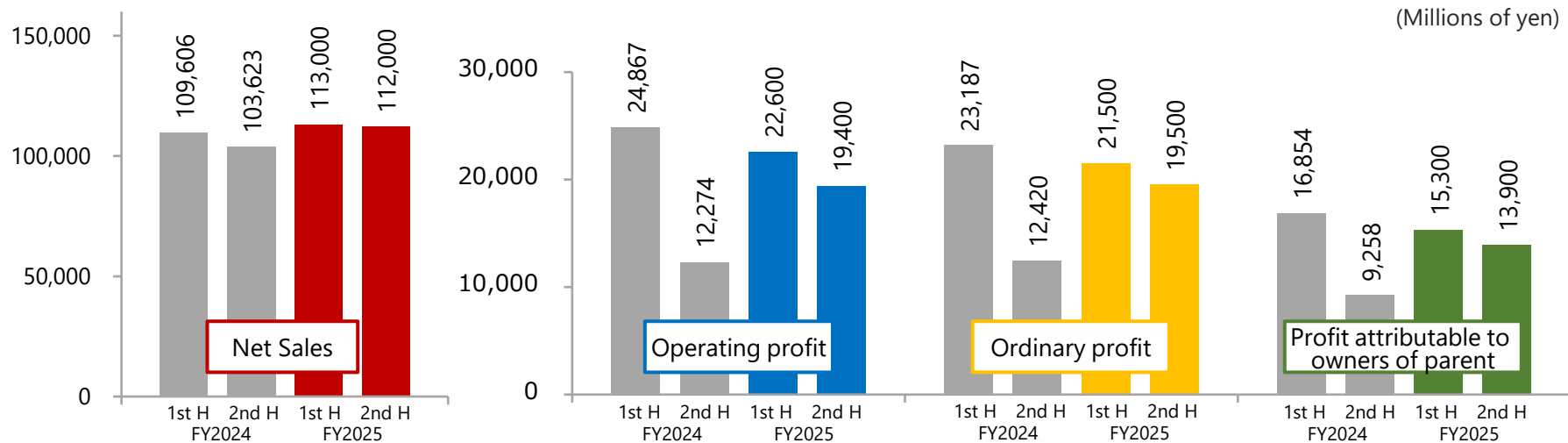
- Major changes in customer mix amid increasing sales at our US subsidiary
- Reduced write-downs of related parts for battery-powered excavators

[Factors that could decrease profits]

- Strong yen, price discounts on sales, rising prices of purchased parts, and investments in human capital (headcount and wages)

Expected Consolidated Financial Highlights for FY2025

(Millions of yen)	FY2024				FY2025 (forecast)			
	Full year	Sales ratio	1st half	2nd half	Full year	Sales ratio	Change	(%)
Net sales	213,230	—	113,000	112,000	225,000	—	+11,769	+5.5%
Operating profit	37,142	17.4%	22,600	19,400	42,000	18.7%	+4,857	+13.1%
Ordinary profit	35,608	16.7%	21,500	19,500	41,000	18.2%	+5,391	+15.1%
Profit attributable to owners of parent	26,113	12.2%	15,300	13,900	29,200	13.0%	+3,086	+11.8%
Capital investment	3,333	1.6%	1,703	3,645	5,349	2.4%	+2,015	+60.5%
Depreciation	3,755	1.8%	1,648	2,140	3,788	1.7%	+32	+0.9%
Earnings per share (yen)	552.45	Dividend payout Ratio 36.2%	—	—	631.93	Dividend payout Ratio —	+79.48	+14.4%
Dividends per share (yen)	200.00		—	—	Not yet determined		—	—

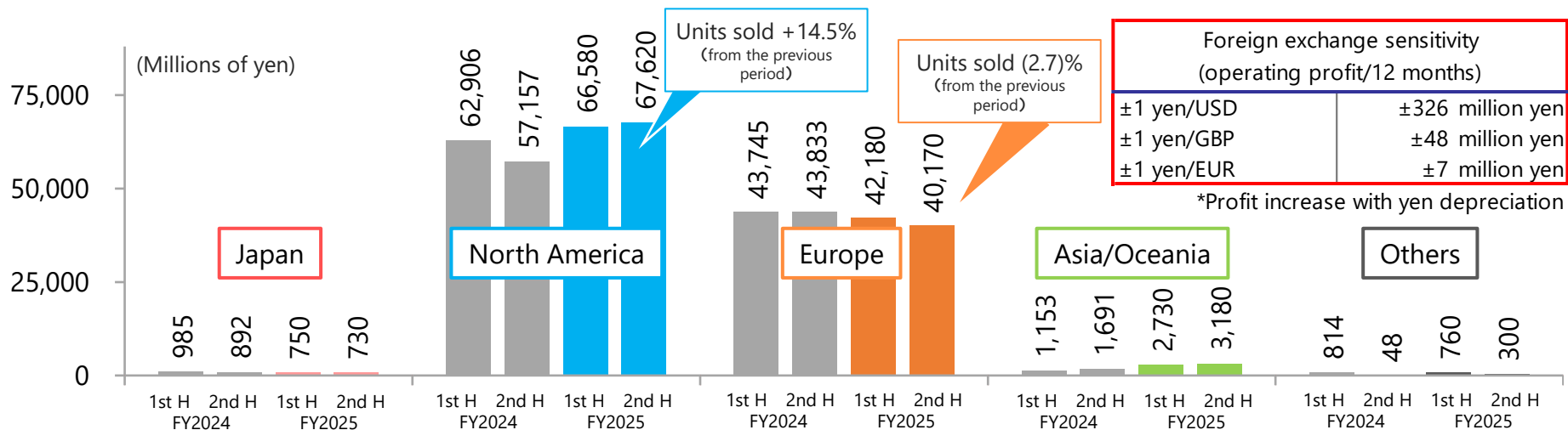


Sales Forecast by Region for FY2025

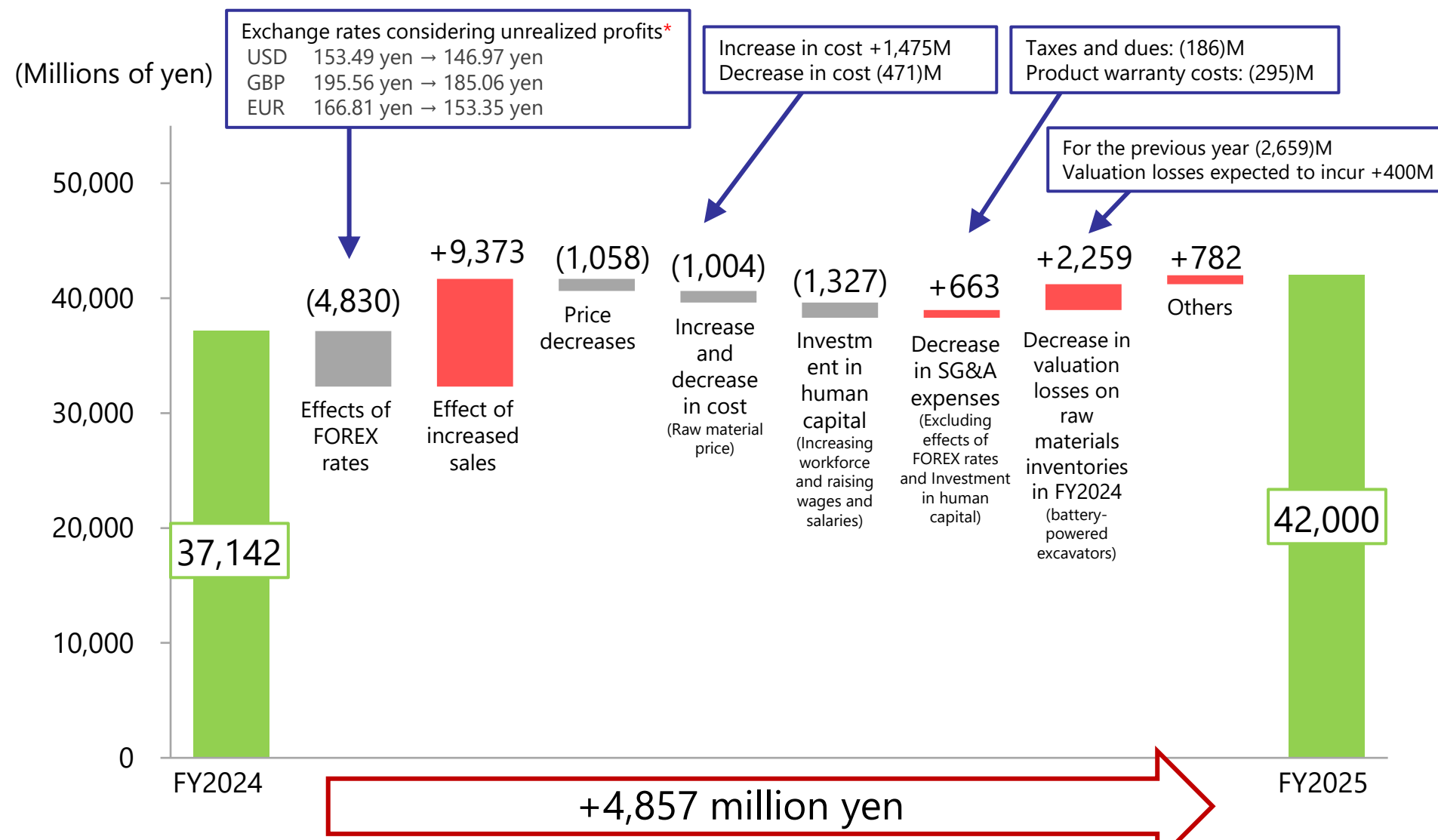
(Millions of yen)	FY2024	
	Full year	Sales ratio
Japan	1,878	0.9%
North America	120,064	56.3%
Europe	87,578	41.1%
Asia / Oceania	2,845	1.3%
Others	863	0.4%
Total net sales	213,230	100.0%

FY2025 (forecast)					
1st half	2nd half	Full year	Sales ratio	Change	(%)
750	730	1,480	0.7%	(398)	(21.2)%
66,580	67,620	134,200	59.6%	+ 14,135	+ 11.8%
42,180	40,170	82,350	36.6%	(5,228)	(6.0)%
2,730	3,180	5,910	2.6%	+3,064	+107.7%
760	300	1,060	0.5%	+ 196	+22.8%
113,000	112,000	225,000	100.0%	+ 11,769	+ 5.5%

JPY/USD	152.65	—	145.00	—	(7.65)	(5.0)%
JPY/GBP	194.85	—	183.00	—	(11.85)	(6.1)%
JPY/EUR	163.74	—	152.00	—	(11.74)	(7.2)%
JPY/RMB	21.13	—	20.00	—	(1.13)	(5.3)%



Factors of Increase/Decrease in Operating Profit (FY2025 Full Year Forecast)



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

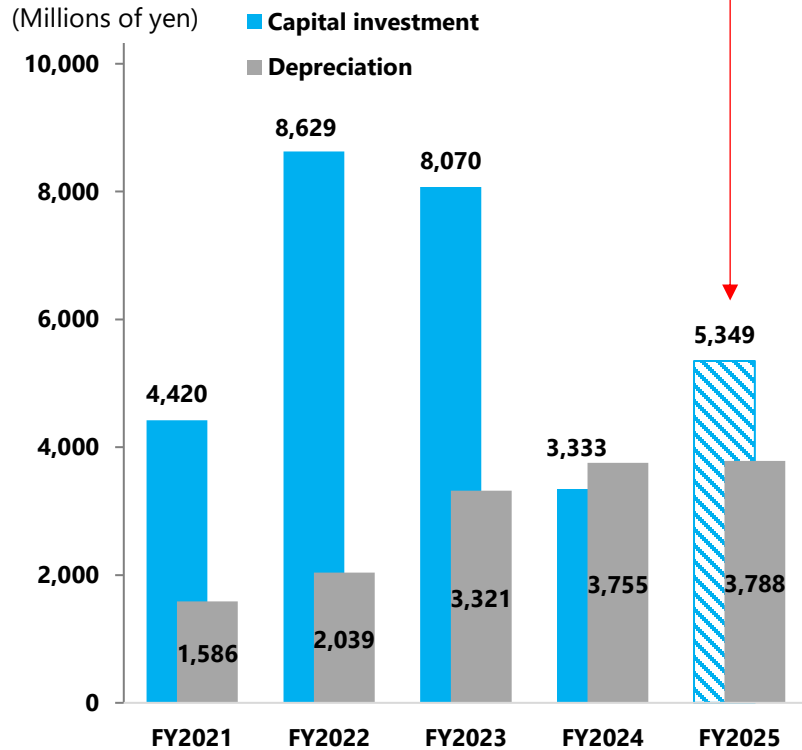
Capital Investment Plan

◇ FY2025 Capital Investment Plan Breakdown

Home Office Aoki Factory	¥2.1 bn	Maintenance and replacement of jigs, molds, and equipment
Sales & Marketing	¥1.5 bn	Expansion of home office parts center
R&D	¥0.2 bn	Renovation of Bingushi test building
Digital Infrastructure (IT and DX)	¥0.3 bn	Cybersecurity enhancement
Capex at subsidiaries	¥0.6 bn	Sales and Marketing
Others	¥0.5 bn	Maintenance and replacement of equipment
Total	¥5.3 bn	

◇ FY2024 Capital Investment Breakdown

Home Office& Aoki factories	¥2.0 bn	Maintenance and replacement of jigs, molds, and equipment Factory equipment expansion, production streamlining Safety enhancement, work environment improvement
Employee dormitories	¥0.7 bn	1 Building in Ueda, Nagano Prefecture
US Factory	¥0.6 bn	Expansion of US Factory equipment, marketing enhancements, IT investment
Total	¥3.3 bn	



FY2021

US Training Center (¥0.5 bn)



FY2022

US Factory (approx. ¥4.7 bn)



FY2023

Aoki Factory (approx. ¥11.0 bn)



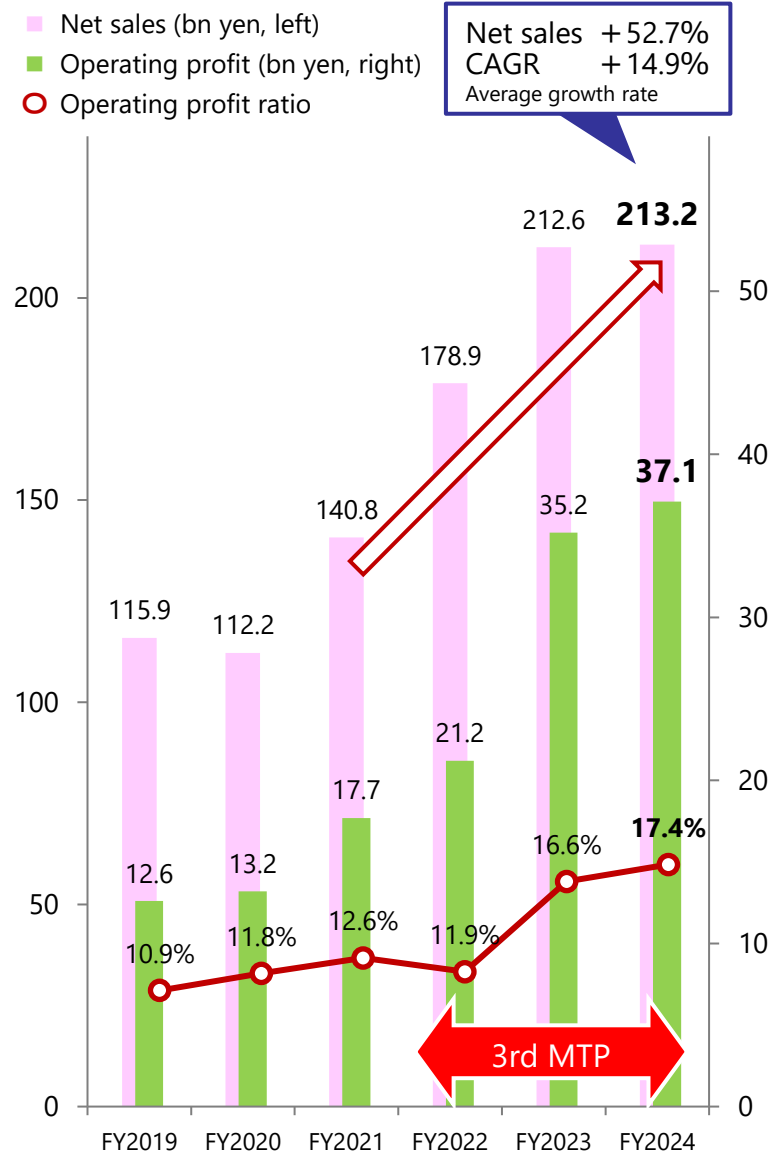
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Review of the Third Medium-term Business Plan: (1) Numerical Targets

	FY2024		Rating
	MTP targets	Results	
Net sales	¥240.0 bn	¥213.2 bn	×
Operating profit └ ratio	¥24.0 bn 10.0%	¥37.1 bn 17.4%	✓
Earnings per share (yen)	¥377.00	¥552.45	✓
ROE	14.0%	16.6%	✓
JPY/USD	¥115.00	¥152.65	
JPY/GBP	¥152.00	¥194.85	
JPY/EUR	¥127.00	¥163.74	
JPY/RMB	¥18.00	¥21.13	

- We made a big leap forward in terms of net sales thanks to the effect of exchange rates, price increases, expansion of sales in North America, and changes in product mix, but we still fell short of the target. In the final fiscal year, sales in Europe slowed down sharply, and sales in North America also seemed to have slowed down.

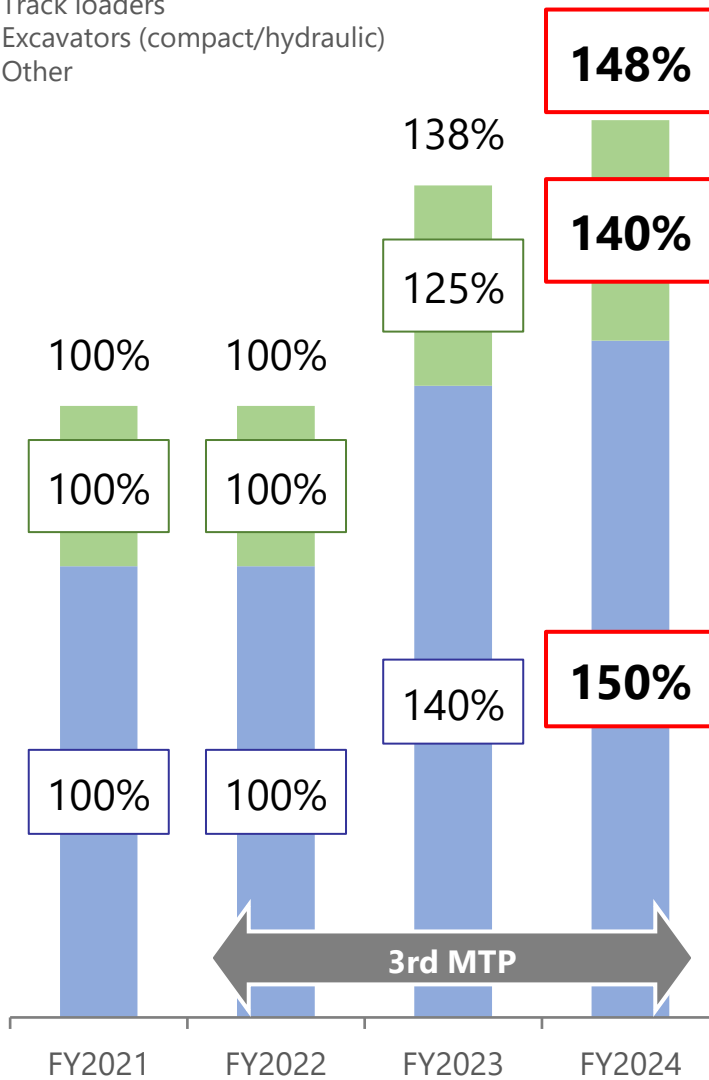
 - ✓ North America sales volume: up 16.3% (FY2021 vs. FY2024)
 - ✓ Europe sales volume: down 6.4% (FY2021 vs. FY2024)
 - ✓ Total sales volume: up 1.7% (FY2021 vs. FY2024)
- The operating profit ratio improved significantly following price increases, normalization of ocean freight rates, and the impact of exchange rates, although there were factors that reduced profits, i.e., higher manufacturing costs, depreciation for new factories, and increased investment in human capital.



Review of the Third Medium-term Business Plan:

(2) Production Capacity Expansion

- Track loaders
- Excavators (compact/hydraulic)
- Other



Track Loaders

1. Production of track loaders using the SKD method* began at the US Factory in September 2022

* SKD = Semi Knock Down method. A production method in which works-in-progress that can run are assembled at the Home Office Factory, and the remaining processes are carried out at the US Factory.

2. US Factory production capacity reached its target by August 2024

Excavators (compact/hydraulic)

1. Production of mid-size excavators (4 to 9 tonnes) began at the Aoki Factory in September 2023
2. Aoki Factory production capacity reached the target by August 2024

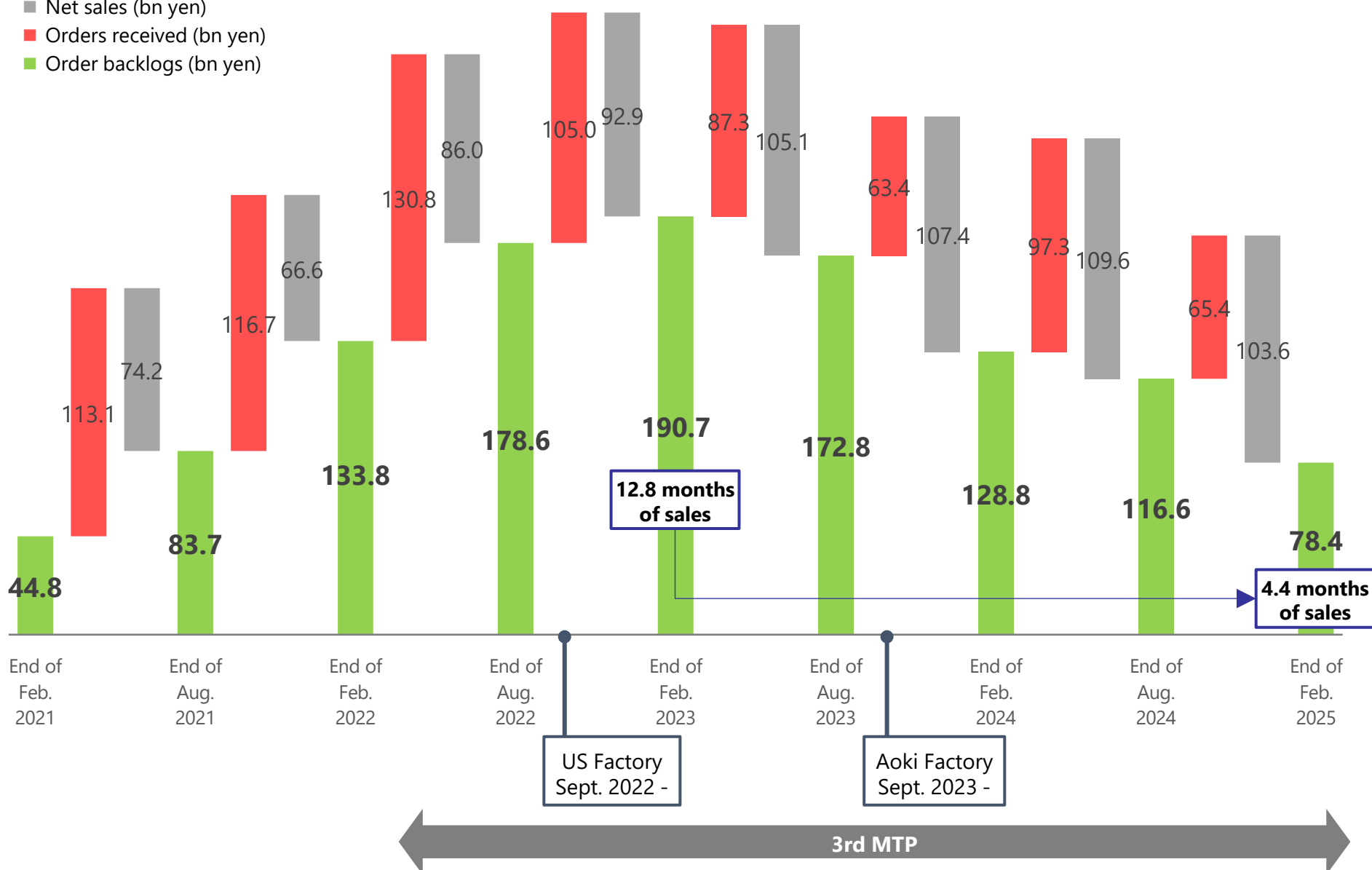


Review of the Third Medium-term Business Plan: (2) Net Sales, Orders Received, Order Backlogs

■ Net sales (bn yen)

■ Orders received (bn yen)

■ Order backlogs (bn yen)



Review of the Third Medium-term Business Plan: (3) Key Measures

Main Initiatives and Results

1 Investment in human capital

- (1) Increase headcount and hike wage
- (2) Training: stratified training companywide (career training, etc.) and department-specific specialized training
- (3) Benefits: employee dormitory (three buildings located in Nagano Prefecture at a total cost of 1.7 billion yen)

	Consolidated No. of employees	TAKEUCHI MFG. (non-consolidated)				
		No. of employees	Age	Years of service	Annual pay (yen)	Annual training hours
FY2021	1,343	943	37.71	10.82	5,393,000	17.6
FY2022	1,472	1,005	37.53	10.35	6,011,000	18.1
FY2023	1,719	1,169	37.30	10.49	6,597,000	23.5
FY2024	1,804	1,232	36.61	9.70	6,525,000	32.6

*1 The number of employees is the sum of the number of permanent employees at the end of the fiscal year and the annual average number of temporary employees.

*2 Age, years of service, annual pay, and annual training hours are the average values per full-time employee at TAKEUCHI MFG (non-consolidated basis).

*3 Although wages were raised, annual pay for FY2024 remained at the same level due to a reduction in overtime work.

2 Speed up product development

- (1) New product development
 - FY2022: TB335R
 - FY2023: TB350R, TB395W, and TB320
 - FY2024: TB370W, TB10e, TB35e (1-tonne and 3.5-tonne battery-powered excavator demo machines currently being evaluated in the market)
- (2) Industry-academia collaboration
 - Sponsorship of "Heavy Machinery Programming (Remote Operation of TB20e by Computer)" administered by the Faculty of Engineering at Shinshu University

Review of the Third Medium-term Business Plan: (3) Key Measures

	Main Initiatives and Results
3	<p><u>Production capacity expansion</u></p> <p>(1) Production capacity increased by 48% with the US and Aoki factories, combined with the existing Home Office Factory</p> <p>(2) Changed product mix in production from the second half of FY2024 due to changes in market conditions and demand</p>
4	<p><u>Expand sales network and aftermarket parts sales</u></p> <p>(1) Expand sales network Until FY2023, we were fully occupied just filling orders from existing customers From FY2024, started expanding sales network after timeline established for boosting production capacity and easing orders backlog</p> <p>(2) Aftermarket parts sales FY2022: 13,045 million yen, FY2023: 15,563 million yen, FY2024: 17,362 million yen</p>
5	<p><u>Promote sustainable management</u></p> <p>(1) Environmental (E) Reduced GHG emissions from products: development of battery-powered compact excavator Reduced GHG emissions from factories: solar power generation systems: Home Office, Aoki and US factories (100% green electricity: Home Office, Aoki and Togura factories) Endorsement of TCFD recommendations and response to CDP questionnaire (Scores: C in 2022, B in 2023 and C in 2024)</p> <p>(2) Social (S) DE&I → Expand female recruitment as an entry point and work on human resource development regardless of gender Improve the gender ratio in management positions over the medium to long term (females in management positions: 0 as of the end of FY2021 → 1 as of the end of FY2024) Child labor and forced labor → Eliminate in the supply chain (explained policy to suppliers and asked for their compliance)</p> <p>(3) Governance (G) Gender representation of Board of Directors (as of the end of FY2021: 9 males and 0 females → as of the end of FY2024: 9 males and 2 females) Established Sustainability Promotion Committee → Shared ESG issues companywide and managed progress of responses across departments</p>

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Medium- to Long-Term Outlook (Existing Solid Product Demand)

Housing



Electricity

Gas

Water &
Sewage

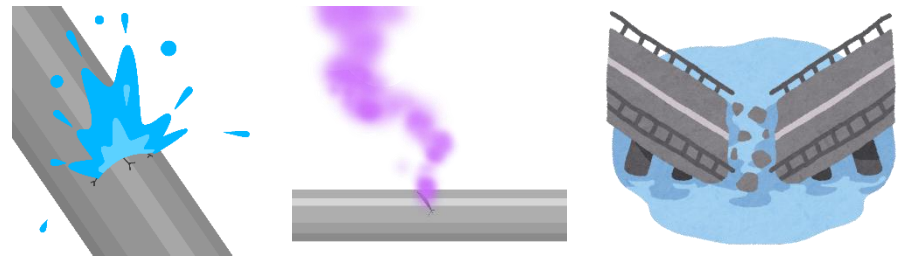
Communica-
tion networks

Transpor-
tation

Infrastructure (Lifelines)

- ✓ **US**
Faced the aging problem in the 1980s, as infrastructure development took place under the New Deal of the 1930s.
- ✓ **Europe**
In Europe, which has many historical towns, infrastructure is aging in the majority of EU countries. Notably, there is a rapidly increasing need for sewer repairs, which have been financially neglected.

Infrastructure is aging in many countries, and maintenance work is required.

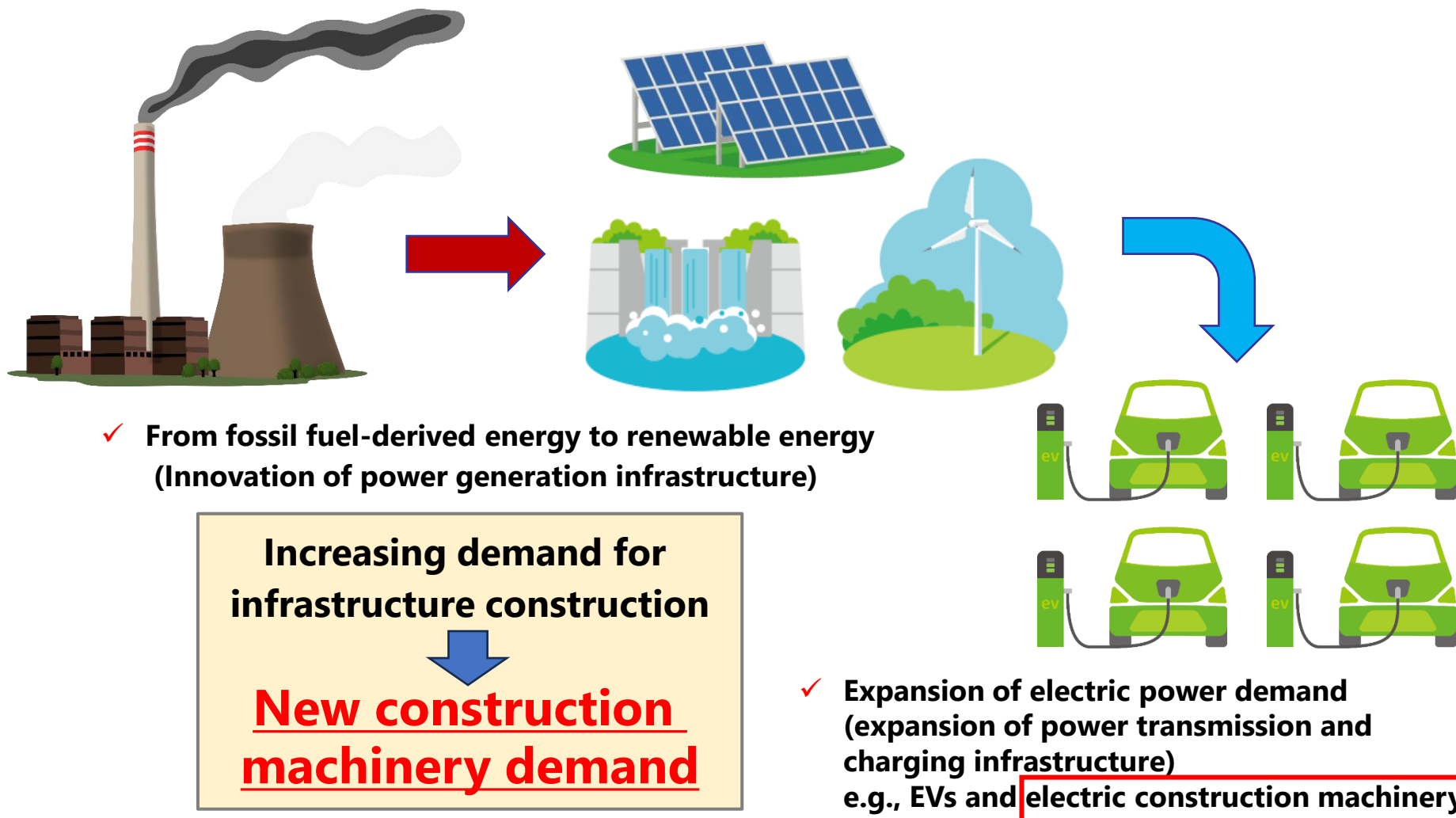


Our products are
an essential part of everyday life.

Medium- to Long-Term Outlook (Projected Product Demand)

➤ Green Transformation (GX)

(Social and economic transformation toward decarbonization)



Purpose: Why are We in Business?

➤ **Contribute to the wellbeing and the enrichment of quality of life around the world**

- ✓ Develop and produce compact construction machinery essential to maintaining and improving people's living environment and deliver them around the world



Core competence

- ✓ **Develop, manufacture and sell the world's highest quality compact construction machinery**
 - └ Thoroughly pursue user experience (UX) of construction machinery operators
 - └ Create Takeuchi fans who purchase our products even if they cost more than competitors

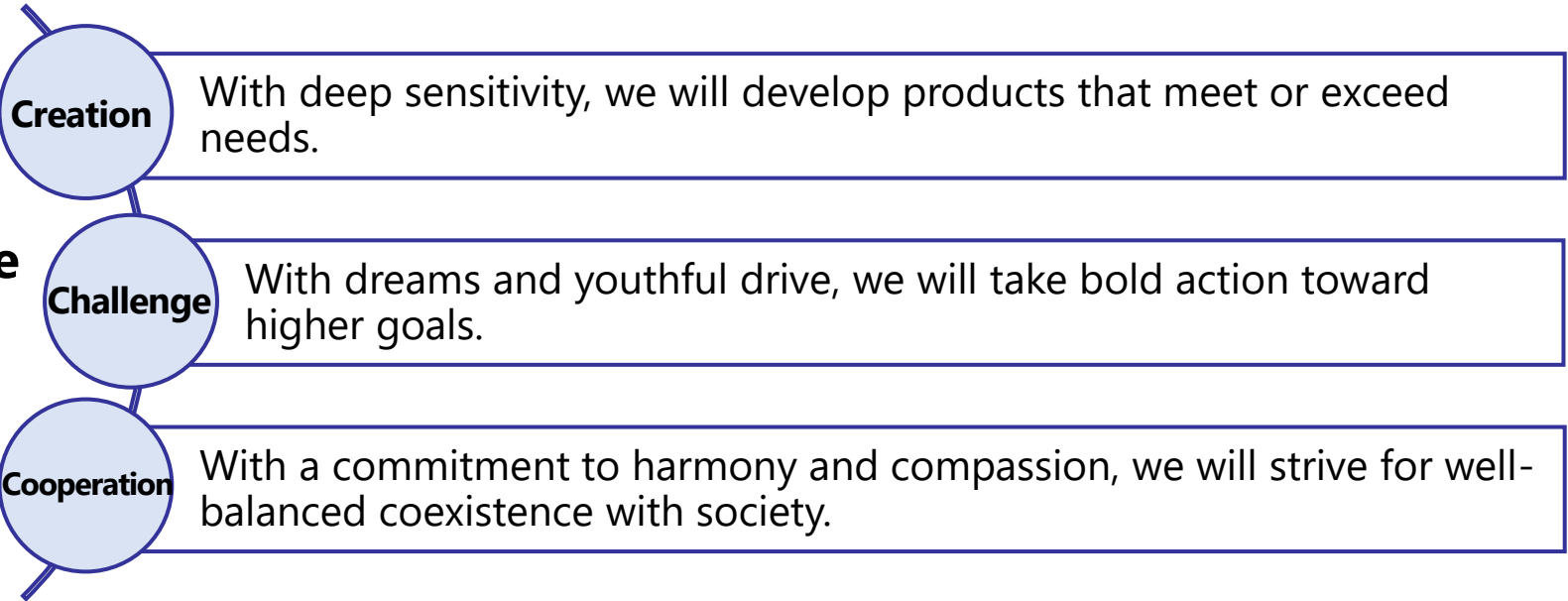
➤ **As our Group grows, we share the fruitful outcome with our stakeholders (key measures focus on S of ESG)**

- ✓ Shareholders
- ✓ Employees
- ✓ Customers (including end users)
- ✓ Suppliers
- ✓ Local communities

Environment
Society (**S**takeholder)
Governance

Value: Values Shared by Our People

Corporate Policies



Business Philosophy

From World First to World Leader, **TAKEUCHI**

We will pursue manufacturing excellence by working hard in the spirit of Creation, Challenge, and Cooperation.

With a global perspective and awareness, we will provide products and services that are trusted by our customers.

Leveraging the abilities of every employee, we will help to create an environmentally friendly, prosperous society.

Mission: 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	FY2027
North America net sales └ Sales volume growth rate	¥120.0 bn	¥178.4 bn + 60%
Europe net sales └ Sales volume growth rate	¥87.5 bn	¥108.7 bn + 30%
Other regions net sales (Japan, Oceania, etc.)	¥5.5 bn	¥12.9 bn
Consolidated net sales └ Sales volume growth rate	¥213.2 bn	¥300.0 bn + 50%
Aftermarket parts sales	¥17.3 bn	¥20.8 bn
Operating profit └ ratio	¥37.1 bn 17.4%	¥52.0 bn 17.3%
Earnings per share (EPS)	¥552	¥800
ROE	16.6%	17% or more

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

Exchange rate	FY2024	FY2027
JPY/USD	¥152.65	¥140.00
JPY/GBP	¥194.85	¥177.00
JPY/EUR	¥163.74	¥147.00
JPY/RMB	¥21.13	¥19.30

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 (1.1%) + beta value (1.33) x Market risk premium (6%) = 9%
- (3) Earnings yield method (inverse P/E ratio): P/E ratio = trending from 8x to 9x, resulting in $1/8 = 12.5\%$, $1/9 = 11.1\%$


➤ Long-term range of ROE

	End of FY2024	End of FY2028
ROE (A×B×C) Net profit / Net assets Net assets represent average of beginning and year-end amounts	16.6% ¥26.1bn / ¥157.3bn	17% or more

A. Net profit ratio Net profit / Net sales	12.2% ¥26.1bn / ¥213.2bn	12.3% ¥37.0bn / ¥300.0bn
B. Asset Turnover Net sales / Total assets Total assets represent average of beginning and year-end amounts	1.03x ¥213.2bn / ¥207.9bn	1.10x
C. Financial leverage Total assets / Net assets Both represent average for beginning and year-end amount	1.32x ¥207.9bn / ¥157.3bn	1.30x Equivalent to equity ratio of 77%

Long-term range	
15% - 18%	Firmly maintain ROE at level above equity cost consistently and stably
10% - 12%	Reference: FY2027 net profit ratio based on the following rates USD = ¥130, GBP = ¥164, EUR = ¥141 → 10.6% USD = ¥140, GBP = ¥177, EUR = ¥147 → 12.3%
1.10x or more	<ul style="list-style-type: none"> ● Cash and deposits: around 2 to 2.5 months of sales ● Inventory assets turnover: around 5 months
1.30x or more	<ul style="list-style-type: none"> ● Maintain s shareholders' equity ratio at same level ● Agile share buybacks ● Utilize borrowing as necessary

Management Issue and Key Measures

Management issues		Key measures	See page
<u>Achieve consolidated net sales of 300 billion yen</u> (increase sales volume by 50%)		<ul style="list-style-type: none"> ● Establish solid position in European and North American markets ● Expand sales in Oceania market ● Expand sales of aftermarket parts 	P31 P32 P35
<u>High quality</u>	Thoroughly pursue the development, manufacturing and sales of the world's highest quality compact construction machinery	The Group's core competence	P26
	Strengthen foundation to increase management quality globally	<ul style="list-style-type: none"> ● Sustainability management (G) ● Growth investment 	P40 P42
	Improve operational quality of employees	<ul style="list-style-type: none"> ● Expected return on human capital investment 	P43
<u>High performance</u>	Effective utilization of existing management resources and capital investment for the future	<ul style="list-style-type: none"> ● Reorganization of production models ● Construction of new track loader factory 	P36 P37, P38
	Markedly strengthen R&D capability and create new products	<ul style="list-style-type: none"> ● Control GHG emissions from construction machinery (E) ● Autonomous driving, remote operation, and industry-academia collaboration 	P39
	Increase return of profits to shareholders	<ul style="list-style-type: none"> ● Cash allocation ● Dividend policy and shareholder returns 	P44 P45
<u>High engagement</u>	Improve wellbeing of employees by promoting human capital management	<ul style="list-style-type: none"> ● Sharing of Purpose, Values and Mission ● Provide learning opportunities ● Promote health & productivity management and work-life balance 	P43
	Strengthen collaboration with the value chain	<ul style="list-style-type: none"> ● Sustainability management (S) 	P40
	Proactive and honest dialogue with investors	<ul style="list-style-type: none"> ● Sustainability management (S) 	P40
 Foundation of management			
<u>Sustainability management</u>	Speed up promotion of ESG management and CSV management and achieve target KPIs	<ul style="list-style-type: none"> ● E: Control GHG emissions from construction machinery ● S: increase dialogue with stakeholders ● G: Strengthen governance and compliance 	P40

Increase Sales in North America and Europe

North American market situation

- (1) Growth continues, centered on **track loaders**, against the backdrop of robust public infrastructure investment, solid employment, and favorable personal consumption
- (2) In the United States, the housing shortage has become a social issue, and pent-up demand for housing is expected in the medium to long term (increased sales of compact excavators are expected).



Key measures

- (1) Expand dealer network (from around 280 locations today → 360 locations in three years)
- (2) Increase direct sales customers (rental companies, major end users)

- ✓ Grow market share
- ✓ Double sales volume of track loaders

European market situation

- (1) Housing construction works have decreased due to sluggish personal consumption, and sales of compact excavators under 3 tonnes have suddenly slowed
- (2) Maintenance work for essential utilities such as water, gas, and roads is urgent, and demand for medium-sized and larger excavators is steady.
- (3) Sales of **track loaders** are growing gradually in France, Italy, etc.



Key measures

- (1) Expand aftermarket support to distributors and dealers
- (2) Strengthen sales capabilities of subsidiaries in the UK and France
- (3) Plan and execute sales expansion measures for **track loaders** for all of Europe
- (4) Sales to European rental companies

- ✓ Grow market share
- ✓ Restore excavator sales
- ✓ Double sales volume of track loaders

Increase Sales in Oceania

Key measures (grow sales in Australia)

By adding Toyota Material Handling Australia (TMHA) as a distributor, we aim to expand sales of excavators and track loaders through synergies with existing distributors.

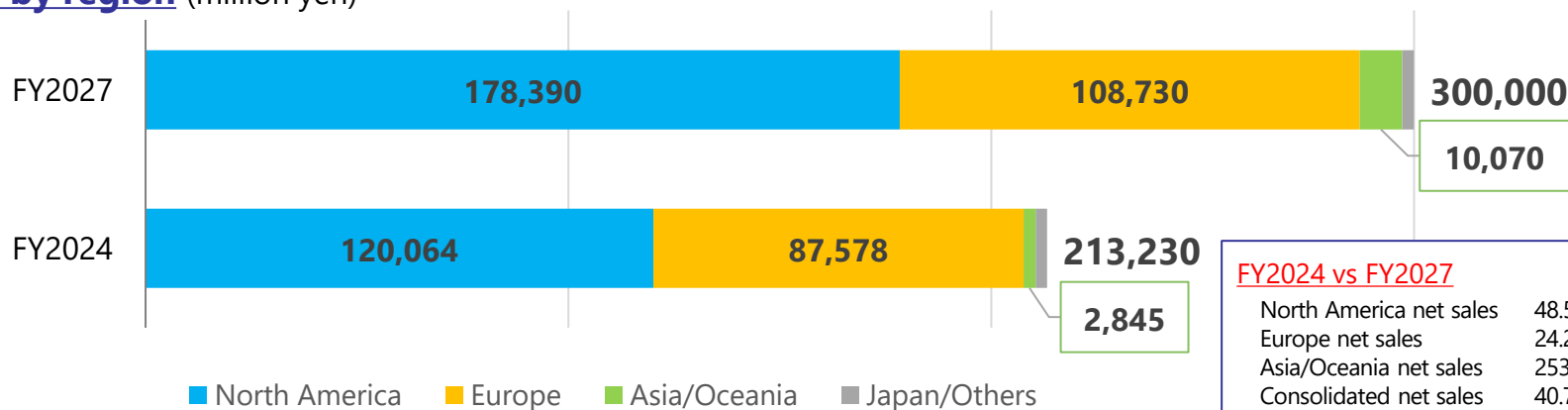
* TMHA is a wholly owned subsidiary of Toyota Industries Corporation and sells forklifts throughout Australia. TMHA will sell Takeuchi brand construction machinery through its sales channels.

Numerical targets

- ✓ Net sales in Asia and Oceania
Disclose results quarterly

Unit: million yen	FY2024		FY2027	
	Results	Sales ratio	MTP target	Sales ratio
Asia/Oceania	2,845	1.3%	10,070	3.4%
Consolidated net sales	213,230	100.0%	300,000	100.0%

Sales by region (million yen)

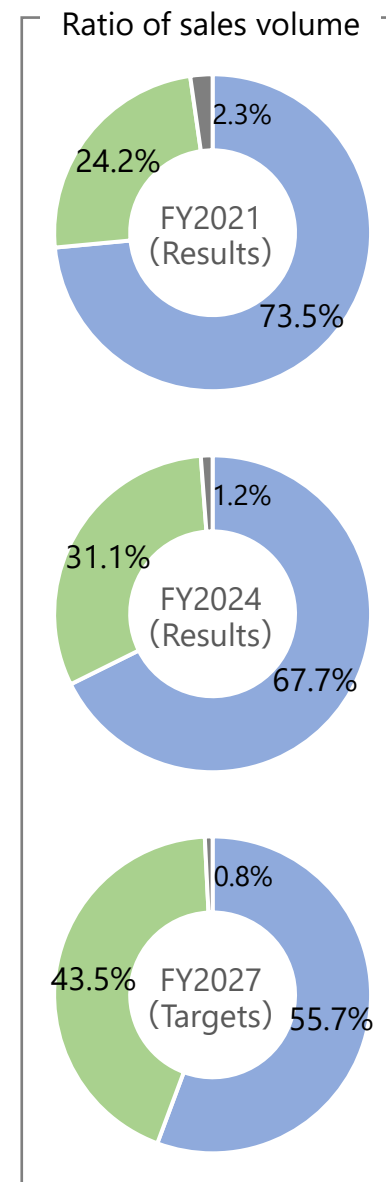
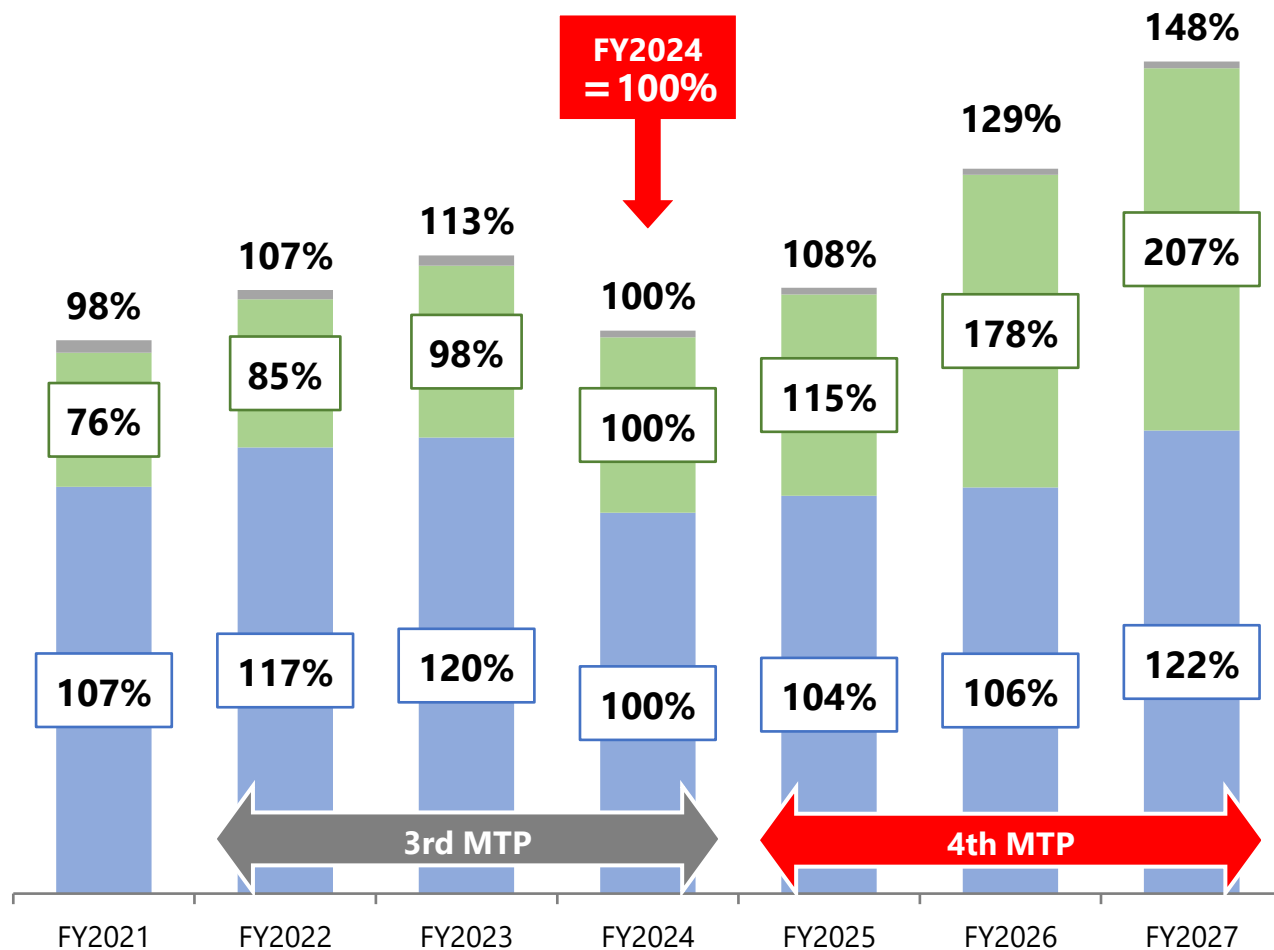


FY2024 vs FY2027

North America net sales	48.5% increase
Europe net sales	24.2% increase
Asia/Oceania net sales	253.9% increase
Consolidated net sales	40.7% increase

Target Sales Volume (Consolidated Basis)

- Track loaders
- Excavators (compact/hydraulic)
- Other



Track Loader Features (Promising Sales Growth)

- (1) Replacing arm attachments makes it possible to use track loaders not only at construction sites but also at multiple other job sites, **tapping into a wide range of end users.**
- (2) Track loaders are versatile and can be used in reconstruction work at disaster sites (natural disasters and war damage).
- (3) Set to regain stagnant market share resulting from production capacity shortfalls.

Agriculture



Forestry



Transporting building materials
solar panels



Disaster reconstruction



Disaster reconstruction



Landscaping



Expand Aftermarket Parts Sales

Key measures

- (1) Promoting the benefits of genuine parts (high quality and reliability) and promoting sales of secondary genuine parts (competitive pricing)
- (2) Extending the manufacturer's warranty period on the condition that genuine and secondary genuine parts are used
- (3) Demand forecasting and sales promotion using TFM (Takeuchi Fleet Management)

* Genuine parts: The same parts as those installed on new machines
 Secondary genuine parts: Differ from the parts used on new machines, but warrantied by TAKEUCHI MFG.
 TFM: Telematics devices installed on excavators and track loaders enable remote monitoring of location, operating hours, and maintenance history.

Numerical targets

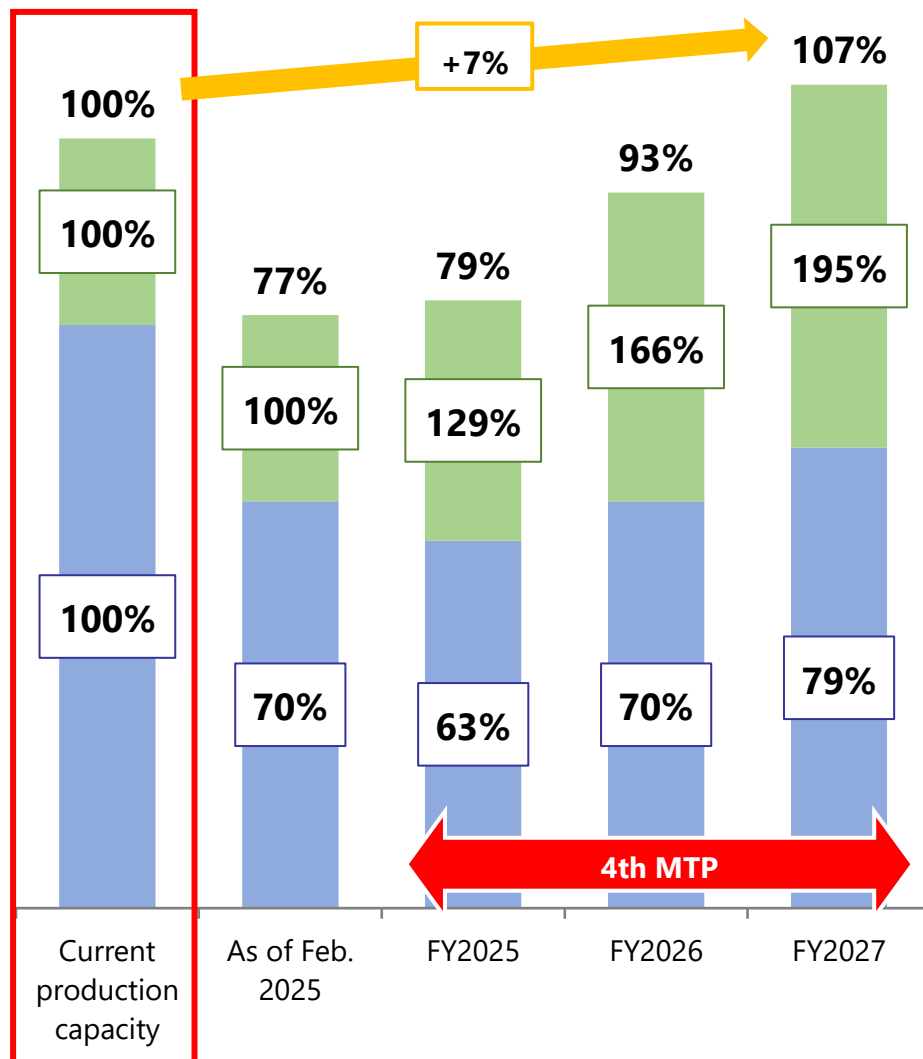
Aftermarket parts sales (unit: million yen)

	FY2022		FY2023		FY2024		FY2027	
	Results	Sales ratio	Results	Sales ratio	Results	Sales ratio	MTP target	Sales ratio
Aftermarket parts	13,045	7.3%	15,563	7.3%	17,362	8.1%	20,800	6.9%
Consolidated net sales	178,966	100.0%	212,627	100.0%	213,230	100.0%	300,000	100.0%

* Results are disclosed quarterly

Reorganization of Production Models

* Production status as of February 2025 and production plan for each fiscal year (when current production capacity set to 100%)



Current situation

Current excavator production is 30% less than the capacity (excavators undergoing production adjustments)

Key measures

(1) Reorganization of production models and reallocation of production capacity to track loaders

1. Excavator production lines of Home Office and Aoki factories are also used for finished track loaders (mixed production)
2. Track loader SKD production is at full capacity at the US factory now and we will maintain it

(2) Increase in production volume (+7%)

1. Increase production volume with the hiring of new employees
2. Improve production efficiency using training

(3) Capacity Expansion based on future sales growth

1. Plan to construct new track loader factory next to the Aoki Factory
2. Expected to begin operation around January (contribution to performance will be FY2028 and later)

■ Track loaders
■ Excavators (compact/hydraulic)

New Track Loader Factory (next to Aoki Factory)

Production capacity: up 30%

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**

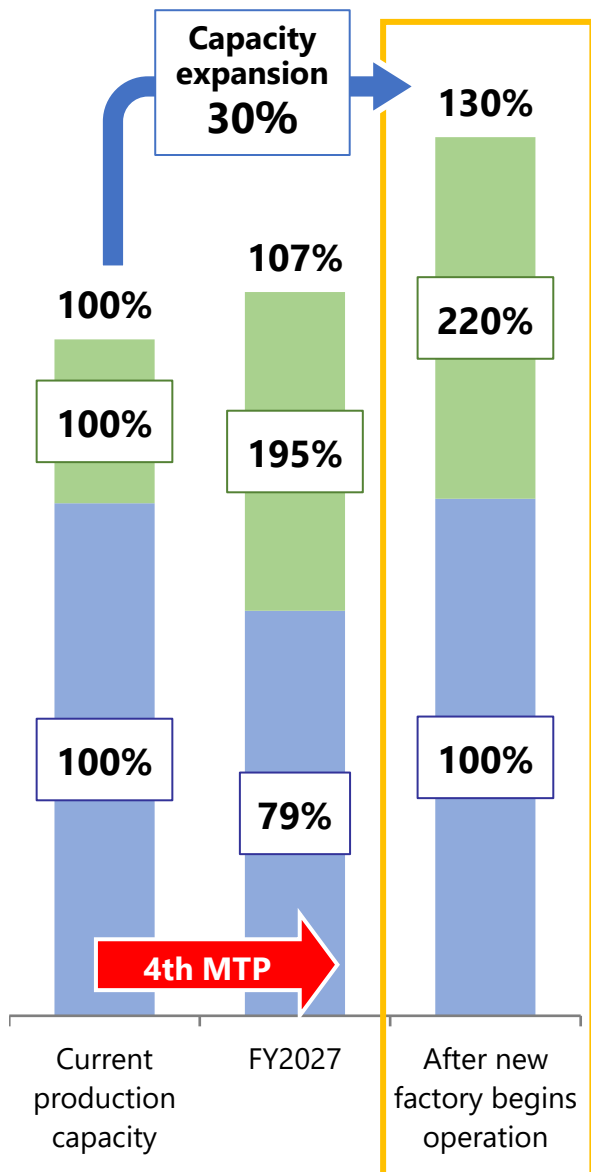
Building footprint: 19,000m²
Floor area: 24,000m² (two stories)
Land area: 22,600m² (factory site)
5,400m² (parking lot site)

Timeline

Site preparation	February 2026
Start of construction	August 2026
Completion	July 2027
Equipment installation	December 2027
Start of operations	around January 2028



New Track Loader Factory (Next to Aoki Factory)



Fourth Medium-term Business Plan

In order to **seize business opportunities for track loaders**, for which demand is expected to grow, we will reallocate excavator production capacity to loaders.

Current situation	Home Office Factory			US Factory	Aoki Factory	
	Factory 1	Factory 2	Factory 3		Existing factory	New factory
Excavators	●	●	—	—	●	
Track loaders	—	—	● (SKD production)		—	

Mixed production in Fourth Medium-term Business Plan
(● Dedicated line / ○ Mixed line)

Current situation	Home Office Factory			US Factory	Aoki Factory	
	Factory 1	Factory 2	Factory 3		Existing factory	New factory
Excavators	●	○	—	—	○	
Track loaders	—	○	● (SKD production)		○	

Start of operations at new plant (FY2028 onward)

Sales of both excavators and track loaders are likely to grow over the medium to long term, and further expansion of production capacity is essential with an eye to the future.
→ Housing shortages, aging lifelines, and increased demand for construction to decarbonize

3 years later	Home Office Factory			US Factory	Aoki Factory	
	Factory 1	Factory 2	Factory 3		Existing factory	New factory
Excavators	●	●	—	—	●	—
Track loaders	—	—	● (SKD production)		—	●

Strengthen R&D capabilities and New Product Creation

Electrification → Expand lineup of 1-tonne to 5-tonne battery-powered compact excavator

1	1.0-tonne class	Testing prototype in the market
2	2.0-tonne class	Available
3	3.5-tonne class	Testing prototype in the market

Electrification of construction machinery market is moving at a much slower speed than expected

- ✓ The world agrees on decarbonization
- ✓ **Continue product development**, while confirming battery technology innovations and market trends

✓ Benefits (environmental and health)

	Low GHG	No exhaust gas	Less noise	Less vibrations
Environmentally friendly (global warming, air pollution, etc.)	✓	✓		
Suitable for construction in urban areas and closed environments		✓	✓	✓
Able to reduce operator workload		✓	✓	✓

✓ Issues facing the spread of electrification (economics and work efficiency)

- (1) Higher unit price ... Governments starting to provide subsidies (Japan: GX construction machinery certification system)
- (2) Long charging time ... Innovations in battery technology
- (3) Cannot charge ... Improved infrastructure

Promote Sustainable Management

Environmental

✓ Reducing greenhouse gas (GHG) emissions

- (1) GHG emissions from products: Develop environmentally friendly products (electrification and green fuels)
- (2) GHG emissions from factories: Promote energy-saving activities, install solar panels, and use green electricity

Social

✓ Strengthening stakeholder engagement

- (1) Shareholders/Investors: Ensure sufficient opportunities for dialogue with the president and directors, and reflect their opinions and requests in management
- (2) Employees: Human capital management (share vision, provide learning opportunities, improve wellbeing)
- (3) Customers: Check the 3Gs situation (*genba*: actual situation, *genbutsu*: actual product, and *genjitsu*: reality) of customers and use this to resolve issues (sales and development departments)
- (4) Suppliers: Request compliance with CSR Procurement Policy and the Partnership Building Declaration (SME Agency)

Governance

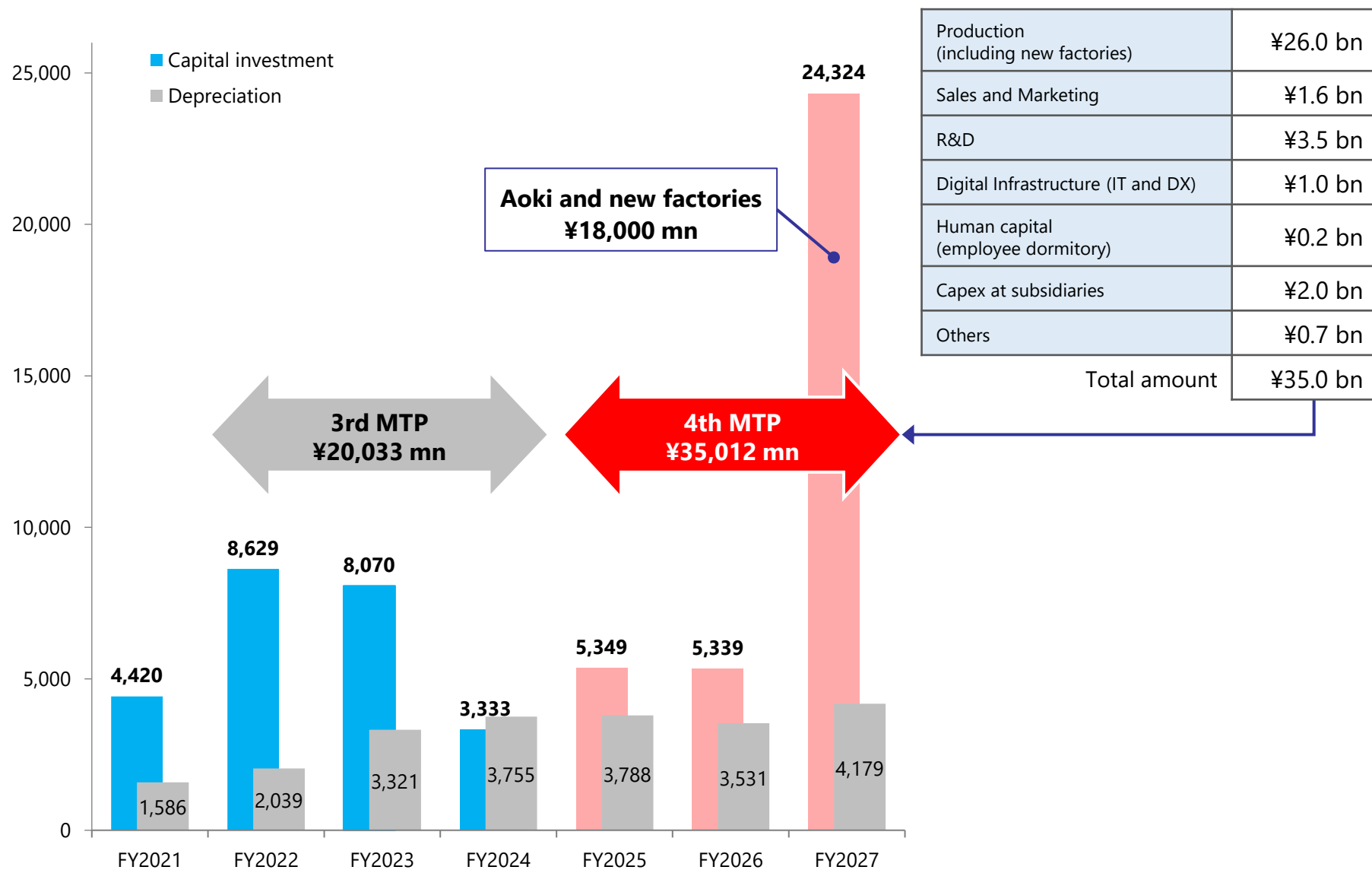
✓ Strengthening governance, compliance and risk management

- (1) Strengthening of the foundation of global management:
Strengthen corporate legal affairs, administrative department staff and IT investment
- (2) Risk management: Strengthen cybersecurity
- (3) Revision of director compensation system: Review the ratio of fixed remuneration and performance-linked remuneration

Cash Allocation

(allocation to growth investment, shareholder returns, and working capital)

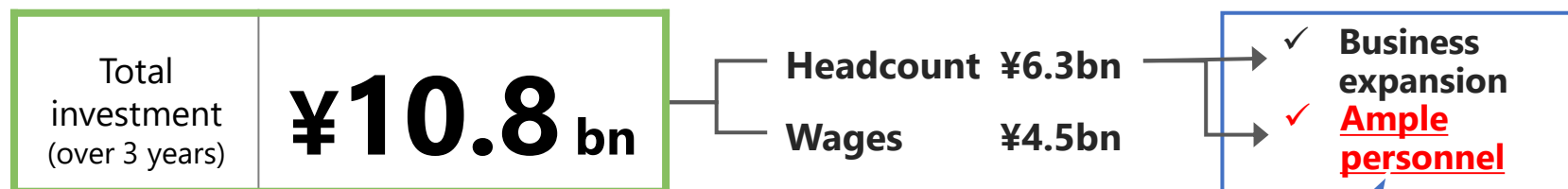
Growth Investment (Capital Investment)



Growth Investment (Human Capital)

Basic Policy

- ✓ Human capital is the source of our corporate competitiveness, and investments in people **are investments in our future**
- ✓ **Promote wellbeing management**



Share vision

- ✓ Purpose: Wellbeing and prosperous life of people
- ✓ Value: Corporate Policies and Business Philosophy
- ✓ Mission: Medium-term business plan

Provide learning opportunities

- ✓ Visualize learning options
- ✓ Foster corporate culture of self-improvement
- ✓ Foster talent for executive management and managerial positions

Improve comfort and engagement

- ✓ Promote health management and health and safety activities
- ✓ Improve work-life balance
- ✓ Advance DE&I

Cash Allocation

Three-year Cumulative Total (FY2025 to FY2027)

Use of borrowings
as needed

Growth
investment
¥45.8 bn

Operating CF
¥80.0 bn

Operating CF including ¥10.8 bn of
human capital investment (personnel
and wage increases, training costs etc.)
that is recorded as costs.

Dividend
¥39.0 bn

Share buybacks

Cash on hand
at the end of Feb. 2025
¥46.5 bn
2.6 months of sales

Working capital
¥2.0~2.5
months of sales

Production (including new factories)	¥26.0 bn
Sales and Marketing	¥1.6 bn
R&D	¥3.5 bn
Digital Infrastructure (IT and DX)	¥1.0 bn
Human capital └ Capex: Employee dormitory └ Costs of increase in staff and wage, etc.	¥0.2 bn ¥10.8 bn
Capex at subsidiaries	¥2.0 bn
Others	¥0.7 bn
Total amount	¥45.8 bn

Consolidated dividend payout ratio
Aiming for 40%, raising it gradually

Share buybacks will be flexibly implemented as a means
of adjusting cash flow to prevent working capital and
the equity ratio from expanding

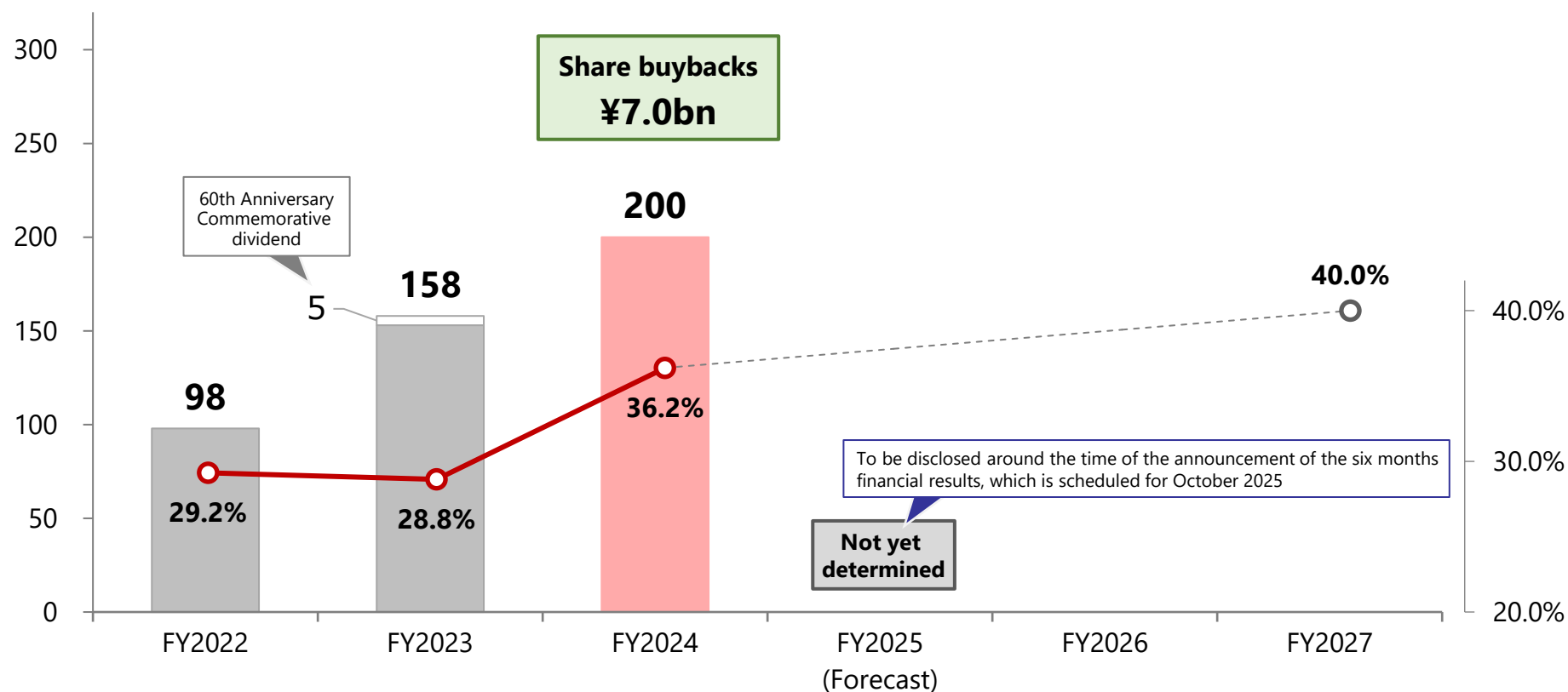
- ✓ Secure cash for future growth investments
- ✓ Maintain sufficient liquidity to deal with unexpected events
- ✓ Utilize borrowings, as necessary

Shareholder Returns

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



- ▶ **FY2024 Consolidated Results**
- ▶ **FY2025 Consolidated Forecast**
- ▶ **Review of the Third Medium-term Business Plan**
(FY2022 – FY2024)
- ▶ **Framework of the Fourth Medium-term Business Plan**
(FY2025 – FY2027)
- ▶ **Reference Materials**

Corporate Profile

Name	TAKEUCHI MFG. CO., LTD.	
Representative	Toshiya Takeuchi President and Representative Director	
Home Office	205, Uwadaira, Sakaki-machi, Hanishina-gun, Nagano Japan	
Established	August 21, 1963	
Accounting Period	February	
Capital	3,632 million yen (As of February 28, 2025)	
Sales (Consolidated)	213,230 million yen (FY2024)	
Employees (Consolidated)	1,277 (As of February 28, 2025)	
Listed Market	Tokyo Stock Exchange, Prime Market, Securities code: 6432	
Subsidiaries	US	Takeuchi Mfg. (U.S.), Ltd. (Established February 1979)
	UK	Takeuchi Mfg. (U.K.) Ltd. (Established October 1996)
	France	Takeuchi France S.A.S. (Established May 2000)
	China	Takeuchi Qingdao Mfg. Co., Ltd. (Established April 2005)

Main Products

Compact excavators and hydraulic excavators

- We developed and began production of the world's first compact excavator (September 1971)
- Compact excavators: Products weighing less than 6 tonnes
- Hydraulic excavators: Products weighing 6 tonnes or more

Main applications

- Foundation work for housing construction
- Piping work for water, gas and other supplies
- Landscaping work to plant trees in parks and gardens
- Demolition and renovations of dilapidated buildings



Track Loaders

- We developed and began production of the world's first track loader (September 1986)
- Faster traveling speed than compact/hydraulic excavators, suitable for transportation work
- Most of the demand is in North America, but demand is growing in Europe

Main applications

- Transportation of earth and sand excavated by compact excavators
- Excavating and leveling the ground
- Various operations are possible by changing the bucket



Business Performances

Asia and Oceania have been adjusted for prior periods.

(Millions of yen)	FY2020	FY2021	FY2022	FY2023	FY2024	Forecast	
						FY2025	Change
Japan	2,508	2,832	2,036	2,109	1,878	1,480	(398)
North America	52,248	68,706	98,506	115,164	120,064	134,200	+14,135
Europe	54,988	65,749	73,906	89,448	87,578	82,350	(5,228)
Asia/Oceania	1,814	2,563	3,081	3,934	2,845	5,910	+3,064
Others	694	1,039	1,435	1,969	863	1,060	+196
Net sales	112,254	140,892	178,966	212,627	213,230	225,000	+11,769
Operating profit	13,207	17,764	21,221	35,296	37,142	42,000	+4,857
Ordinary profit	13,298	18,080	21,379	35,455	35,608	41,000	+5,391
Profit attributable to owners of parent	9,765	13,348	15,979	26,149	26,113	29,200	+3,086
Earnings per share (yen)	204.78	279.91	335.19	548.58	552.45	631.93	+79.48
Dividends per share (yen)	53.00	68.00	98.00	158.00	200.00	Not yet determined	-
JPY/USD ¹ (yen)	106.13	111.72	133.12	143.25	152.65	145.00	(7.65)
JPY/GBP ¹ (yen)	137.88	153.06	162.58	177.55	194.85	183.00	(11.85)
JPY/EUR ¹ (yen)	122.91	130.57	139.81	155.05	163.74	152.00	(11.74)
JPY/RMB ¹ (yen)	15.41	17.12	19.49	19.87	21.13	20.00	(1.13)

Net assets	89,908	104,083	121,802	147,625	167,000
Total assets	115,525	137,201	158,785	198,153	217,718
Equity ratio	77.8%	75.9%	76.7%	74.5%	76.7%
ROE ²	11.3%	13.8%	14.1%	19.4%	16.6%
ROA ³	11.8%	14.3%	14.4%	19.9%	17.1%

*1 Exchange rates are the average rates for the 12-month period.

*2 ROE (Return on Equity) = Net profit / Net assets × 100 (Net assets are the average of the beginning and the end of the period)

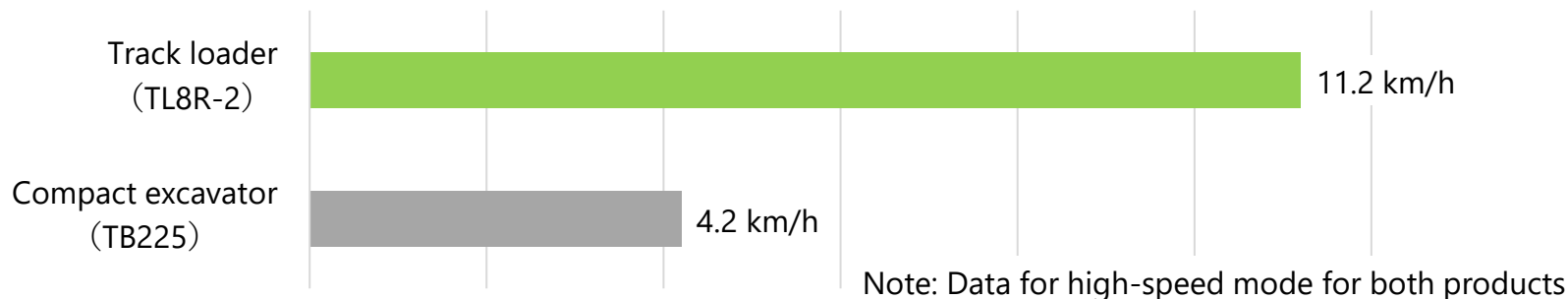
*3 ROA (Return on Assets) = Ordinary profit / Total assets × 100 (Total assets are the average of the beginning and the end of the period)

Compact and hydraulic excavators are good for excavation.

Track loaders excel at transporting earth and leveling land

- ✓ Takeuchi developed and began producing the world's first track loader in September 1986

1. Faster than compact and hydraulic excavators



2. Primarily popular in the U.S. (gradually growing in Europe as well, even though the volume is still small)

Expansive U.S. construction sites increase efficiency using specialized construction machinery.

- ✓ Excavation
 - Compact and hydraulic excavators
- ✓ Transporting earth and leveling land
 - Fast-moving track loaders are more efficient

Track Loader Features

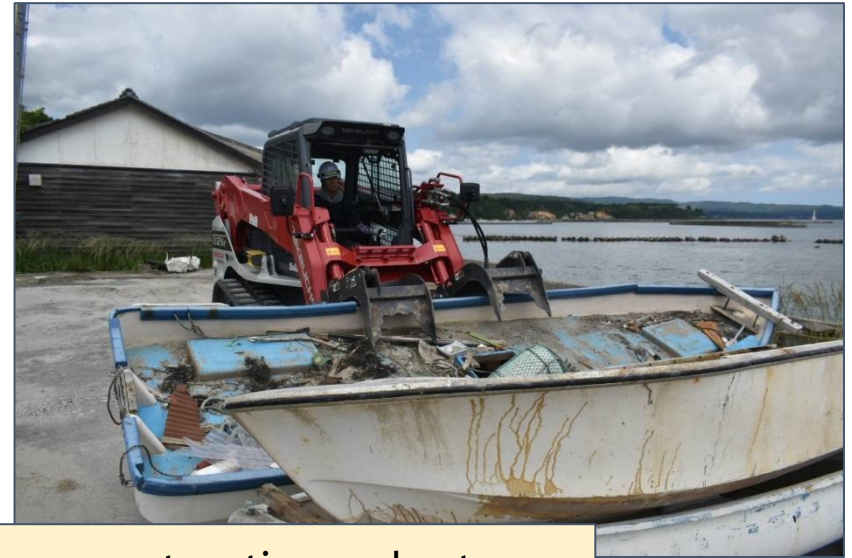
3. Various operations are possible by changing the attachment

→ Capable of multiple uses ranging from construction and agriculture to forestry and landscaping



Track Loader Features

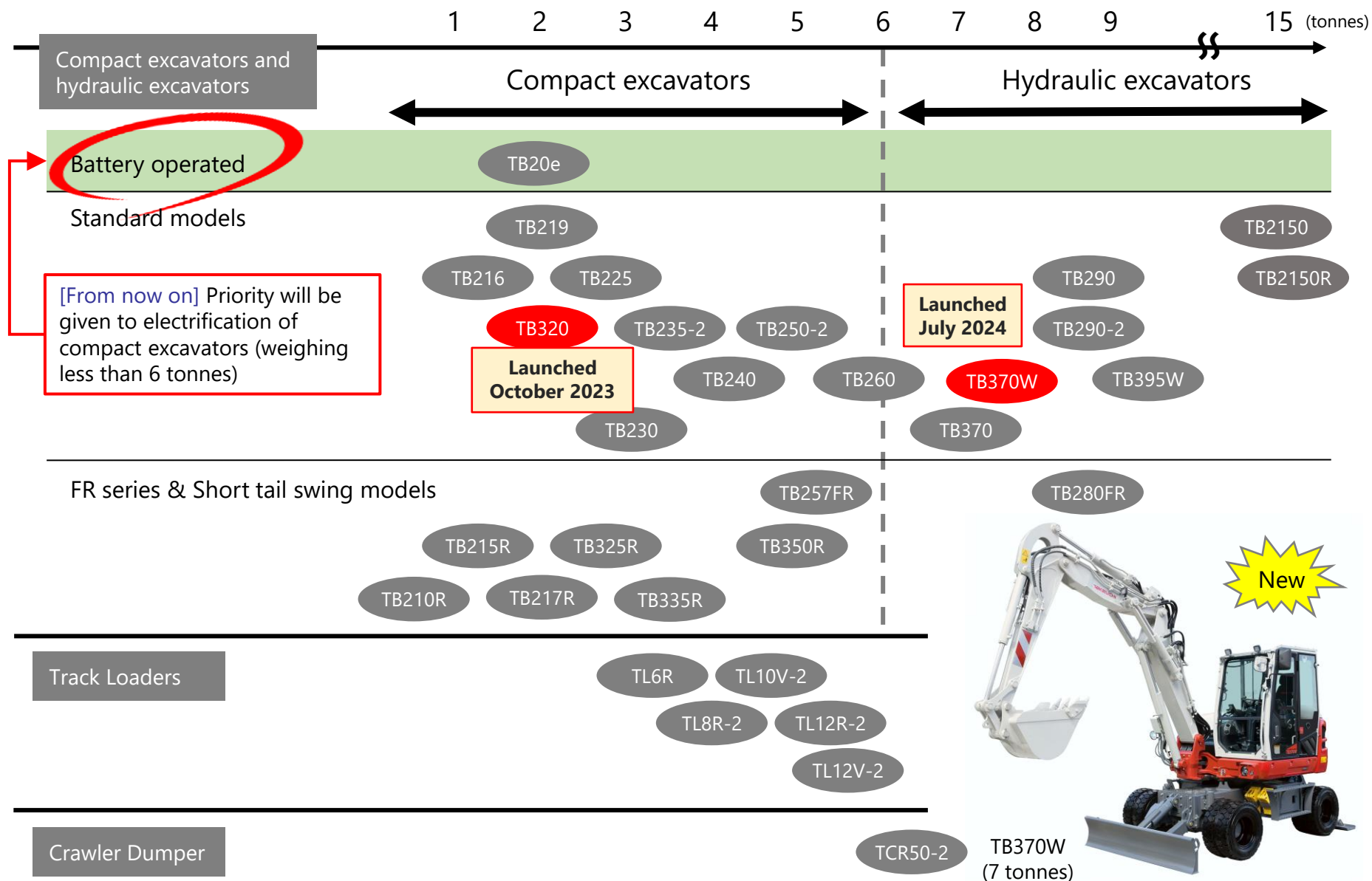
4. Also useful for post-disaster reconstruction such as debris removal



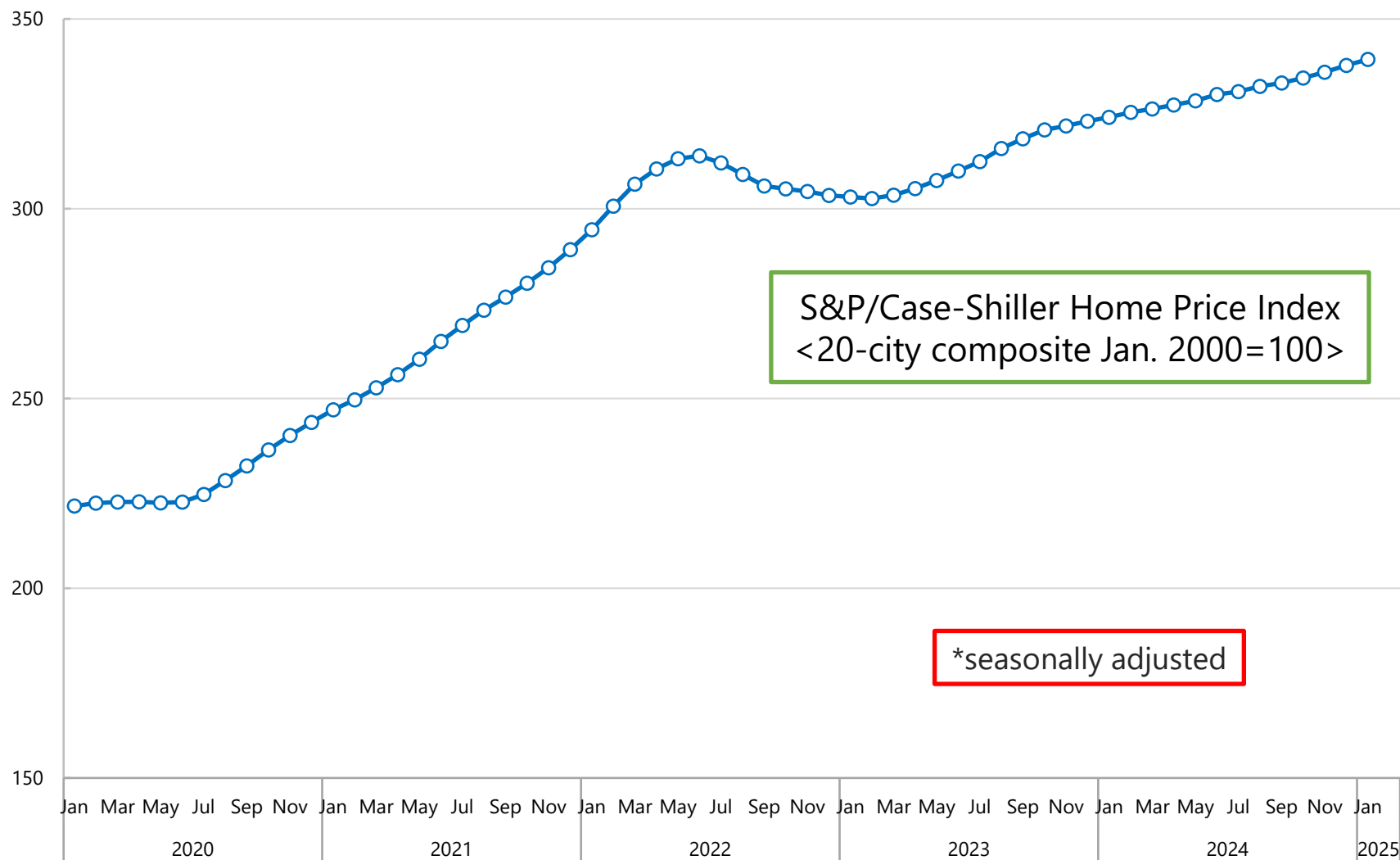
Noto Peninsula Earthquake reconstruction volunteers



Product Lineup



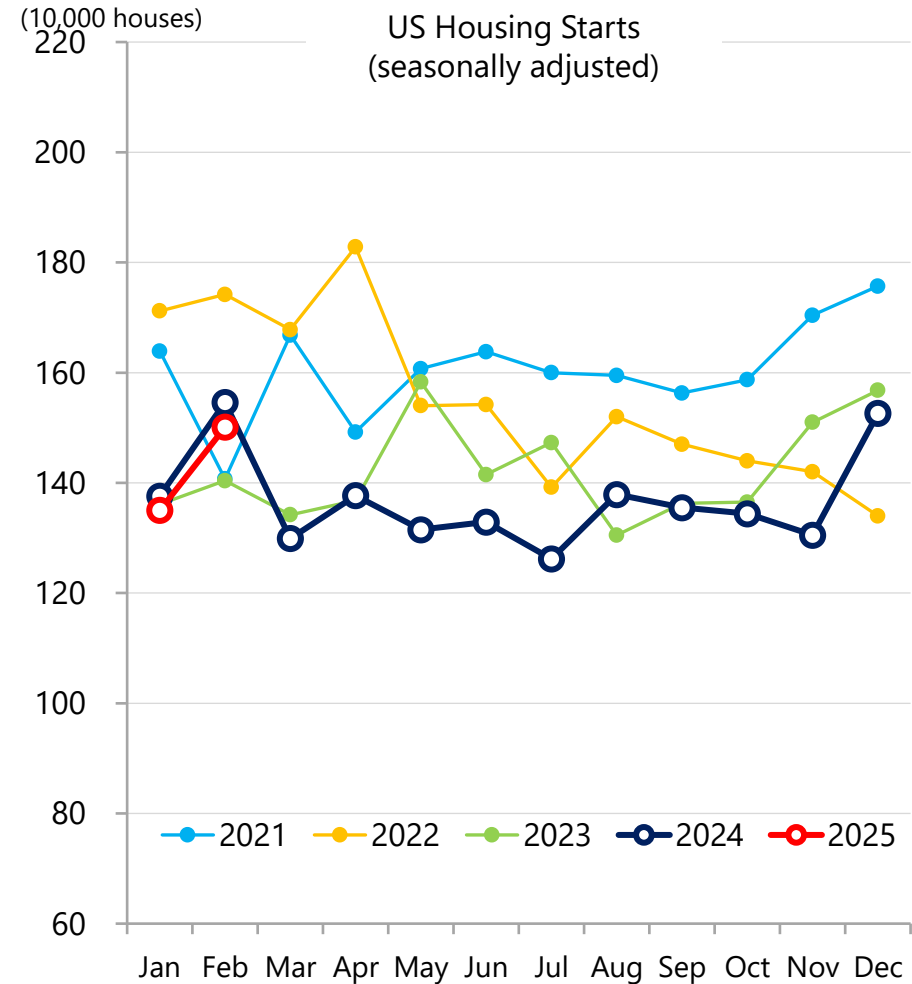
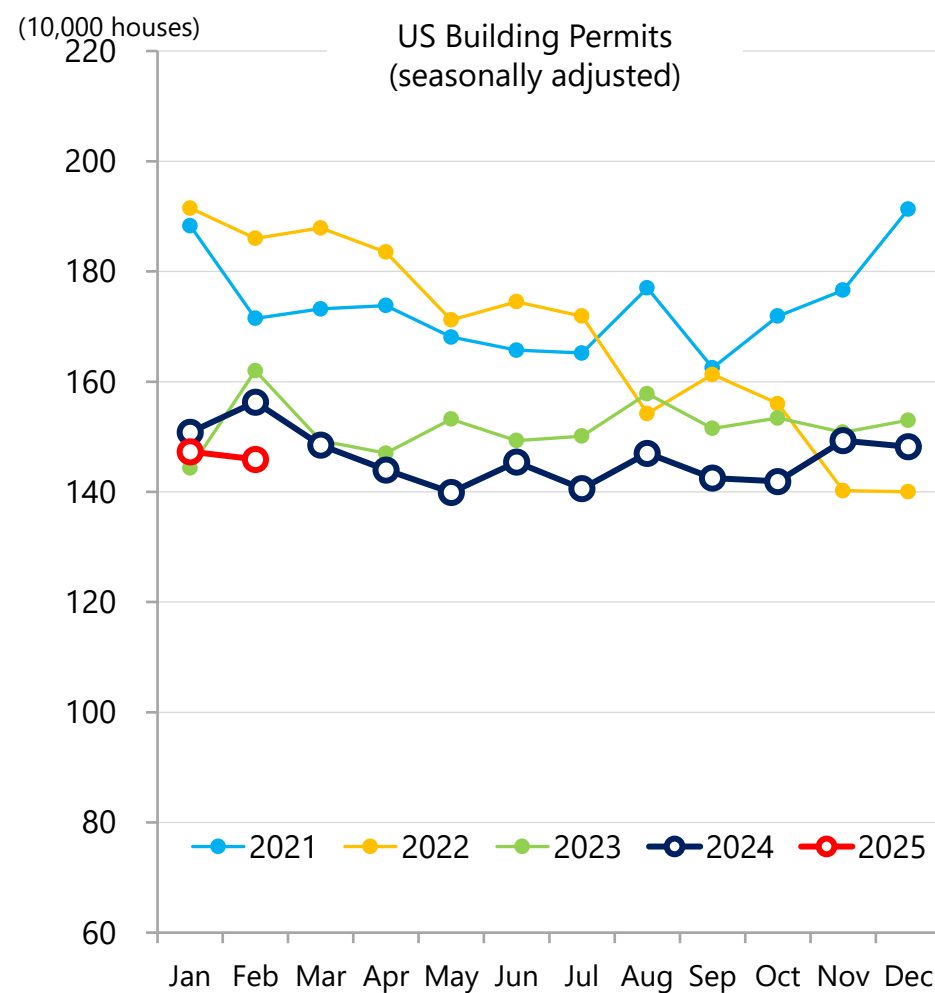
Market Outlook



(source) S&P

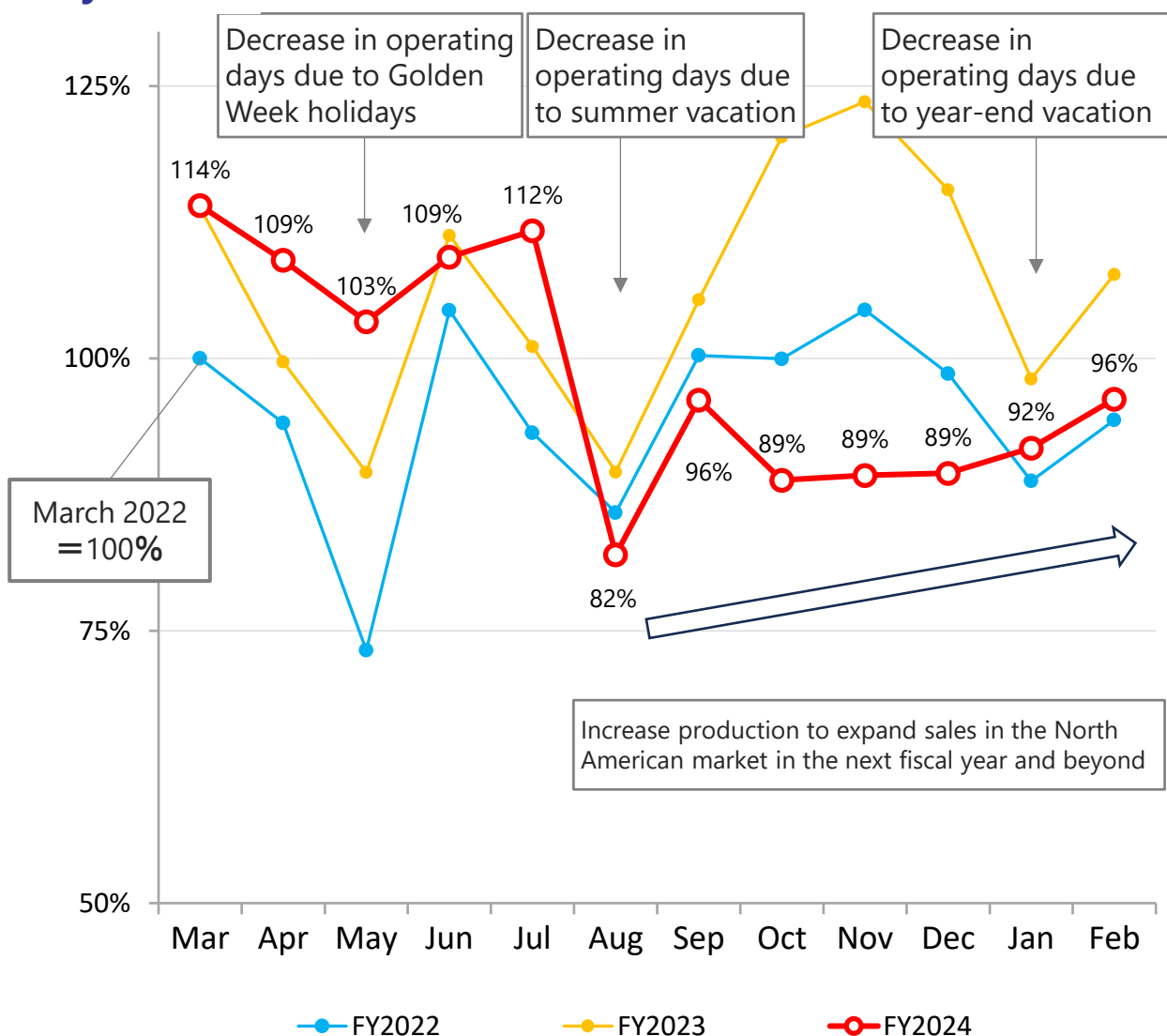
Market Outlook

- In H2 of 2021, it recovered with the resumption of economic activity following the COVID-19 pandemic
- From H1 of 2022, it slowed down due to interest rate hikes in the US, but **remained at a historically high level**
- With high interest rates and house prices, the adjustment phase continued in 2023-2024, and the market showed signs of a pause

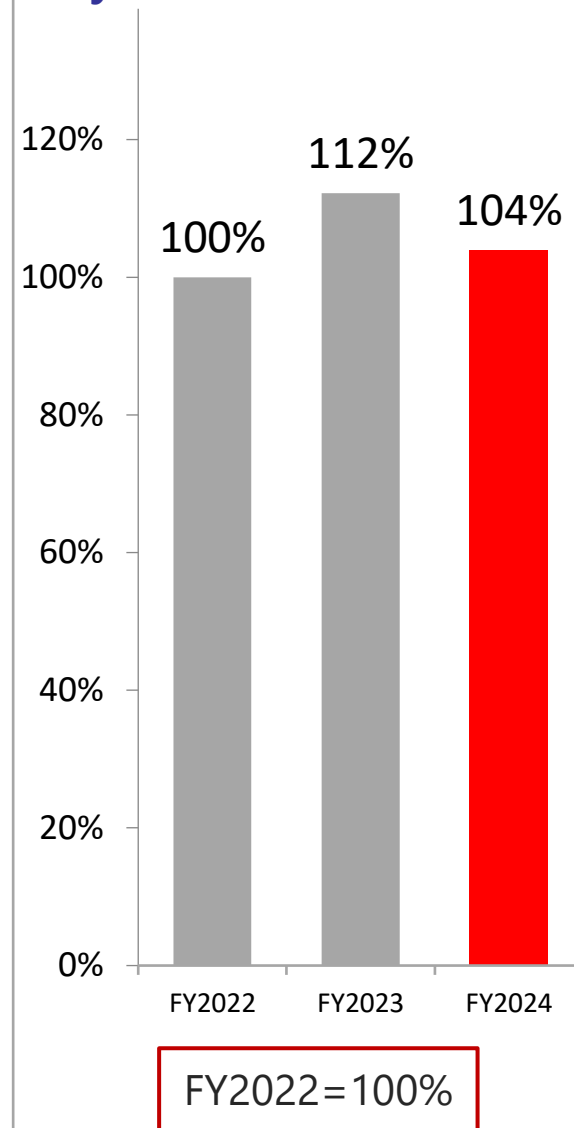


Production Volume Trends

By Month



By Fiscal Year



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Forecasts are based on information that was available when this document was prepared. The forecast is vulnerable to many uncertainties including, but not limited to, changes in demand and other aspects of market conditions and foreign exchange rate fluctuations.

Consequently, the actual results of operations could differ significantly from this forecast because of changes in a variety of factors.



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