

Consolidated Financial Results for the Nine Months Ended December 31, 2025

SAKAI HEAVY INDUSTRIES, LTD.

Stock code: 6358
URL <https://www.sakainet.co.jp/en/>

February 13, 2026

Summary of Consolidated Financial Results

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended December 31, 2025 (from April 1, 2025 to December 31, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
Nine months ended										
December 31, 2025	18,694	(7.7)	683	(50.0)	704	(50.2)	477	(66.7)	55.82	–
December 31, 2024	20,243	(16.7)	1,368	(47.0)	1,413	(47.2)	1,435	(26.3)	168.56	–

Note: The Company made a two-for-one share split of its common shares effective October 1, 2024.

Basic earnings per share have been calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
December 31, 2025	44,425	30,400	68.3
March 31, 2025	42,624	30,130	70.5

2. Cash dividends

	Annual dividend				
	First quarter	Second quarter	Third quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	–	85.00	–	60.50	–
Fiscal year ending March 31, 2026	–	45.00	–		
Fiscal year ending March 31, 2026 (Forecast)				60.00	105.00

Note: The Company made a two-for-one share split of its common shares effective October 1, 2024.

For the year-end dividend per share for the fiscal year ended March 31, 2025, the figure shown is amount that takes into account the effect of the share split, and “–” is stated for the annual dividend. The interim dividend (¥85.00 per share) paid with a record date of September 30, 2024 is equivalent to ¥42.50 per share if converted to the dividend per share after such share split. Accordingly, the annual dividend for the previous fiscal year, combined with the year-end dividend, will be ¥103.00 per share.

3. Consolidated financial forecast for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2026	28,000	0.5	1,250	(21.1)	1,250	(16.4)	900	(37.3)	105.61

Highlights of Consolidated Business Performance

1. Summary of Consolidated Business Performance for the Nine Months Ended December 31, 2025

1) Consolidated net sales: ¥18,694 million, down 7.7% YoY

Despite continued sluggish sales of domestic road maintenance equipment, sales bottomed out in North American and Asian markets.

2) Operating profit: ¥683 million, down 50.0% YoY

Operating profit declined due to a decrease in net sales, the impact of U.S. tariff policies, and ongoing increases in purchasing costs.

3) Profit: ¥477 million, down 66.7% YoY

Drop off from the gain on sale of investment securities of ¥280 million recorded in the same period in the previous fiscal year.

4) Sales in Japan: ¥8,769 million, down 7.6% YoY

Although sales of core roller products continued to recover, sales of road maintenance equipment declined significantly.

5) Sales in North America: ¥4,694 million, down 5.5% YoY

Sales bottomed out to a significant decline in demand caused by the introduction of tariff policies.

6) Sales in Asia: ¥4,580 million, down 2.9% YoY

Although sales remained sluggish in Indonesia and China, sales trended upward in Vietnam and Malaysia, etc.

Highlights of Consolidated Business Performance

2. Adapting to a Changing Business Environment

1) Initiatives for enhancing the profitability of capital

(1) Progress of medium-term management policy

Five-year medium-term management policy: Net sales of ¥30.0 billion, operating profit of ¥3.10 billion, ROE of 8.0%

Results for the fiscal year two years prior (third year): Net sales of ¥33.0 billion, operating profit of ¥3.31 billion, ROE of 9.0%

Results for the previous fiscal year (fourth year): Net sales of ¥27.8 billion, operating profit of ¥1.58 billion, ROE of 4.9%

Forecast for the current fiscal year (fifth year): Net sales of ¥28.0 billion, operating profit of ¥1.25 billion, ROE of 3.0%

Results for nine months ended December 31, 2025: Net sales of ¥18.6 billion, operating profit of ¥0.68 billion, ROE of 2.1%

(2) Progress of enhancing corporate value (PBR above 1)

At the end of March 2024: PBR 0.98 times (Share price ¥3,340) ← Share split considered

At the end of March 2025: PBR 0.61 times (Share price ¥2,142)

At the end of December 2025: PBR 0.59 times (Share price ¥2,095)

2) Profit structure reform through sales price revisions, high added value, and efficiency

Cost-of-sales ratio: 72.1%, deterioration of 1.4% YoY...U.S. tariffs and ongoing increases in purchasing costs

3) Increased investment in human capital

(1) Wage improvement and stabilized employment: Rise in wages (5.1% in the fiscal year ended March 31, 2024, 6.0% in the fiscal year ended March 31, 2025, 6.0% in the fiscal year ending March 31, 2026), and improvements to personnel systems

(2) Increasing on-site skilled laborers and improving working environments: Increase factory and service area employees (establish Nadeshiko Group, a female-only workforce unit), and establish healthy working environments (installation of factory air conditioning systems).

(3) Personnel system reform: Introduce internal recruitment and transfer request systems, and actively hire referrals and alumni.

4) Dealing with volatile demand

Inventory turnover: 2.16 times, down 0.05 times/2% YoY...Inventories: ¥13.0 billion → ¥12.1 billion

Currently strengthening adjustments to optimize inventory levels, as the Construction Machinery Market entered a period of adjustments amid slowdowns in the world economy.

5) Response to North American tariffs

(1) Tariff costs of ¥200 million for the second half of the year have been factored into full-year performance forecasts

(2) Sales prices revised from October orders onward to pass on costs

(3) Currently preparing supply chain revisions

Highlights of Consolidated Business Performance

3. Mid- to Long-Term Growth Strategy

1) Make more significant inroads into the Asian market:

Expand the ASEAN market centered on our Indonesian hub (sales development in mine and pavement markets)

2) Expand the scope of overseas business:

Develop the overseas market for road maintenance equipment (increase in ODA initiatives, start local production, completion of standardization of the cement and asphalt emulsion stabilizer method in Indonesia)

3) Pursue business opportunities in North America:

Increase our market share through niche marketing (strengthen technical sales with differentiated products)

4) Develop next-generation businesses:

Focus on market development for emergency brakes, compaction management systems, and Automatic Cutter Control System.

Commercialization of autonomous rollers and EV rollers started (sales development for general civil engineering contractors)

4. Outlook for Business Environment

1) Global Construction Machinery Market

Although a phase of adjustment continues in the short term, potential demand for construction machinery is expected to remain stable in the medium to long term due to factors such as the Mid-term Plan for the Implementation of National Resilience and the doubling of defense buildup budget in Japan, large-scale infrastructure investment plans in the U.S., infrastructure investment and mine development becoming active in emerging countries, together with renewal of aging infrastructure and response to increasingly severe natural disasters. As a result, the Global Construction Machinery Market is expected to bottom out through an economic cycle.

2) Adapting to a Changing Business Environment

With power taking precedence over international law in reshaping international order, particularly between the U.S. and China, the global geopolitical environment remains uncertain.

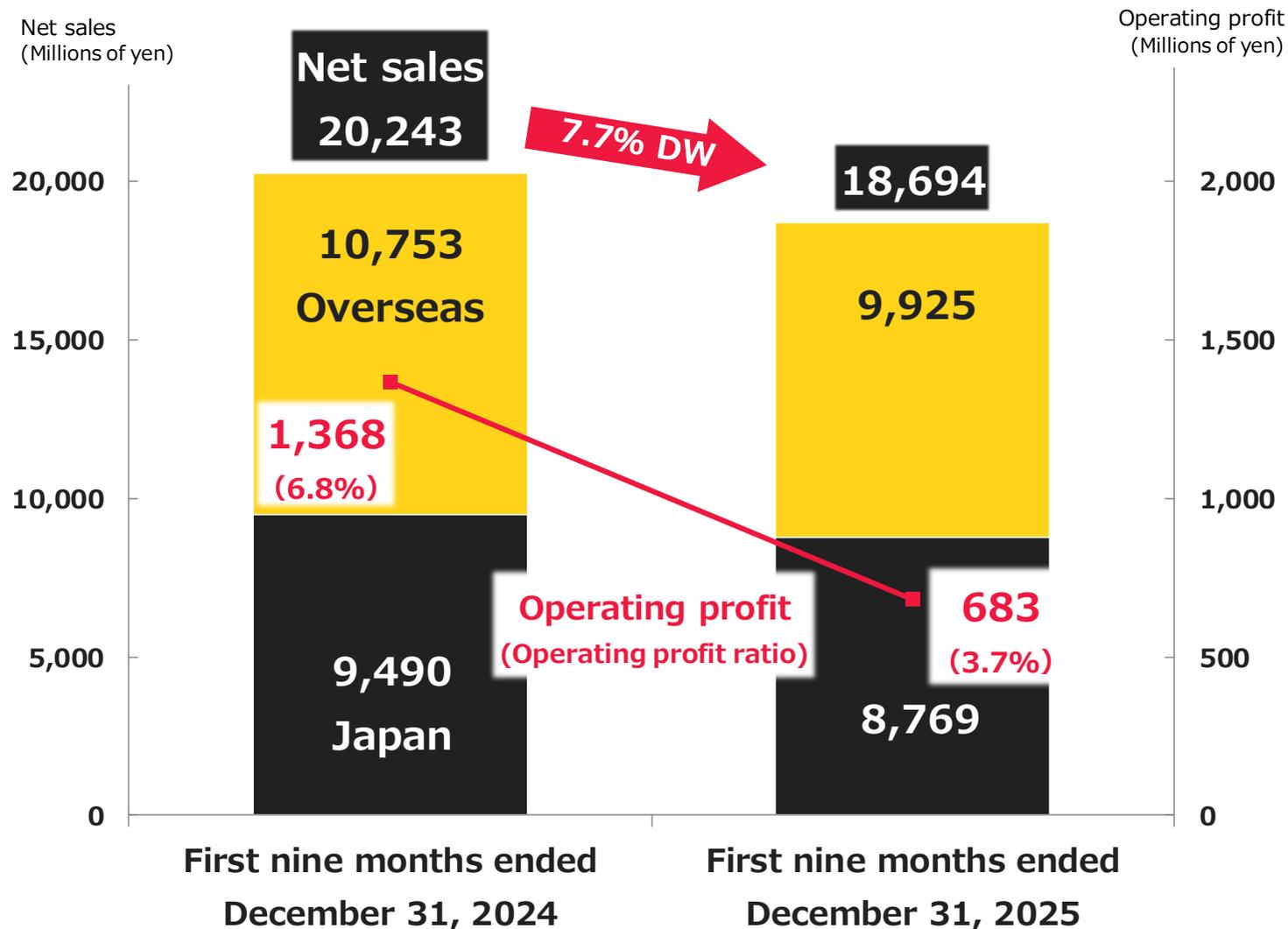
Under these circumstances, the Group will respond to U.S. tariffs and modify our China-related supply chain, as well as strengthen our profit structure and human organizational capabilities, rebuild our competitive strategy, and engage in activities to raise the level of manufacturing quality with the goal of further solidifying the foundations of our management during this period of demand adjustment to build our corporate structure in preparation for the market recovery period.

Consolidated Business Performance

(Millions of yen)

	First nine months ended December 31, 2024	First nine months ended December 31, 2025	YoY change	
			Amount	%
Net sales	20,243	18,694	▲ 1,548	▲ 7.7%
Japan	9,490	8,769	▲ 720	▲ 7.6%
Overseas	10,753	9,925	▲ 827	▲ 7.7%
Operating profit	1,368	683	▲ 684	▲ 50.0%
<i>Operating profit ratio</i>	(6.8%)	(3.7%)		
Ordinary profit	1,413	704	▲ 708	▲ 50.2%
Profit attributable to owners of parent	1,435	477	▲ 958	▲ 66.7%
Cost-of-sales ratio	(70.8%)	(72.1%)		

Consolidated Business Performance (Graph)



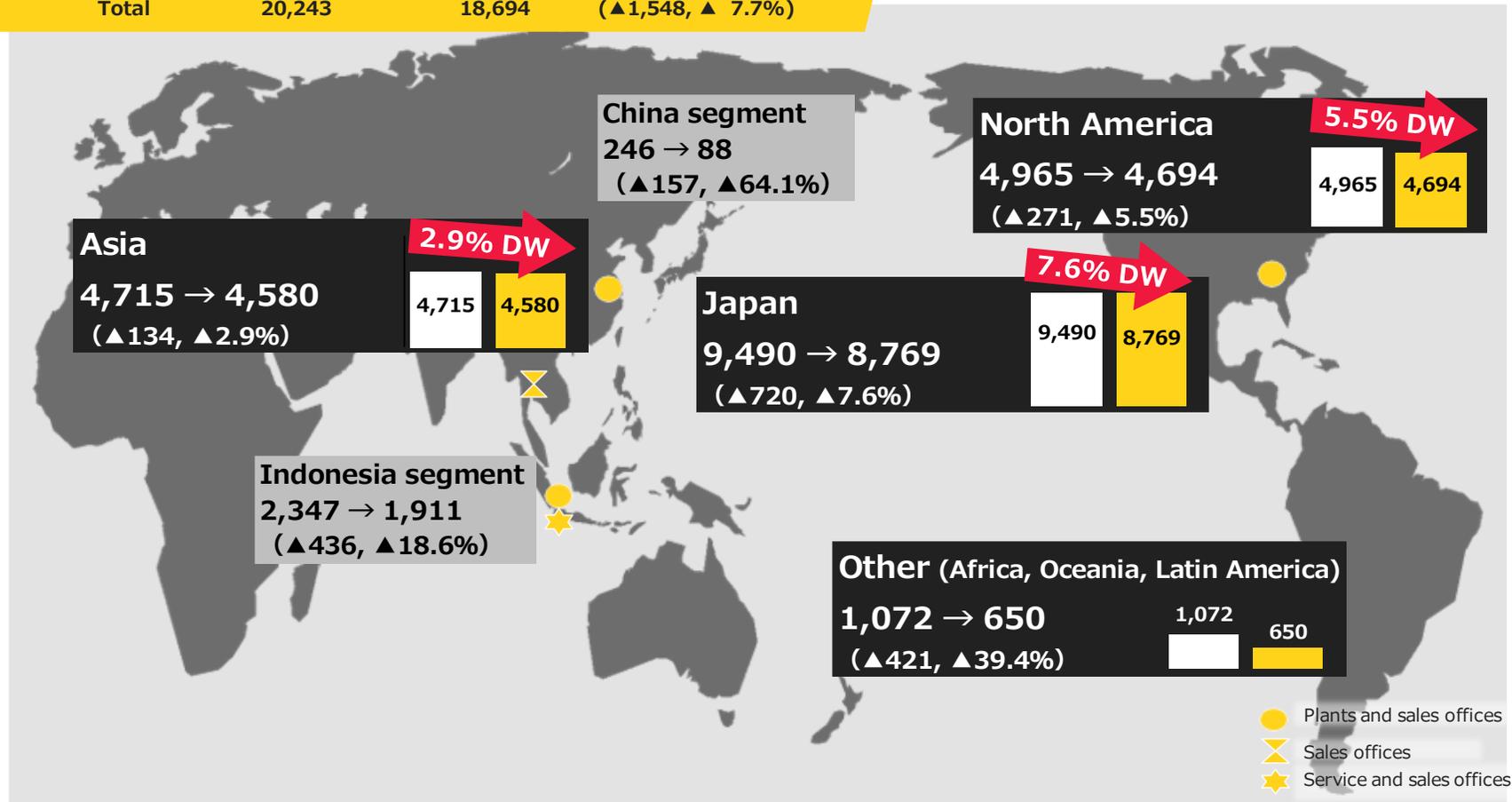
Sales by Region in Which Customers Are Located

(Millions of yen)

	First nine months ended December 31, 2024	First nine months ended December 31, 2025	YoY change	
			Amount	%
Japan	9,490	8,769	▲ 720	▲7.6%
Overseas	10,753	9,925	▲ 827	▲7.7%
North America	4,965	4,694	▲ 271	▲5.5%
Asia	4,715	4,580	▲ 134	▲2.9%
Other regions	1,072	650	▲ 421	▲39.4%
Total	20,243	18,694	▲ 1,548	▲7.7%

Sales by Region (Map)

(Millions of yen)	First nine months ended December 31, 2024	First nine months ended December 31, 2025	YoY change
Japan	9,490	8,769	(▲ 720, ▲ 7.6%)
Overseas	10,753	9,925	(▲ 827, ▲ 7.7%)
Total	20,243	18,694	(▲1,548, ▲ 7.7%)



Segment Information by Region in Which Our Manufacturing Facilities and Sales Offices Are Located

(Millions of yen)

Japan	First nine months ended December 31, 2024	First nine months ended December 31, 2025	YoY change	
			Amount	%
Sales to external customers	12,683	11,999	▲ 683	▲5.4%
Intercompany sales	2,665	1,865	▲ 799	▲30.0%
Total net sales	15,348	13,865	▲ 1,483	▲9.7%
Operating profit	294	▲ 180	▲ 475	– %

(Millions of yen)

North America	First nine months ended December 31, 2024	First nine months ended December 31, 2025	YoY change	
			Amount	%
Sales to external customers	4,965	4,694	▲ 271	▲5.5%
Intercompany sales	9	19	9	98.1%
Total net sales	4,975	4,713	▲ 261	▲5.3%
Operating profit	644	415	▲ 228	▲35.5%

(Millions of yen)

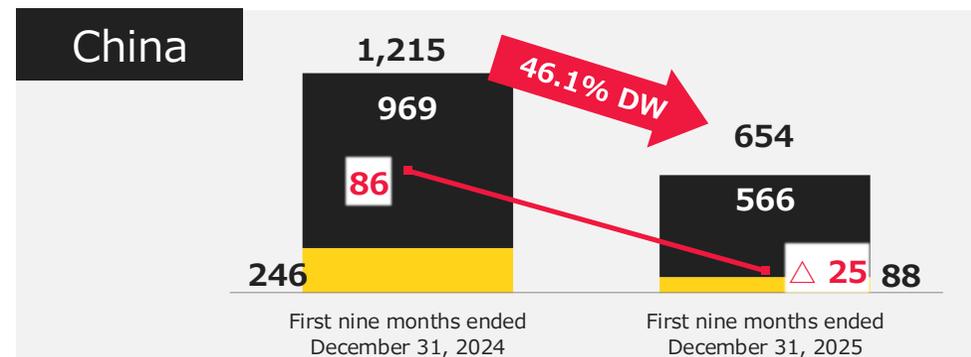
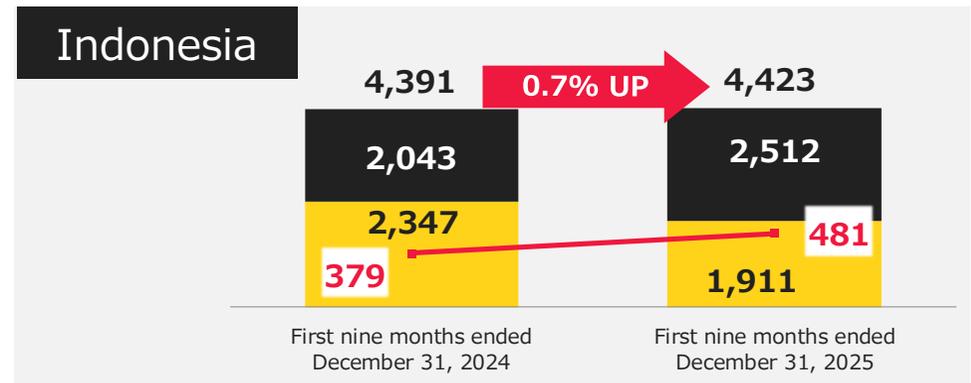
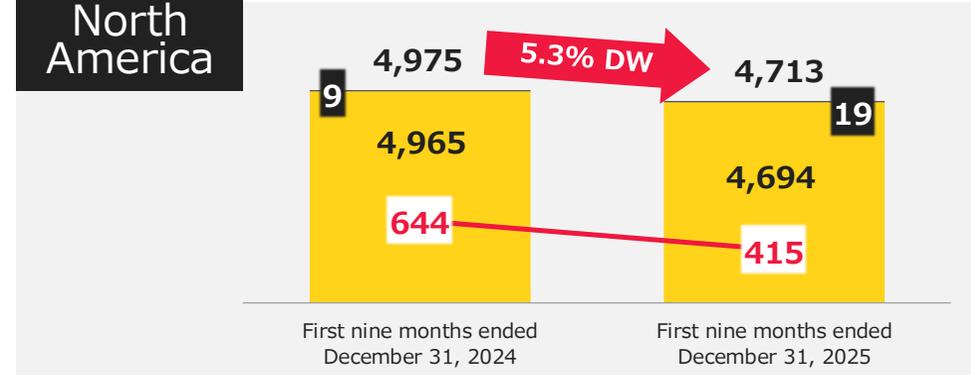
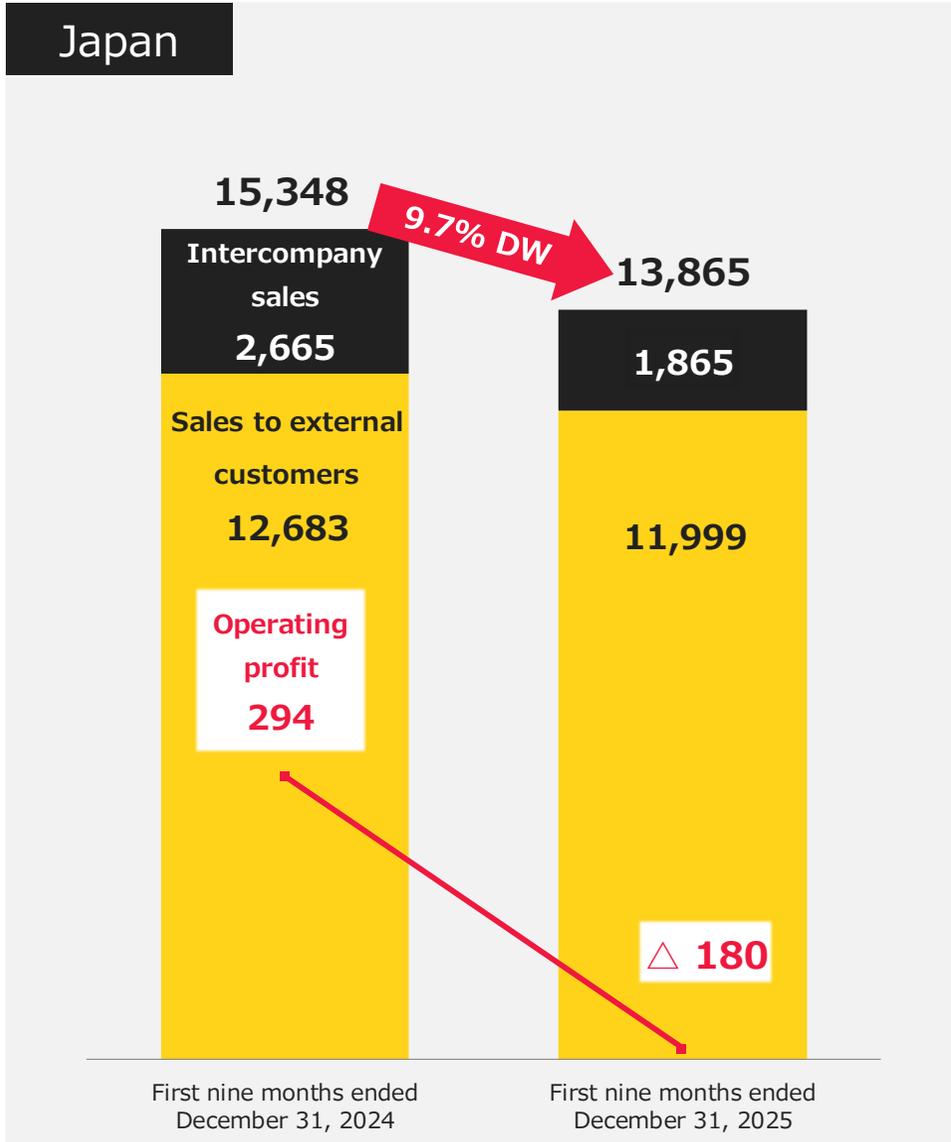
Indonesia	First nine months ended December 31, 2024	First nine months ended December 31, 2025	YoY change	
			Amount	%
Sales to external customers	2,347	1,911	▲ 436	▲18.6%
Intercompany sales	2,043	2,512	468	22.9%
Total net sales	4,391	4,423	32	0.7%
Operating profit	379	481	102	27.0%

(Millions of yen)

China	First nine months ended December 31, 2024	First nine months ended December 31, 2025	YoY change	
			Amount	%
Sales to external customers	246	88	▲ 157	▲64.1%
Intercompany sales	969	566	▲ 403	▲41.6%
Total net sales	1,215	654	▲ 560	▲46.1%
Operating profit	86	▲ 25	▲ 112	– %

Segment Information by Region (Graph)

(Millions of yen)



Breakdown of YoY Changes in Operating Profit

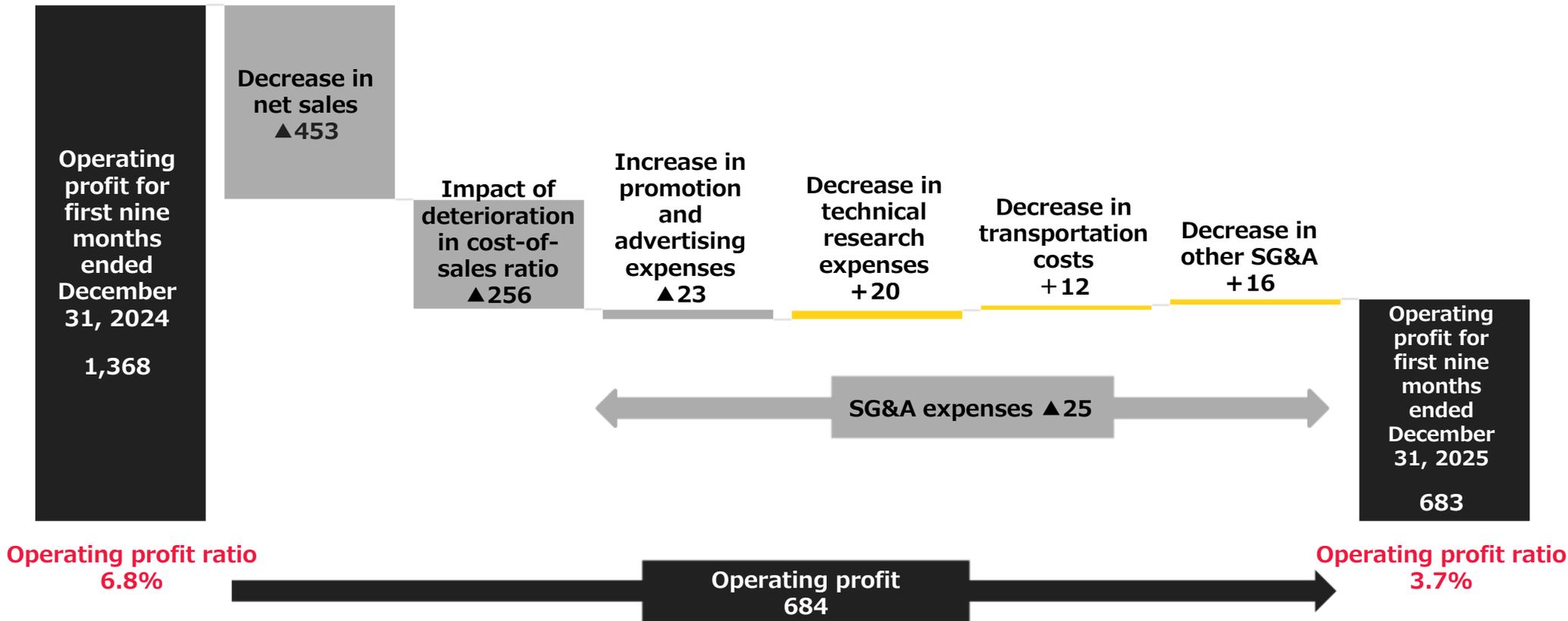
- Gross profit decreased by ¥453 million, in line with YoY decrease in net sales of ¥1,548 million.
- Gross profit decreased by ¥256 million due to a 1.4% decline in cost-of-sales ratio caused by U.S. tariffs and ongoing increases in purchasing costs.
- SG&A expenses fell by ¥25 million due to a decrease in technical research and other SG&A expenses.
- As a result, operating profit decreased by ¥684 million YoY to ¥683 million.

(Millions of yen)

	First nine months ended December 31, 2024	First nine months ended December 31, 2025	YoY change	Impact on operating profit	Note
Net sales	20,243	18,694	▲ 1,548	▲ 453	▲1,548 x (1 - 70.8%)
Cost-of-sales ratio	70.8%	72.1%	1.4%	▲ 256	18,694 x 1.4%
Gross profit	5,920	5,211	▲ 709		
SG&A expenses	4,552	4,527	▲ 25	+25	Promotion and advertising expenses: up 23; Technical research expenses: down 20; Transportation costs: down 12; Other SG&A: down 16
Operating profit	1,368	683		▲ 684	

Breakdown of YoY Changes in Operating Profit (Graph)

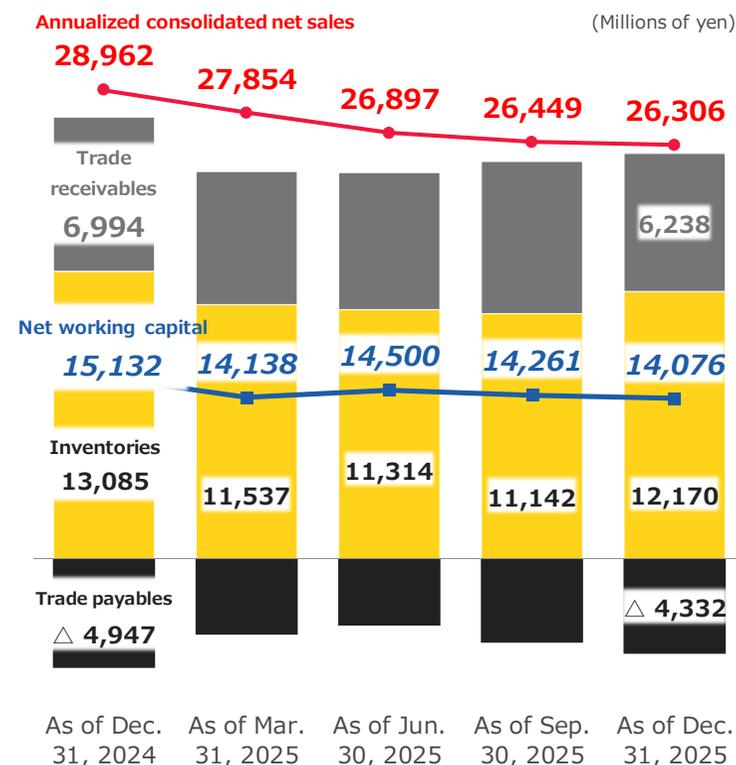
(Millions of yen)



Net Working Capital (Trade Receivables + Inventories - Trade Payables)

- Net working capital decreased by ¥1,056 million YoY (down 7.0%) to ¥14,076 million. The ratio of net working capital to the annualized net sales amount of ¥26,306 million was 53.5%, for a YoY increase of 1.3%.
- Amid a slowdown in sales, inventories decreased by ¥915 million YoY (down 7.0%) to ¥12,170 million. Inventory turnover decreased by 0.05 times YoY to 2.16 times.
- Trade payables decreased by ¥615 million YoY (down 12.4%) to ¥4,332 million. In addition to a decrease in purchases, adoption of the 60-day rule under the Subcontract Act resulted in changes to our income/expenditure structure.

	(Millions of yen)			
	As of December 31, 2024	As of December 31, 2025	YoY change	
			Amount	%
Annualized consolidated net sales	28,962	26,306	▲2,656	▲9.2%
Trade receivables	6,994	6,238	▲756	▲10.8%
Inventories	13,085	12,170	▲915	▲7.0%
Trade payables	▲4,947	▲4,332	615	▲12.4%
Net working capital	15,132	14,076	▲1,056	▲7.0%
Inventory turnover	2.21 times	2.16 times	▲0.05 times	
Net working capital/Sales ratio	52.2%	53.5%	1.3%	



Consolidated Business Forecast

- Sales Forecast for the Full Year: We downwardly revised the forecast on November 13, 2025, based on the consolidated financial results for the first half of the fiscal year, and there are no changes to this revision.

(The assumed exchange rate for the second half of the year used in the consolidated business forecast is ¥145 per US\$, and ¥200 million in U.S. tariff costs for the second half have been factored in.)

(Millions of yen)

	First nine months				Full year			
	Nine months ended December 31, 2024 (Results)	Nine months ended December 31, 2025 (Results)	YoY change		Fiscal year ended March 31, 2025 (Results)	Fiscal year ending March 31, 2026 (Forecast)	YoY change	
			Amount	%			Amount	%
Net sales	20,243	18,694	▲ 1,548	▲ 7.7%	27,854	28,000	145	0.5%
Operating profit	1,368	683	▲ 684	▲ 50.0%	1,583	1,250	▲ 333	▲ 21.1%
Ordinary profit	1,413	704	▲ 708	▲ 50.2%	1,494	1,250	▲ 244	▲ 16.4%
Profit attributable to owners of parent	1,435	477	▲ 958	▲ 66.7%	1,435	900	▲ 535	▲ 37.3%
Basic earnings per share (Yen)	¥168.56	¥55.82	▲ ¥112.74	▲ 66.9%	¥168.50	¥105.61	▲ ¥62.88	▲ 37.3%

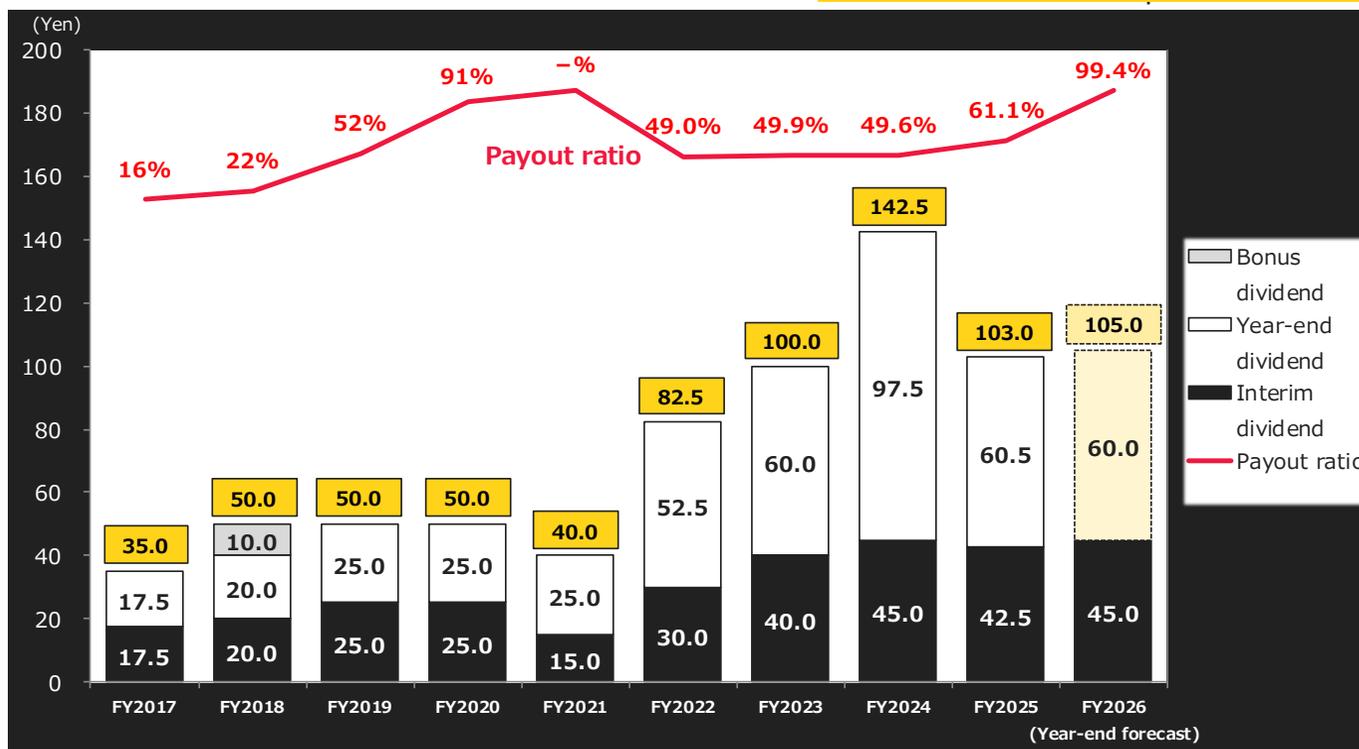
Note: We made a two-for-one share split effective October 1, 2024. Earnings per share have been calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

Dividends per Share

- Since the announcement of the Medium-Term Management Policy on June 2, 2021, we have set a dividend policy as follows, with a target of 8% ROE.

When ROE falls below 3%: A payout ratio of 100% will apply.
 When ROE is between 3% and 6%: A DOE of 3% will apply.
 When ROE exceeds 6%: A payout ratio of 50% will apply.

- ROE in the full year forecast of financial results for the year ending March 31, 2026 is expected to be 3%. In accordance with the dividend policy described to the left, we set a full year dividend forecast at DOE of 3%, and set the dividend per share to ¥105.



Note: We made a ten-for-one share consolidation effective October 1, 2017. Dividend payouts for the periods prior to the share consolidation are adjusted to be in line with the post-consolidation payouts.
 We made a two-for-one share split effective October 1, 2024. Dividend payouts for the periods prior to the share split are adjusted to be in line with the post-split payouts.

KPIs Established in the Medium-Term Management Policy

- In the year ended March 31, 2024, upside factors enabled us to achieve the KPIs established in the medium-term management policy.
- As the global Construction Machinery Market enters an adjustment phase, the addition of negative impacts from the U.S. tariff issue brings our current ROE forecast to 3.0%.
- We will continue to promote profit structure reform aiming for ROE of 8% and PBR above 1.

(Millions of yen)

	Nine months ended December 31, 2024 (Results)	Nine months ended December 31, 2025 (Results)	Fiscal year ended March 31, 2024 (Results)	Fiscal year ended March 31, 2025 (Results)	Fiscal year ending March 31, 2026 (Forecast)	Target for the fiscal year ending March 31, 2026
Net sales	20,243	18,694	33,020	27,854	28,000	30,000
Operating profit	1,368	683	3,318	1,583	1,250	3,100
Rate of return on equity (ROE) *1	6.5%	2.1%	9.0%	4.9%	3.0%	8.0%
Share buybacks	—	—	—	—	Cumulative amount of share buybacks	
					340*2	500 ~ 2,000*3

*1 The annualized ROEs were calculated based on the year-to-date results of the corresponding fiscal year.

*2 The amount represents the cumulative amount of share buybacks that had been executed as of February 13, 2026.

*3 The amount represents the targets of the cumulative amount of share buybacks through March 31, 2026.

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Performance forecasts and other forward-looking statements in this document are based on information available at the time of this writing, as well as certain assumptions deemed reasonable. Actual performance and other results may differ depending on a variety of factors.