Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities Code: 6358
June 4, 2026

To our shareholders:

Ichiro Sakai
President and Representing Director
SAKAI HEAVY INDUSTRIES, LTD.
1-9-9 Shibadaimon, Minato-ku, Tokyo

Notice of the 78th Annual General Meeting of Shareholders

We are pleased to announce the 78th Annual General Meeting of Shareholders of SAKAI HEAVY INDUSTRIES, LTD. (the "Company"), which will be held as indicated below.

The Company has taken electronic provision measures for the information including Reference Documents for the General Meeting of Shareholders (matters subject to measures for electronic provision) in convening this General Meeting of Shareholders, and posted the information on the Company's website on the Internet. Please access the following websites for confirmation.

The Company's website

https://www.sakainet.co.jp/ir/stock/soukai.html (in Japanese)

(Access the website above, and from the menu, select "Investor Relations," "Stock Information," and "General Meeting of Shareholders" to find the notice.)

In addition to the Company's website, the matters subject to measures for electronic provision are posted on the following website of Tokyo Stock Exchange (TSE).

Tokyo Stock Exchange's website (Listed Company Search)

https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show (in Japanese)

(Access the TSE website above, enter the Company's name "SAKAI HEAVY INDUSTRIES" in the "Issue name (company name)" field or its securities code "6358" in the "Code" field to search for the Company, select "Basic information" and "Documents for public inspection/PR information" in that order, and then find the information posted in "[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].")

In lieu of attending the meeting in person, you may exercise your voting rights in writing (by postal mail) or via the Internet. Please review the attached Reference Documents for General Meeting of Shareholders, and indicate your approval or disapproval of the proposals in the voting form, and exercise your voting rights no later than 5:45 p.m. on Thursday, June 25, 2026 (JST).

1. **Date and Time:** Friday, June 26, 2026 at 10:00 a.m. (JST)

2. **Venue:** Shiba Park Hotel, 2F, Rose
1-5-10 Shiba Koen, Minato-ku, Tokyo

3. **Purposes:**

Items to be reported:

1. The Business Report and the Consolidated Financial Statements for the 78th fiscal year (from April 1, 2025 to March 31, 2026), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit and Supervisory Committee
2. The Non-consolidated Financial Statements for the 78th fiscal year (from April 1, 2025 to March 31, 2026)

Items to be resolved:

Proposal No. 1 Appropriation of Surplus

Proposal No. 2 Election of Two Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

Proposal No. 3 Election of One Director Who Is an Audit and Supervisory Committee Member

4. **Instructions for Exercising Voting Rights**

Please refer to the "Instructions for Exercising Voting Rights" on page 3.

5. **Matters related to electronic provision measures**

Along with this document, we will deliver the documents of matters subject to measures for electronic provision to shareholders who have requested paper-based delivery. However, the following items are excluded from the documents, pursuant to the provisions of laws and regulations and Article 15 of the Articles of Incorporation of the Company:

(1) "Resolutions regarding the System to Ensure the Appropriateness of Business Operations," "Basic Policy and Progress of System Development for Eliminating Antisocial Forces," "Overview of Operation Status to Ensure the Appropriateness of Business Operations," and "Basic Policy for Control of Stock Company" in the Business Report

(2) "Notes to Consolidated Financial Statements" in the Consolidated Financial Statements

(3) "Notes to Non-consolidated Financial Statements" in the Non-consolidated Financial Statements

Therefore, the delivered documents make up a part of the Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Financial Auditor in preparing its Financial Auditor's Reports, and a part of the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Audit and Supervisory Committee in preparing its Audit Report.

If you attend the meeting in person, please submit the voting form at the reception desk.

Should the matters subject to measures for electronic provision require revisions, the description of the revisions, the original versions, and the revised versions will be posted on the Company's website and TSE website, described above, on the Internet.

Instructions for Exercising Voting Rights

The exercise of voting rights in the General Meeting of Shareholders is the important right of all shareholders.

Please exercise your voting rights after reviewing the Reference Documents for the General Meeting of Shareholders.

There are three ways to exercise your voting rights as described below.

Attending the General Meeting of Shareholders

Please submit the voting form at the reception desk.

Date and time: Friday, June 26, 2026, at 10:00 a.m. (JST)

Exercising Voting Rights in Writing (by Postal Mail)

Please indicate your approval or disapproval of each proposal on the voting form, and post it without affixing postage stamps.

Exercise due date: to be received by 5:45 p.m. on Thursday, June 25, 2026 (JST)

Exercising Voting Rights via the Internet

Please indicate your approval or disapproval of each proposal in accordance with the instructions on the following page.

Exercise due date: to be given by 5:45 p.m. on Thursday, June 25, 2026 (JST)

Instructions for Filling Out the Voting Form

Proposals No. 1 and No. 3

- If you approve, put a circle in the box marked 賛.
- If you disapprove, put a circle in the box marked 否.

Proposal No. 2

- If you approve all candidates, put a circle in the box marked 賛.
- If you disapprove all candidates, put a circle in the box marked 否.
- If you disapprove of some candidates, put a circle in the box marked 賛 and write the candidates' number of whom you disapprove.

- If you exercise your voting rights both in writing (by postal mail) and via the Internet, we will only accept the exercise of your voting rights via the Internet as effective. If you exercise your voting rights more than once via the Internet, only the last vote shall be deemed effective.
- If neither approval nor disapproval of a proposal is indicated on the voting form you sent by postal mail, it shall be deemed a vote of approval.

Instructions for Exercising Voting Rights via the Internet, Etc.

How to scan the QR Code

You can log in to the voting rights exercising website without entering the login ID and temporary password indicated on the voting form.

1. Scan the QR Code indicated on the voting form.

   Note: “QR Code” is a registered trademark of DENSO WAVE INCORPORATED.

2. Indicate your approval or disapproval by following the on-screen instructions.

How to enter your login ID and temporary password

Voting rights exercising website (https://evote.tr.mufg.jp/)

1. Access the voting rights exercising website.
2. Enter the “login ID and temporary password” indicated on the voting form and click “Login.”
3. Indicate your approval or disapproval by following the on-screen instructions.

If you have any difficulties about the use of a personal computer or smartphone for exercising your voting rights via the Internet, please contact:	Securities Agency Division (Help Desk), Mitsubishi UFJ Trust and Banking Corporation **Phone: 0120-173-027** (toll-free and available from 9:00 a.m. to 9:00 p.m., only in Japan)

Reference Documents for the General Meeting of Shareholders

Proposal No. 1 Appropriation of Surplus

The Company proposes the appropriation of surplus as follows:

Year-end dividends

The Company works to secure a stable management base over the long term, and also places importance on the continuation of stable dividends, and makes it a basic policy to distribute results that are supported by business performance and a sound financial structure.

The Company has given comprehensive consideration to matters including the business performance of the fiscal year, and it proposes to pay year-end dividends for the fiscal year as follows:

(1) Type of dividend property

To be paid in cash.

(2) Allotment of dividend property and their aggregate amount

62 yen per common share of the Company

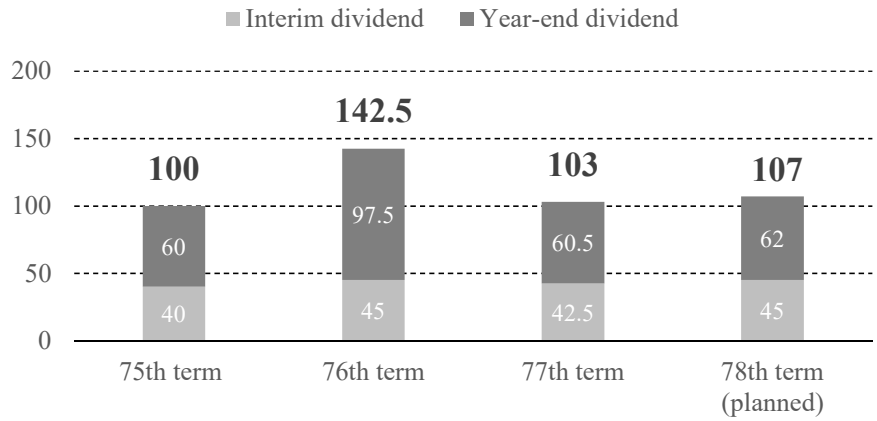
Total dividends: 531,655,580 yen

* Accordingly, the annual dividend for the fiscal year, combined with the year-end dividend, will be 107 yen per share.

(3) Effective date of dividends of surplus June 29, 2026

Reference

Dividend trends (Yen)



* The Company conducted a 2-for-1 stock split for its common shares on October 1, 2024. As a result, dividends per share are shown assuming that the stock split had taken place.

Proposal No. 2 Election of Two Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of two Directors, excluding Directors who are Audit and Supervisory Committee Members, will expire at the conclusion of this meeting. Therefore, the Company proposes the election of two Directors, excluding Directors who are Audit and Supervisory Committee Members.

Candidates for the role of Director (excluding Director who is an Audit and Supervisory Committee Member) are as follows:



Number of the Company's shares owned: 280,328 shares

Tenure: 35 years

Attendance at Board of Directors meetings: 19/19

Candidate No.	Name	Date of birth	
1	**Ichiro Sakai**	December 4, 1961	Reelection

Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)

July 1990	Joined the Company
June 1991	Director and Deputy General Manager of Corporate Planning Office
July 1993	Managing Director and General Manager of Business Promotion Office
Mar. 1995	**President and Representing Director (current position)**
Apr. 1995	Director and Chairman of SAKAI AMERICA, INC.
Jan. 2000	Director and Chairman of SAKAI AMERICA MANUFACTURING, INC.
Dec. 2008	Director and Chairman of SAKAI AMERICA, INC.
June 2019	**Outside Director of PRONEXUS INC. (current position)**

Reasons for nomination as candidate for Director

Ichiro Sakai assumed the office as Director in June 1991, and has served as President and Representing Director of the Company since March 1995, and has abundant experience and advanced knowledge as a manager. The Company has nominated him as a candidate for Director because he is considered to be suitable for the medium-term development of the Group and the strengthening of corporate governance.



Number of the Company's shares owned: 48,500 shares

Tenure: 4 years

Attendance at Board of Directors meetings: 19/19

Candidate No.	Name	Date of birth	
2	**Kenichi Mizuuchi**	February 23, 1955	Reelection

Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)

Aug. 1982	Joined the Company
Apr. 1995	Head of Shikoku Sales Office, Domestic Sales Department, Sales Division
Apr. 2006	General Manager of Extensive Sales Department, Domestic Business Division
Apr. 2014	General Manager of Domestic Business Division and General Manager of Domestic Sales Department
June 2014	Director, General Manager of Domestic Business Division, General Manager of Domestic Sales Department
June 2016	Director, General Manager of Domestic Business Division and General Manager of Domestic Sales Department
July 2017	Managing Director, General Manager of Domestic Business Division and General Manager of Domestic Sales Department
June 2019	Managing Executive Officer, General Manager of Domestic Business Division and General Manager of Domestic Sales Department
Apr. 2020	Senior Managing Executive Officer, General Manager of Domestic Business Division and General Manager of Domestic Sales Department
Apr. 2022	Senior Managing Executive Officer and General Manager of Domestic Business Division
June 2022	**Director, Senior Managing Executive Officer and General Manager of Domestic Business Division (current position)**

Reasons for nomination as candidate for Director

Kenichi Mizuuchi assumed the office as Director in June 2014, and has been engaged in the sales activities of the Company's products in the domestic market as General Manager of Domestic Business Division. The Company has nominated him as a candidate for Director because he has abundant sales and marketing experience in road machinery and is considered to be suitable for developing the Company's global niche strategy.

Notes: 1. There is no special interest between each of the candidates and the Company.

2. The Company has entered into a directors and officers liability insurance policy with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act of Japan, and the policy covers damages and litigation expenses incurred by the insured, including the Company's Directors. (However, there are certain exemptions, such as damages not being covered for acts committed by the insured with the knowledge that they were in violation of laws and regulations). In the event that each candidate is elected and assumes the office as a Director, they will be the insured under the policy. In addition, the Company plans to renew the policy with the same terms at the next renewal.

Proposal No. 3 Election of One Director Who Is an Audit and Supervisory Committee Member

Out of three Directors who are Audit and Supervisory Committee Members, the term of office of Director Kaori Sato will expire at the conclusion of this meeting. Accordingly, the Company proposes to elect one Director who is an Audit and Supervisory Committee Member.

In addition, the consent of the Audit and Supervisory Committee has been obtained for this proposal.

Candidate for the role of Director who is an Audit and Supervisory Committee Member is as follows:



Kaori Sato	Date of birth November 19, 1971	Reelection

Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)

Jan. 1993	Joined SATO Co., ltd.
Jan. 2007	Senior Managing Director of SATO Co., ltd.
Nov. 2012	**Representative Director of SATO Co., ltd. (current position)**
June 2022	**Director and Audit and Supervisory Committee Member of the Company (current position)**

Number of the Company's shares owned: 2,500 shares

Tenure: 4 years

Attendance at Board of Directors meetings: 17/19

Attendance at Audit and Supervisory Committee meetings: 13/14

Reasons for nomination as candidate for outside Director and outline of expected roles

Kaori Sato is a female manager who has served as Representative Director of SATO Co., ltd. since November 2012 and has extensive experience in management of construction equipment rental and overseas business. She also has extensive insight into the Company's road machinery business, and the Company believes she is suitable to serve as an outside Director who is an Audit and Supervisory Committee Member.

Notes: 1. There is no special interest between the candidate and the Company.

2. Kaori Sato is a candidate for outside Director of the Company.

3. Kaori Sato is designated as an independent officer as provided for by the Tokyo Stock Exchange. If the reelection of Kaori Sato is approved, the Company will continue its designation of Kaori Sato as an independent officer.

4. Pursuant to Article 427, paragraph (1) of the Companies Act of Japan, the Company entered into an agreement with Kaori Sato to limit her liability for damages under Article 423, paragraph (1) of the same Act. The maximum amount of liability for damages based on such agreement shall be the minimum liability amount stipulated in Article 425, paragraph (1) of the same Act. In the event that Kaori Sato is reelected, the Company will continue this agreement with her.

5. The Company has entered into a directors and officers liability insurance policy with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act of Japan, and the policy covers damages and litigation expenses incurred by the insured, including the Company's Directors. (However, there are certain exemptions, such as damages not being covered for acts committed by the insured with the knowledge that they were in violation of laws and regulations). In the event that the candidate is elected and assumes the office as a Director, the candidate will be the insured under the policy. In addition, the Company plans to renew the policy with the same terms at the next renewal.

6. The transactions between SATO Co., ltd., for which Kaori Sato currently serves as Representative Director, and the Company are minimal, accounting for about 0.1% of the Company's consolidated net sales for the fiscal year under review. Therefore, there is no business relationship that should be noted as having an impact on the performance of her duties as an outside Director.

Current status of the corporate group

(1) Progress and results of operations

As the scrap and build of the international order through the power struggles among superpowers continues, the business environment affecting SAKAI HEAVY INDUSTRIES, LTD. and its subsidiaries (the "Group") during the fiscal year ended March 31, 2026 (April 1, 2025 to March 31, 2026) continued amid growing global uncertainty, including the rising risk of stagflation due to the U.S. imposition of high tariffs and the escalating tensions in the Middle East.

On the other hand, in the real economy, as the social implementation of and massive investments in AI technology, which is a key component of the Fourth Industrial Revolution, accelerate, and as global infrastructure investments increase, the Construction Machinery Market has begun to show signs of bottoming out.

Under these circumstances, the Group has been working to reform its profit structure through price strategies and value enhancement, improve human organizational capabilities through improving working environment and increasing on-site skilled laborers, restructure competitive strategies in response to changes in the market environment, and improve quality of manufacturing.

As a result, net sales for the fiscal year under review were 27,540 million yen, a decrease of 1.1% year on year. This is due to the slowdown in sales finally bottoming out. Operating profit was 1,580 million yen, an increase of 0.3% year on year, due to an improvement in the cost ratio. Ordinary profit was 1,580 million yen, an increase of 5.8% year on year, and profit attributable to owners of parent was 1,760 million yen, an increase of 22.8% year on year, due to the gain on sales of investment securities of 940 million yen.

The following presents net sales on a consolidated basis by geographic segment.

Net sales in Japan were 12,500 million yen, an increase of 4.2% year on year, due to a slowdown in sales bottoming out in line with adjustments to distribution inventory, amid strong government construction investment against the backdrop of measures to accelerate national land resilience.

Net sales to overseas were 15,030 million yen, a decrease of 5.2% year on year.

Net sales to North America were 7,250 million yen, a decrease of 4.3% year on year, due to a slowdown in sales starting to bottom out in line with adjustments to distribution inventory and high-tariff policies amid ongoing investments on high levels of road constructions and AI-related constructions against the backdrop of the Infrastructure Investment and Jobs Act.

Net sales to Asia were 6,880 million yen, a decrease of 1.9% year on year, due to increased sales in Vietnam, the Philippines, and Laos, etc. although sales remained sluggish in Indonesia.

Net sales to other markets were 890 million yen, a decrease of 28.7% year on year, due to decreased sales in Oceania and Africa, despite progress in market development in Latin America.

	77th term (Previous fiscal year) (From April 1, 2024 to March 31, 2025)	78th term (Fiscal year under review) (From April 1, 2025 to March 31, 2026)	Year-on-year change	
	Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)	Increase (Decrease) (%)
Net sales	27,854	27,541	(312)	(1.1)
Operating profit	1,583	1,588	4	0.3
Ordinary profit	1,494	1,581	87	5.8
Profit attributable to owners of parent	1,435	1,763	327	22.8

Net sales in Japan and overseas are as presented in the following table.

Geographic segment	77th term (Previous fiscal year) (From April 1, 2024 to March 31, 2025)		78th term (Fiscal year under review) (From April 1, 2025 to March 31, 2026)		Year-on-year change	
	Amount (Millions of yen)	Composition ratio (%)	Amount (Millions of yen)	Composition ratio (%)	Amount (Millions of yen)	Increase (Decrease) (%)
Japan	12,000	43.1	12,505	45.4	505	4.2
Overseas	15,853	56.9	15,035	54.6	(817)	(5.2)
North America	7,574	27.2	7,252	26.3	(322)	(4.3)
Asia	7,021	25.2	6,887	25.0	(134)	(1.9)
Others	1,257	4.5	896	3.3	(361)	(28.7)
Total	27,854	100.0	27,541	100.0	(312)	(1.1)

Note: Major countries and regions that belong to each overseas geographic segment in the fiscal year under review

North America ..... United States

Asia ..... Indonesia, China and the various countries surrounding the Mekong River

Others ..... Africa, Oceania and Central and South America

(2) Issues to be addressed

In the Global Construction Machinery Market, although a phase of adjustments continues in the short term, potential demand for construction machinery is expected to remain stable and will recover in line with the economic cycle 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 the defense buildup budget in Japan, high-level infrastructure investments in the U.S., infrastructure investment and mine development becoming active in emerging countries, together with renewal of aging infrastructure, response to increasingly severe natural disasters, and reconstruction demand. As a result, the Global Construction Machinery Market is expected to recover with an economic cycle.

Meanwhile, the future remains uncertain due to the risk of downward pressure on the global economy caused by turmoil in the global order and the soaring prices of energy and raw materials from the prolonged crisis in the Middle East.

Under these circumstances, the Group will work on increasing growth and profitability by balancing the strengthening of our ability to launch new products and expand into new markets for growth, improving profitability through pricing strategies and high added value, achieving business transformation and strengthening corporate structure through AI implementation, as well as increasing investment in human capital and improving revenue productivity.

As the strategy to ensure medium- to long-term growth, the Group will also make continuous efforts to further develop Asian markets while pioneering North American markets, expand overseas business domains, leverage innovative technology to create next-generation businesses, and promote growth strategy to be more responsive to demand changes. In addition, the Group will grow corporate value in the medium- to long-term.

The Group plans to announce its next medium-term management policy in late July.

Consolidated Financial Statements

Consolidated Balance Sheet (As of March 31, 2026) (Thousands of yen)

Item	Amount	Item	Amount
Assets		**Liabilities**	
Current assets	**27,545,135**	**Current liabilities**	**9,985,298**
Cash and deposits	6,552,672	Notes and accounts payable - trade	1,247,082
Notes and accounts receivable - trade	6,406,088	Electronically recorded obligations - operating	1,316,195
Electronically recorded monetary claims - operating	1,239,009		
Merchandise and finished goods	4,797,586	Short-term borrowings	4,613,087
Work in process	1,303,984	Income taxes payable	388,349
Raw materials and supplies	4,870,968	Provision for product warranties	403,764
Other	2,375,501	Other	2,016,818
Allowance for doubtful accounts	(675)	**Non-current liabilities**	**2,273,805**
Non-current assets	**16,391,172**	Long-term borrowings	78,848
Property, plant and equipment	**7,951,841**	Lease liabilities	518,514
Buildings and structures	3,218,816	Deferred tax liabilities	1,286,336
Machinery, equipment and vehicles	743,468	Retirement benefit liability	255,984
		Other	134,121
Land	3,521,469	**Total liabilities**	**12,259,103**
Leased assets	339,045	**Net assets**	
Other	129,040	**Shareholders' equity**	**24,980,880**
Intangible assets	**528,179**	Share capital	3,425,058
Investments and other assets	**7,911,151**	Capital surplus	6,671,002
Investment securities	6,116,749	Retained earnings	15,297,436
Deferred tax assets	263,291	Treasury shares	(412,617)
Other	1,531,110	**Accumulated other comprehensive income**	**6,614,051**
		Valuation difference on available-for-sale securities	3,601,881
		Foreign currency translation adjustment	3,027,499
		Remeasurements of defined benefit plans	(15,328)
		Non-controlling interests	**82,272**
		Total net assets	**31,677,204**
Total assets	**43,936,308**	**Total liabilities and net assets**	**43,936,308**

Note: Listed amounts have been rounded down to the nearest thousand yen.

Consolidated Statement of Income (From April 1, 2025 to March 31, 2026) (Thousands of yen)

Item	Amount	
Net sales		**27,541,409**
Cost of sales		**19,856,242**
Gross profit		**7,685,167**
Selling, general and administrative expenses		**6,097,023**
Operating profit		**1,588,144**
Non-operating income		
Interest income	10,365	
Dividend income	246,960	
Foreign exchange gains	2,380	
Other	51,073	310,779
Non-operating expenses		
Interest expenses	223,843	
Bank charge	74,610	
Other	18,996	317,450
Ordinary profit		**1,581,472**
Extraordinary income		
Gain on sale of non-current assets	2,298	
Gain on sale of investment securities	943,508	945,806
Extraordinary losses		
Loss on sale of non-current assets	112	112
Profit before income taxes		**2,527,166**
Income taxes - current	717,774	
Income taxes - deferred	41,289	759,064
Profit		**1,768,102**
Profit attributable to non-controlling interests		4,987
Profit attributable to owners of parent		**1,763,114**

Note: Listed amounts have been rounded down to the nearest thousand yen.

Consolidated Statement of Changes in Equity (From April 1, 2025 to March 31, 2026)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,381,692	6,627,635	14,436,335	(411,297)	24,034,365
Changes during period					
Issuance of new shares	43,366	43,366			86,732
Dividends of surplus			(902,013)		(902,013)
Profit attributable to owners of parent			1,763,114		1,763,114
Purchase of treasury shares				(1,320)	(1,320)
Net changes in items other than shareholders' equity					
Total changes during period	43,366	43,366	861,101	(1,320)	946,514
Balance at end of period	3,425,058	6,671,002	15,297,436	(412,617)	24,980,880

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	3,181,536	2,846,230	(11,325)	6,016,440	79,697	30,130,504
Changes during period						
Issuance of new shares						86,732
Dividends of surplus						(902,013)
Profit attributable to owners of parent						1,763,114
Purchase of treasury shares						(1,320)
Net changes in items other than shareholders' equity	420,344	181,268	(4,003)	597,610	2,575	600,185
Total changes during period	420,344	181,268	(4,003)	597,610	2,575	1,546,700
Balance at end of period	3,601,881	3,027,499	(15,328)	6,614,051	82,272	31,677,204

Note: Listed amounts have been rounded down to the nearest thousand yen.