Note : This document has been translated from 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.

Jul 31, 2026

To whom it may concern:

Company Name: SAKAI HEAVY INDUSTRIES, LTD.
Representative: Ichiro Sakai, President and Representing Director
Securities Code: 6358 (Tokyo Stock Exchange Prime Market)
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Notice Regarding the Formulation of “Medium-Term Management Plan 2031”

SAKAI HEAVY INDUSTRIES, LTD. (hereinafter, "Sakai") hereby announces that it has formulated the “Medium-Term Management Plan 2031.” It covers the five-year period from the fiscal year ending March 2027 through the fiscal year ending March 2031, as outlined below.
Further details are scheduled to be posted on Sakai’s IR website on Friday, August 7, 2026.

1. Overview of the Medium-term Management Plan 2031

① Sakai’s main business domain is the global roller market which is growing long term
② Drive revenue expansion through market-specific strategies for Japan, North America, and ASEAN, with the strengthening of product deployment capability as the primary growth driver
③ Establish a new axis of growth by expanding into business fields adjacent to rollers
④ Increase organizational efficiency and business operations and to increase profitability through the utilization of AI and Digital Transformation (DX)

Through these initiatives, Sakai aims to become a "world top-class global niche player in road construction equipment" that achieves both business growth and improved return on capital.

2. Key Financial Targets（Consolidated）

KPI	FY2026 Results	FY2029 Targets	FY2031 Targets
Net Sales	JPY 27.5 bn	JPY 36.5 bn	JPY 42.0 bn
Operating Income	JPY 1.6 bn	JPY 4.0 bn	JPY 5.5 bn
ROE	5.7%	8.0%	10.0%

3. Dividend Policy

In working toward our target ROE of 10.0%, Sakai will return profits to shareholders in line with its earnings and the strength of its financial position, continuing the dividend policy established under the previous plan:

If ROE is above 6%: Dividend payout ratio will be 50%
If ROE is between 3% and 6%: DOE will be 3%
If ROE falls below 3%: Dividend payout ratio will be 100%