

# FY 2024 1st Half (Jan-Jun) Financial Explanatory Briefing

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September 2, 2024

Tadano Ltd.

President and CEO Toshiaki Ujiie

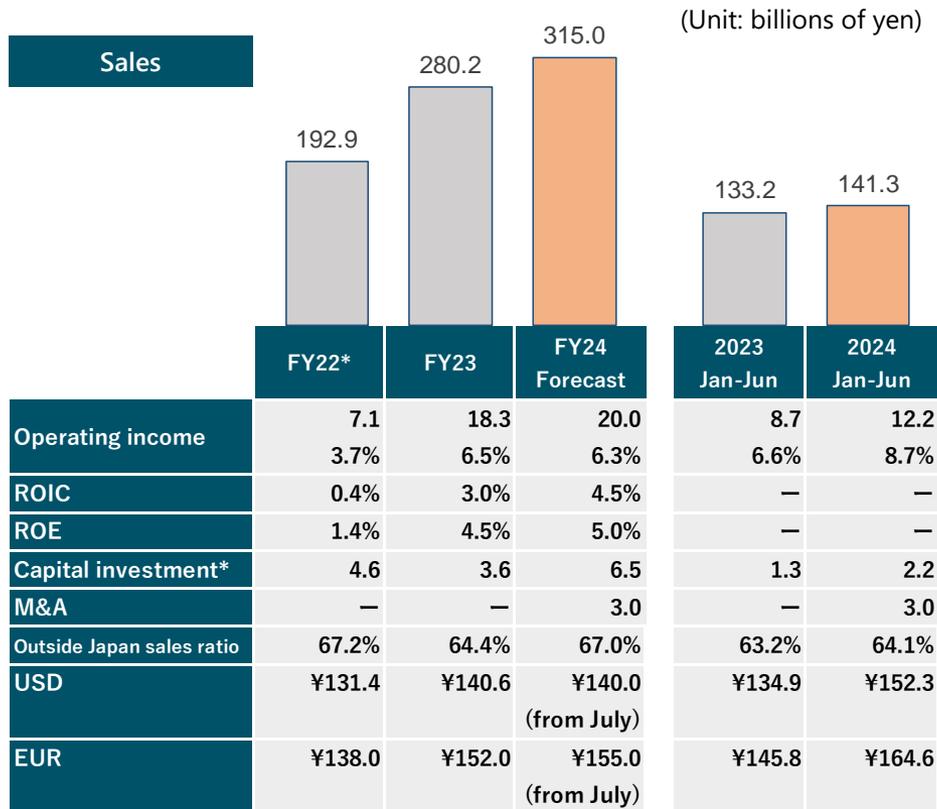
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< Notes >

- Forward-looking statements contained in this report are based on information available as of the date this report was prepared. A variety of factors may cause actual results to differ from projections.
- Presentation of demand and share:
  - Figures showing demand based on Tadano research are rounded to the nearest ten units.
  - Figures showing share are rounded to the nearest whole share.
  - Mobile Cranes produced in Russia and produced in China for the Chinese market are excluded from demand.
- Abbreviation in this material: "RT" refers to Rough Terrain Cranes, "AT" to All Terrain Cranes, "TC" to Truck Cranes, and "CC" to Crawler Cranes

FY 2024 1st Half Results  
and FY 2024 Full Year Forecast

# FY 2024 1st Half Results and FY 2024 Full Year Forecast



## FY 2024 1st Half Results:

- Net sales and income increased. Net sales reached record high as cumulative second quarter.
- Despite increases in raw material prices, operating income increased by ¥3.4 billion due to improvements in selling prices and foreign exchange effects (YoY).
- Aerial work platform sales increased largely due to acquisition of Tadano Utilities (+39% YoY).

## FY 2024 Forecast :

- Net sales and income are expected to increase (YoY). Net sales will reach record high following FY 2023.
- Initial business performance and exchange rate assumptions in FY 2024 remain unchanged. Despite uncertainties in foreign exchange rates and political and economic conditions, business plan has progressed within the range of our initial forecast.
- Production constraints in Europe are still being resolved. However, generally firm demand, improvements in selling prices around the world and foreign exchange effects (first half results) will offset these uncertainties.

\*FY22 shall be the 9-month fiscal period from April to December due to the change in fiscal year end.

\*Figures for capital investments exclude leased assets.

# Current Business Environment

## Demand Trends for Mobile Cranes

- Japan : Slight decrease due to continued shortage of crane operators and ongoing assessment of impact on the new regulation of maximum working hours for workers in the transportation and construction industries, which was applied on April 1, 2024.
- Outside Japan : Trend for increase generally continues although it varies by region. Demand in China continues to decrease, and Chinese manufacturers' exports continue to increase.

Demand (Units)

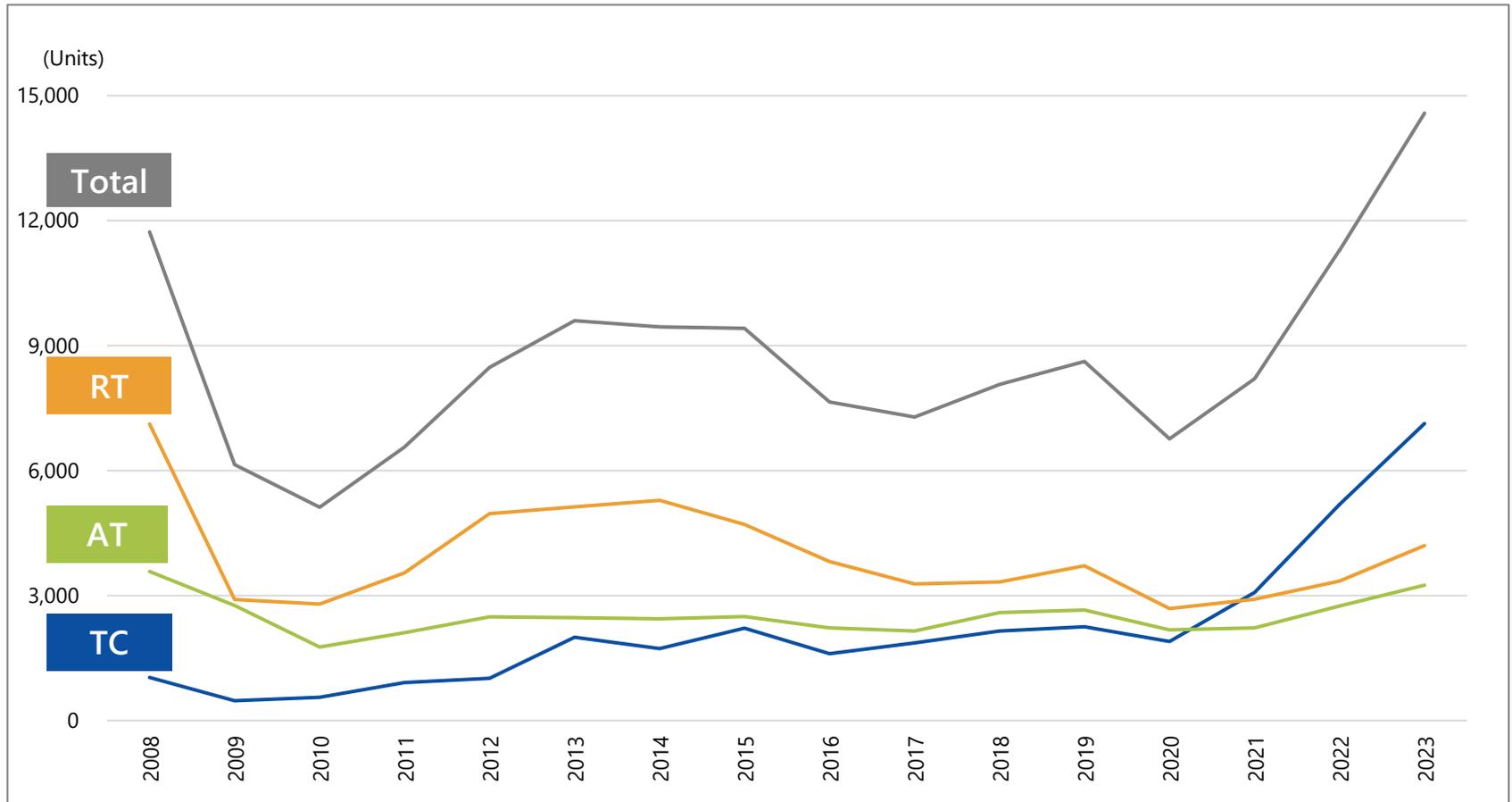
	CY20	CY21	CY22	CY23	CY23 Q2	CY24 Q2	vs CY23 Q2	
Europe	1,390	1,360	1,470	1,470	790	870	+80	110%
North America	980	1,090	1,150	1,480	680	780	+100	115%
Latin America	200	370	590	880	350	710	+360	203%
Asia	1,020	1,360	2,020	2,720	1,520	1,390	△130	91%
Middle East	480	520	910	1,840	740	1,230	+490	166%
Oceania	160	300	440	470	300	120	△180	40%
CIS	790	1,430	2,340	3,390	1,890	2,120	+230	112%
Africa	220	350	980	880	510	380	△130	75%
Subtotal (excl. China)	5,240	6,780	9,900	13,130	6,780	7,600	+820	112%
Japan	1,520	1,420	1,380	1,450	780	730	△50	94%
Total (excl. China)	6,760	8,200	11,280	14,580	7,560	8,330	+770	110%
China	54,000	46,000	22,000	19,000	12,000	7,000	△5,000	58%

\*Figures are based on Tadano research (Figures showing demand are rounded to the nearest ten units).

\*Mobile Cranes produced in Russia are excluded.

# Demand Trends for Mobile Cranes

## Global Demand (excluding China)



\* Figures are our estimation (Figures showing demand are rounded to the nearest ten units).

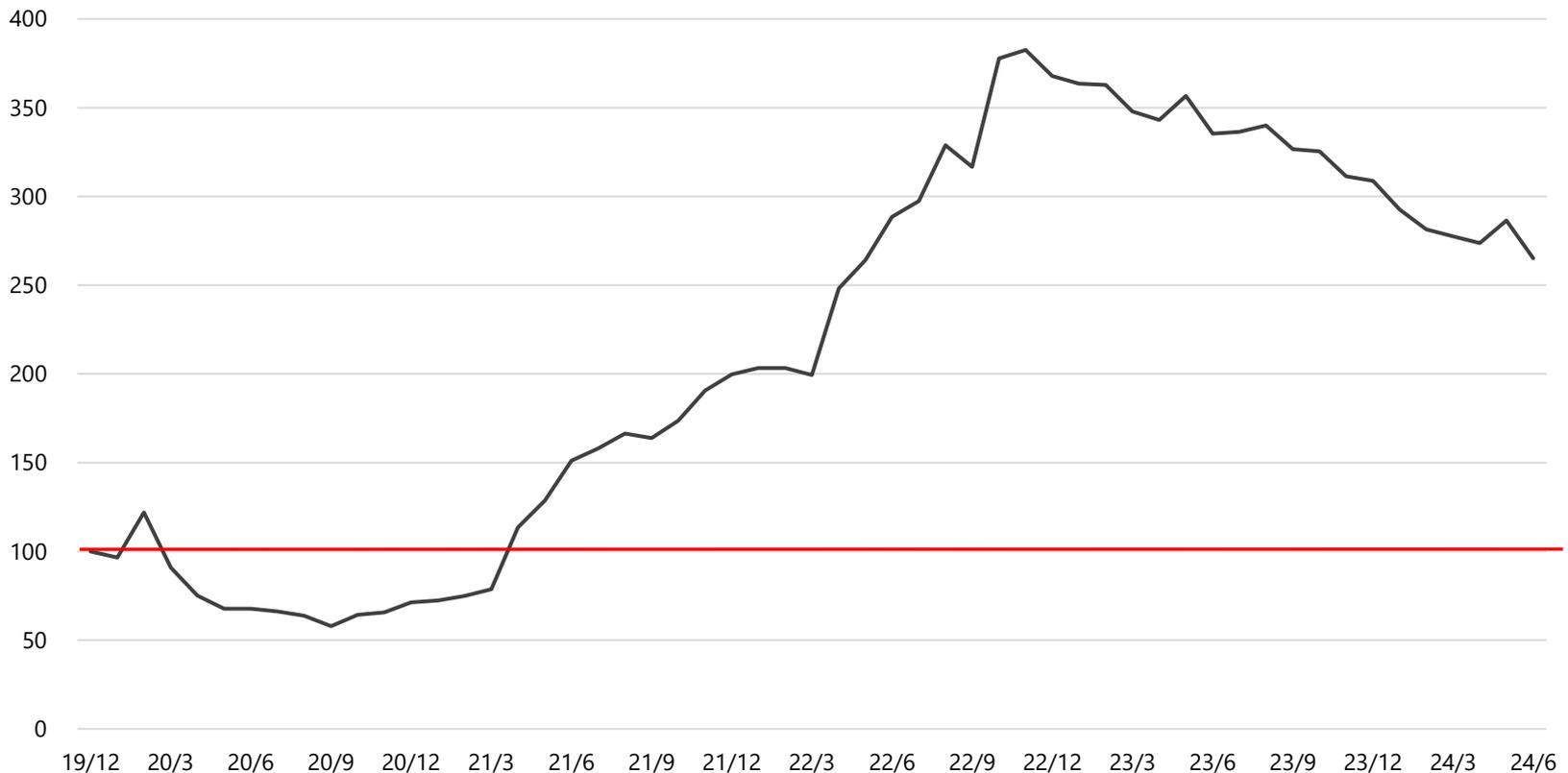
\* Chinese-manufactured cranes are also included starting from 2010.

\* Mobile Cranes produced in Russia and produced in China for the Chinese market are excluded from demand.

# Order Backlog Trends for Mobile Cranes

- Demand remains at a high level.
- While European production constraints for AT and CC are being resolved, RT is being produced at full capacity and delivered. The overall order backlog has partially moderated from its peak level.

Graph : trends in order backlog (by monetary value) in December 2019 normalized to the value of 100



# Production Situation

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## ■ Japan

- Mobile cranes:
  - ✓ Both procurement and production have progressed as planned
- Truck loader cranes / Aerial work platforms:
  - ✓ In the 1st half, constraints of truck chassis supply continued - Truck registration numbers in Japan decreased by 4% YoY
  - ✓ Situation of truck supply tended to recover for April to June, we expect full-scale recovery in the 2nd half

## ■ Europe

- Production constraints are being resolved, but delayed deliveries from suppliers partially continue
  - ✓ Delayed deliveries of winches, small metal parts, etc.
  - ✓ Temporary delay due to transfer of in-house parts outsourcing
- Temporary decline in production efficiency due to plant reorganization
  - ✓ Preparation for production transfer

# Mid-Term Management Plan (24-26) Progress

## Mid-Term Management Plan (24-26) Basic Policy

- As a leading company in the industry, we provide new value for customer's safety and global environment.

Slogan	Major KPIs	Cash Allocation
<p><b>Reaching new heights</b> - Entering a new era -</p>	<p>Sales: 330 billion yen Operating income: 30 billion yen ROIC: 8.0% ROE: 9.5%</p>	<p>Future-oriented invest.: 30+α billion yen Working capital: 60-70 billion yen Dividend payout ratio: Approx. 30%</p>

Basic Strategy	
(1) Advancing decarbonization	<ul style="list-style-type: none"> <li>• Expansion of environmentally friendly products (Tadano Green Solutions)</li> </ul>
(2) Venture into new areas	<ul style="list-style-type: none"> <li>• Global promotion of AWP</li> <li>• Business expansion by changing the "common"</li> <li>• Development and commercialization of new technologies</li> </ul>
(3) Manufacturing reforms that leverage strengths	<ul style="list-style-type: none"> <li>• Optimization of development and manufacturing</li> <li>• Maximizing profitability of European operations</li> </ul>
(4) Establishing foothold to support transformation	<ul style="list-style-type: none"> <li>• Sales leveraging regional strengths</li> <li>• Strengthening service capabilities</li> <li>• Automation and energy saving in production</li> <li>• Strengthening human resources base linked to management strategy</li> </ul>

# Mid-Term Management Plan (24-26) Progress

## Advancing decarbonization <Expansion of environmentally friendly products>

### ■ Global collaboration between Tadano and Vestas for development of nacelle cranes

- In July of this year, we reached an agreement with Vestas on a global collaboration to develop and sell nacelle cranes specialized for wind turbine maintenance.
- The collaboration with Vestas, the world's leading wind power manufacturer, will bring great value to our company and we aim to expand our contributions in the offshore wind power field through our products, not only to Japan but also globally.



### ■ Introduction of fully electrified RT "EVOLT" to Japanese market

- The world's first fully electrified RT, "EVOLT eGR-250N," was launched to the Japanese market in December of last year.
- As of the 1st half, we have sold one unit and rented it to four companies. In addition to its environmental benefits, the crane has received high praise from customers for its low noise and excellent usability.
- The crane was added as a certified model under the "GX Construction Machinery" certification system\* this March. Moving forward, we aim to achieve further market penetration through efforts to reduce costs and advocate for subsidy programs.

\*GX Construction Machinery Certification System:  
System operated by a Japanese authority and aimed at promoting decarbonization of industrial vehicles



# Mid-Term Management Plan (24-26) Progress

## Manufacturing reforms that leverage our strength 〈AT Production consolidation & turnaround of European operations〉

### ■ Plant reorganization

- Discussions continue with related parties about plant reorganization (Closure of TDG\* Watterscheid plant + production consolidation) according to the announcement on 14<sup>th</sup> February.
  - Europe: Mid-Large size AT/CCs for better margin
  - Japan: Small size AT for cost/delivery improvement
- Prototype under preparation to start commercial production in mid 2025 in Japan.
  - Production space and necessary equipment under securing
- Expansion of test yard at TDG Dinglerstraße to support CC promotion. Also, fully electrified CC is under development for commercial production.



\* TDG: Tadano Demag GmbH

## Venture into new areas 〈Global promotion of AWP〉

### ■ Accelerating integration with TUL\* and efforts towards global expansion

- On February 1, Nagano Industry (current TUL) joined the Group, and integration activities are being driven forward.
- Exhibited together with Tadano Utilities at Construction & Survey Productivity Improvement EXPO\* (CSPI-EXPO 2024), held from May 22 to 24 this year.
- The product distribution will be integrated into Tadano's established global sales channels, with a transition planned from FY 2025.



\* TUL: Tadano Utilities, producing self-propelled AWP in Japan

\* Construction & Survey Productivity Improvement EXPO:  
An exhibition showcasing cutting-edge technologies for improving productivity and one of the largest of its kind in Japan.

# Mid-Term Management Plan (24-26) Progress

## Initiatives for sustainable growth

<b>Environment</b>	<ul style="list-style-type: none"><li>• Expanding the sales and rental of fully electrified rough terrain crane</li><li>• Installation of smart trash bins "SmaGO" at Mt. Yashima in Takamatsu for waste collection and recycling</li></ul>
<b>Social</b>	<ul style="list-style-type: none"><li>• Held a plant tour for families inside and outside the company in collaboration with local educational institution and organization</li><li>• Introduction of "Special Incentive Scheme (Treasury Share Disposal)" through Employees Shareholding Association → Increase in participation rate from 29% to 86%</li></ul>
<b>Governance</b>	<ul style="list-style-type: none"><li>• Strengthened the operation system of the Nomination and Compensation Advisory Committee by appointing an independent external director as the chair</li><li>• Revising the definition and items of the Board of Directors' skills matrix</li></ul>



Fully electrified RT active on site



Smart trash bins "SmaGO" installed at Mt. Yashima in Takamatsu City



Plant tour for families

Reaching new  heights