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Consolidated Financial Results for the Six Months Ended June 30, 2024 [Japanese GAAP]

August 9, 2024

Company name: TADANO LTD.
 Listing: Tokyo Stock Exchange
 Securities code: 6395
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 Scheduled date to file semi-annual securities report: August 9, 2024
 Scheduled date to commence dividend payments: September 5, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

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

1. Consolidated Financial Results for the Six Months Ended June 30, 2024 (January 1, 2024 to June 30, 2024)

(1) Consolidated Operating Results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended June 30, 2024	141,381	6.1	12,283	39.6	10,942	39.9	5,185	59.5
June 30, 2023	133,267	-	8,797	-	7,820	-	3,250	-

(Note) Comprehensive income: For the six months ended June 30, 2024: ¥ 10,224 million [9.1%]
 For the six months ended June 30, 2023: ¥ 9,373 million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2024	40.86	-
June 30, 2023	25.62	-

(Note) The Tadano group has changed the closing date from March 31 to December 31 starting from the fiscal year 2022. Accordingly, the second quarter of the fiscal year 2023 (January 1, 2023 to June 30, 2023) does not match the second quarter of the fiscal year 2022 (April 1, 2022 to September 30, 2022), which is used for comparison. Therefore, the percentage changes from the second quarter of the fiscal year 2022 are not provided.

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
June 30, 2024	369,731	189,753	51.2
December 31, 2023	365,244	181,354	49.6

(Reference) Equity: As of June 30, 2024: ¥ 189,416 million
 As of December 31, 2023: ¥ 181,025 million

2. Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2023	-	4.00	-	15.00	19.00
Fiscal year ending December 31, 2024	-	10.00			
Fiscal year ending December 31, 2024 (Forecast)			-	13.00	23.00

(Note) Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2024 (January 1, 2024 to December 31, 2024) (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
Full year	315,000	12.4	20,000	9.0	17,000	3.9	9,500	22.2	74.85

(Note) Revisions to the financial results forecast most recently announced: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

As of June 30, 2024: 129,500,355 shares

As of December 31, 2023: 129,500,355 shares

2) Number of treasury shares at the end of the period:

As of June 30, 2024: 2,529,644 shares

As of December 31, 2023: 2,588,032 shares

3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year):

Six months ended June 30, 2024: 126,928,966 shares

Six months ended June 30, 2023: 126,847,438 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

Forward-looking statements in these materials are based on information available to the management at the time of preparation of this report and on assumptions that management believes are reasonable, and actual business performance, etc. may differ significantly due to various factors.

Semi-annual Consolidated Financial Statements
Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2023	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	94,343	75,034
Notes and accounts receivable - trade	44,100	41,018
Electronically recorded monetary claims - operating	6,245	5,223
Merchandise and finished goods	58,972	70,031
Work in process	34,063	45,001
Raw materials and supplies	29,246	31,715
Other	11,735	9,295
Allowance for doubtful accounts	(486)	(435)
Total current assets	278,221	276,882
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	24,734	25,081
Machinery, equipment and vehicles, net	8,755	9,309
Land	25,726	26,235
Leased assets, net	477	513
Construction in progress	1,700	1,506
Other, net	4,558	4,786
Total property, plant and equipment	65,952	67,432
Intangible assets	2,612	6,100
Investments and other assets		
Investment securities	10,549	10,596
Deferred tax assets	6,427	7,373
Other	1,800	1,673
Allowance for doubtful accounts	(319)	(327)
Total investments and other assets	18,457	19,315
Total non-current assets	87,023	92,848
Total assets	365,244	369,731

(Millions of yen)

	As of December 31, 2023	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	39,476	37,492
Electronically recorded obligations - operating	8,961	7,965
Short-term borrowings	34,605	40,468
Current portion of bonds payable	10,000	-
Lease liabilities	1,240	1,345
Accounts payable - other	9,725	7,174
Income taxes payable	7,047	5,413
Provision for product warranties	5,366	5,462
Other	8,582	15,020
Total current liabilities	125,005	120,343
Non-current liabilities		
Bonds payable	40,000	40,000
Long-term borrowings	2,450	1,950
Lease liabilities	3,020	3,217
Deferred tax liabilities	695	1,225
Deferred tax liabilities for land revaluation	2,109	2,109
Retirement benefit liability	9,456	9,919
Other	1,153	1,214
Total non-current liabilities	58,884	59,635
Total liabilities	183,890	179,978
Net assets		
Shareholders' equity		
Share capital	13,021	13,021
Capital surplus	17,420	17,445
Retained earnings	135,453	138,735
Treasury shares	(2,380)	(2,327)
Total shareholders' equity	163,514	166,874
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,227	3,500
Revaluation reserve for land	3,096	3,096
Foreign currency translation adjustment	11,427	16,146
Remeasurements of defined benefit plans	(241)	(202)
Total accumulated other comprehensive income	17,510	22,541
Non-controlling interests	329	336
Total net assets	181,354	189,753
Total liabilities and net assets	365,244	369,731

Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statements of Income (For the six months)

(Millions of yen)

	For the six months ended June 30, 2023	For the six months ended June 30, 2024
Net sales	133,267	141,381
Cost of sales	97,163	98,598
Gross profit	36,104	42,783
Selling, general and administrative expenses	27,306	30,499
Operating profit	8,797	12,283
Non-operating income		
Interest income	54	149
Dividend income	68	87
Other	254	123
Total non-operating income	377	359
Non-operating expenses		
Interest expenses	760	993
Foreign exchange losses	380	601
Other	214	106
Total non-operating expenses	1,355	1,700
Ordinary profit	7,820	10,942
Extraordinary income		
Gain on sale of non-current assets	58	5
Gain on liquidation of subsidiaries and associates	56	-
Gain on sale of investment securities	-	0
Gain on sale of shares of subsidiaries and associates	-	16
Total extraordinary income	115	22
Extraordinary losses		
Loss on sale and retirement of non-current assets	50	13
Loss on sale of investment securities	0	-
Factory restructuring expenses	-	703
Total extraordinary losses	51	716
Profit before income taxes	7,884	10,248
Income taxes - current	4,670	5,890
Income taxes - deferred	(275)	(817)
Total income taxes	4,394	5,072
Profit	3,489	5,175
Profit (loss) attributable to non-controlling interests	239	(10)
Profit attributable to owners of parent	3,250	5,185

Semi-annual Consolidated Statements of Comprehensive Income (For the six months)

(Millions of yen)

	For the six months ended June 30, 2023	For the six months ended June 30, 2024
Profit	3,489	5,175
Other comprehensive income		
Valuation difference on available-for-sale securities	791	273
Foreign currency translation adjustment	5,054	4,736
Remeasurements of defined benefit plans, net of tax	38	38
Total other comprehensive income	5,883	5,048
Comprehensive income	9,373	10,224
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,095	10,216
Comprehensive income attributable to non-controlling interests	277	7

Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended June 30, 2023	For the six months ended June 30, 2024
Cash flows from operating activities		
Profit before income taxes	7,884	10,248
Depreciation	2,875	3,335
Amortization of goodwill	-	73
Increase (decrease) in allowance for doubtful accounts	(94)	(91)
Increase (decrease) in retirement benefit liability	117	76
Loss (gain) on liquidation of subsidiaries and associates	(56)	-
Interest and dividend income	(123)	(236)
Interest expenses	760	993
Loss (gain) on sale of investment securities	0	(0)
Loss (gain) on sale and retirement of non-current assets	(7)	7
Decrease (increase) in trade receivables	71	6,264
Decrease (increase) in inventories	(6,563)	(13,658)
Increase (decrease) in trade payables	(4,916)	(3,924)
Other, net	976	274
Subtotal	922	3,362
Interest and dividends received	123	237
Interest paid	(695)	(1,008)
Income taxes paid	(2,106)	(7,302)
Net cash provided by (used in) operating activities	(1,755)	(4,710)
Cash flows from investing activities		
Decrease (increase) in time deposits	(18)	110
Purchase of property, plant and equipment	(1,334)	(1,982)
Proceeds from sale of property, plant and equipment	196	272
Purchase of investment securities	(0)	(13)
Proceeds from sale of investment securities	0	0
Proceeds from liquidation of subsidiaries and associates	56	-
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(1,592)
Other, net	(268)	53
Net cash provided by (used in) investing activities	(1,367)	(3,152)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,289)	1,585
Repayments of long-term borrowings	-	(2,408)
Redemption of bonds	-	(10,000)
Purchase of treasury shares	(0)	(0)
Dividends paid	(1,014)	(1,903)
Other, net	(619)	(752)
Net cash provided by (used in) financing activities	(3,924)	(13,479)
Effect of exchange rate change on cash and cash equivalents	3,262	2,127
Net increase (decrease) in cash and cash equivalents	(3,784)	(19,215)
Cash and cash equivalents at beginning of period	97,990	94,126
Cash and cash equivalents at end of period	94,205	74,910