

## Tadano Ltd.

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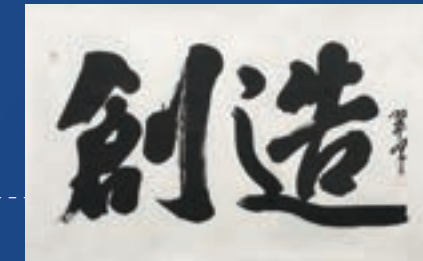
\*Data published in this report  
This report provides financial and product information published in the financial results  
for fiscal year 2020 (ended March 31, 2021) and all other information current as of January 1, 2022.



# Lifting your dreams

Integrated Report 2021

Our corporate philosophy of *Sozo* (Creation),  
*Hoshi* (Contribution) and *Kyoryoku* (Cooperation) is our business.



## Why does Tadano do business?

“Let’s start a steel fabrication business where we can fully utilize our skills.”

“If we do meaningful work that benefits people, we will succeed.

First, we come together and gather our strengths.”

“That is the beginning. Then, we must do something new that other people are not doing yet.”

“There is no challenge in doing things the same way they have always been done.”



These are the words of Masuo Tadano, the founder of Tadano.

At the heart of these words is the idea that a company can exist only when it is in harmony with the people around it. He believed that it is because we function best when we have this harmony that we should aim to be of service to people (Contribution), to combine our efforts as a team (Cooperation), and provide new value to the world (Creation).

This is the origin of our Corporate Philosophy as it has come to be today: *Sozo* (Creation), *Hoshi* (Contribution), *Kyoryoku* (Cooperation). Implementation of this Corporate Philosophy is the ultimate business objective of the Tadano Group.

This steel fabrication business that started with just 4 workers and a small factory went on to develop the OC-2, Japan’s first hydraulic truck crane.

The company then boldly took up new challenges, with everyone working together to produce a range of products. Our products are now making contributions to people living and working throughout the world every day.

We want to make something that will contribute to the world.  
We want to be a company that can contribute to the advancement of society.

These are the ideals that have molded the history of Tadano. *Sozo* (Creation), *Hoshi* (Contribution), *Kyoryoku* (Cooperation) are in our DNA.



# Tadano Group History

For roughly 100 years since its founding in 1919, Tadano has been producing an array of products, including mobile cranes, truck loader cranes, and aerial work platforms, spurred on by the desire to create products that will contribute to the world. The products are used not only in Japan but also all over the world.



Masuo Tadano in his younger days (second from left)

## 1919

### Masuo Tadano starts a welding company in Hokkaido.

Masuo Tadano, the founder of Tadano left Takamatsu, Kagawa, for Asahikawa, Hokkaido, to start a welding business. That day, August 29, 1919, is the day we refer to as the date of our foundation. At that time, welding technology was gaining ground and developing rapidly outside of Japan, and its introduction in Japan was only beginning. Captivated by the sparks of welding, Masuo Tadano was convinced that the technology would make a positive contribution to society and ventured to start a business in Hokkaido. He later went back to his hometown Takamatsu, Kagawa and established Tadano Iron Works Co., Ltd. in 1948.



Tadano Iron Works Co., Ltd. at the time of establishment



TM-2H

## 1962

### Develops the TM-2H truck loader crane

The history of our truck loader cranes, which are the most versatile and commonly used crane models with a wide range of applications, started from the development of the TM-2H in 1962. Today, they constitute our second largest business segment after mobile cranes. In 1983, we developed insulated aerial work platforms, the AT-136TE and the AT-140TE, the third largest business segment. They were well received by parties concerned, because in the development of special purpose vehicle products, including aerial work platforms, we applied technologies accumulated through the development of cranes and factored in user needs based on advance research on the actual conditions under which works are carried out.



AT-136TE



AR-5500M

TR-150

## 1970

### Develops Japan's first hydraulic rough terrain crane, the TR-150, with a 15-ton lifting capacity.

After developing Japan's first hydraulic truck crane, the OC-2, Tadano worked on the development and sales of hydraulic truck cranes and truck loader cranes. In 1970, we developed Japan's first hydraulic rough terrain crane, the TR-150, with a 15-ton lifting capacity. This type of crane was developed as a crane that can travel on the road in the Japanese market, while being a self-propelled crane capable of traveling on irregular terrains or soft ground and traveling and handling crane operations in a single driver's seat. Starting with the development of the TR-150, a number of rough terrain cranes were launched into domestic and international markets. In 1998, we developed the AR-5500M, Japan's largest-capacity all terrain crane at the time, with a 550-ton lifting capacity.



Transportation of products by barge



Solar panels installed at Shido Plant

## 2005

### Implements Corporate Social Responsibility (CSR) initiatives

In 2004, a fatal accident caused by a Tadano rough terrain crane occurred on a national road in Okayama Prefecture. After determining that a defect in the safety device was one of the causes of the accident, Tadano issued a large-scale product recall for 15,278 units (8 types and 16 models) in December. This recall incident made us recognize that our cranes being allowed on public roads is a privilege, and revisit how we should be as a company and what kind of management style we should adopt. We started to promote full-fledged Corporate Social Responsibility (CSR) initiatives from 2005. The Tadano Group CSR Charter was established in 2006 to incorporate CSR perspectives in product development and business activities. In 2008, solar power generation panels were installed on the roof of Shido Plant, and barge docking facilities were constructed at Shido Port for environmentally friendly marine transportation.



Mantis Crane

GTC-1200



TMC's plant

## 2008

### Acquires SpanDeck Inc. (currently Tadano Mantis Corporation), a US-based telescopic boom crawler crane manufacturer

#### History of SpanDeck Inc.

- 1964** Starts as a prestressed concrete equipment manufacturer.
- 1979** Develops telescopic boom crawler cranes with a lifting capacity of 10 and 13 US tons.
- 1990s** Becomes better known as the company's products were used in large-scale construction projects, such as the Big Dig (a megaproject to construct an underground expressway in Boston).
- 2007** Develops the 200RS telescopic boom crawler crane, with a lifting capacity of 100 US tons.



Kozai Plant

## 2019

### Constructs the Kozai Plant

Products of our Group are used all over the world, and our production sites have expanded across the world. After the acquisition of Germany-based Faun GmbH in 1990, we also established production sites in the U.S. and India in 2008 and 2018 respectively. We roll out the manufacturing culture nurtured in Japan, with safety, quality, and efficiency at the core of our business activities. In addition, the Kozai Plant, the fifth plant in Japan, was constructed in Kozakita-machi, Takamatsu City, Kagawa in 2019. Constructed based on the concept of "Next Generation Smart Plant: Harmonizing the Balance of People and Machinery, Connecting to the Next Generation of Smart Manufacturing," the Kozai Plant began full operation in August.

## 1955



OC-2

### Develops Japan's first hydraulic truck crane, the OC-2, with a 2-ton lifting capacity

Since its founding, Tadano Iron Works took on the challenge of developing a variety of products independently and was steadily refining its welding and hydraulic technologies. Taking a hint from information found in a construction machinery magazine, in 1955 the company developed and manufactured its original hydraulic truck crane OC-2, with a 2-ton lifting capacity. Orders for the OC-2, the first of its kind in Japan, poured in from all over the country. It was the company's first step forward as a crane manufacturer.



ATF140N-5-1

## 1990

### Acquires Faun GmbH (currently Tadano Faun GmbH), a German crane and specialized vehicle manufacturer

#### History of Faun GmbH

- 1845** Justus Christian Braun starts a bronze casting business, the forerunner of Faun.
- 1890** Introduces the world's first steam-driven fire engine.
- 1960-1970s** Produces crane carriers for nearly all leading European crane manufacturers.
- 1985** Develops an all terrain crane with a 30-ton lifting capacity.



BEL 5 truck crane



Acquisition of Faun GmbH



V 2500



OC 12000



Christian Dingler



President gives a speech at Day 1 Event

## 2019

### Acquires the Demag Mobile Cranes business (currently Tadano Demag GmbH)

We acquired the Demag Mobile Cranes business, which has a solid reputation as one of the world's leading brands of large all terrain cranes and crawler cranes, to make it possible to cater to the needs of a wide range of customers.

#### History of the Demag Mobile Cranes business

- 1827** Christian Dingler starts a manufacturing workshop, the forerunner of Demag.
- 1950** Develops the V2500 mobile crane, with a 2.5-ton lifting capacity.
- 1987** Develops one of the largest lattice boom crawler cranes at the time, with a 1,000-ton lifting capacity.
- 1998** Develops one of the largest truck cranes at the time, with a 650-ton lifting capacity.
- 2008** Introduces one of the world's largest lattice boom crawler cranes CC8800TWIN, with a 3,200-ton lifting capacity.



C 28.600-1



AC 6.300-1

- 1919** Masuo Tadano starts a welding company in Hokkaido.
- 1948** Tadano Iron Works Co., Ltd. is established in Takamatsu City, Kagawa by Masuo Tadano, who serves as the first company president, with a paid-in capital of 500,000 yen.
- 1950** Invents a railroad track maintenance machine and begins production for Japan National Railways.
- 1954** Starts development of hydraulic industrial machines.
- 1955** Develops Japan's first hydraulic truck crane, the OC-2, with a 2-ton lifting capacity.
- 1959** Relocates main plant to present location in Shinden-cho, Takamatsu City.
- 1960** Delivers company's first hydraulic truck crane exports to Indonesia (four OC-5A cranes).
- 1961** Sozo (Creation), Hoshi (Contribution), and Kyoryoku (Cooperation) are adopted as our Corporate Philosophy.
- 1962** Develops the TM-2H truck loader crane.
- 1970** Develops Japan's first hydraulic rough terrain crane, the TR-150, with a 15-ton lifting capacity.
- 1972** Develops the AML, Japan's first automatic moment limiter (a safety device for preventing crane overload).
- Lists company's shares on the First Sections of the Tokyo Stock Exchange and the Osaka Exchange.
- 1973** Establishes the company's first subsidiary outside of Japan, Tadano International (Europe) B.V. in the Netherlands.

- 1980** Constructs and begins production at the Shido Plant in Sanuki City, Kagawa.
- 1983** Develops insulated aerial work platforms, the AT-136TE and the AT-140TE.
- 1984** Establishes the Beijing Representative Office in China.
- 1989** Changes corporate name to Tadano Ltd. Tadano Group's consolidated net sales reach 100 billion yen for the first time (financial results for fiscal year 1989).
- 1990** Acquires Faun GmbH (currently Tadano Faun GmbH), a German crane and specialized vehicle manufacturer.
- 1991** Begins Moai Statue Restoration Project at Ahu Tongariki on Easter Island in Chile.
- 1993** Establishes Tadano America Corporation in Texas, USA.
- 1996** Establishes Tadano-Multico (S.E. ASIA) Pte. Ltd. (currently Tadano Asia Pte. Ltd.) in Singapore.
- 1997** Relocates Advanced Technology Research Center to Hayashi-cho, Takamatsu City, Kagawa.
- 1998** Develops the AR-5500M, Japan's largest-capacity all terrain crane at the time, with a 550-ton lifting capacity.
- Implements personnel cuts after recording a net loss three times in fiscal years 1998, 1999, and 2001.

- 2004** Issues the largest product recall of approximately 16,000 units of rough terrain cranes.
- 2007** Constructs and begins production at the Tadotsu Plant in Tadotsu Town, Kagawa.
- 2008** Sets lifting equipment as our business domain. Constructs and begins production at the Chiba Plant in Chiba City, Chiba. Establishes Tadano Faun Stahlbau GmbH in Germany. Acquires SpanDeck Inc. (currently Tadano Mantis Corporation), a US-based telescopic boom crawler crane manufacturer.
- 2010** Establishes Tadano Oceania Pty Ltd in Australia.
- 2011** Establishes Tadano Brasil Equipamentos de Elevação Ltda. in Brazil.
- 2012** Establishes Tadano (Thailand) Co., Ltd. in Thailand for making truck loader cranes designed for emerging country markets.
- 2013** Introduces the GR-1600XL (GR-1450E), a rough terrain crane that boasts the highest lifting capacity in its class worldwide.
- 2014** Acquires Cranes UK Ltd, a distributor in the United Kingdom (currently Tadano UK Ltd).
- 2015** Tadano Group's consolidated net sales reach 200 billion yen for the first time (financial results for fiscal years 2014 and 2015).
- 2016** Establishes Tadano France SAS in France.
- 2017** Establishes Tadano Italthai Co., Ltd. in Thailand.

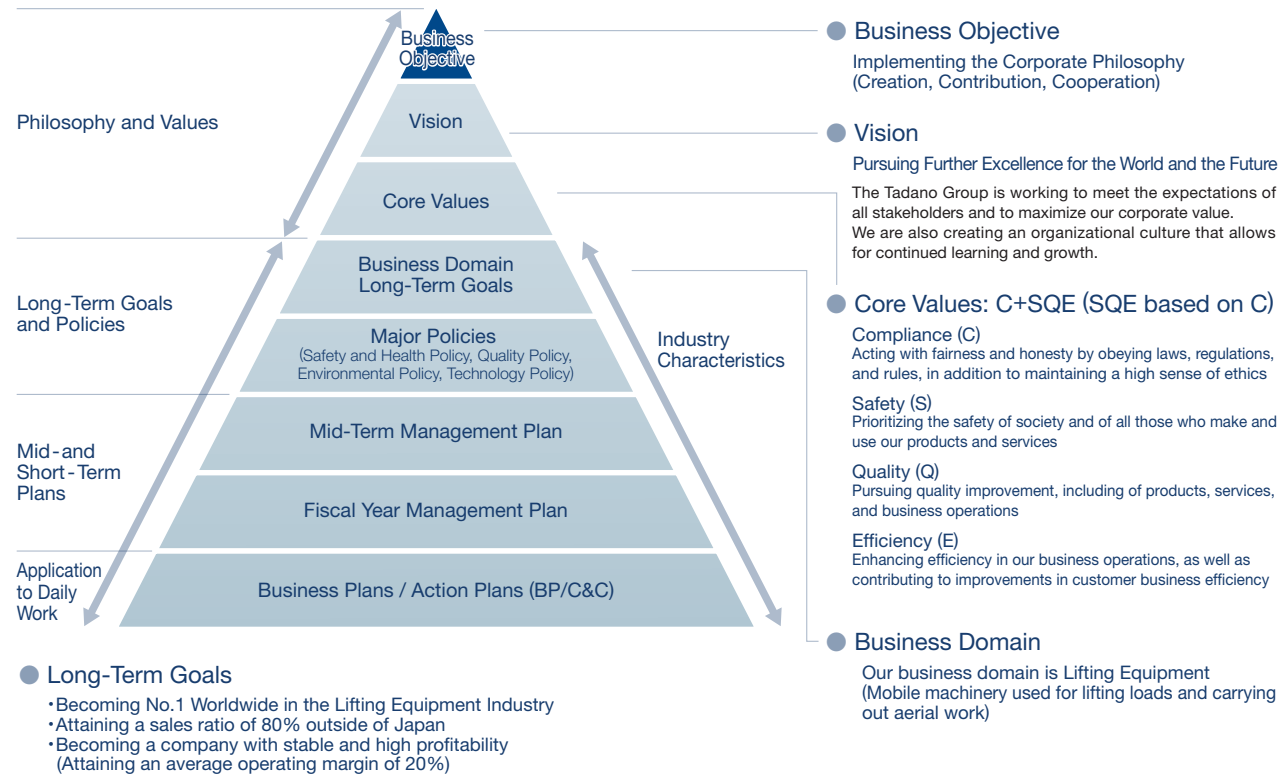
- 2018** Establishes Tadano Nederland B.V. in the Netherlands. Establishes Tadano Belgium BV in Belgium. Establishes Tadano Chile SpA in Chile. Opens the Moscow Representative Office in Russia. Announces strategic minority investment in Manitex International, Inc. (U.S.A.) Establishes Tadano Escorts India Pvt. Ltd. in India.
- 2019** Celebrates the 100th anniversary of the company's founding. Acquires the Demag Mobile Cranes business (currently Tadano Demag GmbH). Opens the Bangkok Representative Offices in Thailand. Constructs the Kozai Plant in Kozakita-machi, Takamatsu City. Introduces the AR-7000N, one of Japan's largest-capacity all terrain cranes, with a 700-ton lifting capacity. Establishes the Tadano Group Mid-Term Management Plan (21-23).
- 2021**



\*Non-consolidated net sales up to fiscal year 1994, and consolidated net sales from fiscal year 1995.

# Tadano Business Overview

## ■ Corporate Philosophy Pyramid



Positioned at the top of Tadano’s corporate philosophy pyramid is our business objective of “implementing the corporate philosophy (creation, contribution, cooperation).” We consider this to be something towards which we must constantly and diligently strive. Our vision is defined as “Pursuing Further Excellence for the World and the Future.” The Tadano Group is working to meet the expectations of all stakeholders and to maximize our corporate value. We are also creating an organizational culture that allows for continued learning and growth. At Tadano, “C+SQE (SQE based on C)” are core values we hold sacred. Compliance forms the foundation for all action at Tadano. Tadano’s core values are “Safety First, Quality Second, Efficiency Third,” and we always uphold them in this critical order of priority. However, since it is impossible to manage our company without the third value of efficiency, we must ensure “Safety First, Quality Second” by any means necessary. Compliance provides the groundwork that enables Tadano to actualize each of these Core Values of Safety, Quality, and Efficiency. These principles and values remain unchanged.

Building on these core values, we have set lifting equipment as our business domain and are working toward our long-term goals of becoming No.1 worldwide in the lifting equipment industry, attaining a sales ratio of 80% outside of Japan, and attaining an average operating margin of 20%. With the acquisition of the Demag Mobile Cranes business in 2019, half of the Group’s employees now work overseas, and overseas sales account for 50% of our sales ratio. By realizing “One Tadano” and demonstrating our Group synergies, we will deliver further value to our customers and stakeholders.

In times of dramatic change, we will take on the challenge of those various “changes,” including technological innovations and environmental responses, and work united as a Group to become a leader in the lifting equipment industry.

## ■ Product Categories

Product category offered	●	●	●		●		●				

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## Editorial Policy

With the business objective of implementing our corporate philosophy of *Sozo* (Creation), *Hoshi* (Contribution) and *Kyoryoku* (Cooperation), the Tadano Group stays true to its original missions of “making something that will contribute to the world” and “being a company that can contribute to the advancement of society.” We are working to meet the expectations of all stakeholders and maximize our corporate value, with the vision of pursuing further excellence for the world and the future.

This report is designed to help our shareholders, investors, and all other stakeholders gain a deeper understanding of Tadano’s business conditions and its efforts toward sustainable growth through integrated explanations of financial information and non-financial information, such as ESG (Environmental/Social/Governance). We will incorporate feedback from our readers into our efforts to further improve our Integrated Report.



Please see our website for further information related to Tadano’s financial results and ESG.



# Pursuing Further Excellence for the World and the Future

**Long-Term Goals**

- Becoming No.1 Worldwide in the Lifting Equipment Industry
- Attaining a sales ratio of 80% outside of Japan
- Becoming a company with stable and high profitability (Attaining an average operating margin of 20%)



**Tadano's DNA**

We want to make something that will contribute to the world.  
We want to be a company that can contribute to the advancement of society.

**Philosophy and Values**

- Business Objective: Implementing the Corporate Philosophy (Creation, Contribution, Cooperation)
- Core Values: C+SQE (SQE based on C) (Compliance, Safety, Quality, and Efficiency)



# Making “One Tadano” a Reality is My First and Greatest Mission

**Toshiaki Ujiie**  
President and CEO



## ■ On my appointment as President

I am Toshiaki Ujiie, and I am humbled and honored to serve as the new President and Chief Executive Officer of Tadano Ltd. since April 1st, 2021. First, to everyone who has suffered from the novel coronavirus, and to all of the family, friends, and acquaintances who have stood by to support them, I would like to express my sympathy and best wishes for a rapid recovery. I would also like to express my deep gratitude to everyone for your many efforts to help curb the spread of this global pandemic.

There is something that my predecessor, Koichi Tadano (now Representative Director and Chairman), has said to me many times. 'Innovation is brought about by the young, the foolish, and the outsiders of our world.' Putting aside the "young" part, I do feel that I fulfill the "foolish" and "outsider" requirements more than adequately. The purpose of appointing a new president is to bring about "change" or reform, and I believe that what is expected of me is speed and boldness in making that change happen. The validity of my "outsider" label will not last for much longer. I hope to implement a variety of initiatives while it remains valid.

The Tadano Group has established the long-term goal of becoming No.1 worldwide in the lifting equipment industry, and we are working further to grow our business globally. With the acquisition of the Demag Mobile Cranes business in 2019, half of the Group's employees now work overseas, and overseas sales account for 50% of our sales ratio. With the progress of globalization, I believe that my first and greatest mission as president and CEO is to make the concept of "One Tadano" a reality.

## ■ In anticipation of post-COVID times

To realize sustainable growth and the mid- to long-term enhancement of corporate value, the Tadano Group formulates a Mid-Term Management Plan every three years. We announced the Mid-Term Management Plan (20-22) in April 2020. However, the fiscal year 2020 was an extremely difficult year for us. In addition to the slowdown in global markets resulting from the coronavirus disruption, we also faced a number of challenges that were particular to the Tadano Group, including strategic restructuring in our German subsidiaries and the continuing negotiations with the United States regarding past emissions regulations programs. Moreover, the effects of the coronavirus disruption have accelerated changes that were already in motion, such as changes in the way we work and increasing awareness of environmental problems. In the midst of such change, expectations for the benefits of electrification and other new technologies have grown rapidly. In times of dramatic change, a slow start could put our company in a disadvantaged position. On the other hand, I believe that this same change can also lead us to further opportunities in our efforts to become an industry leader. With this in mind, we decided to revise our plan in the form of the Mid-Term Management Plan (21-23).

There are four key points to the revised plan – "Enhanced AT/CC sales and initiatives toward rising clean energy demand following the reorganization of Tadano's European Operations," "ESG/SDG Initiatives," "Digital Transformation and Green Transformation initiatives as catalysts for a shift in business domain: from Lifting Equipment to Lifting Solutions," and "Advancing the One Tadano Concept, enhancing governance, and diversifying company management."



**Enhanced All Terrain Crane(AT)/Crawler Crane(CC) sales and initiatives toward rising clean energy demand following the reorganization of Tadano's European Operations**

We have proceeded with the integration of the Demag Mobile Cranes business (now Tadano Demag GmbH), which we acquired in 2019, and our German subsidiary, Tadano Faun GmbH in our efforts to demonstrate synergy as a Group. However, due to the impact of the COVID-19 pandemic, global demand for cranes stagnated, causing major delays in our plans for our European operations. For this reason, in a bid to rebuild our European operations, we decided to undertake business restructuring procedures under German law in October 2020. The requirements for Germany's restructuring procedures to apply to subsidiaries were that companies be solvent and for there to be prospects for a successful future rebuilding of the business. These procedures were completed in March 2021, and our newly restructured European operations were relaunched. With our aim of returning to profit in fiscal year 2023, One Tadano will provide full back-up for the two German companies. To carry out our restructuring plans, Tadano Europe Holdings GmbH, which will command the European operations, started operating in January 2021. Further, as an initiative for organizational integration, we merged our French subsidiaries, Tadano France SAS and Tadano Demag France SA, into a single company, Tadano France SA, and our UK subsidiaries, Tadano UK Ltd and Tadano Demag UK Limited, into Tadano UK Ltd. We will continue to move forward with the swift restructuring of the European operations, so that they may contribute to the Tadano Group's long-term growth.

**Outline of the restructuring plan**

- 1 Broader and more complete lifting equipment solutions portfolio featuring new, jointly developed models**
  - Plans to introduce 15 new AT models to the market over the next four years
- 2 Strategically leveraging the best of both companies through an integrated production scheme and reduced procurement costs**
  - Improvement of QCD through vertical integration
  - Enhancement of cost competitiveness through joint procurement and modularization/commonization of components
- 3 Optimization of workforce size, operations and organizational structure**
  - Integrated management of functions of Tadano Demag GmbH / Tadano Faun GmbH
  - Standardization of processes through harmonization of ERP systems
  - Optimization of workforce
- 4 Optimization of both companies' inventory, assets, and balance sheets**
  - Reduction of fixed costs
  - Reduction of inventory assets
  - Reduction of pension liabilities, etc.

Wind power generation is attracting attention as clean energy for responding to climate change and reducing CO<sub>2</sub> emissions. Practical application of offshore wind power generation is already underway in Europe, and there are expectations for more installation in the future even in Japan, a country with a small landmass. Offshore wind power generation equipment is usually pre-assembled in the harbor then

transported to the installation site. The Tadano Group boasts one of the world's largest crawler cranes with a lifting capacity of up to 3,200 tons. These cranes will be able to play an important role in erecting enormous posts in the harbor and loading onto a dedicated operating vessel. The Tadano Group's acquisition of Demag at such a time will also be of tremendous value for the rapidly growing offshore wind power generation market in Japan. In addition, Tadano Group's rough terrain cranes, all terrain cranes, and aerial work platforms are also essential for the construction and maintenance of wind power stations. As such, we predict that these and other of our products will make a major contribution to the Green Transformation (GX) market and to the expansion of business. We also have sales locations all over the world, and with our outstanding engineers, we consider this market to be a great opportunity for Tadano.



**ESG/SDG Initiatives**

From the time of our founding, the Tadano Group has held the firm belief that a company can exist only when it is in harmony with the people around it and greater society. Under this belief, we have carried out our business activities while prioritizing harmony with our stakeholders. In this spirit, we want to contribute to a better global environment as a part of society. As we step forward into our second century of business operations, we seek to achieve long-term growth as a company and are engaged in efforts to promote ESG and SDGs.

In April 2021, we declared our goal of achieving "Net Zero Carbon Emissions" by 2050. As part of that process, we have set long-term Group environmental targets for 2030 of a 25% reduction in CO<sub>2</sub> emissions from business activities and a 35% reduction in CO<sub>2</sub> emissions from our products (both compared to the 2019 baseline). For example, for the reduction of CO<sub>2</sub> emissions from business activities, we have already been advancing a project to install solar power generation equipment on the roofs of our plants. Installation at our Kozai Plant was completed in October 2021, and work is scheduled to start at our Tadotsu Plant next year. One advanced feature designed to reduce CO<sub>2</sub> emissions from our products is the "E-Pack," which enables cranes to be operated without starting the engine. This function was first delivered in Europe in late 2020, and we intend to roll it out to other markets going forward.

The Tadano Group also expressed its endorsement of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in April 2021. Going forward, we will proactively disclose climate change-related financial and management information through our websites and others.

**Digital Transformation and Green Transformation initiatives as catalysts for a shift in business domain: from Lifting Equipment to Lifting Solutions**

We will work to deliver solutions and operational reforms through the adoption of digital, AI, and telecommunications technologies. Tadano Group products in Europe are equipped with "IC-1 REMOTE," while "HELLO-NET" is installed in our products in Japan and other markets. These features allow the operating status of a crane and pre-indications of equipment failure to be ascertained in real time with the use of communication satellites and mobile devices. As far as we know, Tadano is the only manufacturer of cranes and aerial work platforms to offer such a feature as standard. We began equipping our products with HELLO-NET in Japan in 2008, and the know-how we have accumulated to date has given us an edge in the market. The provision of "lifting solutions" that go beyond lifting equipment will be one of the Tadano Group's future missions. We will permeate and accelerate Digital Transformation (DX) in all aspects of operational reform. For example, we are considering the use of digital technology to ascertain the state of production lines.

Our products play an active role in the construction industry, where, particularly in Japan, the decline in the working-age population and the number of construction workers as a result of falling birth rates is becoming a major problem. As skilled operators who have a complete mastery of crane operation become fewer in number, we hope to move toward improving the safety of worksites by employing technological innovations that will achieve the simplification, automation, and autonomy of crane operation. We believe the day will come when we are able to send fully automated machines out into the world. In the area of decarbonization, inevitably, we will need to rely on electricity in some form or another even more than we have done in the past. We are in the midst of research to determine how our products as a whole will change with electrification, and we intend to accelerate this work while identifying the needs of our customers. We will provide more details when we have more concrete prospects for launching such products on the market.

Following on from Japan, we plan to establish an Advanced Technology Research Center in Germany to combine the essence of the superior technological abilities of Japan and Germany, two countries that excel in craftsmanship, and work toward our aim of becoming No.1 worldwide in the lifting equipment industry.

**Advancing the One Tadano Concept, enhancing governance, and diversifying company management**

Until recently, the Tadano Group has differentiated between the Tadano, Demag, and Mantis brands for individual products. From the perspective of long-term global strategy, in October 2021, we consolidated these three brands into the "Tadano" brand. As part of this, we are standardizing previous methods for the naming of product categories and models, as well as coloring.

Other initiatives include the synchronization of Group management by standardizing the varying accounting periods used by Group companies, the launch of in-house projects that extend more across

the globe, and a review of our meeting bodies. Finally, in terms of strengthening of the Board of Directors, we have increased its diversity through a division of duties between the Chairman of the Board and the CEO, an increase in the number of Outside Directors (ratio of internal to outside directors raised from 4:3 to 4:5), and adding women to the line-up of Directors and Audit and Supervisory Board Members.

**Aim to be No.1 worldwide in the lifting equipment industry**

There is something that my supervisor told me in my first job after graduating from university. 'If you think something is odd, then it most definitely is odd. Trust your own senses.' Ever since then, if something feels wrong, I do not ignore it, but first investigate thoroughly myself. If I still think it is suspect, I make a point of communicating the issue properly. When I was appointed as President, my predecessor said to me, 'Feel free to change anything that you think looks odd from your outsider's perspective.' There are things that seem normal to people who have been at the same company for a long time, but which I have noticed were not right. If, having noticed, I did not say anything, then there will have been no point to my joining this company.

As well as the internal systems and work processes that need to be changed, there is also a wide range of new things to be addressed. Electrification aimed at decarbonized, clean construction sites, automation, and autonomy, using AI to achieve load identification and efficient movement, and further reductions in the weight of materials used to make our cranes are some of the many areas where new technologies are evolving every day. We have no intention of being the runners-up when it comes to the development and implementation of these technologies. For this reason, I believe that speed is critical. Currently, it would be difficult to claim that Japan is ahead of the rest of the world in advanced technologies such as electrification and automation. I hope that all our employees around the world will become more attuned to the trends and changes in society and that they will act and communicate straightaway. As I said at the start, in times of dramatic change, a slow start could put our company in a disadvantaged position. On the other hand, I believe that this same change can also lead us to further opportunities in our efforts to become an industry leader. Guided by our vision of "pursuing further excellence for the world and the future," together with all Group employees, as "One Tadano," I hope to continue our quest to become No.1 worldwide in the lifting equipment industry.



Mid-Term Management Plan (21-23)

Basic Policy

Pursuing Further Excellence, Focusing on the Tadano Red Arrow  
Winning Both the “Battles in Front of Us” and the “Battle with the Times”

Tadano Group’s Corporate Philosophy Pyramid

The Tadano Group upholds its business objective of “implementing the corporate philosophy (creation, contribution, cooperation), our vision of “pursuing further excellence for the world and the future,” and core values of “C+SQE (SQE based on C).” These are the philosophy and values we hold sacred and that will remain unchanged no matter how the external environment changes.

On that basis, we have identified lifting equipment as our business domain and declared as our long-term goals becoming No.1 worldwide in the lifting equipment industry, attaining a sales ratio of 80% outside of Japan, and becoming a company with stable and high profitability (attaining an average operating margin of 20%).

\*Our core values, “C+SQE (SQE based on C),” represent that compliance forms the foundation of all our actions. We will always uphold our core values of “Safety First, Quality Second, Efficiency Third” in this critical order of priority.

Corporate Philosophy Pyramid



From the perspective of demographics, lifting equipment is a growth industry and one that we believe has major potential in the long term. However, in the short- and mid-term, demand tends to be volatile despite the uptrends in the long term. Moreover, not only the lifting equipment industry, but business conditions and the economy in general are currently facing an era of instability. In these times of dramatic change, we will take on the challenge of making various changes ourselves, working united as a Group to become a leader in the lifting equipment industry.

Background to Revision of Mid-Term Management Plan (20-22)

To realize sustainable growth and the mid- to long-term enhancement of corporate value, the Tadano Group formulates a Mid-Term Management Plan every three years. It announced the Mid-Term Management Plan (20-22) in April 2020. However, fiscal year 2020 was an extremely difficult year for us. In addition to the slowdown in global markets resulting from the coronavirus disruption, we also faced a number of challenges that were particular to the Tadano Group, including strategic restructuring in our German subsidiaries and the continuing negotiations with the United States regarding past emissions regulations programs. Moreover, the effects of the coronavirus disruption have accelerated changes that were already in motion, such as changes in the way we work and increasing awareness of environmental problems. In the midst of such change, expectations for the benefits of electrification and other new technologies have grown rapidly. In times of dramatic change, a slow start could put our company in a disadvantaged position. On the other hand, I believe that this same change can also lead us to further opportunities in our efforts to become an industry leader. With this in mind, we decided to revise our plan in the form of the Mid-Term Management Plan (21-23).

Context

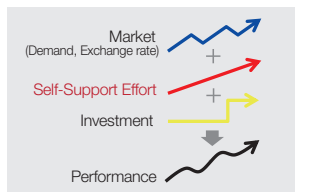
We have summarized the context of the Mid-Term Management Plan (21-23), which starts in fiscal year 2021, in the following three points.

- Overcoming Corona, Growing Organically Toward Becoming No.1 Worldwide in the Lifting Equipment Industry**  
We must overcome the impact of the COVID-19 pandemic on the market and business results and achieve further growth. Due to the three major initiatives (acquisition of Demag Mobile Cranes business, construction of Kozai plant, and establishment of Indian joint venture) that were implemented under the Mid-Term Management Plan (17-19) as the Tadano Yellow Arrow, we have refrained from large investments for the past several years, and our key challenge will be how we can prepare the ingredients we have for future growth and leaps forward. It is in that respect that we have adopted the term “organic growth.”
- Enhancing Centrifugal Force (Empowerment) and Centripetal Force (Control), Balancing Both at a High Level**  
“Centrifugal force” refers to our individual businesses and divisions acquiring self-discipline and the ability to develop in a self-contained way at a high standard, while “centripetal force” refers to developing the ability to band the Tadano Group together as a single entity that is heading toward globalization (One Tadano). If we are unable to balance these two forces to a high degree, we will not be able to grow into a truly global company.
- Beginning to Shift Focus From Lifting Equipment to Lifting Solutions**  
Currently, our business is the sale of products equipped with crane functions, but as the use of IoT and AI spreads rapidly due to innovation in digital technology, we will integrate digital technology into our products and adapt our business model. Specifically, we aim to respond to the needs of customers and construction sites by offering not only tangible products but also intangible solution services that focus on the lifting function.

Basic Policy

The basic policy for the Mid-Term Management Plan (21-23) is “Pursuing Further Excellence, Focusing on the Tadano Red Arrow” and “Winning Both the ‘Battles in Front of Us’ and the ‘Battle with the Times’.”

A company of “further excellence” is one that meets the following five requirements. In an environment that it cannot control, namely “market: demand and exchange rate” (Blue Arrow), the Tadano Group focuses on “self-support effort” in business (Red Arrow), to which it adds the outcomes of “investment” (Yellow Arrow) to deliver “performance” (Black Arrow). The basic policy of the Mid-Term Management Plan (21-23) is to “focus on the Tadano Red Arrow” in the pursuit of “further excellence.”



“Battles in Front of Us” means responding to and overcoming the immediate economic climate and fluctuations in demand and winning against our competitors. “Battle with the Times” refers to responding to technological innovation and changes in the demand structure amid the rapid, complex, and extreme changes in the times. By continuing to win both the “Battles in Front of Us” and the “Battle with the Times” at the same time, we hope to grow sustainably as a company and increase our corporate value.

Basic Policy

Pursuing Further Excellence, Focusing on the Tadano Red Arrow

“Further Excellence” means:

- Being a Robust Company
- Being a Company that Continues to Evolve
- Being a Company that Benefits Society and Customers
- Being a Company that Earns the Esteem of the Greater World
- Being a Company that Earns the Pride of its Employees



Basic Policy

Winning Both the “Battles in Front of Us” and the “Battle with the Times”

“Battles in Front of Us” include the way we deal with the current state of the economy and demand, as well as how we engage the competition

“Battle with the Times” includes how we deal with rapid, complex and extreme changes in technology and structural changes in demand

Priority Points

The following five points have been chosen as the priority points of the Mid-Term Management Plan (21-23).

- Maximize Tadano Group Synergy**  
To achieve long-term profit growth, we will work to maximize Group synergy as a united Group under the keyword of “One Tadano.”
- Increase Resilience**  
We aim to bolster our resilience to change and achieve stable growth given the high volatility of the lifting equipment industry, which is susceptible to changes in the external environment and demand.
- Enhance Competitiveness**  
We need to deliver products and services with greater added value than those offered by our competitors to ensure that we will continue to be the first choice for our customers. To this end, we aim to be a manufacturer with four synergistic strengths optimally combined to achieve excellence: product competitiveness, product quality, service capability (including parts), and used crane liquidity.
- Engage in ESG and SDGs**  
We promote ESG and SDGs initiatives mainly through our products and services that derive from our corporate activities throughout the value chain of “Designing, Manufacturing, Delivering and Servicing.”
- Digital Transformation and Green Transformation Initiatives**  
We will engage in the provision of solutions and operational reforms through the adoption of digital, AI, and telecommunications technologies, the deployment of environmentally friendly products and services such as electrification, and the establishment of an Advanced Technology Research Center in Europe.

Strategies

We will work on the following nine strategies to realize the basic policy and priority points of the Mid-Term Management Plan (21-23).

- Strengthen Market Position
- Enhance the Four Synergetic Strengths
- Engage in Global and Flexible *Monozukuri*\*
- Improve Life Cycle Value
- Implement Electrification and AI Solutions
- Ensure a Robust Financial Base
- Strengthen the Tadano Group and Global Management Structure (Restructuring of European Operations, Growth of Indian Operations)
- Digital Transformation and Green Transformation Initiatives
- Empower Human Resources

\* *Monozukuri* = Manufacturing with a focus on continuous improvement

Management Targets

In the Mid-Term Management Plan (21-23), we have adopted net sales, operating profit, operating margin, outside-Japan sales ratio, and ROIC as indicators for the measurement of progress. Management targets for fiscal year 2023, the final year of the Plan, are net sales of 275 billion yen, operating profit of 27.5 billion yen, an operating margin of 10.0%, outside-Japan sales ratio of 66.9% (overseas net sales of 184 billion yen), and ROIC of more than 8.0%.

	FY 2020	FY 2023 Targets
Net Sales	186 billion yen	275 billion yen
Operating Profit	(4.2 billion yen)	27.5 billion yen
Operating Margin	(2.3%)	10.0%
Outside Japan Sales Ratio	49.9%	66.9%
ROIC	(2.1%)	more than 8.0%

ROIC: Return on invested capital after tax Exchange rate assumptions: 105 JPY/USD; 125 JPY/EUR  
\*Invested capital = Net assets + interest-bearing debt  
(calculated as average of amount at end of previous fiscal year and end of fiscal year under review)



## Our Commitment to ESG and SDGs

### Tadano Group and SDGs

From the time of our founding, the Tadano Group has held the firm belief that a company can exist only when it is in harmony with the people around it and greater society. Under this belief, we have carried out our business activities while prioritizing harmony with our stakeholders. In the spirit of “great harmony,” we want to contribute to a better global environment as a part of the society. As we step forward into our second century of business operations, we seek to achieve long-term growth as a company. These ideas are the reasons for our efforts to promote ESG and SDGs as set out in our Mid-Term Management Plan (21-23). Tadano has also long held our vision of “Pursuing Further Excellence for the World and the Future.” This vision aligns with the aims of the UN’s Sustainable Development Goals (SDGs). We will aim for “Pursuing Further Excellence for the World and the Future” through our products, services, and business activities through the behavior of our individual employees.



# ESG and SDGs

### Initiatives for Pursuing “Further Excellence” and SDGs

The Mid-Term Management Plan (21-23) sets forth “Pursuing Further Excellence, Focusing on the Tadano Red Arrow” as one of our basic policies. The definition of “Further Excellence” is being “a robust company,” “a company that continues to evolve,” “a company that benefits society and customers,” “a company that earns the esteem of the greater world,” and “a company that earns the pride of its employees.” We believe that

meeting these five conditions is the prerequisite for “Further Excellence” and that aiming to achieve each of these conditions will result in contributing to the SDGs. Going forward, we plan to assess the current status of each of our initiatives and accelerate such initiatives even further, and thereby contribute to society.

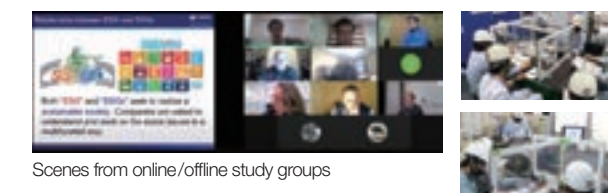
SDG 17 Partnerships for the Goals (Common)	Being a Robust Company	Being a Company that Continues to Evolve	Being a Company that Benefits Society and Customers	Being a Company that Earns the Esteem of the Greater World	Being a Company that Earns the Pride of its Employees
<b>Specific aim</b>	Prepares for and handles various changes and risks correctly	Provides safer and more efficient products by promoting technological innovation	Provides products and services responding to customer needs	Promotes compliance and governance	Makes the most of human resources and prepares an employee-friendly and rewarding work environment
<b>Examples of initiatives</b>	We anticipate, prepare for and respond to the external environment that changes in a complex manner. In manufacturing, we are making efforts to build a global production network aimed at optimal local production and to reduce environmental burdens. We have also formulated and operate a business continuity plan to restore important business processes as soon as possible even if unforeseen events arise.	We conduct research on safe, highly productive and revolutionary construction solutions for the future, while looking at “the present from the perspective of the future.” Placing the highest priority on securing safety at worksites, we are actively implementing initiatives for further simplifying and facilitating the operation of cranes, automation and autonomy through the use of AI and also the development of electrified products to improve the global environment.	We are further evolving core technologies to meet the expectations of our customers and society and developing market-oriented, safe and high quality products. In addition, we are developing service personnel in Japan and overseas with high technical capabilities, and also engage in activities to achieve higher product value and quality, while aiming for mutual growth and development with our business partners.	We consider compliance and governance as one of the important management issues for the purpose of ensuring the transparency, soundness and efficiency of management, and we are implementing various initiatives. We also engage in activities that contribute to society such as forest preservation as part of our efforts to improve the global environment through the actions of each employee.	We accept diversity in terms of various factors, including abilities and experience. Harnessing it for use inside our organization will improve employee job satisfaction and productivity, helping to create added value. Driven by this belief, we are creating workplace environments and implementing human resources development so that every employee can exert their best performance by utilizing their own talents and individuality.
<b>Related SDGs</b>	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17

### Internal Learning Activities

We started “Engage in ESG and SDGs” activities from FY 2019 and in the first year invited outside lecturers to provide in-house SDG lectures. We also engaged in executive discussion at an all-officer meeting session dedicated to the topic of SDGs. In FY 2020, as the first year of our full-scale efforts, we established the SDGs Promotion Committee with overall responsibility for promoting activities of the Group and the SDGs Promotion Group as a dedicated body for implementing such activities. We have also held study groups for all employees in Japan and overseas for internal dissemination. From the perspective of preventing the spread of COVID-19, these study groups were held online except for those held on-site at plants, etc. and we deepened everyone’s understanding about “What are ESG and SDGs” and “Why is Tadano engaged in ESG and SDGs,” while exchanging small group discussions as well.

#### Main comments from participants

- I felt that we will seriously make efforts as a company going forward.
- How about setting numerical goals as a company when undertaking initiatives?
- I would like the initiatives to be taken on a company-wide basis including the supply chain.



Scenes from online/offline study groups



# Environmental

## Our Commitment to the Environment

### Setting Long-Term Environmental Targets

In April 2021, the Tadano Group declared a target of achieving Net Zero Carbon Emissions by 2050 in order to contribute to a better global environment as a part of the society through our products, services, and business activities and through the behavior of our individual employees.

In order to achieve this target, we set long-term environmental targets for 2030 compared to the 2019 baseline of a 25% reduction in CO<sub>2</sub> emissions from business activities, a 35% reduction in CO<sub>2</sub> emissions from products, and a 50% reduction in the volume of industrial waste from business activities.

At around the same time, we expressed support for the recommendations of the TCFD. Going forward, we will proactively disclose climate change-related financial and management information through our websites and others.

#### The Tadano Group's Long-Term Environmental Target 2030

- 〈Reduce CO<sub>2</sub> Emissions〉 Compared to 2019 Baseline
- ① CO<sub>2</sub> emissions from business activities ..... 25% reduction
  - ② CO<sub>2</sub> emissions from products ..... 35% reduction

- 〈Reduce Industrial Waste〉 Compared to 2019 Baseline
- Industrial waste from business activities ..... 50% reduction



## Reduction of CO<sub>2</sub> from Business Activities

The Tadano Group works to protect the global environment and help create a sustainable society. The company obtained ISO14001 environmental management system certification in 2008, and has implemented initiatives to minimize the burden on the environment through not only our product development, but also our business activities. Our efforts include installation of 2,000 square meters of solar panels (maximum output: 260kw) at our Shido Plant and reorganization for greater efficiency in production and energy usage. In addition, at the Kozai Plant, constructed under the concept of "Next Generation Smart Plant: Harmonizing the Balance of People and Machinery, Connecting to the Next Generation of Smart Manufacturing," we adopted an energy management system, which can monitor energy consumption in real time. We also installed solar panels with a maximum output of 1,182.6 kw (power

generation started in October 2021). At both plants, efforts are being made to transport products by using energy efficient barges with lower CO<sub>2</sub> emissions. We are implementing initiatives to reduce environmental burdens at other locations as well, by promoting the installation of solar panels and conserving energy use for air conditioning and lighting, among others. We are currently collecting and scrutinizing various types of data in view of setting standard values for long-term environmental targets. We will further accelerate our efforts for initiatives such as improving the efficiency of our production facilities, introducing LED lighting, and expanding the use of renewable energy, including at our production sites outside Japan. In regard to industrial waste as well, we will consider and proceed with specific measures for further reductions with the aim of achieving a recycling-based society.



Solar panels installed at Kozai Plant



Solar panels installed at Advanced Technology Research Center

## Reduction of CO<sub>2</sub> from Products

Emissions generated during operation of products account for a large portion of the CO<sub>2</sub> emissions in the life cycle of construction machinery. Against such background, Tadano has introduced model upgrades that comply with new exhaust emissions regulations and most of the products manufactured in Europe can be operated with reduced-emission fuels such as hydrotreated vegetable oil (HVO). Also, the CREVO G4 rough terrain crane series is equipped with Fuel Monitoring and Eco Mode functions, while AC3.045-1 CITY, a city crane, is equipped with an E-Pack allowing crane operation without starting the engine. In this way, our cranes support efficient and environmentally friendly operation through reduction of CO<sub>2</sub> emissions, improvement of fuel consumption, and low-noise operation, among others.

In terms of long-term environmental targets for products, we are currently collecting and scrutinizing various types of data in view of setting standard values. However, we are proactively advancing initiatives such as extending the Advanced Technology Research Center, which conducts research on advanced technologies, and we have constructed a power train testing facility that conducts testing and verification for early realization of the electrification of our products. In addition, Tadano Group's products are expected to play a big role at construction sites for plants such as wind power stations, which are anticipated to increase due to Green Transformation (GX) in the future. To help our society, we will continue to develop products that contribute to environmental conservation.



Power train testing facility under construction



Crawler cranes loading offshore wind turbine components at a port



AC3.045-1 CITY, a city crane, and E-Pack  
\* One of the most compact models among all terrain cranes



# Social

## Our Promises to Customers

### [ Our Basic Policy ]

Based on its corporate philosophy of *Sozo* (Creation), *Hoshi* (Contribution) and *Kyoryoku* (Cooperation), the Tadano Group intends to be the global leader in customer satisfaction by providing customers with quality and services with the sincere desire to inspire a wow factor.

As the use of IoT and AI spreads rapidly due to innovation in digital technology, we will integrate digital technology into our products and adapt our business model. Specifically, we aim to respond to the needs of customers and construction sites by offering not only tangible products but also intangible solution services that focus on the lifting function.



## R&D Initiatives

### Agreement with Kyoto University for a comprehensive partnership for collaborative research

In March 2018, Tadano signed an agreement with Kyoto University with the goal of combining our technical expertise with Kyoto University's leading-edge academic knowledge. We aim to generate new innovations that improve safety and productivity in construction operations.

### Investment in a venture capital fund

Tadano made an investment of 500 million yen in total in Miyako Kyoto University Innovation Limited Partnership, operated by Miyako Capital Co., Ltd. of Kyoto. Tadano seeks to promote open innovation by developing a network with a research-based venture company with proprietary technologies.

### Extension of the Advanced Technology Research Center

In response to technological innovation and rapid changes in the market environment, we extended the Advanced Technology Research Center in 2020, under the concept of "Joint Development and Creation." The Center works on the "AI x Open Innovation" initiative to resolve issues the industry is faced with.



## Safety Initiatives

### Holding training sessions

#### Safety training

Safety classes are held for various types of products in response to requests of customers, for their proper and safe use. The curriculum can be matched to the participants, from people using the equipment for the first time to machine administrators.

#### Maintenance training

Cranes must be properly serviced and parts regularly replaced so that they can continue operating safely without having to stop due to accidents. Tadano offers maintenance training sessions for various types of products in response to request of customers, to a wide variety of participants from people who have no familiarity with this to those who engage in servicing at their own companies.

### Safe operation and travelling support systems

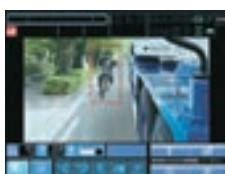
#### Wide Sight View (overview display device)

A large multi-function display shows a view of the vehicle as if looking down on it from above, helping to confirm safety.



#### Human Alert System (person detection and warning device)

The system covers the left/right side of the vehicle, which is difficult to check from the operator's seat. It triggers an alarm when it detects pedestrians or people riding bicycles.



#### Boom Tip Camera

The camera installed at the boom tip reduces the risk caused by the protruded boom.



## Our Commitment to Quality

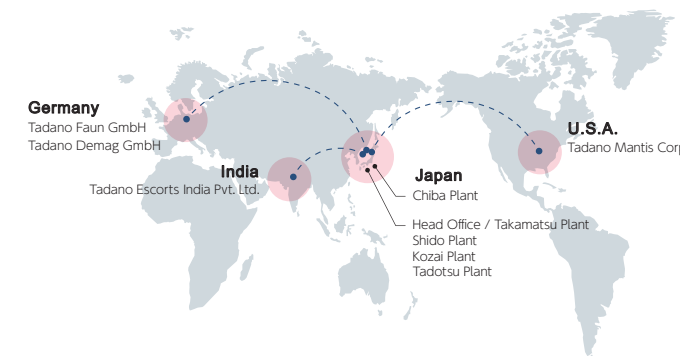
Complex pieces of precision machinery like cranes rely on the continuous improvements in skill and technique derived from our wealth of accumulated engineering experience. Tadano develops the skills of its workforce through both specialized skill training, which leads to quality improvements, and multi-skill development, which leads to efficient manufacturing.

In 1996, Tadano received ISO 9001 certification, the international standard for quality management systems. To ensure that we can continue to deliver satisfaction to our customers, the company also overhauled its operational processes, from the initial development phase to prompt responses to post-market quality issues. Since 2007, Tadano's Production Division introduced "core value activities" at all our production sites, including the use of a management board to visualize and improve the status of quality on a daily basis (the PDCA cycle).



## Establishment of Global Production Network

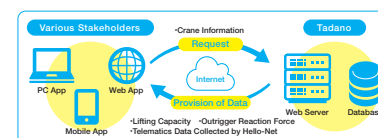
Tadano manufactures products that meet the diverse needs of global customers at key facilities located in Japan, Germany, the United States, and India. This integrated network results in a highly efficient and cost-competitive global production model. While leveraging synergies with our production sites outside of Japan, we aim to build products that are number one worldwide in quality and that engender even greater confidence in the Tadano brand. We achieve efficient cross-sourcing through the international supply of core components, thereby improving both quality and efficiency.



## Digital Services - New Value with Lifting Solutions

We want to provide safe, high quality and efficient lifting work. This is Tadano's consistent passion that has never changed over the years to this date. That is why we were early to implement digital services including telematics. Under the banner of Digital Transformation (DX), we

will support our customers with total solutions in promoting DX, amid a major turning point facing the construction and building industry. The provision of Lifting Solutions beyond Lifting Equipment will be one of Tadano's future missions.



### Lift API

\* The general term for API (Application Programming Interface) advocated by the company.

### Digitalization and open interface

The Lift API is an API for providing the calculation function of Tadano cranes and telematics data via the Internet. Through the linkage with crane construction plan apps and currently used fleet management systems, customers and Tadano can be connected by way of crane data. Through the linkage with lift planning apps for example, the Lift API allows for precise lift planning and ascertains rated lifting capacity based on calculation results from a virtual on-board computer. When used in conjunction with fleet management systems, Tadano products can be managed on the customer's choice of platform along with all other equipment. There are many more ways of using the Lift API. Tadano will grow even more value together with our stakeholders.



### BIM Data

### Project planning with Tadano Group construction cranes is even easier when using our BIM data

Building Information Modeling (BIM) is a process that utilizes a database of digital products, allowing users to digitally model a building, and calculate the associated cost, material type, and other elements. BIM brings together the previously separated stages of design, construction, and management, and can be used throughout the whole building lifecycle. And, unlike 3D CAD, BIM files can be used with a variety of software. The BIM data of our construction crane lineup is now available both on the BIMobject® platform and Tadano website.



### HELLO-NET

### Keeping customers and Tadano Group connected to cranes in the field

Using communication satellites and mobile devices, Hello-Net makes it easy to ascertain the operating status of a crane in real time. This enables a proactive approach to service through which we can identify early signs of trouble and provide advance maintenance. We are making progress in installing Hello-Net as standard equipment, chiefly on rough terrain cranes. Hello-Net is currently used with approximately 16,300 cranes in Japan and 6,500 cranes outside of Japan. We are also expanding this system for use with all terrain cranes and aerial work platforms.

## Customer Event

A total of 270 customers from 16 European countries joined an event at our facilities in Zweibrücken, Germany, from September 27 through October 9. The motto "experience and test our machines" was one of the primary focuses of this European Customer Days event where all the customers had the chance to experience and test a total of 15 different cranes, now officially marketed under the Tadano brand name with the slogan "Your Passion. Our DNA." With numerous orders, the two-week event is to be considered an enormous success.





## Our Promises Among Employees

### [ Our Basic Policy ]

Employee development is what drives a company to accomplish its long-term goals. Company growth cannot be achieved without the growth and development of employees. Based on the concept that employees are our assets, Tadano emphasizes workplace building and human resources development to best leverage the skills and individuality of each person, allowing employees to give their maximum performance. We believe that the synergy generated by ensuring a proper work-life balance on the foundation of the physical and mental well-being is fundamental to raising productivity and creating added value.



## Tadano's Health Management Initiatives

We promote health management as we recognize that the physical and mental well-being of each and every employee is essential for maintaining a prosperous life and professional-level performance.

### Tadano is certified as a Health & Productivity Management Organization

Since launching its Physical and Mental Wellness Program in 1981, Tadano has been working to foster a culture of health in the workplace. Initiatives include granting company employees and families access to the Fitness Center located within the company. Since 2018 Tadano has been recognized in the Large Enterprise Category of the Certified Health & Productivity Management Organization Recognition Program of Japan's Ministry of Economy, Trade, and Industry and the Nippon Kenko Kaigi (Japan Health Council). Our four domestic group companies were also recognized in the Small and Medium-sized Enterprise Category of the Certified Health & Productivity Management Organization Recognition Program in March 2021.

#### Employee Health Management Declaration

Tadano takes pride in the culture of health it has cultivated since launching its Physical and Mental Wellness Program in 1981. To maintain and further develop this culture, we hereby declare that we will value the physical and mental well-being of each and every employee and that we will make organization-wide efforts to create a positive workplace where employees can thrive.

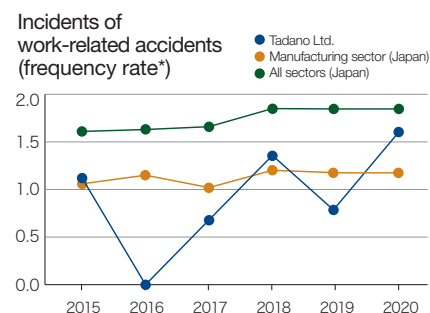
May 2018

President & CEO

## Our Commitment to Safety in the Workplace

Tadano has significant obligations and responsibility for product safety, to protect both our customers and society. It is occupational safety at the company that supports the product safety. We believe that realizing occupational safety at the company is essential to ensuring the safety of our products.

Based on this concept, we prepared the Tadano Group Safety Fundamentals Card in December 2017 with the goal of further raising awareness about workplace safety among Tadano Group employees. Prepared in seven languages (Japanese, English, German, French, Dutch, Thai and Hindi), the card is distributed to all Group employees. We also regularly communicate with safety officers at plants both in Japan and overseas, to pursue further improvement in safety. One of the results of this program is that our two German group companies obtained the occupational health and risk management system (OHRIS) certificates in 2018.



\*Number of occupational accidents per 1 million actual work hours. Describes the frequency of occupational accidents resulting in lost workdays. (Figures for the manufacturing sector and all sectors, excluding the general contracting sector, are taken from the Survey on Industrial Accidents by Japan's Ministry of Health, Labour and Welfare.)

## Diversity and Inclusion

We accept diversity in terms of various factors, including abilities and experience. Harnessing it for use inside our organization will improve employee job satisfaction and productivity, helping to create added value. Driven by this belief, we are creating workplace environments where diverse employees can best utilize their talents.



### Empowerment of women

Aiming to increase the percentage of female employees at the company to 10% by the end of FY 2026, Tadano hires women in a well-planned and proactive manner. At the same time, we are making steady progress in developing a work environment and a job rotation system to promote the advancement of women through initiatives such as providing more training opportunities for women to help them succeed as the next generation of leaders.

### Introduction of a return employment system

In May 2020, we introduced a system in Japan to rehire employees who previously left the company for reasons such as childbirth, raising children, nursing family members, or transfer of their spouse. The knowledge, experience and skills of these former employees can then once again be put to work in our company.



### Work-style reform

Tadano supports diverse work-styles in the belief that the synergy generated by ensuring a proper work-life balance leads to better productivity and creates added value.

### Introduction of telework (working from home, satellite offices)

In September 2020, the company fully adopted teleworking and satellite office work, in combination with its already active mobile work system. Simultaneous to the introduction of these systems, we discontinued the core times of the flexi-time system for telework, to further enhance work flexibility.

### Promoting male involvement in housework and childcare

We are encouraging male employees at the company to take a greater part in housework and child-rearing through special features on male employees taking childcare leave in our internal newsletters, and encouraging and getting across various programs at training sessions for newly appointed managers and supervisors.

## Human Resources Development

Based on our belief that a company is its people and the success of a company is built on human resources development, we always place emphasis on development of human resources. In particular, Tadano actively develops human resources capable of competing on the global stage as its business domain expands globally. For instance, we encourage young employees at the company to undertake overseas assignments.





# Social

## Our Promises Among Partners

### [ Our Basic Policy ]

Tadano's products are made of tens of thousands of parts, many of which are procured from our suppliers. To deliver even safer and higher-quality products to our customers, building strong relationships with our suppliers is essential. The Tadano Group CSR Charter and the Tadano Group Compliance Regulations set out principles for coexistence with business associates and fair procurement activities respectively. Tadano also promotes environmentally-friendly product development through the non-use of the four substances of concern with the understanding and cooperation of our suppliers.



### Aiming for Mutual Development: the Tadano Kyohei Society

In April 1999, Tadano and its suppliers established the "Tadano Kyohei Society" with the aim of fostering an independent, solution-oriented organization with the competitive technologies and capabilities needed to survive in the 21st century. Since then up to the present time, we have developed and maintained lasting, strong relationships with our suppliers and worked with them for mutual growth and development. The organization is comprised of a total of 58 corporate members in Japan (as of June 2021). A variety of activities and events are held each year, including safety workshops, presentations on improvement initiatives, plant tours, and SVE conferences. The association also presents awards to suppliers with outstanding achievements each year.



Plant tours by members of the Tadano Kyohei Society



SVE Conference (presentation by a supplier)

### Building a "Win-Win" Relationship: SVE Activities by the "Team of Four"

Since 2009, Tadano's three divisions (Research and Development, Production, Procurement) have worked with our suppliers as a "Team of Four" to promote its SVE activities, with the goal of developing and producing products with greater value. "SVE"—an original concept developed by Tadano by adding "S" (Super and Sustainable) to "VE" (Value Engineering)—embodies our determination to surpass our past VE activities and continue to move forward vigorously with our efforts.

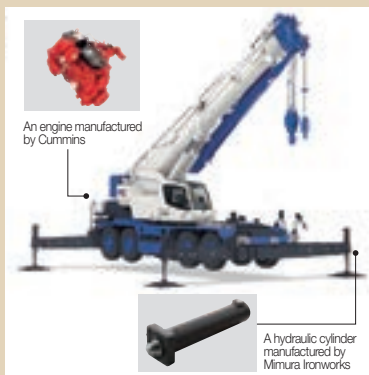
#### SCOOP activities

We began our SCOOP (Super Cooperation) program, a key component of our SVE activities, in 2011. We work with our suppliers on an individual basis to set themes and targets to enhance the value and functionality of products and reduce costs while leveraging strengths and qualities of both Tadano and the suppliers.

### Comments from Suppliers

#### Eric Waters Representative Director, Cummins Japan Ltd.

The relationship between Tadano and Cummins, two world class manufacturers, is much more than customer and supplier. Tadano and Cummins share similar values and a storied history. Both companies, founded in 1919 by industrious inventors, have stood the test of time due to our employees' embodiment of our companies' values; providing products that create value, constant innovation and respect for all stakeholders and business partners, including our communities, the environment and society. It is because of these values that we are confident Tadano will continue to lead the lifting equipment industry and are excited to be among their global supplier partners.



#### Isao Mimura President, Mimura Ironworks Co., Ltd.

Mimura Ironworks is a manufacturing company that constantly considers and acts according to "Creation, Passion, and Harmony," in line with its management philosophy of "To provide superior quality product that employees are proud of and that allows the society to prosper." We actively make suggestions to companies using our products to enhance the quality and performance of their products. Since our founding in 1952, as a manufacturing company for the hydraulic systems (hydraulic cylinders) that are essential to the lifting done by hydraulic mobile cranes, we have supplied large and small can parts, machined components associated with such, and sub-assembly products integrated with hydraulic equipment parts. By providing hydraulic systems essential to hydraulic mobile cranes in a stable manner, Mimura Ironworks is committed to working together with the Tadano Group as it aims to become No. 1 in the global lifting equipment industry, building a relationship of mutual growth.

# Social

## Our Promises to Shareholders and Investors

### [ Our IR Policy ]

In the Tadano Group CSR Charter, the company positions our shareholders and investors as key stakeholders and pledges to "improve our performance and achieve long-term, steady growth to increase the asset value of our shareholders and investors." We pledge to all our stakeholders that we not only comply with relevant laws and regulations, but also disclose corporate information including updates on management and business activities in a timely and appropriate fashion.

We hold our biannual financial results briefings for securities analysts in Tokyo, where the president personally explains the company's financial results as well as the future direction of our business. We also welcome our institutional investors and others for company visits and plant tours.



### IR Calendar

Event	FY 2021	Event	FY 2021
Announcement of financial results for the year ended March 2021	April 28, 2021	Announcement of mid-term financial results for the year ending March 2022	October 29, 2021
Financial results briefing for securities analysts	May 17, 2021	Mid-term financial results briefing for securities analysts	November 10, 2021
The 73rd Ordinary General Shareholders' Meeting	June 25, 2021	Announcement of financial results for the third quarter of the year ending March 2022	Scheduled in late-January 2022
Announcement of financial results for the first quarter of the year ending March 2022	July 30, 2021		

### Opportunities for Dialogue with Institutional Investors and Analysts

Activity	FY 2020	Activity	FY 2020
Briefing by the president	Once	Individual interviews	176 times
Small meetings	8 times	Facility tours	None

### Analyst Coverage

Below is a list of securities analysts who review and make recommendations on Tadano's stock based on their analyses of the company's operating performance (as of January 1, 2022).

Company name	Name of analyst
CLSA Securities Japan Co., Ltd.	Edward Bourlet
JP Morgan Securities Japan Co., Ltd.	Tomohiko Sano
Daiwa Securities Co. Ltd.	Yusuke Miura
Tokai Tokyo Research Institute Co., Ltd.	Mitsuyuki Ohdaira
SMBC Nikko Securities Inc.	Satoshi Taninaka
Mizuho Securities Co., Ltd.	Jin Qian
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	Tsubasa Sasaki
Morgan Stanley MUFG Securities Co., Ltd.	Yoshinao Ibara

#### <Notes>

- The list includes securities analysts who were confirmed to have published reports concerning Tadano based on the information available to the company at the time of publishing the list. Please note that there is a possibility of other analysts that are not listed and that not all of the information may be up to date.
- The list is posted for the sole purpose of introducing information on the analysts belonging to a corporation or research institution that provides analyses and forecasts regarding Tadano's operating performance, and is not intended as a solicitation to purchase or sell the company's stock.
- Analysts, whether included in the list or not, periodically or irregularly prepare analyses and forecasts on performance, business, products, technologies, and other aspects of the company based on their independent judgment. Neither the company nor the company's management team is involved in the processes in any way. Investors are requested to make their final investment decision based on their own judgment.



## Our Promises to Society

### [ Our Basic Policy ]

Tadano established the CSR Committee in 2005 to promote and promulgate CSR. The Tadano Group believes that a company can exist only when it is in harmony with the people around it. Therefore, we will contribute to the development of local and international societies, and promote business activities that help protect the global environment. We will also seek to maximize our corporate value in response to the expectations of all of our stakeholders. Under our corporate philosophy of *Sozo* (Creation), *Hoshi* (Contribution), and *Kyoryoku* (Cooperation), we want to serve our communities in ways only Tadano can.



## Cultural Restoration and Academic Support

As a manufacturer of lifting equipment, Tadano has been uniquely positioned to make contributions to the community by assisting with cultural restoration projects. In response to a message from Easter Island (Chile) seeking technical assistance to return the Moai statues to the standing position, Tadano took on the Moai Restoration Project, which lasted from 1988 to 1996. In 2019, as part of our 100th anniversary project, we donated a third crane to Easter Island.

Tadano also provided technical cooperation in the disassembly of the Takamatsuzuka Tomb's stone chamber in Nara by developing a disassembly jig in 2007. This cooperation was highly evaluated, and in February 2018, Tadano won the Special Prize of the Minister of Economy, Trade and Industry in the Monozukuri Nippon Grand Award.

In 2008, we donated three products to help in restoration work on West Prasat Top, part of the Angkor Thom ruins that were in a critical condition after destruction to masonry owing to long years of neglect, in part due to the civil war in Cambodia.

In order to support the maintenance and development of the Kwasan Observatory, Tadano established the General Incorporated Kwasan Cultural Foundation for the Promotion of Cosmology, which has been donating 10 million yen annually over 10 years since 2019. Through this support, Tadano will make social contributions to the field of astronomy.



## Plant Tours for Families

Tadano holds plant tours each year to enhance children's interest and understanding in *Monozukuri* (high-quality manufacturing) and technology and to give them a little help with their summer projects by providing them with a rare opportunity to visit plants and test ride our cranes.

In FY 2018, the tour was held at our Shido Plant in July and was joined by a total of 42 families from both inside and outside the company.

In FY 2021, the tour of our Kozai Plant was held online due to the COVID-19 pandemic. A total of 14 families from not only Kagawa but also Osaka, Ehime, and other prefectures participated in the tour.

## Forestation Activities

Under the Forest Matching Promotion Project organized by Kagawa Prefecture, we have designated a part of forest owned by Sanuki City as Tadano Forest of Learning and have been working on forest preservation. Volunteer group company employees take part in the forestation activities to create a platform to learn the importance of environmental conservation through forest maintenance, as well as to interact with others by participating in forest maintenance.

In 2020, we held a forestation event at Tadano Forest of Learning. A total of 43 participants worked on forest maintenance to reclaim the lawn, with an eye to planting trees in the future.



## Beach Cleaning

Many plants in Kagawa are located by the sea. To maintain the richness of the Seto Inland Sea, we launched a beach cleaning initiative. The cleaning is an attempt to raise interest in and learn about the amount and types of garbage found on the beach, as well as how the garbage got to the sea.

The first cleaning took place in October 2021. 44 participants, including volunteer employees, picked up garbage on the beach in Yashimanishi-machi, Takamatsu and deepened their understanding of and knowledge on marine conservation by filling in and reporting through the International Coastal Cleanup data sheet.

## Heartful Pocket (Donor Organization)

This support organization, which encourages employees' participation, was launched in 2007 as a grassroots initiative for raising donations for organizations and individuals dedicated to a variety of social causes. Employees who become members of the organization make a donation of 100 yen from their monthly salary and 500 yen from their bonus. The company devotes the amount equivalent to the sum of the contributions by employees (matching gift), and make donations twice a year. As of March 2021, we have made donations to 61 organizations nominated by Tadano Group employees.



## Contributing to the Local Community

In FY 2021, Tadano renewed the top sponsor agreement with Kamatamare Sanuki, a football club that belongs to the Japan Professional Football League. The club's home town is Kagawa Prefecture.

As part of our efforts to support local organizations and events for regional revitalization, we also donate to Setouchi Triennale, an international art festival held on the islands of the Seto Inland Sea, and the Takamatsu International Piano Competition, which features world-class music from Takamatsu.

Also, team members of the two German group companies, Tadano Faun GmbH and Tadano Demag GmbH, donated over 32,000 euros for the victims of the catastrophic flooding that occurred in western Germany last summer. The companies then matched this donation so that a total of 65,000 euros were collected for the victims.





# Governance

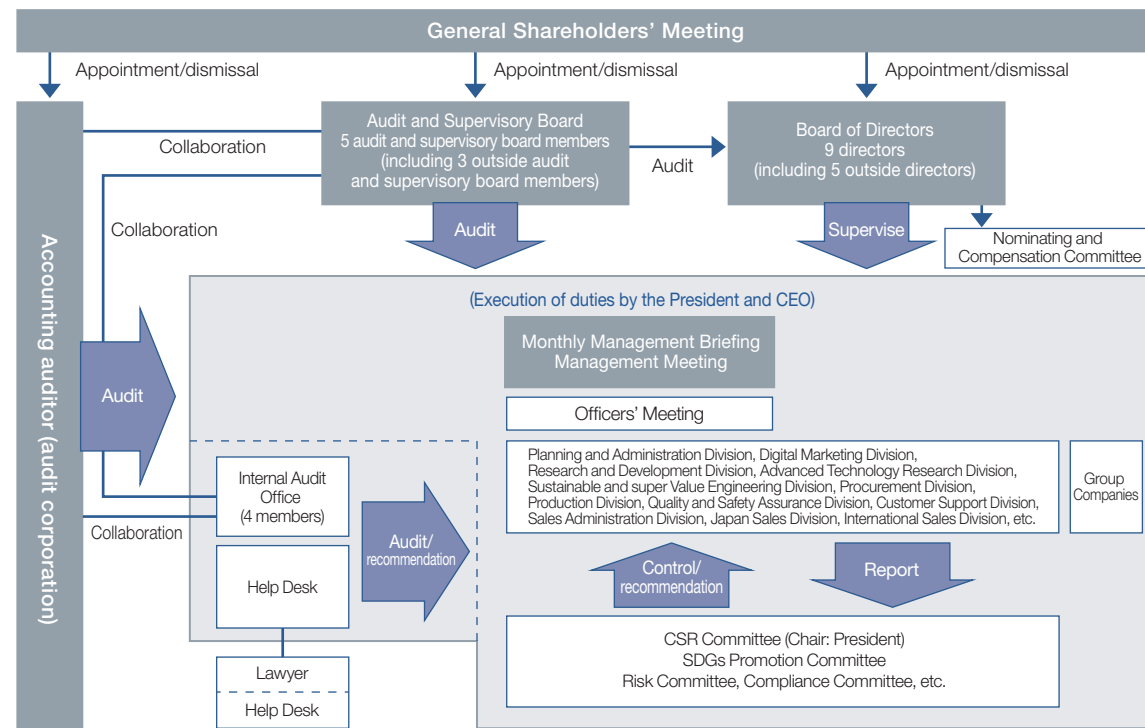
## Corporate Governance

Please see our website for details    
<https://www.tadano.com/ir/esg/governance.html>

### [ Our Basic Policy ]

The company places corporate governance as one of the important management issues in order to ensure transparency, soundness, and efficiency of our management. For corporate governance to function effectively, we believe we need to foster a sound corporate culture based on our corporate philosophy and develop a mechanism in which corporate management (and managers) are governed by such a culture. Equally important is to ensure that auditing is conducted properly by improving the auditing environment and expanding the role of the audit and supervisory board members. To realize sustainable growth and a mid- to long-term enhancement of corporate value, we have established the Corporate Governance Guidelines, which set forth the Tadano Group's basic approach to corporate governance.

## Corporate Governance Structure Chart



## Changes in Corporate Governance Structure

Date	Detail
Apr. 1999	Introduced the executive officer system
Oct. 2005	Established the CSR Committee, Risk Committee, and Compliance Committee
Apr. 2006	Established the Internal Control Office
May 2006	Introduced the Tadano Group CSR Charter and Tadano Group CSR Guidelines, adopted the internal reporting system, and established the basic policy for the development of an internal control system
Apr. 2008	Established the J-SOX Committee and developed the J-SOX Company directors evaluation system
Jun. 2008	Elected 2 outside directors
Sep. 2014	Introduced the Tadano Group Management Regulations
Apr. 2015	Established the Internal Audit Office ("Internal Control Office" was renamed "Internal Audit Office" to strengthen auditing functions)

Date	Detail
Dec. 2015	Established the Corporate Governance Guidelines (in accordance with the Corporate Governance Code)
Apr. 2016	Established the non-statutory Nominating Committee
Apr. 2017	Reorganized the non-statutory Nominating and Compensation Committee
Jan. 2019	Introduced the Tadano Group Compliance Regulations Appointed Compliance Officers
Jul. 2019	Established the Compliance Office
Jun. 2020	Introduced the restricted stock compensation plan
Jun. 2021	Increased the number of outside directors (from 3 to 5) Selected the lead independent director Introduced the performance-linked compensation system

## Description of Meeting Bodies and Committees

### Board of Directors

Comprised of nine directors, including five outside directors, Tadano's Board of Directors develops and executes management plans and strategies with the goal of maximizing the company's corporate value and making improvements such as in earning capabilities and asset efficiency. The board also establishes an internal control system and a risk management system to support appropriate risks taken by directors as a part of management decisions, thereby properly fulfilling its role and responsibilities.

### Monthly Management Briefing/Management Meeting

The Monthly Management Briefing is held to report on business activities and to share information, while the Management Meeting is convened to discuss management strategies. These advisory committee meetings are held once a month to assist the president's decision-making.

### Risk Committee

The Risk Committee promotes and supervises the management of Tadano Group's business risks. The goal of the Risk Committee is to enhance the company's risk management capabilities. Comprised of the chair designated by the president and members representing each division at the general manager level or above, the Committee meets biannually to identify and evaluate internal risks, implement solutions by assigning each risk to a department, and to conduct reviews on the results.

### Audit and Supervisory Board

Composed of five audit and supervisory board members including three outside audit and supervisory board members, the Audit and Supervisory Board maintains a system which allows audit and supervisory board members to audit business execution of directors by exercising their authority and appropriate judgment from an objective perspective based on the high level of expertise and information held by each audit and supervisory board member.

### Nominating and Compensation Committee

This Committee is comprised of seven members: two internal directors, four outside directors, and one outside audit and supervisory board member. Serving as an advisory body for the Board of Directors, the Committee discusses the nomination of directors and audit and supervisory board members and the appointment of officers, as well as decisions concerning remuneration for directors, and reports the details of the discussion to the Board of Directors with the goal of ensuring fairness and transparency. In addition, as an advisory body for the president, the Committee discusses and reports to the president decisions concerning remuneration for officers with the goal of ensuring fairness and transparency.

### Officers' Meeting and Officers' Camp

The Officers' Meeting is held at least twice a month to facilitate business execution by officers and to enhance collaboration among officers. The Officers' Camp is held twice a year as an opportunity for intensive discussion on management strategies.

## Evaluating the Effectiveness of the Board of Directors

Article 34 of the Corporate Governance Guidelines stipulates matters concerning evaluation of effectiveness of the Board of Directors. In fiscal year 2020, the Board of Directors concluded that the mechanism of Board of Directors meetings, which are conducted based on discussions at the Officers' Meeting held at least twice a month with outside directors in accordance with Article 25 of the Guidelines to reinforce officers' execution of duties and strengthen collaboration among officers and at the Management Meeting held once a month to discuss management strategies, is appropriate in composition, role, and operation, and that outside directors are contributing to the effectiveness in the series of discussions, including Board of Directors meetings. This conclusion was

made based on the analysis and discussion on results for questionnaires on the evaluation of the Board of Directors collected from all directors and audit and supervisory board members. As such, the company confirms that the effectiveness of the Board of Directors is adequately ensured. While we have made progress in the diversity of the Board of Directors, which had been an ongoing discussion topic since last year's evaluation, we will make further improvements in the operational issues that have been pointed out, including the handouts, briefings, and agenda selection for the Board of Directors meetings.

## Compliance Initiatives

### Compliance assurance system

In keeping with the Tadano Group CSR Charter and the Tadano Group Compliance Regulations, all employees of the Tadano Group engage in transparent, sound, and honest business activities in compliance with relevant laws and regulations and social norms, as well as high ethical standards.

To promote compliance, the Chief Compliance Officer designated by the president takes charge of the overall compliance system of the Tadano Group and supervises compliance policies. The Compliance Officer appointed by each group company takes charge of matters concerning each company's compliance system. We also have the Compliance Committee, consisting of members representing each division of Tadano at the general manager level or above.

### Compliance Committee

The Compliance Committee meets twice a year, shares and discusses compliance issues, and makes reports on the activities of group companies. The Committee also raises awareness of compliance through education and trainings on regulatory compliance using educational tools and other materials, and strengthens the compliance system by providing assistance such as for implementation of regulatory compliance measures.

### Promoting compliance

Employees are given a copy of the Compliance Book, which describes compliance issues encountered in daily operations, and read through it line by line whenever appropriate during gatherings held at each workplace, such as morning meetings. Compliance seminars are held for employees periodically using e-learning, and group workshops are organized on specific themes when needed.

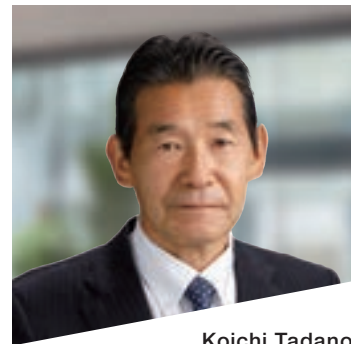
### Internal reporting system

We have established an internal reporting system so that employees can report illegal and inappropriate actions to the company. We have set up an internal hotline as well as an external hotline (an outside law firm) to receive reports from whistleblowers.

Tadano's internal regulations protect whistleblowers by ensuring their anonymity and prohibiting any unfair treatment of them. Violations of laws and regulations, if confirmed, are reported to the Compliance Committee. If the violation is deemed serious, the Committee immediately provides its opinions on countermeasures based on the results of investigation and reports the violation and the countermeasures to the president and audit and supervisory board members.

# Executives

## Directors



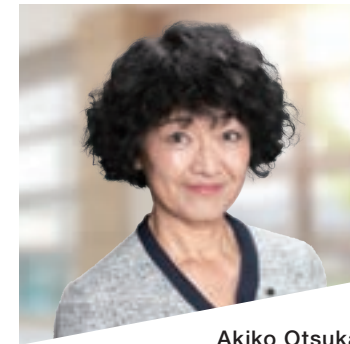
**Koichi Tadano**



**Toshiaki Ujiie**



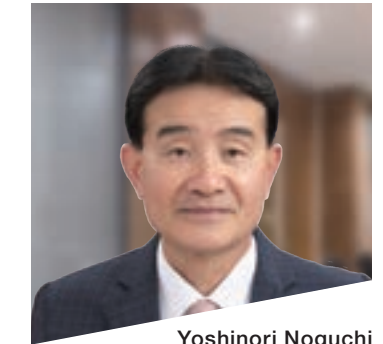
**Tamaki Okuyama**



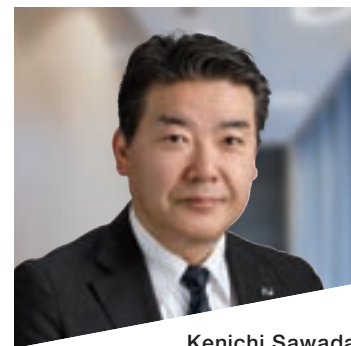
**Akiko Otsuka**



**Koichi Tadenuma**



**Yoshinori Noguchi**



**Kenichi Sawada**



**Shosaku Murayama**



**Tatsuro Ishizuka**

**Koichi Tadano** Representative Director, Chairman of the Board

Apr. 1977: Joined Marubeni Corporation  
 Jun. 1988: Joined Tadano Ltd.  
 Jun. 1991: General Manager of President's Office  
 Jan. 1997: Director and President of Faun GmbH (currently Tadano Faun GmbH)  
 Jun. 1997: Director  
 Apr. 1999: Director and Executive Officer  
 Apr. 2001: Director and Senior Executive Officer  
 Apr. 2002: Representative Director and Senior Executive Officer  
 Jun. 2003: Representative Director, President and CEO  
 Apr. 2021: Representative Director and Chairman of the Board (current position)

Since he assumed the office of Representative Director, President and CEO of the Company, he has contributed to the long term growth of the Tadano Group, by leveraging the wealth of experience he had acquired in the past, and has shown strong leadership by playing a pivotal role in management. In April 2021, he assumed the office of Representative Director and Chairman of the Board of the Company. He is expected to fulfill an important role in leading the Tadano Group to further growth.

**Toshiaki Ujiie** Representative Director, President and CEO

Apr. 1984: Joined Marubeni Corporation  
 Apr. 2009: General Manager, Construction Machinery Department of Marubeni Corporation  
 Apr. 2013: General Manager, Corporate Planning & Strategy Department of Marubeni Corporation  
 Apr. 2014: Executive Officer of Marubeni Corporation  
 Apr. 2017: Managing Executive Officer of Marubeni Corporation  
 Apr. 2018: Managing Executive Officer and Chief Executive Officer, Transportation & Industrial Machinery Group of Marubeni Corporation  
 Apr. 2019: Joined Tadano Ltd. as Adviser to Planning and Administration Division  
 Jun. 2019: Director and Senior Executive Officer  
 Jun. 2020: Representative Director and Executive Vice President  
 Apr. 2021: Representative Director, President and CEO (current position)

He was involved in the construction machinery industry at a general trading company for many years, and he has contributed to driving the globalization of the Company with his abundant experience and deep insight in the domestic and overseas construction machinery business. In April 2021, he assumed the office of Representative Director, President and CEO of the Company. He is expected to fulfill an important role in leading the Tadano Group to further growth.

**Tamaki Okuyama** Director, Senior Executive Officer

Apr. 1980: Joined Tadano Ltd.  
 Oct. 2000: General Manager of Design I Division  
 Jan. 2004: Director of Faun GmbH (currently Tadano Faun GmbH)  
 Apr. 2008: Officer  
 Apr. 2011: Executive Officer  
 Jun. 2011: Director and Executive Officer  
 Apr. 2017: Director and Senior Executive Officer  
 Apr. 2021: Director, Senior Executive Officer, and Executive of Research and Development (current position)

He has been in charge of various roles and has overseen divisions such as Production, Quality and Safety Assurance, and Research and Development. He has contributed to the growth of the Tadano Group with his abundant experience and deep insight in these areas. He is expected to fulfill an important role in leading the Tadano Group to further growth.

**Kenichi Sawada** Director, Executive Officer

Dec. 1990: Joined Tadano Ltd.  
 Apr. 2004: Director and President of Tadano America Corporation  
 Apr. 2008: Officer  
 Apr. 2017: Executive Officer  
 Jul. 2017: Executive Officer, in charge of European Operations, and Director and President of Tadano Faun GmbH  
 Jun. 2020: Director and Executive Officer  
 Apr. 2021: Director, Executive Officer, and Executive of Production (current position)

He has been in charge of various roles and has overseen divisions such as Pan-American Operations, European Operations, Customer Support, Information and Communication Technology, Production, and Quality and Safety Assurance. He has contributed to the growth of the Tadano Group with his abundant experience and deep insight in these areas. He is expected to fulfill an important role in leading the Tadano Group to further growth.

**Shosaku Murayama** Outside Director  
 Lead Independent Director

Apr. 1972: Joined Bank of Japan  
 Feb. 1981: Economist, New York Office of Bank of Japan  
 Nov. 1994: General Manager, Takamatsu Branch of Bank of Japan  
 Jun. 1998: Chief, Survey Statistics Bureau of Bank of Japan  
 Mar. 2002: President, CEO and Representative Director of Teikoku Seiyaku Co., Ltd.  
 Jun. 2011: President, CEO and Representative Director of iPS Academia Japan, Inc.  
 Jun. 2014: Outside Director of TOHO HOLDINGS CO., LTD. (current position)  
 Jul. 2014: President, CEO and Representative Director of iPS Portal, Inc.  
 Jun. 2020: Director of Tadano Ltd. (current position)

He has adequately supervised the Company's management with his abundant knowledge and experience on the economy, finance and corporate management. He is expected to fulfill his role to supervise management from an objective standpoint independent from those who carry out the Company's business by drawing on his abundant knowledge and experience on the economy, finance and corporate management.

**Tatsuro Ishizuka** Director Outside Director

Apr. 1978: Joined Hitachi, Ltd.  
 Apr. 2009: Corporate Officer and General Manager of Hitachi Works, Power Systems Group, Hitachi, Ltd.  
 Apr. 2014: Representative Executive Officer, Executive Vice President and Executive Officer of Hitachi, Ltd.  
 Apr. 2015: Deputy Chairman of Hitachi Europe Ltd.  
 Jul. 2016: Chairman of the Board of Hitachi Research Institute  
 Apr. 2017: Representative Executive Officer and Chairman of Hitachi Construction Machinery Co., Ltd.  
 Jun. 2017: Representative Executive Officer, Chairman, Executive Officer and Director of Hitachi Construction Machinery Co., Ltd.  
 Apr. 2019: Adviser of Hitachi, Ltd. (current position)  
 Jun. 2019: President of The Hitachi Global Foundation (current position) Outside Director of Astellas Pharma Inc. (current position)  
 Mar. 2020: Outside Director of K & O Energy Group Inc. (current position)  
 Apr. 2021: Adviser of Tadano Ltd.  
 Jun. 2021: Director (current position)

He has abundant experience and extensive insight gained over many years as a business manager of a general electrical manufacturer and a construction machinery manufacturer. He is expected to fulfill his role to supervise management from an objective standpoint independent from those who carry out the Company's business by drawing on his abundant experience and extensive insight gained over many years as a business manager.

**Akiko Otsuka** Director Outside Director

Apr. 1986: Joined Toshiba Corporation  
 Oct. 1995: Studied at Stanford University Graduate School  
 Apr. 2007: Joined NEC Corporation  
 Jul. 2015: Gender Equality Committee in AeroSpace (Sorajo board) of Japanese Rocket Society (current position)  
 Nov. 2017: Expert of Space Systems Group I, Space Systems Division of NEC Corporation (current position)  
 Mar. 2018: Earned Doctoral Degree in System Engineering at Keio University  
 Apr. 2019: Chairperson of the Gender Equality Committee of the Japan Society for Aeronautical and Space Sciences  
 Apr. 2021: Adviser of Tadano Ltd.  
 Jun. 2021: Director (current position)

She has abundant knowledge and experience cultivated through the development of robot arms for the International Space Station and activities of the Gender Equality Committee, among others. She is expected to fulfill her role to supervise management from an objective standpoint independent from those who carry out the Company's business by drawing on her abundant knowledge and experience cultivated through product development and activities of the Gender Equality Committee.

**Koichi Tadenuma** Director Outside Director

Apr. 1990: Assistant Professor, Faculty of Economics, Hitotsubashi University  
 Apr. 1992: Associate Professor, Faculty of Economics, Hitotsubashi University  
 Apr. 1998: Associate Professor, Graduate School of Economics, Hitotsubashi University  
 Apr. 2000: Professor, Graduate School of Economics, Hitotsubashi University (current position)  
 Apr. 2011: Dean of Graduate School, Graduate School of Economics, Hitotsubashi University  
 Dec. 2014: President of Hitotsubashi University  
 Dec. 2020: Adviser of Tadano Ltd.  
 Jun. 2021: Director (current position)

He has deep insight on economics and abundant experience in academic administration. He is expected to fulfill his role to supervise management from an objective standpoint independent from those who carry out the Company's business by drawing on his insight on economics and advising based on his academic experience.

**Yoshinori Noguchi** Director Outside Director

Apr. 1977: Joined Hino Motors, Ltd.  
 Jun. 2004: Executive Officer and General Manager, Operations Division, Hino Motors, Ltd.  
 Jun. 2010: Managing Executive Officer of Hino Motors, Ltd.  
 Apr. 2014: Senior Managing Officer and Head of North American Operations of Hino Motors, Ltd.  
 Apr. 2018: Executive Vice President and Head of North American Operations of Hino Motors, Ltd.  
 Apr. 2019: Adviser of Tadano Ltd.  
 Jun. 2019: Director (current position)

He has adequately supervised the Company's management with his abundant knowledge and experience on corporate management. He is expected to fulfill his role to supervise management from an objective standpoint independent from those who carry out the Company's business by drawing on his abundant knowledge and experience on corporate management.

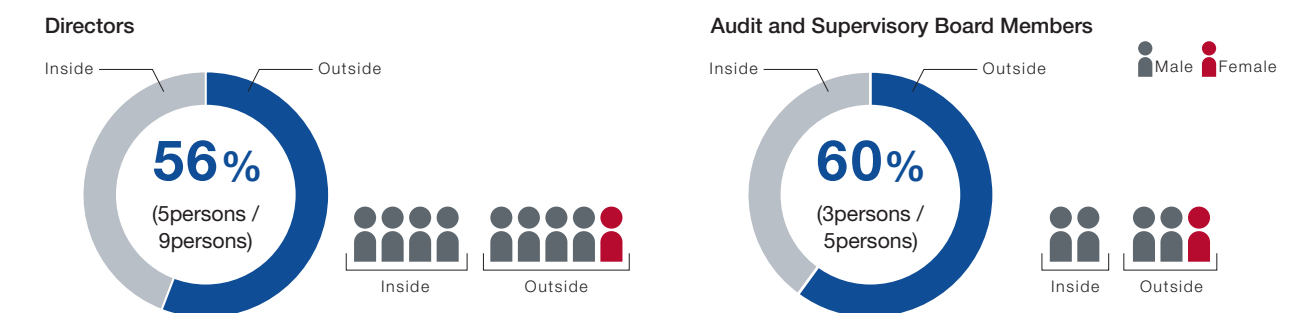
**Composition of the Board of Directors** Directors are elected in consideration of a balance of knowledge, experience and skills.

Areas of expertise of the directors

Name	Corporate management	Governance and risk management	Finances and accounting	Manufacturing, technology and R&D	Marketing and sales	Global experience
Koichi Tadano	●	●	●	●	●	●
Toshiaki Ujiie	●	●	●	●	●	●
Tamaki Okuyama	●	●	●	●	●	●
Kenichi Sawada	●	●	●	●	●	●
Shosaku Murayama	●	●	●	●	●	●
Tatsuro Ishizuka	●	●	●	●	●	●
Akiko Otsuka	●	●	●	●	●	●
Koichi Tadenuma	●	●	●	●	●	●
Yoshinori Noguchi	●	●	●	●	●	●

\*The above list does not represent all the areas of expertise of the directors.

**Proportions of Outside Directors and Outside Audit and Supervisory Board Members**





## Audit and Supervisory Board Members



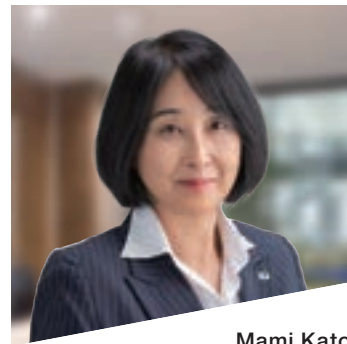
Yoichiro Nishi



Masahiko Ikeura



Kazushi Inokawa



Mami Kato



Hisakazu Suzuki

### Yoichiro Nishi Audit and Supervisory Board Member

Apr. 1976: Joined Yanmar Diesel Co., Ltd. (currently Yanmar Holdings Co., Ltd.)  
 Apr. 2005: General Manager of Tractor Development Division I, Development Headquarters, Yanmar Diesel Co., Ltd.  
 Jan. 2007: General Manager of Development Group III, Development Division, Tractor Business Headquarters, Yanmar Agricultural Equipment Co., Ltd. (currently Yanmar Agribusiness Co., Ltd.)  
 Jun. 2008: General Manager of Product Technology Department, Development Division, Tractor Business Headquarters, Yanmar Agricultural Equipment Co., Ltd.  
 Sep. 2008: Joined Tadano Ltd.  
 Jan. 2009: General Manager of R&D Planning Department  
 Apr. 2009: Officer  
 Apr. 2011: Executive Officer  
 Jun. 2011: Director and Executive Officer  
 Jun. 2020: Audit and Supervisory Board Member (current position)

He has been in charge of various roles and has overseen divisions such as Research and Development, Production, and Quality and Safety Assurance, and has abundant knowledge and deep insight in these areas. He is expected to perform audits based on his broad viewpoints.

### Mami Kato Outside Audit and Supervisory Board Member Audit and Supervisory Board Member

Apr. 1986: Joined IBM Japan, Ltd.  
 Apr. 1997: Registered as a lawyer (to present)  
 Jan. 1998: Joined Sakuragaoka Law Office (to present)  
 Apr. 2012: Vice President of Dai-ni Tokyo Bar Association  
 Jun. 2016: Outside Director of MAEZAWA KASEI INDUSTRIES CO., LTD. (current position)  
 Jul. 2018: Outside Director and Audit and Supervisory Committee Member of VISIONARY HOLDINGS CO., LTD. (current position)  
 Jun. 2019: Outside Director of Asakuma Co., Ltd.  
 Jun. 2021: Audit and Supervisory Board Member of Tadano Ltd. (current position)

She is expected to utilize her professional viewpoints as a lawyer, abundant knowledge of and experience in corporate law, and experience as an Outside Officer, for the Company's audit system.

### Masahiko Ikeura Audit and Supervisory Board Member

Apr. 1981: Joined Tadano Ltd.  
 Jul. 1999: President and Representative Director of Tadano Tokyo Sales Ltd.  
 Apr. 2005: General Manager of Chugoku Branch, West Japan Branch Office, Tadano Ltd.  
 Apr. 2008: Head of East Japan Branch Office  
 Apr. 2009: General Manager of Japan Sales Planning and Promotion Department  
 Apr. 2012: Officer and Deputy Head of Japan Sales Division  
 Apr. 2021: Adviser  
 Jun. 2021: Audit and Supervisory Board Member (current position)

He has managerial experience at the Company's affiliate as well as abundant experience and knowledge in the Company's business, mainly centered on the sales division. In light of his proven track record as an Officer, he is expected to appropriately fulfill his duties as an Audit and Supervisory Board Member.

### Hisakazu Suzuki Outside Audit and Supervisory Board Member Audit and Supervisory Board Member

Apr. 1977: Joined Sumitomo Corporation  
 Oct. 2003: General Manager, Documents and General Affairs Department of Sumitomo Corporation  
 Aug. 2008: General Manager, Public Relations Department of Sumitomo Corporation  
 Apr. 2011: Executive Officer of Sumisho Computer Systems Corporation  
 Oct. 2011: Executive Officer of SCSK Corporation  
 Jun. 2012: Representative Director, Senior Executive Officer of SCSK Corporation  
 Apr. 2016: Representative Director, Executive Vice President, Executive Officer of SCSK Corporation  
 Oct. 2019: Adviser of Tadano Ltd.  
 Jun. 2020: Audit and Supervisory Board Member (current position)

He has abundant knowledge and experience on corporate management, compliance, and corporate governance. In addition, he has experience as an officer managing IR and finance at SCSK Corporation, and has a considerable amount of knowledge in finance and accounting. He is expected to utilize these knowledge and experiences for the Company's audit system.

### Kazushi Inokawa Outside Audit and Supervisory Board Member Audit and Supervisory Board Member

Apr. 1979: Appointed to Kagawa Prefectural Police Officer  
 Mar. 2008: Subchief, Takamatsu-kita Police Office  
 Mar. 2009: Chief of Identification Section, Kagawa Prefectural Police Headquarters  
 Mar. 2010: Advisor, Public Safety Commission, Police Affairs Department, Kagawa Prefectural Police Headquarters  
 Feb. 2011: Chief of Accounts Section and Councilor of Police Affairs Department, Kagawa Prefectural Police Headquarters  
 Jun. 2014: Audit and Supervisory Board Member of Tadano Ltd. (current position)

He is expected to utilize his abundant knowledge of and experience in compliance for the Company's audit system.

## Officer Compensation

### Basic Policy

In accordance with the provisions of the Company's Articles of Incorporation, the maximum annual amount of compensation for Directors was set at no more than 450 million yen (of which no more than 80 million yen for Outside Directors) by resolution of the 73rd Ordinary General Shareholders' Meeting held on June 25, 2021. In addition, a resolution of the 72nd Ordinary General Shareholders' Meeting held on June 25, 2020 approved the total amount of monetary compensation to be paid to Directors (excluding Outside Directors) for the granting of restricted stock be no more than 90 million yen per year, which is within the aforementioned maximum amount of compensation.

The compensation of individual Directors (excluding Outside Directors; the same shall apply hereinafter) shall consist of (1) fixed compensation (monetary compensation), (2) performance-linked compensation (monetary compensation) as variable compensation, and (3) compensation for shares with transfer restrictions as non-monetary compensation, based on the basic policy that the level of compensation shall be appropriate in accordance with the responsibilities of each Director. The compensation for Outside Directors is fixed compensation (monetary compensation) only, in consideration of their role and independence.

### Policy on Determination of Fixed Compensation (Monetary Compensation)

Fixed compensation (monetary compensation) for Directors is a monthly fixed amount and consists of a role-based allowance and basic compensation, taking into consideration the level of other companies and employee salaries. The fixed compensation (monetary compensation) for Outside Directors is determined as a monthly fixed compensation, taking into consideration the level of other companies and their responsibilities.

### Policy on Determination of Performance-Linked Compensation (Monetary Compensation)

The amount of performance-linked compensation for Directors is determined based on consolidated net income as a performance indicator, and is paid on a monthly basis together with the above fixed compensation, in order to raise awareness of the need to improve performance in each fiscal year. Specifically, a payment rate of 0% to 50% linked to the amount of consolidated net income is set and determined by the following formula. The payment rate is reviewed as necessary in response to changes in the business environment.

$$\text{Performance-linked compensation} = \text{Basic compensation by position} \times \text{Payment rate based on performance indicators}$$

### Policy Regarding Determination of Non-monetary Compensation, Etc.

To incentivize the sustainable enhancement of the Company's corporate value and to promote further value sharing among Directors and shareholders, non-monetary compensation, etc. are designated as restricted stock for transfer. At the Board of Directors' meeting held in July each year, a resolution is passed to grant restricted stock to Directors, and a lump-sum grant for the year is made in August. The specific number of shares to be granted is the number obtained by dividing the amount equivalent to 36% of the total annual basic compensation by the amount to be paid in per share, which is determined based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the day of the Board of Directors' resolution regarding the grant of restricted stock. Restricted stock shall include the content described on the right.

- Restriction on transfer and period of restriction on transfer**  
Directors may not transfer, create security interests in, or otherwise dispose of shares with restrictions on transfer during the period from the date of granting until the date of retirement from the position of Director of the Company or other position determined by the Board of Directors of the Company.
- Reasons for acquisition without compensation**  
In the event of resignation during the term of office without a justifiable reason, violation of laws and regulations or internal rules, or any other event that the Board of Directors of the Company determines to be appropriate for the acquisition of shares with restrictions on transfer without compensation, the Company shall acquire the granted shares with restrictions on transfer without compensation.

### Policy for Determining the Ratio of Monetary to Non-monetary Compensation

The details and ratios of monetary and non-monetary compensation, etc. are as follows.

	(Monetary Compensation)		(Non-monetary Compensation)
	(Fixed compensation) Position allowance+basic compensation Approximately 65%	(Performance-linked compensation) Basic compensation×payment rate (25%) Approximately 15%	(Compensation for shares with transfer restrictions) Basic compensation×36% Approximately 20%
Directors			
Outside Directors	Fixed compensation 100%	—	—

Notes: 1. Performance-linked compensation assumes that the rate of payment linked to the amount of consolidated net income is 25%.  
 2. In order to ensure fairness and transparency, the Board of Directors consults in advance with the Nominating and Compensation Committee, more than half of which consists of Outside Directors and Outside Audit and Supervisory Board Members, and makes decisions on individual compensation for Directors and Outside Directors based on the committee's report.  
 3. Compensation for each Director is not stated as there is no one whose total amount of compensation, etc. is 100 million yen or more.



# Business Segments

## Overview of FY 2020 Business Results

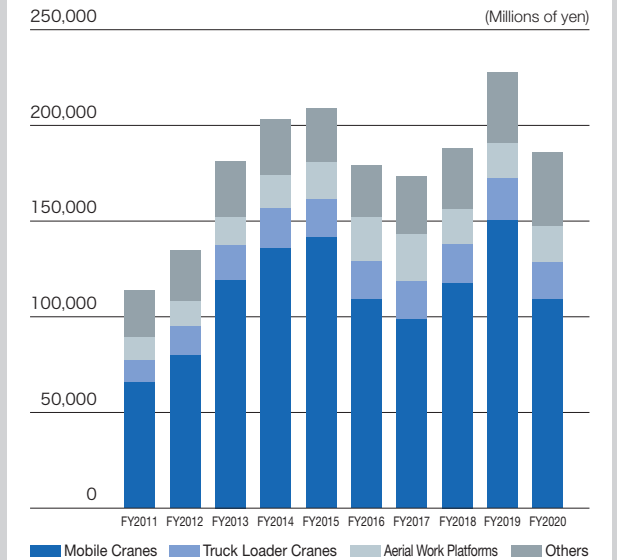
### Net Sales by Product

Sales of mobile cranes and truck loader cranes decreased to 109,430 million yen (72.6% of the figure for the previous year) and 19,314 million yen (87.1% of the figure for the previous year) respectively, due to a decline in global demand caused by the spread of COVID-19. Meanwhile, sales of aerial work platforms and other products increased to 18,701 million yen (104% of the figure for the previous year) and 38,593 million yen (104.4% of the figure for the previous year) respectively. As a result, net sales in FY 2020 amounted to 186,040 million yen (81.6% of the figure for the previous year).

■ Net sales by product (comparison between FY 2019 and FY 2020)

	FY 2019	FY 2020	Change	
			Amount	Rate of change
Mobile Cranes	150,818	109,430	-41,387	-27.4%
Truck Loader Cranes	22,162	19,314	-2,848	-12.9%
Aerial Work Platforms	17,986	18,701	715	4.0%
Others	36,982	38,593	1,611	4.4%
<b>Total</b>	<b>227,949</b>	<b>186,040</b>	<b>-41,909</b>	<b>-18.4%</b>

■ Net sales by product (from FY 2011 to FY 2020)



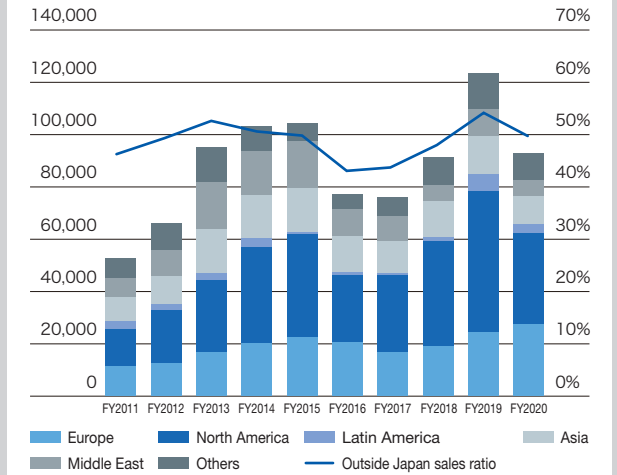
### Net Sales by Destination

Sales in Europe increased to 27,631 million yen (113.4% of the figure for the previous year), due to the consolidation of the Demag Mobile Cranes business. Due to decreased demand, sales in other markets outside of Japan dropped to 35,001 million yen (64.6% of the figure for the previous year) in North America, 3,092 million yen (65.9% of the figure for the previous year) in Latin America, 11,013 million yen (76.5% of the figure for the previous year) in Asia, 5,898 million yen (57.2% of the figure for the previous year) in the Middle East, and 10,126 million yen (75.3% of the figure for the previous year) in other areas. Sales in the Japanese market decreased as well to 93,277 million yen (89.2% of the figure for the previous year). Sales in markets outside Japan accounted for 49.9% (54.1% for the previous year).

■ Net sales by destination (comparison between FY 2019 and FY 2020)

	FY 2019	FY 2020	Change	
			Amount	Rate of change
Europe	24,363	27,631	3,267	13.4%
North America	54,163	35,001	-19,162	-35.4%
Latin America	6,735	3,092	-3,643	-54.1%
Asia	14,401	11,013	-3,387	-23.5%
Middle East	10,312	5,898	-4,414	-42.8%
Others	13,444	10,126	-3,318	-24.7%
<b>Subtotal (outside Japan)</b>	<b>123,421</b>	<b>92,763</b>	<b>-30,658</b>	<b>-24.8%</b>
Japan	104,527	93,277	-11,250	-10.8%
<b>Total</b>	<b>227,949</b>	<b>186,040</b>	<b>-41,909</b>	<b>-18.4%</b>
Outside Japan sales ratio	54.1%	49.9%		

■ Net sales by destination (from FY 2011 to FY 2020)



\*Other areas include Oceania, Africa, and the CIS.

\*Japan is not included.  
\*Other areas include Oceania, Africa, and the CIS.





# 01 Mobile Cranes

## Net Sales

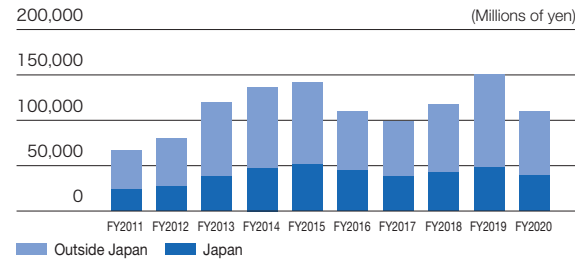
Sales in the Japanese market stood at 39,615 million yen (82.8% of the figure for the previous year) and sales in markets outside of Japan were 69,815 million yen (67.8% of the figure for the previous year), due to decreased demand in all areas. As a result, the net sales of mobile cranes amounted to 109,430 million yen (72.6% of the figure for the previous year).

### Net sales (comparison between FY 2019 and FY 2020)

	FY 2019	FY 2020	Change	
			Amount	Rate of change
Japan	47,833	39,615	-8,217	-17.2%
Outside Japan	102,984	69,815	-33,169	-32.2%
<b>Total</b>	<b>150,818</b>	<b>109,430</b>	<b>-41,387</b>	<b>-27.4%</b>

(Millions of yen)

### Net sales (from FY 2011 to FY 2020)



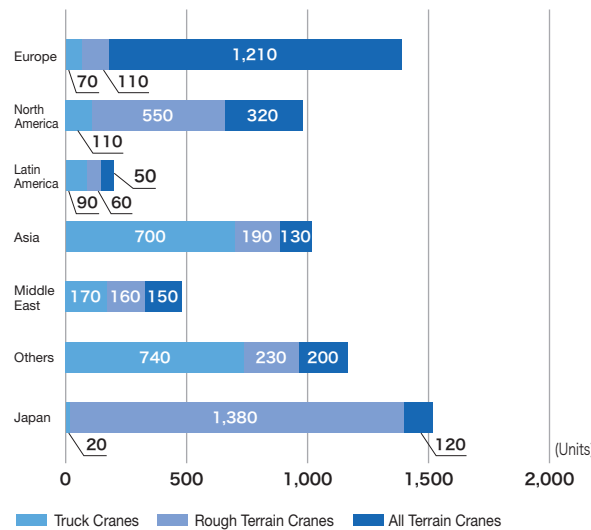
## Demand and Share (Units Sold)

In 2020, the overall demand for mobile cranes in the markets outside of Japan (excluding China) decreased to 78.4% of the figure for the previous year, due to the spread of COVID-19. The share of Tadano products in the global market fell by five percentage points to 24%, compared with 29% for the previous year.

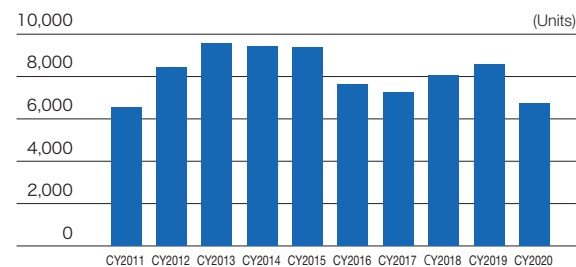
### Demand and share (comparison between CY 2019 and CY 2020)

	Demand (units)			Share	
	Jan.-Dec. 2019	Jan.-Dec. 2020	Rate of change	Jan.-Dec. 2019	Jan.-Dec. 2020
Europe	1,650	1,390	-15.8%	19%	13%
North America	1,650	980	-40.6%	35%	31%
Latin America	270	200	-25.9%	25%	11%
Asia	1,290	1,020	-20.9%	13%	9%
Middle East	650	480	-26.2%	20%	20%
Others	1,240	1,170	-5.6%	16%	10%
<b>Outside Japan total</b>	<b>6,750</b>	<b>5,240</b>	<b>-22.4%</b>		
Japan	1,870	1,520	-18.7%	55%	54%
<b>Total</b>	<b>8,620</b>	<b>6,760</b>	<b>-21.6%</b>	<b>29%</b>	<b>24%</b>

### Demand by market and product model (CY 2020)



### Global demand (from CY 2011 to CY 2020)



\*The figures are estimates by the company (rounded to the nearest ten).  
 \*Products made in Russia are not included.  
 \*Products for the Chinese market made in China are not included.  
 The estimated demand for made in China products in the Chinese market is as follows:  
 CY 2012: Approx. 22,000 units, CY2013: Approx. 17,000 units, CY 2014: Approx. 14,000 units,  
 CY 2015: Approx. 9,000 units, CY 2016: Approx. 9,000 units, CY 2017: Approx. 20,000 units,  
 CY 2018: Approx. 32,000 units, CY2019: Approx. 42,000 units, CY 2020: Approx. 54,000 units

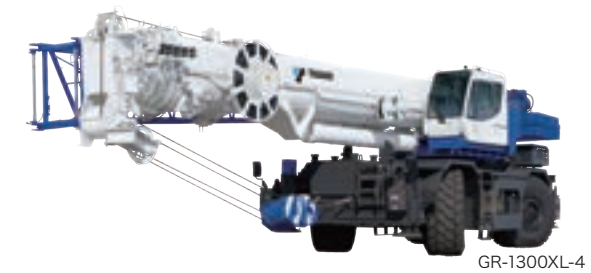
## Products

### All Terrain Cranes



Large-capacity cranes utilized on-site for construction and maintenance work for infrastructure development projects such as highways and bridge construction and large-scale plants and buildings. Capable of handling all types of road surfaces from paved roads to irregular terrains, they have a large crane capacity while also having superb maneuverability due to its all-wheel steering features.

### Rough Terrain Cranes



One of our leading product lines, representing the peak of Tadano's technical prowess. They are a self-propelled crane capable of traveling and handling crane operations in a single driver's seat. In addition to being able to travel on irregular terrains or soft ground, its maneuverability allows it to be used on-site in areas such as urban settings and narrow places. Outside of Japan, they are mainly used in the construction and maintenance of large-scale plants.

### Truck Cranes



These cranes are mounted on special-purpose or standard truck carriers. Driver's cabins are separately installed for travelling and for use as a crane. They are self-propelled and capable of travelling as speedily as trucks to the worksite and start crane work. In countries outside of Japan, they are frequently deployed for jobs requiring large-scale crane capacity, as well as high-speed travel. Their low maintenance costs and ease of maintenance make them especially popular in developing countries.

### Telescopic Boom Crawler Cranes



These cranes were developed to enable efficient use in various environments in vast lands of the United States, including muddy grounds. The crawler carrier's low center of gravity allows the crane to move while carrying heavy loads. These models are widely used at construction sites for tunnels, processing plants, oil tanks, and other facilities with challenging height restrictions.

### Lattice Boom Crawler Cranes



These cranes are suitable for sites that require more powerful lifting capacities. They have more lifting capacities than other types of cranes - up to 3,200 tons - and maintain excellent maneuverability under heavy load. Despite their size, transportation is made easy by dismantling them, and their fields of application are expanding worldwide in areas such as wind power related construction due to the growing demand for clean energy.





# 02 Truck Loader Cranes



# 03 Aerial Work Platforms

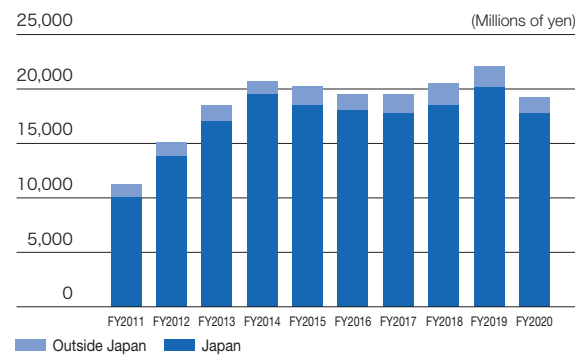
## Net Sales and Share of Units Sold in Japan

Due to the significant impact of the spread of COVID-19, sales in the Japanese market stood at 17,920 million yen (88.3% of the figure for the previous year). Sales in the markets outside of Japan were 1,393 million yen (74.5% of the figure for the previous year), despite efforts to expand sales. As a result, the company's net sales of truck loader cranes amounted to 19,314 million yen (87.1% of the figure for the previous year).

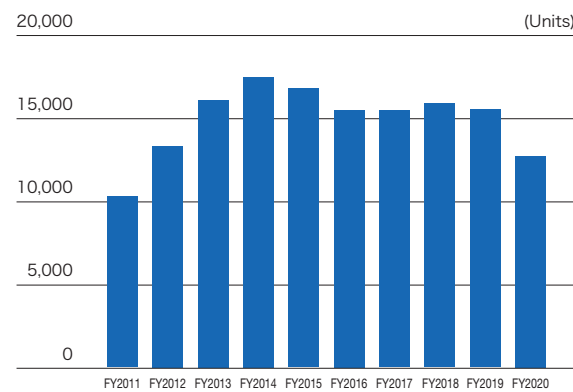
### Net sales (comparison between FY 2019 and FY 2020)

	FY 2019	FY 2020	Change	
			Amount	Rate of change
Japan	20,292	17,920	-2,371	-11.7%
Outside Japan	1,870	1,393	-476	-25.5%
<b>Total</b>	<b>22,162</b>	<b>19,314</b>	<b>-2,848</b>	<b>-12.9%</b>

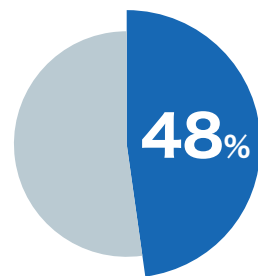
### Net sales (from FY 2011 to FY 2020)



### Demand in Japan (from FY 2011 to FY 2020)



### Share of units sold in Japan (FY 2020)



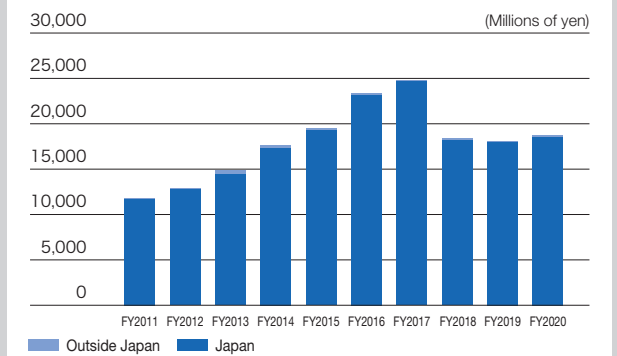
## Net Sales and Share of Units Sold in Japan

Despite a decrease in demand, sales in the Japanese market stood at 18,497 million yen (103.3% of the figure for the previous year), due to the efforts to expand the sales of products with high added value. Sales in markets outside of Japan were 204 million yen (251.6% of the figure for the previous year). As a result, net sales of aerial work platforms amounted to 18,701 million yen (104.0% of the figure for the previous year).

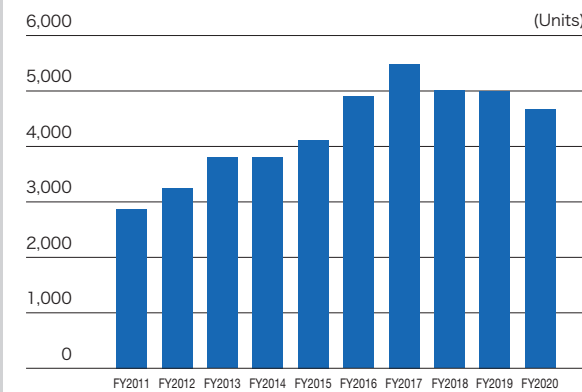
### Net sales (comparison between FY 2019 and FY 2020)

	FY 2019	FY 2020	Change	
			Amount	Rate of change
Japan	17,905	18,497	592	3.3%
Outside Japan	81	204	122	151.6%
<b>Total</b>	<b>17,986</b>	<b>18,701</b>	<b>715</b>	<b>4.0%</b>

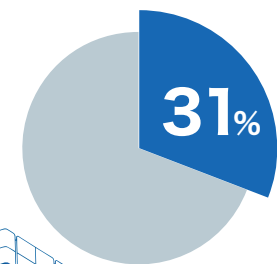
### Net sales (from FY 2011 to FY 2020)



### Demand in Japan (from FY 2011 to FY 2020)



### Share of units sold in Japan (FY 2020)



## Products



### Truck Loader Cranes



TM-XZ364

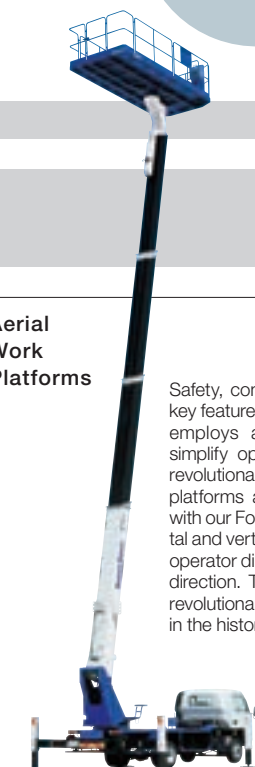
These cranes are among the most versatile and commonly used crane models, with applications across a wide range of industries, including shipping, landscaping, and construction. Designed to be mounted in positions such as the back of truck cabs, they are applicable to a wide-range of trucks with a rich lineup of cranes to meet wide-ranging needs.

## Products



AT-320XTG

### Aerial Work Platforms



AT-200S

Safety, convenience, and operator comfort are key features of our aerial work platforms. Tadano employs advanced control technologies to simplify operations and improve usability. Our revolutionary Super Deck series aerial work platforms are the world's first to be equipped with our Four-Motion Control that allows horizontal and vertical movement, smoothly carrying the operator directly from one point to another in any direction. This series is highly recognized as a revolutionary product that opened a new chapter in the history of aerial work platforms in Japan.





# 04 Others

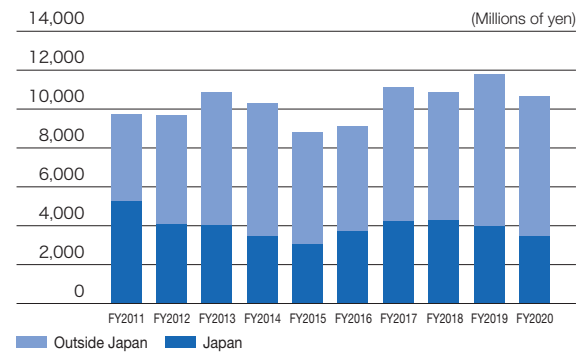
## Net Sales

Parts sales and product repairs decreased in the Japanese market but increased in markets outside of Japan, reaching our highest figures ever. Sales for used cranes and other products decreased both in the Japanese market and in markets outside of Japan. The total sales were 38,593 million yen (104.4% of the figure for the previous year).

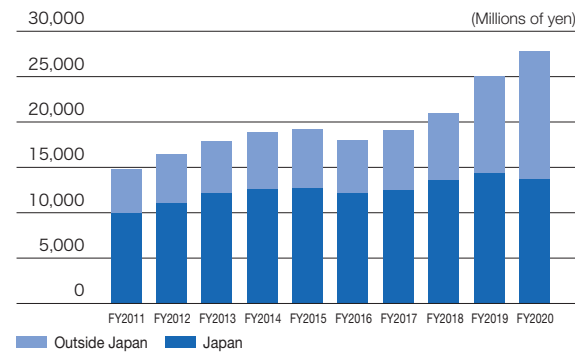
### Net sales (comparison between FY 2019 and FY 2020)

	FY 2019	FY 2020	Change	
			Amount	Rate of change
Used cranes Other products	11,821	10,649	-1,171	-9.9%
Parts Repairs	25,161	27,944	2,782	11.1%
<b>Total</b>	<b>36,982</b>	<b>38,593</b>	<b>1,611</b>	<b>4.4%</b>

### Sales of used cranes and other products (from FY 2011 to FY 2020)



### Sales of parts and repairs (from FY 2011 to FY 2020)



## Outstanding Customer Service

Crane downtime leads directly to business losses for customers. That's why Tadano strives to deliver outstanding service that meets customer expectations. We aim to minimize product downtime and failure arising from inadequate maintenance by promoting before-sales services, including the Tadano Maintenance Package, which allow customers, service contractors, and Tadano to share information on maintenance status and repair history using Hello-Net, and the Tadano Engine Care Package, which specializes in the maintenance of advanced engines (currently available only in Japan). Our after-sales services are built on a service network of 345 authorized service contractors and 898 authorized service personnel across Japan, in addition to 10 branches and 23 sales offices. Our global service network spans the entire world and includes direct service as well as service provided by over 140 distributors. Along with other efforts to enhance this network, we are working to improve service quality. We are proceeding with the development of human resources for service personnel in and outside Japan through not only local on-site seminars but also technical seminars that allow trainees to take courses remotely over the internet by incorporating IT, as well as through other systematic educational programs at training centers that incorporate state-of-the-art technologies. Furthermore, Tadano devotes its efforts to preventing accidents at jobsites through initiatives such as safety training using virtual reality.



Safety training using virtual reality

## A Manufacturer with Four Synergistic Strengths

Tadano aims to be a manufacturer with four synergistic strengths consisting of product competitiveness, product quality, service capability (including parts), and used equipment liquidity. In addition to enhancing the competitiveness and quality of our new products, we are working to ensure the long service life of our products by strengthening our service capability including parts and maintaining and enhancing used equipment value to increase used equipment liquidity. One of the initiatives aimed at enhancing products' life cycle value is the supply of maintenance parts. The fastest parts shipment is made possible through collaboration between parts centers at seven bases in Japan and the Global Parts Center located in Kobe, and products that are in high demand are always in stock for each service area based on our many years of experience, playing a key part in minimizing product downtime. Outside Japan, the company established a parts center in Singapore, seeking to further shorten delivery time in Japan and beyond.

Tadano is also committed to the recycling business to help customers save on repair costs. In 2017, Tadano instituted the Tadano Remanufacturing Logo to increase awareness of recyclable parts and expand our stock business.

By offering upgrades of road-rail cranes and other special-purpose products, adjustment and repair for components and replacements for discontinued parts, we minimize downtime and keep repair costs down, to maximize product life and maintain value while also being good for the environment. These efforts are contributing to the outstanding reputation of our used equipment.



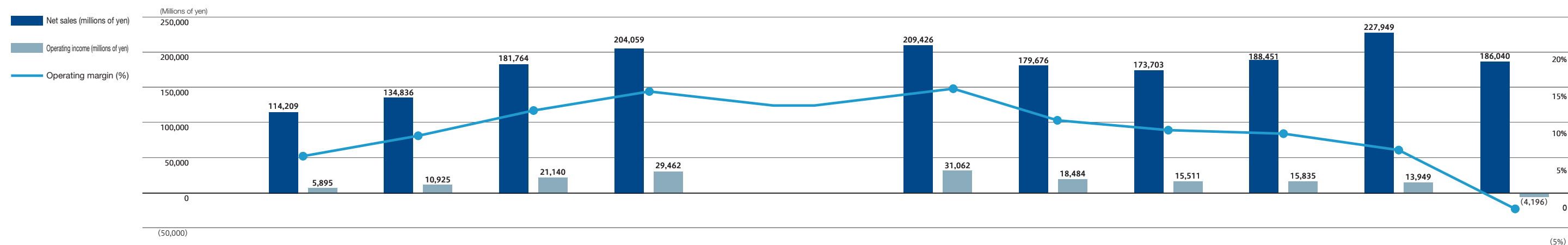
Tadano Remanufacturing Logo



Global Parts Center



# Financial and Non-financial Highlights (Consolidated)



	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019 <sup>1)</sup>	FY 2020
<b>Profit and Loss</b>										
Net sales (millions of yen)	114,209	134,836	181,764	204,059	209,426	179,676	173,703	188,451	227,949	186,040
Operating income (loss) (millions of yen)	5,895	10,925	21,140	29,462	31,062	18,484	15,511	15,835	13,949	(4,196)
Ordinary income (loss) (millions of yen)	5,778	11,448	21,642	30,357	30,680	18,490	14,907	15,604	13,791	(4,683)
Net income (loss) attributable to owners of the parent (millions of yen)	3,145	7,341	14,410	19,483	19,621	11,881	9,391	11,462	6,433	(12,987)
<b>Cash Flow</b>										
Cash flow from operating activities (millions of yen)	13,612	2,188	15,467	19,800	19,387	3,301	30,015	2,515	(2,982)	20,448
Cash flow from investing activities (millions of yen)	(868)	(1,972)	(3,753)	(4,079)	(3,758)	(4,798)	(3,942)	(17,052)	(31,543)	(3,731)
Cash flow from financing activities (millions of yen)	(2,540)	(2,050)	(4,910)	(4,287)	(3,136)	(2,495)	(7,992)	(5,717)	25,954	29,039
<b>Financial Condition</b>										
Total assets (millions of yen)	161,125	177,538	198,864	223,525	235,302	229,737	245,501	255,793	311,260	323,920
Cash and cash equivalents at the end of the fiscal year (millions of yen)	40,155	39,512	48,156	61,262	73,120	68,291	86,624	65,753	56,997	102,995
Interest-bearing debt (millions of yen)	38,101	38,706	38,233	37,620	36,869	37,235	33,750	30,165	63,035	94,586
Shareholders' equity (millions of yen)	83,094	88,757	100,454	116,796	133,190	141,746	147,841	156,011	159,025	144,307
<b>Per Share Data</b>										
Net assets per share (yen)	612.1	677.3	805.9	958.2	1,060.0	1,121.9	1,180.3	1,216.0	1,241.3	1,137.0
Net income (loss) per share (yen)	24.8	57.8	113.7	153.8	154.9	93.8	74.2	90.5	50.8	(102.5)
Price-earnings ratio (%)	24.1	18.8	11.8	10.5	6.7	13.8	21.5	11.6	15.2	—
Dividends (yen)	7.0	12.0	19.0	23.0	26.0	26.0	26.0	26.0	28.0	3.0
Dividend payout ratio (%)	28.3	20.7	16.7	15.0	16.8	27.7	35.1	28.7	55.1	—
<b>Other Indicators</b>										
Operating margin (%)	5.2	8.1	11.6	14.4	14.8	10.3	8.9	8.4	6.1	(2.3)
Ratio of operating income to total assets (ROA) (%)	3.8	6.5	11.2	14.0	13.5	7.9	6.5	6.3	4.9	—
Return on equity (ROE) (%)	4.1	9.0	15.3	17.5	15.4	8.6	6.4	7.6	4.1	—
Return on invested capital (ROIC) (%)	2.7	5.6	10.6	12.4	12.3	7.4	5.6	6.0	4.1	(2.1)
Capital adequacy ratio (%)	48.2	48.4	51.4	54.3	57.0	61.8	60.9	60.2	50.5	44.5
Capital investments (millions of yen)	1,584	2,925	4,178	3,905	4,572	6,030	2,838	14,458	12,902	5,666
Depreciation expense (millions of yen)	2,353	2,167	2,366	2,589	2,793	3,113	2,864	2,984	4,527	5,695
Research and development expense (millions of yen)	3,480	3,998	4,497	4,876	5,611	5,993	6,149	6,918	7,822	8,440
Outside Japan sales ratio (%)	46.3	49.1	52.5	50.7	49.9	43.1	43.8	48.5	54.1	49.9
Number of employees	3,113	3,144	3,227	3,491	3,433	3,346	3,311	3,405	5,084	5,074
Average years of service <sup>2)</sup>	17.9	17.4	17.7	16.4	16.3	17.2	17.1	16.9	17.0	17.8
Ratio of female employees (%) <sup>2)</sup>	7.7	7.7	7.5	7.3	7.5	7.7	7.6	7.1	7.4	7.5
Ratio of female managers (%) <sup>2)</sup>	0.8	0.8	0.7	0.7	0.7	0	1.2	1.3	1.3	0.9
CO <sub>2</sub> emissions (t-CO <sub>2</sub> ) <sup>3)</sup>	6,772	9,521	12,857	13,819	14,269	13,765	12,375	12,426	30,019	26,179

<sup>1)</sup> The financial figures for FY 2019 above have been revised to reflect the finalization of the provisional accounting treatment for business combinations.

<sup>2)</sup> Tadano Ltd. on a non-consolidated basis.

<sup>3)</sup> From FY 2019, the scope of data was expanded to all sites of the Tadano Group in Japan and the production sites outside Japan. (The figures are provisional).



# Topics

## Tadano's Products Play a Part in the Future of Wind Power Generation

Offshore wind power generation is attracting much attention as clean energy for responding to climate change and reducing CO<sub>2</sub> emissions. With one of the world's largest crawler cranes and multiple categories of products that play important roles in the construction and maintenance of offshore and onshore wind power generators, the Tadano Group is willing to contribute to the global environment for the future.

In September 2021, we exhibited at the 1st WIND EXPO trade show in Japan. The exhibition welcomed over 25,000 visitors, and our products and services related to wind power generation, which were introduced through videos and display panels, attracted attention of many interested parties.



Assembling equipment in the harbor



Davit crane (under development)



Exhibition at the WIND EXPO

## Brand Harmonization for the Tadano Group—Consolidation of the Three Brands



The Tadano Group currently has approximately 5,000 employees both in and outside Japan, with half of them located overseas. We aim to combine the Group's strength to become No.1 worldwide in the lifting equipment industry with "One Tadano." As part of this effort, we decided to consolidate all of the long-loved brands of Demag and Mantis into the Tadano brand and enhance branding. Specifically, from the perspective of a long-term global strategy, SpanDeck Inc. (currently Tadano Mantis Corporation, which manufactures

and sells telescopic boom crawler cranes), which was acquired in 2008, and the Demag Mobile Cranes business (currently Tadano Demag GmbH and 8 other affiliated companies, which manufacture and sell lattice boom crawler cranes and all terrain cranes), which was acquired in 2019, were consolidated into the Tadano brand as "One Tadano" in October 2021. We will provide our customers with further value and aim for our vision of "Pursuing Further Excellence for the World and the Future."

## Tadano Europe Virtues & Culture Workshop



The joint Tadano culture workshop in Mannheim, Germany, which took place from May 6 through May 8 and had a total of 34 team members from both Tadano Faun GmbH and Tadano Demag GmbH, focused on how to improve the teamwork between the two companies and also how to successfully create a shared identity. In order to have an open exchange of ideas, the participants were split up into four teams and were asked to describe how they felt about their own company and its counterpart and how they saw their fellow team members. All four teams worked on future virtues that defined what they wanted to be and shared the perspective of a bright future for the two companies working together. On the last day of the workshop, representatives of the top management joined the discussion to illustrate the results and underlined the need to bring the spirit of this workshop to the company and make it part of daily work.

# Company Profile and Stock Information

## Overview

Corporate Name:	Tadano Ltd.
Paid-in Capital:	JPY 13,021,568,461 (total number of issued shares: 129,500,355 shares)
Establishment:	August 24, 1948
Number of Employees:	1,467 (non-consolidated), 5,074 (consolidated) as of March 31, 2021
Description of Business:	Production and distribution of mobile cranes, truck loader cranes and aerial work platforms, etc.
Head Office:	Ko-34 Shinden-cho, Takamatsu, Kagawa, 761-0185, Japan
Plants:	Takamatsu Plant, Shido Plant, Kozai Plant, Tadotsu Plant, Chiba Plant
Research and Testing Facilities:	Advanced Technology Research Center, Sanbonmatsu Testing Site
Branches and Sales Offices:	10 branches, 23 sales offices
Global Offices:	Beijing Representative Office, Moscow Representative Office, Bangkok Representative Office
Group Companies:	40 subsidiaries, 3 affiliated companies

### Japan (11 companies in total)

Tadano IMES Ltd.  
Tadano ILEC Ltd.  
Tadano S-TEC Ltd.  
8 other companies

### Europe (15 companies in total)

Tadano Faun GmbH (Germany)  
Tadano Demag GmbH (Germany)  
13 other companies

### Pan-America (5 companies in total)

Tadano America Corporation (U.S.A.)  
Tadano Mantis Corporation (U.S.A.)  
3 other companies

### Others (12 companies in total)

Tadano Asia Pte. Ltd. (Singapore)  
Tadano Oceania Pty Ltd (Australia)  
Tadano Escorts India Pvt. Ltd. (India)  
9 other companies

## Directors/Officers (As of January 1, 2022)

Representative Director, Chairman of the Board	Koichi Tadano
Representative Director, President and CEO	Toshiaki Ujii
Director, Senior Executive Officer	Tamaki Okuyama
Director, Executive Officer	Kenichi Sawada
Lead Independent Director	Shosaku Murayama*
Director	Tatsuro Ishizuka*
	Akiko Otsuka*
	Koichi Tadenuma*
	Yoshinori Noguchi*
Executive Officer	Shinichi Iimura
	Toshiyuki Takanashi
	Jens Ennen
	Hiroyuki Goda
Officer	Jian Cheng
	Ingo Schiller
	Hiroyuki Fujino
	Hiroyuki Takagi
	Kozo Hayashi
	Yuji Tokuda
	Koichi Kanno
	Shiro Morita
	Kozo Yoshida
	Tetsu Kotaki
	Yuichi Irfune
	Takeshi Yasutomi
	Shinji Noguchi
	Noriaki Yashiro
Audit and Supervisory Board Member	Yoichiro Nishi
	Masahiko Ikeura
	Kazushi Inokawa*
	Mami Kato*
	Hisakazu Suzuki*

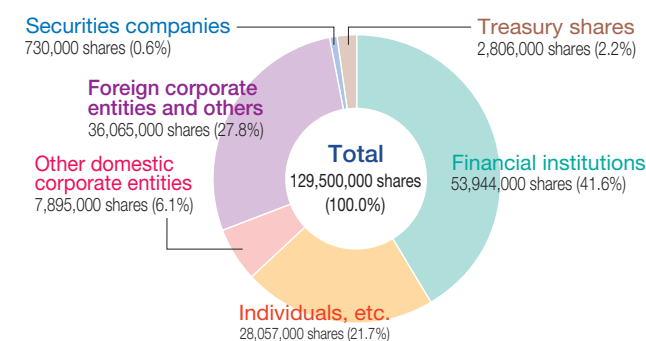
\*Outside Director or Outside Audit and Supervisory Board Member

## Stock Information (As of March 31, 2021)

Number of authorized shares	400,000,000 shares
Total number of shares issued	129,500,355 shares
Number of shareholders	7,786 shareholders

Note: The total number of shares issued includes 2,806,961 treasury shares.

## Ownership Breakdown



## Major Shareholders

Names	Number of shares owned (1,000 shares)	Share ownership ratio (%)
Custody Bank of Japan, Ltd.	12,167	9.6
The Master Trust Bank of Japan, Ltd.	7,444	5.8
Nippon Life Insurance Company	6,301	4.9
NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	6,256	4.9
Mizuho Bank, Ltd.	5,246	4.1
The Hyakujushi Bank, Ltd.	5,171	4.0
Meiji Yasuda Life Insurance Company	4,000	3.1
NORTHERN TRUST CO. (AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS	3,414	2.6
MUFG Bank, Ltd.	3,367	2.6
The Dai-ichi Life Insurance Company, Limited	3,212	2.5

Notes: 1. Share ownership ratio is calculated after deducting the number of treasury shares.  
2. All shares owned by Custody Bank of Japan, Ltd. and the Master Trust Bank of Japan, Ltd. are related to the trust services of respective companies.  
3. The number of shares owned by The Dai-ichi Life Insurance Company, Limited includes 4,000 shares in a special account.