

Top Message

"We aim to optimize procurement and production globally while fully leveraging the Group's strengths and synergies."

President, CEO, and
Representative Director
Toshiaki Ujiie



Three M&As completed in two years

With respect to "Venture into new areas," one of the growth strategies in the Mid-Term Management Plan (24-26), we exceeded our expectations by completing three acquisitions, namely Tadano Utilities (TUL; formerly Nagano Industry), Manitex Group, and Tadano Infrastructure Solutions (TIS; formerly IHI Transport Machinery's transportation systems business) by the second year of the Mid-Term Management Plan. In particular, our acquisition of TIS focused on its cranes and transport machinery, which have potential for offshore work that will contribute to the development of Japan's marine resources in the future. After this acquisition was completed, the Japanese government designated shipbuilding as one of the 17 strategic fields in its growth strategy,

which provided an unexpected boost to demand for the jib cranes that we manufacture, which are widely used in shipbuilding yards. The completion of these three M&As in quick succession contributed to consolidated net sales that far exceeded the target of 330 billion yen set in the Mid-Term Management Plan. At the same time, however, we continued to record M&A-related expenses, such as due diligence expenses, which put pressure on earnings. Other negative factors included the temporary suspension of shipments to North America in 2025 due to the so-called Trump tariffs, as well as a temporary surge in working capital requirements resulting from the enforcement of the Act on Preventing Delay in Payment to Small and Medium-Sized Entrusted Business

Operators in Relation to Manufacturing Consignment. As a result, in our financial results for FY 2025, although net sales reached a record high level of 349,477 million yen (119.9% year on year), operating profit fell to 18,552 million yen (78.0% year on year). Profit attributable to owners of parent was 18,298 million yen (275.5% year-on-year), due mainly to gain on sale of non-current assets associated with the restructuring of our European operations.

By product, domestic demand for mobile cranes remains strong. However, with the market shrinking due to Japan's declining population, the decline in sales volumes is being offset by a shift toward larger cranes, which is allowing us to maintain sales. Turning toward overseas markets, we continue to feel positive about future growth in North America, our main target market, despite the temporary impact of tariffs. Although business in Europe is expected to recover once the Russia-Ukraine conflict comes to an end, we do not anticipate any significant change for the immediate future. In addition, the number of cranes sold in China has fallen from nearly 50,000 in 2021 to about 11,000 today, leading Chinese manufacturers to seek new opportunities abroad. As a result, our products are facing challenges in emerging markets, particularly in Asia and the Middle East.

Strengthening overseas sales of truck loader cranes and aerial work platforms

We were able to significantly build up sales of truck loader cranes and aerial work platforms (AWP), thanks to our acquisition of TUL, which manufactures self-propelled aerial work platforms in Japan, and Manitex Group, which manufactures truck loader cranes and AWP's in North America and Italy. If we look at the ratios of our sales in Japan, mobile cranes account for 50%, truck loader cranes for 20%, aerial work platforms for 20%, and parts and others account for 10%. Overseas sales, which account for more than 60% of the Group's sales, were previously dominated by large mobile cranes, but the recent acquisitions have boosted overseas sales of truck loader cranes and AWP's. We are now aiming to achieve a 1:1 ratio between mobile cranes and truck loader cranes/AWP's. To this end, in particular, we will develop and expand sales of AWP's manufactured in Europe and AWP's manufactured in Japan to new markets outside their respective regions. We believe that this will broaden the Group's portfolio in a way that creates value that is more than the simple sum of its parts. For FY 2026, we forecast net sales of 400 billion yen (114.5% year-on-year) and operating profit of 25 billion yen (134.7% year-on-year). This will be achieved by growth of new product ranges added to our lineup, aided by the restructuring of our European operations. However, profit attributable to owners of parent is expected to fall to 14 billion yen (76.5% year-on-year) due to the absence of the gain on sale of non-current assets recorded in FY 2025.



Guiding our European operations toward a solid recovery

In June 2025, we decided to close and sell Tadano Demag GmbH (TDG)'s Watterscheid Plant in Germany, and to transfer and consolidate its production of large all terrain cranes (ATs) to TDG's Dinglerstraße Plant, medium ATs to Tadano Faun GmbH (TFG)'s Lauf Plant, and small ATs to Tadano's plant in Kagawa Prefecture. The transfer to the Lauf Plant, in particular, took longer than expected. As both companies are based in Germany, we had assumed that the transfer process would go smoothly. However, the two plants had each developed their own unique practices over many years, and there were substantial differences in how engineering drawings were incorporated into the actual manufacturing process. The Japanese plant encountered a similar problem, but our highly experienced design, development, and production teams in Japan were able to translate one approach into the other and find a way to "translate" them smoothly. Staff from Japan continue to travel to Germany on a regular basis to provide support and work closely with local teams. In addition, in October 2025, we dispatched Directors Noriaki Yashiro and Hiroyuki Goda to Germany to head up our European Operations as Chief of Headquarters and Deputy Chief of Headquarters, respectively. Yashiro has been assigned to review overall corporate management, while Goda has been tasked with reviewing overall engineering aspects. The dispatch of two of our four Directors to Germany demonstrates our unwavering

commitment to our European operations, and they will guide those operations toward a solid recovery. In contrast to the previous fiscal year, when we experienced constraints on production, we expect production to improve considerably in FY 2026. We have declared goals of achieving a positive operating cash flow in FY 2026 and positive operating profit in FY 2027. Additionally, to ensure a framework for low-volume, high-mix production in Europe, it is essential that we build long-term, stable relationships with suppliers. To this end, we have launched a communication organization with our German suppliers similar to the Tadano Kyoei Society formed by Tadano in collaboration with suppliers in its home prefecture of Kagawa. In FY 2026, net sales to Europe are expected to significantly increase by 48.3% from the previous fiscal year. We will achieve this figure by fully establishing production systems at our two German plants and by placing a stronger focus on sales efforts in Europe. The United States is also a key market for ATs produced in Europe. However, the euro has appreciated significantly against the U.S. dollar, from USD 1.05-1.10 to the euro at the beginning of 2025 to around USD 1.20 at present, reducing the competitiveness of exports from Europe. These background factors have prompted us to review our previous focus on the North American market and to develop the European market more aggressively.

Launch of domestic plant reorganization to optimize global operations as a whole

Most of Tadano's plants in Kagawa Prefecture, which is our production base, are situated along the coast of the Seto Inland Sea, given them a highly advantageous location. When exporting, products are loaded onto barges at the quay adjacent to the plant and transferred to ferries at the Takamatsu Port, before being reloaded onto large ships at the Kobe Port. Barges are flat-bottomed cargo vessels, and the calm waters of the Seto Inland Sea enable them to transport the products from the plants reliably without being affected by weather conditions. In Germany, products bound for export to destinations outside the continent must be transported overland for approximately 800 km to ports in Germany or the Netherlands, which makes transport extremely expensive. Therefore, we are restructuring our production lines by

determining which plants across our global network are best suited for production of which products and components, taking the final destination of shipments into consideration. At the Marugame Plant (Marugame City, Kagawa Prefecture), where production of small ATs is to be transferred from Germany, progress is being made steadily and on schedule. As the Kure Plant (Kure City, Hiroshima Prefecture), TIS's domestic manufacturing site, is not directly on the coast, there will be constraints on the transportation of large cranes manufactured by TIS. For this reason, we are considering shifting some production of those products to Kagawa Prefecture. We will reach a conclusion on how to reorganize the production lines at the Takamatsu, Kozai, and Shido Plants by the end of 2026, after which we will move forward with the restructuring. At the same time, we will also work to improve production capacity and efficiency, including considering the introduction of two-shift work system. In 2025, we established Tadano Technology Philippines in the Philippines to accelerate the design and technological development of new products. Tadano's development staff have previously been concentrated in Kagawa Prefecture, but we are now opening the doors to recruitment in Tokyo and overseas locations. In fact, we have also retained local engineers at Tadano Cranes India in India and outsourced some of the Group's design and development work to them. Further, leveraging the advantage of the Philippines' closer proximity to Japan, we will increase the volume of design and development work for products manufactured in Japan that is outsourced to the newly established company there. We will also build connections with local engineering universities in that country in an ongoing effort to recruit local engineering talent. Truck mounted aerial work platforms and cranes require different mounting designs to accommodate the differing truck specifications of individual regions. For this reason, we hope that consolidating information on mounting designs for the Southeast Asian region and outsourcing their development work in the Philippines will lead to an increase in overseas sales.

Advancing decarbonization while focusing on multiple benefits

In the Mid-Term Management Plan, we have set "Advancing decarbonization" as one of our basic strategies. However, the trend toward decarbonization has been rocked by political controversy in the United States, and there is an impression that this trend has stalled in Europe as well. The Tadano Group's view is that, for mobile cranes over a certain size, the use of internal combustion engines is the only option for the time being, as batteries equipped would increase the weight of cranes and make them impossible to drive on public roads. However, electrification initiatives not only contribute to decarbonization, but also have benefits such as improved quietness due to reduced noise and

enhanced operability through better control of crane inertia. In addition, once remote operation becomes easier, it will save on labor and manpower. Launched in January 2026, our latest rough terrain crane model, which has a lifting capacity of up to 70 tons, is equipped with a battery-powered e-PACK. This enables crane operations using only an external power supply and a hydraulic pump. If the e-PACK is used, crane operations are powered by electricity; otherwise, they are powered by a diesel engine. We will advance electrification initiatives from other perspectives besides decarbonization and continue to prepare in ways that will enable us to respond to changes in social conditions.

Our aim is to achieve growth that will make our new colleagues feel happy to be a part of the Tadano Group

For the immediate future, I feel that my responsibility as a corporate manager will be to ensure that the people who have newly joined the Tadano Group as a result of the rapid M&A process will feel happy to have become a part of the Group. To this end, I believe it is important to view the business growth resulting from those acquisitions not merely as an addition, but as a process of growing together to become the world's No. 1 lifting equipment company. It is also crucial for employees to achieve individual challenges that they would not have been able to take on in the past, and to raise each other up within the Group while enjoying a sense of exhilaration. As the saying, "Strike while the iron is hot," goes, I hope to produce results swiftly. In Japan, as we pursue growth while maintaining our operational base in Kagawa Prefecture, where our head office and the majority of our production sites are located, securing high-caliber local talent will become increasingly important. One thing that I would definitely like to try if the opportunity arises is to talk to high school students in Kagawa Prefecture. I hope to raise awareness of the Tadano Group and convey directly the benefits of working in the local area. This is because many of the prefecture's outstanding

high school students leave Kagawa to go to university. I want Tadano to be such a presence that, when they are looking for work after graduation, or even after they have started their careers at companies outside Kagawa, they will recall Tadano as an option when they think about returning to their hometown to work.



Establishment of a dedicated organization to instill an ROIC mindset across the entire Group

Of the final targets set out in the Mid-Term Management Plan, namely ROIC of 8.0%, ROE of 9.5%, and a dividend payout ratio of 30%, the achievement of the ROIC and ROE targets is difficult under current circumstances. As I have been saying for some time, for us to improve ROIC and ROE, it is important to first ensure that each and every employee understands their concepts and to convey to them in a way that is easy to understand the importance of assessing returns that exceed capital costs before spending money. I also believe that encouraging employees to think about what they can do in their own departments will be key. In April 2026, we established a dedicated organization to encourage all

employees to understand these concepts and set their own goals. At the beginning of the Mid-Term Management Plan, we stated that our cash allocation would be 140 billion yen, but we later increased that figure to 200 billion yen, reflecting an increase of 30 billion yen in cash for M&As and a new 30-billion-yen loan in the previous fiscal year to prepare for the Trump tariffs. There have been suggestions that we may have too much cash on hand, and we are considering other options such as commitment lines. As for dividends, we returned the incremental portion of extraordinary income earned in FY 2025 to shareholders, and we will continue to maintain a dividend payout ratio of 30%.

Toward the further evolution of lifting equipment

The Tadano Group will continue to refine its strengths in the business domain of lifting equipment. Looking ahead, we believe our products will assume an even greater share of the work currently performed by people within the division of roles between machines and workers in the construction of large-scale structures and high-rise buildings. In particular, they will increasingly address the fundamental

and physically demanding tasks that form the backbone of construction operations. Specifically, by adding remote operation and automation functions to our current product lineup, we will further advance our role in making construction work safer and more functional. The Tadano Group will continue to look ahead to the future and prepare for further growth. I hope you will look forward to our achievements.