

Financial Results for FY3/25

May 21, 2025

OKADA AIYON CORPORATION
(TSE Prime 6294)

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Business content

Manufacture, sale and repair of construction equipment for demolition & crushing, and forestry equipment

Founded

July 1938
(Established in 1960)

Capital stock

2,221
million yen

Net sales

26,582
million yen

Business bases

19 in Japan
6 overseas

Head Office (Minato-ku, Osaka)



Consolidated subsidiaries

- **AIYON TECH. CO., LTD.**
- Main assembly plant
- **Nansei Machine Co., Ltd.**
- Manufacturing, development and sales of forestry equipment
- **Okada America, Inc.**
- **Okada Europe B.V.**

Number of employees (consolidated)

497

Our Major Products (Demolition Attachments)

Specific demolition attachments for hydraulic shovels to demolish concrete buildings etc.



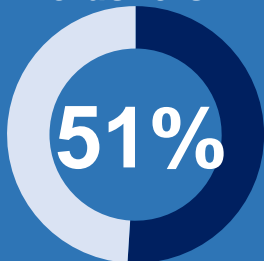
Hydraulic shovels

Domestic market share of our major products

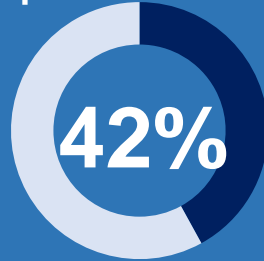
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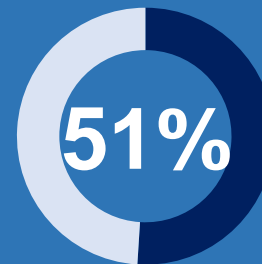
Primary crushers



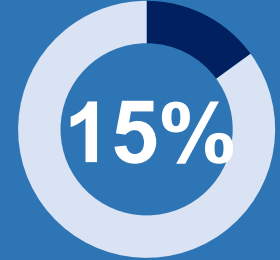
Demolition pulverizers



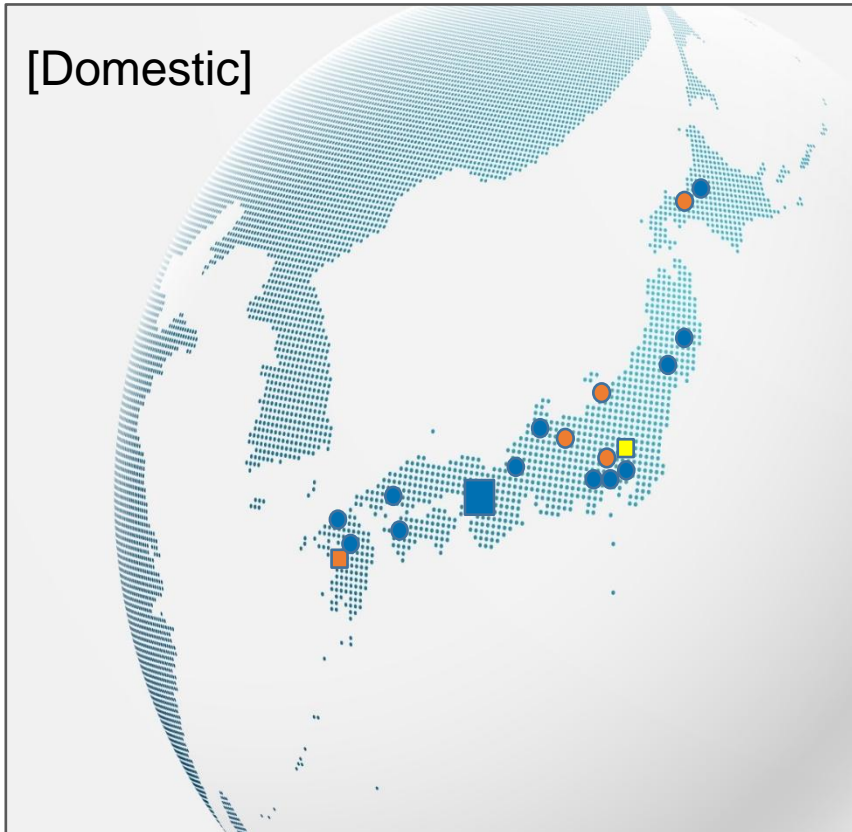
Cutters



Hydraulic breakers



Business Bases



- OKADA AIYON: 13 bases
- AIYON TECH: 1 base
- Nansei Machine: 5 bases

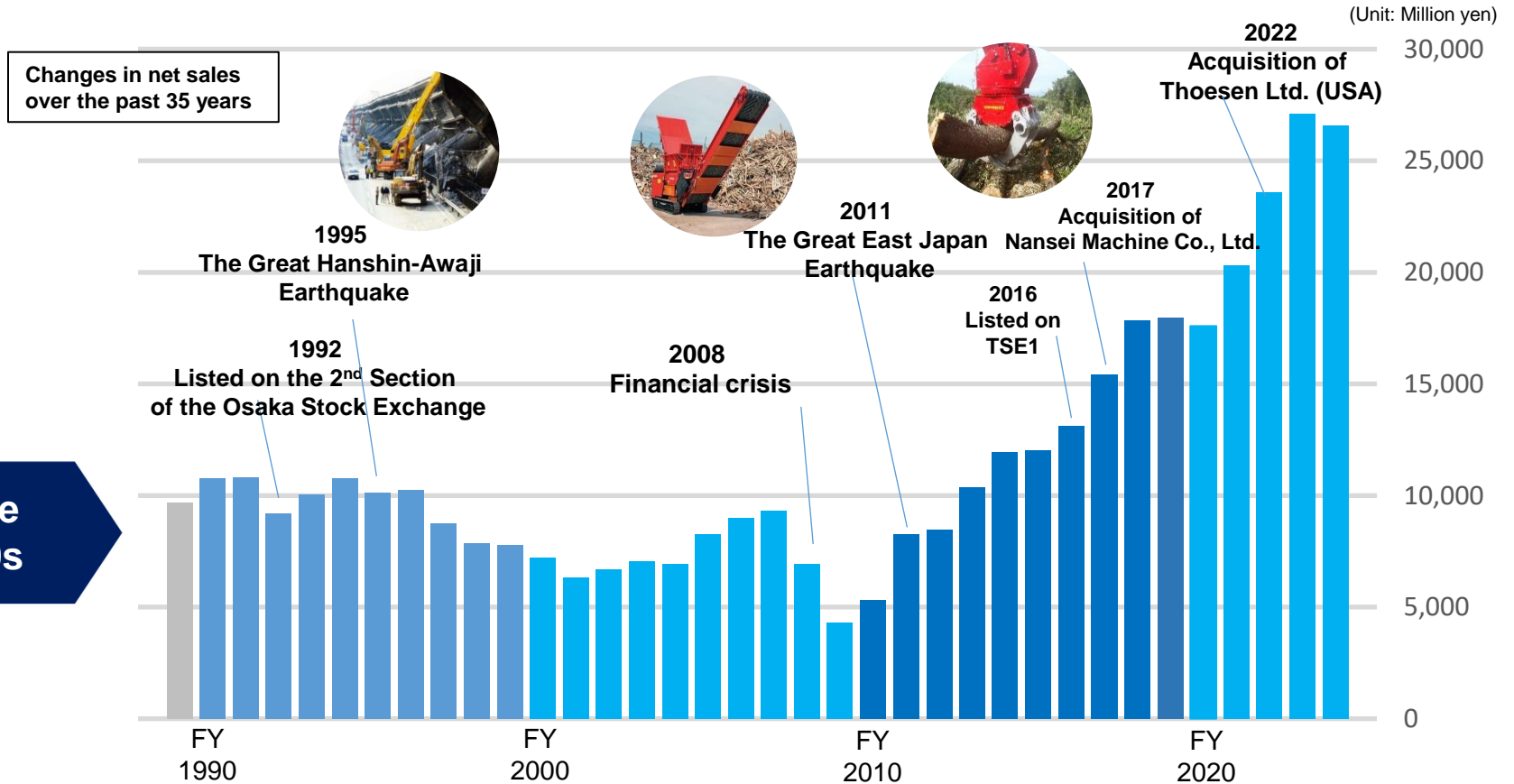


- Okada America: 4 bases (headquarters/Oregon)
- Okada Europe: 1 base (headquarters/Netherlands)
- Okada Thailand: 1 base (headquarters/Ayutthaya)

Corporate History



We have grown mainly through the development and sale of demolition attachments to meet various demand from rock drills to urban demolition machineries.



Since 1990s

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Results Summary (FY3/25)

Net sales

26,582 million yen
(-1.9% YoY)

Operating profit

2,279 million yen
(-16.2% YoY)

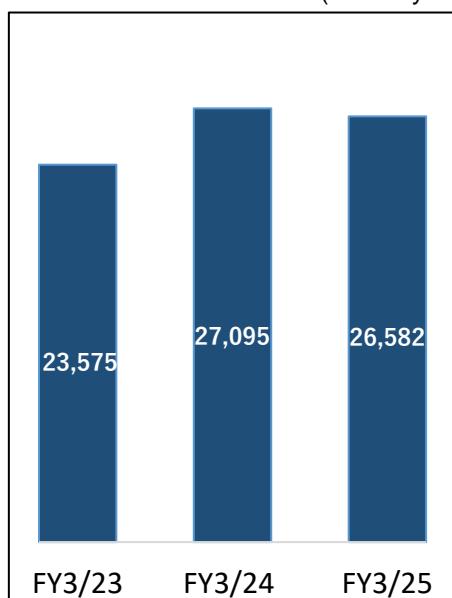
Ordinary profit

2,238 million yen
(-20.5% YoY)

Profit

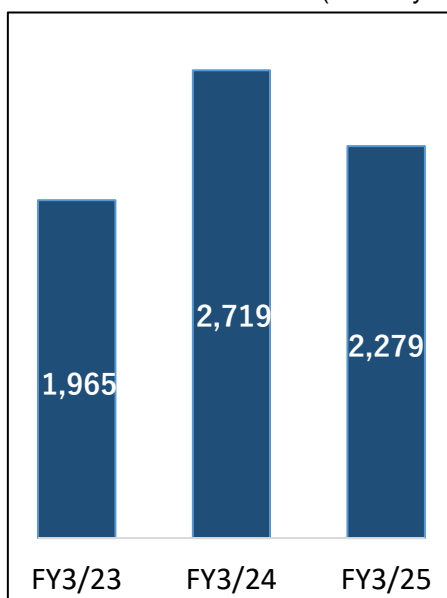
1,475 million yen
(-21.8% YoY)

(Million yen)



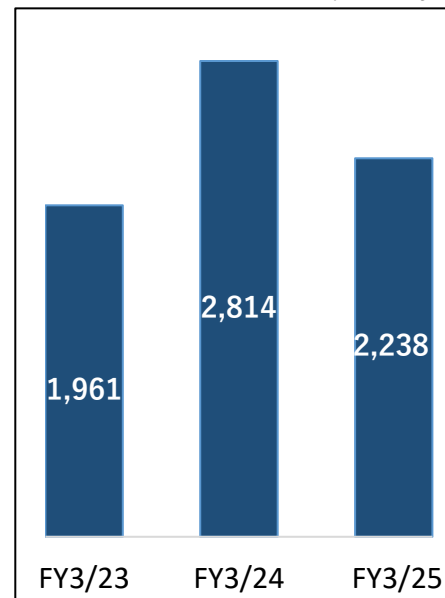
[Net sales]

(Million yen)



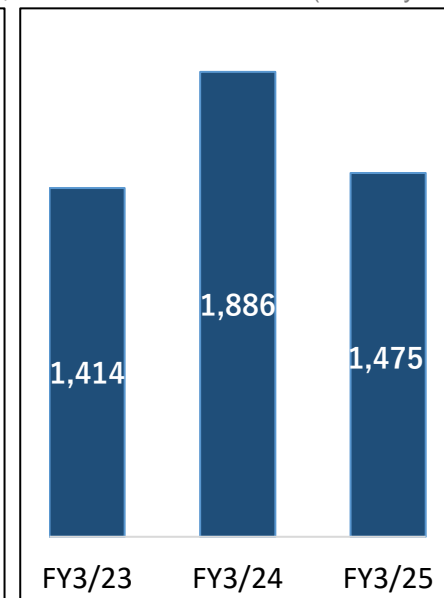
[Operating profit]

(Million yen)



[Ordinary profit]

(Million yen)



[Profit]

Business Results for FY3/25 and Forecasts for FY3/26

- In FY3/25, although domestic sales and profits increased, overall sales and profits decreased compared to the previous fiscal year due to a decline in demand for construction machinery in the U.S. and Europe.
- In FY3/26, we aim to make a comeback through stable domestic growth, and recovery and new expansion overseas.

*Simultaneously announced the mid-term management plan "Rolling Plan FY2025-FY2027" based on the long-term vision "VISION 30".

(Million yen)

	FY3/24 Results	FY3/25 Results	FY3/25			FY3/26 Forecasts	FY3/26		
			YoY change (amount)	YoY change (%)	Vs. revised forecasts on Nov.14, 2024		YoY change (amount)	YoY change (%)	Vs. rolling plan announced on previous year
Net sales	27,095	26,582	(513)	(1.9)	(617)	28,000	1,417	5.3	(2,000)
Gross profit	8,149	7,858	(291)	(3.6)	—	—	—	—	—
SG&A expenses	5,429	5,579	149	2.8	—	—	—	—	—
Operating profit	2,719	2,279	(440)	(16.2)	59	2,500	220	9.7	(600)
Ordinary profit	2,814	2,238	(576)	(20.5)	18	2,500	261	11.7	(600)
Profit (attributable to owners of parent)	1,886	1,475	(411)	(21.8)	(44)	1,700	224	15.2	(410)

*Exchange rates

Actual exchange rates for FY3/25 (average): 1 USD = 153 JPY, 1 EURO = 164 JPY

Assumed exchange rates in the preparation of the FY3/26 plan: 1 USD = 145 JPY, 1 EURO = 155 JPY

Comments on Current Situation

[Results for the 4Q of FY3/25]

- Y-on-Y comparison: Sales: Increase, Operating profit: Increase
- Q-on-Q comparison: Sales: Increased both domestically and internationally. In particular, domestic sales increased by over 10%.
Operating profit: Decreased due to year-end factors.

(Million yen)

	4Q FY3/24 Results	3Q FY3/25 Results	4Q FY3/25 Results	YoY change	QoQ change
				(%)	(%)
Net sales	6,614	6,482	7,032	6.3	8.5
Domestic	5,216	5,122	5,657	8.5	10.5
Overseas	1,398	1,360	1,374	(1.7)	1.1
Operating profit	315	650	463	46.9	(28.8)

[Impact of U.S. Customs Duties]

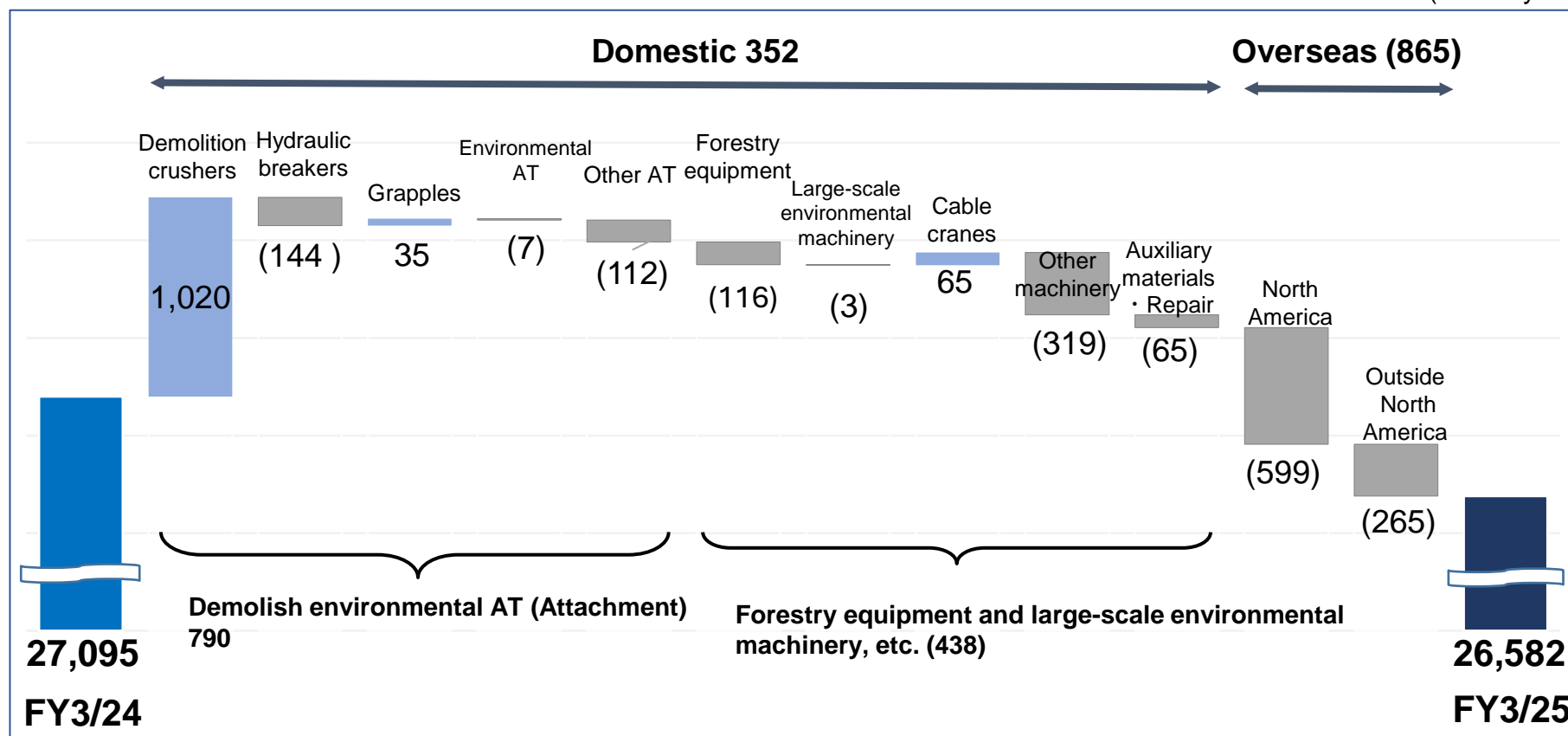
- Currently, sales in the U.S. are mainly focused on hydraulic breakers. On the other hand, almost all hydraulic breakers distributed within the U.S. are imported products, so there is basically no difference in the impact of tariffs between the products of different companies.
- The differences in the responsiveness of each company for the time being depends on the inventory situation and pricing policies of the respective products. Our company is addressing this by passing on a portion of the tariffs through surcharge pricing while utilizing our existing inventory (approximately six months' worth).

The impact of tariffs on performance is similar for competitors as well, and the decrease in competitiveness is seen as limited.

FY3/25 Factors for Changes in Net Sales

- In Japan, sales of our mainstay demolition crushers increased significantly due to increased production capacity. Sales of forestry equipment and large environmental machinery, and other machinery decreased due to a backlash from the strong performance of the previous year and the year before.
- Overseas, the demand environment did not recover in the U.S., Europe and Asia, resulting in lower sales compared to the previous year. North America was particularly affected.

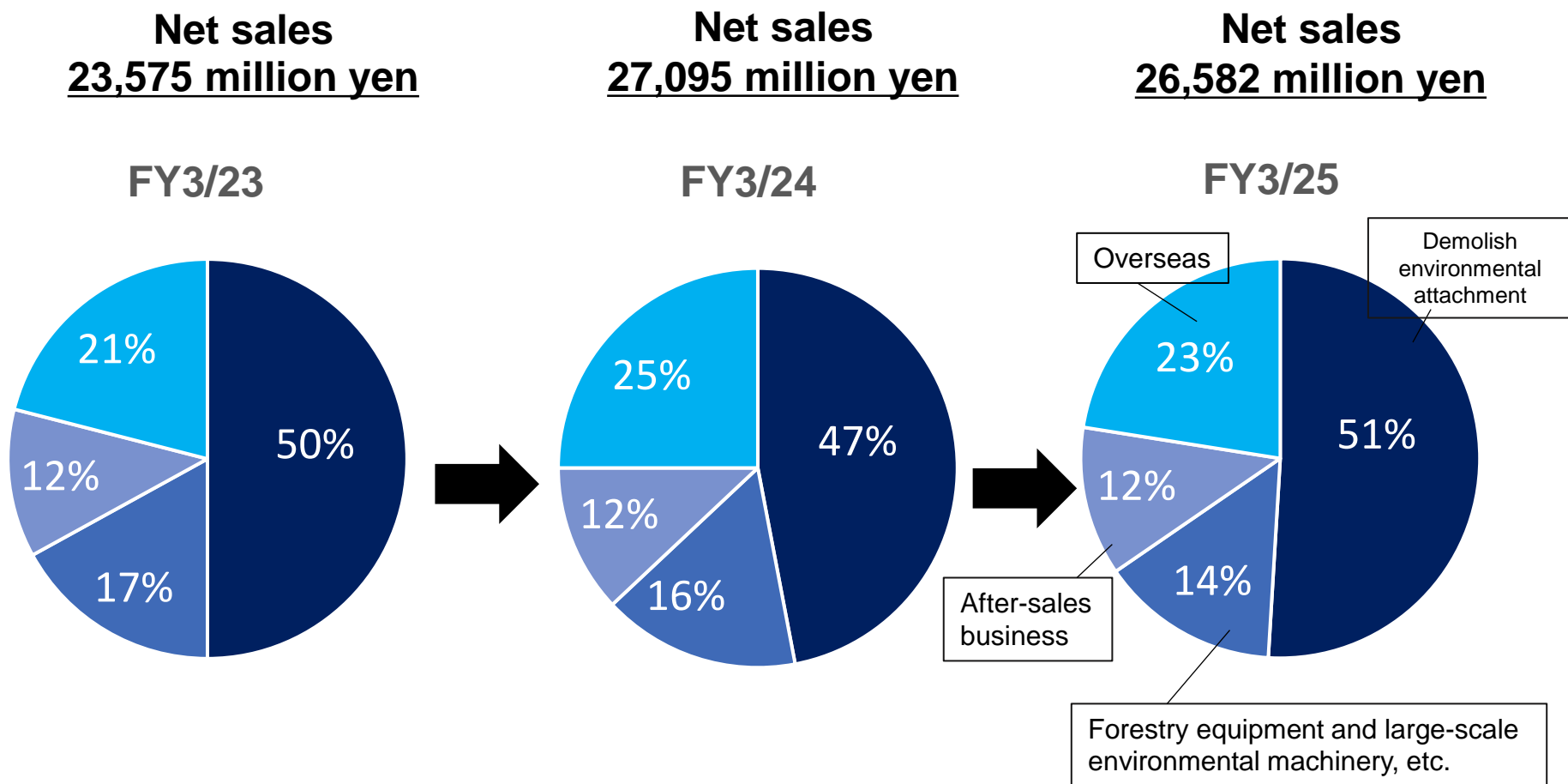
(Million yen)



Sales by Segment and Business

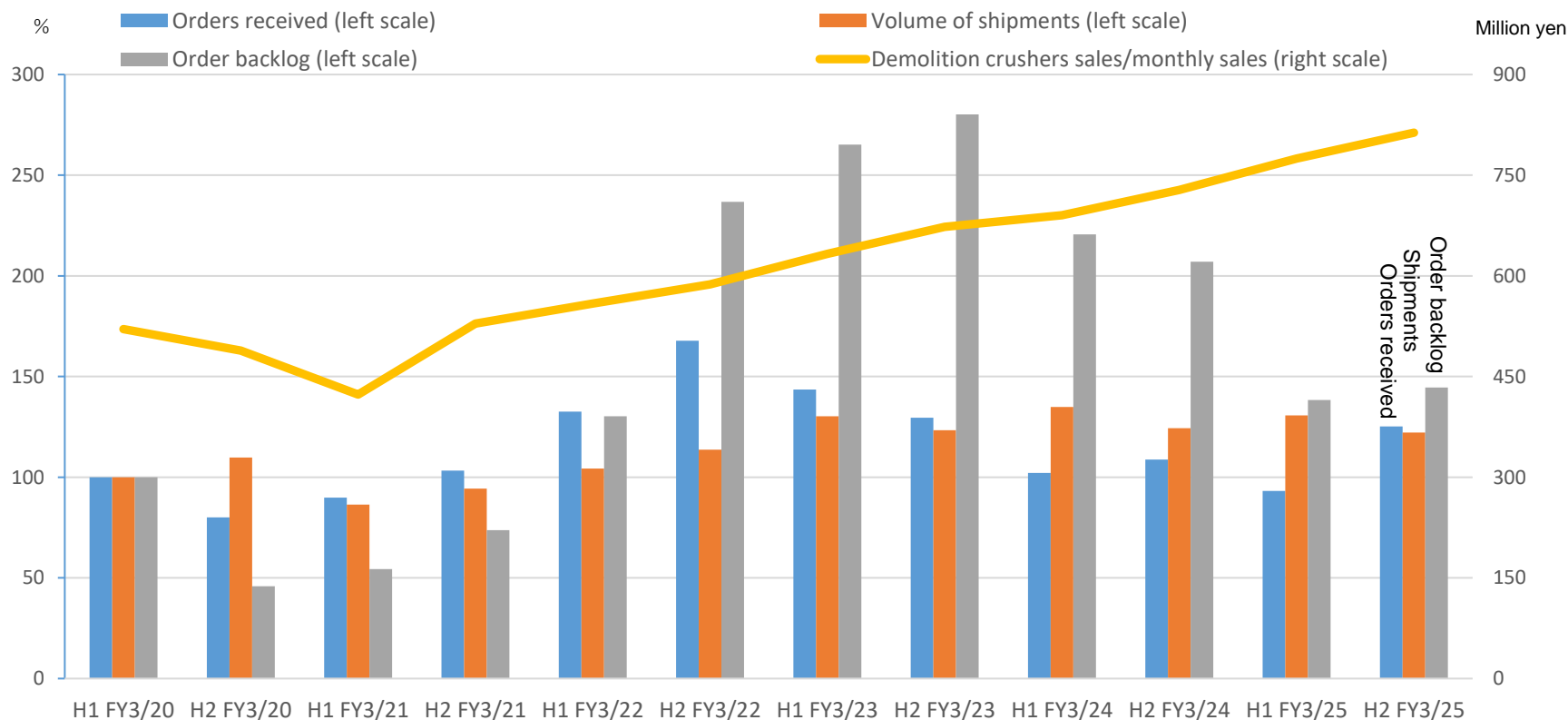
- Sales of demolition crushers are relatively robust, resulting in a higher percentage of demolish environmental attachments.

*See "Sales Trends by Model" on page 14 for details of each segment.



Orders, Manufacturing and Sales Trends for Demolition Crushers and Other Mainstay Products

- Sales of mainstay products such as demolition crushers are continuing to increase due to the shift to larger models and the securing of production volumes.
- The order backlog increased sharply due to longer delivery times reflecting a shortage of components following the COVID-19 pandemic, but it is stabilizing with normalization of delivery times due to increased production capacity.
- Recently, orders received, and order backlogs are increasing. We continue to increase production capacity moving into a virtuous cycle phase.



- Including products manufactured by OKADA AIYON and AIYON TECH
- Orders received, volume of shipments and order backlogs are set at 100 for the 1st half of FY3/20

Sales Trends by Model

● In FY3/25, the domestic segment recorded its highest sales ever.

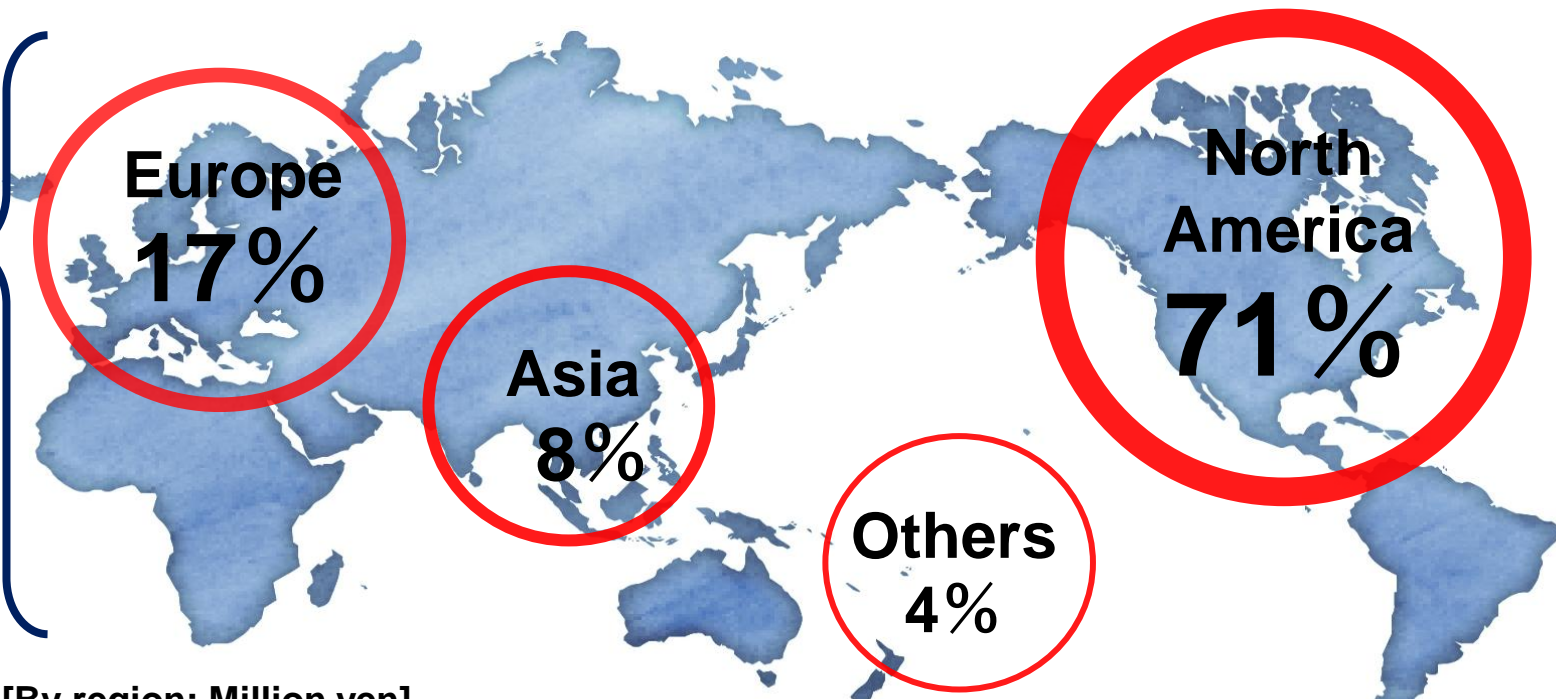
(Million yen)

			FY3/23	FY3/24	FY3/25	YoY		Yo2Y
						Amount	Changes (%)	Changes (%)
Domestic	Demolish environmental attachments	Demolition crushers	7,833	8,509	9,529	1,020	12.0	21.7
		Hydraulic breakers	939	942	797	(144)	(15.4)	(15.1)
		Grapples	1,305	1,573	1,609	35	2.3	23.3
		Environmental attachments	579	533	525	(7)	(1.4)	(9.2)
		Other attachments	1,147	1,195	1,083	(112)	(9.4)	(5.6)
	Total		11,804	12,754	13,545	790	6.2	14.7
	Forestry equipment and large environmental machinery, etc.	Forestry equipment	1,298	1,915	1,799	(116)	(6.1)	38.6
		Large-scale environmental machinery	463	625	622	(3)	(0.5)	34.4
		Cable cranes	1,775	1,239	1,305	65	5.3	(26.5)
		Other machinery	557	438	119	(319)	(72.9)	(78.6)
	Total		4,094	4,219	3,846	(373)	(8.8)	(6.1)
	After-sales business	Auxiliary materials	1,887	2,114	2,039	(75)	(3.6)	8.1
		Repair	987	1,159	1,169	9	0.8	18.4
Total		2,875	3,274	3,209	(65)	(2.0)	11.6	
Domestic segment total			18,774	20,249	20,601	352	1.7	9.7
Overseas	U.S.		2,955	4,817	4,218	(599)	(12.4)	42.7
	Europe		1,017	1,156	994	(161)	(14.0)	(2.2)
	Asia (excluding China)		601	583	490	(93)	(16.0)	(18.5)
	Others		226	288	278	(10)	(3.7)	23.0
	Overseas segment total		4,801	6,846	5,981	(865)	(12.6)	24.6
Consolidated total			23,575	27,095	26,582	(513)	(1.9)	12.8

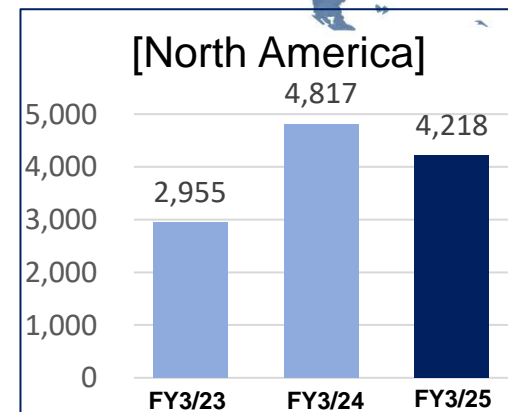
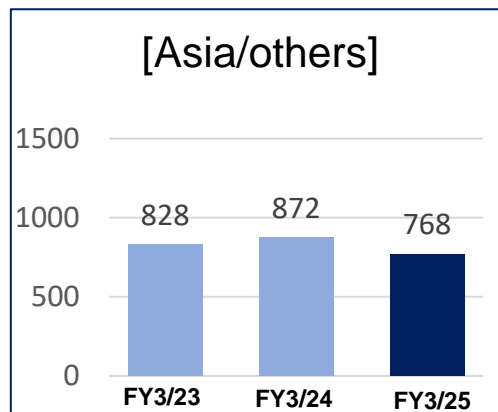
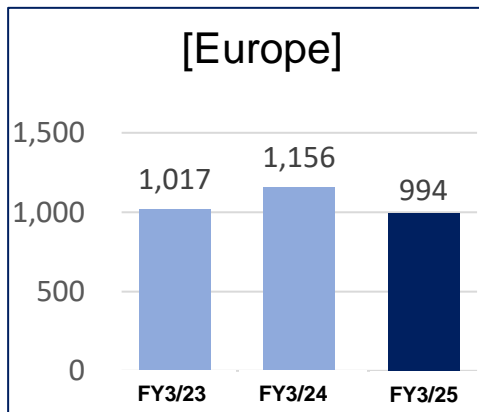
Overseas Sales Breakdown by Region (FY3/25)

● Sales decreased YoY in the U.S., Europe and Asia due to the lack of recovery in demand.

(Sales proportion)



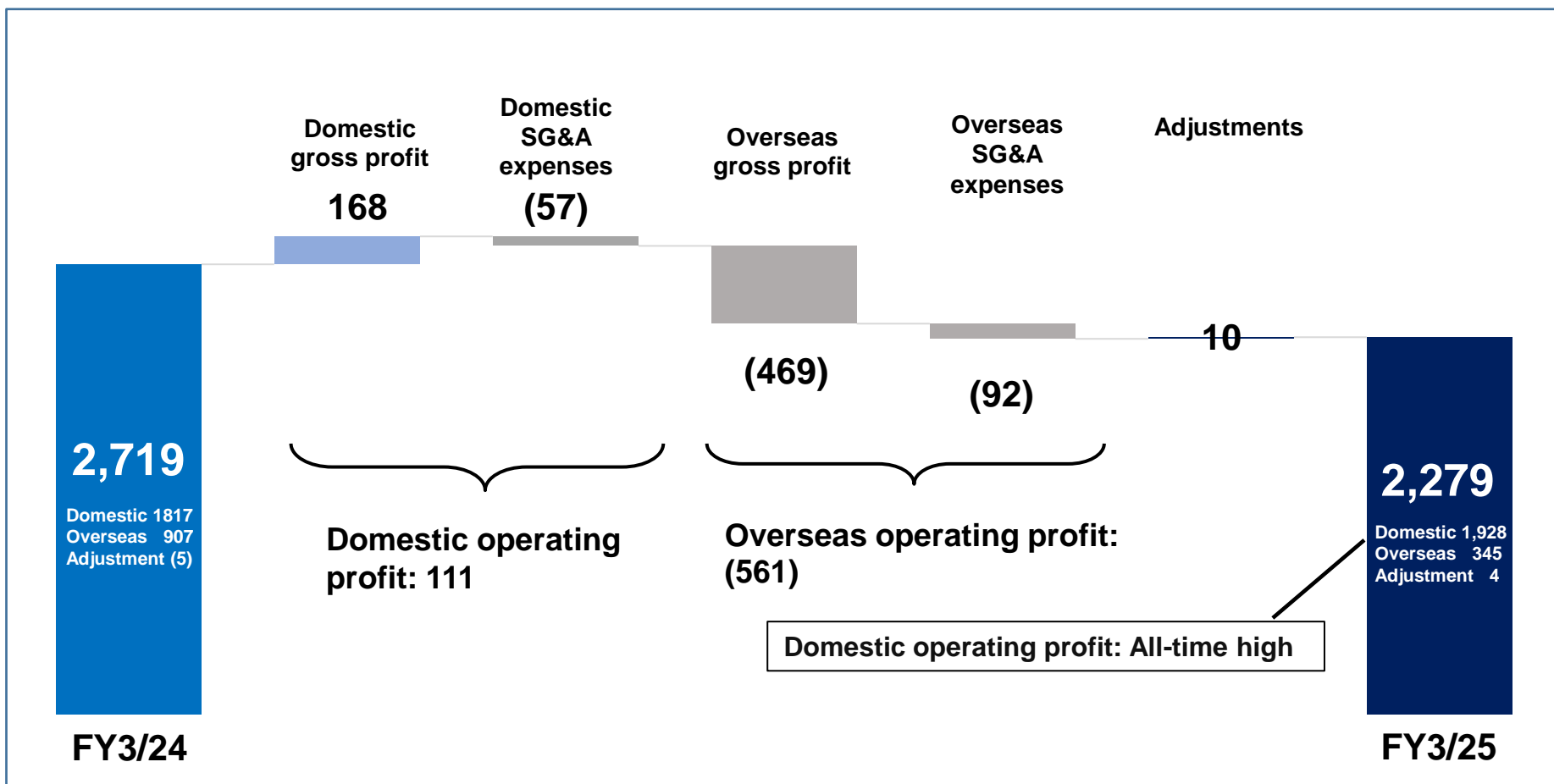
[By region: Million yen]



Factors for Changes in Operating Profit (FY3/25)

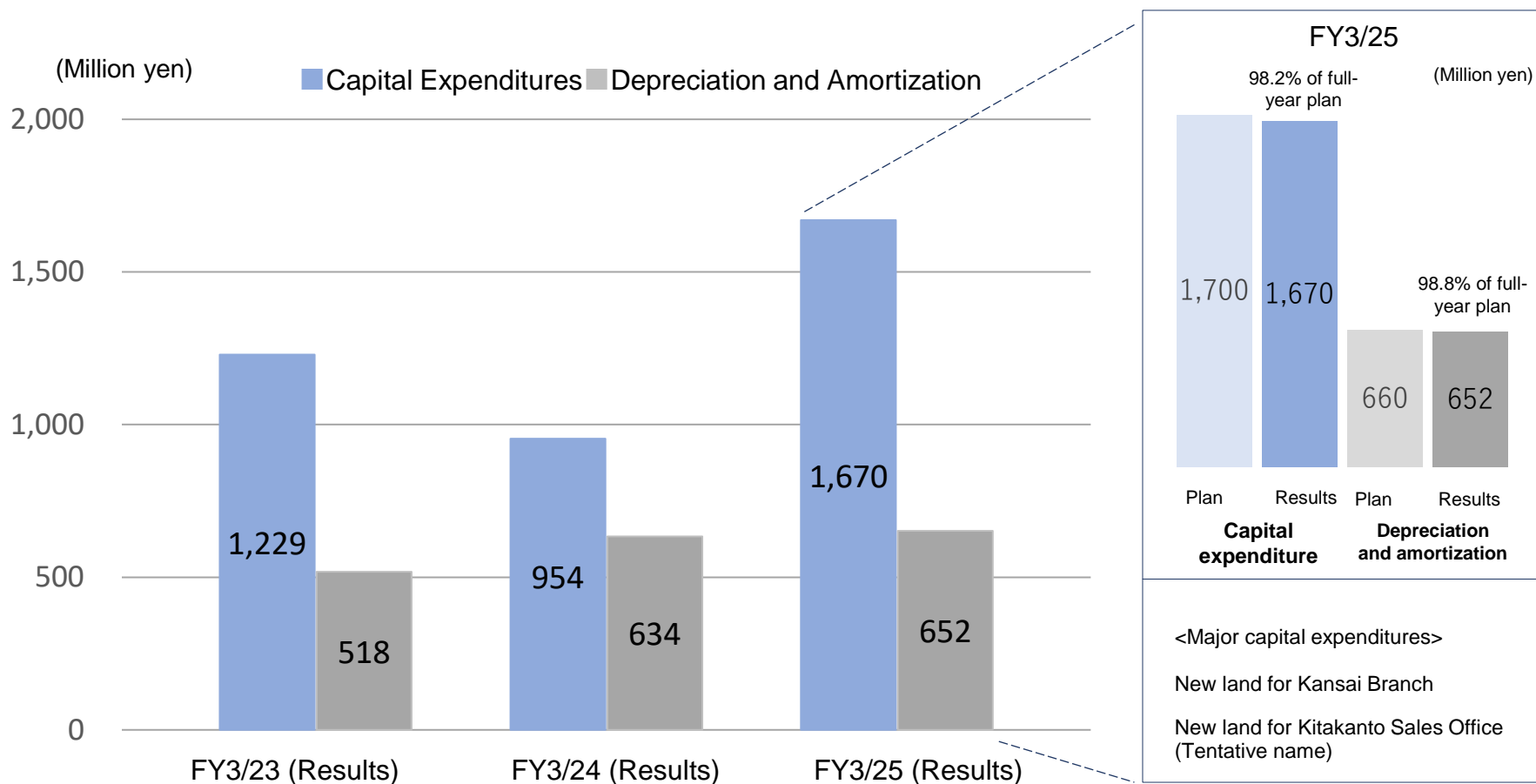
- Japan: Capitalizing on a steadily growing market, we secured increased revenue and profits.
- Overseas: Profits fell sharply due to lower sales, lower gross profits due to a decline in overall demand, and selling and administrative expenses such as labor costs increased.

(Million yen)



Capital Expenditures, and Depreciation and Amortization Results

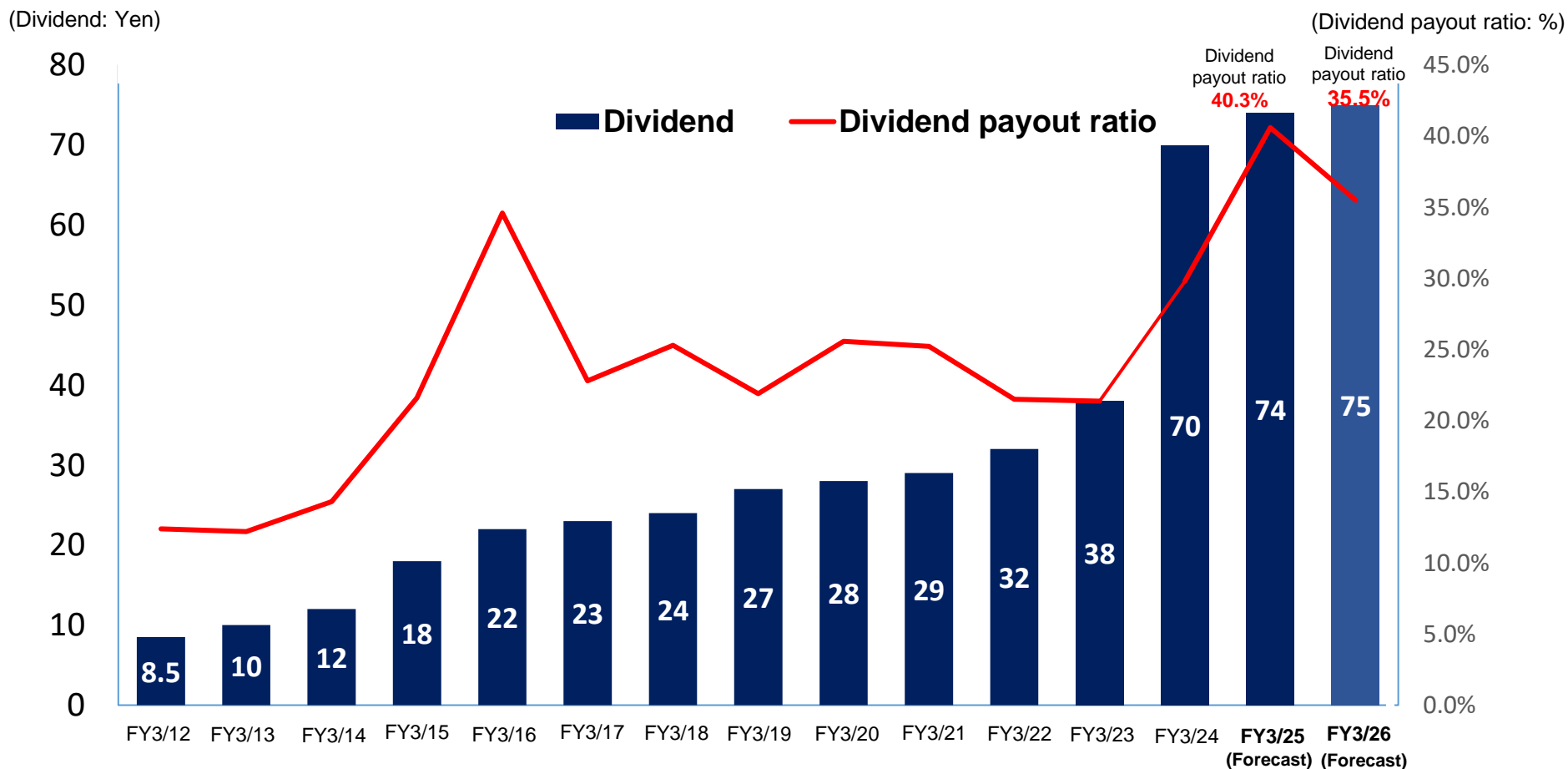
- In FY3/25, we have started expanding bases in metropolitan area where demand is expected to increase in the future.
Acquired new land for relocation of Kansai Branch and new land for Kitakanto Sales Office (tentative name).



Shareholder Return/Dividend Results and Plan

Dividend policy: Based on stable business growth, we aim for (1) progressive dividends and (2) a dividend payout ratio of 30% or more.

- For FY3/25, the annual dividend is expected to be 74 yen, an increase of 4 yen from the previous year.
- For FY3/26, the annual dividend is expected to be 75 yen, an increase of 1 yen from the previous year (16th consecutive year of dividend increases).



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Rolling Plan: FY3/26 - FY3/28

We aim to achieve the sales target of 30 billion yen during the three-year period of VISION 30 ahead of schedule and move forward with next-generation initiatives.

(Million yen)

	FY3/25 Results	YoY	FY3/26 Plan	YoY	FY3/27 Plan	YoY	FY3/28 Plan	YoY	(Reference) VISION 30 Targets
Net sales	26,582	(513)	28,000	1,417	30,000	2,000	32,000	2,000	30,000
Operating profit	2,279	(440)	2,500	220	2,800	300	3,200	400	3,000
Ordinary profit	2,238	(576)	2,500	261	2,800	300	3,200	400	3,000
Profit attributable to owners of the parent	1,475	(411)	1,700	224	1,900	200	2,180	280	2,000
Operating profit to net sales ratio (%)	8.6	(1.4)	8.9	0.3	9.3	0.4	10.0	0.7	10.0
ROE (%)	8.9	(3.7)	9.6	0.7	10.1	0.5	10.7	0.6	10.0

*Assumed exchange rates for planning purposes: 1 USD = 145 JPY, 1 EUR = 155 JPY

Key Initiatives in the Rolling Plan

VISION 30 Three Strategies

Human Resources Strategy

Promote diversity and workstyle reforms, and review personnel system to create 'a comfortable, motivating, and rewarding workplace.'

Market Strategy

Strengthen the value chain through following initiatives:
In Japan, we will review the sales framework and increase production capacity and productivity.
Overseas, we will strategically allocate personnel and products to the U.S., Europe, and Asia.

Strengthening of Management Foundation

Support sustainable growth by strengthening management infrastructure through ESG-oriented management and the development of systems and DX (digital transformation) infrastructure.

Human Resources Strategy

Initiatives under way from the perspectives of talent development, HR systems, workstyle reforms, and employee engagement

(1) Talent Development

- Introduction of flexible hiring methods
 - Promoting diverse recruitment such as referral-based hiring and regional hiring
- Increasing the ratio of female hires
 - Target: 30% or more
- Enhancement of employee training and training programs
- Assignments aligned with individual career paths
 - Internal job postings introduced as appropriate

(2) HR System

- Revision of HR and performance evaluation systems
 - Identifying key issues and designing new frameworks
- Improvement of employee compensation and treatment
- Promotion of workforce diversity
 - Strengthening recruitment of female and foreign employees
- Standardization of HR systems across group companies
 - Improving working conditions at subsidiaries

(3) Workstyle Reforms and Employee Engagement

- Utilization of senior talent and maintaining compensation
 - Principle: Maintain 90% of pre-retirement pay
- Promoting employee well-being
 - Conducting employee satisfaction surveys
- Improving organizational culture
 - Enhancing internal whistleblower and consultation channels
 - Considering measures to promote internal communication

FY3/25 Initiatives (Implemented)

- Increased base salary (wage hike exceeding 5% for 3 consecutive years).
- Established a third-party consultation service “Okada Anything Support Desk” in addition to internal and legal counsel channels, to improve ease of access for internal reporting
- Launched new ‘follow-up training’ for mid-career hires. Also conducted evaluator training for managers and mid-level employees.
- Introduced a Three Major Disease Insurance Program, supplementing the existing Group Long-Term Disability (GLTD) insurance program.
- Renewed coveralls for technical and sales staff led by employees.

FY3/26 - FY3/28 Plan

- Revise the HR system, performance evaluation, promotion system, job classification and career management, with new frameworks to be rolled out from FY3/27.
- Introduce flextime, hour-based paid leave and a side-job policy in response to employee requests for more flexible working arrangements identified through internal surveys.
- Considering various initiatives to enhance internal communication including one-on-one meeting training for managers.
- Strengthening internal corporate communications as a means to boost employee engagement.

Human Resources Strategy

We have established HR strategy indicators focused on regular employment and improved treatment, aiming to secure human resources, promote workstyle reforms and promote diversity.

(Non-consolidated basis for OKADA AIYON)

Human Resources Strategy Indicators		FY3/23	FY3/24	FY3/25	Targets / Notes
(1) Ratio of female managers (3 diversity indicators)		0%	1.7%	3.5%	10% by FY3/31
(2) Paternity leave utilization rate among male employees (3 diversity indicators)		66.7%	14.3%	62.5%	85% by FY3/31
(3) Gender pay gap (3 diversity indicators)		68.9%	67.8%	64.4%	80% by FY3/31
(4) Ratio of female directors (Materiality KPI)		12.5%	14.3%	14.3%	25% by FY3/31 (expected to reach 28.6% after the June 2025 shareholders' meeting)
(5) Ratio of female employees (Materiality KPI)		13.3%	13.5%	15.4%	25% by FY3/31
(6) Average overtime hours		24.3h	23.7h	22.5h	About 20 hours
(7) Paid leave utilization rate (Number of days taken per year / Number of days granted)		144.0%	73.5%	68.4%	70% or higher *FY3/23: impacted by deferred usage due to pandemic
(8) Ratio of full-time employees		96.8%	97.9%	98.4%	100%
(9) Questionnaire survey regarding the level of happiness (in-house questionnaire)		57.3	56.1	(Not calculated)	Improve by 10 points or more from FY3/23 (based on 100-point scale)
(10) Recruitment and turnover	Recruitment (new graduates)	8 employees	9 employees	10 employees	10 new graduates annually (7 joined in April 2025)
	Recruitment (mid-career)	16 employees	14 employees	17 employees	—
	Total recruitment	24 employees	23 employees	27 employees	—
	Turnover rate	9.3%	4.6%	4.4%	—
	Ratio of female new graduate hires	25.0%	22.2%	30.0%	Maintain 30% (42.9% in April 2025 intake)

Market Strategy: Domestic Segment

Sales and operating profit continue to reach record highs. As the industry leader in Japan, we aim to establish a robust integrated business structure.

OKADA AIYON (Development, manufacturing, sales and repair of demolish environmental attachments)

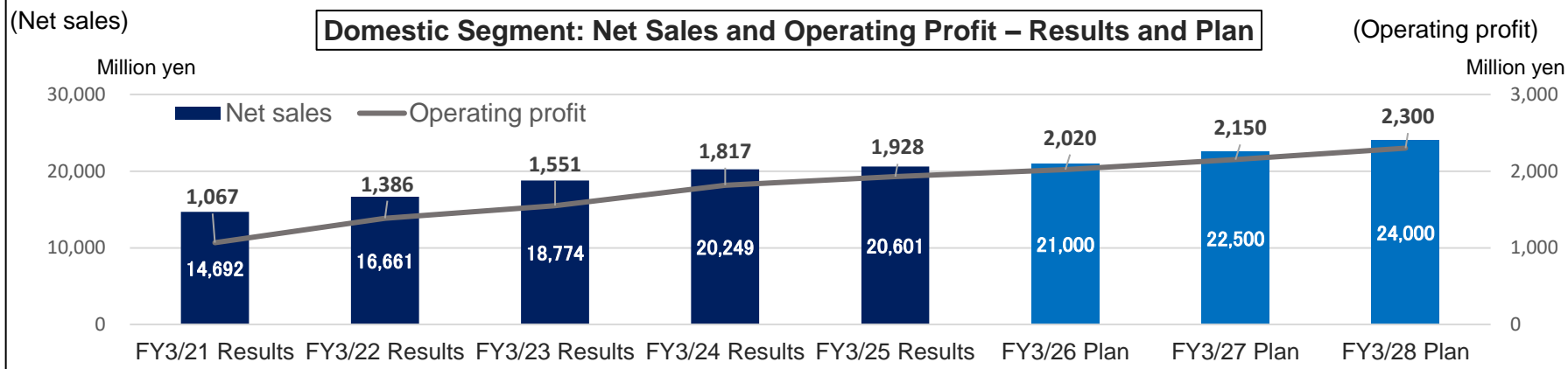
- Strengthen sales and after-sales service structures through the establishment of new offices (New Kansai Branch and new Kitakanto Sales Office)
- Expand forestry equipment sales through sales integration with Nansei Machine
- Develop service personnel through the establishment of a new technical service training center
- Launch in-house developed products in the large-scale environmental machinery category
- Improve operational efficiency and productivity through the introduction of a new core system

AIYON TECH (Manufacturing of cast steel products such as TS Series demolition crushers)

- Further enhance production capacity through collaboration with partner companies
- Develop large attachments for plant and ship dismantling
- Expand manufacturing plant and warehouse facilities

Nansei Machine (Manufacturing of forestry equipment and scrap machinery; cable crane business)

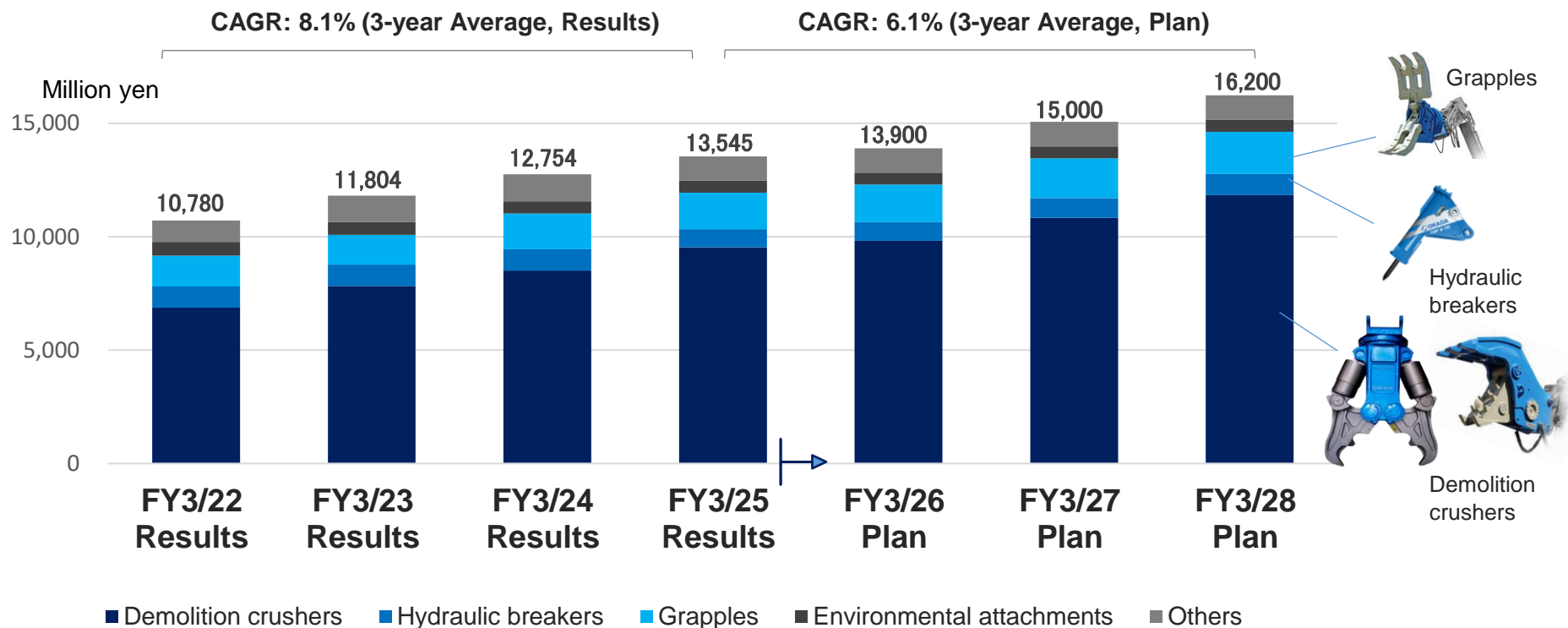
- Newly develop high-performance forestry equipment such as harvesters*
 - Improve productivity through capital investment in machinery and continuous improvement activities
 - Improve profitability through thorough factory cost control
- *Harvester: Forestry equipment capable of felling, debranching, bucking and collecting timber with a single unit



Market Strategy: Domestic – Demolish Environmental Attachments

Aiming to maintain and expand our top market share by establishing a robust order and production system centered on demolition crusher sales.

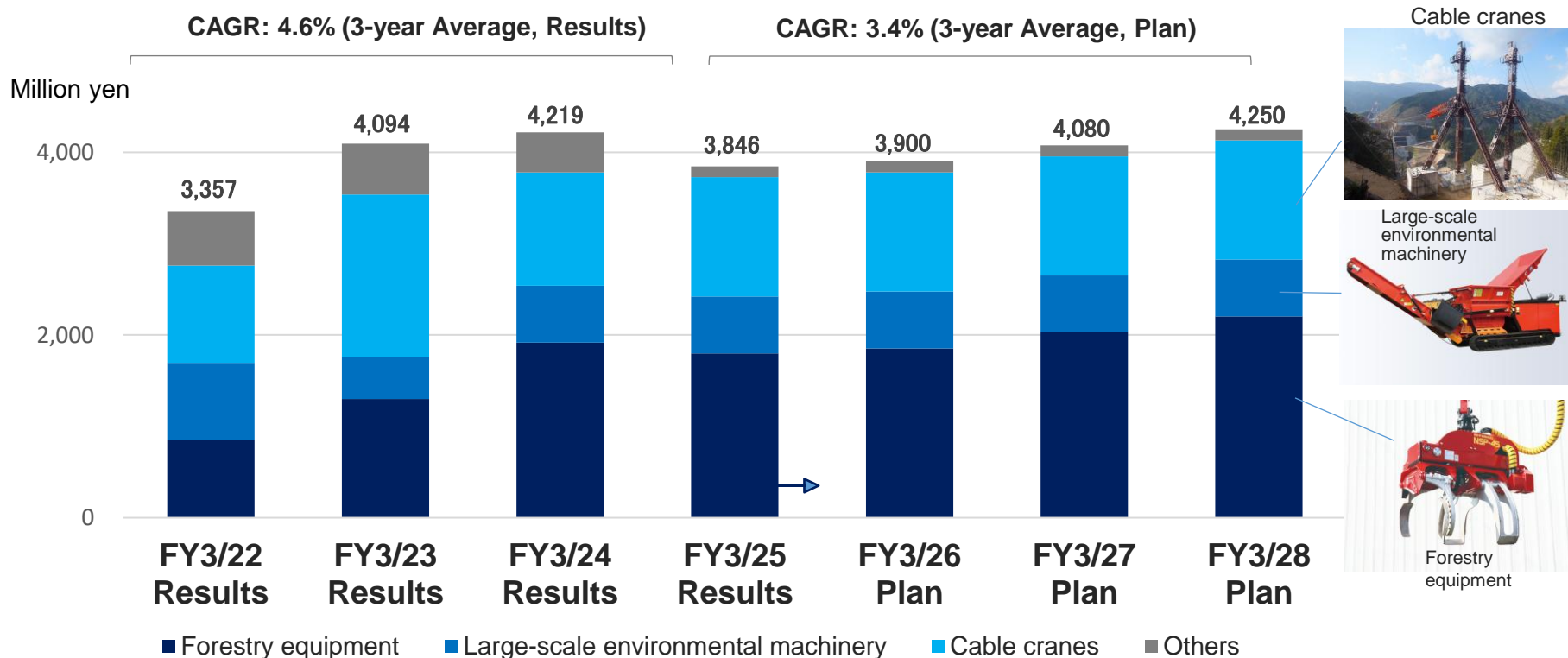
- For our core product, demolition crushers, we plan to achieve sustained sales growth through increased production capacity and support for larger models, by expanding our suppliers of cast steel components and subcontractors for assembly. Except for some models, delivery periods have nearly normalized allowing us to pursue further sales expansion.
- Sales and repair capabilities will be further strengthened through the relocation and reconstruction of the Kansai Branch (planned for 2025) and the establishment of the Kitakanto Sales Office (planned for 2026).



Market Strategy: Domestic – Forestry Equipment, Large-Scale Environmental Machinery, Cable Cranes, etc.

Aiming to expand sales of forestry equipment through sales integration with Nansei Machine and the positive impact of new product introductions.

- Through the integration of sales functions between Nansei Machine and OKADA AIYON in April 2024, we have established the only after-sales service structure among forestry equipment manufacturers. We aim to gain market share through the launch of new high-performance forestry equipment.
- Sales of cable cranes for dam construction and hydroelectric power plant renovation projects are subject to fluctuation depending on project scale and progress, but we expect stable sales while maintaining a high profit margin for the time being.

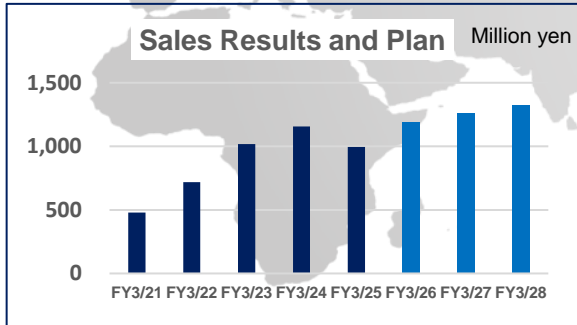


Market Strategy: Overseas Segment

We have revised the plan as demand is currently slowing, and uncertainty surrounding U.S. tariffs is increasing. We aim for medium- to long-term growth.

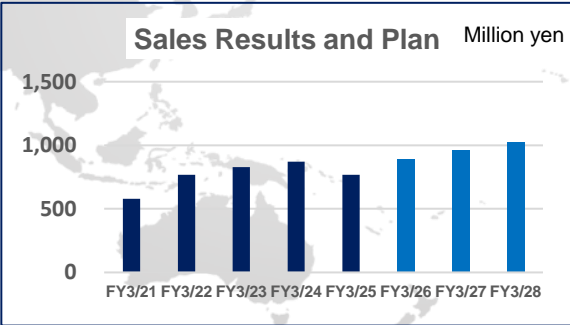
Europe

Sales declined for the first time since the establishment of our local subsidiary in Europe due to the economic slowdown. However, we aim to expand sales through the launch of globally standardized hydraulic breaker models, deployment of local sales personnel in major countries, and development and lineup expansion of new products tailored for the European market.



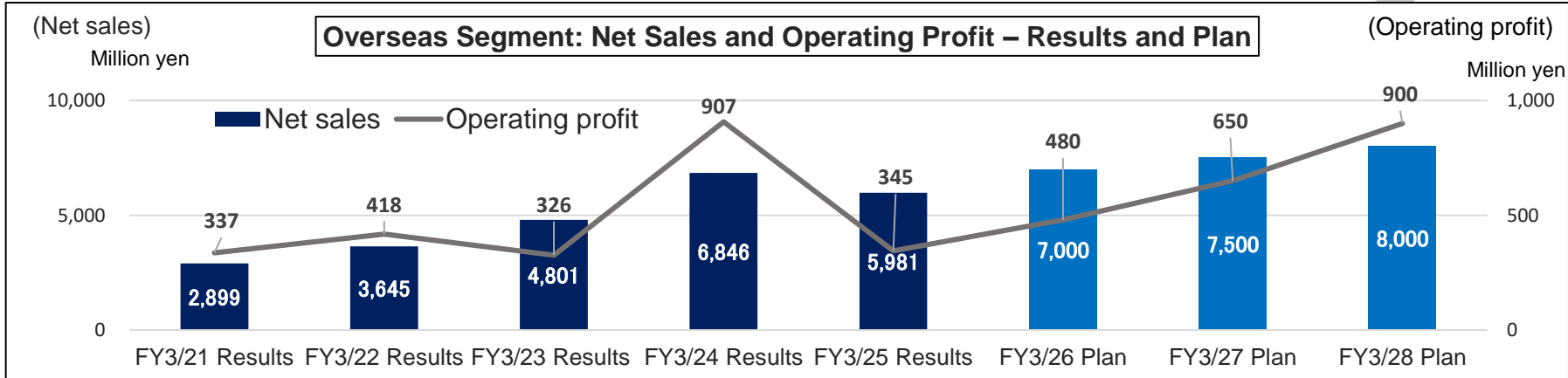
Asia and other regions

Although sales decreased due to both the economic slowdown and intensified competition, we plan to expand market share in Asia by rolling out entry-level products developed by our Thai subsidiary to Asia and the Middle East, while also strengthening our after-sales service system.



U.S.

Inventory adjustments are expected to recover in the second half of the fiscal year. In response to tariff changes, we will apply partial surcharge pricing, and aim to recover and expand sales through development of the demolition crusher market, cultivation of new rental companies, OEM sales, and collaboration with acquired subsidiaries.

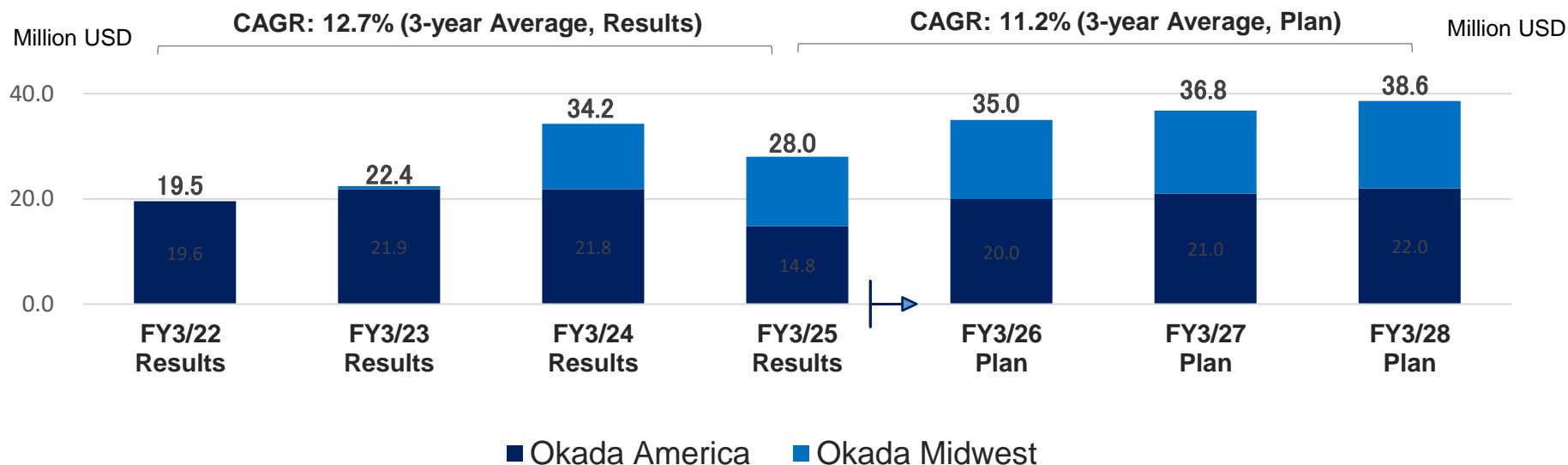


Market Strategy: Overseas - North America Business

North America, which accounts for 70% of overseas sales, will strengthen efforts to develop the demolition crusher market and cultivate new rental companies.

- Inventory adjustments in North America are expected to recover in the second half of the fiscal year. While inventory for more than six months is secured, future prospects remain uncertain due to tariff changes. We will respond flexibly, including partially passing on tariff costs through surcharge pricing.
- In the medium to long term, we aim to expand sales through various initiatives: developing untapped demolition crusher markets in cooperation with Okada Midwest, cultivating new dealers and rental companies, entering the Canadian and Mexican markets, expanding OEM sales, introducing sales incentive programs, and leveraging sales financing.

■ Okada America	■ Okada Midwest
<ul style="list-style-type: none"> <input type="checkbox"/> The U.S. sales subsidiary operates at three locations (Oregon, Ohio, Texas) <input type="checkbox"/> Engaged in wholesale business to construction equipment dealers and rental companies <input type="checkbox"/> Each sales location also provides maintenance services 	<ul style="list-style-type: none"> <input type="checkbox"/> Became a subsidiary of Okada America in December 2022 <input type="checkbox"/> Conducts sales and rentals, centered on the maintenance business for construction equipment <input type="checkbox"/> Main customers are demolition, scrap and recycling contractors around the Chicago area



Strengthening of Management Foundation: ESG Management

We will build a management structure that enables sustainable growth and enhance corporate value (market capitalization).

● Response to Tokyo Stock Exchange Market Reform

To meet the criteria for the Prime Market (market capitalization of tradable shares) and improve the floating market capitalization (currently below the new TOPIX standard), we will expand business and enhance capital efficiency through the promotion of VISION 30.

(1) Capital efficiency improvement	<p>ROE: Target of 10% or higher (VISION 30 target) ROIC: Target of 7.5% or higher *Capital efficiency performance and plans are shown on page 22.</p>
(2) Establishment of a dedicated IR division	<p>Until now, IR responsibilities were handled by a team with concurrent roles. Starting April 2025, dedicated personnel have been assigned under the newly established IR and PR team.</p>

● Response to Sustainability

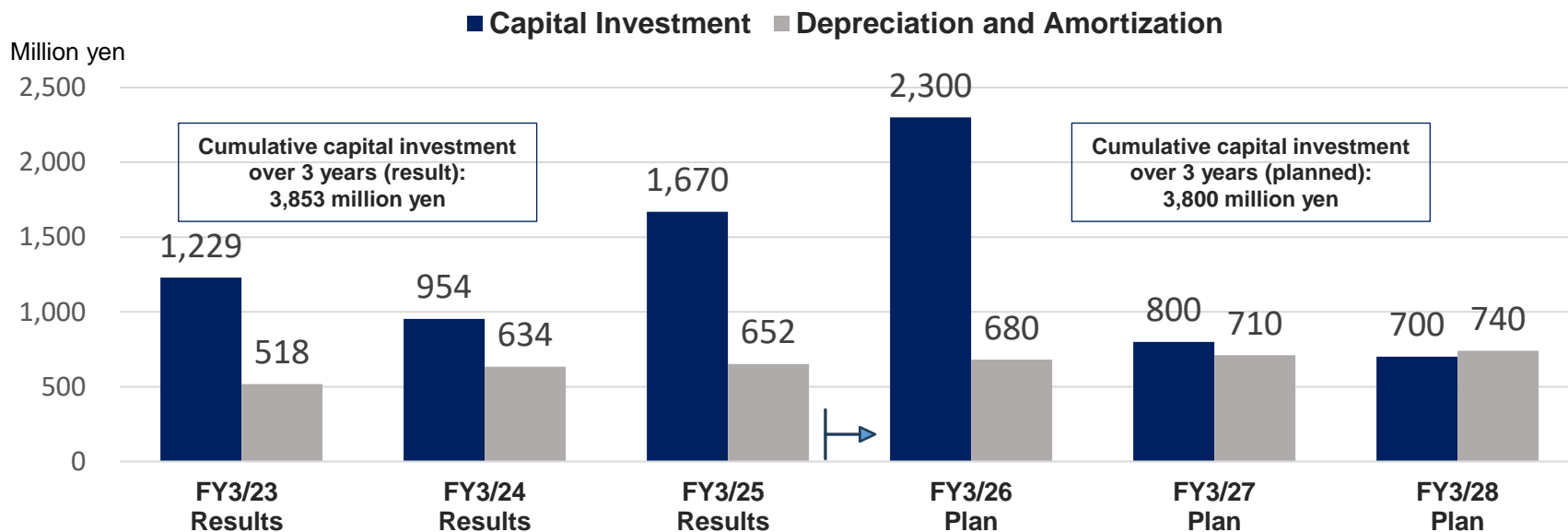
We have set targets related to environmental initiatives and board diversity.

(1) CDP climate change score	<p>FY3/24: 'B -' ⇒ FY3/25: 'B' ⇒ Target: 'B' or higher *CDP = Carbon Disclosure Project</p>
(2) Disclosure of CO ₂ reduction targets	<p>Scope 1 and 2: Targets and performance disclosed Scope 3: Performance disclosed *CO₂ reduction targets and performance are available on our website: https://disclosure.okadaaiyon.com/jirei/tcfd/</p>
(3) Ratio of female directors	<p>Current: 1 director (14.3%) → Planned: 2 directors (28.6%) after the General Shareholders' Meeting in June 2025</p>

Strengthening of Management Foundation: Capital Investment and System Investment

As growth investments, we are planning system investment to improve productivity as well as capital investment in sales offices and factories.

- Over the next three years, we plan to enhance facilities at sales offices in the Kanto and Kansai regions where demand remains strong, and expand equipment at manufacturing plants. We also plan to begin reconstruction of the head office and construction of a new training center.
- As system investments aimed at improving operational efficiency and productivity, we have begun development of a new core system, which is scheduled for implementation during FY3/28.



Investment Details	Okada America Headquarter Sapporo Sales Office Okada Midwest Headquarter AIYON TECH Factory	Okada America Headquarter Sapporo Sales Office Demonstration model	Kansai Branch Kitakanto Sales Office Demonstration model	Kansai Branch Kitakanto Sales Office Osaka Headquarter Core System	Core System Nansei Machine Facility AIYON TECH Factory Demonstration model	AIYON TECH Factory Demonstration model

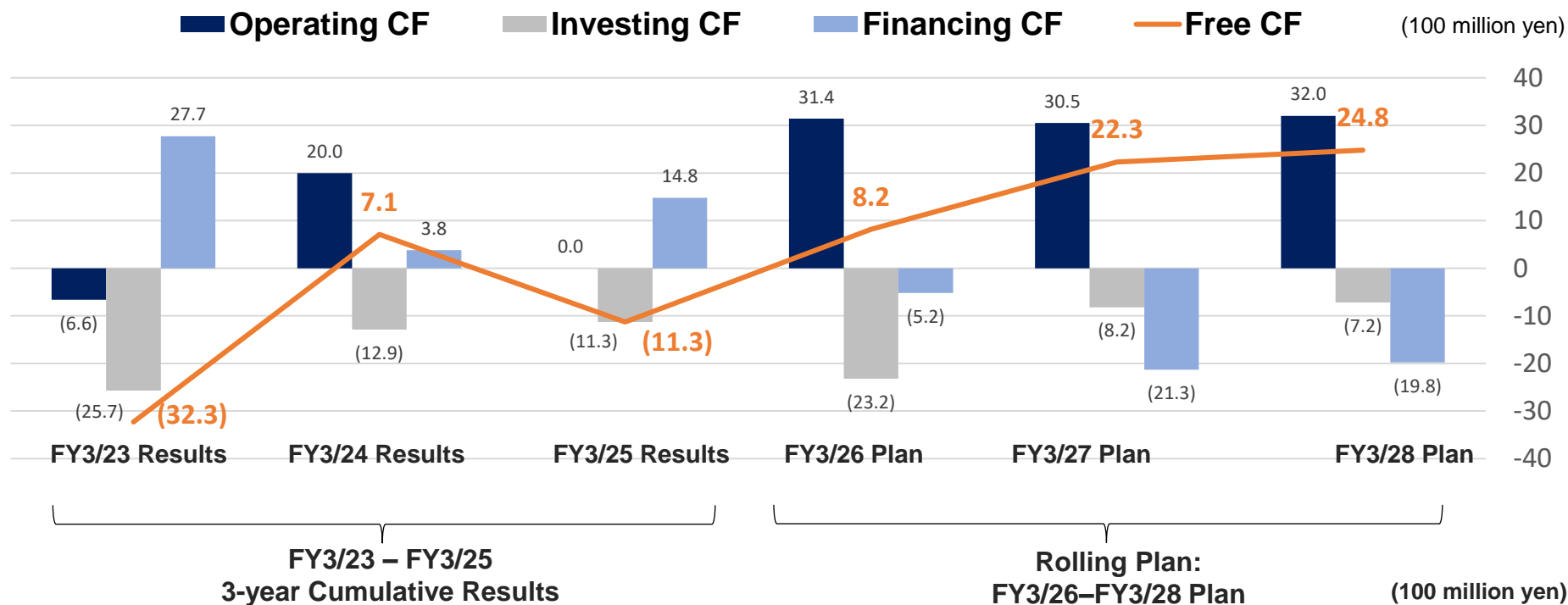
Strengthening of Management Foundation: Renewal of Domestic Bases

We will continue to plan and implement capital investments for strengthening our maintenance system and expanding production capacity to further enhance our customer responsiveness.



Cash Flow

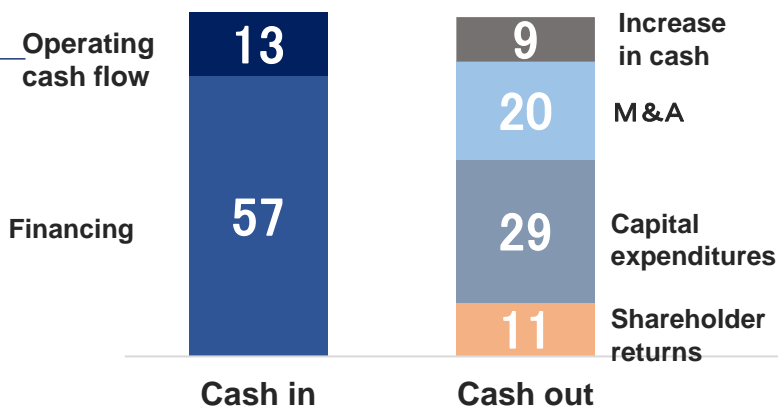
Capital investment in sales offices is expected to peak this fiscal year. Going forward, we aim to generate stable operating cash flow through inventory level optimization.



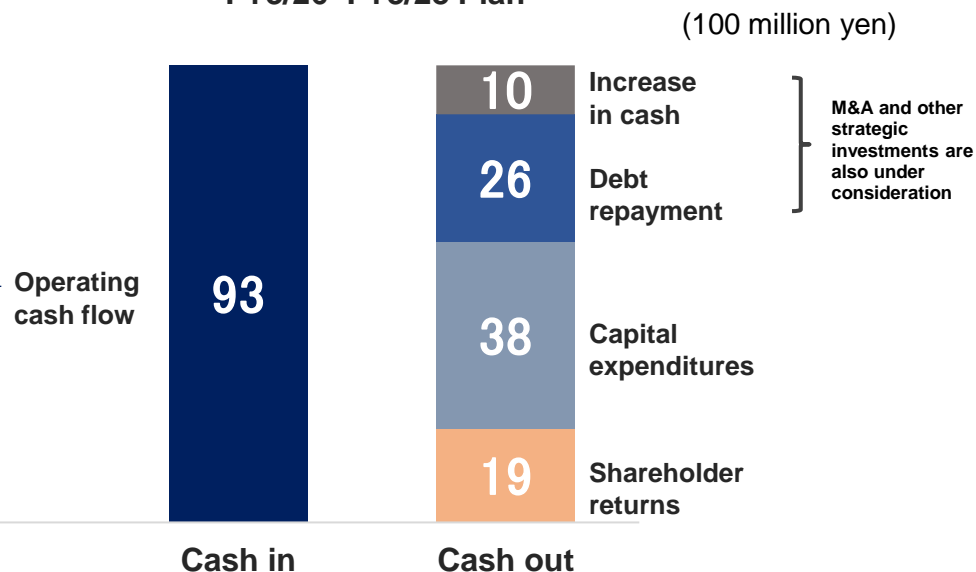
Capital Allocation

By optimizing inventory levels, we will secure operating cash flow and allocate resources to shareholder returns, capital investment, M&A and debt repayment.

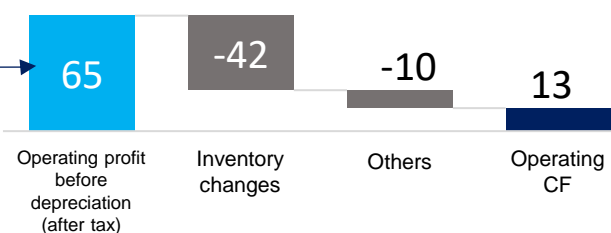
FY3/23 – FY3/25
3-year Cumulative Results



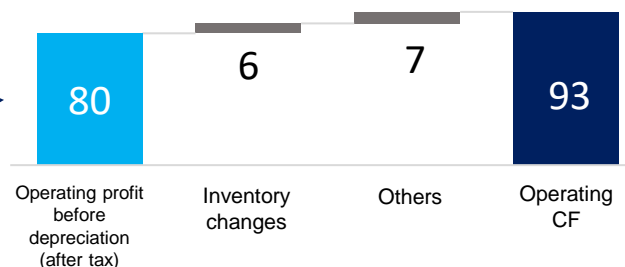
Rolling Plan:
FY3/26–FY3/28 Plan



Breakdown of Operating Cash Flow



Breakdown of Operating Cash Flow

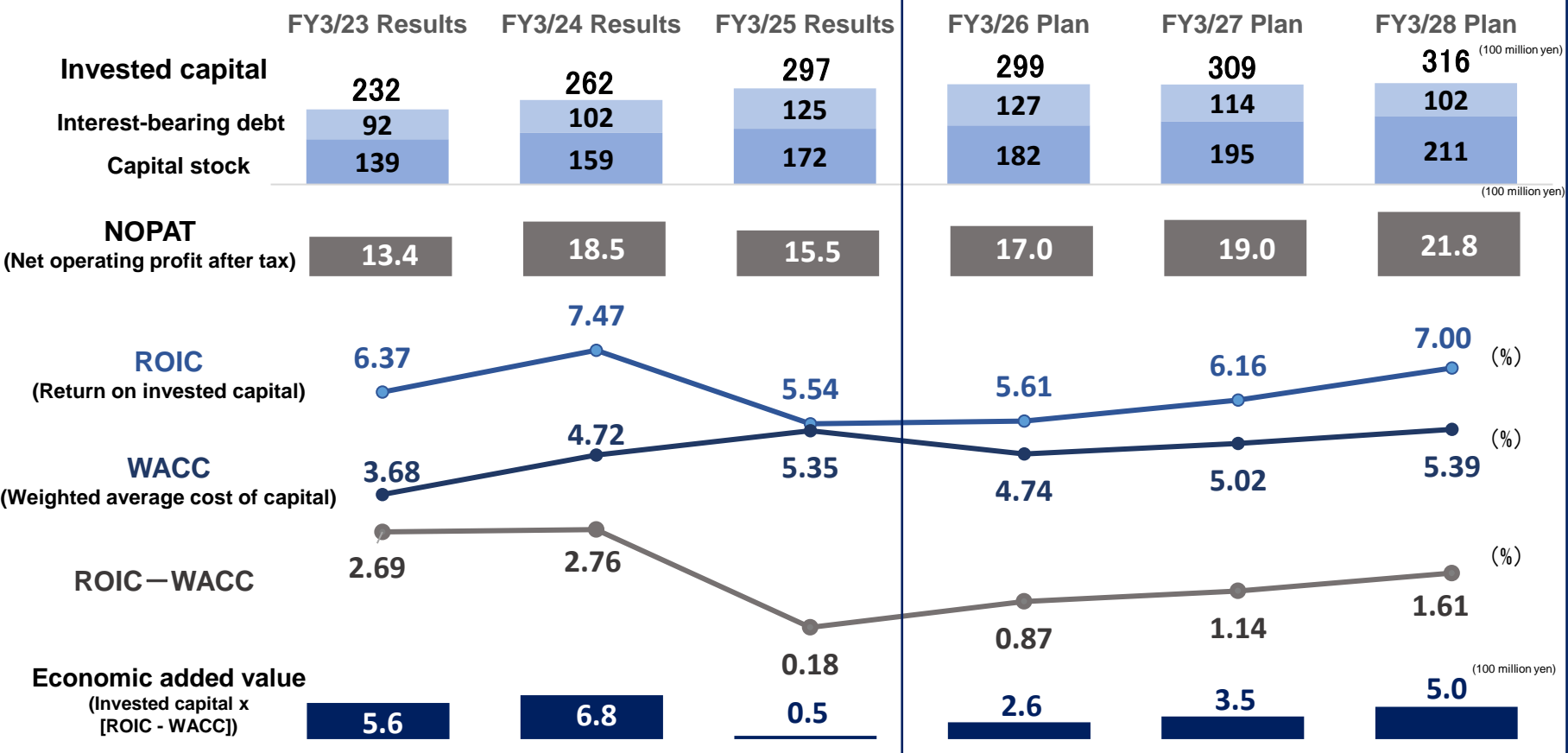


Productivity of Invested Capital

Although productivity declined due to a drop in profit margin, increased inventories and higher capital costs, we aim to improve it through margin recovery and inventory optimization.

***Based on our calculations** Figures are calculated based on simplified calculations for the purpose of understanding trends. Please refer to Reference 2 on page 25 for the assumptions used in calculating the figures.

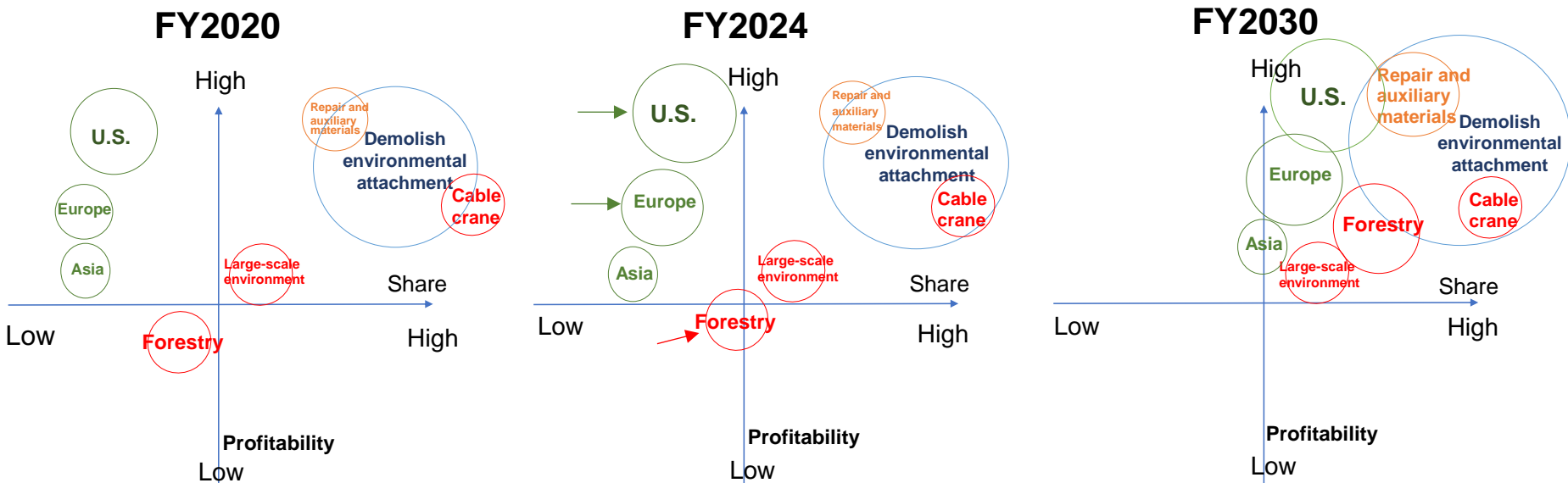
Rolling Plan FY3/26–FY3/28



Business Portfolio

Through the execution of VISION 30, we aim to build a business portfolio with higher market share and profitability.

- Demolish environmental attachments and repair and auxiliary materials expanded while maintaining current business positions. We will particularly strengthen competitiveness in overseas and forestry equipment-related businesses. Cable cranes remain stable at a high level. For large-scale environmental machinery, we will consider in-house production while assessing the market environment.



- We hold the top domestic market share in demolish environmental attachments with high profitability.
- In overseas operations, profitability in the U.S. is strong but challenges remain in building a comprehensive product, personnel, and after-sales service structure.
- In forestry equipment, market share and profitability remain key challenges. The cable crane business is an oligopoly dominated by two companies including ours.
- We are the only company in the industry with a dedicated after-sales maintenance division for repairs and spare parts, and it is also highly profitable.

- Responding to demand increase through expanded demolition crusher production; sales are steadily growing.
- M&A in the U.S. and European sales expansion will improve our positions in those regions although the short-term outlook remains sluggish.
- We improved our position in forestry by releasing the highly-functional forestry equipment OHB.
- We enhanced our services for large-size attachments by renovating sales offices.

- For demolish environmental attachments, we will strive to grow sales by increasing production output and strengthening our marketing structure, while maintaining our strengths.
- We will dispatch our products and personnel while maintaining or improving the profitability of the overseas section to expand our market share.
- Integration of sales functions and improved productivity in forestry equipment manufacturing will lead to higher market share and profitability.
- We will maintain and expand our parts and repair business including expansion in the forestry equipment sector.

1. Corporate Profile/History
2. FY3/25 Financial Results Summary
3. FY3/26 Forecasts and
Medium-Term Management Plan
'Rolling Plan'
- 4. Appendix**

Framework of VISION 30

VISION 30 Statement

Slogan

People create an **environment**

Values

[Corporate culture] Respect for the individual, free-spiritedness and a sense of unity
 [Business] Provision of user-friendly products and services
 [Social] Expansion of business that leads to solutions to social issues such as environmental problems

To develop human resources capable of creating the **environment** without being carried away by the **environment**, and to contribute to the realization of an **environmentally** friendly society through our businesses.

VISION 30 Performance Indicators (KPI)

Triple

3

Triple

10

Net sales	¥30 billion or over
Operating profit	¥3 billion or over
Market capitalization	¥30 billion or over
Net sales growth rate	10% or over
Operating profit to net sales ratio	10% or over
ROE	10% or over

VISION 30 Three Strategies

Human resources strategy	(1) Human resource development (2) Personnel system (3) Workstyle reform	Recruitment, training and utilization of human resources Fair evaluation and compensation system that reflects performance and contributions Creating a comfortable, motivating, and rewarding workplace
Market strategy	(1) Domestic strategy (2) Overseas strategy (3) New businesses	Strengthening the integrated value chain to meet growing demand Market development by introducing products and capabilities to three bases in the U.S., Europe, and Asia Promoting new technology applications (new demolition methods, DX, etc.) and strategic M&A
Strengthening of management foundation	(1) CG System (2) Hardware (3) Software	Establish a governance system that supports sustainable growth Development of domestic and overseas plants, sales offices, etc. (expansion and new construction) Improvement of system infrastructure and DX to reform operations and enhance customer responsiveness

Reference 2: Assumptions for Investment Capital Productivity Results and Planning

(1) Cost of Shareholders' Equity

Cost of shareholders' equity = Risk-free rate + Risk premium x β (beta)

	End of FY3/23	End of FY3/24	End of FY3/25	After FY3/26
Cost of shareholders' equity*	5.5%	6.4%	7.7%	7.7%
Risk-free rate*	0.14%	0.73%	1.09%	1.09%
Risk premium	6.08%	6.40%	6.60%	6.60%
β (beta)	0.88	0.89	1.008	1.008

(*) Cost of shareholders' equity: Capital cost as of the end of FY3/25 will be used for FY3/26 and thereafter.

Risk-free rate: The figure as of the end of FY3/25 is based on the average 10-year government bond yield over the full FY3/25 period.

(2) NOPAT (Net Operating Profit After Tax)

NOPAT = Operating profit x (1 - effective tax rate) [Effective tax rate = fixed at 32%] (Effective tax rate has been revised from the rate in the previous year, considering the recent results.)

(3) ROIC (Return on Invested Capital)

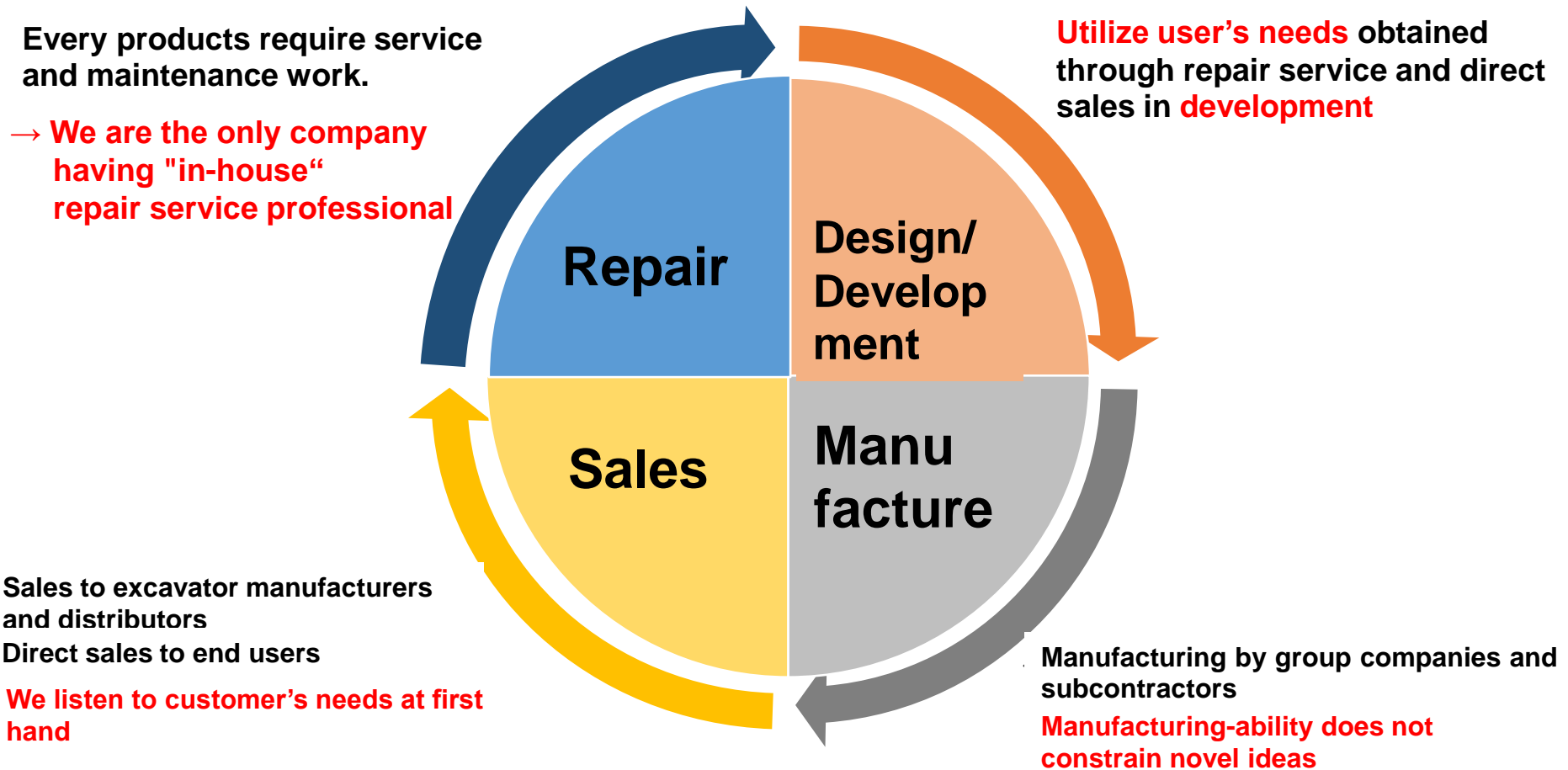
ROIC = NOPAT/Invested capital (debt + equity) [Debt = book value basis, equity = book value basis]

(4) WACC (Weighted Average Cost of Capital)

WACC = Cost of debt x (1 - effective tax rate) x Debt/(debt + equity) + Cost of shareholders' equity x Equity/(debt + equity)

[Debt = book value basis, equity = market value basis; share price from FY3/26 onwards is estimated based on the forecasted PER 10.1 at the end of FY3/25]

One-stop Circulation Model



Product Characteristics



Our Commitment

'Cast steel products' are used for the 'primary crushers' and 'cutters,' which are especially required for **strengthening** and dismantling.

*'Cast steel products': Made by melting special steel and pouring it into molds. There are no linkages, and the **strength is higher** than that of 'canning products.' It can be freely formed and has strength in designing



'Canning products': Made by melting steel plates and welding it



Cylinder is equipped with a speed increasing valve **to achieve both power and speed**

Use of wedge arms realizes **outstanding crushing power**

Arms do not protrude as they close, and they can be operated in **densely populated residential areas**

Product Application (Demolish Environmental Attachments)

- Able to install in excavators of all domestic and overseas manufacturers -

[Demolition crushers] (Demolition pulverizers)

[Demolition crushers] (Primary crushers)

- Demolition of the main part of the building

• Crushing the concrete into smaller bits after using primary crusher

[Demolition crushers] (Cutters)

- Used for cutting rebar and steel frames

[Environmental Attachments (Trommel Screening Bucket)]

- Select/screen various mixtures without straining the excavator

[Grapples]

- Versatile equipment for demolition of wooden houses, scrap lumber collection and disaster relief breakers

[Breakers]

- Major equipment overseas with outstanding crushing power
- However, the noise is loud.

Product Application (Large Environmental Machinery)

[Middle and low speed rotary machine]



- Processes large logs
- Played active role in disposing of debris after the Great East Japan Earthquake

[High-speed rotary machine]



- Cutting wood into wood chips
- Chips are used in biomass power generation, etc.

Product Application (Forestry Equipment and Cable Cranes)

[Forestry equipment]



- Logging timber in the forest
- Trimming branches, pruning and transporting

[Cable cranes for dam construction and power plants, etc.]

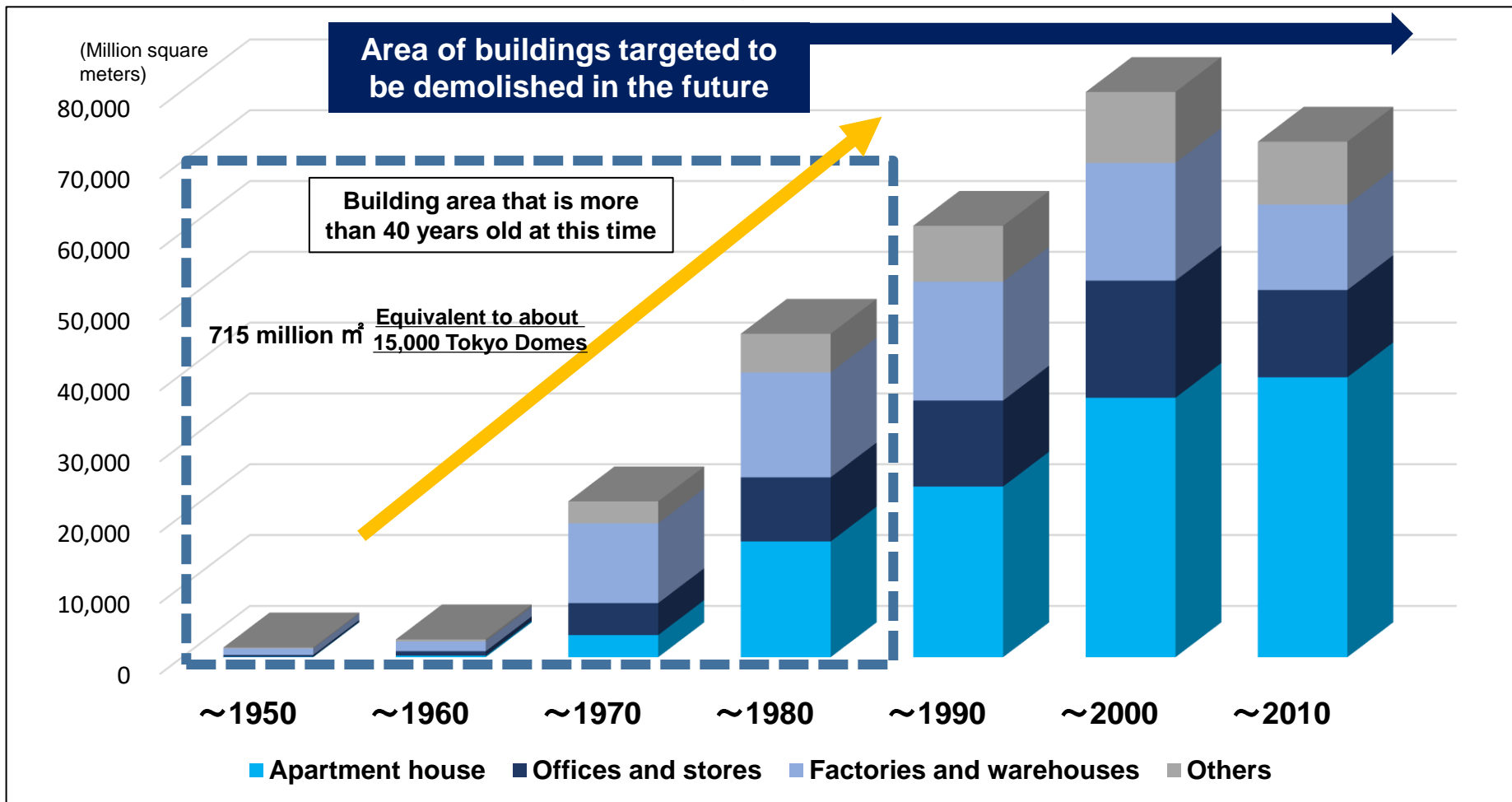


- Conveying concrete, materials, etc. on roadless mountain slopes
- For pipe replacement work at aging hydroelectric power plants

Potential for Domestic Demolition Market

Building age and area of non-wooden buildings (concrete buildings)

- ◆ Looking at demolition targets for buildings 40 years old or older, demolition demand will begin in earnest in the coming years (an area equivalent to about 1,500 Tokyo Domes will be targeted each year)



◆ Converted to the floor area of the Tokyo Dome as 46,000m²

The plans and forecasts contained in this report are based on information currently available to the Company and certain assumptions deemed reasonable by the Company, and are subject to risks and uncertainties. As such, the Company does not promise or guarantee the realization of any future plan figures or measures shown in this report.

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