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Consolidated Financial Results for the Year Ended December 31, 2023 [Japanese GAAP]

February 14, 2024

Company name: TADANO LTD.
 Stock exchange listing: Tokyo
 Code number: 6395
 URL: <https://www.tadano.co.jp/>
 Representative: Toshiaki Ujiie, President & Chief Executive Officer
 Contact: Noriaki Yashiro, Director and Managing Executive Officer
 Phone: +81-87-839-5601
 Scheduled date of Annual General Meeting of Shareholders: March 27, 2024
 Scheduled date of commencing dividend payments: March 28, 2024
 Scheduled date of filing annual securities report: March 28, 2024
 Availability of supplementary briefing material on annual financial results: Yes
 Schedule of annual financial results briefing session: Yes

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2023 (January 1, 2023 to December 31, 2023)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended December 31, 2023	280,266	-	18,349	-	16,367	-	7,773	-
December 31, 2022	192,932	-	7,191	-	6,540	-	2,210	-

(Note) Comprehensive income: Fiscal year ended December 31, 2023: ¥ 15,035 million [-%]
 Fiscal year ended December 31, 2022: ¥ 8,305 million [-%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended December 31, 2023	61.26	-	4.5	4.5	6.5
December 31, 2022	17.43	-	1.4	1.9	3.7

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

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2023	365,244	181,354	49.6	1,426.38
December 31, 2022	356,693	167,767	46.9	1,318.45

(Reference) Equity: As of December 31, 2023: ¥ 181,025 million
 As of December 31, 2022: ¥ 167,227 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended December 31, 2023	10,121	(3,983)	(13,253)	94,126
December 31, 2022	(20,419)	4,517	(5,048)	97,990

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
December 31, 2022	-	0.00	-	8.00	8.00	1,014	45.9	0.6
December 31, 2023	-	4.00	-	15.00	19.00	2,411	31.0	1.4
Fiscal year ending December 31, 2024 (Forecast)	-	10.00	-	13.00	23.00		30.7	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2024 (January 1, 2024 to December 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	315,000	12.4	20,000	9.0	17,000	3.9	9,500	22.2	74.85

* Notes:

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No
 New - (Company name:)
 Exclusion: - (Company name:)
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 1) Changes in accounting policies due to the revision of accounting standards: No
 2) Changes in accounting policies other than 1) above: No
 3) Changes in accounting estimates: No
 4) Retrospective restatement: No
- (3) Total number of issued shares (common shares)
 1) Total number of issued shares at the end of the period (including treasury shares):
 December 31, 2023: 129,500,355 shares
 December 31, 2022: 129,500,355 shares
- 2) Number of treasury shares at the end of the period:
 December 31, 2023: 2,588,032 shares
 December 31, 2022: 2,663,756 shares
- 3) Average number of shares outstanding during the period:
 Fiscal Year ended December 31, 2023: 126,877,436 shares
 Fiscal Year ended December 31, 2022: 126,805,051 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2023 (January 1, 2023 to December 31, 2023)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2023	176,404	-	24,832	-	32,140	-	7,285	-
December 31, 2022	99,397	-	8,734	-	33,857	-	22,519	-

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
December 31, 2023	57.42	-
December 31, 2022	177.59	-

(Note)The Company has changed the closing date from March 31 to December 31 starting from the previous fiscal year. Accordingly, the current fiscal year (January 1, 2023 to December 31, 2023) does not match the previous fiscal year (April 1, 2022 to December 31, 2022), which is used for comparison. Therefore, the percentage changes from the previous fiscal year are not provided.

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
December 31, 2023	313,847	172,801	55.1	1,361.59
December 31, 2022	306,582	164,722	53.7	1,298.70

(Reference) Equity: As of December 31, 2023: ¥ 172,801 million
As of December 31, 2022: ¥ 164,722 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation

* Explanation of proper use of earnings forecasts, and other special matters

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

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2022	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	98,158	94,343
Notes receivable - trade	7,572	7,247
Accounts receivable - trade	36,164	36,853
Electronically recorded monetary claims - operating	5,032	6,245
Merchandise and finished goods	51,641	58,972
Work in process	32,249	34,063
Raw materials and supplies	25,515	29,246
Other	14,842	11,735
Allowance for doubtful accounts	(592)	(486)
Total current assets	270,583	278,221
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	25,659	24,734
Machinery, equipment and vehicles, net	9,406	8,755
Land	25,440	25,726
Leased assets, net	698	477
Construction in progress	755	1,700
Other, net	4,442	4,558
Total property, plant and equipment	66,403	65,952
Intangible assets	2,537	2,612
Investments and other assets		
Investment securities	7,375	10,549
Deferred tax assets	8,389	6,427
Other	1,708	1,800
Allowance for doubtful accounts	(303)	(319)
Total investments and other assets	17,169	18,457
Total non-current assets	86,110	87,023
Total assets	356,693	365,244

(Millions of yen)

	As of December 31, 2022	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	40,034	39,476
Electronically recorded obligations - operating	8,860	8,961
Short-term borrowings	40,209	34,605
Current portion of bonds payable	-	10,000
Lease liabilities	1,329	1,240
Accounts payable - other	8,309	9,725
Income taxes payable	1,734	7,047
Advances received	3,748	2,414
Provision for product warranties	3,547	5,366
Allowance for losses related to violations of emission regulations	6,935	-
Other	5,023	6,167
Total current liabilities	119,734	125,005
Non-current liabilities		
Bonds payable	50,000	40,000
Long-term borrowings	3,510	2,450
Lease liabilities	3,287	3,020
Deferred tax liabilities	709	695
Deferred tax liabilities for land revaluation	2,109	2,109
Retirement benefit liability	8,603	9,456
Other	972	1,153
Total non-current liabilities	69,192	58,884
Total liabilities	188,926	183,890
Net assets		
Shareholders' equity		
Share capital	13,021	13,021
Capital surplus	16,838	17,420
Retained earnings	129,202	135,453
Treasury shares	(2,450)	(2,380)
Total shareholders' equity	156,611	163,514
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	989	3,227
Revaluation reserve for land	3,096	3,096
Foreign currency translation adjustment	6,842	11,427
Remeasurements of defined benefit plans	(313)	(241)
Total accumulated other comprehensive income	10,615	17,510
Non-controlling interests	539	329
Total net assets	167,767	181,354
Total liabilities and net assets	356,693	365,244

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended December 31, 2022	For the fiscal year ended December 31, 2023
Net sales	192,932	280,266
Cost of sales	143,493	204,920
Gross profit	49,438	75,346
Selling, general and administrative expenses	42,247	56,997
Operating profit	7,191	18,349
Non-operating income		
Interest income	59	207
Dividend income	128	147
Subsidy income	6	347
Other	429	448
Total non-operating income	623	1,150
Non-operating expenses		
Interest expenses	660	1,847
Foreign exchange losses	439	919
Other	172	365
Total non-operating expenses	1,273	3,132
Ordinary profit	6,540	16,367
Extraordinary income		
Gain on sale of non-current assets	2,495	191
Gain on sale of investment securities	17	-
Gain related to reorganization of european operations	643	-
Gain on liquidation of subsidiaries and associates	-	57
Gain on reversal of provision of allowance for losses related to violations of emission regulations	-	1,158
Insurance claim income	-	1,336
Gain on forgiveness of debts	-	236
Total extraordinary income	3,157	2,980
Extraordinary losses		
Loss on sale and retirement of non-current assets	64	163
Impairment losses	792	-
Loss related to business restructuring of india operations	1,216	-
Loss on sale of investment securities	-	0
Loss due to disaster	-	895
Total extraordinary losses	2,073	1,059
Profit before income taxes	7,623	18,287
Income taxes - current	5,291	9,126
Income taxes - deferred	787	1,047
Total income taxes	6,079	10,174
Profit	1,544	8,113
Profit (loss) attributable to non-controlling interests	(666)	339
Profit attributable to owners of parent	2,210	7,773

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended December 31, 2022	For the fiscal year ended December 31, 2023
Profit	1,544	8,113
Other comprehensive income		
Valuation difference on available-for-sale securities	(463)	2,238
Foreign currency translation adjustment	7,153	4,611
Remeasurements of defined benefit plans, net of tax	71	72
Total other comprehensive income	6,761	6,922
Comprehensive income	8,305	15,035
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,929	14,668
Comprehensive income attributable to non-controlling interests	(624)	366

Consolidated Statements of Changes in Equity

For the fiscal year ended December 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13,021	16,876	129,113	(2,508)	156,502
Cumulative effects of changes in accounting policies			(330)		(330)
Restated balance	13,021	16,876	128,782	(2,508)	156,172
Changes during period					
Dividends of surplus			(507)		(507)
Profit attributable to owners of parent			2,210		2,210
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		0		58	59
Reversal of revaluation reserve for land			(1,283)		(1,283)
Change in ownership interest of parent due to transactions with non-controlling interests		(39)			(39)
Net changes in items other than shareholders' equity					
Total changes during period	-	(38)	419	58	439
Balance at end of period	13,021	16,838	129,202	(2,450)	156,611

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,453	1,813	(268)	(385)	2,612	1,198	160,313
Cumulative effects of changes in accounting policies							(330)
Restated balance	1,453	1,813	(268)	(385)	2,612	1,198	159,983
Changes during period							
Dividends of surplus							(507)
Profit attributable to owners of parent							2,210
Purchase of treasury shares							(0)
Disposal of treasury shares							59
Reversal of revaluation reserve for land							(1,283)
Change in ownership interest of parent due to transactions with non-controlling interests							(39)
Net changes in items other than shareholders' equity	(463)	1,283	7,111	71	8,003	(658)	7,344
Total changes during period	(463)	1,283	7,111	71	8,003	(658)	7,784
Balance at end of period	989	3,096	6,842	(313)	10,615	539	167,767

For the fiscal year ended December 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13,021	16,838	129,202	(2,450)	156,611
Changes during period					
Dividends of surplus			(1,522)		(1,522)
Profit attributable to owners of parent			7,773		7,773
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		8		70	79
Change in ownership interest of parent due to transactions with non-controlling interests		573			573
Net changes in items other than shareholders' equity					
Total changes during period	-	582	6,250	69	6,902
Balance at end of period	13,021	17,420	135,453	(2,380)	163,514

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	989	3,096	6,842	(313)	10,615	539	167,767
Changes during period							
Dividends of surplus							(1,522)
Profit attributable to owners of parent							7,773
Purchase of treasury shares							(0)
Disposal of treasury shares							79
Change in ownership interest of parent due to transactions with non-controlling interests							573
Net changes in items other than shareholders' equity	2,238	-	4,585	72	6,895	(210)	6,684
Total changes during period	2,238	-	4,585	72	6,895	(210)	13,587
Balance at end of period	3,227	3,096	11,427	(241)	17,510	329	181,354

Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended December 31, 2022	For the fiscal year ended December 31, 2023
Cash flows from operating activities		
Profit before income taxes	7,623	18,287
Depreciation	4,914	6,013
Impairment losses	792	-
Loss (gain) on liquidation of subsidiaries and associates	-	(57)
Gain on reversal of provision of allowance for losses related to violations of emission regulations	-	(1,158)
Increase (decrease) in allowance for doubtful accounts	(117)	(145)
Increase (decrease) in retirement benefit liability	(1,444)	597
Interest and dividend income	(187)	(354)
Interest expenses	660	1,847
Foreign exchange losses (gains)	(28)	-
Loss (gain) on sale of investment securities	(17)	0
Loss (gain) on sale and retirement of non-current assets	(2,430)	(27)
Decrease (increase) in trade receivables	2,305	(113)
Decrease (increase) in inventories	(20,138)	(4,804)
Increase (decrease) in trade payables	6,213	(1,212)
Other, net	(10,640)	3,006
Subtotal	(12,493)	21,879
Interest and dividends received	188	356
Interest paid	(686)	(1,827)
Income taxes paid	(7,340)	(4,304)
Settlement and penalty fee paid	(87)	(5,983)
Net cash provided by (used in) operating activities	(20,419)	10,121
Cash flows from investing activities		
Decrease (increase) in time deposits	3,219	(34)
Purchase of property, plant and equipment	(3,788)	(3,115)
Proceeds from sale of property, plant and equipment	5,734	145
Purchase of investment securities	(51)	(11)
Proceeds from sale of investment securities	127	36
Proceeds from liquidation of subsidiaries and associates	-	56
Other, net	(723)	(1,060)
Net cash provided by (used in) investing activities	4,517	(3,983)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(3,192)	(4,347)
Repayments of long-term borrowings	(183)	(5,900)
Purchase of treasury shares	(0)	(0)
Proceeds from disposal of treasury shares	0	-
Dividends paid	(507)	(1,522)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(72)	-
Other, net	(1,093)	(1,483)
Net cash provided by (used in) financing activities	(5,048)	(13,253)
Effect of exchange rate change on cash and cash equivalents	3,744	3,252
Net increase (decrease) in cash and cash equivalents	(17,206)	(3,863)
Cash and cash equivalents at beginning of period	115,196	97,990
Cash and cash equivalents at end of period	97,990	94,126