

Financial Results for Q3 FY3/25

Feb 19, 2025

OKADA AIYON CORPORATION

(TSE Prime 6294)

1. Corporate Profile/History
2. Q3 FY3/25 Financial Results
3. Sales Trends and Future Measures for Sales Growth

Business content

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

Founded

July 1938
(Established in 1960)

Capital stock

2,221
million yen

Net sales

27,095
million yen

Business bases

22 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 machinery)
- Okada America, Inc.
- Okada Europe B.V.

Number of employees (consolidated)

491

Our Major Products (Demolition Attachments)

Demolition specific attachments for hydraulic excavators to demolish concrete buildings.



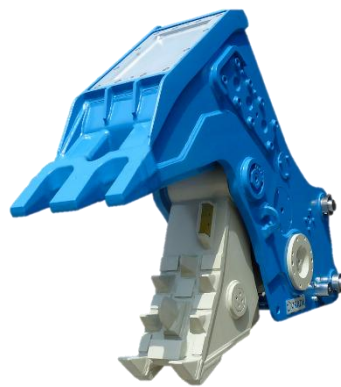
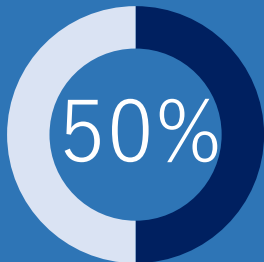
Hydraulic excavators

Domestic market share of our major products

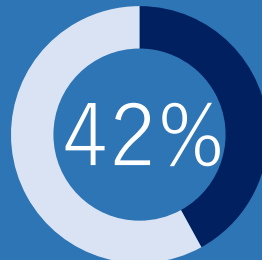
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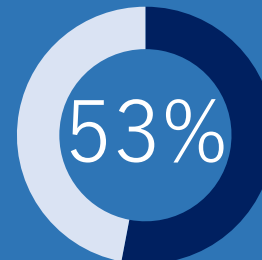
Primary Crushers



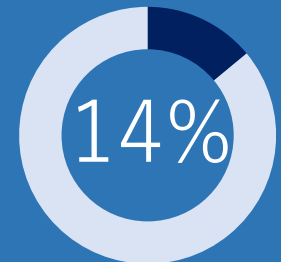
Pulverizers



Cutters

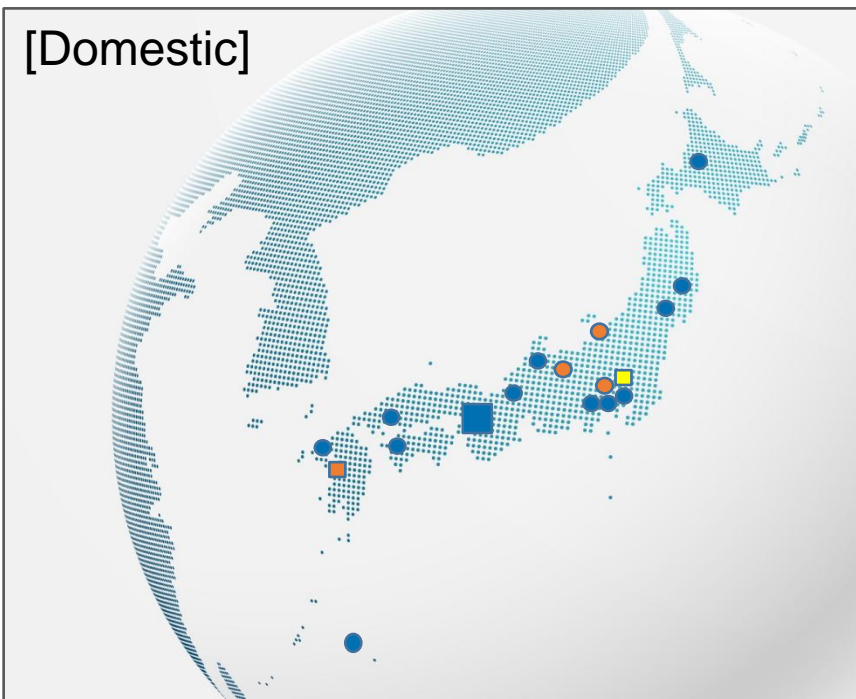


Breakers

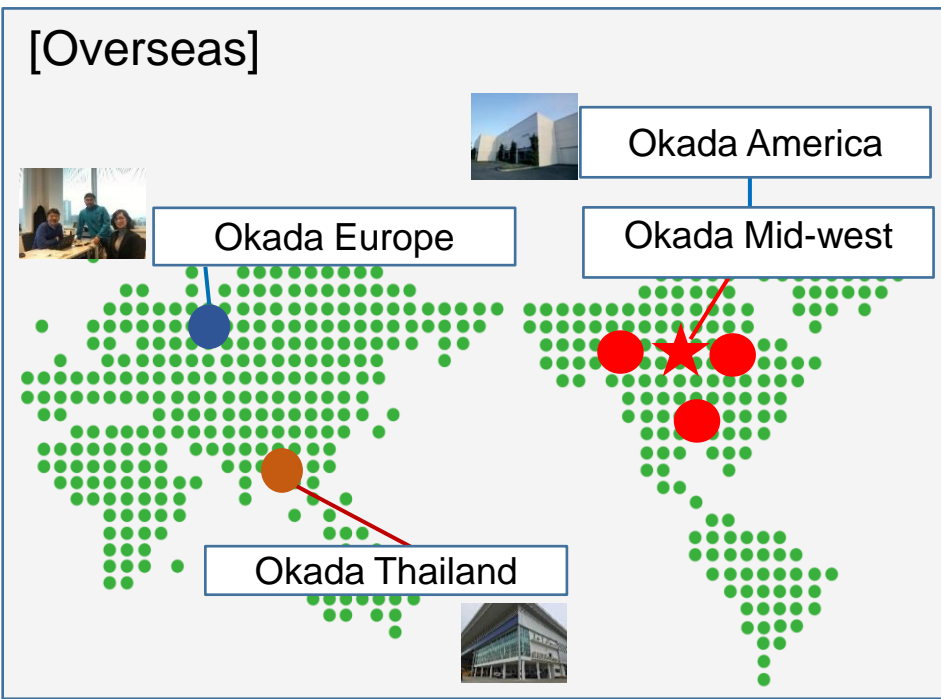


Business Bases

Starting this fiscal year, the Machine Sales division of Nansei machine Co., Ltd. has been integrated into OKADA AIYON CORPORATION.



- OKADA AIYON: 13 bases
- AIYON TECH: 1 base
- Nansei Machine: 4 bases



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

*On April 1, 2024, as described above, the machinery sales division of Nansei machine Co., Ltd. was integrated into OKADA AIYON CORPORATION and the OKADA AIYON Kumamoto Sales Office was newly opened. The five sales offices of Nansei machine (Osaka, Chubu, Hiroshima, Shikoku, and Kumamoto) have been integrated into the sales offices of OKADA AIYON. We have strengthened, streamlined, and made more efficient a total of 18 domestic bases.

As a result, we are now able to fully utilize our after-sales maintenance system, which is one of the Group's strengths, in both forestry equipment and demolition attachments.

Coprorate History



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

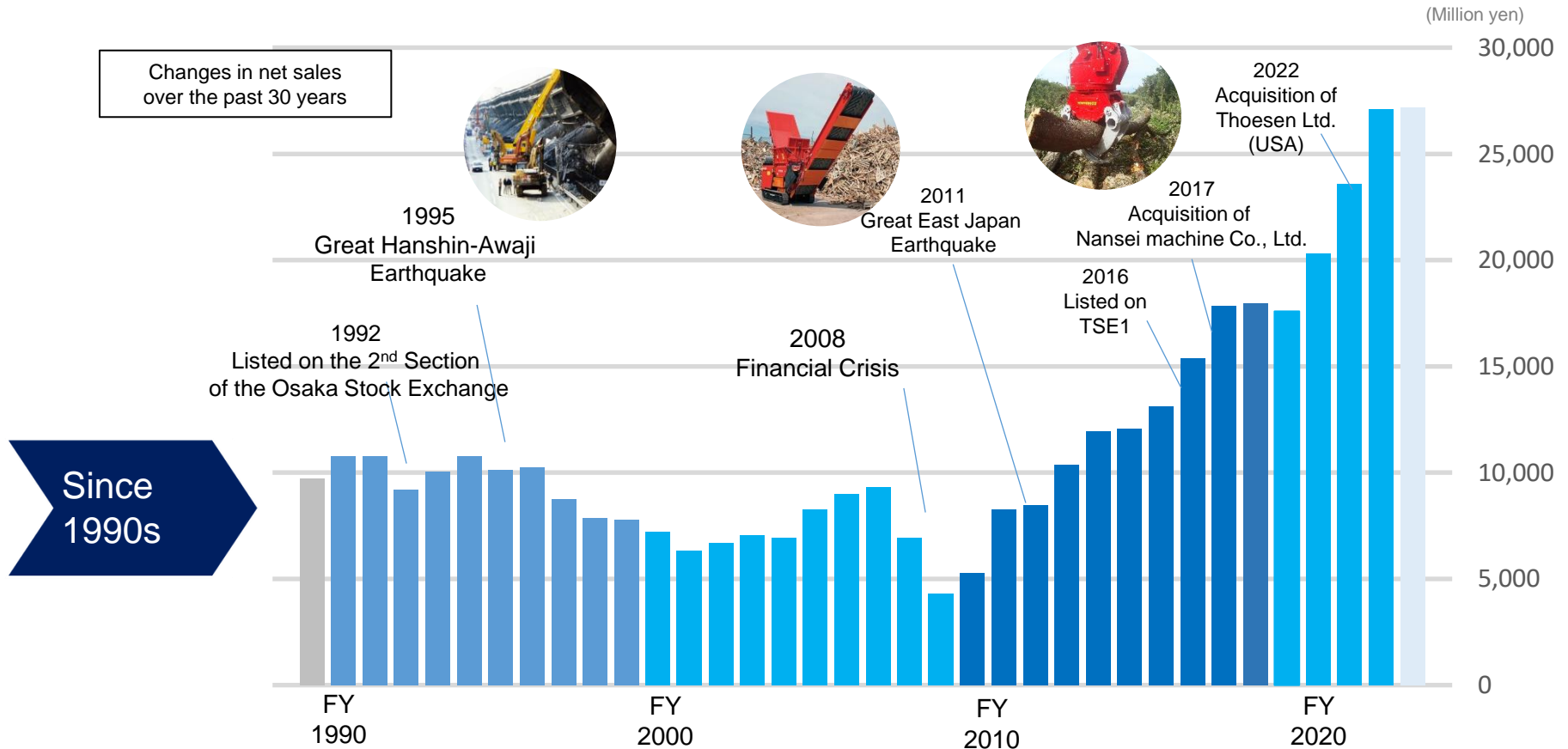


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Results Summary (Q3 FY3/25)

Net sales

19,549 million yen
(-4.5% YoY)

Operating profit

1,815 million yen
(-24.5% YoY)

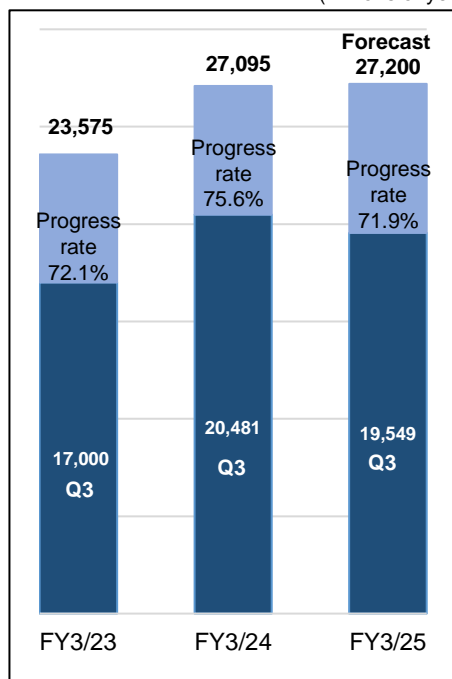
Ordinary profit

1,890 million yen
(-22.1% YoY)

Profit

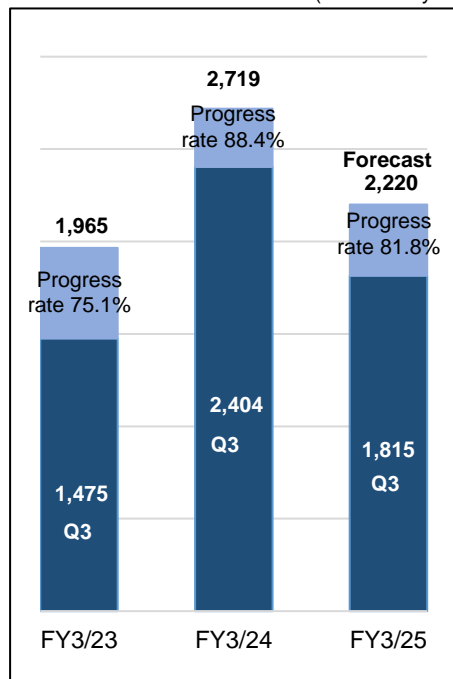
1,284 million yen
(-21.0% YoY)

(Millions of yen)



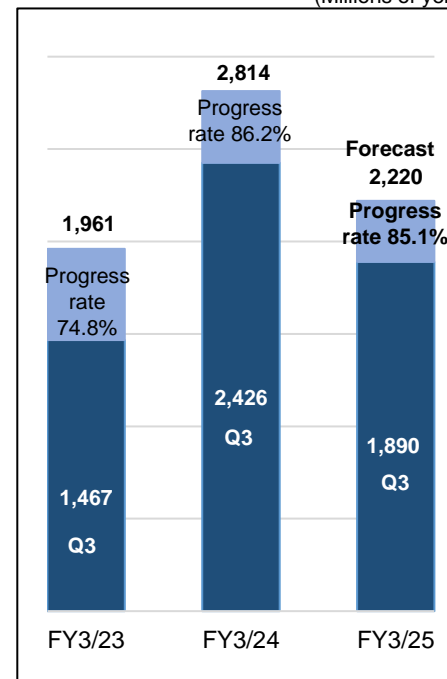
[Net sales]

(Millions of yen)



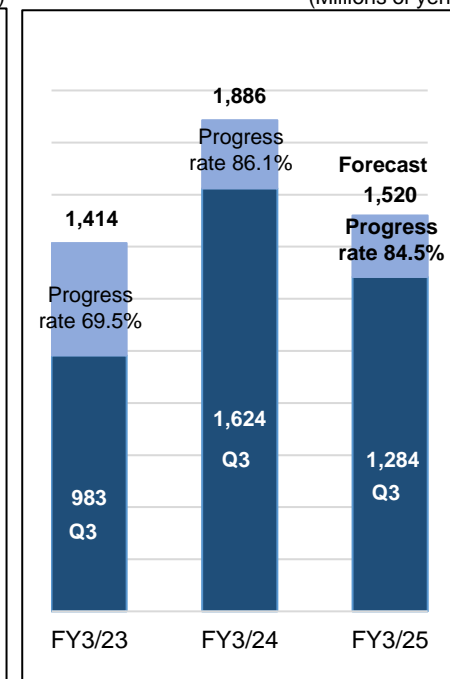
[Operating profit]

(Millions of yen)



[Ordinary profit]

(Millions of yen)



[Profit]

Business Results for Q3 FY3/25 and Forecasts for FY3/25



- Sales and profits declined year on year, mainly due to a decline in demand for construction machinery in the U.S. and Europe. The revised expectations presented on Nov.14, 2024, remain unchanged this time.

(Million yen)

	Q3 FY3/24 Results	Q3 FY3/25 Results	YoY change		FY3/25 Forecasts (Revised on Nov.14)	Progress Rate (%)
			(amount)	(%)		
Net sales	20,481	19,549	(931)	(4.5)	27,200	71.9
Gross profit	6,256	5,819	(436)	(7.0)	—	—
SG&A expenses	3,851	4,003	151	3.9	—	—
Operating profit	2,404	1,815	(588)	(24.5)	2,220	81.8
Ordinary profit	2,426	1,890	(536)	(22.1)	2,220	85.1
Profit (attributable to owners of parent)	1,624	1,284	(340)	(21.0)	1,520	84.5

Average exchange rate
used

USD: ¥143
Euro: 155 yen

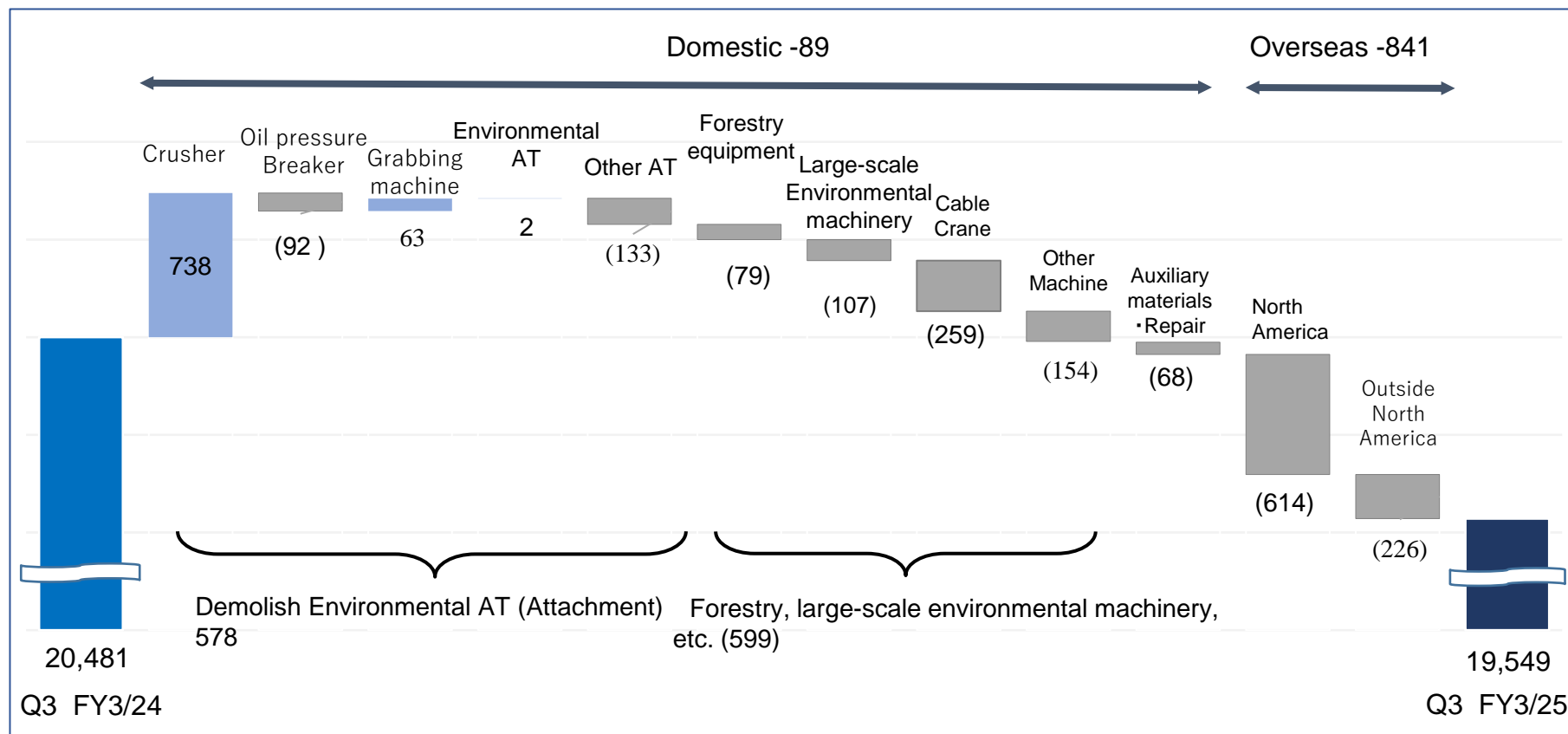
USD: ¥153
Euro: 165 yen

※The exchange rate assumptions for FY3/25 have not been changed for USD: ¥140 and EUR: ¥150.

Q3 FY3/25 Factors for Changes in Net Sales

- Domestically, sales of crushers in the demolition environment attachment business remained strong against the backdrop of increased production capacity. However, sales in the Forestry, Large-scale Environmental Machinery & Others segment decreased due to a reactionary decline from the good performance of the previous and the year before.
- Overseas, both in the United States, Europe, and Asia, the demand has not recovered, resulting in a decrease in revenue compared to the previous year. The impact is particularly significant in North America.

(Million yen)

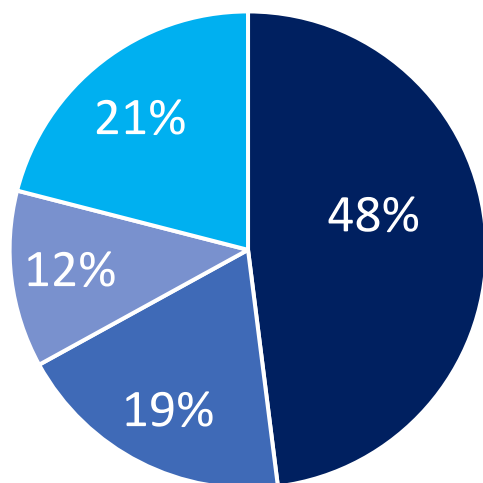


Sales by Segment and Business

- Sales of crushers are relatively robust, resulting in a higher percentage of Demolish environmental attachments.
- *See "Sales Trends by Model" on page 12 for details of each segment.

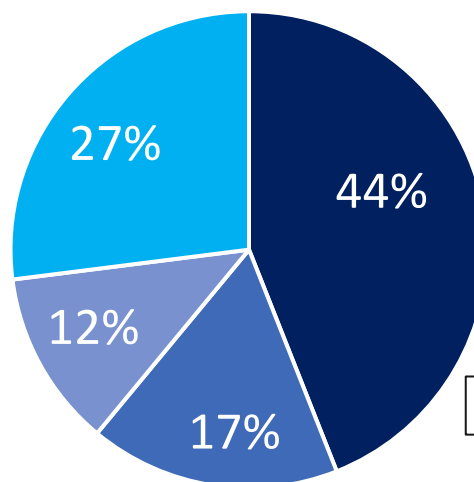
Net sales
17,000 million yen

Q3 FY3/23



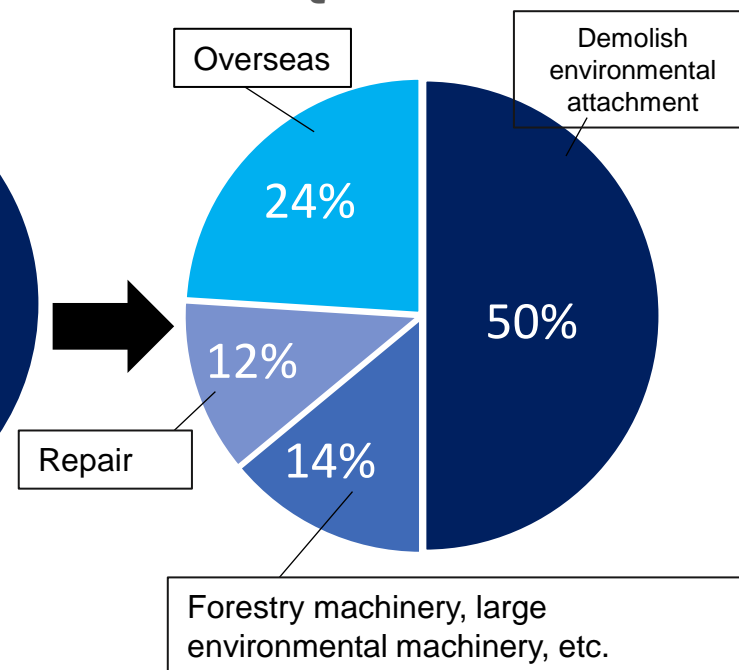
Net sales
20,481 million yen

Q3 FY3/24



Net sales
19,549 million yen

Q3 FY3/25



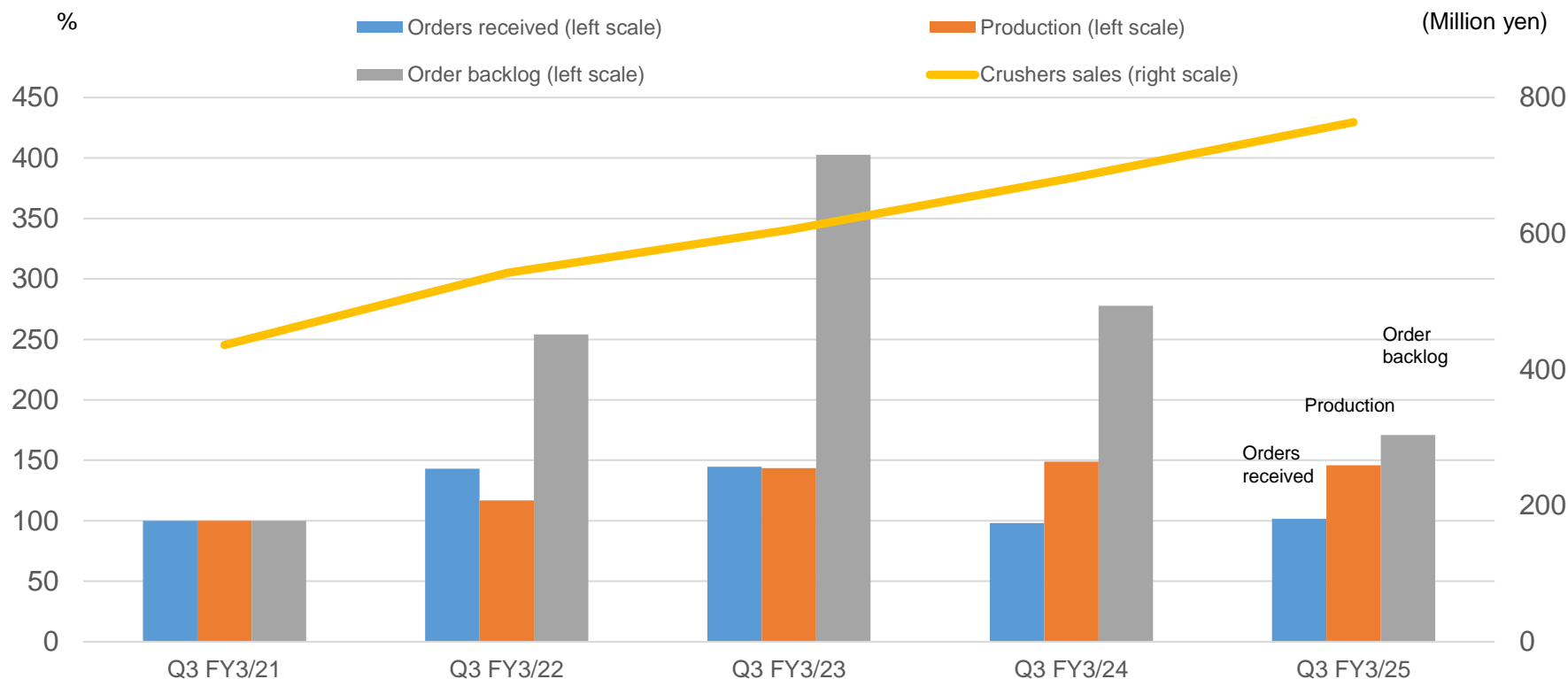
Sales Trends by Model

(Million yen)

		Q3 FY3/23	Q3 FY3/24	Q3 FY3/25	YoY		Yo2Y	
					Amount	Changes (%)	Changes (%)	
Domestic	Demolish environmental attachments	Crushers	5,447	6,134	6,873	738	12.0	26.2
		Breakers	701	691	599	(92)	(13.3)	(14.6)
		Grapples	863	1,007	1,071	63	6.3	24.1
		Environmental attachments	415	394	396	2	0.6	(4.7)
		Others	715	936	802	(133)	(14.3)	12.3
		Total	8,143	9,164	9,743	578	6.3	19.7
	Forestry machinery, large environmental machinery, others	Forestry machinery	984	1,440	1,360	(79)	(5.5)	38.2
		Large environmental machinery	216	545	438	(107)	(19.6)	102.7
		Cable crane	1,612	1,158	899	(259)	(22.4)	(44.2)
		Others	351	267	112	(154)	(57.7)	(67.8)
		Total	3,164	3,412	2,812	(599)	(17.6)	(11.1)
	After- sales business	Material	1,398	1,590	1,537	(53)	(3.3)	9.9
		Repair	710	866	850	(15)	(1.8)	19.7
	Total	2,109	2,456	2,387	(68)	(2.8)	13.2	
Domestic segment		13,417	15,033	14,943	(89)	(0.6)	11.4	
Overseas	U.S.	2,162	3,921	3,306	(614)	(15.7)	52.9	
	Europe	746	869	766	(103)	(11.9)	2.7	
	Asia (excluding China)	453	447	333	(113)	(25.5)	(26.5)	
	Others	220	209	199	(9)	(4.8)	(9.4)	
	Overseas segment		3,582	5,448	4,606	(841)	(15.5)	28.6
Consolidated total		17,000	20,481	19,549	(931)	(4.5)	15.0	

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

- Sales of mainstay products such as crushers are continuing to increase due to the shift to larger models and the securing production volume.
- Although the order backlog surged due to longer delivery times due to a shortage of components at the turn of the corona, has recently been normalizing.

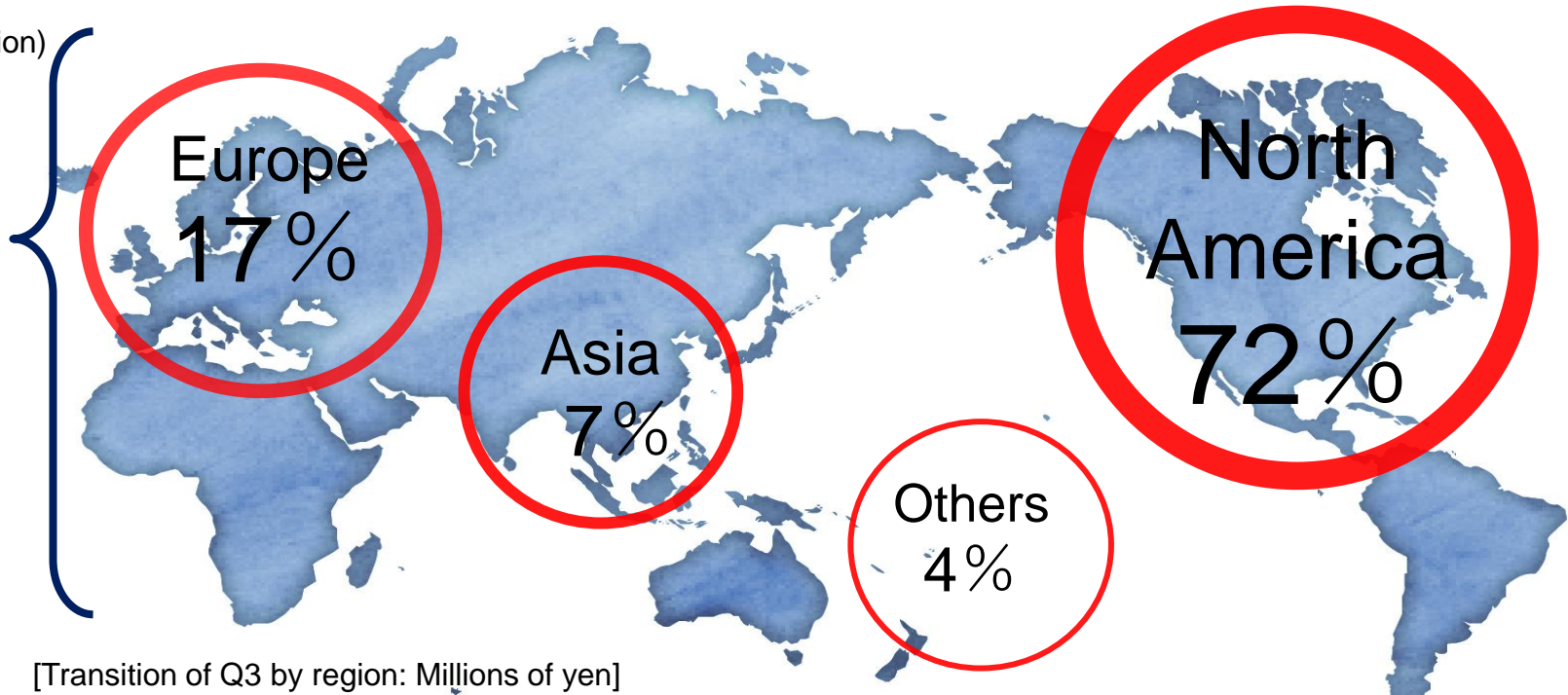
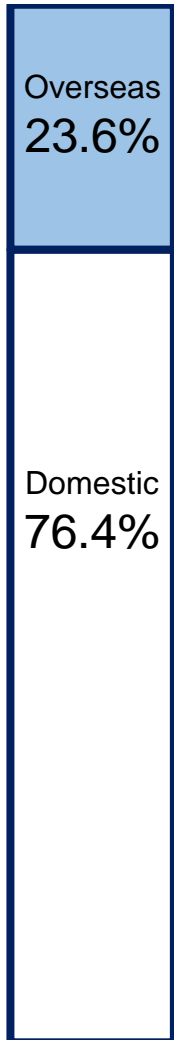


- 9-month cumulative total for each period
- Target products manufactured by OKADA AIYON and AIYON TECH
- Orders received, production, and order backlog are set at 100 for the Q3 of FY3/21.

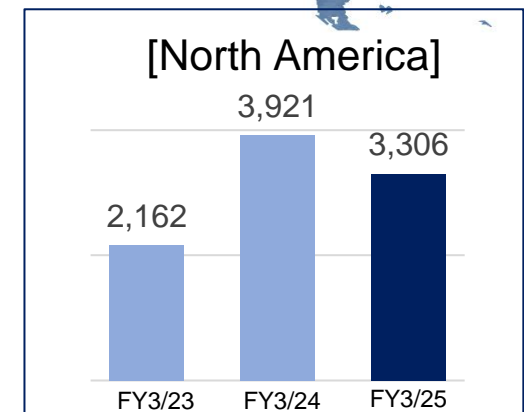
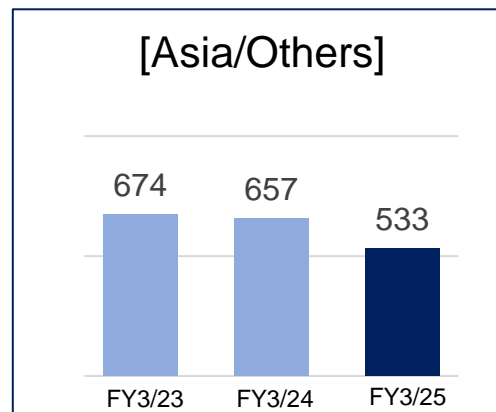
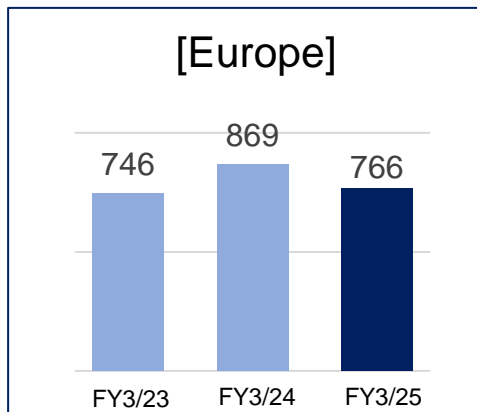
Overseas Sales Breakdown by Region (Q3 FY3/25)

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

(Sales proportion)



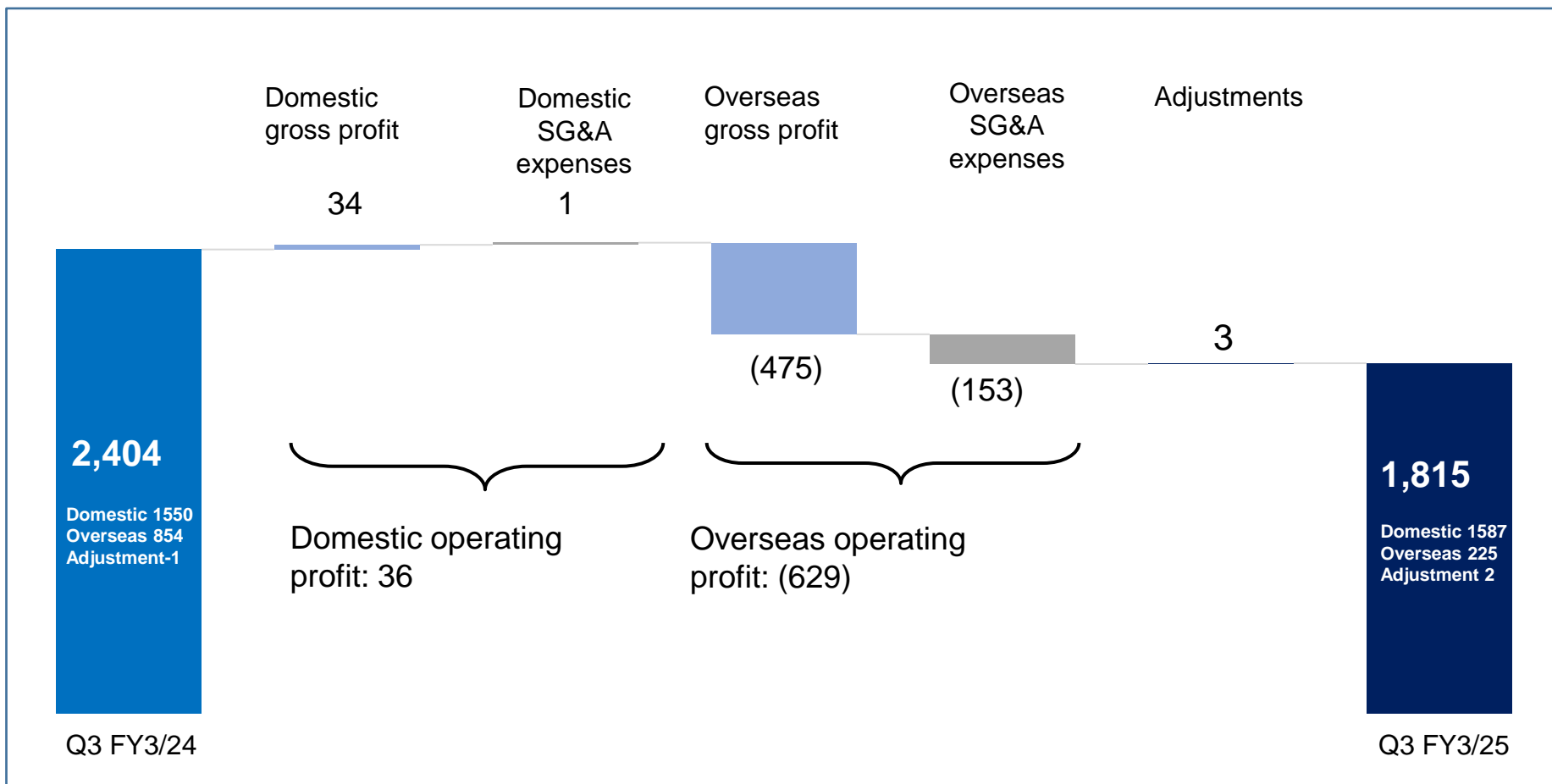
[Transition of Q3 by region: Millions of yen]



Factors for Changes in Operating Profit (Q3 FY3/25)

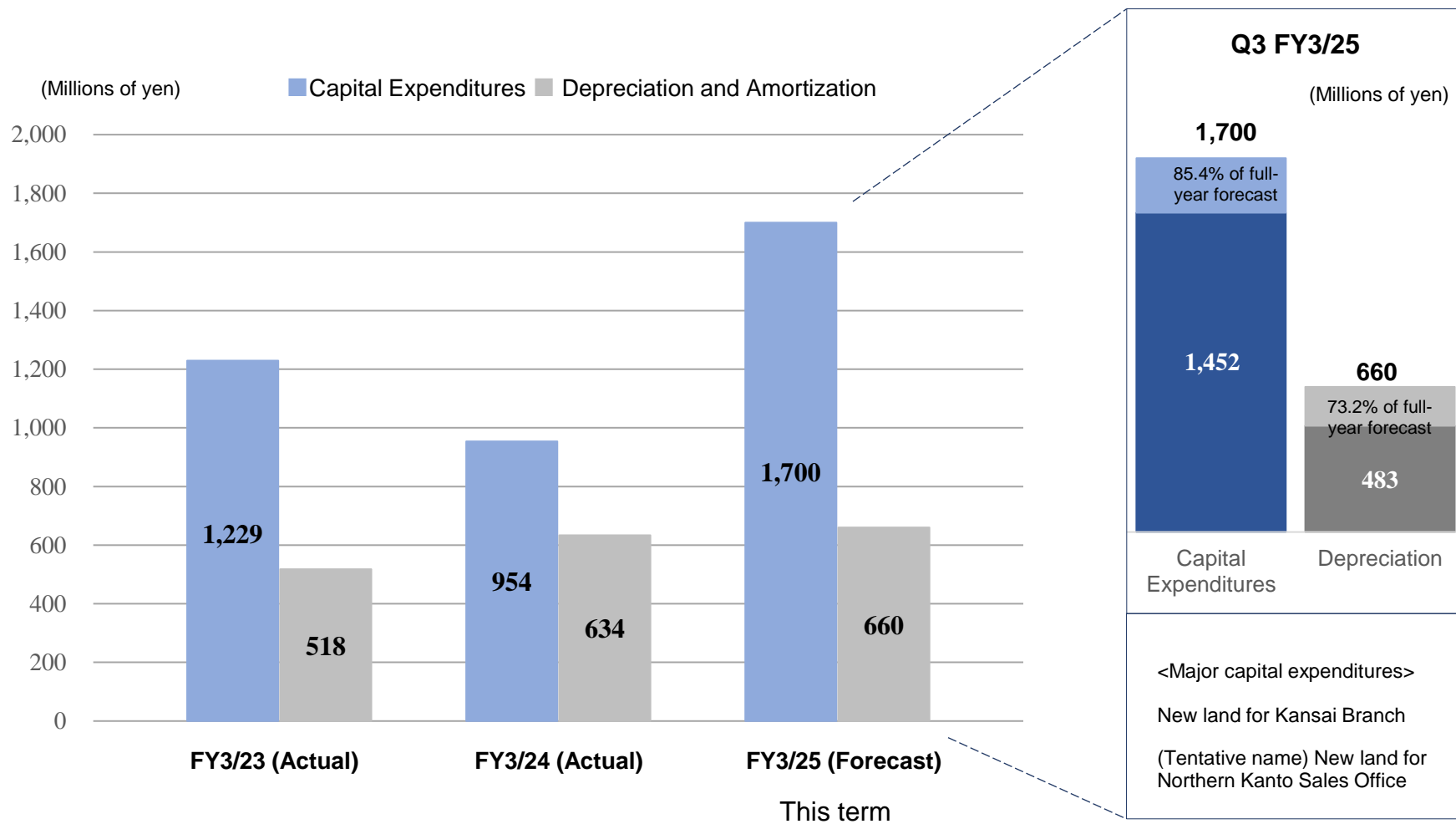
- Japan: Although sales declined, gross profit slightly improved, securing a small increase in revenue.
- Overseas: in addition to a decline in gross profit margin due to lower sales and overall demand, an increase in SG&A expenses such as personnel expenses significant decrease in profit.

(Millions of yen)



Capital Expenditures and Depreciation Plan

- In the current fiscal year, we have started expanding stores in metropolitan area, where demand is expected to increase in the future. Acquire new land for relocation of Kansai Branch and new land for Northern Kanto Sales Office (tentative name).



Shareholder Return/Dividend Results and Plan

● Dividend for FY3/25 is forecast to be 74 yen, an increase of 4 yen YoY. We will continue to target a dividend payout ratio of 30% and maintain our progressive dividend policy under stable growth, marking the 15th consecutive year of dividend increases this fiscal year

(Dividend: Yen)

(Dividend payout ratio: %)

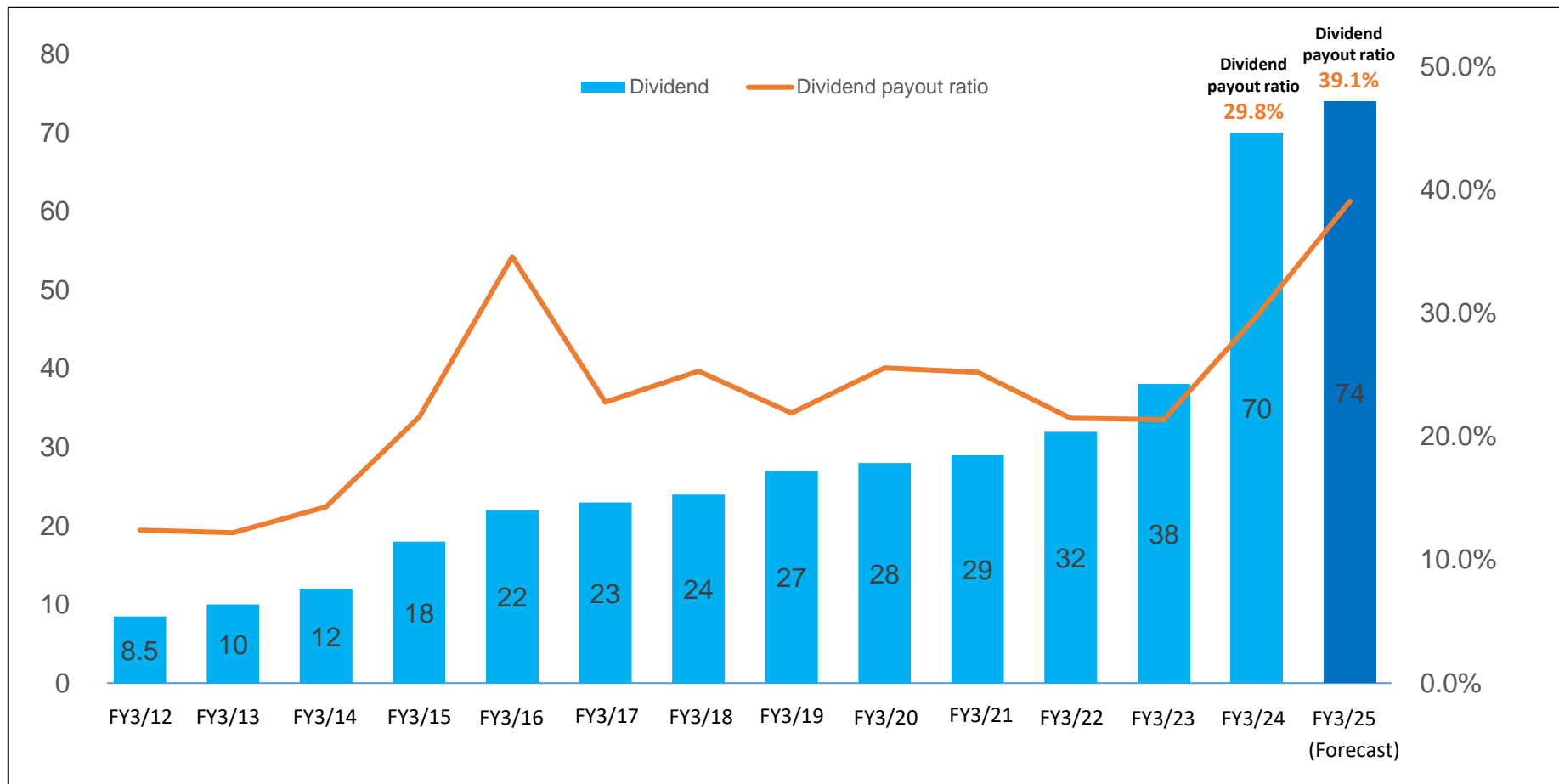


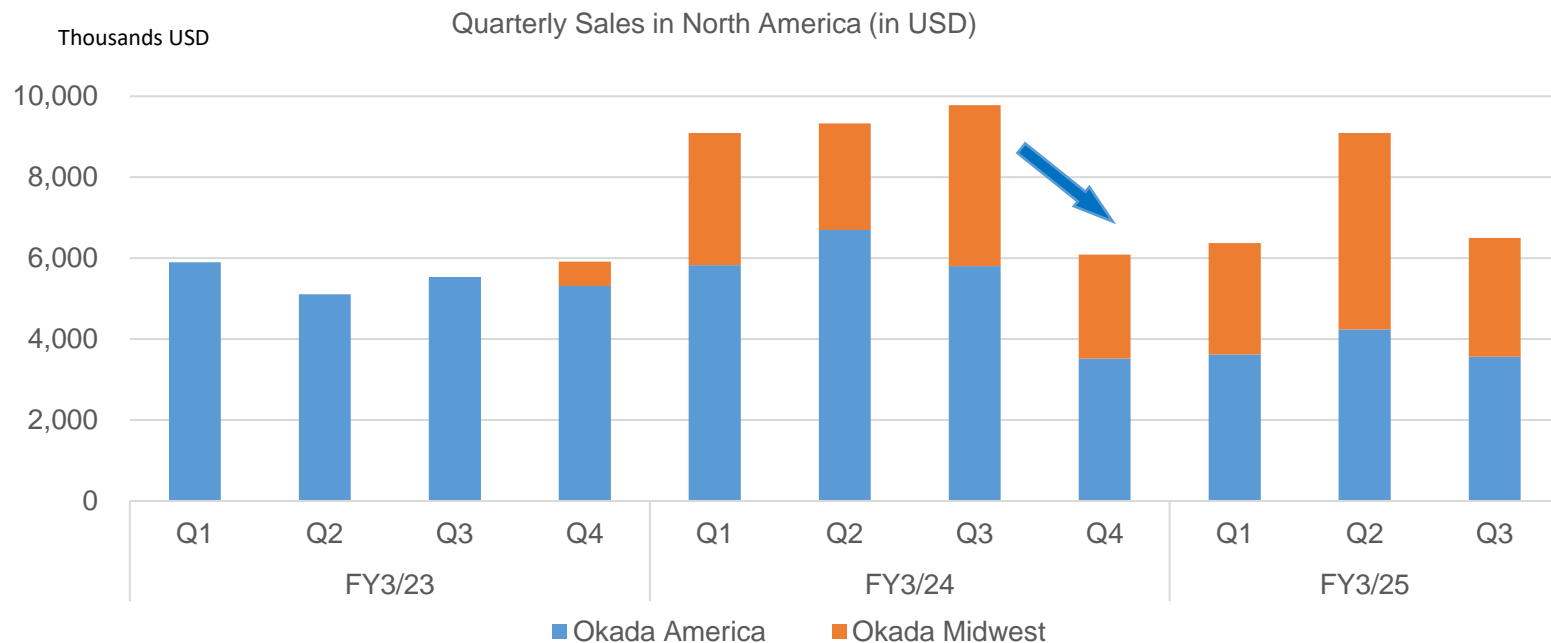
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North American Business

Sales promotion efforts and crusher market development

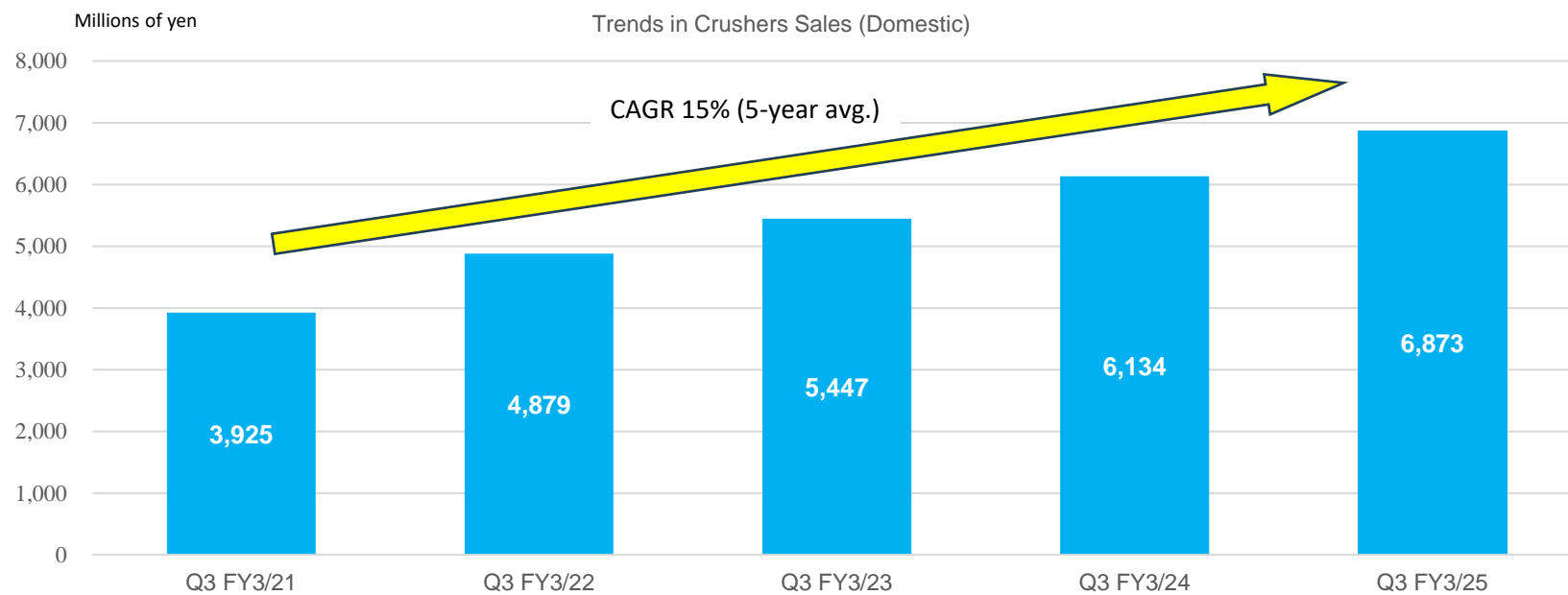
- Although demand for attachments in North America has been sluggish since 4Q of FY3/24, end-user demand for constructions are stable. Recovery in sales of our attachments is expected in the second half of 2025
- Short-term: Promote retention of existing clients and development of new clients through sales promotion such as expansion of incentives
 - Long-term: Develop the crusher market with demonstrators, introduce new products, and promote measures to strengthen sales through DX utilization, etc.
- Demonstration of crusher has been favorable, as it has led to some quick decisions.



Crushers

We have established a perfect order and production system.
This aims to maintain and expand our top share.

- Sales are continuing to increase as we expand production capacity and respond to the increasing size of products by increasing the number of parts suppliers and assembly subcontractors for casting and steel products. The delivery times have almost normalized except for some models. We aim for further expansion of sales.
- Continue our Japan's first, proprietary attachment warranty program for primary crushers and cutters, maintaining and strengthening our competitiveness. (This program covers repair costs for two years after purchase at no expense to the customer)

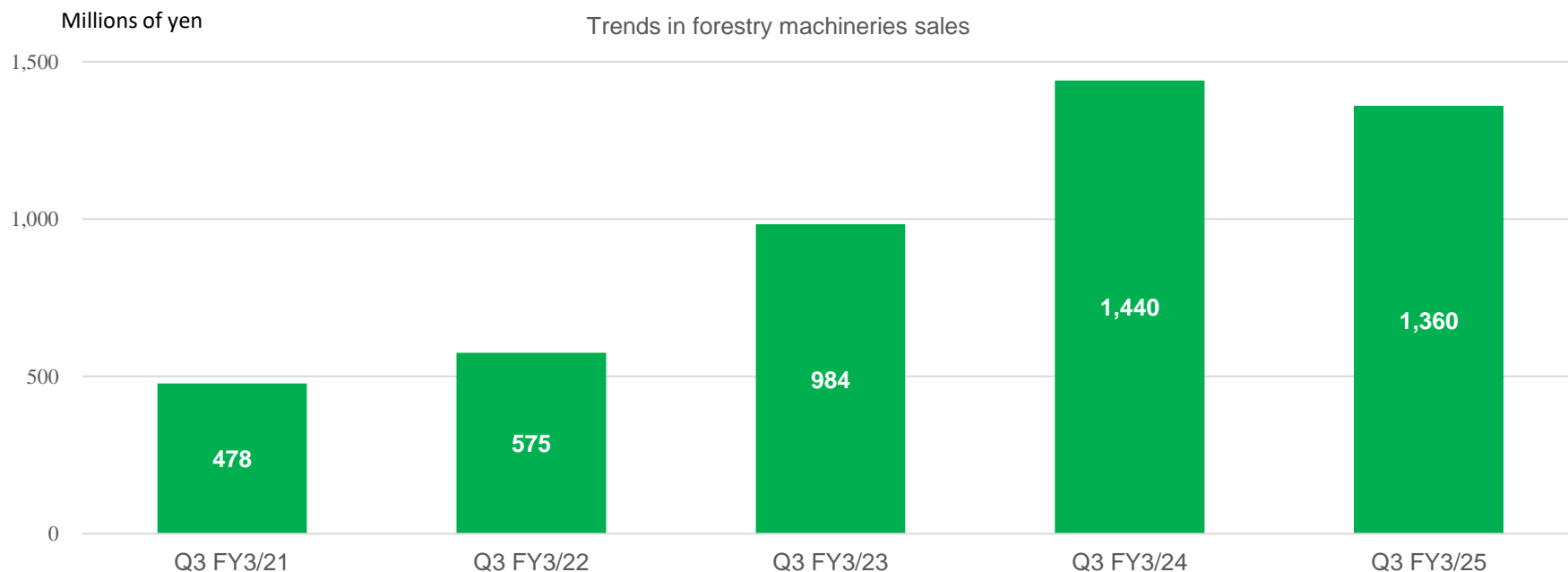


- 9-month cumulative total for each period
- Currently, the majority of crushers are domestic

Forestry Machineries

Positive effects of business integration and introducing new products

- From April 2024, we strengthened our repair and after-sales service system for forestry machineries by integrating the operations of Nansei machine and OKADA AIYON. We have established the only system in forestry machinery manufacturers.
- The introduction of two new models, announced in October 2024, had a positive effect on sales, some have begun to appear, and by 2025 and thereafter, they will be in full swing.



※9-month cumulative total for each period

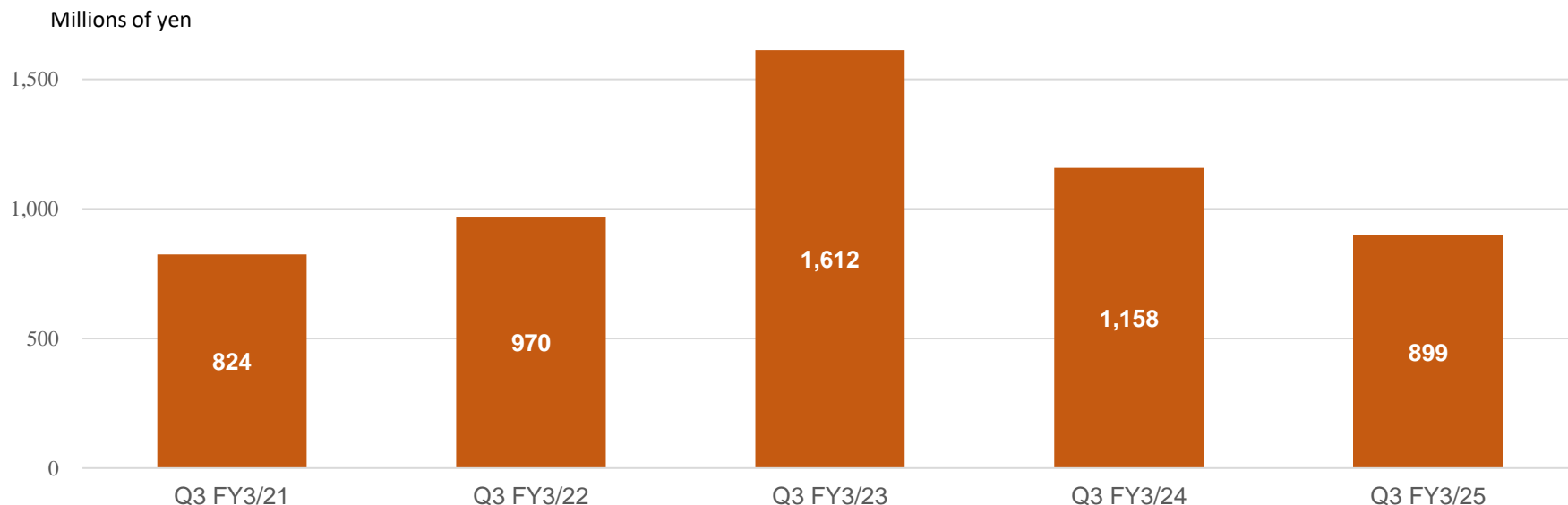
※Currently, only domestic forestry equipment

Cable Cranes

Strong for the full year as planned

- Mainly cable cranes for dam construction and renewal of hydroelectric power plants, and large winches for bridge construction. Sales fluctuate depending on the scale and progress of construction work.
- Sales in FY3/25 are expected to recover due to an order backlog exceeding the previous year's results, despite a reactionary decline from the strong performance of the previous and the year before.

Trends in Cable Cranes Sales



※9-month cumulative total for each period

※Currently, cable cranes are domestic only

※In FY3/23, there was a large order for the Asuwagawa Dam in Fukui Prefecture

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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