

VISION 30
- Go To The Next Stage -

Rolling Plan
FY3/26 to FY3/28

May 14, 2025

OKADA AIYON CORPORATION
(TSE Prime Market: 6294)

VISION 30

- Go To The Next Stage -

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Review of FY3/25: Consolidated Numerical Results

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Sales and profits declined YoY due to slower overseas performance. However, both operating profit and ordinary profit exceeded the revised forecasts.

(Millions of yen)

	Results	Year-on-year	Change rates	Vs revised forecast (November 14, 2024)	Achievement rate (%)
			(%)		
Net sales	26,582	(513)	(1.9)	(617)	(2.3)
Operating profit	2,279	(440)	(16.2)	59	2.7
Ordinary profit	2,238	(576)	(20.5)	18	0.8
Profit attributable to owners of the parent	1,475	(411)	(21.8)	(44)	(2.9)

*Actual exchange rates (average): 1 USD = 153 JPY, 1 EUR = 164 JPY

Review of FY3/25: Sales Results by Segment

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Domestic sales hit a record high, driven by robust demand for demolition crushers. However, overseas sales fell sharply due to inventory adjustments of construction equipment in North America.

	Results for FY3/25	Year-on-year	Change rates	Comments
Demolition environmental attachments	13,545	790	6.2	<ul style="list-style-type: none"> Demolition crushers, our core products, saw a 12.0% increase in sales thanks to steady demand and higher production. Hydraulic breakers experienced a 15.4% decline in sales due to weaker demand. Grapples recorded a 2.3% increase in sales, supported by stable demand.
Forestry, large-scale environment, cable crane, etc.	3,846	(373)	(8.8)	<ul style="list-style-type: none"> Forestry equipment sales decreased by 6.1% as the impact of new product introductions tapered off. Large-scale environmental machinery posted a 0.5% decline in sales, affected in part by a weaker yen. Cable cranes benefited from steady demand in hydroelectric power projects, resulting in a 5.3% increase in sales.
Repair and replacement materials	3,209	(65)	(2.0)	<ul style="list-style-type: none"> Repair services saw a modest 0.8% increase in sales. Spare parts declined by 3.6%, due primarily to a drop in components for large-scale environmental machinery.
Domestic segment	20,601	352	1.7	Sales growth in demolition and environmental attachments offset the declines in forestry equipment, large-scale environmental machinery, and cable cranes , resulting in a 1.7% YoY increase in domestic segment sales—a new record high.
Overseas segment	5,981	(865)	(12.6)	<ul style="list-style-type: none"> In North America, which accounts for 70% of overseas sales, sales declined by 12.4% due to inventory adjustments by rental companies. In Europe, high interest rates and other factors led to market deceleration, resulting in a 14.0% decrease in sales. In Asia, market slowdown combined with intensified price competition led to a 16.0% decline in sales.
Total of domestic and overseas segments	26,583	(513)	(1.9)	While domestic segment sales hit an all-time high, the overall sales decreased by 1.9%, mainly due to the downturn in overseas segment .

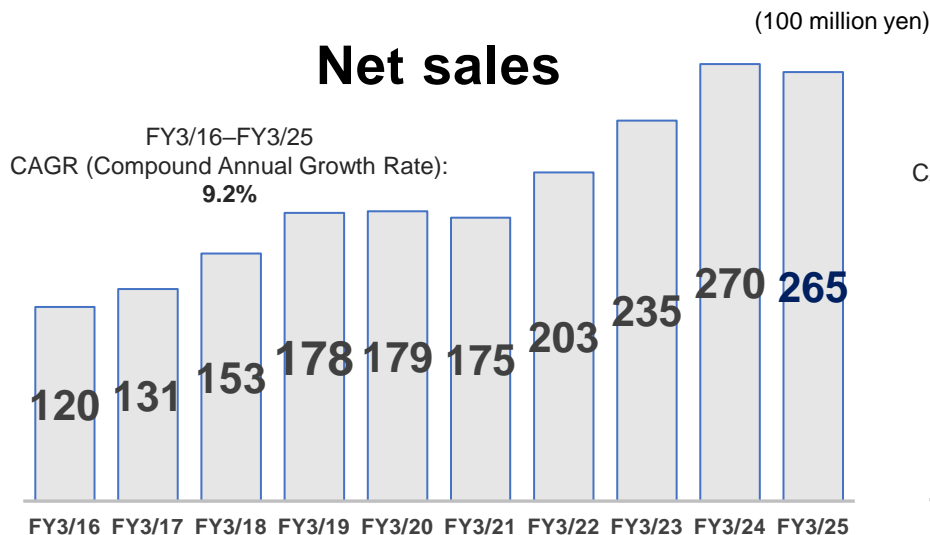
Performance Trends

**“Arch 2020” was the medium- to long-term management plan from FY3/16 to FY3/21.

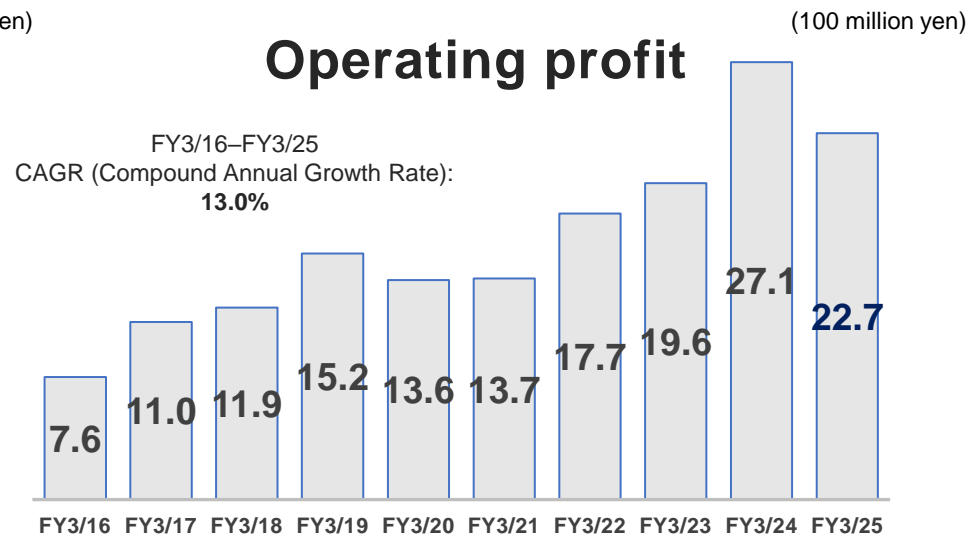
“VISION 30” is the medium- to long-term management plan launched in FY3/22.

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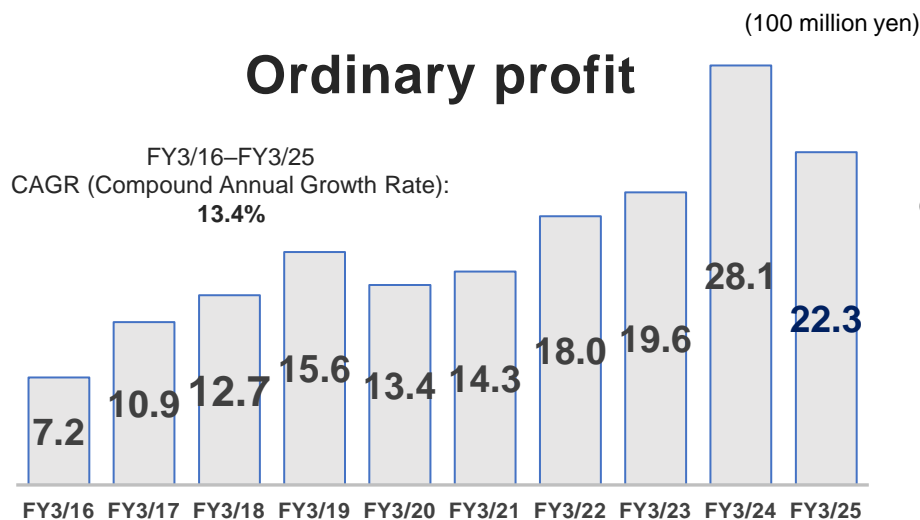
Net sales



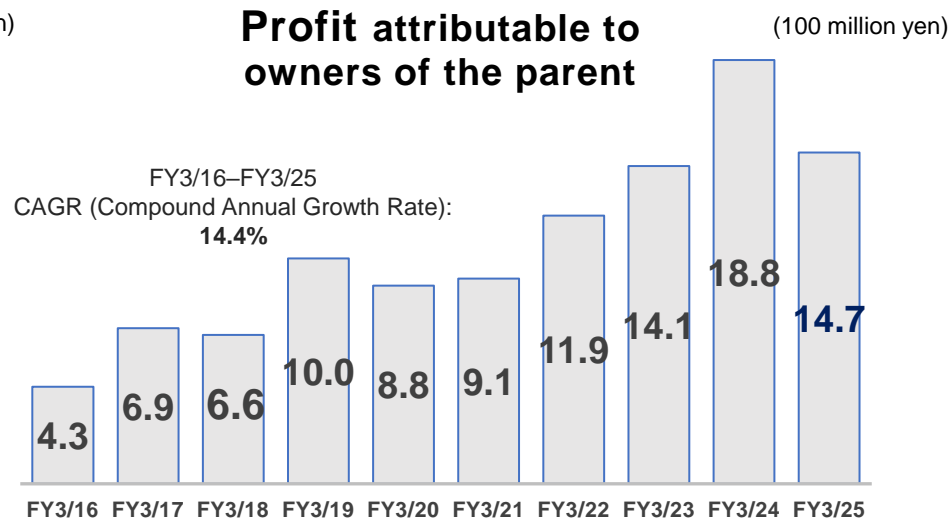
Operating profit



Ordinary profit



Profit attributable to owners of the parent

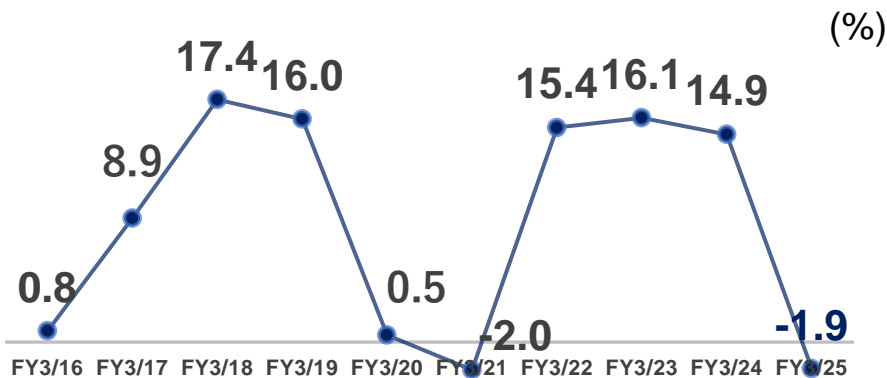


Performance Trends

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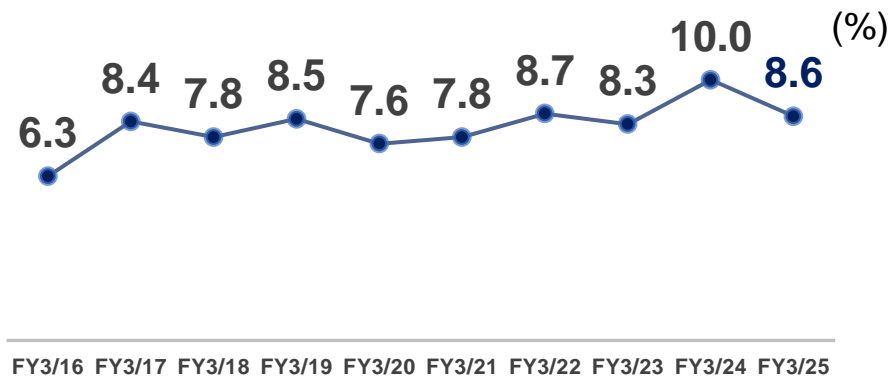
Net sales growth rate

VISION 30
Targets:
10% or over



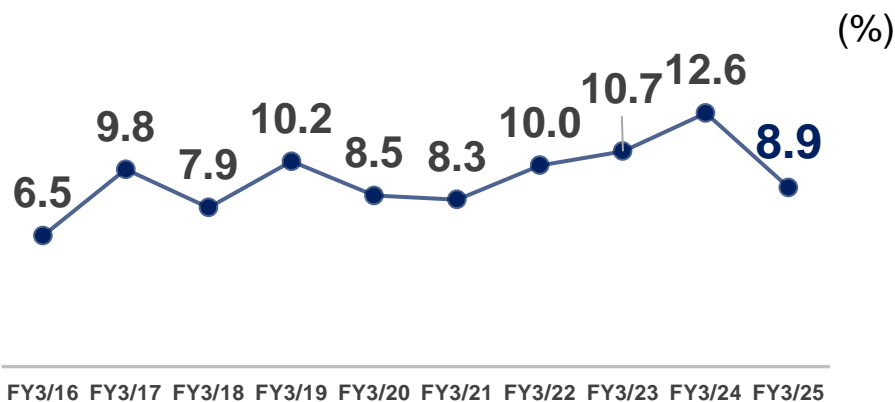
Operating profit to net sales ratio

VISION 30
Targets:
10% or over



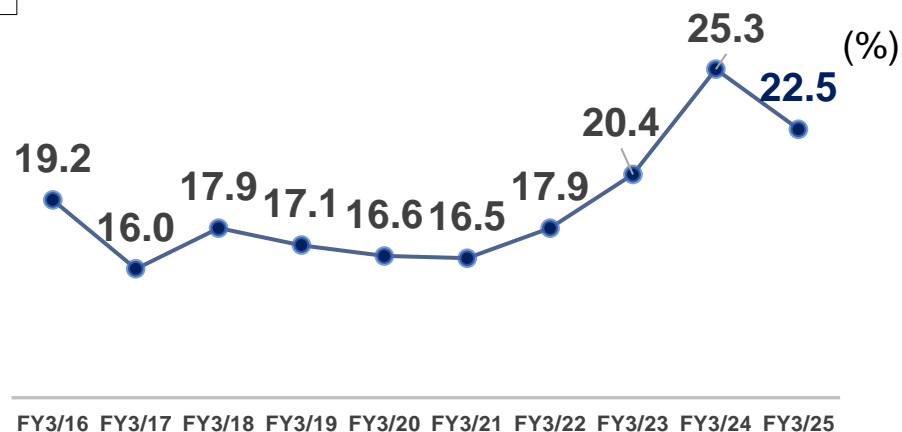
ROE

VISION 30
Targets:
10% or over



Overseas sales ratio

VISION 30
Targets:
30%



Rolling Plan: FY3/26–FY3/28

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During this three-year plan, we aim to achieve the sales target of 30 billion yen for VISION30 at an early stage and to begin the next generation plan.

(Millions of yen)

	FY3/25 Results	Year-on-year	FY3/26 Plan	Year-on-year	FY3/27 Plan	Year-on-year	FY3/28 Plan	Year-on-year	(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

VISION 30 — Three Strategic Pillars

Human Resources Strategy

Promote diversity, workstyle reforms, and revisions to the personnel system to create “a comfortable, motivating, and rewarding workplace”.

Market Strategy

Strengthen the value chain through following initiatives:
In Japa, we will enhance 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.

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 development 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 non-Japanese 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
 - Exploring measures to promote internal communication

FY3/25 Initiatives (Implemented)

- ❑ Increased base salary increased (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 GLTD (Group Long-Term Disability) insurance program
- ❑ Refreshed uniforms 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 FY3/26.
- ❑ 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

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We have established HR strategy indicators focused on regular employment and improved treatment, aiming to enhance talent acquisition, promote workstyle reforms, and foster 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		24.3 h	23.7 h	22.5 h	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) Paid leave utilization rate (Number of days taken per year / Number of days granted)		57.3	56.1	(Unaggregated)	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

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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 demolition and environmental attachments)

- Strengthen sales and after-sales service structure through the establishment of new offices (New Kansai Branch and new Northern Kanto Sales Office)
- Expand forestry equipment sales through sales integration with Nansei Machinery
- 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

OKADA AIYON
Headquarter



AIYON TECH



Nansei Machine

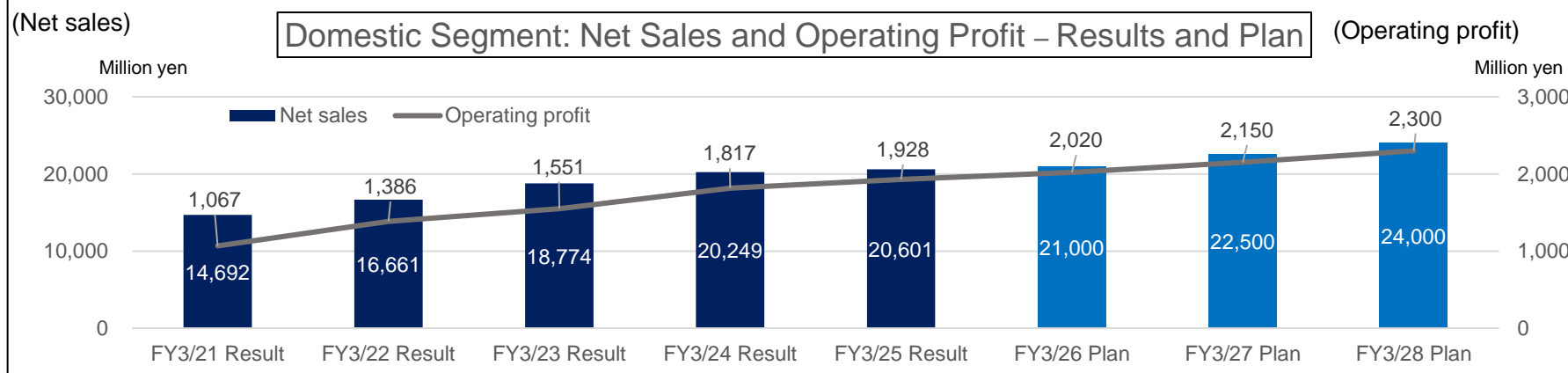


AIYON TECH (Manufacturing of cast steel products such as TS Series crushers)

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

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

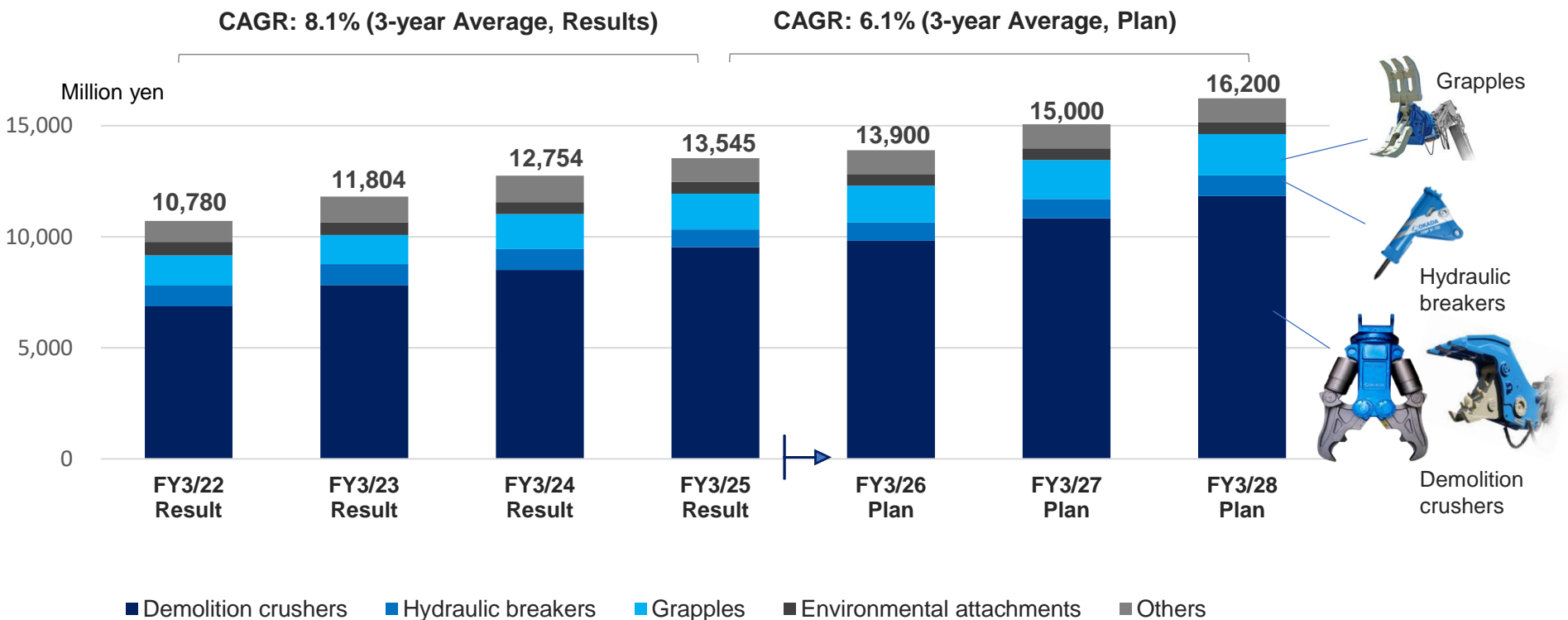
- Develop high-performance forestry equipment such as harvesters*
 - Improve productivity through capital investment in machinery and continuous improvement activities
 - Improve profitability through thorough factory cost control
- *Harvester: Forestry equipment capable of felling, debranching, bucking,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



Market Strategy: Domestic – Demolition and Environmental Attachments ¹ ²

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

- For our core product, 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 times 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 Northern Kanto Sales Office (planned for 2026).

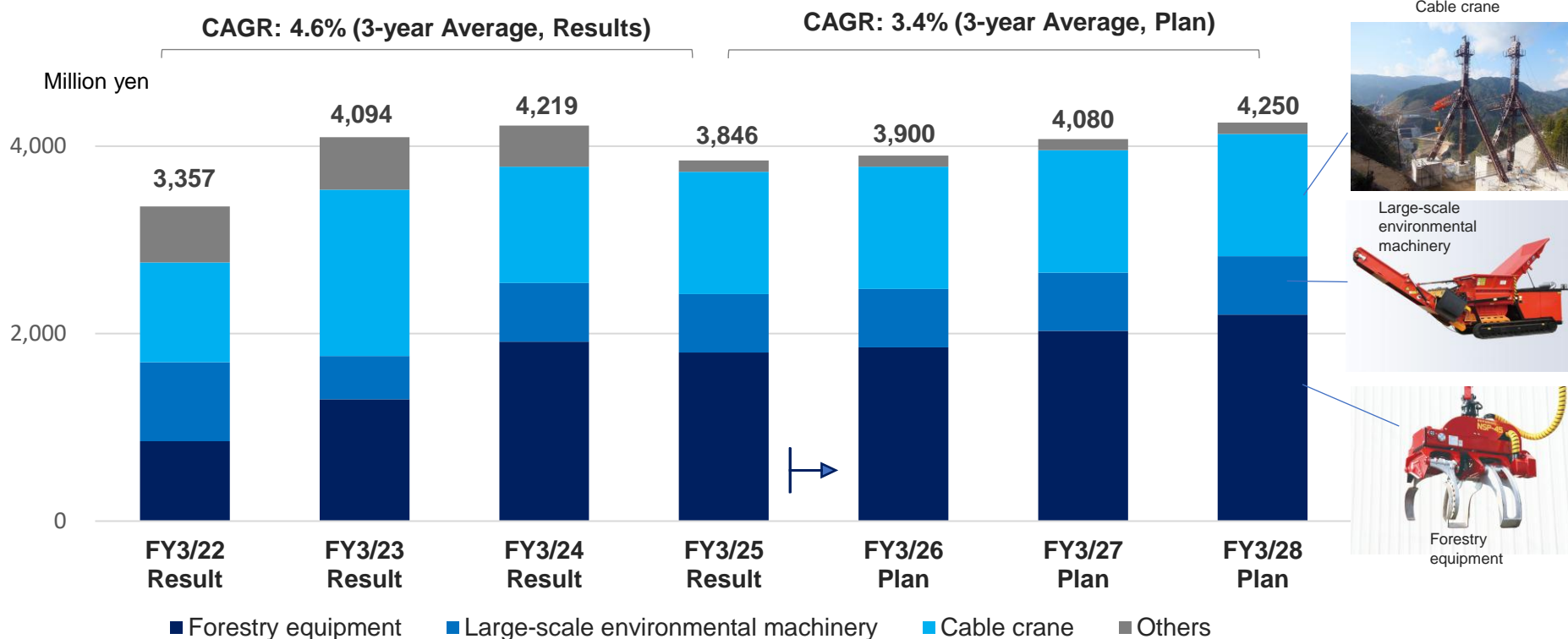


Market Strategy: Domestic – Forestry Equipment, Large-Scale Environmental Machinery, Cable Cranes, etc.

1 3

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

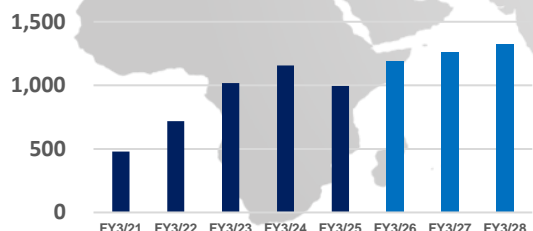
14

We have revised the targets as demand is currently slowing, and uncertainty surrounding U.S. tariffs is increasing, aiming 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.

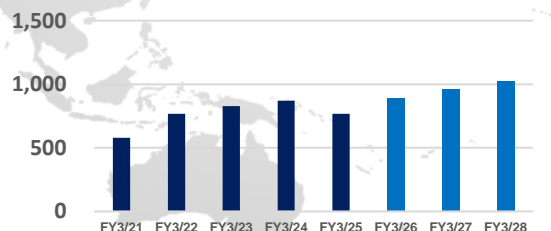
Sales Results and Plan Millions of yen



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.

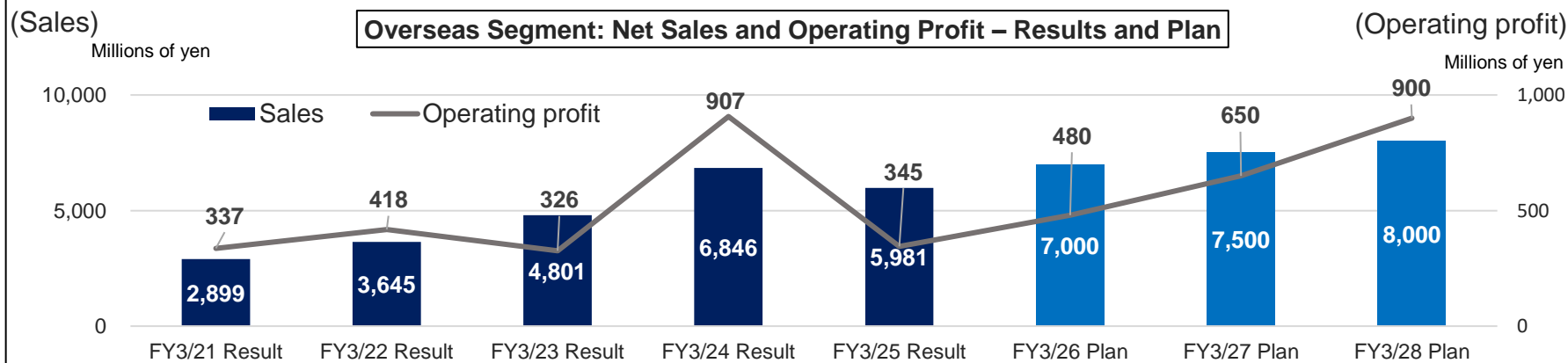
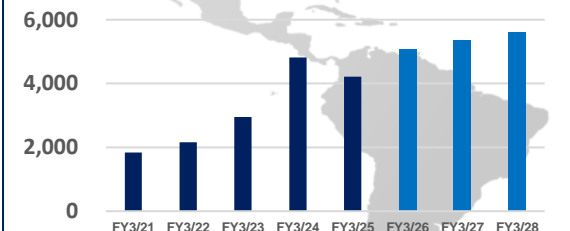
Sales Results and Plan Millions of yen



The 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 crusher market, cultivation of new rental companies, OEM sales, and collaboration with acquired subsidiaries.

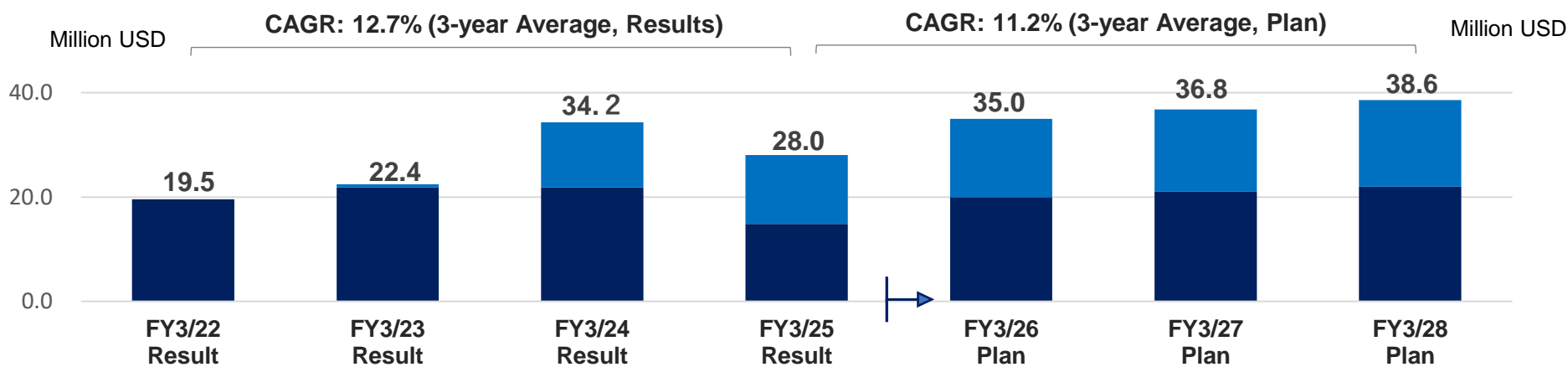
Sales Results and Plan Millions of yen



North America, which accounts for 70% of overseas sales, will strengthen efforts to develop the 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 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"> □ The U.S. sales subsidiary operates at three locations (Oregon, Ohio, Texas) □ Engaged in wholesale business to construction equipment dealers and rental companies □ Each sales location also provides maintenance services 	<ul style="list-style-type: none"> □ Became a subsidiary of Okada America in December 2022 □ Conducts sales and rentals, centered on the maintenance business for construction equipment □ Main customers are demolition, scrap, and recycling contractors around the Chicago area



We aim to 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 drive business expansion and enhance capital efficiency through the promotion of VISION 30.

(1) Capital Efficiency Improvement	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.
(2) Establishment of a Dedicated IR Division	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.

● Response to Sustainability

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

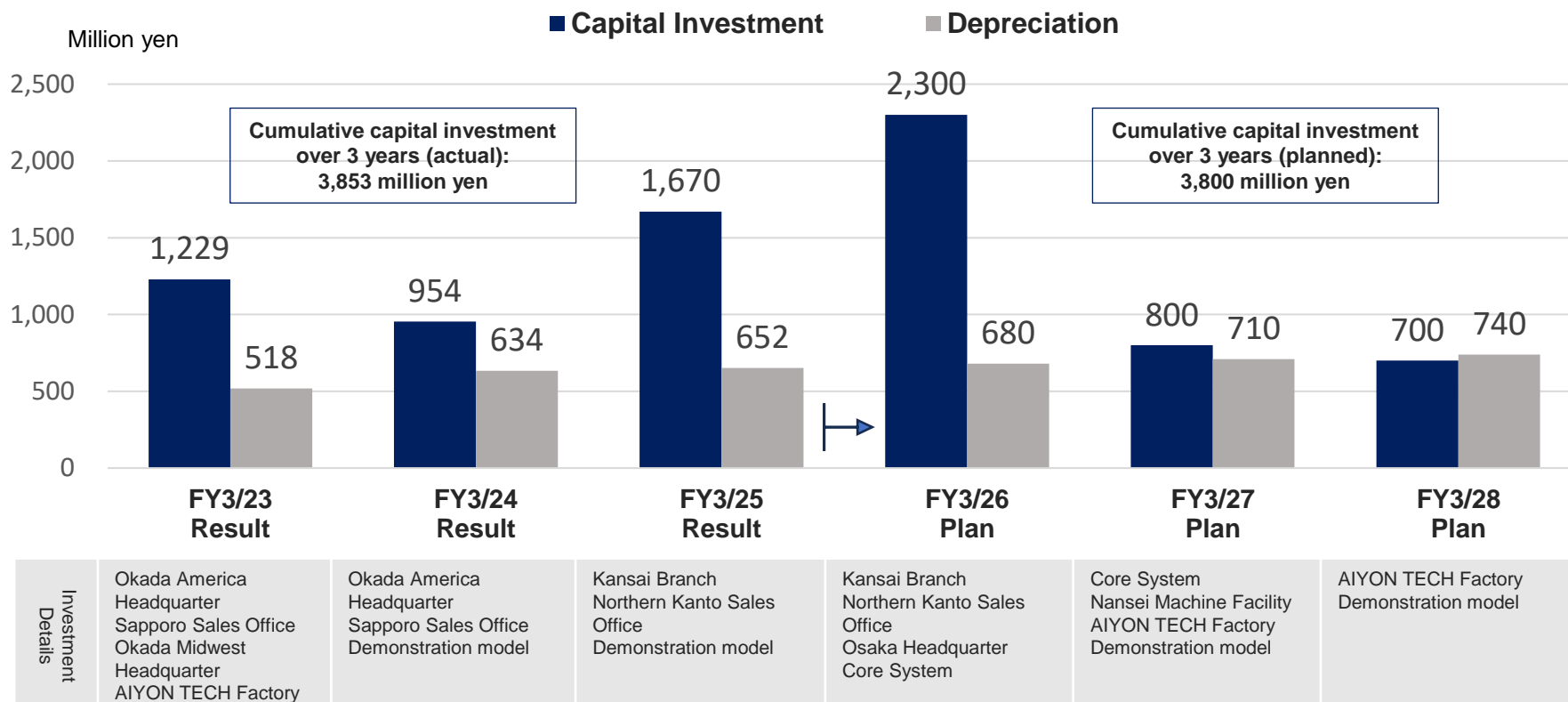
(1) CDP Climate Change Score	FY3/24: “B–” → FY3/25: “B” → Target: “B” or higher *CDP = Carbon Disclosure Project
(2) Disclosure of CO ₂ Reduction Targets	Scope 1 and 2: Targets and performance disclosed Scope 3: Performance disclosed *CO ₂ reduction targets and performance are available on our website: https://disclosure.okadaaiyon.com/jirei/tcfd/
(3) Ratio of Female Directors	Current: 1 director (14.3%) → Planned: 2 directors (28.6%) after the General Shareholders' Meeting in June 2025

Strengthening of Management Foundation: Capital Investment and System Investment

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As growth investments, we are planning not only capital investment in sales offices and factories, but also system investment aimed at improving productivity.

- 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.



Strengthening of Management Foundation: Renewal of Domestic Bases

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

2016
Aiyon Tech



2019
Shikoku
Sales Office



2021
Hiroshima
Sales Office



2022
Sendai Sales
Office



2016
Hokuriku
Sales Office



2020
Shonan
Sales Office



2022
Chubu Sales
Office



2023
Sapporo
Sales Office



FY3/25 to FY3/27 Plan

2025
Kansai
Branch
to be
relocated



From 2027
Headquarters/
Training
Center
to be partly
rebuilt

From 2027
Aiyon Tech
to be expanded

2026
Kitakanto
Sales Office
to be
established



Shareholder Return and Dividend Policy

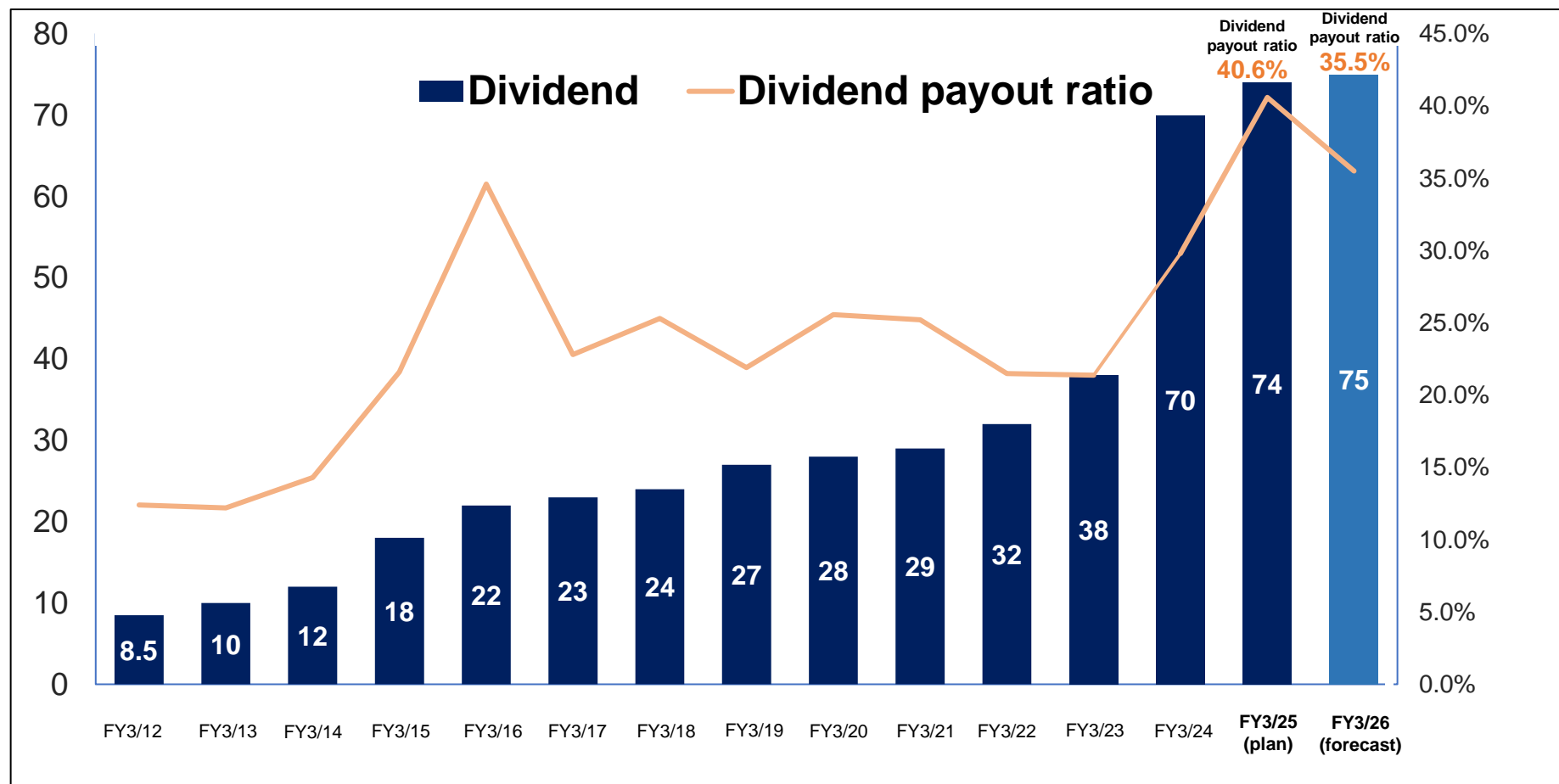
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Dividend Policy: Based on stable business growth, our policy is to aim for: (1) Progressive dividends (2) Dividend payout ratio of 30% or higher

- For FY3/25, we plan an annual dividend of 74 yen, up 4 yen YoY. For FY3/26, we forecast an annual dividend of 75 yen, an increase of 1 yen (marking 16 consecutive years of dividend increases).

(Dividend: yen)

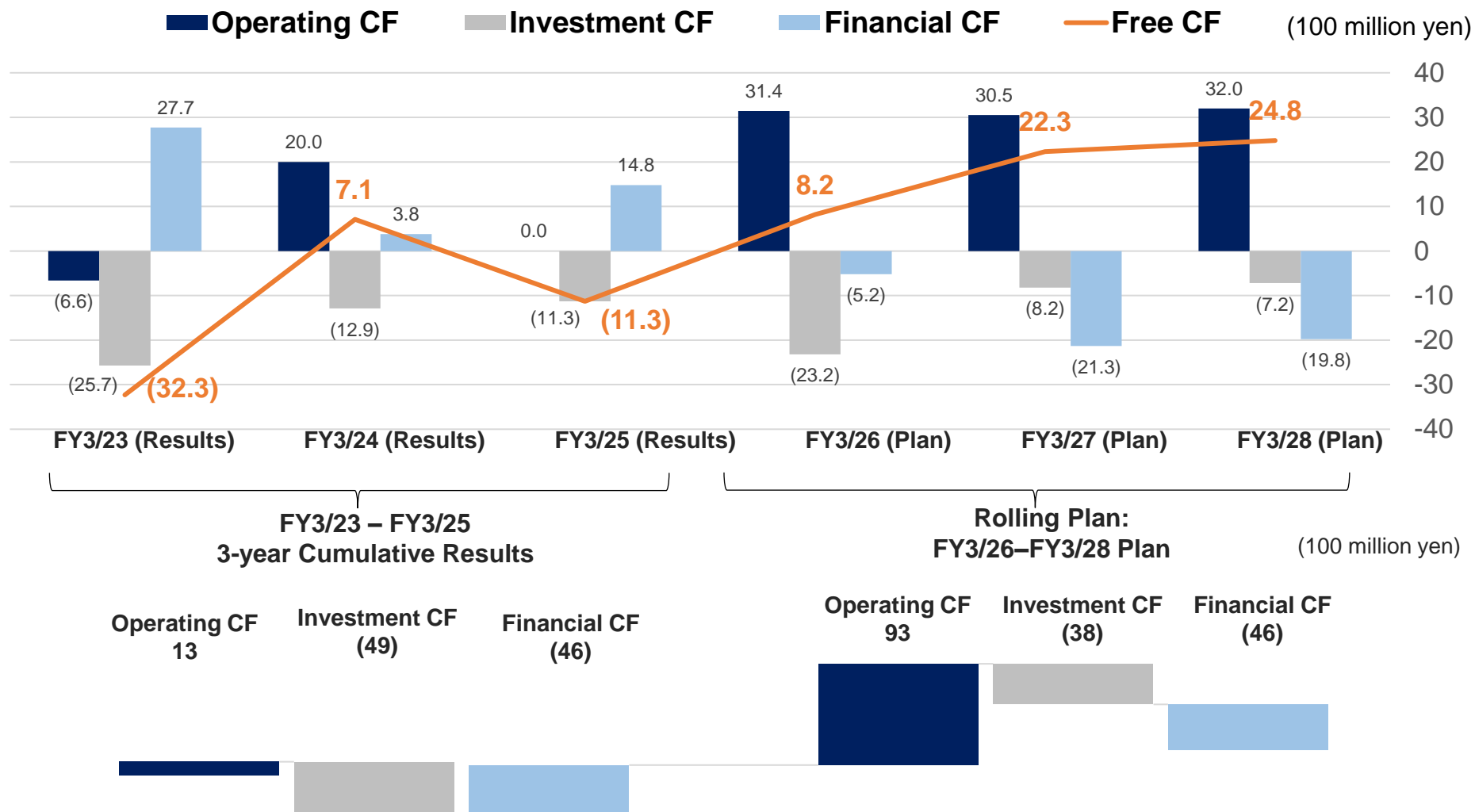
(Dividend payout ratio: %)



Cash Flow

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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.

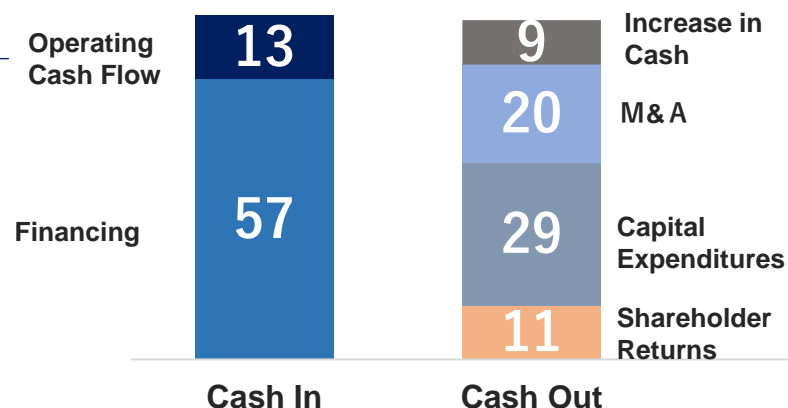


Capital Allocation

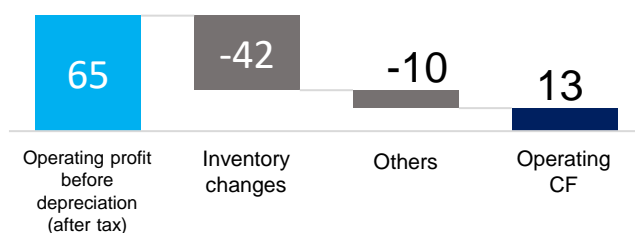
21

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

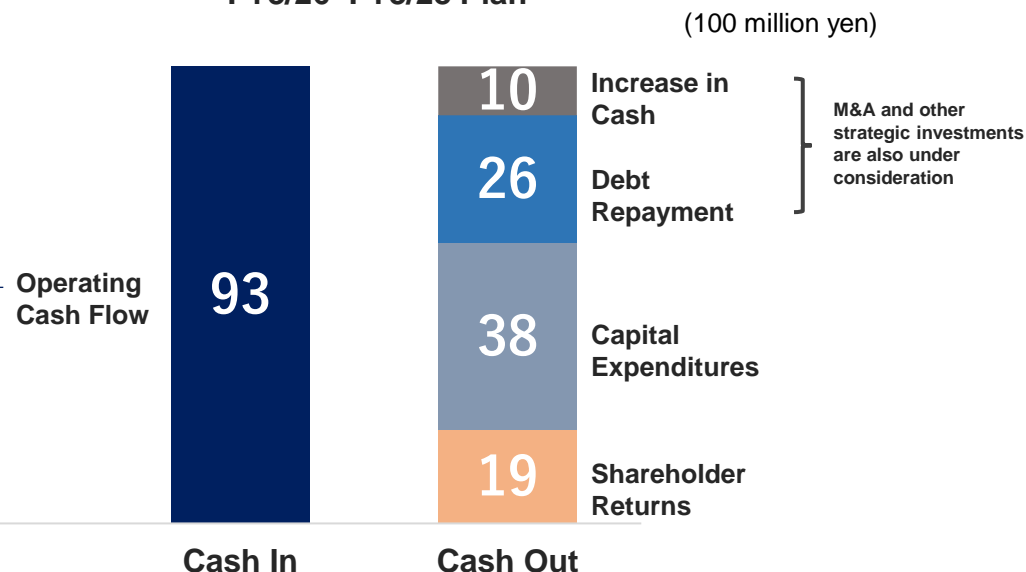
FY3/23 – FY3/25
3-year Cumulative Results



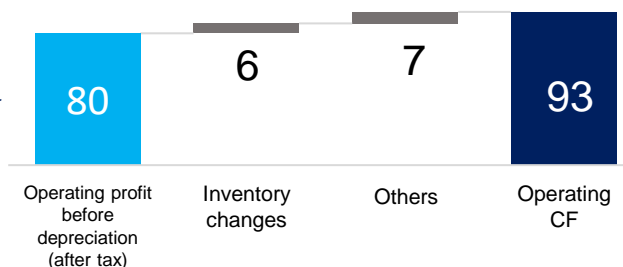
Breakdown of
Operating Cash Flow



Rolling Plan:
FY3/26–FY3/28 Plan



Breakdown of
Operating Cash Flow



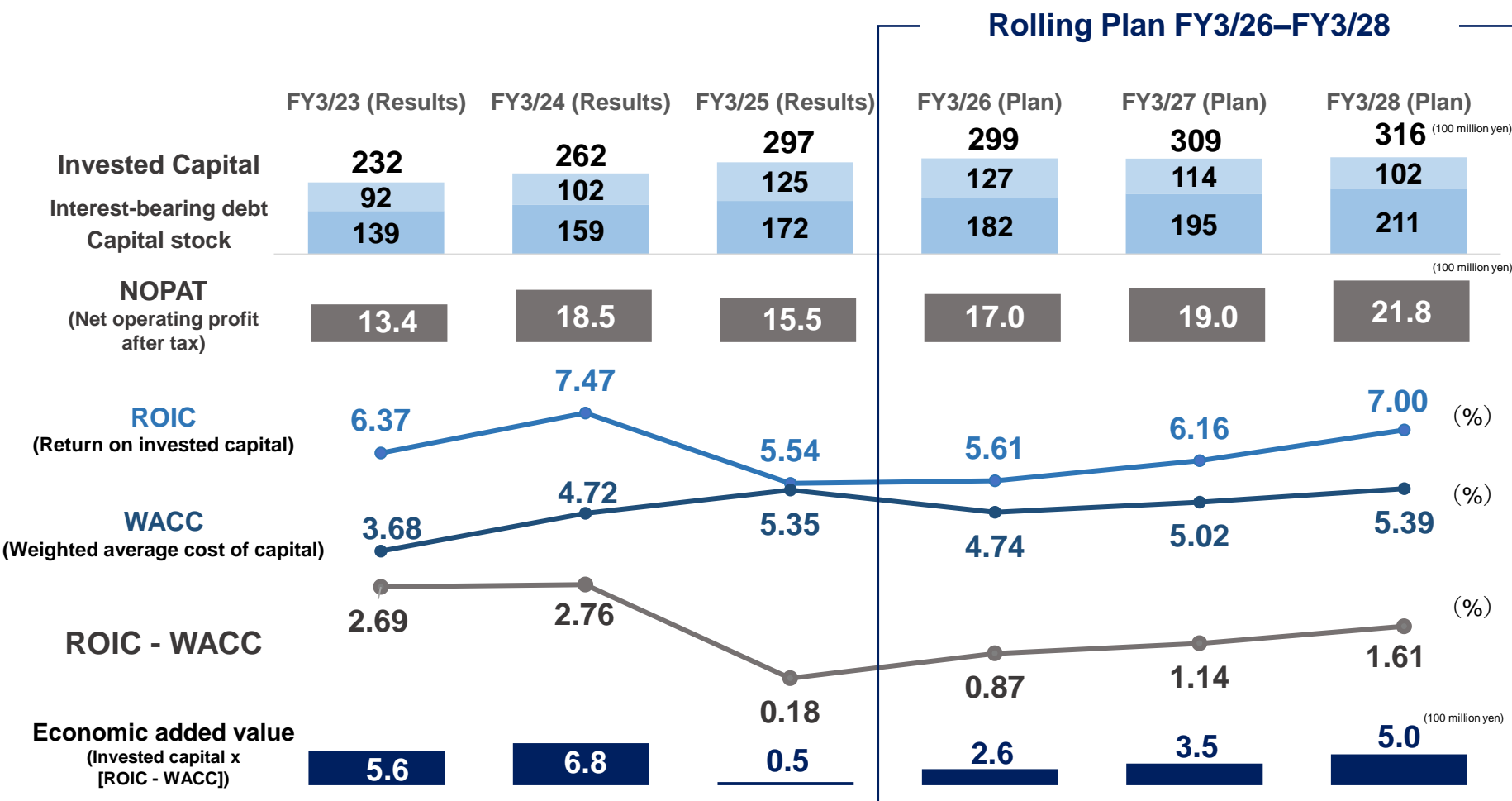
Productivity of Invested Capital

2 2

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.

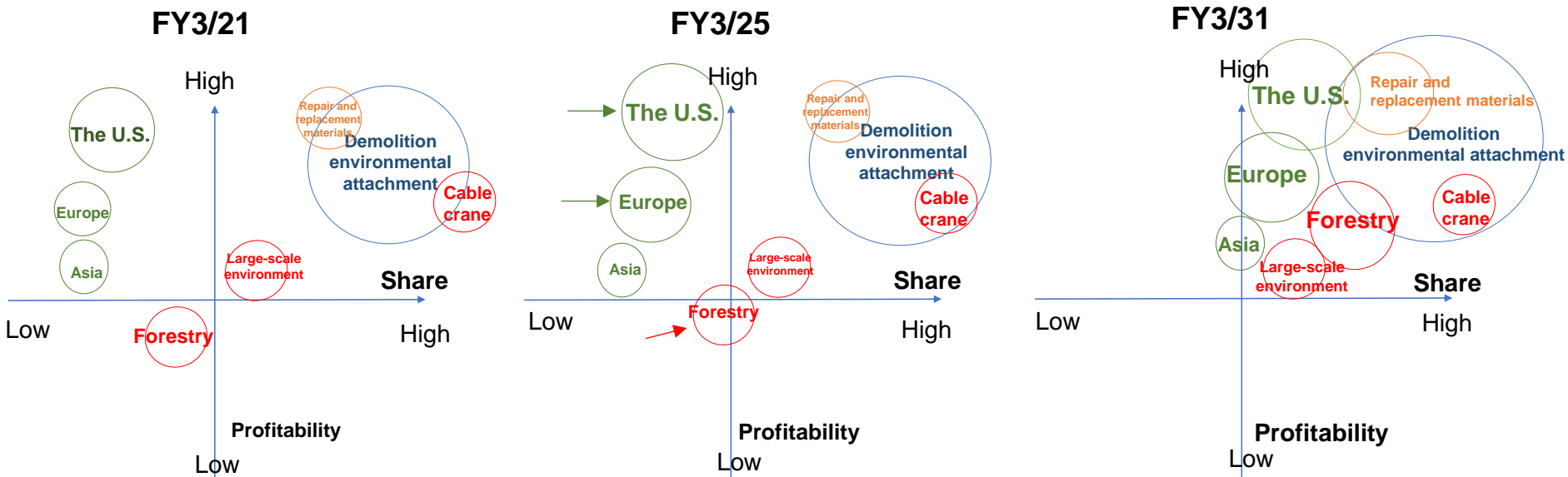
*Based on our calculations

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.



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

- demolition environmental attachments and repair and replacement materials expanded while maintaining current business positions. We will particularly strengthen competitiveness in overseas and forestry-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 demolition and 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 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 demolition 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.

Framework of VISION 30 – Medium- to Long-Term Management Plan Toward FY3/31 –

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

Net sales ¥30 billion or over

Operating profit ¥3 billion or over

Market capitalization ¥30 billion or over

Triple

10

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

(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]

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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