

## **Tadano Group to start strategic restructuring of German operations to ensure long-term global competitiveness**

- **Restructuring plan for German operations, Tadano Demag and Tadano Faun, fits into the Tadano Group's larger strategic goal of becoming a global industry leader**
- **All measures are geared towards offering our customers even greater added value than before**

**Takamatsu, Japan - October 8, 2020** - Tadano Ltd. announced today the start of a strategic restructuring program for its two German subsidiaries, Tadano Demag GmbH and Tadano Faun GmbH, which are the core companies of Tadano's European Operations. The development of the restructuring plan is scheduled to take three months. As a result of the reorganization process, both companies will further enhance their capacity to serve the needs of customers in Germany, in Europe and globally. This will maximize Tadano Demag's and Tadano Faun's value for the Tadano Group as a whole, create stronger "One Tadano" group synergies, and make further contributions toward achieving the Tadano Group's goal of becoming a global leader in the lifting equipment industry.

In light of the ongoing economic challenges accelerated by the Covid-19 crisis, Tadano Demag and Tadano Faun have decided, in close consultation with Tadano Ltd. and with professional advisors, to file for Protective Shield Proceedings ("Schutzschirmverfahren") pursuant to §270b of the German Insolvency Directive as of today.

Protective Shield Proceedings are a German judicial restructuring procedure, which provides companies in distress with a chance to stabilize their business while staying in control of their operations. During Protective Shield Proceedings companies draw up a dedicated restructuring plan with some temporary regulations coming into effect to make it easier for companies to reorganize. Protective Shield Proceedings can only be applied to companies that are solvent and for which a successful restructuring is likely – as it is the case with both Tadano Demag and Tadano Faun.

Both companies have been confronted with shrinking markets and mounting competitive pressure for some time. The resulting economic challenges have escalated considerably in recent months due to the Covid-19 crisis and cannot be sufficiently mitigated, despite short-time work, as well as other proactive measures taken. Tadano Ltd. regards a reorganization of Tadano Demag and Tadano Faun utilizing Protective Shield Proceedings as an essential step toward better serving the needs of customers and continuing to advance the strategic goals of the Tadano Group.

Following the Tadano Group's strategic acquisition of Demag Mobile Cranes in 2019, integration initiatives within Tadano's European and global operations continue to take place. Teams spanning various locations worldwide are working to realize synergies in order to raise global competitiveness in the mid and long term. The initiated Protective Shield Proceedings will ultimately accelerate and facilitate more effective integration.

Production at Tadano Demag and at Tadano Faun in Germany is ongoing and all existing and new orders are being fulfilled. All measures taken within the scope of the protective shield proceedings at Tadano Demag and Tadano Faun are geared towards offering greater added value to our customers than ever before – both with market-leading, innovative products and in the service business. To this end, we intend to permanently optimize production processes at Tadano Demag and Tadano Faun, and offer a far more complete range of lifting equipment solutions in the future.

The company remains fully committed to its goal of becoming a global leader in the lifting equipment industry and considers its German operations to be an important pillar in this endeavor.

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### **About the Tadano Group**

Since Tadano developed Japan's first hydraulic truck crane in 1955, the company has grown globally, while constantly striving to implement our Corporate Philosophy of Creation, Contribution, and Cooperation. The Tadano Group delivers our Core Values – Safety, Quality, and Efficiency Based on Compliance (C+SQE) – in each and every one of our products and services.

### **About Tadano Demag GmbH**

Tadano Demag GmbH, based in Zweibrücken, Rhineland-Palatinate, joined the Tadano Group in 2019. This combination united two industry leaders with an impeccable reputation for safety, quality, innovation and performance. The Tadano and Demag brands share a long tradition in the development and manufacture of lifting technology. With the acquisition of Demag Mobile Cranes, Tadano gained outstanding technology and manufacturing expertise, as well as innovative strength.

### **About Tadano Faun GmbH**

Tadano Faun GmbH, based in Lauf an der Pegnitz, Bavaria, joined the Tadano Group in 1990. Tadano Faun GmbH is the Tadano Group's center of excellence when it comes to developing and manufacturing Tadano All-Terrain Cranes, which are known for their outstanding performance on and off road. The cranes produced in Lauf an der Pegnitz are sold worldwide through the global sales and service network of the Tadano Group.