

Explanatory Materials for FY2015 First Quarter Consolidated Financial Results



* Note on forecasts:

- This document (including business plans) is based on information available at the time of its preparation. Nevertheless, actual results may differ substantially from projections due to various risks and uncertainties.

August 2015
TADANO Ltd.



Income Statement (vs. Previous Year)



(Unit: millions of yen)

	1Q FY2014		1Q FY2015		Change
	Amount	Percentage	Amount	Percentage	
Net sales	44,082	100.0%	45,176	100.0%	1,094
Cost of sales	31,424	71.3%	30,977	68.6%	-447
Gross profit on installment sales	37	0.1%	-36	-0.1%	-73
Gross profit	12,695	28.8%	14,163	31.4%	1,468
Selling, general, and administrative expenses	6,877	15.6%	7,339	16.2%	461
Operating income	5,817	13.2%	6,823	15.1%	1,006
Non-operating income and loss	-182	-0.4%	16	0.0%	199
Ordinary income	5,634	12.8%	6,840	15.1%	1,205
Extraordinary income and loss	-8	-0.0%	-24	-0.1%	-15
Income before income taxes	5,626	12.8%	6,816	15.1%	1,189
Corporate taxes	1,911	4.3%	2,052	4.5%	141
Net income attributable to noncontrolling interests	16	0.0%	21	0.0%	4
Net income attributable to Tadano Ltd.	3,698	8.4%	4,741	10.5%	1,043

[Key changes of this quarter (April-June)]

Sales and profit for this April- June period set a new high against last fiscal year's record for the same period.

> Net sales:

- Consolidated net sales increased by 2.5% compared with the previous 1Q.
- Outside Japan sales ratio was 53.8%.

> COGS ratio:

- COGS ratio was 68.6%, improved by 2.7 percentage points compared with the previous 1Q due to efforts for resuming appropriate sales prices, cost savings, and foreign exchange effects.

> Selling, general, and administrative expenses:

- ¥0.4 billion increase compared with the previous 1Q.

> Profits:

- Operating income increased by ¥1.0 billion compared with the previous 1Q.
- Ordinary income increased by ¥1.2 billion compared with the previous 1Q.
- Net income attributable to Tadano Ltd. increased by ¥1.0 billion compared with the previous 1Q.

> Factors of operating income change:

- + ¥0.4 billion due to an influence of improving volume and sales prices
- + ¥0.8 billion due to foreign exchange effects
- - ¥0.2 billion by other influences



1

Balance Sheet (vs. End of Previous Fiscal Year)



(Unit: millions of yen)

	FY2014 year-end		1Q FY2015		Change
	Amount	Percentage	Amount	Percentage	
Cash deposit	61,533	27.5%	61,503	27.9%	-30
Accounts receivable	52,328	23.4%	44,804	20.3%	-7,523
Inventories	51,384	23.0%	56,780	25.8%	5,396
Other current assets	7,250	3.2%	6,531	3.0%	-719
Total current assets	172,497	77.1%	169,620	76.9%	-2,876
Tangible fixed assets	38,292	17.1%	37,668	17.1%	-624
Intangible fixed assets	1,258	0.6%	1,181	0.5%	-77
Investment and other assets	11,560	5.2%	12,008	5.4%	448
Total fixed assets	51,111	22.9%	50,858	23.1%	-253
Total assets	223,608	100.0%	220,478	100.0%	-3,129
Accounts payable	34,417	15.4%	37,382	17.0%	2,964
Interest-bearing debt	37,620	16.8%	36,462	16.5%	-1,158
Other liabilities	29,429	13.2%	22,872	10.4%	-6,556
Total liabilities	101,467	45.4%	96,716	43.9%	-4,750
Total equity	122,141	54.6%	123,762	56.1%	1,621
Total liabilities and equity	223,608	100.0%	220,478	100.0%	-3,129

[Key changes]

> Accounts receivable decreased:

¥52.3 billion → ¥44.8 billion

- The receivable turnover period improved.
(1Q FY2014: 87.8 days, FY2014: 93.6 days
→ 1Q FY2015: 90.3 days)

> Inventories increased:

¥51.3 billion → ¥56.7 billion

- (The ¥56.7 billion includes ¥14.2 billion in TADANO FAUN GmbH)
- The inventory turnover period increased.
(1Q FY2014: 108.5 days, FY2014: 91.9 days
→ 1Q FY2015: 114.4 days)

> Interest-bearing debt decreased:

¥37.6 billion → ¥36.4 billion

- Short-term: decreased by ¥1.0 billion;
Long-term: decreased by ¥0.1 billion



2

Net Sales by Product



(Unit: millions of yen)

	1Q FY2014		1Q FY2015		Change	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Mobile Cranes	30,382	68.8%	30,397	67.3%	15	0.0%
Truck Loader Cranes	4,701	10.7%	4,445	9.8%	-255	-5.4%
Aerial Work Platforms	2,227	5.1%	3,284	7.3%	1,057	47.5%
Others	6,771	15.4%	7,048	15.6%	277	4.1%
Total	44,082	100%	45,176	100%	1,094	2.5%

Breakdown of Mobile Crane sales in and outside Japan

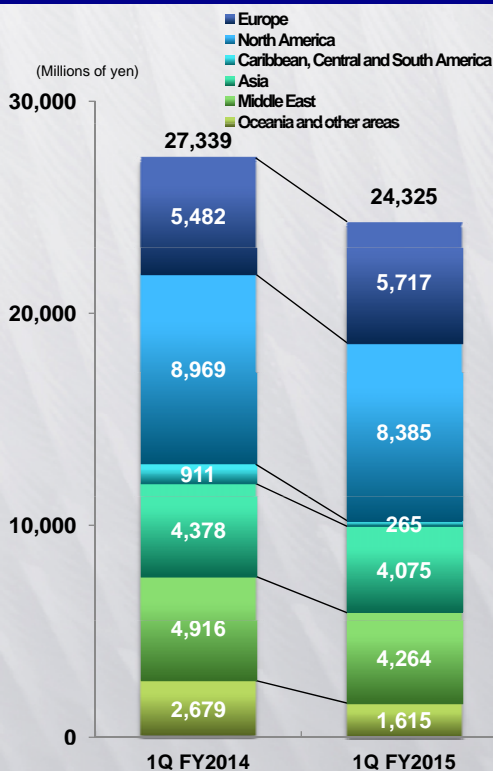
Japan	6,510	9,540	3,029	46.5%
Outside Japan	23,871	20,856	-3,014	-12.6%

Exchange rate (January-March average rate)

USD	102.78	119.09
EUR	140.79	134.18

Since the fiscal year for subsidiaries outside of Japan ends in December, the rates given here are January-March average.

Net Sales by Destination

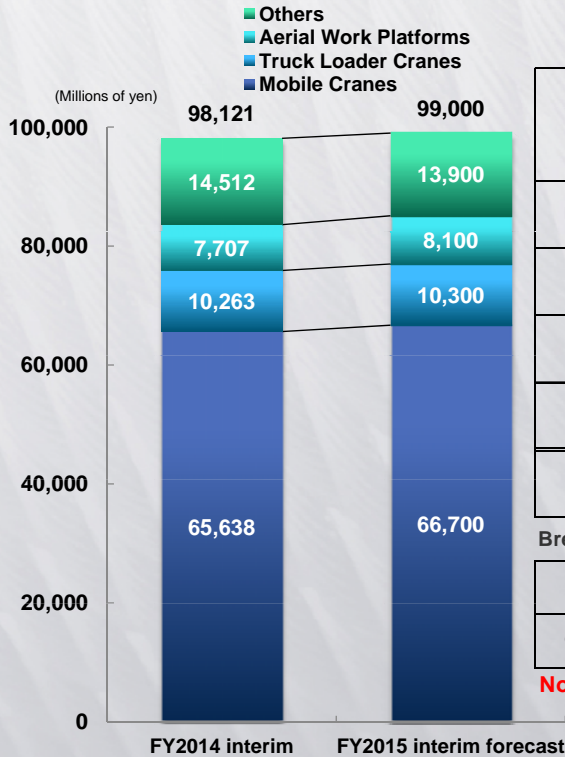


(Unit: millions of yen)

	1Q FY2014		1Q FY2015		Change	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Europe	5,482	12.4%	5,717	12.6%	234	4.3%
North America	8,969	20.3%	8,385	18.6%	-583	-6.5%
Caribbean, Central and South America	911	2.1%	265	0.6%	-645	-70.9%
Asia	4,378	9.9%	4,075	9.0%	-302	-6.9%
Middle East	4,916	11.2%	4,264	9.4%	-652	-13.3%
Oceania and other areas	2,679	6.1%	1,615	3.6%	-1,064	-39.7%
Subtotal (total outside Japan sales)	27,339	62.0%	24,325	53.8%	-3,013	-11.0%
Japan	16,743	38.0%	20,851	46.2%	4,108	24.5%
Total	44,082	100%	45,176	100%	1,094	2.5%

The graph on the left excludes Japan.

FY2015 Interim Forecast (Net Sales by Product)



(Unit: millions of yen)

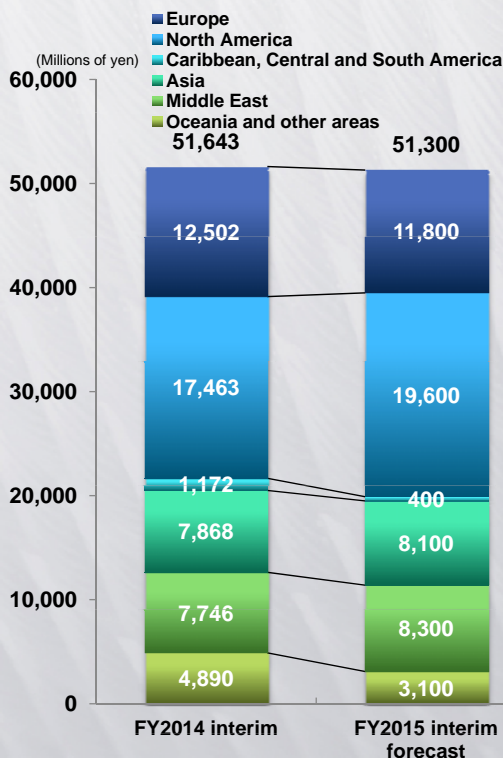
	FY2014 interim		FY2015 interim forecast		Change	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Mobile Cranes	65,638	66.9%	66,700	67.4%	1,061	1.6%
Truck Loader Cranes	10,263	10.5%	10,300	10.4%	36	0.4%
Aerial Work Platforms	7,707	7.8%	8,100	8.2%	392	5.1%
Others	14,512	14.8%	13,900	14.0%	-612	-4.2%
Total	98,121	100%	99,000	100%	878	0.9%

Breakdown of Mobile Crane sales in and outside Japan

Japan	21,043	22,400	1,356	6.4%
Outside Japan	44,594	44,300	-294	-0.7%

No changes from the forecast released on April 28, 2015.

FY2015 Interim Forecast (Net Sales by Destination)



(Unit: millions of yen)

	FY2014 interim		FY2015 interim forecast		Change	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Europe	12,502	12.7%	11,800	11.9%	-702	-5.6%
North America	17,463	17.8%	19,600	19.8%	2,136	12.2%
Caribbean, Central and South America	1,172	1.2%	400	0.4%	-772	-65.9%
Asia	7,868	8.0%	8,100	8.2%	231	2.9%
Middle East	7,746	7.9%	8,300	8.4%	553	7.1%
Oceania and other areas	4,890	5.0%	3,100	3.1%	-1,790	-36.6%
Subtotal (total outside Japan sales)	51,643	52.6%	51,300	51.8%	-343	-0.7%
Japan	46,477	47.4%	47,700	48.2%	1,222	2.6%
Total	98,121	100%	99,000	100%	878	0.9%

No changes from the forecast released on April 28, 2015.

The graph on the left excludes Japan.