

Explanatory Materials for FY2015 Second 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.

November 2015
TADANO Ltd.



[Corporate name]	TADANO Ltd. (established August 24, 1948); founder: Masuo Tadano Developed Japan's first hydraulic Truck Crane in 1955				
[Representative]	Koichi Tadano, President and C.E.O., Representative Director				
[Head office]	Ko-34 Shinden-cho, Takamatsu, Kagawa, Japan				
[Major lines of business]	Production and distribution of Mobile Cranes, Truck Loader Cranes, and Aerial Work Platforms				
[Sites]	Tokyo Office [Sumida-ku], Takamatsu Plant [Takamatsu], Shido Plant [Sanuki], Tadotsu Plant [Tadotsu], Chiba Plant [Chiba]				
[Other facilities]	Japan: 10 branch offices, 23 sales offices; Outside Japan: Beijing Office [China], Middle East Office [UAE]				
[Paid-in capital]	¥13,021 million	[Stock shares]	Shares issued: 129 million Number of shareholders: 6,903 (as of September 30, 2015)		
[Net sales]	¥204,059 million (FY 2014)				
[Number of employees]	Consolidated: 3,475; non-consolidated: 1,520 (as of September 30, 2015)				
[Major subsidiaries]	<table border="0"> <tr> <td style="vertical-align: top;"> 10 subsidiaries and two affiliates in Japan: TADANO IMES Ltd. TADANO ILEC Ltd. TADANO S-TEC Ltd. TADANO ENGINEERING K.K. TADANO TECHNO EAST Co., Ltd. TADANO TECHNO WEST Co., Ltd. TADANO KYOSHU CENTER K.K. TADANO BUTSURYU K.K. TADANO SYSTEMS Inc. TADANO BUSINESS SUPPORT K.K. NITTSU JUKI SERVICE K.K. TAIHEIKIKOU K.K. </td> <td style="vertical-align: top;"> 17 subsidiaries and two affiliates outside Japan: TADANO FAUN GmbH, TADANO FAUN Stahlbau GmbH [Germany] TADANO UK Ltd. [U.K.] TADANO America Holdings, Inc., TADANO America Corp., TADANO MANTIS Corp., [U.S.A.] TADANO Panama S.A. [Panama] TADANO Brasil Equipamentos de Elevacao Ltda. [Brazil] JC-TADANO (Beijing) Hydraulic Co., Ltd., JTL-TADANO (Hebei) Ironparts Co., Ltd. [China] TADANO (Beijing) Ltd. [China] TADANO Korea Co., Ltd. [South Korea] TADANO (Thailand) Co., Ltd., TADANO Thai Parts and Service Co., Ltd. [Thailand] TADANO Asia Pte. Ltd. [Singapore] TADANO India Pvt. Ltd. [India] TADANO Oceania Pty Ltd. [Australia] BQ-TADANO (Beijing) Crane Co., Ltd. [China] Taiwan TADANO Ltd. [Taiwan] </td> </tr> </table>			10 subsidiaries and two affiliates in Japan: TADANO IMES Ltd. TADANO ILEC Ltd. TADANO S-TEC Ltd. TADANO ENGINEERING K.K. TADANO TECHNO EAST Co., Ltd. TADANO TECHNO WEST Co., Ltd. TADANO KYOSHU CENTER K.K. TADANO BUTSURYU K.K. TADANO SYSTEMS Inc. TADANO BUSINESS SUPPORT K.K. NITTSU JUKI SERVICE K.K. TAIHEIKIKOU K.K.	17 subsidiaries and two affiliates outside Japan: TADANO FAUN GmbH, TADANO FAUN Stahlbau GmbH [Germany] TADANO UK Ltd. [U.K.] TADANO America Holdings, Inc., TADANO America Corp., TADANO MANTIS Corp., [U.S.A.] TADANO Panama S.A. [Panama] TADANO Brasil Equipamentos de Elevacao Ltda. [Brazil] JC-TADANO (Beijing) Hydraulic Co., Ltd., JTL-TADANO (Hebei) Ironparts Co., Ltd. [China] TADANO (Beijing) Ltd. [China] TADANO Korea Co., Ltd. [South Korea] TADANO (Thailand) Co., Ltd., TADANO Thai Parts and Service Co., Ltd. [Thailand] TADANO Asia Pte. Ltd. [Singapore] TADANO India Pvt. Ltd. [India] TADANO Oceania Pty Ltd. [Australia] BQ-TADANO (Beijing) Crane Co., Ltd. [China] Taiwan TADANO Ltd. [Taiwan]
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Key Points of FY 2015 Interim Financial Results

(Unit: millions of yen)

	FY 2014 Interim		FY 2015 Interim		Percent change
	Amount	Percentage	Amount	Percentage	
Net sales	98,121	100.0%	104,189	100.0%	6.2%
Operating income	13,725	14.0%	16,187	15.5%	17.9%
Ordinary income	14,044	14.3%	15,983	15.3%	13.8%
Net income	9,118	9.3%	10,724	10.3%	17.6%

	FY 2014 Interim	FY 2015 Interim
Capital investment	¥1,854 million	¥1,397 million
Depreciation	¥1,213 million	¥1,315 million
Exchange rate (USD)	¥102.47	¥120.23
Exchange rate (EUR)	¥140.43	¥134.17

Figures for capital investments include leased assets.

The exchange rates given above are average rates for the period from January to June.
(Subsidiaries outside Japan undertake their interim settlement of accounts in June.)

[FY 2015 management policies]

- (i) Pursuing the TADANO Group's Core Values (Safety, Quality, Efficiency)
- (i) Second-year deployment of the Mid-Term Management Plan (14-16)
- (ii) Preparation for a potential market reversal

During the first half of this fiscal year:

- Highest revenues and profits
- Net sales surpassed 100.0 billion yen for the first time
- Net income surpassed 10.0 billion yen for the first time

◆ Increases in revenues and profits for the fifth consecutive interim fiscal year

- Expanding sales both in and outside Japan
- Foreign exchange influence
- Reducing costs

◆ Expanding sales both in and outside Japan

- ⇒ Net sales in Japan: ¥46.4 billion → ¥50.8 billion (+9.5%)
Growth in Mobile Cranes and Aerial Work Platforms
 - ⇒ Net sales outside Japan: ¥51.6 billion → ¥53.3 billion (+3.2%)
Growth attributable to expanding sales of larger models despite the decrease in demand
- Highest sales outside Japan**

◆ Outside Japan sales ratio : 52.6% → 51.2%

◆ Income grew from the previous interim results:

- Operating income: ¥13.7 billion → ¥16.1 billion
- Ordinary income: ¥14.0 billion → ¥15.9 billion
- Net income: ¥9.1 billion → ¥10.7 billion

Income Statement (vs. Previous Year)



(Unit: millions of yen) [Key changes]

	FY 2014 Interim		FY 2015 Interim		Increase/ decrease
	Amount	Percentage	Amount	Percentage	
Net sales	98,121	100.0%	104,189	100.0%	6,068
Cost of sales	70,104	71.4%	72,533	69.6%	2,428
Gross profit on installment sales	15	0.0%	-110	-0.1%	-126
Gross profit	28,032	28.6%	31,545	30.3%	3,512
Selling, general, and administrative expenses	14,307	14.6%	15,358	14.7%	1,050
Operating income	13,725	14.0%	16,187	15.5%	2,461
Non-operating income and loss	318	0.3%	-203	-0.2%	-522
Ordinary income	14,044	14.3%	15,983	15.3%	1,939
Extraordinary income and loss	-17	-0.0%	-24	-0.0%	-6
Income before income taxes	14,026	14.3%	15,959	15.3%	1,932
Corporate taxes	4,885	5.0%	5,203	5.0%	318
Net income attributable to noncontrolling interests	22	0.0%	30	0.0%	7
Net income attributable to Tadano Ltd.	9,118	9.3%	10,724	10.3%	1,606

◆ **COGS ratio: 71.4% → 69.6%**

- Due to the efforts for maintaining appropriate sales prices, cost reductions and foreign exchange effects, the COGS ratio improved by 1.8 percentage points from the previous fiscal year

◆ **Selling, general, and administrative expenses:**

¥1,050 million increase

- Variable costs: - ¥57 million
- Personnel costs: + ¥649 million
- Other expenses: + ¥458 million

◆ **Non-operating income and loss:**

- Non-operating income: ¥733 million → ¥239 million
- Non-operating loss: ¥414 million → ¥443 million

◆ **Extraordinary income and loss:**

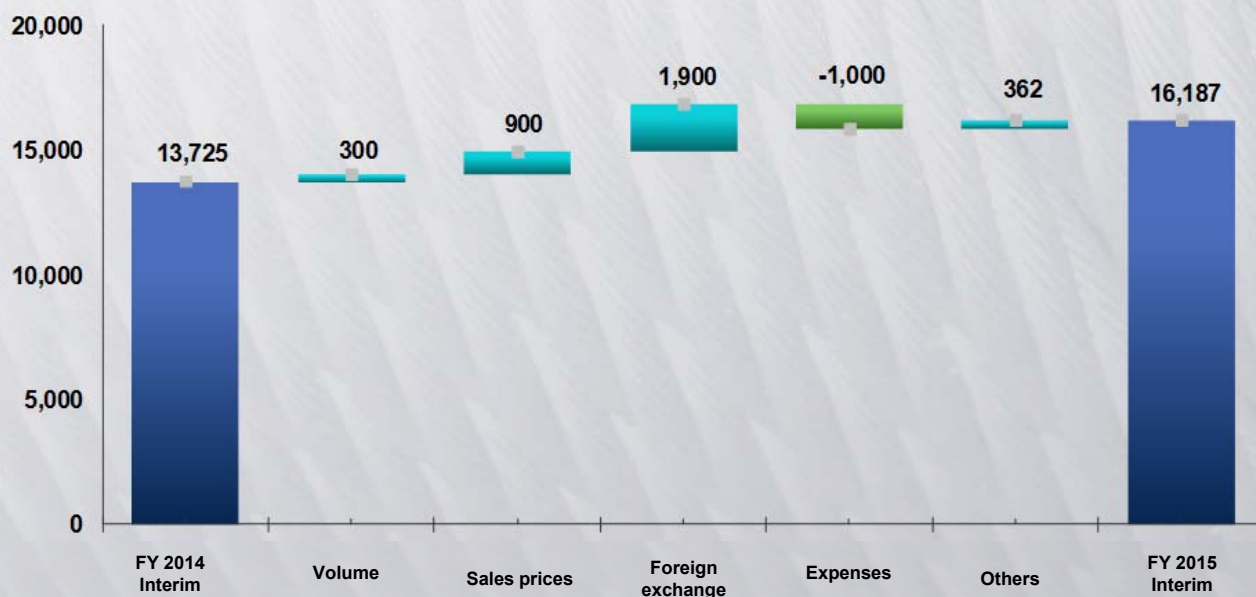
- Extraordinary income: ¥0 million → ¥1 million
- Extraordinary loss: ¥18 million → ¥25 million

Income Statement (Major Factors Leading to Change in Operating Income)



Profit growth due to increased sales, price improvements, and foreign exchange effects resulted in a ¥2.4 billion increase in operating income.

(Millions of yen)



Balance Sheet (vs. End of Previous Period)



(Unit: millions of yen)

	FY 2014 Year-end		FY 2015 Interim		Increase/ decrease
	Amount	Percentage	Amount	Percentage	
Cash deposit	61,533	27.5%	70,885	30.4%	9,351
Accounts receivable	52,328	23.4%	51,318	22.0%	-1,010
Inventories	51,384	23.0%	53,205	22.8%	1,821
Other current assets	7,250	3.2%	6,841	2.9%	-409
Total current assets	172,497	77.1%	182,250	78.3%	9,753
Tangible fixed assets	38,292	17.1%	38,026	16.3%	-265
Intangible fixed assets	1,258	0.6%	1,208	0.5%	-50
Investment and other assets	11,560	5.2%	11,370	4.9%	-189
Total fixed assets	51,111	22.9%	50,605	21.7%	-505
Total assets	223,608	100.0%	232,856	100.0%	9,247
Accounts payable	34,417	15.4%	36,554	15.7%	2,136
Interest-bearing debt	37,620	16.8%	37,417	16.1%	-203
Other liabilities	29,429	13.2%	28,633	12.3%	-795
Total liabilities	101,467	45.4%	102,604	44.1%	1,137
Total equity	122,141	54.6%	130,251	55.9%	8,110
Total liabilities and equity	223,608	100.0%	232,856	100.0%	9,247

[Key changes]

- ◆ **Accounts receivable decreased:**
¥52.3 billion → ¥51.3 billion
⇒ The receivable turnover period improved.
(FY2014 Interim: 90.5 days/FY2014 Full-year: 93.6 days → FY2015 Interim: 90.1 days)
- ◆ **Inventories increased:**
¥51.3 billion → ¥53.2 billion
(The ¥53.2 billion includes ¥14.3 billion in TFG.)
⇒ The inventory turnover period deteriorated.
(FY2014 Interim: 94.0 days/FY2014 Full-year: 91.9 days → FY2015 Interim: 93.5 days)
- ◆ **Interest-bearing debt remained largely unchanged:**
¥37.6 billion → ¥37.4 billion
⇒ Short-term: decreased by ¥0.0 billion;
Long-term: decreased by ¥0.1 billion

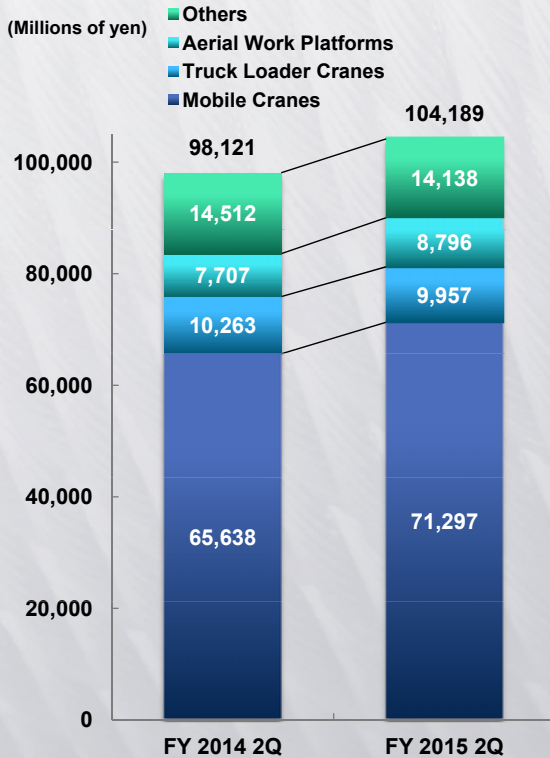
Overview of Cash Flow



Total cash flow increased by ¥9.0 billion thanks to significantly greater cash flow from operating activities.



Net Sales by Product



(Unit: millions of yen)

	FY 2014 Interim		FY 2015 Interim		Change	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Mobile Cranes	65,638	66.9%	71,297	68.4%	5,659	8.6%
Truck Loader Cranes	10,263	10.5%	9,957	9.6%	-306	-3.0%
Aerial Work Platforms	7,707	7.8%	8,796	8.4%	1,088	14.1%
Others	14,512	14.8%	14,138	13.6%	-374	-2.6%
Total	98,121	100%	104,189	100%	6,068	6.2%

◆ Outside Japan sales ratio 52.6% → 51.2%

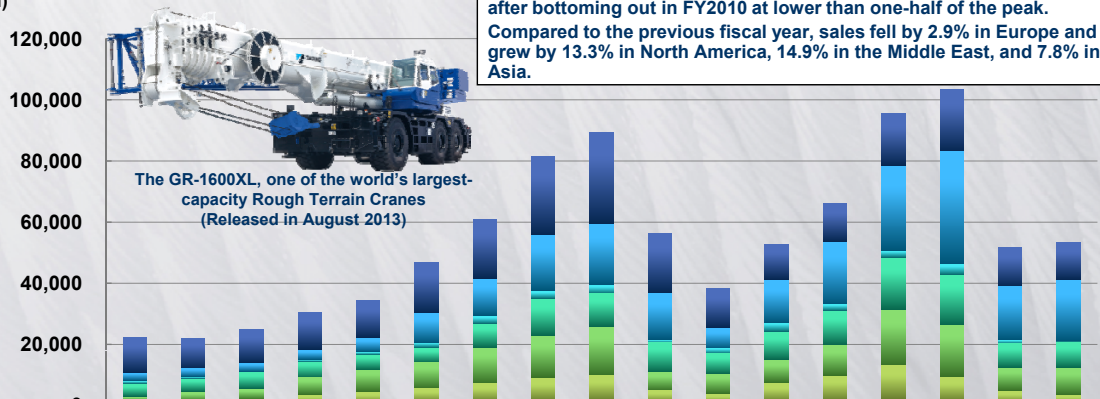
Mobile Crane sales in and outside Japan

Japan	21,043	24,884	3,840	18.2%
Outside Japan	44,594	46,413	1,819	4.1%

Sales Trends by Market Outside Japan



(Millions of yen)

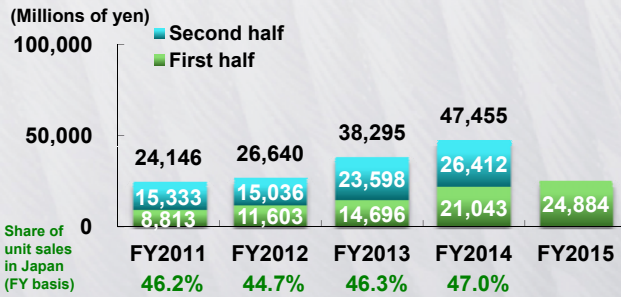


Europe	11,435	9,754	10,893	11,978	12,000	16,292	19,170	25,566	29,630	19,196	12,739	11,643	12,510	16,844	20,211	12,502	12,135
North America	2,671	2,739	2,755	3,402	4,547	9,798	12,324	18,342	20,145	15,301	6,616	13,938	20,406	27,782	36,836	17,463	19,792
Caribbean, Central and South America	948	586	287	457	866	1,721	2,420	2,542	2,722	887	1,691	3,012	2,201	2,449	3,475	1,172	387
Asia	4,225	4,368	5,362	5,185	4,888	4,749	7,861	12,069	10,954	9,680	6,603	9,190	10,982	16,923	16,383	7,868	8,478
Middle East	2,142	3,098	3,602	5,663	7,347	8,507	11,708	13,878	15,836	5,948	6,686	7,432	10,090	18,167	17,052	7,746	8,899
Others	956	1,524	2,066	3,696	4,634	5,790	7,409	9,158	10,063	5,177	3,939	7,654	9,970	13,320	9,576	4,890	3,617
Total	22,379	22,072	24,968	30,384	34,285	46,859	60,894	81,557	89,354	56,191	38,277	52,872	66,160	95,487	103,535	51,643	53,310
Outside Japan Sales Ratio	23.8%	25.0%	30.1%	31.4%	33.7%	38.8%	42.1%	46.8%	54.9%	53.9%	42.6%	46.3%	49.1%	52.5%	50.7%	52.6%	51.2%
Exchange rate (USD)	107.83	121.54	125.35	115.99	108.24	110.21	116.38	117.84	103.46	93.57	87.81	79.84	79.82	97.65	105.85	102.47	120.23
Exchange rate (EUR)	99.63	108.8	118.41	131.03	134.47	136.92	146.14	161.24	152.44	130.2	116.39	111.12	102.63	129.68	140.42	140.43	134.17

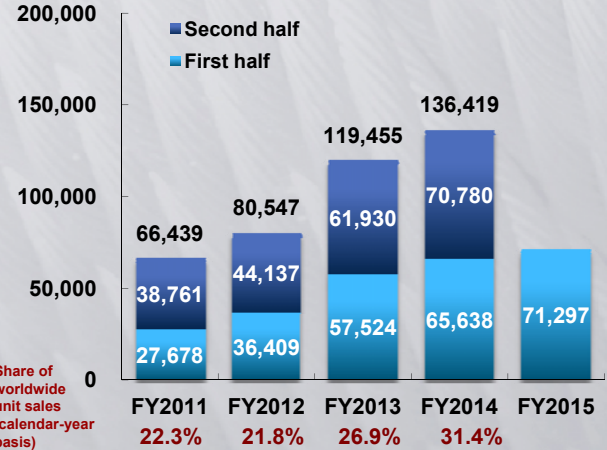
Notes

- Other markets comprise Oceania, Africa, and the CIS.
- The exchange rates indicated above are average rates over each period. (Since the fiscal year of subsidiaries outside Japan ends in December, full-year rates are averages for January–December; interim rates are averages for January–June.)
- Euro figures for FY2001 and earlier have been converted from Deutsche Mark.

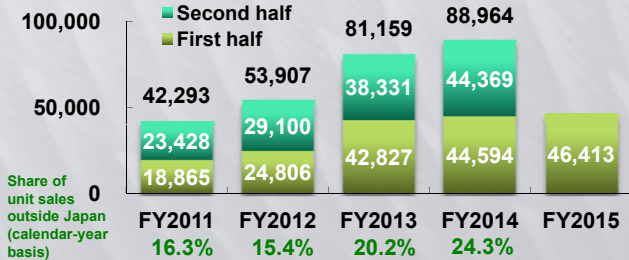
Net sales of Mobile Cranes (Japan)



Net sales of Mobile Cranes

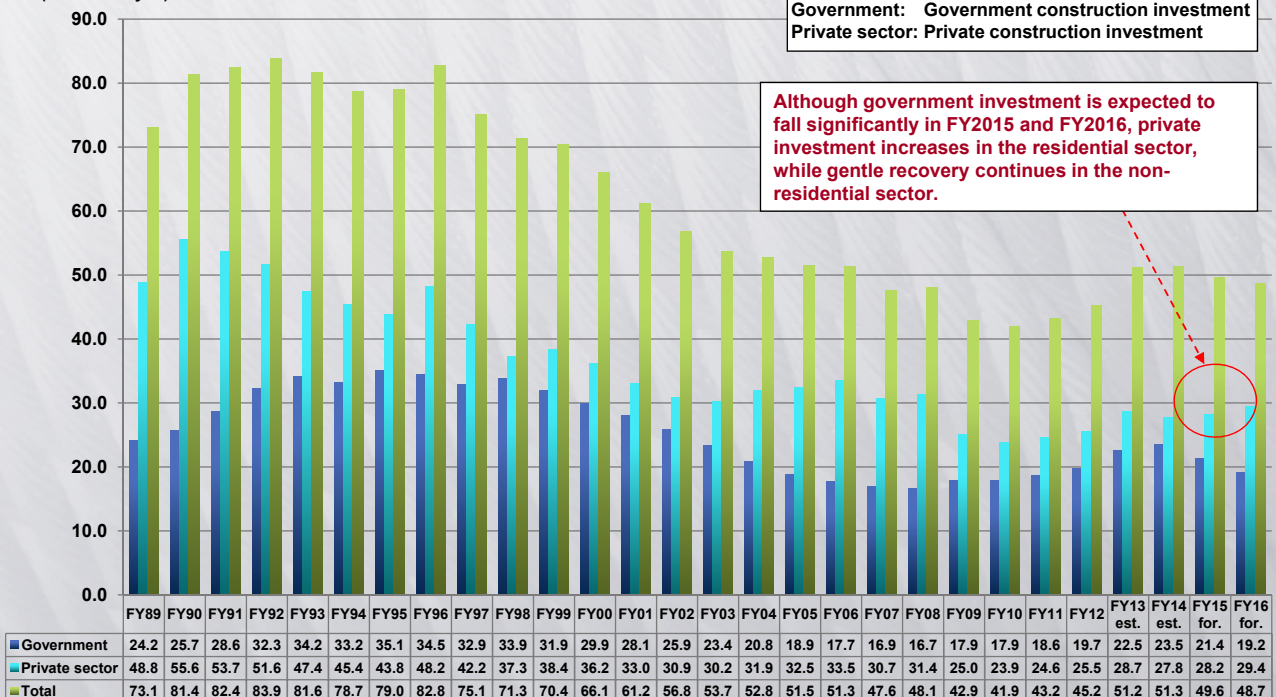


Net sales of Mobile Cranes (Outside Japan)



Trends and Forecast of Construction Investment in Japan

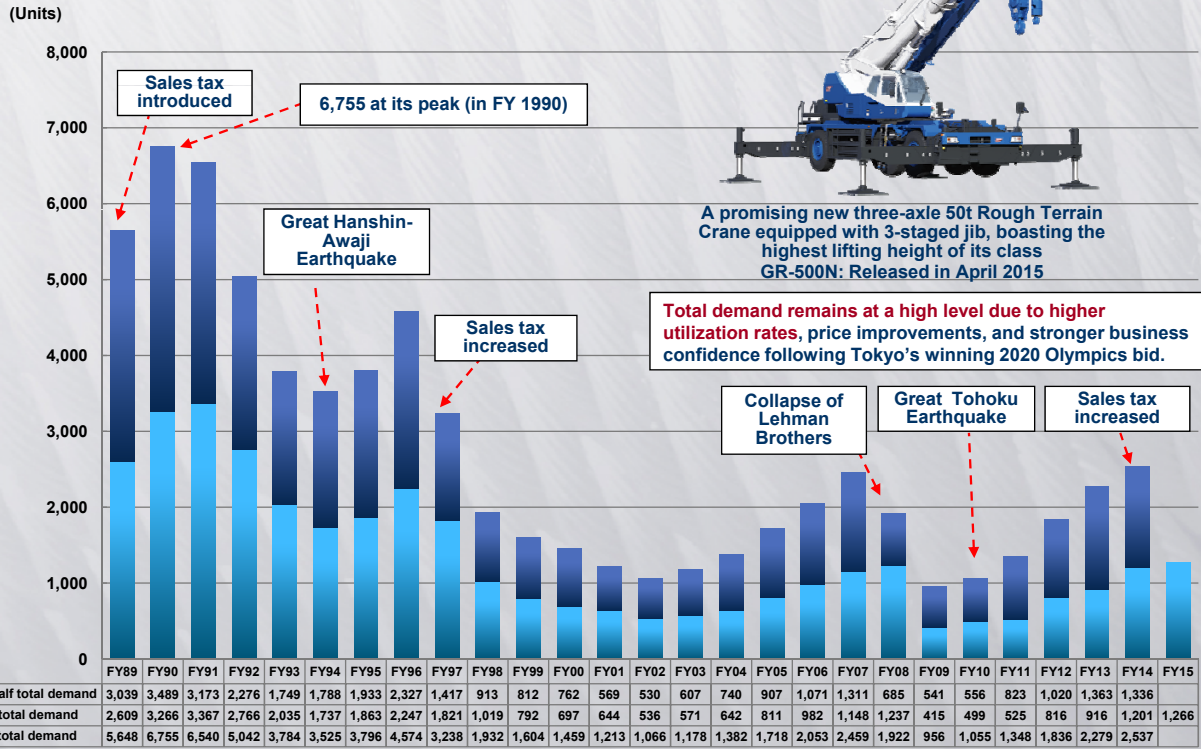
(Trillions of yen)



Notes All figures shown are nominal construction investment figures.

Forecasts are from the Research Institute of Construction and Economy's "Forecast of Construction Investment" (released on October 21, 2015).

Trends in Demand for Mobile Cranes in Japan



A promising new three-axle 50t Rough Terrain Crane equipped with 3-staged jib, boasting the highest lifting height of its class
GR-500N: Released in April 2015

Total demand remains at a high level due to higher utilization rates, price improvements, and stronger business confidence following Tokyo's winning 2020 Olympics bid.

Mobile Cranes



Market share in Japan: 47.4% → 48.1%

Demand for hydraulic Mobile Cranes in Japan was 1,266 units (for interim FY2015, based on TADANO research), up 5.4% from the same period of the previous fiscal year.

→ Sales rose due primarily to a focus on expanding product sales to meet continuing high demand.

Ton-based shares: 49.6% → 51.5%.

Net sales in Japan was ¥24,884 million (118.2% of the figure from the previous fiscal year)

[Rough Terrain Cranes]

- Main models in the Japanese Mobile Cranes business account for 94% of demand in Japan (60% of North American demand)
- Cranes suited to urban use; essential to construction in urban areas
- With compact bodies, these cranes perform well even in narrow areas (both front and rear axles can be steered)
- Able to operate the carrier and the crane from the same driver's seat
- Japanese market: five models with 13 to 70 ton lifting capacity
- Outside Japan markets: seven models with 12 to 145 ton lifting capacity (TADANO produces models for both in and outside Japan, with Machine-Telemonitoring System)
- In Japan, these cranes travel on public roads; In North America, they are transported on trailers



Released on June 2013

[All Terrain Cranes]

- Large cranes for urban development, elevated driveways, and bridge construction in Japan, account for 5% of demand in Japan (91% of European demand)
- Outstanding long-distance mobility in addition to maneuverability (with steering feature)
- Japanese market: six models with 100 to 550 ton lifting capacity (produced by TADANO FAUN GmbH in Germany and TADANO)
- Outside Japan markets: nine models with 40 to 400 ton lifting capacity (produced by TADANO FAUN GmbH in Germany)
- Disassembly required for transport on public roads in Japan; No disassembly required for transport in Europe



Released on April 2014 in Japan

[Truck Cranes]

- Cranes are mounted on trucks to make them easier to transport; primarily for markets outside of Japan, with demand in Japan accounting for a few units
- Outstanding long-distance mobility
- Japanese market: two models with 20 ton lifting capacity (produced by TADANO)
- Outside Japan markets: nine models with 35 to 80 ton lifting capacity (produced by TADANO, TADANO FAUN GmbH in Germany, and BQ-TADANO in China)

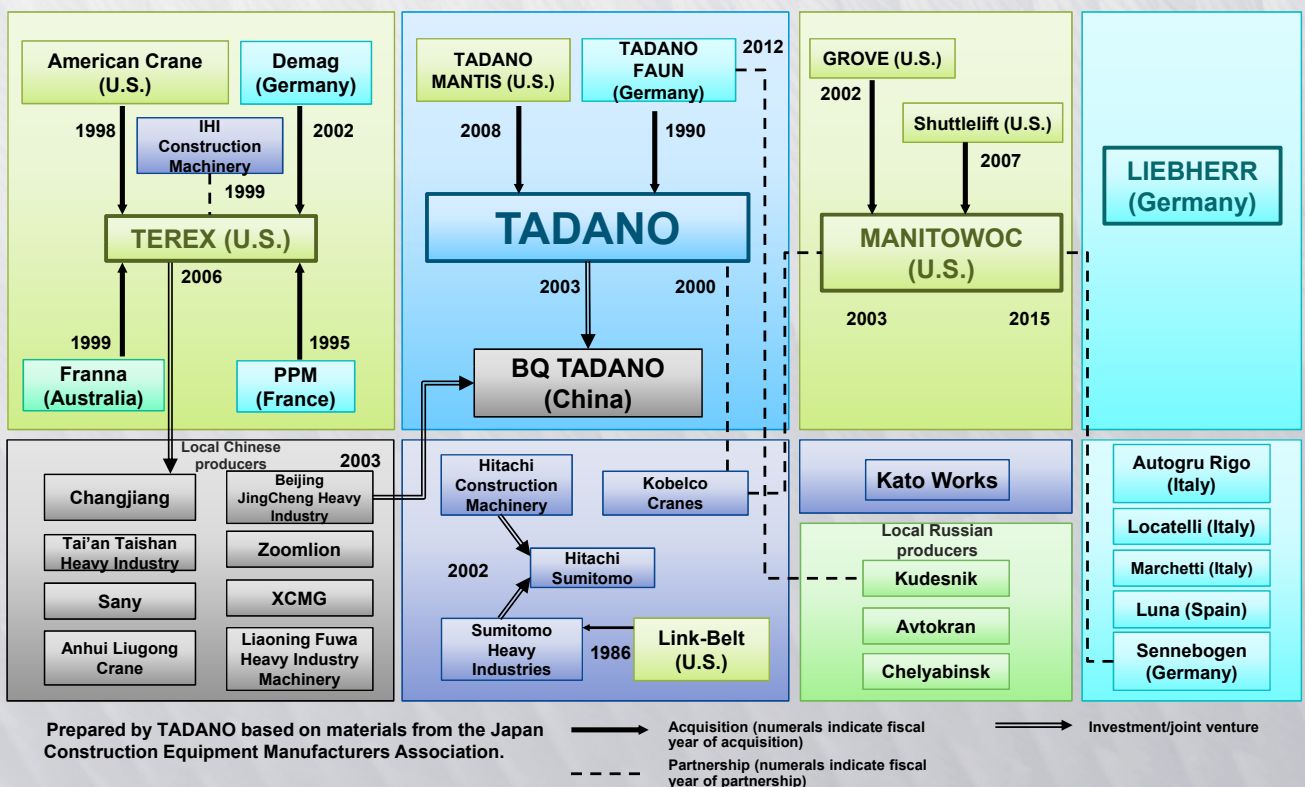
Focusing our efforts to export Truck Cranes with 35 and 55 ton lifting capacity produced by BQ-TADANO outside China.
Expanding both number of models and export volumes.



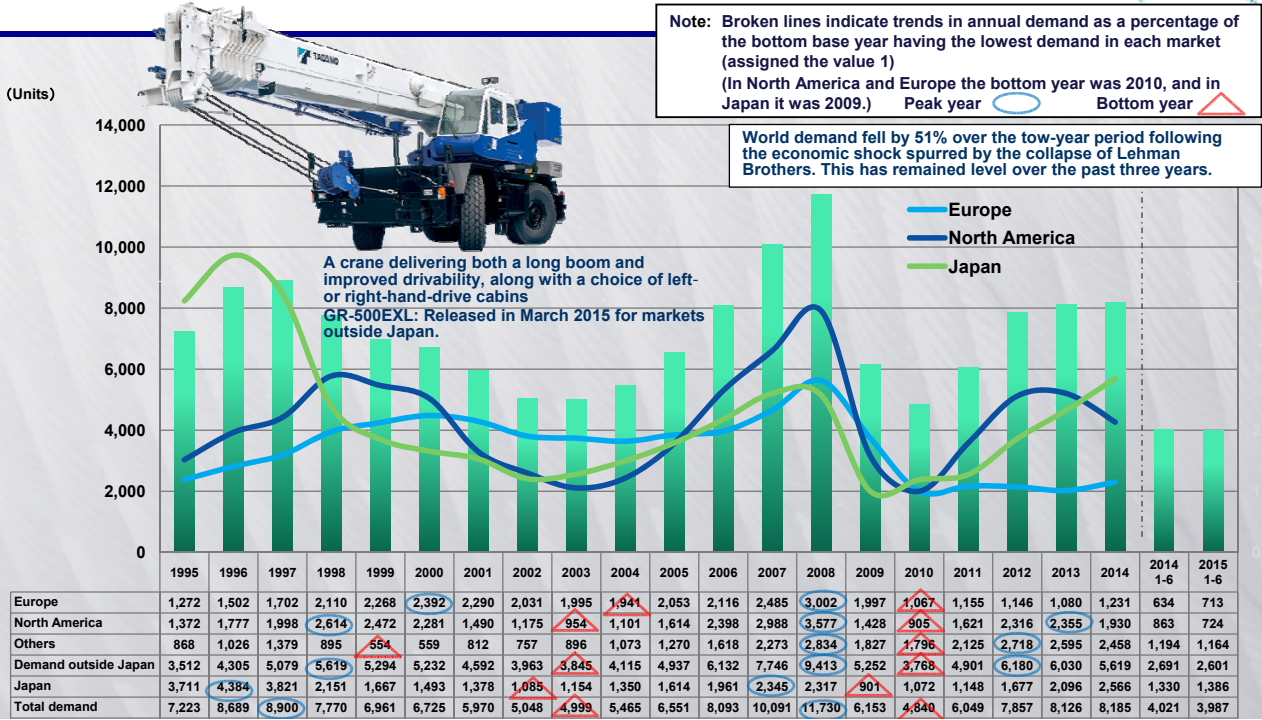
[Points shared with Mobile Cranes]

- **Regulators:** Ministry of Land, Infrastructure, Transport and Tourism (vehicle regulations) and Ministry of Health, Labour and Welfare (crane regulations)
The strengthening of engine emissions and noise regulations and enhanced enforcement of traffic regulations (disassembly for transport of large models such as all-terrain cranes)
- **Buyers in Japan:** Crane rental industry (primary and secondary subcontractors to general contractors, who dispatch cranes to construction sites along with licensed crane operators)
- **Engine emissions regulations on construction under the direct jurisdiction of the Ministry of Land, Infrastructure, Transport and Tourism:** The use of cranes compliant with level 2 standard values is required starting April 2012.
→ The enforcement on regulations has been postponed in light of Great Tohoku Earthquake recovery construction
- **Level 4 emissions regulations for RCs in Japanese market**
Motor output 130 kW or higher: starting September, 2016 Less than 130 kW: starting September, 2017
- **Emissions regulations for RCs in North American markets:** Tier 4: started January 2014 (Next-generation regulations to be determined)
- **Emissions regulations for ACs in European markets:** Euromot IV: started January 2014 (Next-generation regulations to be determined)

Structure of the World Crane Industry (Manufacturers of Hydraulic Cranes and Crawler Cranes)



Trends in Global Demand for Mobile Cranes (Calendar-year Basis)



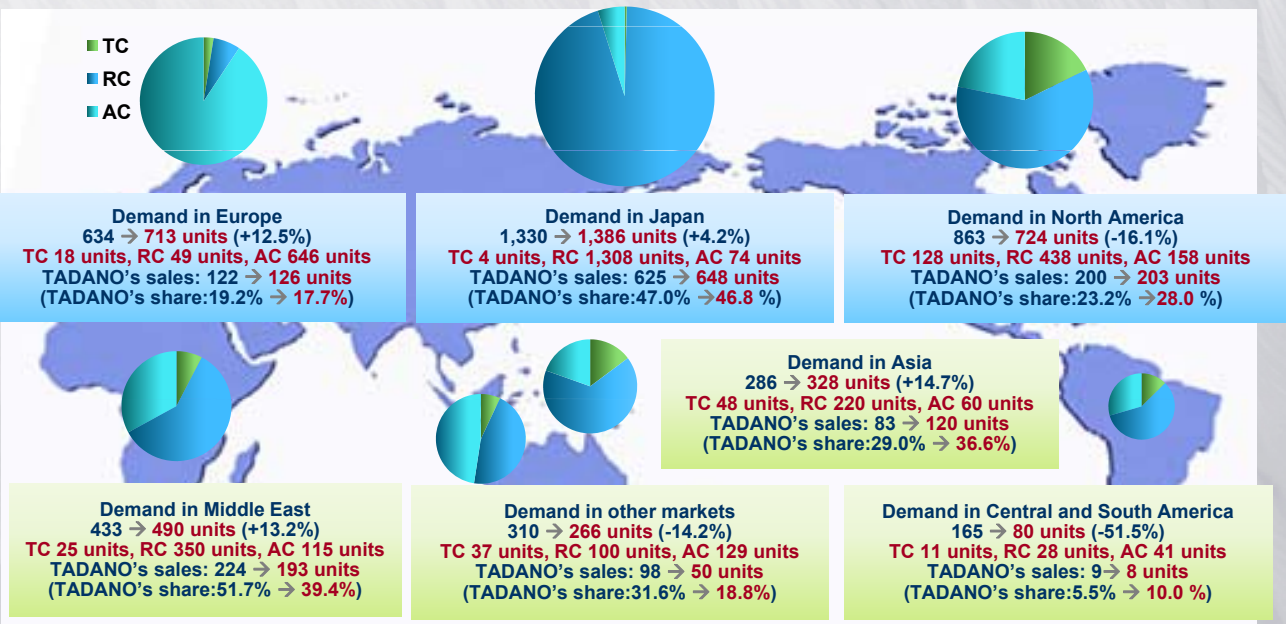
1. Demand outside Japan markets is estimated by TADANO based on SYSTEMATIC, CEMA, FEM, and other statistical data
 2. Mobile Cranes produced in China and Russia are excluded.
- Demand trends in Chinese Market for Mobile Cranes produced in China are as follows:
2009: 27,000 units, 2010: 35,000 units, 2011: 35,000 units, 2012: 22,000 units, 2013: 17,000 units, 2014: 14,000 units



Mobile Cranes Crane-type Composition of Demand by Region (Calendar-year Basis)



TADANO's shares in the global market kept 33.8%.
(Excluding Chinese and Russian production from the global demand.) TADANO's sales grew from 1,361 units to 1,348 units.
Global demand for hydraulic Mobile Cranes fell from 4,021 to 3,987 units (January-June 2015, TADANO research), down 0.8% from the same period of the previous fiscal year.



Notes "TC" refers to Truck Cranes, "RC" to Rough Terrain Cranes, and "AC" to All Terrain Cranes.
The above figures are TADANO estimates. The term "Other markets" refers to Oceania, Africa and CIS. Units and shares indicate changes of the same period in the previous year.



< Our missions for the European business >
Offering full range of All Terrain Cranes, increasing shares in Europe, and sales promotion outside Europe

● **Overview of group companies in Europe**

[TADANO FAUN GmbH]

Acquired in 1990

Paid-in capital: 45 million EUR; wholly-owned subsidiary of TADANO

Location: Bavaria, Germany

Line of business: Development, production, and distribution of Mobile Cranes

Representative: Alexander Knecht, President; number of employees: 639

Sales trend:

2009; 270 million EUR/381 units, 2010; 178 million EUR/213 units, 2011; 199 million EUR/248 units, 2012; 268 million EUR/294 units, 2013; 313 million EUR/329 units, 2014; 308 million EUR/347 units

[TADANO FAUN Stahlbau GmbH]

Paid-in capital: 650,000 EUR (ownership: TFG 80%; Amron 10%; Kozai Iron 10%)

Established: September 2008

Location: Inside TFG plant, Bavaria, Germany

Line of business: Parts production (jibs and others) for TFG Mobile Cranes

Representative: Rolf Sonntag, President; number of employees: 11

[TADANO UK Ltd.]

Acquired in April, 2014

Paid-in capital: 2,000 GBP, wholly-owned subsidiary of TFG

Location: South Yorkshire, United Kingdom

Line of business: Distribution and service of Mobile Cranes

Representative: Thomas Schramm, President; number of employees: 17

● **Accelerating the line-up expansion, to offer full range of All Terrain Cranes:**

Nine models with 40 to 400 ton lifting capacity are available.

In June 2015, TFG exhibited an eight-axle crane in the largest class (600 t). Plans call for this crane to be exhibited at Bauma in April 2016, with formal product release some time thereafter.



< Our missions for the American businesses >
Increasing shares in North America, and efforts for Caribbean, Central and South America

● **Overview of group companies in the Americas**

[TADANO America Corp.]

Paid-in capital: 2.5 million USD; wholly-owned subsidiary of TAH*; location: Texas, U.S.A.

Line of business: Distribution of Mobile Cranes

Representative: Yo Kakinuma, President; number of employees: 76

Sales trend: 2009: 105 million USD; 2010: 78 million USD; 2011: 183 million USD; 2012: 249 million USD; 2013: 262 million USD; 2014: 305 million USD;

[TADANO MANTIS Corp.]

Acquired in 2008

Paid-in capital: 287,000 USD; wholly-owned subsidiary of TAH*

Location: Tennessee, U.S.A.

Lines of business: Manufacture and distribution of Telescopic Boom Crawler Cranes

Representative: Shiro Morita, President; number of employees: 145

Major products: Telescopic Boom Crawler Cranes (products combining carriers with track belt suspensions and cranes with hydraulic telescoping booms); mainly used in civil engineering and construction work, these cranes are ideally suited to work performed on unlevelled ground, muddy ground, and inside tunnels.

Sales trend: 2009: 33 million USD; 2010: 16 million USD; 2011: 34 million USD; 2012: 39 million USD; 2013: 36 million USD; 2014: 30 million USD

[TADANO Panama S.A.]

Paid-in capital: USD10,000; wholly-owned subsidiary of TADANO

Location: Panama City, Panama, Line of business: Distribution and service for Mobile Cranes and other products

Representative: Kenji Munezawa, President; number of employees: 4

[TADANO Brasil Equipamentos de Elevacao Ltda.]

Paid-in capital: 30 million BRL; wholly-owned subsidiary of TADANO

Location: Sao Paulo, Brazil

Lines of business: Production, distribution, and service for Mobile Cranes and other products.

Representative: Keisuke Nagai, President; number of employees: 15

* TAH stands for TADANO America Holdings, Inc.



(Introduced March 2015
First TMC model to use a round boom, developed jointly with TADANO)
 • Awarded 2014 LE Award by Lift and Access, a U.S. periodical

< Our missions for the Chinese businesses >

Realizing cost reduction and quality improvement, sales promotion inside China, and increasing exports from China

● Overview of group companies in China

[BQ TADANO (Beijing) Crane Co., Ltd.]

Paid-in capital: 30 million USD; shares divided 50/50 between TADANO and Beijing Jing Cheng Heavy Industry Co., Ltd. (established on March 2003)

Location: Linhe Industrial Development Zone, Syunyi District, Beijing (about 25 km northwest of central Beijing); Plant size 36,000 square meters; Plant site 120,000 square meters

Lines of business: Production and distribution of Truck Cranes, with eight models of TCs with lifting capacities of 8-100 tons
President: Hidemi Uchida (from TADANO); number of employees: 264

[JTL-TADANO (Hebei) Ironparts Co., Ltd.]

Paid-in capital: 5.5 million USD (ownership: TADANO 56%, Amron 5%, Kawanishi 5%, and Hebei JTL 34% [established on January 2010])

Location: Development District, Zhuozhou City, Hebei Province (about 60 km southwest of central Beijing); Plant size 10,000 square meters; plant site 33,000 square meters

Lines of business: Production and distribution of metal parts for use in Mobile Cranes (e.g., booms, jibs, outriggers)
President: Teruyuki Murakami (from TADANO); number of employees: 59

[TADANO (Beijing) Ltd.]

Paid-in capital: 5 million USD (wholly-owned subsidiary of TADANO [established on March 2012])

Location: Chaoyang District, Beijing

Lines of business: Distribution and service for Mobile Cranes

President: Hulin Jin (from TADANO); number of employees: 8

[JC-TADANO (Beijing) Hydraulic Co., Ltd.] **Liquidation resolved on September, 2015**

Paid-in capital: 4 million USD (ownership: TADANO 65%, Mimura Ironworks 5%, Murakami Manufacturing 5%, and Beijing JingCheng Heavy Industry 25% [established on September 2007])

Location: Tongzhou District, Beijing (about 20 km east of central Beijing); Plant size 8,000 square meters; Plant site 13,000 square meters

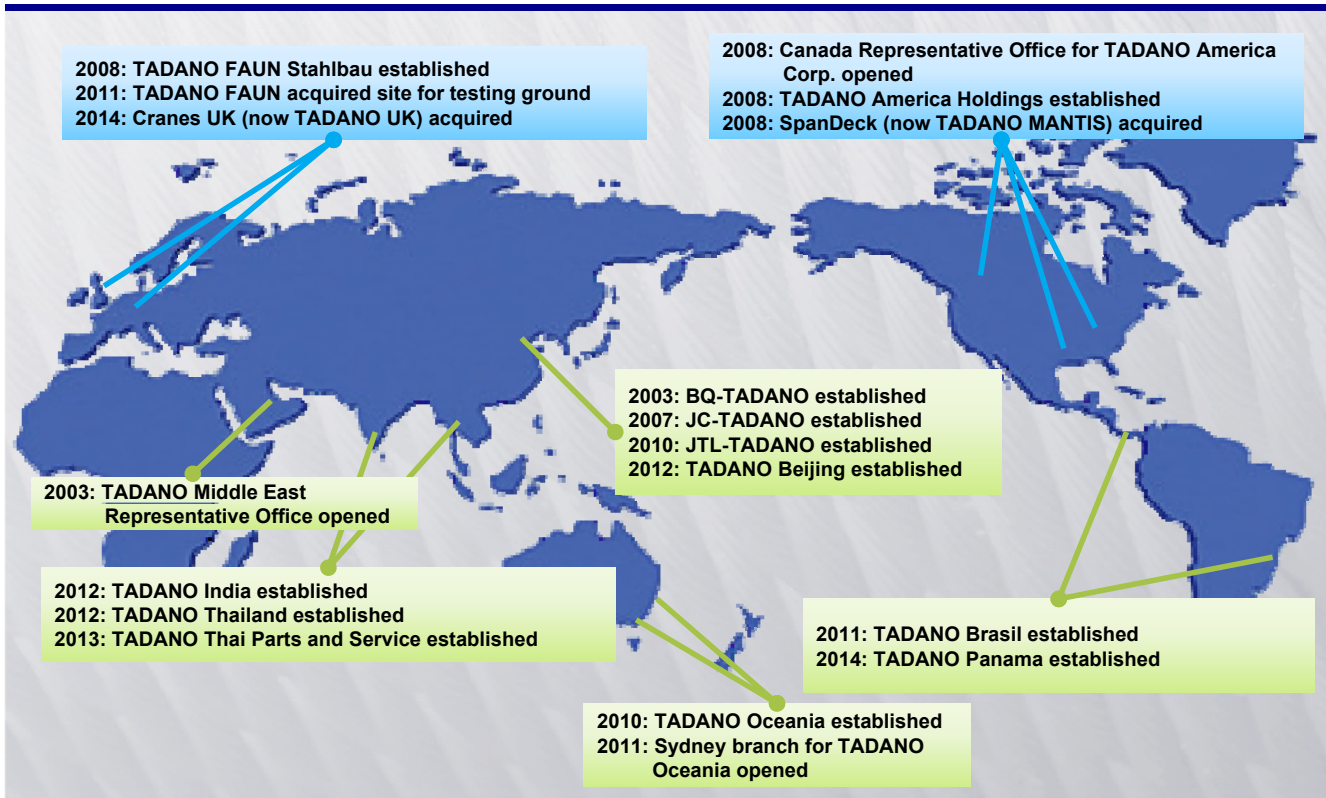
Lines of business: Production and distribution of hydraulic parts for use in Mobile Cranes (e.g., valves, rotary joints, small cylinders, pipes)

President: Teruyuki Murakami (from TADANO); number of employees: 16 (as of September 30: 8)



Business Expansion Outside Japan Since 2003

- 14 Companies Established or Acquired; 4 New Facilities Opened -



Truck Loader Cranes



[Loader Cranes] Market share in Japan: 48.8% → 48.1%

Demand in Japan was 8,460 units (for interim FY2015, based on TADANO research), down 3.4% from the same period of the previous fiscal year.

→ Net sales fell to ¥9,957 million (97.0% of the same period of the previous fiscal year) despite a focus on expanding sales, as demand fell slightly.

- Mounted trucks, these small cranes allow operators to load, transport, and install cargo with a single unit.
- They are sold indirectly by truck dealers for use in logistics, gardening, and construction industries.
- Numerous models are available for mounting on compact, mid-sized, and large trucks, with lifting capacities ranging from 0.49 to 4.9 tons.

-Regulator-

- Primarily the Ministry of Health, Labour and Welfare (crane regulations)

-Major buyers and distinctive features-

- Truck dealers
- Sales tend to parallel truck demand.



(The first of its kind to have an optional No Idle feature.)

[Business outside of Japan]

- TADANO has focused its efforts on exports of Loader Cranes to strategic markets, exporting crane components for mounting on local trucks.
Sales in interim FY2014: ¥590 million; in interim FY2015: ¥670 million
- Accelerating expansion outside Japan, including the opening of a manufacturing subsidiary in Thailand on April 2012.



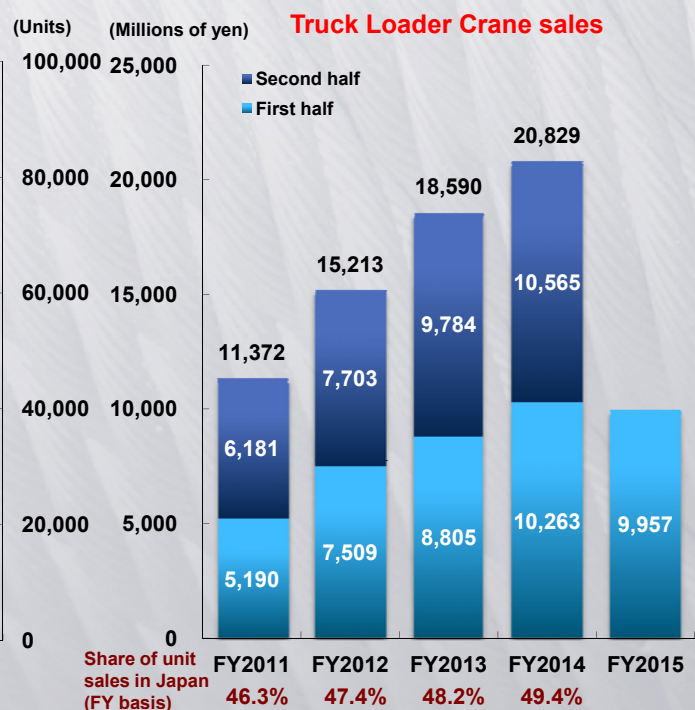
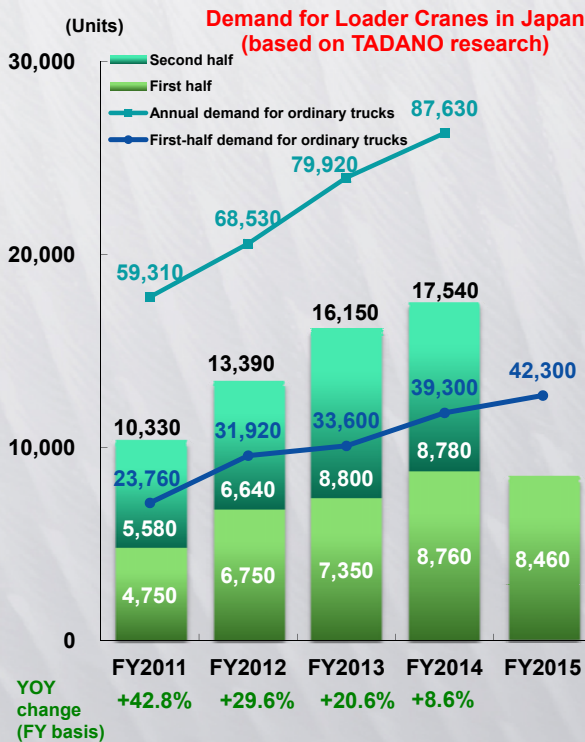
(ZR560 Loader Crane for export)



(Slide bed Vehicle Carrier [transport vehicle])



Truck Loader Cranes



[TADANO (Thailand) Co., Ltd.]

Paid in capital : 310 million THB; wholly-owned subsidiary of TADANO

Establishment : April 2012 (Operation launch: June 2013)

Location: Hemaraj Eastern Seaboard Industrial Estate, Rayong Province, Thailand

Line of business : Production and distribution of Loader Cranes

Productive capacity: 1,000 units/ year (Sales: 38 units in 2013, 258 units in 2014)

Representative: Kozo Yoshida, President; number of employees: 45

- TADANO has established the first outside Japan production base for products other than Mobile Cranes. While accelerating the expansion of our business outside Japan, we aim to increase profitability by establishing the manufacturing subsidiary.



(Loader Crane ZT500 manufactured in the plant in Thailand)



Inside of the plant



TADANO (Thailand)



Market share in Japan: 41.8% → 40.3%

Japanese demand for Aerial Work Platforms mounted on trucks was 1,908 units (for Interim FY2015; TADANO research), up 9.7% from the same period of the previous fiscal year.

⇒ While demand for Aerial Work Platforms increased, a focus on sales expansion in the rental industry resulted in net sales of ¥8,796 million, up 14.1% from the same period of previous fiscal year.

Mounted on trucks:

- Five models for telecommunications use
- Three models for electric construction use
- 13 models for general construction use

Wheeled: Two models

Super Deck: Five models
(Equipped with advanced control technologies)

Bridge Checker: Three models
(Used in inspections of elevated roadways and bridges)



Bridge Checker BT-200

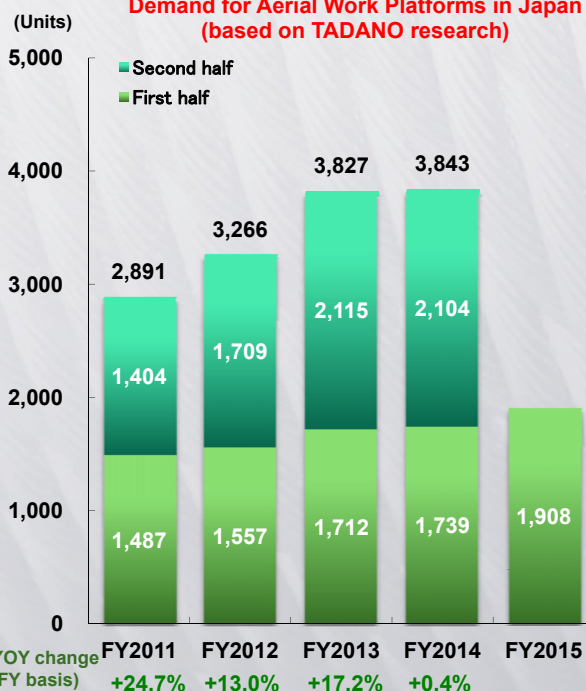
-Regulator-

- Primarily the Ministry of Health, Labour and Welfare (Aerial Work Platform regulations)

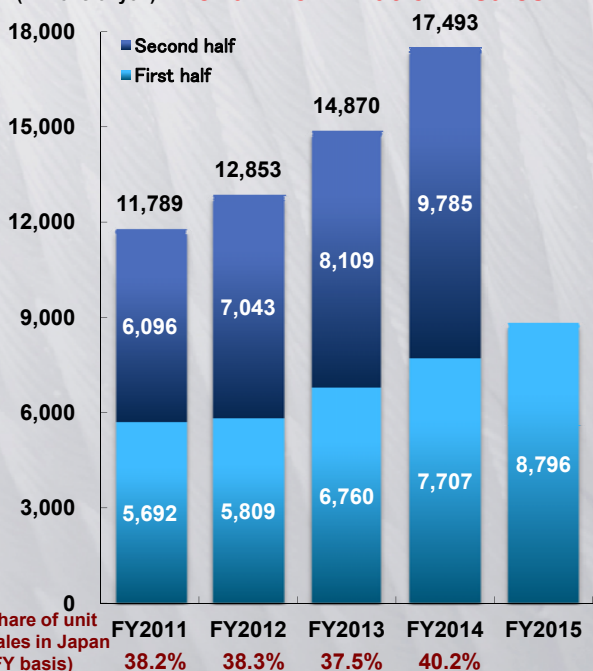
-Major buyers and distinctive features-

- Power-related electrical construction, telecommunications, rental, general use, shipbuilding, Ministry of Land, Infrastructure, Transport and Tourism
- TADANO is focusing on sales of high-value-added Super Decks and Bridge Checkers

Demand for Aerial Work Platforms in Japan (based on TADANO research)



Aerial Work Platform sales (Millions of yen)



➔ Net sales from other businesses, such as parts, repairs, used cranes and other products, were ¥14,138 million (97.4% of the same period of the previous fiscal year).

[Used cranes]

- Supply is in short for the Japanese market, due to busy operation for Great Tohoku Earthquake recovery efforts and disaster prevention measures
- In this fiscal year, Japanese sales went flat, while outside Japan sales decreased
- The globalization of this business will be a future focus

[Parts and repairs]

- TADANO books sales for repair parts (In general, repairs are done by designated service facilities and distributors outside of Japan. These parties book the repair sales.)
- Both sales in and outside Japan went flat during this fiscal year

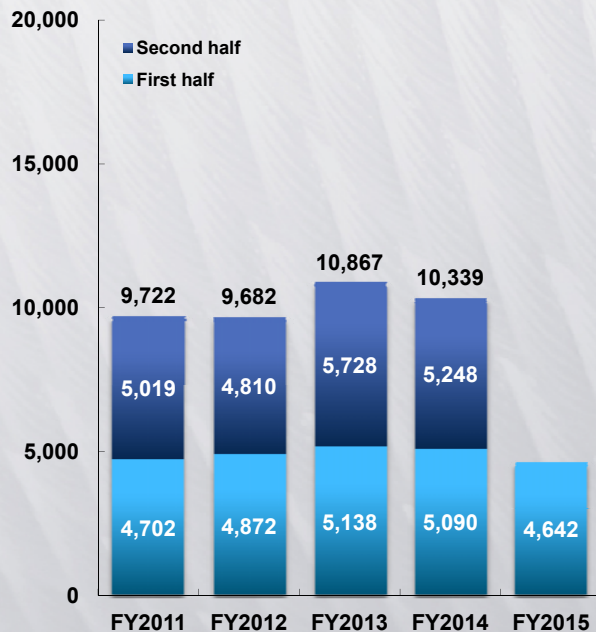


Example of boom removal from All Terrain Crane, ATF400G CL-500 (Released on August 2013)

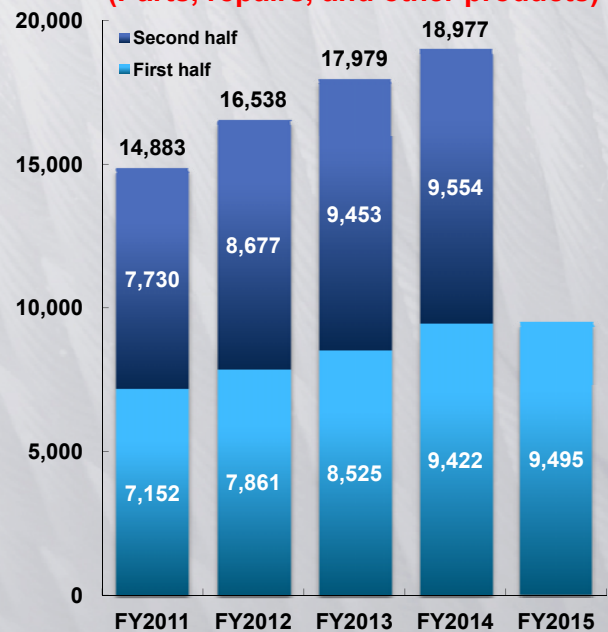
[All Terrain Crane mounting/removal lifters]

- These lifters are used to install and remove All Terrain Crane booms in Japan, where the law requires disassembly for transportation on public roads

(Millions of yen) **Net sales of other businesses (Used cranes and others)**



(Millions of yen) **Net sales of other businesses (Parts, repairs, and other products)**



FY 2015 Business Performance Forecasts



(Unit: millions of yen)

	FY2014		FY2015 forecast		Percent change
	Amount	Percentage	Amount	Percentage	
Net sales	204,059	100.0%	206,000	100.0%	1.0%
Operating income	29,462	14.4%	30,000	14.6%	1.8%
Ordinary income	30,357	14.9%	29,800	14.5%	-1.8%
Net income	19,483	9.5%	20,000	9.7%	2.6%

[FY2015 management policies]

- (i) Pursuing the TADANO Group's Core Values (Safety, Quality, Efficiency)
- (ii) Second-year deployment of the Mid-Term Management Plan (14-16)
- (iii) Preparation for a potential market reversal

[Seven Strategies of the Mid-Term Management Plan (14 - 16)]

- (i) Enhance volume & quality in Core Market, Expand volume in Strategic Market
- (ii) Provide No.1 products and expand our sales lineup
- (iii) Pursue global & flexible MONOZUKURI
- (iv) Provide Outstanding Quality & Service
- (v) Improve life-cycle value of our products
- (vi) Raise profitability level
- (vii) Strengthen the TADANO group & global management structure

The above forecasts remain unchanged from the forecasts announced April 28.

Dividends per share	Interim: ¥11.00	Interim: ¥13.00
	Year-end: ¥12.00	Year-end: ¥13.00
	Full-year: ¥23.00	Full-year: ¥26.00

Projected dividends for FY2015 were revised October 30.

Capital investment	¥3,905 million	¥5,000 million
Depreciation	¥2,589 million	¥2,800 million
Exchange rate (USD)	¥105.85	¥120.00 (2nd half)
Exchange rate (EUR)	¥140.42	¥133.00 (2nd half)

Figures for capital investment include leased assets

Foreign exchange rates for the second half of the fiscal year were revised October 30.

Both net sales and operating income are projected to set new highs for two consecutive years.

◆ FY 2015 proportion of sales outside Japan: 50.6%



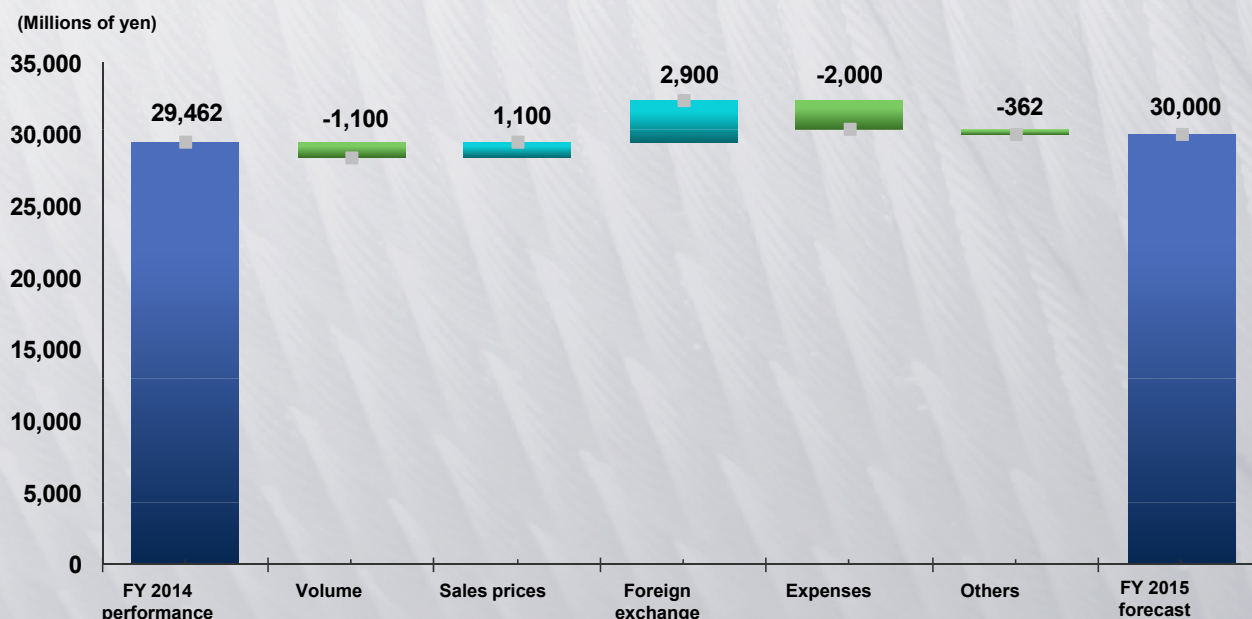
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FY 2015 Business Performance Forecasts

(Main Causes of Changes in Operating Income)



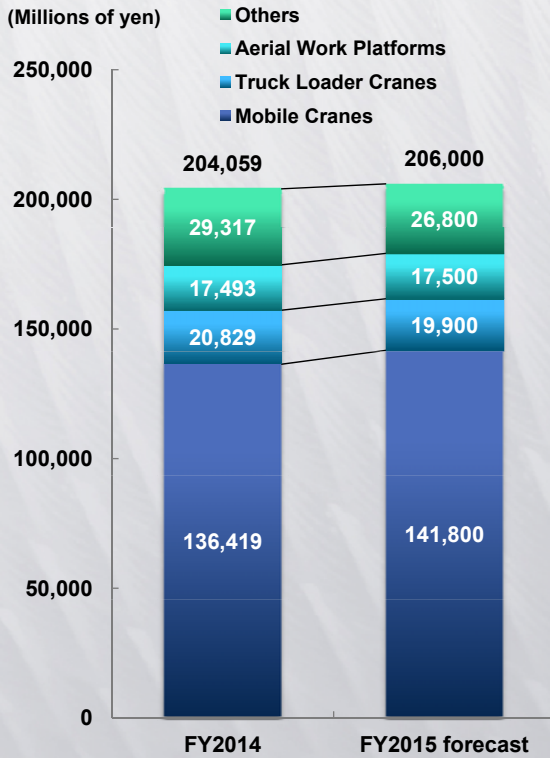
Operating income is projected to increase by ¥0.6 billion due to price improvements and foreign exchange effects.



29

FY 2015 Business Performance Forecasts

(Net Sales by Product)



(Unit: millions of yen)

	FY2014		FY2015 forecast		Change	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Mobile Cranes	136,419	66.8%	141,800	68.8%	5,380	3.9%
Truck Loader Cranes	20,829	10.2%	19,900	9.7%	-929	-4.5%
Aerial Work Platforms	17,493	8.6%	17,500	8.5%	6	0.0%
Others	29,317	14.4%	26,800	13.0%	-2,517	-8.6%
Total	204,059	100%	206,000	100%	1,940	1.0%

◆ Outside Japan sales ratio: 50.7% → 50.6%

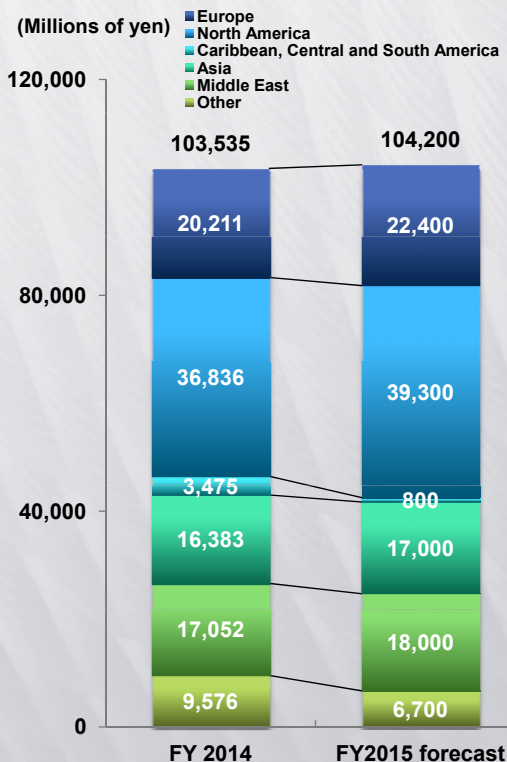
Mobile Crane sales in and outside Japan

Japan	47,455	50,800	3,344	7.0%
Outside Japan	88,964	91,000	2,035	2.3%

The above forecasts are unchanged from those announced April 28. However, the composition of sales by product has been revised to reflect the latest sales conditions.

FY 2015 Business Performance Forecasts

(Net Sales by Destination)



(Unit: millions of yen)

	FY2014		FY2015 forecast		Change	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Europe	20,211	9.9%	22,400	10.9%	2,188	10.8%
North America	36,836	18.1%	39,300	19.1%	2,463	6.7%
Caribbean, Central and South America	3,475	1.7%	800	0.4%	-2,675	-77.0%
Asia	16,383	8.0%	17,000	8.3%	616	3.8%
Middle East	17,052	8.4%	18,000	8.7%	947	5.6%
Other	9,576	4.6%	6,700	3.3%	-2,876	-30.0%
Subtotal (total outside Japan sales)	103,535	50.7%	104,200	50.6%	664	0.6%
Japan	100,523	49.3%	101,800	49.4%	1,276	1.3%
Total	204,059	100%	206,000	100%	1,940	1.0%

The above forecasts are unchanged from those announced April 28. However, the composition of sales by destination has been revised to reflect the latest sales conditions.

The graph on the left excludes Japan. Other markets comprise Oceania, Africa, and the CIS.

◆ Written request submitted concerning plot in Kagawa Prefecture land reclamation project (September 14, 2015)

Based on our conviction that a new plant in addition to the Shido Plant to manufacture Mobile Cranes will be an essential component to reaching our long-term goal—to become No. 1 Worldwide in the LE industry—we have chosen a candidate site on industrial land in Kagawa Prefecture’s land reclamation project, which is currently in progress in the western Kozai district of the Port of Takamatsu.

We have submitted a written request concerning the following two issues, which are essential to our participation in the bidding process for this site:

- (i) Expanding the area of the industrial site from 13.8 to 20 hectares
- (ii) Moving the project schedule forward to enable delivery in the middle of FY 2016

Plans for the new plant

Purpose:	Production of Mobile Cranes
Site area:	Approx. 20 ha
Total floor area of plant buildings:	Phase I*: approx. 30,000 m ² (Expansion planned over several years)
Investment (in plant buildings):	Phase I: approx. ¥10 billion (Final investment after expansion: approx. ¥20 billion)
Employees:	Phase I: approx. 200-300

* Phase I construction: roughly autumn 2016– autumn 2018



October 2014 photo (courtesy Kagawa Prefecture)
 ※ The site is located 10 minutes west by car from central Takamatsu.