

# Explanatory Materials for FY2016 First Quarter Consolidated Financial Results



Lifting your dreams

\* 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 2016**  
**TADANO Ltd.**

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# Income Statement (vs. Previous Year)



(Unit: millions of yen)

	1Q FY2015		1Q FY2016		Change
	Amount	Percentage	Amount	Percentage	
Net sales	45,176	100.0%	41,987	100.0%	-3,189
Cost of sales	30,977	68.6%	28,786	68.6%	-2,190
Gross profit on installment sales	-36	-0.1%	35	0.1%	72
Gross profit	14,163	31.4%	13,236	31.5%	-927
Selling, general, and administrative expenses	7,339	16.2%	7,448	17.7%	108
Operating income	6,823	15.1%	5,788	13.8%	-1,035
Non-operating income and loss	16	0.0%	-117	-0.3%	-134
Ordinary income	6,840	15.1%	5,670	13.5%	-1,169
Extraordinary income and loss	-24	-0.1%	-55	-0.1%	-31
Income before income taxes	6,816	15.1%	5,615	13.4%	-1,201
Corporate taxes	2,052	4.5%	1,594	3.8%	-458
Net income attributable to noncontrolling interests	21	0.0%	19	0.0%	-2
Net income attributable to Tadano Ltd.	4,741	10.5%	4,001	9.5%	-740

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

### Sales and profits decreased

#### Net sales:

- Consolidated net sales decreased by 7.1% compared with the previous 1Q.
- Outside Japan sales ratio was 52.8%.

#### COGS ratio:

- Despite the decrease in sales, the COGS ratio was 68.6%. The ratio kept the same level as last year due to the efforts for maintaining appropriate sales prices, cost savings and expanding sales of larger models.

#### Selling, general, and administrative expenses:

- SGA increased by ¥0.1 billion compared with the previous 1Q.

#### Profits:

- Operating income decreased by ¥1.0 billion compared with the previous 1Q.
- Ordinary income decreased by ¥1.1 billion compared with the previous 1Q.
- Net income attributable to Tadano Ltd. decreased by ¥0.7 billion compared with the previous 1Q.

#### Factors of operating income change:

- - ¥1.2 billion due to an influence of sales volume
- - ¥0.1 billion due to foreign exchange effects
- + ¥0.3 billion by other influences

# Balance Sheet (vs. End of Previous Fiscal Year)



(Unit: millions of yen)

	FY2015 year-end		1Q FY2016		Change
	Amount	Percentage	Amount	Percentage	
Cash deposit	73,618	31.3%	69,280	29.8%	-4,337
Accounts receivable	51,143	21.7%	45,506	19.6%	-5,636
Inventories	53,021	22.5%	62,130	26.7%	9,108
Other current assets	7,699	3.3%	6,408	2.8%	-1,291
Total current assets	185,483	78.8%	183,326	78.9%	-2,157
Tangible fixed assets	38,982	16.6%	38,654	16.6%	-327
Intangible fixed assets	1,187	0.5%	1,086	0.5%	-101
Investment and other assets	9,747	4.1%	9,315	4.0%	-432
Total fixed assets	49,917	21.2%	49,056	21.1%	-860
Total assets	235,400	100.0%	232,382	100.0%	-3,018
Accounts payable	35,845	15.2%	37,768	16.3%	1,923
Interest-bearing debt	36,869	15.7%	37,306	16.1%	436
Other liabilities	27,889	11.8%	22,001	9.5%	-5,887
Total liabilities	100,603	42.7%	97,076	41.8%	-3,527
Total equity	134,796	57.3%	135,306	58.2%	509
Total liabilities and equity	235,400	100.0%	232,382	100.0%	-3,018

## [Key changes]

### Accounts receivable decreased:

¥ 51.1billion → ¥ 45.5 billion

- The receivable turnover period increased (1Q FY2015: 90.3 days, FY2015: 89.1 days → 1Q FY2016: 98.6 days)

### Inventories increased:

¥ 53.0 billion → ¥ 62.1 billion

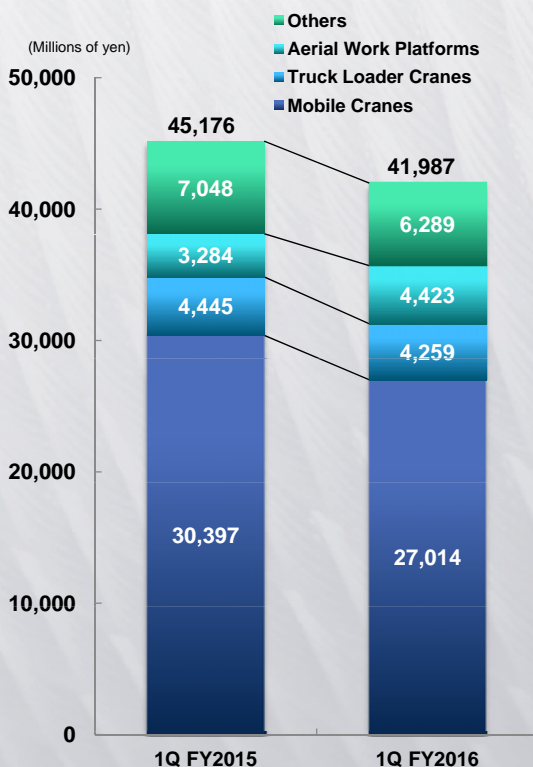
- (The ¥62.1 billion includes ¥17.2 billion in TADANO FAUN GmbH)
- The inventory turnover period increased. (1Q FY2015: 114.4 days, FY2015: 92.4 days → 1Q FY2016: 134.7 days)

### Interest-bearing debt increased:

¥ 36.8 billion → ¥ 37.3 billion

- Short-term: increased by ¥0.4 billion; Long-term: increased by ¥0.0 billion

# Net Sales by Product



(Unit: millions of yen)

	1Q FY2015		1Q FY2016		Change	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Mobile Cranes	30,397	67.3%	27,014	64.4%	-3,382	-11.1%
Truck Loader Cranes	4,445	9.8%	4,259	10.1%	-186	-4.2%
Aerial Work Platforms	3,284	7.3%	4,423	10.5%	1,138	34.7%
Others	7,048	15.6%	6,289	15.0%	-758	-10.8%
<b>Total</b>	<b>45,176</b>	<b>100%</b>	<b>41,987</b>	<b>100%</b>	<b>-3,189</b>	<b>-7.1%</b>

Breakdown of Mobile Crane sales in and outside Japan

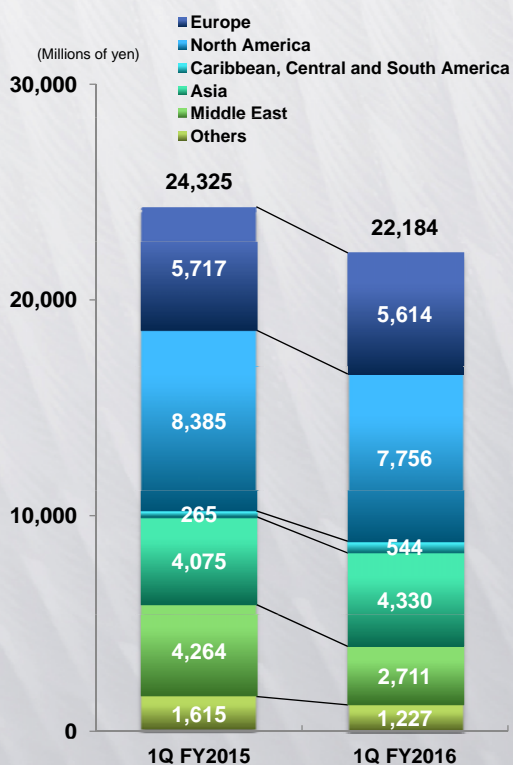
Japan	9,540	7,622	-1,918	-20.1%
Outside Japan	20,856	19,392	-1,464	-7.0%

Exchange rate (January-March average rate)

USD	119.09	115.48
EUR	134.18	127.23

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

# Net Sales by Destination



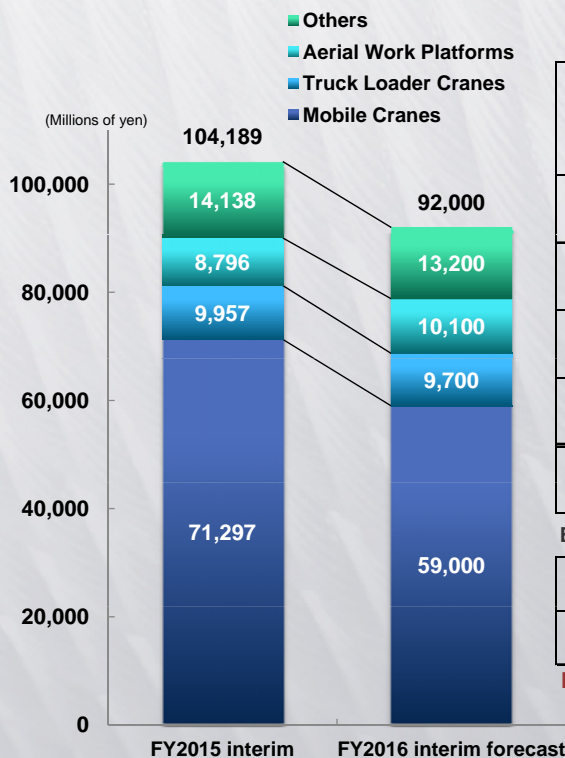
(Unit: millions of yen)

	1Q FY2015		1Q FY2016		Change	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Europe	5,717	12.6%	5,614	13.4%	-102	-1.8%
North America	8,385	18.6%	7,756	18.5%	-629	-7.5%
Caribbean, Central and South America	265	0.6%	544	1.3%	279	105.1%
Asia	4,075	9.0%	4,330	10.3%	254	6.2%
Middle East	4,264	9.4%	2,711	6.4%	-1,553	-36.4%
Others	1,615	3.6%	1,227	2.9%	-388	-24.0%
<b>Subtotal (total outside Japan sales)</b>	<b>24,325</b>	<b>53.8%</b>	<b>22,184</b>	<b>52.8%</b>	<b>-2,140</b>	<b>-8.8%</b>
Japan	20,851	46.2%	19,802	47.2%	-1,048	-5.0%
<b>Total</b>	<b>45,176</b>	<b>100%</b>	<b>41,987</b>	<b>100%</b>	<b>-3,189</b>	<b>-7.1%</b>

The graph on the left excludes Japan.

Others comprise Oceania, Africa and the CIS.

# FY2016 Interim Forecast (Net Sales by Product)



(Unit: millions of yen)

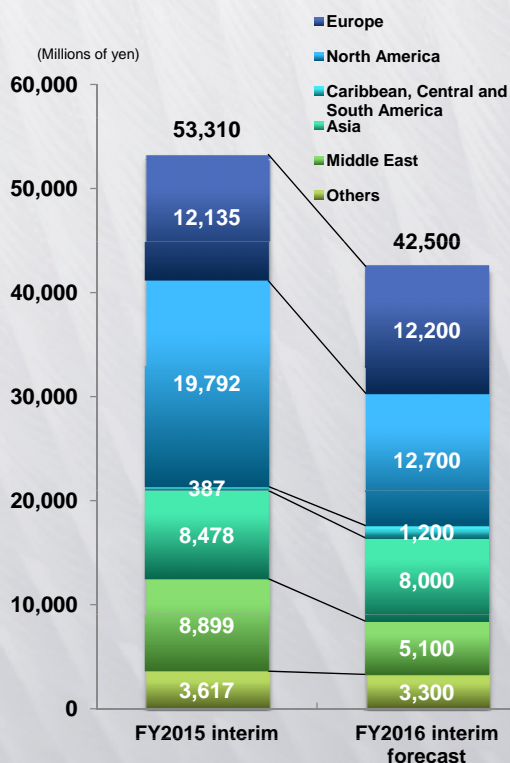
	FY2015 interim		FY2016 interim forecast		Change	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Mobile Cranes	71,297	68.4%	59,000	64.1%	-12,297	-17.2%
Truck Loader Cranes	9,957	9.6%	9,700	10.5%	-257	-2.6%
Aerial Work Platforms	8,796	8.4%	10,100	11.0%	1,303	14.8%
Others	14,138	13.6%	13,200	14.4%	-938	-6.6%
<b>Total</b>	<b>104,189</b>	<b>100%</b>	<b>92,000</b>	<b>100%</b>	<b>-12,189</b>	<b>-11.7%</b>

### Breakdown of Mobile Crane sales in and outside Japan

Japan	24,884	22,800	-2,084	-8.4%
Outside Japan	46,413	36,200	-10,213	-22.0%

No changes from the forecast released on April 28, 2016.

# FY2016 Interim Forecast (Net Sales by Destination)



(Unit: millions of yen)

	FY2015 interim		FY2016 interim forecast		Change	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Europe	12,135	11.7%	12,200	13.3%	64	0.5%
North America	19,792	19.0%	12,700	13.8%	-7,092	-35.8%
Caribbean, Central and South America	387	0.4%	1,200	1.3%	812	209.7%
Asia	8,478	8.1%	8,000	8.7%	-478	-5.6%
Middle East	8,899	8.5%	5,100	5.5%	-3,799	-42.7%
Others	3,617	3.5%	3,300	3.6%	-317	-8.8%
<b>Subtotal (total outside Japan sales)</b>	<b>53,310</b>	<b>51.2%</b>	<b>42,500</b>	<b>46.2%</b>	<b>-10,810</b>	<b>-20.3%</b>
Japan	50,878	48.8%	49,500	53.8%	-1,378	-2.7%
<b>Total</b>	<b>104,189</b>	<b>100%</b>	<b>92,000</b>	<b>100%</b>	<b>-12,189</b>	<b>-11.7%</b>

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