

**TADANO LTD.**

Planning and Administration Division

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URL: <http://www.tadano.com>**Consolidated Financial Statement for the Third Quarter Period Ended December 31, 2016**

1. Consolidated Business Results for the Nine Months Ended December 31, 2016

(Unit: Millions of Yen)

	Sales	Operating Income	Net Income Attributable to Tadano Ltd.
Third Quarter Period Ended December 31, 2016	128,020 (14.5%)	14,175 (37.0%)	10,012 (34.1%)
Third Quarter Period Ended December 31, 2015	149,748 3.2%	22,517 9.0%	15,202 4.5%

Note: Listed values are rounded down to the nearest one million yen.

Percentage figures represent increase (decrease) in comparison to results from the same period of the previous fiscal year.

2. Outlook for Consolidated Business Performance for the Fiscal Year from April 1, 2016 to March 31, 2017

(Unit: Millions of Yen)

	Sales	Operating Income	Net Income Attributable to Tadano Ltd.
Full-Year Term	180,000 (14.1%)	18,000 (42.1%)	11,500 (41.4%)

Note: Percentage figures represent increase (decrease) in comparison to results from the same period of the previous fiscal year.

Forward-looking statements contained in this report are based on information available as of the date this report was prepared. A variety of factors may cause actual results to differ from projections.

3. Qualitative Information Regarding Consolidated Business Results

Despite an apparent standstill in corporate earnings recovery and capital investment, there were signs of improved production, exports, and personal consumption as the Japanese economy continued to recover gradually during the cumulative third quarter under review. The European economy saw no growth, the U.S. economy continued to recover, and emerging market economies slowed overall. Various factors contributed to an increasing sense of uncertainty overall, including the economic slowdown in China, trends in crude oil and other natural resource prices, and geopolitical risks, as well as the challenges stemming from new

policies in the U.S. and the political situation in Europe.

In our industry, while there were signs of a downtrend in demand for construction cranes, the Japanese market shifted toward stronger demand overall, due to earthquake recovery and reconstruction, disaster preparedness and mitigation activities, efforts to address an aging infrastructure, and private sector construction investment. While demand increased in Europe, it fell in North America and the Middle East due to the influence of crude oil prices, and demand in Southeast Asia fell along with slowing economic growth, leading demand outside of Japan to decline overall.

With decreases in the sales of mobile crane and truck loader cranes and an increase in the sale of aerial work platforms, total sales in the Japanese market amounted to 68,093 million yen – down 5.4% from the same period of the previous fiscal year. Despite a focus on introducing new product models and expanding new customer sales, our sales outside of Japan decreased by 22.9% from the same period of the previous fiscal year to 59,926 million yen, as demand trended downward and the yen rose in value. As a result, total sales fell to 128,020 million yen, down 14.5% from the same period of the previous fiscal year. Sales outside of Japan accounted for 46.8% of all sales.

Decreased sales and exchange rate effects resulted in an operating income of 14,175 million yen, down 37.0% from the same period of the previous fiscal year. Net income attributable to Tadano Ltd. totaled 10,012 million yen, down 34.1% from the same period of the previous fiscal year.