

Consolidated Financial Results (Comprehensive) For Second Quarter of FY 2019

(April 1, 2019 through September 30, 2019)

In August 2019, Tadano Ltd. celebrated the 100th anniversary of its founding.

Notes:

- 1) Tadano Ltd. provides this comprehensive financial results report in order to supplement the previously released quantitative report with qualitative information concerning business results for the period under review. Unless otherwise stated, no amendments have been made to the quantitative information herein.
- 2) 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.

November 8, 2019

Tadano Ltd.

◇ The acquisition of the Demag Mobile Cranes business (Hereafter “Demag”) completed on July 31, 2019. In this report, Demag is treated as follows:

- FY2019 First Half Consolidated Financial Statements: B/S of Demag is included.
- FY2019 Business Performance Forecast: P/L of Demag for 5 months from August to December 2019 is included.
- Trends in Global Demand for Mobile Cranes: Crawler Cranes are excluded.
- Market share: Demag products are excluded.

[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], Kozai Plant [Takamatsu], Tadotsu Plant [Tadotsu], Chiba Plant [Chiba]
[Other facilities]	Japan: 10 branch offices, 23 sales offices; Outside Japan: Beijing Representative Office [China], Middle East Representative Office [UAE], Moscow Representative Office [Russia], Bangkok Representative Office [Thailand]
[Paid-in capital]	¥13,021 million [Stock shares] Shares issued: 129 million Number of shareholders: 8,835 (as of September 30, 2019)
[Net sales]	¥188,451 million (FY 2018)
[Number of employees]	Consolidated: 3,461; non-consolidated: 1,445 (as of September 30, 2019) *The figures above do not include the new 1,731 employees from the Demag acquisition.
[Subsidiaries]	38 subsidiaries, 2 affiliates *Increase of 8 subsidiaries and 1 affiliate due to the acquisition of Demag.
	Japan: 11 subsidiaries in total Tadano IMES Ltd., Tadano ILEC Ltd., Tadano S-TEC Ltd., and other 8 subsidiaries
	Europe: 13 subsidiaries in total Tadano Faun GmbH[Germany], Tadano Demag GmbH [Germany], and 11 other subsidiaries
	North America: 3 subsidiaries in total Tadano America Corp. [U.S.A.], Tadano Mantis Corp. [U.S.A.], and 1 other subsidiary
	Other: 11 subsidiaries in total Tadano Asia Pte. Ltd. [Singapore], Tadano Oceania Pty Ltd [Australia], Tadano Escorts India Pvt. Ltd. [India], Tadano (Thailand) Co., Ltd. [Thailand], and 7 other subsidiaries

Key Points of FY 2019 First Half Financial Results

(Unit: millions of yen)

	FY2018 First Half		FY2019 First Half		Percent change
	Amount	Percentage	Amount	Percentage	
Net sales	82,272	100.0%	100,304	100.0%	21.9%
Operating income	5,743	7.0%	7,573	7.6%	31.9%
Ordinary income	5,673	6.9%	7,262	7.2%	28.0%
Net income attributable to owners of the parent	4,081	5.0%	5,064	5.0%	24.1%

	FY2018 First Half	FY2019 First Half
Capital investment	¥6,595 million	¥9,852 million
Depreciation	¥1,432 million	¥1,588 million
Exchange rate (USD)	¥108.68	¥110.05
Exchange rate (EUR)	¥131.64	¥124.32

* 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 settlement of accounts in December)

⇒ Capital investment of the first half of FY2019 includes ¥7,135 million related to Kozai plant construction.

[FY2019 Management Policy]

- (i) Pursue the Tadano Group's Core Values (Safety, Quality, Efficiency)
- (ii) Engage in last-year activities of the Mid-Term Management Plan (17-19)
- (iii) Focus on the Tadano Red Arrow, and engage in Tadano Yellow Arrow activities
- (iv) Prepare for and respond to Tadano Blue Arrow changes and escalating competition

◆ **First Half revenues and profits increased for the first time in four years**

◆ **Sales exceeded ¥100 billion for the first time in four years**

◆ **Sales increased both inside and outside Japan**

⇒ Net sales in Japan: ¥44.4 billion → ¥54.1 billion (+21.9%)
Sales of Mobile Crane, Truck Loader Cranes, and Aerial Work Platforms all increased.

The highest sales results since Tadano first began disclosing half-year consolidated financial results

⇒ Net sales outside Japan: ¥37.8 billion → ¥46.1 billion (+21.9%)

Sales increased in all regions except Europe.

◆ **Outside Japan sales ratio : 46.0% → 46.0%**

◆ **Operating income ratio: 7.0% → 7.6%**

Operating income: ¥5.7 billion → ¥7.5 billion

Ordinary income: ¥5.6 billion → ¥7.2 billion

Net income: ¥4.0 billion → ¥5.0 billion

Income Statement (vs. Same Period of Previous Year)

(Unit: millions of yen)

	FY 2018 First Half		FY 2019 First Half		Increase/ Decrease
	Amount	Percentage	Amount	Percentage	
Net sales	82,272	100.0%	100,304	100.0%	18,031
Cost of sales	60,382	73.4%	74,195	74.0%	13,813
Gross profit on installment sales	121	0.1%	-56	-0.1%	-178
Gross profit	22,011	26.8%	26,051	26.0%	4,039
Selling, general, and administrative expenses	16,267	19.8%	18,478	18.4%	2,210
Operating income	5,743	7.0%	7,573	7.6%	1,829
Non-operating income and loss	-70	-0.1%	-310	-0.3%	-240
Ordinary income	5,673	6.9%	7,262	7.2%	1,589
Extraordinary income and loss	-3	-0.0%	476	0.5%	479
Income before income taxes	5,669	6.9%	7,739	7.7%	2,069
Corporate taxes	1,569	1.9%	2,684	2.7%	1,115
Net income attributable to noncontrolling interests	19	0.0%	-9	0.0%	-29
Net income attributable to owners of the parent	4,081	5.0%	5,064	5.0%	982

[Key Changes]

◆ COGS ratio: 73.4% → 74.0%

- Despite the efforts to maintain appropriate sales prices and cost reductions, the COGS ratio went up by 0.6% from the same period of the previous fiscal year due to the increase in production costs and changes in the composition of sold cranes.

◆ Selling, general, and administrative expenses: ¥2,210 million increase

- Variable costs: + ¥538 million
- Personnel costs: + ¥173 million
- Other expenses: + ¥1,498 million

◆ Non-operating income and loss:

- Non-operating income: ¥178 million → ¥192 million
- Non-operating loss: ¥249 million → ¥503 million

◆ Extraordinary income and loss:

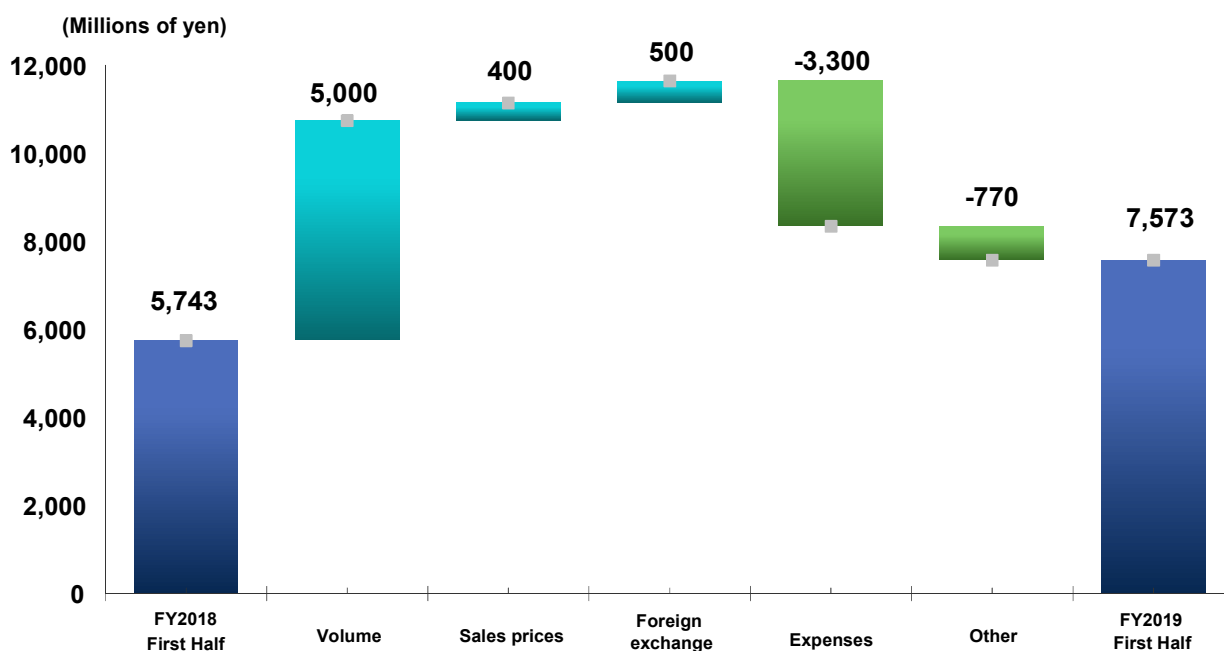
- Extraordinary income: ¥6 million → ¥492 million
- Extraordinary loss: ¥9 million → ¥16 million

*Gain on negative goodwill of ¥487 million was recorded as extraordinary income.

3

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

Sales increased, and operating income increased ¥1.8 billion.



4

Balance Sheet (vs. End of Previous Fiscal Year)

(Unit: millions of yen)

	FY 2018 Year-End		FY 2019 First Half		Increase/ Decrease	Demag (Included in the total)
	Amount	Percentage	Amount	Percentage		
Cash deposits	65,952	25.8%	77,441	24.4%	11,489	2,496
Accounts receivable	50,836	19.9%	52,187	16.4%	1,350	6,578
Inventories	62,757	24.5%	96,486	30.4%	33,729	27,938
Other current assets	6,610	2.6%	6,994	2.2%	384	1,444
Total current assets	186,156	72.8%	233,109	73.4%	46,953	38,458
Tangible fixed assets	52,597	20.5%	65,967	20.8%	13,370	4,461
Intangible fixed assets	1,703	0.7%	1,854	0.6%	150	198
Investment and other assets	15,336	6.0%	16,602	5.2%	1,265	-16,287
Total fixed assets	69,637	27.2%	84,424	26.6%	14,787	-11,627
Total assets	255,793	100.0%	317,534	100.0%	61,740	26,830

Accounts payable	41,792	16.3%	44,652	14.0%	2,860	6,210
Interest-bearing debt	30,165	11.8%	69,124	21.8%	38,958	1,321
Other liabilities	28,810	11.3%	46,622	14.7%	17,811	18,767
Total liabilities	100,768	39.4%	160,399	50.5%	59,630	26,299
Total equity	155,025	60.6%	157,135	49.5%	2,109	531
Total liabilities and equity	255,793	100.0%	317,534	100.0%	61,740	26,830

[Key Changes]

◆ Accounts receivable increased:

¥50.8 billion → ¥52.1 billion

(¥52.1 billion total includes ¥6.5 billion at Demag)

⇒ The receivable turnover period ameliorated.

(FY2018 First Half: 87.2 days, FY2018: 98.5 days

→ FY2019 First Half: 83.2 days)

*Demag is excluded from the calculation of turnover for FY2019 First Half

◆ Inventories increased:

¥62.7 billion → ¥96.4 billion

(¥96.4 billion total includes ¥20.2 billion at TFG

and ¥27.9 billion at Demag)

⇒ The inventory turnover period deteriorated.

(FY2018 First Half: 139.0 days, FY2018: 121.5 days

→ FY2019 First Half: 125.1 days)

*Demag is excluded from the calculation of turnover for FY2019 First Half

◆ Interest-bearing debt increased:

¥30.1 billion → ¥69.1 billion

⇒ Short-term: increased by ¥36.1 billion

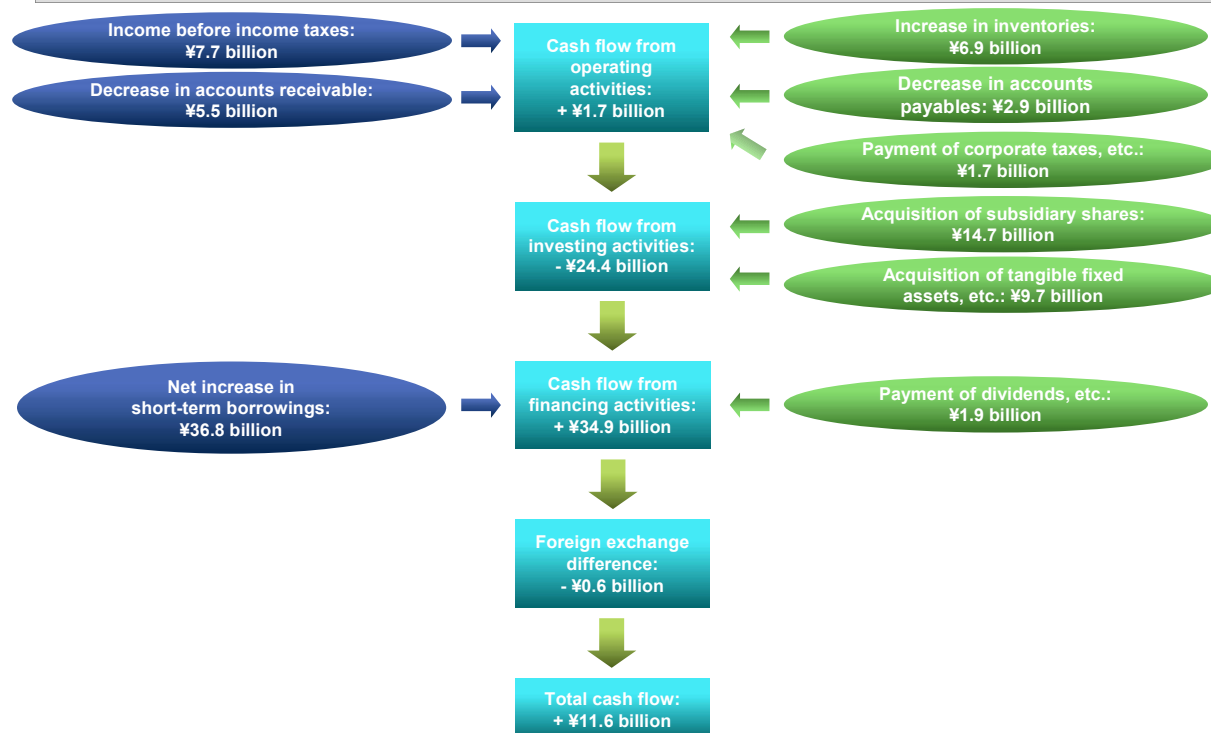
Long-term: increased by ¥2.7 billion

*¥35.6 billion of bridge loan was obtained to finance the acquisition of Demag and the capital injection, etc.

5

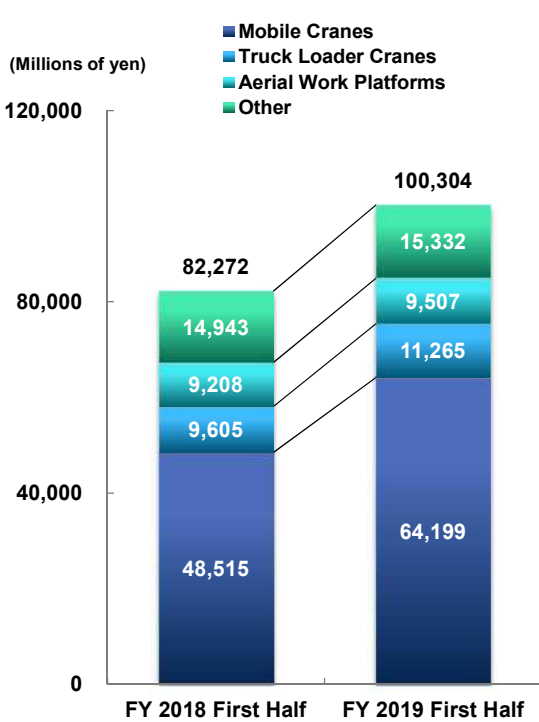
Overview of Cash Flow

Total cash flow increased by ¥11.6 billion due to cash flow from financing activities.



6

Net Sales by Product



(Unit: millions of yen)

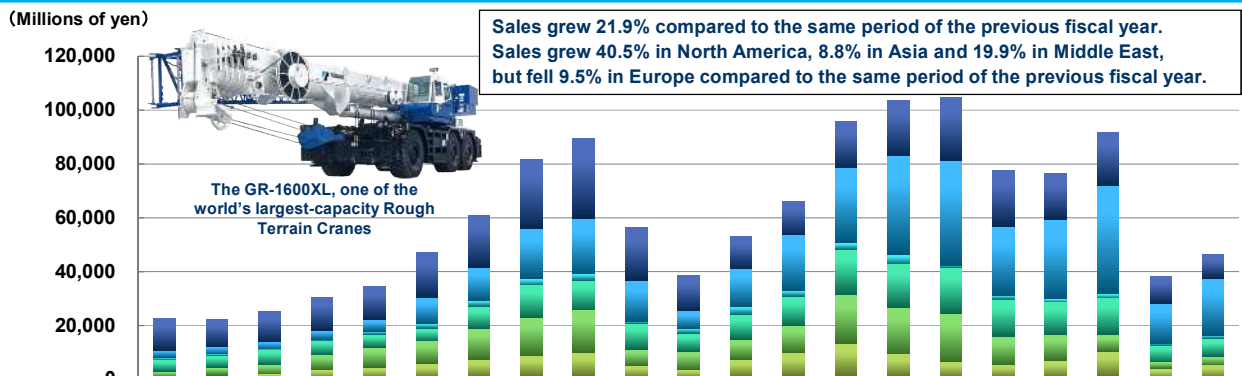
	FY 2018 First Half		FY 2019 First Half		Increase / Decrease	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Mobile Cranes	48,515	59.0%	64,199	64.0%	15,683	32.3%
Truck Loader Cranes	9,605	11.7%	11,265	11.2%	1,659	17.3%
Aerial Work Platforms	9,208	11.2%	9,507	9.5%	299	3.3%
Other	14,943	18.1%	15,332	15.3%	388	2.6%
Total	82,272	100%	100,304	100%	18,031	21.9%

◆ Outside Japan sales ratio: 46.0% → 46.0%

Breakdown of Mobile Crane Sales Inside and Outside Japan

	FY 2018 First Half	FY 2019 First Half	Increase / Decrease	Percentage
Japan	17,915	24,984	7,069	39.5%
Outside Japan	30,600	39,214	8,614	28.2%

Sales Trends by Market Outside Japan

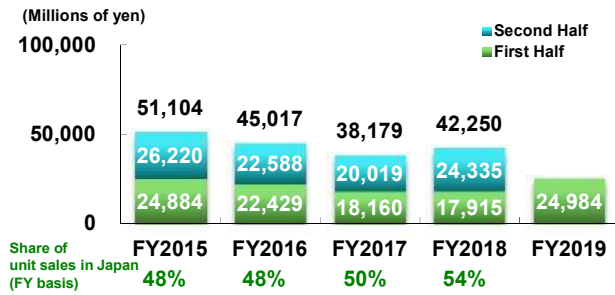


	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 18 First Half	FY 19 First Half
Europe	11,435	9,754	10,893	11,978	12,000	16,292	19,170	25,566	29,630	19,196	12,739	11,643	12,510	16,844	20,211	22,844	20,701	16,849	19,122	9,528	8,627
North 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	39,127	25,438	29,428	40,412	14,973	21,043
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	826	1,513	1,014	1,445	582	1,317
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	17,083	13,694	12,089	13,775	6,183	6,729
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	17,680	10,375	9,699	6,156	2,556	3,064
Other	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	6,881	5,683	7,069	10,469	4,041	5,377
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	104,444	77,406	76,152	91,381	37,864	46,159
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%	49.9%	43.1%	43.8%	48.5%	46.0%	46.0%
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	121.05	108.84	112.19	110.43	108.68	110.05
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	134.31	120.33	126.67	130.42	131.64	124.32

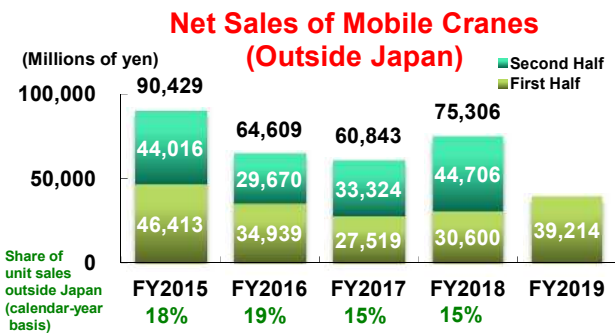
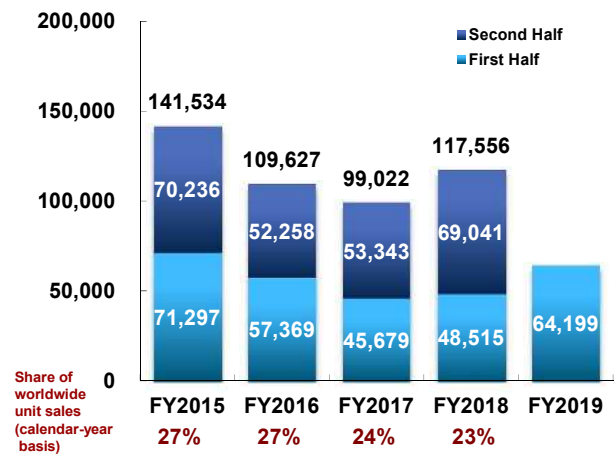
Notes

- 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 FY 2001 and earlier have been converted from Deutsche Mark.

Net Sales of Mobile Cranes (Japan)

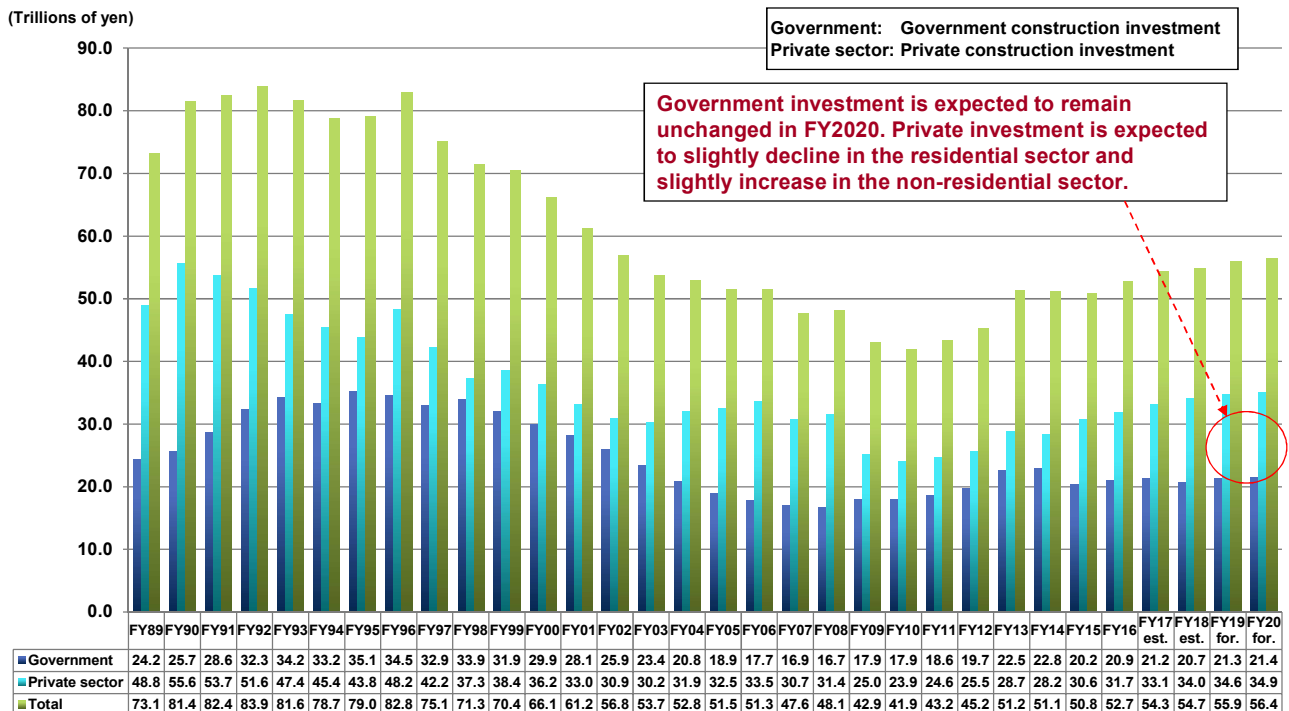


Net Sales of Mobile Cranes



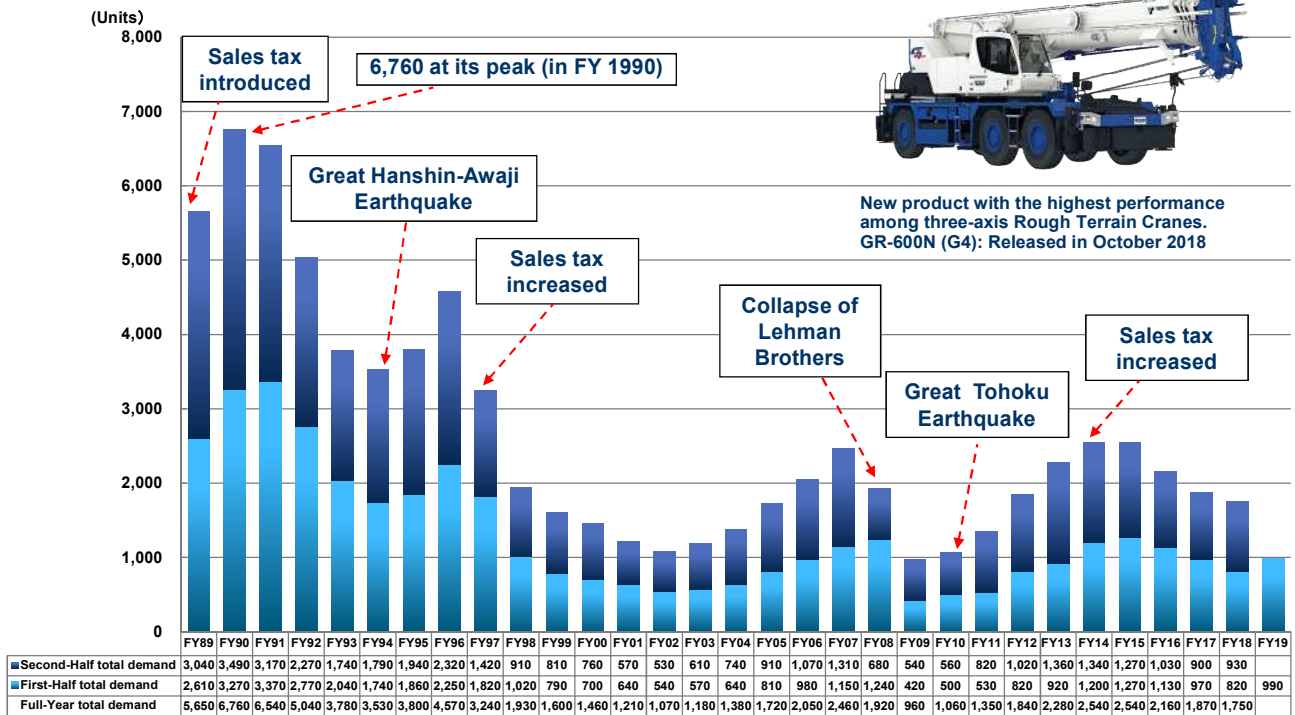
* Shares are rounded to the nearest whole share.

Trends and Forecast of Construction Investment in Japan



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 September 26, 2019)



Notes Based on Tadano research.
Figures showing demand are rounded to the nearest ten units.

Mobile Cranes

Market share in Japan: 53% → 53%

*Figures showing demand are rounded to the nearest ten units, while shares are rounded to the nearest whole share.

Demand for hydraulic Mobile Cranes in Japan was 990 units (for FY2019 First Half, based on Tadano research), up 21% from the same period of the previous fiscal year.

⇒ Focusing on sales growth of large scale models in a climate of increasing demand.

This focus resulted in an increase in the percentage share of tonnage in Japan from 42% to 55%.

Net sales in Japan were ¥24,984 million (139.5% of the same period of the previous fiscal year).

[Rough Terrain Cranes]

- Main models in the Japanese Mobile Cranes business account for 94% of demand in Japan (51% 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 axle steering)
- Able to operate the carrier and the crane from the same driver's seat
- Japanese market: 8 models with 13 to 100 ton lifting capacity (produced by Tadano Ltd.)
- Markets outside Japan: 11 models with 13 to 145 ton lifting capacity (produced by Tadano Ltd. and Tadano Escorts India Pvt. Ltd.)
- 16 models out of 19 have Hello-Net Telematics
- In Japan, these cranes travel on public roads; In North America, they are transported on trailers



GR-1000N(G4)

[All Terrain Cranes]

- Large cranes for urban development, elevated driveways, and bridge construction in Japan, account for 6% of demand in Japan (88% of European demand)
- Outstanding long-distance mobility in addition to maneuverability (with versatile steering)
- Markets outside Japan: 13 models with 40 to 400 ton lifting capacity (produced by Tadano Faun GmbH in Germany)
- Japanese market: 7 models with 100 to 550 ton lifting capacity (produced by Tadano Faun GmbH in Germany and Tadano Ltd. in Japan)
- 14 models out of 20 have Hello-Net Telematics
- Demag brand: 15 models with 40 to 1,200 ton lifting capacity
- Disassembly required for transport on public roads in Japan. No disassembly required for transport in Europe



ATF-200N-5.1

[Truck Cranes]

- Cranes mounted on truck chassis for superior roadability; primarily for markets outside Japan, with demand in Japan accounting for a few units
- Outstanding long-distance mobility
- Japanese market: 3 models with 13 to 35 ton lifting capacity (produced by Tadano Ltd. in Japan)
- Markets outside Japan: 6 models with 30 to 75 ton lifting capacity (produced by Tadano Ltd. in Japan, Tadano Faun GmbH in Germany)
- 5 models out of 9 have Hello-Net Telematics.

GT-600EL



[Crawler Cranes]

- Cranes mounted on undercarriage equipped with crawler tracks
- Outstanding mobility on rough terrain and soft foundations
- Transported on trailers from job site to job site

CC-3800-1

(Lattice boom type)



Lattice boom type

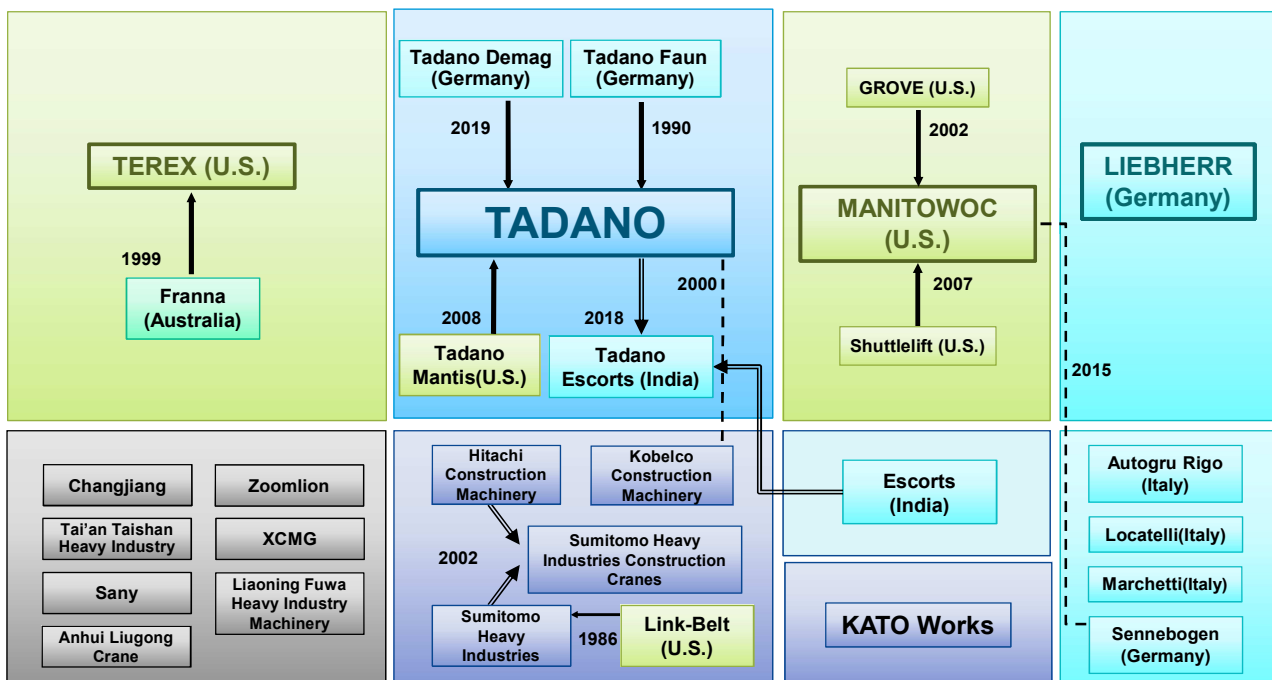
- Used for heavy construction (bridges, wind turbines, plants, etc.)
- Markets inside and outside Japan: 7 models with 400 to 3,200 ton lifting capacity on sale under the Demag brand (produced by Tadano Demag GmbH in Germany)

Telescopic boom type

- Used for utility work and construction, as well as for operations on rough terrain, on muddy terrain, and in tunnels.
- Markets outside Japan: 11 models with 27 to 120 ton lifting capacity (produced by Tadano Mantis Corporation in the United States)

Structure of the World Crane Industry

(Manufacturers of Hydraulic Cranes and Crawler Cranes)

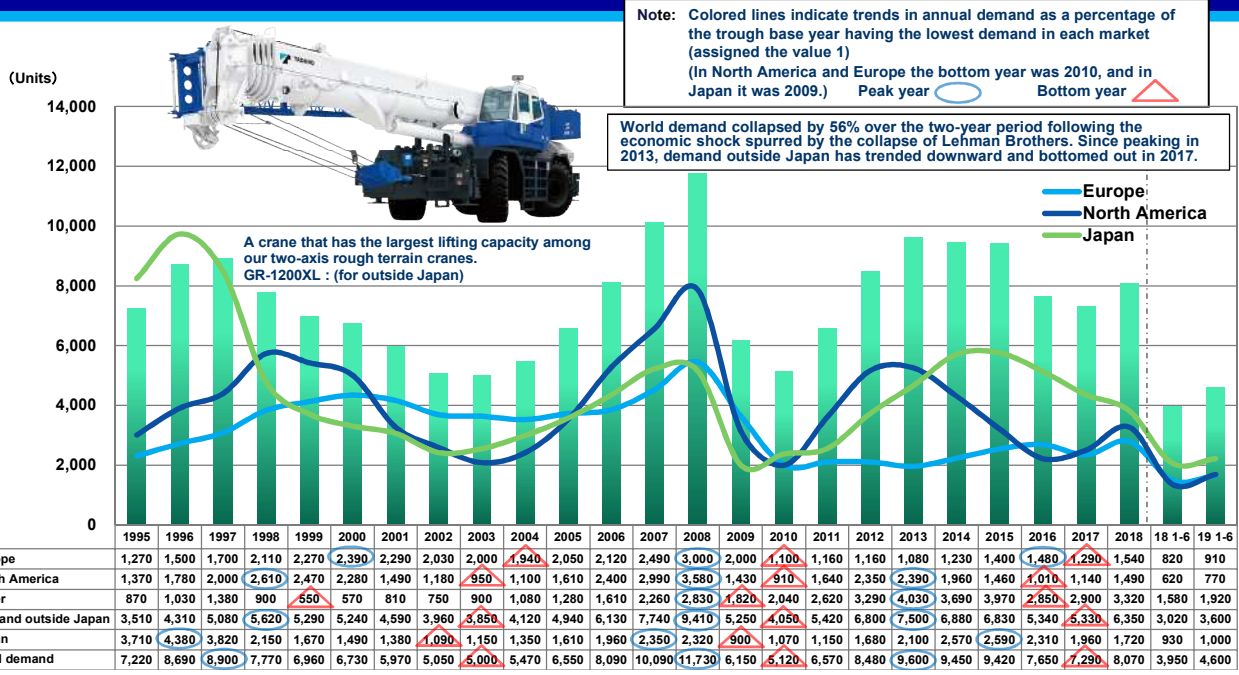


Prepared by Tadano based on materials from the Japan Construction Equipment Manufacturers Association.

→ Acquisition (years indicate fiscal year of acquisition)
 - - - - Partnership (years indicate fiscal year of partnership)

⇌ Investment/joint venture

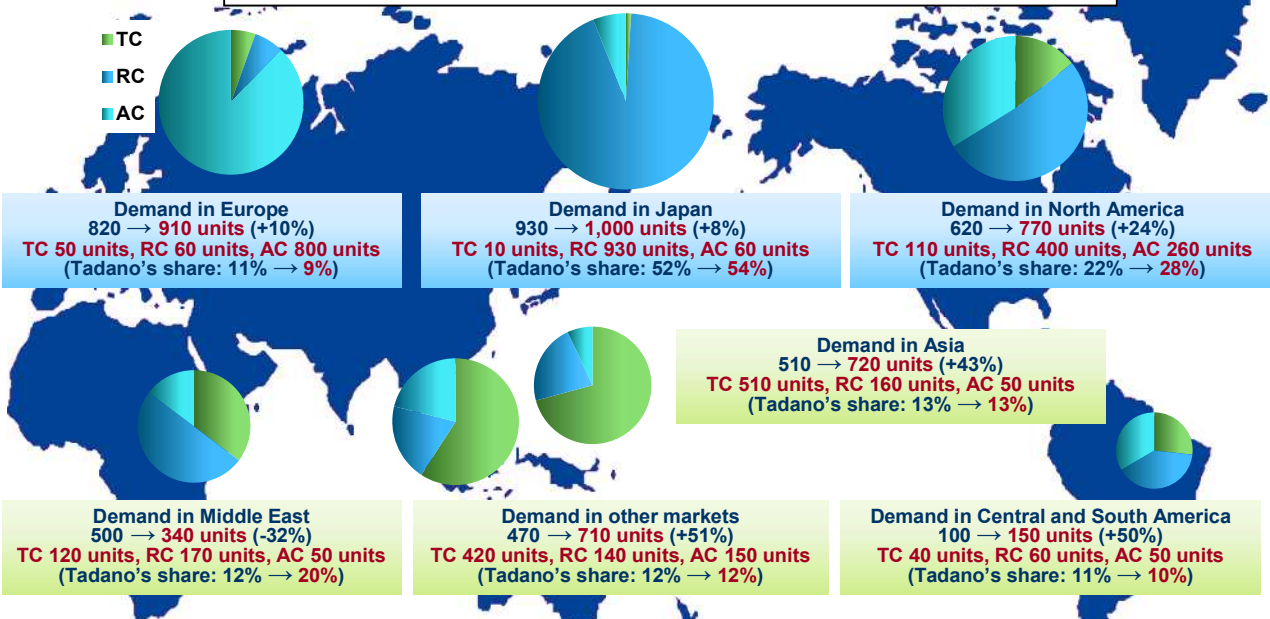
Trends in Global Demand for Mobile Cranes (Calendar-year Basis)



1. Crawler Cranes are excluded.
 2. Mobile Cranes produced in Russia are excluded.
 3. Starting from 2010 the graph includes Chinese construction cranes produced for export. Mobile cranes produced in China for Chinese market are excluded.
- Demand trends in Chinese Market for Mobile Cranes produced in China are as follows:
 2011: 35,000 units, 2012: 22,000 units, 2013: 17,000 units, 2014: 14,000 units, 2015: 9,000 units, 2016: 9,000 units, 2017: 20,000 units, 2018: 32,000 units.
- * The above figures are Tadano estimates. Figures showing demand are rounded to the nearest ten units.

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

Tadano's share in the global market grew from 23% to 24%.
 Global demand for hydraulic Mobile Cranes rose from 3,950 units to 4,600 units (January-June 2019, Tadano research), up 16% from the same period of the previous fiscal year.



1. Crawler Cranes demand is excluded. "TC" refers to Truck Cranes, "RC" to Rough Terrain Cranes, and "AC" to All Terrain Cranes.
 2. Mobile cranes produced in China for Chinese market are excluded. Mobile Cranes produced in Russia are excluded.
- * The above figures are Tadano estimates. Figures showing demand are rounded to the nearest ten units, while shares are rounded to the nearest whole share.

< Our mission for the European business >

Restoration of European business profitability, synergy creation through collaboration between Tadano Faun GmbH and Tadano Demag GmbH, and expansion of market share 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 Ltd.

Location: Lauf a.d. Pegnitz, Germany

Line of business: Development, production, and distribution of All Terrain Cranes and Truck Cranes

Representative and President: Kenichi Sawada; number of employees: 654

Sales trend:

2013; 313 million EUR/329 units, 2014; 308 million EUR/347 units, 2015; 304 million EUR/376 units, 2016; 319 million EUR/363 units, 2017; 279 million EUR/311 units, 2018; 313 million EUR/361 units



[Tadano Demag GmbH]

Acquired in 2019

Paid-in capital: 20 million EUR; wholly-owned subsidiary of Tadano Ltd.

Location: Zweibrücken, Germany

Line of business: Development, production, and distribution of All Terrain Cranes and Crawler Cranes

Representative and President: Jens Ennen; number of employees: 1,567

Sales trend (Demag Crane Business related to this acquisition):

2015; 631 million USD, 2016; 494 million USD, 2017; 470 million USD, 2018; 487 million USD

(Sales given above are unaudited figures provided by Terex Corporation)



< Our mission for the North American business > Increasing market share

● Overview of group companies in North America

[Tadano America Corp.]

Paid-in capital: 2.5 million USD; wholly-owned subsidiary of TAH*

Location: Houston, U.S.A.

Line of business: Distribution of Mobile Cranes

Representative and President: Ingo Schiller

Number of employees: 92

Sales trend: 2013: 262 million USD; 2014: 305 million USD; 2015: 285 million USD
2016: 206 million USD; 2017: 230 million USD; 2018: 330 million USD



[Tadano Mantis Corp.]

Acquired in 2008

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

Location: Franklin, U.S.A.

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

Representative and President: Kozo Yoshida

Number of employees: 151

Sales trend: 2013: 36 million USD; 2014: 30 million USD; 2015: 40 million USD
2016: 27 million USD; 2017: 36 million USD; 2018: 44 million USD



* TAH stands for Tadano America Holdings, Inc.

Features highly lauded 'Opti-Width' function and capability of working out of level.

Received the 2017 Silver LLEAP * Award in lifting equipment category by the American journal Lift and Access

*LLEAP: Leadership in Lifting Equipment and Aerial Platforms

<Our mission in other regions>
Competing with Chinese manufactures

● Overview of group companies in other regions

[Tadano Asia Pte. Ltd.]

Establishment: August 1996
Paid-in capital: 1 million SGD
Ownership: Tadano Ltd. 80%, Multico Infracore Holdings Pte. Ltd. 20%
Location: Singapore
Line of business: Distribution and service of Mobile Cranes and other products
Representative and President: Kozo Hayashi
Number of employees: 17

[Tadano Oceania Pty Ltd]

Establishment: February 2010
Paid in-capital: 7.5 million AUD wholly-owned subsidiary of Tadano Ltd.
Location: Darra, Australia
Line of business: Distribution and service of Mobile Cranes and other products
Representative and President: Anthony Grosser
Number of employees: 52

[Tadano Escorts India Pvt. Ltd.]

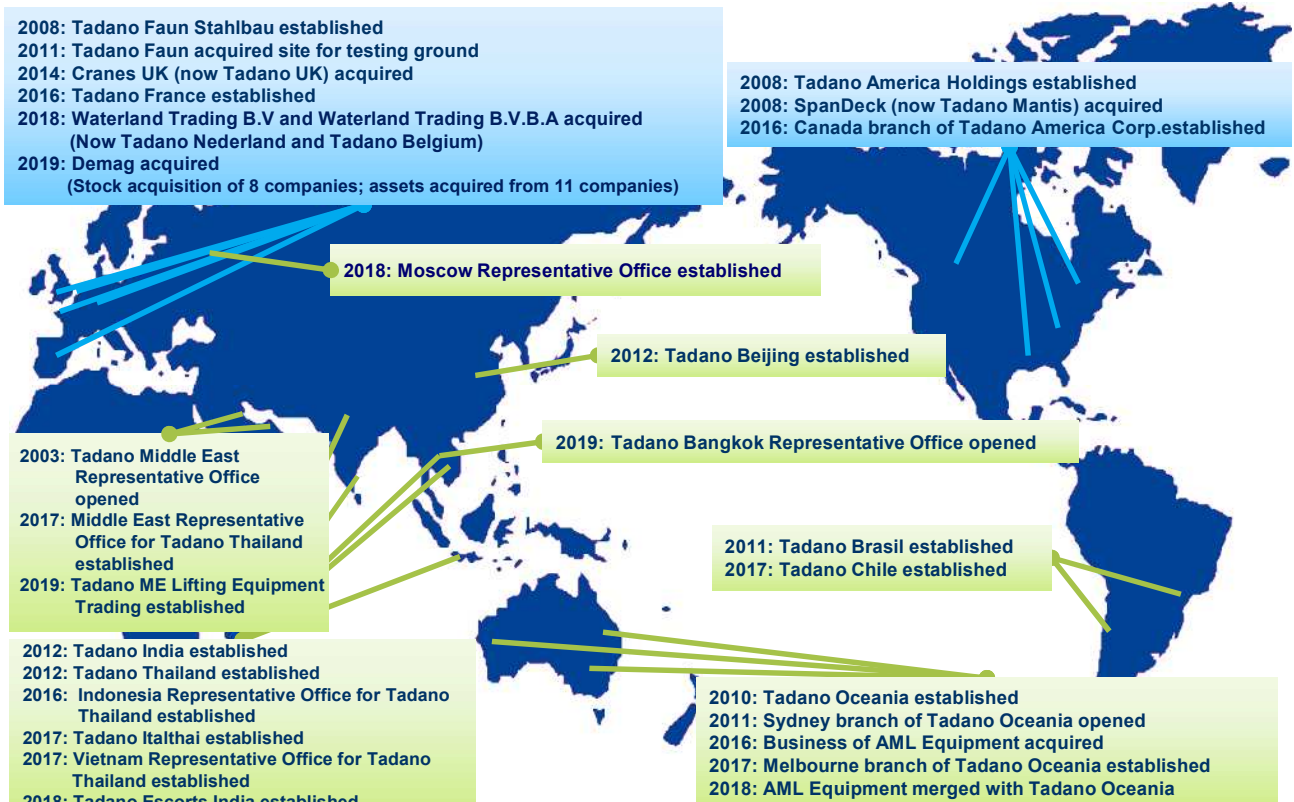
Establishment: December 2018
Paid-in capital: 600 million INR Tadano Ltd. 51%, Escorts Ltd. 49%
Location: Faridabad, India
Line of business: Development, production, distribution, and service of Mobile Cranes
Representative and President: Satoshi Nakayama
Number of employees: 56



GT-750EL

Acceleration of Business Expansion Outside Japan (Since 2003)

30 Companies Established or Acquired and
14 New Facilities Opened;
3 of these Companies closed down
and 2 Companies as well as 2 Facilities were relocated



[Loader Cranes] Market share in Japan 49%→48%

Demand in Japan was 8,380 units (for First Half of FY2019, based on Tadano research), increased 10% from the same period of the previous fiscal year.

⇒ The new legislation making safety devices mandatory and regulation restricting engine emissions of small trucks led to a rush of demand; net sales amounted ¥11,265 million (117.3% of the same period of the previous fiscal year).

- 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, landscaping, and construction industries.
- Numerous models are available for mounting on compact, mid-sized, and large trucks, with lifting capacities ranging from 0.49 to 15 tons.

-Regulators (In Japan)-

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

-Major buyers and distinctive features-

- Truck dealers
- Sales tend to parallel truck demand.



ZX360/300 series

Automatic moment limiter, a safety device, included as standard equipment



SS-38F

(Slide bed Vehicle Carrier [transport vehicle])

[Business outside Japan]

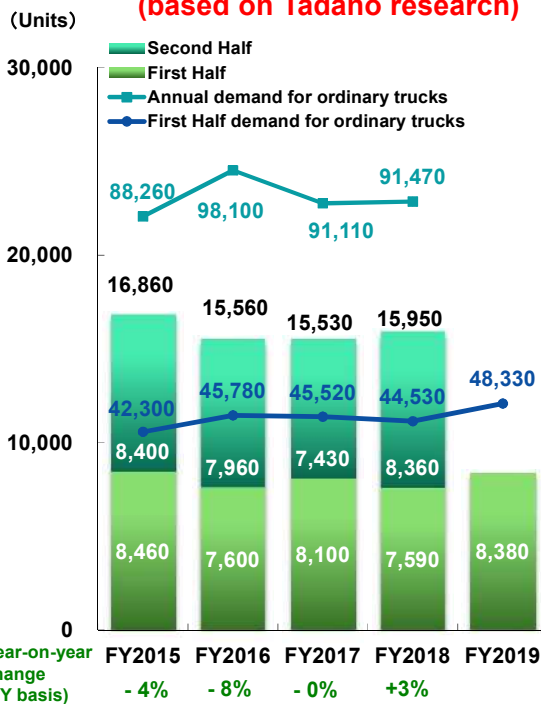
- Tadano has focused its efforts on exports of Loader Cranes to strategic markets, exporting crane components for mounting on local trucks.
Sales in First Half of FY2018: ¥800 million
Sales in First Half of FY2019: ¥850 million
- Accelerating expansion outside Japan, including the opening of a manufacturing subsidiary in Thailand in April 2012.



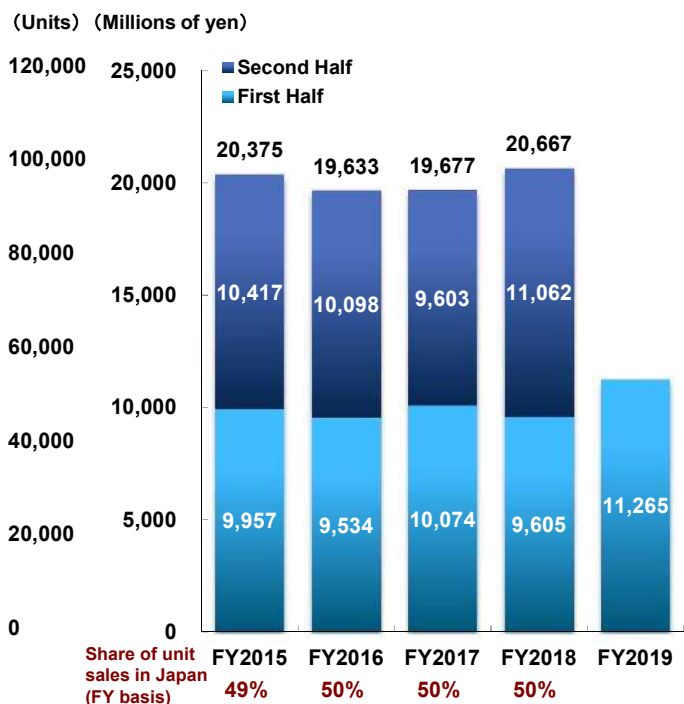
ZR560

(ZR560 Loader Crane for export)

Demand for Loader Cranes in Japan (based on Tadano research)



Truck Loader Crane Sales



Notes Figures showing demand are rounded to the nearest ten units, while shares are rounded to the nearest whole share.

[Tadano Italthai Co., Ltd.]

Paid-in capital: 50 million THB
(ownership: Tadano Ltd. 49%, ITI 48%, MHCB 3%)
Establishment: May 2017
Location: Bangkok, Thailand
Line of business: Distribution of Loader Cranes
Representative and President: Hidetoshi Iga; Number of employees: 9



ZT1000 Loader Crane manufactured in the plant in Thailand

[Tadano (Thailand) Co., Ltd.]

Paid-in capital: 636 million THB; wholly-owned subsidiary of Tadano Ltd.
Establishment: April 2012 (Operation launch: June 2013)
Location: Rayong, Thailand
Line of business: Production and distribution of Loader Cranes
Productive capacity: 1,000 units/year (Sales: 258 units in 2014, 418 units in 2015, 385 units in 2016, 381 units in 2017, 407 units in 2018)
Representative and President: Shunsuke Mitani; Number of employees: 51

- This is Tadano's first production base outside Japan for Truck Loader Cranes. While accelerating the expansion of our business outside Japan, we aim to increase profitability through the operations of this manufacturing subsidiary.



Inside
Tadano (Thailand) Plant



Tadano (Thailand)

Market share in Japan: 36% → 35%

Japanese demand for Aerial Work Platforms mounted on trucks was 3,000 units (for First Half of FY2019, based on Tadano research), up 26% from the same period of the previous fiscal year.

⇒ Owing to a rush demand arising from regulation restricting engine emissions of small trucks, sales to the rental industry increased, while sales of models for infrastructure maintenance and repair, and for the telecommunications industry decreased. Net sales amounted to ¥9,507 million (103.3% of the same period of the previous fiscal year).

Mounted on trucks:

- 5 models for telecommunications use
- 3 models for electric construction use
- 13 models for general construction use

Wheeled: 2 models

Super Deck: 5 models

(Equipped with advanced control technologies)

Bridge Checker: 3 models

(Used in inspections of elevated roadways and bridges)

25 models out of 31 have Hello-Net Telematics

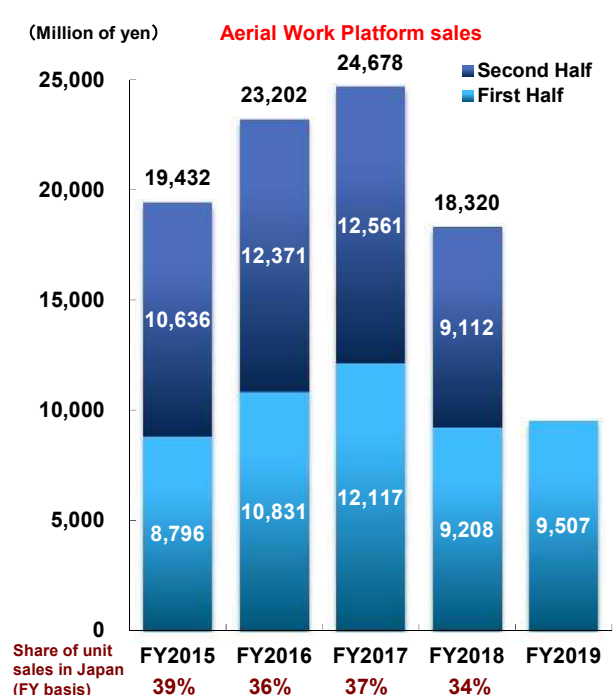
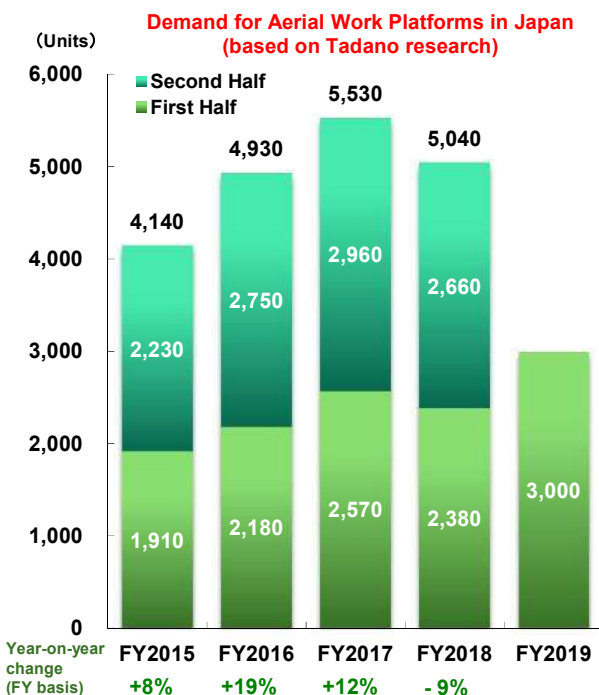


-Regulator (in Japan)-

- 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



Notes Figures showing demand are rounded to the nearest ten units, while shares are rounded to the nearest whole share.

⇒ Net sales from other businesses, such as parts, repairs, used cranes and other products, amounted to ¥15,332 million (102.6% of the same period of the previous fiscal year)

[Used Cranes]

- In the first half of this fiscal year, both sales inside and outside Japan decreased
- The globalization of this business will be a future focus

[Parts and Repairs]

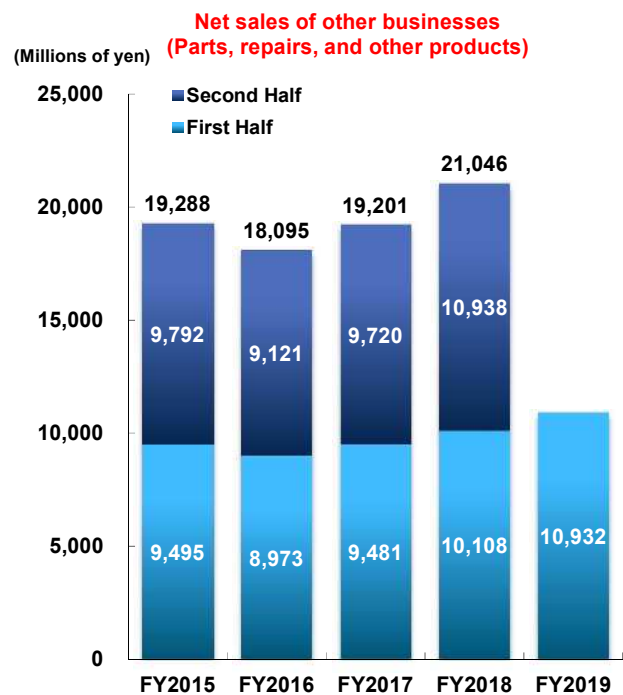
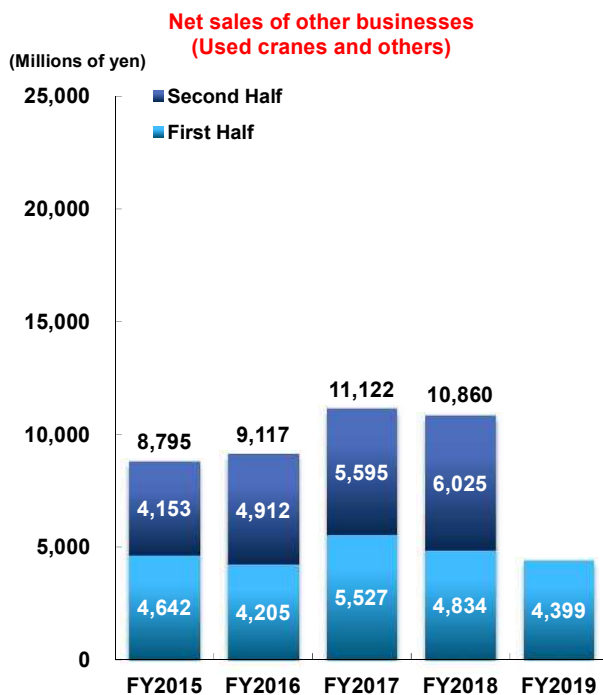
- Tadano books sales for repair parts
(In general, repairs are done by designated service facilities and distributors outside Japan. These parties record the repair sales)
- In the first half of this fiscal year, sales in Japan increased, while sales outside Japan stayed unchanged



Hydraulic gate-shaped lifters : TB-1000

【Hydraulic gate-shaped lifters】

These lifters have the capability of loading, carrying out and placing heavy goods safely and efficiently, even in places where mobile cranes and overhead traveling cranes cannot be used, such as inside of buildings, clean rooms and in tunnels.



FY 2019 Business Performance Forecast

(Unit: millions of yen)

	FY 2018		FY 2019 forecast		Tadano (Existing business)		Demag		Percent change
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage	
Net sales	188,451	100.0%	228,000	100.0%	200,700	100.0%	27,300	100.0%	21.0%
Operating income	15,835	8.4%	10,000	4.4%	14,500	7.2%	-4,500	-16.5%	-36.8%
Ordinary income	15,604	8.3%	10,000	4.4%					-35.9%
Net income attributable to owners of the parent	11,462	6.1%	5,000	2.2%					-56.4%

FY 2019 business performance forecast was revised on October 30.

Dividends per share	Mid-year	¥13.00	Mid-year	¥14.00
	Year-end	¥13.00	Year-end	¥14.00
	Full-year	¥26.00	Full-year	¥28.00

Mid-year and year-end dividends for FY19 include ¥1 memorial dividend.

Capital investment	¥14,458 million	¥11,500 million
Depreciation	¥2,984 million	¥3,800 million
Exchange rate (USD)	¥110.43	¥108.00(2nd Half)
Exchange rate (EUR)	¥130.42	¥120.00(2nd Half)

Figures for capital investment include leased assets.

The interim exchange rate of EUR was revised on October 30.

[FY2019 Management Policy]

- (i) Pursue the Tadano Group's Core Values (Safety, Quality, Efficiency)
- (ii) Engage in last-year activities of the Mid-Term Management Plan (17-19)
- (iii) Focus on the Tadano Red Arrow, and engage in Tadano Yellow Arrow activities
- (iv) Prepare for and respond to Tadano Blue Arrow changes and escalating competition

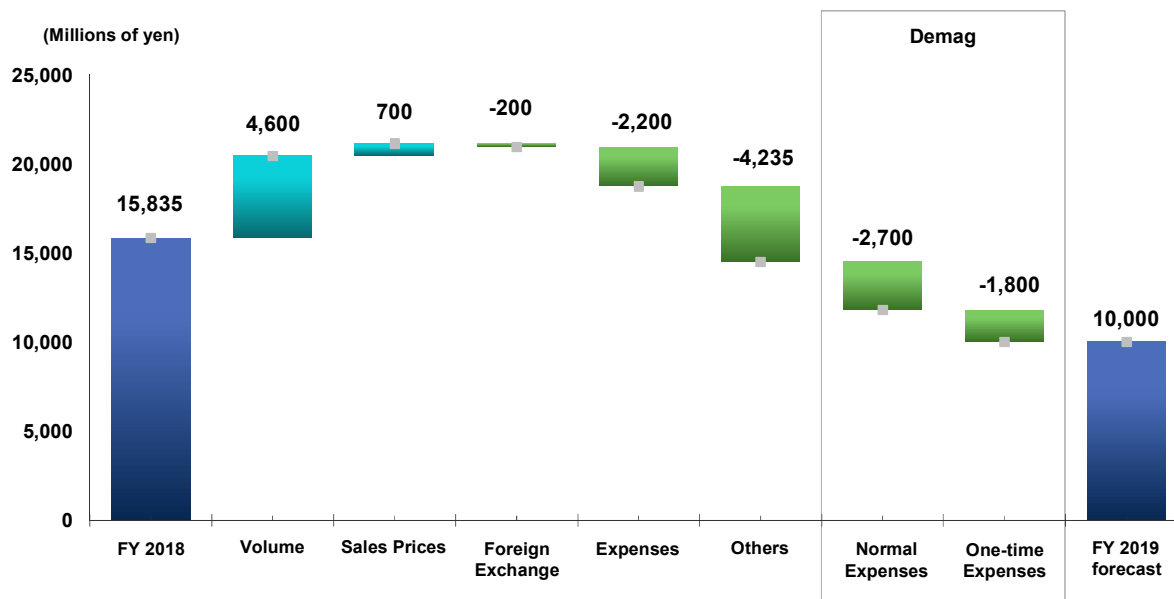
◆ FY 2019 proportion of sales outside Japan: 55.5%

28

FY2019 Business Performance forecasts

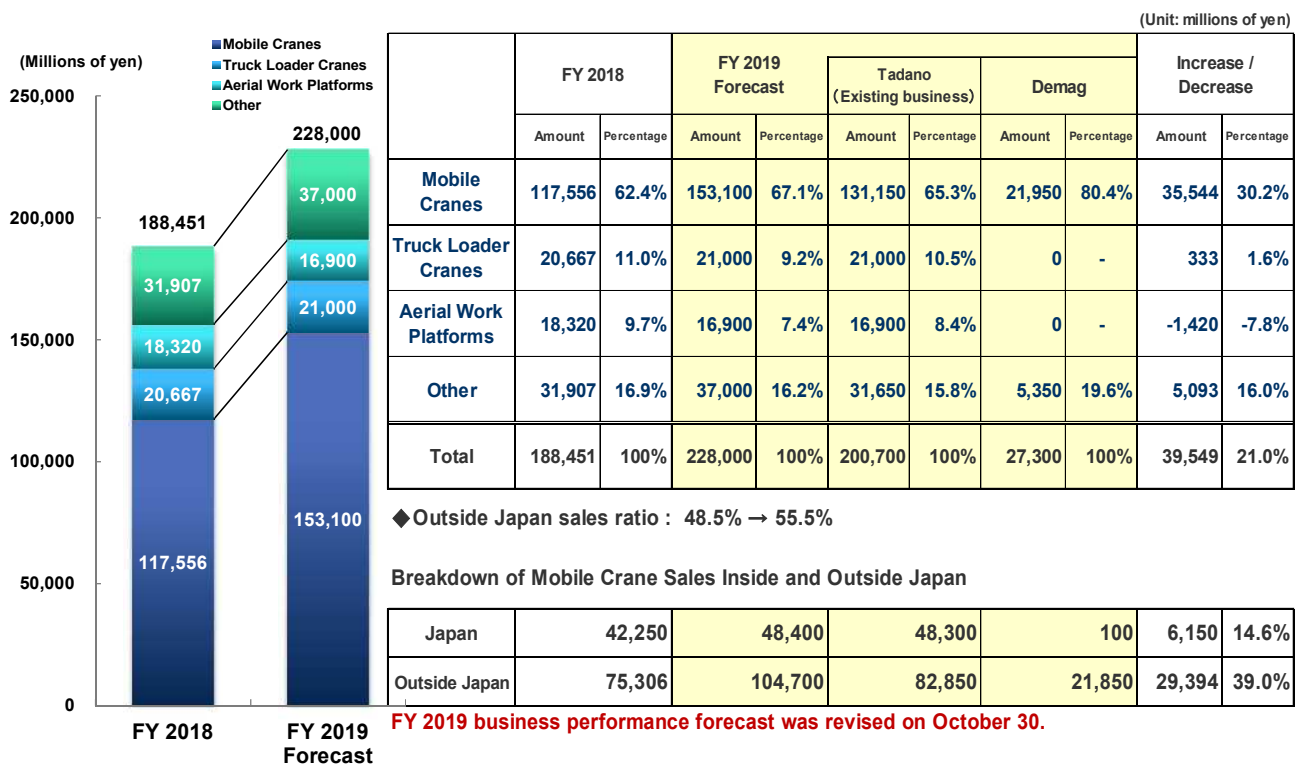
(Forecasted Main Causes of Changes in Operating Income)

Despite sales growth, operating income will decrease ¥5.8 billion due to increased costs and consolidation of Demag.

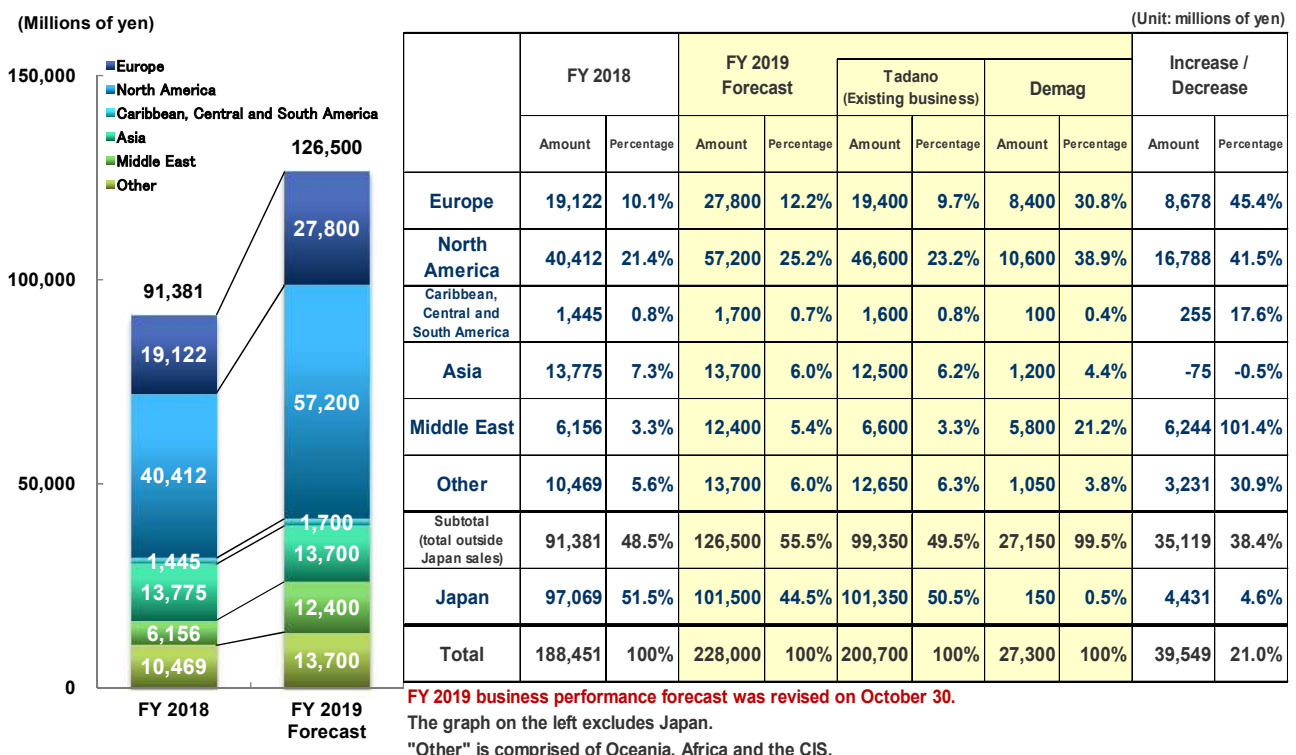


29

FY 2019 Forecast (Net Sales by Product)



FY 2019 Forecast (Net Sales by Destination)



TOPICS

Expanding production capacity in line with our efforts to become No.1 worldwide in the lifting equipment industry



Lifting your dreams

◆ New plant has begun full operation (August 2019)

We realized that in order to reach our long-term goal, which is to become No. 1 worldwide in the lifting equipment industry, we would need further expanding production capacity. Therefore, we purchased the prefectural government industrial land in the western Kozai district of the port of Takamatsu in November 2016. The first phase of the construction began in November 2017 and was finished in April 2019. The plant has begun full operation in August 2019.



New plant viewed from the Seto Inland Sea (May 2019)

General Outline of New Plant

Name	Kozai Plant
Location	Kozai Kitamachi, Takamatsu, Kagawa Pref.
Site Area	Approx. 200,000 m²
Floor Area*	Approx. 47,000 m²
Investment*	Approx. ¥21.5 billion
Employees*	Approx. 200

* Phase I Construction: (November 2017—July 2019)
Phase II Construction is yet to be determined.



The opening ceremony on August 29

TOPICS

Expanding production capacity in line with our efforts to become No.1 worldwide in the lifting equipment industry



Lifting your dreams

◆ Expanding production capacity

- Shido Plant's monthly rough terrain crane production capacity limit is 200 units.
- Kozai Plant has a combined truck crane and large-scale, multi-axle rough terrain crane production capacity of 40 to 50 units per month.
- In addition, it supplies high-quality main parts (booms, cylinders, etc.) to overseas plants.

◆ The concept

- Under the concept of "Next Generation Smart Plant: Harmonizing the Balance of People and Machinery, Connecting to the Next Generation of Smart Manufacturing.", the plant is fitted with automated guided vehicles, an air-conditioning system for the assembly line, and highly advanced equipment, all of which have been incorporated into the design with the aim of greatly increasing productivity.
- In addition, the finished products will be transported by barge from the port adjacent to the plant to ports in Kobe and Yokohama.



Air-conditioning system



Automatic guided vehicles



Barge



Coating robots

◆ Acquisition of the Demag Mobile Cranes Business Completed (July 2019)

- Acquisition Price: \$215 million (approx. 23.6 billion yen)
 - *This price is equivalent to the enterprise value of the target company, and it is subject to adjustment post-closing.
- The Demag Mobile Crane business, currently owned by Terex, has over 100 years of history and experience in the design and manufacture of world-class, large-capacity all terrain cranes and crawler cranes. Through the acquisition of Demag, Tadano further seeks to meet customer needs with the addition of lattice-boom crawler cranes to our product lineup, as well as the enhancement of our all terrain crane lineup.
- Day 1 event was hosted in Germany on the day of completion of the acquisition.



Speech by the president for Day1 event



Group photo taken after the event