

Consolidated Financial Results (Comprehensive) For Second Quarter of FY 2018

(April 1, 2018 through September 30, 2018)

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 7, 2018

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], Moscow Office [Russia]	
[Paid-in capital]	¥13,021 million	[Stock shares] Shares issued: 129 million Number of shareholders: 8,524 (as of September 30, 2018)
[Net sales]	¥173,703 million (FY 2017)	
[Number of employees]	Consolidated: 3,384; non-consolidated: 1,439 (as of September 30, 2018)	
[Subsidiaries]	11 subsidiaries in Japan: Tadano IMES Ltd. Tadano ILEC Ltd. Tadano S-TEC Ltd. Tadano Engineering Ltd. Tadano Techno East Co., Ltd. Tadano Techno West Co., Ltd. Tadano Kyoshu Center Ltd. Tadano Butsuryu Ltd. Tadano Systems Inc. Tadano Business Support Ltd. Toda Kiko Shokai Ltd.	18 subsidiaries and 2 affiliates outside Japan: Tadano Faun GmbH, Tadano Faun Stahlbau GmbH [Germany] Tadano UK Ltd [U.K.] Tadano France SAS [France] Tadano Nederland B.V.[Netherlands] Tadano Belgium B.V.B.A.[Belgium] Tadano America Holdings, Inc., Tadano America Corporation, Tadano Mantis Corporation [U.S.A.] Tadano Chile SpA [Chile] Tadano Brasil Equipamentos de Elevacao Ltda. [Brazil] Tadano (Beijing) Ltd. [China] Tadano Korea Co., Ltd. [South Korea] Tadano (Thailand) Co., Ltd., Tadano Italthai Co., Ltd. [Thailand] Tadano Asia Pte. Ltd. [Singapore] Tadano India Pvt. Ltd. [India] Tadano Oceania Pty Ltd BQ-Tadano (Beijing) Crane Co., Ltd. [China] Taiwan Tadano Ltd [Taiwan]

Key Points of FY 2018 Second Quarter Financial Results

(Unit: millions of yen)

	FY2017 First Half		FY2018 First Half		Percent change
	Amount	Percentage	Amount	Percentage	
Net sales	82,880	100.0%	82,272	100.0%	-0.7%
Operating income	8,548	10.3%	5,743	7.0%	-32.8%
Ordinary income	8,386	10.1%	5,673	6.9%	-32.4%
Net income attributable to Owners of the parent	5,969	7.2%	4,081	5.0%	-31.6%

	FY2017 First Half	FY2018 First Half
Capital investment	¥1,220 million	¥6,595 million
Depreciation	¥1,360 million	¥1,432 million
Exchange rate (USD)	¥112.37	¥108.68
Exchange rate (EUR)	¥121.64	¥131.64

* 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 June.)

⇒ Capital investment of the first half of FY2018 includes ¥5,035 million related to the new plant construction.

[FY2018 Management Policy]

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

◆ **Second quarter revenues and profits declined for the third consecutive year**

◆ **Sales inside Japan decreased, and sales outside Japan increased**

- ⇒ Net sales in Japan: ¥47.8 billion → ¥44.4 billion (-7.3%)
Sales of Mobile Crane remained unchanged, sales of Truck Loader Cranes and Aerial Work Platforms decreased.
- ⇒ Net sales outside Japan: ¥34.9 billion → ¥37.8 billion (+8.2%)
Sales in the Middle East decreased, sales in the Europe and North America increased.

◆ **Outside Japan sales ratio : 42.2% → 46.0%**

◆ **Income decreased. Operating income ratio: 10.3% → 7.0%**

Operating income:	¥8.5 billion → ¥5.7 billion
Ordinary income:	¥8.3 billion → ¥5.6 billion
Net income:	¥5.9 billion → ¥4.0 billion

(Unit: millions of yen)

	FY 2017 First Half		FY 2018 First Half		Increase/ Decrease
	Amount	Percentage	Amount	Percentage	
Net sales	82,880	100.0%	82,272	100.0%	-607
Cost of sales	59,120	71.3%	60,382	73.4%	1,261
Gross profit on installment sales	27	0.0%	121	0.1%	93
Gross profit	23,786	28.7%	22,011	26.8%	-1,775
Selling, general, and administrative expenses	15,238	18.4%	16,267	19.8%	1,029
Operating income	8,548	10.3%	5,743	7.0%	-2,804
Non-operating income and loss	-161	-0.2%	-70	-0.1%	91
Ordinary income	8,386	10.1%	5,673	6.9%	-2,713
Extraordinary income and loss	4	0.0%	-3	-0.0%	-8
Income before income taxes	8,391	10.1%	5,669	6.9%	-2,721
Corporate taxes	2,400	2.9%	1,569	1.9%	-831
Net income attributable to noncontrolling interests	21	0.0%	19	0.0%	-1
Net income attributable to owners of the parent	5,969	7.2%	4,081	5.0%	-1,888

[Key Changes]

◆ COGS ratio: 71.3% → 73.4%

- Despite the efforts to maintain appropriate sales prices and cost reductions, the COGS ratio went up by 2.1% from the same period of the previous fiscal year, because of COGS increasing and changes in the composition of sold cranes.

◆ Selling, general, and administrative expenses: ¥1,029 million increase

- Variable costs: + ¥127 million
- Personnel costs: + ¥432 million
- Other expenses: + ¥469 million

◆ Non-operating income and loss:

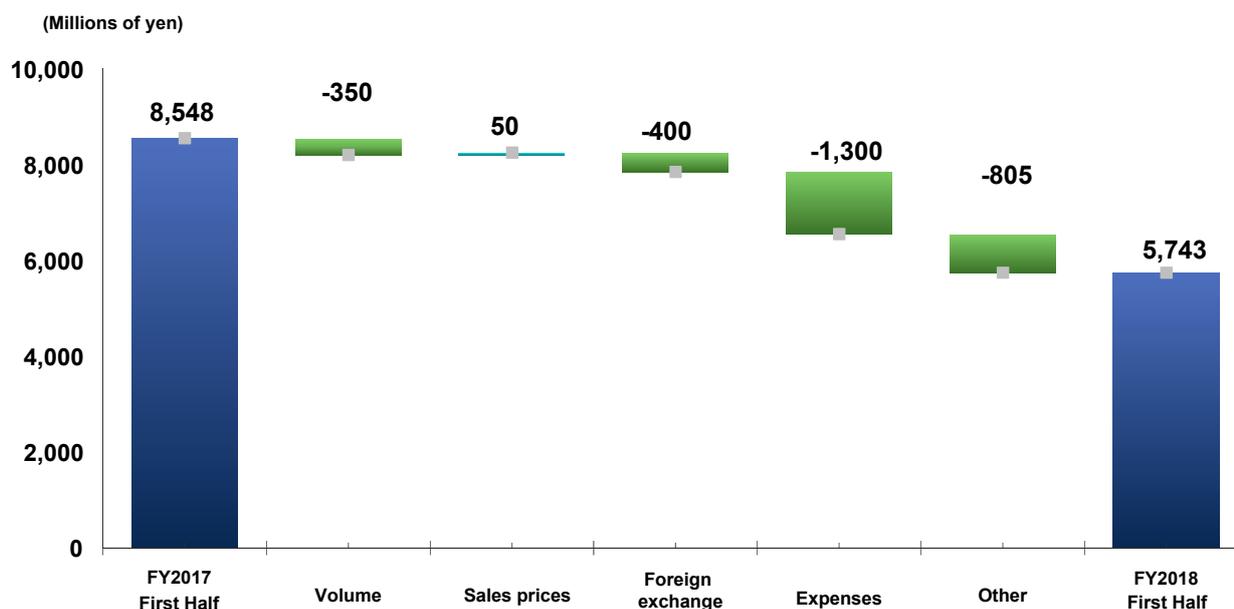
- Non-operating income: ¥192 million → ¥178 million
- Non-operating loss: ¥354 million → ¥249 million

◆ Extraordinary income and loss:

- Extraordinary income: ¥33 million → ¥6 million
- Extraordinary loss: ¥29 million → ¥9 million

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

Operating income fell ¥2.8 billion due to increased expenses.



(Unit: millions of yen)

[Key Changes]

	FY 2017 Year-End		FY 2018 First Half		Increase/ Decrease
	Amount	Percentage	Amount	Percentage	
Cash deposits	86,854	35.4%	78,680	31.5%	-8,173
Accounts receivable	45,501	18.6%	39,215	15.7%	-6,286
Inventories	54,552	22.2%	62,480	25.0%	7,928
Other current assets	1,779	0.7%	3,700	1.5%	1,920
Total current assets	188,687	76.9%	184,076	73.7%	-4,611
Tangible fixed assets	41,747	17.0%	46,499	18.6%	4,752
Intangible fixed assets	1,187	0.5%	1,499	0.6%	312
Investment and other assets	13,879	5.6%	17,698	7.1%	3,819
Total fixed assets	56,814	23.1%	65,697	26.3%	8,883
Total assets	245,501	100.0%	249,774	100.0%	4,272
Accounts payable	36,727	15.0%	38,663	15.5%	1,936
Interest-bearing debt	33,750	13.7%	35,842	14.4%	2,091
Other liabilities	24,978	10.2%	24,289	9.7%	-689
Total liabilities	95,457	38.9%	98,795	39.6%	3,337
Total equity	150,044	61.1%	150,979	60.4%	934
Total liabilities and equity	245,501	100.0%	249,774	100.0%	4,272

◆ Accounts receivable decreased:

¥45.5 billion → ¥39.2 billion

⇒ The receivable turnover period ameliorated.
(FY2017 First Half: 96.0days, FY2017: 95.6days)
→ FY2018 First Half: 87.2days

◆ Inventories increased:

¥54.5 billion → ¥62.4 billion

(¥62.4 billion total includes ¥19.8 billion at TFG.)
⇒ The inventory turnover period deteriorated.
(FY2017 First Half: 128.4days, FY2017: 114.6days)
→ FY2018 First Half: 139.0days

◆ Interest-bearing debt increased:

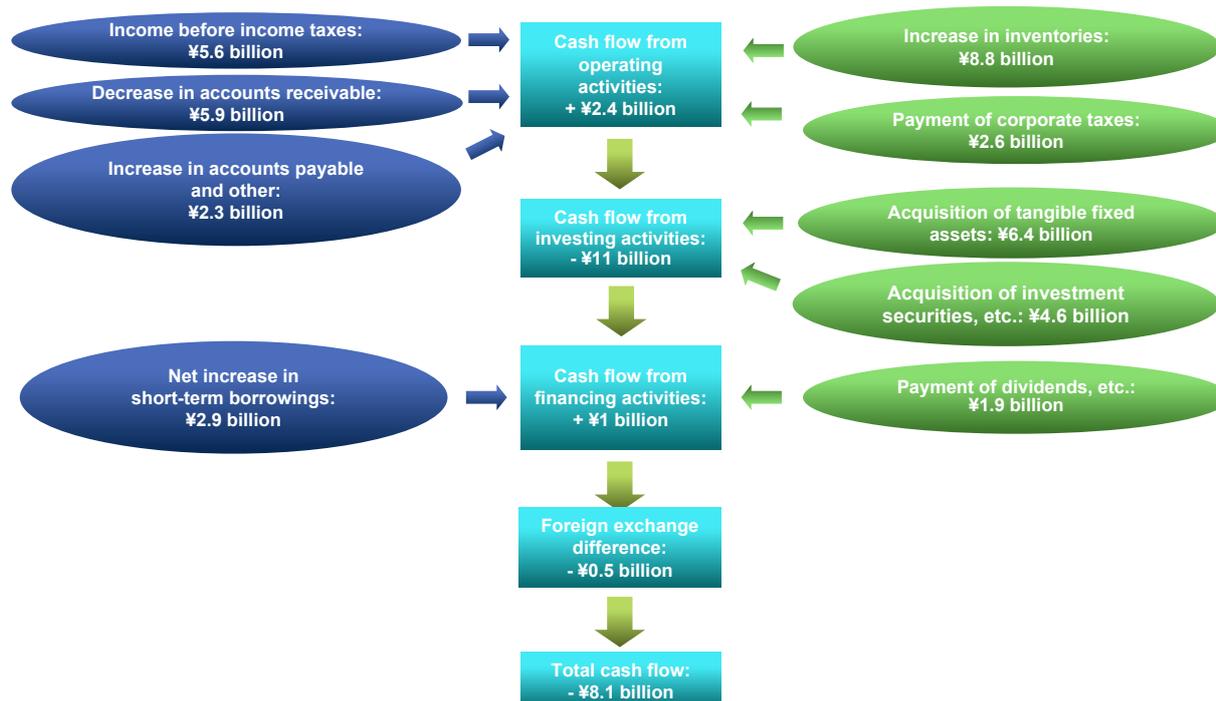
¥33.7 billion → ¥35.8 billion

⇒ Short-term: increased by ¥2.9 billion
Long-term: decreased by ¥0.8 billion

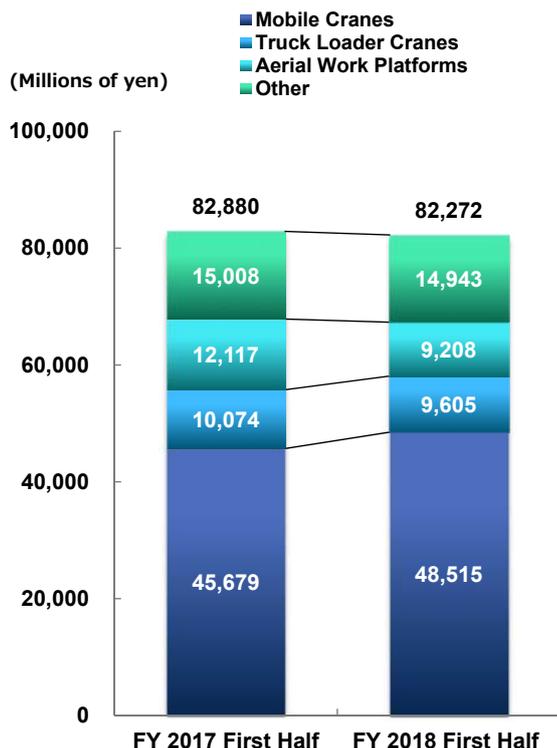
A reclassification has been made for the Balance Sheet, in accordance with Partial Amendments to the Japanese Accounting Standard for Tax Effect Accounting.

Overview of Cash Flow

Total cash flow decreased ¥8.1 billion due to cash flow from investing activities.



Net Sales by Product



(Unit: millions of yen)

	FY 2017 First Half		FY 2018 First Half		Increase / Decrease	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Mobile Cranes	45,679	55.2%	48,515	59.0%	2,836	6.2%
Truck Loader Cranes	10,074	12.2%	9,605	11.7%	-469	-4.7%
Aerial Work Platforms	12,117	14.5%	9,208	11.2%	-2,909	-24.0%
Other	15,008	18.1%	14,943	18.1%	-65	-0.4%
Total	82,880	100%	82,272	100%	-607	-0.7%

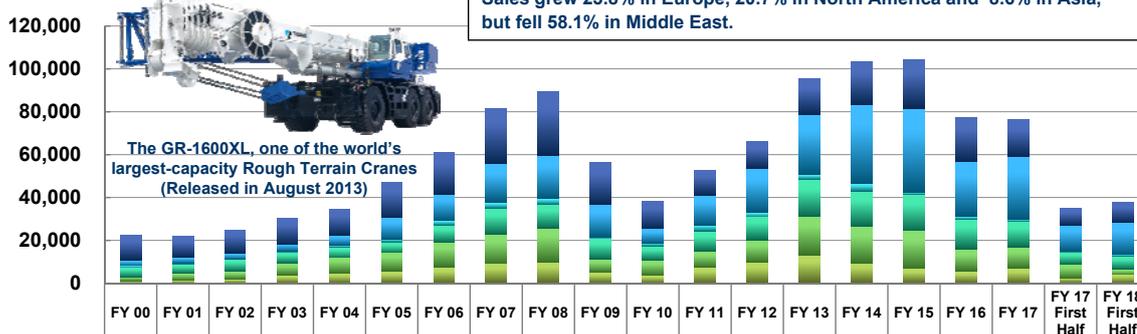
◆ Outside Japan sales ratio: 42.2% → 46.0%

Breakdown of Mobile Crane sales Inside and Outside Japan

Japan	18,160	17,915	-244	-1.3%
Outside Japan	27,519	30,600	3,080	11.2%

Sales Trends by Market Outside Japan

(Millions of yen)



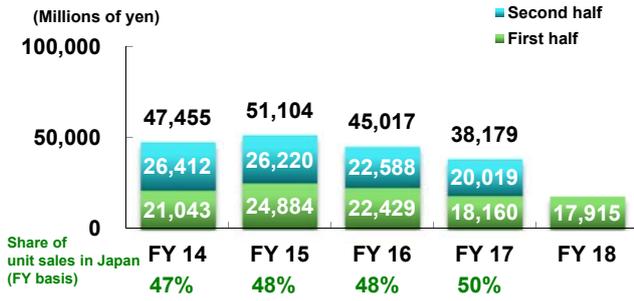
Sales grew 8.2% compared to the same quarter of the previous fiscal year. Sales grew 23.8% in Europe, 20.7% in North America and 8.6% in Asia, but fell 58.1% in Middle East.

	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 17 First Half	FY 18 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	7,694	9,528
■ 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	12,404	14,973
■ 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	445	582
■ 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	5,694	6,183
■ 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	6,095	2,556
■ 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	2,650	4,041
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	34,984	37,864
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%	42.2%	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	112.37	108.68
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	121.64	131.64

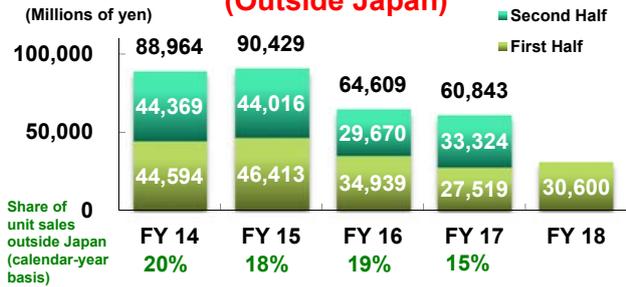
Notes

- 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.

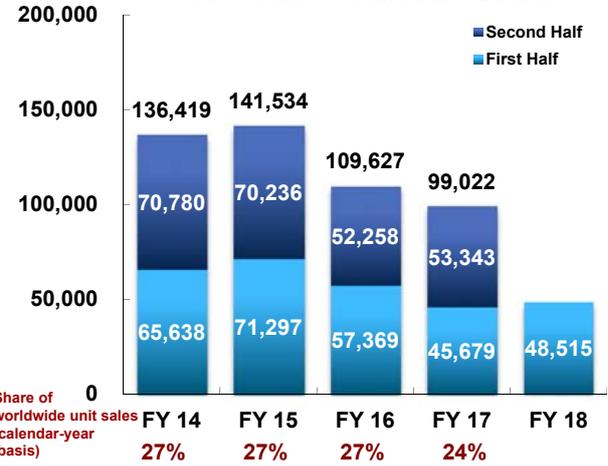
Net Sales of Mobile Cranes (Japan)



Net Sales of Mobile Cranes (Outside Japan)

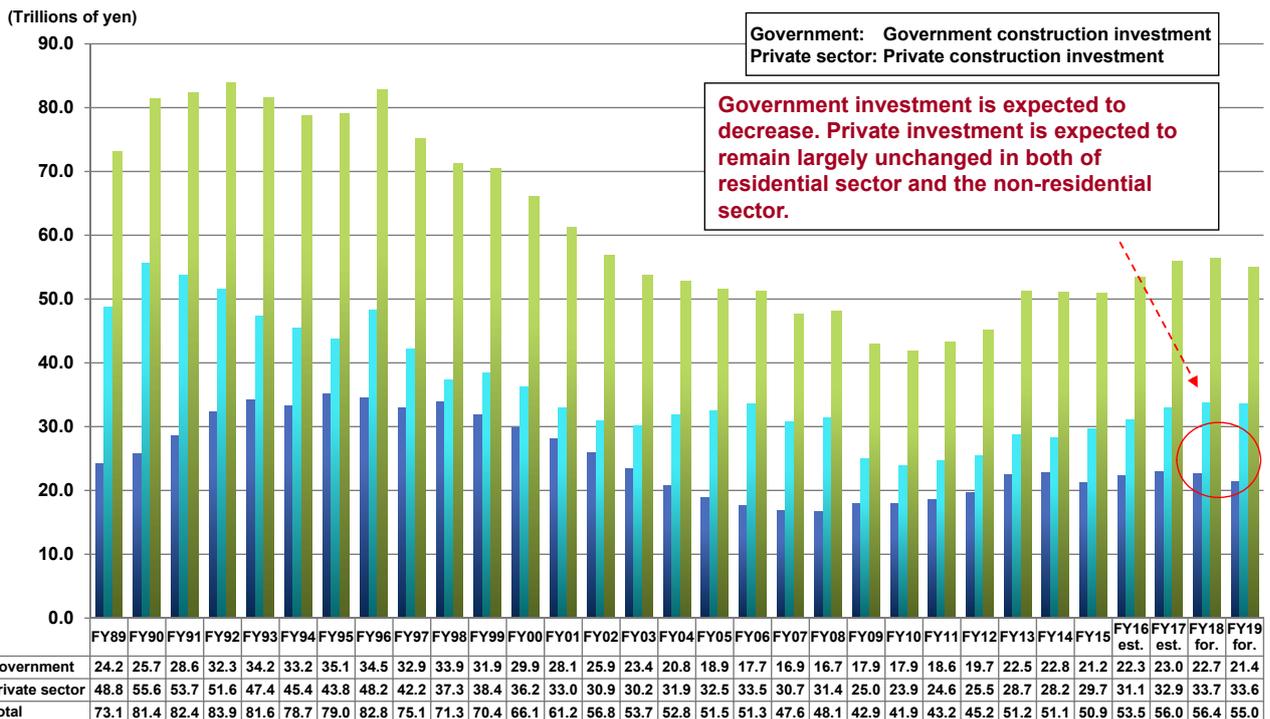


Net Sales of Mobile Cranes

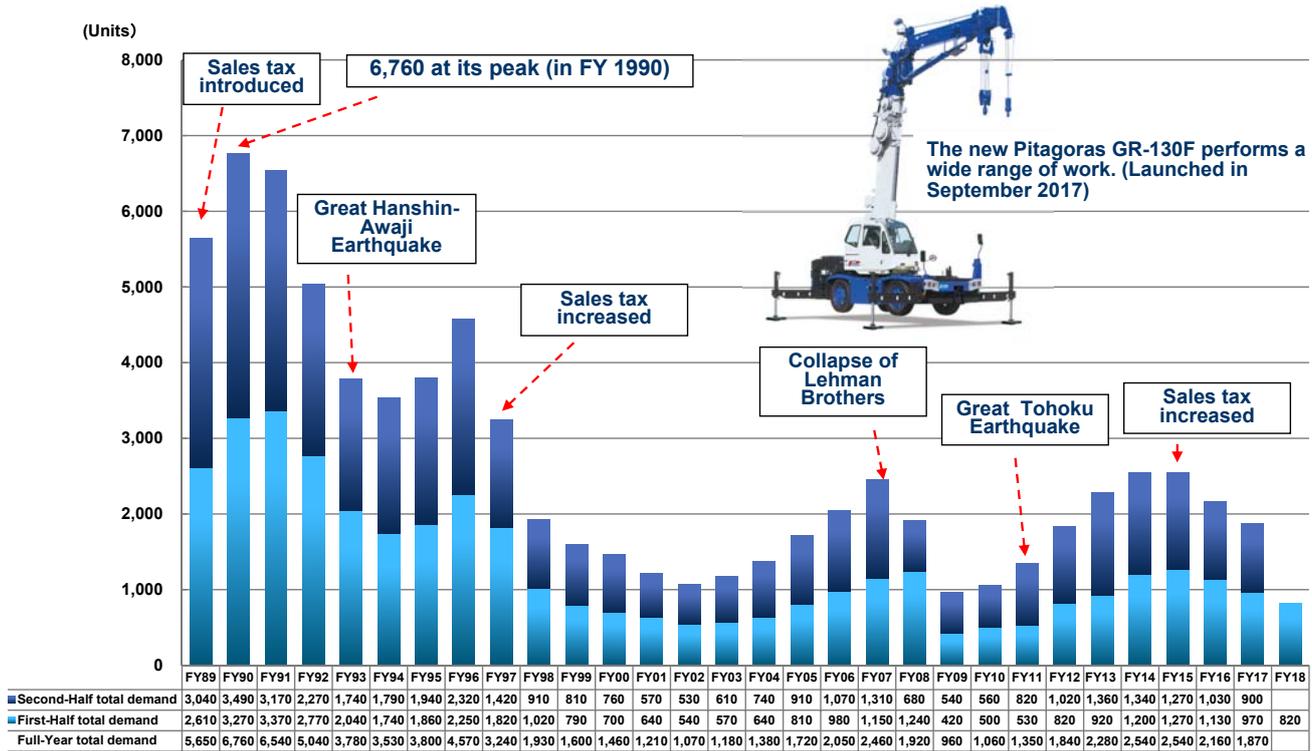


We changed the standard for our demand statistics data this year. Consequently, the share of unit sales outside Japan and the share of worldwide unit sales after FY 2014 has changed based on the new standard. Please refer to page 15 for more information. Shares are rounded to the nearest whole share.

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 July 26, 2018)



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

Mobile Cranes

Market share in Japan: 48% → 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 820 units (for FY2018 First Half based on Tadano research), down 16% from the previous fiscal year.

→ Focusing on sales growth in a climate of declining demand.

Changes in the composition of sold cranes resulted in a decreasing percentage share of tonnage in Japan from 46% to 42%. Net sales in Japan were ¥17,915 million (98.7% of the same period of the previous fiscal year).

[Rough Terrain Cranes]

- Main models in the Japanese Mobile Cranes business; account for 91% of demand in Japan (53% 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
- Markets outside Japan: 8 models with 13 to 145 ton lifting capacity (Tadano produces models for both in and outside Japan)
- All model have Hello-Net Telematics
- In Japan, these cranes travel on public roads; In North America, they are transported on trailers



Launched in October 2016

[All Terrain Cranes]

- Large cranes for urban development, elevated driveways, and bridge construction in Japan, account for 8% of demand in Japan (85% of European demand)
- Outstanding long-distance mobility in addition to maneuverability (with versatile steering)
- Japanese market: 7 models with 100 to 550 ton lifting capacity (produced by Tadano Faun GmbH in Germany and Tadano Ltd. in Japan)
- Markets outside Japan: 11 models with 40 to 400 ton lifting capacity (produced by Tadano Faun GmbH in Germany)
- 12 models out of 18 have Hello-Net Telematics.
- Disassembly required for transport on public roads in Japan. No disassembly required for transport in Europe



ATF-200N-5.1

Launched in May 2018 in Japan

[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 35 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.

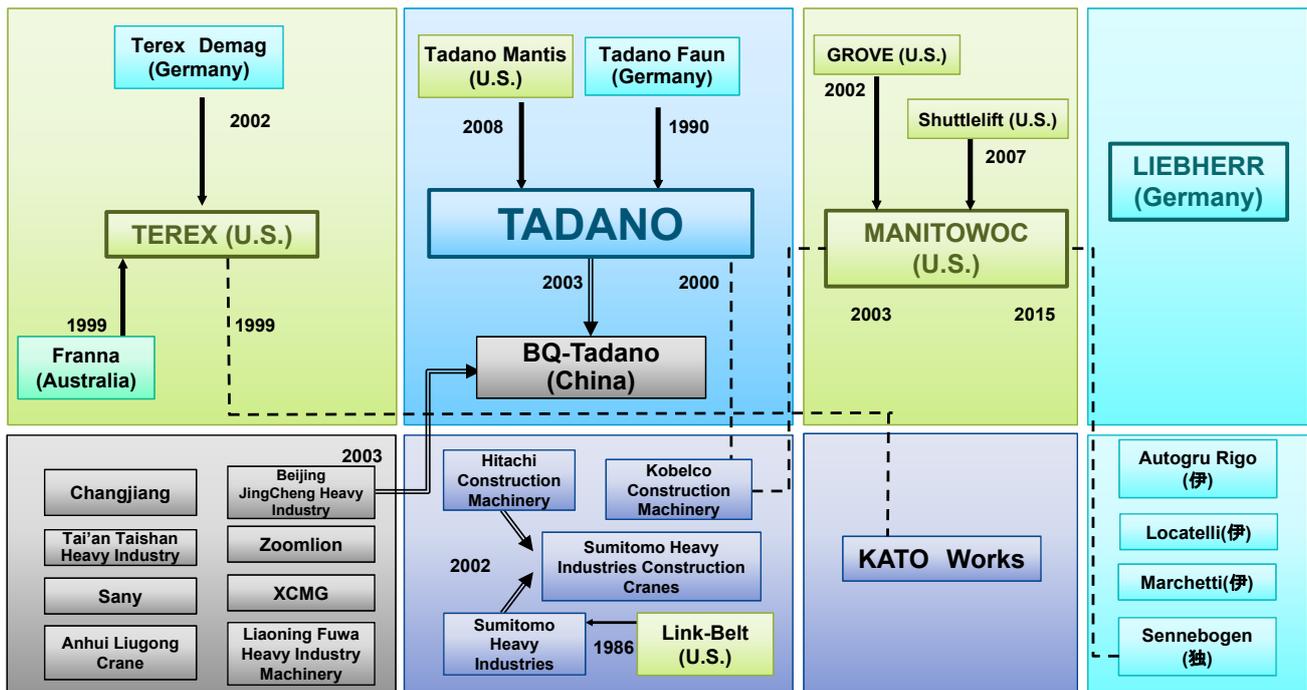


GT-600EL

[Points shared with Mobile Cranes]

- Regulators (In Japan): 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 from April 2012.
→ The enforcement of 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 ACs in European markets: Euromot V
Motor output 130 kW or higher: starting January, 2019 Less than 130 kW: starting January, 2020
- Emissions regulations for RCs in North American markets: Tier 4: started January 2014 (Future regulations yet to be determined)

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 (numerals indicate fiscal year of acquisition)
 - - - Partnership (numerals indicate fiscal year of partnership)

⇨ Investment/joint venture

We changed the standard for our demand data from April FY 2018 consolidated financial results.

- 1) Change** Former standard: **Does not include** Chinese construction cranes produced for export.
New standard: **Includes** Chinese construction cranes produced for export.

2) Reasons for this change

- We gathered the statistical data of the three main Chinese manufacturers.
- Presence of Chinese manufacturers in the strategic market, which is measured in units, has grown for the last few years.

3) Impact of this change

- The table below shows the **differences** in demand and our shares which appeared mainly in **the strategic markets and the truck crane sector (TC)** after adopting the new standard.

Total demand: Number of Chinese construction cranes for export that increased after adopting the new standard.
Shares: Our shares that changed after adopting the new standard.

Area	FY2010		FY2011		FY2012		FY2013		FY2014		FY2015		FY2016		FY2017		FY2017 First Half		FY2018 First Half	
	Demand	Share	Demand	Share	Demand	Share														
Europe	30	0%P	0	0%P	10	0%P	0	0%P	0	0%P										
North America	0	0%P	20	0%P	30	0%P	30	0%P	30	0%P	0	0%P	0	0%P	0	0%P	0	0%P	0	0%P
Caribbean, Central and South America	20	0%P	100	-1%P	220	-1%P	310	-2%P	70	-1%P	130	-4%P	150	-8%P	120	-7%P	70	-5%P	40	-6%P
Asia	80	-6%P	100	-8%P	110	-7%P	360	-18%P	340	-12%P	650	-24%P	460	-25%P	390	-16%P	260	-17%P	350	-28%P
Middle East	40	-2%P	180	-8%P	160	-4%P	410	-13%P	390	-13%P	800	-18%P	460	-20%P	600	-24%P	300	-28%P	280	-16%P
Other	110	-2%P	120	-3%P	90	-1%P	370	-6%P	440	-12%P	370	-8%P	270	-10%P	460	-11%P	170	-7%P	220	-12%P
Subtotal(total outside Japan)	280	-1%P	520	-2%P	620	-1%P	1,480	-4%P	1,270	-4%P	1,950	-7%P	1,340	-6%P	1,570	-6%P	800	-6%P	890	-6%P
Japan	0	0%P	0	0%P	0	0%P														
Total	280	-1%P	520	-2%P	620	-2%P	1,480	-4%P	1,270	-4%P	1,950	-7%P	1,340	-6%P	1,570	-7%P	800	-6%P	890	-7%P
Products	0	0%P	10	0%P	10	0%P	20	0%P	10	0%P	20	0%P								
AC	10	0%P	70	-1%P	130	-1%P	140	-1%P	150	-1%P	160	-1%P	90	-1%P	190	-2%P	90	-2%P	90	-3%P
TC	270	-12%P	440	-6%P	480	-7%P	1,320	-10%P	1,110	-11%P	1,780	-21%P	1,240	-25%P	1,370	-13%P	700	-14%P	780	-18%P
Total	280	-1%P	520	-2%P	620	-2%P	1,480	-4%P	1,270	-4%P	1,950	-7%P	1,340	-6%P	1,570	-7%P	800	-6%P	890	-7%P

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

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

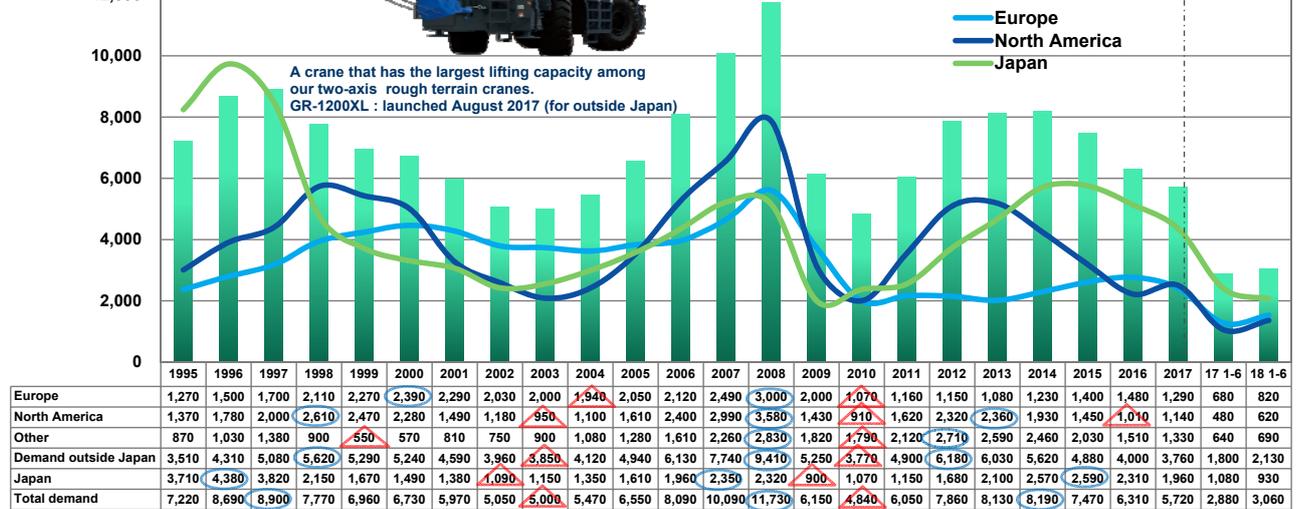
[Former standard]

(Units)



Note: Colored lines indicate trends in annual demand as a percentage of the trough base year having the lowest demand in each market (assigned the value 1)
(In North America and Europe the bottom year was 2010, and in Japan it was 2009.) Peak year ○ Bottom year △

World demand collapsed by 59% over the two-year period following the economic shock spurred by the collapse of Lehman Brothers. Since peaking in 2012, demand outside Japan has trended downward.



1. Demand outside Japan markets is estimated by Tadano based on statistics provided by AEM, ICE, and others.
2. Mobile Cranes produced in China and Russia are excluded.

Demand trends in Chinese Market for Mobile Cranes produced in China are as follows:

2010: 35,000 units, 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.
Figures showing demand are rounded to the nearest ten units.

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

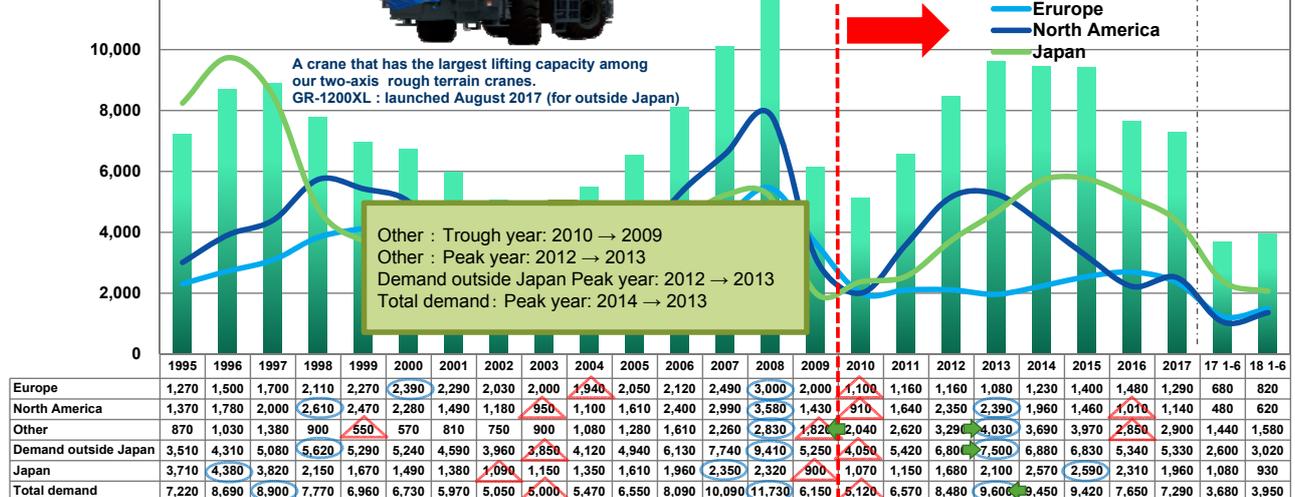
[New standard]

(Units)



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1. Demand outside Japan markets is estimated by Tadano based on statistics provided by AEM, ICE, and others.
2. Mobile Cranes produced in Russia are excluded.
3. Starting from 2010 the graph includes Chinese construction cranes produced for export.

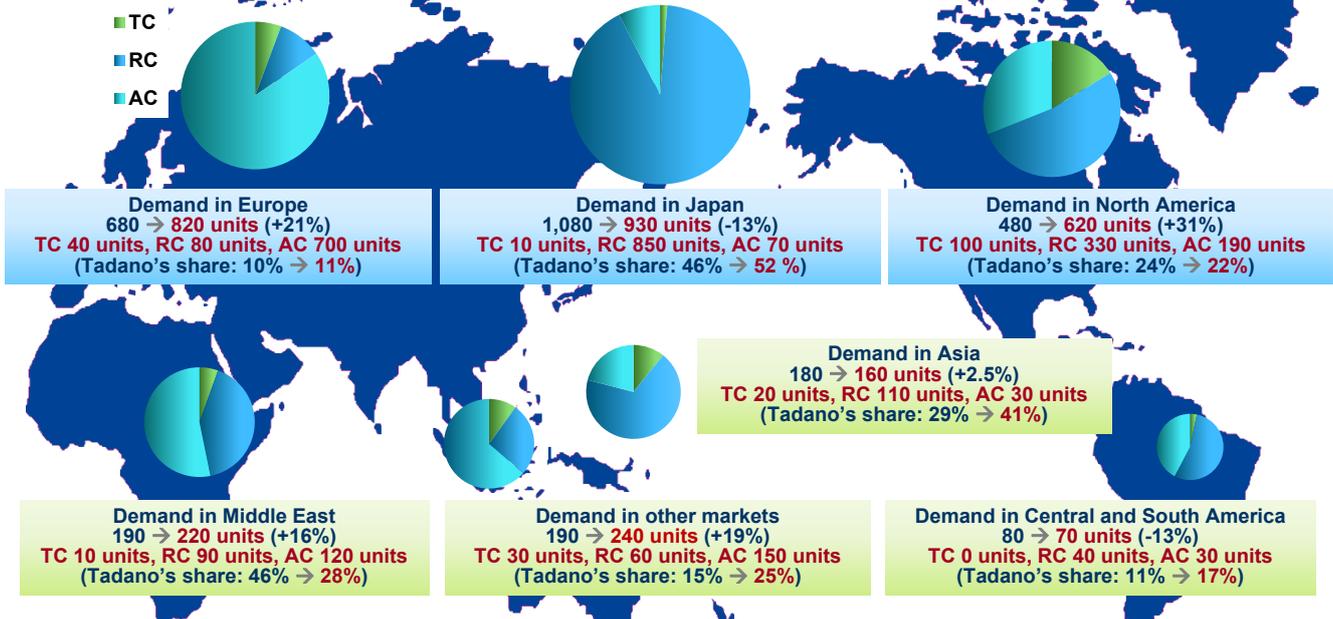
Mobile cranes produced in China for Chinese market are excluded.

Demand trends in Chinese Market for Mobile Cranes produced in China are as follows:

2010: 35,000 units, 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.
Figures showing demand are rounded to the nearest ten units.

[Former standard]

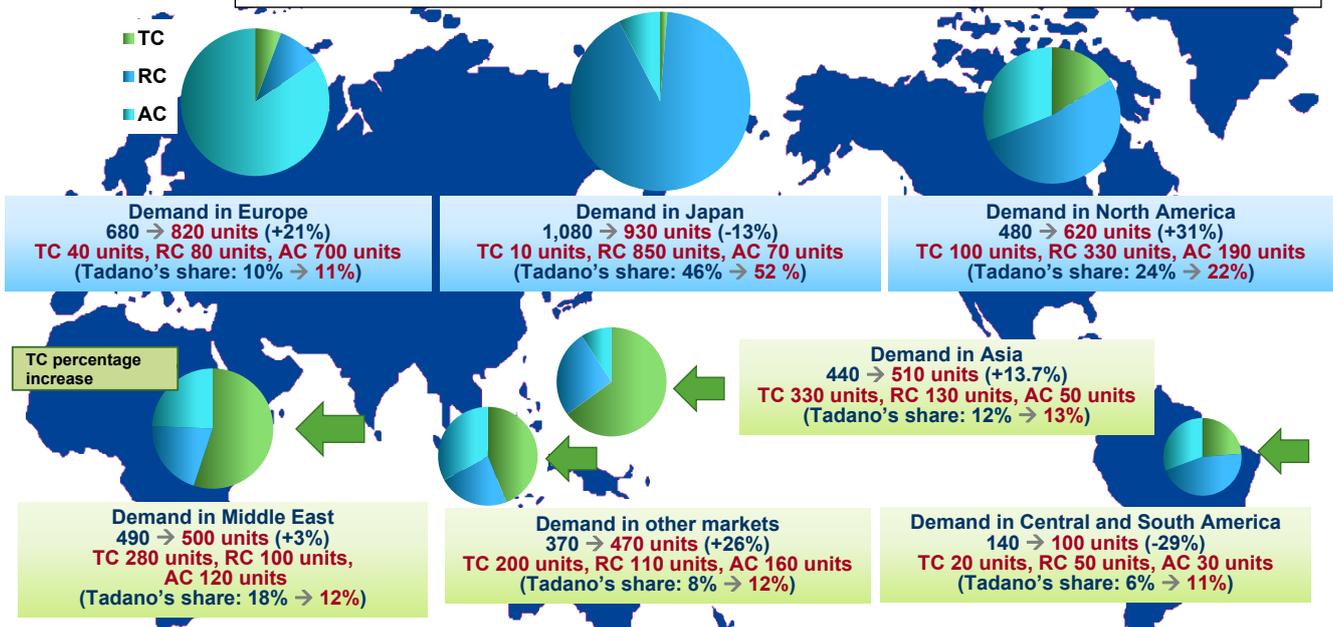
Tadano's share in the global market remained unchanged at 30%.
(Excluding Chinese and Russian production from the global demand).
Global demand for hydraulic Mobile Cranes increased from 2,880 to 3,060 units (January-June 2018, Tadano research), up 6% from the same period of the previous fiscal year.



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

[New standard]

Tadano's share in the global market remained unchanged at 23%.
Global demand for hydraulic Mobile Cranes increased from 3,680 to 3,950 units (January-June 2018, Tadano research), up 7% from the same period of the previous fiscal year.



Notes Mobile Cranes produced in Russia are excluded. Mobile cranes produced in China for Chinese market are excluded.
"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 from the previous year.
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 >
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 Ltd.
 Location: Lauf a.d. Pegnitz, Germany
 Line of business: Development, production, and distribution of Mobile Cranes
 Representative and President: Kenichi Sawada; number of employees: 658
 Sales trend:
 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, 2015; 304 million EUR/376 units, 2016; 319 million EUR/363 units, 2017; 279 million EUR/311 units



[Tadano Faun Stahlbau GmbH]

Paid-in capital: 650,000 EUR (ownership: TFG 80%; Amron 10%; Kozai Iron 10%)
 Established: September 2008; Location: Lauf a.d. Pegnitz; Representative and President: Ulrich Zschenderlein; Number of employees: 24
 Line of business: Parts production (jibs and others) for TFG Mobile Cranes

The four companies below are wholly-owned subsidiary of Tadano Faun GmbH
 Line of business: Distribution and service of Mobile Cranes and other products; Representative and President: Rolf Sonntag

[Tadano UK Ltd]

Acquired in April, 2014; Paid-in capital: 50,000 GBP; Location: Tankersley, The United Kingdom
 Number of employees: 18

[Tadano France SAS]

Established in February 2016; Paid-in capital: 50,000 EUR; Location: Saint Avold, France
 Number of employees: 7

[Tadano Nederland B.V.]

Acquired in January 2018; Paid-in capital 18,000 EUR; Location: Purmerend, Netherlands
 Number of employees: 17

[Tadano Belgium B.V.B.A.]

Acquired in January 2018; Paid-in capital 400,000 EUR; Location: Diest, Belgium
 Number of employees: 5

● **Offering full range of All Terrain Cranes:**

11 models with 40 to 400 ton lifting capacity are available.
 Our aim is to wider the range of our products.



< 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: 85
 Sales trend: 2012: 249 million USD; 2013: 262 million USD; 2014: 305 million USD
 2015: 285 million USD; 2016: 206 million USD; 2017: 230 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
 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.
 Representative and President: Kozo Yoshida
 Number of employees: 148
 Sales trend: 2012: 39 million USD; 2013: 36 million USD; 2014: 30 million USD
 2015: 40 million USD; 2016: 27 million USD; 2017: 36 million USD



GTC-600: Launched in January 2017
 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

* TAH stands for Tadano America Holdings, Inc.

<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: 1,000,000 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: 16

[Tadano Oceania Pty Ltd]

Establishment: February 2010
 Paid in-capital: 7,500,000 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: Yoshiaki Yamazaki
 Number of employees: 29

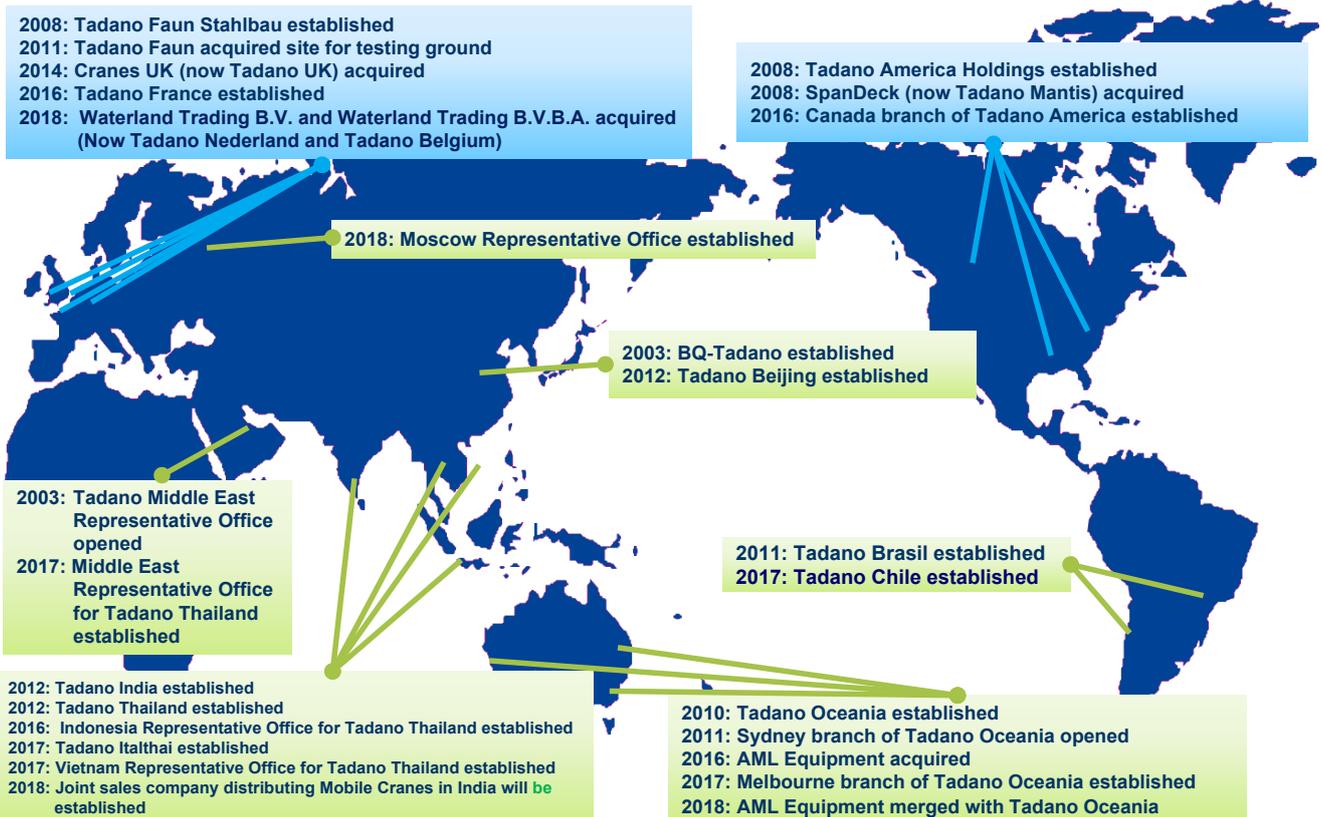
* AML Equipment Pty Ltd merged with Tadano Oceania Pty Ltd in July 2018.



GT-750EL
 (Launched in October 2017)

Acceleration of Business Expansion Outside Japan (Since 2003)

- 20 Companies Established or Acquired;
 11 New Facilities Opened
 2 of these companies closed down,
 and 2 companies were relocated



[Loader Cranes] Market share in Japan 50%→49%

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

Demand in Japan was 7,590 units (for First Half of FY2018, based on Tadano research), down 6% from the same period of the previous fiscal year.

⇒ In a climate of unchanging truck demand, the rate of crane mounting on trucks dropped.

Net sales were ¥9,605 million (95.3% 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.

-Regulator (In Japan)-

-Major buyers and distinctive features-

- Primarily the Ministry of Health, Labour and Welfare (crane regulations)
- Truck dealers
- Sales tend to parallel truck demand.

ZE600



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

[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 FY2017: ¥830 million
Sales in First Half of FY2018: ¥800 million
- Accelerating expansion outside Japan, including the opening of a manufacturing subsidiary in Thailand on April 2012.



ZR560

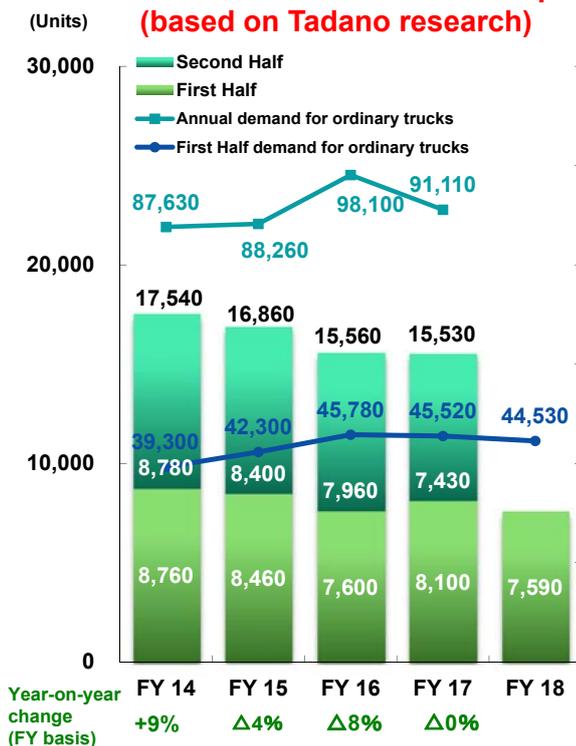
(ZR560 Loader Crane for export)

SS-38F



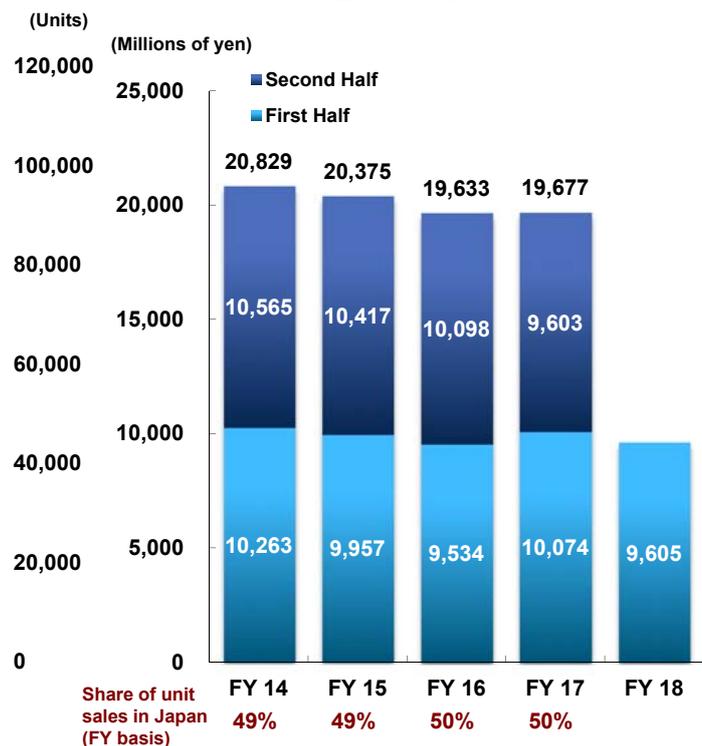
(Slide bed Vehicle Carrier [transport vehicle])

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



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

Truck Loader Crane Sales



[Tadano Italthai Co., Ltd.]

Paid-in capital:50 million THB

(ownership: Tadano Ltd. 49%, ITI 48%, MHCB 3%)

Establishment: May 2017 (The name of the company, Tadano Thai Parts and Service, was changed to Tadano Italthai after capital investment by ITI.

ITI (Italthai Industrial) is a Tadano distributor which sells Mobile Cranes.)

Location: Bangkok, Thailand

Line of business: Distribution of Loader Cranes

Representative and President: Hidetoshi Iga; **Number of employees:** 9

[Tadano (Thailand) Co.,Ltd.]

Paid-in Capital:636 million THB; wholly-owned subsidiary of Tadano Ltd.

Establishment:April 2012 (Operation launch: June 2013)

Location: Hemaraj Eastern Seaboard Industrial Estate, 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)

Representative and President: Shunsuke Mitani; **Number of employees:** 48

- 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.



ZT1000 Loader Crane manufactured in the plant in Thailand (Launched in July 2016)



Inside Tadano (Thailand) Plant



Tadano (Thailand)

Market share in Japan: 37% → 36%

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

Japanese demand for Aerial Work Platforms mounted on trucks was 2,380 units (for the first half of FY2018 Tadano research), down 7% from the same period of the previous fiscal year.

⇒ High sales to rental companies, which reflected the need for infrastructure maintenance and repair, came to an end, and net sales amounted to ¥9,208 million. (76.0% 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)

17 models out of 31 have Hello-Net Telematics

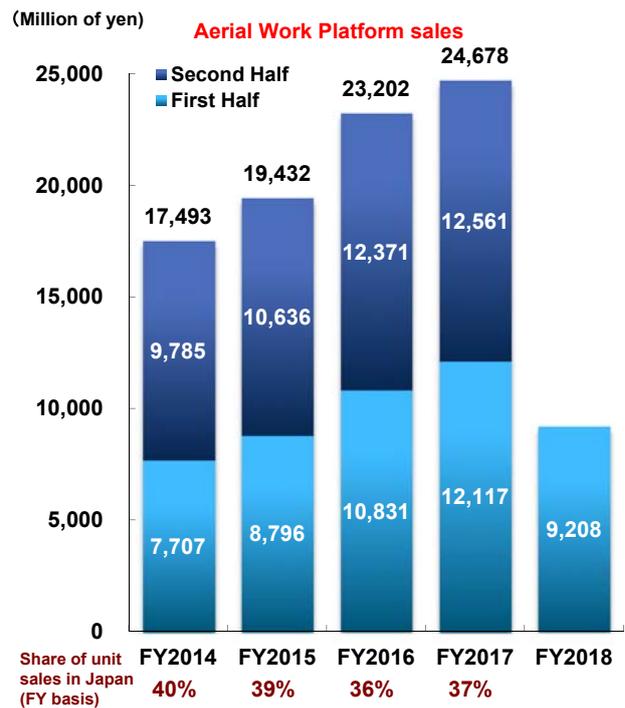
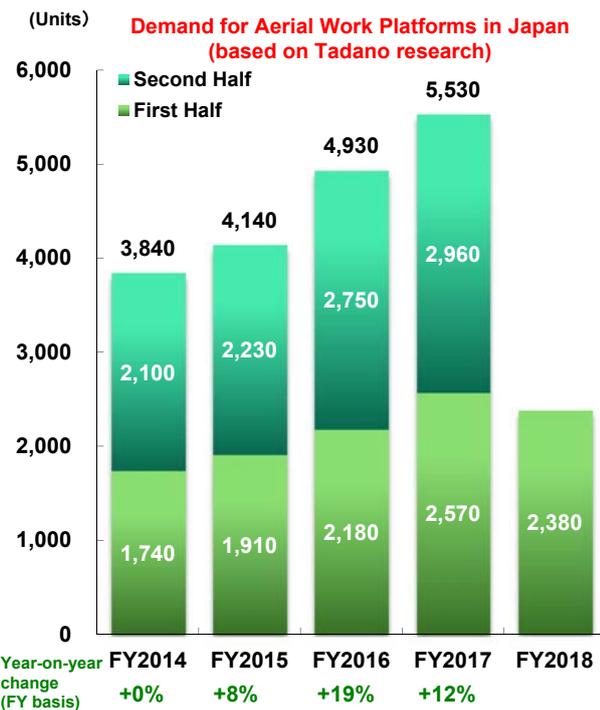


-Regulator (in Japan)-

- 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



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 ¥14,943 million (99.6% of the same period of the previous fiscal year)

[Used Cranes]

- In the first half of this fiscal year, sales in Japan increased, while sales outside Japan decreased
- The globalization of this business will be a future focus

[Parts and Repairs]

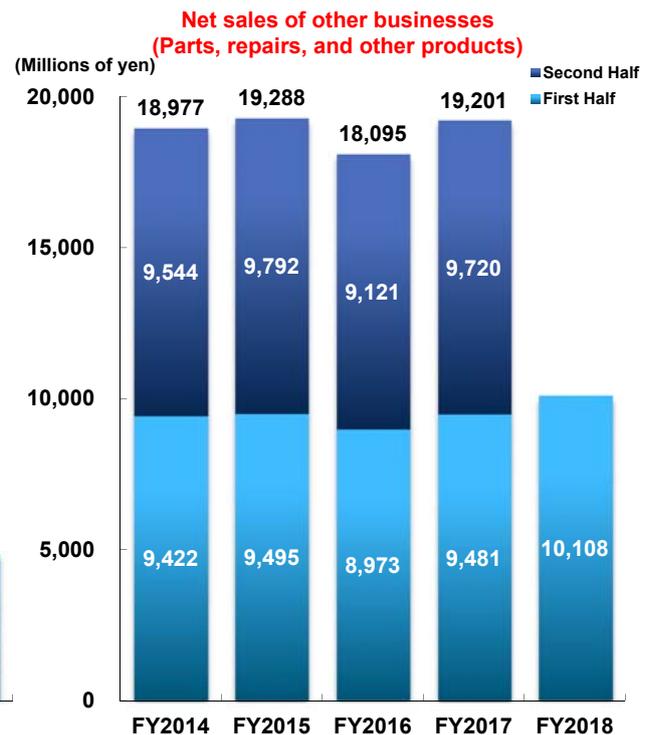
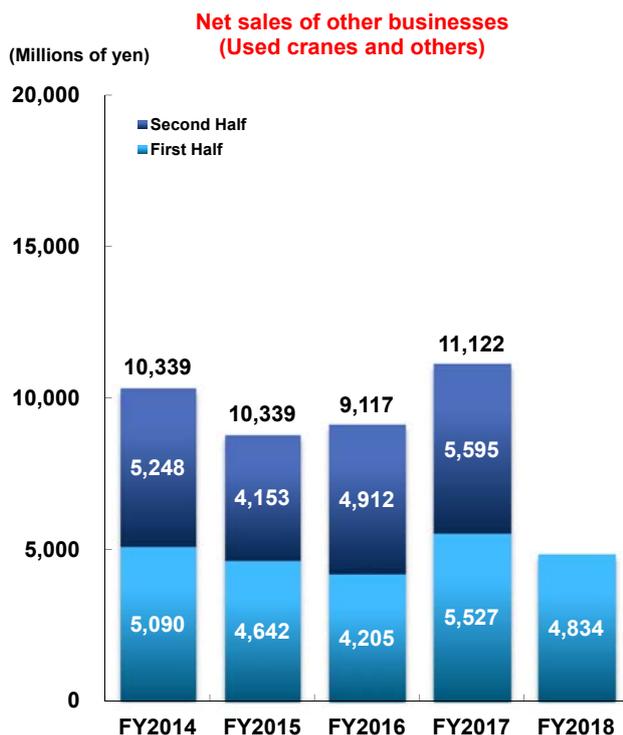
- Tadano records sales for repair parts (In general, repairs are done by designated service facilities and distributors outside Japan. These parties record the repair sales)
- In the first half of this fiscal year, both, sales in Japan and outside Japan, increased



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.



(Unit: millions of yen)

	FY 2017		FY 2018 forecast		Percent change
	Amount	Percentage	Amount	Percentage	
Net sales	173,703	100.0%	185,000	100.0%	6.5%
Operating income	15,511	8.9%	15,800	8.5%	1.9%
Ordinary income	14,907	8.6%	15,500	8.4%	4.0%
Net income attributable to owners of the parent	9,391	5.4%	10,500	5.7%	11.8%

FY 2018 business performance forecast was revised on October 30.

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

No changes from the forecast released on April 27.

Capital investment	¥2,838 million	¥17,500 million
Depreciation	¥2,864 million	¥3,000 million
Exchange rate (USD)	¥112.19	¥110.00(2nd Half)
Exchange rate (EUR)	¥126.67	¥128.00(2nd Half)

Figures for capital investment include leased assets.

The interim exchange rates were revised on October 30.

[FY 2018 Management Policy]

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

[Nine Strategies of the Mid-Term Management Plan (17- 19)]

- (i) Improve Market Position
- (ii) Enhance Product Competitiveness
- (iii) Pursue Global & Flexible MONOZUKURI
- (iv) Provide Outstanding Quality & Service
- (v) Improve Product Life-Cycle Value
- (vi) Develop Solution Business
- (vii) Raise Level of Profitability and Asset Efficiency
- (viii) Establish Growth Structure
- (ix) Strengthen the Tadano Group & Global Management Structure

◆ FY 2018 proportion of sales outside Japan: 49.6%

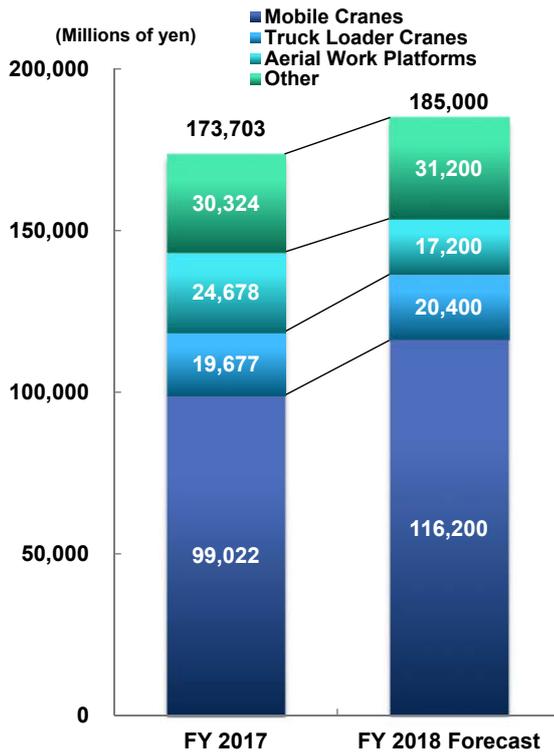
FY2018 Business Performance Forecasts

(Forecasted Main Causes of Changes in Operating Income)

Operating income will increase ¥0.2 billion due to higher sales and other factors.



FY 2018 Forecast (Net Sales by Product)



(Unit: millions of yen)

	FY 2017		FY 2018 Forecast		Increase / Decrease	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Mobile Cranes	99,022	57.0%	116,200	62.8%	17,178	17.3%
Truck Loader Cranes	19,677	11.3%	20,400	11.0%	723	3.7%
Aerial Work Platforms	24,678	14.2%	17,200	9.3%	-7,478	-30.3%
Other	30,324	17.5%	31,200	16.9%	876	2.9%
Total	173,703	100%	185,000	100%	11,297	6.5%

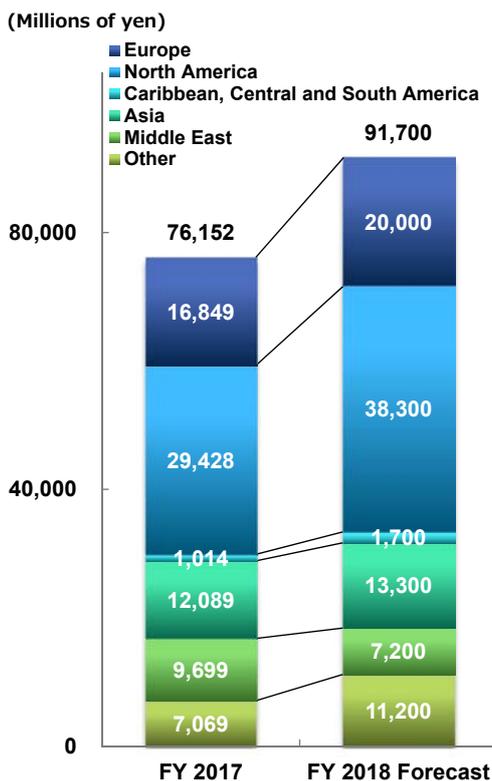
◆ Outside Japan sales ratio : 43.8% → 49.6%

Breakdown of Mobile Crane Sales Inside and Outside Japan

Japan	38,179	40,900	2,721	7.1%
Outside Japan	60,843	75,300	14,457	23.8%

FY 2018 business performance forecast was revised on October 30.

FY 2018 Forecast (Net Sales by Destination)



(Unit: millions of yen)

	FY 2017		FY 2018 Forecast		Increase / Decrease	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Europe	16,849	9.7%	20,000	10.8%	3,151	18.7%
North America	29,428	16.9%	38,300	20.7%	8,872	30.1%
Caribbean, Central and South America	1,014	0.6%	1,700	0.9%	686	67.7%
Asia	12,089	7.0%	13,300	7.2%	1,211	10.0%
Middle East	9,699	5.6%	7,200	3.9%	-2,499	-25.8%
Other	7,069	4.1%	11,200	6.1%	4,131	58.4%
Subtotal (total outside Japan sales)	76,152	43.8%	91,700	49.6%	15,548	20.4%
Japan	97,551	56.2%	93,300	50.4%	-4,251	-4.4%
Total	173,703	100%	185,000	100%	11,297	6.5%

FY 2018 business performance forecast was revised on October 30.

The graph on the left excludes Japan.

"Other" is comprised of Oceania, Africa and the CIS.

◆Initiation of new plant construction (November 2017)

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 a new plant that, in addition to Shido Plant, would become a manufacturing center for mobile cranes and its main parts such as booms and cylinders (including parts for subsidiaries outside Japan). Therefore, we purchased from the prefectural government industrial land in the western Kozai district of the port of Takamatsu in November 2016.

Its soil improvement work ended in May 2017, and the first phase of the construction began in November 2017. The plant is planned to start operating in August 2019, which means three months of delay from the original schedule, because of additional groundwork enhancement construction.

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. 100

Current construction status of the new plant viewed from the east (October 2018)



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

The site is located 10 minutes to the west by car from central Takamatsu.

- Feb. 2008 Tadano America relocates to larger offices
- Oct. 2008 Machine Telemonitoring System introduced in products for Japanese market (March 2011 for outside of Japan)
- Apr. 2009 Tadano Asia's Singapore Training Centre opens
- Jan. 2011 Chubu Parts Center opens
- Feb. 2012 Hokuriku Parts Center opens
- Mar. 2013 Tadano Techno East head office expands (Shinkiba Plant)
- Apr. 2013 Tadano Techno East Sendai Installation Center opens
- Oct. 2013 Tadano Techno East Maoka Installation Center opens
- Dec. 2014 Tadano Training Center opens
- Jun. 2015 Tokyo Metropolitan Area Parts Center opens
- Mar. 2016 Acquisition of Taihei Kiko (Hokkaido)
- May 2016 Tadano Global Parts Center (Kobe) opens
- Jun. 2016 Tadano Techno East Sakura Plant expands
- Oct. 2016 Tadano Installation Training Center opens
- Nov. 2016 Acquisition of Australian distributor (AML Equipment)
- Dec. 2016 Establishment of new Canadian branch office of Tadano America Corp.
- Mar. 2017 Acquisition of Nittsu Juki Service (Hokkaido)
CS Safety Dojo opens
- Feb. 2018 Begin providing experiential VR training courses
- Apr. 2018 Tadano Techno East merged with Taihei Kiko and Nittsu Juki Service in an absorption-type merger
- Jul. 2018 Hokkaido Parts Center and Tadano Techno East Tomakomai Plant relocate and expand**
- Oct. 2018 Tadano Singapore Parts Center opens**



Tadano America's Canada Office



Building Housing Tadano Singapore Parts Center

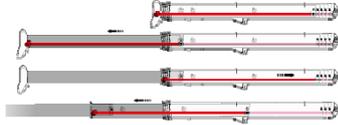
We continuously attempt to develop our sales, service, and parts depot network.

◆New products for Japan

Developed Japan's largest-capacity rough terrain cranes (100 tons) that are allowed to travel on public roads
Also developed the largest-capacity three-axle rough terrain crane in Japan (60 tons)

100 ton lifting capacity model equipped with new Single Telescopic Cylinder feature

A telescopic system that houses one hydraulic cylinder that slides within the boom and, through connecting separate sections of it with pins, gradually extends the boom length.

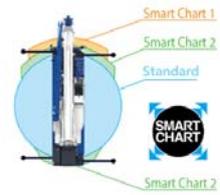


100 ton lifting capacity model adopted new self-removable counterweight

Self-removable counterweight of 4 tons significantly improves stability.

Both models feature new Smart Chart function

Further improves crane when the outriggers are fully and extracts the maximum crane capabilities in any outrigger setup.



Both models feature new Tadano View System function

Wide Sight View and Human Alert System enhance crane safety.



GR-1000N (G4)



GR-600N (G4)

◆ Agreement on the establishment of the joint venture company specializing in crane manufacturing and sales in India (August 2018)

- Paid-in capital: 6 million INR (approx. 6.5 million JPY)
- Ownership: Tadano 51%, Escorts Ltd. 49%
- In order to further expand our business and develop the Tadano Group in the rapidly growing Indian market, together with Escorts Ltd., a local producer of agricultural and construction machinery, we agreed on the establishment of a local joint company, whose aim is to develop, produce and sell products for the Indian market. Our activities are not going to be limited strictly to expansion of the sales of Tadano Group cranes, but we also plan to engage in activities strengthening our competitiveness through local designing and manufacturing.



Escorts Ltd.'s product (Rough terrain crane)

◆ Investment in Manitex International Inc. (May 2018)

- We acquired shares in Manitex International Inc., a NASDAQ listed company headquartered in Illinois (United States), issued through a third party allotment.
- Acquisition cost: 32.6 million dollars, Shareholding ratio: 14.9%
- Manitex International Inc. is a leading manufacturer and provider of boom trucks used throughout construction sites and building energy facilities in North America. Moreover, its group company, PM Group S.p.A., offers a product lineup of knuckle boom cranes, a type of truck-mounted crane popular in the USA and Europe. Through complementing our portfolios, we believe that we will be able to meet a wider range of customers' needs.



Knuckle boom crane