

Financial Results Briefing

In 2019, Tadano will celebrate the 100th anniversary of its founding.

May, 2019

TADANO LTD.

Milestone Year

- 100th anniversary of founding
- Kozai Plant is planned to start operating
- Planned Acquisition of Demag Mobile Crane Business

- Becoming No.1 Worldwide in the Lifting Equipment Industry
- Attaining a sales of ratio of 80% outside of Japan
- Becoming a company with stable and high profitability(Attaining an average operating margin of 20%)

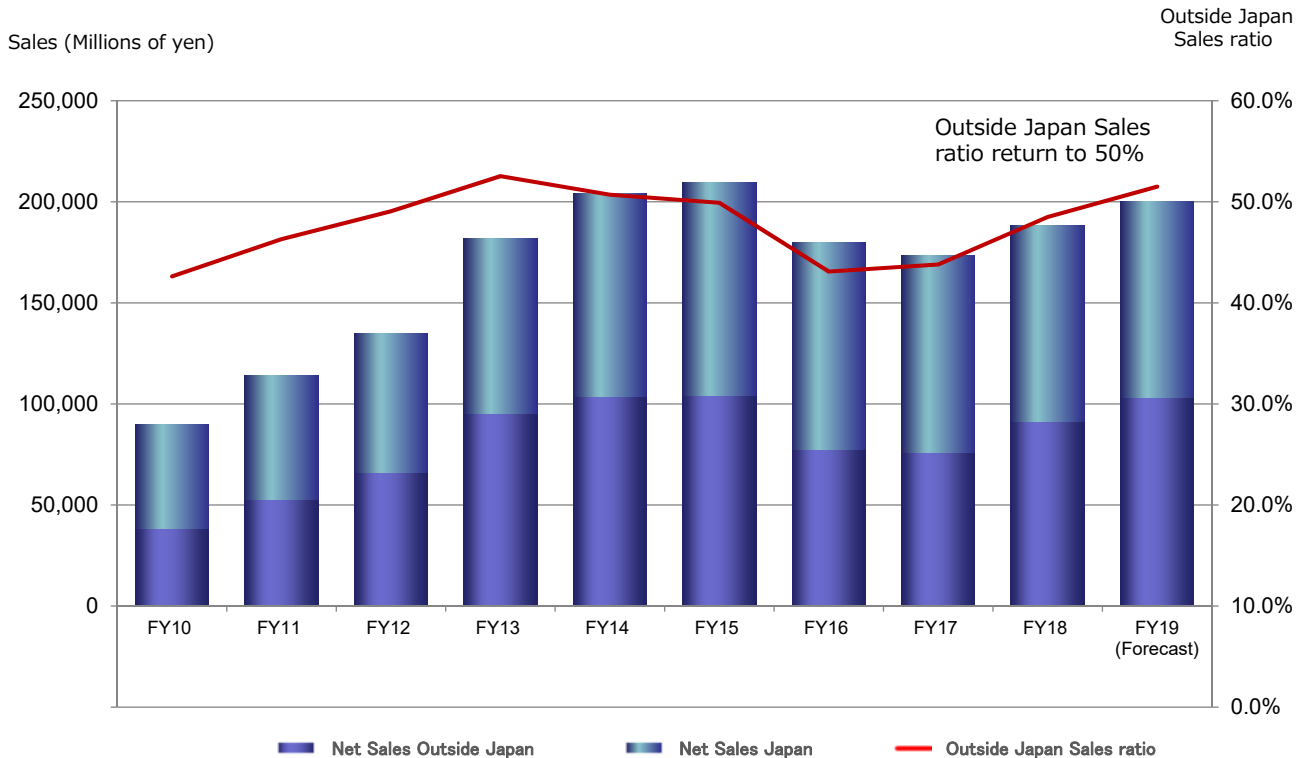
Mid-Term Management Plan(17-19): Current Deviations from Short-and Mid term Goals

Difficulty in Sales, Sales ratio outside Japan and operating margin against the final target of the mid-term plan (17-19)

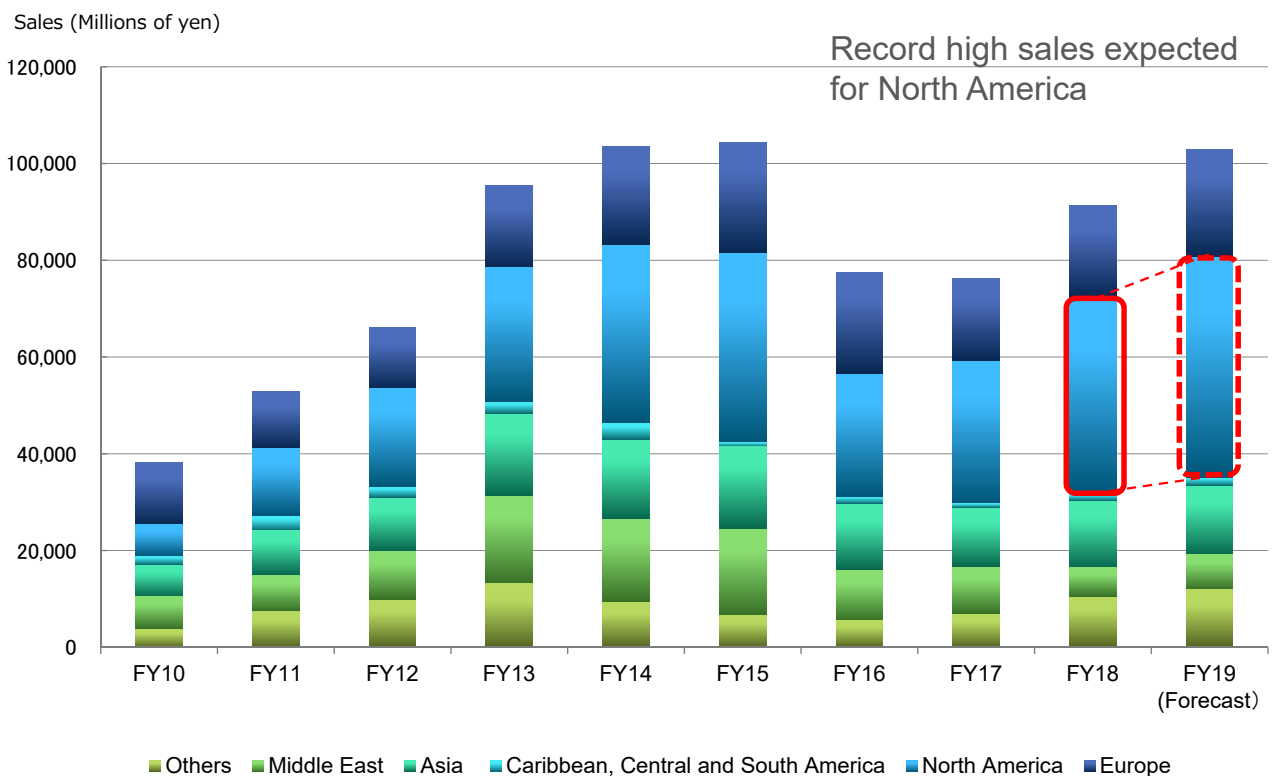
Unit: 100 million yen

	FY 17	FY 18	FY 19 Forecast	FY 19 Targets	...	FY 22 Mid-Term Targets
Sales	1,737	1,884	2,000	2,400		3,000
Japan	975	913	970	960		1,000
outside Japan	761	970	1,030	1,440		2,000
Outside Japan Sales Ratio	43.8%	48.5%	51.5%	60.0%		66.7%
Operating income	155	158	175	360		500
Operating Margin	8.9%	8.4%	8.8%	15.0%		16.7%
Inv. Turnover Ratio	3.2	3.0		4.8		
ROA	6.5%	6.3%		13.0%		

Progress of globalization



Sales Trends by Market Outside Japan

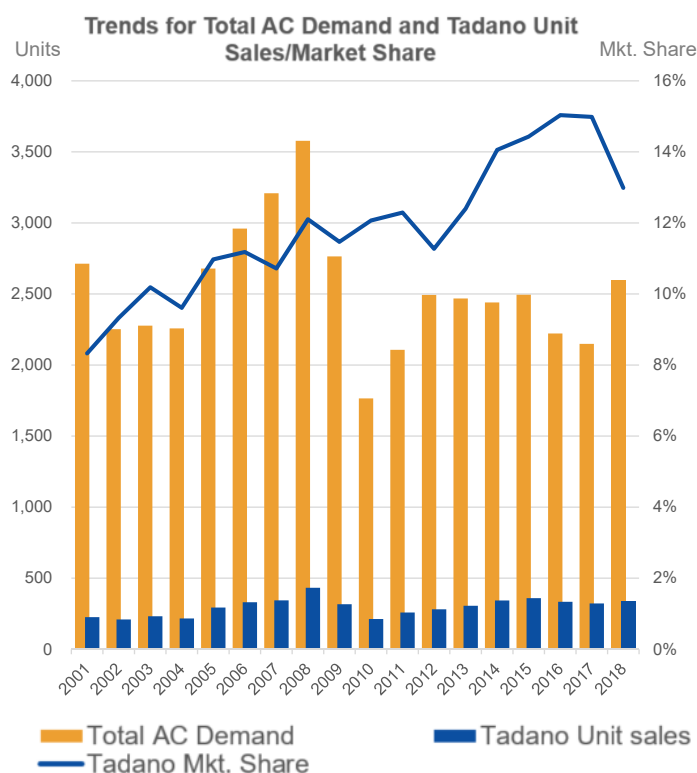


FY15 : 14.8% ⇒ FY18 : 8.4%

- COGS ratio : 3.1%P worse (69.9%⇒73.0%)
 - Product Line Structure
 - Unable to Develop Pricing that Reflects Added Value
 - Strategic Pricing

- SGA ratio : 3.4%P worse (15.3%⇒18.7%)
 - Increase in absolute amount : ¥ 3.2 billion (31.9 billion yen⇒35.1 billion yen)
Includes Growth Investment of 2.9 billion yen

Struggle of the European business



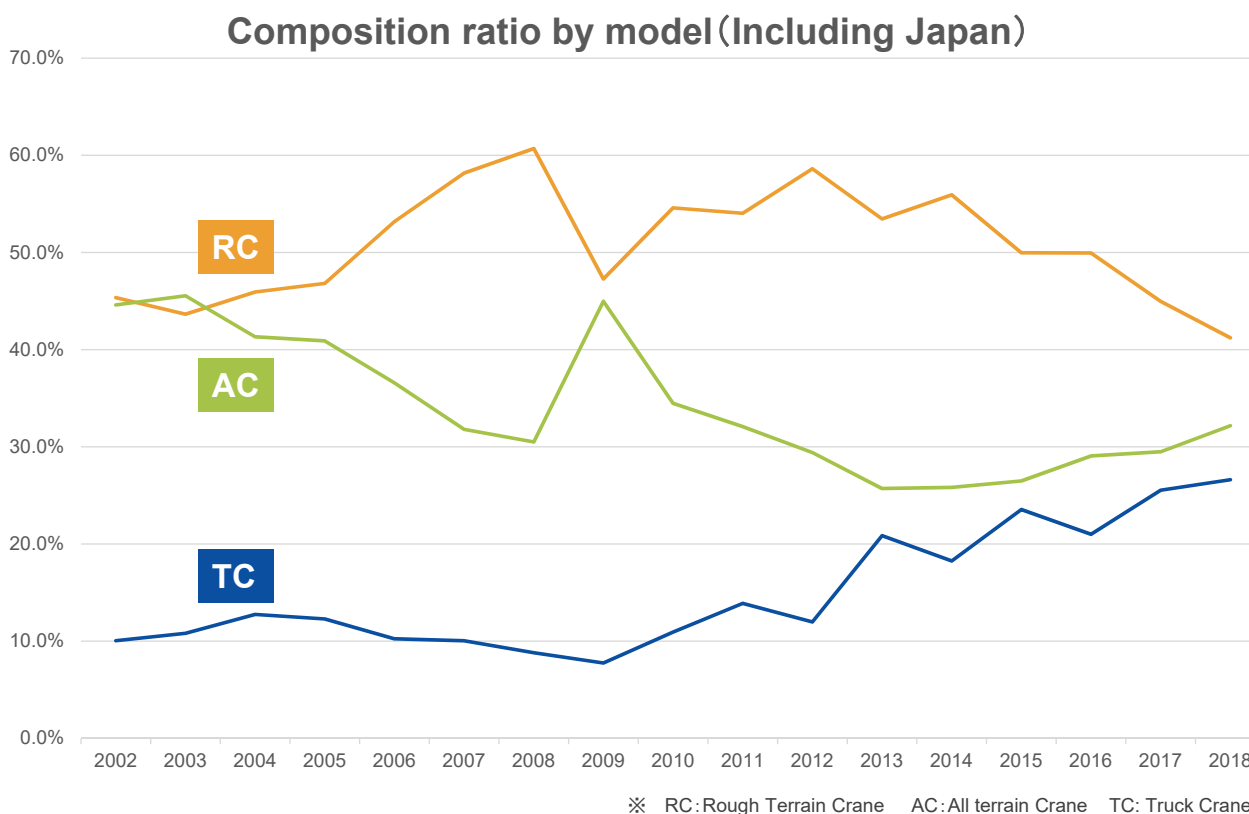
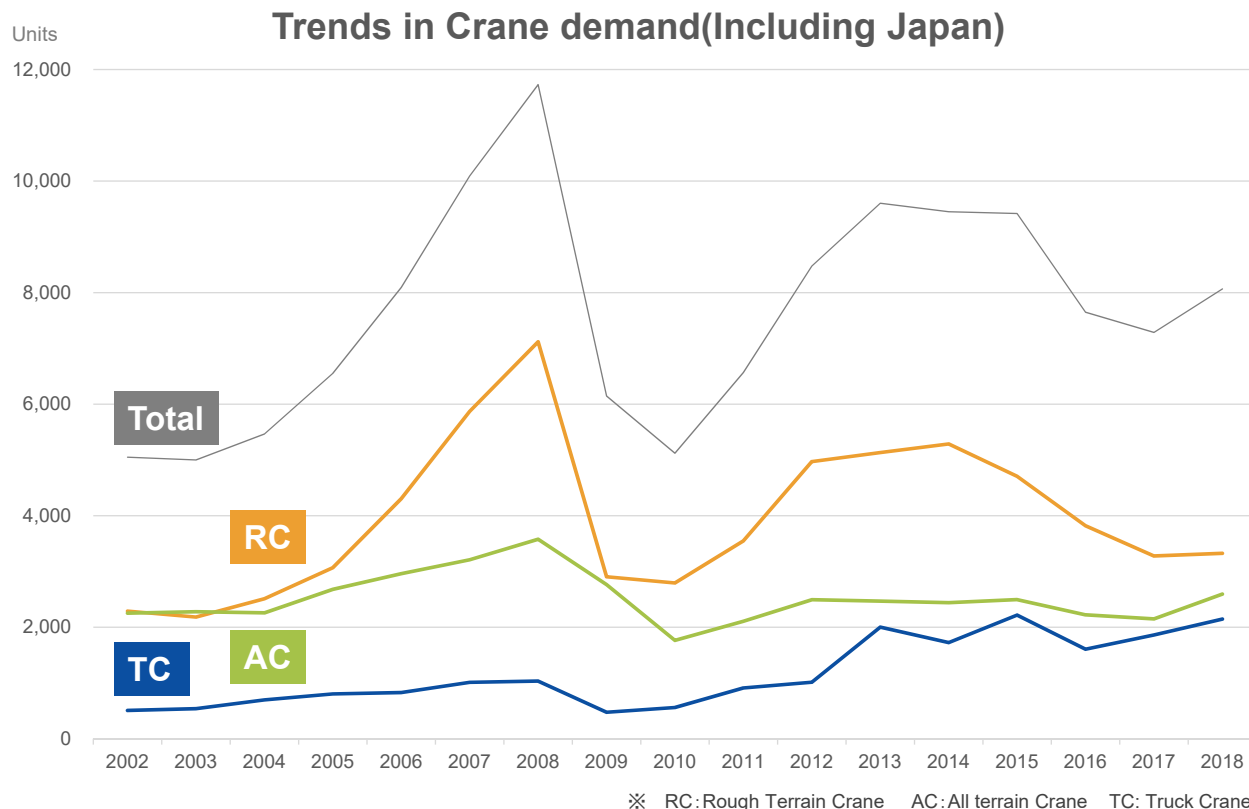
Background of FY17/FY18

- Delayed product development
⇒ Resolved

- Delayed delivery from Suppliers
⇒ Generally resolved, but some problems remain

- Quality problems
⇒ Shipping stabilization
Continue for Market response

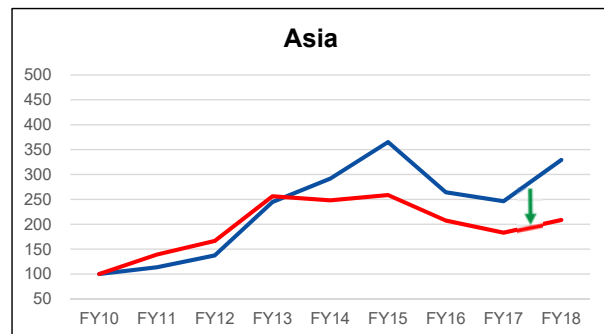
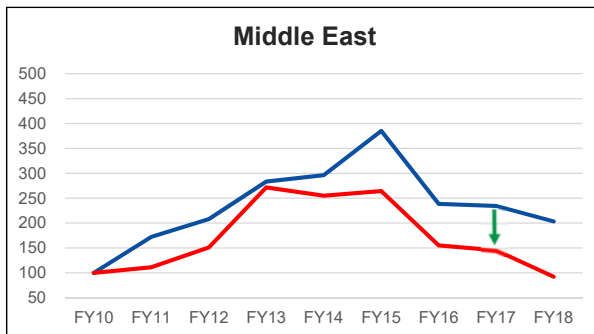
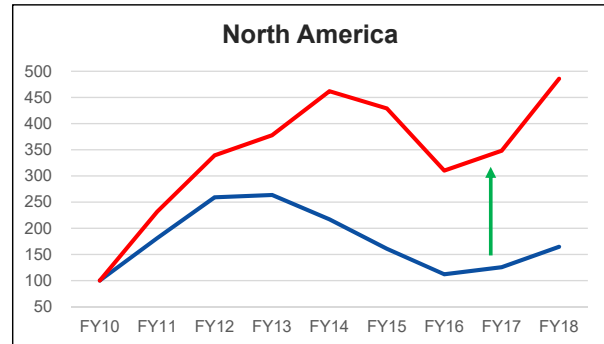
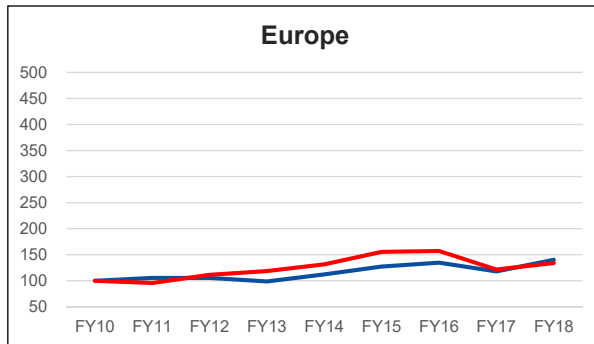
- ATF 600: Prolongation of Testing
⇒ Continuing for long time



Trends of Total demand and sales by area

Index based on FY 2010 normalized to 100

— Total Demad — Sales



Response to Structural changes

- RC : Increase market share
- AC : Pursue market leader position through planned acquisition of Demag Mobile Crane Business
- TC : We will engage Chinese competition through our India operations

- CC : Tadano Mantis + Demag (super large)
- Truck Loader Cranes :
 - Straight boom: Japan + Thai business
(Asia + Middle East)
 - Knuckle boom : Future Task (Product of PM group)
- Aerial Work Platforms : Focus on the Japanese market for the time being

※ CC: Crawler Crane

- Increase Mkt. Share, Improve sales price
- Standardize Group-Wide Design Information, Promote Modularization
- Reinforce for structure of Parts + service
- R&D (Reinforce Human Resources, Collaborative Research, etc.)
- M&As and Alliances
- Others

To become No. 1 worldwide in the lifting equipment industry, further expansion of production capacity is necessary

- Only 200 units of RC with current monthly production capacity as of FY14 / 15
- Supply main parts to production sites outside Japan to improve product quality

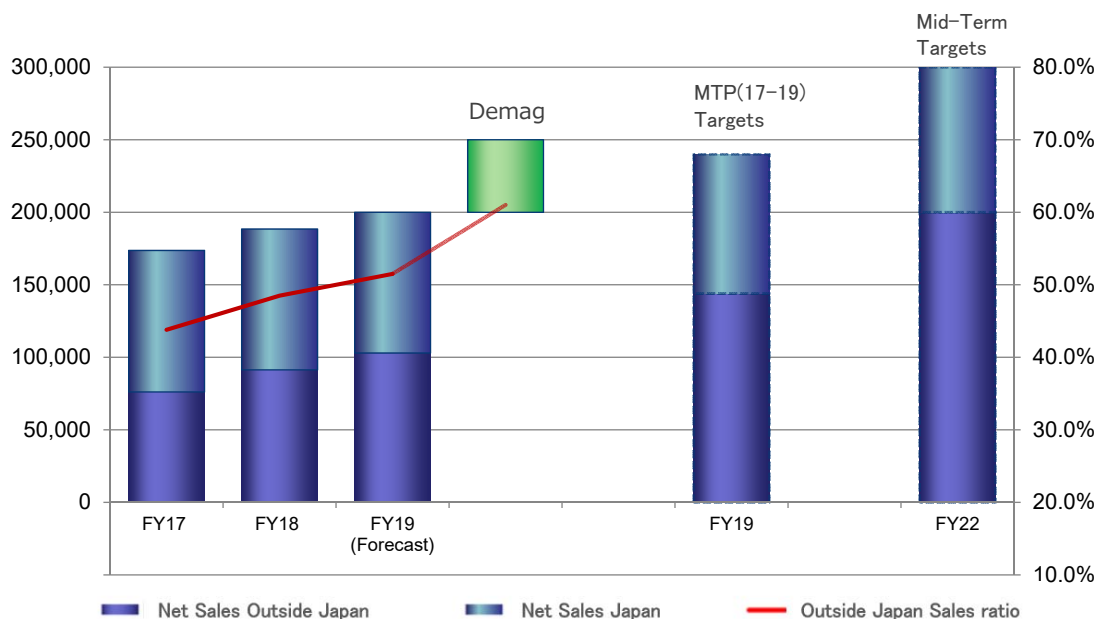
【Production item】

Large RC (Multi-axle model), TC
Main parts(boom・cylinder)



※ RC: Rough Terrain TC: Truck Crane

After Planned Acquisition of Demag Mobile Crane Business



Net sales and outside Japan sales ratio will reach the final target of mid-term management plan (17-19)

Pursuing Further Excellence
for the World and the Future.