

# Consolidated Financial Results(Quantitative) For Second Quarter of FY 2020

(April 1, 2020 through September 30, 2020)

---

## Notes:

For the purpose of timely English-language financial information disclosure, Tadano Ltd. provides quantitative financial results reports in concurrence with the disclosure of its original Japanese-language financial results. Detailed qualitative information will be disclosed at a later date in a comprehensive financial results report.

October 30, 2020

Tadano Ltd.

## < Notes >

- 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.
- The acquisition of the Demag Mobile Cranes business (Hereafter “Demag”) was completed on July 31, 2019. In this report, information for Demag is treated as follows:
  - FY2019 Consolidated Financial Statements: B/S as of 31<sup>st</sup> December and P/L from August to December are included.  
\*Adjustments are made retroactively due to PPA. PPA(“Purchase Price Allocation”) is a process to appraise assets and liabilities at fair value and allocate purchase price.

- ✓ Consolidation of Demag business limited decrease in net sales to around 9%, but profits declined substantially due to changes in product sales composition. First operating loss recorded during a fiscal year first half since FY 2010.

(Unit: millions of yen)

	FY2019 First Half		FY2020 First Half		Percent Change
	Amount	Percentage	Amount	Percentage	
Net Sales	100,304	100%	91,106	100%	-9.2%
Operating income	7,573	7.6%	-1,038	-1.1%	-
Ordinary income	7,262	7.2%	-1,590	-1.7%	-
Net income attributable to owners of the parent	5,267	5.3%	-2,566	-2.8%	-
Capital investment		9,852		3,242	
Depreciation		1,588		2,457	
* Figures for capital investments include leased assets.					
USD		¥110.05		¥108.27	
EUR		¥124.32		¥119.30	

## Income Statement

- ✓ Cost of sales ratio deteriorated due to changes in product sales composition, mainly including effects from Demag product line.
- ✓ Despite cost-cutting efforts, SG&A expenses increased due to consolidation of Demag business.

(Unit: millions of yen)

	FY2019 First Half		FY2020 First Half		Increase/Decrease
	Amount	Percentage	Amount	Percentage	
Net sales	100,304	100%	91,106	100%	-9,198
Cost of sales	74,195	74.0%	72,805	79.9%	-1,390
Gross profit on installment sales	-56	-0.1%	32	0.0%	89
Gross profit	26,051	26.0%	18,332	20.1%	-7,718
Selling, general, and administrative expenses	18,478	18.4%	19,370	21.3%	892
Operating income	7,573	7.6%	-1,038	-1.1%	-8,611
Non-operating income and loss	-310	-0.3%	-552	-0.6%	-241
Ordinary income	7,262	7.2%	-1,590	-1.7%	-8,853
Extraordinary income and loss	679	0.7%	85	0.1%	-594
Income before income taxes	7,942	7.9%	-1,504	-1.7%	-9,447
Corporate taxes	2,684	2.7%	1,051	1.2%	-1,633
Net income attributable to noncontrolling interests	-9	-0.0%	10	0.0%	19
Net income attributable to owners of the parent	5,267	5.3%	-2,566	-2.8%	-7,834

✓ **Accounts receivable decreased.**

✓ **Inventories increased.**

**(¥102.6 billion total includes ¥17.0 billion at TFG and ¥26.6 billion at TDG)**

(Unit: millions of yen)

	FY2019 Year-end	FY2020 First Half	Increase/ Decrease		FY2019 Year-end	FY2020 First Half	Increase/ Decrease
Cash deposits	57,075	73,051	15,975	Accounts payable	40,745	24,822	-15,923
Accounts receivable	63,267	44,257	-19,009	Interest-bearing debt	63,035	85,627	22,591
Inventories	97,434	102,619	5,185	Other liabilities	49,320	44,393	-4,926
Other current assets	9,415	4,239	-5,175	<b>Total liabilities</b>	<b>153,102</b>	<b>154,843</b>	<b>1,741</b>
<b>Total current assets</b>	<b>227,192</b>	<b>224,168</b>	<b>-3,024</b>	<b>Total equity</b>	<b>158,158</b>	<b>152,897</b>	<b>-5,260</b>
Tangible fixed assets	68,433	68,534	100	<b>Total liabilities and equity</b>	<b>311,260</b>	<b>307,741</b>	<b>-3,519</b>
Intangible fixed assets	1,675	1,647	-27				
Investment and other assets	13,958	13,390	-568				
<b>Total fixed assets</b>	<b>84,067</b>	<b>83,573</b>	<b>-494</b>				
<b>Total assets</b>	<b>311,260</b>	<b>307,741</b>	<b>-3,519</b>				

	FY2019 First Half	FY2019	FY2020 First Half
Receivable turnover	83.2 days	88.1 days	88.9 days
Inventory turnover	125.1 days	135.6 days	206.1 days
Equity ratio	48.8%	50.5%	49.3%

4

## Net Sales by Product

✓ **Net sales decreased in all segments except “Other”**

(Unit: millions of yen)

	FY2019 First Half	FY2020 First Half	Increase/Decrease Amount	Percentage
Mobile Cranes	64,199	55,106	-9,092	-14.2%
Truck Loader Cranes	11,265	9,099	-2,165	-19.2%
Aerial Work Platforms	9,507	8,493	-1,014	-10.7%
Other	15,332	18,406	3,074	20.1%
<b>Total</b>	<b>100,304</b>	<b>91,106</b>	<b>-9,198</b>	<b>-9.2%</b>

Breakdown of Mobile Crane Sales Inside and Outside Japan

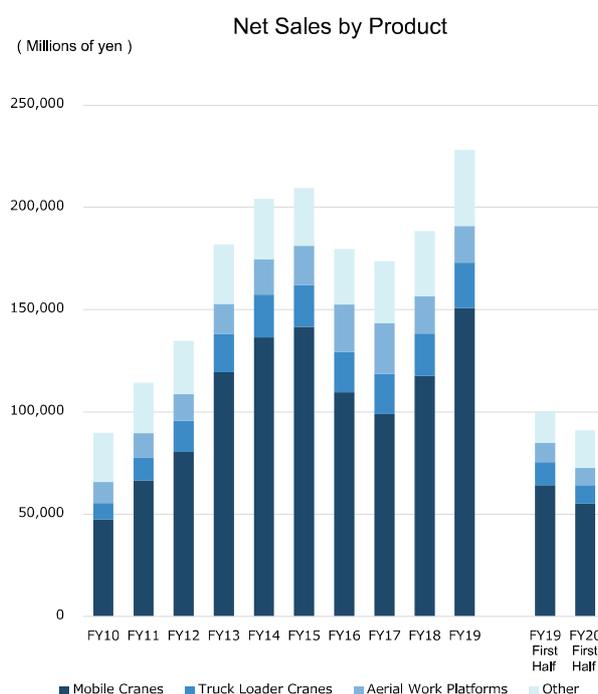
	FY2019 First Half	FY2020 First Half	Increase/Decrease Amount	Percentage
Japan	24,984	18,122	-6,862	-27.5%
Outside Japan	39,214	36,984	-2,230	-5.7%
<b>Total</b>	<b>64,199</b>	<b>55,106</b>	<b>-9,092</b>	<b>-14.2%</b>

Exchange Rate

	FY2019 First Half	FY2020 First Half
USD	110.05	108.27
EUR	124.32	119.30

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

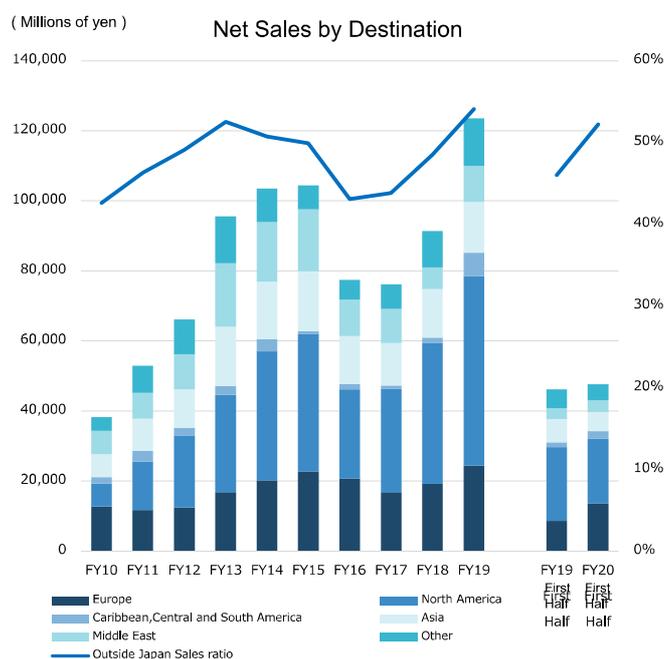


5

✓ Sales outside of Japan increased mainly in Europe due to consolidation of Demag business.

(Unit: millions of yen)

	FY2019 First Half	FY2020 First Half	Increase/Decrease	
			Amount	Percentage
Europe	8,627	13,675	5,047	58.5%
North America	21,043	18,385	-2,657	-12.6%
Caribbean, Central and South America	1,317	2,185	868	65.9%
Asia	6,729	5,421	-1,307	-19.4%
Middle East	3,064	3,445	380	12.4%
Other	5,377	4,475	-902	-16.8%
<b>Subtotal (total outside Japan sales)</b>	<b>46,159</b>	<b>47,588</b>	<b>1,428</b>	<b>3.1%</b>
Japan	54,144	43,517	-10,626	-19.6%
<b>Total</b>	<b>100,304</b>	<b>91,106</b>	<b>-9,198</b>	<b>-9.2%</b>
<b>Outside Japan Sales Ratio</b>	<b>46.0%</b>	<b>52.2%</b>		



## FY 2020 Business Performance Forecast

(Unit: millions of yen)

	FY2019 First Half		FY2020 First Half		Percent Change
	Amount	Percentage	Amount	Percentage	
<b>Net Sales</b>	<b>227,949</b>	<b>100%</b>	<b>182,000</b>	<b>100%</b>	<b>-20.2%</b>
<b>Operating income</b>	<b>13,949</b>	<b>6.1%</b>	<b>-4,700</b>	<b>-2.6%</b>	<b>—</b>
<b>Ordinary income</b>	<b>13,791</b>	<b>6.1%</b>	<b>-6,200</b>	<b>-3.4%</b>	<b>—</b>
<b>Net income attributable to owners of the parent</b>	<b>6,433</b>	<b>2.8%</b>	<b>-7,900</b>	<b>-4.3%</b>	<b>—</b>
Capital investment	12,902		5,500		
Depreciation	4,527		4,800		
* Figures for capital investments include leased assets.					
USD	¥109.05		Second Half ¥105.00		
EUR	¥122.07		Second Half ¥125.00		
Dividends per share	Mid-year	¥14.00	Mid-year	¥0.00	
	Year-end	¥14.00	Year-end	¥3.00	
	Full-year	¥28.00	Full-year	¥3.00	

# FY 2020 Forecast (Net Sales by Product)

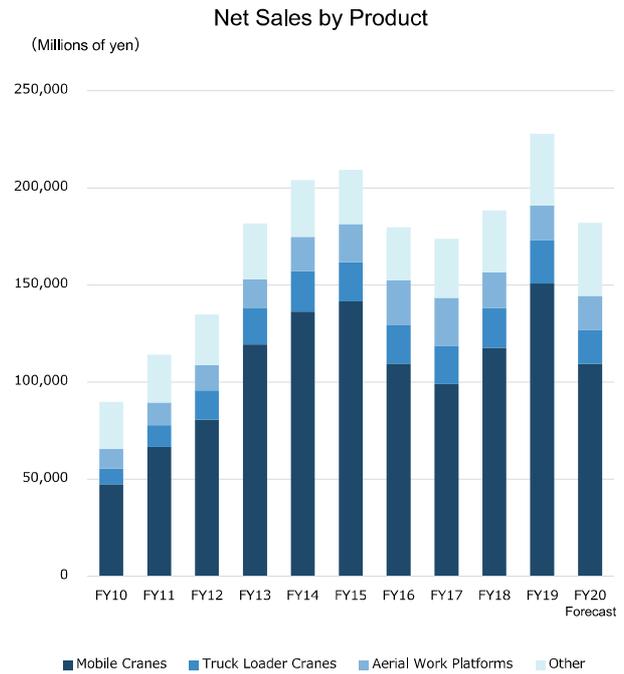
(Unit: millions of yen)

	FY2019	FY2020 Forecast	Increase/Decrease	
			Amount	Percentage
<b>Mobile Cranes</b>	150,818	109,300	-41,518	-27.5%
<b>Truck Loader Cranes</b>	22,162	17,800	-4,362	-19.7%
<b>Aerial Work Platforms</b>	17,986	17,300	-686	-3.8%
<b>Other</b>	36,982	37,600	618	1.7%
<b>Total</b>	<b>227,949</b>	<b>182,000</b>	<b>-45,949</b>	<b>-20.2%</b>

**Breakdown of Mobile Crane Sales Inside and Outside Japan**

	FY2019	FY2020 Forecast	Increase/Decrease Amount	Increase/Decrease Percentage
<b>Japan</b>	47,833	37,800	-10,033	-21.0%
<b>Outside Japan</b>	102,984	71,500	-31,484	-30.6%
<b>Total</b>	<b>150,818</b>	<b>109,300</b>	<b>-41,518</b>	<b>-27.5%</b>



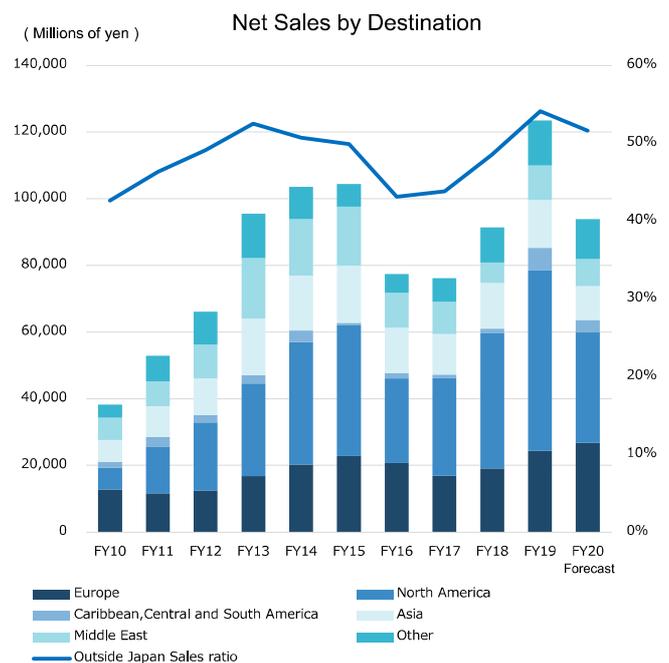
# FY 2020 Forecast (Net Sales by Destination)

(Unit: millions of yen)

	FY2019	FY2020 Forecast	Increase/Decrease	
			Amount	Percentage
<b>Europe</b>	24,363	26,700	2,337	9.6%
<b>North America</b>	54,163	33,200	-20,963	-38.7%
<b>Caribbean, Central and South America</b>	6,735	3,700	-3,035	-45.1%
<b>Asia</b>	14,401	10,200	-4,201	-29.2%
<b>Middle East</b>	10,312	8,100	-2,212	-21.5%
<b>Other</b>	13,444	12,000	-1,444	-10.7%
<b>Subtotal (total outside Japan sales)</b>	<b>123,421</b>	<b>93,900</b>	<b>-29,521</b>	<b>-23.9%</b>
<b>Japan</b>	104,527	88,100	-16,427	-15.7%
<b>Total</b>	<b>227,949</b>	<b>182,000</b>	<b>-45,949</b>	<b>-20.2%</b>

<b>Outside Japan Sales ratio</b>	<b>54.1%</b>	<b>51.6%</b>
----------------------------------	--------------	--------------



The graph above excludes Japan.  
"Other" is comprised of Oceania, Africa and the CIS.