

Consolidated Financial Results(Comprehensive) For Third Quarter of FY 2020

(April 1, 2020 through December 31, 2020)

Notes:

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.

February 2, 2021

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 December 31st and P/L from August to September 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.

- ✓ In addition to decreased net sales, cost of sales ratio deteriorated due to changes in product sales composition (mainly for Demag products), resulting in third quarter operating loss recorded for the first time in ten years since the third quarter of FY2010.
- ✓ Provision of allowance for losses related to violations of emission regulations and losses on valuation of investment securities recorded as extraordinary losses.

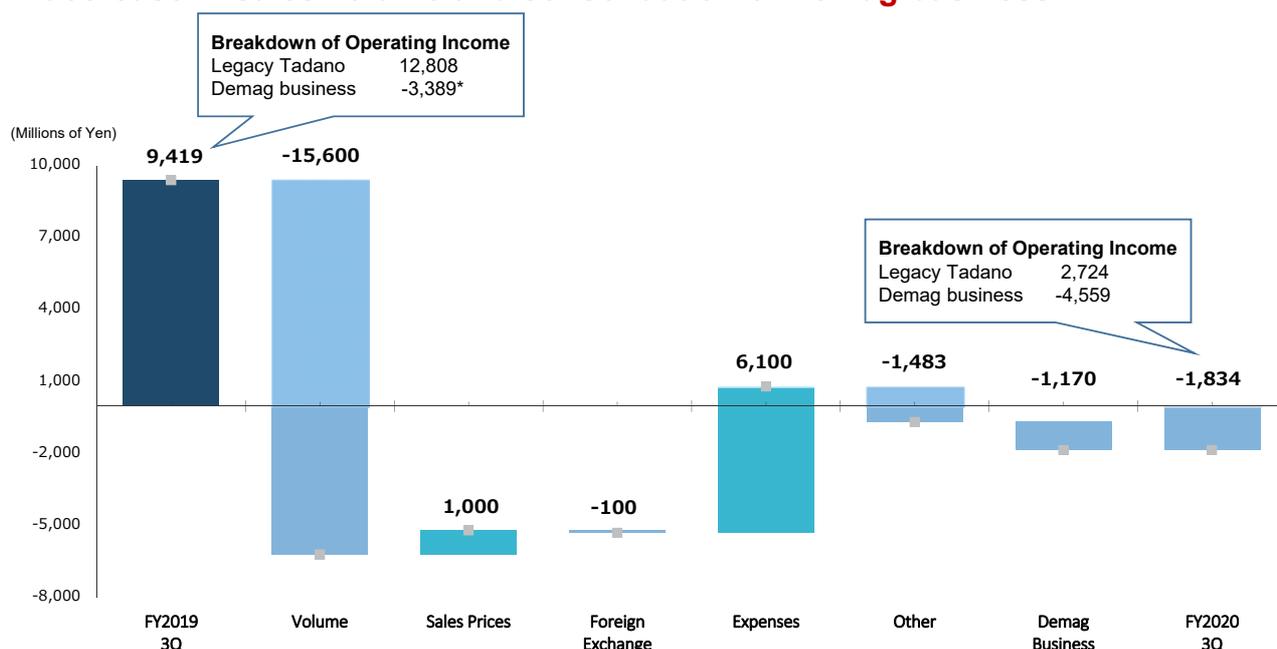
(Unit: millions of yen)

	FY2019 3Q		FY2020 3Q		Increase/ Decrease
	Amount	Percentage	Amount	Percentage	
Net sales	148,877	100%	132,543	100%	-16,333
Cost of sales	110,846	74.5%	105,957	79.9%	-4,889
Gross profit on installment sales	-27	-0.0%	69	0.1%	96
Gross profit	38,002	25.5%	26,654	20.1%	-11,347
Selling, general, and administrative expenses	28,583	19.2%	28,489	21.5%	-93
Operating income	9,419	6.3%	-1,834	-1.4%	-11,254
Non-operating income and loss	-651	-0.4%	-500	-0.4%	150
Ordinary income	8,768	5.9%	-2,335	-1.8%	-11,103
Extraordinary income and loss	679	0.5%	-4,953	-3.7%	-5,633
Income before income taxes	9,447	6.3%	-7,289	-5.5%	-16,736
Corporate taxes	3,658	2.5%	348	0.3%	-3,310
Net income attributable to noncontrolling interests	4	0.0%	30	0.0%	25
Net income attributable to owners of the parent	5,783	3.9%	-7,668	-5.8%	-13,452

2

Major Factors Leading to Change in Operating Income

- ✓ Despite expense reduction, operating income decreased by ¥11.2 billion due to decrease in sales volume and consolidation of Demag business.



*Note: Demag business loss of -3,389 million yen recorded from August through September of 2019 (including retroactive adjustment of -1,179 million yen due to PPA)

3

- ✓ **Accounts receivable decreased, inventory levels remained unchanged.**
- ✓ **Preparation for prolonged Coronavirus disruption. (Cash deposits and Interest-bearing debt increased)**

(Unit: millions of yen)

	FY2019 Year-end	FY2020 3Q	Increase/ Decrease		FY2019 Year-end	FY2020 3Q	Increase/ Decrease
Cash deposits	57,075	83,820	26,744	Accounts payable	40,745	30,525	-10,220
Accounts receivable	63,267	37,891	-25,375	Interest-bearing debt	63,035	84,134	21,098
Inventories	97,434	98,221	787	Other liabilities	49,320	45,012	-4,307
Other current assets	9,415	5,272	-4,142	Total liabilities	153,102	159,672	6,570
Total current assets	227,192	225,206	-1,986	Total equity	158,158	149,252	-8,906
Tangible fixed assets	68,433	68,522	88	Total liabilities and equity	311,260	308,924	-2,336
Intangible fixed assets	1,675	1,657	-17				
Investment and other assets	13,958	13,538	-420				
Total fixed assets	84,067	83,717	-349				
Total assets	311,260	308,924	-2,336				

	FY2019 3Q	FY2019	FY2020 3Q
Receivable turnover	71.2 days	88.1 days	78.6 days
Inventory turnover	167.0 days	135.6 days	203.8 days
Equity ratio	44.4%	50.5%	47.9%

Net Sales by Product

- ✓ **Mobile Crane and Truck Loader Crane sales decreased, Aerial Work Platform sales did not fluctuate.**

(Unit: millions of yen)

	FY2019 3Q	FY2020 3Q	Increase/Decrease Amount	Percentage
Mobile Cranes	94,646	77,926	-16,719	-17.7%
Truck Loader Cranes	16,549	14,085	-2,464	-14.9%
Aerial Work Platforms	12,108	12,198	90	0.7%
Other	25,573	28,332	2,759	10.8%
Total	148,877	132,543	-16,333	-11.0%

Breakdown of Mobile Crane Sales Inside and Outside Japan

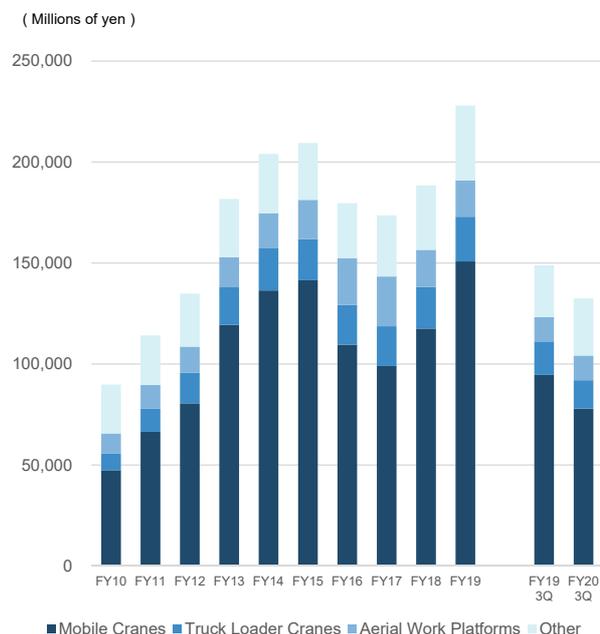
	FY2019 3Q	FY2020 3Q	Increase/Decrease Amount	Percentage
Japan	30,260	24,161	-6,098	-20.2%
Outside Japan	64,385	53,764	-10,620	-16.5%
Total	94,646	77,926	-16,719	-17.7%

Exchange Rate

USD	¥109.15	¥107.59
EUR	¥122.66	¥120.90

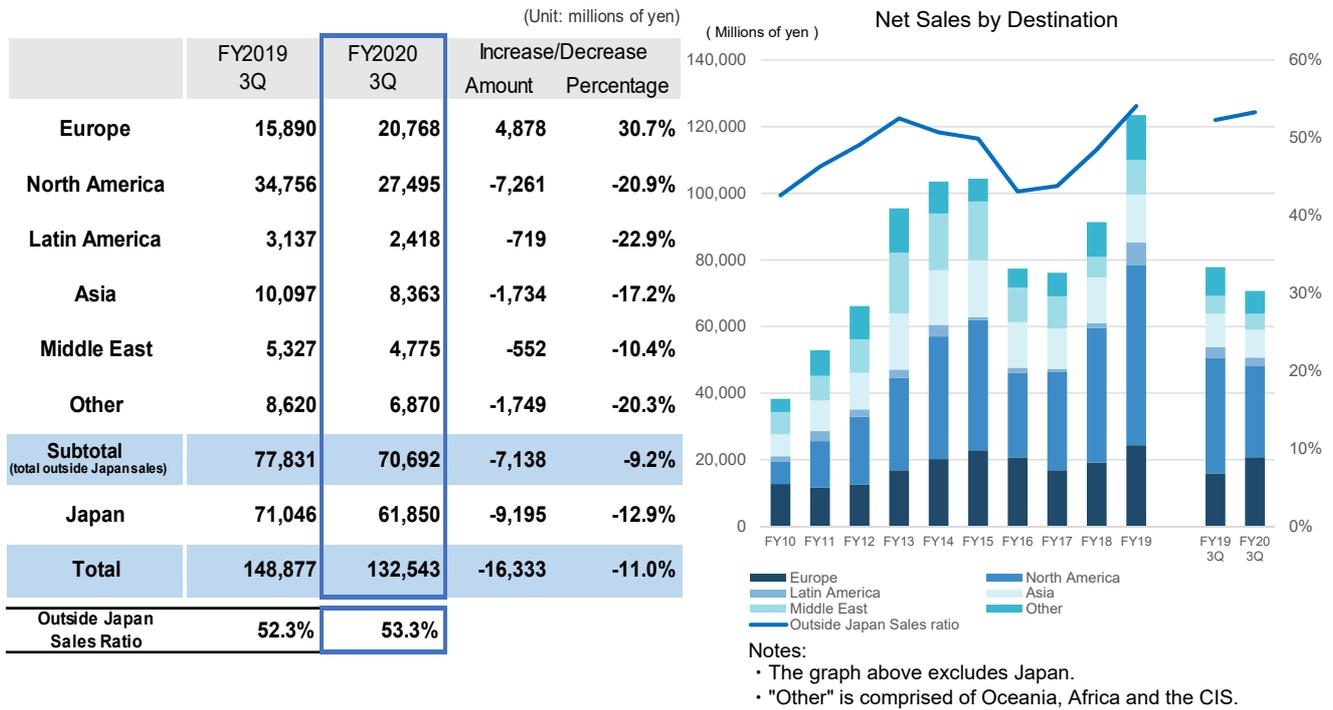
* Since the fiscal year for subsidiaries outside Japan ends in December, the rates given here are January-September average.

Net Sales by Product



Net Sales by Destination

✓ Sales in Europe increased due to consolidation of Demag business, sales in all other regions decreased.



FY 2020 Forecast

(Unit: millions of yen)

	FY2020 Forecast (as of October 30th)		FY2020 Forecast (as of January 29th)		Increase/Decrease	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Net sales	182,000	100%	182,000	100%	—	—
Operating income	-4,700	-2.6%	-4,700	-2.6%	—	—
Ordinary income	-6,200	-3.4%	-6,200	-3.4%	—	—
Net income attributable to owners of the parent	-7,900	-4.3%	-10,900	-6.0%	-3,000	—

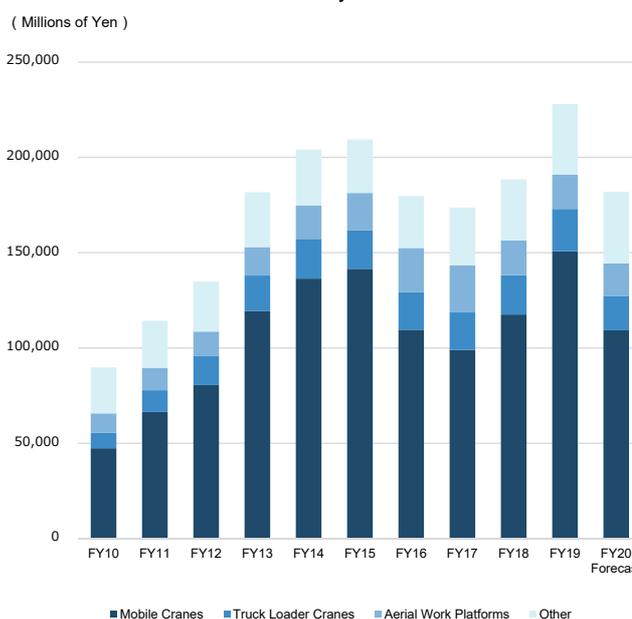
As a result of recording a provision of allowance for losses related to violation of emission regulations (extraordinary loss), FY 2020 business performance forecast announced on October 30, 2020 has been revised as listed above. For more detailed information, please refer to press release entitled “Extraordinary Loss Related to Violation of U.S. Emission Regulations and Downward Revision of Forecasted FY 2020 Financial Results” announced on January 29, 2021.

FY 2020 Forecast (Net Sales by Product)

(Unit: millions of yen)

	FY2019	FY2020 Forecast	Increase/Decrease	
			Amount	Percentage
Mobile Cranes	150,818	107,300	-43,518	-28.9%
Truck Loader Cranes	22,162	18,400	-3,762	-17.0%
Aerial Work Platforms	17,986	18,200	214	1.2%
Other	36,982	38,100	1,118	3.0%
Total	227,949	182,000	-45,949	-20.2%
Breakdown of Mobile Crane Sales Inside and Outside Japan				
Japan	47,833	38,200	-9,633	-20.1%
Outside Japan	102,984	69,100	-33,884	-32.9%
Total	150,818	107,300	-43,518	-28.9%

Net Sales by Product

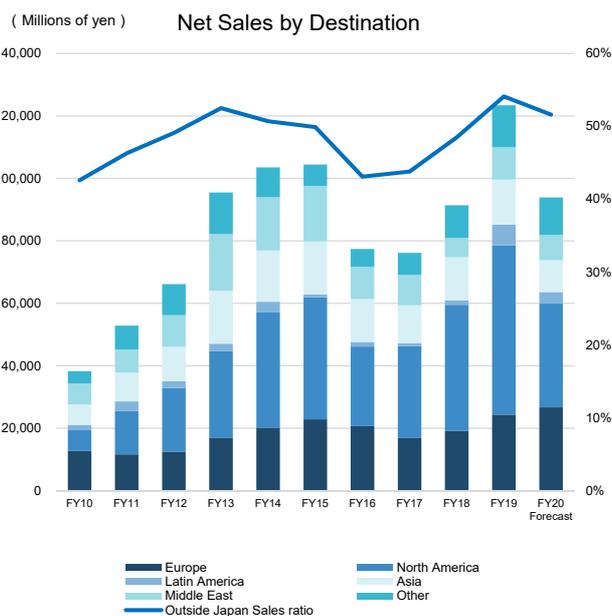


Note:

FY2019 Demag business from August to December is included in the table and graph above.

(Unit: millions of yen)

	FY2019	FY2020 Forecast	Increase/Decrease	
			Amount	Percentage
Europe	24,363	27,500	3,137	12.9%
North America	54,163	34,900	-19,263	-35.6%
Latin America	6,735	3,000	-3,735	-55.5%
Asia	14,401	10,400	-4,001	-27.8%
Middle East	10,312	6,300	-4,012	-38.9%
Other	13,444	9,500	-3,944	-29.3%
Subtotal (total outside Japansales)	123,421	91,600	-31,821	-25.8%
Japan	104,527	90,400	-14,127	-13.5%
Total	227,949	182,000	-45,949	-20.2%
Outside Japan Sales ratio	54.1%	50.3%		



Notes:

- FY2019 Demag business from August to December is included in the table and graph above.
- The graph above excludes Japan.
- "Other" is comprised of Oceania, Africa and the CIS.

Effects of Coronavirus Disruption and Future Outlook

Mobile Crane demand by region (Compared to same period of previous fiscal year)

Region	2020			
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
Japan	-7%	-24%	-39%	+13%
Middle East	-12%	-28%	-42%	-4%
North America	-16%	-47%	-47%	-46%
Europe	-9%	-23%	-7%	-24%
Latin America	-15%	-34%	-44%	-12%
Asia	-1%	-26%	-43%	-21%
Other	-16%	+5%	-22%	-1%

Fiscal Year 1Q
 Fiscal Year 2Q
 Fiscal Year 3Q
 Fiscal Year 4Q

Note: The table above excludes China and Crawler Cranes

Future Outlook (By Region)

【Immediate Future Outlook by Region】

Region	Immediate Future Outlook
Japan	Crane utilization rates are rising. Sales opportunities are increasing as end of fiscal year approaches.
USA	COVID-19 infections still increasing. Low demand levels continue. Economic recovery is expected due to economic policies after presidential transition.
Europe	COVID-19 infections increasing rapidly throughout Europe. Crane demand toward end of year was relatively stable, but demand level is far from that before outbreak of COVID-19.
Asia	Demand is still low, especially in hard-hit Indonesia and Philippines, in addition to Thailand, where COVID-19 infections are accelerating again. Still no signs of demand recovery.
Middle East	Low crane demand levels continue. We need to pay attention to how recent recovery in oil prices affects economy and crane demand.
Other	In Australia, despite decreasing crane demand, sales opportunities on the rise due to increase in natural resource commodity prices, in addition to government planning to increase infrastructure investments.