

**TADANO LTD.**

Planning and Administration Division

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URL: <http://www.tadano.com>**Consolidated Financial Statement for the First Quarter Period Ended June 30, 2016**

## 1. Consolidated Business Results for the Three Months Ended June 30, 2016

(Unit: Millions of Yen)

|                                          | Sales            | Operating Income | Net Income Attributable to Tadano Ltd. |
|------------------------------------------|------------------|------------------|----------------------------------------|
| First Quarter Period Ended June 30, 2016 | 41,987<br>(7.1%) | 5,788<br>(15.2%) | 4,001<br>(15.6%)                       |
| First Quarter Period Ended June 30, 2015 | 45,176<br>2.5%   | 6,823<br>17.3%   | 4,741<br>28.2%                         |

Note: Listed values are rounded down to the nearest one million yen.

Percentage figures represent increase (decrease) in comparison to results from the same period of the previous fiscal year.

## 2. Outlook for Consolidated Business Performance for the Fiscal Year from April 1, 2016 to March 31, 2017

(Unit: Millions of Yen)

|                | Sales             | Operating Income  | Net Income Attributable to Tadano Ltd. |
|----------------|-------------------|-------------------|----------------------------------------|
| Full-Year Term | 190,000<br>(9.3%) | 20,000<br>(35.6%) | 13,500<br>(31.2%)                      |

Note: Percentage figures represent increase (decrease) in comparison to results from the same period of the previous fiscal year.

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.

## 3. Qualitative Information Regarding Consolidated Business Results

The Japanese economy continued to remain at a standstill during the cumulative first quarter under review. Contributing factors included stagnating exports, due to the appreciating yen and slowing growth in emerging markets; decreased corporate earnings; a lack of growth in personal consumption and manufacturing; and a slowdown in the recovery of capital investment. Recovery in the European economy weakened, growth in the U.S. economy slowed and the slowing trend in emerging markets grew more pronounced. Various factors contributed to the heightening of global economic downside risks, including

the economic slowdown in China, trends in crude oil prices, and geopolitical problems (terrorism, the refugee crisis, various conflicts, etc.), in addition to the shock stemming from the United Kingdom's decision to leave the European Union.

In our industry, utilization rates in the Japanese economy began to show patches of inconsistency with variation by region and customer, despite firm overall demand trends due to earthquake recovery and reconstruction, disaster preparedness and mitigation, efforts to address an aging infrastructure, and private sector construction investment. Demand increased in Europe but fell in North America, Southeast Asia, and the Middle East, as demand outside of Japan declined overall.

Despite growth in sales of aerial work platforms, the sales of mobile cranes and truck loader cranes decreased, as total sales in the Japanese market amounted to 19,802 million yen – down 5% from the same period of the previous fiscal year. With demand trending strongly downward, sales outside of Japan decreased by 8.8% from the same period of the previous fiscal year to 22,184 million yen, as we focused on capturing demand related to plants and infrastructure, introduced new product models, and sought to expand new customer sales. Total sales fell to 41,987 million yen, down 7.1% from the same period of the previous fiscal year. Sales outside of Japan accounted for 52.8% of all sales.

Decreased sales and exchange rate effects resulted in an operating income of 5,788 million yen, down 15.2% from the same period of the previous fiscal year. Net income attributable to Tadano Ltd. totaled 4,001 million yen, down 15.6% from the same period of the previous fiscal year.