

# Consolidated Financial Results (Quantitative) For Second Quarter of FY 2019

(April 1, 2019 through September 30, 2019)

In August 2019, Tadano Ltd. celebrated the 100<sup>th</sup> anniversary of its founding.

Notes:

- 1) 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.
- 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.

**October 30, 2019**

**Tadano Ltd.**

◇The acquisition of the Demag Mobile Cranes business (Hereafter “Demag”) completed on July 31, 2019.  
In this report, Demag is treated as follows.

- FY2019 Interim Consolidated Financial Statements: B/S of Demag is included.
- FY2019 Business Performance Forecast: P/L of Demag for 5 months from August to December 2019 is included.
- Trends in Global Demand for Mobile Cranes: Crawler Cranes are excluded.
- Market share: Demag products are excluded.

# Income Statement (vs. Same Quarter of Previous Year)

(Unit: millions of yen)

	FY 2018 First Half		FY 2019 First Half		Increase/ Decrease
	Amount	Percentage	Amount	Percentage	
Net Sales	82,272	100.0%	100,304	100.0%	18,031
Cost of Sales	60,382	73.4%	74,195	74.0%	13,813
Gross profit on installment sales	121	0.1%	-56	-0.1%	-178
Gross profit	22,011	26.8%	26,051	26.0%	4,039
Selling, general, and administrative expenses	16,267	19.8%	18,478	18.4%	2,210
Operating income	5,743	7.0%	7,573	7.6%	1,829
Non-operating income and loss	-70	-0.1%	-310	-0.3%	-240
Ordinary income	5,673	6.9%	7,262	7.2%	1,589
Extraordinary income and loss	-3	-0.0%	476	0.5%	479
Income before income taxes	5,669	6.9%	7,739	7.7%	2,069
Corporate taxes	1,569	1.9%	2,684	2.7%	1,115
Net income attributable to noncontrolling interests	19	0.0%	-9	0.0%	-29
Net income attribute to owners of parent	4,081	5.0%	5,064	5.0%	982

1

# Balance Sheet (vs. End of Previous Fiscal Year)

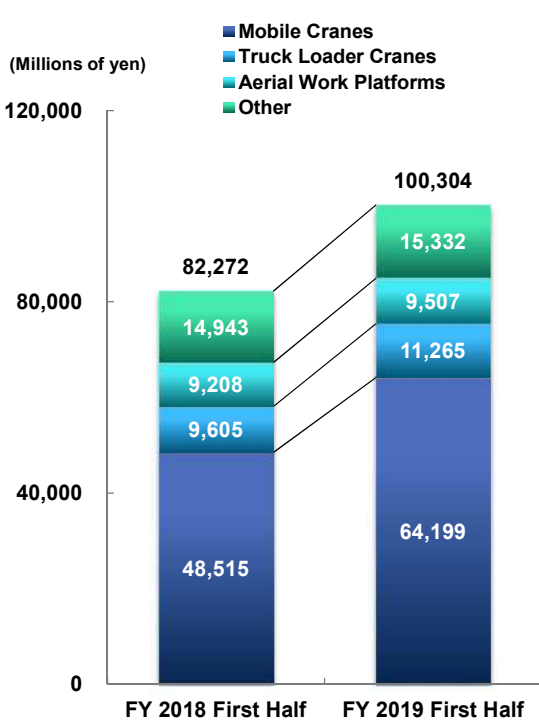
(Unit: millions of yen)

	FY 2018 Year-End		FY 2019 First Half		Increase/ Decrease	Demag (Included in the total)
	Amount	Percentage	Amount	Percentage		
Cash deposits	65,952	25.8%	77,441	24.4%	11,489	2,496
Accounts receivable	50,836	19.9%	52,187	16.4%	1,350	6,578
Inventories	62,757	24.5%	96,486	30.4%	33,729	27,938
Other current assets	6,610	2.6%	6,994	2.2%	384	1,444
Total current assets	186,156	72.8%	233,109	73.4%	46,953	38,458
Tangible fixed assets	52,597	20.5%	65,967	20.8%	13,370	4,461
Intangible fixed assets	1,703	0.7%	1,854	0.6%	150	198
Investment and other assets	15,336	6.0%	16,602	5.2%	1,265	-16,287
Total fixed assets	69,637	27.2%	84,424	26.6%	14,787	-11,627
Total assets	255,793	100.0%	317,534	100.0%	61,740	26,830

Accounts payable	41,792	16.3%	44,652	14.0%	2,860	6,210
Interest-bearing debt	30,165	11.8%	69,124	21.8%	38,958	1,321
Other liabilities	28,810	11.3%	46,622	14.7%	17,811	18,767
Total liabilities	100,768	39.4%	160,399	50.5%	59,630	26,299
Total equity	155,025	60.6%	157,135	49.5%	2,109	531
Total liabilities and equity	255,793	100.0%	317,534	100.0%	61,740	26,830

2

# Net Sales by Product



(Unit: millions of yen)

	FY 2018 First Half		FY 2019 First Half		Increase / Decrease	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Mobile Cranes	48,515	59.0%	64,199	64.0%	15,683	32.3%
Truck Loader Cranes	9,605	11.7%	11,265	11.2%	1,659	17.3%
Aerial Work Platforms	9,208	11.2%	9,507	9.5%	299	3.3%
Other	14,943	18.1%	15,332	15.3%	388	2.6%
<b>Total</b>	<b>82,272</b>	<b>100%</b>	<b>100,304</b>	<b>100%</b>	<b>18,031</b>	<b>21.9%</b>

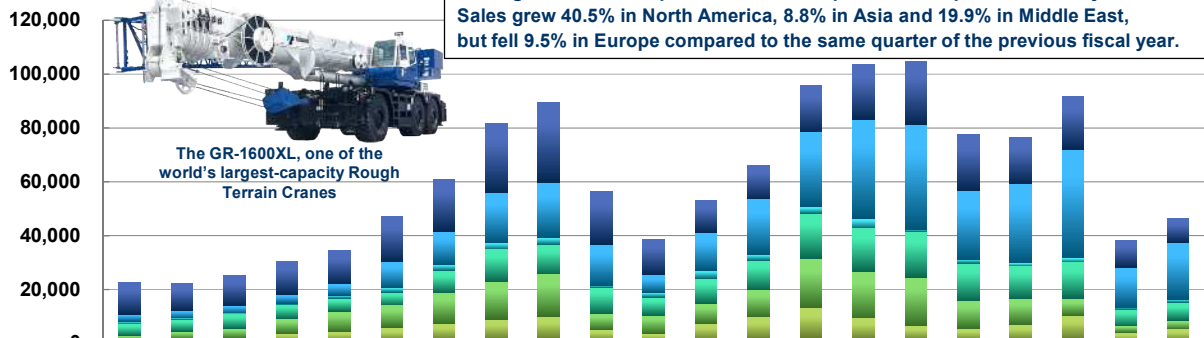
◆ Outside Japan sales 46.0% → 46.0%

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

Region	FY 2018 First Half	FY 2019 First Half	Increase / Decrease	Percentage
Japan	17,915	24,984	7,069	39.5%
Outside Japan	30,600	39,214	8,614	28.2%

# Sales Trends by Market Outside Japan

(Millions of yen)



Sales grew 21.9% compared to the same quarter of the previous fiscal year. Sales grew 40.5% in North America, 8.8% in Asia and 19.9% in Middle East, but fell 9.5% in Europe compared to the same quarter of the previous fiscal year.

	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 18	FY 18 First Half	FY 19 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	19,122	9,528	8,627
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	40,412	14,973	21,043
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	1,445	582	1,317
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	13,775	6,183	6,729
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	6,156	2,556	3,064
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	10,469	4,041	5,377
<b>Total</b>	<b>22,379</b>	<b>22,072</b>	<b>24,968</b>	<b>30,384</b>	<b>34,285</b>	<b>46,859</b>	<b>60,894</b>	<b>81,557</b>	<b>89,354</b>	<b>56,191</b>	<b>38,277</b>	<b>52,872</b>	<b>66,160</b>	<b>95,487</b>	<b>103,535</b>	<b>104,444</b>	<b>77,406</b>	<b>76,152</b>	<b>91,381</b>	<b>37,864</b>	<b>46,159</b>
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%	48.5%	46.0%	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	110.43	108.68	110.05
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	130.42	131.64	124.32

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.

# FY 2019 Business Performance Forecast

(Unit: millions of yen)

	FY 2018		FY 2019 forecast		FY 2019 forecast				Percent change
	Amount	Percentage	Amount	Percentage	Tadano (Existing business)		Demag		
					Amount	Percentage	Amount	Percentage	
Net sales	188,451	100.0%	228,000	100.0%	200,700	100.0%	27,300	100.0%	21.0%
Operating income	15,835	8.4%	10,000	4.4%	14,500	7.2%	-4,500	-16.5%	-36.8%
Ordinary income	15,604	8.3%	10,000	4.4%					-35.9%
Net income attributable to owners of the parent	11,462	6.1%	5,000	2.2%					-56.4%

FY 2019 business performance forecast was revised on October 30.

Dividends per share	Mid-year	¥13.00	Mid-year	¥14.00
	Year-end	¥13.00	Year-end	¥14.00
	Full-year	¥26.00	Full-year	¥28.00

Mid-year and year-end dividends for FY19 include ¥1 memorial dividend.

Capital investment	¥14,458 million	¥11,500 million
Depreciation	¥2,984 million	¥3,800 million
Exchange rate (USD)	¥110.43	¥108.00(2nd Half)
Exchange rate (EUR)	¥130.42	¥120.00(2nd Half)

Figures for capital investment include leased assets.

The interim exchange rate of EUR was revised on October 30.

## [ FY2019 Management Policy ]

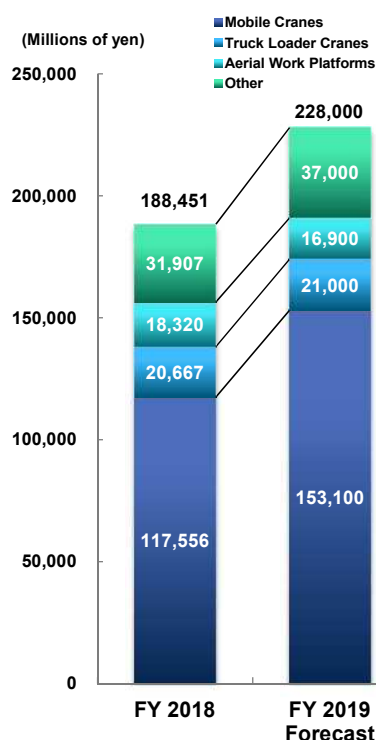
- (i) Pursue the Tadano Group's Core Values (Safety, Quality, Efficiency)
- (ii) Engage in last-year activities of the Mid-Term Management Plan (17-19)
- (iii) Focus on the Tadano Red Arrow, and engaging in Tadano Yellow Arrow activities
- (iv) Prepare for and respond to Tadano Blue Arrow changes and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

◆ FY 2019 proportion of sales outside Japan: 55.5%

5

# FY 2019 Forecast (Net Sales by Product)

(Unit: millions of yen)



	FY 2018		FY 2019 Forecast		Tadano (Existing business)		Demag		Increase / Decrease	
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
Mobile Cranes	117,556	62.4%	153,100	67.1%	131,150	65.3%	21,950	80.4%	35,544	30.2%
Truck Loader Cranes	20,667	11.0%	21,000	9.2%	21,000	10.5%	0	-	333	1.6%
Aerial Work Platforms	18,320	9.7%	16,900	7.4%	16,900	8.4%	0	-	-1,420	-7.8%
Other	31,907	16.9%	37,000	16.2%	31,650	15.8%	5,350	19.6%	5,093	16.0%
<b>Total</b>	<b>188,451</b>	<b>100%</b>	<b>228,000</b>	<b>100%</b>	<b>200,700</b>	<b>100%</b>	<b>27,300</b>	<b>100%</b>	<b>39,549</b>	<b>21.0%</b>

◆ Outside Japan sales ratio : 48.5% → 55.5%

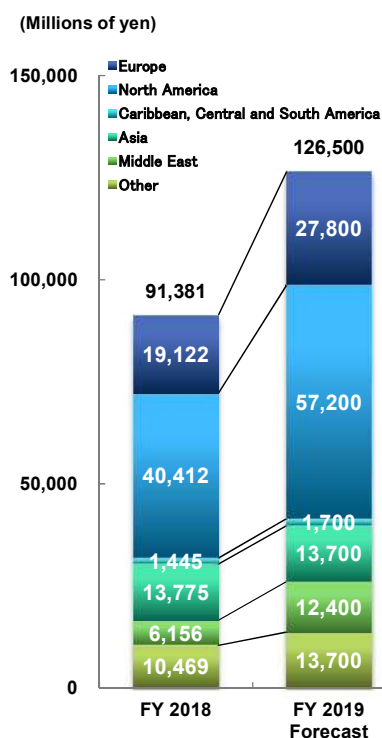
## Breakdown of Mobile Crane Sales Inside and Outside Japan

Japan	42,250	48,400	48,300	100	6,150	14.6%
Outside Japan	75,306	104,700	82,850	21,850	29,394	39.0%

FY 2019 business performance forecast was revised on October 30.

6

# FY 2019 Forecast (Net Sales by Destination)



(Unit: millions of yen)

	FY 2018		FY 2019 Forecast		Tadano (Existing business)		Demag		Increase / Decrease	
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
Europe	19,122	10.1%	27,800	12.2%	19,400	9.7%	8,400	30.8%	8,678	45.4%
North America	40,412	21.4%	57,200	25.2%	46,600	23.2%	10,600	38.9%	16,788	41.5%
Caribbean, Central and South America	1,445	0.8%	1,700	0.7%	1,600	0.8%	100	0.4%	255	17.6%
Asia	13,775	7.3%	13,700	6.0%	12,500	6.2%	1,200	4.4%	-75	-0.5%
Middle East	6,156	3.3%	12,400	5.4%	6,600	3.3%	5,800	21.2%	6,244	101.4%
Other	10,469	5.6%	13,700	6.0%	12,650	6.3%	1,050	3.8%	3,231	30.9%
Subtotal (total outside Japan sales)	91,381	48.5%	126,500	55.5%	99,350	49.5%	27,150	99.5%	35,119	38.4%
Japan	97,069	51.5%	101,500	44.5%	101,350	50.5%	150	0.5%	4,431	4.6%
<b>Total</b>	<b>188,451</b>	<b>100%</b>	<b>228,000</b>	<b>100%</b>	<b>200,700</b>	<b>100%</b>	<b>27,300</b>	<b>100%</b>	<b>39,549</b>	<b>21.0%</b>

FY 2019 business performance forecast was revised on October 30.

The graph on the left excludes Japan.

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