



Explanatory Materials for FY2015 Third Quarter Consolidated Financial Results



* Note on forecasts:

- This document (including business plans) is based on information available at the time of its preparation. Nevertheless, actual results may differ substantially from projections due to various risks and uncertainties.

February 2016
TADANO Ltd.



Income Statement (vs. Previous Year)



(Unit: millions of yen)

[Key changes in the cumulative 3rd quarter (Apr-Dec)]

Sales and profit for this April-December period set a new high against last fiscal year's record for the same period.

	3Q FY2014		3Q FY2015		Change
	Amount	Percentage	Amount	Percentage	
Net sales	145,121	100.0%	149,748	100.0%	4,626
Cost of sales	102,722	70.8%	104,242	69.6%	1,520
Gross profit on installment sales	-28	-0.0%	-88	-0.1%	-60
Gross profit	42,371	29.2%	45,417	30.3%	3,045
Selling, general, and administrative expenses	21,711	15.0%	22,899	15.3%	1,188
Operating income	20,660	14.2%	22,517	15.0%	1,857
Non-operating income and loss	1,217	0.8%	-129	-0.1%	-1,346
Ordinary income	21,877	15.1%	22,388	15.0%	510
Extraordinary income and loss	-10	-0.0%	-36	-0.0%	-26
Income before income taxes	21,867	15.1%	22,351	14.9%	483
Corporate taxes	7,285	5.0%	7,102	4.7%	-183
Net income attributable to noncontrolling interests	35	0.0%	47	0.0%	11
Net income attributable to Tadano Ltd.	14,546	10.0%	15,202	10.2%	655

➤ **Net sales:**

- Consolidated net sales increased by 3.2% compared with the previous 3Q.
- Outside Japan sales ratio was 51.9%.

➤ **COGS ratio:**

- COGS ratio was 69.6%, improved by 1.2 percentage points compared with the previous 3Q due to efforts to maintain and improve sales prices, cost savings, and foreign exchange effects.

➤ **Selling, general, and administrative expenses:**

- ¥1.1 billion increase compared with the previous 3Q.

➤ **Profits:**

- Operating income increased by ¥1.8 billion compared with the previous 3Q.
- Ordinary income increased by ¥0.5 billion compared with the previous 3Q.
- Net income attributable to Tadano Ltd. increased by ¥0.6 billion compared with the previous 3Q.

➤ **Factors of operating income change:**

- ➔ - ¥1.7 billion due to an influence of reducing volume (+ ¥0.8 billion in Japan, - ¥2.5 billion outside Japan)
- ➔ + ¥1.4 billion due to an influence of improving sales prices
- ➔ + ¥2.8 billion due to foreign exchange effects
- ➔ - ¥1.3 billion due to increase of expenses
- ➔ + ¥0.6 billion by other influences

Balance Sheet (vs. End of Previous Fiscal Year)



(Unit: millions of yen)

	FY2014 year-end		3Q FY2015		Change
	Amount	Percentage	Amount	Percentage	
Cash deposit	61,533	27.5%	77,556	32.2%	16,023
Accounts receivable	52,328	23.4%	44,133	18.3%	-8,194
Inventories	51,384	23.0%	59,879	24.9%	8,495
Other current assets	7,250	3.2%	7,490	3.1%	239
Total current assets	172,497	77.1%	189,059	78.6%	16,562
Tangible fixed assets	38,292	17.1%	38,615	16.0%	323
Intangible fixed assets	1,258	0.6%	1,173	0.5%	-85
Investment and other assets	11,560	5.2%	11,752	4.9%	191
Total fixed assets	51,111	22.9%	51,541	21.4%	430
Total assets	223,608	100.0%	240,601	100.0%	16,993

Accounts payable	34,417	15.4%	47,875	19.9%	13,457
Interest-bearing debt	37,620	16.8%	37,378	15.5%	-241
Other liabilities	29,429	13.2%	23,045	9.6%	-6,383
Total liabilities	101,467	45.4%	108,298	45.0%	6,831
Total equity	122,141	54.6%	132,303	55.0%	10,161
Total liabilities and equity	223,608	100.0%	240,601	100.0%	16,993

[Key changes]

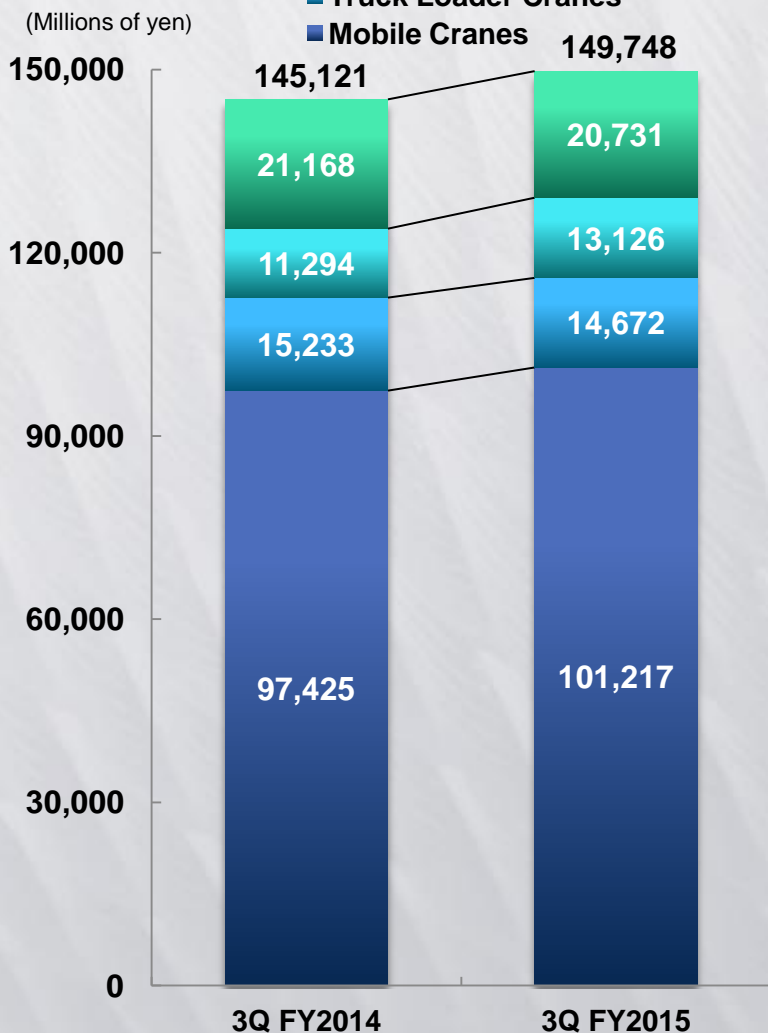
- **Accounts receivable decreased:**
¥52.3 billion → ¥44.1 billion
 → The receivable turnover period improved.
 (3Q FY2014: 81.8 days, FY2014: 93.6 days
 → 3Q FY2015: 81.0 days)
- **Inventories increased:**
¥51.3 billion → ¥59.8 billion
 (The ¥59.8 billion includes ¥14.6 billion in TFG.)
 → The inventory turnover period deteriorated.
 (3Q FY2014: 108.0 days, FY2014: 91.9 days
 → 3Q FY2015: 110.0 days)
- **Interest-bearing debt remained largely unchanged:**
¥37.6 billion → ¥37.3 billion
 → Short-term: decreased by ¥0.2 billion;
 Long-term: decreased by ¥0.0 billion

Net Sales by Product



(Unit: millions of yen)

- Others
- Aerial Work Platforms
- Truck Loader Cranes
- Mobile Cranes



	3Q FY2014		3Q FY2015		Change	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Mobile Cranes	97,425	67.1%	101,217	67.6%	3,792	3.9%
Truck Loader Cranes	15,233	10.5%	14,672	9.8%	-560	-3.7%
Aerial Work Platforms	11,294	7.8%	13,126	8.8%	1,832	16.2%
Others	21,168	14.6%	20,731	13.8%	-436	-2.1%
Total	145,121	100%	149,748	100%	4,626	3.2%

Breakdown of Mobile Crane sales in and outside Japan

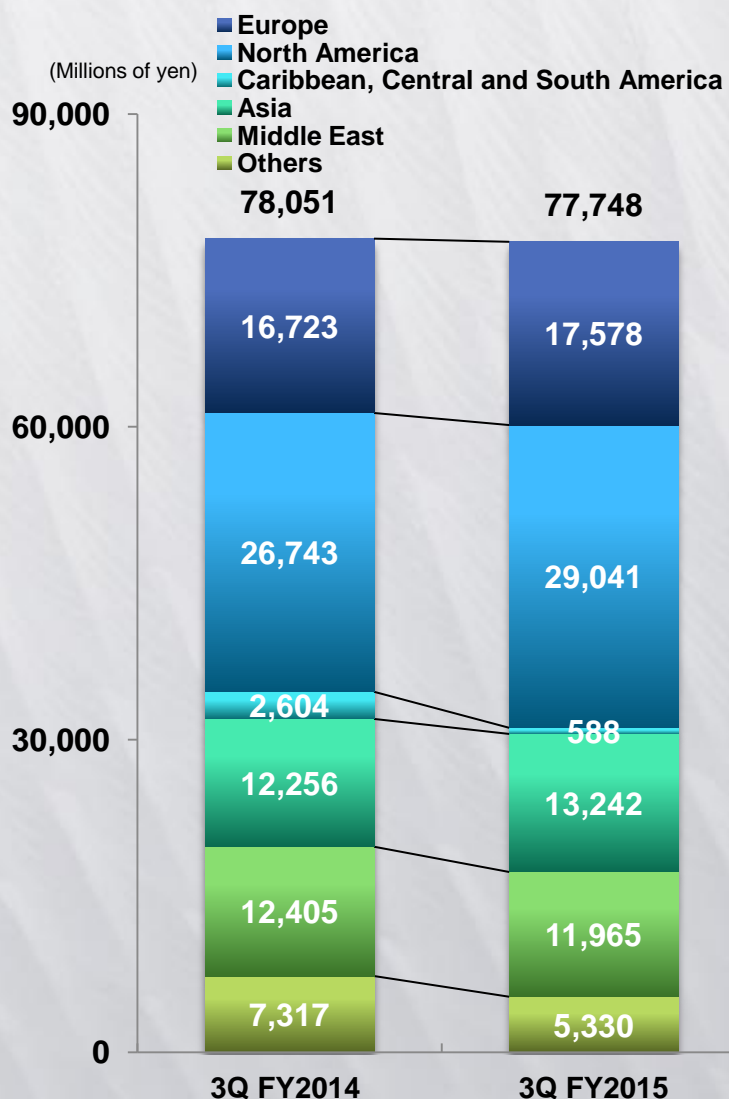
Japan	29,738	33,807	4,068	13.7%
Outside Japan	67,686	67,410	-276	-0.4%

Exchange rate (January-September average rate)

USD	102.95	120.89
EUR	139.54	134.77

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

Net Sales by Destination



(Unit: millions of yen)

	3Q FY2014		3Q FY2015		Change	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Europe	16,723	11.5%	17,578	11.7%	855	5.1%
North America	26,743	18.4%	29,041	19.4%	2,298	8.6%
Caribbean, Central and South America	2,604	1.8%	588	0.4%	-2,015	-77.4%
Asia	12,256	8.4%	13,242	8.8%	985	8.0%
Middle East	12,405	8.5%	11,965	8.0%	-439	-3.5%
Others	7,317	5.2%	5,330	3.6%	-1,986	-27.1%
Subtotal (total outside Japan sales)	78,051	53.8%	77,748	51.9%	-302	-0.4%
Japan	67,070	46.2%	71,999	48.1%	4,929	7.3%
Total	145,121	100%	149,748	100%	4,626	3.2%

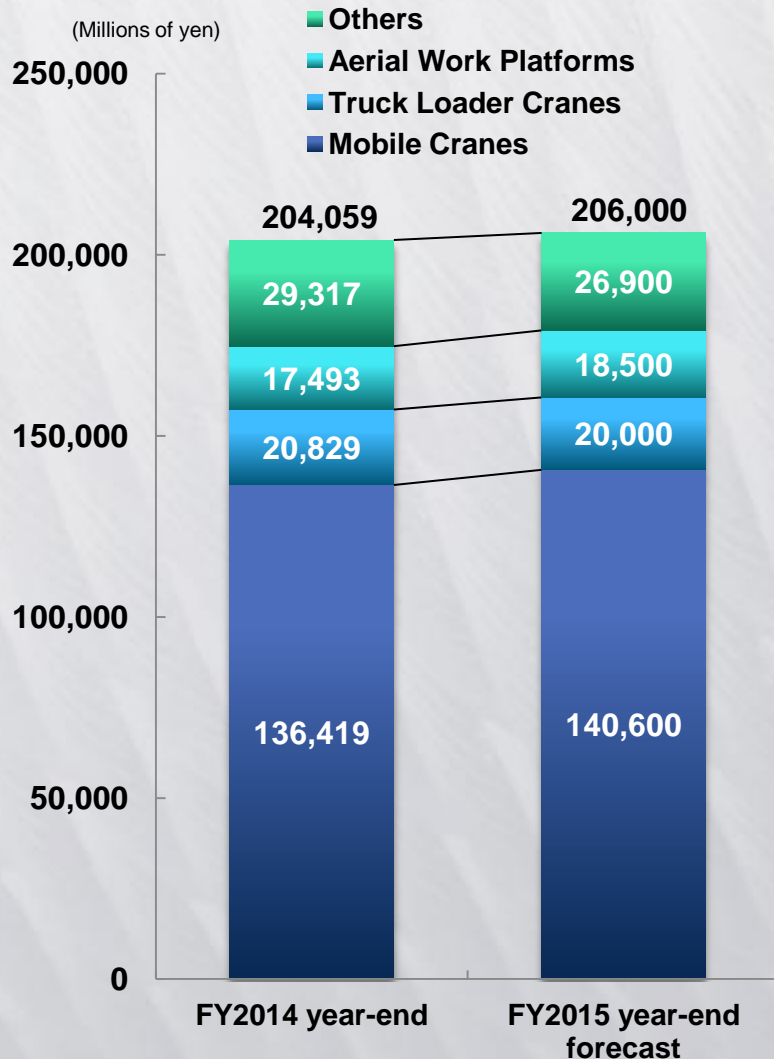
The graph on the left excludes Japan.

Other markets comprise Oceania, Africa, and the CIS.

FY2015 Year-end Forecast (Net Sales by Product)



(Unit: millions of yen)



	FY2014 year-end		FY2015 year-end forecast		Change	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Mobile Cranes	136,419	66.8%	140,600	68.3%	4,180	3.1%
Truck Loader Cranes	20,829	10.2%	20,000	9.7%	-829	-4.0%
Aerial Work Platforms	17,493	8.6%	18,500	9.0%	1,006	5.8%
Others	29,317	14.4%	26,900	13.0%	-2,417	-8.2%
Total	204,059	100%	206,000	100%	1,940	1.0%

◆ Outside Japan sales ratio 50.7% → 50.0%

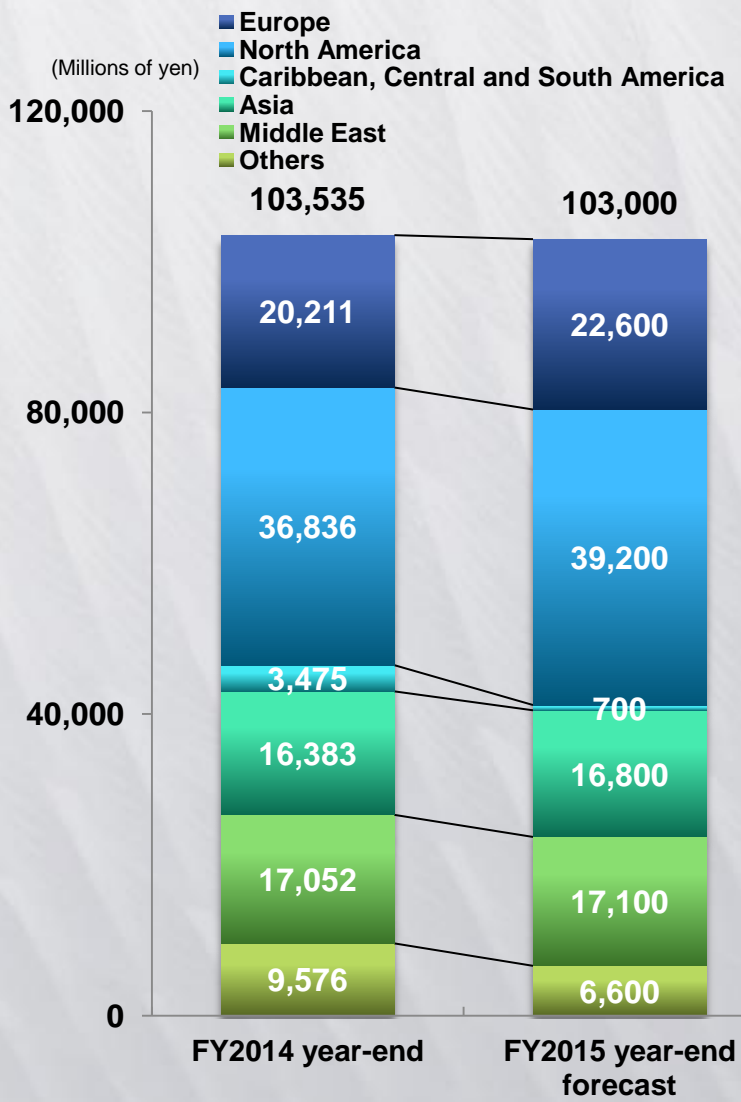
Breakdown of Mobile Crane sales in and outside Japan

Japan	47,455	50,800	3,344	7.0%
Outside Japan	88,964	89,800	835	0.9%

The above forecasts are unchanged from those announced in April 28.

However, the composition of sales by product has been revised to reflect the latest sales conditions.

FY2015 Year-end Forecast (Net Sales by Destination)



(Unit: millions of yen)

	FY2014 year-end		FY2015 year-end forecast		Change	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Europe	20,211	9.9%	22,600	11.0%	2,388	11.8%
North America	36,836	18.1%	39,200	19.0%	2,363	6.4%
Caribbean, Central and South America	3,475	1.7%	700	0.3%	-2,775	-79.9%
Asia	16,383	8.0%	16,800	8.2%	416	2.5%
Middle East	17,052	8.4%	17,100	8.3%	47	0.3%
Others	9,576	4.6%	6,600	3.2%	-2,976	-31.1%
Subtotal (total outside Japan sales)	103,535	50.7%	103,000	50.0%	-535	-0.5%
Japan	100,523	49.3%	103,000	50.0%	2,476	2.5%
Total	204,059	100%	206,000	100%	1,940	1.0%

The above forecasts are unchanged from those announced in April 28.

However, the composition of sales by destination has been revised to reflect the latest sales conditions.

The graph on the left excludes Japan.

Other markets comprise Oceania, Africa, and the CIS.