

Consolidated Financial Results(Comprehensive) For Second Quarter of FY 2021

(April 1, 2021 through September 30, 2021)

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.

November 5, 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.
- Presentation of demand and share:
 - Figures showing demand based on Tadano research are rounded to the nearest ten units.
 - Figures showing share are rounded to the nearest whole share.
 - Mobile Cranes produced in Russia and produced in China for the Chinese market are excluded from demand.
- Abbreviation in this report: “TC” refers to Truck Cranes, “RT” to Rough Terrain Cranes, “AT” to All Terrain Cranes

- ✓ **First operating profit recorded during a fiscal year first half since FY 2019.**
- ✓ **Profits related to restructuring of European Operations were recorded as extraordinary gains.**

(Unit: millions of yen)

	FY2020 First Half		FY2021 First Half		Percent Change
	Amount	Percentage	Amount	Percentage	
Net Sales	91,106	100%	98,680	100%	8.3%
Operating income	-1,038	-1.1%	2,476	2.5%	-
Ordinary income	-1,590	-1.7%	2,246	2.3%	-
Net income attributable to owners of the parent	-2,566	-2.8%	11,387	11.5%	-
Capital investment		3,242		1,970	
Depreciation		2,457		2,664	
* Figures for capital investments include leased assets.					
USD		¥108.27		¥107.69	
EUR		¥119.30		¥129.82	

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Income Statement

- ✓ **Net sales increased.**
- ✓ **Operating income increased due to positive effects from the restructuring efforts in the European Operations.**

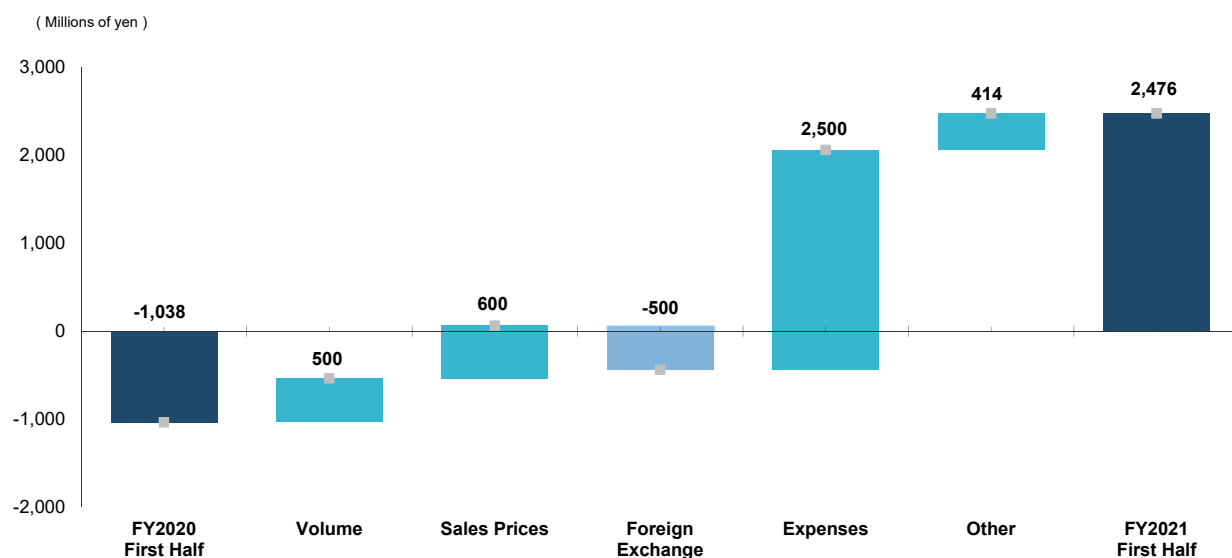
(Unit: millions of yen)

	FY2020 First Half		FY2021 First Half		Increase/Decrease
	Amount	Percentage	Amount	Percentage	
Net sales	91,106	100%	98,680	100%	7,574
Cost of sales	72,805	79.9%	77,505	78.5%	4,699
Gross profit on installment sales	32	0.0%	-	-	-32
Gross profit	18,332	20.1%	21,174	21.5%	2,842
Selling, general, and administrative expenses	19,370	21.3%	18,698	18.9%	-672
Operating income	-1,038	-1.1%	2,476	2.5%	3,514
Non-operating income and loss	-552	-0.6%	-230	-0.2%	322
Ordinary income	-1,590	-1.7%	2,246	2.3%	3,836
Extraordinary income and loss	85	0.1%	11,029	11.2%	10,944
Income before income taxes	-1,504	-1.7%	13,276	13.5%	14,780
Corporate taxes	1,051	1.2%	1,847	1.9%	795
Net income attributable to noncontrolling interests	10	0.0%	42	0.0%	31
Net income attributable to owners of the parent	-2,566	-2.8%	11,387	11.5%	13,953

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Major Factors Leading to Change in Operating Income

- ✓ Operating income increased by ¥3.5 billion due to increase in sales volume, improvements in sales prices and expense reductions, among other factors.



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Balance Sheet

- ✓ Interest-bearing debt denominated in currencies other than Japanese yen increased in response to temporary working capital needs in North America and Europe.
- ✓ Allowances for retirement benefits decreased due to restructuring efforts in the European Operations.

(Unit: millions of yen)

	FY2020 Year-end	FY2021 First Half	Increase/ Decrease		FY2020 Year-end	FY2021 First Half	Increase/ Decrease
Cash deposits	103,110	110,006	6,896	Accounts payable	32,043	35,582	3,539
Accounts receivable	48,774	44,888	-3,885	Interest-bearing debt	94,586	100,847	6,260
Inventories	82,010	85,762	3,752	Other liabilities	51,885	40,201	-11,684
Other current assets	5,254	10,565	5,311	Total liabilities	178,515	176,630	-1,885
Total current assets	239,149	251,223	12,074	Total equity	145,404	158,786	13,382
Tangible fixed assets	68,046	67,414	-632	Total liabilities and equity	323,920	335,417	11,497
Intangible fixed assets	1,692	1,867	175				
Investment and other assets	15,031	14,910	-120				
Total fixed assets	84,770	84,193	-577				
Total assets	323,920	335,417	11,497				

	FY2020 First Half	FY2020 Year-end	FY2021 First Half
Receivable turnover	88.9 days	95.7 days	83.2 days
Inventory turnover	206.1 days	160.9 days	159.0 days
Equity ratio	49.3%	44.5%	46.8%

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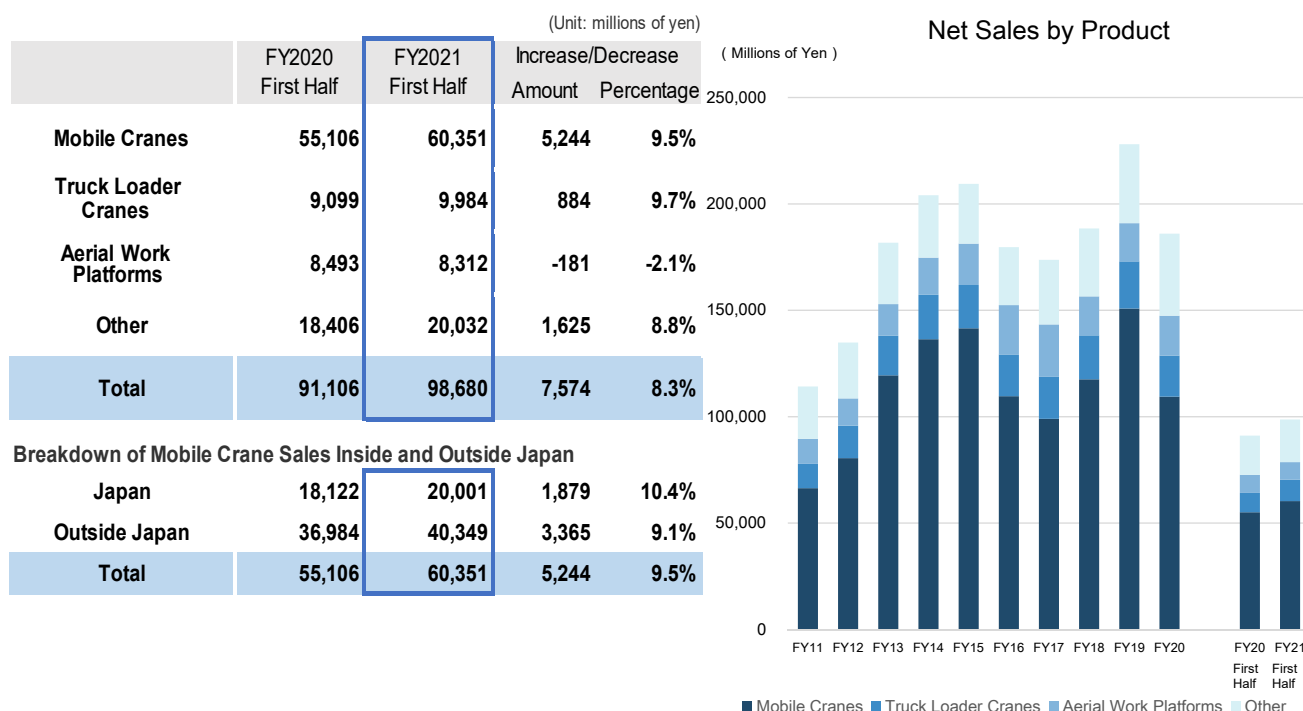
✓ **Cash flow from operating activities increased due to increases in accounts payable and income before income tax.**

(Unit: millions of yen)

		FY2020 First Half	FY2021 First Half	Increase/ Decrease
Cash flow from operating activities	Income before income tax	-1,504	13,276	14,780
	Depreciation	2,457	2,664	206
	Accounts receivable	18,382	4,620	-13,761
	Inventories	-6,287	-1,177	5,109
	Accounts payable	-15,244	2,518	17,763
	Other	428	-19,633	-20,061
	Total	-1,769	2,267	4,037
Cash flow from investing activities	Total	-2,010	-5,438	-3,428
Cash flow from financing activities	Total	20,294	4,503	-15,790
Increase(decrease) in Cash and Cash Equivalents		15,973	2,637	-13,336

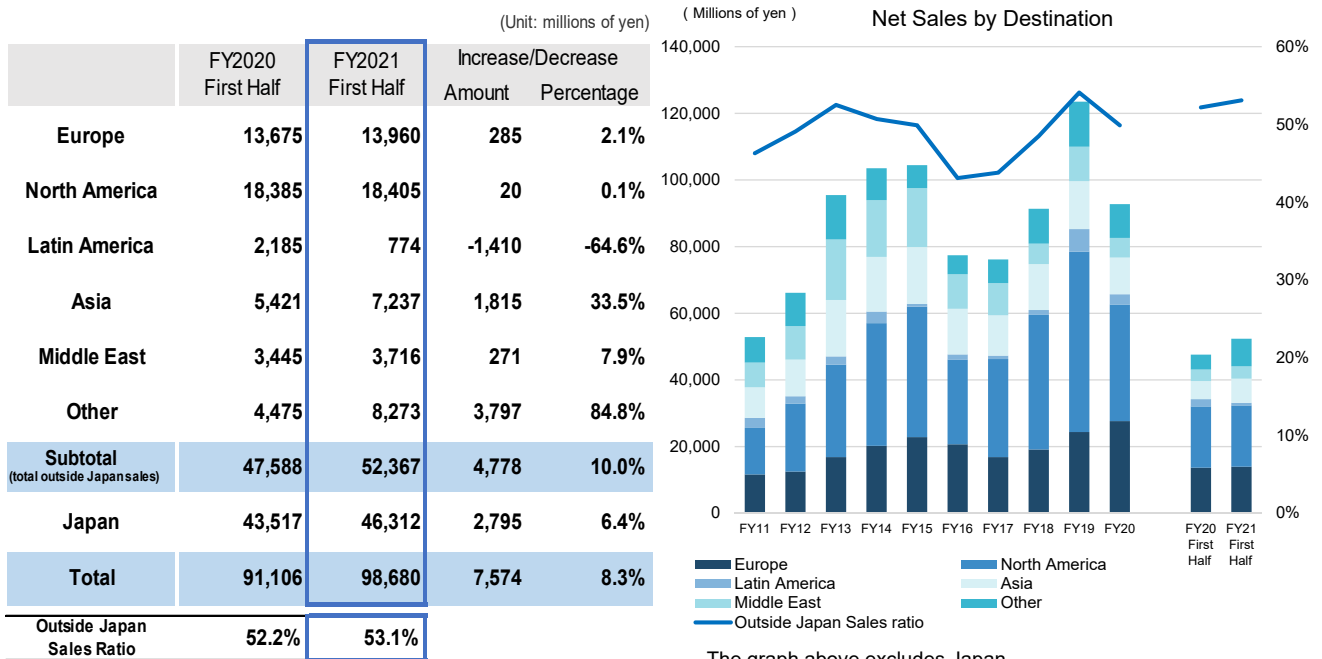
Net Sales by Product

✓ **Net sales increased in all segments except Aerial Work Platforms.**



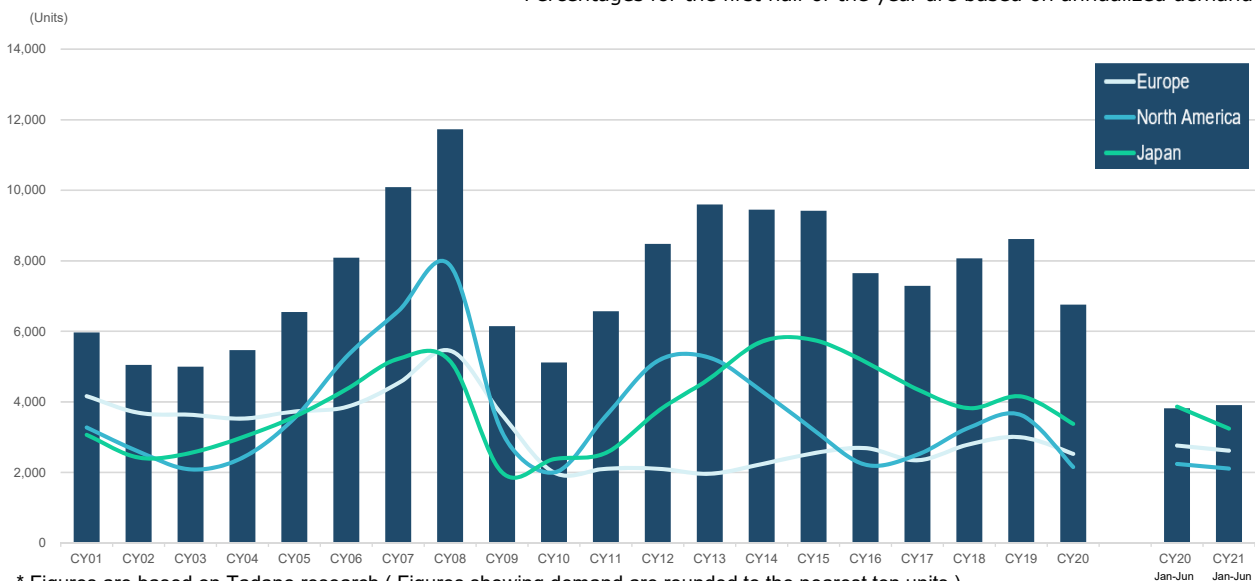
Net Sales by Destination

✓ Net sales increased in all regions except Latin America.



Trends in Global Demand for Mobile Cranes (Calendar-year Basis)

Colored lines: yearly demand trends with lowest levels in each market normalized to the value of 1 (Base Years: 2010[North America, Europe], 2009[Japan])
Percentages for the first half of the year are based on annualized demand.



* Figures are based on Tadano research (Figures showing demand are rounded to the nearest ten units).

* Mobile Cranes produced in Russia are excluded.

* Starting from 2010 the graph includes Chinese construction cranes produced for export.

* Mobile cranes produced in China for the Chinese market are excluded.

* Demand trends in Chinese Market for Mobile Cranes produced in China are as follows:

CY12: 22,000 units, CY13: 17,000 units, CY14: 14,000 units, CY15: 9,000 units, CY16: 9,000 units, CY17: 20,000 units, CY18: 32,000 units, CY19: 42,000 units, CY20: 54,000 units

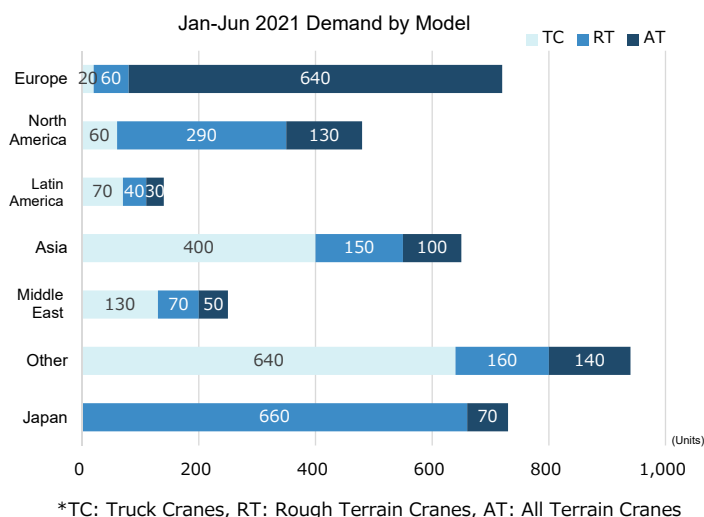
Mobile Cranes (January-June)

- ✓ Demand increased in Latin America, Asia and “Other” regions, and total demand increased by 2.4%.
- ✓ Total share 25%→20%.



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	Demand (Units)			Share	
	Jan-Jun 2020	Jan-Jun 2021	Percent change	Jan-Jun 2020	Jan-Jun 2021
Europe	760	720	-5.3%	13%	12%
North America	510	480	-5.9%	34%	32%
Latin America	110	140	27.3%	17%	6%
Asia	630	650	3.2%	11%	8%
Middle East	270	250	-7.4%	24%	8%
Other	670	940	40.3%	8%	9%
Subtotal (total sales outside Japan)	2,950	3,180	7.8%		
Japan	870	730	-16.1%	55%	50%
Total	3,820	3,910	2.4%	25%	20%



Japanese Market (April – September)

- ✓ Share of unit sales 53%→54%.
- ✓ Tonnage share 55%→50%.

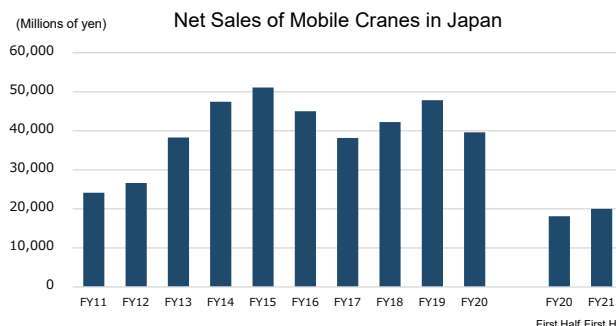
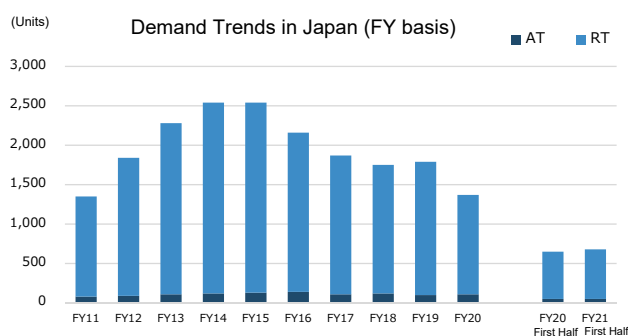
*Japan Market share shown on fiscal year basis.

(Unit: millions of yen)

	FY2020 First Half	FY2021 First Half	Increase / Decrease Amount	Percent change
Japan	18,122	20,001	1,879	10.4%



GR-100N



*AT: All Terrain Cranes, RT: Rough Terrain Cranes

European Market (January – June)

- ✓ Demand decreased, net sales were comparable to same period of previous year.
- ✓ Market share 13%→12%.

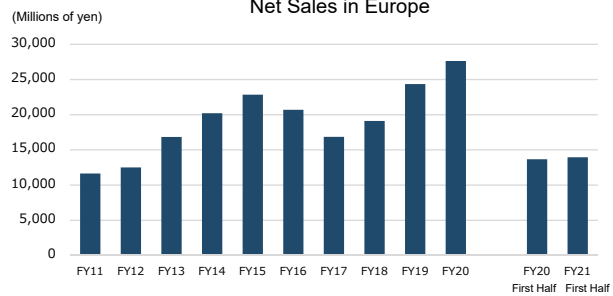
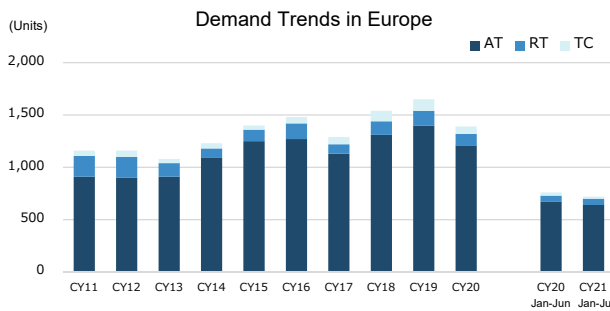
(Unit: millions of yen)

	FY2020 First Half	FY2021 First Half	Increase / Decrease Amount	Percent change
Europe	13,675	13,960	285	2.1%

*Products other than mobile cranes are also included.



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*AT: All Terrain Cranes, RT: Rough Terrain Cranes, TC: Truck Cranes

North American Market (January – June)

- ✓ Demand decreased, net sales were comparable to same period of previous year.
- ✓ Market share 34%→32%.

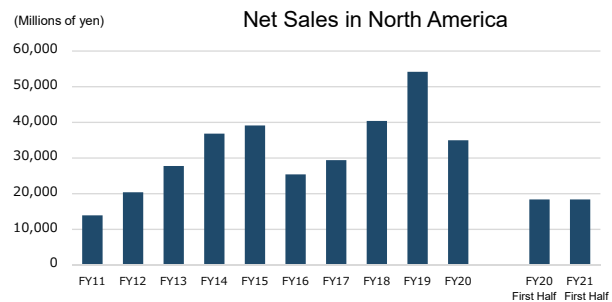
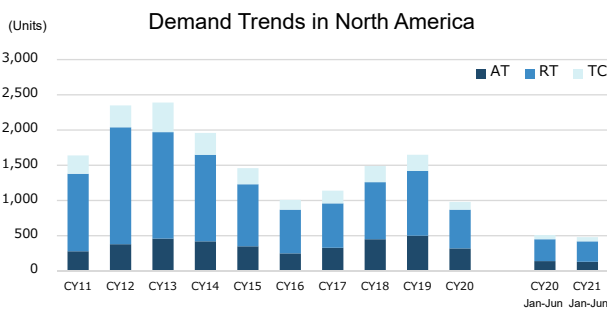
(Unit: millions of yen)

	FY2020 First Half	FY2021 First Half	Increase / Decrease Amount	Percent change
North America	18,385	18,405	20	0.1%

* Products other than mobile cranes are also included.



GR-1300XL



* AT: All Terrain Cranes RT: Rough Terrain Cranes TC: Truck Cranes

✓ Net sales increased in all regions except Latin America.

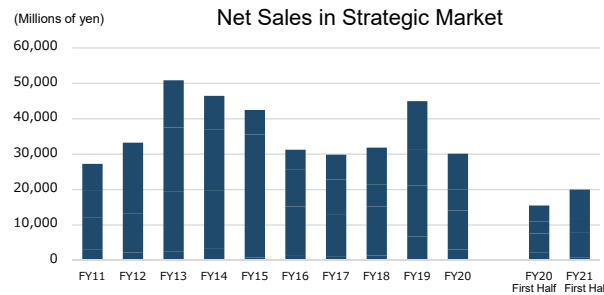
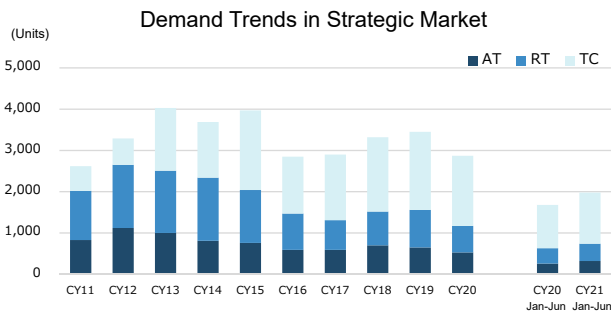
(Unit: millions of yen)

	FY2020 First Half	FY2021 First Half	Increase / Decrease Amount	Percent change
Latin America	2,185	774	-1,410	-64.6%
Asia	5,421	7,237	1,815	33.5%
Middle East	3,445	3,716	271	7.9%
Other	4,475	8,273	3,797	84.8%
Total	15,527	20,001	4,473	28.8%



GT-600EL

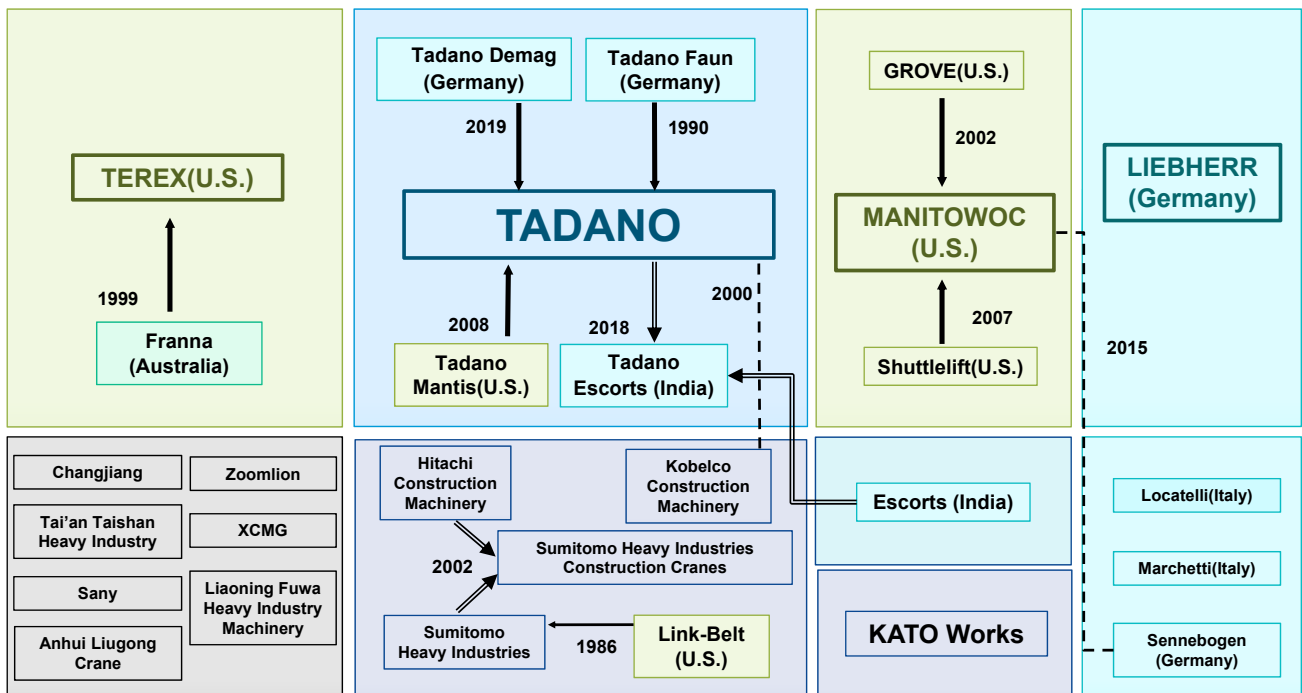
* Products other than mobile cranes are also included.



* AT: All Terrain Cranes RT: Rough Terrain Cranes TC: Truck Cranes

* Strategic Market is Tadano's original market segment excluding Japan, Europe, and North America

Structure of the World Crane Industry (Manufacturers of Hydraulic Cranes and Crawler Cranes)



Prepared by Tadano based on materials from the Japan Construction Equipment Manufacturers Association.

Acquisition (numerals indicate fiscal year of acquisition)
 Partnership (numerals indicate fiscal year of partnership)
 Investment/joint venture

Truck Loader Cranes

- ✓ **Market share in Japan 48%→48%.**
- ✓ **Sales in Japan increased by 10.6% due to increase in demand.**

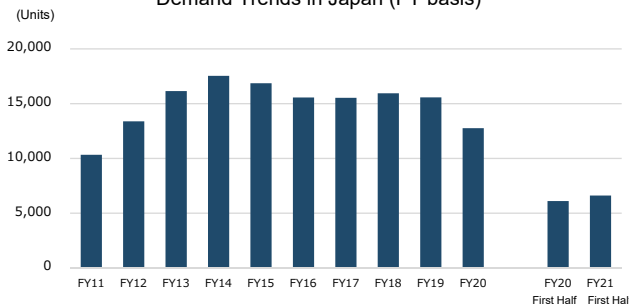
(Unit: millions of yen)

	FY2020 First Half	FY2021 First Half	Increase / Decrease Amount	Percent change
Japan	8,471	9,365	894	10.6%
Outside Japan	628	618	-9	-1.6%
Total	9,099	9,984	884	9.7%

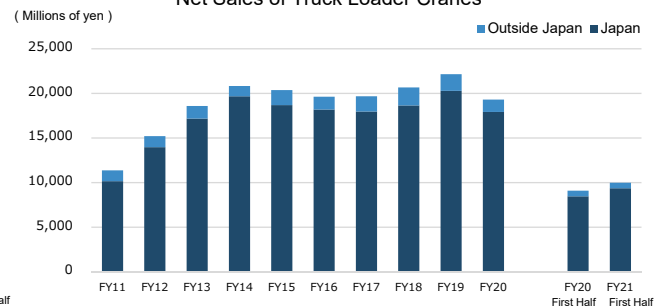


ZX360/300series

Demand Trends in Japan (FY basis)



Net Sales of Truck Loader Cranes



Aerial Work Platforms

- ✓ **Market share 34%→32%.**
- ✓ **Despite efforts to expand sales of high value-added products, net sales decreased by 2.1% due to decrease in demand.**

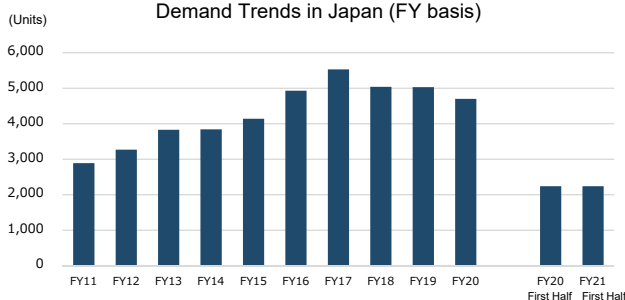
(Unit: millions of yen)

	FY2020 First Half	FY2021 First Half	Increase / Decrease Amount	Percent change
Japan	8,370	8,285	-84	-1.0%
Outside Japan	122	26	-96	-78.6%
Total	8,493	8,312	-181	-2.1%

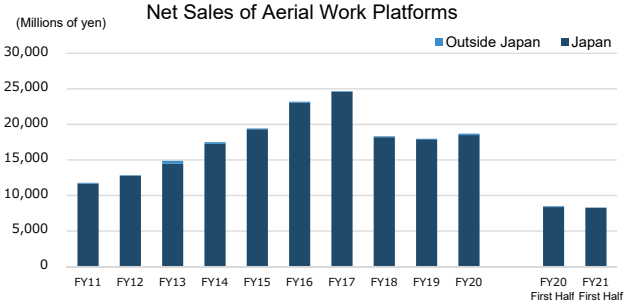


AT-320XTG

Demand Trends in Japan (FY basis)



Net Sales of Aerial Work Platforms



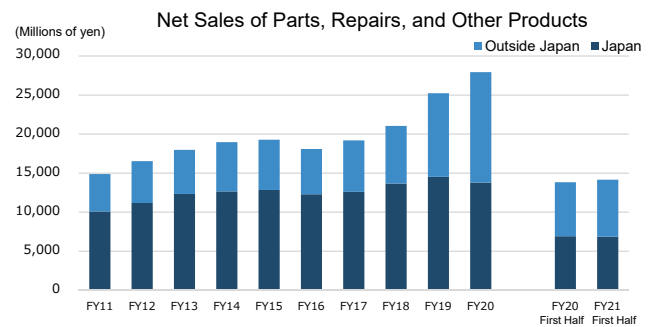
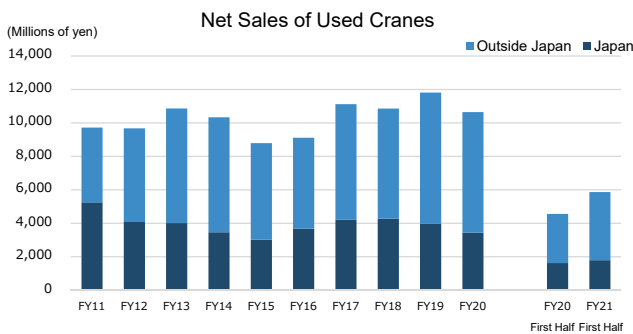
✓ Net sales from other businesses, such as parts, repairs, and used products increased.

(Unit: millions of yen)

	FY2020 First Half	FY2021 First Half	Increase / Decrease Amount	Percent change
Used cranes Other products	4,561	5,873	1,311	28.8%
Parts Repairs	13,844	14,158	314	2.3%
Total	18,406	20,032	1,625	8.8%



Hydraulic gate-shaped lifters : TB-1000



(Unit: millions of yen)

	FY2020		FY2021		Percent Change
	Amount	Percentage	Amount	Percentage	
Net Sales	186,040	100%	215,000	100%	15.6%
Operating income	-4,196	-2.3%	4,200	2.0%	—
Ordinary income	-4,683	-2.5%	3,400	1.6%	—
Net income attributable to owners of the parent	-12,987	-7.0%	10,500	4.9%	—

USD	¥106.82	Second Half	¥110.00
EUR	¥121.81	Second Half	¥130.00

* The exchange rates (USD/EUR) for the second half of the fiscal year have been changed as of October 29, 2021.

Dividends per share	Mid-year	¥0.00	Mid-year	¥3.00
	Year-end	¥3.00	Year-end	¥4.00
	Full-year	¥3.00	Full-year	¥7.00

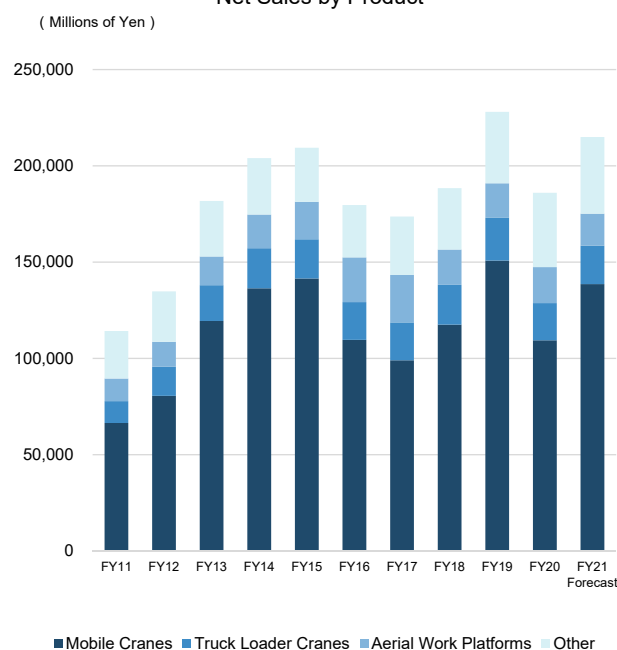
Currently, the pace of sales orders is favorable. However, due to production slowdowns stemming from parts supply delays, as well as the subsequent extension of production lead times in Europe, rising material prices worldwide, and other factors, we have not made upward revisions to the business performance forecast or the dividend forecast for FY 2021.

FY 2021 Forecast (Net Sales by Product)

(Unit: millions of yen)

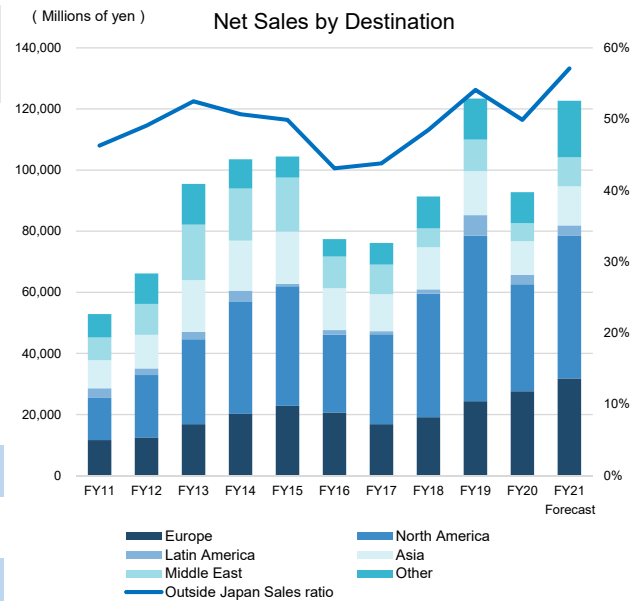
	FY2020	FY2021 Forecast	Increase/Decrease	
			Amount	Percentage
Mobile Cranes	109,430	138,600	29,169	26.7%
Truck Loader Cranes	19,314	19,900	585	3.0%
Aerial Work Platforms	18,701	16,700	-2,001	-10.7%
Other	38,593	39,800	1,206	3.1%
Total	186,040	215,000	28,959	15.6%
Breakdown of Mobile Crane Sales Inside and Outside Japan				
Japan	39,615	40,300	684	1.7%
Outside Japan	69,815	98,300	28,484	40.8%
Total	109,430	138,600	29,169	26.7%

Net Sales by Product



(Unit: millions of yen)

	FY2020	FY2021 Forecast	Increase/Decrease	
			Amount	Percentage
Europe	27,631	31,800	4,168	15.1%
North America	35,001	46,800	11,798	33.7%
Latin America	3,092	3,300	207	6.7%
Asia	11,013	12,800	1,786	16.2%
Middle East	5,898	9,500	3,601	61.1%
Other	10,126	18,500	8,373	82.7%
Subtotal (total outside Japan sales)	92,763	122,700	29,936	32.3%
Japan	93,277	92,300	-977	-1.0%
Total	186,040	215,000	28,959	15.6%
Outside Japan Sales ratio	49.9%	57.1%		



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

Highlights: Brand Harmonization

✓ "One Tadano" Concept Shines Through in New Brand Alignment

In April of this year Tadano announced the decision to harmonize under a single brand. As a major step in realizing the concept of "One Tadano," this harmonization is now being implemented worldwide and will be used for all mobile cranes.* Category names, model names, and standard coloring schemes have been harmonized for all terrain cranes and truck cranes produced at Tadano Faun GmbH; lattice boom crawler cranes, telescopic boom crawler cranes, and all terrain cranes produced at Tadano Demag GmbH; and telescopic boom crawler cranes produced at Tadano Mantis Corporation. In addition, new all-terrain cranes jointly developed by Tadano Faun and Tadano Demag will be released in early 2022. This brand harmonization is a strategic effort as part of Tadano's long-term goal of becoming No. 1 Worldwide in the Lifting Equipment Industry.



*Brand harmonization will not occur at this time in certain limited sales regions.

✓ GR-130N/NL (Two-Winch Specification) Released for Japanese Market

In addition to the one-winch GR-130N/NL already on the market in Japan, we have introduced a new two-winch model - for which the need to change hooks has been eliminated - in response to strong customer demand. By further expanding our product lineup Tadano is meeting an ever increasing range of customer needs.



✓ GR-250N (CREVO 250 G5) Released for Japanese Market

The CREVO 250 G5, the fifth generation of the CREVO series for the Japanese Market, features improved environmental friendliness and efficiency via new operational functions and a diesel engine with superior environmental performance. Product safety has been enhanced through improved driving visibility and maneuverability. Additionally, such lifting solutions as digital data and digital service functionality contributes to efficient and safe operation.



✓ AT-320XTG Wins Accolades at Machine Design Awards (IDEA)

The AT-320XTG aerial work platform won the Judging Committee's Prize at the 51st Machine Design Awards (IDEA) sponsored by The Nikkan Kogyo Shimbun. This is the fourth time Tadano has received this award. The judging committee gave high marks to the AT-320XTG, noting, "Tadano has demonstrated an unrivaled combination of large crane technology cultivated over many years with AWP technology, resulting in boom weight reduction technology and safety through redundant control systems."



✓ AT-530CG Hyper Deck Released for the Japanese Market

The AT-530CG is an aerial work platform that boasts the highest platform height and the largest working radius in Japan. It is mounted on a new standard vehicle with a gross vehicle weight of less than 25 tons, which is certified to travel on expressways and major highways. It is expected to be used at sites that contribute to environmental protection, such as the construction and maintenance of onshore wind power facilities, and on projects that extend the service life of such infrastructure as elevated roads and bridges, buildings and large facilities.



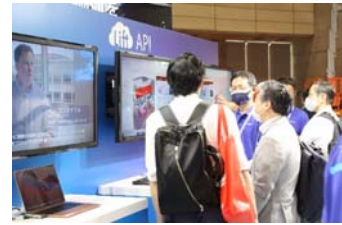
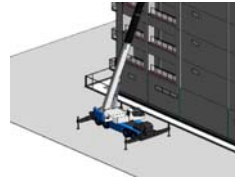
Highlights: Expansion of Solution Services

✓ Tadano Solution Services exhibited at CSPI-EXPO

From May 12th to 14th, Tadano exhibited its solution services at the CSPI-EXPO in Japan. Tadano has started to provide these services to market on a trial basis under its broader Lifting Solutions initiatives.

< Exhibition Details >

- **Lift API:** This is a suite of APIs developed by Tadano. Lift API provides crane performance calculation functions and telematics data via the internet, and it streamlines the data from varying devices and applications.
- **BIM data :** In response to a growing need to use BIM in construction applications, crane BIM models are delivered in order to make it easier for users to plan construction projects using the Tadano Group's lifting equipment.
- **"GENBADE-Support" :** This is a smartphone app for truck loader cranes. It supports users in solving problems, such as checking operations and troubleshooting at jobsites.



Tadano exhibition booth

Notes:

- "GENBADE" means "on the jobsite" in Japanese
- "GENBADE-Support" is currently available only in Japan

Highlights: Clean Energy Initiatives

✓ Wind Power-related Products Exhibited at WIND EXPO in Japan

From September 29th to October 1st, Tadano exhibited its wind power-related products at the WIND EXPO trade show in Japan. In addition to the crawler cranes that were added to the Tadano product lineup after the acquisition of the Demag Mobile Crane Business, super large-sized all terrain cranes and the new AWP that boasts high platform height and a large working radius are among the products Tadano presented for meeting growing demand in clean energy applications.

<Examples of work by wind power-related products>



Video and panel displays of wind power-related products and solution services



Crawler cranes loading offshore wind Turbine components at a port



All terrain crane lifting the blades for assembly of an offshore wind turbine



Davit crane loading operations for offshore wind power generation (Product under development)

✓ **First Activities of “The Beach Clean Project”**

On October 12th Tadano began the first activity of the Beach Clean Project for the purpose of protecting the richness of the sea, in connection with SDG goal number 14: Life Below Water. Participants collected and categorized trash found on the beach. A lecture on marine trash was also held by local NPO, Archipelago, to help participants to deepen their awareness of the marine environment, including the impact of marine trash on sea life.



Cleaning activity in Takamatsu City

✓ **Expanding Renewable Energy Initiatives**

As part of our initiatives for “Net Zero Carbon Emissions,” Tadano has installed and begun operation of solar power generating equipment at Kozai Plant. Tadano concluded a Power Purchase Agreement (PPA) with a major provider in Japan, which installed solar power generating equipment over approximately 20,000 m² of factory surface area, and Tadano will use this energy to operate the plant itself. In the first year, the plant is expected to consume 1.264 million kwh of electricity generated onsite, which is expected to reduce CO₂ emissions equivalent to about 18% of the plant’s normal electricity use.



Solar power generating equipment on the roof of Kozai Plant