

Consolidated Financial Results (Comprehensive) For Second Quarter of FY 2017

(Cumulative Term April 1, 2017 through September 30, 2017)

Notes:

- 1) 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.
- 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.

November 7, 2017

Tadano Ltd.

[Corporate name]	Tadano Ltd. (established August 24, 1948); founder: Masuo Tadano Developed Japan's first hydraulic Truck Crane in 1955		
[Representative]	Koichi Tadano, President and C.E.O., Representative Director		
[Head office]	Ko-34 Shinden-cho, Takamatsu, Kagawa, Japan		
[Major lines of business]	Production and distribution of Mobile Cranes, Truck Loader Cranes, and Aerial Work Platforms		
[Sites]	Tokyo Office [Sumida-ku], Takamatsu Plant [Takamatsu], Shido Plant [Sanuki], Tadotsu Plant [Tadotsu], Chiba Plant [Chiba]		
[Other facilities]	Japan: 10 branch offices, 23 sales offices; Outside Japan: Beijing Office [China], Middle East Office [UAE]		
[Paid-in capital]	¥13,021 million	[Stock shares]	Shares issued: 129 million Number of shareholders: 8,560 (as of September 30, 2017)
[Net sales]	¥179,676 million (FY 2016)		
[Number of employees]	Consolidated: 3,340; non-consolidated: 1,459 (as of September 30, 2017)		
[Subsidiaries]	12 subsidiaries in Japan: Tadano IMES Ltd. Tadano ILEC Ltd. Tadano S-TEC Ltd. Tadano Engineering K.K. Tadano Techno East Co., Ltd. Tadano Techno West Co., Ltd. Taihei Kiko K.K. Nittsu Juki Service K.K. Tadano Kyoshu Center K.K. Tadano Butsuryu K.K. Tadano Systems Inc. Tadano Business Support K.K.	17 subsidiaries and two affiliates outside Japan: Tadano Faun GmbH, Tadano Faun Stahlbau GmbH [Germany] Tadano UK Ltd [U.K.] Tadano France SAS [France] Tadano America Holdings, Inc., Tadano America Corp., Tadano Mantis Corp., [U.S.A.] Tadano Panama S.A. [Panama] Tadano Brasil Equipamentos de Elevacao Ltda. [Brazil] Tadano (Beijing) Ltd. [China] Tadano Korea Co., Ltd. [South Korea] Tadano (Thailand) Co., Ltd., Tadano Italthai Co., Ltd. [Thailand] Tadano Asia Pte. Ltd. [Singapore] Tadano India Pvt. Ltd. [India] Tadano Oceania Pty Ltd, AML Equipment Pty Ltd [Australia]	BQ-Tadano (Beijing) Crane Co., Ltd. [China] Taiwan Tadano Ltd. [Taiwan]

Key Points of FY 2017 Second Quarter Financial Results

(Unit: millions of yen)

	FY2016 First Half		FY2017 First Half		Percent change
	Amount	Percentage	Amount	Percentage	
Net sales	90,914	100.0%	82,880	100.0%	-8.8%
Operating income	10,094	11.1%	8,548	10.3%	-15.3%
Ordinary income	10,024	11.0%	8,386	10.1%	-16.3%
Net income attributable to Tadano Ltd.	6,973	7.7%	5,969	7.2%	-14.4%

	FY2016 First Half	FY2017 First Half
Capital investment	¥1,459 million	¥1,220 million
Depreciation	¥1,517 million	¥1,360 million
Exchange rate (USD)	¥111.81	¥112.37
Exchange rate (EUR)	¥124.62	¥121.64

* Figures for capital investments include leased assets.

* The exchange rates given above are average rates for the period from January to June. (Subsidiaries outside Japan undertake their settlement of accounts in June.)

[FY2017 management policies]

- (i) Pursue the Tadano Group's Core Values (Safety, Quality, Efficiency)
- (ii) Engage in first-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

◆ Revenues and profits declined for these two years

- Decline in demand for Mobile Cranes

◆ Sales decreased both in and outside Japan

- ⇒ Net sales in Japan: ¥49.7 billion → ¥47.8 billion (-3.7%)
Decrease in Mobile Cranes, increase in Truck Loader Cranes and Aerial Work Platforms.
- ⇒ Net sales outside Japan: ¥41.1 billion → ¥34.9 billion (-15.0%)
Decline in demand in main market.

◆ Outside Japan sales ratio : 45.3% → 42.2%

◆ Income decreased, operating income ratio is 10.3%.

Operating income:	¥10 billion → ¥8.5 billion
Ordinary income:	¥10 billion → ¥8.3 billion
Net income:	¥6.9 billion → ¥5.9 billion

Income Statement (vs. Previous Year)

(Unit: millions of yen)

	FY2016 First Half		FY2017 First Half		Increase/ Decrease
	Amount	Percentage	Amount	Percentage	
Net sales	90,914	100.0%	82,880	100.0%	-8,034
Cost of sales	65,282	71.8%	59,120	71.3%	-6,161
Gross profit on installment sales	94	0.1%	27	0.0%	-66
Gross profit	25,726	28.3%	23,786	28.7%	-1,939
Selling, general, and administrative expenses	15,631	17.2%	15,238	18.4%	-393
Operating income	10,094	11.1%	8,548	10.3%	-1,546
Non-operating income and loss	-70	-0.1%	-161	-0.2%	-91
Ordinary income	10,024	11.0%	8,386	10.1%	-1,637
Extraordinary income and loss	-57	-0.1%	4	0.0%	62
Income before income taxes	9,966	11.0%	8,391	10.1%	-1,575
Corporate taxes	2,957	3.3%	2,400	2.9%	-557
Net income attributable to noncontrolling interests	35	0.0%	21	0.0%	-13
Net income attributable to Tadano Ltd.	6,973	7.7%	5,969	7.2%	-1,004

[Key changes]

◆ COGS ratio: 71.8% → 71.3%

- Due to the efforts to maintain appropriate sales prices and cost reductions, the COGS ratio went down by 0.5% from the previous fiscal year.

◆ Selling, general, and administrative expenses: ¥393 million decrease

- Variable costs: - ¥281 million
- Personnel costs: + ¥127 million
- Other expenses: - ¥239 million

◆ Non-operating income and loss:

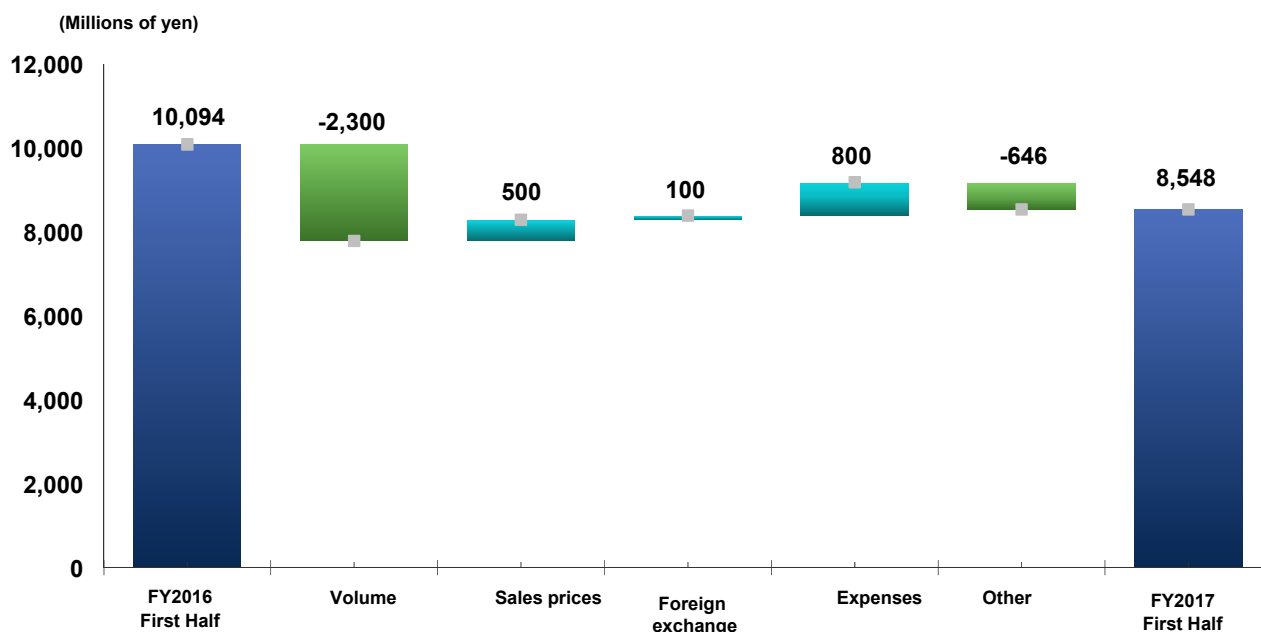
- Non-operating income: ¥309 million → ¥192 million
- Non-operating loss: ¥379 million → ¥354 million

◆ Extraordinary income and loss:

- Extraordinary income: ¥1 million → ¥33 million
- Extraordinary loss: ¥58million → ¥29million

Income Statement (Major Factors Leading to Change in Operating Income)

Operating income fell ¥1.5 billion due to lower sales.



(Unit: millions of yen)

	FY2016 Year-End		FY2017 First Half		Increase/ Decrease
	Amount	Percentage	Amount	Percentage	
Cash deposit	68,745	29.9%	81,660	34.0%	12,915
Accounts receivable	48,717	21.2%	43,458	18.0%	-5,259
Inventories	54,877	23.9%	58,172	24.2%	3,295
Other current assets	5,624	2.4%	5,042	2.1%	-581
Total current assets	177,965	77.4%	188,334	78.3%	10,369
Tangible fixed assets	41,183	18.0%	41,224	17.2%	40
Intangible fixed assets	1,181	0.5%	1,135	0.5%	-45
Investment and other assets	9,469	4.1%	9,705	4.0%	236
Total fixed assets	51,834	22.6%	52,065	21.7%	230
Total assets	229,799	100.0%	240,400	100.0%	10,600
Accounts payable	26,080	11.3%	33,183	13.8%	7,102
Interest-bearing debt	37,235	16.3%	36,646	15.3%	-588
Other liabilities	23,934	10.4%	23,143	9.6%	-790
Total liabilities	87,250	38.0%	92,973	38.7%	5,723
Total equity	142,549	62.0%	147,426	61.3%	4,876
Total liabilities and equity	229,799	100.0%	240,400	100.0%	10,600

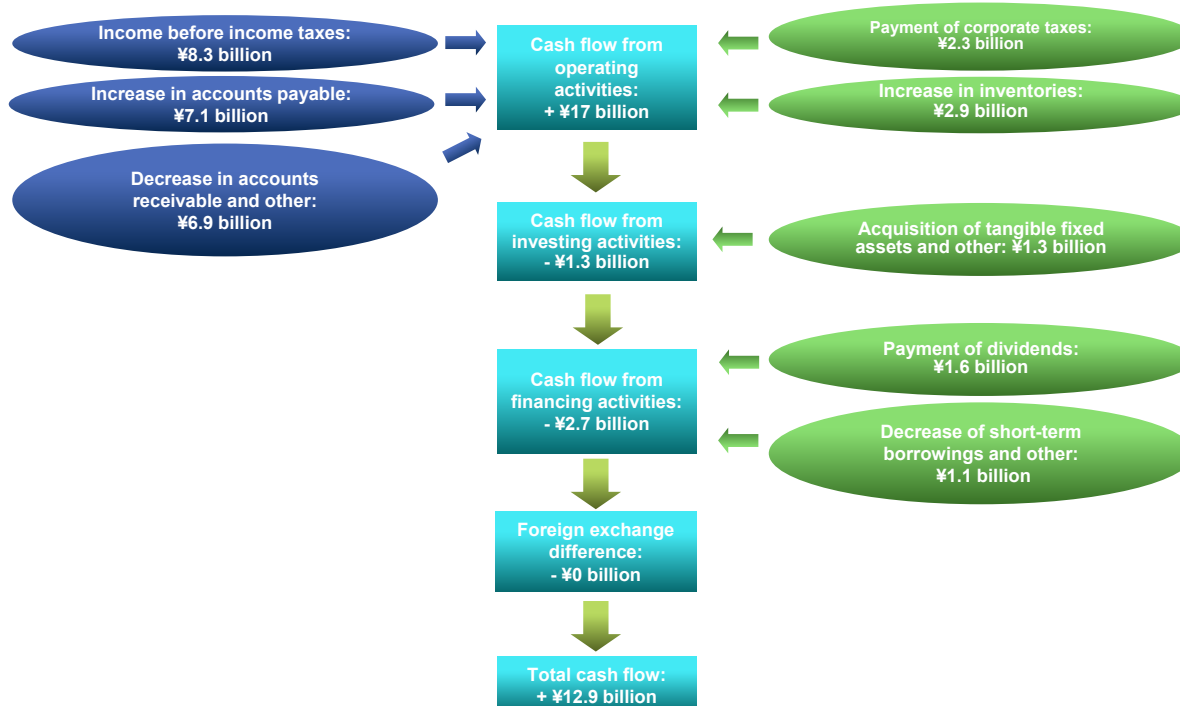
[Key changes]

- ◆ **Accounts receivable decreased:**
¥48.7 billion → ¥43.4 billion
 ⇒ The receivable turnover period ameliorated.
 (FY2016 1st Half: 97.0days, FY2016: 99.0days
 →FY2017 1st Half: 96.0days)
- ◆ **Inventories increased:**
¥54.8 billion → ¥58.1 billion
 (The ¥58.1 billion includes ¥17.7 billion in TFG.)
 ⇒ The inventory turnover period deteriorated.
 (FY2016 1st Half: 117.3days, FY2016: 111.5days
 → FY2017 1st Half: 128.4days)
- ◆ **Interest-bearing debt decreased:**
¥37.2 billion → ¥36.6 billion
 ⇒ Short-term: decreased by ¥0.7 billion;
 Long-term: increased by ¥0.1 billion

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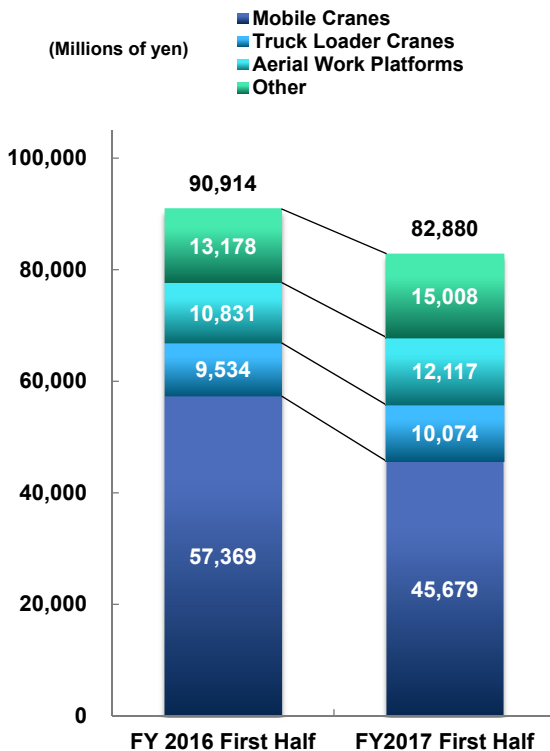
Overview of Cash Flow

Total cash flow increased ¥12.9 billion due to cash flow from operating activities.



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Net Sales by Product



(Unit: millions of yen)

	FY2016 First Half		FY2017 First Half		Increase / Decrease	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Mobile Cranes	57,369	63.1%	45,679	55.2%	-11,689	-20.4%
Truck Loader Cranes	9,534	10.5%	10,074	12.2%	540	5.7%
Aerial Work Platforms	10,831	11.9%	12,117	14.5%	1,285	11.9%
Other	13,178	14.5%	15,008	18.1%	1,829	13.9%
Total	90,914	100%	82,880	100%	-8,034	-8.8%

◆ Outside Japan sales ratio 45.3% → 42.2%

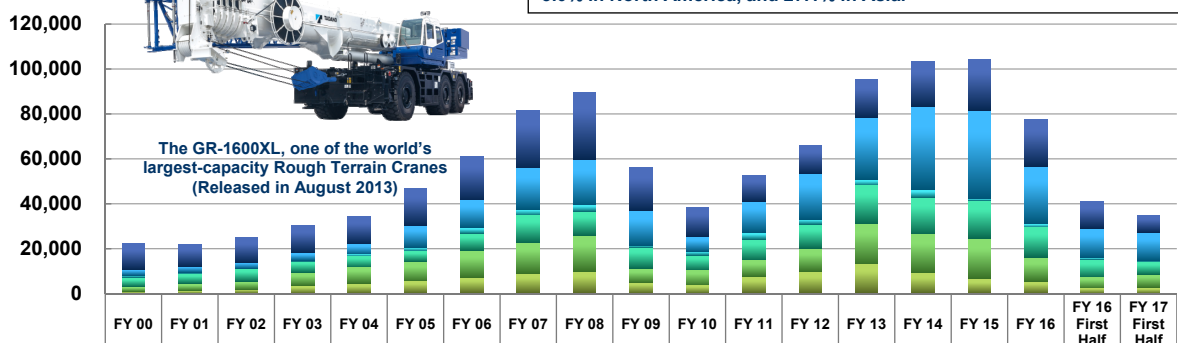
Breakdown of Mobile Crane sales in and outside Japan

Japan	22,429	18,160	-4,269	-19.0%
Outside Japan	34,939	27,519	-7,419	-21.2%

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Sales Trends by Market Outside Japan

(Millions of yen)



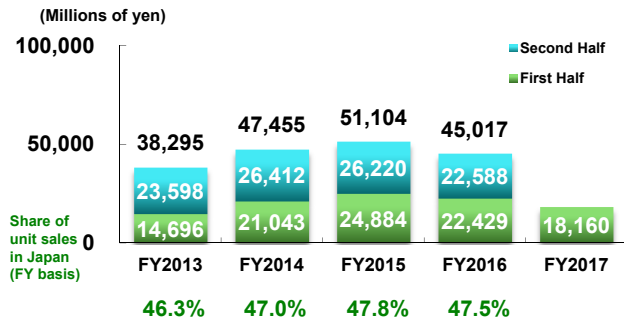
Sales fell 15.0% compared to the same quarter of the previous fiscal year. Sales grew by 24.4% in Middle East, but fell by 36.6% in Europe, 3.0% in North America, and 27.1% in Asia.

	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 First Half	FY 17 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	12,141	7,694
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	12,788	12,404
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	878	445
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	7,811	5,694
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	4,900	6,095
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	2,636	2,650
Total	22,379	22,072	24,968	30,384	34,285	46,859	60,894	81,557	89,354	56,191	38,277	52,872	66,160	95,487	103,535	104,444	77,406	41,158	34,984
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%	45.3%	42.2%
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	111.81	112.37
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	124.62	121.64

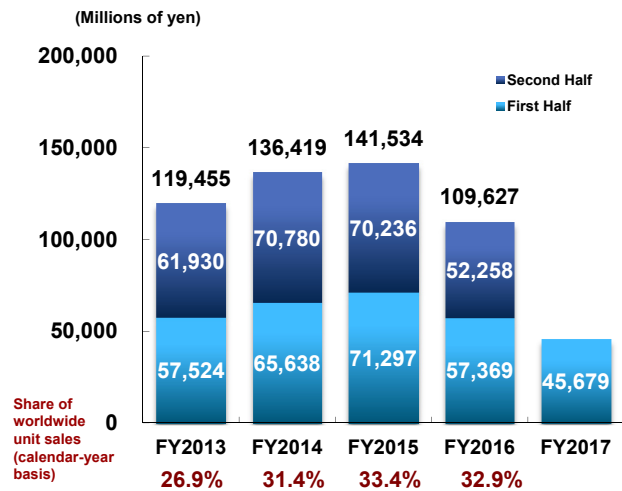
Notes • Other markets comprise Oceania, Africa, and the CIS.
• The exchange rates indicated above are average rates over each period. (Since the fiscal year of subsidiaries outside Japan ends in December, full-year rates are averages for January–December; interim rates are averages for January–June.)
• Euro figures for FY2001 and earlier have been converted from Deutsche Mark.

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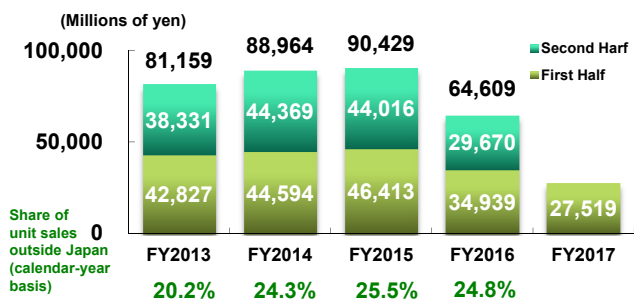
Net sales of Mobile Cranes (Japan)



Net sales of Mobile Cranes

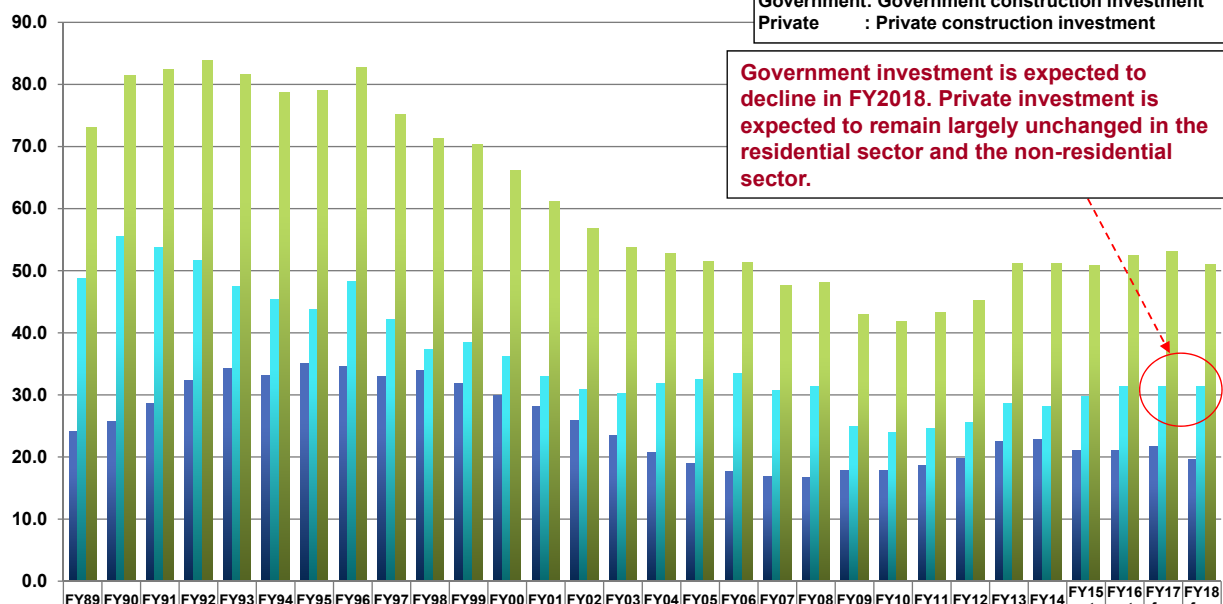


Net sales of Mobile Cranes (Outside Japan)



Trends and Forecast of Construction Investment in Japan

(Trillions of yen)

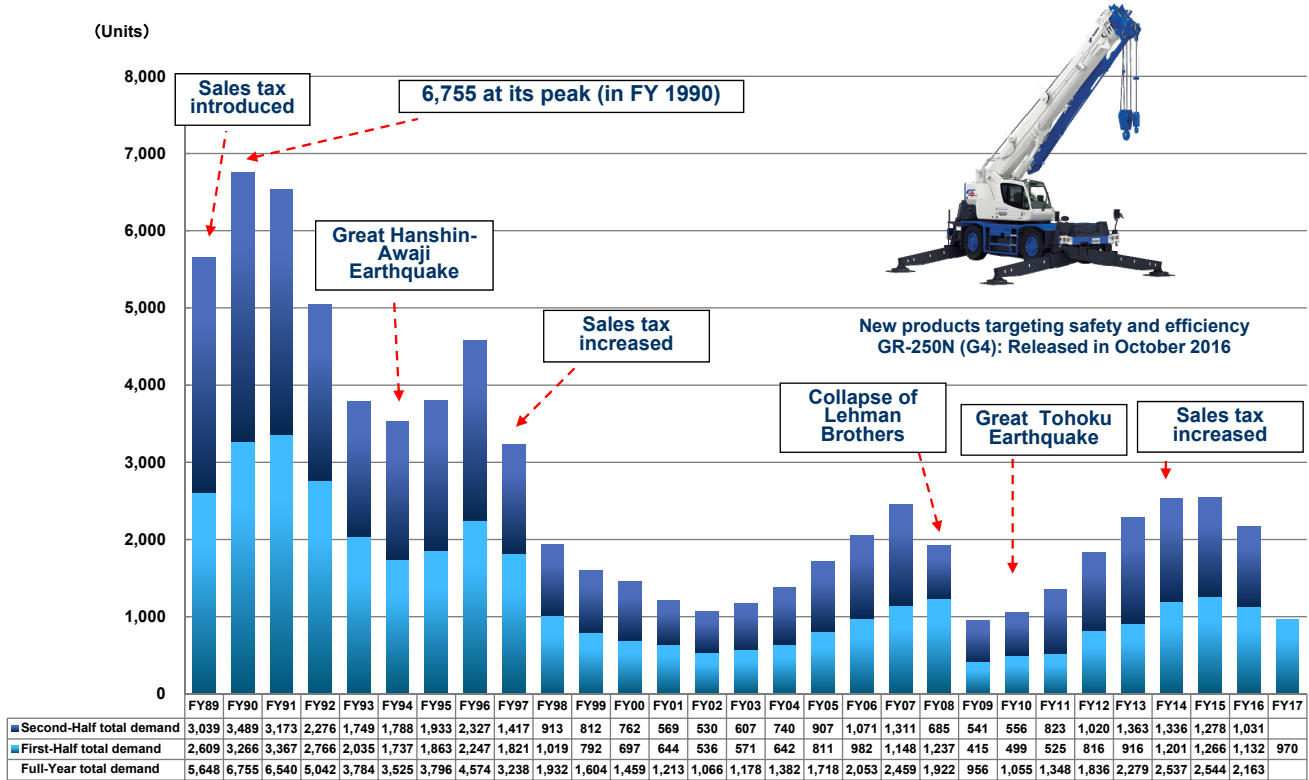


Government: Government construction investment
Private : Private construction investment

Government investment is expected to decline in FY2018. Private investment is expected to remain largely unchanged in the residential sector and the non-residential sector.

	FY89	FY90	FY91	FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15 est.	FY16 est.	FY17 for.	FY18 for.
Government	24.2	25.7	28.6	32.3	34.2	33.2	35.1	34.5	32.9	33.9	31.9	29.9	28.1	25.9	23.4	20.8	18.9	17.7	16.9	16.7	17.9	17.9	18.6	19.7	22.5	22.8	21.1	21.0	21.7	19.6
Private	48.8	55.6	53.7	51.6	47.4	45.4	43.8	48.2	42.2	37.3	38.4	36.2	33.0	30.9	30.2	31.9	32.5	33.5	30.7	31.4	25.0	23.9	24.6	25.5	28.7	28.2	29.7	31.3	31.3	31.4
Total	73.1	81.4	82.4	83.9	81.6	78.7	79.0	82.8	75.1	71.3	70.4	66.1	61.2	56.8	53.7	52.8	51.5	51.3	47.6	48.1	42.9	41.9	43.2	45.2	51.2	51.1	50.8	52.4	53.1	51.0

Notes All figures shown are nominal construction investment figures.
Forecasts are from the Research Institute of Construction and Economy's "Forecast of Construction Investment" (released on July 26, 2017)



Based on Tadano research.

Mobile Cranes

Market share in Japan: 47.5% → 47.5%

Demand for hydraulic Mobile Cranes in Japan was 970 units (for FY2017 first half based on Tadano research), down 14.3% from the same period of the previous fiscal year.

→ Focusing on sales growth in a climate of declining demand.

Changes in the composition of sold cranes resulted in decreasing the percentage share of tonnage in Japan from 47.9% to 45.9%.

Net sales in Japan were ¥18,160 million (81.0% of the same period of the previous fiscal year).

[Rough Terrain Cranes]

- Main models in the Japanese Mobile Cranes business account for 93% of demand in Japan (57% of North American demand)
- Cranes suited to urban use; essential to construction in urban areas
- With compact bodies, these cranes perform well even in narrow areas (both front and rear axles can be steered)
- Able to operate the carrier and the crane from the same driver's seat
- Japanese market: seven models with 13 to 70 ton lifting capacity
- Outside Japan markets: nine models with 13 to 145 ton lifting capacity (Tadano produces models for both in and outside Japan, with Machine-Telemonitoring System)
- In Japan, these cranes travel on public roads; In North America, they are transported on trailers



Released in October 2016

[All Terrain Cranes]

- Large cranes for urban development, elevated driveways, and bridge construction in Japan, account for 6% of demand in Japan (89% of European demand)
- Outstanding long-distance mobility in addition to maneuverability (with steering feature)
- Japanese market: six models with 100 to 550 ton lifting capacity (produced by Tadano Faun GmbH in Germany and Tadano)
- Outside Japan markets: ten models with 40 to 400 ton lifting capacity (produced by Tadano Faun GmbH in Germany)
- Disassembly required for transport on public roads in Japan; No disassembly required for transport in Europe



Released in April 2014 in Japan

[Truck Cranes]

- Cranes are mounted on trucks to make them easier to transport; primarily for markets outside of Japan, with demand in Japan accounting for a few units
- Outstanding long-distance mobility
- Japanese market: three models with 13 to 35 ton lifting capacity (produced by Tadano)
- Outside Japan markets: six models with 35 to 70 ton lifting capacity (produced by Tadano, Tadano Faun GmbH in Germany, and BQ-Tadano in China)

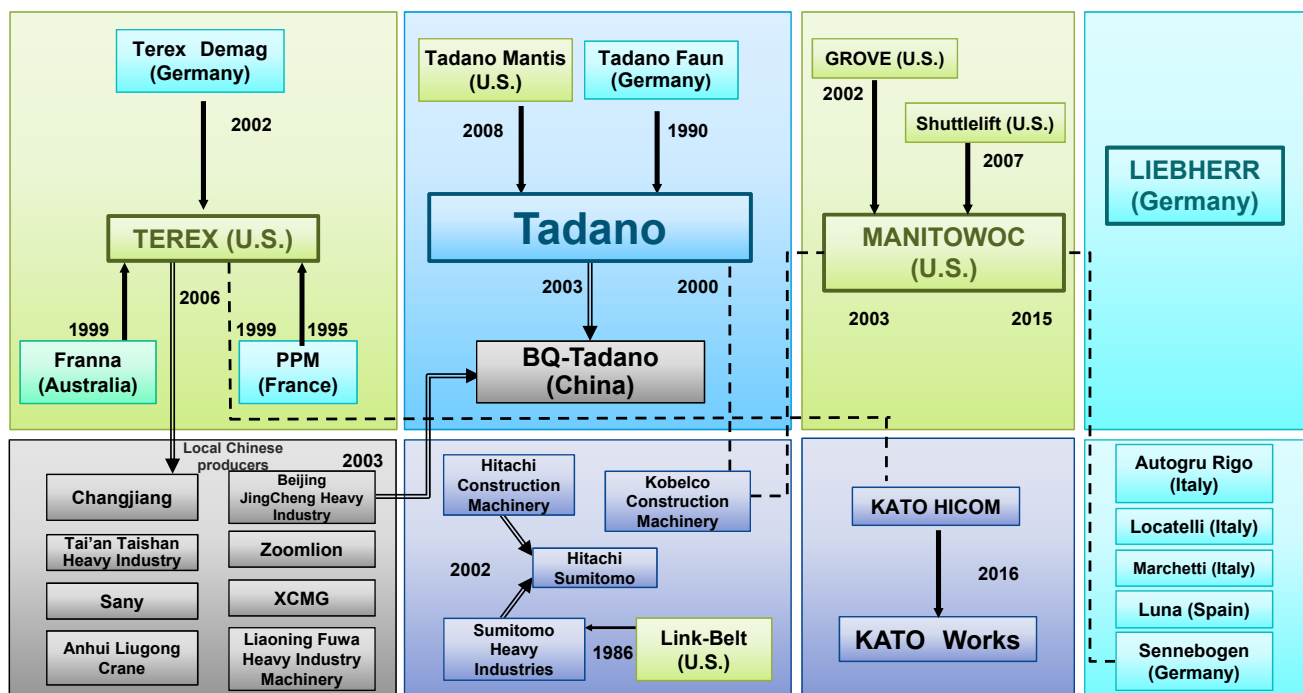


[Points shared with Mobile Cranes]

- **Regulators:** Ministry of Land, Infrastructure, Transport and Tourism (vehicle regulations) and Ministry of Health, Labour and Welfare (crane regulations)
The strengthening of engine emissions and noise regulations and enhanced enforcement of traffic regulations (disassembly for transport of large models such as all-terrain cranes)
- **Buyers in Japan:** Crane rental industry (primary and secondary subcontractors to general contractors, Who dispatch cranes to construction sites along with licensed crane operators)
- **Engine emissions regulations on construction under the direct jurisdiction of the Ministry of Land, Infrastructure, Transport and Tourism:** The use of cranes compliant with level 2 standard values is required from April 2012.
→ The enforcement of regulations has been postponed in light of Great Tohoku Earthquake recovery construction
- **Level 4 emissions regulations for RCs in Japanese market**
Motor output 130 kW or higher: starting September, 2016 Less than 130 kW: starting September, 2017
- **Emissions regulations for RCs in North American markets:** Tier 4: started January 2014 (Future regulations yet to be determined)
- **Emissions regulations for ACs in European markets:** Euromot V: starting January 2019

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

Trends in Global Demand for Mobile Cranes

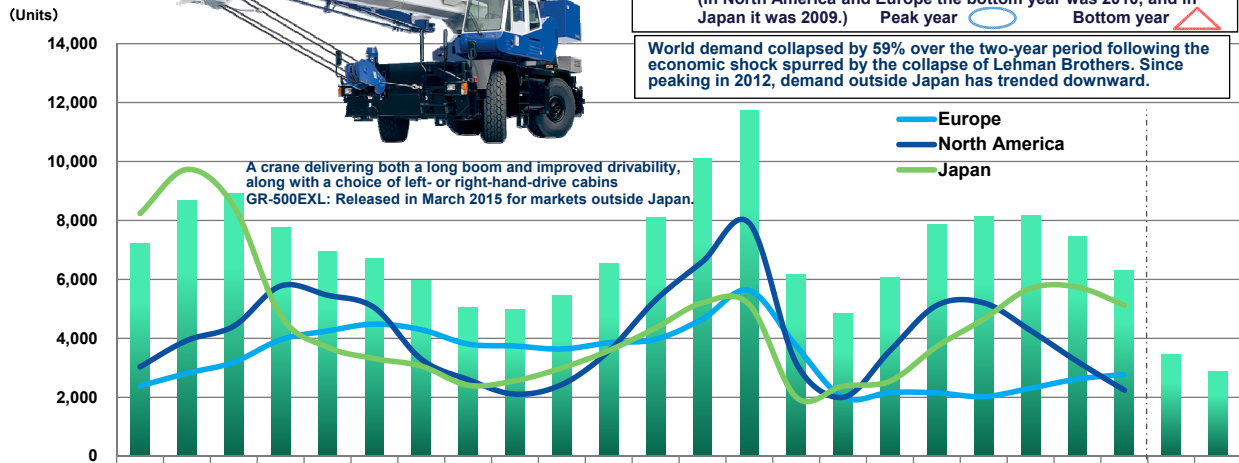
(Calendar-year Basis)



Lifting your dreams



Note: Broken lines indicate trends in annual demand as a percentage of the bottom base year having the lowest demand in each market (assigned the value 1)
(In North America and Europe the bottom year was 2010, and in Japan it was 2009.) Peak year Bottom year



	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2016 1-6	2017 1-6
Europe	1,272	1,502	1,702	2,110	2,268	2,392	2,290	2,031	1,995	1,941	2,053	2,116	2,485	3,002	1,997	1,067	1,155	1,146	1,080	1,231	1,397	1,479	801	682
North America	1,372	1,777	1,998	2,614	2,472	2,281	1,490	1,175	954	1,101	1,614	2,398	2,988	3,577	1,428	905	1,621	2,316	2,355	1,930	1,453	1,014	557	476
Other	868	1,026	1,379	895	554	559	812	757	896	1,073	1,270	1,618	2,273	2,834	1,827	1,796	2,125	2,718	2,595	2,458	2,036	1,509	856	640
Demand outside Japan	3,512	4,305	5,079	5,619	5,294	5,232	4,592	3,963	3,845	4,115	4,937	6,132	7,746	9,413	5,252	2,768	4,901	6,180	6,030	5,619	4,886	4,002	2,214	1,798
Japan	3,711	4,384	3,821	2,151	1,667	1,493	1,378	1,085	1,154	1,350	1,614	1,961	2,345	2,317	901	1,072	1,148	1,677	2,096	2,566	2,585	2,306	1,247	1,077
Total demand	7,223	8,689	8,900	7,770	6,961	6,725	5,970	5,048	4,999	5,465	6,551	8,093	10,091	11,730	6,153	4,840	6,049	7,857	8,126	8,185	7,471	6,308	3,461	2,875

- Demand outside Japan markets is estimated by Tadano based on statistics provided by AEM, ICE, and other.
- Mobile Cranes produced in China and Russia are excluded.
Demand trends in Chinese Market for Mobile Cranes produced in China are as follows:
2010: 35,000 units, 2011: 35,000 units, 2012: 22,000 units, 2013: 17,000 units, 2014: 14,000 units, 2015: 9,000 units, 2016: 9,000 units.

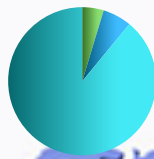
Mobile Cranes Crane-type Composition of Demand by Region (Calendar-year Basis)



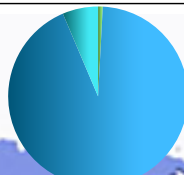
Lifting your dreams

Tadano's share in the global market declined from 33.9% to 29.7%.
(Excluding Chinese and Russian production from the global demand.) Tadano's sales fell from 1,172 units to 854 units.
Global demand for hydraulic Mobile Cranes fell from 3,461 units to 2,875 units (January-June 2017, Tadano research), down 16.9% from the same period of the previous fiscal year.

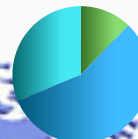
■ TC
■ RC
■ AC



Demand in Europe
801 → 682 units (-14.9%)
TC 32 units, RC 43 units, AC 607 units
Tadano's sales: 122 → 65 units
(Tadano's share: 15.2% → 9.5%)



Demand in Japan
1,247 → 1,077 units (-13.6%)
TC 9 units, RC 999 units, AC 69 units
Tadano's sales: 578 → 500 units
(Tadano's share: 46.4% → 46.4%)



Demand in North America
557 → 476 units (-14.5%)
TC 58 units, RC 269 units, AC 149 units
Tadano's sales: 111 → 113 units
(Tadano's share: 19.9% → 23.7%)



Demand in Middle East
350 → 189 units (-46.0%)
TC 20 units, RC 95 units, AC 74 units
Tadano's sales: 174 → 86 units
(Tadano's share: 49.7% → 45.5%)



Demand in other markets
194 → 194 units (±0.0%)
TC 23 units, RC 47 units, AC 124 units
Tadano's sales: 52 → 29 units
(Tadano's share: 26.8% → 14.9%)

Demand in Asia
225 → 181 units (-19.6%)
TC 27 units, RC 103 units, AC 51 units
Tadano's sales: 115 → 53 units
(Tadano's share: 51.1% → 29.3%)



Demand in Central and South America
87 → 76 units (-12.6%)
TC 3 units, RC 46 units, AC 27 units
Tadano's sales: 20 → 8 units
(Tadano's share: 23.0% → 10.5%)

Notes "TC" refers to Truck Cranes, "RC" to Rough Terrain Cranes, and "AC" to All Terrain Cranes.
The above figures are Tadano estimates. The term "Other markets" refers to Oceania, Africa and CIS. Units and shares indicate changes of the same period in the previous year.

< Our missions for the European business >
Offering full range of All Terrain Cranes, increasing shares in Europe, and sales promotion outside Europe

● **Overview of group companies in Europe**

[Tadano Faun GmbH]

Acquired in 1990
 Paid-in capital: 45 million EUR; wholly-owned subsidiary of Tadano
 Location: Bavaria, Germany
 Line of business: Development, production, and distribution of Mobile Cranes
 Representative and President: Kenichi Sawada; number of employees: 635
 Sales trend:
 2009; 270 million EUR/381 units, 2010; 178 million EUR/213 units, 2011; 199 million EUR/248 units, 2012; 268 million EUR/294 units, 2013; 313 million EUR/329 units, 2014; 308 million EUR/347 units, 2015; 304 million EUR/376 units, 2016; 319 million EUR/363 units



[Tadano Faun Stahlbau GmbH]

Paid-in capital: 650,000 EUR (ownership: TFG 80%; Amron 10%; Kozai Iron 10%)
 Established: September 2008
 Location: Inside TFG plant, Bavaria, Germany
 Line of business: Parts production (jibs and others) for TFG Mobile Cranes
 Representative and President: Ulrich Zschenderlein; number of employees: 13

[Tadano UK Ltd]

Acquired in April, 2014
 Paid-in capital: 50,000 GBP, wholly-owned subsidiary of TFG
 Location: South Yorkshire, United Kingdom
 Line of business: Distribution and service of Mobile Cranes
 Representative and President: Rolf Sonntag; number of employees: 18

[Tadano France SAS]

Established in February 2016; capital: 50,000 EUR; wholly-owned subsidiary of TFG
 Line of business: Distribution and service of Mobile Cranes
 Representative and President: Rolf Sonntag; number of employees: 4



● **Accelerating the line-up expansion, to offer full range of All Terrain Cranes:**

Ten models with 40 to 400 ton lifting capacity are available.
 Largest-class 600 ton (eight-axle) crane exhibited at Bauma in April 2016; sales are expected to begin during FY2017.

< Our missions for the American business >
Increasing shares in North America, and efforts for Caribbean, Central and South America

● **Overview of group companies in the Americas**

[Tadano America Corp.]

Paid-in capital: 2.5 million USD; wholly-owned subsidiary of TAH*; location: Texas, U.S.A.
 Line of business: Distribution of Mobile Cranes
 Representative and President: Ingo Schiller; number of employees: 90
 Sales trend: 2011: 183 million USD; 2012: 249 million USD; 2013: 262 million USD; 2014: 305 million USD; 2015: 285 million USD; 2016: 206 million USD



[Tadano Mantis Corp.]

Acquired in 2008
 Paid-in capital: 287,000 USD; wholly-owned subsidiary of TAH*
 Location: Tennessee, U.S.A.
 Lines of business: Manufacture and distribution of Telescopic Boom Crawler Cranes
 Representative and President: Kozo Yoshida; number of employees: 135
 Major products: Telescopic Boom Crawler Cranes (products combining carriers with track belt suspensions and cranes with hydraulic telescoping booms); mainly used in civil engineering and construction work, these cranes are ideally suited to work performed on unlevelled ground, muddy ground, and inside tunnels.
 Sales trend: 2011: 34 million USD; 2012: 39 million USD; 2013: 36 million USD; 2014: 30 million USD; 2015: 40 million USD, 2016: 27 million USD



(Introduced March 2015
 First Tadano Mantis model to use a round boom, developed jointly with Tadano)
 Awarded 2014 LE Award by Lift and Access, a U.S. periodical

[Tadano Panama S.A.]

Paid-in capital: 10,000 USD; wholly-owned subsidiary of Tadano
 Location: Panama City, Panama
 Line of business: Distribution and service of Mobile Cranes and other products
 Representative and President: Kenji Munezawa; number of employees: 4

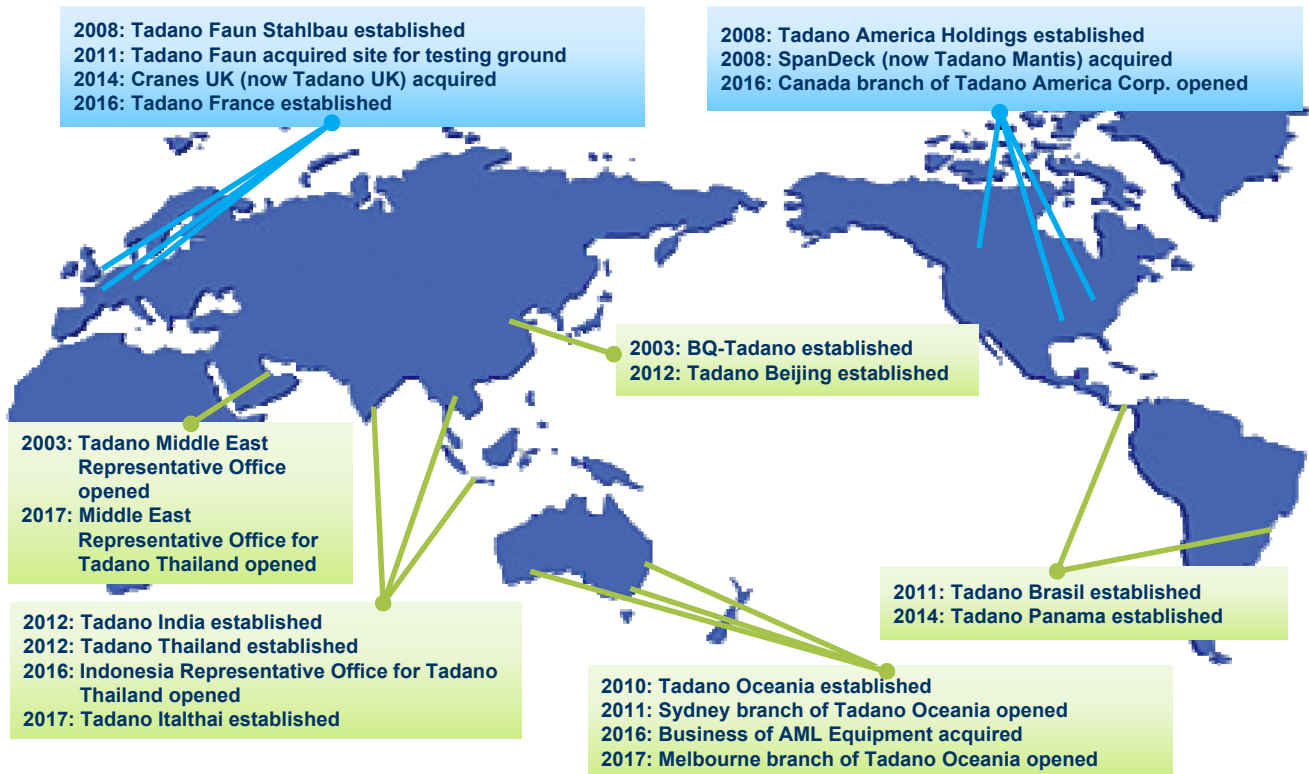
[Tadano Brasil Equipamentos de Elevacao Ltda.]

Paid-in capital: 30 million BRL; wholly-owned subsidiary of Tadano
 Location: Sao Paulo, Brazil
 Lines of business: Distribution and service of Mobile Cranes and other products
 Representative and President: Yasuaki Kishimoto; number of employees: 11

* TAH stands for Tadano America Holdings, Inc.

Business Expansion Outside Japan Since 2003

- 14 Companies Established or Acquired; 7 New Facilities Opened -



[Loader Cranes] Market share in Japan 50.6%→49.7%

Demand in Japan was 8,100 units (for First Half of FY2017, based on Tadano research), grew 6.7% from the same period of the previous fiscal year.

⇒ In a climate of unchanging demand, sales grew as a result of a focus on sales growth.
 Net sales were ¥10,074 million (105.7% of the same period of the previous fiscal year).

- Mounted trucks, these small cranes allow operators to load, transport, and install cargo with a single unit.
- They are sold indirectly by truck dealers for use in logistics, gardening, and construction industries.
- Numerous models are available for mounting on compact, mid-sized, and large trucks, with lifting capacities ranging from 0.49 to 10 tons.

-Regulator-

- Primarily the Ministry of Health, Labour and Welfare (crane regulations)

-Major buyers and distinctive features-

- Truck dealers
- Sales tend to parallel truck demand.



(The first of its kind to have an optional No Idle feature.)

[Business outside of Japan]

- Tadano has focused its efforts on exports of Loader Cranes to strategic markets, exporting crane components for mounting on local trucks.

Sales in First Half of FY2016: ¥640 million
 Sales in First Half of FY2017: ¥830 million

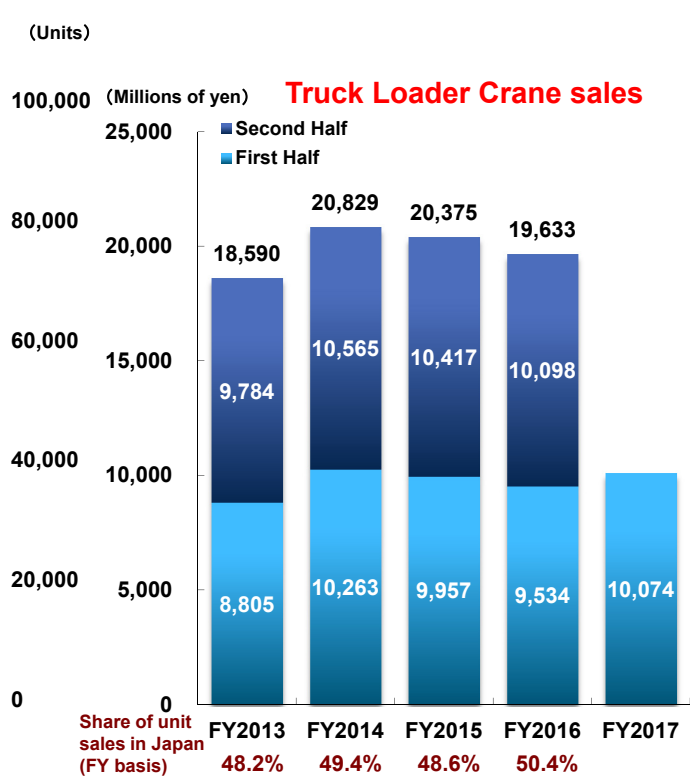
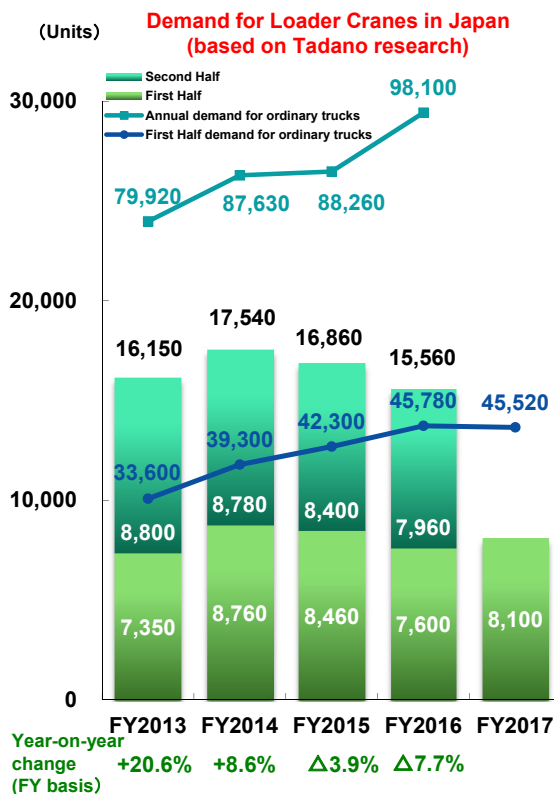
- Accelerating expansion outside Japan, including the opening of a manufacturing subsidiary in Thailand on April 2012.



(ZR560 Loader Crane for export)



(Slide bed Vehicle Carrier [transport vehicle])



[Tadano Italthai Co., Ltd.]

Paid-in capital:50 million THB

(ownership: Tadano 49%, ITI 48%, MHC 3%)

Establishment: May 2017 (The name of the company, Tadano Thai Parts and Service, was changed to Tadano Italthai after capital participation by ITI)

ITI (Italthai Industrial) is an agent of Tadano which sells mainly Mobile Cranes.

Location: Bangkok, Thailand

Line of business: Distribution of Loader Cranes

Representative and President: Hidetoshi Iga; number of employees: 9



Loader Crane ZT1000 manufactured in the plant in Thailand (Released in July 2016)

[Tadano (Thailand) Co.,Ltd.]

Paid-in Capital :636 million; wholly-owned subsidiary of Tadano

Establishment :April 2012 (Operation launch: June 2013)

Location: Hemaraj Eastern Seaboard Industrial Estate, Rayong Province, Thailand

Line of business: Production and distribution of Loader Cranes

Productive capacity:1,000 units/year (Sales: 258 units in 2014, 418 units in 2015, 385 units in 2016)

Representative and President: Shunsuke Mitani; number of employees: 47

● Tadano has established the first outside Japan production base for Truck Loader Cranes. While accelerating the expansion of our business outside Japan, we aim to increase profitability by establishing the manufacturing subsidiary.



Inside of the plant



Tadano(Thailand)

Market share in Japan: 38.9% → 36.9%

Japanese demand for Aerial Work Platforms mounted on trucks was 2,566 units (for the first half of FY2017 Tadano research), up 17.9% from the same period of the previous fiscal year.

⇒ While demand grew for Aerial Work Platforms, a focus on sales growth in high-value-added Super Deck and Bridge Checker models resulted in net sales ¥12,117 million, **the highest ever recorded for the first half.**

The net sales for the first half increased 11.9% compared to the same period of the previous fiscal year.

Mounted on trucks:

- Five models for telecommunications use
- Three models for electric construction use
- 13 models for general construction use

Wheeled: Two models

Super Deck: Five models
(Equipped with advanced control technologies)

Bridge Checker: Three models
(Used in inspections of elevated roadways and bridges)



Bridge Checker BT-200

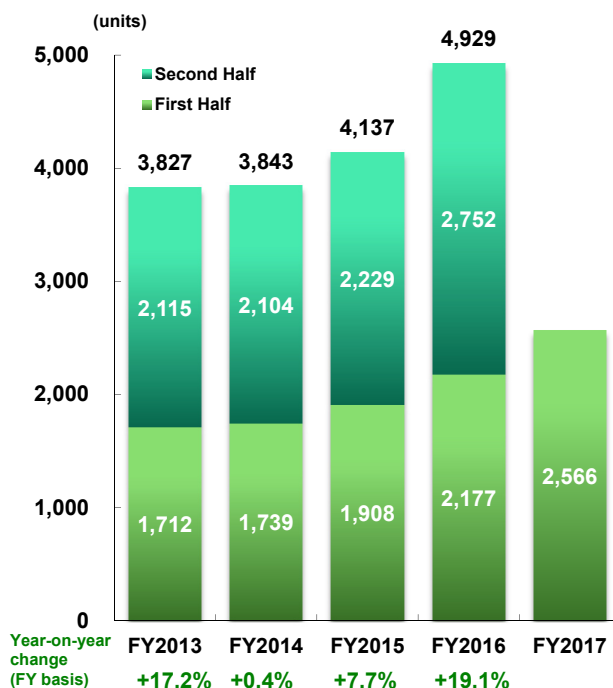
-Regulator-

- Primarily the Ministry of Health, Labour and Welfare (Aerial Work Platform regulations)

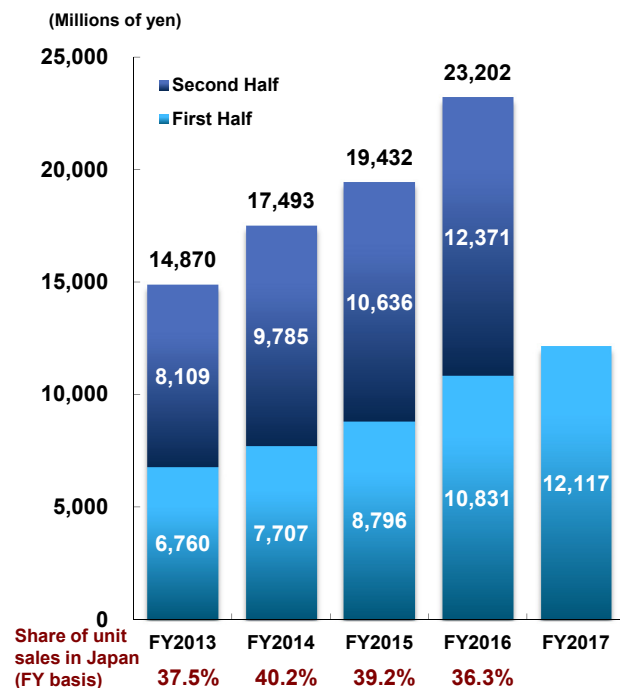
-Major buyers and distinctive features-

- Power-related electrical construction, telecommunications, rental, general use, shipbuilding, Ministry of Land, Infrastructure, Transport and Tourism

Demand for Aerial Work Platforms in Japan (based on Tadano research)



Aerial Work Platform sales



→ Net sales from other businesses, such as parts, repairs, used cranes and other products, amounted to ¥15,008 million (113.9% of the same period of the previous fiscal year).

[Used cranes]

- In this half of the fiscal year, both, sales in Japan and outside Japan, increased
- The globalization of this business will be a future focus

[Parts and repairs]

- Tadano books sales for repair parts (In general, repairs are done by designated service facilities and distributors outside of Japan. These parties book the repair sales.)
- In this half of the fiscal year, both, sales in Japan and outside Japan, increased

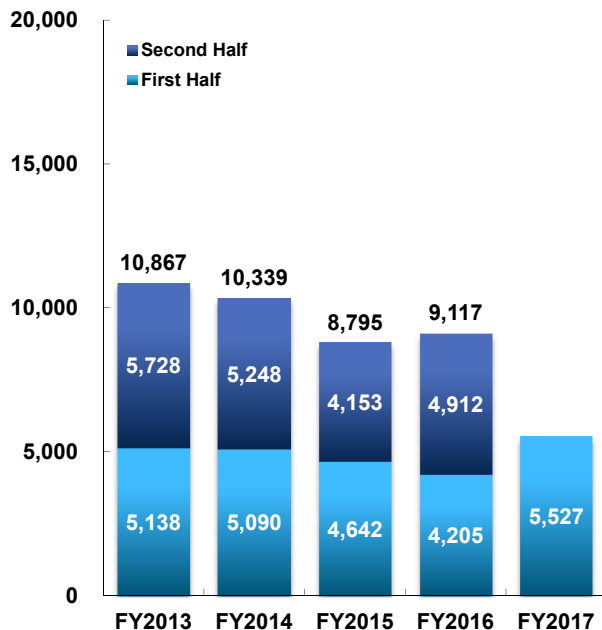


Example of boom removal from All Terrain Crane, ATF400G CL-500 (Released on August 2013)

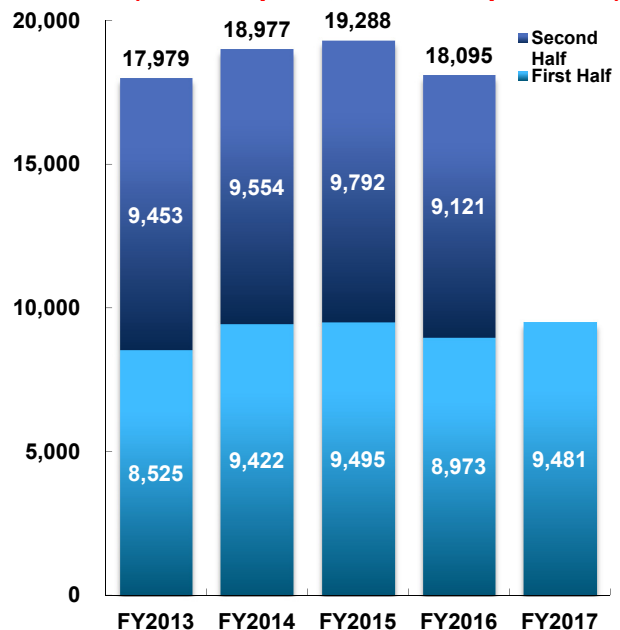
[All Terrain Crane mounting/removal lifters]

- These lifters are used to install and remove All Terrain Crane booms in Japan, where the law requires disassembly for transportation on public roads

(Millions of yen) **Net sales of other businesses (Used cranes and others)**



(Millions of yen) **Net sales of other businesses (Parts, repairs, and other products)**



(Unit: millions of yen)

	FY2016		FY2017 forecast		Percent change
	Amount	Percentage	Amount	Percentage	
Net sales	179,676	100.0%	175,000	100.0%	-2.6%
Operating income	18,484	10.3%	17,000	9.7%	-8.0%
Ordinary income	18,490	10.3%	16,500	9.4%	-10.8%
Net income attributable to Tadano Ltd.	11,881	6.6%	11,000	6.3%	-7.4%

*No changes from the forecast released on April 28, 2017.

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

*No changes from the forecast released on April 28, 2017.

Capital investment	¥6,030 million	¥8,000 million
Depreciation	¥3,113 million	¥3,300 million
Exchange rate (USD)	¥108.84	¥110.00 (2nd Half)
Exchange rate (EUR)	¥120.33	¥120.00 (2nd Half)

Figures for capital investment include leased assets

[FY2017 management policies]

- (i) Pursue the Tadano Group's Core Values (Safety, Quality, Efficiency)
- (ii) Engage in first-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

[Nine Strategies of the Mid-Term Management Plan (17- 19)]

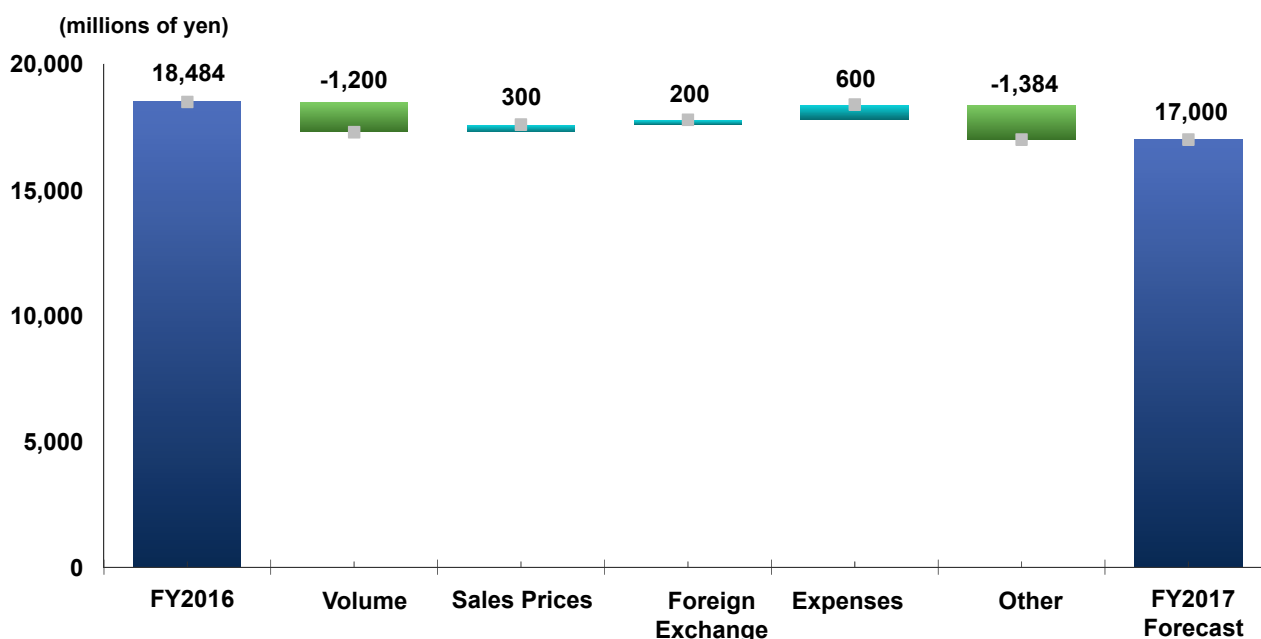
- (i) Improve Market Position
- (ii) Enhance Product Competitiveness
- (iii) Pursue Global & Flexible MONOZUKURI
- (iv) Provide Outstanding Quality & Service
- (v) Improve Product Life-Cycle Value
- (vi) Develop Solution Business
- (vii) Raise Level of Profitability and Asset Efficiency
- (viii) Establish Growth Structure
- (ix) Strengthen the Tadano Group & Global Management Structure

◆ FY2017 proportion of sales outside Japan: 45.4%

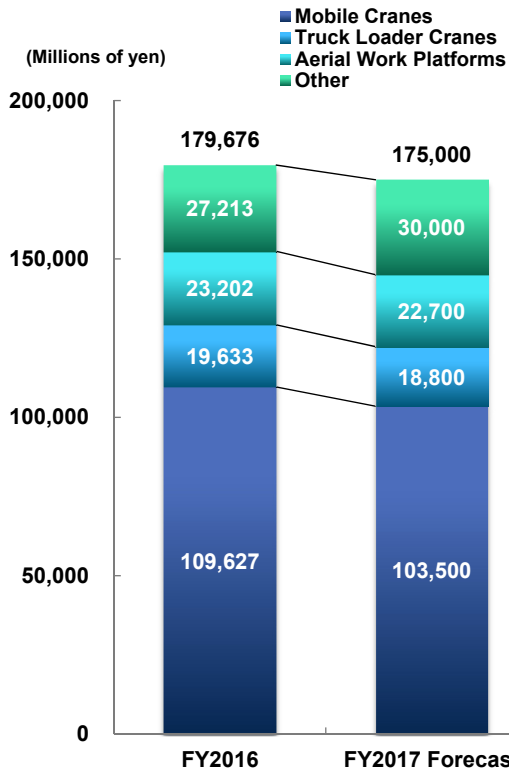
FY 2017 Business Performance Forecasts

(Main Causes of Changes in Operating Income)

Operating income is expected to fall ¥1.4 billion due to lower sales and other factors.



FY2017 Forecast (Net Sales by Product)



(Unit: millions of yen)

	FY2016		FY2017 Forecast		Increase / Decrease	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Mobile Cranes	109,627	61.0%	103,500	59.1%	-6,127	-5.6%
Truck Loader Cranes	19,633	10.9%	18,800	10.7%	-833	-4.2%
Aerial Work Platforms	23,202	12.9%	22,700	13.0%	-502	-2.2%
Other	27,213	15.2%	30,000	17.2%	2,786	10.2%
Total	179,676	100%	175,000	100%	-4,676	-2.6%

◆ Outside Japan sales ratio : 43.1% → 45.4%

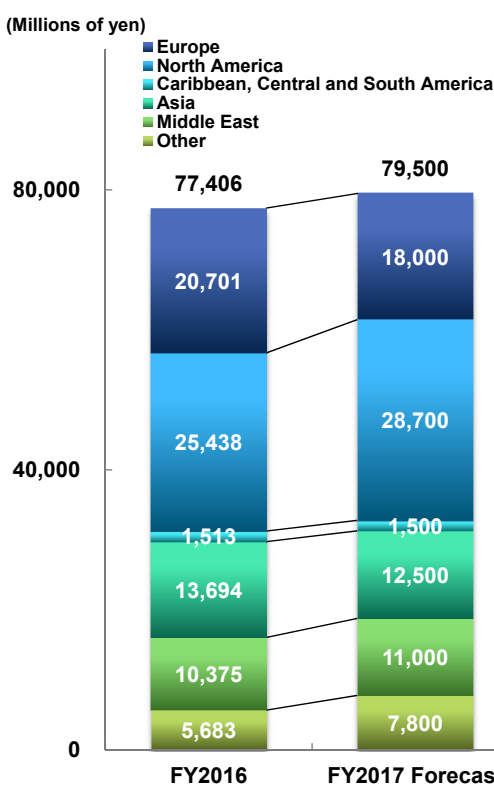
Breakdown of Mobile Crane Sales Inside and Outside Japan

Japan	45,017	39,700	-5,317	88.2%
Outside Japan	64,609	63,800	-809	98.7%

No changes from the forecast released on April 28, 2017.

However, the structure of net sales by product changed according to the latest situation.

FY2017 Forecast (Net Sales by Destination)



(Unit: millions of yen)

	FY2016		FY2017 Forecast		Increase / Decrease	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Europe	20,701	11.5%	18,000	10.3%	-2,701	-13.0%
North America	25,438	14.2%	28,700	16.4%	3,261	12.8%
Caribbean, Central and South America	1,513	0.8%	1,500	0.9%	-13	-0.9%
Asia	13,694	7.6%	12,500	7.1%	-1,194	-8.7%
Middle East	10,375	5.8%	11,000	6.3%	624	6.0%
Other	5,683	3.2%	7,800	4.5%	2,116	37.2%
Subtotal (total outside Japan sales)	77,406	43.1%	79,500	45.4%	2,093	2.7%
Japan	102,270	56.9%	95,500	54.6%	-6,770	-6.6%
Total	179,676	100%	175,000	100%	-4,676	-2.6%

No changes from the forecast released on April 28, 2017.

However, the structure of net sales by destination changed according to the latest situation.

The graph on the left excludes Japan.

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

◆New plant construction launch (November 2017)

We realized that in order to reach our long-term goal, which is to become No. 1 worldwide in the LE industry, we would need a new plant that, in addition to Shido Plant, would become a manufacturing center for mobile cranes and its main parts such as booms and cylinders (including parts for subsidiaries outside of Japan). Therefore, we purchased from the prefectural government industrial land in the western Kozai district of the port of Takamatsu in November 2016. Its soil improvement work ended in May 2017, and the first phase of the construction is going to start in November 2017. The plant construction is expected to end in December 2018, and after installation of industrial machinery and equipment, **it is planned to start operating in May 2019.**

General Outline of New Plant

Name	Kozai Plant
Location	Kozai Kitamachi, Takamatsu, Kagawa Pref.
Site Area	Approx. 200,000 m²
Floor Area*	Approx. 47,000 m²
Investment*	Approx. ¥21 billion
Employees*	Approx. 100



Land for new plant viewed from the west (May 2017)

* Phase I Construction: (November 2017 — April 2019)
Phase II Construction is yet to be determined.

The site is located 10 minutes to the west by car from central Takamatsu.

Feb. 2008	Tadano America relocates to larger offices.	
Oct. 2008	Machine Telemonitoring System introduced in products for Japanese market. (March 2011 for outside of Japan)	
Apr. 2009	Tadano Asia's Singapore Training Centre opens.	
Jan. 2011	Chubu Parts Center opens.	
Feb. 2012	Hokuriku Parts Center opens.	
Mar. 2013	Tadano Techno East head office expands (Shinkiba Plant):	¥0.4 billion
Apr. 2013	Tadano Techno East Sendai Installation Center opens.	
Oct. 2013	Tadano Techno East Maoka Installation Center opens.	
Dec. 2014	Tadano Training Center opens:	¥0.4 billion
Jun. 2015	Tokyo Metropolitan Area Parts Center opens.	
Mar. 2016	Acquisition of Taihei Kiko (Hokkaido)	
May 2016	Tadano Global Parts Center (Kobe) opens.	
Jun. 2016	Tadano Techno East Sakura Plant expands:	¥1.0 billion
Oct. 2016	Tadano Installation Training Center opens	
Nov. 2016	Acquisition of Australian distributor (AML Equipment)	¥0.5 billion
Dec. 2016	Establishment of new Canadian branch office of Tadano America	
Mar. 2017	Acquisition of Nittsu Juki Service (Hokkaido)	

* The above numbers show respective investment amounts.



An exterior view of the Tadano Global Parts Center (Kobe Port Island)



Tadano America's Canada Office

We continuously attempt to develop our sales, service, and parts deposit networks.

New product for Japan Pythagoras GR-130F

Launch of Reach Tower rough terrain crane for residential construction. Pythagoras has the ability to enter narrow places and avoid obstacles such as electric wires in the construction sites.



Standard features include “Human Alert System” and “Rear view monitor” which support traveling safely in the urban area. Furthermore, these features help to carry out safety checks when entering and working at narrow places in the urban area.

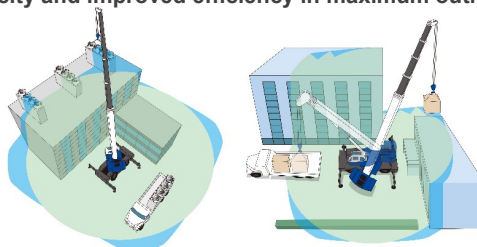
New product for outside Japan GR-1200XL

Launch of 120 short ton lifting capacity crane (for the United States), which has the best lifting capacity in our two-axle models.



[Smart Chart]

Expanding the conventional circular working area into a square one enhanced lifting capacity and improved efficiency in maximum outrigger extension setup.



*These blue parts are the expanded working areas

◆ New products for outside Japan GT-750EL / GT-600EL / GT-300EL

Launch of three high quality Made in Japan truck cranes

[High tensile strength steel round boom]

High tensile strength steel round boom, which is both light and strong, ensures work requiring high precision. In addition, its under slung jib makes installation in narrow spaces possible, which is why it can be spotted operating even in urban areas.

[New carrier with outstanding travelling performance]

We equipped new carriers with suspension developed in cooperation with its manufacturer. Long hour driving at high speed and off-road performance tests helped us to increase driving comfort, operability, and maintainability. What is more, these new products are equipped with features that ensure stable driving such as automatic transmission and cruise control system that maintains the constant speed.



GT-750EL



GT-300EL



GT-600EL