

Explanatory Materials on FY2012 First Quarter Consolidated Financial Results

July 2012

TADANO Ltd.

*** 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.



Income statement (vs. previous year)

(Unit: millions of yen)

	1Q FY2011		1Q FY2012		Increase/ decrease
	Amount	Percentage	Amount	Percentage	
Net sales	19,594	100.0%	28,240	100.0%	8,646
Cost of sales	15,343	78.3%	21,128	74.8%	5,785
Gross profit on installment sales	84	0.4%	60	0.2%	-24
Gross profit	4,335	22.1%	7,173	25.4%	2,837
Selling, general, and administrative expenses	4,453	22.7%	5,277	18.7%	824
Operating income (loss)	-117	-0.6%	1,895	6.7%	2,012
Non-operating income and loss	-104	-0.5%	-720	-2.5%	-615
Ordinary income (loss)	-222	-1.1%	1,175	4.2%	1,397
Extraordinary income and loss	16	0.1%	-73	-0.3%	-90
Income (loss) before income taxes and minority interests	-205	-1.0%	1,101	3.9%	1,306
Corporate taxes	-93	-0.4%	479	1.7%	572
Minority interests	12	0.0%	-5	0.0%	-17
Net income	-124	-0.6%	627	2.2%	751

【Key points of this quarter (April-June)】

Revenue increased, resulting in positive final income for the first time in three years

◆ Net sales

- Consolidated net sales rose 44.1% from the same period in the previous fiscal year. (Domestic sales rose 43.8%; overseas sales rose 44.4%.)
- The overseas sales ratio was 54.0%.

◆ COGS ratio

- Appropriate sales prices and operating ratio improvements resulted in a COGS ratio of 74.8%, a 3.5% improvement from the same period in the previous year.

◆ Selling, general, and administrative expense

- Increased by ¥800 million from the same period in the previous year. (Personnel costs rose by ¥300 million, variable costs by ¥400 million, and other expenses by ¥100 million.)

◆ Operating income and net income

- Ordinary income was ¥1.1 billion. This was despite ¥300 million transferred to provisions for doubtful accounts in connection with a case of misconduct at a U.S. subsidiary and ¥300 million in foreign exchange losses recorded as non-operating expenses.
- Quarterly income was ¥600 million.

Balance sheet (vs. end of previous period)

(Unit: millions of yen)

	FY 2011 year-end		1Q FY2012		Increase/ decrease
	Amount	Percentage	Amount	Percentage	
Cash deposit	40,225	25.0%	40,134	24.7%	-90
Accounts receivable	35,041	21.8%	30,779	19.0%	-4,262
Inventories	34,205	21.2%	40,236	24.8%	6,030
Other current assets	4,572	2.8%	4,320	2.7%	-251
Total current assets	114,045	70.8%	115,470	71.2%	1,425
Tangible fixed assets	33,449	20.8%	33,653	20.8%	204
Intangible fixed assets	867	0.5%	855	0.5%	-12
Investment and other assets	12,813	7.9%	12,229	7.5%	-584
Total fixed assets	47,130	29.2%	46,738	28.8%	-391
Total assets	161,176	100.0%	162,209	100.0%	1,033

Accounts payable	28,331	17.6%	27,155	16.7%	-1,175
Interest-bearing debt	38,101	23.6%	40,383	24.9%	2,281
Other current liabilities	16,224	10.1%	15,626	9.7%	-598
Total liabilities	82,657	51.3%	83,165	51.3%	507
Total equity	78,518	48.7%	79,044	48.7%	526
Total liabilities and equity	161,176	100.0%	162,209	100.0%	1,033

【Key changes】

◆ Accounts receivable declined.

¥35.0 billion → ¥30.7 billion

⇒ The receivable turnover period improved.

(FY 2011: 112.0 days; 1Q FY 2012: 99.2 days)

◆ Inventories increased.

¥34.2 billion → ¥40.2 billion

(The ¥40.2 billion yen figure includes ¥10.4 billion yen in FAUN Group inventories.)

⇒ The inventory turnover period deteriorated.

(FY 2011: 109.3 days; 1Q FY 2012: 129.7 days)

◆ Interest-bearing debt increased.

¥38.1 billion → ¥40.3 billion

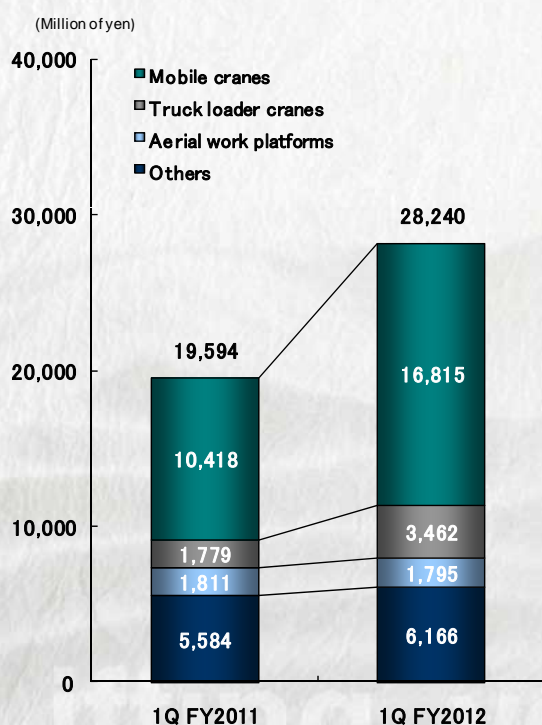
⇒ Short-term: increased by ¥1.8 billion;

long-term: increased by ¥400 million

Lease obligations: increased by ¥30 million

Net sales by product

(Unit: millions of yen)



	1Q FY2011		1Q FY2012		Increase/decrease	
	Amount	Percentage	Amount	Percentage	Amount	Percent change
Mobile cranes	10,418	53.2%	16,815	59.5%	6,397	61.4%
Truck loader cranes	1,779	9.1%	3,462	12.3%	1,683	94.6%
Aerial work platforms	1,811	9.2%	1,795	6.4%	-15	-0.9%
Others	5,584	28.5%	6,166	21.8%	581	10.4%
Total	19,594	100%	28,240	100%	8,646	44.1%

* Breakdown of domestic and overseas sales of mobile cranes

Domestic	2,338	4,523	2,184	93.4%
Overseas	8,080	12,292	4,212	52.1%

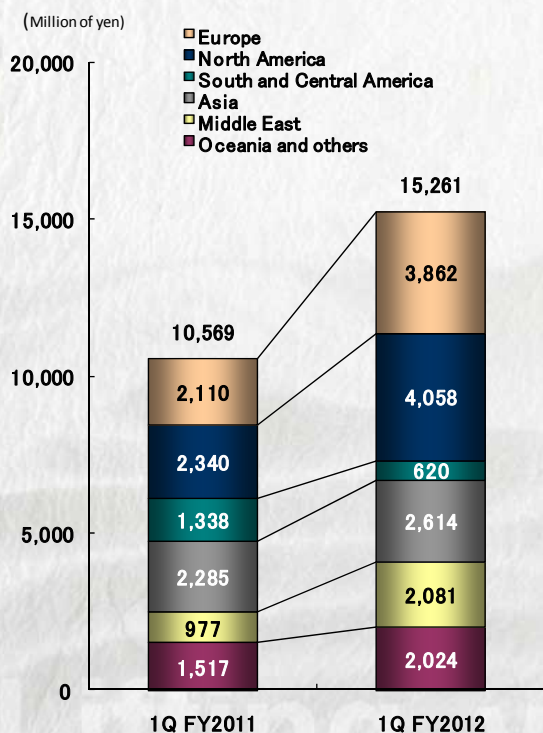
○ Exchange rate (January-March average rate)

EUR	112.57	103.99
USD	82.34	79.28

※ Since the fiscal year for overseas subsidiaries ends in December, the first-quarter average is for the January-March period.

Net sales by destination market

(Unit: millions of yen)

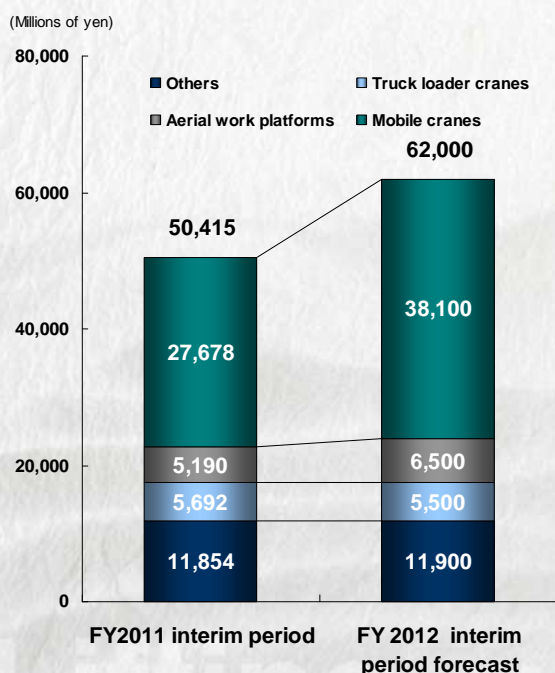


	1Q FY2011		1Q FY2012		Increase/decrease	
	Amount	Percentage	Amount	Percentage	Amount	Percent change
Europe	2,110	10.8%	3,862	13.7%	1,751	83.0%
North America	2,340	11.9%	4,058	14.4%	1,717	73.4%
South and Central America	1,338	6.8%	620	2.2%	-717	-53.6%
Asia	2,285	11.7%	2,614	9.2%	329	14.4%
Middle East	977	5.0%	2,081	7.4%	1,104	113.0%
Oceania and others	1,517	7.7%	2,024	7.1%	506	33.4%
Subtotal (total overseas sales)	10,569	53.9%	15,261	54.0%	4,691	44.4%
Japan	9,024	46.1%	12,979	46.0%	3,955	43.8%
Total	19,594	100%	28,240	100%	8,646	44.1%

Note: The graph on the left excludes Japan.

FY 2012 interim period business performance forecasts (net sales by product)

(Unit: millions of yen)



	FY2011 interim period		FY2012 interim period forecast		Increase/decrease	
	Amount	Percentage	Amount	Percentage	Amount	Percent change
Mobile cranes	27,678	54.9%	38,100	61.4%	10,421	37.6%
Truck loader cranes	5,190	10.3%	6,500	10.5%	1,309	25.2%
Aerial work platforms	5,692	11.3%	5,500	8.9%	-192	-3.4%
Others	11,854	23.5%	11,900	19.2%	45	0.4%
Total	50,415	100%	62,000	100%	11,584	23.0%

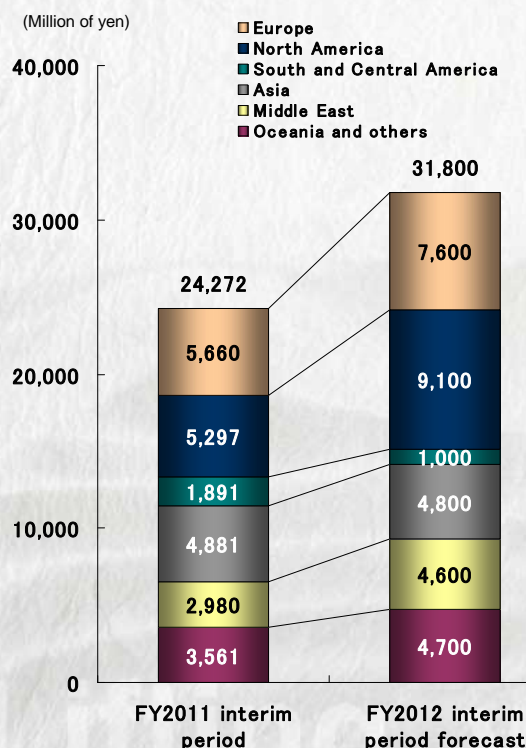
* Breakdown of domestic and overseas sales of mobile cranes

Domestic	8,813	11,900	3,086	35.0%
Overseas	18,865	26,200	7,334	38.9%

※No change from business performance forecasts announced April 27.

FY 2012 interim period business performance forecasts (net sales by destination market)

(Unit: millions of yen)



	FY2011 interim period		FY2012 interim period forecast		Increase/decrease	
	Amount	Percentage	Amount	Percentage	Amount	Percent change
Europe	5,660	11.2%	7,600	12.3%	1,939	34.3%
North America	5,297	10.5%	9,100	14.7%	3,802	71.8%
South and Central America	1,891	3.7%	1,000	1.6%	-891	-47.1%
Asia	4,881	9.7%	4,800	7.7%	-81	-1.7%
Middle East	2,980	5.9%	4,600	7.4%	1,619	54.3%
Oceania and others	3,561	7.1%	4,700	7.6%	1,138	32.0%
Subtotal (total overseas sales)	24,272	48.1%	31,800	51.3%	7,527	31.0%
Japan	26,142	51.9%	30,200	48.7%	4,057	15.5%
Total	50,415	100%	62,000	100%	11,584	23.0%

※No change from business performance forecasts announced April 27.

Note: The graph on the left excludes Japan.