

Consolidated Financial Statement for the Fiscal Year Ended March 31, 2014

1. Consolidated business results for the fiscal year from April 1, 2013 to March 31, 2014

(Unit: Millions of yen)

	Sales	Operating Income	Net Income
Fiscal year ended March 31, 2014	181,764 34.8%	21,140 93.5%	14,410 96.3%
Fiscal year ended March 31, 2013	134,836 18.1%	10,925 85.3%	7,341 133.4%

Note: Listed values less than one million yen are rounded off.

Percentage indications of sales, operating income and net income show the ratio of increase or decrease respectively as compared with the previous fiscal year.

2. Outlook for consolidated business performance for the fiscal year from April 1, 2014 to March 31, 2015

(Unit: Millions of yen)

	Sales	Operating Income	Net Income
Full year term	192,000 5.6%	23,000 8.8%	14,700 2.0%

Note: Listed values less than one million yen are rounded off.

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.

3. Overview of the fiscal year ended March 31, 2014

The Japanese economy recovered at a gentle pace during the fiscal year under review. Personal consumption remained steady, backed by improving conditions in employment and income. Production increased, corporate earnings grew, and capital investment improved. The U.S. economy continued to recover, while the European economy showed signs of improvement. However, economic activity appeared to slow in certain emerging markets.

Within our industry, increasing utilization rates in the Japanese market driven by various factors, including earthquake restoration and recovery measures, disaster preparedness and mitigation efforts, and efforts to address an aging infrastructure, created circumstances in which cranes were

perceived to be in short supply. Demand grew against a backdrop of improvements in prices and improved business confidence following Tokyo's winning 2020 Olympics bid. Outside of Japan, demand grew in the Middle East, Southeast Asia, and other markets, driven primarily by the energy and infrastructure sectors. Nevertheless, some regional variation was apparent. Overall, demand decreased slightly outside of Japan.

Sales of Mobile Cranes, Truck Loader Cranes, and Aerial Work Platforms all increased in the Japanese market, resulting in total sales in this market of 86,276 million yen, up 25.6% from the same period of the previous fiscal year. Outside of Japanese markets, improved competitive strength due to foreign exchange effects and efforts to expand sales of larger products and capture demand in energy and infrastructure sectors helped increase market share, pushing outside Japan sales to 95,487 million yen, up 44.3% from the same period of the previous fiscal year. Total sales climbed to 181,764 million yen, up 34.8% from the same period of the previous fiscal year. Outside Japan sales accounted for 52.5% of all sales.

Various factors, including sales growth, efforts to resume appropriate pricing, exchange rates, improved operating ratios, and cost savings boosted gross profits, resulting in operating income of 21,140 million yen, up 93.5% from the same period of the previous fiscal year. Net income totaled 14,410 million yen, up 96.3% from the same period of the previous fiscal year.

These figures resulted in a third consecutive year of revenue and profit growth. Both sales and profits reached new record highs.

Outline of Key Product Lines

<Mobile Cranes>

Japanese sales of Mobile Cranes rose by 43.8% from the previous fiscal year to 38,295 million yen, due primarily to a focus on expanding sales of products compatible with new emissions regulations as demand increased.

Outside Japan sales rose to 81,159 million yen, up 50.6% from the previous fiscal year, thanks to improved competitive strength and share resulting from foreign exchange effects and efforts to expand sales of larger products and capture demand in energy and infrastructure sectors.

Total sales of Mobile Cranes increased by 48.3% from the previous fiscal year to 119,455 million yen.

<Truck Loader Cranes>

Backed by rising truck demand and high installation rates, Japanese sales of Truck Loader Cranes rose by 22.9% from the previous fiscal year to 17,176 million yen.

Outside Japan sales totaled 1,414 million yen, up 14.5% from the previous fiscal year.

Total sales of Truck Loader Cranes increased to 18,590 million yen, up 22.2% from the previous fiscal year.

<Aerial Work Platforms>

Demand for sales to the rental industry, which has seen vigorous capital investment, helped boost sales of Aerial Work Platforms by 15.7% from the previous fiscal year to 14,870 million yen, despite low demand for electric power and electrical construction use.

<Other Businesses>

Sales of parts, repairs, used cranes, and other products and services rose by 10.0% from the previous fiscal year to 28,847 million yen.

4. Outlook for the fiscal year ended March 31, 2015

We expect the Japanese economy to maintain its current course of recovery, supported by increasing exports and capital investments, with the effects of the higher consumption tax gradually weakening. Outside of Japan, we expect the U.S. and European economies to continue moving toward recovery. Potential concerns include downward pressures on emerging markets and events and conditions in the Ukraine and issues related to North Korea.

We expect demand in the Japanese market to rise, driven by a number of factors: increased utilization rates stemming from measures for earthquake restoration and recovery, disaster preparedness and mitigation, and aging infrastructure improvements, price improvements, and improved business confidence following Tokyo's winning 2020 Olympics bid. Despite the gentle recovery in Europe and demand in energy and infrastructure sectors in regions including North America and the Middle East, slowing demand in emerging markets is expected to result in a slight decrease in demand outside Japan.

Under the TADANO Group Mid-Term Management Plan (14-16), the TADANO Group will implement seven strategies to realize three priorities, based on its basic policy of becoming a *Stronger Company*.

- A *Stronger Company* means being able to continuously *generate profits* and *develop human resources* year after year, no matter what environment it faces.

- Three priorities;

 - Further Globalization, Higher Resilience, Enhanced Competitiveness.

- Seven strategies

- (1) Enhance volume & quality in Core Market,
Expand volume in Strategic Market
- (2) Provide No.1 products and expand our sales lineup
- (3) Pursue global & flexible MONOZUKURI
- (4) Provide Outstanding Quality & Service
- (5) Improve life-cycle value of our products
- (6) Raise profitability level

(7) Strengthen the TADANO group & global management structure

In fiscal year 2014, the first fiscal year of the TADANO Group Mid-Term Management Plan (14-16), we will enhance volume & quality in Core Market, expand volume in Strategic Market, improve profitability, and improve and pursue quality.