

Explanatory Materials for FY2014 Second Quarter Consolidated Financial Results



Lifting your dreams

* 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.

November 2014
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, Middle East Office (Dubai, UAE) | | |
| [Paid-in capital] | ¥13,021 million | [Stock shares] | Shares issued: 129 million Number of shareholders: 6,750 (as of September 30, 2014) |
| [Net sales] | ¥181,764 million (FY 2013) | | |
| [Number of employees] | Consolidated: 3,494; non-consolidated: 1,468 (as of September 30, 2014) | | |
| [Major subsidiaries] | <p>10 subsidiaries and one affiliate 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. TADANO KYOSHU CENTER K.K. TADANO BUTSURYU K.K. TADANO SYSTEMS Inc. TADANO BUSINESS SUPPORT K.K.</p> <p>18 subsidiaries and two affiliates outside Japan: TADANO FAUN GmbH, TADANO FAUN Stahlbau GmbH [Germany] TADANO UK Ltd. [U.K.] (Acquired in April) TADANO America Holdings, Inc. [U.S.A.] TADANO America Corp., TADANO MANTIS Corp., [U.S.A.] TADANO Panama S.A. [Panama] TADANO Brasil Equipamentos de Elevacao Ltda. [Brazil] JC-TADANO (Beijing) Hydraulic Co., Ltd., JTL-TADANO (Hebei) Ironparts Co., Ltd. [China] TADANO (Beijing) Ltd. [China], TADANO South China Co., Ltd. [China] TADANO Korea Co., Ltd. [South Korea] TADANO Asia Pte. Ltd. [Singapore], TADANO India Pvt. Ltd. [India] TADANO (Thailand) Co., Ltd., TADANO Thai Parts and Service Co., Ltd. [Thailand] TADANO Oceania Pty Ltd. [Australia]</p> <p>NITTSU JUKI SERVICE K.K.</p> <p>BQ-TADANO (Beijing) Crane Co., Ltd. [China] Taiwan TADANO Ltd. [Taiwan]</p> | | |

Key Points of FY 2014 Interim Financial Results

| (Unit: millions of yen) | | | | | |
|-------------------------|-----------------|------------|-----------------|------------|----------------|
| | FY 2013 Interim | | FY 2014 Interim | | Percent change |
| | Amount | Percentage | Amount | Percentage | |
| Net sales | 86,754 | 100.0% | 98,121 | 100.0% | +13.1% |
| Operating income | 10,313 | 11.9% | 13,725 | 14.0% | +33.1% |
| Ordinary income | 10,496 | 12.1% | 14,044 | 14.3% | +33.8% |
| Net income | 7,359 | 8.5% | 9,118 | 9.3% | +23.9% |

| | FY 2013 Interim | FY 2014 Interim |
|---------------------|-----------------|-----------------|
| Capital investment | ¥2,235 million | ¥1,854 million |
| Depreciation | ¥1,102 million | ¥1,213 million |
| Exchange rate (USD) | ¥95.59 | ¥102.47 |
| Exchange rate (EUR) | ¥125.50 | ¥140.43 |

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 interim settlement of accounts in June.)

[FY 2014 management policies]

- (i) Pursuing the core values of safety, quality, and efficiency
- (ii) First-year deployment of the Mid-Term Management Plan (14 – 16)
 - Enhance volume & quality in Core Market, expand volume in Strategic Market
 - Improve profitability
 - Improve and pursue quality

➤ **Highest interim revenues and profits ever**

➤ **Increase in revenues and profits for four consecutive financial years**

- Expanding sales both in and outside Japan, foreign exchange influence and reducing costs.

➤ **Sales both in and outside Japan grew:**

- ➔ Japan net sales:
¥37.1 billion → ¥46.4 billion (+25.2%)
Sales of Mobile Cranes, Truck Loader Cranes, and Aerial Work Platforms all increased.
- ➔ Outside Japan net sales:
¥49.6 billion → ¥51.6 billion (+4.1%)
Sales increased due to the shift to larger models and increase in share despite of the slight decrease in demand. **Highest sales outside Japan**

➤ **Outside Japan sales ratio : 57.2% → 52.6%**

➤ **Income drastically grew from the previous interim results:**

| | |
|-------------------|-------------------------------|
| Operating income: | ¥10.3 billion → ¥13.7 billion |
| Ordinary income: | ¥10.4 billion → ¥14.0 billion |
| Net income: | ¥7.3 billion → ¥9.1 billion |

Operating income: ¥10.3 billion → ¥13.7 billion

Ordinary income: ¥10.4 billion → ¥14.0 billion

Net income: ¥7.3 billion → ¥9.1 billion

Income Statement (vs. Previous Year)



(Unit: millions of yen) [Key changes]

| | FY 2013 Interim | | FY 2014 Interim | | Increase/ decrease |
|---|-----------------|------------|-----------------|------------|-----------------------|
| | Amount | Percentage | Amount | Percentage | |
| Net sales | 86,754 | 100.0% | 98,121 | 100.0% | 11,367 |
| Cost of sales | 63,007 | 72.6% | 70,104 | 71.4% | 7,097 |
| Gross profit on installment sales | 32 | 0.0% | 15 | 0.0% | -16 |
| Gross profit | 23,778 | 27.4% | 28,032 | 28.6% | 4,253 |
| Selling, general, and administrative expenses | 13,464 | 15.5% | 14,307 | 14.6% | 842 |
| Operating income | 10,313 | 11.9% | 13,725 | 14.0% | 3,411 |
| Non-operating income and loss | 182 | 0.2% | 318 | 0.3% | 136 |
| Ordinary income | 10,496 | 12.1% | 14,044 | 14.3% | 3,547 |
| Extraordinary income and loss | 0 | 0.0% | -17 | 0.0% | -17 |
| Income before income taxes and minority interests | 10,496 | 12.1% | 14,026 | 14.3% | 3,529 |
| Corporate taxes | 3,163 | 3.6% | 4,885 | 5.0% | 1,721 |
| Minority interests | -26 | 0.0% | 22 | 0.0% | 49 |
| Net income | 7,359 | 8.5% | 9,118 | 9.3% | 1,758 |

➤ **COGS ratio: 72.6% → 71.4%**

- Due to the efforts for larger models sales promotion, maintaining appropriate sales prices, cost reductions and foreign exchange effects, the COGS ratio improved by 1.2% from the previous fiscal year.

➤ **Selling, general, and administrative expenses: ¥840 million increase**

- Variable costs: + ¥34 million
- Personnel costs: + ¥660 million
- Other expenses: + ¥148 million

➤ **Non-operating income and loss:**

- Non-operating income: ¥559 million → ¥733 million
- Non-operating loss: ¥376 million → ¥414 million

➤ **Extraordinary income and loss:**

- Extraordinary income: ¥1 million → ¥0 million
- Extraordinary loss: ¥1 million → ¥18 million

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



Operating income increased by ¥3.4 billion, due to significant growth of profits from sales increase, and with foreign exchange effects, surpassing the loss from expenses.

(Millions of yen)



Balance Sheet (vs. End of Previous Period)



(Unit: millions of yen)

| | FY 2013 year-end | | FY 2014 Interim | | Increase/ decrease |
|-------------------------------------|------------------|---------------|-----------------|---------------|-----------------------|
| | Amount | Percentage | Amount | Percentage | |
| Cash deposit | 48,365 | 24.3% | 65,760 | 29.8% | 17,395 |
| Accounts receivable | 48,259 | 24.3% | 48,535 | 22.0% | 276 |
| Inventories | 45,968 | 23.1% | 50,426 | 22.8% | 4,457 |
| Other current assets | 8,074 | 4.1% | 6,715 | 3.0% | -1,358 |
| Total current assets | 150,668 | 75.7% | 171,438 | 77.6% | 20,770 |
| Tangible fixed assets | 36,859 | 18.5% | 37,142 | 16.8% | 283 |
| Intangible fixed assets | 857 | 0.4% | 1,157 | 0.5% | 300 |
| Investment and other assets | 10,559 | 5.3% | 11,229 | 5.1% | 670 |
| Total fixed assets | 48,275 | 24.3% | 49,529 | 22.4% | 1,253 |
| Total assets | 198,944 | 100.0% | 220,968 | 100.0% | 22,023 |
| Accounts payable | 30,036 | 15.1% | 36,871 | 16.7% | 6,834 |
| Interest-bearing debt | 38,233 | 19.2% | 48,758 | 22.1% | 10,525 |
| Other liabilities | 27,708 | 13.9% | 25,815 | 11.7% | -1,893 |
| Total liabilities | 95,978 | 48.2% | 111,444 | 50.4% | 15,466 |
| Total equity | 102,965 | 51.8% | 109,523 | 49.6% | 6,557 |
| Total liabilities and equity | 198,944 | 100.0% | 220,968 | 100.0% | 22,023 |

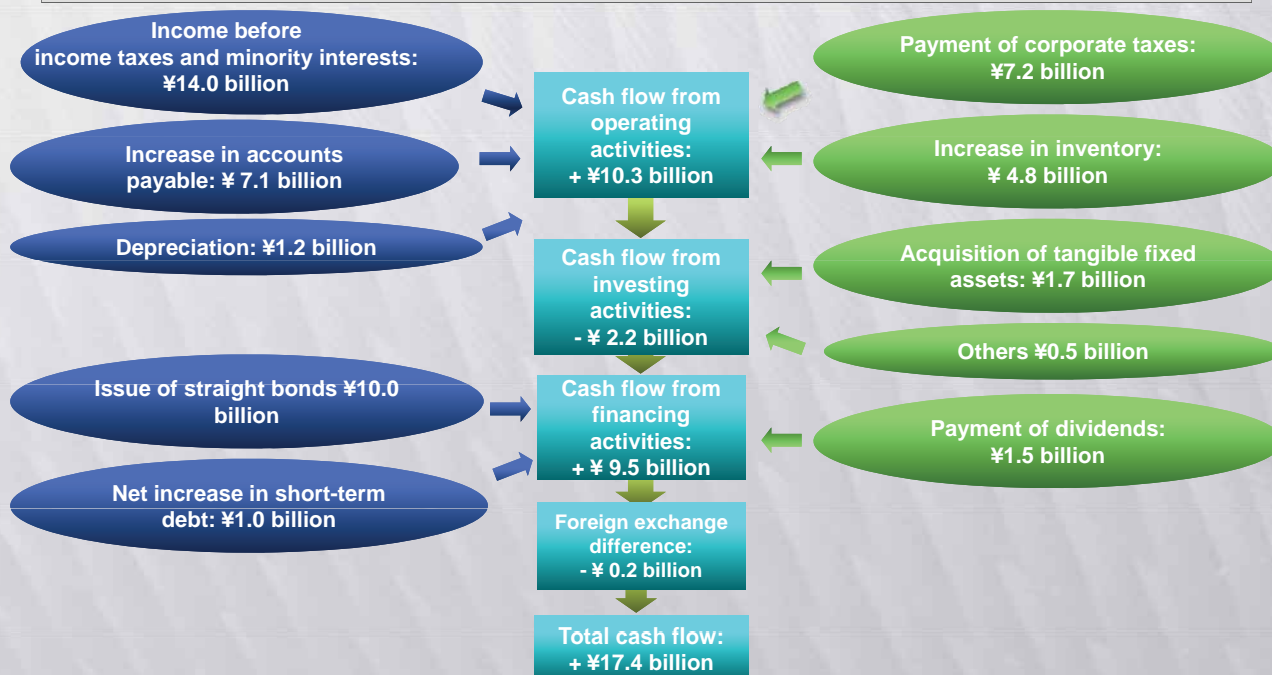
[Key changes]

- **Accounts receivable increased:**
¥48.2 billion → ¥48.5 billion
 → The receivable turnover period improved.
 (FY2013 Interim: 87.4 days; FY2013: 96.9 days
 → FY2014 Interim: 90.5 days)
- **Inventories increased:**
¥45.9 billion → ¥50.4 billion
 (The ¥50.4 billion includes ¥13.4 billion in TADANO Faun GmbH)
 → The inventory turnover period deteriorated.
 (FY 2013 Interim: 101.7 days; FY 2013: 92.3 days
 → FY2014 Interim: 94.0 days)
- **Interest-bearing debt increased:**
¥38.2 billion → ¥48.7 billion
 → Short-term: decreased by ¥0.1 billion;
 Long-term: increased by ¥10.6 billion
 (¥10.0 billion straight bonds were issued in June 2014 in anticipation of a separate ¥20.0 billion straight bond redemption scheduled for January 2015)

Overview of Cash Flow



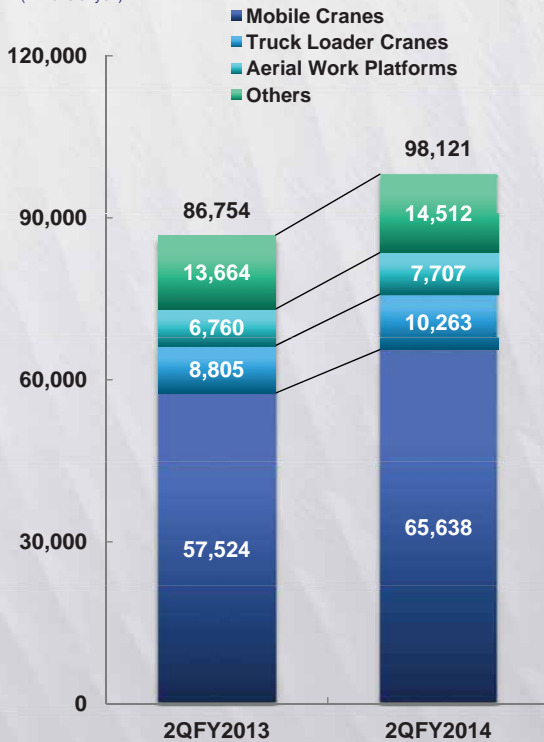
Total cash flow increased by ¥17.4 billion, by recognizing income before income taxes and issuing straight bonds.



Net Sales by Product



(Millions of yen)



(Unit: millions of yen)

| | FY2013 Interim | | FY2014 Interim | | Change | |
|-----------------------|----------------|-------------|----------------|-------------|---------------|--------------|
| | Amount | Percentage | Amount | Percentage | Amount | Percentage |
| Mobile Cranes | 57,524 | 66.3% | 65,638 | 66.9% | 8,113 | 14.1% |
| Truck Loader Cranes | 8,805 | 10.1% | 10,263 | 10.5% | 1,458 | 16.6% |
| Aerial Work Platforms | 6,760 | 7.8% | 7,707 | 7.8% | 946 | 14.0% |
| Others | 13,664 | 15.8% | 14,512 | 14.8% | 848 | 6.2% |
| Total | 86,754 | 100% | 98,121 | 100% | 11,367 | 13.1% |

◆ Outside Japan sales ratio 57.2% → 52.6%

Breakdown of Mobile Crane sales in and outside Japan

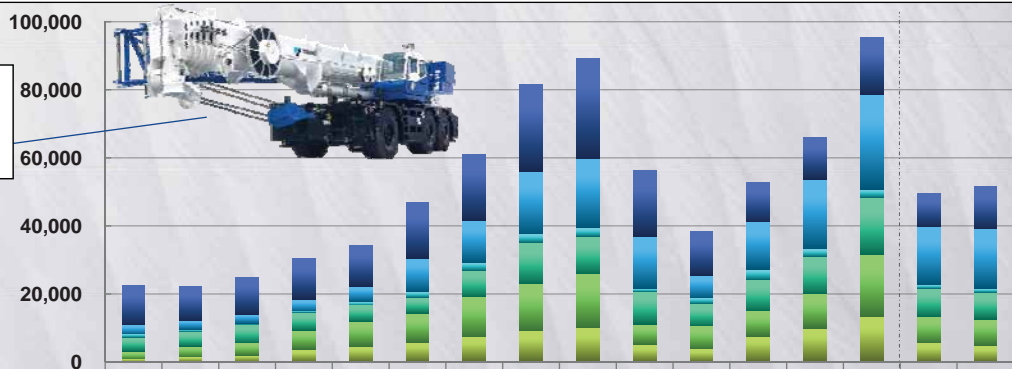
| | FY2013 Interim | FY2014 Interim | Change | Percentage |
|---------------|----------------|----------------|--------|------------|
| Japan | 14,696 | 21,043 | 6,346 | 43.2% |
| Outside Japan | 42,827 | 44,594 | 1,767 | 4.1% |

Sales Trends by Market Outside Japan



Outside Japan sales are **recovering** after bottoming out in FY2010 at less than one-half of their peak. **Financial results of 2014 2Q marked the highest interim revenues and profits ever.** Sales grew by 26.1% in Europe, 3.5% in North America, 8.0% in the Caribbean, Central and South America, compared with the previous financial year.

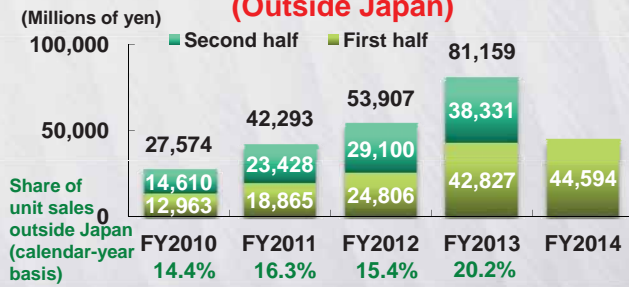
The GR-1600XL, one of the largest-capacity Rough Terrain Cranes in the world, is selling well in North America. (Released on August 2013)



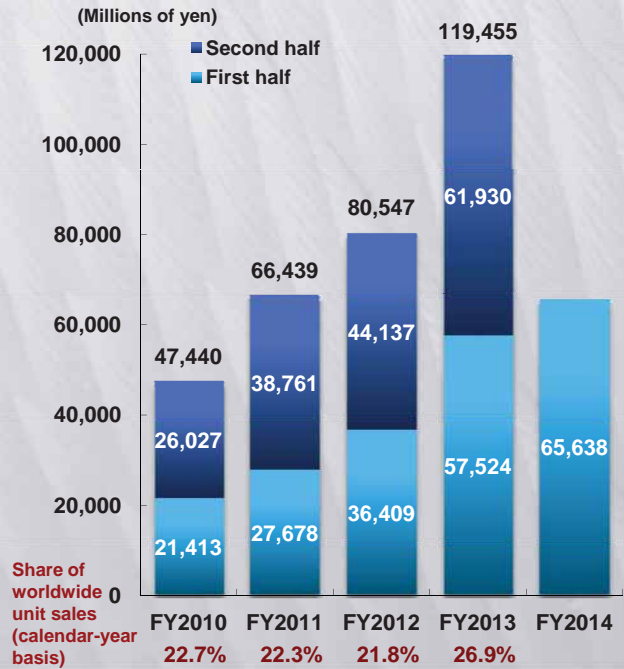
| | FY00 | FY01 | FY02 | FY03 | FY04 | FY05 | FY06 | FY07 | FY08 | FY09 | FY10 | FY11 | FY12 | FY13 | FY13 1st half | FY14 1st half |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 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 | 9,916 | 12,502 |
| 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 | 16,879 | 17,463 |
| 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 | 1,085 | 1,172 |
| 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 | 8,409 | 7,868 |
| 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 | 7,697 | 7,746 |
| Oceania and other areas | 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 | 5,634 | 4,890 |
| 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 | 49,623 | 51,643 |
| 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% | 57.2% | 52.6% |
| 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 | 95.59 | 102.47 |
| 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 | 125.5 | 140.43 |

Note: The exchange rates indicated above are average rates over each period (since the fiscal year of overseas subsidiaries ends in December, full-year rates are averages for January-December, interim rates are average for January-June). Euro figures for FY2001 and earlier have been converted from Deutsche Mark.

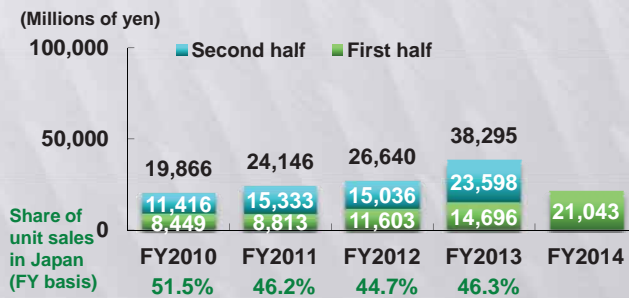
Net sales of Mobile Cranes (Outside Japan)



Net sales of Mobile Cranes

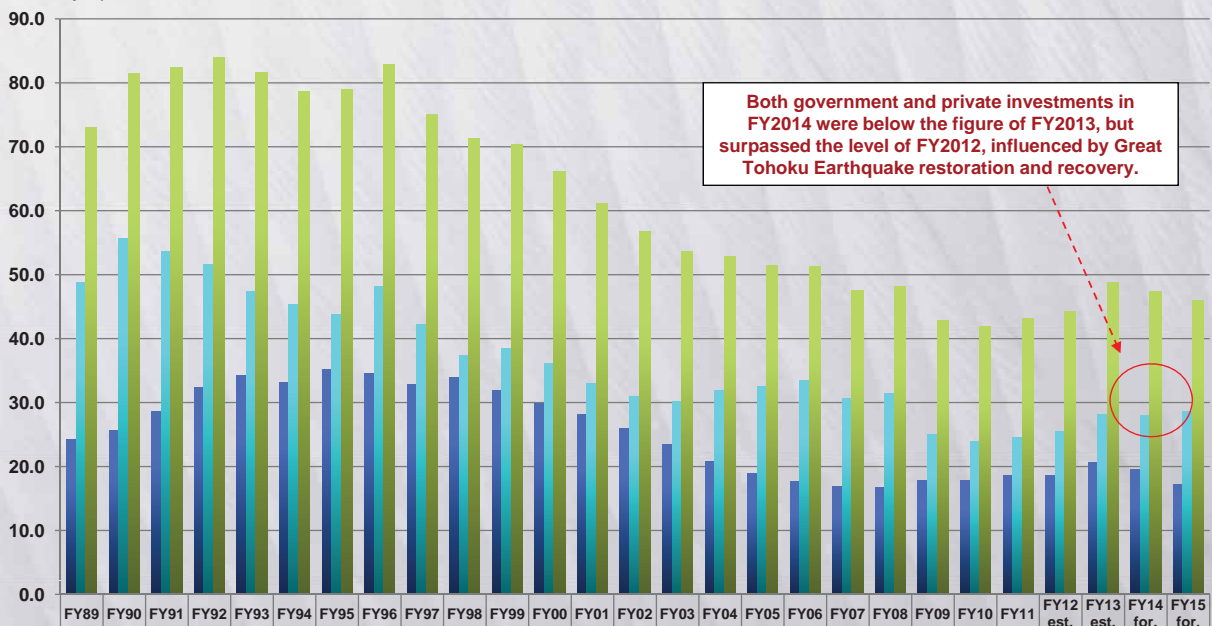


Net sales of Mobile Cranes (Japan)



Trends and Forecast of Construction Investment in Japan

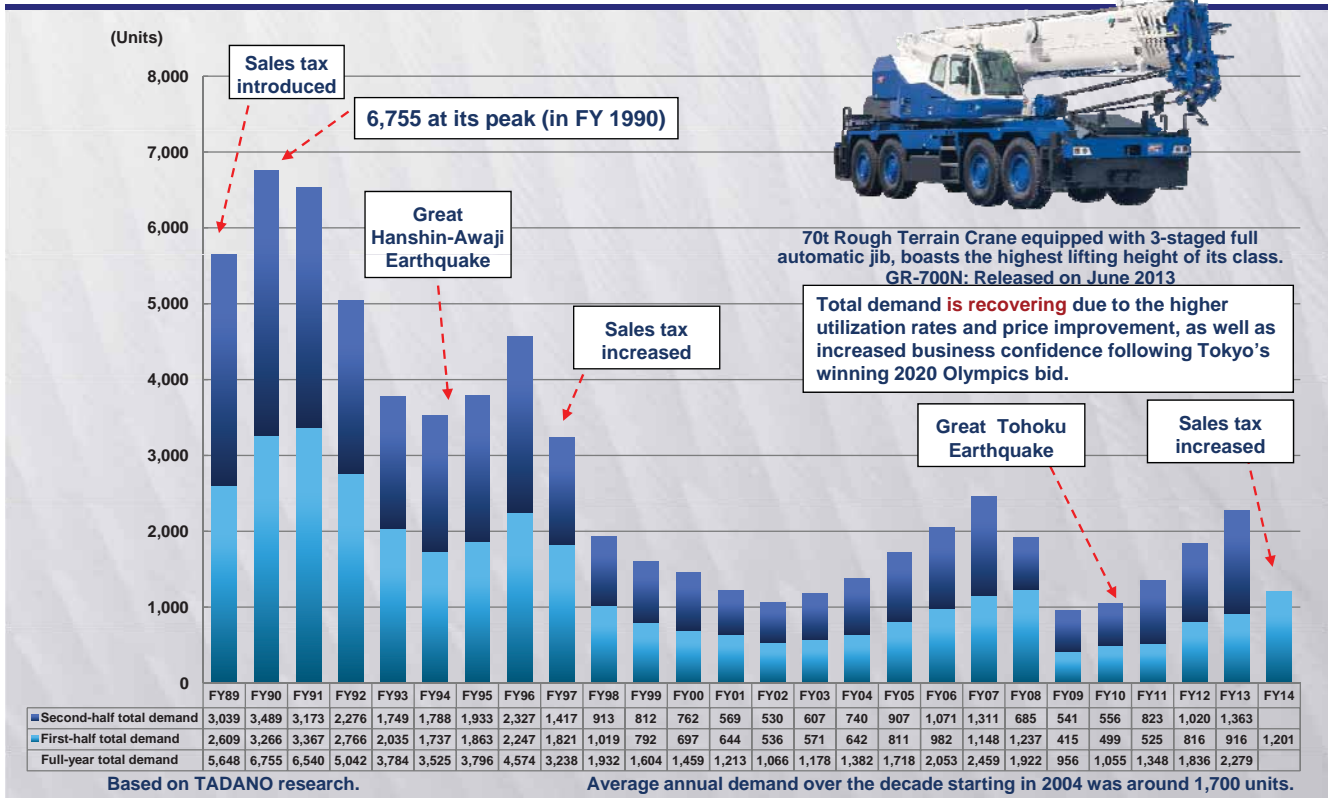
(Trillions of yen)



Note: 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 Oct 22, 2014).

Trends in Demand for Mobile Cranes in Japan



Mobile Cranes



Market share in Japan: 46.5% → 47.4%

Demand for hydraulic Mobile Cranes in Japan was 1,201 units (for interim FY2014, based on TADANO research), up 31.1% compared with the previous fiscal year.

→ Sales rose due primarily to a focus on expanding sales of products as demand increased.

Ton-based shares: 48.6% → 49.6%.

Net sales in Japan was ¥21, 043 million (143.2% of the figure from the previous fiscal year).

[Rough Terrain Cranes]

- Main models in the Japanese Mobile Cranes business account for 95% of demand in Japan (62% 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: four models with 13 to 70 ton lifting capacity
- Overseas markets: six models with 12 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 on October 2013)

[All Terrain Cranes]

- Large cranes for urban development, elevated driveways, and bridge construction in Japan, account for 4% of demand in Japan (88% of European demand)
- Outstanding long-distance mobility in addition to maneuverability (with steering feature)
- Japanese market: eight models with 60 to 550 ton lifting capacity (produced by TADANO Faun GmbH in Germany and TADANO)
- Outside Japan markets: nine 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 on 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: two models with 20 ton lifting capacity (produced by TADANO)
- Outside Japan markets: nine models with 35 to 80 ton lifting capacity (produced by TADANO, Tadano Faun GmbH in Germany, and BQ-TADANO in China)

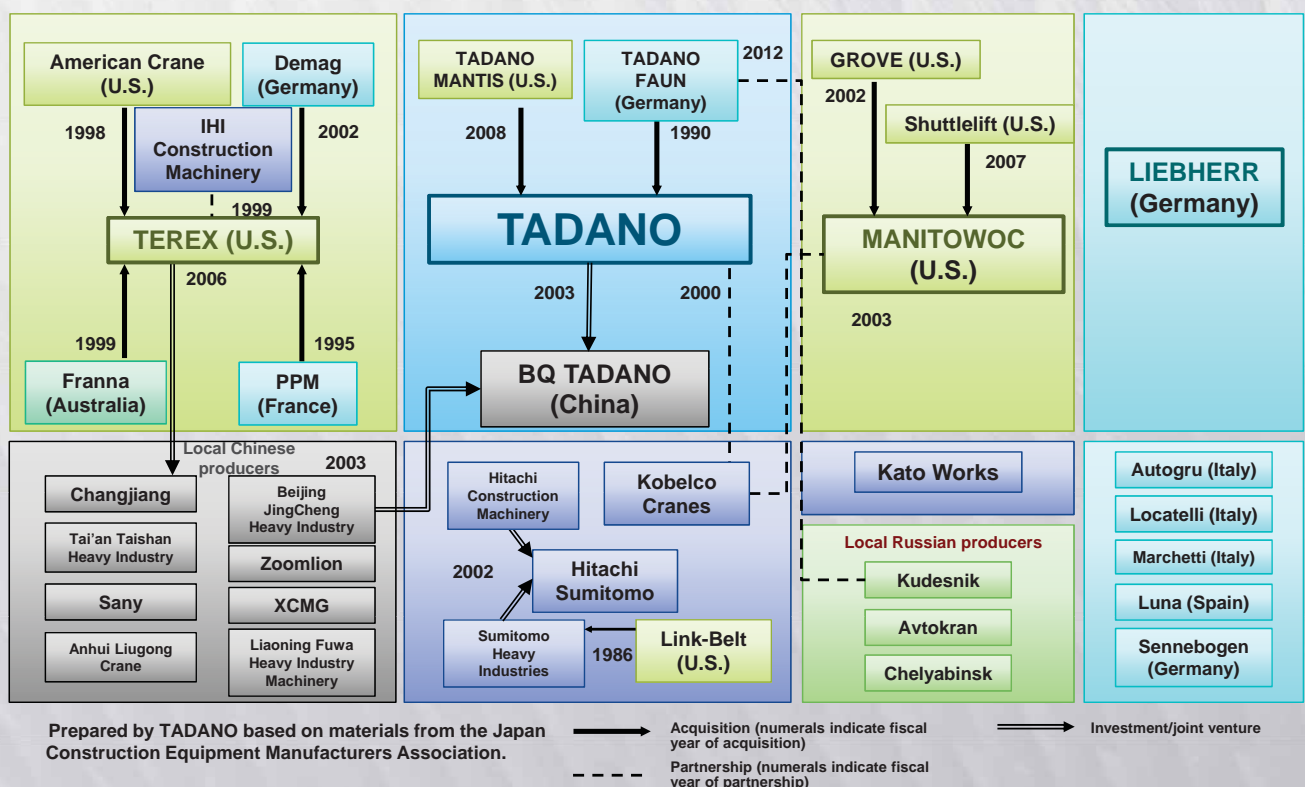
Focusing our efforts to export Truck Cranes with 35 and 55 ton lifting capacity produced by BQ-TADANO outside China.
Expanding both number of models and export volumes.



[Points shared with Mobile Cranes]

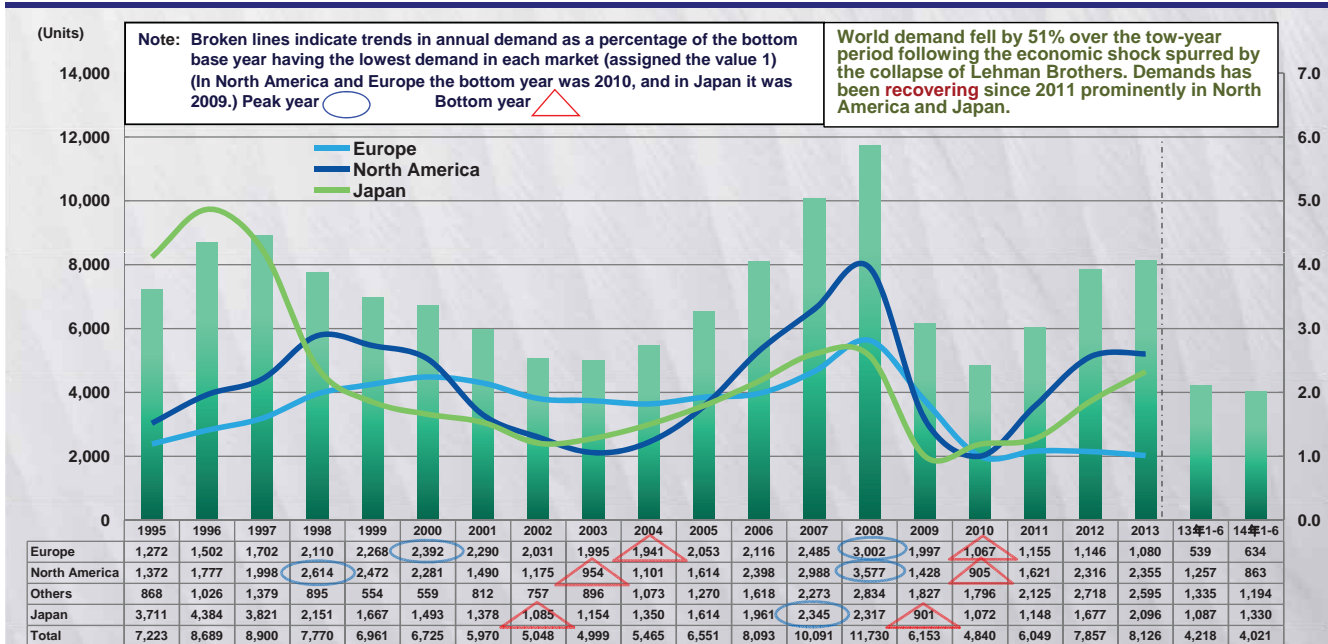
- Regulators: Ministry of Land, Infrastructure, Transport and Tourism (vehicle regulations) and Ministry of Health, Labour and Welfare (crane regulations)
The strengthening of engine emissions and noise regulations and enhanced enforcement of traffic regulations (disassembly for transport of large models 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)
- Distinctive features of sales: Until the 1990s, installment sales using commercial bills was common industry practice, which is shifting toward sales via finance lease companies
- 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 starting April 2012.
→ The enforcement on regulations has been postponed in light of Great Tohoku Earthquake recovery construction
- Level 3.5 emissions regulations for RCs in Japanese market
Motor output 130 kW or higher: started on April 2013 Less than 130 kW: starting November 2013
- Emissions regulations for RCs in North American markets: Tier 4: starting January 2014
- Emissions regulations for ACs in European markets: Euromoto IV: starting January 2014

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



Trends in Global Demand for Mobile Cranes

(Calendar-year Basis)



1. Figures are estimated by TADANO.

2. Mobile Cranes produced in China and Russia are excluded.

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

2009: 27,000 units, 2010: 35,000 units, 2011: 35,000 units, 2012: 22,000 units, 2013: 17,000 units



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



TADANO's shares in the global market grew from 27.8% to 33.8%.

(Excluding Chinese and Russian production from the global demand.) TADANO's sales grew from 1,172 units to 1,361 units.

Global demand for hydraulic Mobile Cranes fell from 4,218 to 4,021 units (January-June 2014, TADANO research), a 4.7% decrease compared with the previous fiscal year.

■ TC
■ RC
■ AC

Demand in Europe

539 → 634 units (+17.6%)

TC 24 units, RC 50 units, AC 560 units

TADANO' sales: 97 → 122 units

(TADANO's share:18.0% → 19.2%)

Demand in Japan

1,087 → 1,330 units (+22.4%)

TC 5 units, RC 1,259 units, AC 66 units

TADANO' sales: 490 → 625 units

(TADANO's share:45.1% → 47.0%)

Demand in North America

1,257 → 863 units (-31.3%)

TC 156 units, RC 532 units, AC 175 units

TADANO' sales: 254 → 200 units

(TADANO's share:20.2% → 23.2%)

Demand in Asia

225 → 286 units (+27.1%)

TC 34 units, RC 198 units, AC 54 units

TADANO' sales: 95 → 83 units

(TADANO's share:42.2% → 29.0%)

Demand in Middle East

434 → 433 units (-0.2%)

TC 41 units, RC 272 units, AC 120 units

TADANO' sales: 136 → 224 units

(TADANO's share:31.3% → 51.7%)

Demand in other markets

457 → 310 units (-32.2%)

TC 23 units, RC 136 units, AC 151 units

TADANO' sales: 86 → 98 units

(TADANO's share:18.8% → 31.6%)

Demand in Central and South America

219 → 165 units (-24.7%)

TC 19 units, RC 93 units, AC 53 units

TADANO' sales: 14 → 9 units

(TADANO's share:6.4% → 5.5%)

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, Russia and Africa. 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: Alexander Knecht, President; number of employees: 638
 Sales trend:
 2008; 346 million EUR/502 units, 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

[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: Rolf Sonntag, President; number of employees: 9

[TADANO UK Ltd.]

Acquired in April, 2014
 Paid-in capital: 2,000 GBP, wholly-owned subsidiary of TFG
 Location: South Yorkshire, United Kingdom
 Line of business: Distribution and service of Mobile Cranes
 Representative: Thomas Schramm, President; number of employees: 17

- Accelerating the line-up expansion, to offer full range of All Terrain Cranes:**
 Nine models with 40 to 400 ton lifting capacity are available.



TADANO FAUN GmbH



ATF400G



Testing site



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

● Overview of group companies in the Americas

[TADANO America Holdings, Inc.]

Paid-in capital: 51 million USD; wholly-owned subsidiary of TADANO
 Location: Texas, U.S.A., Line of business: Holding company for the Americas
 Representative: Yo Kakinuma, President

[TADANO America Corp.]

Paid-in capital: 2.5 million USD; wholly-owned subsidiary of TAH; location: Same as TAH
 Line of business: Distribution of Mobile Cranes
 Representative: Yo Kakinuma, President; number of employees: 69
 Sales trend: 2008: 145 million USD; 2009: 105 million USD; 2010: 78 million USD;
 2011: 183 million USD, 2012: 249 million USD; 2013: 262 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: Shiro Morita, President; number of employees: 129
 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: 2008: 41 million USD; 2009: 33 million USD; 2010: 16 million USD;
 2011: 34 million USD; 2012: 39 million USD; 2013: 36 million USD

[TADANO Brasil Equipamentos de Elevacao Ltda.]

Paid-in capital: 30 million BRL; wholly-owned subsidiary of TADANO Group
 Location: Sao Paulo, Brazil
 Lines of business: Production, distribution and service for Mobile Cranes and other products.
 Representative: Keisuke Nagai, President; number of employees: 17



TADANO America Corp.



GTC-1200

(Product photo: CTC-1200 was exhibited at ConExpo, the first product to install a round boom as TMC product, jointly developed by TADANO and TMC)



< Our missions for the Chinese businesses >

Realizing cost reduction and quality improvement, sales promotion inside China, and increasing exports from China

● Overview of group companies in China

[BQ TADANO (Beijing) Crane Co., Ltd.]

Paid-in capital: 30 million USD; shares divided 50/50 between TADANO and Beijing Jing Cheng Heavy Industry Co., Ltd. (established on March 2003)

Location: Linhe Industrial Development Zone, Syunyi District, Beijing (about 25 km northwest of central Beijing); Plant size 36,000 square meters; Plant site 120,000 square meters

Lines of business: Production and distribution of Truck Cranes, with eight models of TCs with lifting capacities of 8-100 tons
President: Hidemi Uchida (from TADANO); number of employees: 297



[JC-TADANO (Beijing) Hydraulic Co., Ltd.]

Paid-in capital: 4 million USD (ownership: TADANO 65%, Mimura Ironworks 5%, Murakami Manufacturing 5%, and Beijing JingCheng Heavy Industry 25% [established on September 2007])

Location: Tongzhou District, Beijing (about 20 km east of central Beijing); Plant size 8,000 square meters; Plant site 13,000 square meters

President: Teruyuki Murakami (from TADANO); number of employees: 62

Lines of business: Production and distribution of hydraulic parts for use in Mobile Cranes (e.g., valves, rotary joints, small cylinders, pipes)



[JTL-TADANO (Hebei) Ironparts Co., Ltd.]

Paid-in capital: 5.5 million USD (ownership: TADANO 56%, Amron 5%, Kawanishi 5%, and Hebei JTL 34% [established on January 2010])

Location: Development District, Zhuozhou City, Hebei Province (about 60 km southwest of central Beijing); Plant size 10,000 square meters; plant site 33,000 square meters

President: Teruyuki Murakami (from TADANO); number of employees: 73

Lines of business: Production and distribution of metal parts for use in Mobile Cranes (e.g., booms, jibs, outriggers)



[TADANO (Beijing) Ltd.]

Paid-in capital: 5 million USD (wholly-owned subsidiary of TADANO [established on March 2012])

Location: Chaoyang District, Beijing

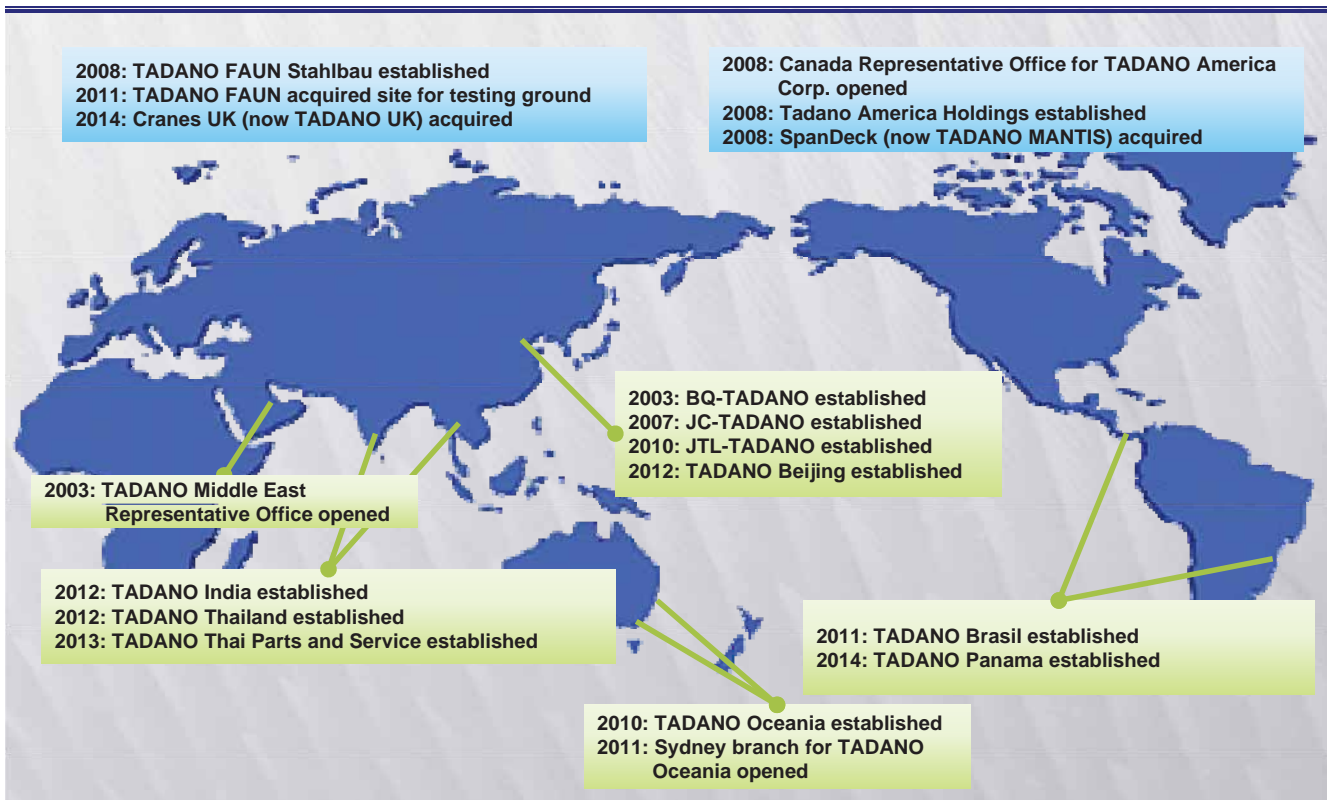
President: Hulin Jin (from TADANO); number of employees: 8

Lines of business: Distribution and service for Mobile Cranes



Business Expansion Overseas Since 2003

- Fourteen Companies Established or Acquired; Four New Facilities Opened -



[Loader Cranes] Market share in Japan: 48.4% → 48.8%

Demand in Japan was 8,760 units (for FY2014, based on TADANO research), increased 19.2% compared with the previous fiscal year.

→ Net sales grew to ¥10,263 million (116.6% of the figure of the previous fiscal year) due to demand growth of trucks, and since the ratio of crane mounted trucks remained at high level.

- 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 4.9 tons.

-Regulator-

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

-Major buyers and distinctive features-

- Truck dealers in Japan
- Sales tend to parallel truck demand.



(Product photo: the first of its kind to have an optional feature of 'No idling' function as a Loader Crane)

[Business outside of Japan]

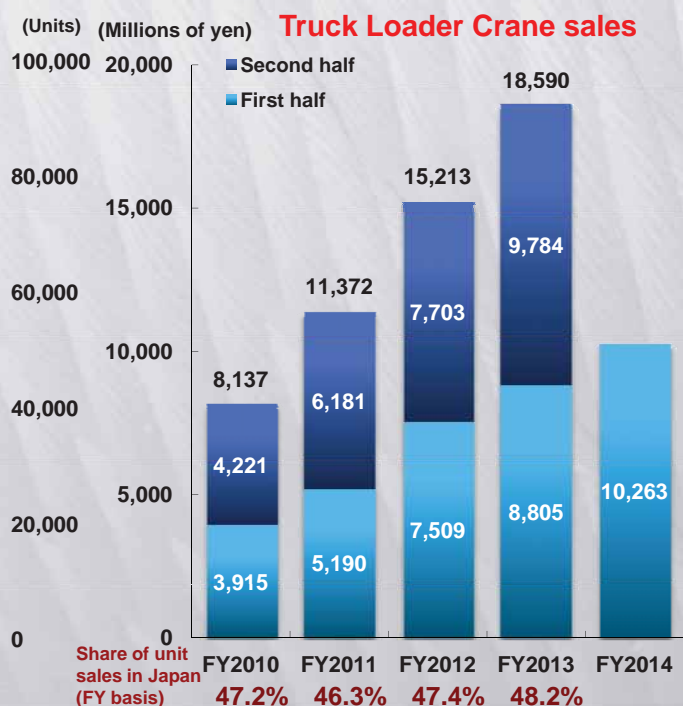
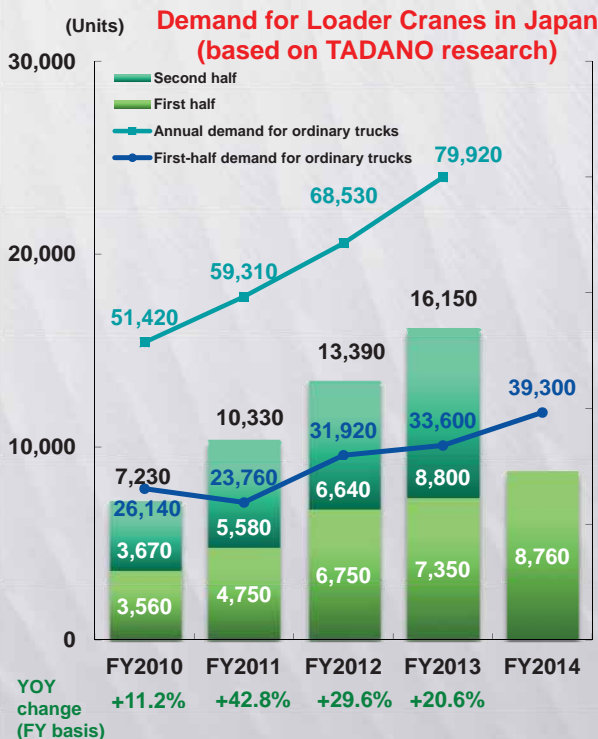
- TADANO has focused its efforts on exports of Loader Cranes to strategic markets, exporting crane components for mounting on local trucks. Sales in FY2013: ¥760 million; in interim FY2014: ¥590 million
- Accelerating overseas expansion, including the opening of a manufacturing subsidiary in Thailand on April 2012.



(Product photo: ZR560 Loader Crane for export)



(Product photo: Slide bed Vehicle Carrier [transport vehicle] released on December 2013)



[TADANO (Thailand) Co., Ltd.]

Paid in capital : 310 million THB; 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
Representative: Yasumasa Kuramae, President

- TADANO has established the first overseas production base for products other than Mobile Cranes. While accelerating the overseas expansion of our business, we aim to increase profitability by establishing the manufacturing subsidiary.



(Product photo: Loader Crane ZT500 manufactured in the plant in Thailand)



TADANO (Thailand)

Market share in Japan: 39.3% → 41.8%

Japanese demand for Aerial Work Platforms mounted on trucks was 1,739 units (for interim FY2014; TADANO research), increased 1.6% compared with the previous fiscal year.

→ While demands for Aerial Work Platforms remained the same level, sales expansion in rental industry resulted in net sales of ¥777 million. (114.0% of the figure from the previous fiscal year).

- Used in electrical and telecommunications construction (five models for telecommunications use; three models for electrical construction use)
- Used in general construction, including the construction of signs and interior/exterior finishing work (13 models for general use, two models with wheels)
- Models with both wheel based and crawler based chasis are available, as well as models designed to be installed on trucks
- Five models of TADANO's own Super Deck products equipped with advanced control technologies
- Three models designed for inspection of elevated driveways and bridges



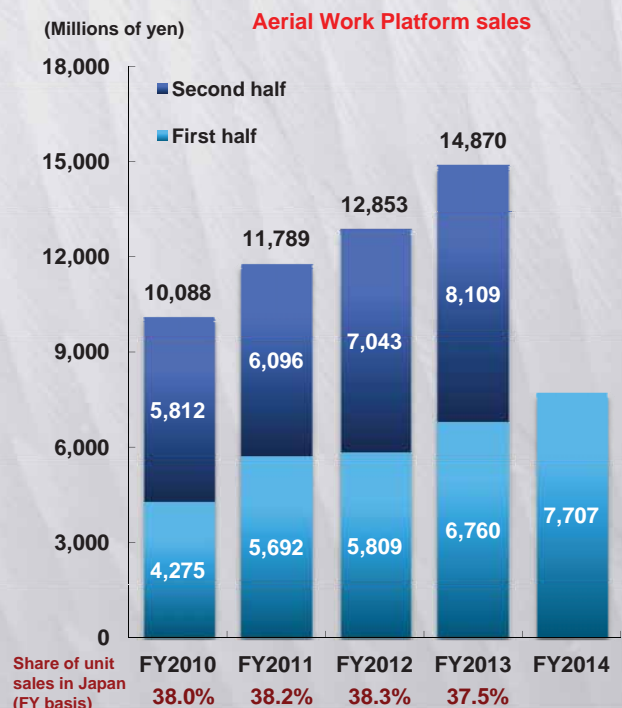
Bridge Inspection Vehicle
Bridge Checker BT-200

-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.
- TADANO is focusing on sales of high-value-added Super Decks and Aerial Work Platforms for inspections of elevated driveways and bridges



➔ Net sales from other businesses, such as parts, repairs, used cranes and other products, were ¥14,512 million (106.2% of the figure from the previous fiscal year).

[Used cranes]

- Supply is in short for the Japanese market, due to busy operation for Great Tohoku Earthquake recovery efforts and disaster prevention measures
- In this fiscal year, Japanese sales decreased, while outside Japan sales went flat



Example of boom removal from All Terrain Crane, ATF400G

Product photo: CL-500 (Released on August 2013)

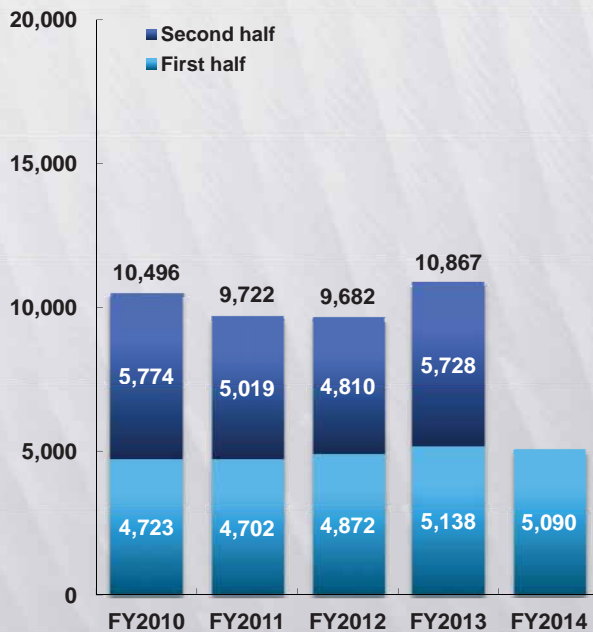
[Parts and repairs]

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

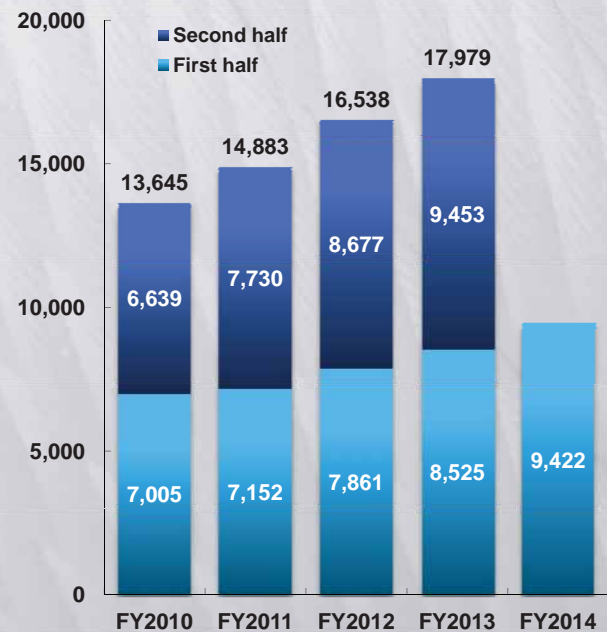
[All Terrain Crane mounting/removal lifters]

- 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)**



FY 2014 Business Performance Forecasts



(Unit: millions of yen)

| | FY2013 | | FY2014 forecast | | Percent change |
|------------------|---------|------------|-----------------|------------|----------------|
| | Amount | Percentage | Amount | Percentage | |
| Net sales | 181,764 | 100.0% | 198,000 | 100.0% | + 8.9% |
| Operating income | 21,140 | 11.6% | 25,800 | 13.0% | + 22.0% |
| Ordinary income | 21,642 | 11.9% | 25,500 | 12.9% | + 17.8% |
| Net income | 14,410 | 7.9% | 16,500 | 8.3% | + 14.5% |

[Seven Strategies of the Mid-Term Management Plan (14 - 16)]

- (i) Enhance volume & quality in Core Market, Expand volume in Strategic Market
- (ii) Provide No.1 products and expand our sales lineup
- (iii) Pursue global & flexible MONOZUKURI
- (iv) Provide Outstanding Quality & Service
- (v) Improve life-cycle value of our products
- (vi) Raise profitability level
- (vii) Strengthen the TADANO group & global management structure

FY2014 performance forecast has been modified on October, 16.

| | | |
|---------------------|-------------------|-------------------|
| Dividends per share | Interim: ¥9.00 | Interim: ¥11.00 |
| | Year-end: ¥10.00 | Year-end: ¥11.00 |
| | Full-year: ¥19.00 | Full-year: ¥22.00 |

FY2014 dividends forecast has been modified on October, 30.

| | FY2013 | FY2014 forecast |
|---------------------|----------------|--------------------|
| Capital investment | ¥4,178 million | ¥5,000 million |
| Depreciation | ¥2,366 million | ¥2,800 million |
| Exchange rate (USD) | ¥97.65 | ¥103.00 (2nd half) |
| Exchange rate (EUR) | ¥129.68 | ¥135.00 (2nd half) |

Note: Figures for capital investment include leased assets

Foreign exchange rates of the second fiscal half have been modified on October, 16.

**Full-year performance forecast:
Both net sales and profits are projected to set a new high.**

- ◆ FY 2014 full-year proportion of sales outside Japan: 51.3%

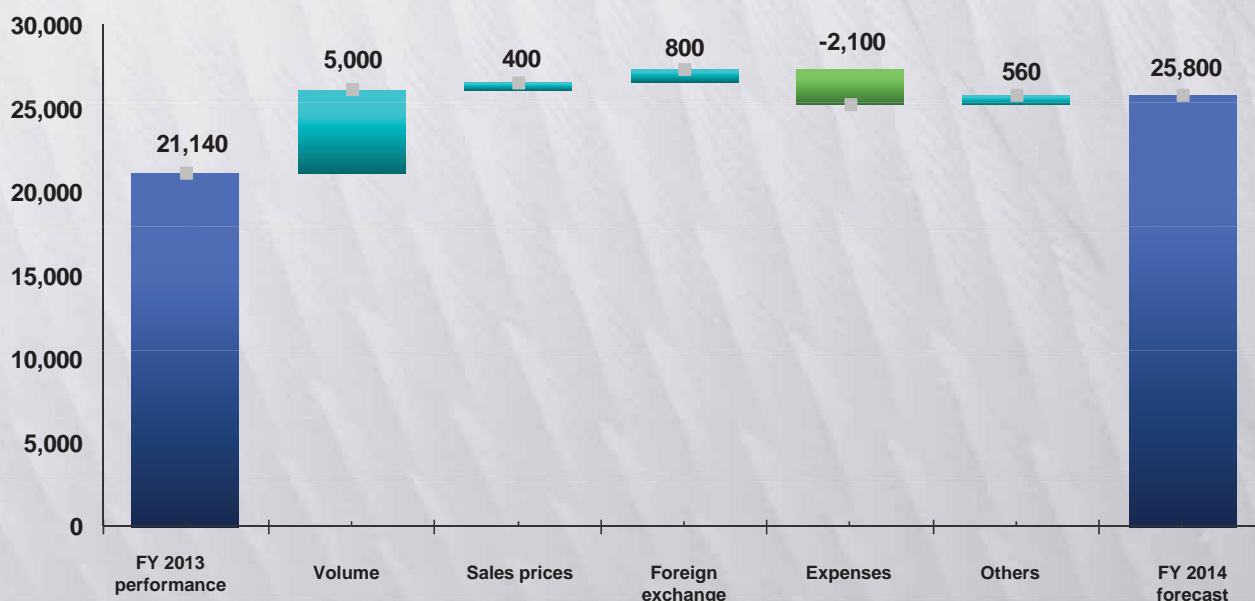
FY 2014 Business Performance Forecasts

(Main Causes of Changes in Operating Income)



Operating income is projected to increase by ¥4.7 billion due to the sales expansion and foreign exchange influence which offsets cost rise.

(Millions of yen)

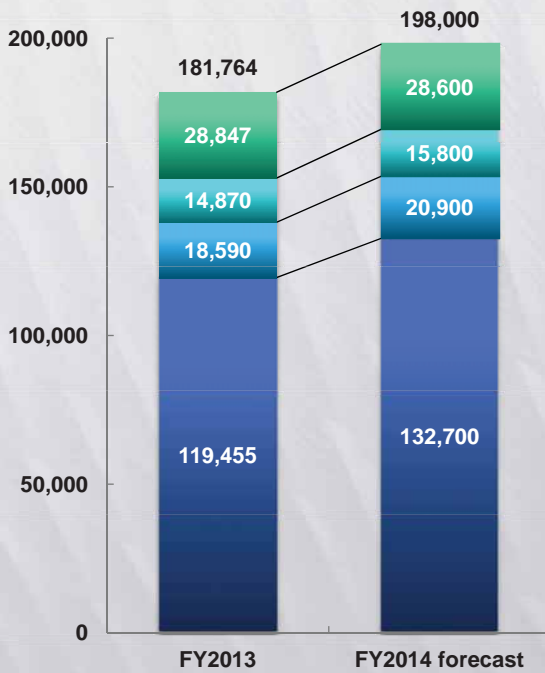


FY 2014 Business Performance Forecasts (Net Sales by Product)



(Millions of yen)

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



(Unit: millions of yen)

| | FY2013 | | FY2014 forecast | | Change | |
|-----------------------|----------------|-------------|-----------------|-------------|---------------|-------------|
| | Amount | Percentage | Amount | Percentage | Amount | Percentage |
| Mobile Cranes | 119,455 | 65.7% | 132,700 | 67.0% | 13,244 | 11.1% |
| Truck Loader Cranes | 18,590 | 10.2% | 20,900 | 10.6% | 2,309 | 12.4% |
| Aerial Work Platforms | 14,870 | 8.2% | 15,800 | 8.0% | 929 | 6.3% |
| Others | 28,847 | 15.9% | 28,600 | 14.4% | -247 | -0.9% |
| Total | 181,764 | 100% | 198,000 | 100% | 16,235 | 8.9% |

➤ Outside Japan sales ratio: 52.5% → 51.3%

Breakdown of Mobile Crane sales in and outside Japan

| Region | FY2013 | FY2014 forecast | Change | Percentage |
|---------------|--------|-----------------|--------|------------|
| Japan | 38,295 | 45,700 | 7,404 | 19.3% |
| Outside Japan | 81,159 | 87,000 | 5,840 | 7.2% |

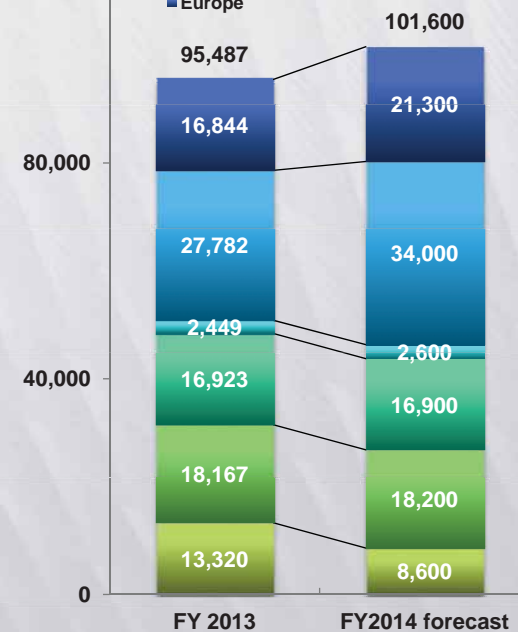
FY2014 performance forecast has been modified on October, 16.

FY2014 Interim Forecast (Net Sales by Destination)



(Millions of yen)

■ Oceania and other areas ■ Middle East
■ Asia ■ Caribbean, Central and South America
■ North America ■ Europe



(Unit: millions of yen)

| | FY2013 | | FY2014 interim forecast | | Change | |
|---|----------------|--------------|-------------------------|--------------|---------------|-------------|
| | Amount | Percentage | Amount | Percentage | Amount | Percentage |
| Europe | 16,844 | 9.3% | 21,300 | 10.8% | 4,455 | 26.5% |
| North America | 27,782 | 15.3% | 34,000 | 17.2% | 6,217 | 22.4% |
| Caribbean, Central and South America | 2,449 | 1.3% | 2,600 | 1.3% | 150 | 6.2% |
| Asia | 16,923 | 9.3% | 16,900 | 8.5% | -23 | -0.1% |
| Middle East | 18,167 | 10.0% | 18,200 | 9.2% | 32 | 0.2% |
| Oceania and other areas | 13,320 | 7.3% | 8,600 | 4.3% | -4,720 | -35.4% |
| Subtotal (total outside Japan sales) | 95,487 | 52.5% | 101,600 | 51.3% | 6,112 | 6.4% |
| Japan | 86,276 | 47.5% | 96,400 | 48.7% | 10,123 | 11.7% |
| Total | 181,764 | 100% | 198,000 | 100% | 16,235 | 8.9% |

FY2014 performance forecast has been modified on October, 16.

The graph on the left excludes Japan.