TADANO

Explanatory Materials for 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.

May 2015
TADANO Ltd.

Lifting your dreams

Corporate Profile

[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: 8,210 (as of March 31, 2015)
[Net sales]	¥204,059 million (FY 2014)
[Number of employees]	Consolidated: 3,491; non-consolidated: 1,469 (as of March 31, 2015)

[Major subsidiaries]

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.

NITTSU JUKI SERVICE K.K.

17 subsidiaries and two affiliates outside Japan:
TADANO FAUN GmbH, TADANO FAUN Stahlbau GmbH [Germany]
TADANO UK Ltd. [U.K.]
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]
JC-TADANO (Beijing) Hydraulic Co., Ltd., JTL-TADANO (Hebei) Ironparts Co., Ltd. [China]
TADANO (Beijing) Ltd. [China]
TADANO Korea Co., Ltd. [South Korea]
TADANO (Thailand) Co., Ltd., TADANO Thai Parts and Service Co., Ltd. [Thailand]
TADANO Asia Pte. Ltd. [Singapore]
TADANO India Pvt. Ltd. [India]
TADANO Oceania Pty Ltd. [Australia]

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

Key Points of FY 2014 Financial Results

(Unit: millions of yen)

	FY 2013		FY 2014		Percent change
	Amount	Percentage	Amount	Percentage	
Net sales	181,764	100.0%	204,059	100.0%	12.3%
Operating income	21,140	11.6%	29,462	14.4%	39.4%
Ordinary income	21,642	11.9%	30,357	14.9%	40.3%
Net income	14,410	7.9%	19,483	9.5%	35.2%

Dividends per share	Mid-year	¥ 9.00	Mid-year	¥ 11.00
	Year-end	¥ 10.00	Year-end	¥ 12.00
	Full-year	¥ 19.00	Full-year	¥ 23.00

	FY 2013	FY 2014
Capital investment	¥4,178 million	¥3,905 million
Depreciation	¥2,366 million	¥2,589 million
Exchange rate (USD)	¥97.65	¥105.85
Exchange rate (EUR)	¥129.68	¥140.42

Figures for capital investments include leased assets.
The exchange rates given above are average rates for the period from January to December. (Subsidiaries outside Japan undertake their settlement of accounts in December.)

[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 revenues and profits reached record highs for the second consecutive fiscal year**
◆ **Net sales surpassed 200 billion yen for the first time**
◆ **Increase in revenues and profits for the fourth consecutive fiscal year**

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

⇒ **Sales in Japan surpassed 100 billion yen for the first time in 17 years:**
Net sales in Japan: ¥86.2 billion → ¥100.5 billion (+16.5%)

⇒ **Sales outside Japan surpassed 100 billion yen for the first time:**
Net sales outside Japan: ¥95.4 billion → ¥103.5 billion (+8.4%)

◆ **Outside Japan sales ratio : 52.5% → 50.7%**
◆ **Income drastically grew from the previous year-end results:**

Operating income:	¥21.1 billion →	¥29.4 billion
Ordinary income:	¥21.6 billion →	¥30.3 billion
Net income:	¥14.4 billion →	¥19.4 billion

Income Statement (vs. Previous Year)

(Unit: millions of yen)

	FY 2013		FY 2014		Increase/ decrease
	Amount	Percentage	Amount	Percentage	
Net sales	181,764	100.0%	204,059	100.0%	22,295
Cost of sales	132,335	72.8%	144,219	70.7%	11,884
Gross profit on installment sales	76	0.0%	1	0.0%	-75
Gross profit	49,505	27.2%	59,841	29.3%	10,336
Selling, general, and administrative expenses	28,364	15.6%	30,378	14.9%	2,014
Operating income	21,140	11.6%	29,462	14.4%	8,321
Non-operating income and loss	501	0.3%	894	0.4%	393
Ordinary income	21,642	11.9%	30,357	14.9%	8,714
Extraordinary income and loss	-231	-0.1%	-27	-0.0%	204
Income before income taxes and minority interests	21,410	11.8%	30,329	14.9%	8,919
Corporate taxes	7,026	3.9%	10,803	5.3%	3,777
Minority interests	-26	-0.0%	42	0.0%	68
Net income	14,410	7.9%	19,483	9.5%	5,072

[Key changes]

◆ **COGS ratio: 72.8% → 70.7%**
- Due to the efforts for larger models sales promotion, maintaining appropriate sales prices, cost reductions and foreign exchange effects, the COGS ratio improved by 2.1% from the previous fiscal year.

◆ **Selling, general, and administrative expenses: ¥2,000 million increase**
- Variable costs: + ¥721 million
- Personnel costs: + ¥1,273 million
- Other expenses: + ¥18 million

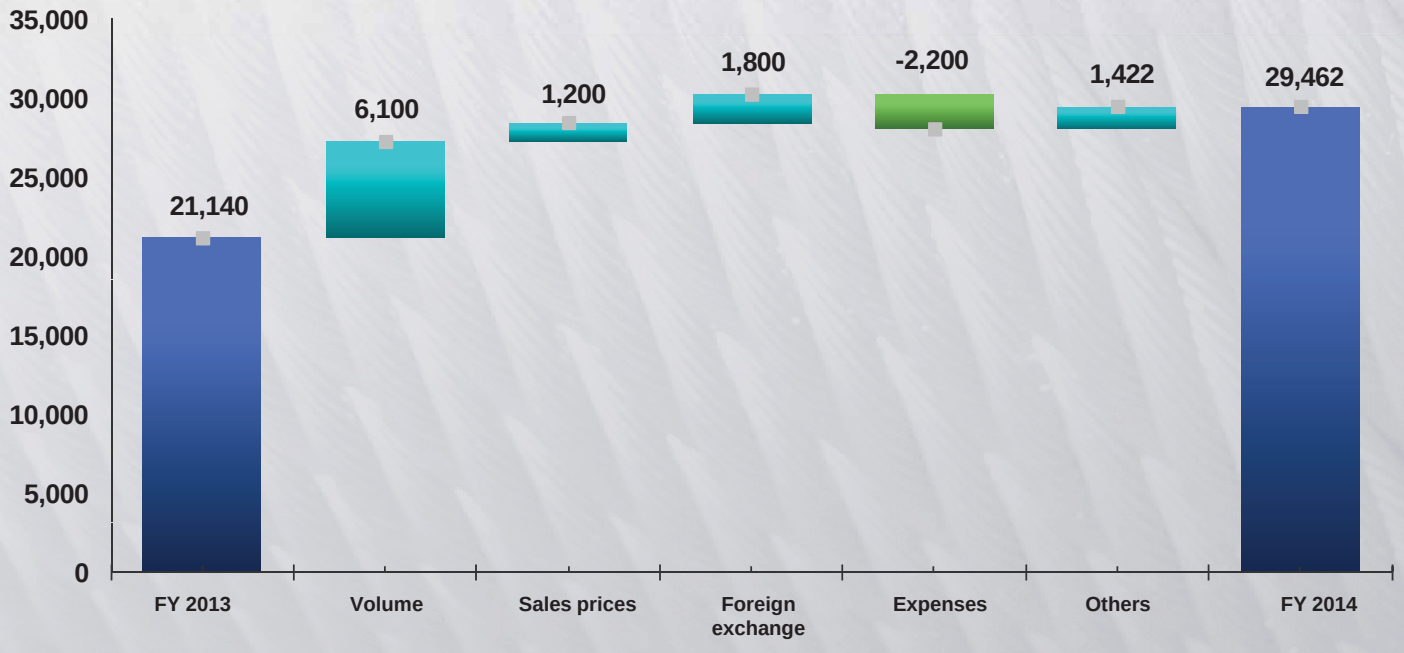
◆ **Non-operating income and loss:**
- Non-operating income: ¥1,353 million → ¥1,731 million
- Non-operating loss: ¥852 million → ¥837 million

◆ **Extraordinary income and loss:**
- Extraordinary income: ¥7 million → ¥44 million
- Extraordinary loss: ¥239 million → ¥71 million

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

Significant profit growth due to increased sales, price improvements, and foreign exchange effects resulted in an ¥8.3 billion increase in operating income.

(Millions of yen)



Balance Sheet (vs. End of Previous Period)

(Unit: millions of yen)

	FY 2013		FY 2014		Increase/ decrease
	Amount	Percentage	Amount	Percentage	
Cash deposit	48,365	24.3%	61,533	27.5%	13,168
Accounts receivable	48,259	24.3%	52,328	23.4%	4,068
Inventories	45,968	23.1%	51,384	23.0%	5,415
Other current assets	8,074	4.1%	7,250	3.2%	-823
Total current assets	**150,668**	**75.7%**	**172,497**	**77.1%**	**21,828**
Tangible fixed assets	36,859	18.5%	38,292	17.1%	1,432
Intangible fixed assets	857	0.4%	1,258	0.6%	401
Investment and other assets	10,559	5.3%	11,560	5.2%	1,001
Total fixed assets	**48,275**	**24.3%**	**51,111**	**22.9%**	**2,835**
Total assets	**198,944**	**100.0%**	**223,608**	**100.0%**	**24,664**
Accounts payable	30,036	15.1%	34,417	15.4%	4,381
Interest-bearing debt	38,233	19.2%	37,620	16.8%	-613
Other liabilities	27,708	13.9%	29,429	13.2%	1,720
Total liabilities	**95,978**	**48.2%**	**101,467**	**45.4%**	**5,488**
Total equity	**102,965**	**51.8%**	**122,141**	**54.6%**	**19,175**
Total liabilities and equity	**198,944**	**100.0%**	**223,608**	**100.0%**	**24,664**

[Key changes]

◆ **Accounts receivable increased:**
¥48.2 billion → ¥52.3 billion
⇒ The receivable turnover period improved.
(FY2013: 96.9 days → FY2014: 93.6 days)

◆ **Inventories increased:**
¥45.9 billion → ¥51.3 billion
(The ¥51.3 billion includes ¥15.9 billion in TADANO FAUN GmbH)
⇒ The inventory turnover period improved.
(FY 2013: 92.3 days → FY2014: 91.9 days)

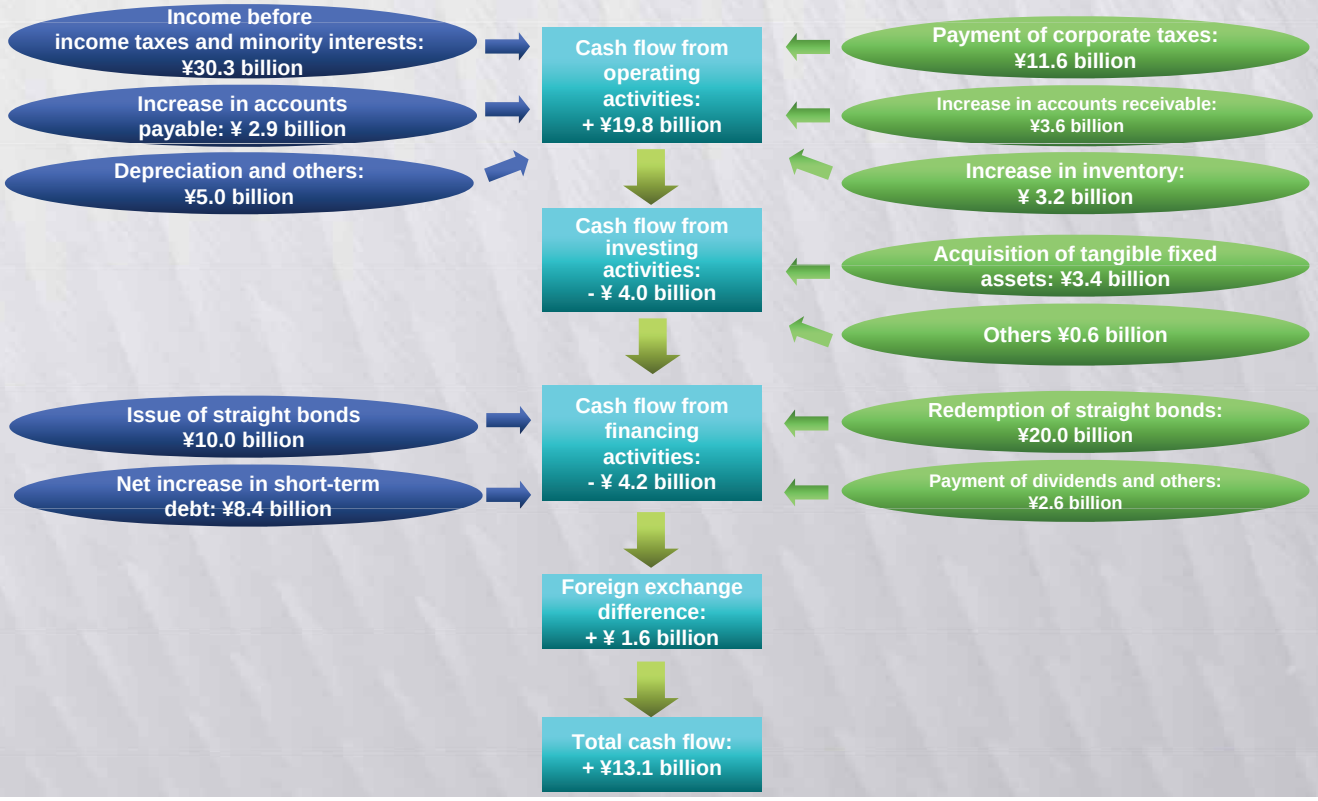
◆ **Interest-bearing debt decreased:**
¥38.2 billion → ¥37.6 billion
⇒ Short-term: decreased by ¥11.8 billion;
Long-term: increased by ¥11.2 billion

◆ **ROA (operating income basis)**
11.2% → 13.9%
Mid-term plan target: 13.0% or higher in FY2016

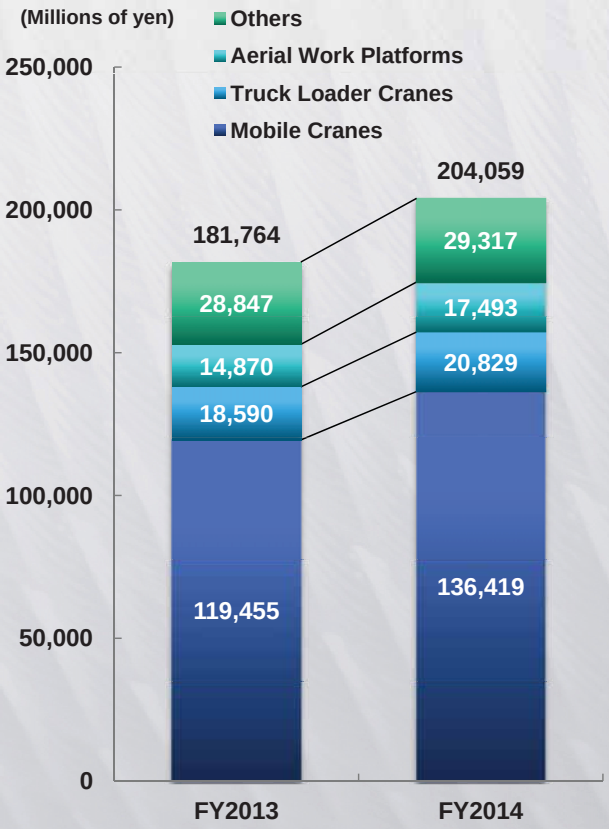
◆ **ROE** **15.3% → 17.4%**

Overview of Cash Flow

Total cash flow increased by ¥13.1 billion thanks to significantly greater cash flow from operating activities.



Net Sales by Product



(Unit: millions of yen)

	FY2013		FY2014		Change	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Mobile Cranes	119,455	65.7%	136,419	66.8%	16,964	14.2%
Truck Loader Cranes	18,590	10.2%	20,829	10.2%	2,238	12.0%
Aerial Work Platforms	14,870	8.2%	17,493	8.6%	2,622	17.6%
Others	28,847	15.9%	29,317	14.4%	469	1.6%
Total	181,764	100%	204,059	100%	22,295	12.3%

◆Outside Japan sales ratio 52.5% → 50.7%

Mobile Crane sales in and outside Japan

Japan	38,295	47,455	9,160	23.9%
Outside Japan	81,159	88,964	7,804	9.6%

Sales Trends by Market Outside Japan

Sales outside Japan recovered and reached the highest levels after bottoming out in FY2010 at lower than one-half of the peak.
Compared to the previous fiscal year, sales grew by 20.0% in Europe and 32.6% in North America and fell by 6.1% in the Middle East and 28.1% in other markets.



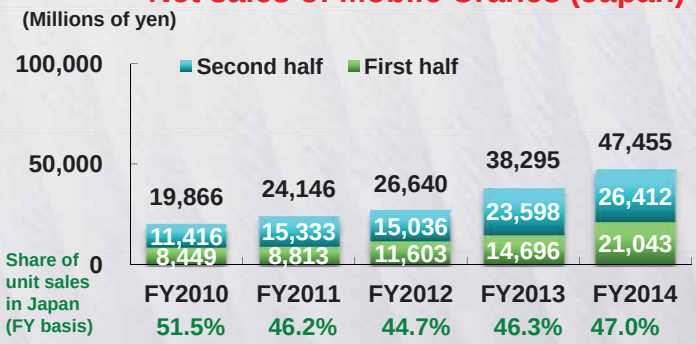
The GR-1600XL, one of the world's largest-capacity Rough Terrain Cranes, is selling well. (Released in August 2013)

	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
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
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
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
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
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
Others	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
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
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%
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
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

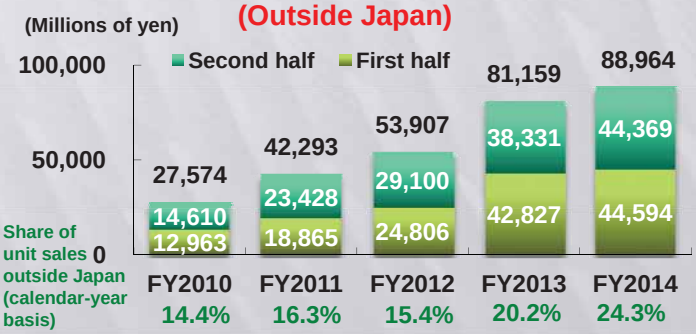
Note:
- Other markets comprise Oceania, Africa, and the CIS.
- The exchange rates indicated above are average rates over each period. (Since the fiscal year of subsidiaries outside Japan ends in December, full-year rates are averages for January–December.)
- Euro figures for FY2001 and earlier have been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

Mobile Cranes

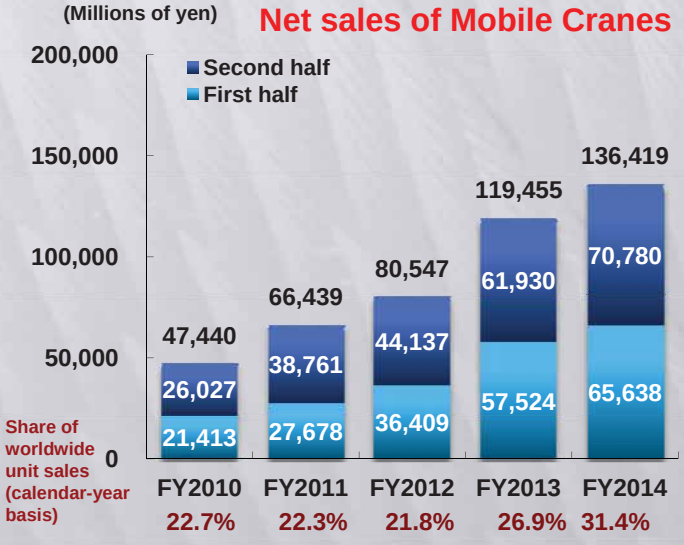
Net sales of Mobile Cranes (Japan)



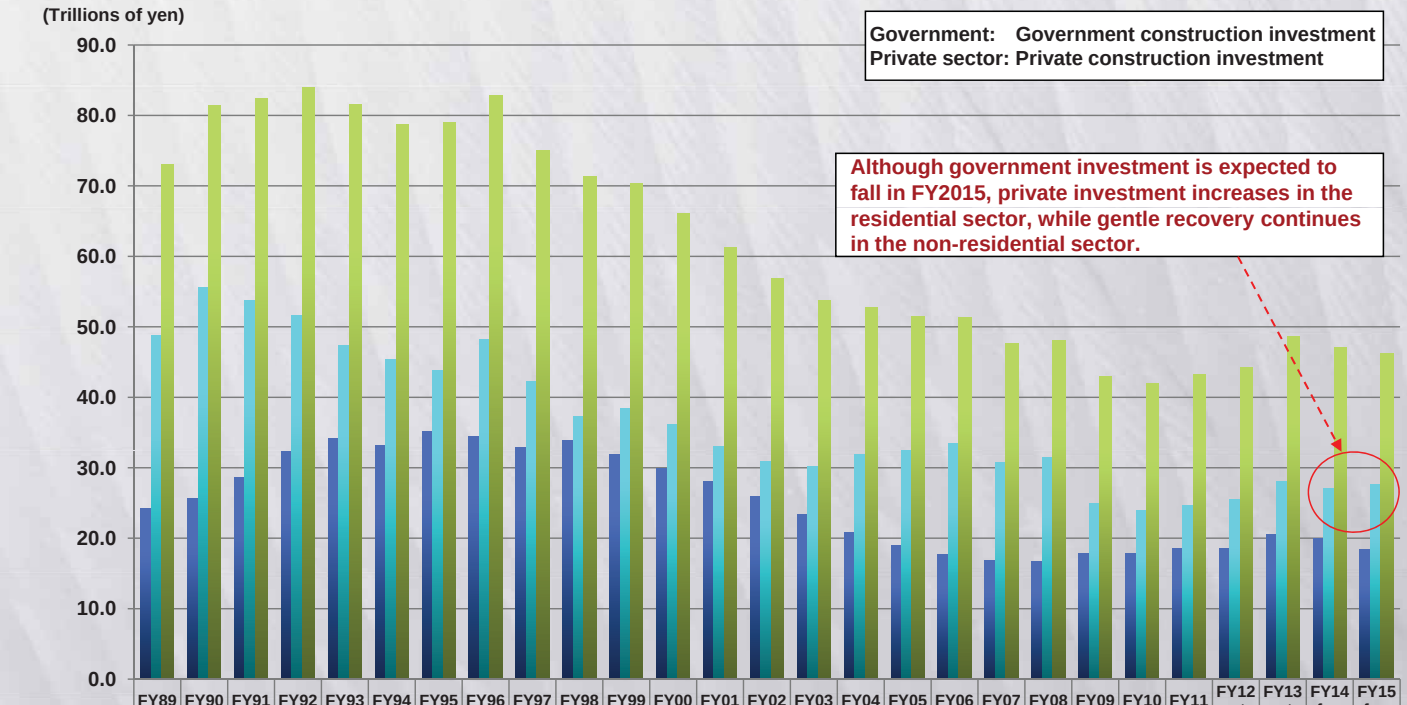
Net sales of Mobile Cranes (Outside Japan)



Net sales of Mobile Cranes



Trends and Forecast of Construction Investment in Japan



	FY89	FY90	FY91	FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12 est.	FY13 est.	FY14 for.	FY15 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	18.6	20.6	20.0	18.4
Private sector	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	28.1	27.0	27.7
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	44.2	48.7	47.1	46.2

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 April 22, 2015).

Trends in Demand for Mobile Cranes in Japan



A promising new three-axle 50t Rough Terrain Crane equipped with 3-staged jib, boasting the highest lifting height of its class
GR-500N: Released in April 2015

Total demand increased due to higher utilization rates, price improvements, and stronger business confidence following Tokyo's winning 2020 Olympics bid.

	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
Second-half total demand	3,039	3,489	3,173	2,276	1,749	1,788	1,933	2,327	1,417	913	812	762	569	530	607	740	907	1,071	1,311	685	541	556	823	1,020	1,363	1,336
First-half total demand	2,609	3,266	3,367	2,766	2,035	1,737	1,863	2,247	1,821	1,019	792	697	644	536	571	642	811	982	1,148	1,237	415	499	525	816	916	1,201
Full-year total demand	5,648	6,755	6,540	5,042	3,784	3,525	3,796	4,574	3,238	1,932	1,604	1,459	1,213	1,066	1,178	1,382	1,718	2,053	2,459	1,922	956	1,055	1,348	1,836	2,279	2,537

Based on TADANO research.

Mobile Cranes

Market share in Japan: 46.3% → 47.0%

Demand for hydraulic Mobile Cranes in Japan was 2,537 units (for FY2014, based on TADANO research), up 11.3% from the previous fiscal year.

→ **Sales rose due primarily to a focus on expanding sales of products as demand increased.**
Ton-based shares: 46.1% → 49.6%.
Net sales in Japan was ¥47,455 million (up 23.9% 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
- Outside Japan markets: seven 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

GR-700N



Released on June 2013

[All Terrain Cranes]

- Large cranes for urban development, elevated driveways, and bridge construction in Japan, account for 5% 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

ATF100G



Released in April 2014 in Japan

Mobile Cranes

[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.

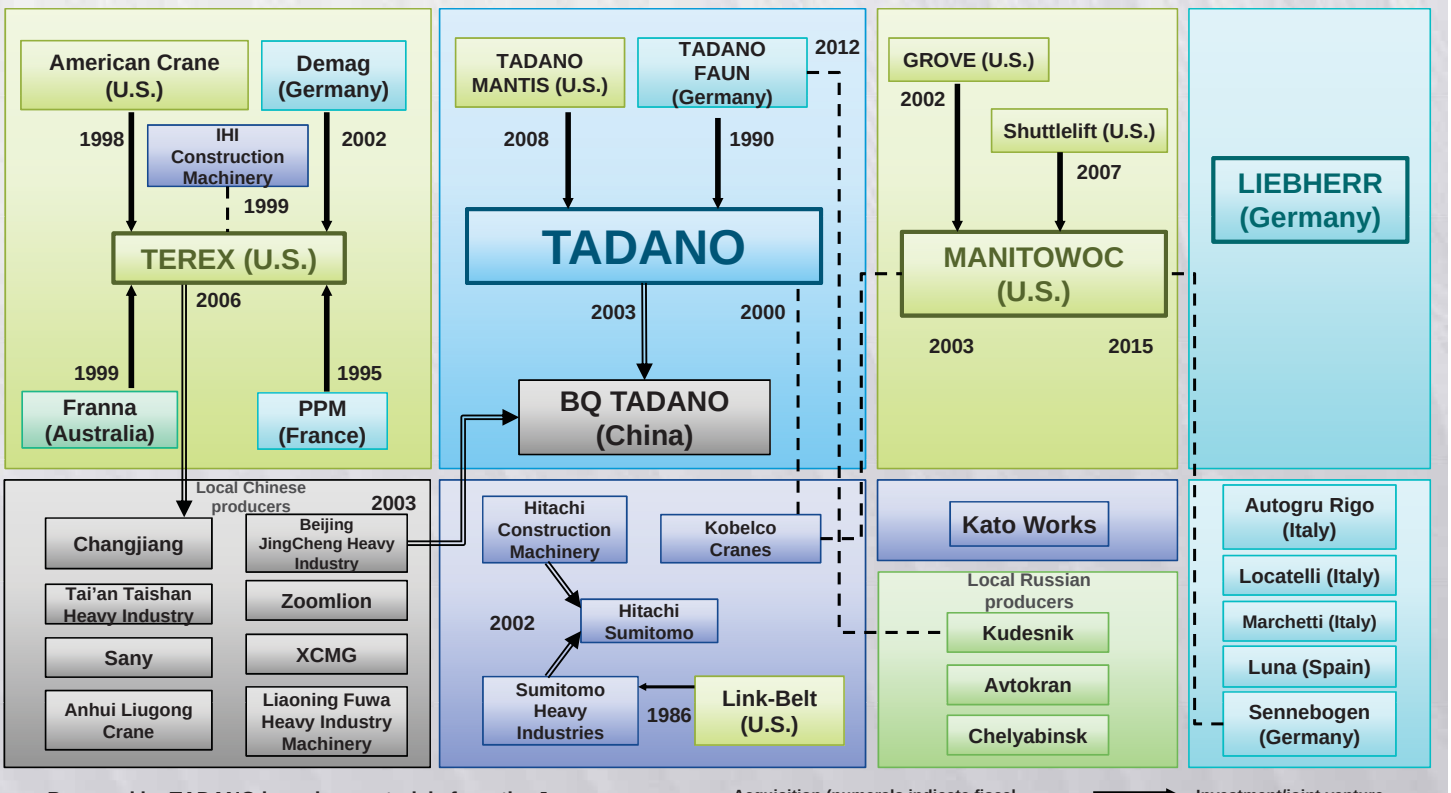
→ The enforcement on regulations has been postponed in light of Great Tohoku Earthquake recovery construction

- Level 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 (Next-generation regulations to be determined)
- Emissions regulations for ACs in European markets: Euromot IV: started January 2014 (Next-generation regulations to be determined)

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)

⟹ Investment/joint venture

- - - Partnership (numerals indicate fiscal year of partnership)

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

Lifting your dreams



A crane delivering both a long boom and improved drivability, along with a choice of left- or right-hand-drive cabins
GR-500EXL: Released in March 2015 for markets outside Japan.

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 △

World demand fell by 51% over the tow-year period following the economic shock spurred by the collapse of Lehman Brothers. This has remained level over the past three years.

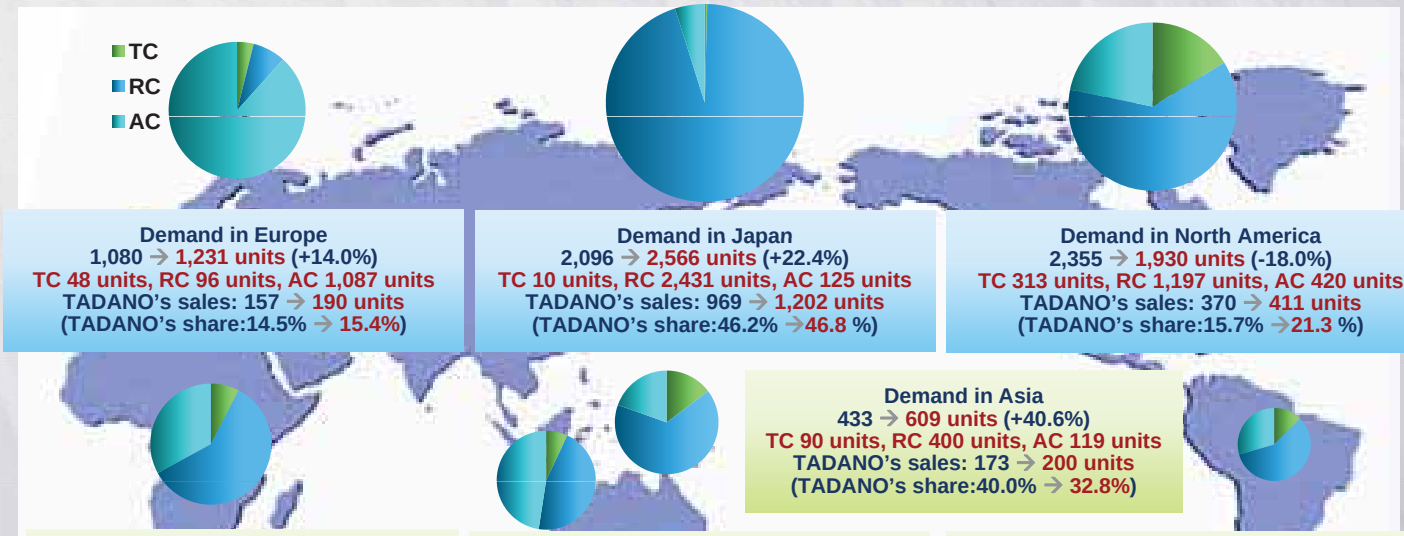
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Europe	1,272	1,502	1,702	2,110	2,268	2,392	2,290	2,031	1,995	1,941	2,053	2,116	2,485	3,002	1,997	1,067	1,155	1,146	1,080	1,231
North America	1,372	1,777	1,998	2,614	2,472	2,281	1,490	1,175	954	1,101	1,614	2,398	2,988	3,577	1,428	905	1,621	2,316	2,355	1,930
Others	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
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
Total	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

1. Demand outside Japan markets is estimated by TADANO based on SYSTEMATIC, CEMA, FEM, and other statistical data
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, 2014: 14,000 units

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

Lifting your dreams

TADANO's shares in the global market grew from 26.9% to 31.4%.
(Excluding Chinese and Russian production from the global demand.) TADANO's sales grew from 2,187 units to 2,568 units.
Global demand for hydraulic Mobile Cranes grew from 8,126 to 8,185 units (January-December 2014, TADANO research), a 0.7% increase compared with the previous fiscal year.



Demand in Europe
1,080 → 1,231 units (+14.0%)
TC 48 units, RC 96 units, AC 1,087 units
TADANO's sales: 157 → 190 units
(TADANO's share:14.5% → 15.4%)

Demand in Japan
2,096 → 2,566 units (+22.4%)
TC 10 units, RC 2,431 units, AC 125 units
TADANO's sales: 969 → 1,202 units
(TADANO's share:46.2% →46.8 %)

Demand in North America
2,355 → 1,930 units (-18.0%)
TC 313 units, RC 1,197 units, AC 420 units
TADANO's sales: 370 → 411 units
(TADANO's share:15.7% →21.3 %)

Demand in Asia
433 → 609 units (+40.6%)
TC 90 units, RC 400 units, AC 119 units
TADANO's sales: 173 → 200 units
(TADANO's share:40.0% → 32.8%)

Demand in Middle East
804 → 878 units (+9.2%)
TC 67 units, RC 522 units, AC 289 units
TADANO's sales: 319 → 372 units
(TADANO's share:39.7% → 42.4%)

Demand in other markets
894 → 597 units (-33.2%)
TC 42 units, RC 271 units, AC 284 units
TADANO's sales: 173 → 168 units
(TADANO's share:19.4% → 28.1%)

Demand in Central and South America
464 → 374 units (-19.4%)
TC 47 units, RC 217 units, AC 110 units
TADANO's sales: 26 → 25 units
(TADANO's share:5.6% → 6.7 %)

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.

European Business

< 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: 641
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

[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: 15





- **Accelerating the line-up expansion, to offer full range of All Terrain Cranes:**
Nine models with 40 to 400 ton lifting capacity are available.
Formal announcement of a new model in Germany in the largest eight-axle class planned for the near future

American Businesses

< 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 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: Yo Kakinuma, President; number of employees: 67
Sales trend: 2009: 105 million USD; 2010: 78 million USD; 2011: 183 million USD;
2012: 249 million USD; 2013: 262 million USD; 2014: 305 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: 138
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 unleveled ground, muddy ground, and inside tunnels.
Sales trend: 2009: 33 million USD; 2010: 16 million USD; 2011: 34 million USD;
2012: 39 million USD; 2013: 36 million USD; 2014: 30 million USD

[TADANO Panama S.A.]
Paid-in capital: USD10,000; wholly-owned subsidiary of TADANO
Location: Panama City, Panama, Line of business: Distribution and service for Mobile Cranes and other products
Representative: Kenji Munezawa, President; 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: Production, distribution and service for Mobile Cranes and other products.
Representative: Keisuke Nagai, President; number of employees: 16

* TAH stands for TADANO America Holdings, Inc.



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

Chinese Business

Lifting your dreams

< 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: 277

[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

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

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

[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

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

President: Teruyuki Murakami (from TADANO); number of employees: 68

[TADANO (Beijing) Ltd.]

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

Location: Chaoyang District, Beijing

Lines of business: Distribution and service for Mobile Cranes

President: Hulin Jin (from TADANO); number of employees: 7


BQ TADANO


JC-TADANO

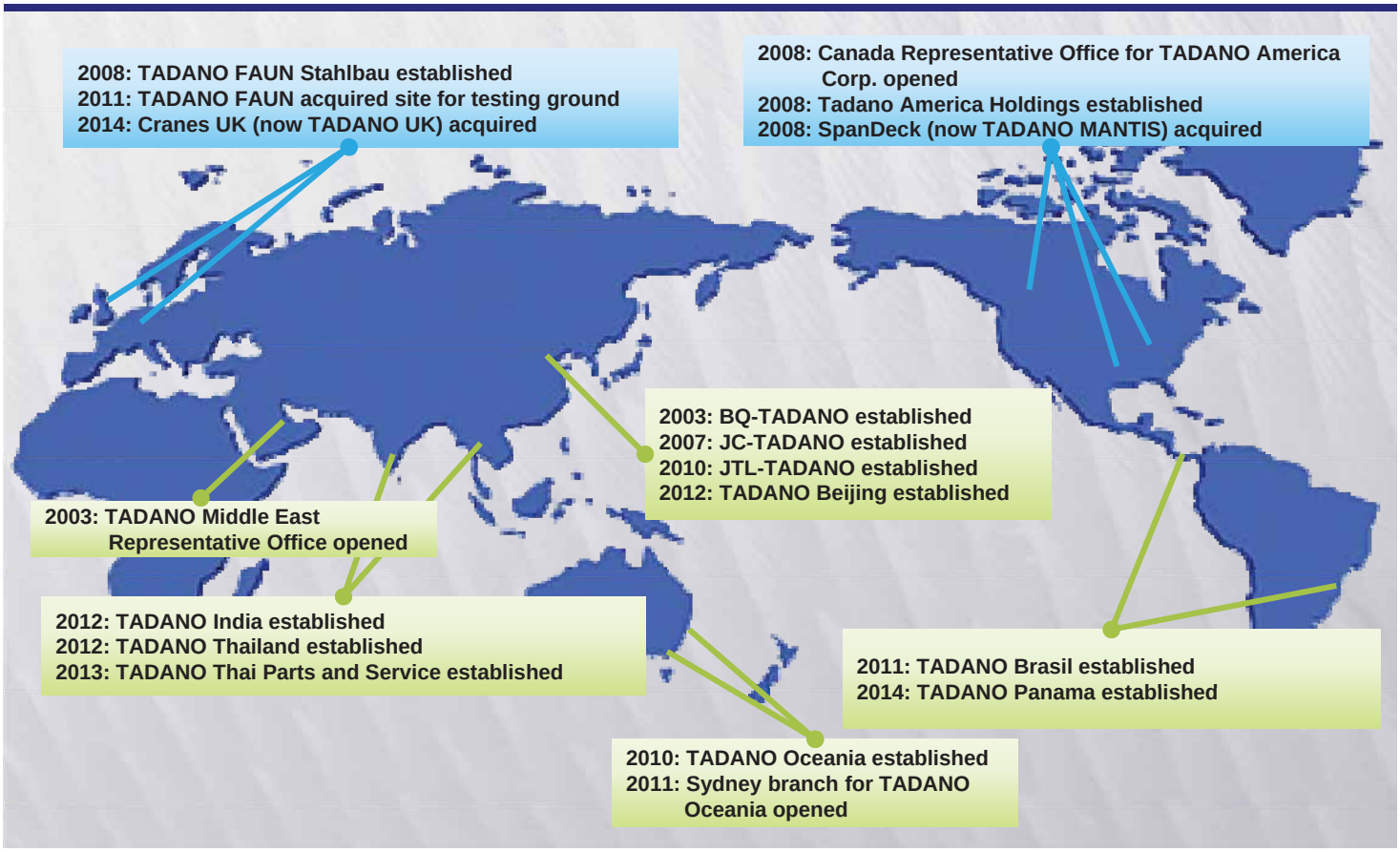

JTL-TADANO

TADANO

Business Expansion Outside Japan Since 2003

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

Lifting your dreams



TADANO

Truck Loader Cranes

[Loader Cranes] Market share in Japan: 48.2% → 49.4%

Demand in Japan was 17,540 units (for FY2014, based on TADANO research), up 8.6% from the previous fiscal year.

→ Net sales grew to ¥20,829 million (up 12.0% from the previous fiscal year), backed by rising truck demand and continued high installation rates.

- 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
- Sales tend to parallel truck demand.

ZE600



(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 FY2013: ¥1,410 million; in FY2014: ¥1,140 million
- Accelerating expansion outside Japan, including the opening of a manufacturing subsidiary in Thailand on April 2012.

ZR560



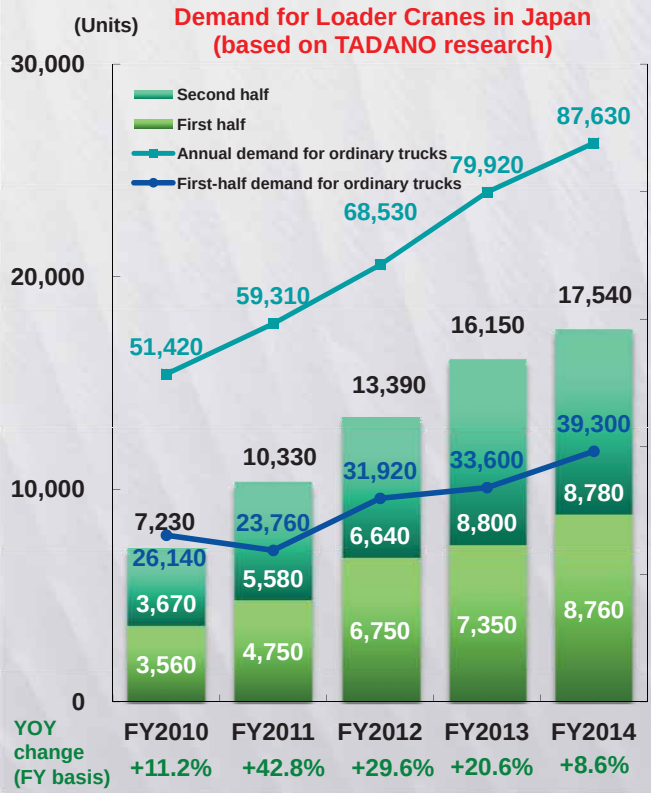
(ZR560 Loader Crane for export)

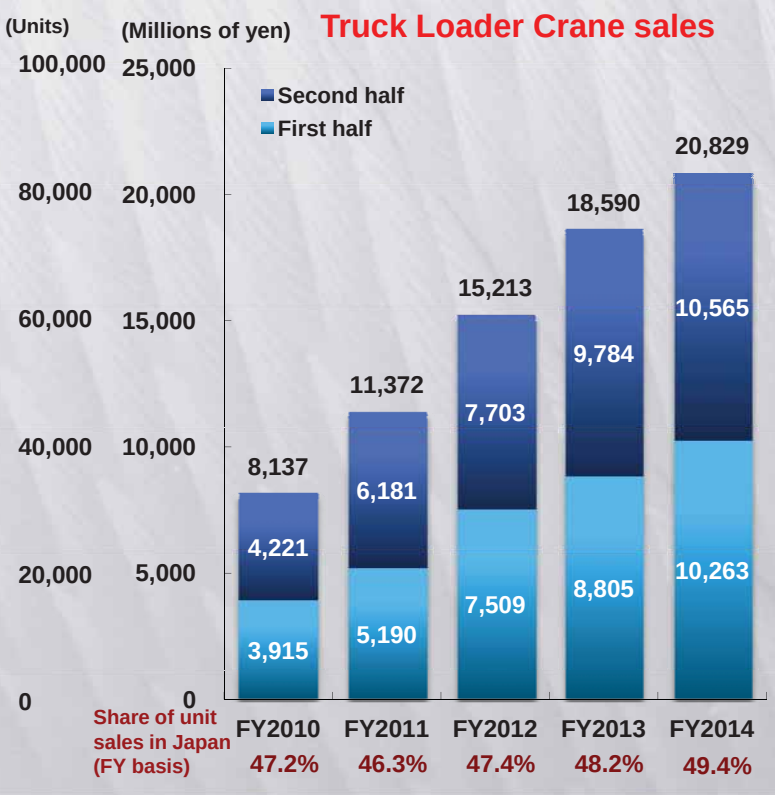
SS-38F



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

Truck Loader Cranes





Truck Loader Cranes - Steps for globalization -

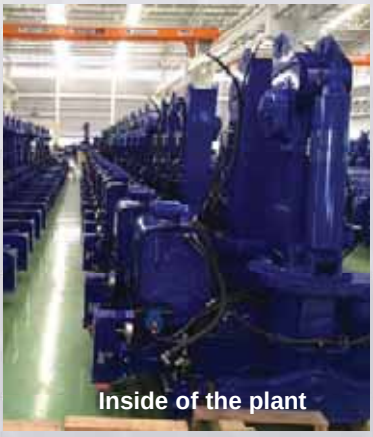
[TADANO (Thailand) Co., Ltd.]

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 (Sales: 38 units in 2013, 258 units in 2014)
Representative: Kozo Yoshida, President; number of employees: 42

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



(Loader Crane ZT500 manufactured in the plant in Thailand)


Inside of the plant



TADANO（Thailand）

Aerial Work Platforms

Market share in Japan: 37.5% → 40.2% (the highest market share)

Japanese demand for Aerial Work Platforms mounted on trucks was 3,843 units (for FY2014; TADANO research), up 0.4% from the previous fiscal year.

⇒While demand for Aerial Work Platforms remained constant, a focus on sales expansion in the rental industry and growing demand for infrastructure inspections resulted in record-high net sales of ¥17,493 million (up 17.6% from 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)



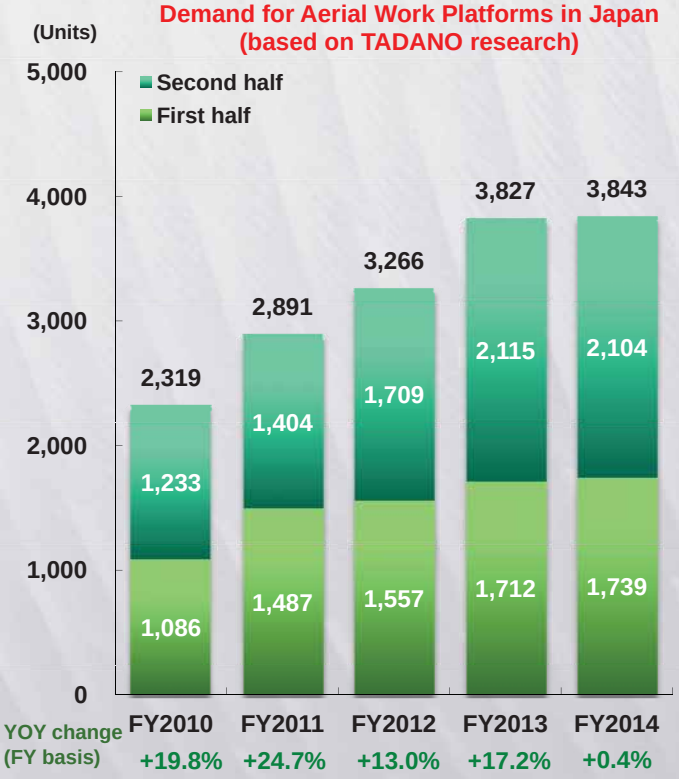
Bridge Checker BT-200

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

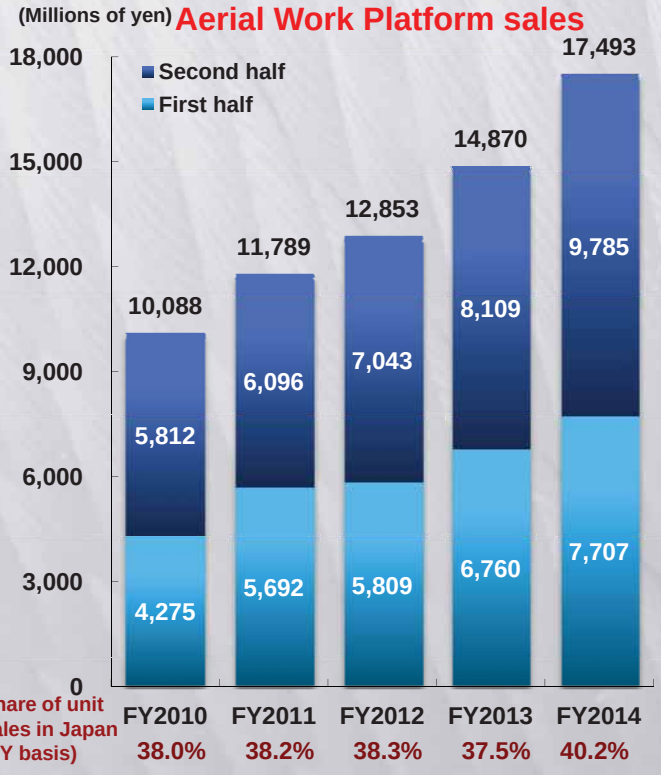
-Major buyers and distinctive features-
- Power-related electrical construction, telecommunications, rental, general use, shipbuilding, Ministry of Land, Infrastructure, Transport and Tourism
- TADANO is focusing on sales of high-value-added Super Decks and Bridge Checkers

Aerial Work Platforms

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



Aerial Work Platform sales



Other Businesses

Lifting your dreams

Net sales from other businesses, such as parts, repairs, used cranes and other products, were ¥29,317 million (up 1.6% 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
- 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.)
- Both sales in and outside Japan increased during this fiscal year



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

[All Terrain Crane mounting/removal lifters]

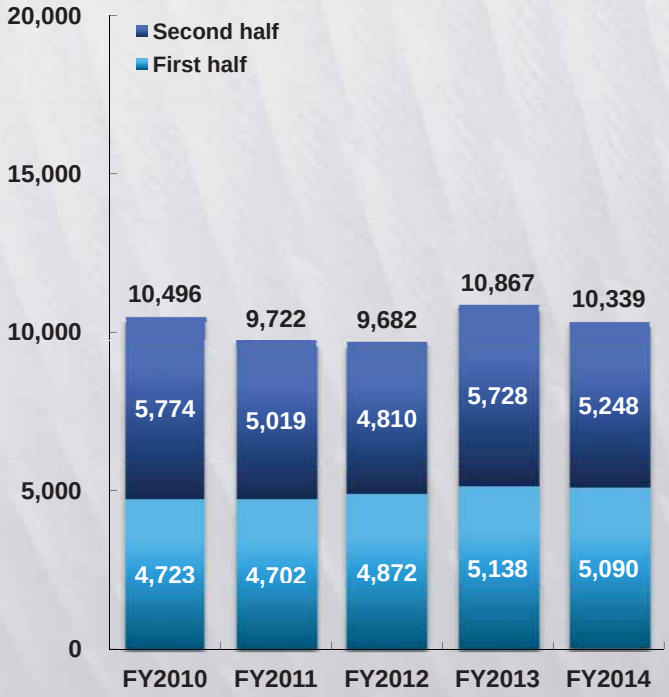
- These lifters are used to install and remove All Terrain Crane booms in Japan, where the law requires disassembly for transportation on public roads

Other Businesses

Lifting your dreams

(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 2015 Business Performance Forecasts

(Unit: millions of yen)

	FY2014		FY2015 forecast		Percent change
	Amount	Percentage	Amount	Percentage	
Net sales	204,059	100.0%	206,000	100.0%	1.0%
Operating income	29,462	14.4%	30,000	14.6%	1.8%
Ordinary income	30,357	14.9%	29,800	14.5%	-1.8%
Net income	19,483	9.5%	20,000	9.7%	2.6%

Dividends per share	Interim: ¥11.00	Interim: ¥12.50
	Year-end: ¥12.00	Year-end: ¥12.50
	Full-year: ¥23.00	Full-year: ¥25.00

Capital investment	¥3,905 million	¥5,000 million
Depreciation	¥2,589 million	¥2,800 million
Exchange rate (USD)	¥105.85	¥115.00
Exchange rate (EUR)	¥140.42	¥125.00

Note: Figures for capital investment include leased assets

[FY2015 management policies]

(i) Pursuing the TADANO Group's Core Values (Safety, Quality, Efficiency)

(ii) Second-year deployment of the Mid-Term Management Plan (14–16)

(iii) Preparation for a potential market reversal

[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

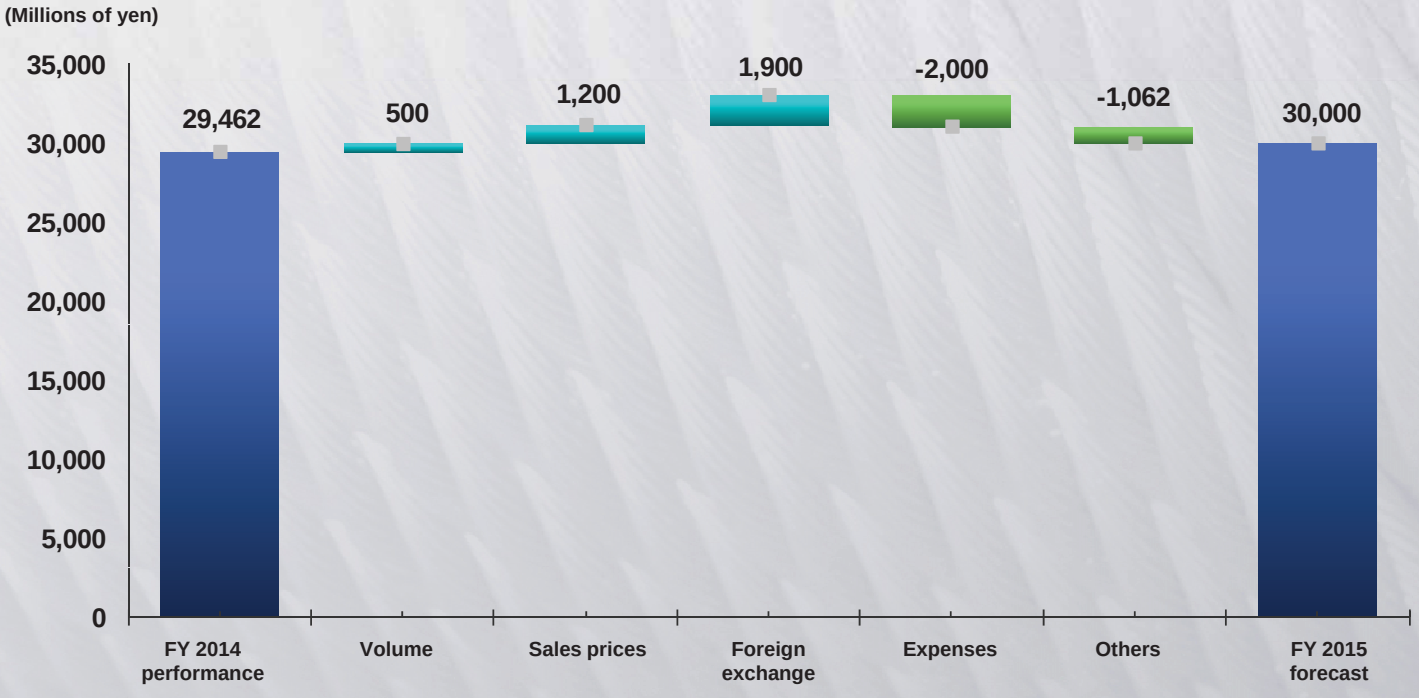
(vii) Strengthen the TADANO group & global management structure

As in FY2014, both net sales and profits are projected to set new highs in FY2015.

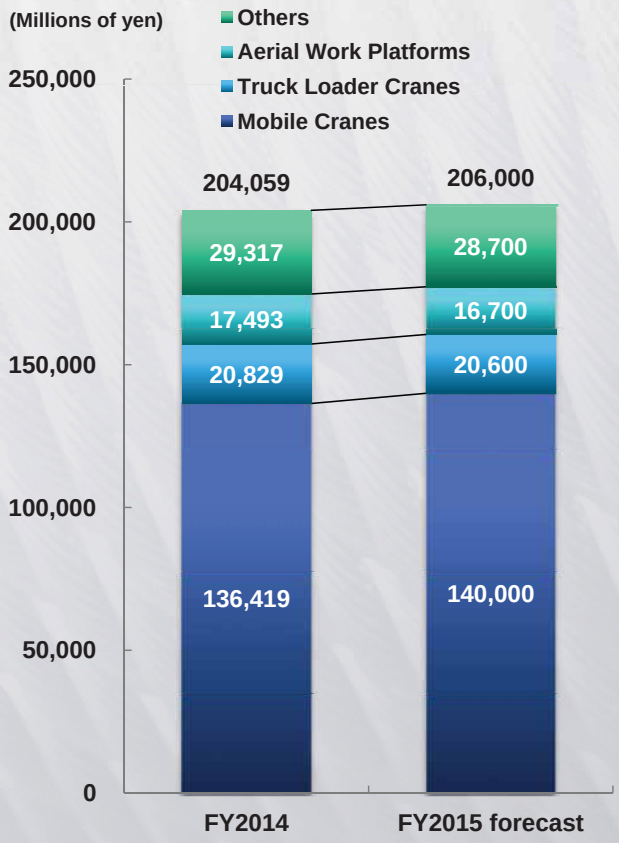
◆FY 2015 proportion of sales outside Japan: 51.5%

FY 2015 Business Performance Forecasts
(Main Causes of Changes in Operating Income)

Operating income is projected to increase by ¥0.6 billion due to price improvements and foreign exchange effects.



FY 2015 Business Performance Forecasts
(Net Sales by Product)



(Unit: millions of yen)

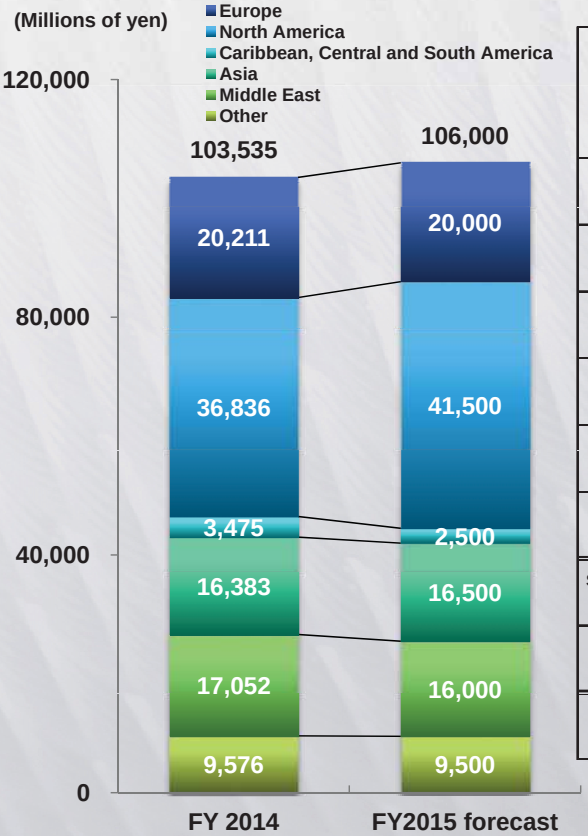
	FY2014		FY2015 forecast		Change	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Mobile Cranes	136,419	66.8%	140,000	68.0%	3,580	2.6%
Truck Loader Cranes	20,829	10.2%	20,600	10.0%	-229	-1.1%
Aerial Work Platforms	17,493	8.6%	16,700	8.1%	-793	-4.5%
Others	29,317	14.4%	28,700	13.9%	-617	-2.1%
Total	204,059	100%	206,000	100%	1,940	1.0%

◆Outside Japan sales ratio: 50.7% → 51.5%

Mobile Crane sales in and outside Japan

Japan	47,455	48,600	1,144	2.4%
Outside Japan	88,964	91,400	2,435	2.7%

FY 2015 Business Performance Forecasts
(Net Sales by Destination)



(Unit: millions of yen)

	FY2014		FY2015 forecast		Change	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Europe	20,211	9.9%	20,000	9.7%	-211	-1.0%
North America	36,836	18.1%	41,500	20.2%	4,663	12.7%
Caribbean, Central and South America	3,475	1.7%	2,500	1.2%	-975	-28.1%
Asia	16,383	8.0%	16,500	8.0%	116	0.7%
Middle East	17,052	8.4%	16,000	7.8%	-1,052	-6.2%
Other	9,576	4.6%	9,500	4.6%	-76	-0.8%
Subtotal (total outside Japan sales)	103,535	50.7%	106,000	51.5%	2,464	2.4%
Japan	100,523	49.3%	100,000	48.5%	-523	-0.5%
Total	204,059	100%	206,000	100%	1,940	1.0%

The graph on the left excludes Japan.
Other markets comprise Oceania, Africa, and the CIS.

◆TADANO Training Center, in operation since December 2014

The TADANO Training Center is used as a base for training global service staff—not just TADANO Group employees, but service personnel involved in supporting TADANO products, including staff at designated service facilities and staff from distributors outside Japan.

TADANO strives to be the global leader in customer satisfaction by providing outstanding quality and service, one of the Seven Strategies of the TADANO Group Mid-Term Management Plan (14–16).



Simulator room



Training room

