

Explanatory Materials on Consolidated Financial Results

May 2013

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.

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; Overseas: Beijing Office, Middle East Office (Dubai, UAE)	
[Paid-in capital]	¥13,021 million	[Stock shares] Shares issued: 129 million Number of shareholders: 8,204 (as of March 31, 2013)
[Net sales]	¥134,836 million (FY 2012)	
[Number of employees]	Consolidated: 3,144; non-consolidated: 1,328 (as of March 31, 2013)	
[Major subsidiaries]	11 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. CONCORDE LEASE AND FINANCE CO. TADANO KYOSHU CENTER K.K. TADANO BUTSURYU K.K. TADANO SYSTEMS Inc. TADANO SANGYO K.K. NITTSU JUKI SERVICE K.K.	15 subsidiaries and two affiliates overseas: TADANO FAUN GmbH, TADANO FAUN Stahlbau GmbH [Germany] TADANO America Holdings, Inc. [U.S.A.] TADANO America Corp., TADANO MANTIS Corp., [U.S.A.] 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 (Thailand) Co., Ltd. [Thailand] TADANO Oceania Pty Ltd. [Australia] TADANO INDIA Pvt. LTD. [India] BQ-TADANO (Beijing) Crane Co., Ltd. [China] Taiwan TADANO Ltd. [Taiwan]

Key Points of FY 2012 Financial Results

(Unit: millions of yen)

	FY 2011		FY 2012		Percent change
	Amount	Percentage	Amount	Percentage	
Net sales	114,209	100.0%	134,836	100.0%	+18.1%
Operating income	5,895	5.2%	10,925	8.1%	+85.3%
Ordinary income	5,778	5.1%	11,448	8.5%	+98.1%
Net income	3,145	2.8%	7,341	5.4%	+133.4%

	FY 2011	FY 2012
Capital investment	¥1,584 million	¥2,925 million
Depreciation	¥2,353 million	¥2,167 million
Exchange rate (USD)	¥79.84	¥79.82
Exchange rate (EUR)	¥111.12	¥102.63

Note:
 * Figures for capital investments include leased assets.
 * The exchange rates given above are average rates for the period from January to December.
 (The fiscal year of overseas subsidiaries ends in December.)

[FY 2012 management policies]

- (i) Pursuing the core values of safety, quality, and efficiency
- (ii) Strengthening profitability
- (iii) Efforts specified for the Seven Strategies of the Mid-Term Management Plan(2011-2013)

- **Increased revenues and increased profits led to year-end profit two years in a row.**
 - Efforts for resuming appropriate sales prices in Japan, expanding sales overseas, and reducing costs.
- **Both sales in Japan and overseas grew:**
 - ➔ Japan net sales:
¥61.3 billion → ¥68.6 billion (+12.0%)
Sales of Mobile Cranes, Truck Loader Cranes, and Aerial Work Platforms all increased.
 - ➔ Overseas net sales:
¥52.8 billion → ¥66.1 billion (+25.1%)
Increase backed by recovering demands.
- **Overseas sales ratio: 46.3% → 49.1%**
- **Income doubled from the previous year-end results:**
 Ordinary income: ¥5.7 billion → ¥11.4 billion
 Net income: ¥3.1 billion → ¥7.3 billion

Income Statement (vs. Previous Year)

(Unit: millions of yen)

[Key changes]

	FY 2011		FY 2012		Increase/ decrease
	Amount	Percentage	Amount	Percentage	
Net sales	114,209	100.0%	134,836	100.0%	20,626
Cost of sales	88,462	77.5%	101,364	75.2%	12,902
Gross profit on installment sales	278	0.3%	160	0.1%	-118
Gross profit	26,025	22.8%	33,631	24.9%	7,606
Selling, general, and administrative expenses	20,129	17.6%	22,705	16.8%	2,576
Operating income	5,895	5.2%	10,925	8.1%	5,029
Non-operating income and loss	-117	-0.1%	523	0.4%	640
Ordinary income	5,778	5.1%	11,448	8.5%	5,670
Extraordinary income and loss	155	0.1%	-76	-0.1%	-231
Income before income taxes and minority interests	5,933	5.2%	11,372	8.4%	5,438
Corporate taxes	2,745	2.4%	4,123	3.1%	1,377
Minority interests	43	0.0%	-92	-0.1%	-135
Net income	3,145	2.8%	7,341	5.4%	4,196

➤ COGS ratio: 77.5% → 75.2%

- Efforts for resuming appropriate sales prices, and cost reductions by means of operating ratio improvement and SVE activities.
- The COGS ratio improved by 2.3% from the previous fiscal year.

➤ Selling, general, and administrative expenses: ¥2,500 million increase

- Personnel costs: + ¥1,123 million
- Variable costs: + ¥727 million
- Other expenses: + ¥725 million

➤ Non-operating income and loss:

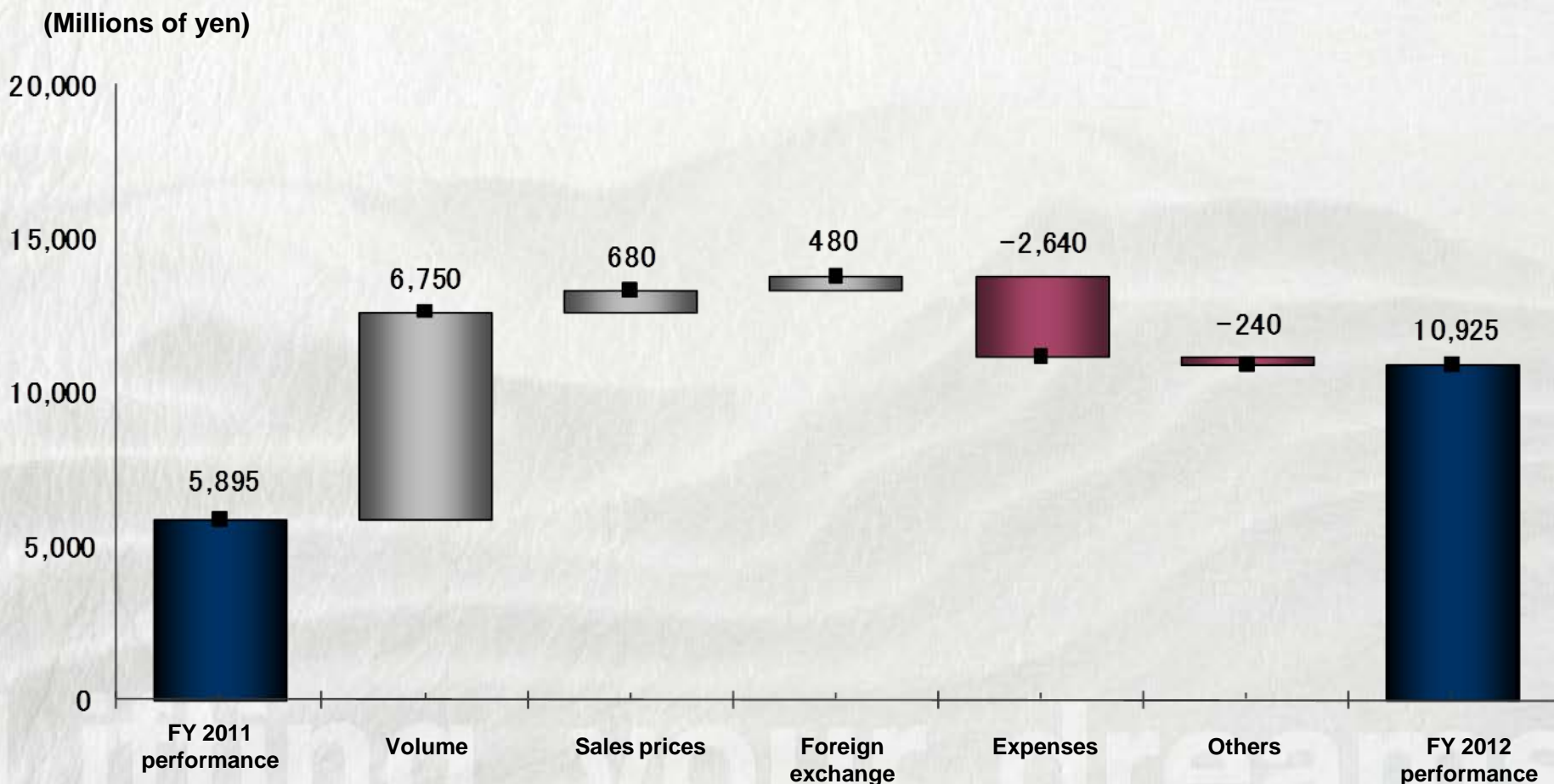
- Non-operating income: ¥719 million → ¥1,518 million
* Foreign exchange income: ¥893 million
- Non-operating loss: ¥836 million → ¥995 million

➤ Extraordinary income and loss:

- Extraordinary income: ¥174 million → ¥164 million
- Extraordinary loss: ¥18 million → ¥241 million

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

Income grew significantly due to increase in net sales, despite the increase in expenses. Operating income increased by ¥5 billion, by resuming appropriate sales prices, and with foreign exchange effects.



Balance Sheet (vs. End of Previous Period)

(Unit: millions of yen)

	FY 2011 year-end		FY 2012 year-end		Increase/ decrease
	Amount	Percentage	Amount	Percentage	
Cash deposit	40,225	25.0%	39,582	22.3%	-643
Accounts receivable	35,041	21.8%	40,820	23.0%	5,778
Inventories	34,205	21.2%	45,341	25.5%	11,135
Other current assets	4,572	2.8%	6,400	3.6%	1,828
Total current assets	114,045	70.8%	132,144	74.4%	18,099
Tangible fixed assets	33,449	20.8%	34,584	19.5%	1,135
Intangible fixed assets	867	0.5%	776	0.4%	-91
Investment and other assets	12,813	7.9%	10,105	5.7%	-2,708
Total fixed assets	47,130	29.2%	45,466	25.6%	-1,664
Total assets	161,176	100.0%	177,611	100.0%	16,435

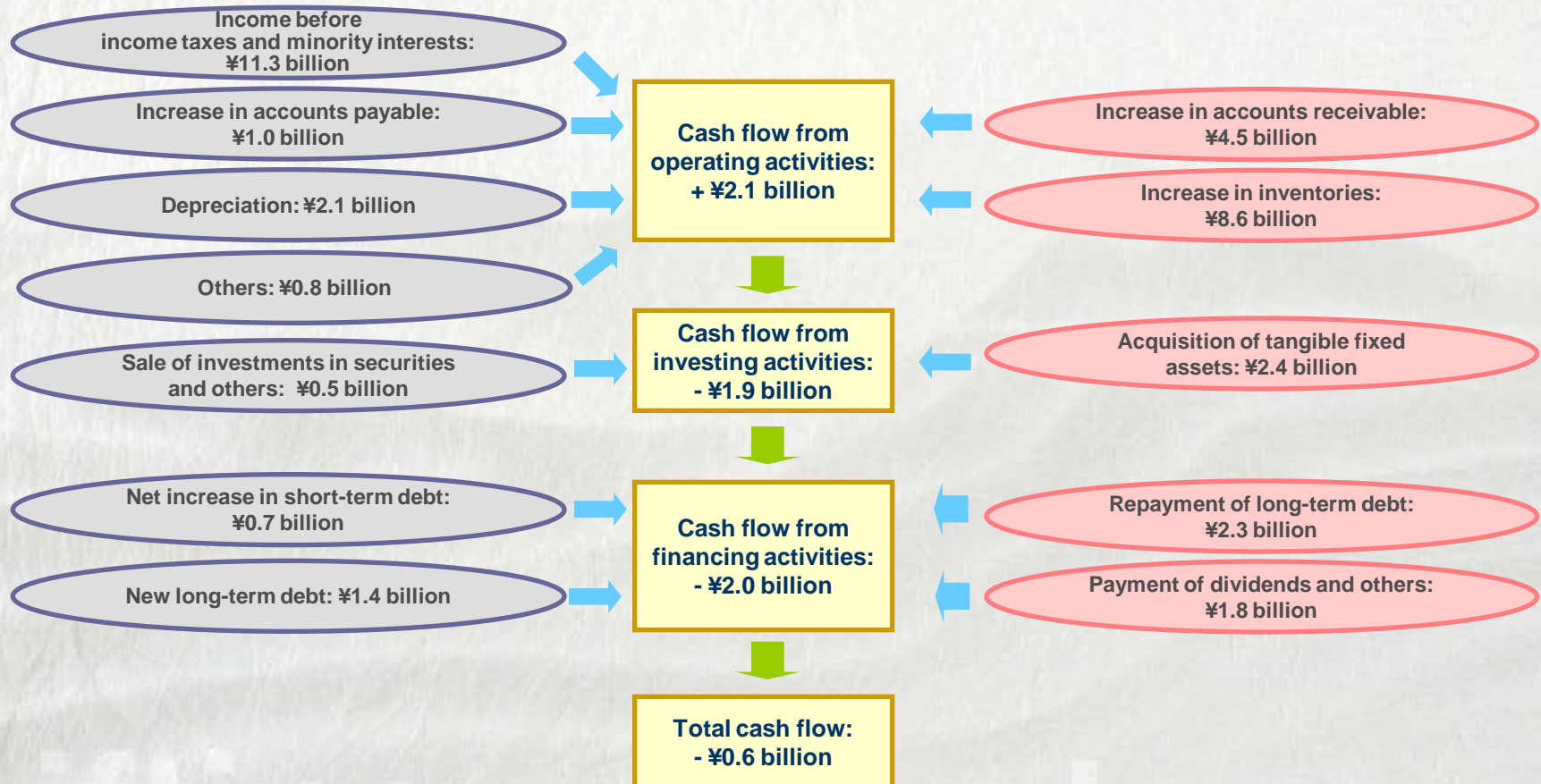
Accounts payable	28,331	17.6%	31,094	17.5%	2,762
Interest-bearing debt	38,101	23.6%	38,706	21.8%	604
Other current liabilities	16,224	10.1%	21,136	11.9%	4,912
Total liabilities	82,657	51.3%	90,937	51.2%	8,279
Total equity	78,518	48.7%	86,674	48.8%	8,155
Total liabilities and equity	161,176	100.0%	177,611	100.0%	16,435

[Key changes]

- **Accounts receivable increased:**
¥35.0 billion → ¥40.8 billion
 → The receivable turnover period improved.
 (FY 2011: 112.0 days; FY 2012: 110.5 days)
- **Inventories increased:**
¥34.2 billion → ¥45.3 billion
 (The ¥45.3 billion includes ¥12.3 billion in TADANO Faun GmbH)
 → The inventory turnover period deteriorated.
 (FY 2011: 109.3 days; FY 2012: 122.7 days)
- **Interest-bearing debt increased slightly:**
¥38.1 billion → ¥38.7 billion
 → Short-term: increased by ¥7.88 billion;
 Long-term: decreased by ¥7.2 billion

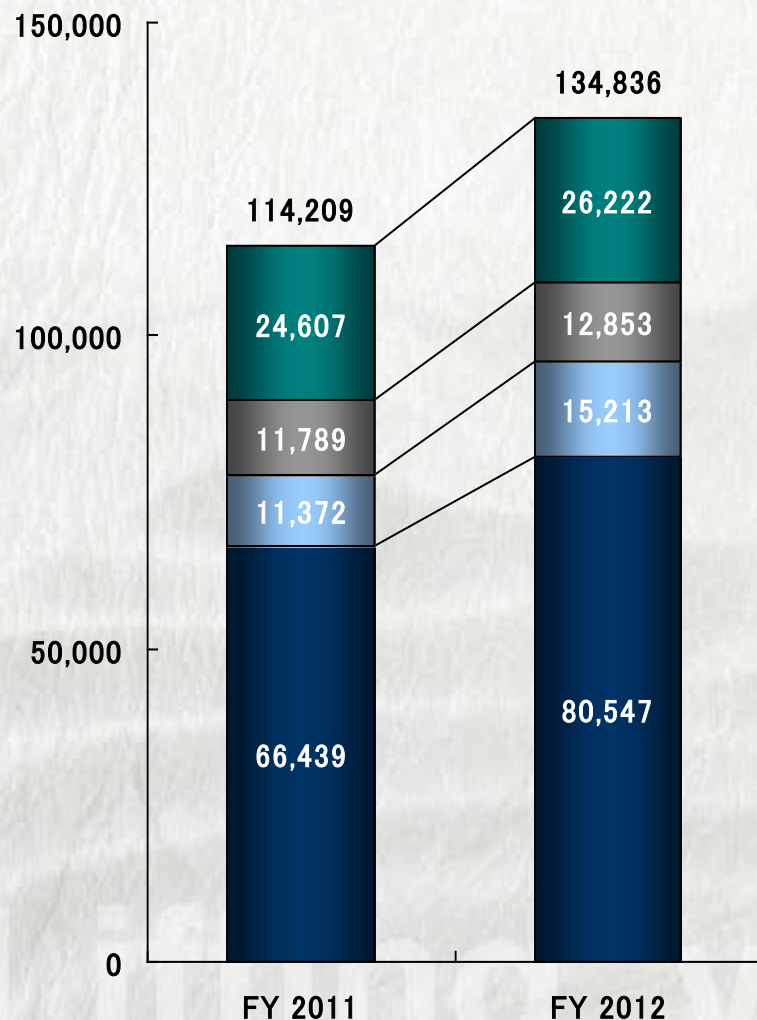
Overview of Cash Flow

Surplus for free cash flow, by covering funds for inventory increase and acquisition of tangible fixed assets with income before income taxes and minority interests.



Net Sales by Product

(Millions of yen) ■ Mobile Cranes ■ Truck Loader Cranes
■ Aerial Work Platforms ■ Others



(Unit: millions of yen)

	FY 2011		FY 2012		Increase/decrease	
	Amount	Percentage	Amount	Percentage	Amount	Percent change
Mobile Cranes	66,439	58.2%	80,547	59.7%	14,107	21.2%
Truck Loader Cranes	11,372	10.0%	15,213	11.3%	3,840	33.8%
Aerial Work Platforms	11,789	10.3%	12,853	9.5%	1,063	9.0%
Others	24,607	21.5%	26,222	19.5%	1,614	6.6%
Total	114,209	100%	134,836	100%	20,626	18.1%

➤ Overseas sales ratio: 46.3% → 49.1%

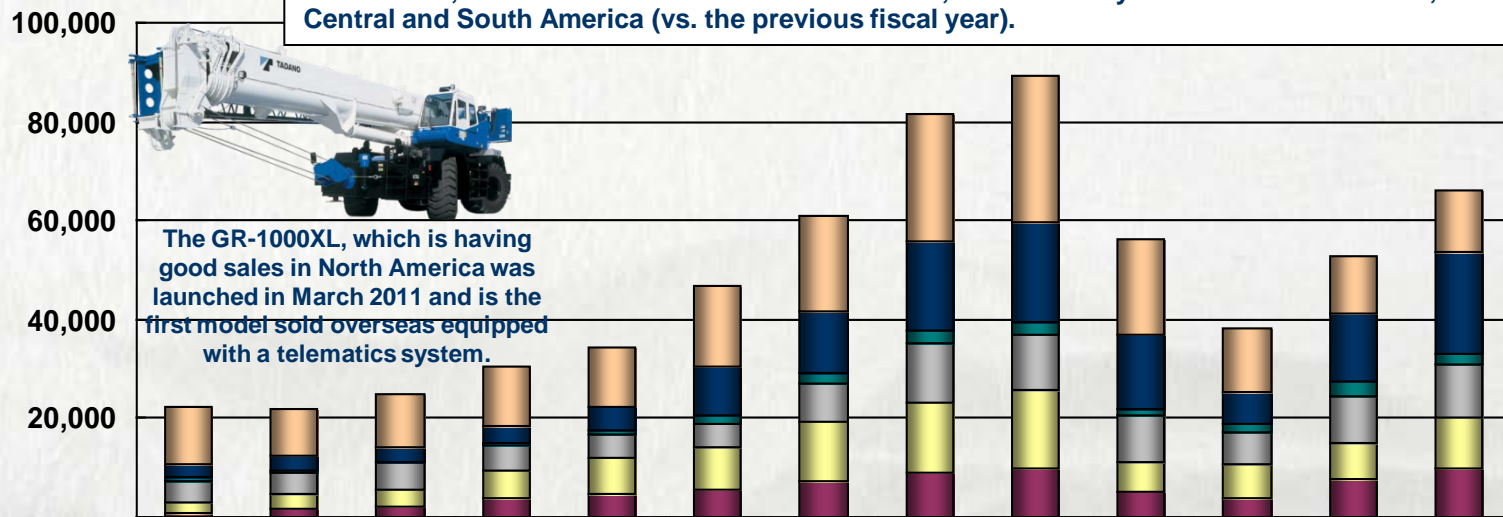
* Breakdown of Mobile Crane sales in Japan and overseas

Japan	24,146	26,640	2,493	10.3%
Overseas	42,293	53,907	11,613	27.5%

Sales Trends by Overseas Market

(Millions of yen)

Overseas sales are **recovering** after bottoming out in FY 2010 at less than one-half of their peak. Overseas sales rose by 7.4% in Europe, 46.4% in North America, 19.5% in Asia, 35.8% in the Middle East, and 30.3% in Oceania and other areas, while it fell by 26.9% in the Caribbean, Central and South America (vs. the previous fiscal year).



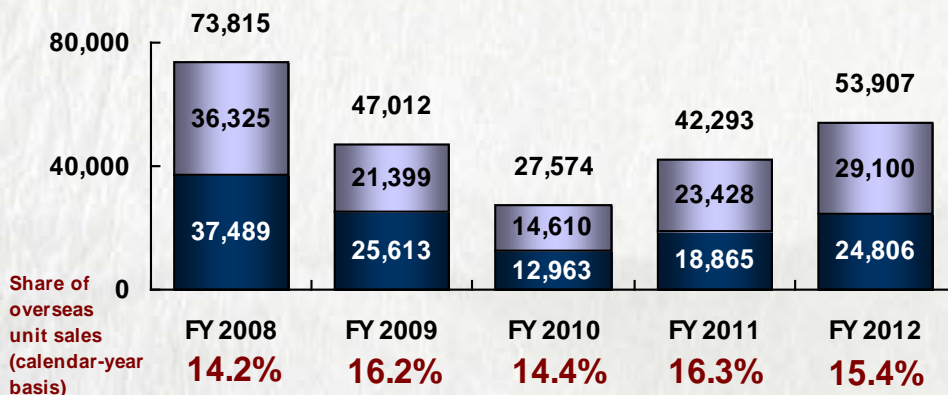
	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12
Europe	11,435	9,754	10,893	11,978	12,000	16,292	19,170	25,566	29,630	19,196	12,739	11,643	12,510
North America	2,671	2,739	2,755	3,402	4,547	9,798	12,324	18,342	20,145	15,301	6,616	13,938	20,406
Caribbean, Central and South America	948	586	287	457	866	1,721	2,420	2,542	2,722	887	1,691	3,012	2,201
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
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
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
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
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
Exchange rate (EUR)	99.63	108.80	118.41	131.03	134.47	136.92	146.14	161.24	152.44	130.20	116.39	111.12	102.63

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). Euro figures for FY 2001 and earlier have been converted from Deutsche Mark.

Mobile Cranes

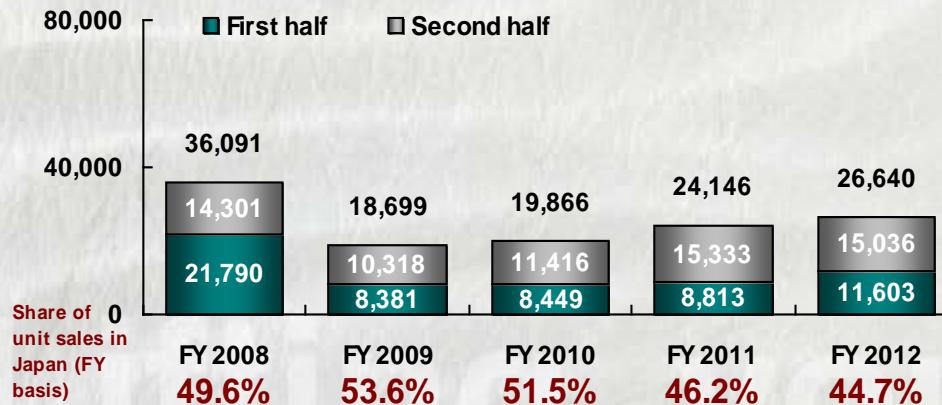
Net sales of Mobile Cranes (overseas)

(Millions of yen) ■ First half ■ Second half



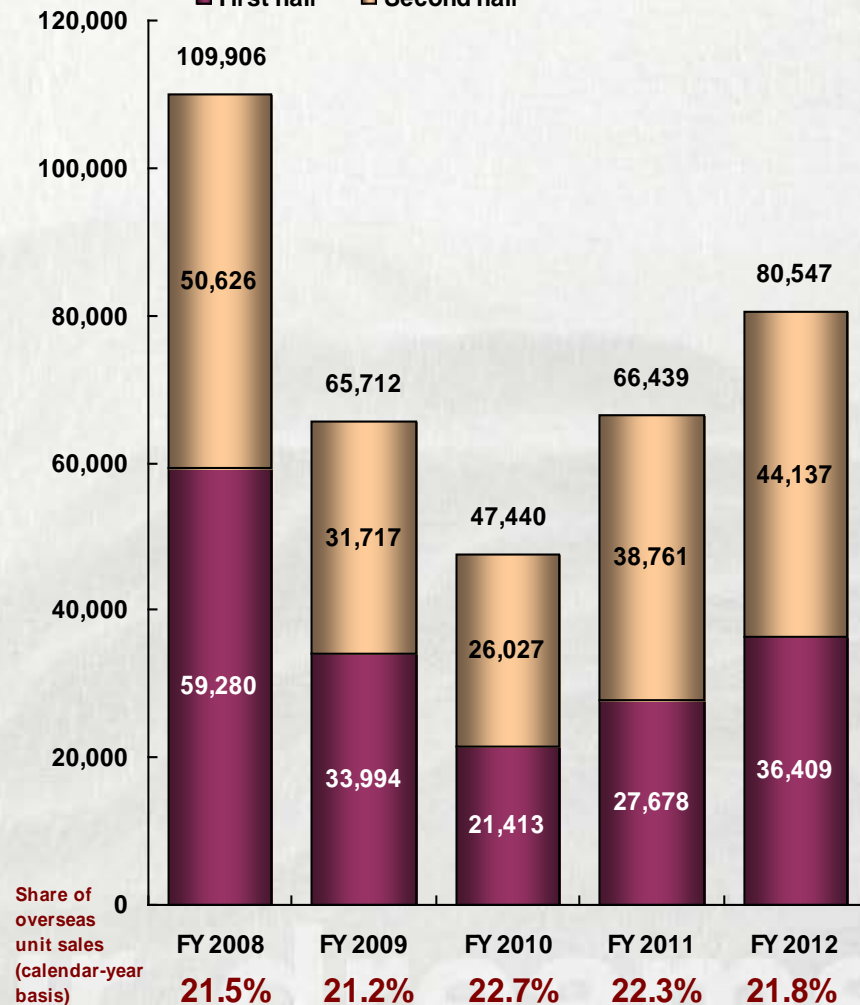
Net sales of Mobile Cranes (Japan)

(Millions of yen) ■ First half ■ Second half



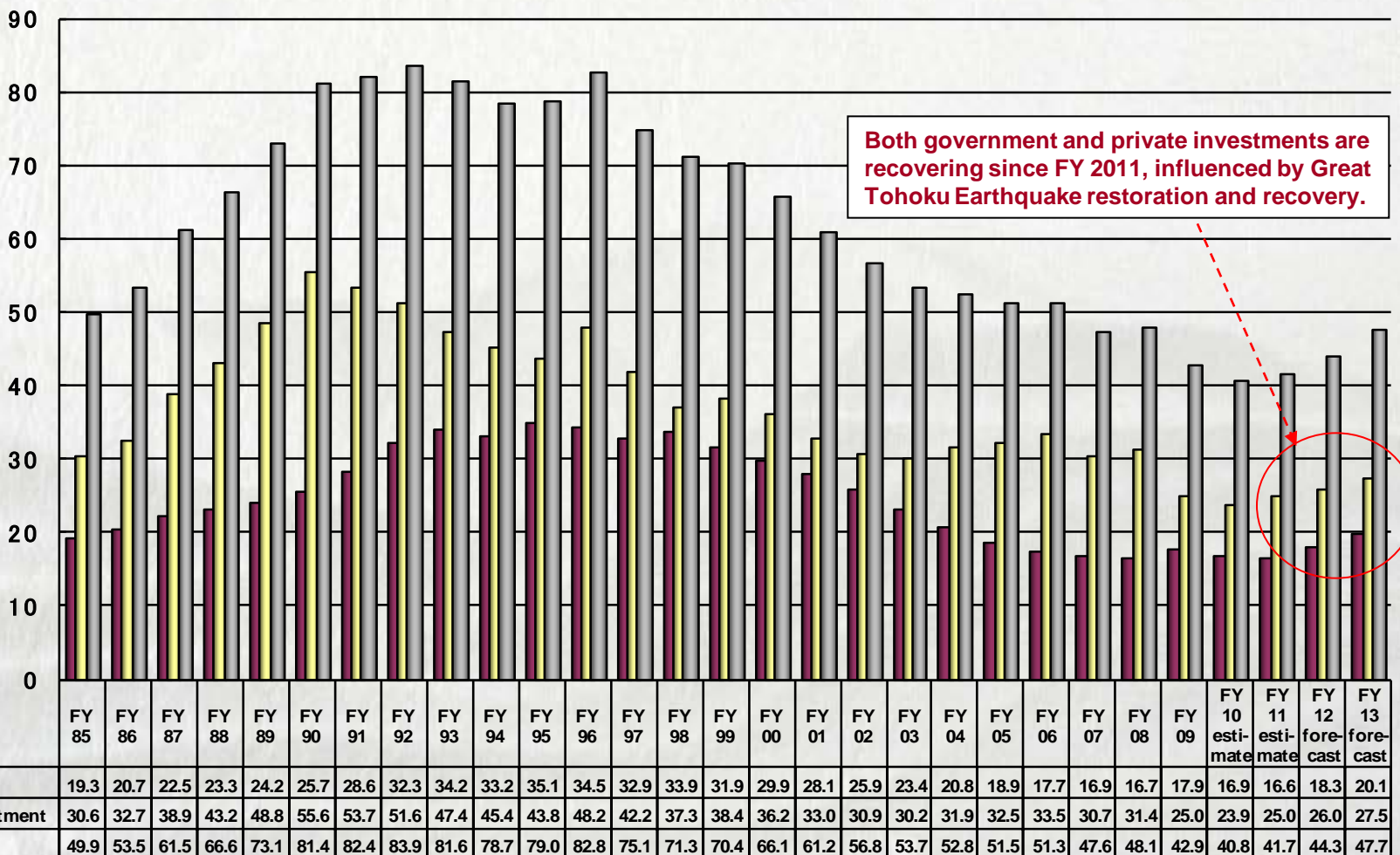
Net sales of Mobile Cranes

(Millions of yen) ■ First half ■ Second half



Trends and Forecast of Construction Investment in Japan

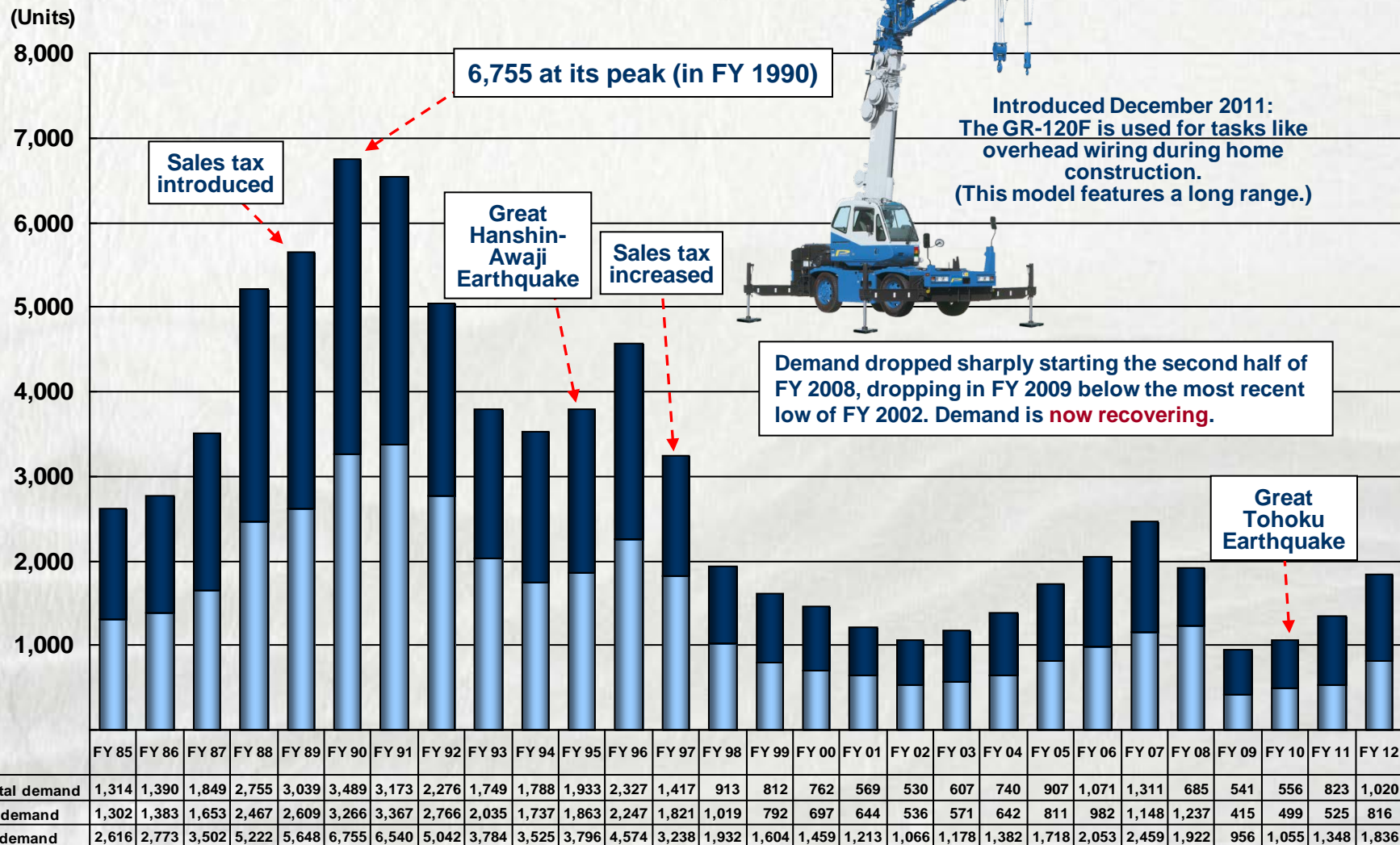
(Trillions of yen)



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 April 22, 2013).

Trends in Demand for Mobile Cranes in Japan



Average annual demand over the decade starting in 2003 was around 1,600 units.

Mobile Cranes

Market share in Japan: 46.2% → 44.7%

Demand for hydraulic Mobile Cranes in Japan was 1,836 units (for FY 2012, based on TADANO research), up 36.2% from the previous fiscal year.

→ Net sales in Japan was ¥26.64 billion (110.3% of the figure from the previous fiscal year), with replacement sales and our efforts for resuming appropriate sales prices.

[Rough Terrain Cranes]

- Main models in the Japanese Mobile Cranes business account for 94% of demand in Japan (70% 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: five models with 12 to 60 ton lifting capacity (emissions compliant, with Machine-Telemonitoring System)
- Overseas markets: five models with 12 to 80 ton lifting capacity (TADANO produces both Japanese and overseas models.)
- In Japan, these cranes travel on public roads.
In North America, they are transported on trailers.



[All Terrain Cranes]

- Large cranes for urban development, elevated driveways, and bridge construction in Japan, account for 5% of demand in Japan (78% of European demand)
- Outstanding long-distance mobility in addition to maneuverability
- Japanese market: six models with 60 to 550 ton lifting capacity (produced by TADANO Faun TADANO)
- Overseas markets: nine models with 40 to 400 ton lifting capacity (produced by TADANO Faun GmbH of Germany)
- Disassembly required for transport on public roads in Japan.
No disassembly required for transport in Europe.



Mobile Cranes

[Truck Cranes]

- Cranes are mounted on trucks to make them easier to transport; primarily for overseas markets, with demand in Japan accounting for only a few units.
- Outstanding long-distance mobility.
- Japanese market: two models with 20 ton lifting capacity (produced by TADANO)
- Overseas markets: eight models with 40 to 80 ton lifting capacity (produced by TADANO, Tadano Faun GmbH of Germany, and BQ-TADANO of China)

- **55 ton Truck Cranes produced by BQ-TADANO are exported outside China. Line-up expansion for the export is on the way.**
- **Mounting on locally produced trucks at the new plant in Brazil.**

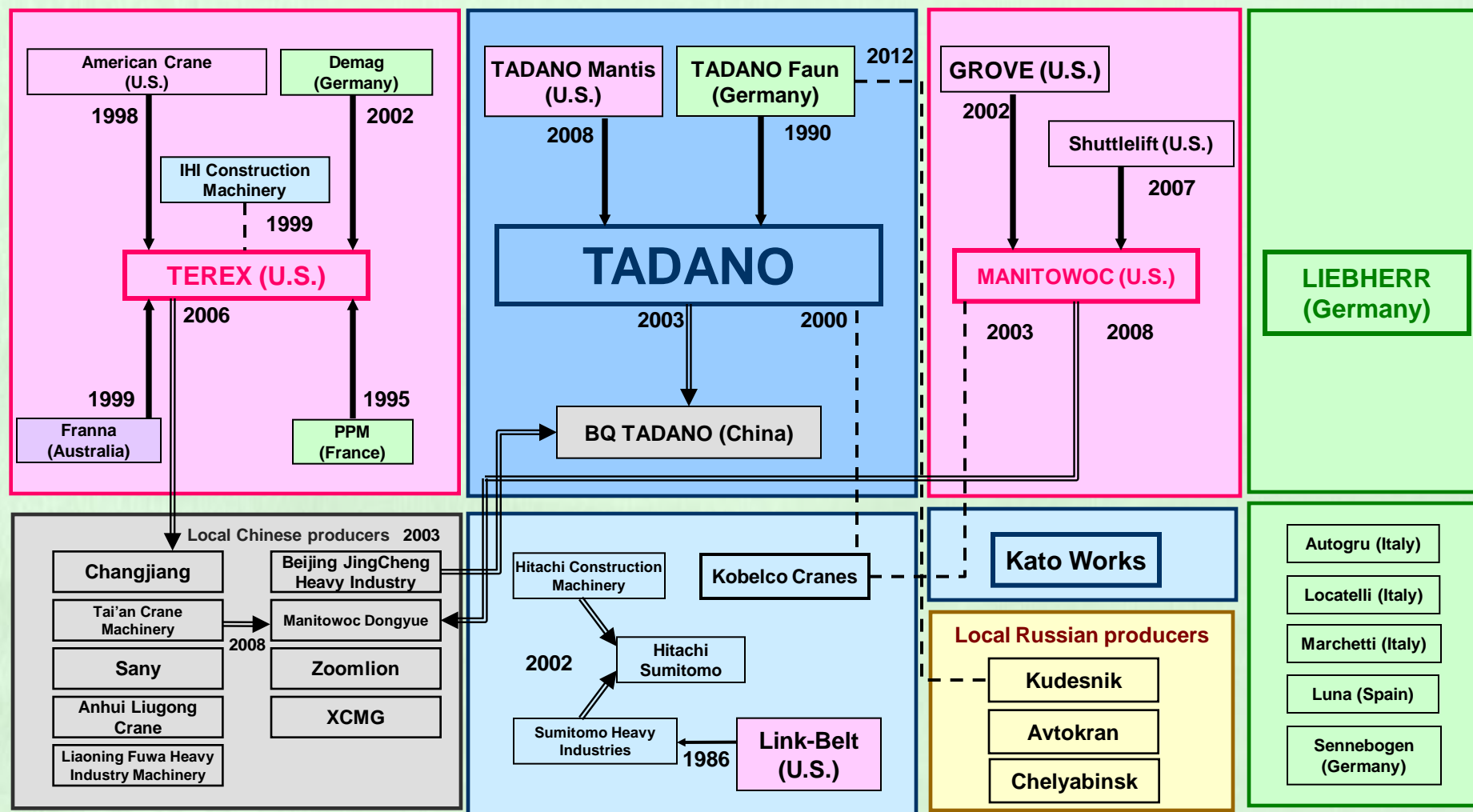


[Points shared with Mobile Cranes]

- **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. This 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 beginning April 2012.
 - The enforcement on regulations has been postponed in light of Great Tohoku Earthquake recovery construction.
- **Level 3.5 emissions regulations for RCs for the Japanese market**
Motor output 130 kW or higher: beginning April 2013 Less than 130 kW: beginning November 2013
- **Emissions regulations for RCs for North American markets:** (i) Tier 4 Interim: beginning January 2011
(ii) Tier 4: beginning January 2014
- **Emissions regulations for ACs for European markets:** (i) Euromoto IIIB: beginning January 2011
(ii) Euromoto IV: beginning January 2014

Structure of the World Crane Industry

(Manufacturers of Hydraulic Cranes and Crawler Cranes)



* Prepared by TADANO based on materials from the Japan Construction Equipment Manufacturers Association.

—————> Acquisition (numerals indicate fiscal year of acquisition)
 - - - - - Partnership (numerals indicate fiscal year of partnership)
 ==> Investment/joint venture

Trends in Global Demand for Mobile Cranes

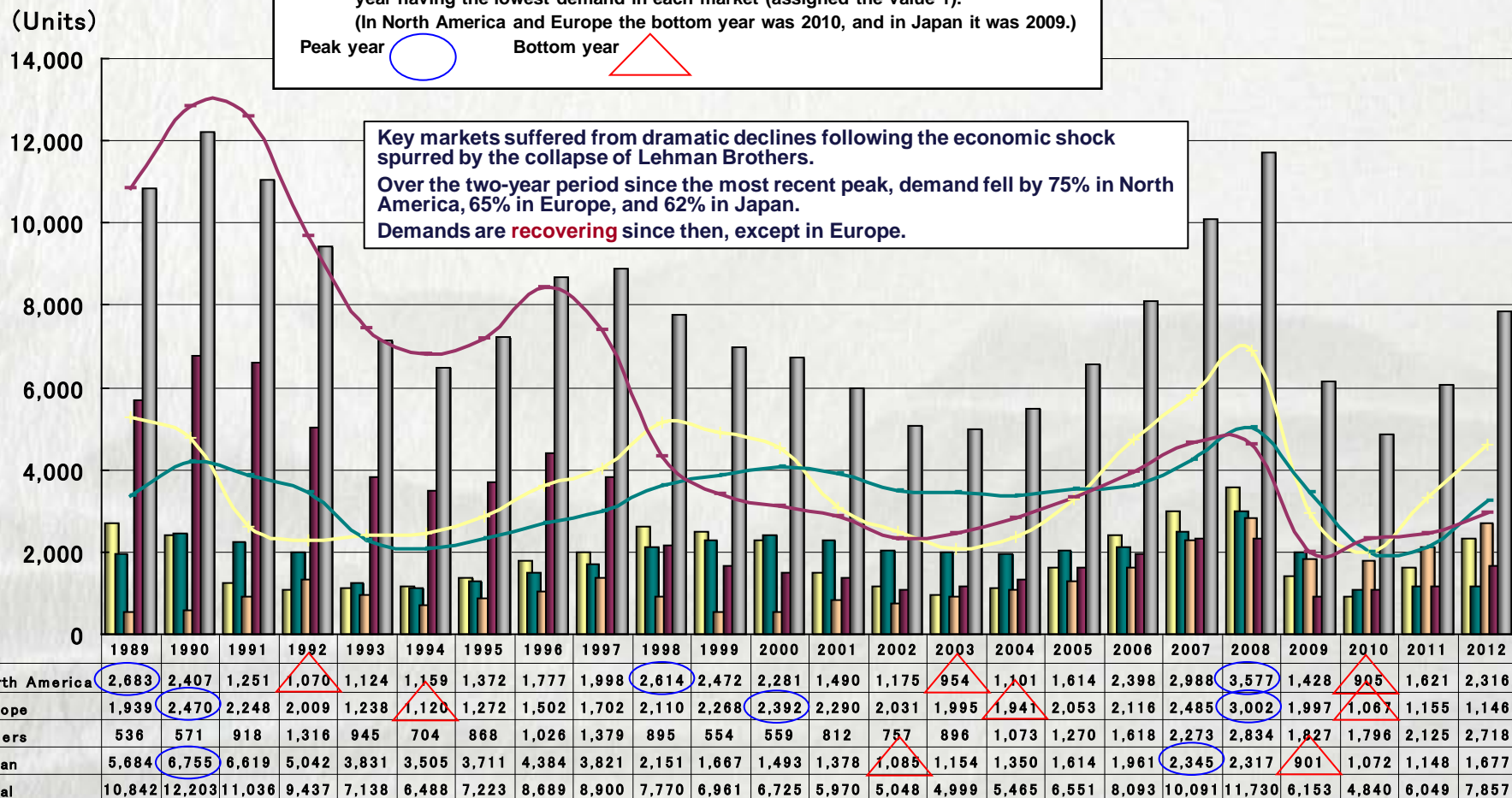
(Jan. - Dec. 2012 Calendar-year Basis)

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 △

Key markets suffered from dramatic declines following the economic shock spurred by the collapse of Lehman Brothers.
Over the two-year period since the most recent peak, demand fell by 75% in North America, 65% in Europe, and 62% in Japan.
Demands are **recovering** since then, except in Europe.



1. Figures are estimated by TADANO.

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

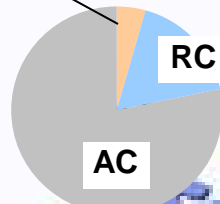
Mobile Cranes

Crane-type Composition of Demand by Region (January-December 2012, Calendar-year Basis)

TADANO's share of the global market fell from 22.3% to 21.8%, taking second place in the industry. (Excluding Chinese and Russian production from the global demand.)

Global demand for hydraulic Mobile Cranes rose from 6,049 to 7,857 units (January-December 2012, TADANO estimate), a 29.9% increase from the previous year.

TC



Europe: Demand fell from 1,155 to 1,146 units (-0.8%).
(TADANO's share rose from 12.5% to 13.4%).
52 TC units, 196 RC units, 898 AC units

Japan: Demand rose from 1,148 to 1,677 units (+46.1%).
(TADANO's share fell from 48.2% to 45.6%).
2 TC units, 1,581 RC units, 94 AC units

North America: Demand rose from 1,621 to 2,316 units (+42.9%).
(TADANO's share rose from 14.1% to 15.9%).
308 TC units, 1,627 RC units, 381 AC units

Middle East: Demand rose from 557 to 732 units (+31.4%).
(TADANO's share fell from 33.2% to 19.8%).
36 TC units, 500 RC units, 196 AC units

Asia: Demand rose from 268 to 341 units (+27.2%).
(TADANO's share fell from 28.0% to 27.9%).
25 TC units, 189 RC units, 127 AC units

Other markets: Demand rose from 657 to 983 units (+49.6%).
(TADANO's share fell from 16.9% to 15.4%).
38 TC units, 373 RC units, 572 AC units

Caribbean, Central and South America:
Demand rose from 643 to 662 units (+3%).
(TADANO's share fell from 8.2% to 5.7%).
73 TC units, 375 RC units, 214 AC units

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.

European Business

-Offering a Full Range of All Terrain Cranes, and Promoting Sales to 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: 587

- Sales trend:

- 2005; 175 million EUR/271 units, 2006; 218 million EUR/331 units,
2007; 266 million EUR/373 units, 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/ 294units

- *Note: Figures of 2011 and before are simple consolidation of European sales and production companies.



- [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: 10



- **Accelerating the offer of full range of All Terrain Cranes:**

- Nine models with 40 to 400 ton lifting capacity are available.

- (Photo on the right is 400t All Terrain Crane: Launched on September 2012 for Europe;
Launched on May 2013 for Japan.)



- **Acquisition of site for testing ground:**

- TFG has purchased a testing site 30 kilometers north of the TFG plant for testing prototypes of large ACs and other products, and started using it on September 2012.

American Businesses

-Increasing Market Share in North America, and Efforts Targeting Caribbean, Central and South American Markets-

● Overview of group companies in the Americas

[TADANO America Holdings, Inc. (TAH)]

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: 52

Sales trend: 2005: 80 million USD; 2006: 95 million USD; 2007: 142 million USD; 2008: 145 million USD; 2009: 105 million USD; 2010: 78 million USD; 2011: 183 million USD, 2012: 249 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: 159

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

[TADANO BRASIL EQUIPAMENTOS DE ELEVACAO LTDA.]

Paid-in capital: 15 million BRL (ownership: TADANO 68.5%; Mr. Marcio Guimaraes de Campos [our sales representative president] 31.5%)

Location: Sao Paulo, Brazil

Lines of business: Production, distribution and service for Mobile Cranes and other products.

Representative: Keisuke Nagai, President; number of employees: 27

Established in April 2011; plant completed in November 2011; operation began in May 2012.



Chinese Businesses - Achieving Cost Reduction, Quality Improvement, and Exports from China -

● Hydraulic crane market in China

Demand for hydraulic cranes in the 2012 calendar year was 22,000 units (37% down from the previous year), with Chinese-produced Truck Cranes accounting for most of this demand (TADANO research).

2008: 21,500 units (+10%); 2009: 27,000 units (+26%); 2010: 35,000 units (+30%) ; 2011: 35,000 units (± 0)

Small cranes with lifting capacities of up to 25 tons constitute the bulk of demand, accounting for an 83% share in 2012. This is assumed to reflect an increase in individual proprietorship (private users).

● 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 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 8 models of TCs with lifting capacities of 8-100 tons

President: Hidemi Uchida (from TADANO); number of employees: 326

Sales trend:

2009: 212 units/ market share 0.8%/ 220 million RMB; 2010: 254 units/market share 0.7%/ 250 million RMB;
2011: 230 units/ market share 0.6%/ 310 million RMB; 2012: 194 units/ market share 0.8%/ 280 million RMB

➢ In January 2006, TADANO invested an additional \$10 million in this joint venture.

- This investment increased the TADANO ownership stake to 50%, the maximum stake possible, due to Chinese limiting of foreign ownership of Truck Cranes production facilities; Chinese authorities regard them as facilities for the motor vehicle industry.

Note: At present, this joint venture is not subject to consolidation and has almost no impact on Group business performance.

[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 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: 70

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

(This is the first joint venture involving investment by and joint efforts with partner companies in Kagawa Prefecture.)

[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 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: 88

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



Business Expansion Overseas Since 2003

- Eleven Companies Established or Acquired; Five New Facilities Opened -

2008: TADANO FAUN Stahlbau established
2011: TADANO FAUN acquired site for testing ground

2008: TADANO America's Canada Representative Office opened
2008: TADANO America Holdings established
2008: SpanDeck (now TADANO MANTIS) acquired

2003: BQ-TADANO established
2007: JC-TADANO established
2010: JTL-TADANO established
2012: TADANO Beijing established

2003: TADANO Middle East Representative Office opened

2012: TADANO INDIA established
2012: TADANO Thailand established

2011: TADANO America's Panama Branch Office opened
2011: TADANO Brasil established

2010: TADANO Oceania established
2011: Sydney branch of TADANO Oceania opened

Accelerating Global Expansion - Expansion within Asia -

[TADANO INDIA PVT. LTD.]

Paid in capital : 90 million INR; wholly-owned subsidiary of TADANO group

Establishment : March 2012

Location: Karnataka State, Bangalore City, Republic of India

Line of business : Distribution and services of Mobile Cranes and other products.

Representative: Chihiro Nishida, President



- TADANO group aims to strengthen our sales and services with close contacts with our users, and with minute approach toward demands in the Indian market.

[TADANO (Thailand) Co., Ltd.]

Paid in capital : 310 million THB; wholly-owned subsidiary of TADANO group

Establishment : April 2012

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

Line of business : Production and distribution of Loader Cranes

Productive capacity: 1,000 units/ year (as of operation starts in 2013)

Representative: Yasumasa Kuramae, President

Business plan: FY2018 sales; 1,150 million THB, FY2018 production; 2,000 units

- TADANO has established the first overseas production base other than for Mobile Cranes. Accelerating the advance of overseas expansion, we aim to increase profitability by establishing the manufacture subsidiary.



Lifting your dreams

Truck Loader Cranes

[Loader Cranes] Market share in Japan: 46.3% → 47.4%

Demand in Japan was 13,390 units (for FY 2012, based on TADANO research), up 29.6% from the previous fiscal year.

→ Net sales rose to ¥15,213 million (133.8% of the figure of the previous fiscal year) due to demand growth generated by Great Tohoku Earthquake recovery efforts, in addition to truck demand attributable to eco-vehicle subsidies and emission regulation.

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

-Major buyers and distinctive features-

[Overseas business]

- TADANO has focused its efforts on exports of Loader Cranes to strategic markets, exporting crane components for mounting on local trucks.
Sales in FY 2011: ¥1,200 million; in FY 2012: ¥1,230 million
- Overseas expansion is to be accelerated following the opening of a manufacturing subsidiary in Thailand in April 2012.



(Product photo: ZR560 Loader Crane for export)



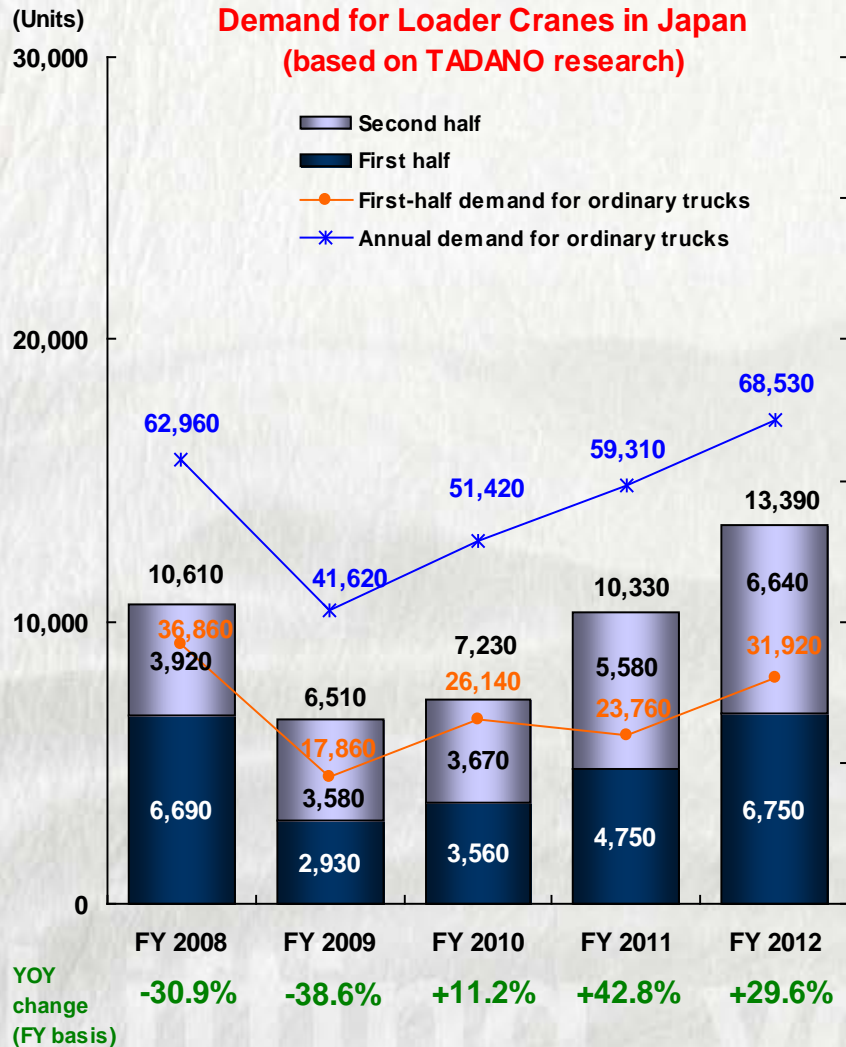
(Product photo: First Truck Loader Crane with an optional idling stop system)



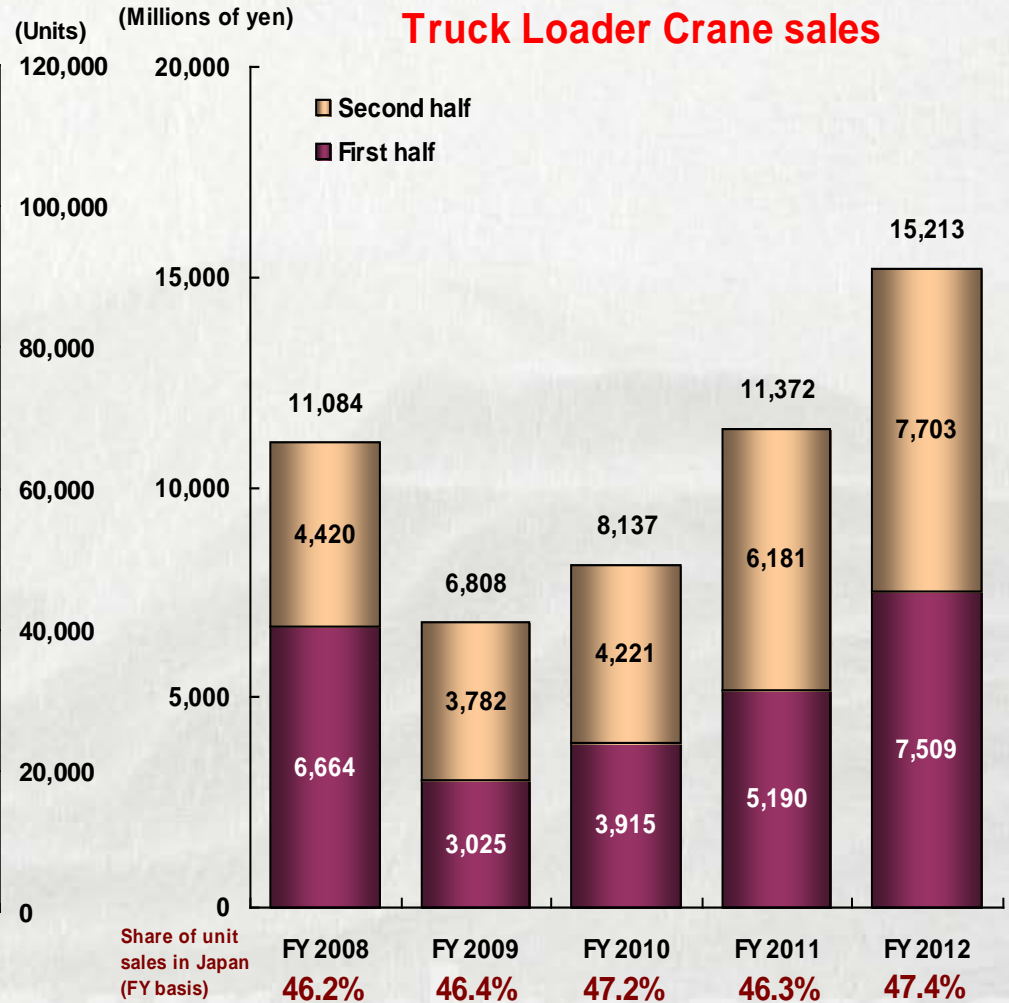
(Product photo: Hybrid Slide bed Vehicle Carrier, the first of its kind in the market, introduced April 2011)

Truck Loader Cranes

**Demand for Loader Cranes in Japan
(based on TADANO research)**



Truck Loader Crane sales



Aerial Work Platforms

Market share in Japan: 38.2% → 38.3%

Japanese demand for Aerial Work Platforms mounted on trucks was 3,266 units (for FY 2012; TADANO research), up 13.0% from the previous fiscal year.

→ Efforts made for the sales in the rental industry, where demands recovered significantly, resulted in net sales of ¥12,853 million (109.0% of the figure from the previous fiscal year).

- Used in electrical and telecommunications construction
(Six models for telecommunications use; three models for electrical construction use)
- Used in general construction, including the construction of signs and interior/exterior finishing work
(12 models for general use, three models with wheels)
- Models with both wheel based and crawler based chassis 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



-Regulator-

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

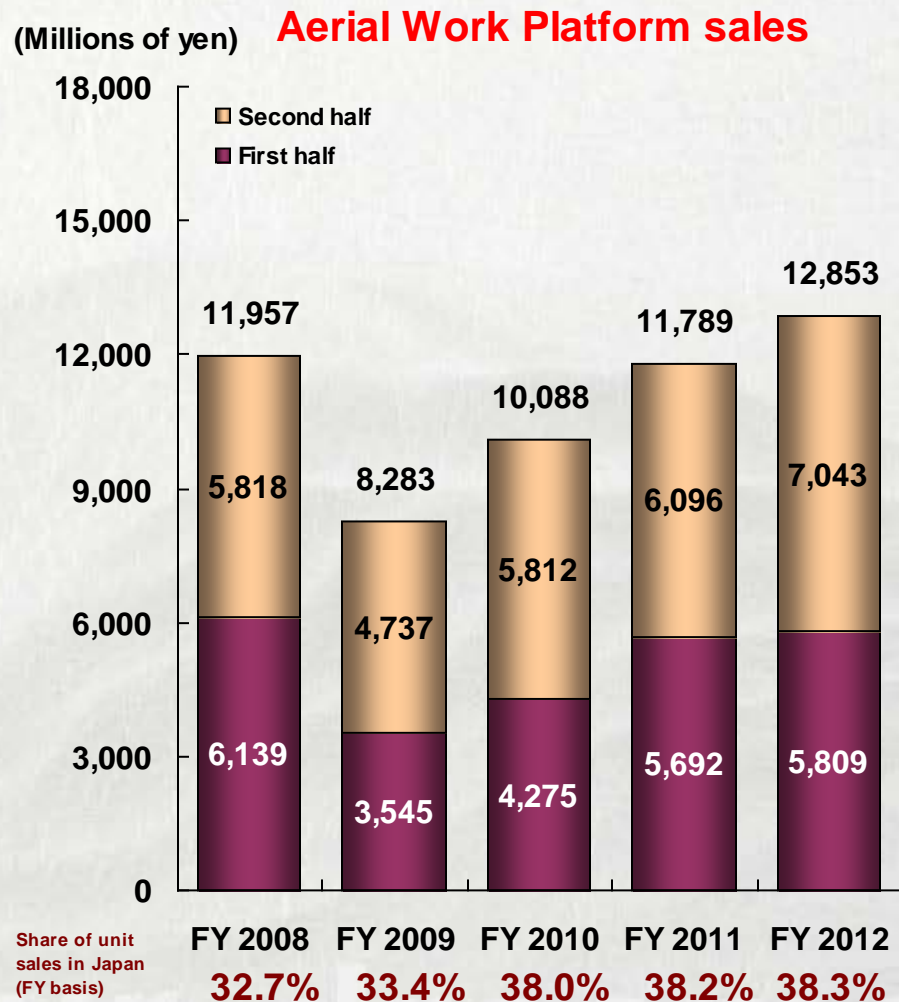
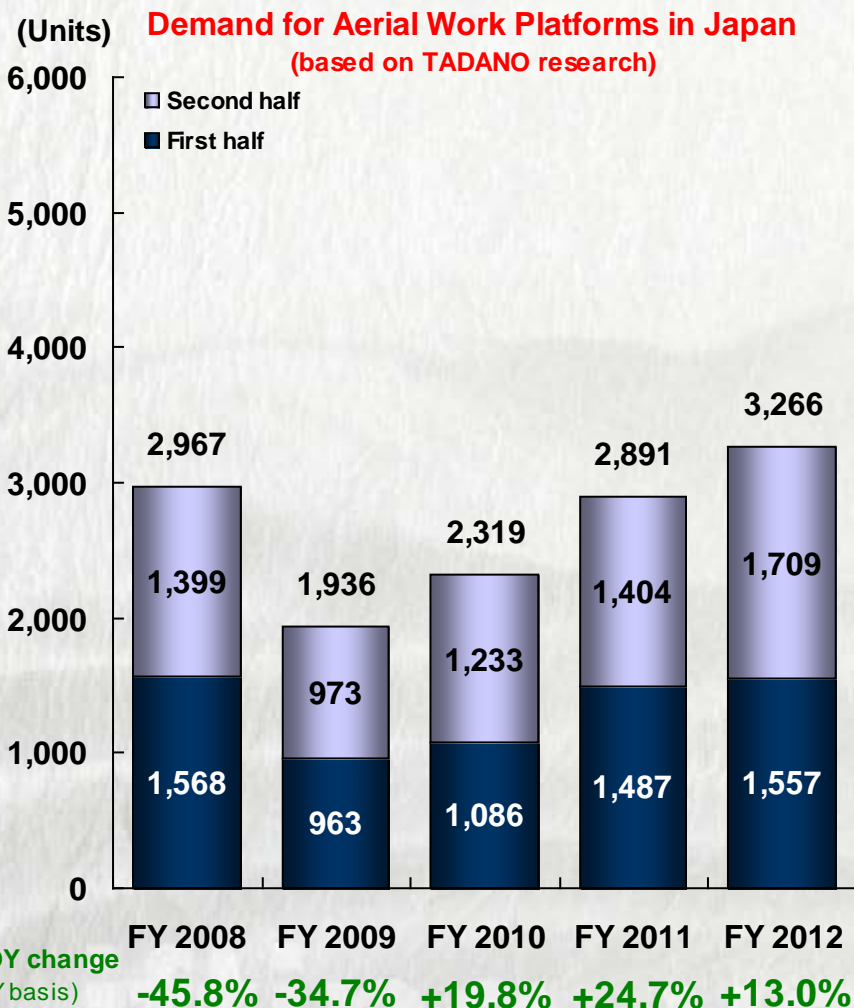
-Major buyers and distinctive features-

- 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.



Rolling jacks boost efficiency of continuous work inside tunnels (constructions, inspections and others).

Aerial Work Platforms



Other Businesses

- ➔ Net sales from other businesses, such as parts, repairs, used cranes and other products, were ¥26,222 million (106.6% 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 overseas sales increased.

[Parts and repairs]

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

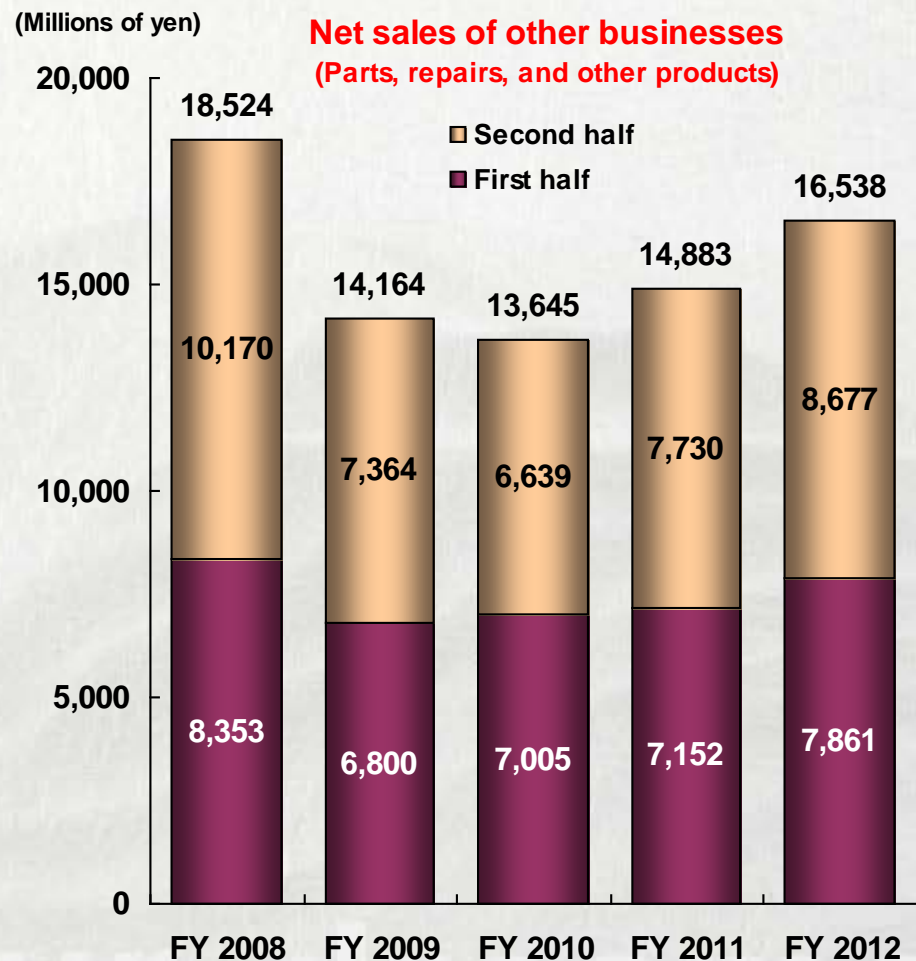
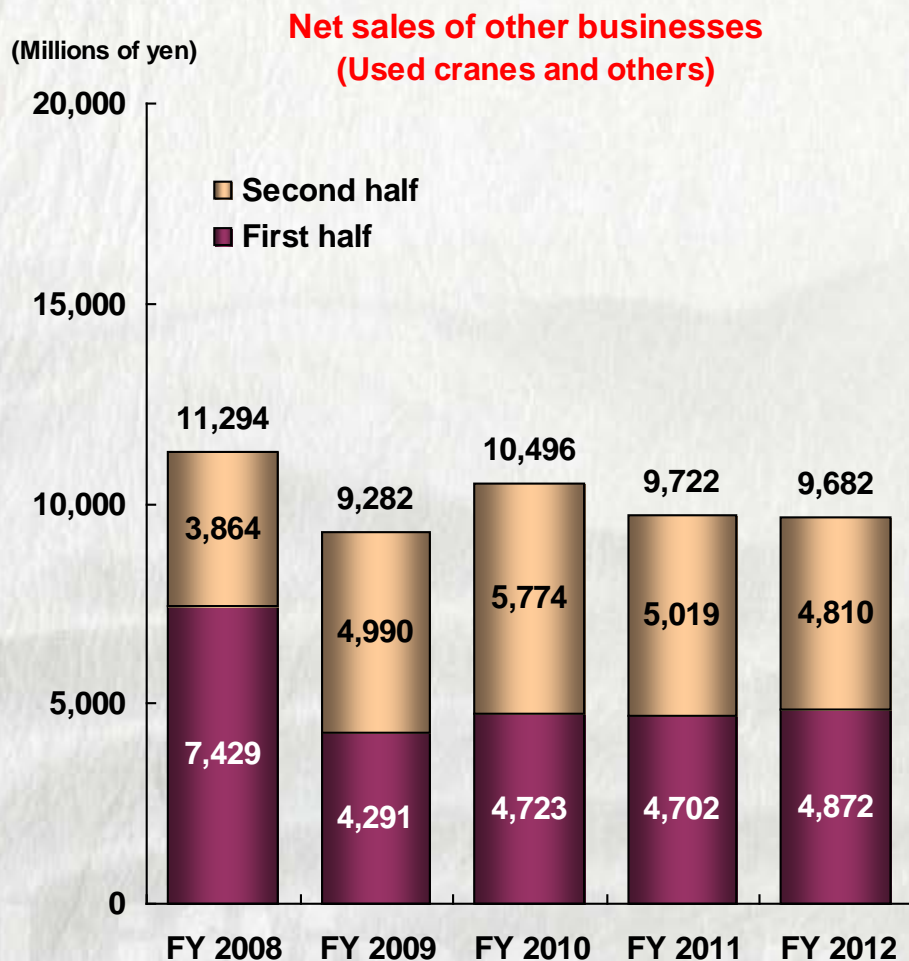


Example of the assembled CL-500 All Terrain Crane mounting/removal lifter

[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



FY 2013 Business Performance Forecasts

(Unit: millions of yen)

	FY 2012		FY 2013 forecast		Increase/ decrease
	Amount	Percentage	Amount	Percentage	
Net sales	134,836	100.0%	155,000	100.0%	+15.0%
Operating income	10,925	8.1%	15,500	10.0%	+41.9%
Ordinary income	11,448	8.5%	15,500	10.0%	+35.4%
Net income	7,341	5.4%	9,500	6.1%	+29.4%

Dividends per share	Interim: ¥5.00	Interim: ¥8.00
	Year-end: ¥7.00	Year-end: ¥8.00
	Full-year: ¥12.00	Full-year: ¥16.00

	FY 2012	FY 2013 (projected)
Capital investment	¥2,925 million	¥4,000 million
Depreciation	¥2,167 million	¥2,500 million
Exchange rate (USD)	¥79.82	¥95.00
Exchange rate (EUR)	¥102.63	¥125.00

Note: Figures for capital investment include leased assets.

[FY 2013 management policies]

- (i) Pursuing the TADANO Group's core values of "safety first, quality second, efficiency third"
- (ii) Pursuing quality in Japan and quantity overseas
- (iii) Strengthening profitability
- (iv) Completing the Mid-Term Management Plan (2011-2013)

[Seven Strategies of the Mid-Term Management Plan (2011-2013)]

● Operating strategies

- (i) Making Inroads into Strategic Markets
- (ii) Developing Eco-friendly Products
- (iii) Developing Large LE products

● Competitive strategies

- (i) Enhancing Cost Competitiveness
- (ii) Improving Quality and Service

● Fundamental strategies

- (i) Enhancing Monozukuri (manufacturing) capabilities
- (ii) Globalizing our Organization and Human Resources

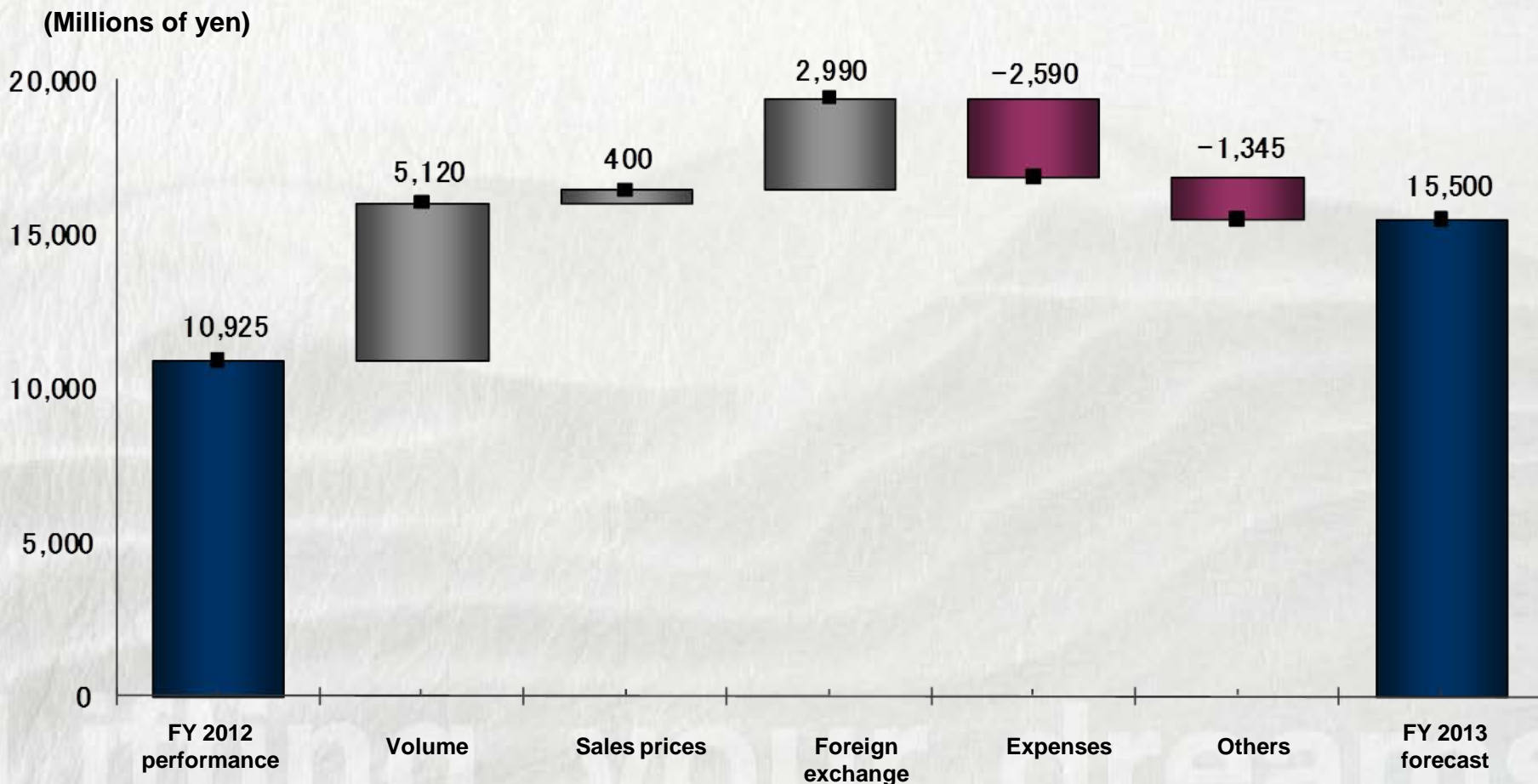
→ For the last FY in the current Mid-Term Management Plan (2011-2013), we exert ourselves to improve profitability, and for further sales promotion overseas.

■ FY 2013 full-year proportion of overseas sales: 53%

FY 2013 Business Performance Forecasts

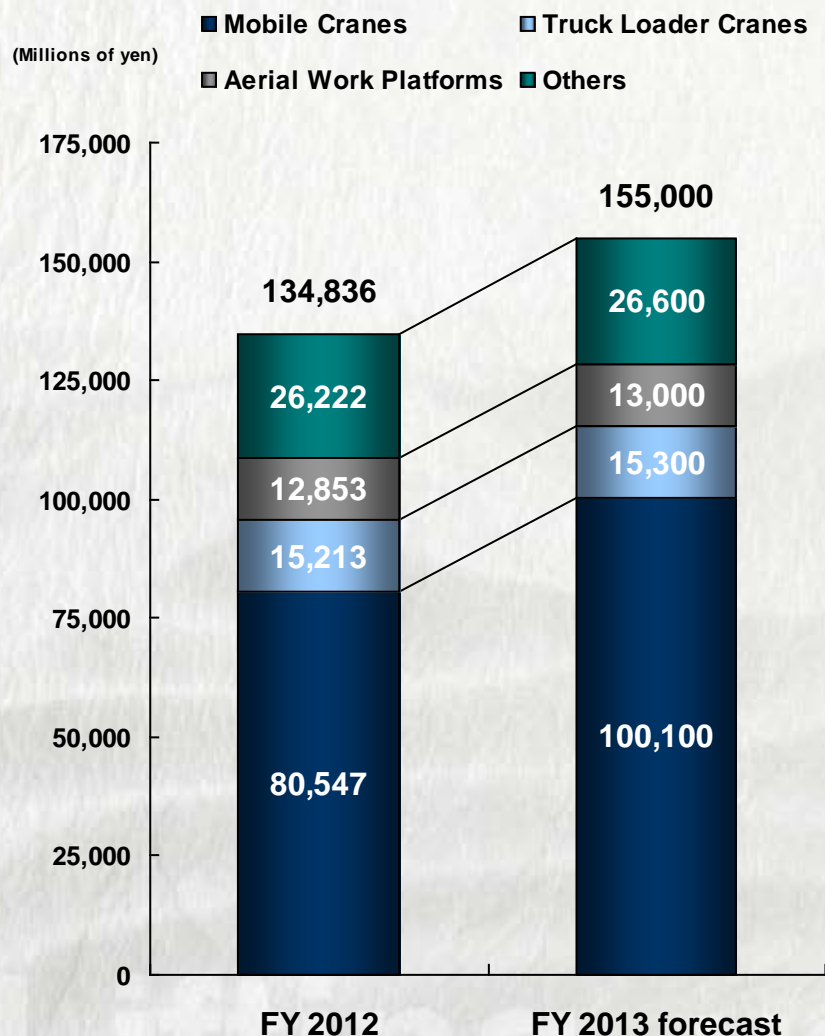
(Main Causes of Changes in Operating Income)

Operating income is projected to increase by ¥4.5 billion, due to foreign exchange effect, sales increase, and with appropriate sales prices, despite various factors including rising costs and changes in income components.



FY 2013 Business Performance Forecasts

(Net Sales by Product)



(Unit: millions of yen)

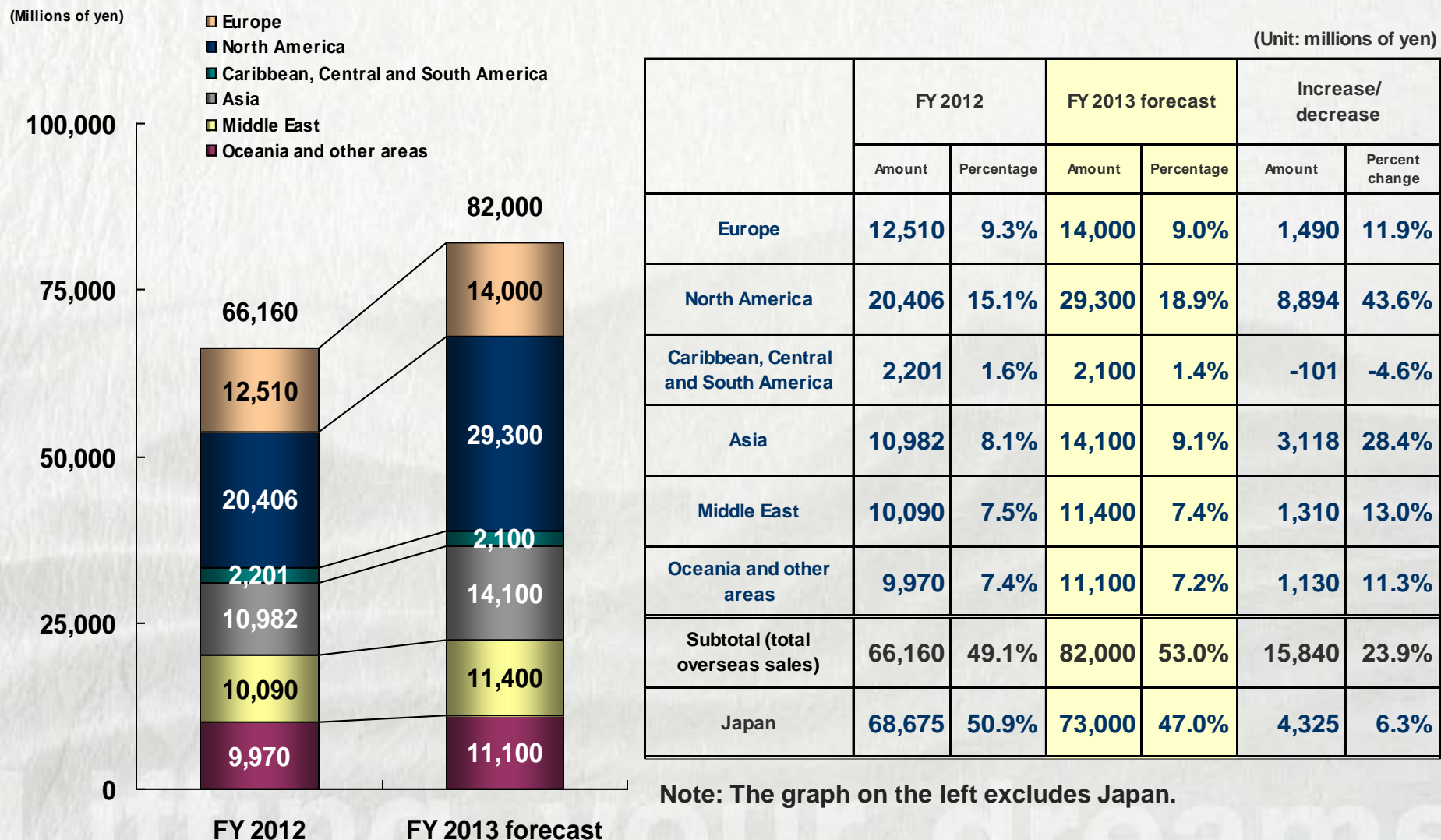
	FY 2012		FY 2013 forecast		Increase/decrease	
	Amount	Percentage	Amount	Percentage	Amount	Percent change
Mobile Cranes	80,547	59.7%	100,100	64.6%	19,553	24.3%
Truck Loader Cranes	15,213	11.3%	15,300	9.9%	87	0.6%
Aerial Work Platforms	12,853	9.5%	13,000	8.4%	147	1.1%
Others	26,222	19.5%	26,600	17.1%	378	1.4%
Total	134,836	100%	155,000	100%	20,164	15.0%

[Key points for individual products]

- **Mobile Cranes: + ¥19.5 billion**
Japan: Sales growth of ¥3.7 billion due to replacement of older cranes
Overseas: Sales growth of ¥15.7 billion due to demand recovery, primarily in North America
- **Truck Loader Cranes: + ¥0.08 billion**
Demand in Japan largely unchanged
- **Aerial Work Platforms: + ¥0.14 billion**
Demand in Japan largely unchanged
- **Others: + ¥0.37 billion**

FY 2013 Business Performance Forecasts

(Net Sales by Destination)



➤ Our exhibition at 'Bauma 2013'

One of the three biggest construction machine exhibitions in the world, at Munich (Germany), from April 15 to 21, 2013.

3,256 companies from 53 countries took part in the last 'Bauma 2010', attracting more than 420,000 visitors from 200 countries.

All Terrain Cranes: ATF400G-6 (400t lifting capacity), ATF220G-5 (220t), ATF180G-5 (180t), ATF130G-5 (130t), ATF90G-4 (90t), ATF70G-4 (70t)

Truck Crane: HK65 (65t) **Rough Terrain Crane:** GR-800EX (80t)

Telescopic Boom Crawler Crane: GTC-300EX (30t)

Truck Loader Cranes: TM-ZR825 (8.2t), TM-ZE503GMH (4t)



Lifting your dreams