

Explanatory Materials on FY2013 First Quarter Consolidated Financial Results

August 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.



Income Statement (vs. Previous Year)

(Unit: millions of yen)

	1Q FY2012		1Q FY2013		Change
	Amount	Percentage	Amount	Percentage	
Net sales	28,240	100.0%	38,114	100.0%	9,873
Cost of sales	21,128	74.8%	26,750	70.2%	5,622
Gross profit on installment sales	60	0.2%	13	0.0%	-47
Gross profit	7,173	25.4%	11,376	29.8%	4,203
Selling, general, and administrative expenses	5,277	18.7%	6,694	17.6%	1,416
Operating income	1,895	6.7%	4,682	12.3%	2,786
Non-operating income and loss	-720	-2.5%	554	1.5%	1,274
Ordinary income	1,175	4.2%	5,236	13.7%	4,061
Extraordinary income and loss	-73	-0.3%	0	0.0%	73
Income before income taxes and minority interests	1,101	3.9%	5,236	13.7%	4,134
Corporate taxes	479	1.7%	1,251	3.3%	771
Minority interests	-5	0.0%	13	0.0%	18
Net income	627	2.2%	3,971	10.4%	3,344

[Key changes of this quarter (April-June)]

The highest profit ever for the first quarter.

> Net sales

- Consolidated net sales increased by 35.0% compared with the previous 1Q.
(Net sales in Japan: +7.5%, Net sales overseas: +58.3%)
- Overseas sales ratio was 63.4%.

> COGS ratio

- COGS ratio was 70.2% (4.6 percentage points up compared with the previous 1Q), by resuming appropriate sales prices, reducing costs from operating ratio improvement, and with depreciation of yen.

> Selling, general, and administrative expenses

- ¥1.4 billion increase compared with the previous 1Q.
(Personnel costs: + ¥0.3 billion, Variable costs: + ¥0.4 billion, Other expenses: + ¥0.7 billion)

> Ordinary income and net income:

- Ordinary income increased by ¥4.0 billion compared with the previous 1Q.
- Net income increased by ¥3.3 billion compared with the previous 1Q.

> Factors of ordinary income change:

- + ¥2.5 billion by ¥9.8 billion increase of net sales
- + ¥1.7 billion by 4.6 percentage points improvement of COGS ratio
- ¥1.4 billion due to increase of selling, general, and administrative expenses
- + ¥1.2 billion by improvement of non-operating income and loss (+ ¥0.9 billion by improvement of foreign exchange income and loss)



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Balance Sheet (vs. End of Previous Financial Year)

(Unit: millions of yen)

	FY2012 year-end		1Q FY2013		Change
	Amount	Percentage	Amount	Percentage	
Cash deposit	39,582	22.3%	42,413	23.6%	2,831
Accounts receivable	40,820	23.0%	35,460	19.8%	-5,360
Inventories	45,341	25.5%	49,644	27.7%	4,302
Other current assets	6,400	3.6%	5,915	3.3%	-485
Total current assets	132,144	74.4%	133,432	74.4%	1,288
Tangible fixed assets	34,584	19.5%	35,402	19.7%	817
Intangible fixed assets	776	0.4%	860	0.5%	83
Investment and other assets	10,105	5.7%	9,701	5.4%	-403
Total fixed assets	45,466	25.6%	45,964	25.6%	497
Total assets	177,611	100.0%	179,397	100.0%	1,785

[Key changes]

> Accounts receivable decreased:

¥40.8 billion → ¥35.4 billion

- The receivable turnover period improved.
(FY2012: 110.5 days; 1Q FY2013: 84.7 days)

> Inventories increased:

¥45.3 billion → ¥49.6 billion

- (The ¥49.6 billion includes ¥14.4 billion in TADANO Faun GmbH)
- The inventory turnover period improved.
(FY2012: 122.7 days; 1Q FY2013: 118.5 days)

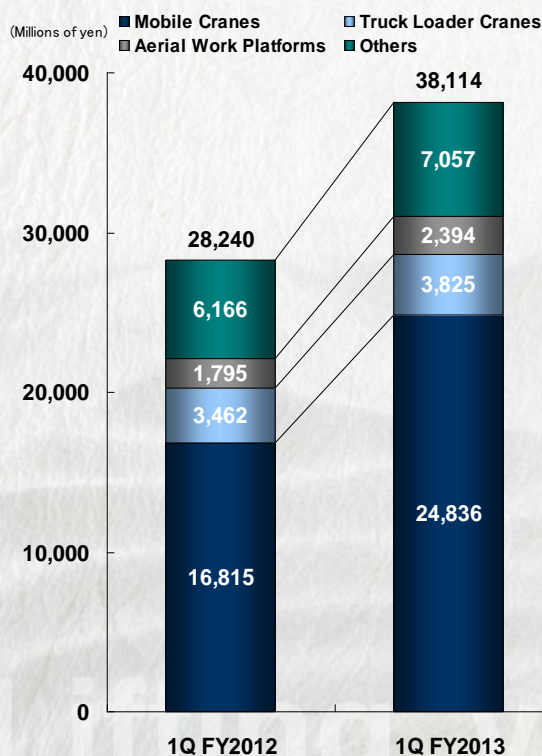
Accounts payable	31,094	17.5%	28,739	16.0%	-2,354
Interest-bearing debt	38,706	21.8%	39,183	21.8%	477
Other liabilities	21,136	11.9%	20,370	11.4%	-766
Total liabilities	90,937	51.2%	88,293	49.2%	-2,643
Total equity	86,674	48.8%	91,103	50.8%	4,429
Total liabilities and equity	177,611	100.0%	179,397	100.0%	1,785



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Net Sales by Product

(Unit: millions of yen)



	1Q FY2012		1Q FY2013		Change	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Mobile Cranes	16,815	59.5%	24,836	65.2%	8,020	47.7%
Truck Loader Cranes	3,462	12.3%	3,825	10.0%	362	10.5%
Aerial Work Platforms	1,795	6.4%	2,394	6.3%	598	33.3%
Others	6,166	21.8%	7,057	18.5%	891	14.5%
Total	28,240	100%	38,114	100%	9,873	35.0%

* Breakdown of Mobile Crane sales in Japan and overseas

Japan	4,523	4,186	-336	-7.4%
Overseas	12,292	20,650	8,357	68.0%

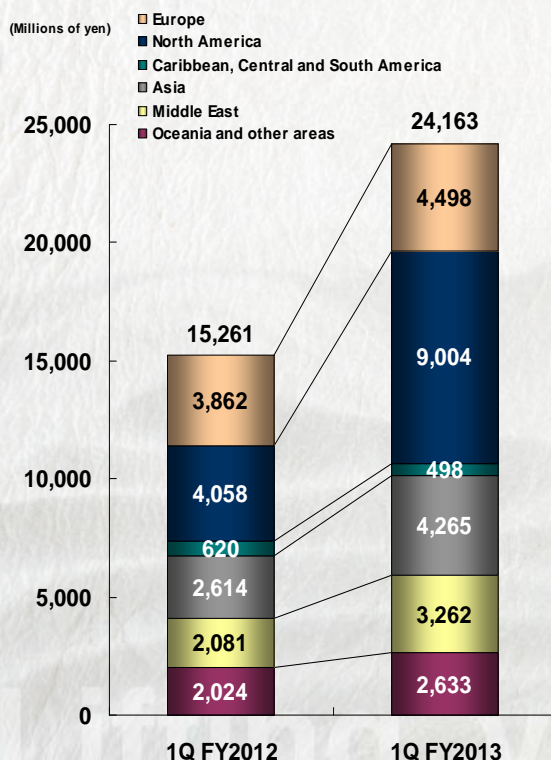
* Exchange rate (January-March average rate)

USD	79.28	92.42
EUR	103.99	122.04

Note: Since the fiscal year for overseas subsidiaries ends in December, the rates given here are January-March average.

Net Sales by Destination

(Unit: millions of yen)



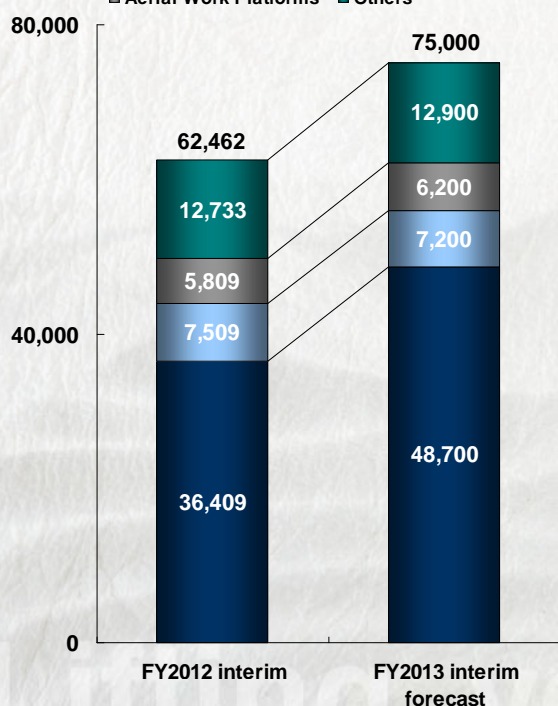
	1Q FY2012		1Q FY2013		Change	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Europe	3,862	13.7%	4,498	11.8%	636	16.5%
North America	4,058	14.4%	9,004	23.6%	4,945	121.9%
Caribbean, Central and South America	620	2.2%	498	1.3%	-122	-19.6%
Asia	2,614	9.2%	4,265	11.2%	1,651	63.2%
Middle East	2,081	7.4%	3,262	8.6%	1,180	56.7%
Oceania and other areas	2,024	7.1%	2,633	6.9%	609	30.1%
Subtotal (total overseas sales)	15,261	54.0%	24,163	63.4%	8,902	58.3%
Japan	12,979	46.0%	13,950	36.6%	970	7.5%
Total	28,240	100%	38,114	100%	9,873	35.0%

Note: The graph on the left excludes Japan.

FY2013 Interim Forecast

(Net Sales by Product)

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



(Unit: millions of yen)

	FY2012 interim		FY2013 interim forecast		Change	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Mobile Cranes	36,409	58.3%	48,700	64.9%	12,291	33.8%
Truck Loader Cranes	7,509	12.0%	7,200	9.6%	-309	-4.1%
Aerial Work Platforms	5,809	9.3%	6,200	8.3%	391	6.7%
Others	12,733	20.4%	12,900	17.2%	167	1.3%
Total	62,462	100%	75,000	100%	12,538	20.1%

* Breakdown of Mobile Crane sales in Japan and overseas

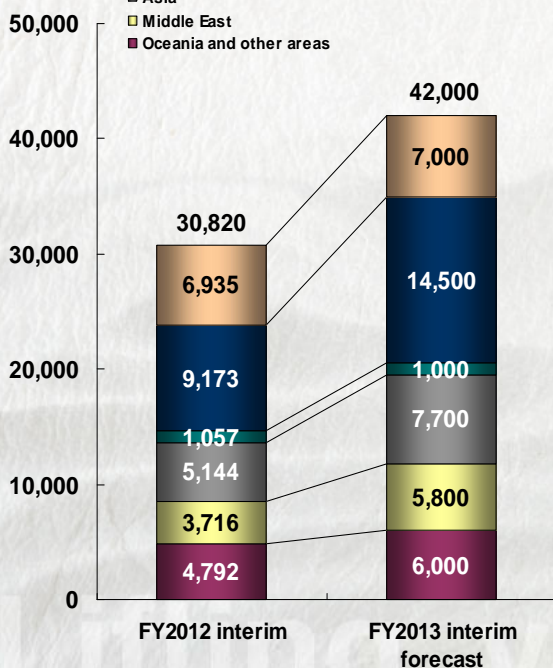
Japan	11,603	12,600	997	8.6%
Overseas	24,806	36,100	11,294	45.5%

Note: No changes from the forecast on April 26, 2013.

FY2013 Interim Forecast

(Net Sales by Destination)

(Millions of yen) ■ Europe ■ North America ■ Caribbean, Central and South America ■ Asia ■ Middle East ■ Oceania and other areas



(Unit: millions of yen)

	FY2012 interim		FY2013 interim forecast		Change	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Europe	6,935	11.1%	7,000	9.3%	65	0.9%
North America	9,173	14.7%	14,500	19.4%	5,327	58.1%
Caribbean, Central and South America	1,057	1.7%	1,000	1.3%	-57	-5.4%
Asia	5,144	8.2%	7,700	10.3%	2,556	49.7%
Middle East	3,716	5.9%	5,800	7.7%	2,084	56.1%
Oceania and other areas	4,792	7.7%	6,000	8.0%	1,208	25.2%
Subtotal (total overseas sales)	30,820	49.3%	42,000	56.0%	11,180	36.3%
Japan	31,642	50.7%	33,000	44.0%	1,358	4.3%
Total	62,462	100%	75,000	100%	12,538	20.1%

Note: No changes from the forecast on April 26, 2013.
The graph on the left excludes Japan.