

# Explanatory Materials on FY2012 Third Quarter Consolidated Financial Results

January 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)

	3Q FY2011		3Q FY2012		Increase/ decrease
	Amount	Percentage	Amount	Percentage	
Net sales	74,970	100.0%	94,119	100.0%	19,149
Cost of sales	57,552	76.8%	70,437	74.8%	12,884
Gross profit on installment sales	204	0.3%	129	0.1%	-74
Gross profit	17,621	23.5%	23,811	25.3%	6,190
Selling, general, and administrative expenses	14,274	19.0%	16,148	17.2%	1,874
Operating income	3,347	4.5%	7,663	8.1%	4,316
Non-operating income and loss	-554	-0.8%	113	0.1%	668
Ordinary income	2,792	3.7%	7,776	8.3%	4,984
Extraordinary income and loss	134	0.2%	-48	-0.1%	-182
Income before income taxes and minority	2,927	3.9%	7,728	8.2%	4,801
Corporate taxes	1,612	2.1%	2,788	3.0%	1,176
Minority Interests	45	0.1%	-44	-0.1%	90
Net Income	1,268	1.7%	4,984	5.3%	3,716

## [Key points of this quarter (Apr.-Dec.)]

### Increased revenues and increased profits for the two consecutive years.

- **Net sales**
  - Consolidated net sales rose 25.5% from the same period in the previous year.  
(Domestic sales rose 21.4%; overseas sales rose 29.8%)
  - The overseas sales ratio was 51.2%.
- **COGS ratio**
  - Appropriate sales prices and operating ratio improvements resulted in sales cost reduction, leading to the COGS ratio of 74.8%; 2.0% improvement from the same period in the previous year.
- **Ordinary income and net income**
  - Ordinary income improved by ¥4.9 billion from the same period in the previous year.
  - Net income improved by ¥3.7 billion from the same period in the previous year.
- **Factors of ordinary income change**
  - ¥19.1 billion net sales increase → ¥4.4 billion increase
  - 2.0% COGS ratio improvement → ¥1.8 billion increase
  - Selling, general, and administrative expenses increase → ¥1.8 billion decrease
  - Non-operating income and loss improvement → ¥0.6 billion increase (inc. ¥0.8 billion foreign exchange gains)

# Balance sheet (vs. end of previous period)

(Unit: millions of yen)

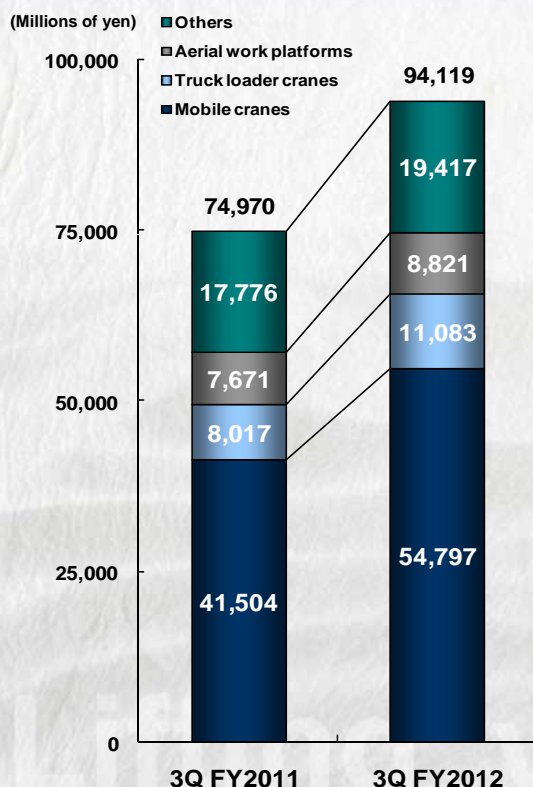
	FY2011 year-end		3Q FY2012		Increase/ decrease
	Amount	Percentage	Amount	Percentage	
Cash deposit	40,225	25.0%	37,758	22.7%	-2,466
Accounts receivable	35,041	21.8%	31,234	18.8%	-3,807
Inventories	34,205	21.3%	45,782	27.5%	11,576
Other current assets	4,572	2.8%	5,433	3.3%	861
<b>Total current assets</b>	<b>114,045</b>	<b>70.8%</b>	<b>120,209</b>	<b>72.3%</b>	<b>6,163</b>
Tangible fixed assets	33,449	20.8%	33,957	20.4%	507
Intangible fixed assets	867	0.5%	762	0.5%	-105
Investment and other assets	12,813	7.9%	11,314	6.8%	-1,499
<b>Total fixed assets</b>	<b>47,130</b>	<b>29.3%</b>	<b>46,034</b>	<b>27.7%</b>	<b>-1,096</b>
<b>Total assets</b>	<b>161,176</b>	<b>100.0%</b>	<b>166,243</b>	<b>100.0%</b>	<b>5,066</b>
Accounts payable	28,331	17.6%	30,708	18.5%	2,377
Interest-bearing debt	38,101	23.6%	37,558	22.6%	-543
Other current liabilities	16,224	10.1%	16,389	9.8%	164
<b>Total liabilities</b>	<b>82,657</b>	<b>51.3%</b>	<b>84,655</b>	<b>50.9%</b>	<b>1,997</b>
<b>Total equity</b>	<b>78,518</b>	<b>48.7%</b>	<b>81,587</b>	<b>49.1%</b>	<b>3,069</b>
<b>Total liabilities and equity</b>	<b>161,176</b>	<b>100.0%</b>	<b>166,243</b>	<b>100.0%</b>	<b>5,066</b>

## [Key changes]

- **Accounts receivable decreased:**  
**¥35.0 billion → ¥31.2 billion**  
→ The receivable turnover period improved.  
(FY2011: 112.0 days; 3Q FY2012: 91.3 days)
- **Inventories increased:**  
**¥34.2 billion → ¥45.7 billion**  
→ The inventory turnover period deteriorated.  
(FY2011: 109.3 days; 3Q FY2012: 133.8 days)
- **Interest-bearing debt decreased:**  
**¥38.1 billion → ¥37.5 billion**  
→ Short-term: increased by ¥6.0 billion  
→ Long-term: decreased by ¥6.5 billion

# Net sales by product

(Unit: millions of yen)



	3Q FY2011		3Q FY2012		Increase/decrease	
	Amount	Percentage	Amount	Percentage	Amount	Percent change
Mobile cranes	41,504	55.4%	54,797	58.2%	13,292	32.0%
Truck loader cranes	8,017	10.7%	11,083	11.8%	3,066	38.2%
Aerial work platforms	7,671	10.2%	8,821	9.4%	1,149	15.0%
Others	17,776	23.7%	19,417	20.6%	1,641	9.2%
<b>Total</b>	<b>74,970</b>	<b>100%</b>	<b>94,119</b>	<b>100%</b>	<b>19,149</b>	<b>25.5%</b>

\* Breakdown of domestic and overseas sales of mobile cranes

	3Q FY2011	3Q FY2012	Increase/decrease	Percent change
Domestic	12,455	15,605	3,149	25.3%
Overseas	29,049	39,192	10,142	34.9%

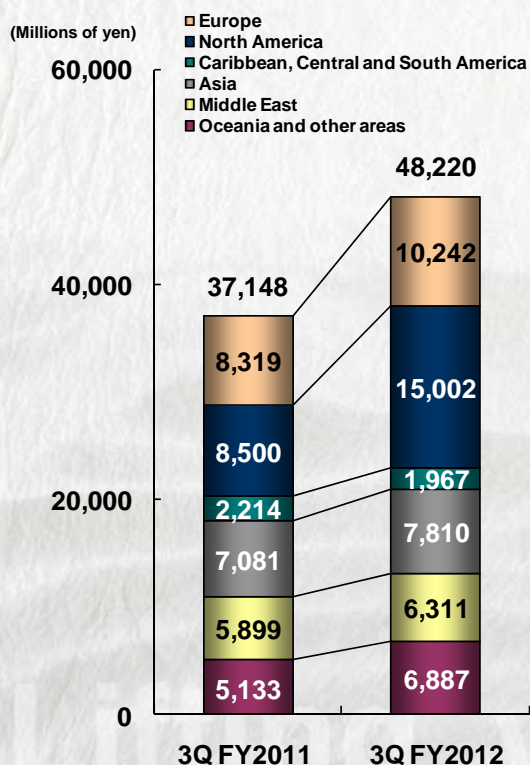
\* Exchange rate (Jan.-Sep. average rate)

	3Q FY2011	3Q FY2012
USD	80.66	79.37
EUR	113.38	101.75

Note: Since the fiscal year for overseas subsidiaries ends in December, the third-quarter average is for the January-September period.

# Net sales by destination market

(Unit: millions of yen)



	3Q FY2011		3Q FY2012		Increase/decrease	
	Amount	Percentage	Amount	Percentage	Amount	Percent change
Europe	8,319	11.1%	10,242	10.9%	1,923	23.1%
North America	8,500	11.3%	15,002	15.9%	6,501	76.5%
Caribbean, Central and South America	2,214	3.0%	1,967	2.1%	-247	-11.2%
Asia	7,081	9.4%	7,810	8.3%	728	10.3%
Middle East	5,899	7.9%	6,311	6.7%	412	7.0%
Oceania and other areas	5,133	6.9%	6,887	7.3%	1,753	34.2%
Subtotal (total overseas sales)	37,148	49.6%	48,220	51.2%	11,072	29.8%
Japan	37,821	50.4%	45,898	48.8%	8,077	21.4%
<b>Total</b>	<b>74,970</b>	<b>100%</b>	<b>94,119</b>	<b>100%</b>	<b>19,149</b>	<b>25.5%</b>

Note: The graph on the left excludes Japan

# FY2012 business performance forecasts (as of Jan 31, 2013)

(Unit: millions of yen)

(Full year)	FY2011		FY2012 forecast (revised on Oct 26)		FY2012 forecast (revised on Jan 31)		Increase/ decrease	
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percent change
Net sales	114,209	100.0%	132,000	100.0%	132,000	100.0%	-	-
Operating income	5,895	5.2%	8,500	5.7%	10,000	7.6%	1,500	17.6%
Ordinary income	5,778	5.1%	7,500	5.3%	10,000	7.6%	2,500	33.3%
Net income	3,145	2.8%	4,700	3.4%	5,500	4.2%	800	17.0%

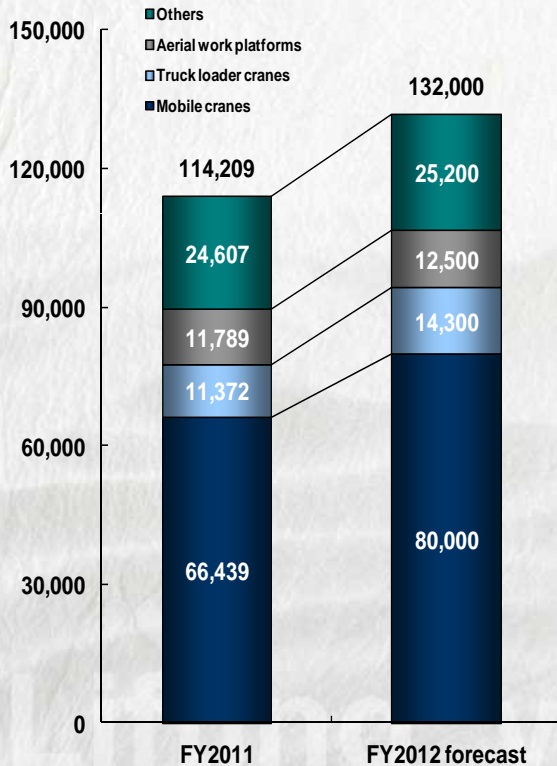
## [ Reasons for revision ]

Predicting that the correction of yen's appreciation will have limited effect on our sales for the coming fourth quarter, we have forecasted our full-year net sales as it has been on October 26. As for the income, we have revised our forecast for the full-year performance, taking the actual performance for this quarter into account.

\* The exchange rates we have applied for the fourth quarter estimate are ¥88/USD and ¥115/EUR.  
(The exchange rates for the estimate on Oct 26 were ¥80/USD, ¥105/EUR.)

# FY2012 business performance forecasts (net sales by product)

(Millions of yen)



(Unit: millions of yen)

	FY2011		FY2012 forecast		Increase/decrease	
	Amount	Percentage	Amount	Percentage	Amount	Percent change
Mobile cranes	66,439	58.2%	80,000	60.6%	13,560	20.4%
Truck loader cranes	11,372	10.0%	14,300	10.8%	2,927	25.7%
Aerial work platforms	11,789	10.3%	12,500	9.5%	710	6.0%
Others	24,607	21.5%	25,200	19.1%	592	2.4%
<b>Total</b>	<b>114,209</b>	<b>100%</b>	<b>132,000</b>	<b>100%</b>	<b>17,790</b>	<b>15.6%</b>

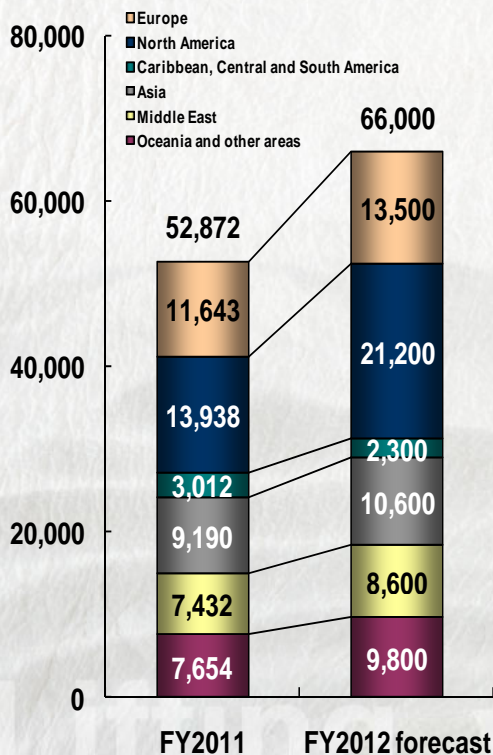
\* Breakdown of domestic and overseas sales of mobile cranes

Domestic	24,146	26,000	1,854	7.7%
Overseas	42,293	54,000	11,706	27.7%

Note: No change from business performance forecasts by product, announced on Oct 26.

# FY2012 business performance forecasts (net sales by destination market)

(Millions of yen)



(Unit: millions of yen)

	FY2011		FY2012 forecast		Increase/decrease	
	Amount	Percentage	Amount	Percentage	Amount	Percent change
Europe	11,643	10.2%	13,500	10.2%	1,856	15.9%
North America	13,938	12.2%	21,200	16.1%	7,261	52.1%
Caribbean, Central and South America	3,012	2.6%	2,300	1.7%	-712	-23.6%
Asia	9,190	8.1%	10,600	8.0%	1,409	15.3%
Middle East	7,432	6.5%	8,600	6.5%	1,167	15.7%
Oceania and other areas	7,654	6.7%	9,800	7.5%	2,145	28.0%
Subtotal (total overseas sales)	52,872	46.3%	66,000	50.0%	13,127	24.8%
Japan	61,337	53.7%	66,000	50.0%	4,662	7.6%
<b>Total</b>	<b>114,209</b>	<b>100%</b>	<b>132,000</b>	<b>100%</b>	<b>17,790</b>	<b>15.6%</b>

Note: No change from business performance forecasts by destination market, announced on Oct 26.

The graph on the left excludes Japan.