

Consolidated Financial Results(Comprehensive) For Second Quarter of FY 2020

(April 1, 2020 through September 30, 2020)

Notes:

Tadano Ltd. provides this comprehensive financial results report in order to supplement the previously released quantitative report with qualitative information concerning business results for the period under review. Unless otherwise stated, no amendments have been made to the quantitative information herein.

November 6, 2020

Tadano Ltd.

< Notes >

- Forward-looking statements contained in this report are based on information available as of the date this report was prepared. A variety of factors may cause actual results to differ from projections.
- Presentation of demand and share:
 - Figures showing demand based on Tadano research are rounded to the nearest ten units.
 - Figures showing share are rounded to the nearest whole share.
 - Mobile Cranes produced in Russia and produced in China for Chinese market are excluded from demand.
- Abbreviation in this report: "TC" refers to Truck Cranes, "RT" to Rough Terrain Cranes, "AT" to All Terrain Cranes
- The acquisition of the Demag Mobile Cranes business (Hereafter "Demag") was completed on July 31, 2019. In this report, information for Demag is treated as follows:
 - FY2019 Consolidated Financial Statements: B/S as of December 31 and P/L from August to December are included.
 - *Adjustments are made retroactively due to PPA. PPA("Purchase Price Allocation") is a process to appraise assets and liabilities at fair value and allocate purchase price.
 - Demand: Crawler crane demand figures are not included.
 - Share: Sales unit figures for Demag products for January - December are included.

Key Points of FY 2020 First Half Financial Results

- ✓ **Consolidation of Demag business limited decrease in net sales to around 9%, but profits declined substantially due to changes in product sales composition. First operating loss recorded during a fiscal year first half since FY 2010.**

(Unit: millions of yen)

	FY2019 First Half		FY2020 First Half		Percent Change
	Amount	Percentage	Amount	Percentage	
Net Sales	100,304	100%	91,106	100%	-9.2%
Operating income	7,573	7.6%	-1,038	-1.1%	—
Ordinary income	7,262	7.2%	-1,590	-1.7%	—
Net income attributable to owners of the parent	5,267	5.3%	-2,566	-2.8%	—
Capital investment	9,852		3,242		
Depreciation	1,588		2,457		
* Figures for capital investments include leased assets.					
USD	¥110.05		¥108.27		
EUR	¥124.32		¥119.30		

Income Statement

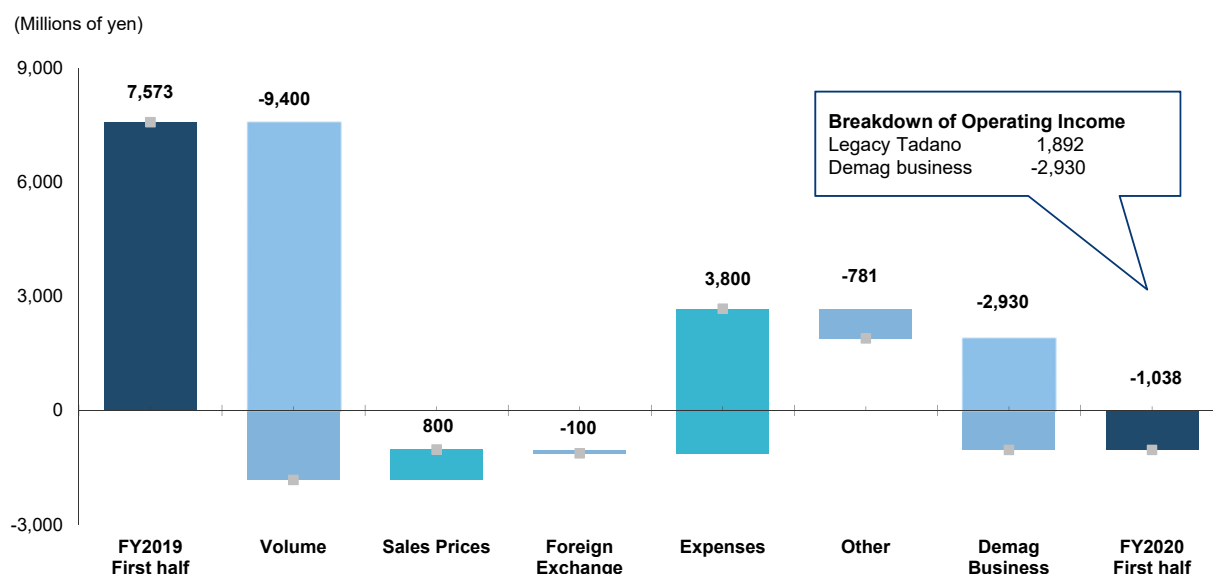
- ✓ **Cost of sales ratio deteriorated due to changes in product sales composition, mainly including effects from Demag product line.**
- ✓ **Despite cost-cutting efforts, SG&A expenses increased due to consolidation of Demag business.**

(Unit: millions of yen)

	FY2019 First Half		FY2020 First Half		Increase/Decrease
	Amount	Percentage	Amount	Percentage	
Net sales	100,304	100%	91,106	100%	-9,198
Cost of sales	74,195	74.0%	72,805	79.9%	-1,390
Gross profit on installment sales	-56	-0.1%	32	0.0%	89
Gross profit	26,051	26.0%	18,332	20.1%	-7,718
Selling, general, and administrative expenses	18,478	18.4%	19,370	21.3%	892
Operating income	7,573	7.6%	-1,038	-1.1%	-8,611
Non-operating income and loss	-310	-0.3%	-552	-0.6%	-241
Ordinary income	7,262	7.2%	-1,590	-1.7%	-8,853
Extraordinary income and loss	679	0.7%	85	0.1%	-594
Income before income taxes	7,942	7.9%	-1,504	-1.7%	-9,447
Corporate taxes	2,684	2.7%	1,051	1.2%	-1,633
Net income attributable to noncontrolling interests	-9	-0.0%	10	0.0%	19
Net income attributable to owners of the parent	5,267	5.3%	-2,566	-2.8%	-7,834

Major Factors Leading to Change in Operating Income

- ✓ **Despite expense reduction, operating income decreased by ¥8.6 billion due to decrease in sales volume and consolidation of Demag business.**



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Balance Sheet

- ✓ **Accounts receivable decreased.**
- ✓ **Inventories increased.**
- (¥102.6 billion total includes ¥17.0 billion at TFG and ¥26.6 billion at TDG)**

(Unit: millions of yen)

	FY2019 Year-end	FY2020 First Half	Increase/ Decrease		FY2019 Year-end	FY2020 First Half	Increase/ Decrease
Cash deposits	57,075	73,051	15,975	Accounts payable	40,745	24,822	-15,923
Accounts receivable	63,267	44,257	-19,009	Interest-bearing debt	63,035	85,627	22,591
Inventories	97,434	102,619	5,185	Other liabilities	49,320	44,393	-4,926
Other current assets	9,415	4,239	-5,175	Total liabilities	153,102	154,843	1,741
Total current assets	227,192	224,168	-3,024	Total equity	158,158	152,897	-5,260
Tangible fixed assets	68,433	68,534	100	Total liabilities and equity	311,260	307,741	-3,519
Intangible fixed assets	1,675	1,647	-27				
Investment and other assets	13,958	13,390	-568				
Total fixed assets	84,067	83,573	-494				
Total assets	311,260	307,741	-3,519				

	FY2019 First Half	FY2019	FY2020 First Half
Receivable turnover	83.2 days	88.1 days	88.9 days
Inventory turnover	125.1 days	135.6 days	206.1 days
Equity ratio	48.8%	50.5%	49.3%

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✓ **Cash and cash equivalents increased due to increase in cash flow from financing activities along with increase in interest-bearing debt.**

(Unit: millions of yen)

		FY2019 First Half	FY2020 First Half	Increase/ Decrease
Cash flow from operating activities	Income before income tax	7,942	-1,504	-9,447
	Depreciation	1,588	2,457	868
	Accounts receivable	5,521	18,382	12,860
	Inventories	-6,972	-6,287	685
	Accounts payable	-2,939	-15,244	-12,305
	Other	-3,365	428	3,794
	Total	1,775	-1,769	-3,544
Cash flow from investing activities	Total	-24,451	-2,010	22,441
Cash flow from financing activities	Total	34,911	20,294	-14,617
Increase(decrease) in Cash and Cash Equivalents		11,602	15,973	4,371

Net Sales by Product

✓ **Net sales decreased in all segments except "Other".**

(Unit: millions of yen)

	FY2019 First Half	FY2020 First Half	Increase/Decrease Amount Percentage
Mobile Cranes	64,199	55,106	-9,092 -14.2%
Truck Loader Cranes	11,265	9,099	-2,165 -19.2%
Aerial Work Platforms	9,507	8,493	-1,014 -10.7%
Other	15,332	18,406	3,074 20.1%
Total	100,304	91,106	-9,198 -9.2%

Breakdown of Mobile Crane Sales Inside and Outside Japan

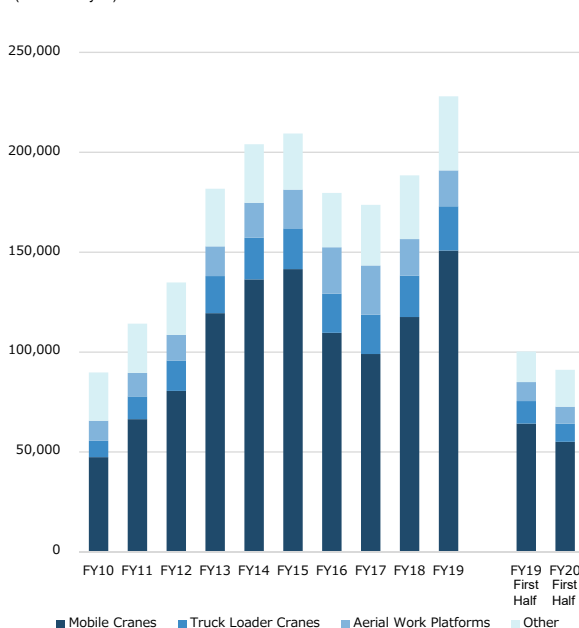
Japan	24,984	18,122	-6,862 -27.5%
Outside Japan	39,214	36,984	-2,230 -5.7%
Total	64,199	55,106	-9,092 -14.2%

Exchange Rate

USD	¥110.05	¥108.27
EUR	¥124.32	¥119.30

* Since the fiscal year for subsidiaries outside Japan ends in December, the rates given here are January-June average.

(Millions of yen) Net Sales by Product

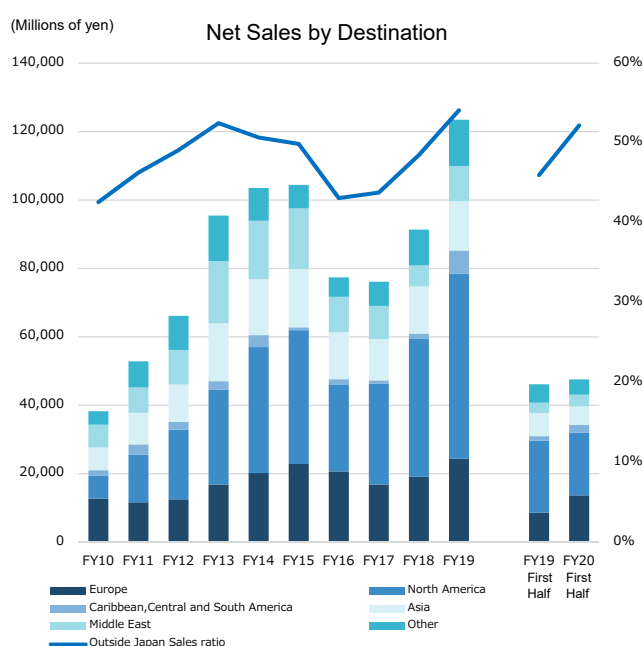


Net Sales by Destination

✓ Sales outside of Japan increased mainly in Europe due to consolidation of Demag business.

(Unit: millions of yen)

	FY2019 First Half	FY2020 First Half	Increase/Decrease	
			Amount	Percentage
Europe	8,627	13,675	5,047	58.5%
North America	21,043	18,385	-2,657	-12.6%
Caribbean, Central and South America	1,317	2,185	868	65.9%
Asia	6,729	5,421	-1,307	-19.4%
Middle East	3,064	3,445	380	12.4%
Other	5,377	4,475	-902	-16.8%
Subtotal (total outside Japan sales)	46,159	47,588	1,428	3.1%
Japan	54,144	43,517	-10,626	-19.6%
Total	100,304	91,106	-9,198	-9.2%
Outside Japan Sales Ratio	46.0%	52.2%		

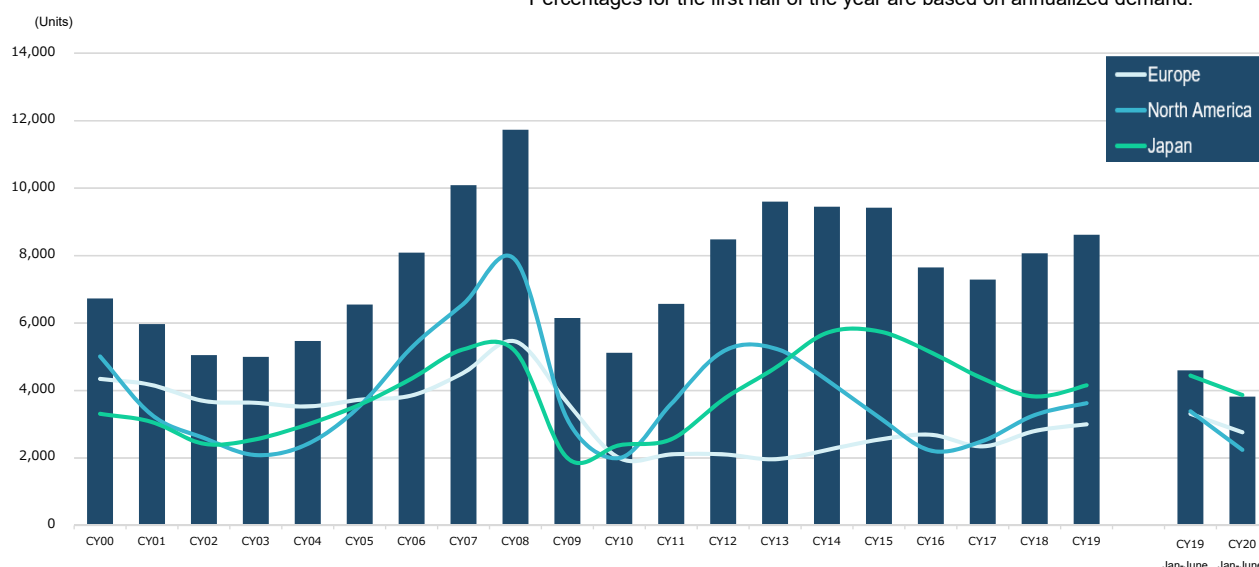


The graph above excludes Japan.
"Other" is comprised of Oceania, Africa and the CIS.

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

Colored lines: yearly demand trends with lowest levels in each market normalized to the value of 1 (Base Years: 2010[North America, Europe], 2009[Japan])
Percentages for the first half of the year are based on annualized demand.



* Figures are based on Tadano research (Figures showing demand are rounded to the nearest ten units).

* Mobile Cranes produced in Russia are excluded.

* Starting from 2010 the graph includes Chinese construction cranes produced for export.

* Mobile cranes produced in China for Chinese market are excluded.

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

CY12: 22,000 units, CY13: 17,000 units, CY14: 14,000 units, CY15: 9,000 units, CY16: 9,000 units, CY17: 20,000 units, CY18: 32,000 units, CY19: 42,000 units

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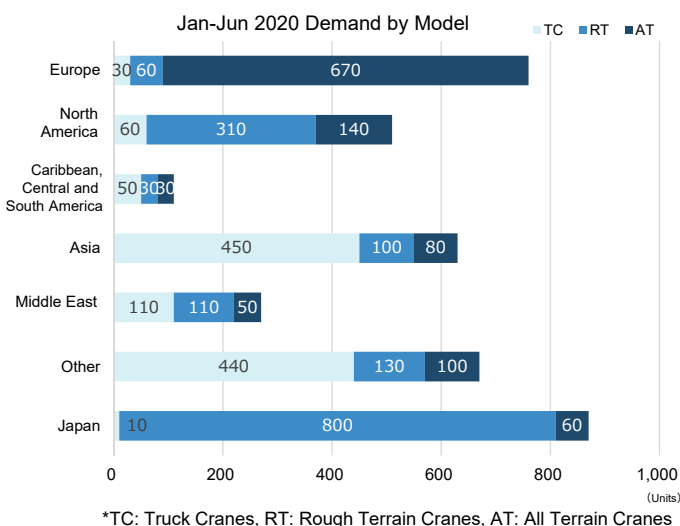
Mobile Cranes (Calendar-year Basis)

- ✓ Demand decreased in all regions, decreased by 17% as a whole.
- ✓ Total share decreased by 2% (27%→25%).



AC 300-6

	Demand (Units)			Share	
	Jan-Jun 2019	Jan-Jun 2020	Percent change	Jan-Jun 2019	Jan-Jun 2020
Europe	910	760	-16.5%	19%	13%
North America	770	510	-33.8%	32%	34%
Caribbean, Central and South America	150	110	-26.7%	18%	17%
Asia	720	630	-12.5%	14%	11%
Middle East	340	270	-20.6%	21%	24%
Other	710	670	-5.6%	14%	8%
Subtotal (total outside Japan sales)	3,600	2,950	-18.1%		
Japan	1,000	870	-13.0%	54%	55%
Total	4,600	3,820	-17.0%	27%	25%



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Japanese Market

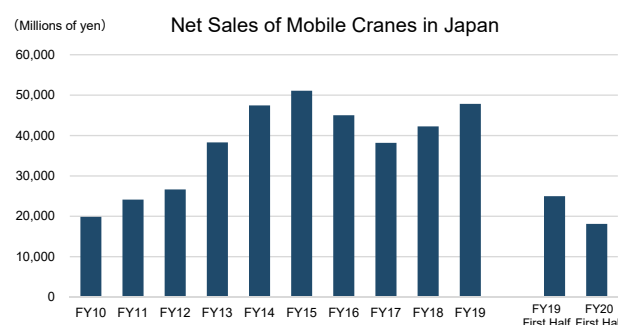
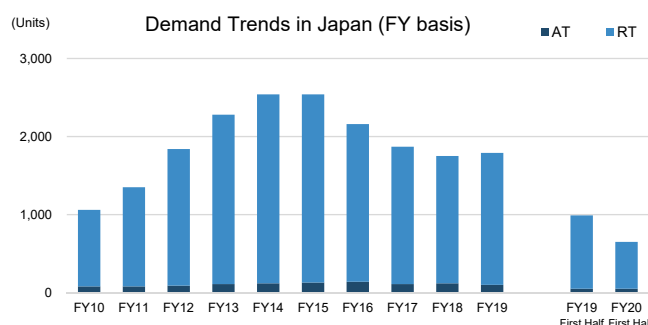
- ✓ Share of unit sales 53%→53%.
- ✓ Tonnage share decreased by 1% (56%→55%).

*The share above is based on fiscal year.

	FY19 First Half	FY20 First Half	(Unit: millions of yen)	
			Increase / Decrease Amount	Percent change
Japan	24,984	18,122	-6,862	-27.5%



GR-1000N



*AT: All Terrain Cranes, RT: Rough Terrain Cranes

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- ✓ Net sales increased due to consolidation of Demag business.
- ✓ Market share decreased by 6% (19%→13%).

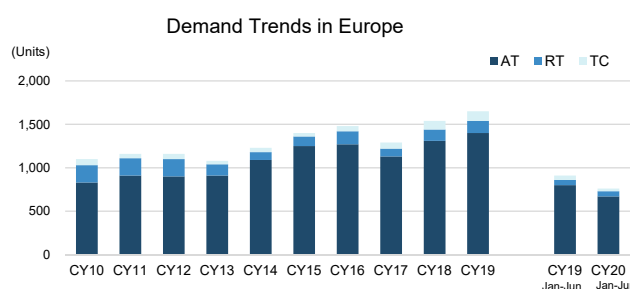
(Unit: millions of yen)

	FY2019 First Half	FY2020 First Half	Increase / Decrease Amount	Percent change
Europe	8,627	13,675	5,047	58.5%

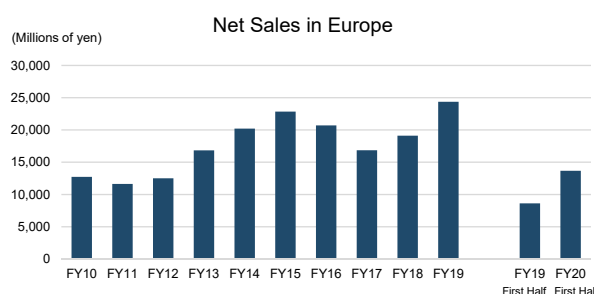
*Products other than mobile cranes are also included.



CC 3800-1



*AT: All Terrain Cranes, RT: Rough Terrain Cranes, TC: Truck Cranes



North American Market

- ✓ Demand substantially declined.
- ✓ Market share increased by 2% (32%→34%).

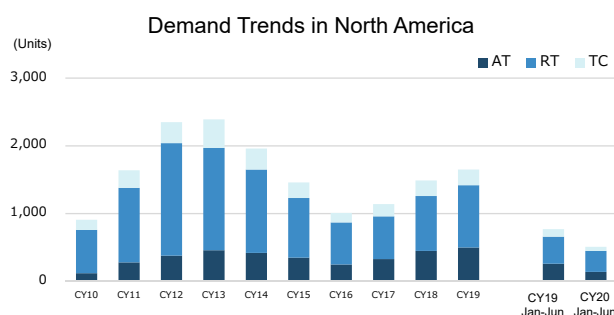
(Unit: millions of yen)

	FY2019 First Half	FY2020 First Half	Increase / Decrease Amount	Percent change
North America	21,043	18,385	-2,657	-12.6%

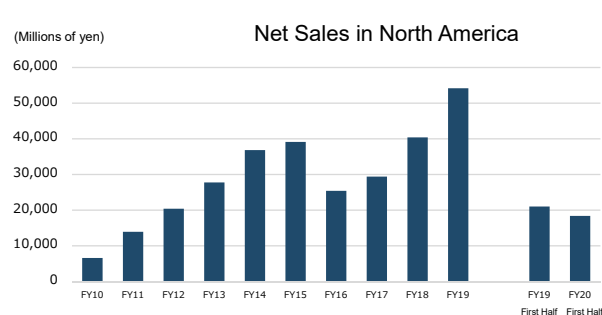
* Products other than mobile cranes are also included.



GR-1000XLL-4



* AT: All Terrain Cranes RT: Rough Terrain Cranes TC: Truck Cranes



- ✓ Net sales increased in Caribbean, Central and South America and Middle East, but decreased as a whole.
- ✓ Market share increased in Middle East by 3% (21%→24%).

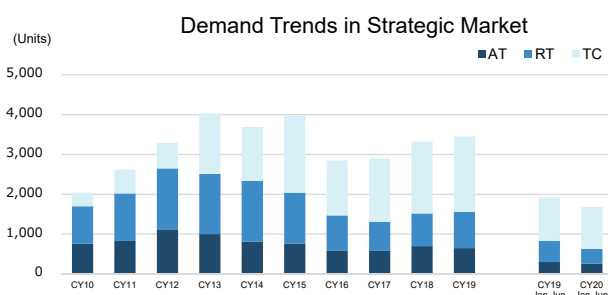
(Unit: millions of yen)

	FY2019 First Half	FY2020 First Half	Increase / Decrease Amount	Percent change
Caribbean, Central and South America	1,317	2,185	868	65.9%
Asia	6,729	5,421	-1,307	-19.4%
Middle East	3,064	3,445	380	12.4%
Other	5,377	4,475	-902	-16.8%
Total	16,489	15,527	-961	-5.8%

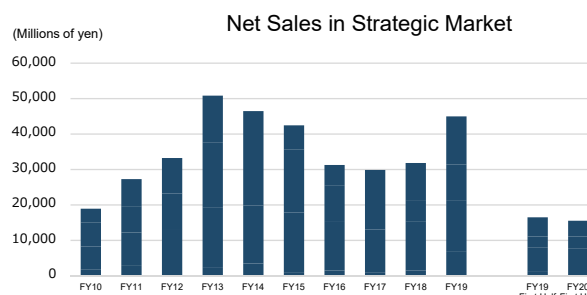
* Products other than mobile cranes are also included.



GT-600EL

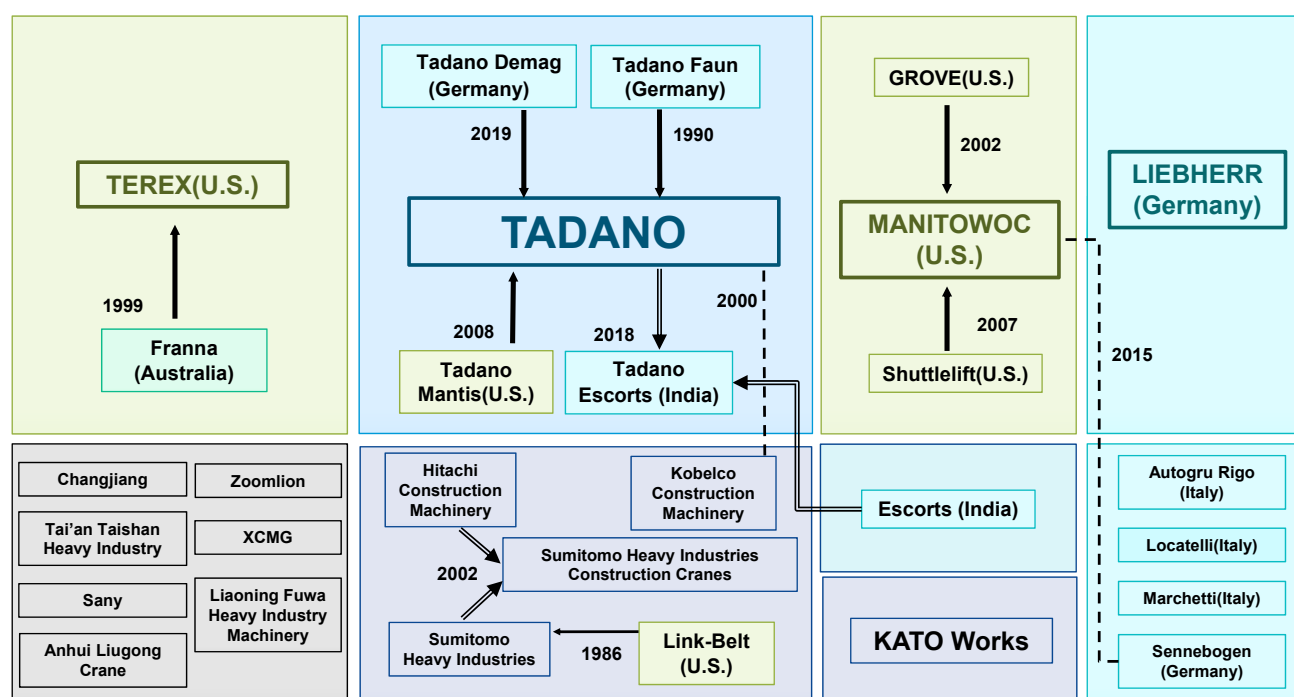


* AT: All Terrain Cranes RT: Rough Terrain Cranes TC: Truck Cranes



* Strategic Market is Tadano's original market segment excluding Japan, Europe, and North America

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)

Truck Loader Cranes

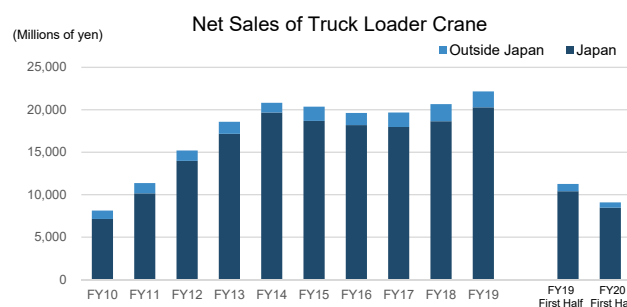
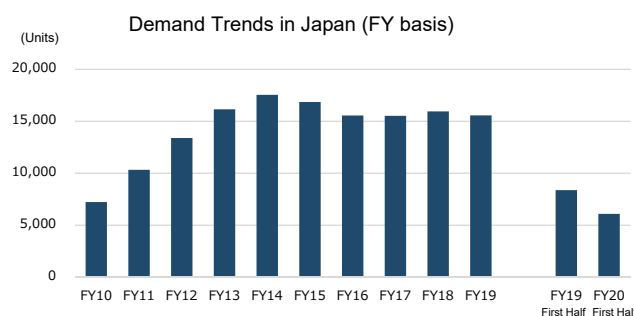
- ✓ Market share in Japan 48%→48%.
- ✓ Sales in Japan decreased by 18.6% year-on-year due to decrease in demand.

(Unit: millions of yen)

	FY19 First Half	FY20 First Half	Increase / Decrease Amount	Percent change
Japan	10,411	8,471	-1,940	-18.6%
Outside Japan	853	628	-225	-26.4%
Total	11,265	9,099	-2,165	-19.2%



ZX360/300series



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Aerial Work Platforms

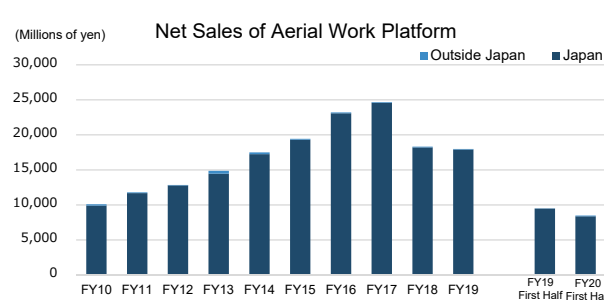
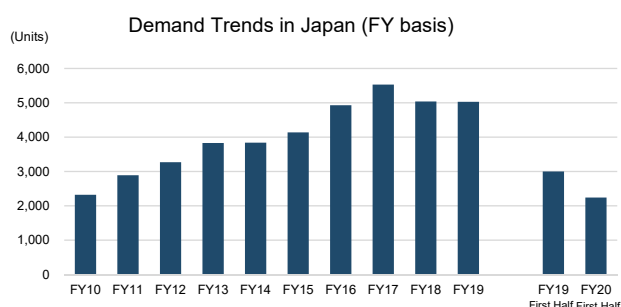
- ✓ Market share in Japan decreased by 1% (35%→34%).
- ✓ Sales in Japan decreased by 11.6% year-on-year due to decrease in demand from rental industry.

(Unit: millions of yen)

	FY19 First Half	FY20 First Half	Increase / Decrease Amount	Percent change
Japan	9,473	8,370	-1,102	-11.6%
Outside Japan	34	122	88	256.5%
Total	9,507	8,493	-1,014	-10.7%



AT-320XTG



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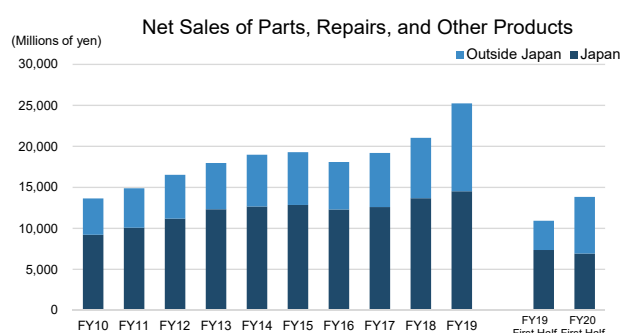
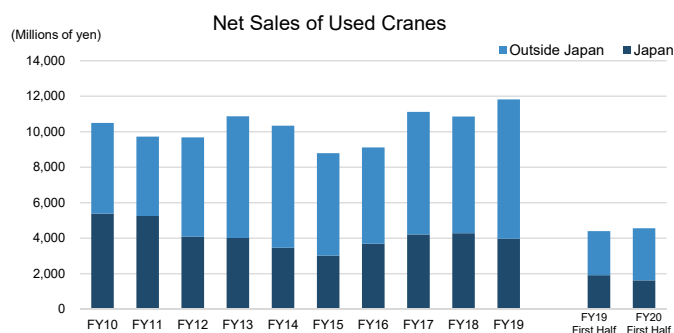
- ✓ **Net sales from other businesses, such as parts, repairs, used cranes, and other products increased.**

(Unit: millions of yen)

	FY19 First Half	FY20 First Half	Increase / Decrease Amount	Percent change
Used cranes	4,399	4,561	161	3.7%
Parts, repairs and other products	10,932	13,844	2,912	26.6%
Total	15,332	18,406	3,074	20.1%



Hydraulic gate-shaped lifters : TB-1000



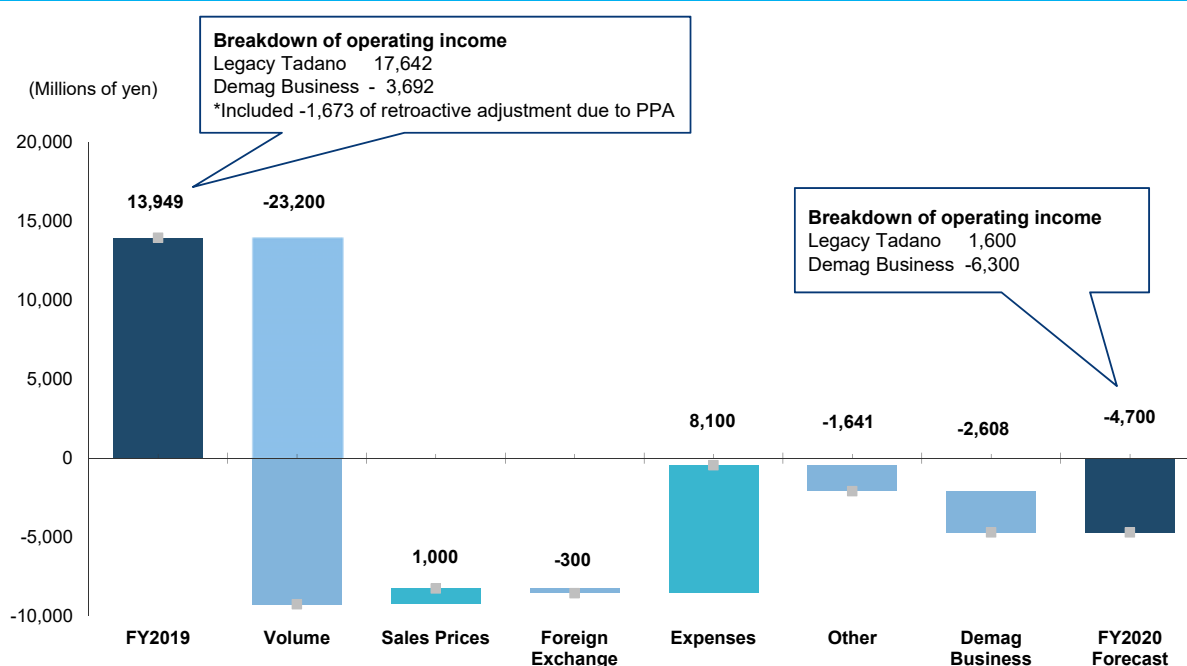
FY 2020 Business Performance Forecast

(Unit: millions of yen)

	FY2019		FY2020		Percent Change
	Amount	Percentage	Amount	Percentage	
Net Sales	227,949	100%	182,000	100%	-20.2%
Operating income	13,949	6.1%	-4,700	-2.6%	—
Ordinary income	13,791	6.1%	-6,200	-3.4%	—
Net income attributable to owners of the parent	6,433	2.8%	-7,900	-4.3%	—
Capital investment	12,902		5,500		
Depreciation	4,527		4,800		
* Figures for capital investments include leased assets.					
USD	¥109.05		Second Half	¥105.00	
EUR	¥122.07		Second Half	¥125.00	
Dividends per share	Mid-year	¥14.00	Mid-year	¥0.00	
	Year-end	¥14.00	Year-end	¥3.00	
	Full-year	¥28.00	Full-year	¥3.00	

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FY 2020 Forecast (Major Factors Leading to Change in Operating Income)

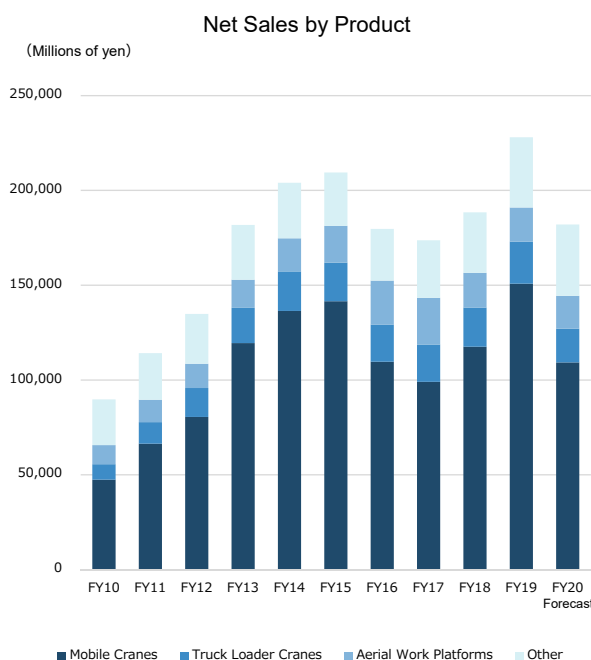


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FY 2020 Forecast (Net Sales by Product)

(Unit: millions of yen)

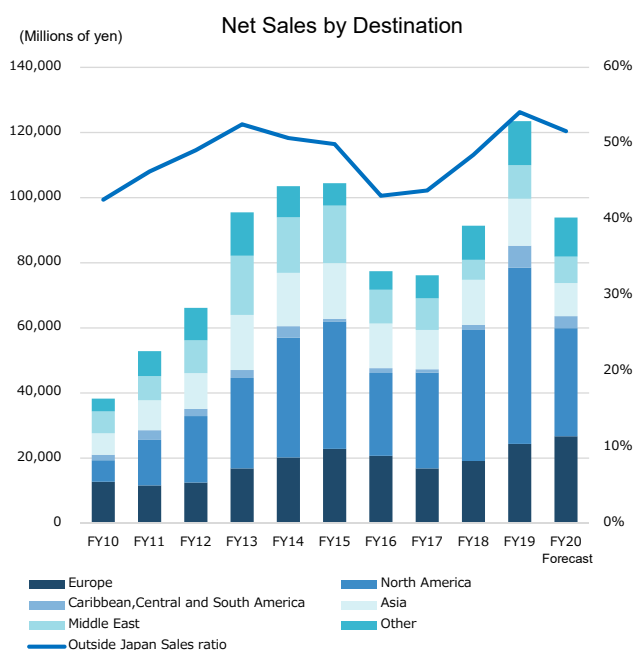
	FY2019	FY2020 Forecast	Increase/Decrease	
			Amount	Percentage
Mobile Cranes	150,818	109,300	-41,518	-27.5%
Truck Loader Cranes	22,162	17,800	-4,362	-19.7%
Aerial Work Platforms	17,986	17,300	-686	-3.8%
Other	36,982	37,600	618	1.7%
Total	227,949	182,000	-45,949	-20.2%
Breakdown of Mobile Crane Sales Inside and Outside Japan				
Japan	47,833	37,800	-10,033	-21.0%
Outside Japan	102,984	71,500	-31,484	-30.6%
Total	150,818	109,300	-41,518	-27.5%



FY 2020 Forecast (Net Sales by Destination)

(Unit: millions of yen)

	FY2019	FY2020 Forecast	Increase/Decrease	
			Amount	Percentage
Europe	24,363	26,700	2,337	9.6%
North America	54,163	33,200	-20,963	-38.7%
Caribbean, Central and South America	6,735	3,700	-3,035	-45.1%
Asia	14,401	10,200	-4,201	-29.2%
Middle East	10,312	8,100	-2,212	-21.5%
Other	13,444	12,000	-1,444	-10.7%
Subtotal (total outside Japan sales)	123,421	93,900	-29,521	-23.9%
Japan	104,527	88,100	-16,427	-15.7%
Total	227,949	182,000	-45,949	-20.2%
Outside Japan Sales ratio	54.1%	51.6%		



The graph above excludes Japan.
"Other" is comprised of Oceania, Africa and the CIS.

✓ Environmental Conservation Activities

The Tadano Forest of Learning Project officially has been launched. On August 21st, a signature ceremony for promoting “Forest Matching” in collaboration with Kagawa Prefecture, Sanuki City and Tadano Ltd. was held at the Kagawa Prefectural Office.



(From left) Shigeki Oyama, Mayor of Sanuki City; Keizo Hamada, Governor of Kagawa Prefecture; and Koichi Tadano, President and CEO of Tadano Ltd. attending the signature ceremony.

◆ About The Tadano Forest of Learning Project:

Parts of forest land owned by Sanuki City, Japan have been designated as “The Tadano Forest of Learning,” a place where people can learn the importance of environmental conservation and interpersonal communication through forest maintenance. Through this project, Tadano Group employees and other related volunteers will work on maintaining and beautifying local forest areas.

◆ About Forest Matching:

Through forest matching, Prefectures and municipalities in Japan provide forest land to companies that are interested in contributing to the growth and maintenance of forests.



Site of the Tadano Forest of Learning launched In the Tawa area of Sanuki City

Notes: ESG = Environment, Social, Governance

SDGs = Sustainable Development Goals(a collection of 17 global goals, unanimously approved by the United Nations, for achieving a better and more sustainable future for the environment and society)

✓ Contribution to Environmentally Friendly Job Sites

Tadano Demag wins ESTA 2020 Award for its E-pack.

The E-Pack is an electro-hydraulic system that makes zero-emission crane operation possible while significantly reducing noise levels. Potential applications for the E-Pack include crane jobs inside buildings, in dense urban areas, and at night in residential areas and other sensitive surroundings.

Moreover, the E-Pack control system ensures that only the amount of electric power needed to carry out required functions will be used. This results in lower operating costs in comparison to a diesel system. The E-Pack is planned to also offer for other cranes. Tadano plans to include the E-Pack as an option for other crane models in the near future.



The E-pack electro-hydraulic system

◆ About the ESTA 2020 Awards:

ESTA is the European Association of Abnormal Road Transport and Mobile Cranes. ESTA issues awards to crane makers in various categories every year. This year, the E-Pack won ESTA 2020 Award in the category of “Innovation Manufacturer”.

Highlights:

Integration of Demag Mobile Cranes Business

✓ AC 130-5 All Terrain Crane in 130-ton Lifting Capacity Class Released for Japanese Market in August 2020

- Largest-class all terrain crane that can be driven on public roads with boom mounted on carrier
- Features longest boom length in its class while conforming to Japanese road regulations
- Advanced IC-1 Plus control system supports safe crane operation
- Single Engine system: Both superstructure and carrier are powered by single engine, which helps to save on maintenance time and reduce risk of breakdown

Lifting capacity class (t)	Model	Crane with boom drivable on public roads in Japan
140	ATF-140N-5.1	No
130	AC 130-5	Yes
120	ATF-120N-5.1	Yes
100	ATF-100G-4	Yes



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Highlights:

Integration of Demag Mobile Cranes Business

✓ Tadano delivers CC 8800-1 Crawler Crane (1,600-ton lifting capacity) to Japanese Market for first time since Demag acquisition

With the addition of crawler cranes to the product lineup, Tadano can now meet a wider range of customer needs, such as bridge construction, installation of large wind turbines, plant construction and much more.

First CC 8800-1 for Japanese market since Tadano acquired Demag



Max. lifting capacity : 1,600t
Max. boom length : 156m
Max. lifting height : 240m

Tadano Demag Crawler Crane Lineup

Lifting capacity class (t)	Model
3,200	CC 8800-1 TWIN
1,600	CC 8800-1
1,250	CC 6800-1
650	CC 3800-1
600	CC 2800-2
400	CC 2400-1

CC 8800-1 Crawler Cranes working on actual job sites



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


Effects of Coronavirus Disruption and Future Outlook

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Effects of Coronavirus Disruption (Demand)

Demand by region (Compared to same period of previous fiscal year)

Region	2020			
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
Japan	-7%	-24%	-39%	
Middle East	-12%	-28%	-42%	
North America	-16%	-47%	-47%	
Europe	-9%	-23%	-7%	
Latin America	-15%	-34%	-44%	
Asia	-1%	-26%	-43%	
Other	-16%	+5%	-22%	

 Fiscal Year 1Q
 Fiscal Year 2Q
 Fiscal Year 3Q

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【Immediate Future Outlook by Region】

Region	Immediate Future Outlook
Japan	While crane utilization rates are recovering, uncertain future outlook preventing capital investments.
USA	Forecasts for future outlook will take more time due to continued spread of infection and necessity of figuring out economic policy after presidential election.
Europe	Second COVID-19 wave is serious and some countries have re-entered lockdown, which may affect crane demand.
Asia	Market recovery will take more time due to COVID-19 prevention measures continuing to be implemented in each country.
Other	Australia : Infrastructure investments as economic measures are helping to stabilize market conditions. Middle east : Crane demand is not expected to recover soon due to downturn of crude oil prices.