

Consolidated Financial Results(Comprehensive) For FY 2020

(April 1, 2020 through March 31, 2021)

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.

May 12, 2021

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 the 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, FY 2019 information for Demag is treated as follows:
 - FY2019 Consolidated Financial Statements: B/S as of 31st December 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 Financial Results

- ✓ **Despite consolidation of Demag business, net sales decreased by about 18%. Profits declined substantially due to changes in product sales composition. First operating loss recorded for the first time in ten years since FY2010.**

(Unit: millions of yen)

	FY2019		FY2020		Percent Change
	Amount	Percentage	Amount	Percentage	
Net Sales	227,949	100%	186,040	100%	-18.4%
Operating income	13,949	6.1%	-4,196	-2.3%	—
Ordinary income	13,791	6.1%	-4,683	-2.5%	—
Net income attributable to owners of the parent	6,433	2.8%	-12,987	-7.0%	—
Capital investment	12,902		5,666		
Depreciation	4,527		5,695		
* Figures for capital investments include leased assets.					
USD	¥109.05		¥106.82		
EUR	¥122.07		¥121.81		

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Income Statement

- ✓ **Cost of sales ratio deteriorated due to changes in product sales composition.**
- ✓ **SG&A expenses decreased as a result of cost-cutting efforts.**
- ✓ **Provision of allowance for losses related to violations of emission regulations and expenses related to reorganization of European Operations were recorded as extraordinary losses.**

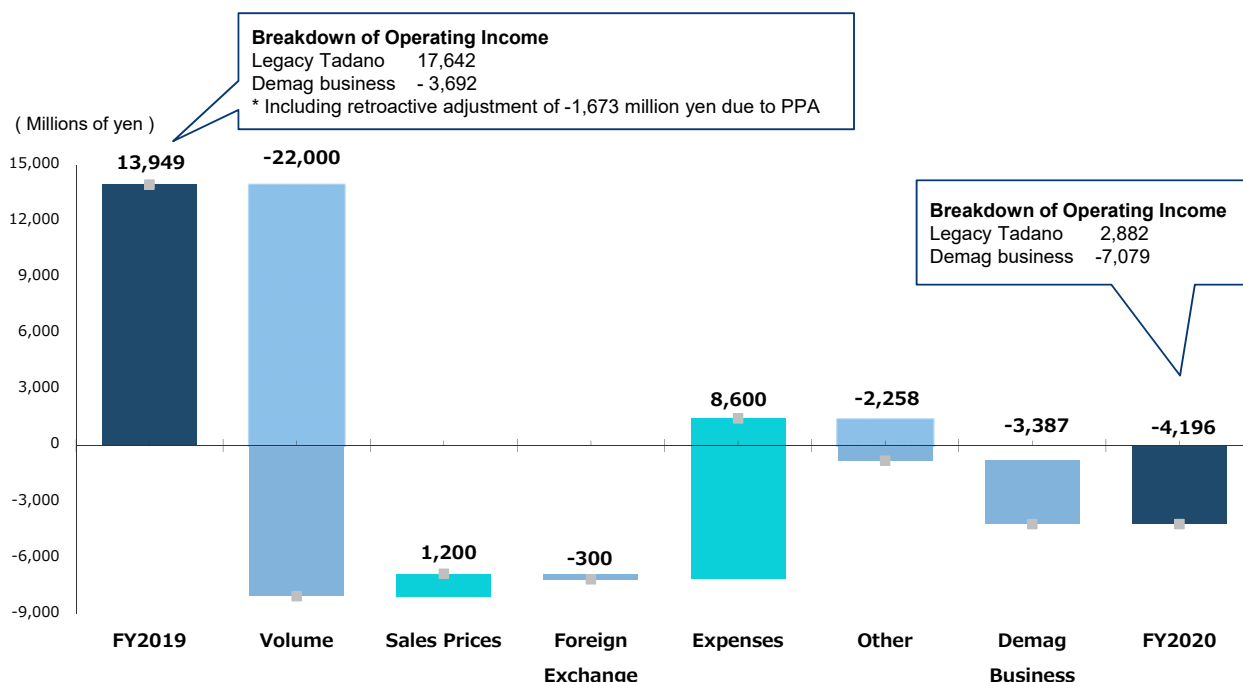
(Unit: millions of yen)

	FY2019		FY2020		Increase/Decrease
	Amount	Percentage	Amount	Percentage	
Net sales	227,949	100%	186,040	100%	-41,909
Cost of sales	172,007	75.5%	150,944	81.1%	-21,062
Gross profit on installment sales	-69	-0.0%	55	0.0%	124
Gross profit	55,872	24.5%	35,150	18.9%	-20,722
Selling, general, and administrative expenses	41,923	18.4%	39,347	21.1%	-2,575
Operating income	13,949	6.1%	-4,196	-2.3%	-18,146
Non-operating income and loss	-158	-0.1%	-486	-0.3%	-328
Ordinary income	13,791	6.1%	-4,683	-2.5%	-18,474
Extraordinary income and loss	-1,753	-0.8%	-7,674	-4.1%	-5,921
Income before income taxes	12,038	5.3%	-12,358	-6.6%	-24,396
Corporate taxes	5,683	2.5%	599	0.3%	-5,084
Net income attributable to noncontrolling interests	-78	-0.0%	29	0.0%	108
Net income attributable to owners of the parent	6,433	2.8%	-12,987	-7.0%	-19,420

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Major Factors Leading to Change in Operating Income

- ✓ Despite expense reductions, operating income decreased by ¥18.1 billion due to decrease in sales volume and consolidation of Demag business.



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Balance Sheet

- ✓ Both accounts receivable and inventories decreased.
- ✓ Preparations for prolonged Coronavirus disruption. (Cash deposits and Interest-bearing debt increased)

(Unit: millions of yen)

	FY2019 Year-end	FY2020 Year-end	Increase/ Decrease		FY2019 Year-end	FY2020 Year-end	Increase/ Decrease
Cash deposits	57,075	103,110	46,034	Accounts payable	40,745	32,043	-8,702
Accounts receivable	63,267	48,774	-14,492	Interest-bearing debt	63,035	94,586	31,551
Inventories	97,434	82,010	-15,424	Other liabilities	49,320	51,885	2,564
Other current assets	9,415	5,254	-4,160	Total liabilities	153,102	178,515	25,413
Total current assets	227,192	239,149	11,956	Total equity	158,158	145,404	-12,754
Tangible fixed assets	68,433	68,046	-386	Total liabilities and equity	311,260	323,920	12,659
Intangible fixed assets	1,675	1,692	17				
Investment and other assets	13,958	15,031	1,072				
Total fixed assets	84,067	84,770	703				
Total assets	311,260	323,920	12,659				

	FY2019	FY2020
Receivable turnover	88.1 days	95.7 days
Inventory turnover	135.6 days	160.9 days
Equity ratio	50.5%	44.5%
Net D/E Ratio	0.04	-0.06
ROA (based on Operating Income)	4.9%	-1.3%
ROE	4.1%	-8.6%

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✓ **As a result of efforts to reduce accounts receivable and inventories, cash flow from operating activities increased.**

(Unit: millions of yen)

		FY2019	FY2020	Increase/ Decrease
Cash flow from operating activities	Income before income taxes	12,038	-12,358	-24,396
	Depreciation	4,527	5,695	1,167
	Accounts receivable	-5,196	14,317	19,514
	Inventories	-4,026	15,539	19,565
	Accounts payable	-6,762	-7,980	-1,218
	Other	-3,561	5,235	8,797
	Total	-2,982	20,448	23,430
Cash flow from investing activities	Total	-31,543	-3,731	27,811
Cash flow from financing activities	Total	25,954	29,039	3,084
Increase(decrease) in Cash and Cash Equivalents		-8,755	45,997	54,753

Net Sales by Product

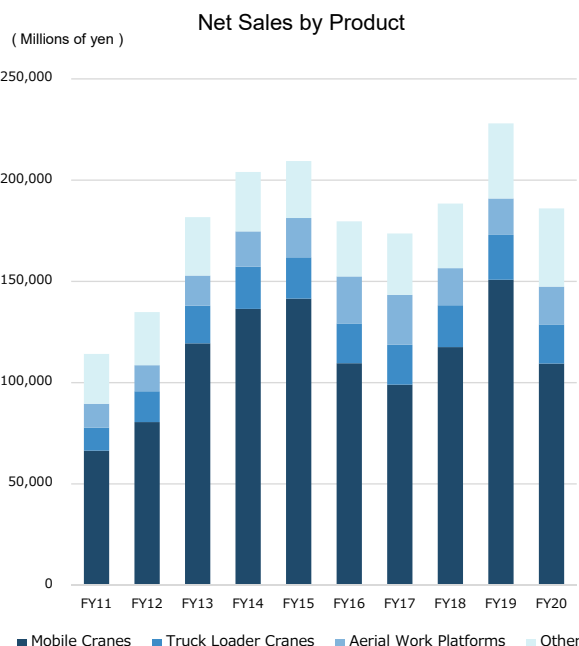
✓ **Mobile Crane and Truck Loader Crane sales decreased, Aerial Work Platform sales increased.**

(Unit: millions of yen)

	FY2019	FY2020	Increase/Decrease Amount	Percentage
Mobile Cranes	150,818	109,430	-41,387	-27.4%
Truck Loader Cranes	22,162	19,314	-2,848	-12.9%
Aerial Work Platforms	17,986	18,701	715	4.0%
Other	36,982	38,593	1,611	4.4%
Total	227,949	186,040	-41,909	-18.4%

Breakdown of Mobile Crane Sales Inside and Outside Japan

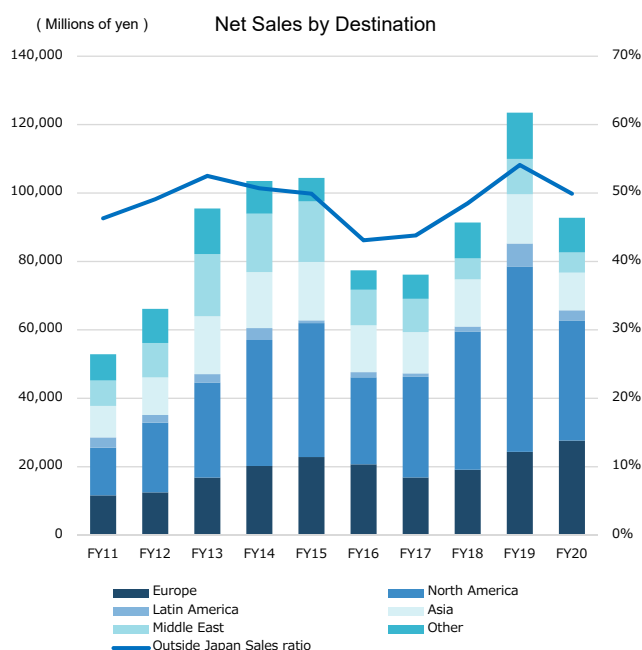
Japan	47,833	39,615	-8,217	-17.2%
Outside Japan	102,984	69,815	-33,169	-32.2%
Total	150,818	109,430	-41,387	-27.4%



Net Sales by Destination

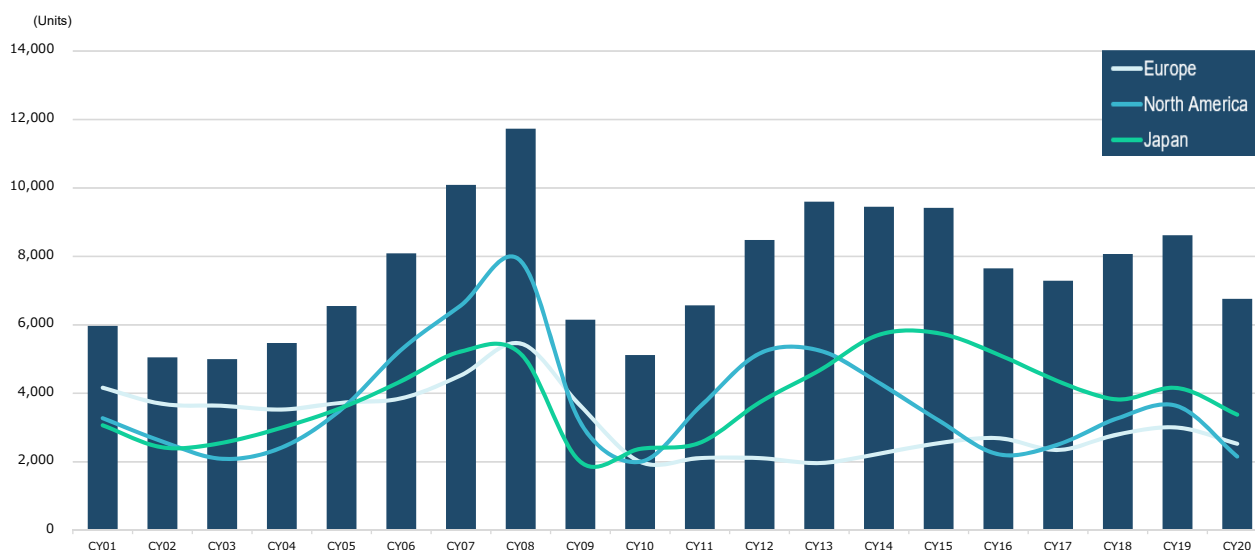
✓ Net sales increased in Europe due to consolidation of Demag business, but net sales decreased in all other regions.

	FY2019	FY2020	(Unit: millions of yen)	
			Increase/Decrease Amount	Percentage
Europe	24,363	27,631	3,267	13.4%
North America	54,163	35,001	-19,162	-35.4%
Latin America	6,735	3,092	-3,643	-54.1%
Asia	14,401	11,013	-3,387	-23.5%
Middle East	10,312	5,898	-4,414	-42.8%
Other	13,444	10,126	-3,318	-24.7%
Subtotal (total outside Japan sales)	123,421	92,763	-30,658	-24.8%
Japan	104,527	93,277	-11,250	-10.8%
Total	227,949	186,040	-41,909	-18.4%
Outside Japan Sales Ratio	54.1%	49.9%		



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])



* 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 the 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, CY20: 54,000 units

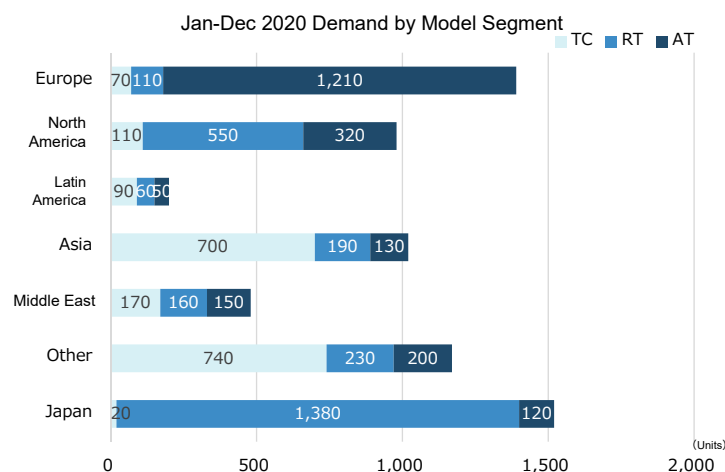
Mobile Cranes (Calendar-year Basis)

- ✓ Demand decreased in all regions, with total decrease of about 22%.
- ✓ Total share decreased by 5 percentage points (29%→24%).



AC 300-6

	Demand (Units)			Share	
	Jan-Dec 2019	Jan-Dec 2020	Percent change	Jan-Dec 2019	Jan-Dec 2020
Europe	1,650	1,390	-15.8%	19%	13%
North America	1,650	980	-40.6%	35%	31%
Latin America	270	200	-25.9%	25%	11%
Asia	1,290	1,020	-20.9%	13%	9%
Middle East	650	480	-26.2%	20%	20%
Other	1,240	1,170	-5.6%	16%	10%
Subtotal (total sales outside Japan)	6,750	5,240	-22.4%		
Japan	1,870	1,520	-18.7%	55%	54%
Total	8,620	6,760	-21.6%	29%	24%



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

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Japanese Market

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

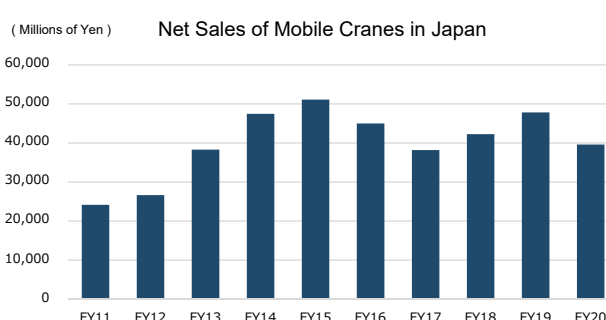
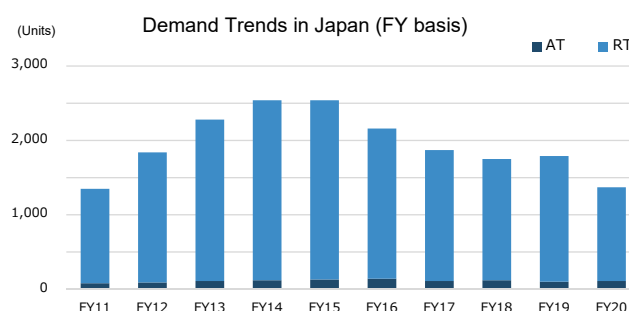
*Japan Market share shown on fiscal year basis.

(Unit: millions of yen)

	FY2019	FY2020	Increase / Decrease Amount	Percent change
Japan	47,833	39,615	-8,217	-17.2%



GR-1000N



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

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European Market

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

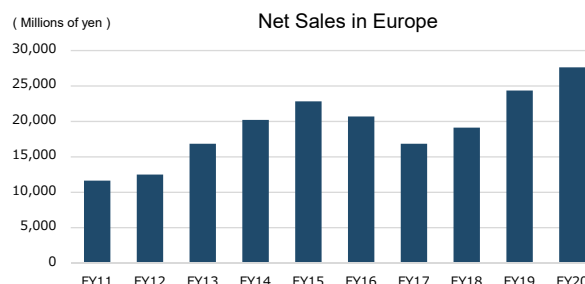
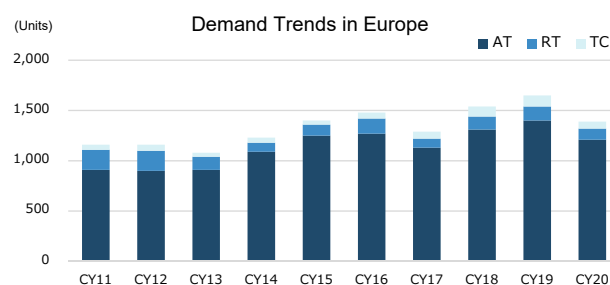
(Unit: millions of yen)

	FY2019	FY2020	Increase / Decrease Amount	Percent change
Europe	24,363	27,631	3,267	13.4%

*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, mainly for RTs, declined substantially.
- ✓ Market share decreased by 4 percentage points (35%→31%).

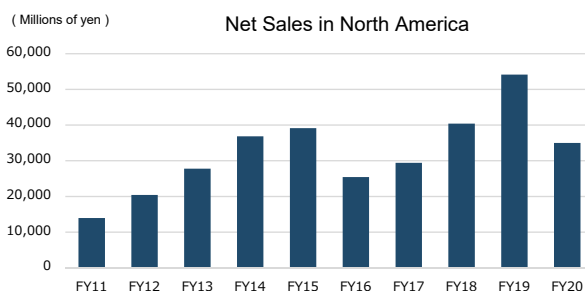
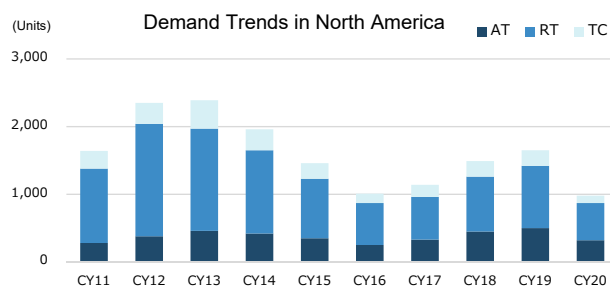
(Unit: millions of yen)

	FY2019	FY2020	Increase / Decrease Amount	Percent change
North America	54,163	35,001	-19,162	-35.4%

* Products other than mobile cranes are also included.



GR-1000XLL-4



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

✓ Sales decreased in all regions due to decrease in demand for Mobile Cranes.

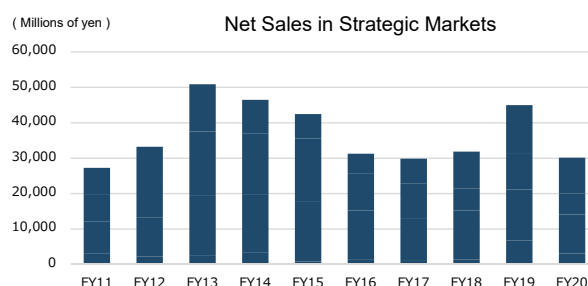
(Unit: millions of yen)

	FY2019	FY2020	Increase / Decrease Amount	Percent change
Latin America	6,735	3,092	-3,643	-54.1%
Asia	14,401	11,013	-3,387	-23.5%
Middle East	10,312	5,898	-4,414	-42.8%
Other	13,444	10,126	-3,318	-24.7%
Total	44,894	30,131	-14,763	-32.9%



GT-600EL

* Products other than mobile cranes are also included.

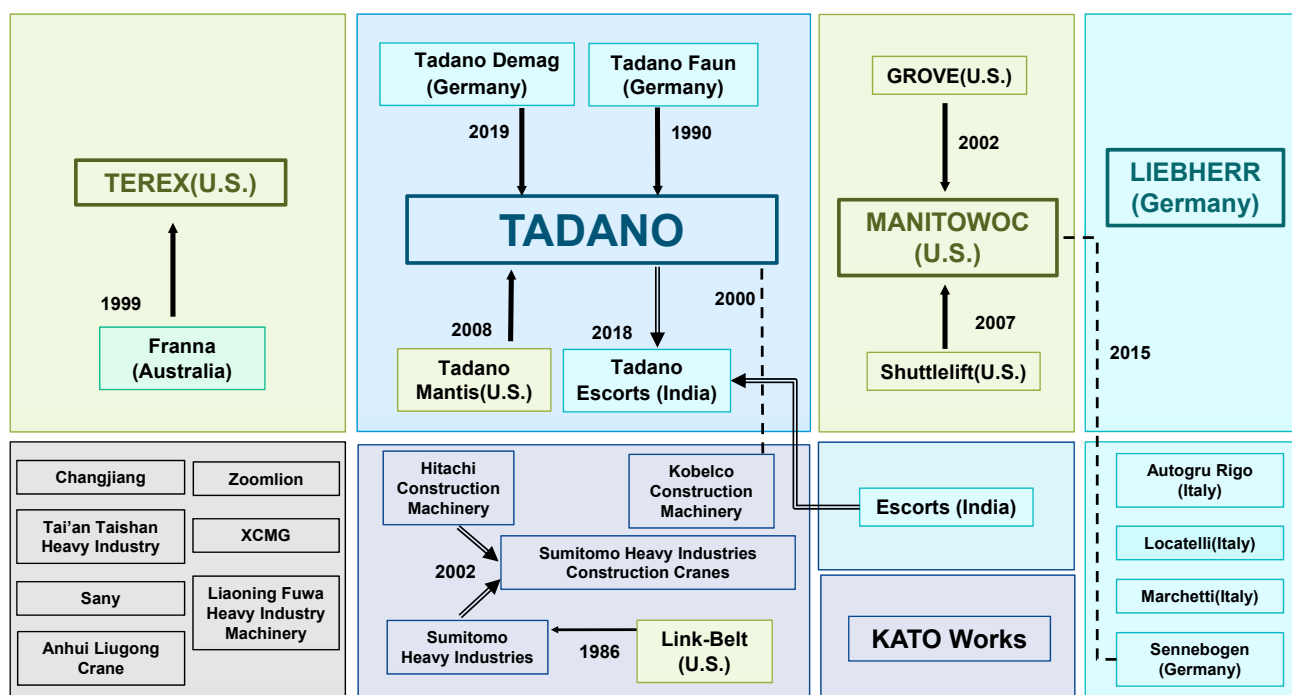


* AT: All Terrain Cranes, RT: Rough Terrain Cranes, TC: Truck Cranes

* "Strategic Markets" are designated by Tadano as a market segment including all countries except Japan, Europe, and North America

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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)

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Truck Loader Cranes

- ✓ Market share in Japan 48%→48%.
- ✓ Sales in Japan decreased by about 12% due to decrease in demand.

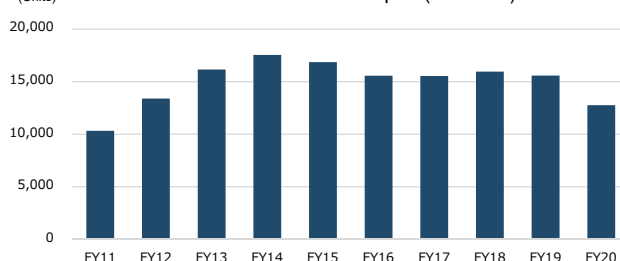
(Unit: millions of yen)

	FY2019	FY2020	Increase / Decrease Amount	Percent change
Japan	20,292	17,920	-2,371	-11.7%
Outside Japan	1,870	1,393	-476	-25.5%
Total	22,162	19,314	-2,848	-12.9%

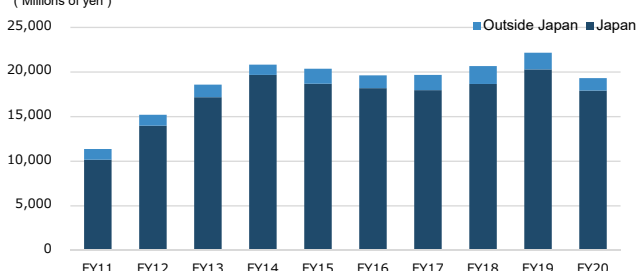


ZX360/300series

(Units) Demand Trends in Japan (FY basis)



(Millions of yen) Net Sales of Truck Loader Cranes



Aerial Work Platforms

- ✓ Market share in Japan decreased by 4 percentage points (35%→31%).
- ✓ Despite decreased demand in Japan, sales increased due to sales growth of high value-added products.

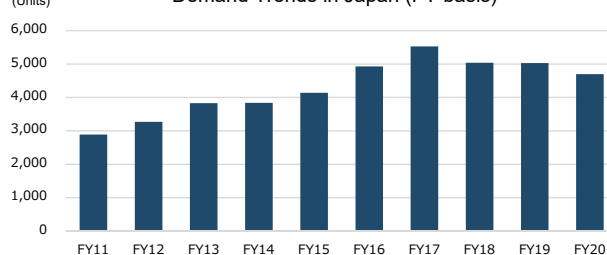
(Unit: millions of yen)

	FY2019	FY2020	Increase / Decrease Amount	Percent change
Japan	17,905	18,497	592	3.3%
Outside Japan	81	204	122	151.6%
Total	17,986	18,701	715	4.0%

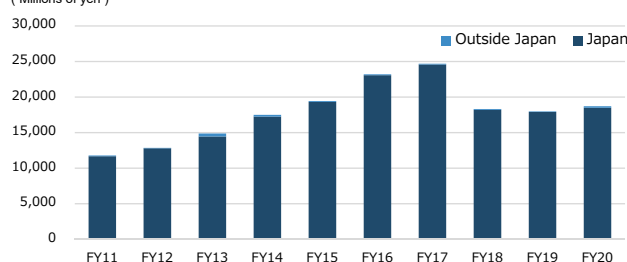


AT-320XTG

(Units) Demand Trends in Japan (FY basis)



(Millions of yen) Net Sales of Aerial Work Platforms



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

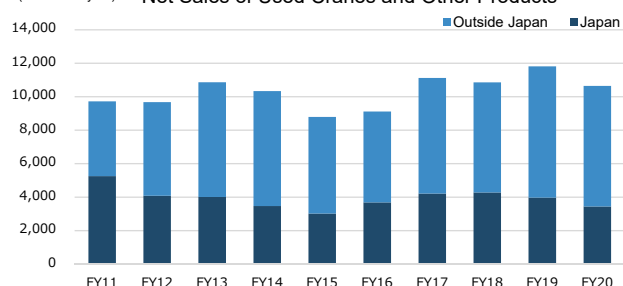
(Unit: millions of yen)

	FY2019	FY2020	Increase / Decrease Amount	Percent change
Used cranes Other products	11,821	10,649	-1,171	-9.9%
Parts Repairs	25,161	27,944	2,782	11.1%
Total	36,982	38,593	1,611	4.4%



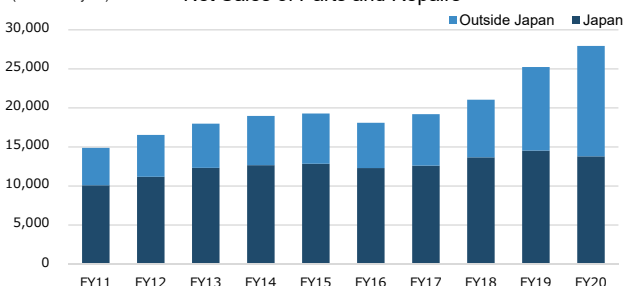
Hydraulic gate-shaped lifters : TB-1000

(Millions of yen) Net Sales of Used Cranes and Other Products



(Millions of yen)

Net Sales of Parts and Repairs



FY 2021 Business Performance Forecast

(Unit: millions of yen)

	FY2020		FY2021		Percent Change
	Amount	Percentage	Amount	Percentage	
Net Sales	186,040	100%	215,000	100%	15.6%
Operating income	-4,196	-2.3%	4,200	2.0%	—
Ordinary income	-4,683	-2.5%	3,400	1.6%	—
Net income attributable to owners of the parent	-12,987	-7.0%	10,500	4.9%	—

*We estimate the recording of extraordinary income in FY 2021 of approximately ¥10 billion resulting from, among other factors, gains on debt forgiveness related to the reorganization of European Operations.

Capital investment	5,666	6,500
Depreciation	5,695	5,900

* Figures for capital investments include leased assets.

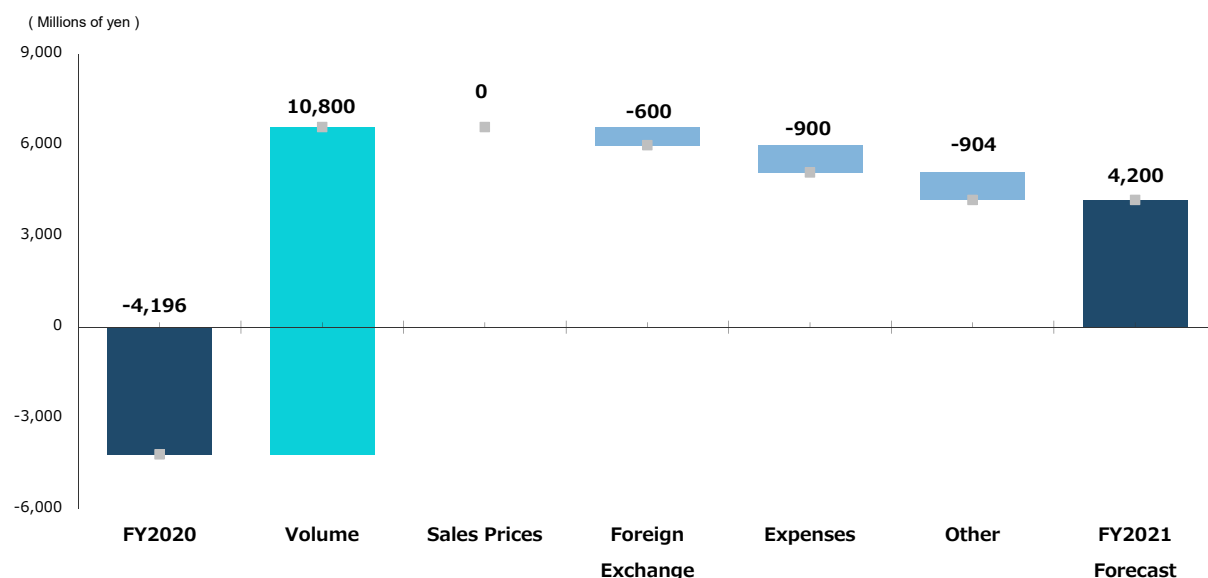
USD	¥106.82	¥105.00
EUR	¥121.81	¥125.00

Dividends per share	Mid-year	¥0.00	Mid-year	¥3.00
	Year-end	¥3.00	Year-end	¥4.00
	Full-year	¥3.00	Full-year	¥7.00

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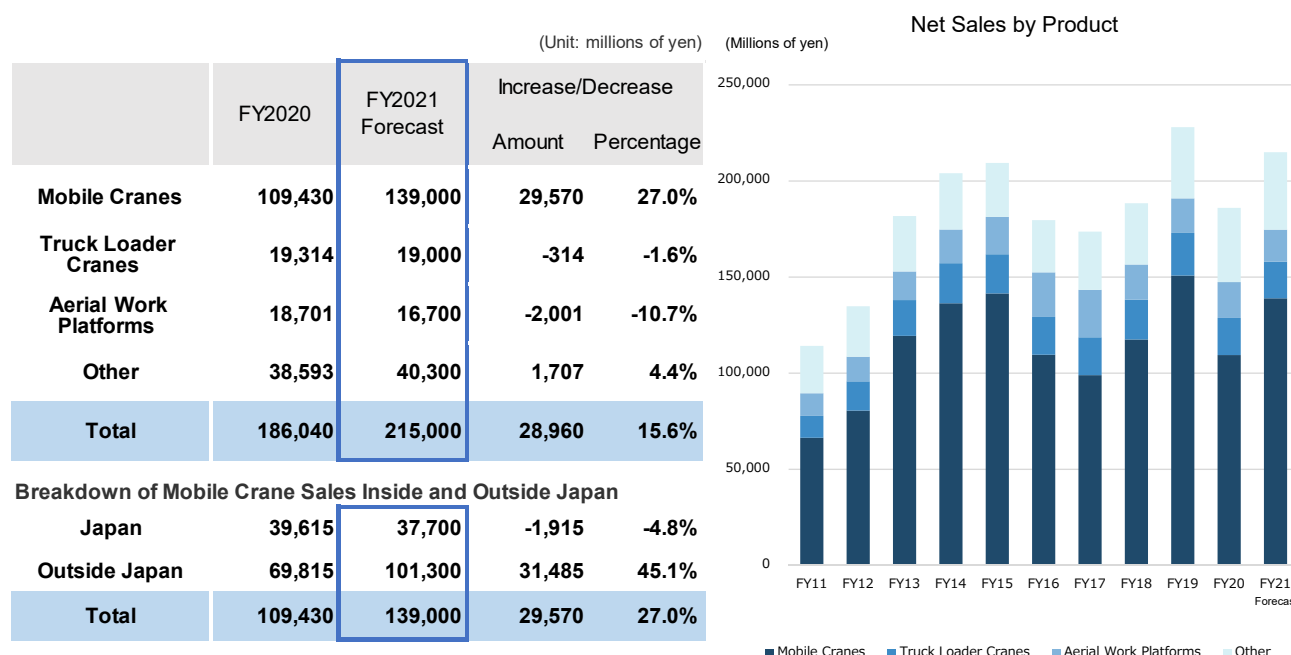
FY 2021 Forecast (Major Factors Leading to Change in Operating Income)

✓ **Operating income will increase by ¥8.3 billion due to increase in sales, etc.**



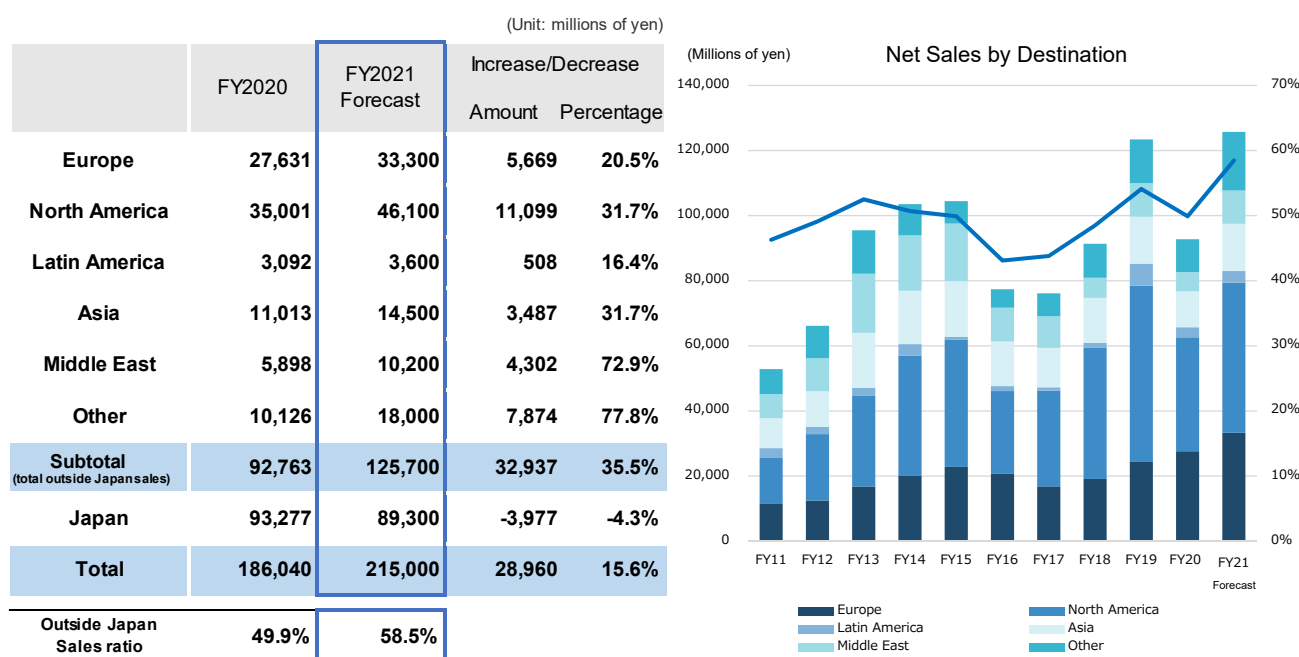
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FY 2021 Forecast (Net Sales by Product)



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FY 2021 Forecast (Net Sales by Destination)



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

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✓ First Activities of The Tadano Forest of Learning Project

Tadano began the first activities of the Tadano Forest of Learning Project, launched through a “Forest Matching” collaboration with Kagawa Prefecture, Japan. Many participants, including Tadano Group employees and their families, joined in to participate in environmental conservation activities for future forestation. A lecture was also held in cooperation with the Environmental Policy Division of Kagawa Prefecture to help participants to deepen their awareness of the importance of forests.

Since 2020, the Tadano Forest of Learning Project has made use of forest land owned by Sanuki City in Kagawa Prefecture, Japan. The aim of the project is to create a cooperative forest space where visitors can learn about the importance of environmental conservation, while also engaging in mutual exchange.



Environmental conservation activity

✓ First Online Factory Tours

Tadano traditionally holds a factory tour at Shido Plant for local school children in Japan every year during their summer vacation. This year, the tour was held as an online event for the first time. This time, the event coincided with the local spring vacation and was live-streamed from high-tech Kozai Plant, which began full production in August 2019. Tadano's tour guides showed the crane assembly line, interviewed employees, and held quiz sessions about the cranes, all in order to build interest among the young, online audience in regard to construction equipment and factory production.



Live streaming of Kozai Plant

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)

Highlights: Expansion of Solution Services

✓ Provision of BIM Data

Tadano has published BIM files for a selection of mobile cranes in the Tadano Group lineup. The files, available for download from the BIMobject® Platform, make construction planning with Tadano Group mobile cranes even easier for companies for using BIM.

Notes:

- BIM = Building Information Modeling
- BIMobject® : an online BIM object library, offered globally by BIMobject AB, a company based in Sweden. BIM users may download the data for free after registering an account.



Illustrative image with Tadano crane data incorporated in a BIM Model

✓ Release of “GENBADE-Support” Smartphone App for Truck Loader Crane Users

The “GENBADE-Support” App supports Truck Loader Crane users by providing detailed information via error codes and voice messages, searchable information for jobsite utilization, crane operation instructions, and searchable maps for locating Tadano's designated service contractors. In addition, the “HELLO SERVICE 24” call center provides emergency support at night or during holidays.



“GENBADE-Support” smartphone app for Truck Loader Crane users

Notes:

- “GENBADE” means “on the jobsite” in Japanese
- “GENBADE-Support” is available only in Japan

Highlights: New Products

✓ Super Large-Sized AR-7000N All Terrain Crane Released for Japanese Market

The AR-7000N boasts the largest lifting capacity of all 7-axle all terrain cranes in the Japanese market. It maintains the same level of compactness as its predecessor 550-ton model, yet features improved lifting performance. Tadano expects increasing demand for this new model, which will see diverse industry applications, including in the area of maintenance of aging infrastructure.



✓ GR-1300XL-4 Rough Terrain Crane Released for North American Market

The GR-1300XL-4 is a compact, two-axle RT, which, at 130 US tons, boasts the largest lifting capacity and largest work radius in class. It is the perfect machine for such applications as lifting work at oil refineries, assist jobs at wind power construction sites, and much more. With the addition of this new model to our North America-directed, large-sized rough terrain crane lineup, Tadano aims to gain even further market share.



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Highlights: New Products

✓ An Aerial Work Platform for Electric and Telecom Work: the Updated AT-121TTE

The AT-121TTE has been updated ahead of expectations for increasing demand in public works related to early proliferation of 5G telecommunication projects in Japan. It features improved convenience and comfort in its operations by offering the largest work radius for electric- and telecom-related AWP applications, increased efficiency, and smooth retractability.



✓ TM-ZT 1000HRS Truck Loader Crane Newly Equipped with Safety System

The TM-ZT1000, the largest model made at the Tadano Thailand Plant, has been equipped with a new, standard safety system, which supports the operator in safe crane operation.



In the specification featuring remote controlled operations, the hand-held controller has a large, color screen for increased visibility – just as featured in the most recent truck loader crane offerings in the Japanese Market.



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Highlights: Demag Mobile Crane Business Synergy Initiatives

✓ **Crawler Cranes to Meet Various Customer Needs**

As renewable energy demand increases, lattice boom crawler cranes produced at Tadano Demag GmbH are being utilized worldwide in an expanding scope of applications, including wind power-related construction. Following the Demag Mobile Crane Business acquisition, Tadano has already begun delivering large-sized crawler cranes in the Japanese market. With the addition of lattice boom crawler cranes to our product lineup, Tadano is now able to meet an expanding range of customer needs.



A CC 8800-1 in operation at a large plant construction site



A CC 3800-1 erecting a wind turbine

Highlights: Demag Mobile Crane Business Synergy Initiatives

✓ **New AC 450-7 7-Axle All Terrain Crane**

The new AC 450-7 all terrain crane features a longest-in-class 80 meter boom. Additionally, it features the compactness of a 6-axle all terrain crane with powerful performance comparable to that of an 8-axle machine.



The AC 450-7 officially will be released around summer of 2021, and it will be introduced to the Japanese Market sometime during or after 2022.

✓ **GTC-1800EX Telescopic Boom Crawler Crane Released**

With a 156-ton lifting capacity, the GTC-1800EX is the largest telescopic boom crawler crane in the Tadano Group lineup. The base crane, with dimensions of 3 meters wide and 3 meters high, is optimized for transport. This is also the first crane made at Tadano Demag GmbH to be released under the Tadano Brand.



Effects of Coronavirus Disruption and Future Outlook

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Effects of Coronavirus Disruption (Demand)

Mobile Crane demand by region (Compared to same period of previous fiscal year)

Region	2020				2021
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar
Japan	-7%	-24%	-39%	+13%	-24%
Middle East	-12%	-28%	-42%	-4%	-14%
North America	-16%	-47%	-47%	-46%	-25%
Europe	-9%	-23%	-7%	-24%	-15%
Latin America	-15%	-34%	-44%	-12%	+24%
Asia	-1%	-26%	-43%	-21%	-15%
Other	-16%	+5%	-22%	-1%	+47%

Fiscal Year 1Q
 Fiscal Year 2Q
 Fiscal Year 3Q
 Fiscal Year 4Q

Note: The table above excludes China and Crawler Cranes

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【Immediate Future Outlook by Region】

Region	Immediate Future Outlook
Japan	Crane utilization rates are strong due to large-scale construction, but some projects have been postponed due to COVID-19. Sales opportunities are tending to increase as a whole.
USA	Crane utilization rates are rising due to the Biden administration's \$1.9 trillion American Rescue Plan, as well as the recovery of oil prices; signs are pointing to a recovery in market sentiment.
Europe	Demand seems to be recovering due to the EU's €1.8 trillion economic stimulus. COVID-19 infections vary highly on a country-by-country basis, and recovery is also progressing unevenly.
Asia	Still no signs of demand recovery due in large part to accelerating COVID-19 infections in Indonesia and the Philippines, countries where infrastructure projects were expected to spark demand.
Middle East	Vaccinations have started in multiple countries. Demand recovery is expected to continue based on disclosures of large-scale projects related to resource development that has been enabled by recovery in oil prices.
Other	In Australia, crane utilization rates are strong due to economic policies and increasing prices for natural resource exports.