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Consolidated Business Results for Nine Months of the Fiscal Year Ending March 31, 2016 (U.S. GAAP)

1. Results for Nine Months Ended December 31, 2015

(Amounts are rounded to the nearest million yen)

(1) Consolidated Financial Highlights

Millions of yen except per share amounts

	Nine Months ended December 31, 2015	Nine Months ended December 31, 2014	Changes Increase (Decrease)	
	[A]	[B]	[A-B]	[(A-B)/B]
Net sales	**1,370,517**	1,436,625	(66,108)	(4.6)%
Operating income	**154,666**	181,897	(27,231)	(15.0)%
Income before income taxes and equity in earnings of affiliated companies	**153,165**	180,248	(27,083)	(15.0)%
Net income attributable to Komatsu Ltd.	**103,742**	116,513	(12,771)	(11.0)%
Net income attributable to Komatsu Ltd. per share (Yen)				
Basic	**¥ 110.07**	¥ 122.31	¥ (12.24)	
Diluted	**¥ 109.92**	¥ 122.15	¥ (12.23)	

Note: Comprehensive income for nine months ended December 31, 2015 and 2014

2015: 75,128 millions of yen, down 68.1% from 2014

2014: 235,474 millions of yen, up 6.5% from 2013

(2) Consolidated Financial Position

Millions of yen except per share amounts

	As of December 31, 2015	As of March 31, 2015
Total assets	**2,670,335**	2,798,407
Total equity	**1,615,614**	1,598,500
Komatsu Ltd. shareholders' equity	**1,547,909**	1,528,966
Komatsu Ltd. shareholders' equity ratio	**58.0%**	54.6%
Komatsu Ltd. shareholders' equity per share (Yen)	**¥ 1,642.15**	¥ 1,622.48

2. Dividends

(For the fiscal years ended March 31, 2015 and ending March 31, 2016)

Yen

	The entire FY ending March 31, 2016		The entire FY ended March 31, 2015
	Results	**Projection**	
First quarter period			
Second quarter period	**29.00**	**----**	29.00
Third quarter period			
Year-end	**----**	**29.00**	29.00
Total		**58.00**	58.00

Note: Changes in the projected cash dividend as of January 29, 2016: None

3. Projection for the Fiscal Year Ending March 31, 2016

(From April 1, 2015 to March 31, 2016)

Millions of yen except per share amounts

	The full fiscal year	
		Changes Increase (Decrease)
Net sales	**1,880,000**	(5.0)%
Operating income	**221,000**	(8.7)%
Income before income taxes and equity in earnings of affiliated companies	**214,000**	(9.4)%
Net income attributable to Komatsu Ltd.	**138,000**	(10.4)%
Net income attributable to Komatsu Ltd. Per share – Basic (Yen)	**¥ 146.44**	

Notes: 1) Changes in the projected consolidated business results as of January 29, 2016: None

2) Percentages shown above represent the rates of change compared with the corresponding period a year ago.

4. Others

(1) Changes in important subsidiaries during the nine-month period under review: None

(2) Use of simplified accounting procedures and adoption of specific accounting procedures for the preparation of consolidated quarterly financial statements: None

(3) Changes in significant accounting rules, procedures and presentation and changes in significant accounting policies and estimates

1) Changes resulting from revisions in accounting standards, etc: None

2) Changes in other matters except for 1) above: None

(4) Number of common shares outstanding

1) The numbers of common shares issued (including treasury stock) were as follows:

As of December 31, 2015: 971,967,660 shares

As of March 31, 2015: 971,967,660 shares

2) The numbers of shares of treasury were as follows:

As of December 31, 2015: 29,357,034 shares

As of March 31, 2015: 29,602,836 shares

3) The weighted average numbers of common shares outstanding were as follows:

Nine months period ended December 31, 2015: 942,501,532 shares

Nine months period ended December 31, 2014: 952,635,446 shares

[Reference]

Results for Three Months Ended December 31, 2015

Millions of yen except per share amounts

	Three Months ended December 31, 2015	Three Months ended December 31, 2014	Changes Increase (Decrease)	
	[A]	[B]	[A-B]	[(A-B)/B]
Net sales	**478,020**	494,073	(16,053)	(3.2)%
Operating income	**55,645**	56,238	(593)	(1.1)%
Income before income taxes and equity in earnings of affiliated companies	**55,286**	56,652	(1,366)	(2.4)%
Net income attributable to Komatsu Ltd.	**38,646**	38,527	119	0.3 %
Net income attributable to Komatsu Ltd. per share (Yen)				
Basic	**¥ 41.00**	¥ 40.50	¥ 0.50	
Diluted	**¥ 40.94**	¥ 40.44	¥ 0.50	

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Management Performance and Financial Conditions

(1) Outline of Operations and Business Results

Komatsu Ltd. ("Company") and its consolidated subsidiaries (together "Komatsu") have upheld the "Together We Innovate GEMBA Worldwide" three-year mid-range management plan to be completed in the fiscal year ending March 31, 2016. Under this plan, Komatsu is making focused efforts on 1) growth strategies based on innovation, 2) growth strategies of existing businesses, and 3) structural reforms designed to reinforce the business foundation.

For the nine-month period (April 1 – December 31, 2015) of the fiscal year ending March 31, 2016, consolidated net sales totaled JPY1,370.5 billion, down 4.6% from the corresponding period a year ago. In the construction, mining and utility equipment business, while Komatsu steadfastly captured demand for construction equipment in North America, the nine-month sales decreased from the corresponding period a year ago, as affected by declined sales of mining equipment against the backdrop of slack demand as well as drastically reduced demand in China and other emerging countries. In the industrial machinery and others business, while GIGAPHOTON INC. expanded sales, supported by stable machine utilization of the semiconductor industry, the nine-month sales declined from the corresponding period a year ago.

With respect to profits, as the Japanese yen depreciated particularly against the U.S. dollar, Komatsu continued to make efforts to reduce fixed costs, mainly through structural reforms on a global scale, in response to changing demand for construction and mining equipment. However, operating income decreased by 15.0% from the corresponding period a year ago, to JPY154.6 billion, as affected by reduced volume of sales of the construction, mining and utility equipment business. Operating income ratio translated into 11.3%, down 1.4 percentage points. Income before income taxes and equity in earnings of affiliated companies totaled JPY153.1 billion, down 15.0%. Net income attributable to Komatsu Ltd. amounted to JPY103.7 billion, down 11.0%.

[Consolidated Financial Highlights] Millions of yen

	Nine Months ended December 31, 2015 **1USD=JPY121.7** **1EUR=JPY133.8** **1RMB=JPY19.4**	Nine Months ended December 31, 2014 1USD=JPY106.5 1EUR=JPY140.5 1RMB=JPY17.2	Changes Increase (Decrease)
	[A]	[B]	[(A-B)/B]
Net sales	**1,370,517**	1,436,625	(4.6)%
Construction, Mining and Utility Equipment	**1,219,692**	1,285,699	(5.1)%
Industrial Machinery and Others	**154,456**	155,912	(0.9)%
Elimination	**(3,631)**	(4,986)	-
Segment profit	**146,978**	181,196	(18.9)%
Construction, Mining and Utility Equipment	**136,986**	171,829	(20.3)%
Industrial Machinery and Others	**11,993**	11,660	2.9 %
Corporate & elimination	**(2,001)**	(2,293)	-
Operating income	**154,666**	181,897	(15.0)%
Income before income taxes and equity in earnings of affiliated companies	**153,165**	180,248	(15.0)%
Net income attributable to Komatsu Ltd.	**103,742**	116,513	(11.0)%

Note: Sales and profit figures in this report show the respective sums of nine months from April 1 to December 31, 2015. Unless otherwise noted, all sales by segment in this report indicate the amounts before elimination of inter-segment transactions.

Business results by operation are described below.

Construction, Mining and Utility Equipment

The nine-month sales of the construction, mining and utility equipment business decreased by 5.1% from the corresponding period a year ago, to JPY 1,219.6 billion. Segment profit was JPY136.9 billion, down 20.3%.

With respect to "SMARTCONSTRUCTION", a solutions business for construction jobsites, which Komatsu launched in Japan in February last year, Komatsu has accomplished good grasp of all areas of the jobsites in 3D data by using "KomConnect", a cloud platform, which began service in September last year, and newly installing "stereo cameras" on intelligent Machine Control construction equipment. In an effort to broaden the range of its intelligent Machine Control hydraulic excavators, Komatsu has launched the "PC128USi-10" tight tail swing hydraulic excavator in Japan. By realizing IoT (Internet of Things) which connects everything on the jobsites via ICT (information and communication technology), "SMARTCONSTRUCTION" helps customers improve safety and productivity in the entire process of construction. Komatsu has delivered intelligent Machine Control construction equipment to more than 1,000 jobsites in Japan. Internationally, Komatsu has begun the market introduction of intelligent Machine Control dozers in Australia, following Japan, North America and Europe.

With respect to products designed to comply with new emission standards (such as Tier 4 Final in the United States), which have been introduced steadily in Japan, North America and Europe since 2014, Komatsu has increased the number of models to 28 and worked to expand their sales.

Even against the backdrop of dropping demand for new construction and mining equipment, Komatsu steadfastly capitalized on aftermarket demand, expanding sales of parts from the corresponding period a year ago. To further reinforce operations of the aftermarket business, Komatsu has opened the model training center for service engineers of distributors on the premises of "Komatsu-no-Mori (Komatsu Greenery Park)" in Ishikawa Prefecture, Japan.

[Sales to Outside Customers of Construction, Mining and Utility Equipment by Region] Millions of yen

	Nine Months ended December 31, 2015	Nine Months ended December 31, 2014	Changes Increase (Decrease)	
	[A]	[B]	[A-B]	[(A-B)/B]
Japan	**230,423**	244,714	(14,291)	(5.8) %
North America*[1]	**286,620**	218,281	68,339	31.3 %
Latin America*[1]	**168,273**	198,767	(30,494)	(15.3) %
Americas	**454,893**	417,048	37,845	9.1 %
Europe	**102,719**	107,300	(4,581)	(4.3) %
CIS	**36,473**	42,325	(5,852)	(13.8) %
Europe & CIS	**139,192**	149,625	(10,433)	(7.0) %
China	**52,294**	86,886	(34,592)	(39.8) %
Asia*[2]	**148,072**	155,589	(7,517)	(4.8) %
Oceania	**85,149**	105,910	(20,761)	(19.6) %
Asia*[2] & Oceania	**233,221**	261,499	(28,278)	(10.8) %
Middle East	**45,995**	41,969	4,026	9.6 %
Africa	**61,616**	82,666	(21,050)	(25.5) %
Middle East & Africa	**107,611**	124,635	(17,024)	(13.7) %
Total	**1,217,634**	1,284,407	(66,773)	(5.2) %

*[1] Along with the acquisition of a distributor in Mexico, a part of sales in Mexico was reclassified from "North America" into "Latin America". Please note that the nine-month sales of the previous fiscal year were restated according to the reclassification.

*[2] Excluding Japan and China

Komatsu's operations by region are described below.

Japan

Komatsu captured expanded demand for utility equipment before new emission standards become effective. However, the nine-month sales declined from the corresponding period a year ago, as adversely affected by negative repercussions of temporary demand related to the new emission standards centering on small models as well as reduced demand for construction equipment in rental companies.

Americas

In North America, while demand for equipment remained slack in the mining industry and the energy sector, it was steady in the U.S. residential construction and infrastructure development sectors, including highway construction. As a result, the nine-month sales increased from the corresponding period a year ago.

In Latin America, demand for mining equipment remained sluggish and that for construction equipment was slack in Brazil. As a result, the nine-month sales decreased from the corresponding period a year ago.

Europe & CIS

In Europe, while Komatsu steadfastly captured demand especially in some major markets, the nine-month sales declined from the corresponding period a year ago, as adversely affected by the Japanese yen's appreciation.

In CIS, Komatsu advanced parts sales of mining equipment. However, the nine-month sales declined from the corresponding period a year ago, as adversely affected by reduced demand for construction equipment and the Russian ruble's depreciation.

China

Economic measures to underpin the economy, such as monetary easing, of the Chinese government fell short of bringing about clear outcomes from sluggish demand for construction equipment. As a result, the nine-month sales fell sharply from the corresponding period a year ago.

Asia & Oceania

While Komatsu was able to capture demand in India and some other countries, demand remained sluggish in Indonesia, the largest market of the region. As a result, the nine-month sales declined from the corresponding period a year ago.

In Oceania, the nine-month sales declined, as demand for mining equipment remained sluggish.

Middle East & Africa

In the Middle East, while demand remained slack in Saudi Arabia, a major market of the region, as mainly affected by falling crude prices, Komatsu capitalized on demand in infrastructure development projects in some Gulf nations, such as Oman and Qatar. As a result, the nine-month sales increased from the corresponding period a year ago.

In Africa, the nine-month sales decreased from the corresponding period a year ago, as adversely affected by a drop in demand for mining equipment in South Africa, the major market of the region.

Industrial Machinery and Others

While GIGAPHOTON INC. advanced sales, supported by stable machine utilization of the semiconductor industry, and sales of presses declined, the nine-month sales decreased by 0.9% from the corresponding period a year ago, to JPY154.4 billion. Segment profit amounted to JPY11.9 billion, up 2.9% from the corresponding period a year ago.

In June last year, Komatsu launched a new model of the small AC Servo press series, which features high productivity and dynamic reduction of running costs, and has since worked to further expand sales thereof. GIGAPHOTON INC. has also worked to step up sales by offering new programs to support customers' efforts to cut down operating costs of semiconductor manufacturing plants.

(2) Financial Conditions

As of December 31, 2015, total assets decreased by JPY128.0 billion from the previous fiscal year-end, to JPY2,670.3 billion, mainly due to reduced inventories. Interest-bearing debt decreased by JPY59.1 billion from the previous fiscal year-end, to JPY530.0 billion, mainly due to effective use of funds within the Komatsu Group. Komatsu Ltd. shareholders' equity increased by JPY18.9 billion from the previous fiscal year-end, to JPY1,547.9 billion. As a result, Komatsu Ltd. shareholders' equity ratio increased by 3.4 percentage points from the previous fiscal year-end, to 58.0%. Net debt-to-equity ratio* was 0.27, compared to 0.32 as of the previous fiscal year-end.

** Net debt-to-equity ratio = (Net interest-bearing debt – Cash and cash equivalents – Time deposits) / Komatsu Ltd. shareholders' equity*

For the nine-month period under review, net cash provided by operating activities totaled JPY210.3 billion, a decrease of JPY22.1 billion from the corresponding period a year ago, mainly due to net income of JPY108.0 billion and the collection of notes and accounts receivable as well as reduced inventories. Net cash used in investing activities amounted to JPY96.2 billion, a decrease of JPY36.2 billion from the corresponding period a year ago, mainly due to the purchase of fixed assets. Net cash used in financing activities totaled JPY113.0 billion, mainly due to the repayment of debt and payment of cash dividends, as compared to JPY67.9 billion used for the corresponding period a year ago. After adding the effects of foreign exchange fluctuations, cash and cash equivalents, as of December 31, 2015, totaled JPY104.8 billion, a decrease of JPY1.1 billion from the previous fiscal year-end.

(3) Projection for the Fiscal Year Ending March 31, 2016

(From April 1, 2015 to March 31, 2016)

Komatsu makes no change in the projection of April 27, 2015, concerning consolidated business results for the fiscal year ending March 31, 2016, which are shown on page 2 of this report.

Cautionary Statement

The announcement set forth herein contains forward-looking statements which reflect management's current views with respect to certain future events, including expected financial position, operating results, and business strategies. These statements can be identified by the use of terms such as "will," "believes," "should," "projects" and similar terms and expressions that identify future events or expectations. Actual results may differ materially from those projected, and the events and results of such forward-looking assumptions cannot be assured.

Factors that may cause actual results to differ materially from those predicted by such forward-looking statements include, but are not limited to, unanticipated changes in demand for the Company's principal products, owing to changes in the economic conditions in the Company's principal markets; changes in exchange rates or the impact of increased competition; unanticipated cost or delays encountered in achieving the Company's objectives with respect to globalized product sourcing and new Information Technology tools; uncertainties as to the results of the Company's research and development efforts and its ability to access and protect certain intellectual property rights; and, the impact of regulatory changes and accounting principles and practices.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

Assets

Millions of yen

	As of December 31, 2015		As of March 31, 2015	
		Ratio (%)		Ratio (%)
Current assets				
Cash and cash equivalents	**¥ 104,802**		¥ 105,905	
Time deposits	**1,790**		1,407	
Trade notes and accounts receivable, net	**599,876**		620,076	
Inventories	**586,675**		622,876	
Deferred income taxes and other current assets	**148,705**		171,171	
Total current assets	**1,441,848**	**54.0**	1,521,435	54.4
Long-term trade receivables, net	**275,363**	**10.3**	280,138	10.0
Investments				
Investments in and advances to affiliated companies	**28,923**		28,358	
Investment securities	**57,014**		73,420	
Other	**2,858**		1,731	
Total investments	**88,795**	**3.3**	103,509	3.7
Property, plant and equipment - less accumulated depreciation and amortization	**722,527**	**27.1**	743,919	26.6
Goodwill	**37,439**	**1.4**	36,266	1.3
Other intangible assets - less accumulated amortization	**56,392**	**2.1**	58,715	2.1
Deferred income taxes and other assets	**47,971**	**1.8**	54,425	1.9
Total	**¥ 2,670,335**	**100.0**	¥ 2,798,407	100.0

Liabilities and Equity

Millions of yen

	As of December 31, 2015		As of March 31, 2015	
		Ratio (%)		Ratio (%)
Current liabilities				
Short-term debt	**¥ 192,272**		¥ 191,937	
Current maturities of long-term debt	**133,338**		117,922	
Trade notes, bills and accounts payable	**194,354**		225,093	
Income taxes payable	**18,855**		39,396	
Deferred income taxes and other current liabilities	**212,761**		230,563	
Total current liabilities	**751,580**	**28.1**	804,911	28.8
Long-term liabilities				
Long-term debt	**204,398**		279,270	
Liability for pension and retirement benefits	**55,029**		55,396	
Deferred income taxes and other liabilities	**43,714**		60,330	
Total long-term liabilities	**303,141**	**11.4**	394,996	14.1
Total liabilities	**1,054,721**	**39.5**	1,199,907	42.9
Komatsu Ltd. shareholders' equity				
Common stock	**67,870**		67,870	
Capital surplus	**138,363**		138,696	
Retained earnings:				
Appropriated for legal reserve	**44,018**		40,980	
Unappropriated	**1,266,346**		1,220,338	
Accumulated other comprehensive income (loss)	**82,843**		113,018	
Treasury stock	**(51,531)**		(51,936)	
Total Komatsu Ltd. shareholders' equity	**1,547,909**	**58.0**	1,528,966	54.6
Noncontrolling interests	**67,705**	**2.5**	69,534	2.5
Total equity	**1,615,614**	**60.5**	1,598,500	57.1
Total	**¥ 2,670,335**	**100.0**	¥ 2,798,407	100.0

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Nine months ended December 31, 2015 and 2014

Consolidated Statements of Income

Millions of yen except per share amounts

	Nine Months ended December 31, 2015		Nine Months ended December 31, 2014	
		Ratio (%)		Ratio (%)
Net sales	**¥ 1,370,517**	**100.0**	¥ 1,436,625	100.0
Cost of sales	**970,106**	**70.8**	1,009,669	70.3
Selling, general and administrative expenses	**253,433**	**18.5**	245,760	17.1
Other operating income (expenses), net	**7,688**	**0.6**	701	0.0
Operating income	**154,666**	**11.3**	181,897	12.7
Other income (expenses), net				
Interest and dividend income	**2,826**	**0.2**	2,382	0.2
Interest expense	**(6,853)**	**(0.5)**	(7,131)	(0.5)
Other, net	**2,526**	**0.2**	3,100	0.2
Total other income (expenses)	**(1,501)**	**(0.1)**	(1,649)	(0.1)
Income before income taxes and equity in earnings of affiliated companies	**153,165**	**11.2**	180,248	12.5
Income taxes	**46,984**	**3.4**	61,211	4.3
Income before equity in earnings of affiliated companies	**106,181**	**7.7**	119,037	8.3
Equity in earnings of affiliated companies	**1,904**	**0.1**	2,957	0.2
Net income	**108,085**	**7.9**	121,994	8.5
Less: Net income attributable to noncontrolling interests	**4,343**	**0.3**	5,481	0.4
Net income attributable to Komatsu Ltd.	**¥ 103,742**	**7.6**	¥ 116,513	8.1
Net income attributable to Komatsu Ltd. per share (Yen)				
Basic	**¥ 110.07**		¥ 122.31	
Diluted	**¥ 109.92**		¥ 122.15	

Consolidated Statements of Comprehensive Income

Millions of yen

	Nine Months ended December 31, 2015	Nine Months ended December 31, 2014
Net income	**¥ 108,085**	¥ 121,994
Other comprehensive income (loss), for the period, net of tax		
Foreign currency translation adjustments	**(24,592)**	113,032
Net unrealized holding gains (losses) on securities available for sale	**(10,177)**	3,972
Pension liability adjustments	**1,344**	(2,223)
Net unrealized holding gains (losses) on derivative instruments	**468**	(1,301)
Total	**(32,957)**	113,480
Comprehensive income (loss)	**75,128**	235,474
Less: Comprehensive income (loss) attributable to noncontrolling interests	**1,954**	12,221
Comprehensive income (loss) attributable to Komatsu Ltd.	**¥ 73,174**	¥ 223,253

Three months ended December 31, 2015 and 2014

Consolidated Statements of Income

Millions of yen except per share amounts

	Three Months ended December 31, 2015		Three Months ended December 31, 2014	
		Ratio (%)		Ratio (%)
Net sales	**¥ 478,020**	**100.0**	¥ 494,073	100.0
Cost of sales	**344,685**	**72.1**	350,600	71.0
Selling, general and administrative expenses	**84,760**	**17.7**	84,966	17.2
Other operating income (expenses), net	**7,070**	**1.5**	(2,269)	(0.5)
Operating income	**55,645**	**11.6**	56,238	11.4
Other income (expenses), net				
Interest and dividend income	**940**	**0.2**	876	0.2
Interest expense	**(1,980)**	**(0.4)**	(2,475)	(0.5)
Other, net	**681**	**0.1**	2,013	0.4
Total other income (expenses)	**(359)**	**(0.1)**	414	0.1
Income before income taxes and equity in earnings of affiliated companies	**55,286**	**11.6**	56,652	11.5
Income taxes	**15,690**	**3.3**	17,200	3.5
Income before equity in earnings of affiliated companies	**39,596**	**8.3**	39,452	8.0
Equity in earnings of affiliated companies	**707**	**0.1**	1,089	0.2
Net income	**40,303**	**8.4**	40,541	8.2
Less: Net income attributable to noncontrolling interests	**1,657**	**0.3**	2,014	0.4
Net income attributable to Komatsu Ltd.	**¥ 38,646**	**8.1**	¥ 38,527	7.8
Net income attributable to Komatsu Ltd. per share (Yen)				
Basic	**¥ 41.00**		¥ 40.50	
Diluted	**¥ 40.94**		¥ 40.44	

Consolidated Statements of Comprehensive Income

Millions of yen

	Three Months ended December 31, 2015	Three Months ended December 31, 2014
Net income	**¥ 40,303**	¥ 40,541
Other comprehensive income (loss), for the period, net of tax		
Foreign currency translation adjustments	**(6,079)**	73,635
Net unrealized holding gains (losses) on securities available for sale	**(1,200)**	3,314
Pension liability adjustments	**402**	376
Net unrealized holding gains (losses) on derivative instruments	**133**	(228)
Total	**(6,744)**	77,097
Comprehensive income (loss)	**33,559**	117,638
Less: Comprehensive income (loss) attributable to noncontrolling interests	**2,024**	6,499
Comprehensive income (loss) attributable to Komatsu Ltd.	**¥ 31,535**	¥ 111,139

(3) Consolidated Statements of Cash Flows

Millions of yen

	Nine Months ended December 31, 2015	Nine Months ended December 31, 2014
Operating activities		
Net income	**¥ 108,085**	¥ 121,994
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	**82,571**	74,084
Deferred income taxes	**4,843**	4,181
Impairment loss and net loss (gain) from sale of investment securities	**(3,700)**	(935)
Net loss (gain) on sale of property	**(8,885)**	(4,547)
Loss on disposal of fixed assets	**1,663**	2,195
Pension and retirement benefits, net	**934**	731
Changes in assets and liabilities:		
Decrease (increase) in trade receivables	**16,449**	67,831
Decrease (increase) in inventories	**26,225**	(12,202)
Increase (decrease) in trade payables	**(30,511)**	5,047
Increase (decrease) in income taxes payable	**(20,308)**	(17,393)
Other, net	**32,964**	(8,482)
Net cash provided by (used in) operating activities	**210,330**	232,504
Investing activities		
Capital expenditures	**(123,281)**	(147,316)
Proceeds from sale of property	**24,405**	16,063
Proceeds from sale of available for sale investment securities	**5,125**	1,876
Purchases of available for sale investment securities	**(370)**	(11)
Acquisition of subsidiaries and equity investees, net of cash acquired	**(796)**	(3,081)
Collection of loan receivables	**207**	169
Disbursement of loan receivables	**-**	(2)
Decrease (increase) in time deposits, net	**(1,549)**	(197)
Net cash provided by (used in) investing activities	**(96,259)**	(132,499)
Financing activities		
Proceeds from debt issued (Original maturities greater than three months)	**106,828**	200,026
Payment on debt (Original maturities greater than three months)	**(173,366)**	(196,029)
Short-term debt, net (Original maturities three months or less)	**12,398**	23,693
Repayments of capital lease obligations	**(533)**	(3,503)
Sale (purchase) of treasury stock, net	**67**	(18,635)
Dividends paid	**(54,696)**	(55,324)
Other, net	**(3,724)**	(18,136)
Net cash provided by (used in) financing activities	**(113,026)**	(67,908)
Effect of exchange rate change on cash and cash equivalents	**(2,148)**	(3,228)
Net increase (decrease) in cash and cash equivalents	**(1,103)**	28,869
Cash and cash equivalents, beginning of year	**105,905**	90,872
Cash and cash equivalents, end of period	**¥ 104,802**	¥ 119,741

(4) Note to the Going Concern Assumption

None

(5) Business Segment Information

1) Information by Operating Segments

Nine Months ended December 31, 2015 and 2014

(For Nine Months ended December 31, 2015) Millions of yen

	Construction, Mining and Utility Equipment	Industrial Machinery and Others	Subtotal	Corporate & elimination	Total
Net sales:					
Customers	**1,217,634**	**152,883**	**1,370,517**	**-**	**1,370,517**
Intersegment	**2,058**	**1,573**	**3,631**	**(3,631)**	**-**
Total	**1,219,692**	**154,456**	**1,374,148**	**(3,631)**	**1,370,517**
Segment profit	**136,986**	**11,993**	**148,979**	**(2,001)**	**146,978**

(For Nine Months ended December 31, 2014) Millions of yen

	Construction, Mining and Utility Equipment	Industrial Machinery and Others	Subtotal	Corporate & elimination	Total
Net sales:					
Customers	1,284,407	152,218	1,436,625	-	1,436,625
Intersegment	1,292	3,694	4,986	(4,986)	-
Total	1,285,699	155,912	1,441,611	(4,986)	1,436,625
Segment profit	171,829	11,660	183,489	(2,293)	181,196

Three Months ended December 31, 2015 and 2014

(For Three Months ended December 31, 2015) Millions of yen

	Construction, Mining and Utility Equipment	Industrial Machinery and Others	Subtotal	Corporate & elimination	Total
Net sales:					
Customers	**424,784**	**53,236**	**478,020**	**-**	**478,020**
Intersegment	**761**	**436**	**1,197**	**(1,197)**	**-**
Total	**425,545**	**53,672**	**479,217**	**(1,197)**	**478,020**
Segment profit	**44,584**	**4,460**	**49,044**	**(469)**	**48,575**

(For Three Months ended December 31, 2014) Millions of yen

	Construction, Mining and Utility Equipment	Industrial Machinery and Others	Subtotal	Corporate & elimination	Total
Net sales:					
Customers	441,517	52,556	494,073	-	494,073
Intersegment	521	944	1,465	(1,465)	-
Total	442,038	53,500	495,538	(1,465)	494,073
Segment profit	55,077	3,851	58,928	(421)	58,507

Notes: 1) Business categories and principal products & services included in each operating segment are as follows:

a) Construction, Mining and Utility Equipment

Excavating equipment, loading equipment, grading & roadbed preparation equipment, hauling equipment, forestry equipment, tunneling machines, recycling equipment, industrial vehicles, other equipment, engines & components, casting products, and logistics

b) Industrial Machinery and Others

Metal forging & stamping presses, sheet-metal machines, machine tools, defense systems, temperature-control equipment, and others

2) Transfers between segments are made at estimated arm's-length prices.

2) Geographic Information

Net sales determined by customer location were as follows:

For Nine Months ended December 31, 2015 and 2014

Millions of yen

	Japan	Americas	Europe & CIS	China	Asia* & Oceania	Middle East & Africa	Total
FY2015	**297,330**	**486,266**	**149,540**	**72,125**	**257,318**	**107,938**	**1,370,517**
FY2014	308,372	453,562	157,141	103,790	289,079	124,681	1,436,625

For Three Months ended December 31, 2015 and 2014

Millions of yen

	Japan	Americas	Europe & CIS	China	Asia* & Oceania	Middle East & Africa	Total
FY2015	**110,687**	**179,329**	**48,226**	**23,310**	**84,238**	**32,230**	**478,020**
FY2014	112,330	162,992	50,125	33,836	95,064	39,726	494,073

*Excluding Japan and China

(6) Note in Case of Notable Changes in the Amount of Shareholders' Equity

None

(end)