

Komatsu Ltd.

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**Consolidated Business Results for Three Months of the Fiscal Year Ending
March 31, 2017 (U.S. GAAP)**

1. Results for Three Months Ended June 30, 2016

(Amounts are rounded to the nearest million yen)

(1) Consolidated Financial Highlights

Millions of yen except per share amounts

	Three Months ended June 30, 2016	Three Months ended June 30, 2015	Changes Increase (Decrease)	
	[A]	[B]	[A-B]	[(A-B)/B]
Net sales	389,252	446,103	(56,851)	(12.7) %
Operating income	29,789	49,713	(19,924)	(40.1) %
Income before income taxes and equity in earnings of affiliated companies	24,202	50,937	(26,735)	(52.5) %
Net income attributable to Komatsu Ltd.	15,588	32,530	(16,942)	(52.1) %
Net income attributable to Komatsu Ltd. per share (Yen)				
Basic	¥ 16.54	¥ 34.52	¥ (17.98)	
Diluted	¥ 16.52	¥ 34.47	¥ (17.95)	

Note: Comprehensive income for three months ended June 30, 2016 and 2015

2016: (81,821) millions of yen

2015: 60,025 millions of yen, up 127.3% from 2014

(2) Consolidated Financial Position

Millions of yen except per share amounts

	As of June 30, 2016	As of March 31, 2016
Total assets	2,419,405	2,614,654
Total equity	1,478,133	1,587,760
Komatsu Ltd. shareholders' equity	1,414,588	1,517,414
Komatsu Ltd. shareholders' equity ratio	58.5%	58.0%
Komatsu Ltd. shareholders' equity per share (Yen)	¥ 1,500.56	¥ 1,609.69

2. Dividends

(For the fiscal years ended March 31, 2016 and ending March 31, 2017)

Yen

	2016	2017 Projections
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 July 28, 2016: None

3. Projections for the Fiscal Year Ending March 31, 2017

(From April 1, 2016 to March 31, 2017)

Millions of yen except per share amounts

	2017	
		Changes Increase (Decrease)
Net sales	1,685,000	(9.2) %
Operating income	150,000	(28.1) %
Income before income taxes and equity in earnings of affiliated companies	145,000	(29.2) %
Net income attributable to Komatsu Ltd.	92,000	(33.1) %
Net income attributable to Komatsu Ltd. per share - Basic (Yen)	¥ 97.59	

Notes: 1) Changes in the projected consolidated business results as of July 28, 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 three-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.: Applicable

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

Note: See (4) Others on page 9 for more details.

(4) Number of common shares outstanding

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

As of June 30, 2016: 971,967,660 shares

As of March 31, 2016: 971,967,660 shares

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

As of June 30, 2016: 29,261,446 shares

As of March 31, 2016: 29,292,304 shares

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

Three months ended June 30, 2016: 942,686,613 shares

Three months ended June 30, 2015: 942,400,247 shares

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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: Growth Toward Our 100th Anniversary (2021) and Beyond” three-year mid-range management plan to be completed in the fiscal year ending March 31, 2019. 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 first three-month period (April 1 – June 30, 2016) of the fiscal year ending March 31, 2017, consolidated net sales totaled JPY389.2 billion, down 12.7% 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 and Europe among Traditional Markets, sales declined from the corresponding period a year ago, as affected by the Japanese yen’s appreciation and reduced volume of sales of construction and mining equipment and parts against the backdrop of slack demand, especially in Strategic Markets, such as the Middle East and Indonesia. In the retail finance business, revenues decreased from the corresponding period a year ago, affected by the Japanese yen’s appreciation and a decline of assets, mainly in China and Oceania. In the industrial machinery and others business, sales declined from the corresponding period a year ago, affected by reduced sales of presses and machine tools, especially to the automobile manufacturing industry.

With respect to profits, Komatsu continued to cut down fixed costs and improve selling prices. However, profits were adversely affected by one-time factors of inventory write-off of remanufactured/rebuilt parts and an additional allowance for bad debts recorded in the retail finance business in China, both in the first three-month period. Komatsu also weathered the Japanese yen’s appreciation against major currencies and reduced volume of sales in the construction, mining and utility equipment business. As a result, operating income dropped by 40.1% from the corresponding period a year ago, to JPY29.7 billion. The operating income ratio translated into 7.7%, down 3.4 percentage points. Income before income taxes and equity in earnings of affiliated companies totaled JPY24.2 billion, down 52.5%. Net income attributable to Komatsu Ltd. amounted to JPY15.5 billion, down 52.1%.

[Consolidated Financial Highlights]

Millions of yen

	Three Months ended June 30, 2016	Three Months ended June 30, 2015	Changes Increase (Decrease)
	1USD=JPY109.8 1EUR=JPY124.3 1RMB=JPY16.9	1USD=JPY121.3 1EUR=JPY133.0 1RMB=JPY19.6	[(A-B)/B]
	[A]	[B]	
Net sales	389,252	446,103	(12.7) %
Construction, Mining and Utility Equipment	345,166	392,378	(12.0) %
Retail Finance	11,863	13,813	(14.1) %
Industrial Machinery and Others	34,775	44,732	(22.3) %
Elimination	(2,552)	(4,820)	-
Segment profit	29,000	49,601	(41.5) %
Construction, Mining and Utility Equipment	26,387	42,435	(37.8) %
Retail Finance	1,885	3,765	(49.9) %
Industrial Machinery and Others	1,708	3,269	(47.8) %
Corporate & elimination	(980)	132	-
Operating income	29,789	49,713	(40.1) %
Income before income taxes and equity in earnings of affiliated companies	24,202	50,937	(52.5) %
Net income attributable to Komatsu Ltd.	15,588	32,530	(52.1) %

Notes: 1) Komatsu has disclosed information of two operating segments of 1) Construction, Mining and Utility Equipment and 2) Industrial Machinery and Others for fiscal years up through the year ended March 31, 2016. Starting in the three months ended June 30, 2016, and after the reassessment of its management decision-making units, Komatsu is changing to three operating segments of 1) Construction, Mining and Utility Equipment, 2) Retail Finance, and 3) Industrial Machinery and Others. Accordingly, the figures for the three months ended June 30, 2015, were reclassified and restated in agreement with the figures for the three months ended June 30, 2016.

2) 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 first three-month sales of the construction, mining and utility equipment business decreased by 12.0% from the corresponding period a year ago, to JPY345.1 billion. Segment profit declined by 37.8% to JPY26.3 billion.

With respect to “SMARTCONSTRUCTION”, a solutions business for construction jobsites, which Komatsu launched in Japan in February 2015, Komatsu embarked on sales in April this year in addition to renting. To further promote it, Komatsu added new facilities where potential customers can experience it for a better understanding. Komatsu has also worked to improve SMARTCONSTRUCTION services, including a new service which diagnoses geotechnical risks of construction jobsites in the cloud-based “KomConnect”. This new service started in July this year.

To strengthen its sales operation in Mexico, a promising market, Komatsu started to manage a sales subsidiary which handles both construction and mining equipment in April this year.

As announced on July 21 this year, Komatsu decided to acquire Joy Global Inc. in order to dynamically strengthen its mining equipment business, one of its core businesses. The Acquisition is expected to close in mid-2017, subject to the approval of shareholders of Joy Global and the receipt of necessary regulatory approvals under laws in the relevant countries. Komatsu anticipates no impact on its consolidated business results for FY2016 as a result of this acquisition.

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

	Three Months ended June 30, 2016	Three Months ended June 30, 2015	Changes Increase (Decrease)	
	[A]	[B]	[A-B]	[(A-B)/B]
Japan	59,657	67,562	(7,905)	(11.7) %
North America	75,641	75,848	(207)	(0.3) %
Latin America	49,027	58,462	(9,435)	(16.1) %
Americas	124,668	134,310	(9,642)	(7.2) %
Europe	35,820	37,524	(1,704)	(4.5) %
CIS	15,603	11,563	4,040	34.9 %
Europe & CIS	51,423	49,087	2,336	4.8 %
China	18,733	18,634	99	0.5 %
Asia*	40,246	52,611	(12,365)	(23.5) %
Oceania	24,049	25,674	(1,625)	(6.3) %
Asia* & Oceania	64,295	78,285	(13,990)	(17.9) %
Middle East	9,195	17,292	(8,097)	(46.8) %
Africa	15,462	23,781	(8,319)	(35.0) %
Middle East & Africa	24,657	41,073	(16,416)	(40.0) %
Total	343,433	388,951	(45,518)	(11.7) %

Notes: 1) Komatsu has disclosed information of two operating segments of 1) Construction, Mining and Utility Equipment and 2) Industrial Machinery and Others for fiscal years up through the year ended March 31, 2016. Starting in the three months ended June 30, 2016, and after the reassessment of its management decision-making units, Komatsu is changing to three operating segments of 1) Construction, Mining and Utility Equipment, 2) Retail Finance, and 3) Industrial Machinery and Others. Accordingly, the figures for the three months ended June 30, 2015, were reclassified and restated in agreement with the figures for the three months ended June 30, 2016.

2) (*)Excluding Japan and China

Komatsu's operations by region are described below.

Japan

The first three-month sales declined from the corresponding period a year ago, affected by reduced demand for new emission controls-compliant construction equipment having run its course, especially in rental companies.

Americas

In North America, while demand for construction equipment remained firm in regular customers, demand was slack, especially, in the energy sector of Canada, and the Japanese yen appreciated against the U.S. dollar. As a result, the first three-month sales were about flat from the corresponding period a year ago.

In Latin America, demand for construction and mining equipment was sluggish mainly in Brazil, and some customers delayed repairs and maintenance of mining equipment. As a result, the first three-month sales decreased from the corresponding period a year ago.

Europe & CIS

In Europe, demand was firm for construction equipment centering on Germany, a major market of the region, and Komatsu added Lehnhoff Hartstahl GmbH, a German manufacturer of attachments, which Komatsu acquired in FY2015, to consolidated business results. However, the Japanese yen appreciated against Euro, more than offsetting the benefits above. As a result, the first-three month sales decreased from the corresponding period a year ago.

In CIS, the first three-month sales expanded sharply from the corresponding period a year ago, reflecting an increase in demand for mining equipment centering on gold mines.

China

While demand for construction equipment remained slack, Komatsu broadened the range of customer needs-specific models and worked to expand sales. As a result, the first three-month sales were flat from the corresponding period a year ago.

Asia & Oceania

In Asia, while Komatsu was able to capture demand in India, where infrastructure development was brisk, its sales of mining equipment and parts declined in tandem with slowing production of coal in Indonesia, the largest market of the region. As a result, the first three-month sales decreased from the corresponding period a year ago.

In Oceania, the first three-month sales declined, as the Japanese yen appreciated while Komatsu steadfastly captured the needs for parts and services of mining equipment.

Middle East & Africa

In the Middle East, the first three-month sales decreased from the corresponding period a year ago, affected by a decline in demand for construction equipment in Gulf nations, mainly resulting from slack crude prices.

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

Retail Finance

The first three-month revenues declined by 14.1% from the corresponding period a year ago, to JPY11.8 billion, mainly affected by the Japanese yen's appreciation and a decrease in assets, especially in China and Oceania. The three-month segment profit dropped by 49.9% from the corresponding period a year ago, to JPY1.8 billion, mainly because Komatsu recorded an additional allowance for bad debts in China.

Industrial Machinery and Others

While sales of wire saws sharply expanded, sales of presses and machine tools to the automobile manufacturing industry declined. In addition, Komatsu excluded former Komatsu House Ltd. (currently, System House R&C Co., Ltd.) from consolidated accounting. As a result, the first three-month sales declined by 22.3% from the corresponding period a year ago, to JPY34.7 billion. Segment profit dropped by 47.8% from the corresponding period a year ago, to JPY1.7 billion.

Komatsu Industries Corp. opened a new service base for press and forging machines in April this year in order to strengthen its aftermarket operation in Mexico, where automobile-related capital investment is thriving.

Concerning excimer lasers of Gigaphoton Inc., the company has developed "GIGANEX", a new brand designed for use in the manufacturing of flat panel displays of televisions and smart phones in order to enter new markets other than semiconductor lithography light sources.

(2) Financial Conditions

As of June 30, 2016, total assets decreased by JPY195.2 billion from the previous fiscal year end, to JPY2,419.4 billion, mainly due to the Japanese yen's appreciation against the U.S. dollar, euro, renminbi and some other currencies from the previous fiscal year-end as well as good progress in the collection of notes and accounts receivable. Interest-bearing debt decreased by JPY26.5 billion from the previous fiscal year-end, to JPY431.0 billion. Komatsu Ltd. shareholders' equity decreased by JPY102.8 billion from the previous fiscal year-end, to JPY1,414.5 billion, mainly due to a decline in foreign currency translation adjustments. As a result, Komatsu Ltd. shareholders' equity ratio increased by 0.5 percentage point from the previous fiscal year-end, to 58.5%.

For the first three-month period under review, net cash provided by operating activities totaled JPY45.9 billion, a decrease of JPY15.1 billion from the previous first three-month period, mainly due to net income of JPY16.0 billion and the collection of notes and accounts receivable. Net cash used in investing activities amounted to JPY24.5 billion, a decrease of JPY14.1 billion from the previous first three-month period, mainly due to the purchase of fixed assets. Net cash used in financing activities totaled JPY25.1 billion, mainly due to the payment of cash dividends, as compared to JPY19.6 billion used for the previous first three-month period. After adding the effects of foreign exchange fluctuations, cash and cash equivalents, as of June 30, 2016, totaled JPY105.9 billion, a decrease of JPY0.3 billion from the previous fiscal year-end.

(3) Projection for the Fiscal Year Ending March 31, 2017

(From April 1, 2016 to March 31, 2017)

Komatsu makes no change in the projection of April 27, 2016, concerning consolidated business results for the fiscal year ending March 31, 2017, which are shown on page 2 of this report.

(4) Others

(1) Changes in important subsidiaries during the first quarter 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.: Applicable

From the fiscal year ending March 31, 2017, Komatsu has adopted the Accounting Standards Update ("ASU") 2015-16, "Business Combinations: Simplifying the Accounting for Measurement-Period Adjustments". This update eliminates the requirement to retrospectively account for adjustments made to provisional amounts during the measurement period recognized in a business combination. This update also requires an acquirer in a business combination to recognize the adjustment to provisional amounts that are identified during the measurement period in the reporting period in which the adjustment amounts are determined. This adoption did not have any impact on Komatsu's financial position and results of operations for the three months ended June 30, 2016.

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

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 June 30, 2016		As of March 31, 2016	
		Ratio (%)		Ratio (%)
Current assets				
Cash and cash equivalents	¥ 105,941		¥ 106,259	
Time deposits	2,314		2,212	
Trade notes and accounts receivable, net	502,706		583,390	
Inventories	524,292		539,611	
Assets held for sale	-		13,388	
Deferred income taxes and other current assets	136,820		141,593	
Total current assets	1,272,073	52.6	1,386,453	53.0
Long-term trade receivables, net	265,659	11.0	291,923	11.2
Investments				
Investments in and advances to affiliated companies	27,342		28,123	
Investment securities	46,860		51,590	
Other	2,298		2,640	
Total investments	76,500	3.2	82,353	3.2
Property, plant and equipment				
- less accumulated depreciation and amortization	656,269	27.1	697,742	26.7
Goodwill	38,170	1.6	40,005	1.5
Other intangible assets				
- less accumulated amortization	59,320	2.4	63,056	2.4
Deferred income taxes and other assets	51,414	2.1	53,122	2.0
Total	¥ 2,419,405	100.0	¥ 2,614,654	100.0

Liabilities and Equity

Millions of yen

	As of June 30, 2016		As of March 31, 2016	
		Ratio (%)		Ratio (%)
Current liabilities				
Short-term debt	¥ 156,473		¥ 144,552	
Current maturities of long-term debt	92,243		100,364	
Trade notes, bills and accounts payable	187,020		205,411	
Income taxes payable	20,446		29,310	
Liabilities held for sale	-		7,057	
Deferred income taxes and other current liabilities	195,897		214,200	
Total current liabilities	652,079	26.9	700,894	26.8
Long-term liabilities				
Long-term debt	182,293		212,636	
Liability for pension and retirement benefits	64,474		67,972	
Deferred income taxes and other liabilities	42,426		45,392	
Total long-term liabilities	289,193	12.0	326,000	12.5
Total liabilities	941,272	38.9	1,026,894	39.3
Komatsu Ltd. shareholders' equity				
Common stock	67,870		67,870	
Capital surplus	138,187		138,243	
Retained earnings:				
Appropriated for legal reserve	45,353		44,018	
Unappropriated	1,286,929		1,300,030	
Accumulated other comprehensive income (loss)	(72,390)		18,667	
Treasury stock	(51,361)		(51,414)	
Total Komatsu Ltd. shareholders' equity	1,414,588	58.5	1,517,414	58.0
Noncontrolling interests	63,545	2.6	70,346	2.7
Total equity	1,478,133	61.1	1,587,760	60.7
Total	¥ 2,419,405	100.0	¥ 2,614,654	100.0

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

Consolidated Statements of Income

Millions of yen except per share amounts

	Three Months ended June 30, 2016		Three Months ended June 30, 2015	
		Ratio (%)		Ratio (%)
Net sales	¥ 389,252	100.0	¥ 446,103	100.0
Cost of sales	279,517	71.8	312,477	70.0
Selling, general and administrative expenses	80,735	20.7	84,025	18.8
Other operating income (expenses), net	789	0.2	112	0.0
Operating income	29,789	7.7	49,713	11.1
Other income (expenses), net				
Interest and dividend income	1,025	0.3	1,046	0.2
Interest expense	(1,958)	(0.5)	(2,497)	(0.6)
Other, net	(4,654)	(1.2)	2,675	0.6
Total other income (expenses)	(5,587)	(1.4)	1,224	0.3
Income before income taxes and equity in earnings of affiliated companies	24,202	6.2	50,937	11.4
Income taxes	9,215	2.4	17,583	3.9
Income before equity in earnings of affiliated companies	14,987	3.9	33,354	7.5
Equity in earnings of affiliated companies	1,104	0.3	397	0.1
Net income	16,091	4.1	33,751	7.6
Less: Net income attributable to noncontrolling interests	503	0.1	1,221	0.3
Net income attributable to Komatsu Ltd.	¥ 15,588	4.0	¥ 32,530	7.3
Net income attributable to Komatsu Ltd. per share (Yen)				
Basic	¥ 16.54		¥ 34.52	
Diluted	¥ 16.52		¥ 34.47	

Consolidated Statements of Comprehensive Income

Millions of yen

	Three Months ended June 30, 2016	Three Months ended June 30, 2015
Net income	¥ 16,091	¥ 33,751
Other comprehensive income (loss), for the period, net of tax		
Foreign currency translation adjustments	(96,312)	27,083
Net unrealized holding gains (losses) on securities available for sale	(3,526)	(1,079)
Pension liability adjustments	723	241
Net unrealized holding gains (losses) on derivative instruments	1,203	29
Total	(97,912)	26,274
Comprehensive income (loss)	(81,821)	60,025
Less: Comprehensive income (loss) attributable to noncontrolling interests	(6,352)	2,519
Comprehensive income (loss) attributable to Komatsu Ltd.	¥ (75,469)	¥ 57,506

(3) Consolidated Statements of Cash Flows

Millions of yen

	Three Months ended June 30, 2016	Three Months ended June 30, 2015
Operating activities		
Net income	¥ 16,091	¥ 33,751
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	26,736	27,727
Deferred income taxes	1,803	7,152
Impairment loss and net loss (gain) from sale of investment securities	(125)	(2,895)
Net loss (gain) on sale of property	(385)	(121)
Loss on disposal of fixed assets	449	575
Pension and retirement benefits, net	332	(377)
Changes in assets and liabilities:		
Decrease (increase) in trade receivables	45,886	28,478
Decrease (increase) in inventories	(30,035)	(1,966)
Increase (decrease) in trade payables	(11,329)	(17,728)
Increase (decrease) in income taxes payable	(8,741)	(19,895)
Other, net	5,308	6,397
Net cash provided by (used in) operating activities	45,990	61,098
Investing activities		
Capital expenditures	(33,936)	(45,781)
Proceeds from sale of property	3,646	4,064
Proceeds from sale of available for sale investment securities	511	4,174
Purchases of available for sale investment securities	(1)	(122)
Proceeds from sale of subsidiaries and equity investees, net of cash disposed	5,485	-
Acquisition of subsidiaries and equity investees, net of cash acquired	-	(887)
Collection of loan receivables	3	73
Decrease (increase) in time deposits, net	(305)	(301)
Net cash provided by (used in) investing activities	(24,597)	(38,780)
Financing activities		
Proceeds from debt issued (Original maturities greater than three months)	35,694	80,860
Payment on debt (Original maturities greater than three months)	(42,382)	(35,841)
Short-term debt, net (Original maturities three months or less)	9,200	(36,117)
Repayments of capital lease obligations	(17)	(186)
Sale (purchase) of treasury stock, net	(2)	67
Dividends paid	(27,354)	(27,345)
Other, net	(329)	(1,068)
Net cash provided by (used in) financing activities	(25,190)	(19,630)
Effect of exchange rate change on cash and cash equivalents	3,479	(1,112)
Net increase (decrease) in cash and cash equivalents	(318)	1,576
Cash and cash equivalents, beginning of year	106,259	105,905
Cash and cash equivalents, end of period	¥ 105,941	¥ 107,481

(4) Note to the Going Concern Assumption

None

(5) Business Segment Information

1) Information by Operating Segments

(For Three Months ended June 30, 2016)

Millions of yen

	Construction, Mining and Utility Equipment	Retail Finance	Industrial Machinery and Others	Subtotal	Corporate & elimination	Total
Net sales:						
Customers	343,433	11,305	34,514	389,252	-	389,252
Intersegment	1,733	558	261	2,552	(2,552)	-
Total	345,166	11,863	34,775	391,804	(2,552)	389,252
Segment profit	26,387	1,885	1,708	29,980	(980)	29,000

(For Three Months ended June 30, 2015)

Millions of yen

	Construction, Mining and Utility Equipment	Retail Finance	Industrial Machinery and Others	Subtotal	Corporate & elimination	Total
Net sales:						
Customers	388,951	13,052	44,100	446,103	-	446,103
Intersegment	3,427	761	632	4,820	(4,820)	-
Total	392,378	13,813	44,732	450,923	(4,820)	446,103
Segment profit	42,435	3,765	3,269	49,469	132	49,601

Notes: 1) Komatsu has disclosed information of two operating segments of 1) Construction, Mining and Utility Equipment and 2) Industrial Machinery and Others for fiscal years up through the year ended March 31, 2016. Starting in the three months ended June 30, 2016, and after the reassessment of its management decision-making units, Komatsu is changing to three operating segments of 1) Construction, Mining and Utility Equipment, 2) Retail Finance, and 3) Industrial Machinery and Others. Accordingly, the figures for the three months ended June 30, 2015, were reclassified and restated in agreement with the figures for the three months ended June 30, 2016.

2) 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) Retail Finance

Financing

c) Industrial Machinery and Others

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

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

2) Geographic Information

Net sales determined by customer location were as follows:

(For Three Months ended June 30, 2016 and 2015)

Millions of yen

	Japan	Americas	Europe & CIS	China	Asia* & Oceania	Middle East & Africa	Total
FY2016	75,077	136,870	54,804	26,897	70,932	24,672	389,252
FY2015	85,724	154,835	53,096	24,377	86,795	41,276	446,103

*Excluding Japan and China

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

None

(end)