

Komatsu Ltd.

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Consolidated Business Results for Nine Months of the Fiscal Year Ending March 31, 2022 (U.S. GAAP)

1. Results for Nine Months Ended December 31, 2021

(Amounts are rounded to the nearest million yen)

(1) Consolidated Financial Highlights

Millions of yen except per share amounts

	Nine Months ended December 31, 2021	Nine Months ended December 31, 2020	Changes Increase (Decrease)	
	[A]	[B]	[A-B]	[(A-B)/B]
Net sales	2,014,677	1,513,310	501,367	33.1%
Operating income	223,763	107,536	116,227	108.1%
Income before income taxes and equity in earnings of affiliated companies	224,315	103,359	120,956	117.0%
Net income attributable to Komatsu Ltd.	155,502	65,976	89,526	135.7%
Net income attributable to Komatsu Ltd. per share (Yen)				
Basic	¥164.53	¥69.83	¥94.70	
Diluted	¥164.49	¥69.80	¥94.69	

Note: Comprehensive income for nine months ended December 31, 2021 and 2020

2021: 223,151 millions of yen, up 138.8% from 2020

2020: 93,430 millions of yen, down 6.0% from 2019

(2) Consolidated Financial Position

Millions of yen except per share amounts

	As of December 31, 2021	As of March 31, 2021
Total assets	4,027,377	3,784,841
Total equity	2,186,488	2,012,025
Komatsu Ltd. shareholders' equity	2,063,776	1,912,297
Komatsu Ltd. shareholders' equity ratio	51.2%	50.5%
Komatsu Ltd. shareholders' equity per share (Yen)	¥2,183.22	¥2,023.34

2. Dividends

(For the fiscal years ended March 31, 2021 and ending March 31, 2022)

Yen

	The entire FY ending March 31, 2022		The entire FY ended March 31, 2021
	Results	2022 Projections	
First quarter period			
Second quarter period	40.00		18.00
Third quarter period			
Year-end		40.00	37.00
Total		80.00	55.00

Note: Changes in the projected cash dividend as of January 31, 2022: None

3. Projections for the Fiscal Year Ending March 31, 2022

(From April 1, 2021 to March 31, 2022)

Millions of yen except per share amounts

	2022	
		Changes Increase (Decrease)
Net sales	2,683,000	22.5%
Operating income	282,000	68.5%
Income before income taxes and equity in earnings of affiliated companies	277,000	70.2%
Net income attributable to Komatsu Ltd.	187,000	76.0%
Net income attributable to Komatsu Ltd. per share - Basic (Yen)	¥197.85	

Notes: 1) Changes in the projected consolidated business results as of January 31, 2022: 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, 2021: 973,145,800 shares

As of March 31, 2021: 972,887,610 shares

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

As of December 31, 2021: 27,853,918 shares

As of March 31, 2021: 27,766,444 shares

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

Nine months ended December 31, 2021: 944,148,028 shares

Nine months ended December 31, 2020: 944,121,075 shares

[Reference]

Results for Three Months ended December 31, 2021

Millions of yen except per share amounts

	Three Months ended December 31, 2021	Three Months ended December 31, 2020	Changes Increase (Decrease)	
	[A]	[B]	[A-B]	[(A-B)/B]
Net sales	723,277	555,593	167,684	30.2%
Operating income	87,479	47,194	40,285	85.4%
Income before income taxes and equity in earnings of affiliated companies	87,806	44,829	42,977	95.9%
Net income attributable to Komatsu Ltd.	62,361	28,682	33,679	117.4%
Net income attributable to Komatsu Ltd. per share (Yen)				
Basic	¥65.97	¥30.35	¥35.62	
Diluted	¥65.96	¥30.34	¥35.62	

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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 engaged in the three-year mid-term management plan, “DANTOTSU Value - *FORWARD* Together for Sustainable Growth”, to be completed in the fiscal year ending March 31, 2022. Under the mid-term management plan, Komatsu upholds three pillars of growth strategies of 1) value creation by means of innovation, 2) growth strategies based on business reforms, and 3) structural reforms for growth. Komatsu will continue to make efforts for sustainable growth through a positive cycle of improving earnings and solving ESG issues into the future. Komatsu has also declared its long-term vision of achieving carbon neutrality by 2050.

For the nine-month period (April 1- December 31, 2021) of the fiscal year ending March 31, 2022, the final year of the mid-term management plan, consolidated net sales totaled JPY 2,014.6 billion, up 33.1% from the corresponding period a year ago. In the construction, mining and utility equipment business, demand for both construction and mining equipment was strong around the world, except for China, as the adverse effects of the coronavirus (COVID-19) pandemic shrank from the corresponding period a year ago. Komatsu steadily captured expanding demand for new equipment by capitalizing particularly on cross-sourcing, while experiencing the adverse effects of the tight market of marine transportation and semiconductor shortage. Reflecting increased parts sales and service revenues as well, sales expanded sharply from the corresponding period a year ago. In the industrial machinery and others business, with respect to the businesses of presses, sheet-metal machines, and machine tools, Komatsu improved sales from the corresponding period a year ago, by completing installation work of machinery at overseas customers’ plants, as the governments of related countries eased their regulations on economic activities. Moreover, sales of the Excimer laser-related business expanded, supported by an increase in global demand for semiconductors. As a result, sales advanced sharply from the corresponding period a year ago.

With respect to profits for the nine-month period under review, operating income surged by 108.1% from the corresponding period a year ago, to JPY 223.7 billion. This was mainly due to expanded sales volume and improved selling prices in many regions in the construction, mining and utility equipment business, as well as the Japanese yen's depreciation, which more than offsetted the adverse effects of increased prices of materials and logistical costs. The operating income ratio improved by 4.0 percentage points to 11.1%. Income before income taxes and equity in earnings of affiliated companies expanded by 117.0% to JPY 224.3 billion. Net income attributable to Komatsu Ltd. climbed to JPY 155.5 billion, up 135.7%.

Concerning one of the ESG management targets in its mid-term management plan, Komatsu was selected as a component of the Dow Jones Sustainability Indices World Index again, in November 2021. In December 2021, Komatsu was awarded with a position on the A List for climate change and water security by CDP, the non-profit global environmental disclosure platform.

	Nine Months ended December 31, 2021 1USD=JPY111.0 1EUR=JPY130.6 1RMB=JPY17.2	Nine Months ended December 31, 2020 1USD=JPY106.4 1EUR=JPY122.1 1RMB=JPY15.4	Changes Increase (Decrease)
	[A]	[B]	[(A-B)/B]
Net sales	2,014,677	1,513,310	33.1%
Construction, Mining and Utility Equipment	1,845,520	1,381,765	33.6%
Retail Finance	54,582	49,511	10.2%
Industrial Machinery and Others	131,868	102,007	29.3%
Elimination	(17,293)	(19,973)	-
Segment profit	220,554	108,206	103.8%
Construction, Mining and Utility Equipment	191,886	89,947	113.3%
Retail Finance	13,284	8,176	62.5%
Industrial Machinery and Others	15,075	8,984	67.8%
Corporate & elimination	309	1,099	-
Operating income	223,763	107,536	108.1%
Income before income taxes and equity in earnings of affiliated companies	224,315	103,359	117.0%
Net income attributable to Komatsu Ltd.	155,502	65,976	135.7%

Note: Unless otherwise noted, all sales by segment in this report indicate the amounts before elimination of intersegment transactions.

Business results by operation are described below.

Construction, Mining and Utility Equipment

For the nine-month period under review, sales of the construction, mining and utility equipment business advanced by 33.6% from the corresponding period a year ago, to JPY 1,845.5 billion. Segment profit surged by 113.3% to JPY 191.8 billion.

With respect to the mid-term management plan, specifically, concerning the growth strategy of value creation by means of innovation, Komatsu has worked to strengthen the Autonomous Haulage System (AHS), increasing the total number of AHS mining trucks in operation to 477 units as of December 31, 2021. Komatsu has also advanced efforts to carry out its first deployment of the AHS in Europe in a copper mine in Sweden. In the area of electrification of its equipment, Komatsu embarked on PoC (Proof of Concept) verification tests at customer's jobsites for commercial production of small and medium-sized electric hydraulic excavators. Concerning underground hard rock mining equipment, Komatsu reached a collaboration agreement to receive a supply of lithium-ion battery systems.

Concerning the growth strategies based on business reforms, Komatsu has advanced efforts for its 2-model line strategy for the PC200-10M0 CE series hydraulic excavators which features optimal specs for exclusive use in urban civil engineering work, and has launched the strategy in more countries in Southeast Asia and in China.

In terms of structural reforms for growth, Komatsu built a new factory for seal rings, the parts of an undercarriage component, in its Himi Plant to strengthen its aftermarket business. The new factory is designed to, dynamically improve productivity, to achieve labor saving, and reduce CO₂ emissions by half, when compared with the old factory. To further improve cross-sourcing, through which Komatsu flexibly adjusts its production in response to changes in demand around the world, it reached agreements to make manufacturing subsidiaries wholly

owned in China and strengthened their functions as global export bases.

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

Millions of yen

	Nine Months ended December 31, 2021	Nine Months ended December 31, 2020	Changes Increase (Decrease)	
	[A]	[B]	[A-B]	[(A-B)/B]
Japan	222,716	212,695	10,021	4.7%
Americas	North America	318,974	102,065	32.0%
	Latin America	290,159	88,722	44.0%
	711,198	520,411	190,787	36.7%
Europe & CIS	Europe	123,217	47,856	38.8%
	CIS	139,886	78,753	77.6%
	310,959	201,970	108,989	54.0%
China	71,192	106,106	(34,914)	(32.9%)
Asia* & Oceania	Asia*	86,086	109,423	127.1%
	Oceania	196,604	159,407	23.3%
	392,113	245,493	146,620	59.7%
Middle East & Africa	Middle East	20,060	13,445	67.0%
	Africa	98,985	37,311	60.5%
	132,490	81,734	50,756	62.1%
Total	1,840,668	1,368,409	472,259	34.5%

Note: *Excluding Japan and China

Komatsu's operations by region are described below.

Japan

For the nine-month period under review, demand remained steady in not only public works, but also private-sector construction, as the coronavirus (COVID-19) pandemic had a small impact. As a result, sales increased from the corresponding period a year ago.

Americas

In North America, while demand for construction equipment was sluggish in the energy-related sector, it remained strong in the housing sector, infrastructure development, and the rental industry. Sales of mining equipment also increased, resulting in a substantial gain of sales from the corresponding period a year ago. In Latin America, demand for both construction and mining equipment was strong. Sales of mining equipment advanced mainly to copper mines in Chile, and demand for construction equipment advanced steadily, as economic activities resumed in most countries. As a result, sales expanded from the corresponding period a year ago.

Europe and CIS

In Europe, sales continued to increase firmly from the corresponding period a year ago, supported by steady demand in infrastructure development, not only in the major markets of Germany, the United Kingdom, and France, but also in Italy, supported mainly by the economic stimulus measures of the governments. In CIS, demand for construction equipment was strong in infrastructure development and the energy-related sectors, and sales of mining equipment and parts were also strong, mainly in gold mines. As a result, sales surged from the corresponding period a year ago.

China

Demand had no positive effects of the post-Chinese New Year sales season, as it did in the corresponding period a year ago, because the sales season was pushed back due to the coronavirus (COVID-19) pandemic. Demand also declined due to slack infrastructure development investment. Sales decreased sharply from the corresponding period a year ago, as partly affected by an increased share of sales made by Chinese manufacturers.

Asia and Oceania

In Asia, demand for mining equipment in coal mines was brisk in Indonesia, and that for construction equipment was also strong, mainly in Indonesia and the Philippines. As a result, sales climbed sharply from the corresponding period a year ago. In Oceania, sales advanced, supported by a steady demand for mining equipment in iron ore and coal mines, as well as construction equipment.

Middle East and Africa

In the Middle East, sales expanded sharply from the corresponding period a year ago. This was driven not only by strong demand, which remained for construction equipment in Saudi Arabia, but also reflects an increase in sales, mainly in infrastructure development projects in the United Arab Emirates. In Africa, sales advanced substantially from the corresponding period a year ago, as demand for mining and construction equipment remained strong in Southern Africa and other regions.

Retail Finance

For the nine-month period under review, revenues increased by 10.2% from the corresponding period a year ago, to JPY 54.5 billion, as new contracts increased in tandem with sales growth of construction and mining equipment. Segment profit expanded sharply by 62.5% to JPY 13.2 billion, reflecting improved valuation of equipment after lease use and no more adverse effects of an extension of payments under the coronavirus (COVID-19) pandemic, which impacted profits for the corresponding period a year ago.

Industrial Machinery and Others

For the nine-month period under review, with respect to the businesses of presses, sheet-metal machines, and machine tools, Komatsu improved sales from the corresponding period a year ago, by completing installation work of machinery at overseas customers' plants, as the governments of related countries eased their regulations on economic activities. Moreover, sales of the Excimer laser-related business expanded, supported by an increase in global demand for semiconductors. As a result, sales advanced sharply by 29.3% from the corresponding period a year ago, to JPY 131.8 billion. Segment profit climbed by 67.8% to JPY 15.0 billion.

In November 2021, Komatsu Industries Corp. participated in the MF-TOKYO 2021 Online, introducing its efforts to improve customers' workplace productivity and contribute to promote predictive maintenance of industrial machinery, including the showcasing of Komtrax industrial system, which aims at the digital transformation of the manufacturing industry.

(2) Financial Conditions

As of December 31, 2021, total assets increased by JPY 242.5 billion from the previous fiscal year-end, to JPY 4,027.3 billion, as mainly affected by the Japanese yen's depreciation against the U.S. dollar from the previous fiscal year-end and an increase in inventories. Interest-bearing debt increased by JPY 13.9 billion from the previous fiscal year-end, to JPY 923.9 billion. Komatsu Ltd. shareholders' equity increased by JPY 151.4 billion from the previous fiscal year-end, to JPY 2,063.7 billion. As a result, Komatsu Ltd. shareholders' equity ratio increased by 0.7 percentage points from the previous fiscal year-end, to 51.2%.

For the nine-month period under review, net cash provided by operating activities totaled JPY 184.8 billion, due to net income for the period, while trade notes and accounts receivable and inventories increased. This is a decrease of JPY 54.5 billion from the corresponding period a year ago. Net cash used in investing activities amounted to JPY 104.1 billion, a decrease of JPY 22.4 billion, mainly due to the purchase of fixed assets. Net cash used in financing activities amounted to JPY 56.5 billion, (as compared to JPY 147.3 billion used for the corresponding period a year ago), mainly due to the repayment of debt and payment of cash dividends. After adding the effects of foreign exchange fluctuations to the total amount of each cash flow, as of December 31, 2021, cash and cash equivalents totaled JPY 271.0 billion, an increase of JPY 29.2 billion from the previous fiscal year-end.

(3) Projection for the Fiscal Year Ending March 31, 2022

(From April 1, 2021 to March 31, 2022)

Komatsu makes no change in the projection of October 28, 2021, concerning consolidated business results for the fiscal year ending March 31, 2022, which are shown on page 2 of this report.

(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
 - a) Changes resulting from revisions in accounting standards, etc.: None
 - b) Changes in other matters except for a) 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 December 31, 2021		As of March 31, 2021	
		Ratio (%)		Ratio (%)
Current assets				
Cash and cash equivalents	¥ 271,035		¥ 241,803	
Time deposits	2,274		1,324	
Trade notes and accounts receivable, net	852,307		820,698	
Inventories	901,348		793,852	
Other current assets	163,658		131,615	
Total current assets	2,190,622	54.4	1,989,292	52.6
Long-term trade receivables, net	480,015	11.9	446,860	11.8
Investments				
Investments in and advances to affiliated companies	40,080		39,286	
Investment securities	8,709		8,236	
Other	3,291		2,511	
Total investments	52,080	1.3	50,033	1.3
Property, plant and equipment				
- less accumulated depreciation and amortization	792,257	19.6	787,373	20.8
Operating lease right-of-use assets	57,337	1.4	57,930	1.5
Goodwill	175,695	4.4	170,687	4.5
Other intangible assets				
- less accumulated amortization	163,571	4.1	168,981	4.5
Deferred income taxes and other assets	115,800	2.9	113,685	3.0
Total	¥ 4,027,377	100.0	¥ 3,784,841	100.0

Liabilities and Equity

Millions of yen

	As of December 31, 2021		As of March 31, 2021	
		Ratio (%)		Ratio (%)
Current liabilities				
Short-term debt	¥ 238,782		¥ 271,462	
Current maturities of long-term debt	285,175		98,004	
Trade notes, bills and accounts payable	286,998		258,316	
Income taxes payable	42,480		26,858	
Current operating lease liabilities	15,361		15,882	
Other current liabilities	337,467		322,347	
Total current liabilities	1,206,263	30.0	992,869	26.2
Long-term liabilities				
Long-term debt	400,007		540,517	
Liability for pension and retirement benefits	98,584		104,083	
Long-term operating lease liabilities	40,623		39,982	
Deferred income taxes and other liabilities	95,412		95,365	
Total long-term liabilities	634,626	15.7	779,947	20.6
Total liabilities	1,840,889	45.7	1,772,816	46.8
Komatsu Ltd. shareholders' equity				
Common stock	69,393		69,037	
Capital surplus	149,098		135,835	
Retained earnings:				
Appropriated for legal reserve	47,720		47,378	
Unappropriated	1,833,259		1,750,914	
Accumulated other comprehensive income (loss)	13,612		(42,012)	
Treasury stock	(49,306)		(48,855)	
Total Komatsu Ltd. shareholders' equity	2,063,776	51.2	1,912,297	50.5
Noncontrolling interests	122,712	3.1	99,728	2.7
Total equity	2,186,488	54.3	2,012,025	53.2
Total	¥ 4,027,377	100.0	¥ 3,784,841	100.0

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

Nine months ended December 31, 2021 and 2020

Consolidated Statements of Income

Millions of yen except per share amounts

	Nine Months ended December 31, 2021		Nine Months ended December 31, 2020	
		Ratio (%)		Ratio (%)
Net sales	¥ 2,014,677	100.0	¥ 1,513,310	100.0
Cost of sales	1,455,007	72.2	1,109,060	73.3
Selling, general and administrative expenses	339,116	16.8	296,044	19.6
Other operating income (expenses), net	3,209	0.2	(670)	(0.0)
Operating income	223,763	11.1	107,536	7.1
Other income (expenses), net				
Interest and dividend income	3,416	0.2	3,476	0.2
Interest expense	(9,113)	(0.5)	(10,566)	(0.7)
Other, net	6,249	0.3	2,913	0.2
Total other income (expenses), net	552	0.0	(4,177)	(0.3)
Income before income taxes and equity in earnings of affiliated companies	224,315	11.1	103,359	6.8
Income taxes	61,789	3.1	30,946	2.0
Income before equity in earnings of affiliated companies	162,526	8.1	72,413	4.8
Equity in earnings of affiliated companies	2,406	0.1	2,174	0.1
Net income	164,932	8.2	74,587	4.9
Less: Net income attributable to noncontrolling interests	9,430	0.5	8,611	0.6
Net income attributable to Komatsu Ltd.	¥ 155,502	7.7	¥ 65,976	4.4
Net income attributable to Komatsu Ltd. per share (Yen)				
Basic	¥ 164.53		¥ 69.83	
Diluted	¥ 164.49		¥ 69.80	

Consolidated Statements of Comprehensive Income

Millions of yen

	Nine Months ended December 31, 2021	Nine Months ended December 31, 2020
Net income	¥ 164,932	¥ 74,587
Other comprehensive income (loss), for the period, net of tax		
Foreign currency translation adjustments	54,861	17,626
Pension liability adjustments	2,241	827
Net unrealized holding gains (losses) on derivative instruments	1,117	390
Total other comprehensive income (loss), for the period, net of tax	58,219	18,843
Comprehensive income	223,151	93,430
Less: Comprehensive income attributable to noncontrolling interests	12,038	11,684
Comprehensive income attributable to Komatsu Ltd.	¥ 211,113	¥ 81,746

Three months ended December 31, 2021 and 2020

Consolidated Statements of Income

Millions of yen except per share amounts

	Three Months ended December 31, 2021		Three Months ended December 31, 2020	
		Ratio (%)		Ratio (%)
Net sales	¥ 723,277	100.0	¥ 555,593	100.0
Cost of sales	522,446	72.2	409,248	73.7
Selling, general and administrative expenses	115,097	15.9	98,896	17.8
Other operating income (expenses), net	1,745	0.2	(255)	(0.0)
Operating income	87,479	12.1	47,194	8.5
Other income (expenses), net				
Interest and dividend income	1,281	0.2	1,062	0.2
Interest expense	(3,364)	(0.5)	(3,160)	(0.6)
Other, net	2,410	0.3	(267)	(0.0)
Total other income (expenses), net	327	0.0	(2,365)	(0.4)
Income before income taxes and equity in earnings of affiliated companies	87,806	12.1	44,829	8.1
Income taxes	23,092	3.2	13,848	2.5
Income before equity in earnings of affiliated companies	64,714	8.9	30,981	5.6
Equity in earnings of affiliated companies	921	0.1	985	0.2
Net income	65,635	9.1	31,966	5.8
Less: Net income attributable to noncontrolling interests	3,274	0.5	3,284	0.6
Net income attributable to Komatsu Ltd.	¥ 62,361	8.6	¥ 28,682	5.2
Net income attributable to Komatsu Ltd. per share (Yen)				
Basic	¥ 65.97		¥ 30.35	
Diluted	¥ 65.96		¥ 30.34	

Consolidated Statements of Comprehensive Income

Millions of yen

	Three Months ended December 31, 2021	Three Months ended December 31, 2020
Net income	¥ 65,635	¥ 31,966
Other comprehensive income (loss), for the period, net of tax		
Foreign currency translation adjustments	44,203	11,120
Pension liability adjustments	454	340
Net unrealized holding gains (losses) on derivative instruments	175	138
Total other comprehensive income (loss), for the period, net of tax	44,832	11,598
Comprehensive income	110,467	43,564
Less: Comprehensive income attributable to noncontrolling interests	6,579	4,369
Comprehensive income attributable to Komatsu Ltd.	¥ 103,888	¥ 39,195

(3) Consolidated Statements of Cash Flows

Millions of yen

	Nine Months ended December 31, 2021	Nine Months ended December 31, 2020
Operating activities		
Net income	¥ 164,932	¥ 74,587
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	99,054	98,266
Deferred income taxes	(5,450)	(2,470)
Impairment loss and net loss (gain) on valuation of investment securities	(245)	16
Net loss (gain) on sale of fixed assets	(2,942)	(239)
Loss on disposal of fixed assets	1,944	1,730
Pension and retirement benefits, net	(4,778)	(1,650)
Changes in assets and liabilities:		
Decrease (increase) in trade receivables	(28,094)	39,646
Decrease (increase) in inventories	(84,392)	(15,889)
Increase (decrease) in trade payables	22,990	(3,212)
Increase (decrease) in income taxes payable	15,653	887
Other, net	6,194	47,710
Net cash provided by (used in) operating activities	184,866	239,382
Investing activities		
Capital expenditures	(123,821)	(137,239)
Proceeds from sale of fixed assets	21,754	10,520
Proceeds from sale of investment securities	242	21
Purchases of investment securities	(613)	(601)
Acquisition of subsidiaries and equity investees, net of cash acquired	-	(1,717)
Other, net	(1,667)	2,461
Net cash provided by (used in) investing activities	(104,105)	(126,555)
Financing activities		
Proceeds from debt issued (Original maturities greater than three months)	338,977	564,126
Payment on debt (Original maturities greater than three months)	(370,555)	(576,116)
Short-term debt, net (Original maturities three months or less)	22,669	(76,556)
Dividends paid	(72,815)	(53,878)
Proceeds from issuance of subsidiary's shares	30,440	-
Other, net	(5,301)	(4,900)
Net cash provided by (used in) financing activities	(56,585)	(147,324)
Effect of exchange rate change on cash and cash equivalents	5,056	3,938
Net increase (decrease) in cash and cash equivalents	29,232	(30,559)
Cash and cash equivalents, beginning of year	241,803	247,616
Cash and cash equivalents, end of period	¥ 271,035	¥ 217,057

(4) Note to the Going Concern Assumption

None

(5) Business Segment Information**1) Information by Operating Segments****Nine Months ended December 31, 2021 and 2020****(For Nine Months ended December 31, 2021)**

Millions of yen

	Construction, Mining and Utility Equipment	Retail Finance	Industrial Machinery and Others	Subtotal	Corporate & elimination	Total
Net sales:						
Customers	1,840,668	43,565	130,444	2,014,677	-	2,014,677
Intersegment	4,852	11,017	1,424	17,293	(17,293)	-
Total	1,845,520	54,582	131,868	2,031,970	(17,293)	2,014,677
Segment profit	191,886	13,284	15,075	220,245	309	220,554

(For Nine Months ended December 31, 2020)

Millions of yen

	Construction, Mining and Utility Equipment	Retail Finance	Industrial Machinery and Others	Subtotal	Corporate & elimination	Total
Net sales:						
Customers	1,368,409	43,688	101,213	1,513,310	-	1,513,310
Intersegment	13,356	5,823	794	19,973	(19,973)	-
Total	1,381,765	49,511	102,007	1,533,283	(19,973)	1,513,310
Segment profit	89,947	8,176	8,984	107,107	1,099	108,206

Three Months ended December 31, 2021 and 2020

(For Three Months ended December 31, 2021)

Millions of yen

	Construction, Mining and Utility Equipment	Retail Finance	Industrial Machinery and Others	Subtotal	Corporate & elimination	Total
Net sales:						
Customers	659,035	14,659	49,583	723,277	-	723,277
Intersegment	1,122	2,944	590	4,656	(4,656)	-
Total	660,157	17,603	50,173	727,933	(4,656)	723,277
Segment profit	73,266	5,439	6,477	85,182	552	85,734

(For Three Months ended December 31, 2020)

Millions of yen

	Construction, Mining and Utility Equipment	Retail Finance	Industrial Machinery and Others	Subtotal	Corporate & elimination	Total
Net sales:						
Customers	504,095	14,760	36,738	555,593	-	555,593
Intersegment	1,120	1,999	331	3,450	(3,450)	-
Total	505,215	16,759	37,069	559,043	(3,450)	555,593
Segment profit	37,730	3,494	4,882	46,106	1,343	47,449

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, underground mining equipment, 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 optical machinery

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, 2021 and 2020)

Millions of yen

	Japan	Americas	Europe & CIS	China	Asia* & Oceania	Middle East & Africa	Total
FY2021	278,868	757,368	324,316	98,791	422,231	133,103	2,014,677
FY2020	263,344	566,798	210,637	119,780	270,758	81,993	1,513,310

Note: * Excluding Japan and China

(For Three Months ended December 31, 2021 and 2020)

Millions of yen

	Japan	Americas	Europe & CIS	China	Asia* & Oceania	Middle East & Africa	Total
FY2021	108,824	272,459	107,470	32,235	158,428	43,861	723,277
FY2020	94,632	208,518	78,412	40,776	100,038	33,217	555,593

Note: * Excluding Japan and China

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

None

(end)