

FAQ : Results for the First 3-Month Period (April - June, 2015) of FY2015

**Q1: Please update us with the first quarter sales in light of full-year results which you have projected.**

**A1: In the construction, mining and utility equipment business segment, both demand and sales were lower than anticipated in China, Oceania and some other regions, but we believe that we have started the new fiscal year generally as anticipated, thanks to the Japanese yen depreciated more than assumed. In the industrial machinery and others business segment, our overall performance has been how we anticipated.**

**Q2: How about current and future demand for mining equipment?**

**A2: Against the backdrop of mineral prices declining and remaining sluggish, we have not seen any change in overall restraints in capital investment, and we believe we can paint the same picture into FY2016. In spite of such a picture, we are receiving new inquiries and are engaging in negotiations.**

**Q3: How about current and future demand in China?**

**A3: When we developed our projection of full-year demand for seven major products, we projected that demand would decline by 20 to 25% from FY2014. However, it dropped by 50% in the first quarter from the first quarter of FY2014, a lot lower than our projection. We believe it was affected by virtually no buoyant demand in the post Chinese New Year sales season this year, very unusual compared to the past. Therefore, we expect that drop of demand will become smaller in the second quarter and onward. Although we are not witnessing signs of market recovery, we are going to closely monitor the market conditions, as we look forward to a possibility that the Chinese government might reinforce its economic stimulus measures in the future.**

**(end)**